

Overview of the East Midlands 1999-2010

Changes to the economy

During the last decade the East Midlands has experienced some of the fastest population growth in the country. The population has become more diverse as a result of this growth and migration into the region.

The region's economy has continued to change with a move away from traditional heavy manufacturing and production activities into higher value added manufacturing and service sector activity. Priority sectors in the region have been identified as healthcare and bioscience, sustainable construction, transport and food and drink.

There have been significant improvements in the region's skills base during the last decade. The proportion of the working age population qualified to Level 4 or above has increased and, at the same time, there has been a fall in the proportion with no qualifications. However, the East Midlands still lags behind national averages on these measures and investment in skills remains a priority.

Like the rest of the UK, the East Midlands has been affected by the



recession. Construction and some manufacturing sub-sectors, such as automotive, have been particularly affected. However, the labour market

has not deteriorated as much as other regions and unemployment remains below the national average.

Key East Midlands statistics

GVA – Between 1999 and 2008 output in the East Midlands, as measured by Gross Value Added (GVA), increased from around £50bn to around £80bn, an increase of 60%.

Businesses – In 1999, there were around 235,000 Small and Medium Sized (SME) businesses in the East Midlands. By 2008 this had increased to around 320,000. Over this period

the number of SMEs increased by 36%, greater than the increase experienced in the UK over the same period, of 32%.

Employment – Between October-December 1999 and October-December 2009 the employment rate in the East Midlands fell from 76.6% to 74.6% of the working age population. Over the same

time period the employment rate in the United Kingdom fell from 74.2% to 72.4%. The East Midlands, however, remains the only region in the midlands and north with an employment rate above the national average. "Recent data, for October-December 2009, shows that the unemployment rate in the East Midlands was 7.5%, 0.6 percentage points below that of United Kingdom at 8.1 %"

22

minutes is the average travel-to-work time (well below the national average)

180

flights a day from East Midlands Airport, the UK's largest pure air freight terminal

86%

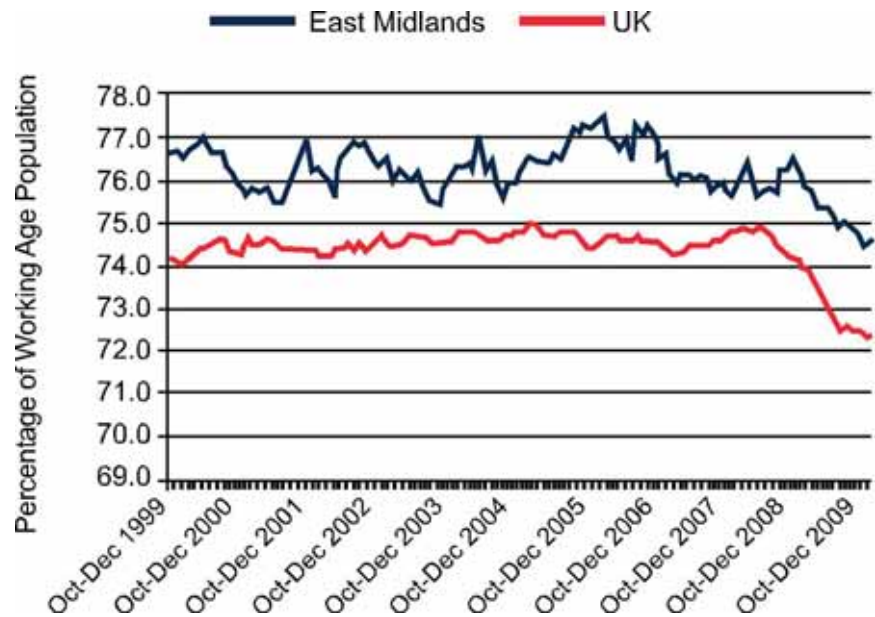
of university research in the region is of international importance

(Research Assessment Exercise 2008)

