

# a year in review

## 2008-09



Rob Derricott, BAASL, Newcastle-under-Lyme, North Staffordshire

# Advantage West Midlands

The regional development agency for the West Midlands region

Advantage West Midlands is the regional development agency (RDA) for the West Midlands region – one of nine RDAs in England established to transform English regions through sustainable economic development.

Since 1999 we have been working to build a stronger West Midlands region, delivering real benefit to our businesses and communities. Successful economic development is business-driven – we therefore focus our resources on helping businesses which have the potential to grow our economy, improving the places in which they operate and supporting the people who comprise the region's workforce.

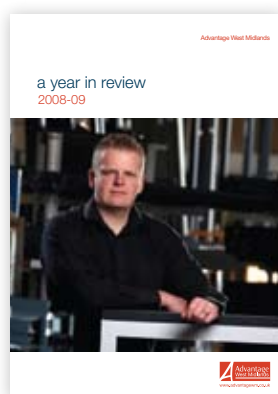
In 2007 we led the work to analyse the regional economy and to develop and publish a three year **West Midlands Economic Strategy (WMES)**. The WMES is a roadmap for our region's economic development. We work alongside a wide range of organisations in the public, private and third sectors to deliver this strategy, building upon our region's many strengths and developing solutions which address its unique challenges.

Our own contribution to the delivery of the WMES is outlined in our **Corporate Plan 2008-11**. In delivering this plan we seek solutions which are economically, socially and environmentally sustainable and work to ensure the needs of both our urban and rural areas are met.

Our regional role ensures we have the access to resources and the capacity needed to tackle the region's most challenging regeneration and development needs. We also have the flexibility to respond swiftly to changing circumstances or to economic shocks, from the closure of MG Rover in 2005 through to the current recession.

The better our performance, the better the support we are able to provide to the region – one of the reasons why Advantage West Midlands is committed to a programme of continuous improvement. Our efforts are being rewarded – in 2008-09 we were finalists in the Midlands Excellence Awards and achieved re-accreditation against the Investors in People (IiP) standard. We're very proud of both achievements.

The purpose of this Annual Review is to update you on our progress against our Corporate Plan, to share with you a few examples of the projects and activities we've been engaged in, and the investments we've made in the West Midlands, over the last financial year.



Rob Derricott is Works Manager at **Bennett Architectural Aluminium**, a leading supplier of architectural aluminium systems based in Newcastle-under-Lyme, North Staffordshire.

Rob, who has worked at the company for 13 years and has been promoted five times during that period, is currently enrolled on the **Graduate Works** programme.

Graduate Works, which has been run as a pilot in North Staffordshire by **North Staffordshire Chamber of Commerce**, helps employees with high potential to develop their personal and professional skills through a series of workshops and individual coaching sessions.

The project is part of a range of interventions funded by Advantage West Midlands through the **Regional Skills Partnership** to attract and retain graduates and other high quality employees in the region.





Jo Beckwith-Miller (pictured) heads the kitchen team at **Concept Conferencing** in Birmingham. Jo is registered blind.

Concept Conferencing is a social enterprise development located within the **Royal National Institute for the Blind (RNIB)** offices in Birmingham city centre. The centre offers flexible meeting, conferencing and training facilities and prides itself on its locally produced, high quality catering.

Concept Conferencing, through **Business Link West Midlands**, received advice and support on training for skills development and marketing to generate a commercial income.

Concept, whose clients include **Birmingham City Council**, various **NHS** departments and the **Environment Agency**, is now working with other third sector providers to encourage more commercial clients to use the services of social enterprises.

# chairman's statement

Nick Paul

“Together we've learnt the value of working as one region, aligning our collective resources, focusing our efforts on minimising the impact of economic shocks on our businesses and on our communities while still building for our future. The value of investing in and being an active part of Team West Midlands.”



At the outset of 2008-09 none of us could have anticipated what a tough year was ahead.

Although we all saw the warning signs with the collapse of the sub prime market as early as April 2008, it was August - when bad news from French bank BNP Paribas triggered a sharp rise in the cost of credit – before the financial world realised just how serious the situation was. It was at this point that the phrase credit crunch entered our every day conversations. A word which would soon be replaced with recession.

In the last three months of the financial year, the region saw the fastest decline in business activity of any English region. We also experienced the most significant job shedding of any UK region over the same period.

It became immediately obvious that our long-standing reliance on manufacturing would place our region's economy at greater risk than many of the other UK regions.


Manufacturing continues to be the worst affected sector by some margin, with automotive remaining a

particular concern. While manufacturing's share of total employment is likely to continue to contract, it will remain an important part of the regional economy, accounting as it does for 17% of regional GVA (Gross Value Added). High-value manufacturing, in particular, will continue to be important for the future prosperity of the region.

‘manufacturing will remain an important part of the regional economy’

That said, the global nature of the economic crisis meant the resulting shockwaves would be felt across all areas and all sectors, complicating the response needed.

Experience told us that no single intervention could be delivered or perfect solution found which could achieve the scale of impact needed to turn this situation around.



What we did know about the challenge before us we'd learnt from the lessons of our region's recent past. From MG Rover to Peugeot, from Royal Doulton to Wedgwood – the West Midlands has learnt the true value of team work in the face of adversity.

Together we've learnt the value of working as one region, aligning our collective resources, focusing our efforts on minimising the impact of economic shocks on our businesses and on our communities while still building for our future. Together we've begun to appreciate the return we can achieve when we invest, and play an active role, in Team West Midlands.

It is this knowledge which we applied when shaping our region's response to this economic downturn. We knew we couldn't stop the recession taking its inevitable toll, but we knew that coordinated effort and combined resources would result in a more effective response.

'From MG Rover to Peugeot, from Royal Doulton to Wedgwood, the West Midlands has learned the true value of team work.'

When Ian Austin took up the post of Regional Minister in October 2008, his first move was to establish the West Midlands Taskforce. Brought together to ensure public sector agencies and business support organisations in the region worked together to minimise the immediate and long term impact of the current economic downturn, Advantage West Midlands took up the lead role and Team West Midlands stepped up to the challenge.

For the remainder of the year we've worked together to ensure the regional response and our corporate response to the economic crisis has been two-fold – taking immediate action to ensure survival and maintaining a focus on building for a stronger future.

