

MIDLANDS ENGINE LEP PROFILES

The Marches LEP

October 2019



Introduction

This document profiles the Marches Local Enterprise Partnership (LEP) area, providing insight and data across key areas of the economy, namely through the five foundations of productivity outlined in the government's industrial strategy: Ideas, People, Infrastructure, Business Environment and Places. Benchmarking is provided in the context of the Midlands Engine, allowing comparison between the Marches and other LEP areas within the pan-region.

The Marches

The Marches is the second biggest LEP area in the Midlands Engine in terms of the number of hectares (566,730) but the second smallest in terms of population size (nearly 700,000). The LEP area covers Herefordshire, Shropshire and Telford & Wrekin. It includes urban areas such as Telford, Shrewsbury and Hereford as well as over thirty market towns. The LEP states its aims are to establish a strong, diverse and enterprising business base, operating in an exceptional and connected environment, where the transfer of technology and skills foster innovation, investment and economic growth.

The LEP's ambition is to "*become a £23.8bn economy with 5,200 more businesses and 58,700 new jobs by 2038*" ([Strategic Economic Plan](#), 2019). The Marches LEP is leading action to stimulate economic development, through programmes and projects focused on housing, transport, infrastructure, broadband availability, inward investment and skills.

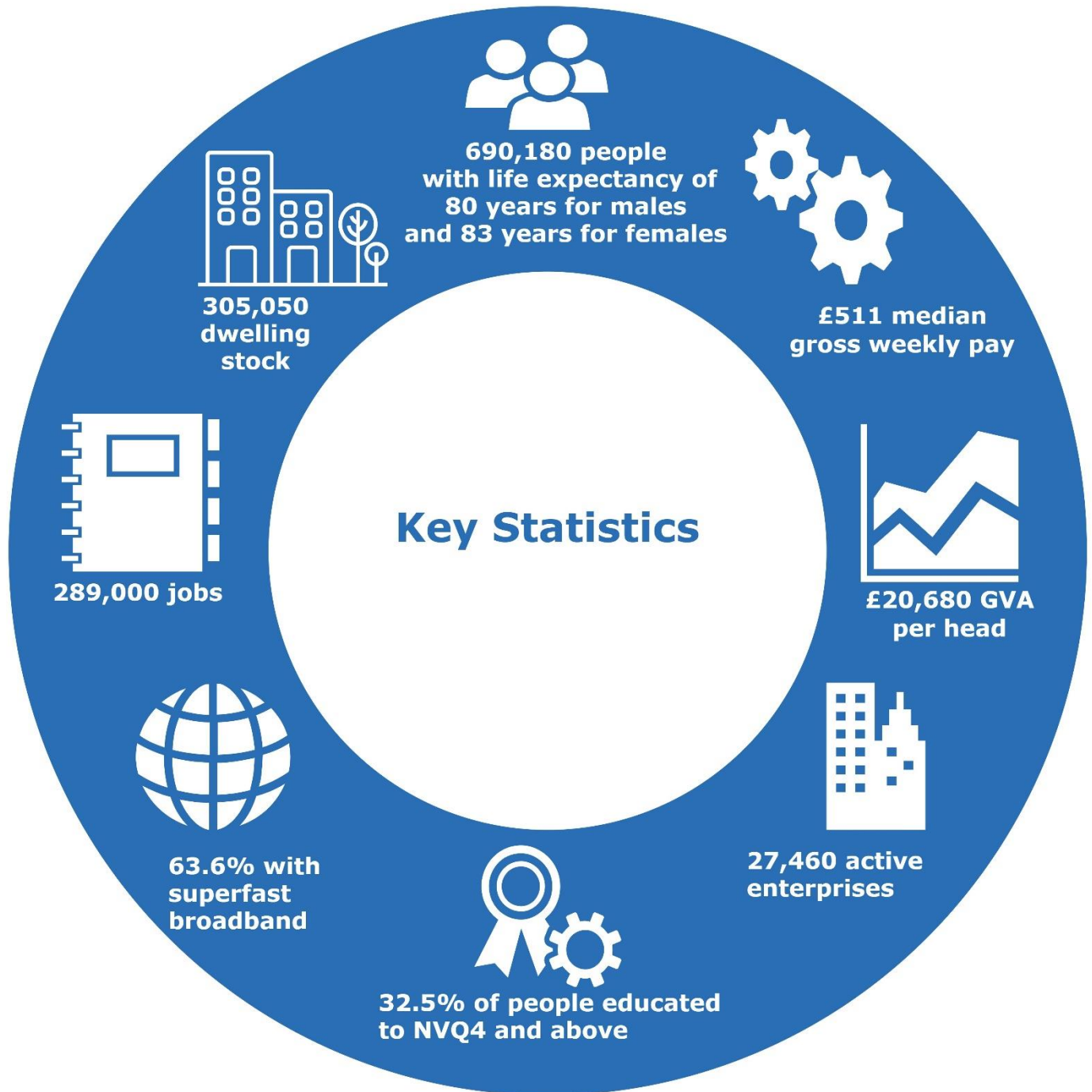


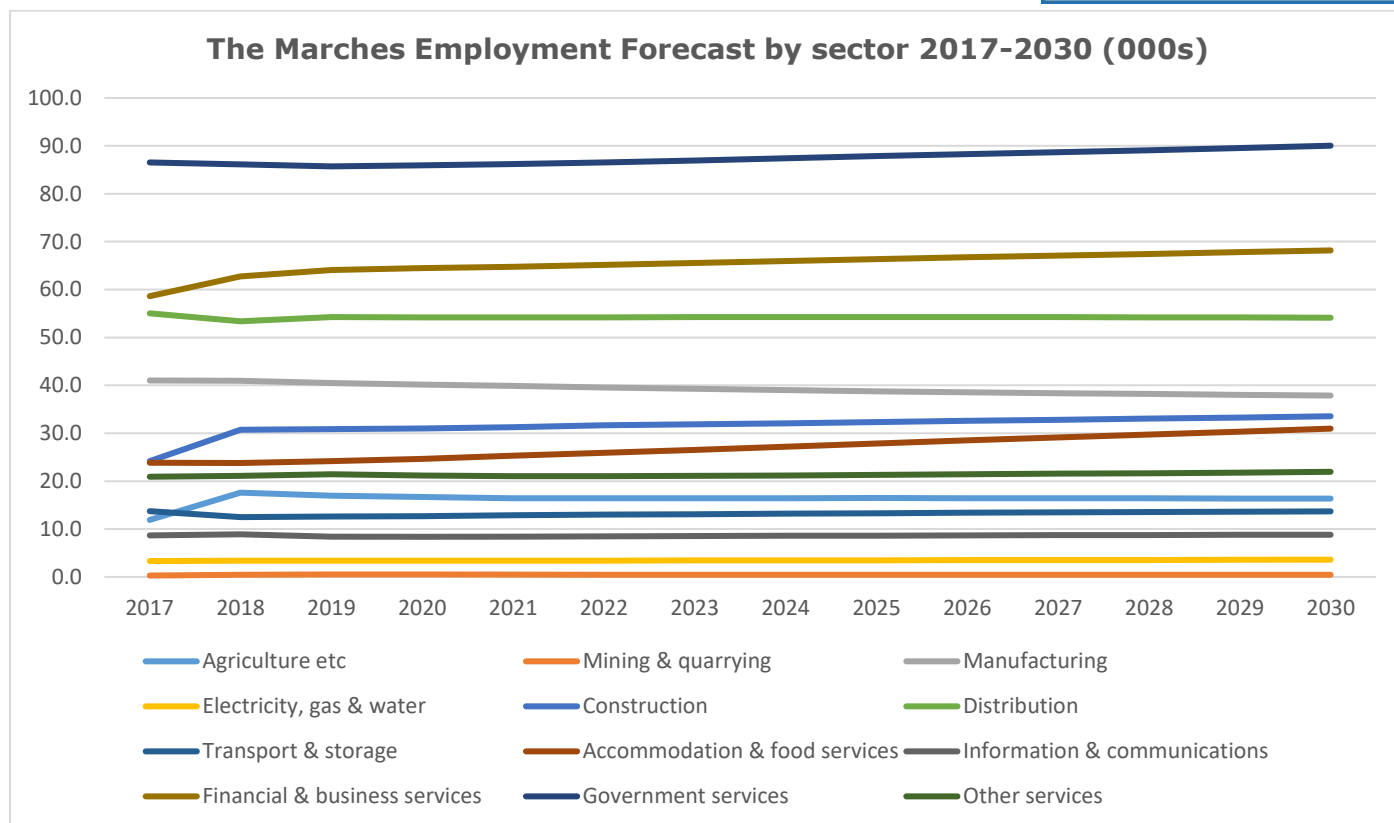
Contents

This LEP profile collates insight within the five foundations of productivity: Ideas, People, Infrastructure, Business Environment and Places. A section is provided for each of these which can be navigated by the contents table below. A summary of key statistics is presented first, before the full foundation sections begin. Data relating to the Marches is highlighted in blue in each graph. Infographics at the start of each section present key statistics in the area. The statistics are contextualised in the graphs and text that follows.

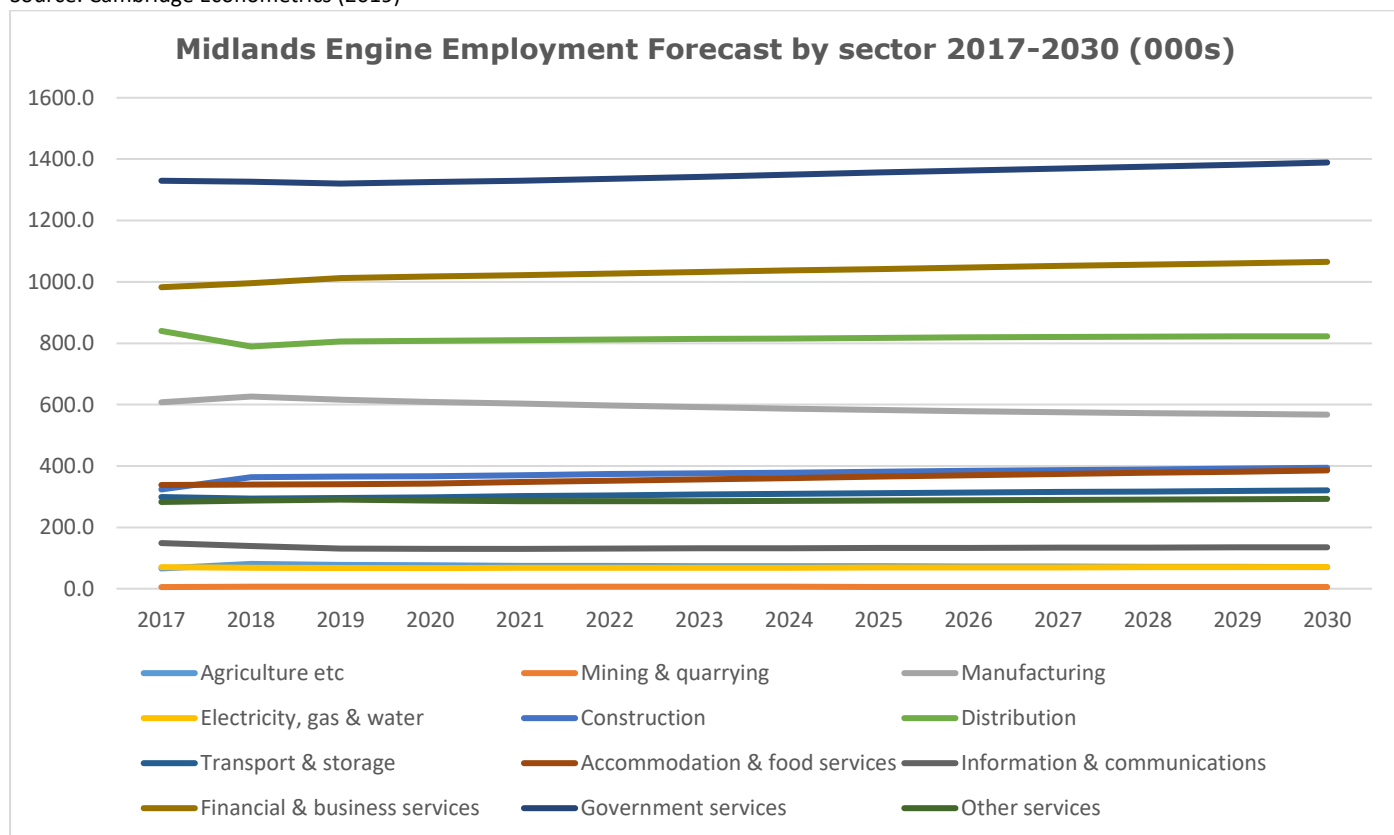
The Marches Key Statistics	2
Foundations of Productivity	3
Ideas	5
People	11
Infrastructure	16
Business Environment	21
Place	26

