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THE MARCHES LEP
**ANNUAL
ECONOMIC
REVIEW 2019**

SECTION 1:

Foreword

We are delighted to welcome you to the Marches Local Enterprise Partnership's first annual economic review.

This report provides a comprehensive picture of the state of the economy across the Marches.

Inside you will find detailed statistics showing precisely how the region is faring across a range of key indicators and an authoritative overview of the economic and social state of the Marches.

If the Marches LEP is to succeed in the ambitions we set out in our Strategic Economic Plan – to grow our economy, train our workers in innovative technologies, meet our social and environmental responsibilities and make this region an outstanding place to live and work – it is essential that we have a thorough, accurate picture of the economy on which to build.

And as we develop our Local Industrial Strategy, this research will inform the vision we put to Government for the future of the region, helping us demonstrate just where our strengths lie and the challenges we face.

We hope that the research over the following pages will also provide an important data set for our business community. As they look to expand, develop new revenue streams and recruit and train a new generation of workers, it is important that they have evidence on which to base their plans.

And of course, it is also entirely right that the Marches LEP is transparent in all its work and that we can be held to account for it. This report provides detailed, independently-gathered evidence which does just that.

We very much hope you find it useful.

Chair Mandy Thorn MBE

Marches Local Enterprise Partnership

Gill Hamer

Director

How We Measure Success

The Marches Performance Management Framework

The Marches Performance Management Framework (PMF) set out on page 3, provides a clear framework to monitor progress and the changes required to achieve our 2038 ambition.

The PMF is maintained and updated by the Economic Intelligence Unit (EIU) of Black Country Consortium Ltd. who provide in depth cross-thematic spatial analysis on The Marches economy on behalf of The Marches Local Enterprise Partnership.

Understanding the economic impact of current and planned activity in the context of The Marches SEP is fundamental to the work of the EIU as they continue to be at the forefront of new techniques and represent the region on a number of national panels.

To reflect the core themes of The Marches Strategic Economic Plan, the analysis in this report is structured to provide an overview of The Marches as a thriving, successful place to live and do business (**innovation and business environment**) with quality workers (**skills**), with an exceptional quality of life and natural environment (**infrastructure and places**), filled with collaboration to help others succeed (**sustainable and inclusive growth**).

The Marches Economic Review is produced by the Black Country Consortium's Economic Intelligence Unit (EIU) to provide an overview of The Marches economic performance during the year. The report measures success as set out in our Performance Management Framework and enables us to monitor real progress towards delivery of The Marches Strategic Economic Plan (SEP).

	Our Measures of Success - The Marches Performance Management Framework	Where are we now		Change over last year	Our Vision (2038)	Ambitions/Scale of the Challenge
	By 2038 in The Marches we will have:					
	Overarching					
An inclusive place that enables residents from all communities to thrive and develop with quality jobs offering good wages, training and progression.	Increased total GVA (£bn)	£14.2		+4.5% The Marches +3.6% UK	£23.8	+£9.6
	Raised GVA per head and reduced the output gap	£20,680		+3.5% The Marches +3.0% UK	£29,425	+£8,745
	Increased GVA per hour	£26.52		+1.9% The Marches +2.5% UK	£33.65	+£7.13
	Increased GVA per employee	£48,629		+2.4% The Marches +2.2% Eng.	£60,523	£11,894
	Raised the number of local jobs	291,000		+2.1% The Marches +1.3% Eng.	349,700	+58,700
	Reduced unemployment	8,215		+2,845 The Marches +194,605 UK		
	Increased the economic activity rate	81.9% 329,000		+1.9pp The Marches +0.1% UK		
	Reduced the % of workless households	12.5% 25,100		-14.0% The Marches -0.9% UK		
A growing place, attracting more people to come, stay and build their careers and businesses.	Raised resident incomes	£26,567		+5.4% The Marches +2.8% UK	£29,574	+£3,007
	Increased graduate retention	43.7%			59.7%	+16.0%
	Grown our population	690,180		+0.9% The Marches +0.6% UK	807,500	+117,320
	A balanced population age profile	Aged 0-15	17.6% 121,605	+1.1% The Marches +1.0% UK		
		Aged 16-64	60.0% 413,921	+0.3% The Marches +0.2% UK		
		Aged 65+	22.4% 154,654	+2.1% The Marches +1.5% UK		
	High levels of knowledge workers	42.2% 142,900		+8.7% The Marches +2.4% UK	167,900	+25,000
	Innovation and Business Environment					
A place that is open for business, up for business and pro-growth.	Raised total enterprise stock levels	27,460		+1.3% The Marches +3.3% UK	32,660	+5,200
	Raised the enterprise birth rate per 10,000 people	39		-4.2% The Marches -8.3% UK	58	+2,853
	Proportionate business base composition by size	High Achievers	585	+2.6% The Marches +4.1% UK		
		Growth Pioneers	2,085	+1.0% The Marches +2.0% UK		
		Potential Gazelles	6,350	+3.2% The Marches +2.4% UK		
		Solid Performers	9,275	+4.4% The Marches +2.9% UK		