2,100

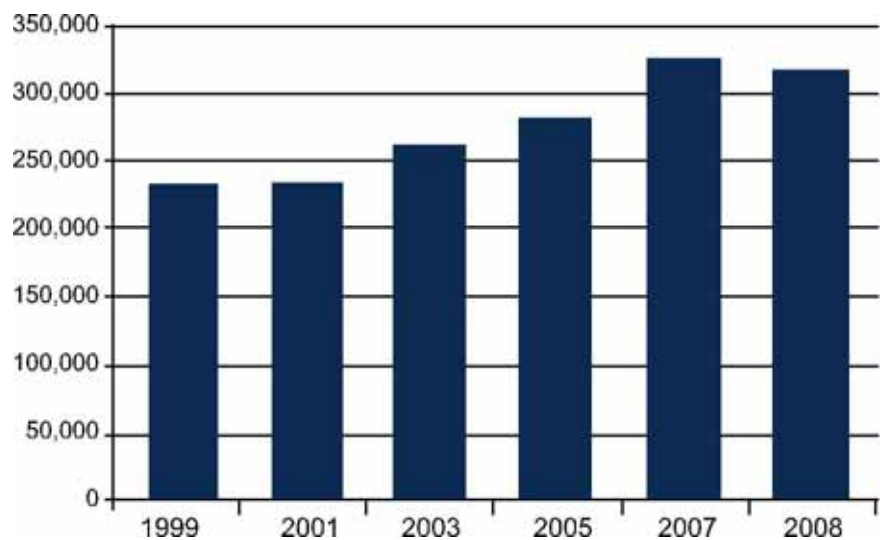
international companies are based in the East Midlands

Percentage of the working age population in employment in the East Midlands, 1999-2009.



Source: Office for National Statistics, Percentage of working age population, Oct-Dec 1999 to Oct-Dec 2009

Total Number of Small and Medium Sized Enterprises in the East Midlands, 1999-2008.



Source: Small Business Service, Department for Business Innovation and Skills, 1999-2008.
Note: Prior to 2008 SME data for the regions was published every other year.

A decade of achievements

emda brings partners together to support key economic priorities, spotting opportunities to kick-start activity and making the connections between physical regeneration and the required investment, skills and employment support. A few of the many highlights and special achievements over the past 10 years are highlighted here.

£23m
invested in
transforming
Corby



Transforming Corby

Corby's past is strongly linked to industry, with the largest steelworks in Britain constructed in the town in the 1930s. The closure of the steelworks in the 1980s saw 6,000 people made redundant.

Today, Corby still bears the marks of its industrial past and is considered to be an area in need of further investment to attract inward investment and boost the skills of local people. *emda* works closely with Northamptonshire County Council, Corby Borough Council and funds key partners such as Northamptonshire Enterprise Limited (NEL) and North Northants Development Company (NNDC) to help achieve this goal.

Kenmark, a Taiwanese company specialising in the manufacture of liquid crystal display (LCD) televisions, has been supported by *emda* to invest in the region. The result of three years work by *emda*'s team is the establishment of the company's European manufacturing and distribution hub in Corby creating 500 jobs.

Corby Train Station is a £10.22m development in which *emda* invested almost £5m, working closely with partners to ensure the station and surrounding infrastructure brings economic benefits.

emda's £5 million investment in **Corby Cube** is helping regenerate Corby and the surrounding growth area. The civic building will include a new theatre, library and borough council offices.

emda is the major funder of the £8.3m **Corby Enterprise Centre**, putting in nearly £6.5m including £1m from NEL. Other funders include Corby Borough Council and over £1.1m from ERDF. The facility will create new businesses, skills and jobs in Corby, providing high quality business accommodation, small workshops and communal facilities for local SMEs and potential entrepreneurs.



Supporting people

Career Chain provides pre-redundancy support, training and skills development and redeployment services to skilled workforces under threat of redundancy in engineering and construction in the East Midlands. 63 East Midlands companies and 1,007 people have received support to date.



£22m
investment in
Leicester's
cultural quarter

Regenerating Leicester city centre

A formerly run-down area of Leicester has been transformed into a vibrant cultural quarter with almost £22m investment from *emda*.

emda invested £6.2m in Curve – an arts centre which is attracting investment into the city, helping to

bring visitors to the area, creating new jobs and raising the profile of the arts in Leicestershire.