The Marches Key Statistics

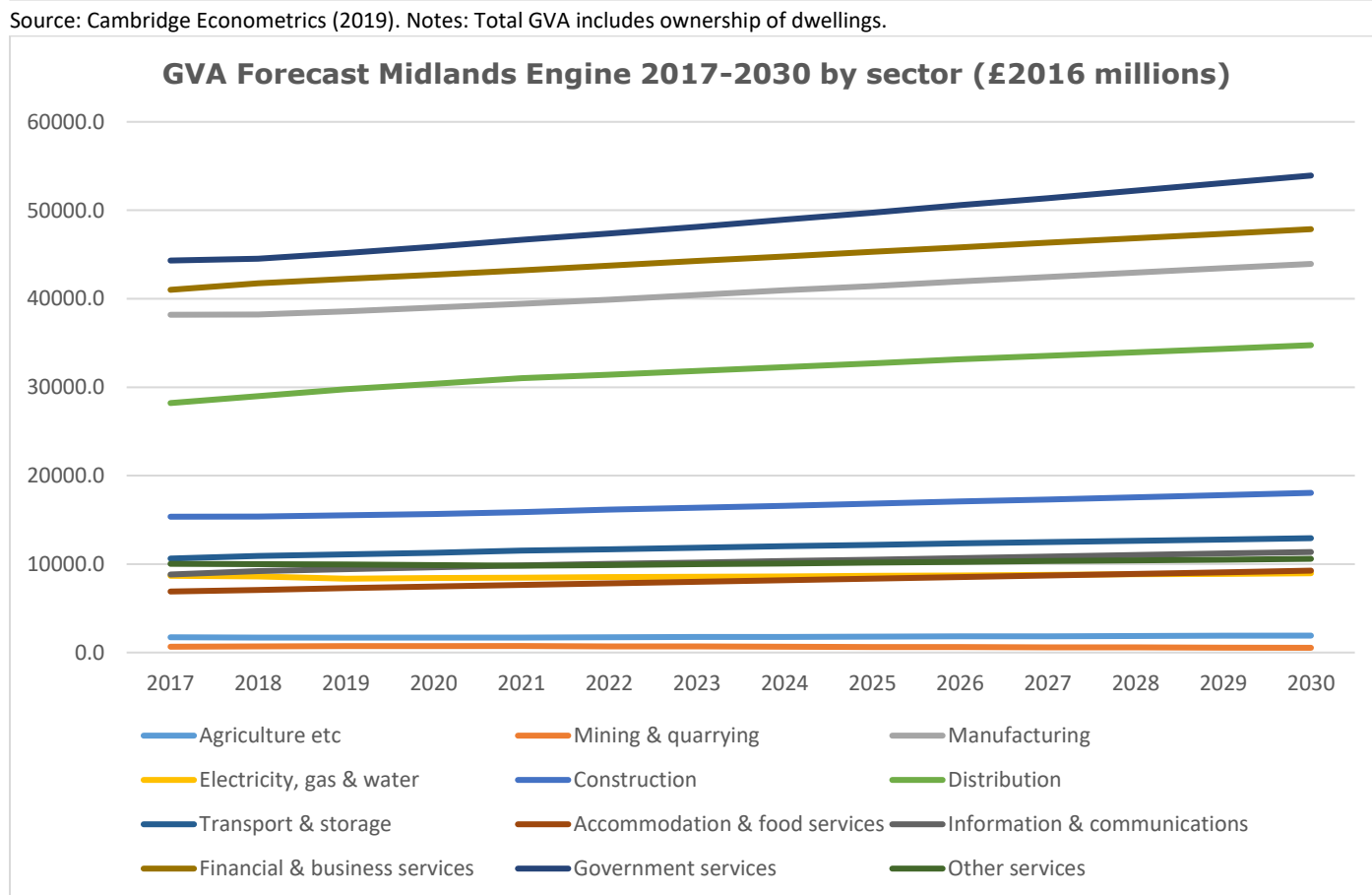
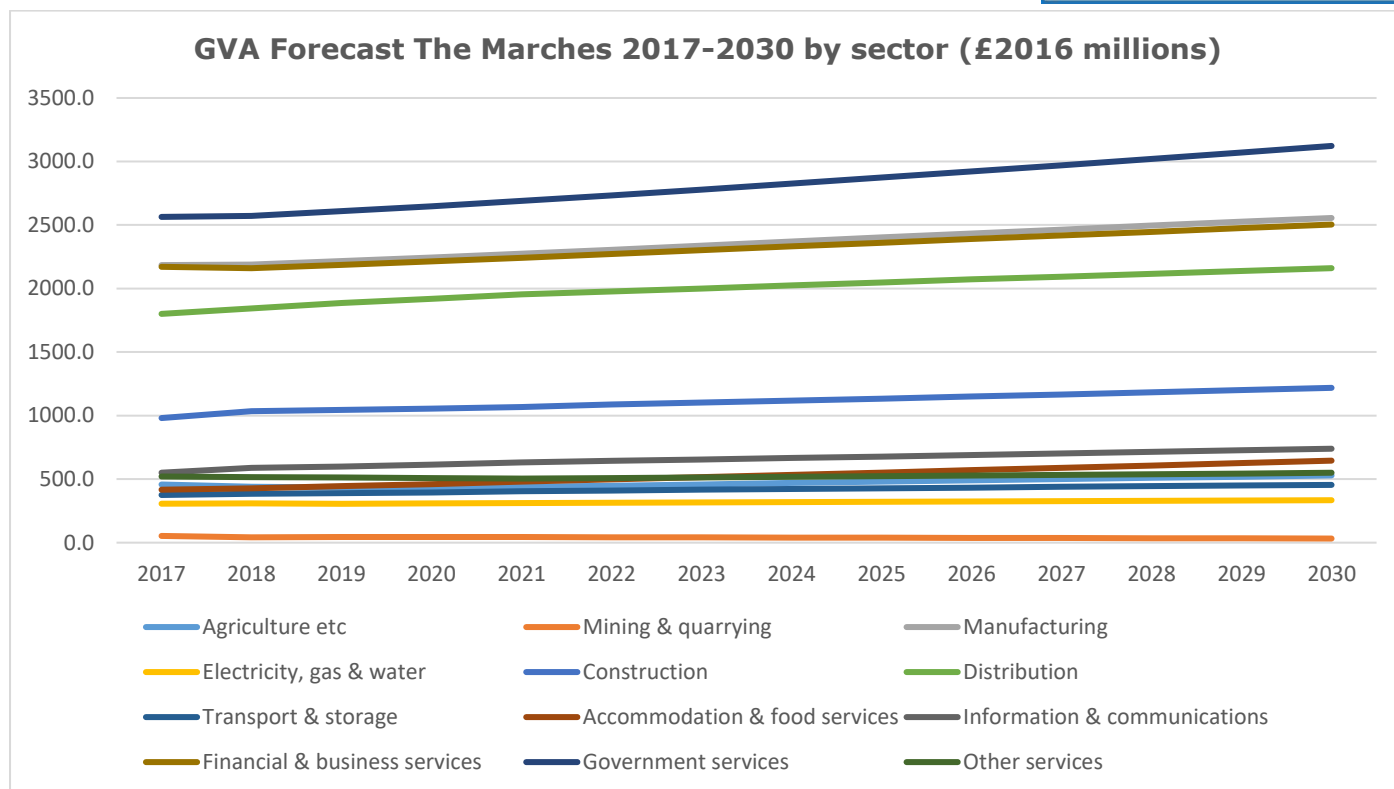




Source: Cambridge Econometrics (2019)



Source: Cambridge Econometrics (2019)





IDEAS



**INCREASING
UNIVERSITY
PRESENCE**



**390,200€
SECURED
THROUGH
HORIZON 2020**



£24,323,672

**SECURED
THROUGH
RESEARCH
COUNCILS/
INNOVATE UK**



**£143/FTE
BUSINESS
ENTERPRISE
SPENDING ON
R&D**

The UK's Industrial Strategy stresses the importance of the UK being a global leader in science and research. Key policies include:

- a target to raise total R&D investment to 2.4% of GDP by 2027
- increasing the R&D tax credit rate to 12%
- the creation of the £725 million Industrial Strategy Challenge Fund.

Figures 1-4 indicate the strength of the innovation environment in the Marches. They show that the area performs relatively strongly in terms of business investment in R&D. However, the absence of a research-intensive university in the area contributes to the low amount of research and innovation funding secured. Nonetheless, opportunities exist to promote collaboration and knowledge sharing between businesses and the increasing HE presence in the Marches. These include the establishment of the [New Model in Technology in Engineering](#) (NMiTE), the Midlands Centre for Cyber Security and the NI-Park development.

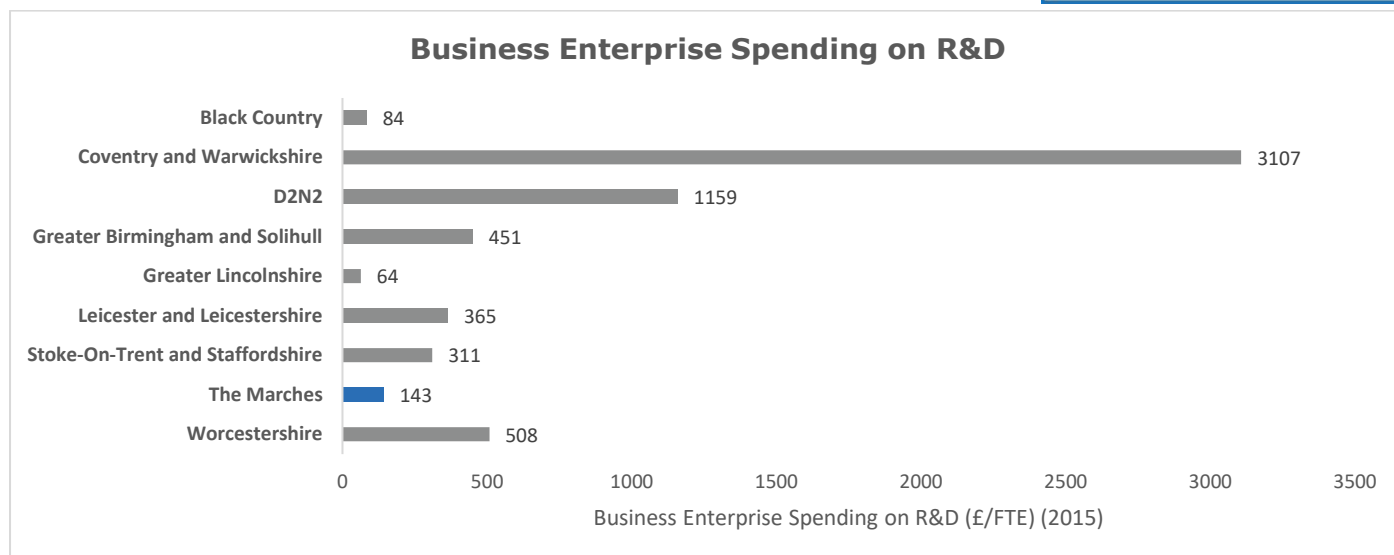


Figure 1 Source: BERD data analysis, Smart Specialisation Hub

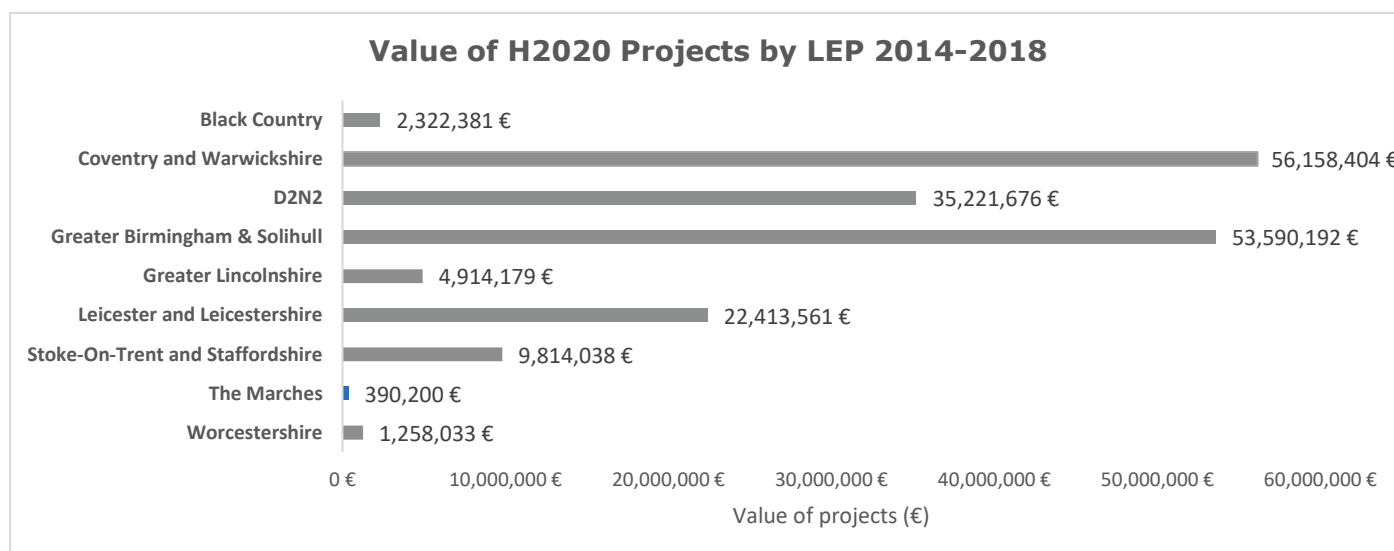


Figure 2 Source: EU Open Data Portal (2018)

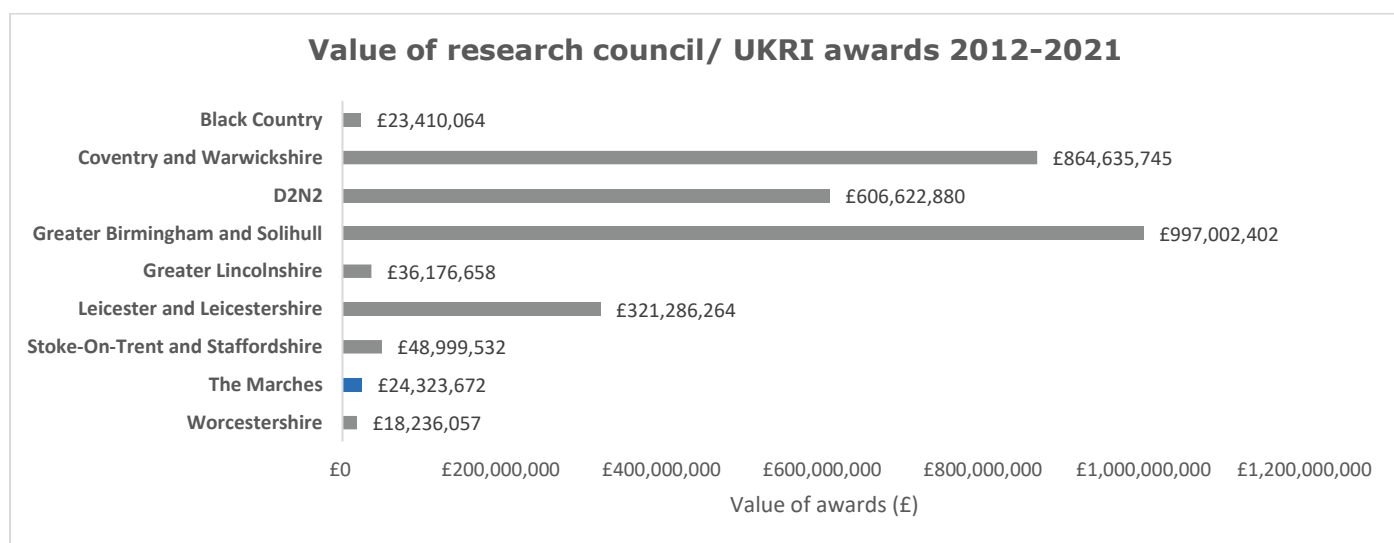


Figure 3 Source: UKRI (2019)

