

## **Appendix 1 Specification**

### **1. Introduction**

In the context the Local Industrial Strategy (LIS) for the West Midlands and specifically the Modern Services Major Market Opportunity, leveraging the regional strengths in the Business Professional & Financial Services Sector (BPFS), the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP), is seeking to commission the services of an independent, suitably qualified consultant/cy to carry out a strategic opportunity review for PropTech in the West Midlands.

GBSLEP is the lead for the West Midlands for Modern Services and the BPFS sector, on behalf of the three LEP geographies including Black Country LEP and Coventry & Warwickshire LEP and the West Midlands Combined Authority.

### **2. Requirements/Specification**

#### **Context**

Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) works to promote economic development across our area. It does this by working closely in partnership with a wide range of public, private and educational partners. Given its business-led nature, the added value of the LEP is a focus on tackling supply-side constraints to the sustainable growth of the industries that maximise the economic growth potential of our city-region. As outlined in the LEP Strategic Economic Plan (SEP), in alignment with the West Midlands Local Industrial Strategy, the LEP aims to achieve this by developing and realising the potential of our strengths and assets in key sectors and technologies. To maximise its value in driving forward growth potential for its key sectors and technologies, GBSLEP has developed delivery plans to focus on those sectors and technologies identified as most likely to offer opportunities for job creation and economic growth:

- advanced manufacturing
- life sciences and healthcare
- business, professional and financial services
- creative industries
- low carbon
- energy technologies and services
- digital technologies
- emerging and disruptive technologies

GBSLEP has identified specific sub-sectors within Business, Financial & Professional Services (BPFS) as key for growth and specifically within this, innovation as key productivity driver as a focus for intervention. Hence GBSLEP has been investing to support the creation of a 'ProfTech' cluster (technology-led innovation relevant to BPFS sector) with the express purposes of both accelerating the innovation capacity within the West Midlands business base and also enhance the place proposition such that the region is also strongly associated with innovative BPFS, with an emphasis on technology-led innovation through the cluster.

SuperTech – the new ProfTech cluster identity – was released in late 2020, with new cluster activities going live from January 2021. Specifically, the cluster industry leadership group represents the initial priority sub-sectors of FinTech, LawTech and PropTech. For more information on SuperTech cluster, see [www.supertechwm.com](http://www.supertechwm.com).

As part of the future priorities and horizon opportunities aspect of this work, GBSLEP is particularly interested in enhancing both regional capacity and the place proposition relevant to PropTech. Buildings are increasingly digital platforms and sources of data/ intelligence with the potential to redefine and reimagine traditional professional services and knowledge economy relating to the built asset environment. As a very significant sub-sector within BPFS, this interest is both opportunistic and also a matter of economic resilience within the context of the WM LIS inclusive growth agenda. Furthermore, the Covid-19 pandemic is reportedly accelerating such trends, giving yet more impetus to explore this arena now.

## **Purpose, Focus and Scope**

Through desk-based research, GBSLEP is aware of other places where PropTech has taken a prominent role in the place proposition; Realbox in Vilnius, Lithuania. The West Midlands has a number of features that could collectively yield significant opportunity for a proposition along these lines aligned to PropTech where the primary interest is in the opportunities arising from the post-completion/ working life phases of the built asset lifecycle and service innovation relevant to the built environment. Such features include:

- capital investments in real estate related to Commonwealth Games, City of Culture, and transportation infrastructure (HS2, Midland Metro etc.) alongside city centre developments.
- UK leading 5G coverage and associated accelerator
- Existing PropTech business base employing circa 1500 people
- Real-estate and associated services is the largest sub-sector within the BPFS sector (£12bn GVA, 2018; approx. 43% of sector).

Hence, we are interested to better understand whether there is a PropTech opportunity to pursue and to explore the economic impact models being advanced in other places, particularly the inputs and assets required, the nature of investments (size, scope, source and the like), direct and indirect ROI, outputs and outcomes, for whom etc.

GBSLEP is seeking to commission a PropTech Strategic Opportunity Review to carry out this assessment, evaluate and explain the opportunity - if found - outline gaps/ needs and roadmap to realisation.

Two key objectives to be answered:

### **Stage 1:** Is there a compelling PropTech opportunity to pursue?

- Consideration of comparators or exemplars
- Explanation of underpinning models and the economic indicators that are being targeted and/ or impacted.
- Description of how this could apply within a West Midlands context and contribute to priority economic growth indicators.
- Understand where the areas of current and potential future competitive advantage lie.

### ***Consultancy Work Requirement***

- *Desk research & analysis*
- *Analysis and evaluation of existing data and materials*
- *Evaluation of the Region on a regional, national and international basis*
- *Qualitative interviews to test thinking and explore concepts with representative sample of key stakeholders*
- *Project management - develop a detailed work plan setting out the steps and procedures required to ensure that the Plan is effectively delivered, and the target outputs and outcomes delivered including considerations of*

*procurement, recruitment and management of risk – including key milestones and KPIs*

## **Output: Stage Report**

**Stage 2:** What is the route to implementation (assuming a positive outcome to Stage 1)

Anticipated key questions:

- What is the nature of the assets and the extent to which opportunity is physically connected vs. virtually connected or other (i.e. is the about access to physical buildings? Access to data from buildings?) What is the value proposition to the target businesses?
- Who are the key stakeholders that would need to be involved?
- Is the opportunity tied to a location within the West Midlands (at a city/ town level e.g. Birmingham? Wolverhampton? Or a sub-locale e.g. Digbeth?) and if yes, are there obvious front runners? Is the opportunity scalable?
- What are the barriers to success?
- Are there specific use cases or thematic areas that could/ should be leveraged?
- What is the role for public sector?
- What are the clear recommendations for next steps?

## **Consultancy Work Requirement**

- *Desk research & analysis*
- *Engagement with stakeholders*
- *Identify current/potential stakeholder/partner resources available that could be deployed*
- *High level road-mapping and recommendation articulation, identifying relevant actors/ agencies/ partners.*

## **Output: Stage and/ or Concluding Report**

### **Scoping clarifications:**

To assist with clarity on the scope, this tender is NOT:

- Seeking a smart city strategy
- a citizens focused or societal approach to improving the built environment in the West Midlands; economic indicators and outcomes for businesses are the priority yet inclusive growth principles within this context are important. For example, creating a lower carbon built environment in the West Midlands is a regional priority but not the aim of this work. Hence, if it was possible through other activities to have more knowledge of the carbon footprint of West Midlands' buildings, the relevance to this project would be to explore how that change would/ could yield opportunities for services businesses to grow and how might that contribute to realisation of the WM LIS?
- Focussed on the construction sector nor the construction phase although it is noted that there are relevant stakeholders potentially and/ or recommendations that may well be required that apply to this stage in developing out the opportunity thinking.
- A predominantly industry engagement qualitative investigation to support the growth of companies at an individual level. GBSLEP – and other WM LEPs - have good links with PropTech companies in the region and business support needs are a high priority, particularly in the context of EU Exit and Covid-19 pandemic. Rather, this is a collective proposition review, seeking potentially game-changing and ambitious, yet realistic, ideas to better position the West Midlands at the frontier of PropTech development.

**Timeframe**

The timeframe for development of the WM PropTech Opportunity Review is September, with stage 1 (milestone 1) anticipated in July 2021.

**Budget**

The total maximum budget is £40,000 (exc VAT).