



The Benefits  
of Being in  
Europe for  
**Birmingham**

“ Birmingham has  
attracted more  
than £4 billion  
worth of foreign  
direct investment  
since 2003”

**SIR ALBERT BORE**  
Leader of Birmingham City Council

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# Foreword

## The post 2014 funding period will potentially see EU investment in the city top the £1 billion mark



All too often, we hear about the perceived drawbacks of EU membership. This publication aims to redress the balance by highlighting a series of practical examples of European investment and co-operation, and how this has benefited Greater Birmingham and the West Midlands.

Birmingham's engagement with Europe has been instrumental in helping regenerate the city; create trade and investment opportunities for our businesses, as well as giving numerous people, professionals, students and members of community organisations, the opportunity to engage with new ideas and fresh thinking.

The counter-argument some would make to Birmingham receiving EU investment is that we are merely accessing money which the UK has already paid into the EU. However, this is arguably far too simplistic a picture. We have seen that public sector cuts in the UK have had a disproportionate and adverse impact on cities such as Birmingham. By contrast, the distribution of EU Structural Funds in the UK, which is overseen by the European Commission, has been far fairer, meaning that cities like Birmingham have not missed out. Moreover, UK government funding is often only awarded in short funding cycles and by contrast European Structural Funding allows, and encourages, longer term planning with seven year funding cycles.

Working with European partners is also enabling our businesses and universities to compete globally. For instance, collaboration with European universities and private sector organisations on research and development is enabling us to more effectively compete against the immense economies of the United States and China.

Co-operating across a Europe without borders also opens perspectives, challenges our thinking and provides us with solutions to new problems. This takes many forms, such as the development of trade opportunities, college students undertaking work experience abroad, or the discovery of a new breakthrough in scientific research. It is important not to underestimate the impact such projects have beyond their immediate goals. At an individual, human level these are deeply enriching experiences, supporting people to develop a wide-range of skills that are specific to their area of work, as well as equipping them with more practical skills necessary in our globalised society. Such skills are crucial to our future economic prosperity.

This publication highlights three key benefits our engagement in Europe is bringing to Birmingham:

- **European funding** – the post 2014 funding period will potentially see EU investment in the city top the £1 billion mark
- **Trade and export** – In 2003-2013 nearly half of all West Midlands exports by value went to EU countries
- **Inward investment** – Birmingham has attracted more than £4 billion worth of foreign direct investment since 2003, with the creation of more than 15,500 jobs – more than any city outside London.

It is successes like these that this document celebrates. My ambition is that we should further harness the connections, ideas, and, yes, the funding, that membership of Europe can offer to the city.

A stylized, handwritten signature in black ink, appearing to read 'Albert Bore'.

**Sir Albert Bore**  
**Leader, Birmingham City Council**

# 1. European funding... transforming Birmingham



Millennium Point

## European funding building a modern, dynamic city

European funding has injected fresh energy into the physical landscape of Birmingham. Principally through the use of the European Regional Development Fund (ERDF), the city council and partners have been able to build a dynamic 21st century city. This physical infrastructure is complemented by a demography which sets Birmingham apart: it is a young city, bucking the trend nationally, with 46% of its population under 30 and a super diverse city (42% being from ethnic groups other than white) <sup>1</sup>, perfectly placed to tap into Birmingham's strong entrepreneurial tradition. This entrepreneurial spirit is reflected in the way the city has used EU funding to revive our historic buildings, build new ones, increase the city's connectivity and act as a stimulus to private sector investment.

One well-known example of funds pump-priming investment is the canal side development in Brindley Place adjacent to the ERDF funded International Convention Centre (ICC). Following an initial £50 million ERDF investment in the ICC, private sector money flowed in and the area is now a vibrant, high quality business district home to 25 businesses including blue-chip companies and some 8,500 employees.

## European Regional Development Funding in numbers to date:

**£25.6 million for Millennium Point**, the UK's largest ERDF funded project in the period 1994-1997.

**£9.1 million** to redevelop **Masshouse Circus** (2001-2003), opening up several commercial development sites and removing the inner ring road to improve connectivity in the city.

**£50 million** investment for the **International Convention Centre (ICC)**, opening in 1991 and now hosting over 350 events and more than 300,000 delegates each year.

**£3 million** to renovate the **Town Hall**, helping it regain its former splendour, reopening in 2007 and receiving 150,000 visitors in 2013. The total project spend was £33m.

**£30 million** invested in the **NEC** which had 2.2 million visitors (excluding the LG Arena) and hosted 531 exhibitions and conferences in 2013.

Over **£6 million** invested in **Innovation Birmingham** – the UK's 3rd largest science park – soon to host the Digital Plaza Development.



Over **£3 million** invested in the city's **Hippodrome, Alexandra and Repertory theatres.**

## Spotlight on:

### **Millennium Point...boosting the knowledge economy**

At the centre of Birmingham's Eastside District, Millennium Point is at the heart of the city's learning and innovation quarter. It is operated by Millennium Point Property Limited on behalf of Millennium Point Trust, whose charitable aims include furthering learning and engagement through science, business, modern and future technology. Opened to the public in 2001, it was seen as a European path breaker in the drive towards the development of the knowledge economy. It is a mixed-use technology, education and visitor-based facility and has become a thriving hub with more than one million visitors every year. The initial investment has acted as a catalyst to further investment. It now hosts the Think Tank Science museum, faculties of Birmingham City University and the fashion and design studios of Birmingham Metropolitan College. In turn, this has stimulated further investment in the surrounding area, including the construction of new educational facilities. £25.6 million of European funding provided a vital contribution to the total overall cost of £114 million for the build.