Innovation Benchmarks: 2014-16

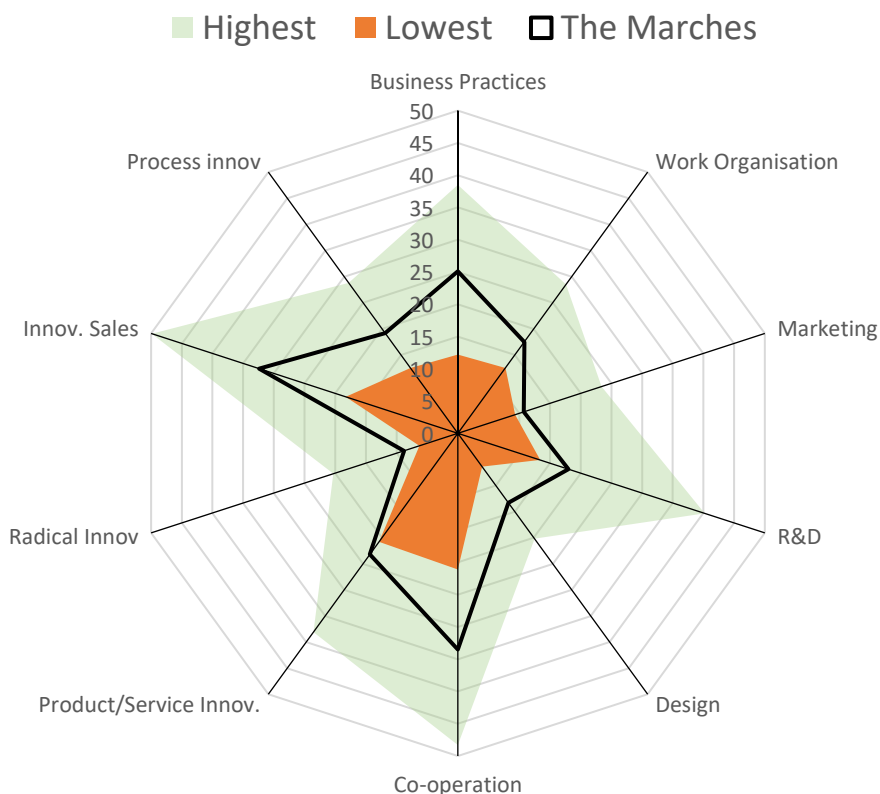


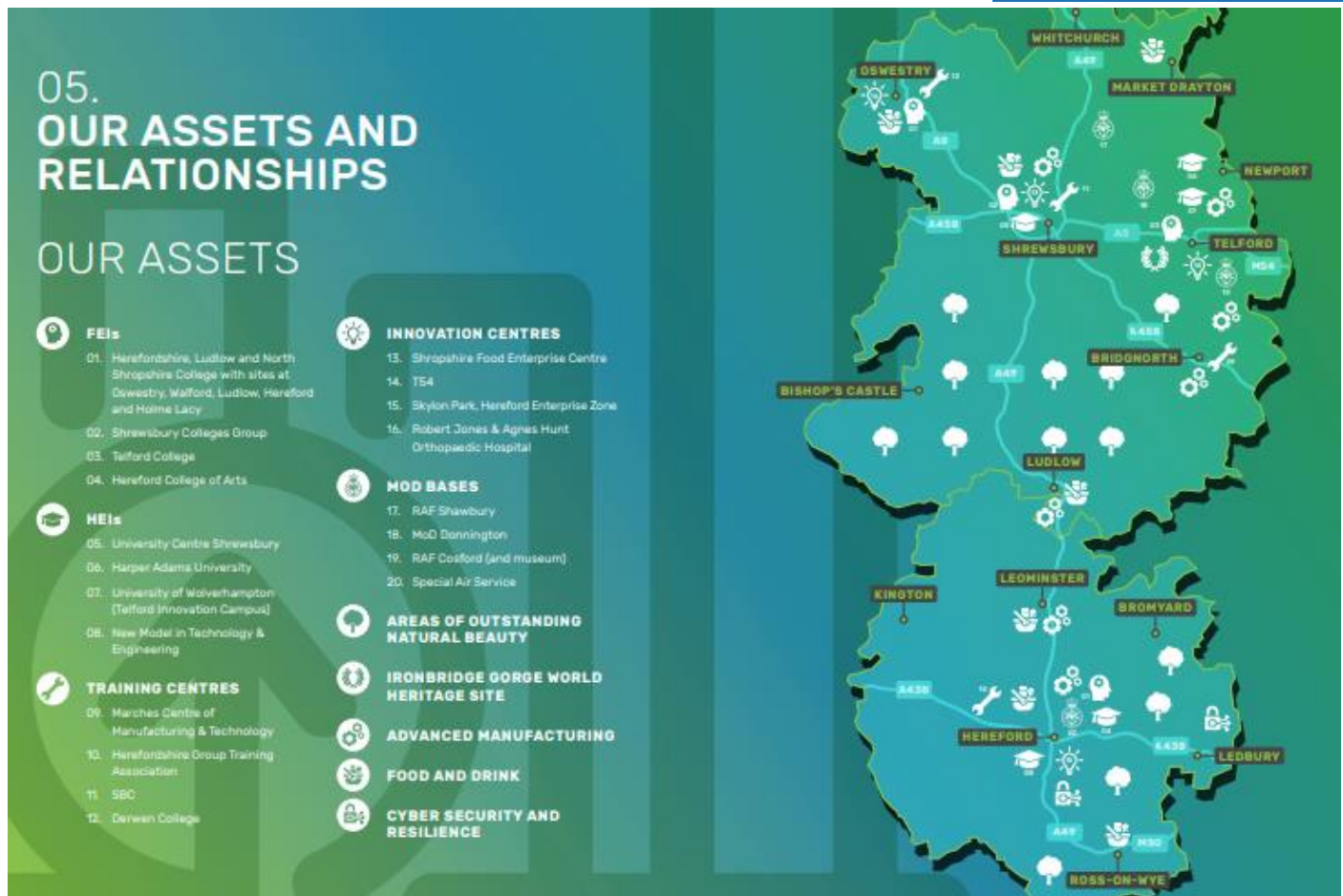
Figure 4 Source: Roper and Bonner (2019)

Charts are derived from the UK Innovation Survey. Details of derivation of data can be found in the [ERC Innovation Benchmarks Report](#). Charts relate to a series of 10 metrics which provide an indication of the proportion of firms in each area engaged in each type of innovation

Assets

As shown in Figure 1, The Marches contributes relatively strongly to the Midlands Engine in terms of business enterprise spending on R&D. According to data from the Smart Specialisation Hub, £143 per full-time equivalent was spent on R&D. This was above the figures for the Black Country (£84) and Greater Lincolnshire (£64).

Research and innovation in the Marches is supported through the existence of a number of Further Education Institutes, Higher Education Institutes, Innovation Centres and Ministry of Defence bases as shown below:



Source: [The Marches LEP](#) (2019)

Higher Education provision in particular has expanded within the Marches in recent years. At the heart of the nationally significant agri-tech sector is the [Harper-Adams University](#). Harper-Adams runs the [National Centre for Precision Farming](#), which is developing automation, drones and autonomous systems. Harper Adams is collaborating with Keele University in the development of a vet school and their [Agri EPI Centre](#), funded by Innovate UK provides opportunities for increasing business engagement with the local academic base.

The [University of Wolverhampton](#) has a well-established campus in Telford, which has recently benefitted from investment in its [automotive engineering facilities](#). In addition, new programmes such as the [CALMERIC](#) support engineering and research opportunities for businesses in the Shropshire and Staffordshire.

[University Centre Shrewsbury](#) was established in 2014 and has an increasing portfolio of undergraduate and postgraduate programmes. In addition, it has developed research capability in the following areas:

- Active Living
- Creativity, Culture and Place
- Environment Science and Technology
- Business and Community Development
- Medicine, Health and Care
- Design, Heritage and the Built Environment.

Whilst the LEP area has not received a substantial proportion of research and innovation funding to date, successful projects currently being delivering in The Marches include the Development of the [New Model in Technology in Engineering](#) (NMiTE). Based in Hereford NMiTE is Britain's first wholly new challenger university in 40 years. The anchor institution has been designed to address the national shortage of

graduate engineers through establishing a new model of high-value engineering education. It uses an approach which adopts best practice from the USA and Canada but which is more unknown in the UK. NMiTE has received £8 million of Growth Deal funding. It will champion key skills required in the modern engineering workplace such as creativity, design and innovation.

Another important asset is the Midlands Centre for Cyber Security at the Marches LEP's Enterprise Zone at Skylon Park in Hereford. Due to open in 2020, the Centre will act as an incubator for twenty new companies. Funded through £9 million of investment funding from the University of Wolverhampton, Herefordshire Council, the Marches LEP and the ERDF, it will encourage collaboration and technology transfer between businesses and academics.

Barriers and potential challenges

A key challenge that The Marches faces with regard to research and development is the lack of a research-intensive university within the LEP area. This is reflected in the low amounts of funding secured by businesses and universities in the area from research councils and Horizon 2020 (see Figures 2 and 3). On average according to Figure 1, business spending on R&D in The Marches LEP is the third lowest of all the Midlands Engine LEPs.

Figure 4 indicates that a lower proportion of firms in The Marches LEP are engaged in new methods of work organisation and marketing innovation than in other types of innovation such as cooperation and process innovation. The Marches is ranked 4th of the 9 Midlands Engine LEPs (and 16th out of 39 LEPs across England) for the percentage of firms which were collaborating for innovation during the period 2014 to 2016, and 4th of the 9 Midlands Engine LEPs (and 14th out of 39 LEPs across England) for the percentage of firms in each local area introducing new or significantly improved processes during the 2014 to 2016. By contrast, the Marches was ranked 8th among the 9 Midlands Engine LEPs for the proportion of firms who introduced new methods of work organisation and for market innovation.

Opportunities

The opening of the Midlands Centre for Cyber Security in 2020 will provide important opportunities for promoting knowledge and technology transfer between academics and businesses.

The development of Newport Innovation Park (NI-Park) offers opportunities for agri-tech businesses to develop cutting-edge food production techniques.

Case Study: Centre for Cyber Security

Construction has begun on a new £9 million cyber security centre in Hereford. The new Cyber Quarter – Midlands Centre for Cyber Security will act as a 'beacon for excellence' for defence and security sector businesses looking to invest on Skylon Park, Hereford Enterprise Zone. The centre aims to address the growing threat of cyber attacks which could significantly impact local, regional and national businesses.

The trail-blazing project is a joint venture between the University of Wolverhampton and Herefordshire Council and part-funded by the Marches Local Enterprise Partnership (LEP) and the European Regional Development Fund (ERDF).

The new centre will further underline the zone's position as a natural home for cyber security, business, research and innovation, supporting national growth of cyber research. Manning Cox, chairman of Hereford Enterprise Zone and Marches LEP board member emphasises the potential of the project to spearhead wider business growth in the Enterprise Zone. "The national and international importance of the work which will be undertaken at the centre will act as a beacon of excellence, attracting still more investment at Skylon, the only Enterprise Zone in the country to focus on the defence and security sector".

Going Forward

The SEP outlines opportunities for innovation support through the establishment of an automation task force of business champions who can identify and validate opportunities for firms in the cyber manufacturing and food sectors.

There are opportunities to consider the role of the Robert Jones and Agnes Hunt Orthopaedic Hospital in the proposed Oswestry Innovation Park development and how its research strength could be used to support spin out businesses and commercial opportunities.

Potential collaboration between HEIs and businesses will support project development in the agritech and agrifood sectors, e.g. potential innovations in growing systems, hydroponics and robotics for soft fruit growers.



NI-Park, Telford and Wrekin



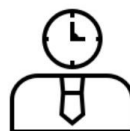
PEOPLE



4.1%
**RESIDENTS STAY
FOR STUDY &
EMPLOYMENT**



£25,947
**AVERAGE
EARNINGS**



289,000
JOBS



79.4%
EMPLOYMENT



3.1%
UNEMPLOYMENT



35.2%
**NVQ4 AND
ABOVE (16-64)**

Within the UK's Industrial Strategy, the People Foundation aims to generate good jobs and greater earning power for all. It focuses on improving skills levels, particularly in science, technology, engineering and maths; narrowing disparities between communities in skills and education and removing barriers faced by workers from underrepresented groups in the labour market.

Figures 5-9 illustrate the qualification level of residents of The Marches LEP area; the number of apprenticeship starts, the Gross Value Added rate, graduate retention rates and employment and unemployment rates in the area. They emphasise how The Marches area has a highly educated but ageing population. The area also struggles with graduate retention. Several recent initiatives have sought to address the skills gap and enable pupils to improve their awareness of the workplace and opportunities provided by local employers so as to make more informed GCSE subject choices and consider post 16 options.

Qualifications Level (2018)

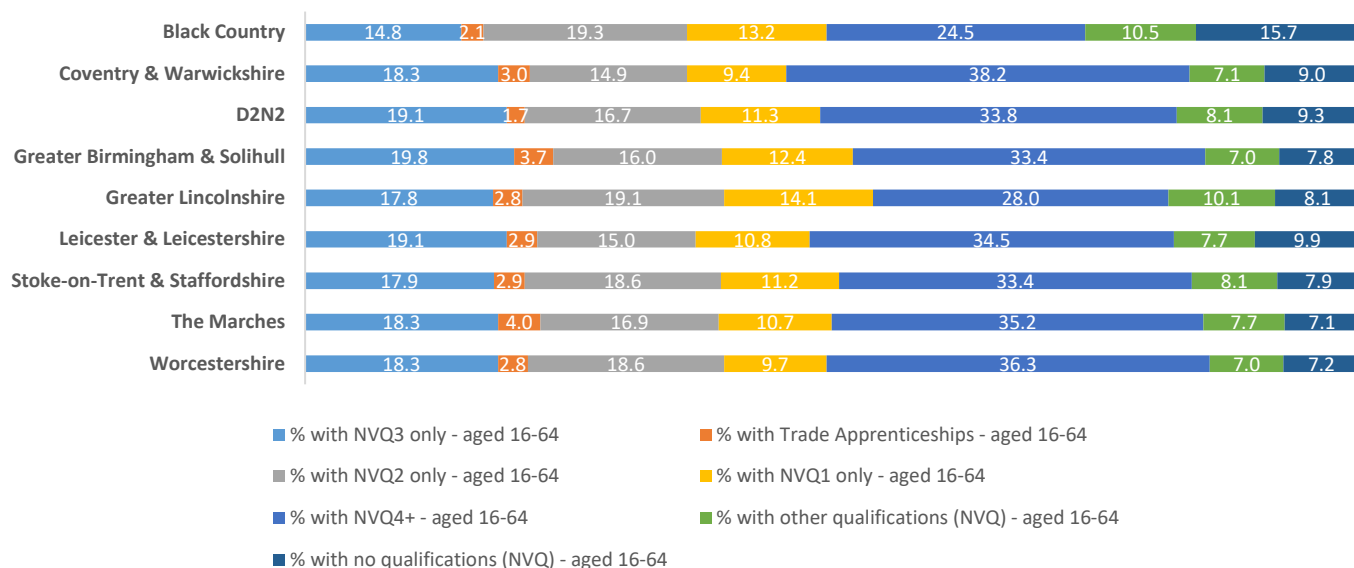


Figure 5 Source: ONS, Annual Population Survey (2019)

Apprentice Starts 2016-2018

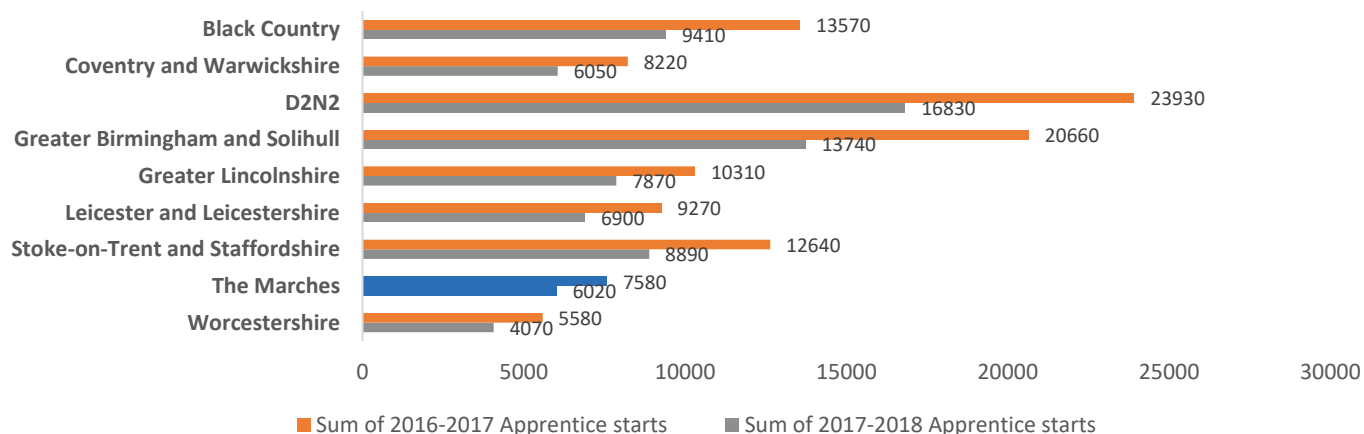


Figure 6 Source: Department for Education (2018)

