



LICHFIELDS

South Midlands Authorities DRAFT Economic Growth and Action Plan

April 2025

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Part 1. Introduction



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Part 1. Introduction

This is the Economic Growth Strategy for the South Midlands Authorities, which comprise the six local authority areas of Bedford, Central Bedfordshire, Luton, Milton Keynes, North Northamptonshire and West Northamptonshire.

This Strategy builds on the economic growth ambitions of the six local authority areas across the region, and other stakeholders to deliver inclusive economic growth to 2030 and beyond. The Strategy builds on local strengths to help deliver a resilient economy, whilst also addressing some of the vulnerabilities at both local and regional levels.

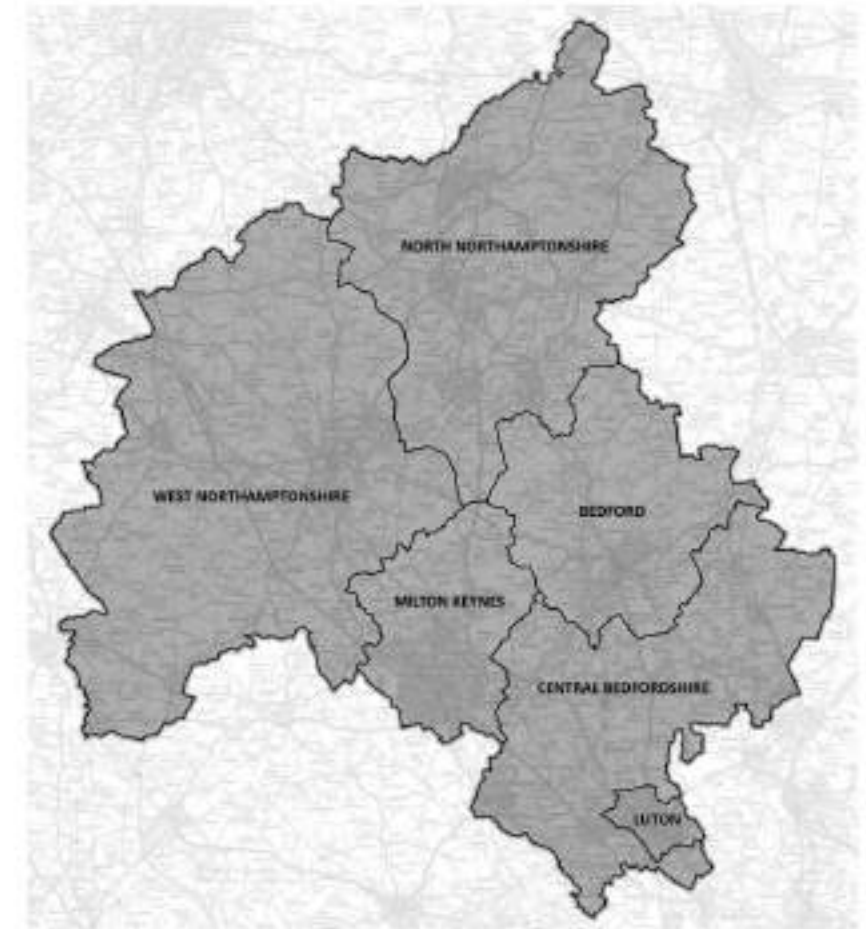
The South Midlands Economic Growth Strategy ('EGS') is built on the recognition that whilst the South Midlands has significant competitive advantages, the achievement of long-term success will require addressing foundational challenges, and fostering greater collaboration and interconnections between stakeholders from across the public, private, and academic sectors. Only through this, can the South Midlands continue to make the case for greater devolution to HM Government (as highlighted by the region's recent proposal for a Strategic Mayoral Authority, or 'SMA').

This EGS supports local economic planning across the South Midlands by identifying:

- Local economic opportunities and challenges;
- Strategic economic planning priorities;
- Opportunities for strategic connection and collaboration across the region, including both spatially and between institutions across the region; and
- Priorities for funding delivery.

The Strategy draws on a detailed socio-economic evidence base which provides an up-to-date (albeit a point-in-time) snapshot of the South Midlands economy, its places, and resident population. This is contained in a separate Evidence Base Report.

Figure 1.1 The South Midlands and its constituent authorities.



Part 1. Introduction

Structure of the Report

The EGS comprises the following parts:

- **Part 2. The South Midlands Economy** provides a summary of the key findings from the socio-economic evidence base, and highlights the key strengths, challenges and opportunities for the region. Part 2. concludes by establishing the priorities and key themes guiding the EGS for the South Midlands.
- **Part 3. Our Plan for Action** sets out a series of actions and projects which seek to build on local strengths, address challenges and harness local opportunities to deliver inclusive economic growth by 2030.
- **Part 4. Our Roadmap for Delivery** outlines the proposed timeline to delivering the identified actions and projects.

Part 2. The South Midlands economy



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Part 2. The South Midlands economy (I)

The South Midlands is a rapidly growing and innovative economy, strategically located at the intersection of three regions, and boasts a strong economic foundation with a young, and expanding population. The region's economy benefits from strong alignment with the Government's priority sectors as outlined within the Industrial Strategy ...

The South Midlands economy

The South Midlands is a rapidly-growing, and innovative economy at the intersection of the South East, East, and East Midlands regions. Comprising six local authorities, the South Midlands boasts a strong economic foundation, with a young and expanding working-age population, robust employment growth, and strategic geographic advantages.

The region has cultivated a number of key economic specialisms, including logistics and distribution, aerospace, advanced manufacturing, motorsport, research and development ('R&D'), in addition to a burgeoning information and technology sector located around Milton Keynes and Bletchley. With these sector strengths, the South Midlands' economy is well-aligned with the priorities identified within the Government's Industrial Strategy¹, positioning the region well to take advantage of future growth opportunities.

Each local authority within the South Midlands brings its unique strengths and specialisations, and contributes to a diverse and robust regional economy. However, there remains significant potential to enhance collaboration, unlock new investment opportunities, and drive further economic growth.

Despite these strengths, productivity levels in the South Midlands (i.e. measured in terms of gross value added, or 'GVA' per worker) are lower than they were ten years ago, with the gap to the national average having widened considerably since 2018. As such, there is a need to address the challenges associated with this decline in productivity, and harness the opportunities afforded by the region's strategic locations and existing sectoral strengths.

Strengths of the South Midlands economy

The South Midlands is home to a number of world-leading businesses and assets with potential to attract significant levels of inward investment and anchor local economic growth. This includes the motorsport and advanced engineering cluster along "motorsport valley" is home to three F1 teams (including Oracle Red Bull Racing, Mercedes-AMG Petronas F1 and the Aston Martin Aramco F1 Team). Similarly, an aviation cluster is developing around Cranfield Airfield in Bedford, with Marshall Aerospace planning to invest locally, and in the process continuing to build on local sector strengths established by Cranfield University. Bletchley's long association with modern information technology and computing continues to grow as part of a rapidly developing new cluster located in Milton Keynes, anchored by The South Central Institute of Technology ('IoT').