### **Town Hall...European funding supporting redevelopment for tourism**

£3 million of ERDF funding contributed to a funding pot of £33m to re-animate Birmingham's Town Hall which had been closed due to the building structure being unsafe. The vision behind the funding was clear: upon reopening in October 2007, the Town Hall would be firmly placed as a dynamic and distinctive local and national performance venue for a range of cultural, civic, business and community uses for the people of Birmingham. The ERDF funding contributed to the refurbishment costs leading to job creation, an increase in visitor numbers and expenditure, and environmental enhancements <sup>2</sup>.

The importance of the Town Hall was underlined by Sakari Oramo, Music Director of the City of Birmingham Symphony Orchestra 1998-2008: "Birmingham Town Hall was home to the CBSO for many years

and it's great that the current revitalisation and improvement programme means that Birmingham will have yet another excellent venue."

## What's happening next?

The next EU funding period, post-2014 potentially will see EU investment in the city top the £1 billion mark with a number of new, significant investments to further support Birmingham's renaissance.

The new ERDF programme supports three key priorities:

- Innovation and research and development
- Stimulating business and enterprise
- Developing low carbon communities

**ERDF will be used to support the Greater Birmingham and Solihull Local Enterprise Partnership Sustainable Economic Plan and Growth deal and in particular its game changers which include a focus on the opportunities arising from High Speed 2 (HS2), a fast rail link connecting Birmingham and the north to London.**

Two HS2 stations are proposed in the Greater Birmingham area, and the wider benefits of the UK Central initiative are:

- UK Central in Solihull, with an estimated 100,000 new jobs and £19.5bn in Gross Value Added (GVA) by 2040
- Birmingham Curzon in Birmingham city centre with an estimated 50,000 new jobs and £2bn per annum by 2031

This Sustainable Urban Development Plan will have direct economic impacts including:

- Low carbon and ecological gains for communities
- The creation of new jobs
- Increased connectivity and economic gains for urban and rural communities

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1 Birmingham City Council census 2011

2 Combined Business Plan Birmingham Town Hall and Symphony Hall March 2004.

## 2. European funding...

### boosting the local economy by helping small and medium sized enterprises (SMEs) to grow



The growth of small and medium-sized enterprises (SMEs) is vital to the UK's economic recovery. SMEs account for more than 99 percent of all firms in the UK and account for 49 percent of total private sector turnover <sup>16</sup>. There are over 7,000 SMEs with over 20 employees in the West Midlands, collectively employing over 378,000 people.<sup>4</sup> SMEs are incredibly important in supporting local economies and communities as employers, buyers of goods and services and suppliers to larger firms. In order to grow, SMEs need access to finance. The gap in access to private equity finance continues to be filled by publicly-backed funds designed to support SME growth.<sup>5</sup> In this respect, European funding is an important contributor by providing support to companies.

#### ERDF support to businesses in numbers:

The ERDF 2007-2013 programme can report the following successes to date:

- **24,910** West Midlands-based businesses have received ERDF funding
- **11,999** people have been helped to get a job
- **7,485** people started a business and
- **1,077** new businesses in the region were created plus a further **7,352** jobs have been safeguarded.

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3 Department for Business Innovation and Skills (2012) Business population estimates for the UK and regions 2012

4 <http://www.bitc.org.uk/programmes/princes-seeing-believing/previous-visits/developing-role-smes-local-economies#sthash.wDBdjCEE.dpuf>

5 <http://www.centreforcities.org/assets/files/2013/13-07-10-Small-Business-Outlook-Final.pdf>

## Spotlight on ERDF supporting businesses

### Business Development Programme helping SMEs implement growth plans

This £8m ERDF funded programme aims to assist 400 SMEs and consists of two schemes: financial assistance, and coaching and mentoring, also known as great200leaders. The great200leaders scheme consists of workshops, one-to-one meetings, peer group learning, expert support and events and will support 200 business managers. Launched in September 2012, and due to finish in June 2015, the programme is administered by Birmingham City Council (BCC) on behalf of the Greater Birmingham and Solihull Local Enterprise Partnership.

Grants for the financial assistance scheme totalled over £2.5m matched with £2.2m from qualifying businesses approved for grants of between £10,000 and £15,000. 185 businesses have so far been supported by the scheme, with **over 900 jobs to be created or safeguarded**. The programme has highlighted a thirst for this kind of activity in the region, evidenced as the financial assistance scheme was fully committed six months ahead of schedule. BCC is currently requesting further ERDF funding to extend the financial assistance scheme to the end of 2015. This will support a further 50 SMEs with 70 jobs being created or safeguarded.

### Birmingham Assay Office given EU grant to safeguard and create jobs

The £1.5m ERDF grant will enable the Birmingham Assay Office to expand its analysis and testing of metals and precious materials operations, as part of a relocation development worth over £7m. Following this development, 100 jobs will be safeguarded, 32 of these as a direct result of ERDF investment, in addition 8 new jobs will be created thanks to the EU funds. Founded in 1773, Birmingham Assay Office is the largest assay office in the world. Its presence in Birmingham's Jewellery Quarter plays an important strategic role. Without ERDF funding for this new project, there was a risk that the Birmingham Assay Office would need to relocate outside Birmingham.

The new build proposal has direct and wider strategic benefits for this creative sector location, and represents an early development in a pocket of dereliction. It will also support research related business both in the Jewellery Quarter and across the locality. Work began on the site in autumn 2014 and is due for completion in 2015.

### What's happening next?

European funding will continue to play an important role in providing access to finance for SMEs in the period 2015-2020. A funding pot of approximately €125 million, a Financial Engineering Instrument loan fund, is being put in place for SMEs to apply for in the West Midlands.

