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EAST MIDLANDS

STAR IN THE EAST

Four strong cities give the East Midlands a powerful voice in the Midlands Engine

HOW DO YOU MARKET THE EAST MIDLANDS?

Helen Donnellan We need to make sure we get the right message to the right audiences. Three years ago, when I started in this role, a lot of people didn't know where Leicester was or how to pronounce it. Now the football club's Premier League success has given me an edge when it comes to talking to people in China, for example. But I'm going to sell the Midlands first and foremost, and then the specialisms of Leicester. It's about looking at the individual sectors each of us specialise in and working together on that.

David Williams The sooner we forget the East Midlands brand the better. Lincolnshire would probably prefer to be associated with Hull and Northamptonshire would probably prefer to be with the Home Counties. The Derby and Nottingham Metro Strategy is about two cities only 16 miles apart with complementary services and industries that should be working together, particularly when they're going to have a HS2 station in the middle of them.

Brendan Moffett The Nottingham-Derby strategy is common sense, for them not to work together would be criminal. Look at what Copenhagen

and Malmo have done together, it's one of the great economic development stories, and they're in different countries. Put Nottingham and Derby together and they rank in the top 30 of European metropolitan areas.

Pat Doody We're absolutely committed to the East Midlands as well as the Midlands Engine. We do a lot of work with Hunan Province in China, which has a population of 57 million. When you compare that with the East Midlands, you realise that working together is critical if we're going to compete globally.

WHAT ARE THE BENEFITS OF THE MIDLANDS ENGINE?

Doody When Lincolnshire took part in the Midlands Engine delegation at the MIPIM property show in Cannes this year, we were more successful marketing the county to a global audience than on our own. There's a lot more connectivity across the region now. Greater Lincolnshire is a big space but it's not joined up particularly well, so we have to work harder with partners who have critical mass. You need to look at investments that don't happen on your doorstep, but will benefit your area.

Williams It's all about following the money, particularly after we failed to



get East Midlands devolution. The new West Midlands mayor Andy Street is going to be closely associated with the next government, so you'd be a fool not to align yourself with the Midlands Engine. It also gives us an international brand. But we have to be careful because Birmingham's overconfidence could suffocate the East Midlands if we're not careful. We need to keep our voice as loud as possible.

Donnellan Birmingham will always be the dominant voice within the Midlands Engine; it's something we need to deal with. The Midlands Engine already has £5m in its operating budget, which is a signal from the government. Having an elected mayor in Leicester has helped enormously with our local economy and inward investment and has given us the power to make decisions quickly. We need to highlight that Andy Street provides a connection to government and the funding.

Moffett The 'Midlands UK' brand used at MIPIM gave us all a better platform from which to sell in terms of scale and visibility. It has the numbers in terms of the size of the economy – £21bn economy and ten million population – which really

PANEL ONE

Helen Donnellan
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City Council

Pat Doody
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Brendan Moffett
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Nottingham and
Nottinghamshire

David Williams
chairman, Derby
Renaissance Board

helps when you're talking to Chinese investors. Beneath that is a £250m investment fund and another pot of £4m for taking the Midlands on the road internationally.

HOW CAN THE EAST MIDLANDS MAKE THE MOST OF HS2?

Moffett Maximising the development uplift of HS2 is key, as well as connectivity into the cities. There's no point in having a 68-minute train from London when you have a 30-minute journey to the HS2 station in Toton. Extending the tram out to the station should be an easy task, but a rail connection would probably work better.

Williams A region with the skills we've got should be able to look at a rapid transport system connecting Nottingham, Derby, Leicester and East Midlands Airport. It would be much more effective.

Donnellan For Leicester we need the electrification of the Midland Mainline as well as HS2. One of the selling points of Leicester is that it takes one hour and four minutes to get to London St Pancras; we want to see that go under the psychologically important one-hour barrier, which electrification will do.

Doody For us it's about east-west

connectivity. It takes twice as long to get to Birmingham from Lincoln as it does to get from Lincoln to London. We have the biggest port in the UK and 35 per cent of the UK's food is grown or produced in Lincolnshire. Goods movement is as important to us as passenger travel, and at the moment the road and rail infrastructure doesn't make that easy.

WHAT IS BEING DONE TO GROW SMES?