Across the economy more broadly, the South Midlands has enjoyed strong employment growth, with the creation of 122,000 jobs (or the equivalent of +14.3%) in the ten years to 2024. This growth was appreciably higher than the national average (of +10.8%) and underlines the region's ability to attract inward investment to create new employment, particularly within its key growth sectors.

The South Midlands also performs well in a variety of labour market metrics including an above average labour market participation rate (i.e. of 80.8% relative to 78.7% nationally), and a lower-than-average unemployment rate (i.e. of 3.4% relative to 3.8% nationally). However, it should be noted that these metrics vary greatly across the South Midlands region, with unemployment ranging from 6.6% in Luton to 1.4% in North Northamptonshire.

¹ Industrial Strategy

Part 2. The South Midlands economy (II)

... however, significant challenges persist, including a tightening labour market, overall lower qualification levels, falling productivity, and lower housing affordability. Nevertheless, the region is expected to benefit from a growing population and targeted skills development, in addition to key projects that could drive future economic growth.

The challenges facing the South Midlands' economy

Whilst the South Midlands has successfully nurtured a comparatively high economic activity rate, there is evidence that the labour market is becoming tighter, with the number of economically inactive residents who want a job falling considerably over the past ten years. Coupled with a declining unemployment rate, this means that the potential pool of South Midlands residents who are looking for a job is the lowest it has been over the past decade. Consequently, South Midlands businesses who want to expand are now having to look further afield and rely on in-commuting labour to fill new roles.

In addition to constrained supply, the labour market in the South Midlands is also relatively less skilled than the national average, with fewer residents holding degree-level qualifications, and a higher proportion of residents with no qualifications (i.e. relative to the national average). However, educational attainment improved significantly between 2015 and 2023, although there is opportunity for further improvement by driving (targeted) skills development and learning across the region.

The South Midlands also faces challenges associated with housing affordability relative to the national average. This is driven by lower affordability ratios (i.e. higher house prices, but lower resident earnings) in Luton and West Northamptonshire. Furthermore, it should be noted that wage growth (i.e. both resident- and workplace-based earnings) have struggled to keep up with inflation.

More broadly, whilst economic output across the region has grown, this has been at a slightly lower rate than the UK average. When combined with employment growth over this period, this means that the South Midlands' productivity levels have fallen (by -3.1%) relative to a small increase nationally (i.e. of +2.9%) over the past 10 years. In the South Midlands,

productivity remains below pre-pandemic levels (although it should be noted that productivity started declining – both in absolute terms, and relatively to the national average - from 2018 onwards).

Opportunities to accelerate growth

Despite these challenges, the local economic context presents several opportunities to drive sub-regional economic growth.

Firstly, the region is home to a rapidly growing and young population which is expected to continue increasing. Coupled with a strong labour market, this may allow local businesses to draw on a much wider pool of potential employees in the future.

Related to this, is the opportunity to improve skills delivery to ensure that the future workforce is not only better skilled, but has the skills needed to drive growth in key sectors locally (which are well-aligned with the priorities outlined in the Government's Industrial Strategy Green Paper – i.e. advanced manufacturing, the financial services sector, professional and business services, as well as digital and technology).

The region also supports a higher-than-average proportion of micro businesses. Ensuring these businesses have the support they need to grow and thrive within the region is key to helping drive employment, innovation and productivity growth.

Finally, the South Midlands is also home to several key assets and projects of regional and national significance that will influence the local economic growth trajectory. This includes initiatives such as a revamped focus on the Oxford-to-Cambridge (or 'OxCam') Arc, East West Rail ('EWR'), the recently approved expansion at London Luton Airport, as well as the planned Universal Studios theme park and resort south of Bedford.

Part 2. The South Midlands EGS: Priorities and themes

This EGS seeks to establish a clear vision for the future, by leveraging the South Midlands' inherent strengths and local opportunities, whilst addressing vulnerabilities at both local and regional levels. The South Midlands EGS aims to provide a pathway for achieving sustainable, inclusive and resilient growth to 2030.

Building on the region's strengths, opportunities and challenges, this EGS proposes actions based on **five priorities** and **three cross-cutting themes** as outlined below. These build on the priorities identified within each local authority area's current and/or emerging growth strategy, and brings together their aspirations to provide a framework for driving sustainable economic growth across the whole region.

Furthermore, this EGS recognises that recent years have seen the production of a number of strategies aiming to drive economic growth and prosperity at the regional level, including the 2017 South East Midlands Strategic Economic Plan² ('SEP') and 2019 South East Midlands Local Industrial Strategy³ ('LIS'). This Strategy builds on the foundations laid by these previous (and other) strategies, but also seeks to accommodate the current context, including the growing emphasis on greater devolution at the regional level.

Priorities for the South Midlands Economic Growth Strategy



Priority 1. Business

The EGS aims to create a resilient economy, and provide businesses with the support needed for them to thrive and succeed within the South Midlands.



Priority 2. Skills

The EGS aims to drive engagement between employers, training providers (i.e. both Further Education, or 'FE' and Higher Education, or 'HE' institutions) and other stakeholders to adopt a wide definition of skills needs to help build a future skills pipeline which supports the economic growth ambitions of the South Midlands region.



Priority 3. Securing investment

The EGS seeks to create an environment that attracts more investment into the South Midlands region, by seeking to build on local strengths, and wider recognition of the South Midlands as a key location within a re-invigorated Ox-Cam Arc.



Priority 4. Town Centres

The EGS aspires to tackle the challenges associated with persistent deprivation blighting many of the region's town centres and nearby urban areas. It achieves this by setting out proposals for enhancing vibrancy and increasing town centres' attractiveness to a multitude of uses.



Priority 5. Economic infrastructure

The EGS acknowledges that a successful economy depends on supportive infrastructure that creates and enables the right conditions for growth. As such, this EGS seeks to achieve this by drawing on the wider potential enabled by a reinvigorated Ox-Cam Arc and other key assets across the region.

² SEMLEP (2017), *South East Midlands - Where Innovation Fuels Growth, Strategic Economic Plan*.

³ SEMLEP (2017), *South East Midlands - Where Innovation Fuels Growth, Strategic Economic Plan*.

Part 2. The South Midlands EGS: Priorities and themes

Cross-cutting themes allow for a comprehensive and integrated approach to addressing current challenges, and adapt to a changing socio-economic context, whilst also promoting resilient and inclusive economic growth across the South Midlands.

Cross-cutting themes for the Economic Growth Strategy

The planned actions outlined within this EGS have been informed by three cross-cutting themes, which apply to all priorities identified. Whilst the Strategy does not set out targeted action against any of these themes, it is the intention that all actions outlined within this EGS contribute to at least one of the following themes.