2007-2013, the West Midlands received

£640m

ERDF and ESF funding



### 3. European funding... getting people into work



Greater Birmingham is home to almost two million people, 918,000 jobs and 67,000 businesses ranging from start-ups to major international names like Jaguar Land Rover, GKN, IMI and Mondelez <sup>6</sup>. At the same time we also have one of the largest, most diverse workforces in the UK.

Yet, there are challenges to be overcome. Birmingham has the highest youth unemployment rate (23.1%) amongst the English core cities - significantly above the core city average of 18.2%. <sup>7</sup>The Skills for Birmingham report notes that, 'The skills gap is having a damaging effect on our young people and on the businesses based here, which can struggle to recruit the workforce they need to develop and grow.'<sup>8</sup> European money has been used and will continue to be used to address these issues, helping many people gain access to education, employment and training.

The European Social Fund (ESF) is the principal fund which helps people back to work. Other transnational funds such as Leonardo, Youth in Action and the Competitiveness and Innovation Programme also provide opportunities to develop vocational skills and ideas.

#### **ESF in numbers:**

As a result of the 2007-2013 round of ESF funding, the West Midlands has:

- £305 million ESF investment
- 60,895 people were in work on leaving ESF support
- 47,912 14-19 year olds went into education, employment and training
- 23,194 people gained basic skills
- 21,334 people gained a level 2 qualification (GCSE level or equivalent)
- 7,734 people gained level 3 education (A level or equivalent)

#### **Spotlight on EU funding helping people into employment**

##### **Responding to crises**

ESF has been used to respond to employment crises such as the closure of the MG Rover plant in 2005. Almost 6,000 MG Rover workers were made redundant overnight. With ESF support, the Rover Task Force was swiftly put in place. By April 2007, 90% of the redundant workers were back in work. The Task Force received a 3-year funding package of £176 million made up of contributions from government, Advantage West Midlands, Birmingham City Council and the EU; ERDF funding amounted to £15.9 million, and ESF contributed £49.5 million.

### **Graduate Advantage... helping graduates into local jobs**

The 'brain drain' of talented graduates leaving the West Midlands for roles in London was addressed by Graduate Advantage which worked with SMEs in the area to provide high quality internships. Established in 2003 and led by Aston University, involving all 13 West Midlands universities, it has engaged with 29,000 graduates and 18,000 businesses. The programme has made a significant contribution to the economic regeneration of the region, and has driven social mobility providing graduates with work experience, 67% of whom had been previously unemployed. By 2013 £10 million worth of private and public sector investment including ERDF had supported the initiative.

### **Upskilling carers to help an ageing population**

The UK's population is ageing; figures for the number of dependent older people in England are projected to grow from 2.5 million in 2001 to just over four million in 2031 - an increase of 57%.<sup>9</sup> Ever increasing care needs mean projects like DISCOVER - Digital Skills for Carers are of real value. Funded by the EU Competitiveness and Innovation Programme from 2012-2015, it promotes the use of digital technologies to enable carers to access the information they need, when they need it, to facilitate knowledge and information sharing. This will foster the well-being of carers, older people and increase their computer skills.

### **South and City College ... reaping the benefits of EU mobility programmes**

College students and staff have been taking advantage of EU programmes including Leonardo Mobilities, Youth in Action as well as a Transfer of Innovation project. During 2012/14, 75 students participated in European work experience projects in various sectors including: automotive, electrical, travel & tourism and hospitality & catering sectors. In addition, the college has been involved in three separate science projects through Youth in Action and 20 members of staff have been involved in other EU funded projects. For many of the students, this was their first time abroad and has provided incredible personal development and skills development opportunities in areas having skills shortages nationally.

## **What's happening next?**

ESF provision from 2014-2020 will focus on three key areas:

The ESF priorities include:

- Promoting employment and mobility
- Promoting social inclusion and employability
- Skills for growth and entrepreneurship

The Greater Birmingham and Solihull Local Enterprise Partnership's (LEP) new European Structural Fund Strategy proposes establishing a 'Skills Hub' which will give employers a single point of access when searching for courses suitable for their employees. Colleges of further education have joined forces with Greater Birmingham Chambers of Commerce in order to get the link between business and academia off the ground. This will include the development of skills in the construction, advanced manufacturing and other sectors. It will also focus on skills related to the UK rail industry to support High Speed 2 (HS2), a fast rail link connecting Birmingham and the north to London.

### **Addressing the needs of our young people**

Through the Youth Employment Initiative (YEI), a new £170 million programme (2014- 2020, UK allocation), young people aged 15 to 24 years will be helped to find work. This will be matched by an equal amount from the European Social Fund and also by project partners, bringing the total funding to approximately £57 million for the Greater Birmingham Local Enterprise Partnership.

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6 [http://centreofenterprise.com/wp-content/uploads/2013/10/GBSLEP\\_A4\\_070214\\_v8.pdf](http://centreofenterprise.com/wp-content/uploads/2013/10/GBSLEP_A4_070214_v8.pdf)

7 <http://www.skillsforbirmingham.com/SFB-Report.pdf>

8 <http://www.skillsforbirmingham.com/SFB-Report.pdf>

9 Source: Personal Social Services Research Unit (PSSRU) report on long term care/Government Actuary's Department

## 4. European funding... tackling climate change



Climate change is a global challenge we can't afford to ignore. Birmingham City Council has set itself an ambitious target to reduce CO<sup>2</sup> emissions by 60% by 2027 against 1990 levels. It has established a Green Commission setting out clear priorities for the city to achieve this, including:

- Accelerating investment in how we heat and power the city;
- Creating more local renewable energy;
- Improving the way we travel and get around; and
- Widening our investment in building energy efficiency programmes

European funding helps us achieve these ambitions by resourcing programmes to develop climate change technology and training people to use it. Having the right policy framework and available funding are important elements in achieving our aspirations.