Adjacent to Curve is Phoenix Square. Developed by Blueprint with further *emda* and ERDF funding, the transformed square includes a cinema, café bar and

interactive digital art space alongside 63 apartments, 22 workspaces, seven two-storey business units and start-up units for creative businesses.

This is part of the wider regeneration of Leicester, which includes major new retail investment in the city.

Inward Investment successes

UKTI and *emda* have together developed a series of sectoral and market focused activities. This includes establishing two specialist Business Bureau for China and India. UKTI with *emda* and private sector sponsors set up the East Midlands International Trade Association, believed to be the most successful international business networking organisation in the country.

- Over 1,300 companies supported per year
- £2m per year to support regional businesses
- For every £1 spent £16 is returned to regional businesses*
- Over last 10 years over £250m additional profit generated for regional businesses

(*source UKTI's impact monitoring system)

Supporting the rural economy

emda recognises that rural areas are an important part of the region and works hard to ensure rural needs are taken into account in every aspect of *emda*'s activity. Long Clawson Dairy Ltd – the largest producer of Stilton in

the UK – received £2.5m Rural Development Programme for England (RDPE) support to extend its existing buildings and facilities, enabling a 25% increase in production capacity. Working with over 40 local dairy

farmers, the investment will add value to, and increase demand for liquid milk, while improving the competitiveness and resource efficiency of the business, and creating new jobs at the dairy.

£60m
RDPE available
until 2013

Targets land
based businesses



In the East Midlands there are 26 former coalfield sites, all of which are supported by *emda* in partnership with other agencies. Working together, the aim is to revitalise communities at the sites through shared public and private sector investment of more than £500 million.



Sherwood Energy Village won the Enterprising Britain Award as the most enterprising place in Britain in 2005

***emda* investment
£1.8m, plus £2.6m
from National
Coalfields
Programme (NCP)**

Investing in communities – Sherwood Energy Village

Through its management of the NCP *emda* brought together funding to act as a catalyst for major regeneration in North Nottinghamshire. 36 hectares of brownfield land at the former Ollerton Colliery site have been remediated, levering in £22m private sector investment and creating 1,500 jobs in businesses at the Sherwood Energy Village (SEV). There were just

1,000 when the Colliery was operating. Center Parcs constructed a new £5m head office and call centre at SEV, providing the business with a 50% increase in call centre capacity, safeguarding 71 of its existing 149 jobs and creating a further 33 jobs. SEV won the Enterprising Britain Award as the most enterprising place in Britain in 2005.

Coordinating investment for regeneration – Steetley Colliery

emda contributed £4.65m and levered in £57m private sector investment, creating 270 jobs at a new state-of-the-art pre-cast concrete production plant being developed by Laing O'Rourke at the former Steetley Colliery near Worksop.

emda secured Laing O'Rourke's interest through its national profile for expertise in the coalfields area. *emda* assisted Laing O'Rourke in working across four planning authorities in order to ensure that the investment could be secured. The Agency played a vital role in bringing key public and private sector partners together.

This investment will make a real difference to this former North Nottinghamshire mining community.

The Avenue

emda has been working to redevelop the site of the former Avenue Coking Works, near Wingerworth in Derbyshire. The 98 hectare site was one of the most contaminated areas in Europe. *emda* and the Homes and Communities Agency (HCA) are investing £172.3m to clean up the site and redevelop it. The clean up is expected to take around four to five years before the site is transformed.

Once the clean up operation is complete, the site will provide mixed use housing and commercial property development. There will also be a nature reserve and recreational facilities that will benefit the local community.

The Avenue is the largest single project in the National Coalfields Programme.





Regenerating urban areas

Blueprint is a unique private-public company set up by *emda* with a remit to deliver sustainable regeneration and provide innovative solutions to the region's more complex regeneration challenges. *emda* has been commended for its role in this public-private sector collaboration, which is leveraging in further investment

for the region and accelerating regeneration in urban areas.