Graduate Retention (2018)

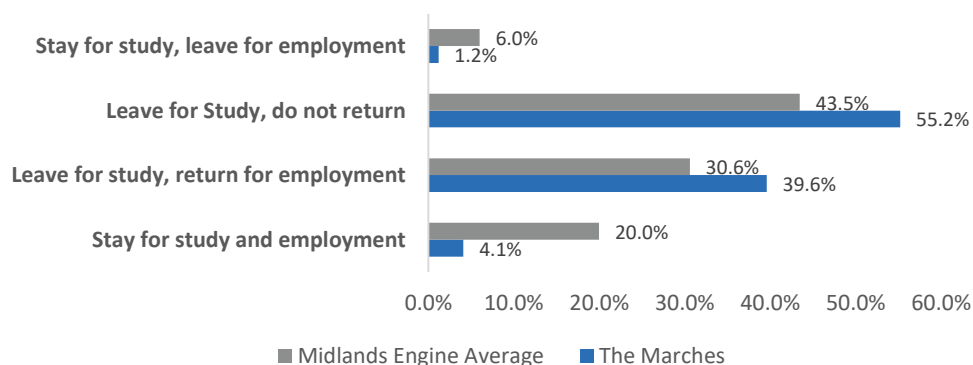


Figure 7 Source: Higher Education Statistics Agency, Destinations of Leavers from Higher Education (2018)

Employment and Unemployment Rates

LEP	Employment Rate of Working Age Population (%)	Unemployment Rate of Working Age Population (%)
Black Country	68.7	6.1
Coventry and Warwickshire	77.0	3.3
D2N2	73.6	4.6
Greater Birmingham and Solihull	71.0	6.0
Greater Lincolnshire	74.5	5.3
Leicester and Leicestershire	73.4	5.0
Stoke-on-Trent and Staffordshire	76.4	4.0
The Marches	79.4	3.1
Worcestershire	79.4	3.3
Midlands Engine (LEP)	73.9	4.8

Figure 8 Source: ONS, Annual Population Survey (2018)

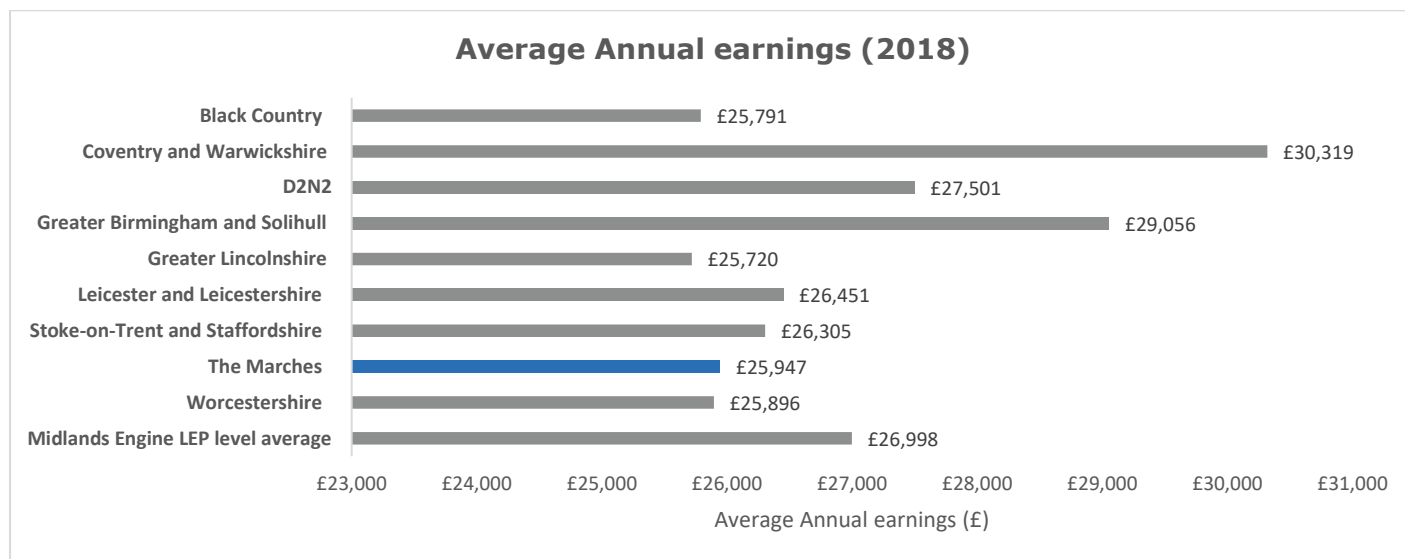


Figure 9 Source: Annual Survey of Hours and Earnings – Workplace Analysis (2018). N.B. data is provisional.

Assets

Figure 5 provides an overview of the qualification level of the population of The Marches LEP area in 2018. This graph demonstrates a highly educated workforce, with 35.2% of the population having a NVQ Level 4 qualification or above – the third highest rate in the Midlands Engine LEP area compared to Greater Lincolnshire with 28% NVQ Level 4+ and the Black Country with 24.5%.

Furthermore, the rate of employment of the working age population within The Marches LEP is high compared to the rest of the Midlands Engine. Figure 8 shows that The Marches currently has a working age employment rate of 79.4%, the joint highest rate of all the Midlands Engine LEPs, and higher than the Midlands Engine average of 73.9%.

Although the Marches struggles to retain graduates for study compared to other Midlands Engine LEP areas, as shown in Figure 7, a higher proportion of graduates leave for study but then return for employment (39.6%) than the Midlands Engine average (30.6%).

An important asset in bridging the skills gap that exists between highly qualified residents and low-skilled residents in the Marches is the investment that the Marches LEP has made into its local network of training providers and FE Colleges. Investment into facilities and resources has enabled the development

of new technology based programmes to meet skills needs identified by local employers. The Marches Construction Ready Partnership initiative will establish a construction manufacturing based hub in Telford which will provide learners with key construction and offsite manufacturing skills.

Whereas the Marches LEP area as a whole has a population that is older and ageing more rapidly than other areas in the Midlands Engine, Telford has a diverse population that is younger.



Marches-based engineering apprentice

Barriers and Challenges

The Marches LEP area has a highly skilled workforce and a high employment rate, although there are a number of barriers and challenges that the LEP needs to overcome, in order to boost future productivity of its people. First, although the number of students returning for work after leaving for study is 26% higher than the Midlands Engine average of 30.6%, 55% of students leave for study and do not return at a later date for employment. This is above the Midlands Engine average of 43.5%. Potentially, this could be due to the lower average wage of the LEP, the average annual earnings for the Marches is £25,947, significantly lower than the Midlands Engine average of £26,998. This low average annual earnings could be deterring high skilled labour from entering the Marches workforce.

Additionally, whilst the Marches may have a higher skilled workforce than other Midlands Engine LEPs according to [The Marches SEP Evidence Base](#) there is a shortage of high level skills.

Opportunities

The development of NMITE and the increasing portfolio of undergraduate, postgraduate and professional programmes being delivered through University of Wolverhampton, Harper Adams and University Centre Shrewsbury provide opportunities to attract and retain the proportion of 18-24 years olds who leave the area to attend Further/Higher Education.

Continued support for the Marches' HE, FE and private training providers will support the upskilling of the Marches population and contribute to wider economic growth in the Midlands Engine. They will also support workers of all ages to upskill and develop skills, which are increasingly important in the rapidly changing labour market, e.g. digital skills.

The Marches LEP will continue to work with partners to identify opportunities for upskilling and reskilling the local workforce, e.g. following partners' recent success in securing CITB funding to support new entrants into the construction sector.

Going Forward

The Marches LEP in its 2019 Strategic Economic Plan also emphasises the importance of developing a 'Future Leaders' scheme. The project will connect schools with local businesses to offer short-term mentoring, work experience and real world problem solving to 13 and 14 year old pupils. This will provide opportunities for students to improve their awareness of the workplace and help them to make more informed GCSE choices.

Another opportunity is the development of the Marches Digital Care Curriculum for 16-18 year olds. This offers the potential to develop core skills and expertise in new care techniques and technologies.

The newly developed Skills Advisory Panel will use an evidence-based approach to support the development of new programmes in the Marches priority sectors and in areas critical to productivity growth, e.g. the digital and technical skills that will drive automation and the use of technology.



INFRASTRUCTURE



305,050 HOUSES



**Under 2
hours from
BIRMINGHAM
INTERNATIONAL
AIRPORT**



**7.79
HOUSE PRICE
TO INCOME
RATIO**



**64%
SUPERFAST
BROADBAND**

The Industrial Strategy recognises that having modern and accessible infrastructure throughout the UK is essential to future growth and prosperity. It stresses the importance of large scale, long-term investment in transport, housing and digital networks for long-term productivity, through increasing the earning power of Britain's people, communities and businesses.

The strategy aims to improve access to full-fibre broadband, develop new 5G networks, improve the usage of 5G technologies, create a new high-speed rail network better connecting residents to jobs, regenerate stations and airports, upgrade the road network and improve individual's lives through better quality housing and the promotion of clean, affordable energy.

Figures 10-12 indicate how The Marches LEP area benefits from good overall connectivity to the North, West and East. It has the second highest broadband coverage rate in the Midlands Engine and total dwelling stock increased between 2007 and 2018. Nonetheless, congestion, poor reliability and long journey times are key challenges. Important transport projects are underway to address these issues in the short and long-term.

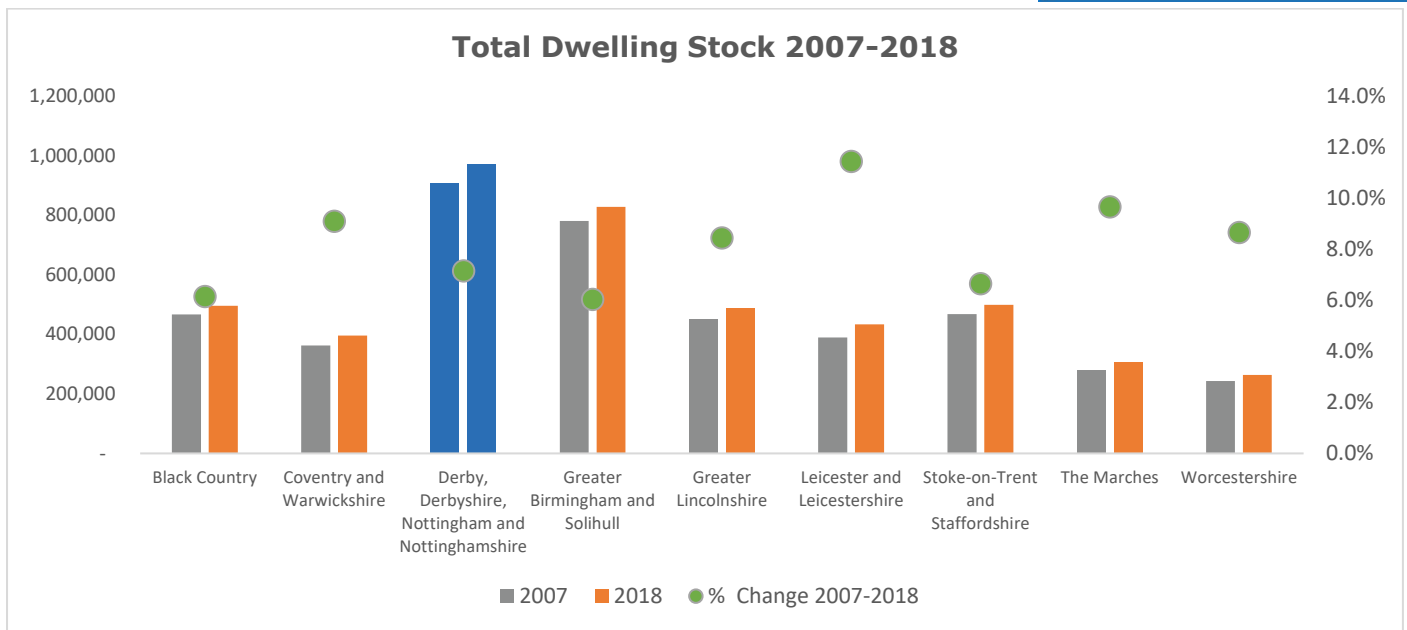


Figure 10 Source: Ministry of Housing, Communities & Local Government (2018)

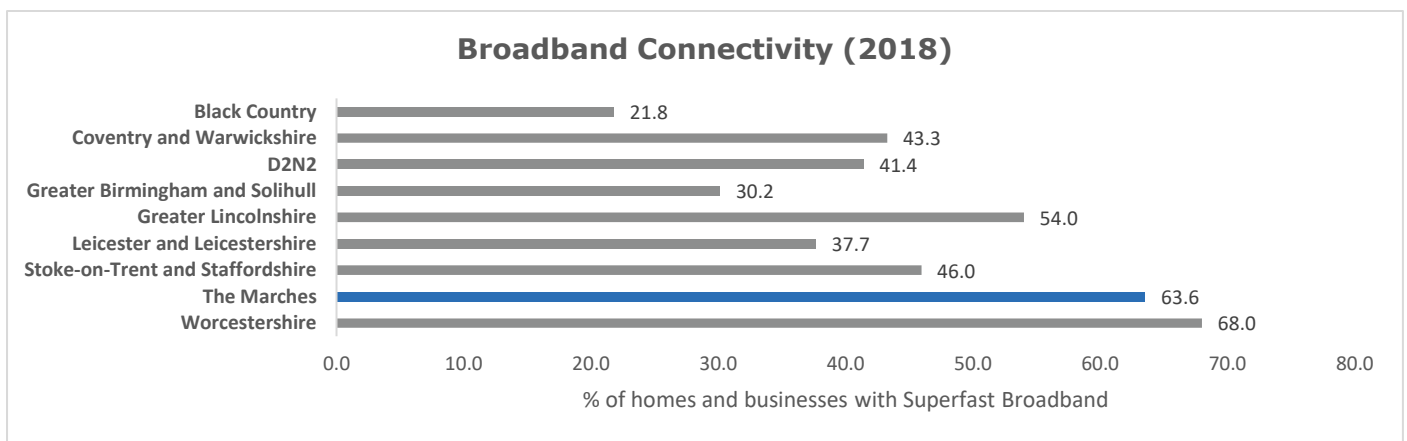


Figure 11 Source: OFCOM, Connected Nations (2018)