### Spotlight on projects helping us reach our targets include:

- **NISP...**redirecting waste from landfill, saving money (and carbon) in the process

European funding is being used to part-finance a model developed by

Birmingham-based firm, International Synergies Ltd that has achieved **£280 million economic benefits** for the region. It has received just over £1 million in EU grant since 2010 with further resources provided by UK government. The idea behind the model, known as the National Industrial Symbiosis Programme (NISP), is simple: it's a case of one man's trash is another man's treasure. When waste is produced from one industrial process, instead of going automatically to landfill, which is costly, it is redirected to a business which is able to put it to use. At its outset, in 2003, the city's rich industrial heritage provided the perfect backdrop to pilot NISP. The project ran for two years, successfully working with hundreds of companies across the region to find innovative uses for previously wasted resource streams including materials, water, energy and assets. The programme also generated **3,269 jobs** for the region and reduced the carbon footprint of the area by the equivalent of over 5 million tonnes of CO<sup>2</sup>.

The demand from the regional business community for support to improve resource efficiency and

productivity continues to grow each year and this has resulted in more monies being allocated under the ERDF programme to service this increase in demand, and deliver more business benefits to the region.

- **Climate Knowledge and Innovation Community (KIC)...**creating new products, services and jobs for Birmingham

Climate KIC was created in 2010 by the European Institute of Innovation and Technology. The Climate KIC supports the institute's mission by addressing climate change mitigation and adaptation. A €100m+ grant supports 12 hubs of climate change activity across 10 countries and Birmingham is a regional partner. The aim is to create new partnerships to integrate research, business and technology to transform innovative ideas into new products, services and jobs. As Catherine Shelley, Climate KIC Programme Development and Delivery Officer notes: "Climate KIC is bringing tangible benefits to Birmingham. The Accelerator Programme is providing support to low carbon start-up companies helping them improve the quality of their products and services before taking them to market. 45 start-ups have subsequently raised an additional €59million in external investment."

- **Opticities ...**helping Birmingham reduce traffic congestion

Launched in 2013, Opticities, funded through the EU Framework 7 programme, aims to help Birmingham and other European cities tackle complex mobility challenges. This is being achieved through the development of public/private partnerships and the experimentation of innovative Intelligent Transport System (ITS) services utilising wireless technology and other technical support. The research from the project is feeding into Birmingham's transport strategy, Birmingham Connected, and will help improve transport flow and reduce traffic disruption around Birmingham.

**BioenNW (EU funding source: INTERREG IVB)...**helping Birmingham reach its clean energy targets

Led by Aston University and 12 European partners, BioenNW is helping organisations (local and regional authorities, businesses, academia and investors) establish local, small-scale, 'bioenergy' schemes. Bioenergy is a renewable energy source derived from plants or animals and their by-products. The scheme is boosting the potential for biomass to make a substantial contribution to increasing energy security, reducing carbon emissions, creating employment and developing synergies between regions, plus it provides a platform for future European funding. Joanna Fletcher, BioenNW Project Manager at Aston University's European Bioenergy Research Institute, said: "Birmingham is integral to this project as the lead region. We have worked with numerous organisations throughout the West Midlands, offering support for their bioenergy ideas and innovations. As a result, five proposed bioenergy developments have been identified and at least one of these will be developed to the point of build by the end of 2015."

## What's happening next?

Birmingham is trialling innovation procurement methods to meet carbon reduction targets

Birmingham City Council is a partner in the Public Procurement of Innovation in Action Network (PPIA) and the Smart Procurement European Alliance (SPEA) projects. Both projects focus on the strategic use of public procurement through the adoption of proven innovation procurement methods to reach the cities involved energy reduction targets. As a consequence of the work completed on these public procurement innovation projects, the city has been awarded €1.2 million from Horizon 2020 funding to work on a project extending the work of the PPIA network. This award is seen as further proof of Birmingham's position as a leading green city, contributing and benefitting from its European collaborations.



## 5. European funding.... boosting research and innovation



“For all the universities in Birmingham, European funding is not a top-up, but an essential, irreplaceable part of their research and innovation income. Equally importantly, their involvement in European Programmes opens up partnership opportunities with and learning from researchers and innovators in universities and businesses across the EU. ”

Dr Pam Waddell, Director of Birmingham Science City

Bringing researchers  
from different countries  
together to develop  
**scientific  
breakthroughs**

Europe offers vast potential in terms of research funding. Currently, the West Midlands is benefitting from approximately **€336 million** of EU investment through the FP7 research programme. It funds projects covering areas such as health, food, ICT, nanoscience, energy, climate change, transport, socio-economic sciences, space and security.

Engaging in Europe is essential for all Midlands universities. With this in mind, the University of Birmingham has added to their portfolio of European stakeholders through the signing of a formal collaboration agreement with the European Commission's Joint Research Centre (JRC). This is the in-house science service of the European Commission whose remit is to provide



EU policies with independent, evidence-based scientific and technical support. A spokesperson commented, "The University of Birmingham is delighted with the opportunity that the signing of the collaboration agreement has provided which will help us to shape future programmes. The following years are going to be very exciting."

The agreement will bring considerable benefits for the university, including increased research power, and the capacity to shape future research, policy and programmes at a European and international level. The agreement will also accelerate the University's engagement in established and new European and international research initiatives.