Blueprint's award-winning science building No. 1 Nottingham Science Park opened in 2008. The Science Park is also home to a major Automotive & Engineering Training Centre developed in partnership with



©Martine Hamilton-Knight

Castle College and Toyota. The purpose-built Centre will deliver a range of training apprentice programmes for 14-16 year olds wanting to go into the automotive sector. This partnership approach has helped forge greater links between education and industry in the region.

Working with our universities

BioCity: *emda* played a vital role in forging partnerships to help build what has become an internationally recognised facility and the UK's largest bioscience innovation and incubation centre. *emda* brought the two Nottingham-based universities together and secured ERDF funding of £5.2m, alongside £8.8m direct investment by *emda*.

To date, 57 knowledge intensive businesses have been created and BioCity has levered in £27m in private sector investment. Prior to the involvement of *emda* and the creation of BioCity in 2002, the total investment in East Midlands bioscience businesses was less than £1m.

Lachesis Fund: In 2002 *emda* brought together Loughborough, De Montfort, Leicester, Nottingham and Nottingham Trent Universities to establish the Lachesis Fund, which invests in spin-out technology companies emerging from the universities. Investments range from £25,000 to £250,000. The fund has now increased in size to £8 million, enabling it to continue to fill the 'seed-corn' funding gap for very early technologies in the higher education sector.

emda provided funding for the £15m **Sports Technology Institute**, at Loughborough University. The STI has been designed to boost enterprise in sport and studies the engineering of a vast array of equipment, footwear and apparel.

Loughborough University is known worldwide for its sporting excellence. Japan's Olympic teams will use the University's facilities for training camps in the lead up to the 2012 Games. The University's research expertise also plays a vital role in supporting NINJ objectives.

emda has helped fund development at **University of Lincoln's** Brayford Pool campus, including a state-of-the-art media and computing centre and Lincoln's Performing Arts Centre, which provides an arts facility for the city. *emda* has recently announced a further £3m investment in the University's new School of Engineering, which will enable an Engineering Hub to be created to work closely with engineering businesses – an important sector in the Lincolnshire economy.



New Industry New Jobs (NINJ) Prioritising regional investment to raise productivity

emda is set to invest £69m in NINJ related activity in the 2009-11 investment period. Collectively these investments are forecast to create over 4,000 jobs, assist nearly 10,000 businesses, and develop the skills of over 7,000 individuals.



£69m
investment in
New Industry
New Jobs activity
(in the 2009-11 period)

Advanced Manufacturing

The East Midlands region is home to a broad spectrum of companies and universities operating in the Advanced Manufacturing field, cutting across other NINJ market areas, such as Life Sciences, Low Carbon, and Digital.

There are well established regional strengths in automotive, aerospace, rail, motorsport and marine. Employment in 'high- and medium-high technology' sectors in the East

Midlands has consistently exceeded the national average.

The most significant NINJ investment planned by *emda* is in the **Manufacturing Technology Centre** at Ansty in Coventry. Led by four academic partners; the Universities of Nottingham, Loughborough and Birmingham together with the Welding Institute, MTC has three prime industrial partners; Rolls-Royce, Airbus and Aero Engine Controls.

emda and Advantage West Midlands (AWM) are supporting the building and initial capital equipment, with *emda* investing £15m. Building work commenced in February 2010.

emda is also investing over £3m in **SAMULET** and **Next Generation Composite Wing** alongside other partners. Both are significant ambitious national projects involving leading aerospace industrial partners, universities and technology centres which will enable the UK to gain global advantage.

Digital

The region has acknowledged strengths in Digital Technologies particularly in the area of Space and Global Navigation Satellite Systems (GNSS). The region has internationally

acknowledged expertise in this field through universities and a network of businesses based in the East Midlands. *emda* has invested £1.7m in **GRACE**, a UK-based and world-class

centre of excellence in GNSS, capitalising on existing world-leading research and training capability at The University of Nottingham.