Both responses have been based on evidence and insight – from the evidence upon which we based the WMES, our understanding of the regional, national and global economic picture and feedback from our businesses and communities.

Over the past 12 months we have given evidence to both the West Midlands and BIS (Department of Business Innovation and Skills, formerly the Department for Business, Enterprise and Regulatory Reform) Select Committees, the latter of which concluded that there

is broad support for a business-led, public body operating between national and local level on economic development issues. Our ability to co-ordinate an effective regional response to the downturn has further reinforced this support and belief in our role.

In light of the inevitable contracting of public sector resources – following Government intervention in the banking infrastructure and increased investment in public spending – late in 2008 Government asked for advice on the region's priorities. Once again we demonstrated just how well, as a region, we can work together.

Advantage West Midlands, our local authority partners, the Homes and Communities Agency, the Learning and Skills Council and the Highways Agency all worked together to collectively prioritise our future spending – once again ensuring available resources are focused to areas where the greatest impact can be made.

As a result we identified 20 impact investment locations across the region; locations where many strands of public funding will come together to effect a more significant impact on jobs and business support.

'No organisation working in isolation can effect the kind of change needed to secure the region's future.'

Following Advantage West Midlands' £100 million investment into the New Street Station project – the largest single investment made by any RDA – I was particularly pleased to see both New Street Station and Birmingham International Airport on the list. Both are vital business and visitor gateways to our region.

It is exactly this kind of joined up thinking and partnership working that will secure our region's continuing economic development – and as I prepare to hand over the mantle of Chairman to Sir Roy McNulty – it is this regional development, and Advantage West Midlands' role at its forefront, of which I feel most proud.



# chief executive's statement

Mick Laverty

When developing our Corporate Plan back in 2008, we set ourselves some challenging objectives, from helping our region's businesses seize vital market opportunities through to improving our region's infrastructure. Delivery against these challenges while supporting the region through the recession has resulted in, undoubtedly, our most demanding year yet.

We began the year focused on increasing regional wealth. Ensuring our regional businesses were in the best position to win profitable new orders was a priority.

We invested in our Cluster Programme, supporting 13 priority regional clusters, or sectors, from aerospace to manufacturing – supporting businesses in our region operating in those sectors to increase West Midlands penetration of existing attractive markets, capturing our share of developing, growth and high-value markets.

The knowledge that the region needed to build upon existing strengths in its businesses and its people and target resources to where it could develop or maintain a distinctive competitive position, focused our minds and our activities.

We worked with partners to increase business engagement in global markets – launching an International Business Plan and in early 2008 establishing an International Business Forum. All focused on ensuring better co-ordinated international engagement activity strengthening trade links, increasing inward investment and supporting our clusters and higher education establishments.

We also recognised the importance of using the region's strengths in engineering, science and technology to develop a low-carbon economy. We were proud to be the first regional development agency to balance the need to develop our region's economic performance with the need for positive environmental stewardship, and made further commitment to moving this agenda forward through the creation of a sustainable development action plan and low-carbon economy programme.

We also continued our work to improve transport and communications, improve our infrastructure and regenerate our most deprived communities. The bar was set high, the challenge a formidable one.

Then came the recession. Officially announced in January 2009 following two consecutive quarters of negative economic growth. Real, and impacting on our businesses and communities many months earlier. The 2008-09 story for the region was about to change. Dramatically.

Advantage West Midlands' first response was to pull together a £64 million support package, announced at the launch of our regional Economic Outlook Report in September 2009 – a meeting hosted by the then Regional Minister Liam Byrne, attended by Prime Minister Gordon Brown.

The support package included a £9 million investment in the Advantage Transition Bridge Fund – a fund deployed so effectively in response to the 2005 MG Rover closure and increased investment in Manufacturing Advisory Service West Midlands (MAS-WM) and Business Link West Midlands.

We also launched a support signposting campaign to ensure businesses and individuals affected could access national and regional support available. The campaign – running since January 2009 – shares a reassuring 'support is available' message, promotes a new West Midlands support signposting website - [www.supportwm.co.uk](http://www.supportwm.co.uk) - and provides contact details for key support agencies from Business Link West Midlands through to the Learning and Skills Council.

Throughout this year it has been my priority to ensure that the region and Advantage West Midlands strike the right balance between responding to the new challenges thrown up by the current economic downturn and maintaining our focus on the existing structural issues we articulated so clearly in the West Midlands Economic Strategy (WMES). All the issues we identified within the WMES remain – many now worsened by the effects of the recession.

The recent National Impact Evaluation study, published by PricewaterhouseCoopers on behalf of the BIS (formally BERR), shows Advantage West Midlands generates an overall benefit to the region of £7.45 for every £1 we invest - robust evidence of our performance in leading the delivery of the West Midlands Economic Strategy. It is this impact on GVA (Gross Value Added) and, in turn, the positive impact on our region's businesses and communities that will be the real indication of our performance in future years.

'we knew where to put resources – because we know what is working'

In the coming months, maintaining the right focus and level of investment against a backdrop of cuts in public sector spending is clearly going to be difficult for us all. 2009-10 will bring with it yet more challenges and many difficult decisions. As is the case with all regional development agencies, we've been asked by Government to review our Corporate Plan activities to demonstrate how we intend to balance the need to support the region during the recession with our longer term plans to ensure the region is prepared for the eventual upturn.

“Throughout this year it has been my priority to ensure that the region and Advantage West Midlands strike the right balance between responding to the new challenges thrown up by the current economic downturn and maintaining our focus on the existing structural challenges we articulated so clearly in the West Midlands Economic Strategy.”



I am committed to further developing our partnerships with national and local government, business representative organisations, Government Office, government agencies, the voluntary and community sector and the many businesses in the region. I also look forward to continuing to work alongside those partners on the shadow Joint Strategy and Investment Board with whom we developed the regional funding advice for government – the Homes and Communities Agency, the Learning and Skills Council and the Highways Agency.

The creation of a Joint Strategy and Investment Board was our region's response to Government's desire to see regional development agencies and local authority leader boards' work together to develop and submit Regional Integrated Strategies. The Board, comprising local authority leaders and Advantage West Midlands Board members, oversaw this year's regional funding advice exercise and will play a key role in the development and implementation of our regional change management programme.