### Spotlight on research projects:

- **With obesity an ever increasing issue and childhood diabetes a growing concern, the importance of promoting healthy lifestyles and participation in physical activity is well understood.** The University of Birmingham is helping to tackle this through an EU funded FP7 programme called PAPA (Promoting adolescent health through an intervention aimed at improving the quality of their participation in physical activity). With an approximate value of €4 million, the project was operational between April 2009 and September 2013. Project Director, Joan Duda, commented, "In an environment that is more empowering, the kids, regardless of their Body Mass Index, are moving more when they are playing, which from a health standpoint is really important."

- **Better, faster treatment for children with cancer.** The University of Birmingham is participating in a €13.5 million 'ENCCA' project (January 2011 – December 2014), which is helping children and young people to get better treatment more quickly. EU funded researchers are improving collaboration among children's cancer specialists, bringing together doctors, nurses, patient and parent organisations, drug manufacturers and legislators to get better treatment more quickly to children and other young people suffering from the disease.

## 'European funding helps us to remain at the cutting edge of research and attract world class researchers to Aston'

Professor Martin Griffin, PVC Research, Aston

- **EU FP7 Marie Curie Individual Fellowship scheme...boosting Aston University's research output.** 20 successful applications brought world class researchers into Aston from across Europe, the USA, Russia, Ukraine, Canada, Japan and China. The fellows undertake two year research projects, designed jointly by the Aston host and the fellow, combining the expertise of both parties. The projects are catalysts for long-lasting relationships and significant follow-on research between the fellow and the wider networks of both parties. For example, the Transfer to Turbulence – Ventilated Double Glazing project brought to Aston Dr Takeshi Akinaga from Kansai University, Japan. The project is developing a new glazing concept that, if realised, will dramatically reduce the cost of heating and cooling in commercial and residential properties.
- **NEWLED project with the power to reduce global energy consumption by 10%.** This €14 million research project aims to develop the new generation of white light LEDs. The devices will have immediate applications in automotive, industrial lighting and displays industries. Widespread implementation would reduce global energy consumption by approximately 10% and reduce CO<sup>2</sup> emissions by 3bn tonnes with consequent economic and environmental benefits. The project is led by Prof Edik Rafailov from the Aston Institute of Photonics Technology, Aston University, and involves leading industry and academic partners from across Europe.



Currently, the West Midlands is benefitting from approximately  
**€336 million**  
of EU investment through the FP7 research programme

#### What's happening next?

**Horizon 2020** has now replaced the FP7 programme with a Europe-wide funding pot of €80 billion available. It is the second largest research funding programme in the world, second only to the National Institute of Health, USA.

It aims to solve some of society's biggest challenges, from ageing populations to the need for clean energy, and keeping Europe's economy competitive in the long term.

One particularly interesting development in the new Horizon 2020 programme is the invitation to SMEs to participate in the programme. They can either engage in collaborative projects as part of a consortium or engage in it through support specifically designed for highly innovative smaller companies. This broadening of the research budget to embrace SMEs signals an interesting departure for funding traditionally focusing upon the university sector.

## **West Midlands Academic Health Science Network partner in new €2 billion Healthy Living and Active Ageing project**

The West Midlands is a core partner in a new, flagship EU project designed to promote entrepreneurship and develop innovations in healthy ageing and active living. Through the West Midlands Academic Health Sciences Network, which includes NHS and private healthcare providers, local government, and regional businesses and universities, the European Institute of Innovation and Technology (EIT) Health Knowledge and Innovation Community (KIC) will lead to innovations in the delivery of healthcare in the region and will assist local businesses to develop new products and services and create new jobs. The region's involvement in the EIT Health KIC puts it at the heart of the European Union's efforts to meet the challenges presented by an ageing population and unhealthy lifestyles.

This exciting project, which was given the go ahead in December 2014, brings together leading European businesses, healthcare providers and universities from 14 EU countries to:

- produce 90 new products/services annually by 2018
- create 70 start-ups per year by 2018
- have 1,000,000 students taking part in its educational online programmes per year by 2018
- in its first full year of operation in 2016, it expects to incubate 80 new business ideas, rising to 140 in 2018

The University of Birmingham is participating in a **€13.5 million** project called ENCCA which is helping children and young people to get better cancer treatment more quickly.

## 6. European funding... helping creativity to flourish



The creative industries occupy a significant position in our economy. £70,000 is generated in the UK every minute for the UK economy by the creative industries. 1.5 million British employees work in the industry and £1 in every £10 of the UK's exports are generated by it. <sup>10</sup>

The **Birmingham Creative City** initiative was launched in October 2011 and is aimed at securing investment for cultural and creative activities in the city, recognising the importance these sectors play in economic development. The importance of the creative economy in the region is clear, it includes 6,000 organisations with 38,000 employees plus a freelance workforce of 17,000 accounting for 9% of regional Gross Value Added <sup>11</sup>. Events draw in over one million additional visits for Birmingham and for every £1 of council investment, an additional £29 is generated by the arts and cultural sector. Music tourists generate £138m per year <sup>12</sup> and Birmingham's International Dance Festival contributed £2.6 million to the economy and £2.7m of media coverage .

European funding makes an important contribution to the creative industry sector.

### Spotlight on recent projects funded by the EU:

**The International Young Makers in Transit** – an EU Culture Programme funded a network of 10 international theatre networks developing the work of emerging artists.

Birmingham's BE FESTIVAL represents the UK in this network and since joining, the network's reach has helped attract growing audiences and programmers from across the continent to Birmingham. It has also helped in spreading the festival's reputation among artists; in particular, it has boosted applications from European artists, which have climbed from just 67 in 2010 to more than 600 in 2014. UK artists have also benefited from the opportunity to perform in Europe and a total of 400 artists have taken advantage of this so far.