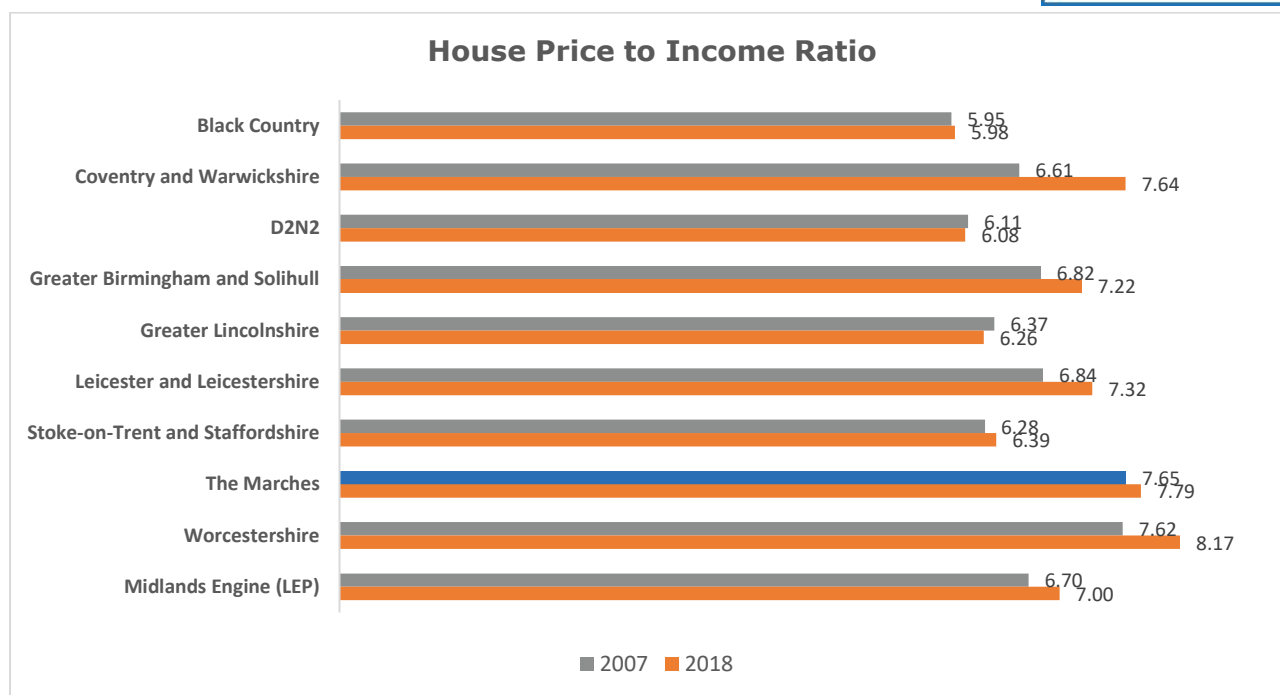


Figure 12 Source: ONS (2018)

Assets

The Marches has good connectivity to other major centres, particularly to the West Midlands conurbation, Manchester and Liverpool, and – the south and west – Wales. The area is connected to the North-West via the A49 and the Marches Rail Line, the A5, the A483, the A41 and the Shrewsbury to Wrexham rail line. It is connected to the West Midlands via the two key strategic transport corridors. The East-West central corridor is centred around the M54 and the Shrewsbury to Birmingham rail line. There are strong links to Birmingham International Airport. The Wales and Marches to Midlands corridor connects Hereford to Birmingham. The Marches also benefits from strong transport links to the West. Its economy is “intricately connected to Wales” through strategic transport corridors and strong supply chains. The Marches 2019 SEP emphasises how the Marches acts as a strategic logistics gateway for businesses to the Welsh market. The good connectivity of the area is reflected in the commuting statistics, with nearly 30% of the resident population of the Marches commuting outside of the LEP for work.

With the ever increasing need for more efficient broadband, The Marches is in a strong position with 64% superfast broadband connectivity, the second best coverage rate (after Worcestershire’s 68%) in the Midlands Engine. Additionally, there has been an increase of 26,860 dwellings between 2007 and 2018. This equates to a 9.7% increase in the dwelling stock – the second highest percentage increase in the Midlands Engine over the period – suggesting that people are moving into the area and therefore the potential workforce has grown over the 11 year period.

Barriers and Challenges

Despite the good road and rail connections between the Marches and other Midlands Engine LEPs, a number of infrastructure challenges exist. The [Marches LEP 2019 Strategic Economic Plan](#) highlights how “many main arterial roads are single carriageway, causing poor average speeds, long journey times and poor reliability”. Congestion is also an issue in several urban centres in the LEP.

Although as noted above, broadband coverage in the Marches is the second highest of all the Midlands Engine LEPs, broadband and mobile connectivity remains challenging, particularly in rurally dispersed areas.

Opportunities

The arrival of high-speed rail in Crewe offers the opportunity to improve connections to urban centres in the North-West. Reduced travel times from London-Birmingham will also improve connectivity between The Marches and London.

The Marches LEP is funding the NI-Park which aims to bring 950 high value jobs to the growing market and university town of Newport and establish it as a world-leading centre of innovation in the hugely-important Agritech sector. The scheme will see the creation of a high-tech business start-up and incubation space, training and higher-level skills development, and collaboration between local businesses and higher education. The package will also kick-start delivery of more than 1,000 essential new houses including starter homes in the Newport area – a key element of the Marches contribution to meeting government housing priorities.

Through Growth Deal and European Regional Development Funds the Marches will be home to Midlands Centre for Cyber Security, a multi-million-pound facility which promises to attract new hi-tech investment, draw expertise and create high-income jobs. It will create a range of opportunities in the growing cyber security sector in Herefordshire, which already has an established, highly regarded security industry

Another important infrastructure opportunity is the Oxon Link Road (OLR) a new high quality road running between the A5 and Holyhead Road. The OLR forms an integral part of the Shrewsbury West Sustainable Urban Extension (SUE), which will provide 750 new homes and 2885 jobs.

Going Forward

Delivery of the SEP's priorities for future investment, including road and rail development.

The Marches LEP will continue work with partners, including cross border working with the West Midlands Combined Authority, to help bring forward developments and the delivery of infrastructure to support strategic growth. The LEP will work with partners to ensure land availability for the building of commercial premises and housing and will become an exemplar area for energy efficient new buildings and the retrofitting of rural homes to improve efficiency and reduce fuel poverty.

The Marches' new Digital Strategy sets out the LEP's ambition to be a digital leader by demonstrating exemplar digital application in a rural and urban context, by setting out the rationale for intervention and the need to exploit the benefits of a digital economy.

The delivery of the Marches Energy Strategy provides opportunities for collective solutions to energy management that drive productivity.

Work with government and the Environment Agency will explore the regional implications of flooding along the Severn Corridor and explore opportunities to alleviate these.



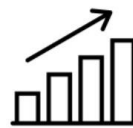
Shrewsbury, Shropshire



BUSINESS ENVIRONMENT



27,460
BUSINESSES



2,650 BUSINESS
BIRTHS



-3.3%
BUSINESS BIRTHS



7.2% OF JOBS IN
BUSINESS,
ADMINISTRATION
& SUPPORT
SERVICES



6.2% OF JOBS
IN PROFESSIONAL,
SCIENTIFIC &
TECHNICAL
SECTOR

The Business Environment Foundation of the Industrial Strategy aims to support the UK to be the best place to start and grow a business. The key challenge identified in the strategy is how to ensure all businesses adopt best practice from the UK's most productive businesses. It aims to address how, on average, managers in the UK are less proficient than managers are in other competitor countries. Overall, the strategy aims to drive productivity in all businesses regardless of size through increasing collaboration, improving skills levels and improving access to good and well-paid employment. Key policies include:

- The launch and rollout of partnerships between government and industry to increase sector productivity through Sector Deals in the life sciences, construction, artificial intelligence and automotive sectors.
- Over £20 billion in investment in innovative and high potential businesses including the establishment of the £2.5 billion Investment Fund.
- The commissioning of a review into what actions may be most effective in raising productivity among SMEs.

The Marches has a strong business base focused around the Advanced Manufacturing, Business and Professional Services and Food and Drink sectors. Opportunities also exist to develop the environmental technology, cyber security and resilience, agri-tech, and innovative health and social care sectors. However, as a smaller, rural LEP, the area faces challenges in terms of its capacity to expand and attract investment.

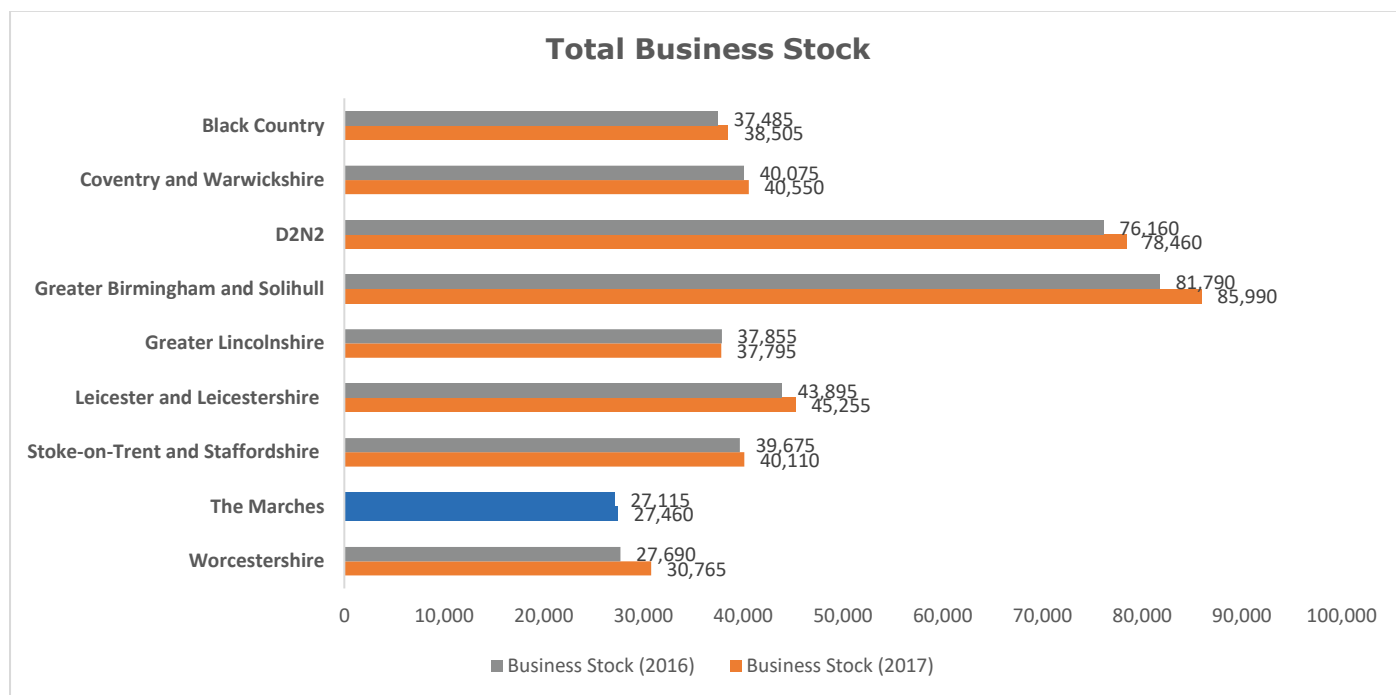


Figure 13 Source: ONS Business Demography (2018)

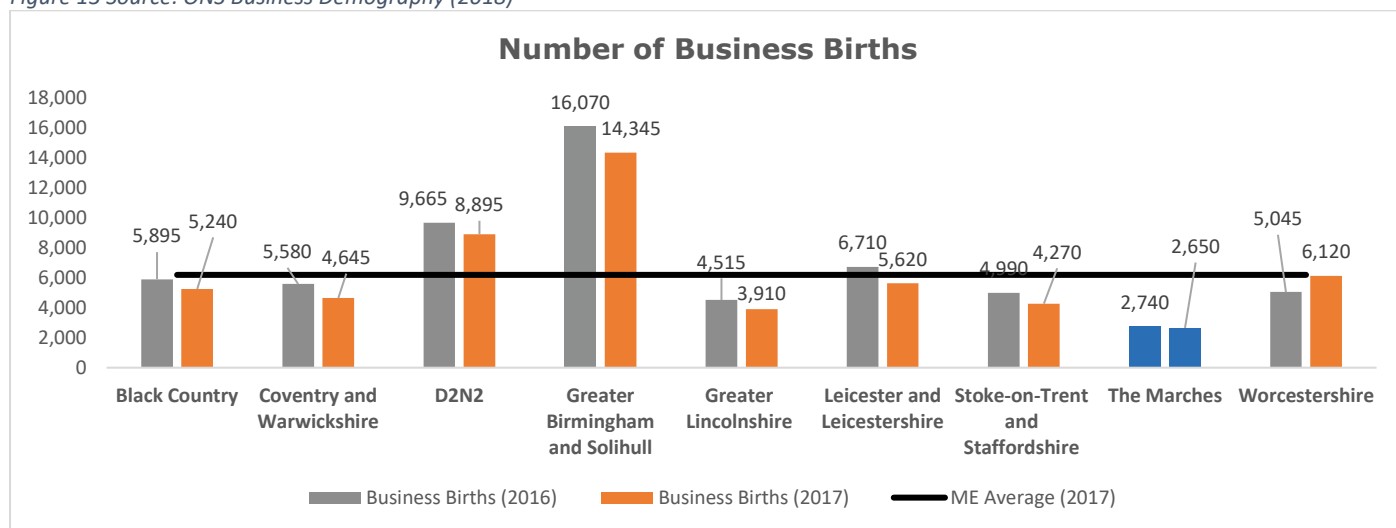


Figure 14 Source: ONS Business Demography (2018)

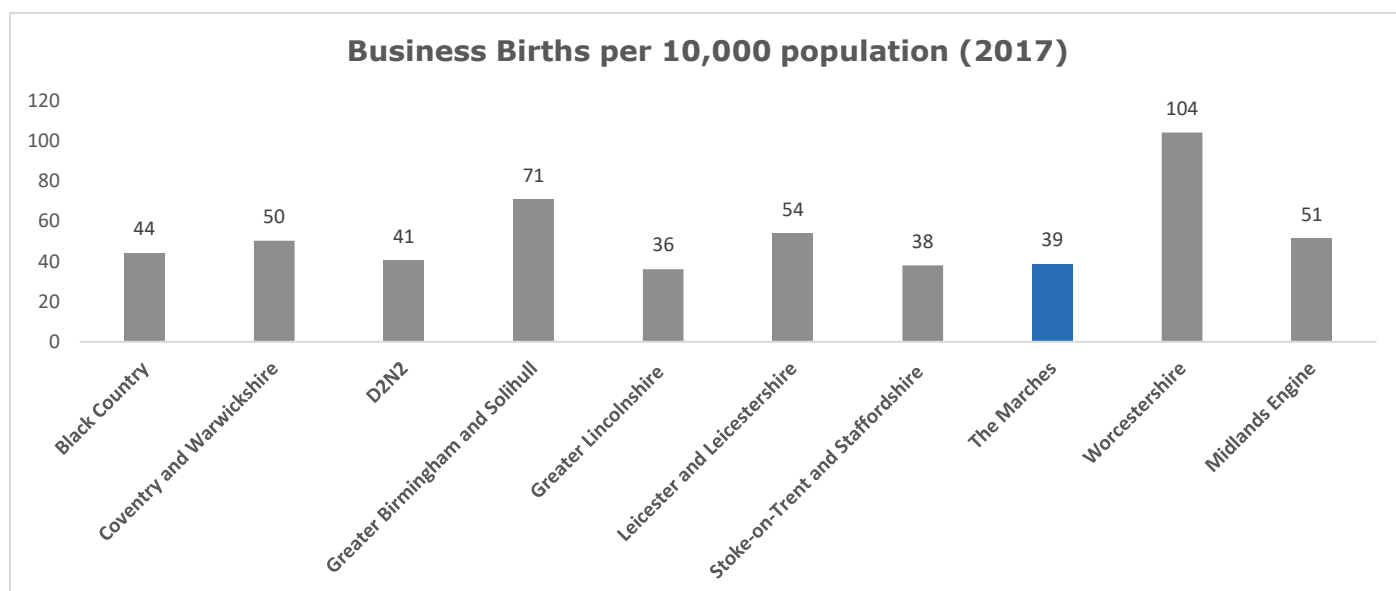


Figure 15 Source: ONS Business Demography (2018)