Over the coming months we will be working with partners to begin scenario planning and visioning for the Single Integrated Regional Strategy (SIRS), develop its evidence base and further commissions relating to sub-regional working and strategic investment planning.

We have to be realistic about the resources we now have available, clear about the way we collectively use those resources and optimistic about what we can achieve with them.

Regardless of the emerging picture, you can be assured I remain committed to leading an organisation determined to continue to develop long term economic prosperity for the West Midlands. You can remain confident that Advantage West Midlands is making a difference and that we are committed to being here for the long haul.

None of us can be certain what the future holds. What you can be certain of is Advantage West Midlands unerring support. You can be certain of our commitment to building a stronger West Midlands - a region proud to compete on the global stage. A region proud to be the true Heart of England.

# working together to help business


we're building a diverse and dynamic business base



Neil Farrow (pictured) is Chief Operating Officer at **NanoTherics**, a spin out company of the **University of Keele**.

NanoTherics has developed patented technology which uses nanoparticles and magnetic fields to facilitate the delivery of DNA into living cells. The technology is used by research laboratories, both in the pharmaceutical and biotechnology industries and academia, for research into conditions such as cystic fibrosis.

The company has received investment from the **Mercia Technology Seed Fund** and a **Grant for Research and Development (GRD)**, both part of a range of finance initiatives offered by Advantage West Midlands.



Long before the global economic crisis - and resulting UK recession - began to impact on the region, feedback from business indicated that access to high quality business support and, in particular, support in accessing key markets and sectors was vital to their long term viability. As the true scale of the economic crisis became apparent, it was clear increased support for our businesses would be vital for our region's long term future. Our response has been comprehensive.

### improving competitiveness

Understanding that traditional routes to funding would be harder for our business community to access, and in striving to ensure that business innovation, entrepreneurship and growth were not adversely affected by lack of appropriate funding, Advantage West Midlands stepped in to re-instate the **Advantage Transition Bridge Fund**.

The fund, previously proven to be effective when first deployed in minimising the impact of the closure of MG Rover back in 2005, was given a £9 million funding injection. By the end of March 2009, 47 businesses had received offers of loans totalling £7.85 million, 37 of those businesses had drawn down £5.8 million against the offers made – safeguarding 3,080 jobs.

This formed a key part of the package of £64 million in economic initiatives made available by Advantage West Midlands in the summer of 2008.

Through the same package, we increased our investment into capital investment grant support for small and medium sized businesses throughout the region via the **Grant for Business Investment (GBI)** scheme (previously referred to as **Selective Finance for Investment in England**).

We also removed the scheme's £100,000 grant limit for SMEs throughout the region, enabling companies to expand, modernise, boost productivity and create jobs. £8.85 million of GBI was paid out to companies in 2008-09, safeguarding 248 jobs, with over 1440 jobs forecast to be created.

In response to a decrease in the number of traditional graduate level jobs available in the region due to the recession, a number of measures were put into place. These included a programme to enable graduates to start up their own businesses and a wage subsidy for the region's graduate placement service.

2008-09 also saw Advantage West Midlands increase investment in the ongoing **Business Link West Midlands** success story. Following the streamlining of the service back in April 2007, this year saw the new service achieve a 60% increase in West Midlands businesses receiving intensive support.

We also increased our investment in the **Manufacturing Advisory Service in the West Midlands (MAS-WM)** - a service dedicated to making a difference to manufacturing in the region.

The Agency has also led the way nationally in ensuring that the issues around under-representation in enterprise are addressed through the establishment of four **Centres of Expertise (COEs)** for Women, Minority Ethnic, Young People and Social Enterprise. Over the next two to three years, the centres will assist Advantage West Midlands to develop appropriate business support and enterprise policy.

Social enterprise is becoming an increasingly important business sector in the region and in February 2009 we partnered with the **Social Enterprise Coalition** to bring the flagship **Voice 09** conference to the region.

The Agency also supported **Regional Action West Midlands** to map the economic footprint of the voluntary and community sector (VCS) in the West Midlands. This showed that there are almost 14,500 VCS organisations in the region, with a total income of £3.3bn, employing over 47,000 people.

The **Rural Enterprise Grant (REG)** is a small capital grants programme funded under **Rural Development Programme for England (RDPE)**. The grant programme is managed regionally by **Herefordshire Council**.

The programme funds diversification activity for land-based businesses and for rural micro-businesses across the region, with a focus on food and drink, tourism and environmental technologies.

REG was launched in October 2008 and as of March 2009 investment support has been provided to 18 farmers and rural businesses and £2.5 million of grant funding has been requested by eligible applicants.

### seizing market opportunities

Alongside increased support for the manufacturing sector we have also increased our support for other sectors through our **Business Cluster Programme**, a programme created to exploit markets identified as providing the best prospects for sustained market share and the creation of wealth and jobs.

2008-09 saw the eagerly awaited launch of **4iP** in the West Midlands, a £10 million creative pilot fund – supported by Advantage West Midlands through the **Digital media cluster, Screen WM and Channel 4** - that aims to re-invent how publicly valuable media content is conceived, funded and delivered.

Advantage West Midlands support also continued for the **Automotive Cluster**, via investment in the £80 million programme to encourage West Midlands automotive companies to conduct further research and development into low carbon vehicle technologies, and the £12.5 million **Centre of Excellence in Lightweight Vehicle Technologies**. It's clear to see why the cluster programme is generating such impressive results for the region.

As the recent National Impact Evaluation exercise has shown, our cluster programme is proving to be one of our most successful delivery vehicles. The evaluation study clearly shows we're generating a return of £7.60 (in terms of regional GVA (Gross Value Added)) for every £1 invested in the programme.

The pressure on our region to remain competitive increases daily. The competition to attract new businesses and investment to the region is intense, but our continued efforts ensure that we provide the right support and conditions to encourage overseas companies to locate here.

The **Bridge to Growth** programme, an innovative West Midlands initiative through which potential overseas investors are offered access to a package of free business set up support, continued to roll out through 2008-09 via a series of overseas and UK events. In total more than 600 individuals were engaged at overseas Bridge to Growth events and more than 60 in the UK, resulting in 12 companies relocating to the region.