**International Dance Festival Birmingham (IDFB)**...one of Europe's biggest dance festivals, part funded by the European Union

The award-winning IDFB has taken place every two years after its inaugural appearance in 2008. Birmingham's

theatres, streets and squares host world-class performers, collaborations and new commissions for a four week period. It draws national and international attention to the city, and demonstrates the wider economic benefits of the arts by generating £2.6 million of economic activity in 2014. David Massingham, Artistic Director of DanceXchange and co-artistic director of IDFB 2014, said 'This IDFB will continue to build on the successes of our previous three festivals, reaching wider and new audiences for dance by presenting work in innovative ways and creating new opportunities to participate.' To date, £741,000 of ERDF has supported the four festivals.

**Cross Innovation...** EU funded INTERREG IVC project helping small and medium sized enterprises (SMEs) to grow

The €2.5 million project championed by Birmingham City University aimed to identify and share good practice in policy in 'cross innovation' where creative industries collaborate with other growth sectors in 11 cities across the EU. Cross innovation is a process which fosters information sharing and collaboration with other growth sectors which in turn promotes new thinking. The project included an event in Berlin where 100 SMEs from across 11 cities worked on developing new business opportunities together. Three specific opportunities are being supported by BCU as a result of this, including:

- Digital Health Hubs – to undertake a feasibility study for health hubs in 5 EU cities
- Art Lab Interactive – Birmingham transferred this Spanish lab-based approach which focused on using digital technology as a way of engaging with arts and culture.
- A digital approach in Europe to the galleries, libraries and museums sector.

## What's happening next?

### Creative Europe

Creative Europe is the next EU programme aimed at supporting the cultural and creative sectors. It brings together the former Culture 2007-2013, MEDIA and MEDIA Mundus programmes. The budget for the programme is €1.46 billion for 2014-2020, which is an increase of about 9% on past funding levels.

Other opportunities exist in the new Horizon 2020 programme in particular under the socio-economic sciences and humanities programme and in Erasmus Plus, the new lifelong learning programme, which offers opportunities for traineeships.

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10 <http://www.lseg.com/resources/1000-companies-inspire-britain/creative-industries>  
<http://centreofenterprise.com/birmingham-creative-city/>

11 **Gross value added** (GVA) is a measure in economics of the value of goods and services produced in an area, industry or sector of an economy.

12 <http://centreofenterprise.com/birmingham-creative-city/>

13 K. Scott, International Dance Festival

The creative sector is  
boosting our economy:  
9% Gross Value  
Added to the region



## 7. Europe... a market of 500 million on our doorstep



Birmingham Airport

### Benefits of the single market

"The European Single Market is tailored for Birmingham's strengths, and it has really taken advantage of its benefits. Across the city, businesses large and small are shipping goods and selling services to a market of over 500 million citizens with a minimum of formality. Birmingham businesses play a growing role in supplying major firms which are key single market players such as Airbus, JLR and BMW."

Malcom Harbour, CBE, Former Chairman of the European Parliament's Internal Market and Consumer Protection Committee

Being part of the single market has proven extremely beneficial for Birmingham in terms of both import and export.

With a Gross Domestic Product of £11 trillion, the EU forms the world's biggest single market and a larger economic zone than the United States and Japan combined. Membership of the single market also means easy access to 500 million potential customers.

A single set of rules for all, as opposed to 28 different ones, helps simplify trade interactions.

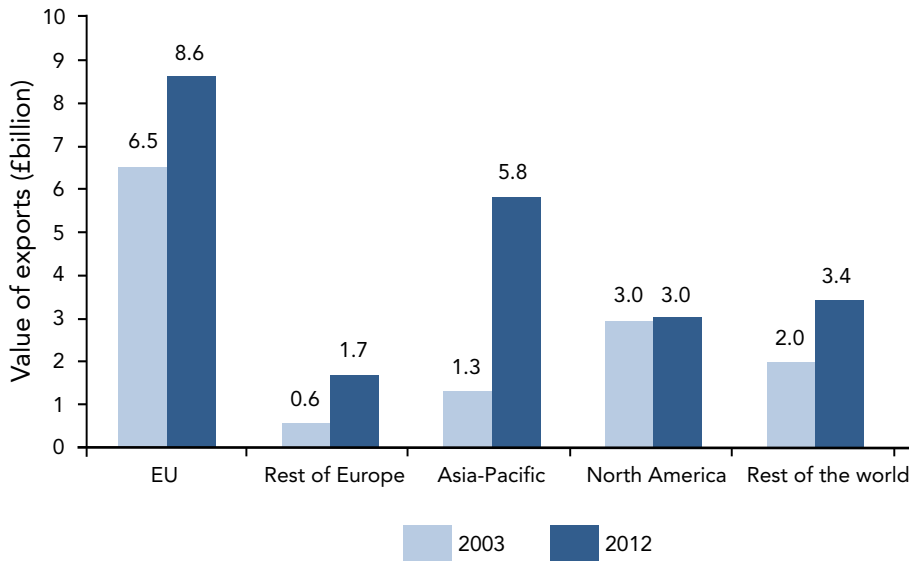
The EU is a key market for Birmingham's exporters. Between 2003 and 2013, nearly

**half of all West Midlands exports by value went to EU countries.**<sup>14</sup>

Free trade agreements established between the EU and other trade blocs, as well as lower tariff and non-tariff barriers, have allowed firms to benefit from a large increase in trade in the wider economy.