**Proportion of Start-ups Generating
£1m+ Revenues after 3 Years in
the UK (2017)**

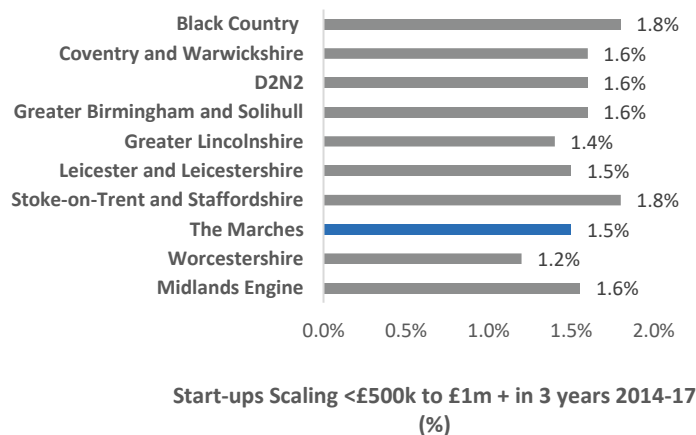


Figure 16 Source: Enterprise Research Centre UK Local Growth Dashboard, 2018

Firms (born<2013) turnover £1-2m in 2014 and reaching £3m+ in 2017 in the UK

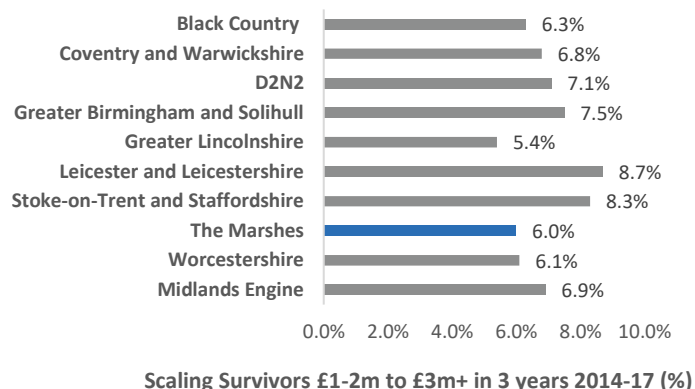


Figure 17 Source: Enterprise Research Centre UK Local Growth Dashboard, 2018

Jobs by Broad Sector (%)

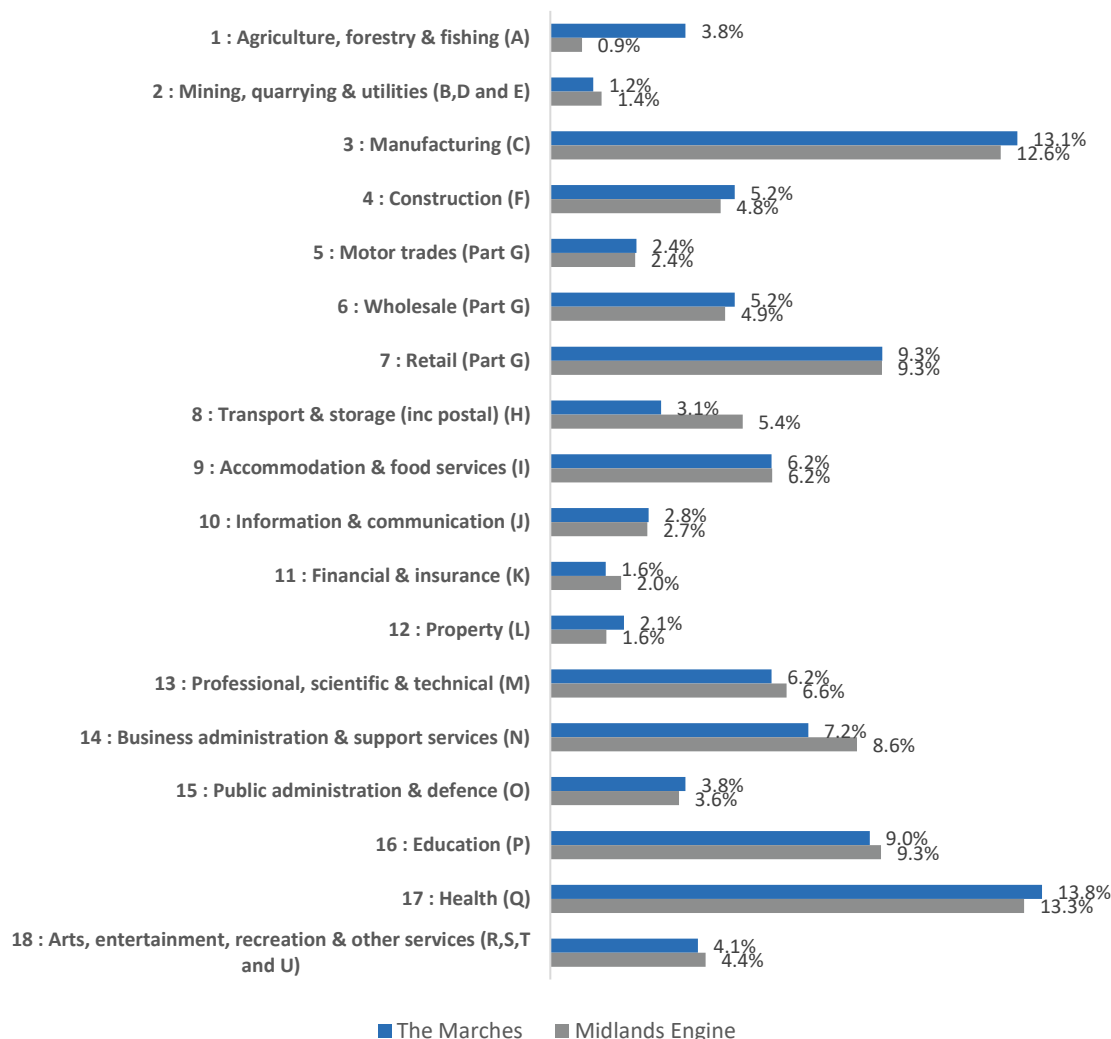


Figure 18 Source: Business Register and Employment Survey (2017)

Assets

The Marches has assets within its business base in terms of the strength of its Advanced Manufacturing, Business and Professional Services and Food and Drink sectors. The Marches LEP defines these sectors as its core economic sectors – sectors with high productivity, high levels of employment and high specialisation. As shown in Figure 18, the Marches has higher than average number of jobs in the Manufacturing, Construction and Health sectors compared to the Midlands Engine average. In terms of Advanced Manufacturing, the manufacture of basic metals is three times as specialised in the Marches as the average in Great Britain. The manufacture of motor vehicles and machinery is twice as specialised. Internationally recognised companies located in the area include Special Metals, Ricoh, BAE, GKN, Avara, Heineken, Müller, Capgemini and ABP Food Group.

Although The Marches is performing slightly below the Midlands Engine in terms of proportion of start-ups generating £1 million+ revenues after three years, it performs more strongly than similar-sized rural LEPs. 1.5% of start-ups generated revenues of £1 million+ compared to the Midlands Engine average of 1.6%, 1.2% in Worcestershire and 1.4% in Leicester and Leicestershire.

The LEP also performs similarly to other rural LEPs in the Midlands Engine in terms of the proportion of firms with a turnover of £1million to £2million in 2014 which had reached a turnover of £3 million+ in 2017.

Barriers and Challenges

As a smaller, rural LEP the Marches faces challenges in terms of the size of its business base. Figure 14 presents the number of business births per 10,000 population, which for the Marches is 39 per 10,000 population. This is 12 business births lower per 10,000 of the population than the 51 per 10,000 population which is the Midlands Engine average. Therefore, on average there are fewer business births within the LEP compared to within other LEPs in the Midlands Engine which may have a detrimental effect on innovation within the LEP. However, it should be caveated that much of the increase in business births in Worcestershire and Greater Birmingham and Solihull is likely to be related to a management company in Bromsgrove registering large numbers of businesses at a single address, this error will be corrected in the next data from ONS. Given that Worcestershire LEP area has the smallest population in the Midlands Engine, the impact of this company on the overall number of business births per 10,000 of the population is likely to be high.

Opportunities

Opportunities to expand the business base have been identified by The Marches LEP in their 2019 Strategic Economic Plan. The LEP identifies both emerging and enabling sectors. The LEP defines emerging sectors as high future economic productivity economic growth potential but lower employment and fewer, small companies. Sectors identified in this category are: environmental technology, cyber security and resilience, agri-tech, and innovative health and social care. Enabling sectors are defined as sectors with high employment with significant entry level jobs and services vital to the economy. The sectors often have lower overall productivity or different productivity and growth challenges. Key enabling sectors are: visitor economy; retail; logistics; construction; health and social care; education; voluntary, community and social enterprise. The Innovative Healthcare (which focuses on digital health and social care and aligned issues) is another sector which the Marches LEP are currently considering for future inclusion as a priority sector.

The Marches Growth Hub, supported by the Marches three local authorities, the University of Wolverhampton and University Centre Shrewsbury, provides opportunities to access business advice and specialist ERDF support services. The Marches Growth Hub has been identified by government as one of the best performing LEPs based on the funding it receives.

The Digital Enterprise is an emerging digital academy in Telford. It will support businesses to integrate digital processes such as advanced digital connectivity, augmented reality, cyber security, sensors and 3D printing.

The expansion of the food and drink sector will be supported by the Shropshire Food Enterprise Centre in Shrewsbury which offers high quality food production units as well as on-site business support to start-ups and SMEs in the sector.

The new NI-Park will provide opportunities for agritech businesses to begin, grow and relocate to. This site, supported by the expertise of Harper Adams University, has been identified as a High Potential Opportunity site by the Department for International Trade and is being marketed globally as a location for inward investment.

Going Forward

The Marches aims to introduce new programmes of support to improve productivity, particularly in its major opportunity sectors of advanced manufacturing and engineering, agritech/agrifood and cyber security and resilience. This will include collaboration with other LEP areas, e.g. the Black Country and Stoke and Staffordshire LEPs on advanced manufacturing supply chain support, extending the Agri Tech West Alliance to support agritech/agrifood businesses and working across the Cyber Valley to support research, CPD and cyber business development.

A newly agreed Access to Finance Strategy will support businesses in finding the right type of funding to help them grow in a sustainable way and will add value to the portfolio of services delivered through Marches Growth Hub.



PLACE



56.5%
URBAN
POPULATION



17,665.33
IMD AVERAGE
RANK



1.7 MILLION
VISITOR TRIPS



4.9 MILLION
VISITOR
NIGHTS

The Place Foundation within the Industrial Strategy aims to create prosperous communities across the UK, as competitive cities, towns and rural areas are crucial to shaping the UK's economic future. It acknowledges that whilst the UK has world-leading businesses across the UK, greater disparities in regional productivity exist than in other European countries, shaping people's pay, work opportunities and life chances.

Key policies introduced to support delivery of the Place Foundation include:

- The requirement for Local Enterprise Partnerships and Mayoral Combined Authorities to agree Local Industrial Strategies, which build on local strengths to deliver on economic opportunities.
- Establishing the Transforming Cities fund providing £1.7 billion to support intra-city transport projects driving productivity by improving connections within city-regions.
- The piloting of a £42 million Teacher Development Premium to test the benefits of a £1000 budget supporting the professional development of teachers working in areas that are struggling.

The Marches has an excellent quality of physical environment and attracts a growing number of visitors each year. However, house price affordability is mixed across the LEP area. The Telford Land Deal is a key economic driver for the Marches region which will see up to £44.5m of receipts generated from the sale of Homes England land in Telford invested locally. In the past three years, the Deal has delivered gross land sales of £25.1m enabling 953 new jobs and over 600 new homes.

RURAL POPULATION

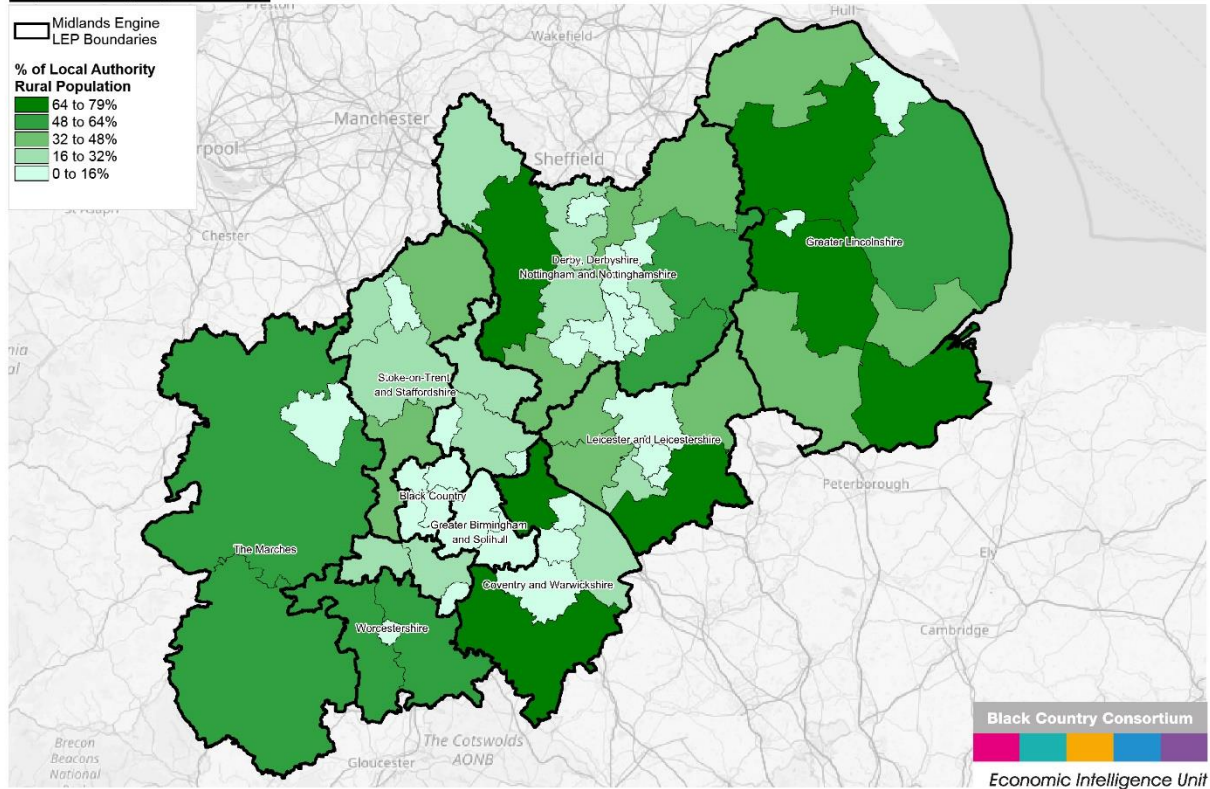


Figure 19
Source:
Huggins et
al (2019)