Cross-cutting theme 1. Social inclusion & diversity

The principles of social inclusion and diversity are vital to the South Midlands EGS as they ensure equitable opportunities and access for all individuals, irrespective of their age, backgrounds, and location. Through this EGS, we will work to ensure universal and equitable access to essential services, whilst at the same time bridging disparities that exist within the South Midlands, and more widely relative to the national average. The promotion of inclusivity seeks to foster an economy where everyone can contribute their unique talents and perspective, leading to innovation and local economic growth. Moreover, by promoting inclusion, the EGS also seeks to address inequality and support underrepresented groups to stimulate sustainable economic growth for the benefit of society as a whole.



Cross-cutting theme 2. Health & wellbeing

The EGS will work with key partners and stakeholders from across the public, private and academic sector to improve social cohesion and facilitate inclusive and equitable economic growth. This theme recognises that a healthy population is the cornerstone of a thriving economy. Improved health and wellbeing directly enhance workforce productivity, by reducing the socio-economic impacts of illness, whilst at the same time also creating a more cohesive society. By working collaboratively with a diverse set of partners, this Strategy seeks to address some of the root causes of health inequalities, paving the way for equitable opportunities and shared prosperity. Ultimately, the promotion of health and wellbeing will help foster a vibrant and resilient South Midlands economy.



Cross-cutting theme 3. Sustainability & Net Zero

The UK remains legally committed to achieving Net Zero by 2050, creating opportunities for economic growth (e.g. through retrofitting and upgrading the built environment), and building wider economic resilience. By incorporating sustainability, this Strategy ensures that economic growth across the South Midlands is not achieved at the expense of future generations. By fostering green innovation and supporting the transition to a low carbon economy, the Strategy seeks to align with national commitments to combat climate change. Moreover, this approach will also enhance the region's competitive advantage, whilst also attracting investment, creating new (i.e. green) jobs, and establishing the South Midlands as a leader in sustainable economic growth.

Part 3. Our plan for action

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Priority 1: Business

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Part 3. Our plan for action – Priority 1. Business (I)

Priority 1. Business

Over the past decade the South Midlands has fostered a buoyant business environment, with the rate of business growth increasing faster than the national average. Nonetheless, supporting local businesses remains crucial for building a robust and diverse economic base, and is a vital element for the South Midlands' ability to continue attracting the investment needed to drive future economic growth.

This requirement is underlined by the fact that the number of businesses in the region remains below pre-pandemic levels, whilst data indicates that a lower-than-average proportion of newly formed businesses in the region survive over the medium- to long-term (i.e. relative to other smaller businesses nationally). Analysis of the local business base also suggests that there continues to be a need to diversify the economy and ensure that economic growth is diffused across the South Midlands (i.e. both in terms of its location and across sectors), as there continues to be a large disparity in economic performance across the South Midlands.

The South Midlands benefits from a number of key industrial specialisms, including advanced manufacturing, logistics and distribution, and automotive and mobility R&D. In the face of below average and falling productivity, it is important that these sector strengths are bolstered, and productivity improvements sought more widely. There is opportunity to drive productivity growth through harnessing the interrelationships within, and between, these key specialisms.

These specialisms are also well aligned with a number of key sectors in the Government's Modern Industrial Strategy Green Paper, including advanced manufacturing and digital and technologies. There is a clear opportunity to leverage these specialisms to attract further investment and drive local economic growth.

1. Strengthen the role of the South Midlands Growth Hub

In order to address these challenges and harness these opportunities, there is a need to secure sufficient support and resources for established businesses to grow and thrive locally, whilst also ensuring that the South Midlands is an environment in which micro-businesses and start-ups can flourish and grow. To aid this goal, there is scope for the South Midlands Growth Hub to be strengthened to support local businesses more holistically, such as assisting businesses to access funding, facilitating business-to-business ('B2B') mentoring, and promoting the use of local supply chains (i.e. built on the principles of Community Wealth Building).

We will work with the South Midlands Growth Hub to implement a coordinated action plan to secure its long-term capacity [Action 1]. This includes exploring opportunities to diversify the Growth Hub's sources of funding.

2. Deepen ties within Showcase Sector Groups in the South Midlands

Building on the region's strengths and alignment with the Government's Industrial Strategy, **we will work with partners to establish a number of Showcase Sector Groups ('SSGs') that promote business interests in advanced manufacturing, digital and technology, the financial services and clean energy [Action 2].** We will work with businesses in the region to identify opportunities and synergies both within and between sectors (e.g. opportunities for joint-bidding and securing investment).

Part 3. Our plan for action – Priority 1. Business (II)

3. Leverage local research and development to strengthen key growth sectors

Chief among the region's varied strengths are world class R&D clusters, including in motorsport, aerospace, and artificial intelligence ('AI'). There is opportunity to harness these strengths to help drive productivity across the wider economy and attract further investment. There is also potential to more effectively diffuse research through to adjacent businesses and foster greater collaboration throughout the South Midlands' business base.

We will leverage local R&D clusters (existing and new) **to improve efficiency and productivity across the South Midlands, with a particular focus on key sectors identified within the Industrial Strategy, in addition to other established strengths locally [Action 3].** This could include launching an annual innovation summit for businesses in the South Midlands to showcase R&D achievements and attract global investors.

4. Harness the opportunities of modern economy infrastructure

Within the updated National Planning Policy Framework⁴ ('NPPF') is the requirement for local authorities to identify opportunities to deliver infrastructure that will support a modern economy, such as data centres, giga factories, as well as storage and distribution facilities. The South Midlands already boasts considerable strengths in distribution infrastructure; however, there is potential to deliver additional infrastructure to help unlock further investment into the distribution sector, as well as to compliment existing strengths in digital technology and capture overspill from the burgeoning life sciences sector in the surrounding Ox-Cam Arc.

We will work with stakeholders to identify opportunities to deliver infrastructure which supports a modern economy, especially where this has potential to build an ecosystem around existing strengths, support local aspirations and where it can deliver new jobs, drive productivity and foster skills growth [Action 4].

5. Support the integration of technology and AI within the wider economy

Building on the above, there are opportunities to utilise the region's digital and technology cluster to assist local businesses develop their competitive advantage within the market, whilst also driving productivity growth. Cutting edge digital technology can foster innovation and enhance businesses' ability to quickly adapt to market changes, thereby bolstering the region's competitive edge on the global stage.

As such, **we will promote engagement and synergies between employers, education providers and key sectors to support the integration of new technology and AI processes across the region [Action 5].** This will build on the region's strengths centered on the South Central IoT and technology cluster in Bletchley, to drive skills improvements, grow the economy and improve productivity. There is also potential to create a regional AI and technology task force to incentivise the adoption of new technologies and help drive integration efforts.