As a member state, the UK has a direct say on European Union rules and regulations. Through its seat on the Council of Ministers alongside representation in the European Parliament through our MEPs, the UK ensures its voice is heard on proposed regulations and calls for reform.

**Chart 1: West Midlands' exports by value to key global regions 2003-2012**



## Spotlight on:

### Jaguar Land Rover... iconic Midlands brand

With exports accounting for 80% of all vehicles Jaguar Land Rover produces at its three UK manufacturing plants, 60% of these export sales go to Europe, North America and China. Importantly, as detailed in its 2012-2013 report, retail volumes in Europe stood at 80,994, representing an increase of 18% on the previous year.

It is one of the UK's largest exporters and generates in the region of 85% of its UK revenue from exports.

JLR was awarded the Queen's Award for Enterprise in International Trade, for "outstanding overseas sales growth over the last three years" in 2014.

### Enterprise Europe Network...offering business support

It's not just the big players who benefit from our ties with Europe. Small businesses also need to trade in the European market place. Enterprise Network Europe provides a possible route in by helping small companies maximise business opportunities in the EU. The network is a key instrument in the EU's strategy to boost growth and jobs and brings together close to 600 business support organisations from more than 50 countries.

It helps small businesses to:

- Find international business partners
- Source new technologies and receive EU funding or finance

- Advise on issues comprising intellectual property, going international or EU law and standards.

Website: <http://www.een-midlands.org.uk/>

### CMA Moldform Ltd...Birmingham SME



Helmets made by CMA Moldform in Ridley Scott's Prometheus film

Europe has an important part to play in the fortunes of successful Birmingham mouldings and castings SME, CMA Moldform. The company has developed a strong trading relationship with Germany, Spain and France and increasing

amounts of production go to Europe. European funding has also boosted the company's productivity by funding the purchase of a highly specialised liquid resin dispensing machine which has increased its production output in a key area of the business, allowing the company to recruit an extra four staff. Managing Director, Peter Turnock said: 'CMA provides components worldwide and is one of the largest sub contract polyurethane resin and white metal casters of this type in an EU wide market. The close proximity of our EU client base and ease of trading via the single market has helped us boost our sales.' The company specialises in producing high quality specialised artworks, rapid prototyping and low volume production supplying major companies in the automotive, electronic industries, as well as fine-detailed scale models.

14 Source: HMRC UK Trade Statistics

## 8. Europe... bringing jobs and investment to Birmingham



Brindleyplace

Foreign direct investment (FDI) is making an important contribution to Birmingham's economy. After the U.S., Germany is the biggest investor in Birmingham followed closely by France. It is the UK's relationship with Europe including access to the EU Single Market which often gives the UK a considerable advantage over non-EU countries as a location for foreign investment.

### Inward investment in Birmingham

Birmingham has attracted more than **£4 billion** of FDI since 2003 and saw the **creation of more than 15,500 jobs**—more than any other UK city outside London<sup>15</sup>.

The number of FDI projects attracted to the city increased by 42% between 2010/11 and 2011/12 and by 52% in the subsequent year. The number of jobs created in the same period, 2011/12 to 2012/13, had increased by 64%<sup>16</sup>.

Birmingham has become an internationally recognised investment destination.

Strikingly, Birmingham's ranking as an investment destination is rising year on year. The ranking of the Greater Birmingham area

went from 10th in Western Europe in 2012 to 4th in 2013<sup>17</sup>.

Marketing Birmingham, the city's inward investment agency has accessed £10 million of EU funding in a £20 million programme since 2011 to promote tourism including improving the signposting across the city and inward investment.

### Spotlight on:

#### Deutsche Bank commits to Birmingham

With more than 100,000 employees located in 70 countries, Deutsche Bank is a leading global universal bank serving 28 million clients worldwide. The bank provides commercial and investment, retail and transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

The bank opened its first office at the prestigious Brindleyplace development in 2006 and took occupation of an additional building within Brindleyplace in 2014. 1,500 employees are employed at the Brindleyplace offices.

The bank selected Birmingham as a location on the basis of the strong regional infrastructure services, competitive real estate prices and the local talent pool. Established as a significant recruiter and employer of choice in the West Midlands, the bank recruits the best talent through strong partnerships with the region's universities.

### **TNA chooses Birmingham for its excellent connections to Europe**

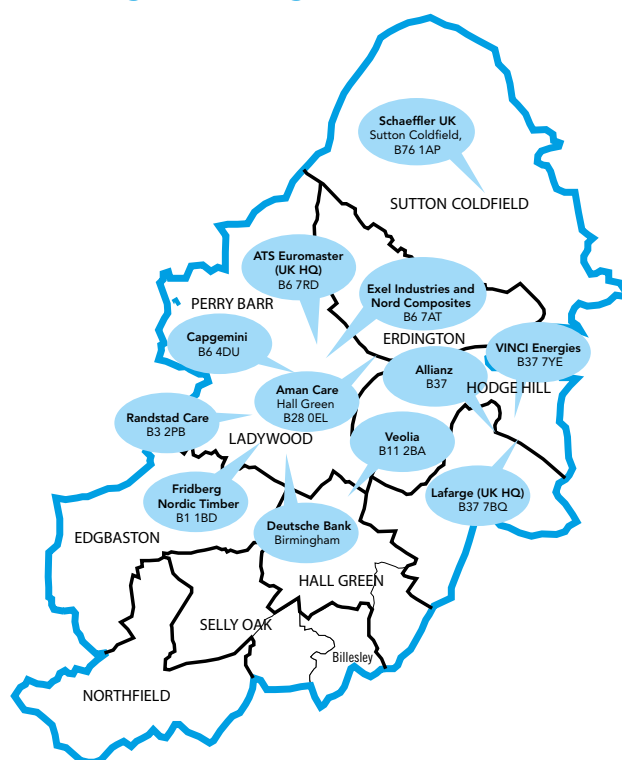
Fast-growing Australian food packaging company TNA has invested £750,000 in a new European manufacturing hub in Birmingham. Employing up to 65 people when at full capacity, the 4,600m<sup>2</sup> (50,000 ft<sup>2</sup>) facility opened in February 2013. The company already had a sales and service base in Birmingham, serving customers across Europe. However, growing demand for products such as its TNA roflo VM and TNA roflo HM conveyors meant it needed a manufacturing base geographically closer to a rapidly expanding European market.