**UK Trade and Investment** figures for 2007-08 announced in 2008 revealed that 112 projects had created over 4,600 new jobs and safeguarded some 25,500 existing jobs here in the West Midlands.

That puts the West Midlands – led by the Advantage West Midlands Inward Investment Team - at the top of the national inward investment league table - the best performing region in the country.

It is this joined up, regional approach which is really paying dividends. The work to attract **LED Autolamps (Europe) Ltd**, an Australian owned operation, to the region - and in doing so secure the resulting 22 new jobs – involved, amongst others, our own Inward Investment Team, **Locate in Birmingham, Martineau Johnson, Tenon, MIRA** and **BT's** local business team. A real Team West Midlands effort.

It is not just the overseas markets which offer new investment opportunities – some are available a little closer

to home. The **WRAP AWM** programme is an excellent example of how the region is responding to changing economic circumstances and discovering new and exciting investment opportunities as a result.

Escalating waste costs pose a serious economic risk to businesses and local authorities but this new initiative means West Midlands recycling firms can now benefit from new funding and business development services as part of a West Midlands support programme worth nearly £5 million.

The West Midlands produced the country's first low carbon regional economic strategy, the **West Midlands Economic Strategy**, and the WRAP AWM initiative shows how we are making the low carbon agenda a regional priority.

### **harnessing knowledge**

During the 2007 consultation on the West Midlands Economic Strategy, businesses also told us they needed better access to the region's knowledge base. In order to truly compete on an international stage we know our businesses need to embrace new ideas, new thinking and keep pace with the march of technology.

To support this aspiration we're exploiting the region's centres of world-class scientific research and encouraging collaboration between our universities and crucially between our universities and businesses – the **Birmingham Science City** project is just one such example.

Through this initiative, a three-year £80 million funding programme investing in collaborative activity in the areas of materials, energy and translational medicine, we invested in the **Universities of Warwick and Birmingham**, providing just under £20 million to encourage the development of world-class medical research undertaken at both institutions into practical applications for patient care.

Drawing together industry, business, education and the public sector, establishing the West Midlands region as a centre for world-class scientific research, the two Universities are leading work to take research from basic science into new treatments for patients everywhere.

Exciting, life-changing world-class research is being conducted right here in the West Midlands.

Vital research which has the potential to further strengthen our regional offer, encouraging and improving knowledge transfer with our region's businesses, improving our region's ability to compete.

And, at a smaller but equally important level, the **INDEX voucher scheme** is also making the vital link between regional universities and businesses by offering vouchers to SMEs to purchase academic support for an innovation. In 2008-09, 120 vouchers were awarded, totalling £454,152.

we're working together to help business

The £50 million **Digital Lab**, based at the **University of Warwick**, aims to help facilitate the transfer of knowledge between academia and industry.

The state-of-the-art lab, run by **Warwick Manufacturing Group** with funding from Advantage West Midlands, offers outstanding facilities for research, education and knowledge transfer activities including teaching and demonstration facilities plus an array of specialist research labs.

Paul Hung (pictured) is MD of **ACTatek**, a leading manufacturer and developer of time attendance and payroll systems using fingerprint, smart card and PIN technologies, with offices across the world, including Birmingham.



# working together to support people


we're promoting a learning and skilful region

**Routes to Opportunity (R2O)** was set up to help Black and Minority Ethnic (BME) not-for-profit organisations to bid for public service contracts. The programme is managed by **b:RAP** (formerly Birmingham Race Action Partnership) on behalf of Advantage West Midlands.

Lee Blake (pictured) is Managing Director of Birmingham-based T-shirt and clothing company **50Fifty**. The company received support from the R2O programme and as a result has set up **Made by Young People**, a community interest company.

**Nationwide Learning UK** is the second franchise to see the benefits of teaching practical design and enterprise to young people facing social exclusion.





If we are to continue to attract the employers who will bring high technology jobs to the West Midlands, we need to ensure our workforce has the skills required. Key to this is the need to raise the aspirations of individuals, and leaders and managers in the region to improve both themselves and their businesses.

### raising ambitions and aspirations

Advantage West Midlands leads the work of the **West Midlands Regional Skills Partnership**, a partnership which brings together employers, funders and training providers to align the supply of skills with the needs of the region.

We know that attracting graduates to the region and encouraging those who study here to stay is key to our region's future. Although available evidence indicates graduate recruitment into the public and voluntary sectors is in line with the national average, there still remains a significant deficit in the flow of graduates into the private sector versus what is required.

In response to this a number of initiatives have been extended and initiated in 2008-09. Starting with a directory of graduate level jobs, **First Move West Midlands**, a vital tool for graduates looking for work in the region.

In addition, an independent recruitment service, **Grad Central**, launched. Focused mainly on smaller businesses that have not traditionally employed graduates, the service's goal is to enable 2,000 businesses over the coming three years to recruit people with graduate level skills.

In June 2008 Advantage West Midlands also invested in **Graduate Works**, a pilot project to support the development and retention of graduates involved in the business and professional services in the manufacturing sector in North Staffordshire.

The scheme, which in the **North Staffordshire** area is delivered by **finest** – the network for professional service firms at **North Staffordshire Chamber** – has supported 25 graduates and high potential individuals into local businesses, providing them with intensive training to develop the skills, attitudes and aptitudes required to improve the productivity of small and medium-sized businesses in which they have been placed.

The scheme has a simple and practical goal – never more important than during such difficult economic times - to ensure businesses release the maximum economic potential of graduates working within their business within the shortest possible timeframe.

Following a successful pilot, the programme is now being extended to the **Black Country**.

As a result of the current recession, a decrease in the number of traditional graduate level jobs available in the region is expected. Initial projections indicate a reduction of around 10%.

We responded by extending our investment in an existing programme of support created to enable graduates to start up their own businesses. The **Student Placement for Entrepreneurs in Education (SPEED)** project, funded by the **European Regional Development Fund**, will assist 150 graduate start-ups over the next three years.

