

DRIVING INWARD INVESTMENT

EXPLORING OPPORTUNITIES ACROSS THE MIDLANDS INVESTMENT LANDSCAPE

The launch of the Midlands Investment Portfolio website has opened up a digital front door for potential investors, showcasing the wealth of exceptional investment opportunities across the region all in one place for the first time. Against the backdrop of a subdued economy and acute inflationary pressures, how can the Midlands now build on its sector strengths - from agri-food to the visitor economy - and communicate to investors the immense value it can deliver while transforming the region for everyone's benefit?

Sharing views from industry, the public sector and academia, the speakers for the panel discussion at the Midlands Engine Quarterly Economic Briefing in June shone a light on the complex interplay of issues involved in attracting inward investment in the current climate.

Bek Seeley, Managing Director at Lendlease, Lydia Rusling, Assistant Director at East Lindsey District Council, and Nigel Driffield, Professor of International Business at Warwick Business School, brought broad expertise as well as Midlands-specific insight to examine how the region can build on its strengths to stand out from the crowd.

UNDERSTANDING REASONS TO INVEST

While it can be tempting to imagine that there is a single solution to attracting investment, something that the panel agreed on was that there is always a varied combination of factors involved in any investor's decision. For example, the first thing considered by a major development investor wouldn't necessarily be physical assets. They'd look at education, retention of talent, the sectors in which skills are strong, population diversity, and the predictions for the next decade and anything up to the next 50 years.

The variety of structures for decision-making and delivery across the region - including mayors, combined authority, local councils, LEPs - was brought up as an issue that could potentially cause

confusion for foreign investors. However, the essential element that investors were looking for, no matter what delivery architecture is in place, was agreed to be stability and predictability. As long as the people in decision making roles have the right skills and inspire trust and confidence, the structures they sit within are arguably of less importance.

"You're looking really, really long term around where an area has the potential to go and where the communities are trying to make those investments themselves. Then you start looking at the opportunities where what we do might amplify and supercharge that by creating places that will bring all these elements together."



Bek Seeley, Managing Director, Lendlease

SPEAKING AN INVESTOR'S LANGUAGE

The Midlands has plenty to be proud about and does a great job of celebrating that. Where there is room for improvement lies in communicating the value proposition of each opportunity to investors in ways that make sense to them.

By understanding investors' motives, it's then possible to move the focus away from 'us' and put energy into translating what our strengths and successes mean specifically to them. When you're helping an investor achieve their objectives, there is the potential to directly connect with them, and for them to connect with the region, in a much more meaningful way.

KNOWING A PLACE IN-DEPTH

Understanding in detail how a location can tick an investor's boxes comes down to how well you know a place and its people. Having up-to-date local intelligence is seen as critical to the whole process and partnerships with universities across the region are supporting the sector specific research and innovation that's needed.

For example, the Lincolnshire Tourism Observatory established with the University of Lincoln has helped provide a deeper understanding of the impact of COVID-19 on the sector. As almost **1 in 10 jobs** across the Midlands is supported by the visitor economy, that's vital information for forward planning. Across the region, the Midlands Engine Observatory is connecting with academics and leading economic and industry experts to translate research into actionable insights in a whole range of sectors.

Gaining an understanding of the region, as well as the distinct picture for locations within it, goes beyond facts and figures. Place-making and pride in place has been pinpointed as one of the **government's 12 missions in the Levelling Up agenda** and the panel spoke about the importance of the less tangible aspects of a place that help cultivate growth and attract investment. Alongside pulling together a sense of the Midlands as a whole, the need to appreciate the nuanced characters of smaller, less talked-about places was flagged up.

"The more local intelligence there is the better. It's not just about skills, or transport, or investment or connections with universities. It's all those things that can't be done from London."



Nigel Driffield,
*Professor of International Business,
Warwick Business School*

RECOGNISING THE CHALLENGES

Skills were central to much of the discussion around what ultimately makes an area attractive to investors. A qualified and sustainable labour market remains key in investment decision making and while the picture in the Midlands is improving, firms face an undeniable skills gap.

Transport and connectivity is another overarching theme coming through in the discussion around improving prospects in the region and attracting investment. Despite being well-connected with surrounding areas and London, the transport links within the Midlands are more problematic with journey times into city centres and from East to West Midlands, for example, cited as prohibitively long.

Looping back to skills, the point was also made that the difficulties with transport connections in the region contribute to the skills gap, and therefore hinder productivity, because the distances people are able to travel to work are smaller. So the pool of people, and skills, firms are able to call on to fill roles is smaller than it would be in better connected areas.



"Getting the right data about our places is absolutely intrinsic to enabling us to talk with confidence about our area."

Lydia Rusling, *Assistant Director at East Lindsey District Council*

"It's often said how much easier it is to get from the Midlands to London than it is to get across the Midlands. I think understanding the infrastructure needs - the road infrastructure and public transport system - to better connect the Midlands will unlock a lot of the investment potential that we have."

FOCUSING ON THE OPPORTUNITIES

Working in partnership is recognised as a key strength of the Midlands. Linking up across public and private organisations, across geographies and across multiple sectors in the region is already contributing to improving the health, prospects and prosperity of the region and the wider UK. Building on this strong foundation of partnership working, the panel highlighted areas that offer clear opportunities for advancement.

On skills, there's a chance to be seized by recognising the changes that are coming – like the move towards electric vehicles – and being proactive about addressing those changes. By taking the initiative to plan ahead, it will inspire more confidence and investment rather than letting those skilled positions be lost and then having to come back from a disadvantaged position.



"The Midlands has a wealth of talent. That talent needs the ability and the opportunity to get skills that are at the level that are going to drive things forwards. And that isn't all the responsibility of the public sector to just provide routes, then it's just ready for the private sector to pick up. That is definitely a partnership."



Bek Seeley, Managing Director, Lendlease

On transport and logistics, there's an opportunity being at the centre of the UK, not just to succeed in the way things have been done traditionally, but to overtake the competitors and change the game completely. Referencing the Ten Point Plan for Green Growth in the Midlands Engine, green technology and green logistics particularly were cited as big potential growth areas which the Midlands is perfectly poised to move into. This also extends to recognition of and investment in our natural environment to link in with health and well-being as well as food, agriculture, energy and the visitor economy.

Alongside looking towards new opportunities, the importance was raised of remembering the role of the firms that are already established in the region. They are responsible for a high proportion of foreign investment and are often some of the Midlands' biggest advocates.