INDICES OF MULTIPLE DEPRIVATION

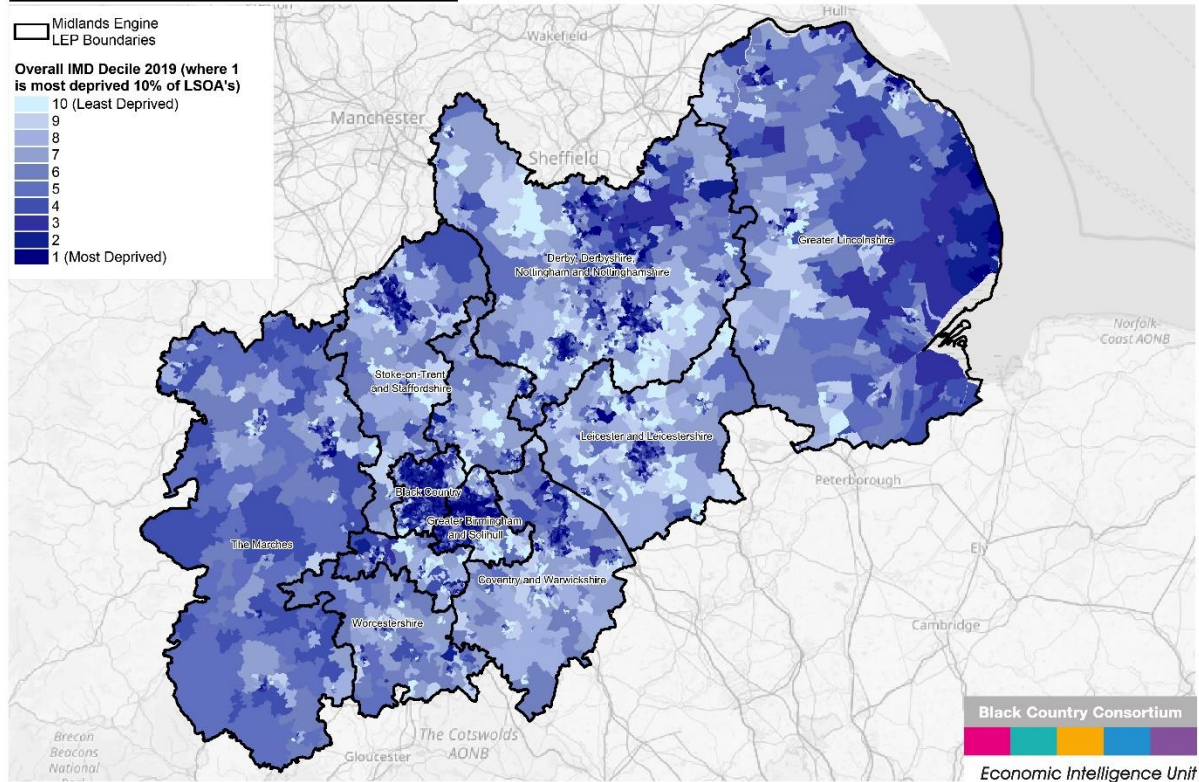


Figure 20
Source:
Gov.uk
(2019)

UK COMPETITIVENESS INDEX

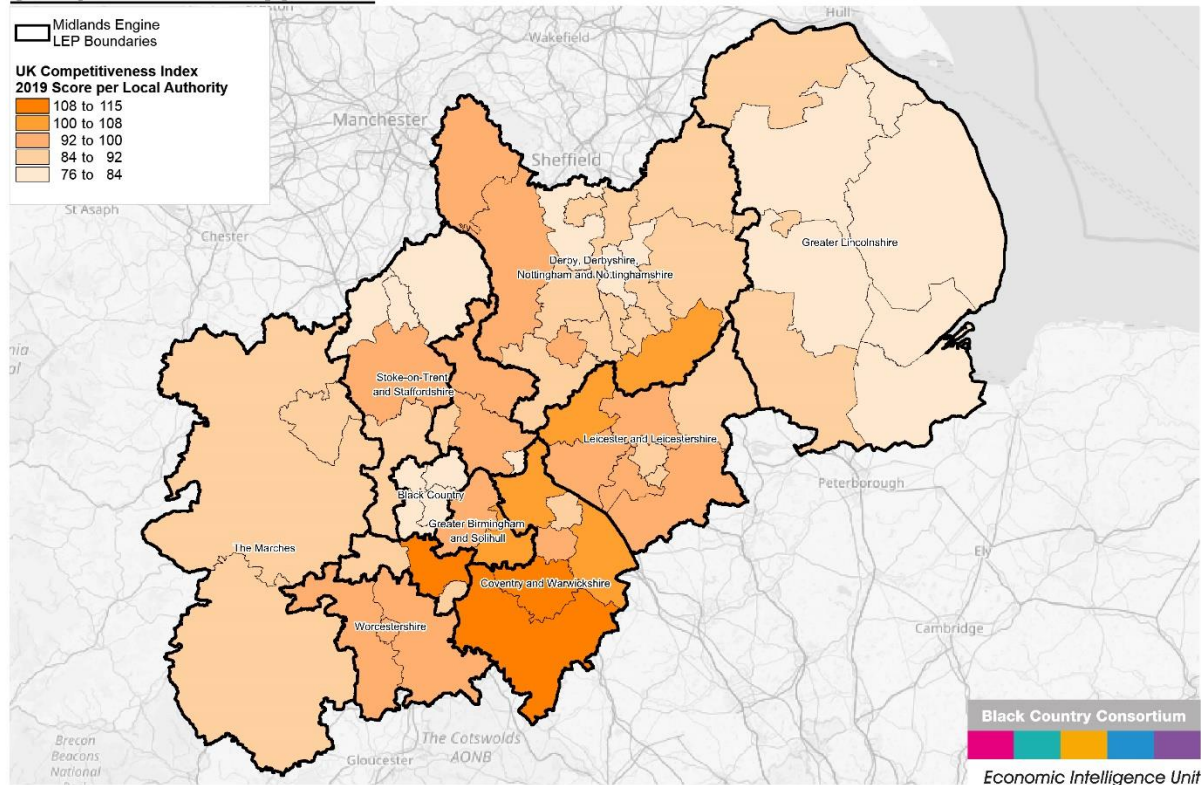


Figure 21
Consumer
Data
Research
Centre
(2017)

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - PHYSICAL ENVIRONMENT

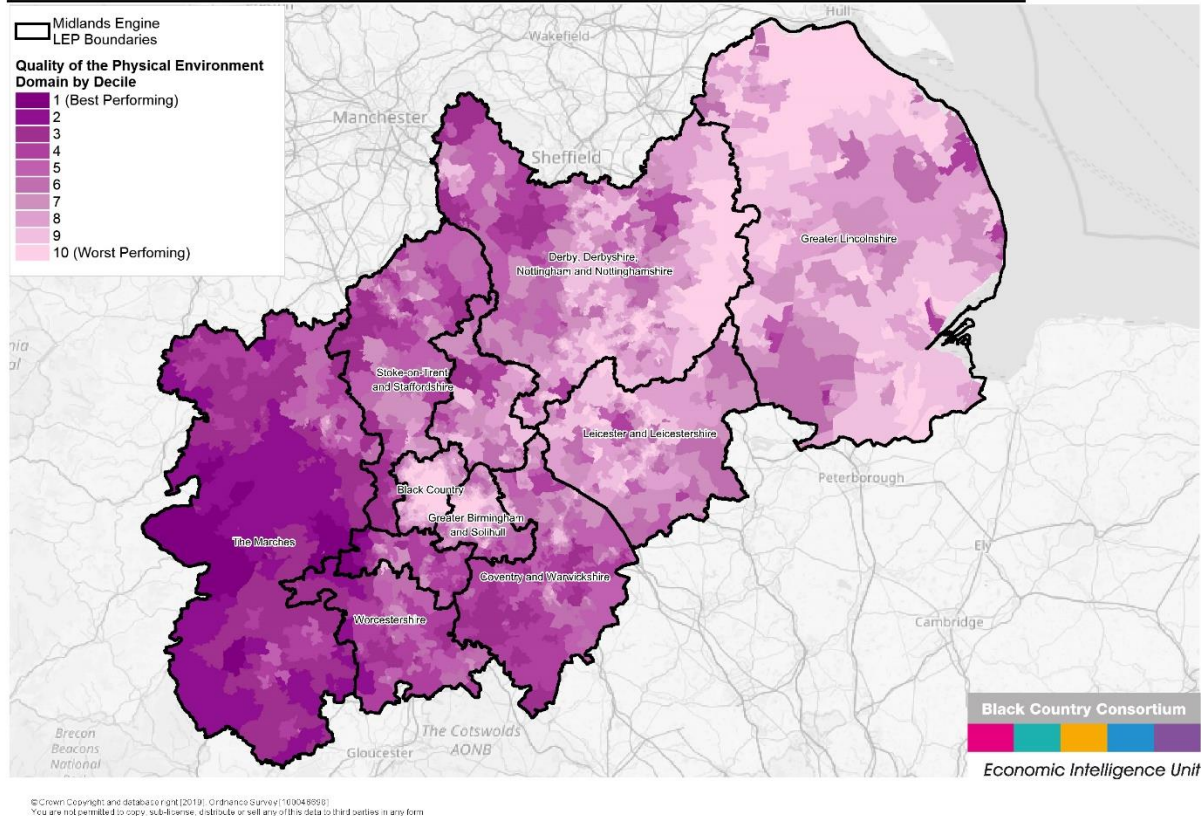


Figure 22
Source: Gov.uk
(2015)

The Index of 'Access to Health Assets and Hazards' measures how 'healthy' neighbourhoods are. The domain of physical environment relates to the presence of green space and three air pollutants.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - RETAIL ENVIRONMENT

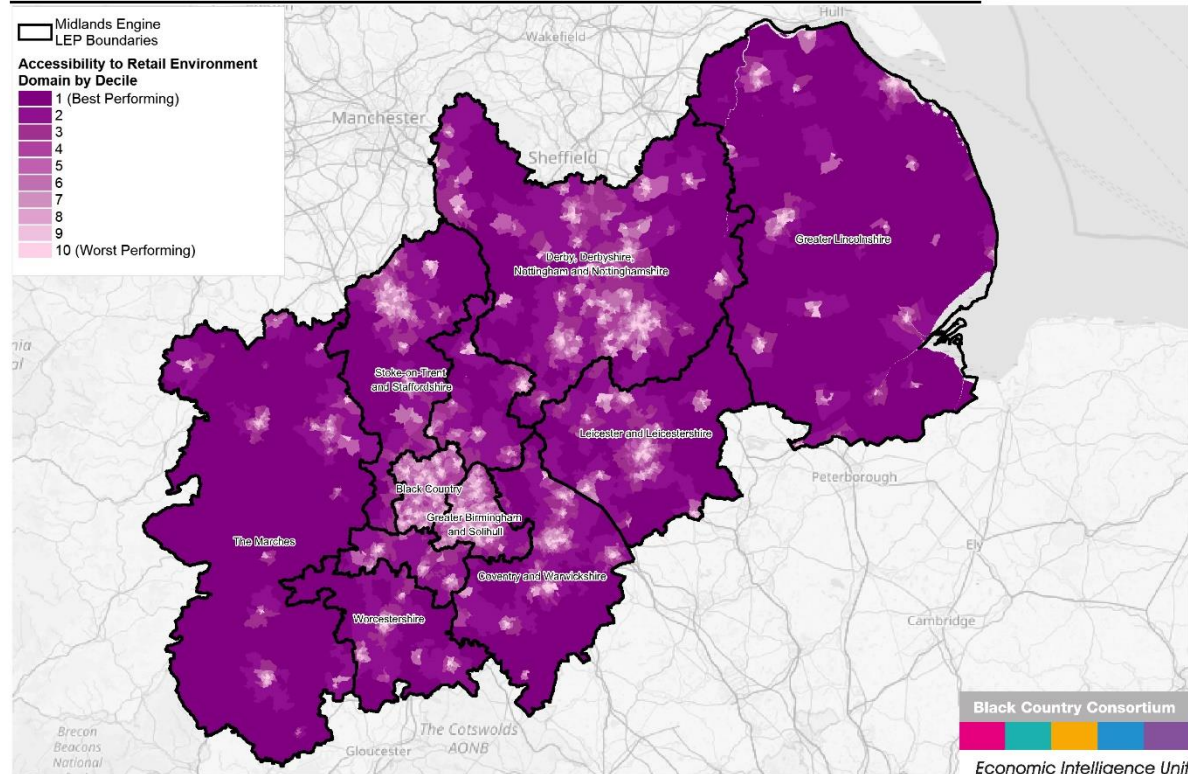


Figure 23
Source: Gov.uk
(2015)

The domain of accessibility for Retail Environment relates to specifically access to fast food outlets, pubs, off-licences, tobacconists and gambling outlets. A healthy area perspective better / more access would equate to worse score.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - HEALTH SERVICES

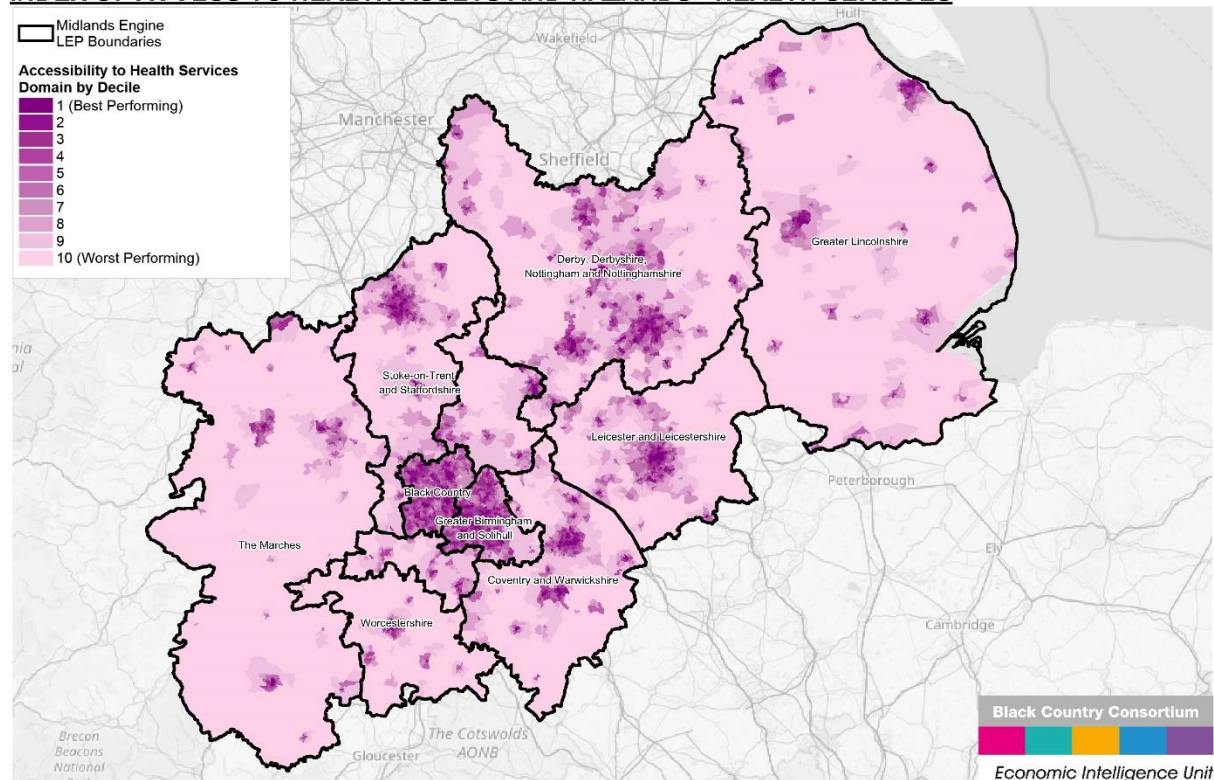


Figure 24
Source: Gov.uk
(2015)