In addition, since early December a wage subsidy for placements has been available on a pilot basis from **Graduate Advantage** to encourage more regional businesses to look to graduate placements as a way of developing their business. Brokered by **Aston University**, Graduate Advantage is a graduate placement service run collaboratively and successfully over the last six years by the Universities in the region. During 2008-09 76 businesses and nearly 500 students benefited from the highly successful scheme.

### achieving full potential and opportunities for all

The recent recession has demonstrated, perhaps more keenly than any other economic shock experienced in the region in recent times, the importance of flexible and tailored skills solutions to those already in the West Midlands workforce. As businesses must evolve and diversify in order to survive, so their workforce must also evolve and develop an increasingly broad range of skills.

In 2008-09, following a successful pilot, Advantage West Midlands launched the **Leadership and Management Programme**. Aimed at raising the aspirations of those in middle and senior management posts, the programme is designed to help individuals improve business performance and increase GVA (Gross Value Added).

**National Express Group** is just one example of a company that has taken part in the programme and, as a result, drivers, mechanics and administrators have gone on to become team leaders and line managers.

The Leadership and Management Programme is now fully integrated into the **Business Link** offer and has already supported 81 businesses to improve their performance. Understanding that the recession is putting business under increased financial pressure, a partial subsidy has now been introduced to encourage more employers to participate.

Significant progress has also been made this year - working with employers such as **Jaguar Land Rover**, the **Engineering Employers Federation**, **Sector Skills Councils** and the **Learning and Skills Council** - in the ongoing work to develop workforce skills and double the number of apprentices in the West Midlands. One such example is **Unionlearn**, a scheme created to equip 17 Union Learning Centres, widening access to training within the workplace.

The new **Smarter Working West Midlands Programme**, developed with **Coventry University**, is a £450,000 programme which will act as a communication, co-ordination and facilitation hub encouraging smarter working initiatives across the whole of the regional economy. The programme offers opportunities to those in hard to reach communities and those who often fall outside of mainstream provision.

Take **Connections to Opportunities**, for example, a programme developed by Advantage West Midlands in partnership with **Jobcentre Plus** and the **Learning and Skills Council** which aims to link such communities and individuals with regeneration initiatives delivered by the Agency and other key regional public and private sector partners.

Three pilot projects were delivered in 2008-09. In **East Birmingham North Solihull Regeneration Zone** the project focused on assisting employers mentor workless people. In the Black Country, and led by the **Black Country Consortium**, the programme focused on building ICT literacy with a range of workless groups.

**Aspire Housing** led the programme in North Staffordshire, where the pilot focused on an area of Newcastle-under-Lyme and job preparation with young people with no or low qualifications, lone parents and over 50s.

Similarly the **Routes to Opportunity (R2O)** programme - the first of its kind in the country - is a programme of business support to increase the capacity of BME (Black and Minority Ethnic) third sector organisations to bid for public sector contracts. The programme has so far managed to successfully engage over 500 organisations from the public and third sector. One success story from the programme is **50Fifty** - a Birmingham-based clothing company whose involvement resulted in increased income and an expansion of its premises. The company has now begun leasing space to young social entrepreneurs who it has helped to set up in business.

#### sustainable living and working

Helping residents and businesses adapt to, and exploit, the opportunities arising from climate change is another key focus, which is why we've developed and launched in the last year a number of projects aimed at encouraging greater innovation and sustainability in public procurement.

This includes an **Innovation in Procurement** project with **Birmingham City Council**, one of the largest public sector procurers in the region. The programme is expected to create new business opportunities, stimulate innovation and create employment opportunities for local people.

The previously mentioned **Smarter Working West Midlands Programme** will also, over the next three years support businesses, helping improve their productivity and reduce carbon emissions through the adoption of smarter working processes.

These investments, and our collective investment in the work of the **Regional Skills Partnership**, are investments in our workforce, our business community and in our region. Supporting our workforce to develop their skills, thereby helping our businesses to achieve sustainable growth, creates a region in which businesses and individuals have the opportunity to develop to their full potential - perhaps the most significant investment we can make whether supporting the region through the recession or in preparation for the upturn.

we're working together to support people



Charlotte Wood (pictured) is a graduate trainee solicitor at **WH Law** in Dudley, specialists in employment and health and safety law and one of the first companies in the Black Country to take part in the **Graduate Works** programme.

Graduate Works, which has been run as a pilot in the Black Country by the **Black Country Consortium**, helps graduate employees to develop their personal and professional skills through a series of workshops and individual coaching sessions.

The project is part of a range of interventions, funded by Advantage West Midlands through the **Regional Skills Partnership**, to attract and retain graduates in the region.

# working together to improve places

we're creating the conditions for growth

Prior to redevelopment, the 6.6 hectare Citadel Junction site in Darlaston had been derelict since the late eighties.

In order to offer an industrial and distribution facility of the scale that was demanded in the market, Birmingham - based developers **Coltham** applied for £3.57 million in **Gap Funding** from Advantage West Midlands.

The 321,000 sq ft unit is currently being marketed to occupiers and is expected to create over 350 jobs.

Stuart Franks (pictured) is Development Manager at **Coltham Developments**.



Improving the region's physical assets, including transport, communications and energy infrastructure, is vital if we are to create a region fit for the 21st century. In order to support economic growth, our region needs the right infrastructure.

Our work with local government, the Homes and Communities Agency, the Highways Agency and the Learning and Skills Council to develop our Regional Funding Advice to Government epitomises the approach the region is taking to capital investment in infrastructure.

### increasing Birmingham's competitiveness

Birmingham – our region's capital city – is a gateway to the West Midlands, opening up international markets in which the whole region can compete. It therefore plays an important role in shaping the perception of the region for the millions of visitors, investors, businesses and potential new residents that access the region through the city every year.

Our investment in New Street Station - one of the most high profile investments made in the region this year – through the £600 million Gateway Project demonstrates our region's commitment to promoting Birmingham as our capital city. In a joint scheme being delivered by **Birmingham City Council, Network Rail, Advantage West Midlands** and **Centro**, station capacity will double and over 10,000 new jobs will be created. A number of major milestones were reached on the project this year, including the unveiling of visionary new designs.

Schemes such as these, which improve access to global markets, are vital to the future growth of the region, as is the proposed runway extension proposal for **Birmingham International Airport**. £25 million of Advantage West Midlands funding has been identified in support of the extension - subject to a full appraisal.