6. Work to reduce business displacement and de-registrations

There is a need to address the rise in business de-registrations (also referred to as 'business deaths') experienced over recent years, by further exploring why local businesses encounter difficulties over the medium- to long-terms. To address this, **we will work with partners, including the South Midlands Growth Hub, SSGs and other stakeholders to limit displacement, and encourage the development of a pro-business environment that fosters economic growth and resilience [Action 6].**

⁴ Ministry of Housing, Communities and Local Government (2024), *National Planning Policy Framework*.

Part 3. Our plan for action – Priority 1. Business (II)

7. Tourism Strategy

Although subject to planning permission, the planned Universal theme park and resort in Bedford, along with the approved Development Consent Order for expansion at London Luton Airport highlights the potential for growth in tourism across the South Midlands, both in terms of recreation and business tourism.

This presents a unique opportunity for a coordinated approach to drive investment (such as in new accommodation and existing facilities), secure long-term benefits and drive region-wide growth across the visitor industry. To this end, **we will explore the potential for producing a South Midlands-wide strategy to grow the tourism sector across the region** and take advantage of the landmark projects at Universal and Luton Airport [\[Action 7\]](#).

Priority 2: Skills

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Part 3. Our plan for action – Priority 2. Skills (I)

Priority 2. Skills

The success of South Midlands businesses is not only predicated on their ability to attract investment, but also on their ability to access the skills and talent needed to grow. Analysis of skills attainment in the region highlights critical gaps within the local labour market. In particular, analysis of the local skills base and engagement with key stakeholders from across the South Midlands has identified skills shortages in several science, technology, engineering and mathematics ('STEM') occupations, required by many local growth sectors.

Despite the recent improvements, educational attainment across the South Midlands remains below the national average, with fewer people holding degree-level qualifications, and a higher proportion of residents with no qualifications. However, local businesses have also raised concerns around foundational skills (such as literacy, numeracy, English and digital skills), as well as interpersonal skills (such as personal resilience, self-motivation, adaptability, honesty and curiosity).

Small and micro businesses are found to struggle recruiting skilled workers, with a limited labour supply creating upward pressure on salaries, crowding out smaller businesses in the South Midlands. This effect may contribute to below-average survival rates for new businesses in the South Midlands over the medium- to long-term.

Therefore, this EGS recognises the need for skills shortages to be addressed and ensuring that a future skills pipeline is delivered which is aligned with the needs of local businesses. The challenge is not only to identify the skills gaps constraining growth within the region's key sectors, but also to identify the technical skills gaps which could have a significant effect on improving overall productivity across the South Midlands economy.

8. Strengthening collaboration between businesses and education providers

Engagement with local stakeholders has identified the need for greater, and ongoing, collaboration between employers and education providers across the South Midlands, ensuring better alignment between skills delivery and overall industry needs.

On this basis, **we will encourage and facilitate greater dialogue between industry and training providers (including FE and HE providers) across the South Midlands to better identify skills gaps across key growth sectors [Action 8]**. This exercise will consider both supply- and demand-side skills gaps and will require working with both FE and HE providers to help embed training and wider skills provision in local schools' and colleges' curricula.

9. Support LSIP and LSIF delivery

Work is already underway to identify, monitor and address skills gaps in the South Midlands through the delivery of the South East Midlands Local Skills Improvement Plan ('LSIP') and of the Local Skills Improvement Fund ('LSIF'), spearheaded by the Northamptonshire Chamber of Commerce.

We will support delivery of the South East Midlands LSIP to ensure better alignment between employer needs and local skills provision [Action 9]. We will secure this by supporting and promoting LSIP delivery amongst some of the initiatives identified as part of this EGS (e.g. Sector Showcase Groups).

Part 3. Our plan for action – Priority 2. Skills (II)

10. Develop sector and/or industry-specific employment, skills and training strategies that adopt a wider definition of skills

In addition to supporting delivery of the South East Midlands LSIP, there is also opportunity to develop a region-wide strategy that targets skills development across all levels, starting from primary school all the way to adult learning. The aim of this exercise is to inspire younger generations by showcasing our world-leading businesses and driving interest across a broad spectrum of careers (such as the successful collaboration between Oracle Red Bull Racing and the Milton Keynes College Group, which saw the launch of the STEMx initiative that aimed to inspire the next generation of engineering talent in motorsport and Formula One).

As such, **we will work with key sectors and industries across the South Midlands to develop region-wide employment, skills and training strategies ('ESTSs') targeting different sectors and all stages of education [Action 10]**. This will help raise awareness of the different career opportunities, drive interest in local growth industries and further developing the local workforce.

11. Capitalise on large-scale projects to deliver region-wide skills development

The construction and operations of several large-scale infrastructure projects (such as the planned Universal theme park and resort in Bedford, expansion at London Luton Airport, and East West Rail) and planned growth across the South Midlands (such as Milton Keynes East with 5,000 new homes and 105 hectares of employment floorspace) will generate demand and create opportunities for skills development across a wide range of industries (including construction, engineering, advanced manufacturing and technology).

To capitalise on this, **we will work with partners and stakeholders from across the region to identify opportunities, and promote the development of project-based ESTSs with the aim of maximising training and skills delivery [Action 11]**.

12. Facilitate work experience and training

Building on previous actions, this EGS also identifies opportunities to leverage closer ties between industry and education providers to deliver work experience and training initiatives for local students and young people. In addition to driving skills improvements, this has potential to encourage graduate retention, whilst also providing employment pathways for local residents.

We will promote greater engagement between employers and education providers to encourage greater take-up of work experience and training initiatives (such as work experience, T-Levels and apprenticeships) [Action 12]. This will require engagement to identify, and address barriers which may be slowing down the implementation of training initiatives (such as availability of funding).

Priority 3: Securing investment



Part 3. Our plan for action – Priority 3. Securing investment (I)

Priority 3. Securing investment

The ability of businesses of all sizes to secure inward investment is crucial for fostering sustainable economic and inclusive growth across the South Midlands. By injecting much-needed capital, we can support productivity improvements and enable businesses in the region to scale-up and innovate.

However, attracting inward investment is a difficult endeavour, with business in the South Midlands competing with counterparts in other locations in the UK and globally. Furthermore, the current global economic climate has contributed to increased uncertainty and reduced business confidence. This means that businesses (and local governments) must be innovative, adaptable and proactive when seeking to make the strongest case to would-be investors.

This is particularly pertinent for the South Midlands as it looks to promote its strengths on the world stage. There is also an opportunity for the region to deliver productivity growth by leveraging inward investment via large-scale project delivery and the promotion of its R&D strengths.

13. Support the delivery of strategic employment sites

A key factor that influences businesses' decisions to relocate and invest in the South Midlands is the availability of suitable premises and/or employment sites to support their activities. Therefore, it is important that the region is able to bring forward, and deliver the key employment sites needed to attract businesses in high-value industries.