	Our Measures of Success - The Marches Performance Management Framework	Where are we now		Change over last year	Our Vision (2038)	Ambitions/Scale of the Challenge
		Lifestylers	12,485	-4.7% The Marches -3.8% UK		
A global centre of excellence in advanced manufacturing specifically automotive, cyber security, and the next phase of technology development in agriculture, environment and food production.	Increased growth in key business sectors - jobs by sector	Agri-Tech	10,255	1.5% The Marches 1.0% UK	Create 57,700 more jobs by 2038	+57,700
		Advanced Manufacturing	42,255	1.5% The Marches -0.6% UK		
		Construction	13,450	12.6% The Marches 7.5% UK		
		Cyber Security and Resilience	11,325	-12.5% The Marches -0.5% UK		
		Business and Professional Services	49,800	10.0% The Marches 1.5% UK		
		Health and Social Care	41,600	-1.8% The Marches 2.5% UK		
		Public Sector inc Education	29,750	-0.8% The Marches 0.7% UK		
		Retail	49,250	-4.8% The Marches 0.8% UK		
		Transport and Logistics	9,285	-10.9% The Marches -2.2% UK		
		Visitor Economy	30,125	7.9% The Marches 2.2% UK		
		Environmental Technologies	3,255	28.7% The Marches 7.2% UK	Create 1,000 more jobs by 2038	+1,000
Skills						
A collaborative and proactive place with businesses, further education institutions (FEIs), higher education institutions (HEIs) and public organisations working together to agree what needs to happen and getting things done. Known as a good place to start and grow a business.	A Good level of development for children at the end of reception	71.6%		-0.3pp The Marches +0.8pp Eng.		
	Increased pupils Progress 8 Score	-0.08		0.00 The Marches +0.01 Eng.	-0.02	-0.06
	Increased the number of people with NVQ3 + Qualifications	55.6% 222,700		+1.8% The Marches +1.4% UK	60.0%	+17,780 people
	Increased the number of people with NVQ4 + Qualifications	35.2% 141,300		+7.1% The Marches +2.3% UK	39.2%	+15,814 people
	Reduced the number of people with no qualifications	7.1% 28,500		-5.3% The Marches -0.8% UK		
	Increased the number of apprenticeships	6,020		-20.6% The Marches -24.1% Eng.		
	Increased the total employment rate	79.4% 319,900		+2.7pp The Marches +0.3pp UK		
	Increased the % employers investing in training	62%			66%	+4pp

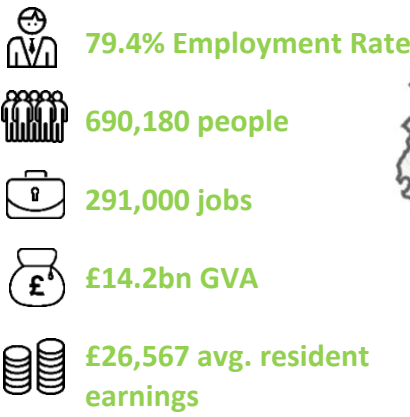
	Our Measures of Success - The Marches Performance Management Framework	Where are we now		Change over last year	Our Vision (2038)	Ambitions/Scale of the Challenge
	Infrastructure and Places					
A destination not a boundary - gateway to markets in the Midlands, Wales, South West, North and Europe. A visitor destination with significant natural and cultural resources that is well known and attracts people looking for a high-quality experience.	Increased net new homes	305,050		+1.2% The Marches +0.9% Eng.	359,450	+54,400
	Increased the total number of visitors to the area (millions)	20.7				
	Sustainable and Inclusive Growth					
	Reduced the number of households living in fuel poverty	11.7% 33,703		1.2pp The Marches -0.5pp Eng.	Lower fuel poverty to below 10%	-1.7pp
At the forefront of changes in how people live and work using new technology and improved physical and digital connectivity to enable businesses and people to develop and succeed.	Increased the proportion of businesses and people connected to superfast broadband	63.6%				
A pioneer in the provision and testing of digitally driven health and social care for dispersed populations supporting healthy ageing and economic participation in later life.	Increase life satisfaction	7.72		-0.3% The Marches +1.0% UK	Be in the top 25% for life satisfaction nationally	+0.13
	Increased healthy life expectancy	Male	63.9 years	-1.4% The Marches +0.2% Eng.		
		Female	65.1 years	+0.4% The Marches -0.2% Eng.		
	Renewable energy	16% 517,149		+13.9% The Marches +19.5% UK	Move to 50% renewable electricity generation by 2030	+34pp
	Reduced CO ₂ emissions	5.7 ktCO ₂ per person		-4.4% The Marches -4.2% Eng.	New target of 0 emissions by 2050	-3,888 ktCO ₂
	House price to income ratio	7.8		-1.6% The Marches +1.2% Eng.	8.00	+0.20

Key

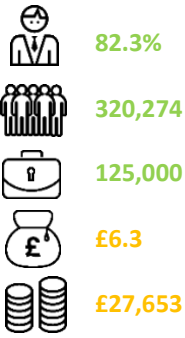
- Illustrates those indicators where The Marches moved in a positive direction of travel compared to the UK average
 - Indicates the reverse
 - Indicates no change or a growth in the right direction but less than the UK average growth
- pp Equals percentage points
- Target visions in *italics* indicate the UK average value
- Please note claimant count figures have been impacted due to the roll out of universal credit