Low Carbon

emda has been supporting the development of a cluster of low carbon activity at Loughborough University which is home to the **Energy Technologies Institute (ETI)**. Jointly supported by AWM, ETI will be at the forefront of the development of low carbon technology over the next 10 years. *emda* investment in this project has been £2.5m. Also based at Loughborough University is the **Centre for Excellence for Low Carbon and Fuel Cell Technologies (Cenex)**, the UK's first Centre of Excellence in this field along with significant **Fuel Cell Systems development**, supported by, amongst others, Rolls-Royce and Intelligent Energy.

From their Loughborough base **Intelligent Energy** have developed the first hydrogen fuelled hybrid street-ready vehicle in partnership with Suzuki.

The **Sustainable Construction innovation hub (iCon)** located in Daventry is key to this area of activity and has received investment of £2.7m from *emda*. iCon will be the headquarters for innovation support to the construction industry in the region and deliver a national exemplar for a high quality, environmentally sustainable (potentially carbon zero) building, which will be a demonstrator on a national scale.

emda has also invested in the regeneration and remediation of a former brownfield site to create a state-of-the-art pre-cast concrete factory and associate structures. The **Steetley Dolomite** site will be the most technologically advanced plant of its kind in the UK and has attracted an investment of £4.65m from *emda*. In addition, *emda* is contributing to the development of hybrid vehicle

technology in the UK through key training programmes for **hybrid vehicle development**, representing a £2.5m investment.

Given these key assets, the East Midlands can identify significant strengths on which to build in terms of comparative advantage and opportunities for collaboration. The creation of a **Low Carbon Economic Area (LCEA) for Advanced Automotive Engineering** in the Midlands was recently announced. World-leading automotive innovation, research and technological expertise located in the Midlands will be harnessed to establish a market lead in the global development and production of low carbon vehicles. The LCEA status will act as a signpost to companies worldwide that the Midlands is the place to develop and produce low carbon vehicles and related technologies.

Energy Technologies Institute (ETI) set to allocate £1bn research funding



Life Sciences and Medical Technologies

The East Midlands is home to a broad spectrum of companies and universities operating within the Life Sciences and Medical Technology sectors. In the last five years, *emda* has provided almost £14m to support these sectors, through investments in research and development projects, BioCity, the healthcare and bioscience innovation network (iNet) and the Anthony Nolan Cord Blood Bank and research institute.

Due to a strong background in manufacturing and specialised engineering, the medical technologies sub-sector is fairly well developed

albeit rather fragmented. The biomedical sub-sector has a rich knowledge base in the region. As a commercial sector it is still relatively young but with some promising commercial prospects in the pipeline. The pharmaceutical sub-sector in the region has key drug discovery research strengths, the most notable of which is The University of Nottingham. The current commercial strengths are within the field of drug development.

Key regional assets include: **Nottingham Science Park** and the Queens Medical Centre (QMC), one of the largest teaching hospitals in the

UK. The R&D headquarters for **Astra Zeneca** is located at their Charnwood site in Leicestershire and **3M Healthcare** has a manufacturing facility in Loughborough.

BioCity Nottingham (the largest bio-incubator in Europe) and the **healthcare and bioscience iNet** represent our key investments to develop the SME base within this sector in recent years. There has also been significant investment in research and technology development via the Technology Demonstrator and Higher Education Collaboration fund.

£22 million innovation boost

***emda* has announced £22m additional funding to help regional businesses to develop and exploit innovative ideas to improve their competitive advantage.**

This investment will support a new generation of innovators, further establishing the East Midlands reputation as an innovative region



The new funding builds on the last three years' work establishing an innovation strategy for the East Midlands. The money is being used to continue support for businesses through four innovation networks (iNets), which *emda* has created in four priority sectors likely to have the greatest impact on the region's future prosperity – healthcare and bioscience, sustainable construction, transport and food and drink.

The £22m investment in the iNets also forms part of the second Regional Innovation Strategy, and supports the key technologies identified in New Industry New Jobs, such as Advanced Manufacturing and Low Carbon.

The iNets consist of teams of specialists who work closely with businesses, providing guidance, mentoring and advice about how to work more innovatively.