In the case of the South Midlands, it is particularly important that existing clusters (e.g. in advanced manufacturing, aviation, motor sports, and digital and technology) are able to grow and attract new businesses to build further synergies. The South Midlands must create a supportive environment that reduces operational costs, and enhances productivity, thereby encouraging businesses to establish a presence and create new job opportunities.

Therefore, **we will work with our partners in both public and private sectors to identify, promote and deliver strategic employment sites that can unlock employment and create high-value economic activity** [\[Action 13\]](#).

We will also support existing clusters to grow their strategic presence within the region [\[Action 14\]](#).

14. Drive to commercialise existing R&D strengths in the South Midlands

The South Midlands is proud to support a number of leading R&D clusters of national and international significance, such as the evolving aerospace cluster at Cranfield, the Milton Keynes testbed for transport innovation, and the motorsports cluster at Silverstone. However, there is potential to foster closer ties between local businesses and these R&D clusters to help commercialise our region's R&D offer, and in the process attract further investment and economic growth.

Commercialising R&D is the process of transforming innovations into marketable products and services. This process has the potential to both generate new revenue streams for businesses whilst also enhancing the South Midlands' competitiveness on the global market. To achieve this there is a need to foster collaboration between the region's universities, R&D clusters, and businesses to attract investors seeking cutting-edge technologies and profitable opportunities.

To secure this, **we will work with businesses and other partners (including education providers) from across the South Midlands to explore ways to commercialise R&D, in order to secure additional investment, create high-value jobs, and stimulate local economic growth** [\[Action 15\]](#).

Part 3. Our plan for action – Priority 3. Securing investment (II)

15. Collaborate to spread the benefits of ‘step-change’ projects

Over the next decade, a number of ‘step-change’ projects are planned to be delivered across the South Midlands. These are projects which hold the potential to unlock significant new investment, housing, or employment sites, whilst also creating a significant number of new jobs across the region (such as East West Rail, the expansion of London Luton Airport, and the planned Universal Studios Resort in Bedford).

However, this presents a unique opportunity for the public sector, education providers and businesses alike to work proactively to ensure that the full benefits of these projects are harnessed and distributed across the region (rather than “leaking” outside the South Midlands or internationally). Therefore, it is necessary for supporting infrastructure (such the availability of enough power / grid capacity, and improvements to transport infrastructure) to be delivered in order to catalyse and distribute these benefits across the whole of the South Midlands.

Therefore, we will promote collaboration between authorities in the South Midlands, the Ox-Cam Arc, and neighbouring areas to help make the economic case for key infrastructure investments to government and other funders [Action 16].

16. Maximise the benefits of London Luton Airport DCO

With over 18 million passengers, London Luton Airport is the 5th busiest airport in the UK. In April 2025, the Government announced its decision to grant London Luton Airport consent to almost double passenger number to 32 million by 2043. Expansion at London Luton Airport has potential to support 11,000 new jobs and deliver an additional economic benefit of £1.5 billion every year.

Building on the previous actions, the expansion of London Luton Airport represents a significant opportunity to enhance the region’s connectivity with the rest of the world and therefore leverage additional investment into the region. Whilst work on the Airport’s expansion is yet to get underway, the region has already witnessed the potential for attracting global investment thanks to Airport’s presence, with AstraZeneca relocating their global corporate functions to Horizon Place, Luton.

To maximise these opportunities, there is a need to promote and market the South Midlands globally to attract investment in conjunction with the proposed actions outlined above. **We will therefore explore the potential to develop enterprise, investment and/or freeport-like zones offering incentives to investors within proximity to London Luton Airport and the wider South Midlands region [Action 17].**

Green Horizons, located within close proximity of London Luton Airport, has potential to establish Luton and the South Midlands more widely as a leading European centre for innovation. It affords new possibilities to attract leading advanced manufacturing and automotive R&D businesses to the area, complementing the existing world class clusters across the South Midlands.

Part 3. Our plan for action – Priority 3. Securing investment (III)

17. Champion the South Midlands and showcase economic successes.

The South Midlands is home to world-leading clusters in advanced manufacturing, R&D and digital and technology. The region provides an excellent environment for start-up businesses, with its business base growing at an appreciably faster rate than the national average between 2014 and 2023. Whilst medium- to long-term business survival rates remain challenging, the South Midlands has supported higher-than-average short-term (i.e. up to two years) business survival rates, reflecting higher levels of entrepreneurship locally.

This presents a unique opportunity for the South Midlands to effectively communicate its strengths more widely to a global audience and highlight its attractive business environment, its geographic strengths within the Ox-Cam Arc and the Golden Triangle (for logistics), as well as its existing clusters.

To support this goal, **we will showcase and promote key economic successes across priority sectors, using this as an opportunity to encourage synergies and wider collaboration with businesses and organisations in the South Midlands [Action 18]**. This will include publication of economic and business data to showcase strengths in the local economy, and which positions the South Midlands on the national and international stage.

18. Develop an investment prospectus for the South Midlands

Building on the above, **we will also collaborate with key stakeholders to develop a comprehensive investment prospectus that highlights the South Midlands' unique selling points [Action 19]**. The aim of this will be to attract new investment, drive economic growth and improve overall productivity.

The investment prospectus will be accompanied by **a targeted outreach and promotion campaign to ensure it reaches investors that can help achieve sustainable and inclusive economic growth [Action 20]**.

An investment prospectus can be a powerful tool to attract inward investment into our region by providing potential investors with detailed information about the economic opportunities and benefits the South Midlands has to offer. It will highlight our key industry strengths, opportunities for synergy, whilst also showcasing the region's infrastructure, strategic projects, and business-friendly environment. Above all, it will help to establish a clearer and more visible South Midlands 'brand' in the national and international marketplace for investment.

Priority 4: Town centres



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Photo by WeAreNorthampton

Part 3. Our plan for action – Priority 4. Town centres (I)

Priority 4. Town centres

The baseline analysis of socio-economic conditions has indicated that the South Midlands is home to several pockets of acute deprivation, impacting many of the region's town centres and nearby urban areas. In particular, the evidence has identified pronounced levels of deprivation in education and skills domains in Corby, Luton and Wellingborough.

To date, significant levels of funding have been injected into a number of town centres across the region, including a combined £90.2 million of Towns Fund shared between Bedford, Corby, Milton Keynes and Northampton, in addition to a further £8.4 million of Future High Streets Fund to Northampton. As such, there is an opportunity to build on these investments to tackle some of the challenges associated with persistent deprivation across our town centres and nearby urban areas. In doing so, there is potential to generate further inward investment and increase the vibrancy and attractiveness of the South Midlands more widely.

19. Encourage the delivery and promotion of mixed-use regeneration of town centres

To improve the resilience and long-term sustainability of our town centres and nearby urban areas it is important that these support a mix of uses including residential, employment, retail, and leisure. Creating places where people can live, work, and socialise, helps to support a diverse economy, with jobs for local residents, and attracts investment over the medium- to long-term.