Where we are now¹

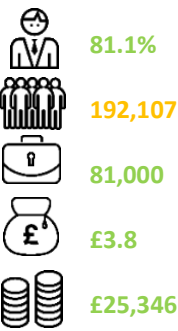
The Marches 2019



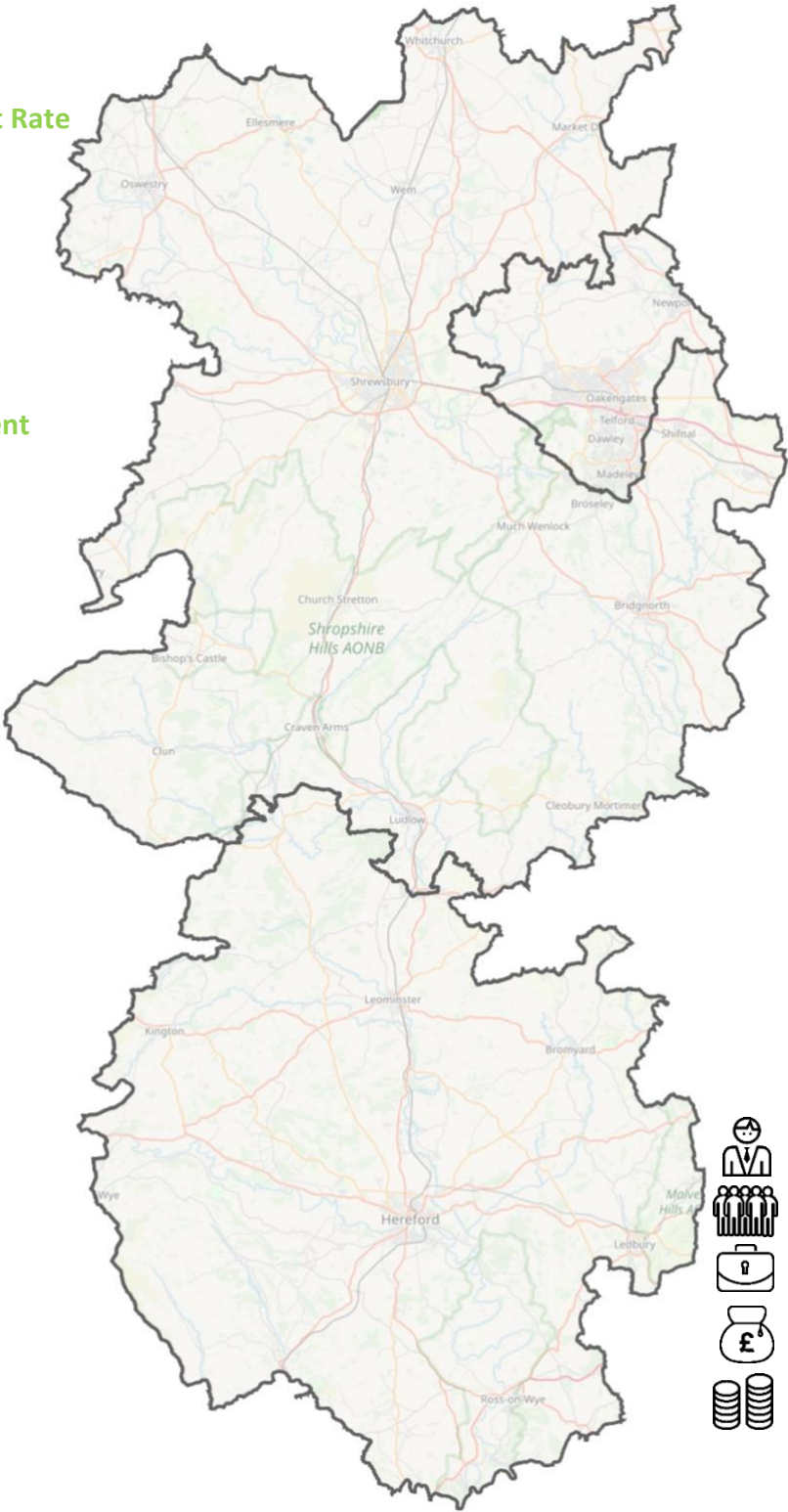
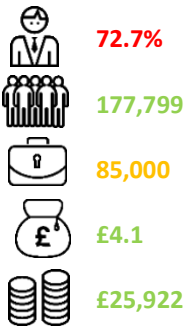
Shropshire



Herefordshire



Telford and Wrekin



KEY:



¹ The green shading illustrates those indicators where The Marches moved in a positive direction of travel compared to the UK average, the red shading indicates the reverse and the orange indicates a growth rate in the right direction but less than the UK average growth rate.

SECTION 2:

The Marches Successes

Theme	Key Message
Innovation and Business Environment	Economy at an eight-year high - £14.2bn GVA
	GVA per head continuing to increase - £20,680 and at a faster rate than the UK 3.5% vs 3.0%
	Record number of enterprises – 27,460
	Resident incomes are up – £26,657 and at an all-time high
Skills	Record number of jobs – 291,000
	An increase in the number of people with NVQ4+ by 9,400 to a total of 141,300 people, or 35.2% of the population
	Employment rate has increased by 4.3pp since 2013 to a record high of 79.4% in 2018
Infrastructure and Places	305,050 homes in The Marches, up by 1.2% since last year
	Growing Population – 690,180 people

SECTION 3:

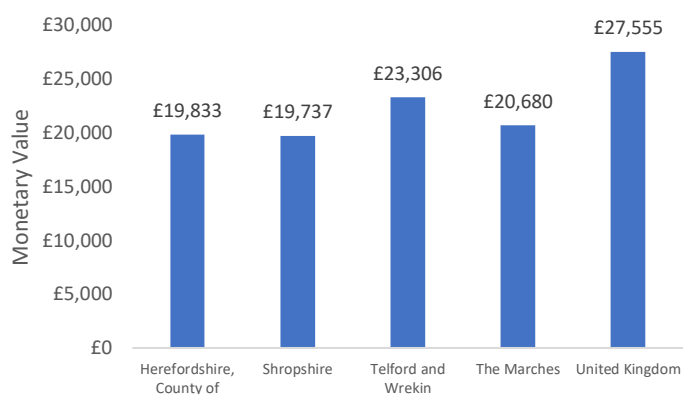
Headline Indicators

Productivity

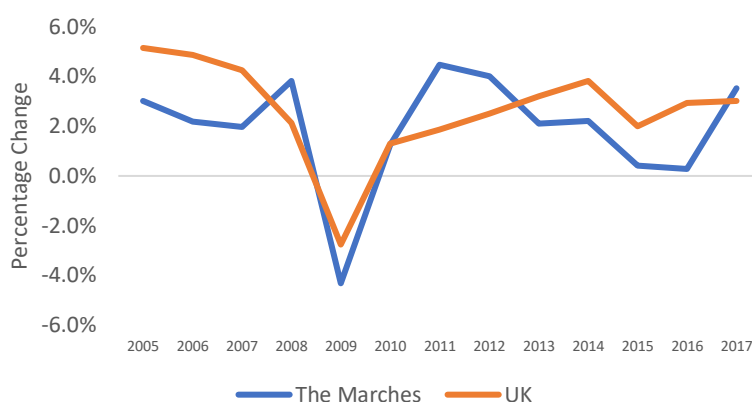
The Marches total Gross Value Added (GVA) continues to grow and in 2017 was £14.2bn. This is an increase of £612m compared to 2016 which equates to a growth rate of 4.5%, above the UK average of 3.6%. The Marches accounts for 10.6% of the West Midlands region's GVA and 0.8% of UK GVA.

GVA per head in The Marches is at its highest ever at £20,680, a £702 increase from 2016. The growth rate was higher than the UK average (3.5% compared to 3.0%). However, GVA per head is £6,876 lower than the UK average of £27,555.

GVA Per Head, 2017



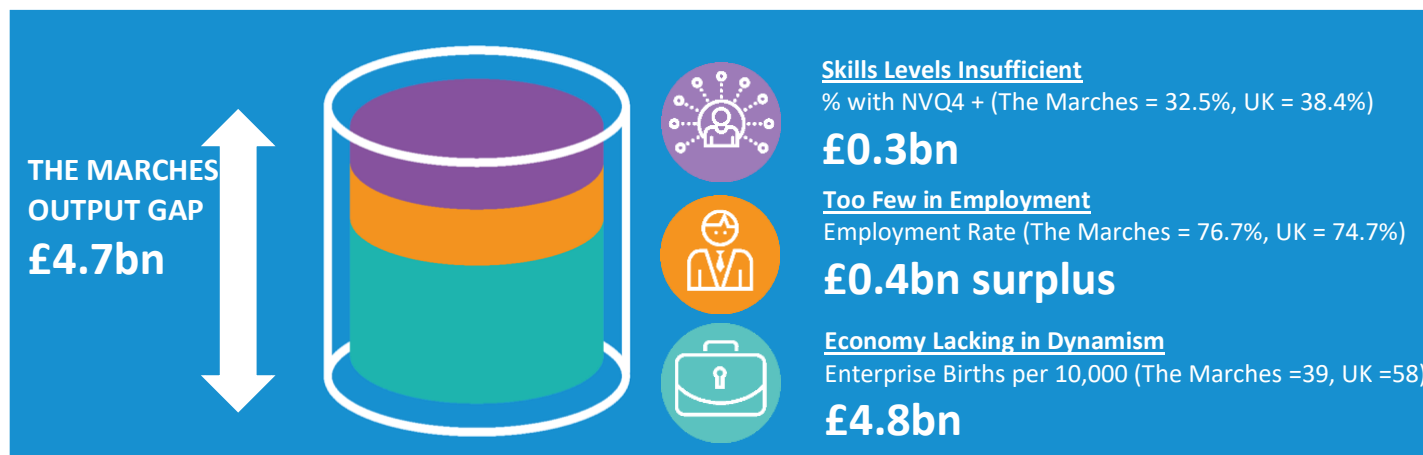
GVA Annual Change Between 2005 - 2017



Source: Office for National Statistics (ONS) (2018) Regional Gross Value Added (Balanced GVA)

The Marches Output Gap

Since 2009 The Marches GVA per head has increased each year and overall by 19.7% (£3,999), compared to a 22.5% increase across the UK. In the context of the UK average, The Marches output gap currently stands at £4.7bn. The figure below demonstrates the components of the output gap.



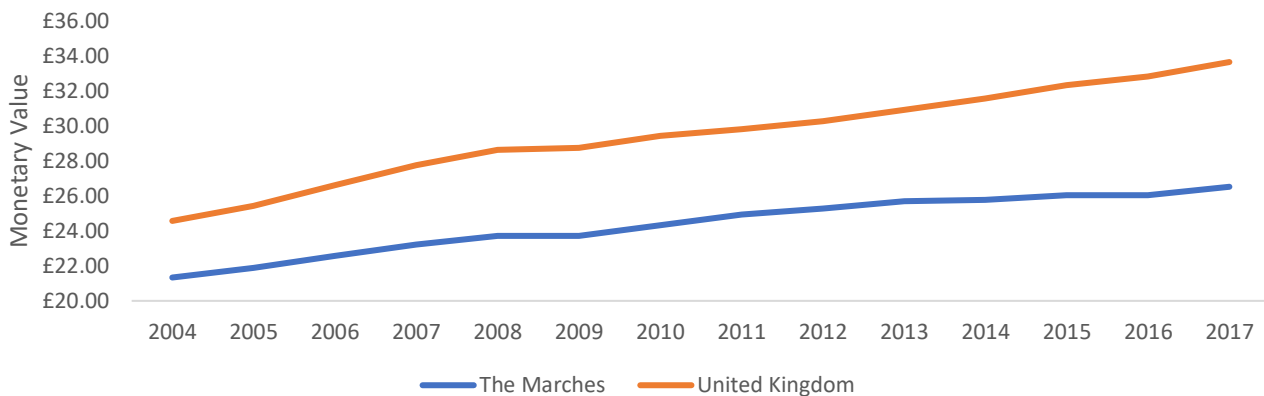
Source: ONS Annual Population Survey and Business Demography (2018 release)

GVA Per Hour

GVA per hour has increased year on year since 2004, achieving a record high in 2017 at £26.52 per hour, growing by 1.9% (+£0.49) since last year. This is lower than the UK average of £33.65 per hour (+£0.83).