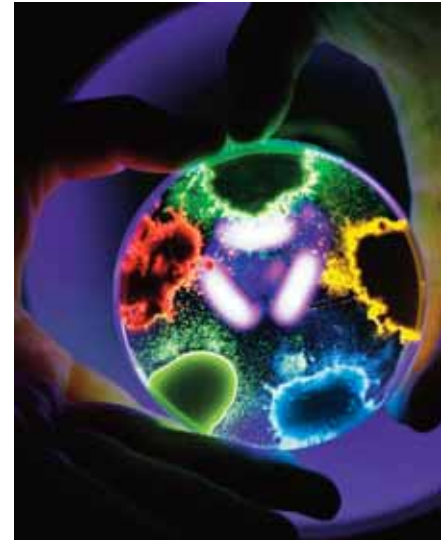
The additional money will also be used to provide grants to businesses for research and development and to

undertake collaborative projects with universities.

In addition to the £22 million, it is anticipated that a further £20m will be levered in to invest in innovative projects, helping hundreds of businesses develop and grow – creating a significant number of new jobs across the region.

To date, the iNets have supported over 1,000 businesses in the East Midlands and more than 150 innovation support grants have been provided, enabling businesses to develop and commercialise their ideas. Over 180 businesses have been linked with regional universities enhancing collaborative innovation in the region.

The funding will ensure that the iNets are able to provide extensive support to businesses for at least a further three years, and represents a five fold increase in the amount of grant support available to companies in all of the sectors which will improve productivity and create jobs.



A new phase of innovation support, building on effective regional partnerships

Creating the environment for innovation

As part of its work to support innovation *emda* has announced a £20m fund to support the development of premises focused on innovation and growth.

East Midlands Urban Development Fund – securing growth and competitiveness



The East Midlands Urban Development (EMUDF) has been set up using funding from *emda* and the European Regional Development Fund (ERDF). The East Midlands is the first region in England to take advantage of new ERDF flexibilities to get an Urban Development Fund (UDF) up and running.

The EMUDF allows *emda* to make funding work harder for the region and generate a greater return on investment for the taxpayer. Investment will take the form of equity, loans or guarantees rather than traditional grants, supporting projects with the potential for financial return. These returns, along

with the original capital investment, can then be reinvested into further schemes to bring real economic benefits to the region over the long term.

This will ensure that the capital base of the fund continues to grow and generate a return on investment over the next 10 years.

Support for innovation, science and technology facilities

The fund will support regionally significant, innovation-related projects that demonstrate:

- How they will create the right physical environment to help stimulate innovation, research and development – such as science parks, innovation premises, or high tech employment floorspace
- Strong links with the four priority sectors identified in the Regional Economic Strategy – healthcare and bioscience, sustainable construction, transport and food and drink.
- Additional high quality employment opportunities.

Property and finance specialists, King Sturge Financial Services, will manage the fund and engage with public and private sector partners to identify development opportunities.

The EMUDF is the most recent addition to *emda*'s support package helping the region's economy through the challenging economic times. It will help create the right environment for innovation, and facilitate much needed investment in capital development as the region moves into recovery and future economic growth.

The EMUDF can also be expanded as required after the initial investment phase.



Ongoing funding to create a legacy for the region



Project Part-Financed
by the European Union
European Regional
Development Fund

Help for business

emda has always provided a rapid response to economic and other crises, helping businesses and their supply chains refocus and survive. The past 18 months has required a swift and tailored response – *emda* reviewed delivery procedures and put in place enhanced and refocused business support measures with Business Link at its heart.

46 Transition Loans have created or safeguarded 2,456 jobs



67,000 businesses supported by Business Link last year

Support for businesses

As well as access to enhanced finance provision – including the Transition Loan Fund – *emda* provided hands on practical support

for businesses through a series of events, starting with Survive and Thrive in December 2008 – which were attended by over 2,000

business people with a further 19,000 accessing information from the dedicated website and supporting e-newsletters.