To facilitate this, **we will review and leverage planning policy to help encourage the delivery of mixed-use developments within town centres across the South Midlands with a view to making them more vibrant and resilient [Action 21].**

20. Deliver a programme of meanwhile uses across town centres

Vacant sites and properties in our town centres can create a sense of neglect and decline. This can, in turn, deter potential investors and lead to reduced foot traffic, impacting the remaining businesses and overall vibrancy of the area. Finding meanwhile uses for vacant properties (i.e. uses which occupy vacant or underutilised premises or spaces on a temporary basis) can help to reinvigorate our town centres, deliver both short- and medium-term improvements, and support small and medium-sized enterprises ('SMEs') through the provision of flexible affordable workspace. Therefore, there is an opportunity to encourage the uptake of meanwhile uses in town centres across the South Midlands with a view to limiting long-term vacancies, and harnessing the benefits these uses can offer.

Therefore, **we will work with landlords and other stakeholders to identify opportunities for meanwhile uses and implement a programme that makes better use of vacant properties in our town centres [Action 22].** This could include the promotion of meanwhile uses which deliver community services, affordable workspaces, or which showcase local producers, artists or SMEs.

Part 3. Our plan for action – Priority 4. Town centres (II)

21. Encourage the delivery of co-working and affordable workspaces

Building on above, along with the actions listed under Priority 1, there is a need to ensure that whenever possible, local SMEs and start-ups are attracted to our town centres. As highlighted previously start-ups are found to struggle in the medium- to long-term, resulting in higher levels of business de-registration. Stakeholders have highlighted the lack of affordable and grow-on workspaces for smaller businesses as being central to this challenge.

As such, there is opportunity to use the delivery of flexible/co-working and affordable workspace to both improve the vitality of town centres, whilst also addressing the needs of start-ups and SMEs across the South Midlands. In turn, this has potential to drive footfall within our town centres, and address gaps in provision identified by stakeholders (whilst also improving business survival rates over the medium- to long-terms).

Therefore, we will work with our partners, investors and stakeholders to promote the delivery of flexible/co-working and affordable workspaces within our town centres, either as part of mixed-use developments and/or as meanwhile uses [Action 23].

22. Unlock the delivery of market and affordable housing in town centres

Analysis of house prices shows that (with a higher ratio of house prices to earnings) housing affordability across the South Midlands is lower than the national average. In particular, housing affordability is appreciably lower in Luton, Milton Keynes, Bedford and Central Bedfordshire (i.e. relative to the South Midlands' average). Therefore, there is opportunity for this Strategy to build on the ambition to deliver a greater mix of uses within our town centres by promoting housing as part of the delivery of mixed-use developments.

As such, we will act to pursue the delivery of new housing within our town centres, to assist with meeting local housing delivery targets, and regenerating town centres across the South Midlands region [Action 24].

23. Nurture the evening economy through the arts

By establishing the creative sector as one of eight key industries within the Modern Industrial Strategy, the Government has set the goal of leveraging the nation's competitive advantage in the sector and capturing the high levels of projected growth across creative industries around the globe. Whilst the South Midlands has specialisms across several of the priority sectors within the Industrial Strategy, the inclusion of the creative sector provides an opportunity for the South Midlands to build upon the sector's performance (i.e. which, with a location quotient, or 'LQ' of 0.6 is lower than the national average) to help build a diversified local economy, whilst also improving footfall and the vitality of town centres during different times of the day.

We will work with partners (including landlords and other stakeholders) to harness and showcase local attractions (such as museums and galleries) to develop a viable night-time economy across our town centres [Action 25]. We will also build on our proposed actions (including Action 22) by helping to utilise underused and vacant properties (either permanently or on a meanwhile basis) to deliver an expanded night-time offer within our town centres [Action 26].

Part 3. Our plan for action – Priority 4. Town centres (III)

24. Accredited Living Wage employer programme

Living Wage programmes typically encourage businesses to pay employees a 'living wage' (i.e. the wage required to fulfill their basic needs), and can play a crucial role in reducing poverty and promoting financial stability amongst their workforce (and the wider economy more broadly). However, Living Wage programmes also benefit employers who typically see growth in productivity, lower levels of staff turnover, and an enhanced reputation as an ethical business. In addition, the implementation of Living Wage programmes also help to foster a more inclusive economy, with the additional employee disposable income often going towards supporting the vitality and viability of the local economy.

As such, **we will work with businesses across the South Midlands to develop a region-wide Living Wage employment programme to help foster an inclusive economy and help address some of the causes of economic deprivation across the region [Action 27].**

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Priority 5: Economic infrastructure