GVA per hour varies significantly within The Marches, with Herefordshire having the lowest at £23.84, and Shropshire and Telford and Wrekin higher at £27.09 and £28.64 respectively.

GVA Per Hour, 2004 - 2017



Source: ONS (2019), Regional and sub-regional productivity in the UK (Smoothed)

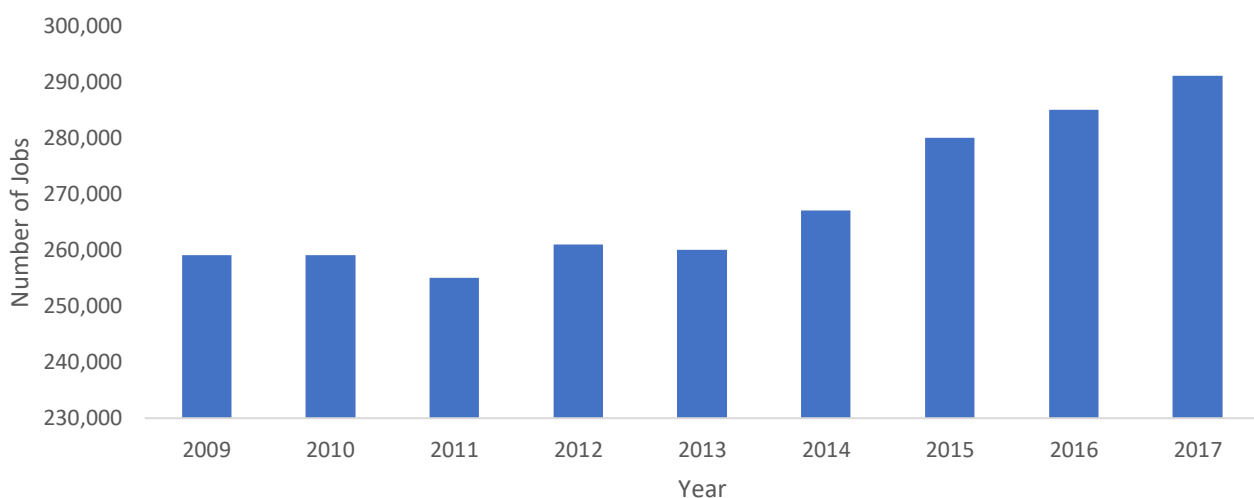
GVA Per Employee

In 2017 GVA per employee was £48,629 in The Marches, this is £11,894 lower than the England average of £60,523. Since 2016, The Marches GVA per employee has increased by 2.4% (£1,124) which is above the national growth rate of 2.2%.

Local Jobs

There were 291,000 jobs reported in The Marches in 2017, which is an increase of 32,000 jobs since 2009 (+12.4% vs 11.8% nationally). There was an increase of 6,000 jobs between 2016 and 2017 (+2.1%), while nationally there was a 1.3% growth reported.

Total Jobs, 2009 - 2017



Source: Business Register & Employment Survey (2018)

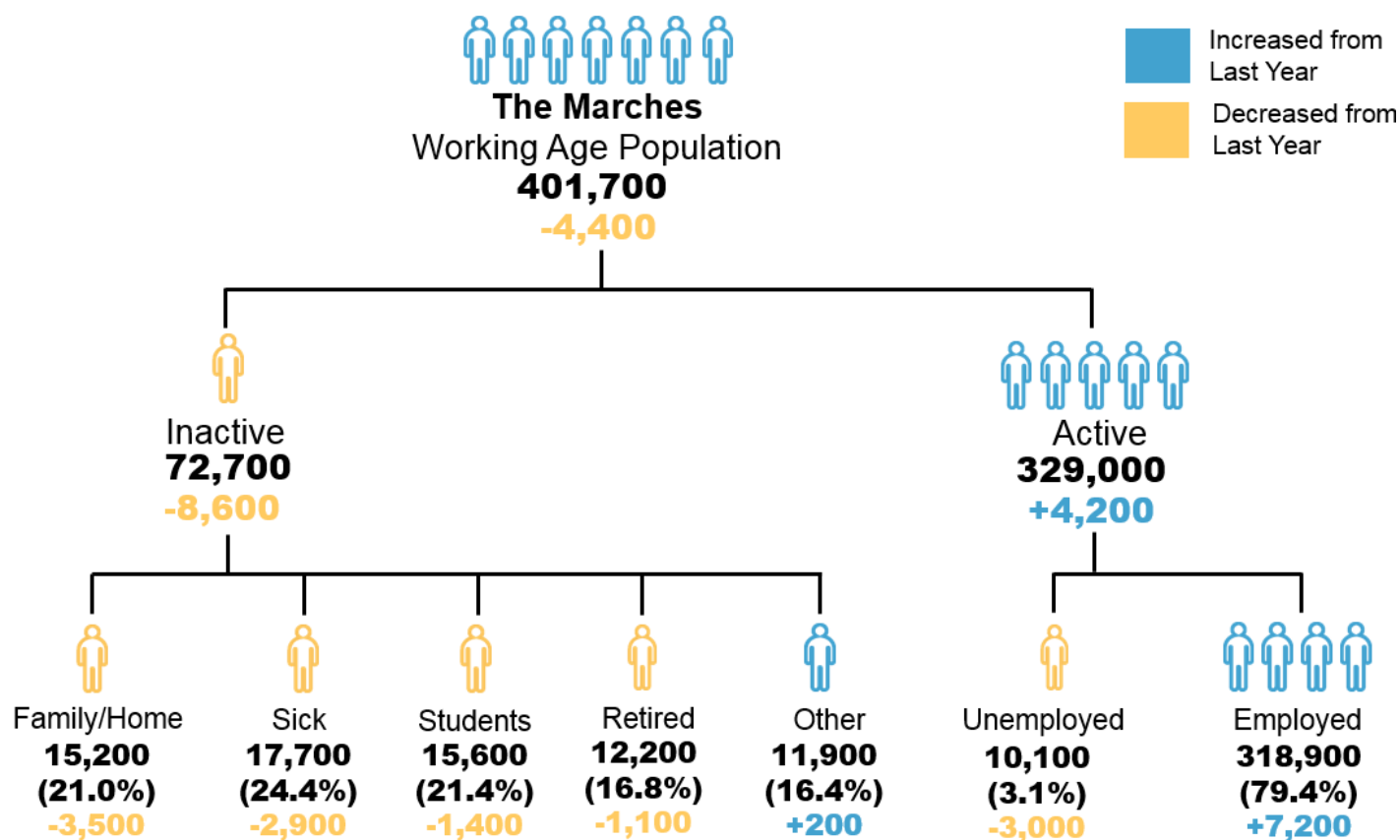
The following table shows the annual percentage change in total jobs for The Marches since 2009/10:

Annual Percentage change in jobs ²							
2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
0%	-1.5%	2.4%	-0.4%	2.7%	4.9%	1.8%	2.1%

Economic Activity

The total working age (16- 64) population of The Marches has decreased since 2017 by -4,400 people to 401,700 people³. 81.9% (329,000 people) are economically active, increasing from the past year by 1.9pp (or +4,200 people). This includes both employed (318,900 people) and unemployed⁴ people (10,100).

In The Marches, 18.1% (72,700 people) are economically inactive, and this has decreased from 2017 by 1.9pp (or -8,600 people). Out of the five economically inactive categories, those classed as other was the only area within The Marches to experience an increase from the previous year by 200 people to 16.4% (+2.1pp), mirroring the UK trend which also increased to 11.5% (+0.5pp). In contrast those looking after the family/home in The Marches decreased by 3,500 people to 21.0% (-2.0pp), with the UK average decreasing by 0.7pp.



Source: ONS (2019) Annual Population Survey Jan – Dec 2018

² Green indicates an improvement from the previous year which is above the England average, orange indicates no change or growth that is below the England average and red indicates a negative change from the previous year.

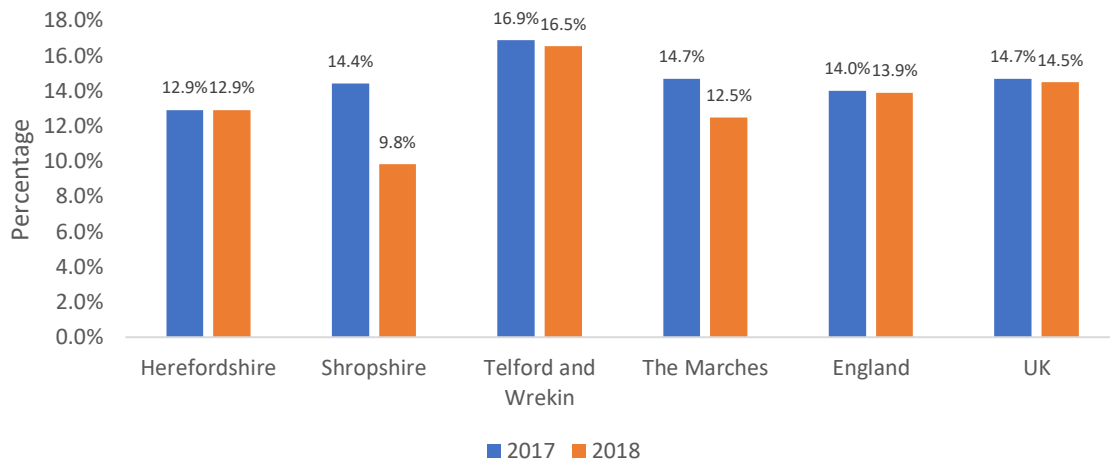
³ Please note figures may not add up due to rounding.

⁴ The unemployment denominator is in relation to the labour force and not the population.

Workless Households

In 2018 there were 12.5% (25,100) workless households in The Marches, below the UK average of 14.5%. Compared to 2017, The Marches has decreased by 14.0% since the previous year (-4,100 households), whereas across the UK there was a decrease of 0.9%. Since 2004 there has been a 22.3% decrease in the number of workless households across The Marches (-7,200), with the greatest decrease seen in Shropshire (-4,000 households).

The Percentage of Workless Households, 2017 - 2018



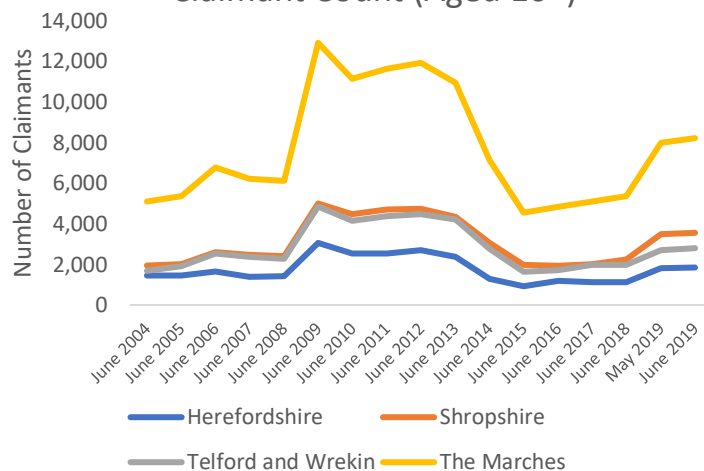
Source: ONS (2019) Annual Population Survey – Households.