As a region keen to demonstrate its ability to evolve and to diversify, the redevelopment of the former **MG Rover car plant at Longbridge** remains a priority. In February 2009, Government approved the **Longbridge Area Action Plan**, which proposes the creation of 10,000 new jobs and at least 1,450 homes on the former MG Rover site.

The action plan was prepared jointly by **Birmingham City Council** and **Bromsgrove District Council** in partnership with **Advantage West Midlands, St Modwen** and **Worcestershire County Council**.

### sustainable communities

This year also saw increased investment in our high technology corridors - areas with high concentrations of technology-led businesses, universities and other knowledge assets. Their purpose is to support the development of the West Midlands as a high technology region.

In the **Coventry, Solihull, Warwickshire triangle**, work continued on the **Health Design Technology Institute** at **Coventry University** and **ACT UK**, the pioneering centre for construction training, which uses state-of-the-art simulation techniques.

In the **Central Technology Belt (CTB)**, the pilot **Technology Transfer Fund** rolled out regionally as the **Proof of Concept Fund**. The £5.8 million fund, set up by the **University of Warwick Science Park** with funding from **Advantage West Midlands** and the **European Regional Development Fund**, provides grants of up to £30,000 for universities and businesses developing innovations that have significant economic potential.

Our regeneration zones represent areas of acute need as well as significant opportunity. In the **East Birmingham North Solihull Regeneration Zone**, for example, we have invested £6.4 million in the £20 million revamp of two buildings at the iconic **Custard Factory** development in Digbeth, home to a vibrant creative industries community. Developments at **Devonshire House** and **Fazeley Studios** are set to create more than 330 new jobs and safeguard another 175.

Also in the **East Birmingham & North Solihull Regeneration Zone** good progress has been made in the delivery of Eastside. Negotiations were concluded with **Birmingham City Council** to secure a site for the Ormiston Academy. Outline consent for **Eastside Locks** was granted in January and work will commence early in 2010.

In the **Rural Regeneration Zone (RRZ)**, four enterprise centres are now open at Ludlow, Shrewsbury, Leominster and Hereford. Run in partnership with flexible workspace providers **Evans Easyspace**, the centres offer easy in, easy out tenancy terms, which are proving extremely popular during the current recession.

The RRZ has also invested £1 million in a Sports and Complementary Therapy Centre at the **Royal National College in Hereford**. The College will be a flagship venue at the London 2012 Paralympic Games.

**RE:think** is a £1million grant scheme which seeks to engage with SMEs situated within the RRZ to raise awareness of the potential to deploy renewables and can provide funding for 50% of the capital costs for installation.

In the **Coventry & Nuneaton Regeneration Zone**, £40 million has been approved at outline for the redevelopment of Coventry city centre. A major partnership venture between **Coventry City Council**, Advantage West Midlands, **Coventry University**, other public sector stakeholders and private businesses, the programme will provide a real opportunity to transform Coventry city centre and to promote the city as an exemplar for environmental sustainability and user of renewable energy.

Work also started on the redevelopment of **Far Gosford Street** and the £3.6million redevelopment of the **Belgrade Theatre** in Coventry was completed.

In the **North Staffordshire Regeneration Zone** the **Central Business District**, a £230 million office-led development in the city centre, reached a milestone in March with the announcement of a preferred developer – **Gener8** – who will take the scheme forward.

Infrastructure at **Keele Business and Science Park** has also been successfully completed and £25.9 million has been approved for the **University Quarter**.

In the **Black Country Regeneration Zone**, £14 million was approved for the first elements of the £31 million **West Bromwich Town Centre** programme and £9 million was approved towards the redevelopment of **Sandwell College**.

Rural parts of the West Midlands are significant contributors to the regional economy, providing an estimated 33% of the region's employment and 36% of the region's GVA (Gross Value Added). Many of these communities are hugely reliant on a few local employers, their local high streets and tourism.

One of the first market towns to receive funding through the successful **Market Towns programme**, Ledbury is now running a successor programme to the scheme and this year has seen the opening of the **Cottage Hospital**, providing workspace units for fledgling businesses.

Through the **Stourport Market Towns programme**, the Stourport Basin Café has been developed by Stourport Forward and through the **Ludlow Market Town Project**, the Mill on the Green project has almost reached completion.

### improving infrastructure

In order to remain connected to the wider world and to ensure movement around the region continually improves we published the **West Midlands Regional Transport Priorities Action Plan** in partnership with the **West Midlands Regional Assembly** in December 2008.

The plan contains nine priority projects including **Birmingham New Street Station Gateway Project**, **Birmingham International Airport**, M6/M5 capacity improvements and rail freight upgrades.

Through the West Midlands **Regional Funding Advice** submission, we have requested a further £28 million from the **Department for Transport** to enhance the **Regional Infrastructure Fund** - enabling the region to bring forward priority transport projects to support the development of key sites during the recession. In response to the demands for support from the property sector, Advantage West Midlands launched the Regional Infrastructure Fund in September 2008, committing £12 million to support the development of critical early infrastructure.

A key challenge this year has been to keep major projects moving during the inevitable slow down of the property sector.

Recognising the potential for stagnation of development activity, we also invested in a new **Gap Funding Programme**. The programme supports developers by providing 'top-up' investment for worthwhile commercial or industrial developments that are not currently financially viable. So far five projects have been approved with a total investment of £16.3 million.

We were delighted to see major progress this year at our 100-acre **Ansty Park** site in Warwickshire with the confirmation that **Ericsson** would be opening the doors to its new research development centre on the site in May 2009, the first occupier on what we're proudly calling 'the future home of r&d'. Ansty Park will eventually be home to 5,000 high technology-led jobs.

The recently completed pioneering **G. Park Blue Planet** development at **Chatterley Valley** is another of our flagship projects. One of the world's greenest logistics projects, it is a joint development between commercial developers **Gazeley**, **Advantage West Midlands**, **Newcastle-under-Lyme Borough Council** and the **North Staffordshire Regeneration Partnership**.

Our ongoing challenge is to ensure the provision of transport, housing, land and property aligns with the economic needs of the region while recognising the impact and responses required to meet the growing environmental challenge.