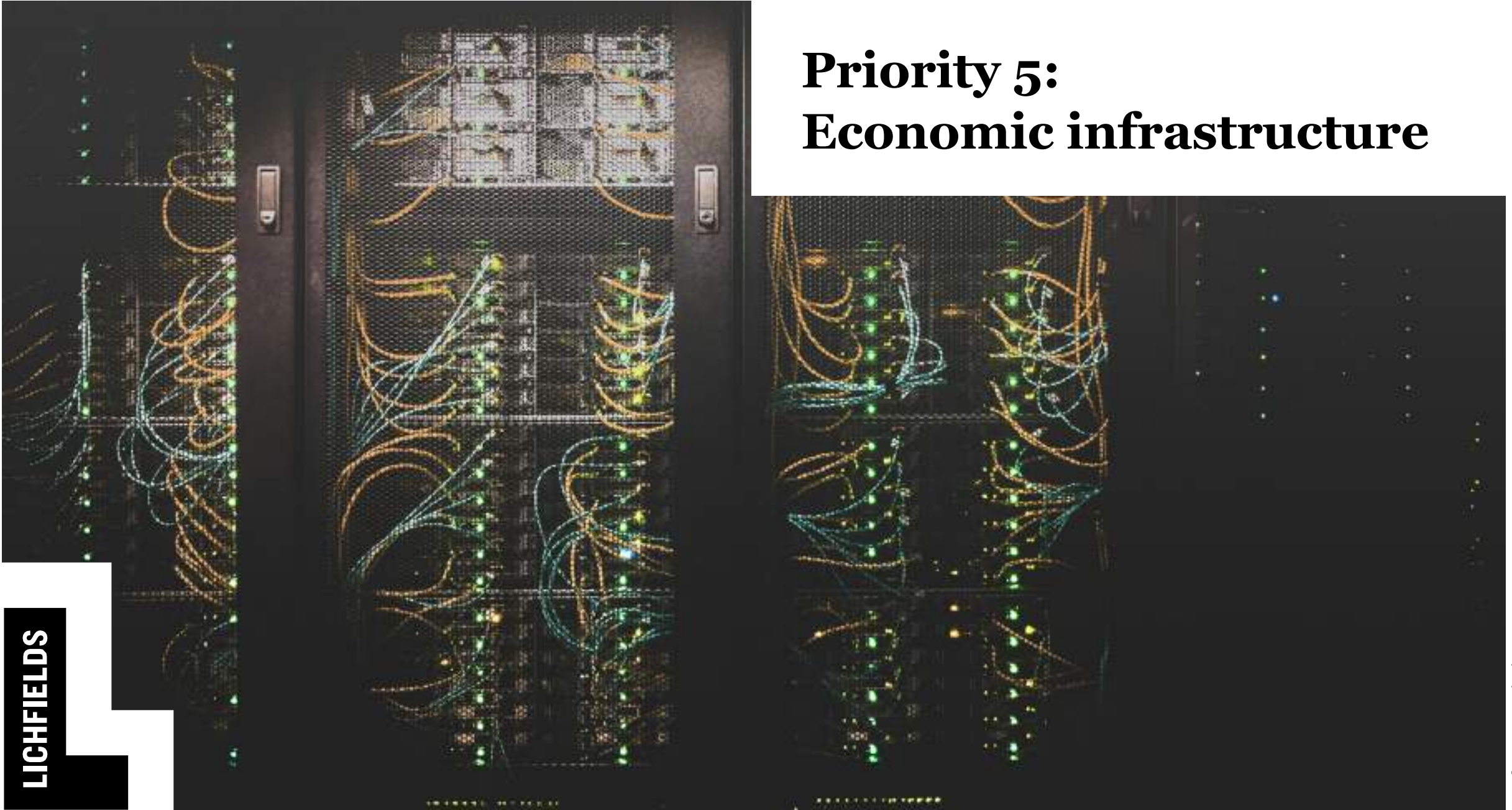


Photo by Taylor Vick on Unsplash

Part 3. Our plan for action – Priority 5. Economic infrastructure (I)

Priority 5. Economic infrastructure

In addition to having a strong socio-economic foundation, a successful economy also needs to be built on supportive infrastructure that creates and enables the right conditions for growth. The presence of well-functioning infrastructure (including transport, energy, and increasingly digital infrastructure) is critical for efficient operations by local business operations and the region's ability to attract further investment.

Engagement with stakeholders has highlighted a lack of supporting infrastructure, which may be limiting the South Midlands' growth potential. In particular, stakeholders highlighted limited east-west transport connectivity, especially across the north of the South Midlands (i.e. through West and North Northamptonshire).

Being proactive in addressing these gaps can pay back dividends by unlocking new investment, and ensuring that all local authorities within the region benefit from the actions presented in this Strategy.

Achieving a coherent infrastructure network which is aligned with the needs of the population and local businesses, requires strategic cooperation between local authorities, key stakeholders and investors alike. By working together, local authorities can pool resources, align policies (particularly for cross-boundary initiatives), and coordinate planning efforts, ensuring that infrastructure projects are efficiently implemented and cater to the collective needs of the region. This partnership approach will not only maximise the impact of public investment, but will also strengthen the region's overall economic resilience.

25. Promote collaboration and strategic planning across the Ox-Cam Arc

The South Midlands lies at the centre of the Ox-Cam Arc; an area which has potential to become a world-leading, and globally renowned centre for business, innovation and investment across a broad range of industries and sectors. Delivery of East West Rail, which is due to be delivered over the next five years, represents some of the earlier investment aimed at helping the Ox-Cam Arc unlock its potential. However, there is further need for a continued approach to strategic planning initiatives across the region, ensuring that infrastructure is delivered to fully harness the collective strengths of the Arc, and ensure that this is felt more widely across the South Midlands. This includes delivery of other transport initiatives, in addition to the deployment of the digital infrastructure needed to support a growing digital and technology sector.

Therefore, **we will continue to work with regional partners to help make the case for, and support proposals for attracting investment in the economic infrastructure needed to help drive local economic growth at the South Midlands and wider levels [Action 28].**

26. Encourage inter-authority co-operation to explore the potential for grow-on spaces

Engagement with business leaders and stakeholders from across the South Midlands highlighted a dearth of grow-on space for start-up/micro businesses looking to make the next step in their evolution. Grow-on space refers to small- and medium-size business premises that allow businesses to grow and expand their operations. Engagement suggests that the identified shortage of grow-on space is forcing small businesses into low quality premises that do not fit their needs and/or to look for new premises outside the region.

Part 3. Our plan for action – Priority 5. Economic infrastructure (II)

Building on the above, this Strategy recognises the opportunity for closer collaboration and a strategic approach to planning for business needs across the South Midlands, to ensure an adequate pipeline of grow-on space and other economic infrastructure needed to build a resilient economy is delivered across the South Midlands.

We will champion co-operation between authorities in the South Midlands to assess the viability for grow-on space and other critical economic infrastructure at the regional level [Action 29].

27. Position the South Midlands as a ‘test-bed’ for innovation across the wider Oxford-to-Cambridge Arc and beyond

The South Midlands is a hotbed for innovation across a range of sectors including AI, aerospace, motorsports, and transport. This Strategy seeks to build on this and position the South Midlands to be proactive in seeking to leverage its strengths and location within the world-renowned Ox-Cam Arc. This will help attract further investment and encourage businesses to relocate into the area.

Building on the previous actions, **we will work with local and regional stakeholders to position the South Midlands as the location where new technology and innovation can be piloted and tested [Action 30].**

This may include the advancements in the emerging electric vertical take-off and landing (‘eVTOL’) cluster, or the autonomous mobility cluster in Milton Keynes. Delivery of the Green Horizons Park in Luton has potential to aid this goal further by creating a new centre of mobility research. There are potential synergies that could be leveraged between this project and other, established clusters across the South Midlands in priority sectors (e.g. motor sport, advanced manufacturing and distribution).

28. Extend greater control over public transport franchising

A well-connected public transport system can make a region more attractive to businesses and potential investors. Companies are more likely to establish operations in areas with excellent transport links, as this facilitates the movement of goods and services, as well as staff members, reducing their costs and improving overall efficiency. It is also important that upgrades to public transport services are linked to spatial planning strategies to ensure that growth areas are well served.

One way in which authorities in the South Midlands can achieve this is through extending greater control over public transport franchising. This has been a successful initiative in other areas across the country (such as in Greater Manchester, with the introduction of the Bee Network), resulting in a more integrated public transport system, and providing certainty around funding delivery.

Therefore, **we will engage with government, local partners and stakeholders to explore the potential for taking greater control over public transport franchising [Action 31].** This will give greater certainty over public transport funding and encourage further investment across the South Midlands, including the potential for improving East West connections across the north of the region.

Part 4. Our roadmap to delivery



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Photo by Christian Lendl, Unsplash

Part 4. Our roadmap to delivery (I)

Our proposed approach to delivering change draws upon existing partnerships across the South Midlands, and will require ongoing effective collaboration with all stakeholders, to integrate and build upon the Actions outlined within this Strategy.