Claimant Count

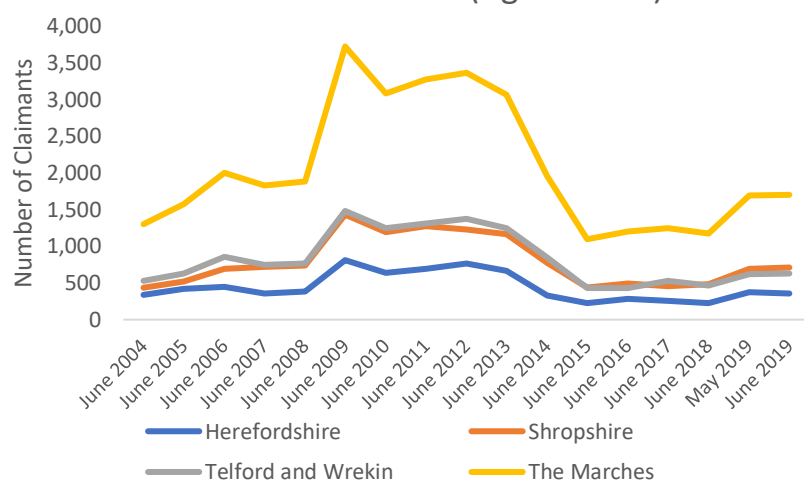
In June 2019 there were 8,215 claimants aged 16+ in The Marches, an increase of 53% since June 2018 (+2,845 people), a higher increase than the UK rate of 26.5%. 1,850 were in Herefordshire, 3,560 were in Shropshire, and 2,805 were in Telford and Wrekin. Since 2004 there has been a 61.7% increase in the number of claimants (+3,135 people), compared to a 32.0% increase across the UK.

In June 2019 there were 1,700 youth claimants aged between 16-24, an increase of 44.7% since last year (+525 people), compared to a 26.8% increase across the UK. Since 2004 there has been a 30.8% increase in the number of youth claimants (+400 people) compared to a 2.0% decrease across the UK.

Claimant Count (Aged 16+)



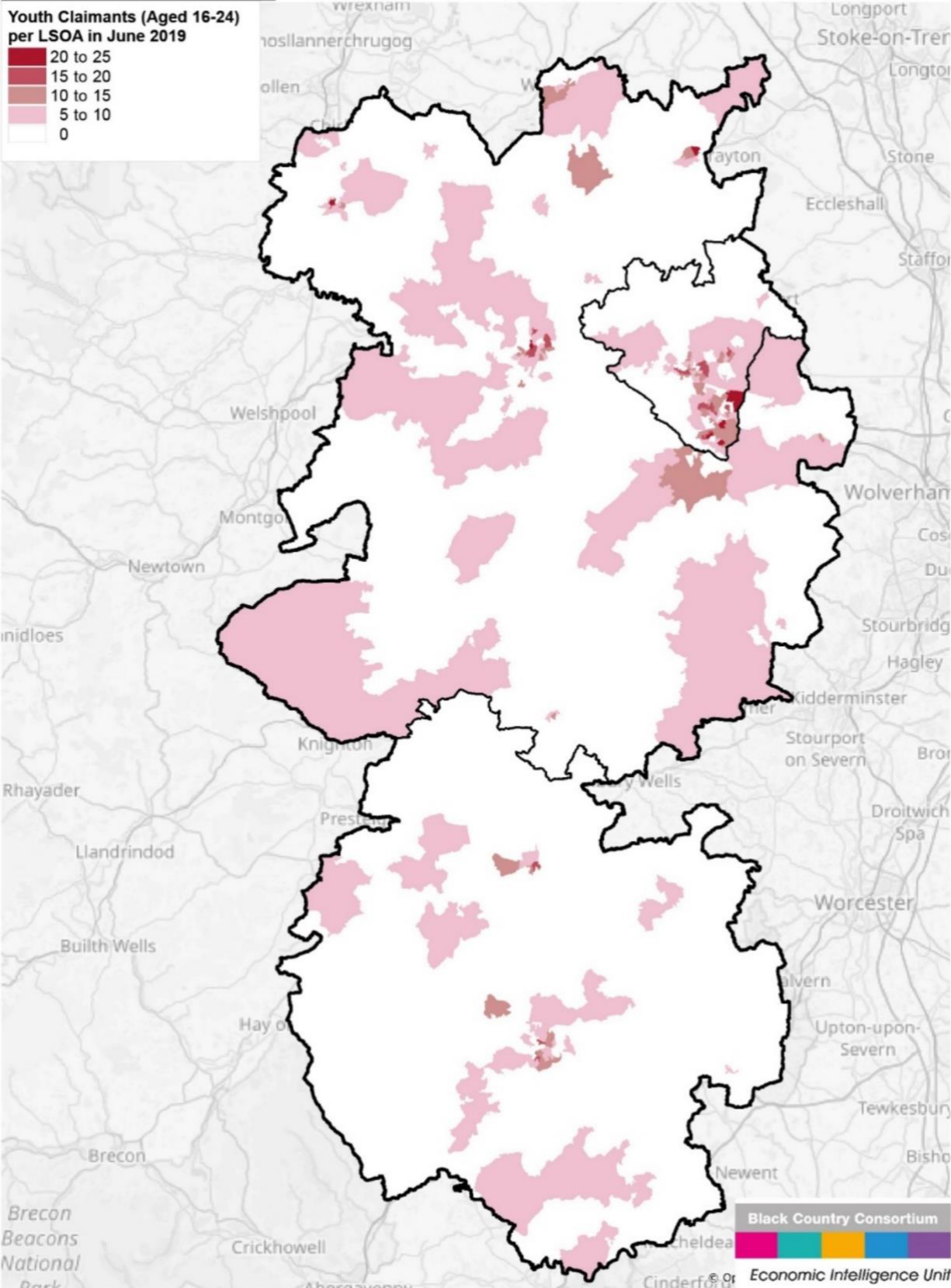
Youth Claimant Count (Aged 16-24)



Source: Department for Work and Pensions (2019), Claimant Count by sex and age.