Health Check helping castor firm go global

Thanks to a Health Check and the support of the *emda*-funded Business Link service, Leicester's Ross Handling can get its plans for foreign trading off the ground. The company has 40 years' experience of supplying castors and industrial wheels to everyone from hospitals and caterers

to steel fabricators and energy companies.

Louise Horne from the company explained: "The Business Link Health Check gave me an excellent overview of my business. It gave me the confidence to go through with my future plans."

With Business Link support Ross Handling were also able to identify and successfully apply for grant funding.

Over 14,000 Business Link Health Checks have been carried out in the past 12 months.



Health Checks cover:

- Financial strategy
- Opportunities and tactics to boost sales
- Action plans to achieve business goals



Cooper Research Technology on the silk road to success

Advanced asphalt testing solutions company Cooper Research Technology has seen significant growth in its export markets thanks to the help and support of UK Trade & Investment (UKTI).

Based in Ripley, Derbyshire, Cooper designs and manufactures high performance testing equipment for asphaltic and unbound materials used in highway construction. They have an impressive overseas client portfolio with around 80% of business

coming from the export market, enabling users to test pavement material for mechanical properties such as stiffness modulus, fatigue and permanent deformation.

Since working with UKTI, Cooper Research Technology has set up a subsidiary business in China after receiving expert help and advice from the Passport to Export Programme at UKTI and won an EEF award in acknowledgment of their achievements.

Entering the Chinese market was totally unfamiliar territory for us. I don't know what we would have done without the help and support.

Pete Grafton, Managing Director at Cooper Research



Enterprise Finance Guarantee

Nottingham-based Romax Technology has secured £1 million funding from the Government's Enterprise Finance Guarantee (EFG) scheme to drive growth and support its expansion plans.

Renowned for providing innovative technical solutions to the world's leading automotive, aerospace, marine, rail and wind energy companies, the EFG loan will support

an extensive recruitment and training programme, ensuring the company has the appropriate technical resources to build on recent success in the hybrid vehicles and wind energy markets. The EFG loan also complements the Grant for Research and Development Romax recently received from *emda* to further develop its technology for hybrid vehicles.

Small Loans for Business

Launched in 2008, these loans encourage enterprise and support growing businesses. The scheme provides vital business loans to people with viable business ideas but who have been unable to find finance elsewhere.

The difficulty of accessing finance during the recession is one of the main inhibitors of business start-up

and growth, especially for small businesses and deprived communities. Small Loans for Business is addressing this by focusing on companies owned and started by young people, women, ethnic minorities and people with disabilities. Without its help regional start-ups and entrepreneurs would have struggled to raise the required finance.

**88 loans and
£1.226m
provided to date**

**140 businesses
assisted**



Grant for Research and Development

A Grant for Research and Development (GRD) from *emda* has helped a Derbyshire snack manufacturer to develop a revolutionary low fat snack food – CRIPS.

CRIPS is the brainchild of food technologist, Brian Smith, Managing Director of Marbran Limited and his son Gareth. Marbran was awarded a GRD of £90,000 by *emda*, and after

12 months of research and testing, the revolutionary CRIPS product was ready. CRIPS is an oven-baked wheat and potato crisp, containing 70% less fat than traditional fried potato crisps.

The product has been so successful that Marbran has secured contracts to supply CRIPS to the likes of Waitrose and British Airway, as a Club Class snack.

Impact and achievements

For every £1 spent by *emda* between £9 and £15 has been put back into the regional economy

(source Ecotec 2009)



119,026
jobs created or safeguarded

(annual performance measures 1999-2009)



106,343
businesses supported

(annual performance measures 1999-2009)

Over
238
inward investment projects

creating or safeguarding over 23,000 jobs (since 2001)



£844m
investment levered into the region

(annual performance measures 1999-2009)

Since taking on responsibility for Business Link in the East Midlands the number of front line advisers has been increased by 40% and back office costs reduced from 30% to 23%

£16m
cost savings for manufacturers

Since 2002, MAS East Midlands has supported over 2,800 manufacturers across the region and helped create or secure in excess of 1,300 jobs