Our proposed roadmap for delivering meaningful change across the South Midlands' economy builds upon existing partnerships and previous successes. This will be the case over the next 12 months, where delivery will largely focus on actions that require ongoing collaborations between the South Midlands Authorities and other regional partners. This includes actions such as working to strengthen the role and capacity of the South Midlands Growth Hub, delivery of the South East Midlands LSIP, driving the commercialisation of existing R&D strengths across the region, and establishing an accredited Living Wage programme across the South Midlands.

However, we will also work to extend our engagement to form new partnerships, by being proactive and engaging with other partners to ensure delivery and the long-term success of the South Midlands economy.

While some of the actions identified are to be considered over the long-term, there is a need to ensure that strategic planning is undertaken early within the proposed roadmap to lay the groundwork for their eventual delivery. This includes actions that require high levels of coordination, such as with organisations and partners outside the South Midlands, such as promoting collaboration across a reinvigorated Ox-Cam Arch, or developing sector/industry-specific ESTSs for priority and other sectors across the region.

The table below sets out the proposed timeline to delivering the actions identified over the short-, medium- and long-term. The approach to delivering change will rely on existing public, private and academic partnership across the South Midlands (and the wider region), and will seek to integrate with and build upon the economic initiatives and growth proposals across each of the six local authority areas in the region.

Action	Short term (<2 years)	Medium term (3-5 years)	Long term (10+ years)
Priority 1. Business			
Action 1. We will work with the South Midlands Growth Hub to implement a coordinated action plan to secure its long-term capacity.	✓	✓	
Action 2. We will work with partners to establish a number of Showcase Sector Groups ('SSGs') that promote business interests in advanced manufacturing, digital and technology, the financial services and clean energy.	✓		
Action 3. We will leverage local R&D clusters (existing and new) to improve efficiency and productivity across the South Midlands, with a particular focus on key sectors identified within the Industrial Strategy, in addition to other established strengths locally.		✓	✓
Action 4. We will work with stakeholders to identify opportunities to deliver infrastructure which supports a modern economy, especially where this has potential to build an ecosystem around existing strengths, support local aspirations and where it can deliver new jobs, drive productivity and foster skills growth.		✓	

Part 4. Our roadmap to delivery (II)

Action	Short term (<2 years)	Medium term (3-5 years)	Long term (10+ years)
Action 5. We will promote engagement and synergies between employers, education providers and key sectors to support the integration of new technology and AI processes across the region.		✓	✓
Action 6. We will work with partners, including the South Midlands Growth Hub, SSGs and other stakeholders to limit displacement, and encourage the development of a pro-business environment that fosters economic growth and resilience.	✓	✓	
Action 7. We will explore the potential for producing a South Midlands-wide strategy to grow the tourism sector across the region.		✓	✓
Priority 2. Skills			
Action 8. We will encourage and facilitate greater dialogue between industry and training providers (including FE and HE institutions) across the South Midlands to better identify skills gaps across key growth sectors.	✓		
Action 9. We will support delivery of the South East Midlands LSIP to ensure better alignment between employer needs and local skills provision.	✓		
Action 10. We will work with key sectors and industries across the South Midlands to develop region-wide ESTSs targeting different sectors and stages of education.	✓	✓	
Action 11. We will work with partners and stakeholders from across the region to identify opportunities, and promote the development of project-based ESTSs with the aim of maximising training and skills delivery.		✓	✓
Action 12. We will promote greater engagement between employers and education providers to encourage greater take-up of work experience and training initiatives (such as work experience, T-Levels and apprenticeships).	✓	✓	
Priority 3. Securing investment			
Action 13. We will work with our partners in both public and private sectors to identify, promote and deliver strategic employment sites that can unlock employment and create high-value economic activity.		✓	✓
Action 14. We will support existing clusters to grow their strategic presence in the region.		✓	✓
Action 15. We will work with businesses and other partners (including education providers) from across the South Midlands to explore ways to commercialise R&D, in order to secure additional investment, create high-value jobs, and stimulate local economic growth.	✓	✓	

Part 4. Our roadmap to delivery (III)

Action	Short term (<2 years)	Medium term (3-5 years)	Long term (10+ years)
Action 16. We will promote collaboration between authorities in the South Midlands, the Ox-Cam Arc, and neighbouring areas to help make the economic case for key infrastructure investments to government and other funders.		✓	✓
Action 17. We will explore the potential to develop enterprise, investment and/or freeport-like zones offering incentives to investors within proximity to London Luton Airport and the wider South Midlands region.		✓	✓
Action 18. We will showcase and promote key economic successes across priority sectors, using this as an opportunity to encourage synergies and wider collaboration with businesses and organisations in the South Midlands.	✓	✓	
Action 19. We will collaborate with key stakeholders to develop a comprehensive investment prospectus that highlights the South Midlands' unique selling points.	✓	✓	
Action 20. We will deploy a targeted outreach and promotion campaign to ensure it reaches investors that can help achieve sustainable and inclusive economic growth.	✓	✓	
Priority 4. Town centres			
Action 21. We will review and leverage planning policy to help encourage the delivery of mixed-use developments within town centres across the South Midlands with a view to making them more vibrant and resilient.		✓	✓
Action 22. We will work with landlords and other stakeholders to identify opportunities for meanwhile uses and implement a programme that makes better use of vacant properties in our town centres.	✓	✓	
Action 23. We will work with partners, investors and stakeholders to promote the delivery of flexible/co-working and affordable workspaces within our town centres, either as part of mixed-use developments and/or as meanwhile uses.		✓	
Action 24. We will act to pursue the delivery of new housing within our town centres, to assist with meeting local housing delivery targets, and regenerating town centres across the South Midlands region.		✓	
Action 25. We will work with partners (including landlords and other stakeholders) to harness and showcase local attractions (such as museums and galleries) to develop a viable night-time economy across our town centres.	✓	✓	
Action 26. We will build on our proposed actions (including Action 22) by helping to utilise underused and vacant properties (either permanently or on a meanwhile basis) to deliver an expanded night-time offer within our town centres.	✓	✓	

Part 4. Our roadmap to delivery (IV)

Action	Short term (<2 years)	Medium term (3-5 years)	Long term (10+ years)
Action 27. We will work with businesses across the South Midlands to develop a region-wide Living Wage employment programme to help foster an inclusive economy and help address some of the causes of economic deprivation across the region.	✓		
Priority 5. Economic infrastructure			
Action 28. We will continue to work with regional partners to help make the case for, and support proposals for attracting investment in the economic infrastructure needed to help drive local economic growth at the South Midlands and wider levels.	✓	✓	✓
Action 29. We will champion co-operation between authorities in the South Midlands to assess the viability for grow-on space and other critical economic infrastructure at the regional level.	✓	✓	
Action 30. We will work with local and regional stakeholders to position the South Midlands as the location where new technology and innovation can be piloted and tested.	✓	✓	
Action 31. We will engage with government, local partners and stakeholders to explore the potential for taking greater control over public transport franchising.	✓	✓	