Moffett It's about having the right physical spaces for SMEs, like BioCity for the bioscience sector, and Accelerate Places for the fintech industry. The Midlands Engine will provide funding through debt equity and small business loans. There's some really interesting bioscience and engineering businesses in Nottinghamshire right now.

Donnellan We don't have a Rolls-Royce or a Bombardier, it's an economy of smaller businesses. That means we're not vulnerable to economic shocks. Leicester saw the second-fastest growth in start-ups in the first quarter of this year. Our new enterprise zone status will also help small businesses in the city and county.

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HOW DO WE SHOWCASE THE EAST MIDLANDS TO THE WORLD?

Andy Cliffe From a marketing perspective the East Midlands doesn't really mean anything. But there's real distinctiveness in the cities. But it's about balancing this with the broader strengths of the East Midlands and the wider Midlands. There has to be a combination of individual strengths, scaled up into a much larger proposition.

Colin Smith A region has to be competitive in all its senses. When we go abroad we find large areas, like Virginia in the US and Singapore, need a coherent one-stop shop that works with us. It's about being lean, coherent and working together and making it attractive for companies to come here.

Nick Miles In my six years in China I didn't hear the phrase 'East Midlands' used. But there's a much more compelling argument for the Midlands Engine. We already have a lot of connections between East and West Midlands in the education sector. The University of Nottingham has a strategic partnership with the University of Birmingham, for example. We need to see more of this.

Paul Forrest The East Midlands is undervalued. You have a cluster of hi-tech manufacturing businesses, it's a bit like California. But there's a big problem in terms of investment in infrastructure. London, with a population of 8.2 million, has seen £15bn more capital expenditure on transport over the past ten years than the Midlands, with a population of 10.4 million. There needs to be some proper statistics on the region, which are currently horrendous. Manufacturing is the most productive sector in the national economy, and the East Midlands has some of the highest concentrations of manufacturers in the country. But for some reason there's a productivity gap. I believe GVA per worker in London and in the East Midlands is actually closer than what is reflected in the official statistics. If you look at the latest Purchasing Managers' Index, the West Midlands is the strongest performer in the country for business



PANEL TWO

Colin Smith
group president,
Rolls-Royce

Andy Cliffe
managing director,
East Midlands
Airport

Paul Forrest
head of research,
Midlands Economic
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Nick Miles
pro vice chancellor
for global engage-
ment, University of
Nottingham

growth, with the East Midlands in second place. They have held those positions since at least 2010.

WHAT ARE THE OPPORTUNITIES FOR THE EAST MIDLANDS POST-BREXIT?

Cliffe We're targeting ten million passengers, one million tonnes of freight and up to 25,000 jobs in the area around the airport. There are also huge opportunities for creative, fintech and digital businesses in the region, and a thriving logistics sector.

Smith We need to maintain our position as number two in the world in aerospace by raising productivity, which is going to be done by reinvesting in manufacturing, education and lean techniques. We have to get that into our supply base.

Miles The University of Nottingham has been working with international partners for many years. We have set up campuses in China and Malaysia, which has been about connecting ideas, innovation and talent. There's also a relationship between the University of Nottingham and Virginia Tech through its Rolls-Royce University Technology Centres.

Forrest The East Midlands has a lot going for it internationally, with the production sector making up a third of the economy. The East Midlands

makes up 0.2 per cent of the global economy, but has an export penetration of 0.28 per cent. We have a lot to build on, but we need to have some significant investment.

HOW CAN EAST MIDLAND MANUFACTURERS BE MORE COMPETITIVE?

Cliffe We're looking at a Free Trade Zone around the airport. It will be similar to a Duty Free Zone, where businesses can set up bases and benefit from tax incentives. It will be an opportunity to repatriate manufacturing back into the UK. There's three million sq ft of development land available around the airport and we're looking at advanced manufacturing and digital-based businesses. The potential is huge: these zones contribute the equivalent of 30 per cent of GDP in China.

Smith We need regional training centres for manufacturers to address local issues. Training programmes I've been involved with have found that while SMEs have more flexible, better educated staff, they are abysmal when it comes to productivity.

Miles It's all about reducing the barriers for talent flow. If there are opportunities, you want people to move into them quickly no matter where they are in the world.