Our future investments will focus on achieving even more effective management and use of our infrastructure, from transport to ICT, as well as more efficient use of resources, including our natural environment, water and energy.

we're working together to improve places



Andy Hackney (pictured) recently opened Pulse Fitness at the **Rural Regeneration Zone (RRZ)** Enterprise Centre in Ludlow.

Andy moved into the **Evans Easyspace** managed Enterprise Centre at Ludlow Eco Park after being impressed with the modern image of the building, its location, free parking and the flexibility of the licence - an essential element when trading as a start-up.

The RRZ is one of six regeneration zones across the region funded by Advantage West Midlands.

The Ludlow Centre is one of a network of Enterprise Centres across the Rural Regeneration Zone area and joins Leominster, Hereford and Shrewsbury as centres that are open. Another four centres are planned for development at Bridgnorth, Market Drayton, Oswestry and Ross-on-Wye.

# working together to provide a powerful voice

we're creating a positive image of the region



Bhavi Patel (pictured) is a Customer Service Officer at the **Indian Visa Application Centre** in Hockley, Birmingham. **VFS Global Services Pvt. Ltd.**, headquartered in Mumbai, India, with offices around the world, secured the contract to process visa applications for travel to India from the UK on behalf of High Commission of India, London and its Consulates at Birmingham and Edinburgh from May 2008.

VFS Global were helped in their search for premises in Birmingham by inward investment specialists at **Advantage West Midlands**. They assisted VFS's location selection team to narrow their search to the city's Jewellery Quarter, to a location that was close to the Indian High Commission but with excellent access to public transport for their customers.

Bhavi is one of ten staff based at the centre, and at peak times up to 18 staff are employed.

For the West Midlands region to compete on the world stage and for it to achieve its potential as a region where businesses and individuals choose to connect, a strong and positive image is essential. The West Midlands is an innovative, well connected and enterprising region, with a diverse economy and a good quality of life.

In order to improve the opportunities available to our regional businesses and communities through informed policy making, improved engagement with decision makers and a powerful regional voice is essential.

### **a strong evidence base**

Successful regions are able to understand and articulate the factors that are influencing their development. They use this information to develop, refine, monitor and evaluate strategy and the implementation of policy.

A strong and shared evidence base is also vital in developing common approaches to regional issues and in influencing decision-makers within and outside the region.

The **West Midlands Regional Observatory (WMRO)** is a key source of regional intelligence and is responsible for helping the region to measure itself and so inform decision-making.

WMRO has grown considerably in 2008-09 in response to the increasing demand for better evidence to inform regional policy, and has undertaken significant research activity on behalf of regional partners.

WMRO's ongoing work for the **Regional Skills Partnership** is a good example of this – they produce an annual regional skills assessment supplemented by specific pieces of research to inform key issues, such as graduate recruitment and retention. This approach is now being replicated against the other challenge areas identified in the West Midlands Economic Strategy – innovation, enterprise, economic inclusion and transport – through the **Scale of the Challenge**, a three year programme which began in June 2008 and will continue to March 2011.

WMRO has also played an important role in providing partners with high quality data detailing the impact of the current economic recession, from monthly briefings for the **West Midlands Task Force** through to quarterly bulletins covering labour market and skills, the cultural sector and vulnerable communities and groups.

Work continues to develop the ways in which WMRO can make its research and analysis accessible to the region's policy makers and decision makers. The State

of the Region report, previously produced annually, has now evolved into a more iterative dialogue between researchers and policy colleagues, underpinned by a thematic approach, which continues throughout the year.

### **a powerful voice in Europe and beyond**

In promoting the West Midlands region to international growth generators – those in business with the ability to make and influence global growth and relocations decisions – we're helping to build a stronger regional image and at the same time we're supporting work of the Advantage West Midlands' **Inward Investment team**. This year alone, a strong West Midlands' presence at a series of high profile, overseas exhibitions resulted in almost 1,400 positive new contacts.

Add to this our presence at **MIPIM 2009**, the world's leading property industry event held in Cannes, where, under the collective banner of Team West Midlands, over 200 of the region's most influential professionals joined forces to promote the region's land and property offer. During the four-day event, almost 700 visitors connected with the Team West Midlands programme.

Connecting with the European business community and connecting with the European Commission is important to the region's future.

Connecting with the European network brings many benefits, the work of our European Policy Team, for example, has maximised available European trans-national funding for the benefit of the region resulting in a number of new bidding opportunities for West Midlands organisations and businesses. **The Midlands Knowledge and Innovation Communities (KIC)** bid, for example, focuses on areas where the reduction of greenhouse gas emissions can make a real contribution to the achievement of Europe's 2020 targets, namely around the issues of household living and transport and mobility. Preparing a top-quality EU bid on KIC will significantly lift the region's profile in the low carbon area.

Our work on the **European Research & Development Award (ERDA)** also helped regional applicants to prepare successful competitive project proposals for the **Framework Programme 7 (FP7)**, the largest transnational EU fund for research and development worth over €50bn over 2007-2013. The two-year grant scheme, worth £250,000, has so far leveraged nearly £3 million of EU contribution for high level research and innovation to the West Midlands research organisations, further strengthening our reputation as a region focused on building for a brighter, stronger future.

Looking beyond Europe, during 2008-09 the **International Business Forum (IBF)** was created. Acting as advisor and advocate for the Agency on international business issues, the IBF also leads the development and implementation of the **International Business Action Plan (IBAP)**. The IBAP seeks to maximise the economic benefits derived for the region from international business activity into and out of the West Midlands region.

With more than 30 Indian-owned businesses now operating in the region, this year also saw the launch of the **India and West Midlands Business Action Plan**, which sets out proposals to explore, improve and promote links with one of the world's fastest growing economies. Advantage West Midlands is the first RDA to produce such a strategy, and a **China and West Midlands Business Action Plan** is due to be launched later this year.

The work of our inward investment team in new and existing markets in 2008-09 has resulted in the highest number of inward investments successes handled by the Agency in any 12-month period. The team handled 56 projects (against a target of 34) which created or safeguarded 1,492 jobs. Larger scale projects involving 50+ jobs have been more susceptible to the economic downturn and in many instances been put on hold. The major exception to this has been our key inward investment achievement - the expansion of **Deutsche Bank** into Birmingham, which will eventually create over 300 jobs.