Inward investment programme Business Birmingham, which is supported by the European Regional Development Fund, is also at hand to assist and advise food and drink manufacturers, like TNA, which are investing in the area. Food production in the wider region generates a GVA of £1.8 billion and supports more than 59,000 employees.

### **Extraenergy, German energy supplier chooses Birmingham to locate its HQ**

The energy supplier has confirmed its intention to locate its headquarters in the city and create up to 1,000 local jobs by the end of 2015, boosting its current cohort of 280 staff based in Birmingham. Geoff Childs, Managing Director of Extraenergy said, "We are a young and ambitious company on a mission to compete with the biggest energy companies in the country, using new technologies and efficient customer service. To do that, we needed a location that offered a rich and highly skilled talent pool across tech, commerce and all of the operational functions that really make a business work. We also needed a location that would work with us and help us to grow, Birmingham offered all of this and we are confident that our expansion in the city will reflect our growth in the UK's energy market."

## **Some of the European companies investing in Birmingham**



**Birmingham was named global FDI Destination of the Future in 2013.**  
(international FDI Association Awards)

**Birmingham in top 100 global cities to invest (IBM 2012)**

**Greater Birmingham attracted more foreign direct investment projects than any other region (UKTI, 2014)**

**Birmingham named as most entrepreneurial city outside London... more than 18,000 new businesses registered in 2014 (StartUp Britain, 2015)**

**Birmingham in top 20 business destinations in Europe (Egencia, 2014)**

**The annual Birmingham German Christmas market and local trade fair welcomed 5 million visitors and had an estimated £90 million economic impact in 2014.**

15 Source: FDI Markets

16 Source: Marketing Birmingham Regional Observatory Monitoring

17 Source: FDI magazine



## 9. Where to go...

### helping us plug in to Europe



**The city's engagement in Europe and its benefits are often misunderstood. I am delighted that this document has captured examples illustrating these benefits more clearly.'**

Lloyd Broad, Head of European and International Affairs,  
Birmingham City Council



#### **European and International Affairs Team, Birmingham City Council**

Tasked with delivering the city's European and International Strategy, the team delivers the following:

- provides strategic oversight for the implementation of a £239 million European Structural and Investment Fund programme.
- supports access to wider EU transnational funding opportunities through seminars, advice and guidance
- supports four area focused associations to help foster joined-up working with corporate Birmingham and our international areas of interest. The areas comprise: Europe, North/South America, China and the Far East and the Commonwealth.
- facilitates a broad range of other international activity with partner cities
- manages the city's European partnerships and networks, such as EUROCITIES
- manages the Greater Birmingham and West Midlands Brussels Office

**Website:** <http://distinctlybirmingham.com/>

**Telephone:** +44 (0) 121 303 4670



### **Greater Birmingham and West Midlands Brussels Office**

As part of Birmingham City Council's European and International Team, the office provides to its partners:

- early intelligence on policies, funding and projects
- access to policy makers and other Brussels-based stakeholders to help maximise networking opportunities and build profiles
- up-to-date information on EU funding programmes and partner search
- meeting facilities hosting up to 120 people in one space

**Website:** <http://distinctlybirmingham.com/>

**Telephone:** +32(0) 2 740 27 10

**Email:** [info@greaterbirmingham.eu](mailto:info@greaterbirmingham.eu)

### **Greater Birmingham Chambers of Commerce**

Website address – [www.een-midlands.org.uk](http://www.een-midlands.org.uk) / [www.birmingham-chamber.com/europedirect](http://www.birmingham-chamber.com/europedirect)

**Telephone:** +44 (0) 121 607 1800

### **Message of thanks from Steve Harding, Chair of the Europe Association**



I would like to thank all members of the Europe Association and our partners who have provided the practical examples which, I am sure you will agree, highlight the benefits our relationships with

Europe are bringing to Birmingham. These case studies are just a selection, and there are many other excellent examples which we could have included. Our approach is one of partnership - sharing our learning with our colleagues in Europe. This is clearly an evolving story and we hope to bring you updates on key developments on programmes which are about to kick off or significant investment developments from Europe along with trade and export news on our website:

[www.distinctlybirmingham.com](http://www.distinctlybirmingham.com)



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### **Key Strategic partnerships**

- Birmingham Science City
- Marketing Birmingham

### **Education**

- Aston University
- Birmingham City University
- South and City College
- University of Birmingham
- West Midlands Academic Health Science Network

### **Business and business intermediary organisations**

- Birmingham Science City
- CMA Moldform Ltd
- Deutsche Bank
- Enterprise Europe Network
- Extraenergy
- Greater Birmingham Chambers of Commerce
- International Synergies Ltd
- Jaguar Land Rover
- Millennium Point
- TNA
- UK Trade and Investment

### **Key asset partners of Birmingham City Council**

- Innovation Birmingham Ltd
- National Exhibition Centre Group

### **Cultural and community organisations**

- Be Festival
- DanceXchange

### **Other**

- Malcom Harbour
- Members of the Europe Association



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