The domain of Health services relates to access to GPs, hospitals, pharmacies, dentists and leisure services.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS

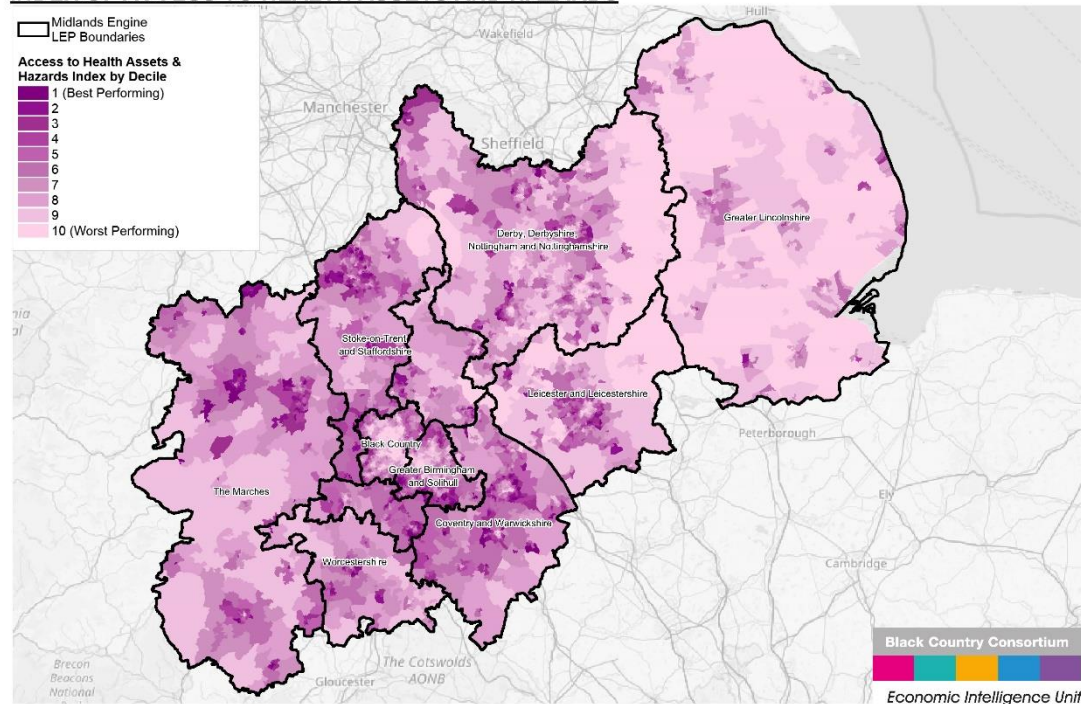


Figure 25
Source: Gov.uk
(2015)

This graph shows the overall multi-dimensional index score for each area in the Access to Health Assets and Hazards Index, combining the indicators under the three different domains of accessibility shown above: retail environment, health services and physical environment.

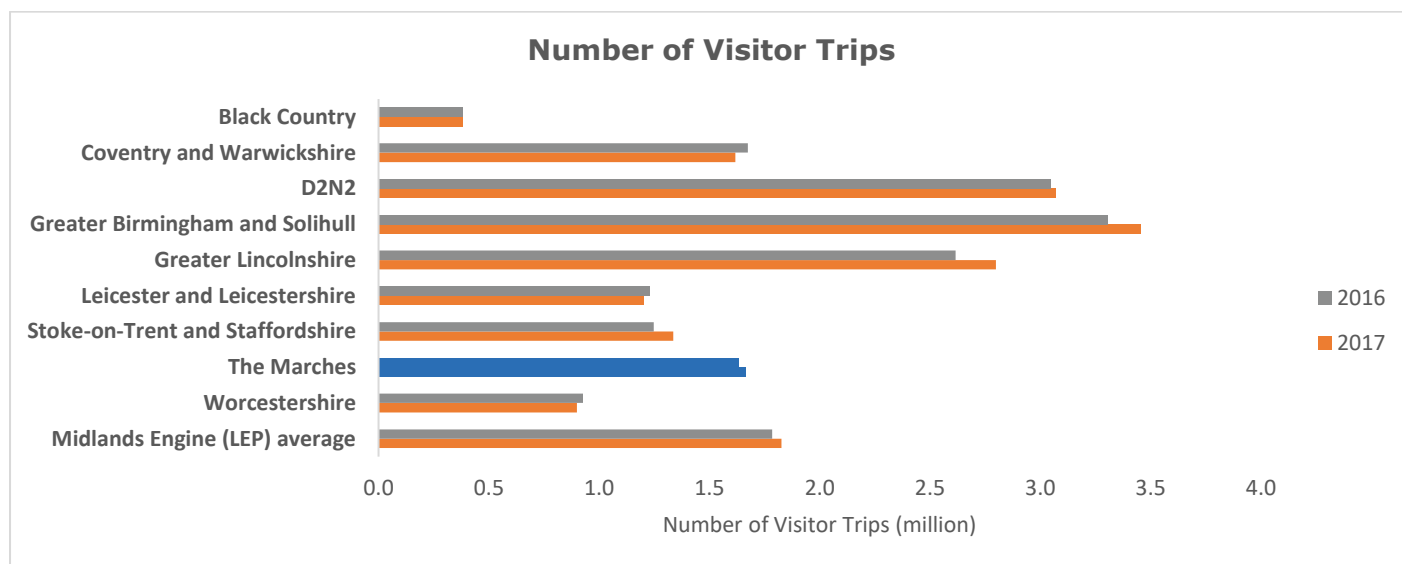


Figure 26 Source: Visit Britain: Great Britain Tourism Survey (2018)

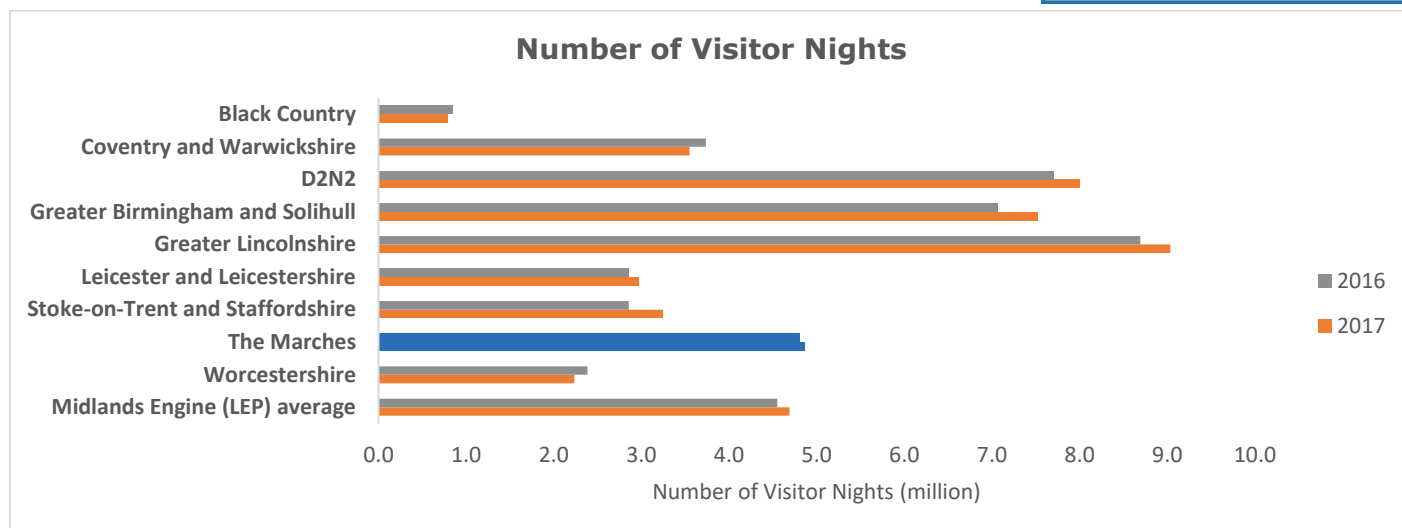


Figure 27 Source: Visit Britain: Great Britain Tourism Survey (2018)

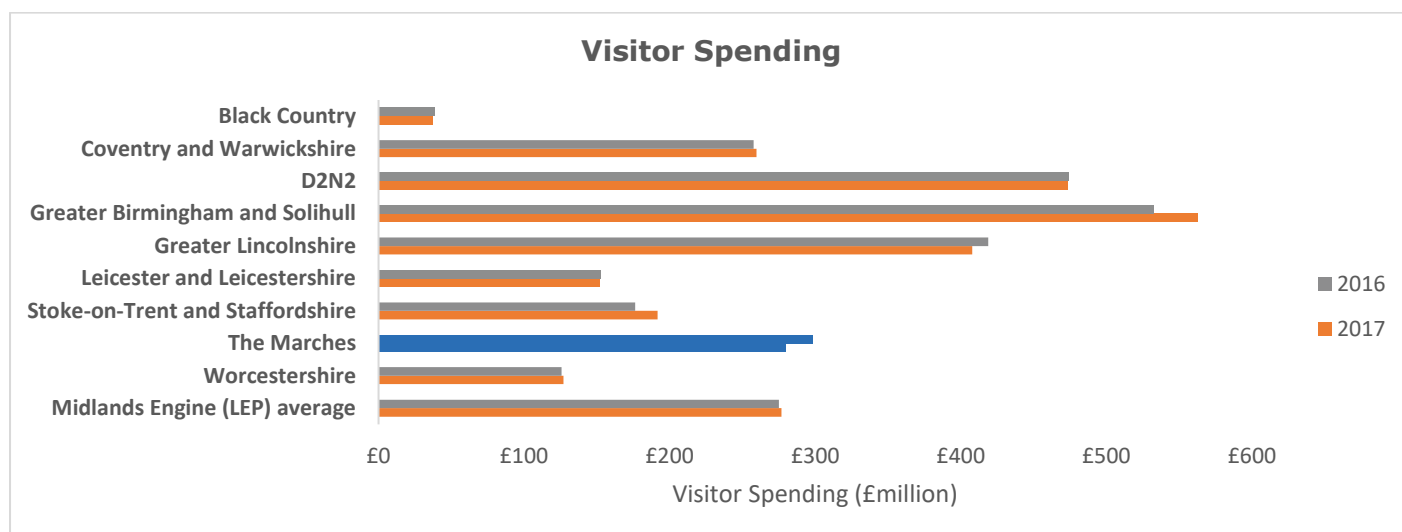


Figure 28 Source: Visit Britain: Great Britain Tourism Survey (2018)

Number of dwellings started and completed 2018-2019

	Dwellings started				Dwellings completed			
	Private Enterprise	Housing Associations	Local Authority	All	Private Enterprise	Housing Associations	Local Authority	All
Black Country	1,600	180	260	2,040	1,770	170	250	2,190
Coventry and Warwickshire	2,710	1,010	0	3,720	3,250	910	0	4,160
D2N2	4,920	620	30	5,570	5,040	710	70	5,810
Greater Birmingham and Solihull	4,000	790	90	4,880	3,410	910	20	4,340
Greater Lincolnshire	3,070	340	10	3,420	2,740	510	40	3,290
Leicester and Leicestershire	2,540	560	0	3,140	2,770	700	0	3,440
Stoke-on-Trent and Staffordshire	2,850	440	10	3,300	3,060	650	10	3,710
The Marches	2,470	330	40	2,840	2,190	610	100	2,900
Worcestershire	1,850	630	0	2,470	1,680	640	0	2,320

Figure 29 Source: Gov.uk (2019)

Assets

Whilst the Marches may not see as many visitors or as high visitor spending as some other LEPs within the Midlands Engine, the area is operating above the Midlands Engine average in many aspects of the Place Foundation. Figure 27 shows that the number of visitor nights in The Marches matches the Midlands Engine average of 5 nights, and is higher than that of other such LEPs as Coventry and Warwickshire (4 million nights) and Worcestershire (2 million nights). Figure 28 also displays that on average visitor spending within The Marches is higher than the Midlands Engine average. This suggests that not only are visitors visiting the area but they are also spending within the area, boosting the local economy. Tourism in the Marches, which takes in the Wye Valley, Shropshire Hills and Malvern Hills Areas of Outstanding Beauty and heritage assets such as Ironbridge Gorge, a World Heritage Site as well as the medieval Castle in Ludlow, generates around £856 million into the economy every year and employs 33,000 people.

The Marches also offers a very high quality of life. Whilst as shown in Figure 20, there are pockets of deprivation, Figure 22 indicates that the physical environment is very high quality. Telford Town Park has been voted the UK's best park whilst the rivers Severn and Wye are blue assets.

Barriers and Challenges

Housing affordability within The Marches is mixed. As noted in the [2019 LEP Strategic Economic Plan](#), "There are areas of high affordability, particularly in Telford, where house prices are three to four times higher than annual household incomes. Low affordability is an issue in areas across the Marches, with median house prices as high as 10 times median salaries in the area north of Ledbury". High house prices impact on limits the area in which residents can commute to work, and contributes to recruitment and staff retention issues for businesses.

Opportunities

Key opportunities include Telford Land Deal and the Shrewsbury Big Town Plan – a comprehensive masterplan for Shrewsbury designed to expand enterprise in the town whilst building on the town's unique heritage. In addition, the three local authorities in The Marches are taking action to improve the

availability of affordable, mixed tenure housing for key workers. Interventions such as creating housing development companies offer the potential to contribute to reducing the shortage of affordable housing in the area.

Going Forward

The Marches LEP will work with partners to support clean, inclusive growth across the region by:

- Supporting major planned investments and interventions in urban centres and across the area's network of market towns
- Delivering the Marches Tourism and Culture Strategy to support a coordinated approach to the visitor economy which recognises the area's high quality natural environment. The area's high quality of life also lends itself to the development of a campaign to attract families and young people to the Marches supporting existing inward investment opportunities.



Hereford, Herefordshire

Local Authorities in The Marches LEP area:

Herefordshire, County of
Shropshire
Telford and Wrekin

Prepared on behalf of the Midlands Engine by:



UNIVERSITY OF
BIRMINGHAM

BIRMINGHAM
BUSINESS
SCHOOL

Black Country Consortium



Economic Intelligence Unit



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