If we are to attract new investment and connect with new contacts, we need to be confident that we are presenting our region's strengths in a way which

resonates with international business. Our annual **Regional Perceptions Research Study**, comprising 900 interviews across the UK and Europe, informs how we present the West Midlands as an investment location and shapes our campaign activity across Europe.

#### marketing the region

The need to develop a more powerful and compelling West Midlands voice has never been more important than it is now. If our region is to continue to build upon its reputation as the **Heart of England**, a strong and positive image is vital.

To guide the work to further develop our region's powerful voice, a **Regional Marketing Board** was established in summer 2008. The Board - comprising business influencers from both public and private sector organisations - revisited the Regional Marketing Strategy, last published in 2005. The result was a more focused **Regional Marketing Strategic Framework**, published in February.

Not surprisingly, amongst the audiences considered crucial to our region's long term prosperity, the business audience is key. We have continued, through 2008-09, to invest in campaigns targeting this key audience across Europe and beyond - positioning the West Midlands region as the best connected business location.

Channelling the pride and enthusiasm of our own business community into active support for the region has been an ongoing theme of the work to market the region since its launch back in 2005. In recent months the popular **'Have You Ever'** campaign has successfully recruited over 700 business representatives.

Tourism is the region's fourth largest industry but the downturn is having a real impact on the industry. In response, a **£25 million Tourism Action Plan** has been launched by **Tourism West Midlands** which includes a £12 million campaign to attract new conferences, exhibitions and events.

The **National Exhibition Centre** in Solihull is one of the biggest business tourism assets in the region. That's why, in December 2008, we were delighted to provide £3 million to the redevelopment of the **LG Arena**, which is expected to generate millions of pounds for the regional economy.



we're working together to provide a powerful voice



The **Champions** programme is a key element of the West Midlands regional marketing strategy, which is led by Advantage West Midlands.

Through the thought provoking '**Have You Ever**' recruitment campaign, over 700 business representatives have, to date, expressed an interest in acting as regional champions.

A regional networking portal is now being developed which, as well as keeping champions up to speed with regional issues, will also provide an opportunity for like minded people to set up their own regional networks.

Pictured is Rebecca Frisby from the West Midlands Champions recruitment team.

# outputs

## Advantage West Midlands' consolidated outputs to year ending 31 March 2009

The Department for Business, Innovation and Skills (BIS) - previously the Department for Business, Enterprise & Regulatory Reform (BERR) – establishes a set of annual performance targets for each regional development agency.

Targets for 2008-09 were set before the onset of the global economic crisis and resulting UK recession. The impact of both can be seen on performance against several of this year's targets.

Working alongside many regional partners, we have achieved the core targets set for public/private sector leverage (£425 million), brownfield land remediated (102 hectares) jobs created or safeguarded (16,997), business supported (22,524), business support - collaborations within the UK knowledge base (1,077), employment support (7,833) and skills - people assisted in skills development (16,622).

Significant market changes have impacted on our ability to achieve other targets; for business created and survived at 12 months (1,673 against a target of 4,193), skills -

leadership and management, (739 against a target of 1,040), upskilling to graduate levels (no outputs were reported) and graduates into employment (127 against a target of 400).

From 2002-2007 Advantage West Midlands exceeded all cumulative Government targets, creating 65,000 jobs and nearly 5,000 new businesses, providing skills development to over 101,000 people, bringing 570 hectares of brownfield land back into use and attracting nearly £480 million of other investments into the West Midlands.

The recent National Impact Evaluation study, published by PricewaterhouseCoopers on behalf of BIS (formerly BERR), shows Advantage West Midlands generates an overall benefit to the region of £7.45 for every £1 we invest - robust evidence of our performance in leading the delivery of the West Midlands Economic Strategy. It is this impact on GVA (Gross Value Added)\* and, in turn, the positive impact on our region's businesses and communities that will be the real indication of our performance in future years.

	Target	Actuals	% Achieved of Target
Jobs Created or Safeguarded	16,450	16,997	103%
Business Created and Survived at 12 months	4,193	1,673	40%
Business Support	21,253	22,524	106%
Business Support – Collaborations within the UK Knowledge Base	1,041	1,077	103%
Employment Support	7,347	7,833	107%
Skills – People assisted in skills development	15,700	16,622	106%
Skills – Leadership and Management	1,040	739	71%
Skills – Upskilling to graduate levels	300	-	0%
Skills – Graduates into Employment	400	127	32%
Public/Private Sector Leverage (£m's)	416	425	102%
Brownfield Land Remediated (hectares)	101	102	101%

\*Gross Value Added or GVA is a measure of the value of goods and services produced in an area or sector of an economy.

we're working together to provide a powerful voice



Working in partnership at a local level enables Advantage West Midlands to achieve far greater impact than we could do if we were to act alone.

Through our five partnerships teams we ensure the support we provide in the Birmingham & Solihull, Black Country, Coventry & Warwickshire, North Staffordshire and rural areas respond to the unique challenges and build upon the significant strengths to be found in each area.

To make contact with your partnership team, please visit [advantagewm.co.uk](http://advantagewm.co.uk) or call 0121 380 3500.

Helen Mincher (pictured), is Partnerships Manager for the Black Country Partnerships Team at Advantage West Midlands.

*The Heart of England*   
The West Midlands Region

Advantage West Midlands is proud to be the regional development agency for the West Midlands region – the Heart of England.

If you would like to show your support for the West Midlands region visit the [westmidlandslibrary.co.uk](http://westmidlandslibrary.co.uk) to find out more.



Printed on Revive Pure White Silk using vegetable based inks.

A recycled paper produced using 100% recycled waste at a mill that has been awarded the ISO140001 certificate for environmental management.

The pulp is bleached using a totally chlorine free (TCF) process.

3 Priestley Wharf, Holt Street, Aston Science Park, Birmingham B7 4BN  
Tel: +44(0)121 380 3500 Fax: +44(0)121 380 3501

[www.advantagewm.co.uk](http://www.advantagewm.co.uk)

Text-only versions of this brochure can be provided in large print, braille and other languages. Please contact the Communications Team on 0121 380 3500.