There has been an increase in the number of claimants post the 2008/9 global financial crash until 2012, after which the numbers of claimants in The Marches began to reduce.

YOUTH CLAIMANTS



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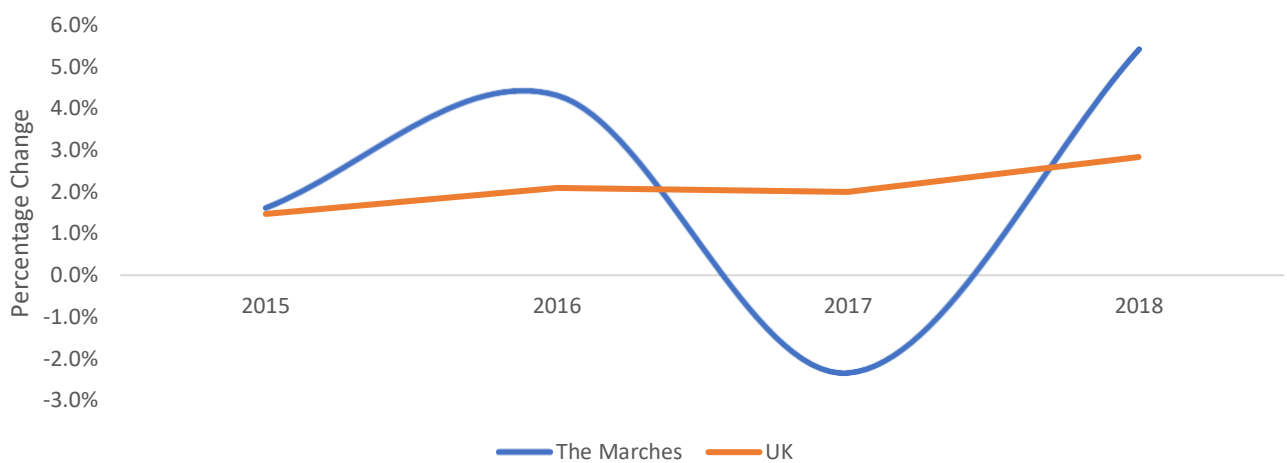
Earnings

Average full-time annual earnings for The Marches residents rose by £1,366 to £26,567 in April 2018. This is an increase of 5.4% compared to the UK average increase of 2.8%. While average full-time workplace annual earnings in The Marches was £25,947 in April 2018 an increase of £1,780 (7.4% compared to 2.8% UK).

Average resident earnings in The Marches is £3,007 less than the UK average. Resident earnings currently stand at 90% of the UK average. The average workplace earnings in The Marches is £3,627 less than the UK average of £29,574.

Between 2014 and 2018, average annual full-time resident earnings in The Marches have increased by £2,225. The growth rate over this period is 9.1% compared to 8.7% for the UK.

The Annual Change in Full-Time Gross Resident Earnings,
2014 - 2018

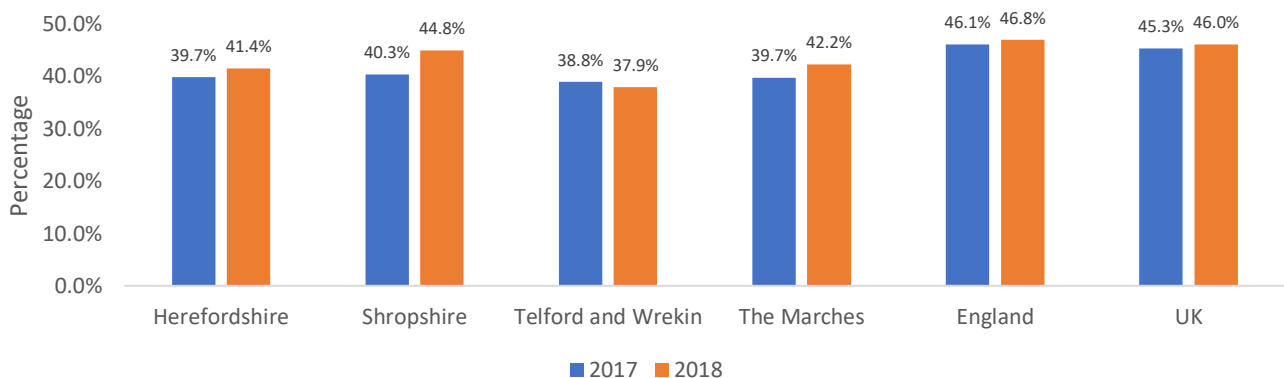


Source: ONS (2018) Annual Survey of Hours and Earnings

Knowledge Workers⁵

In 2018 there were a total of 142,900 knowledge workers, this accounts for 42.2% of all workers in The Marches. Since 2017 there was an additional 11,400 knowledge workers, an increase of 8.7%, a faster rate of growth than the UK average of 2.4%. There were 40,300 in Herefordshire, 71,300 in Shropshire, and 31,300 in Telford and Wrekin. In order to meet the UK average of 46% requires an additional 13,132 knowledge workers across The Marches.

The Percentage of Knowledge Workers, 2017-2018



Source: ONS (2019) Annual Population Survey Jan – Dec 2018

⁵ Knowledge workers are defined as the percentage of people in employment who are: 1 managers, directors and senior officials, 2: professional occupations, 3: associate prof & tech occupations

Graduate Retention

Data shows that in The Marches there are fewer young people who stay in the area for both study and employment compared to the national average (4.1% vs 29.3%). The Marches has a higher than national average percentage of people leaving to study but returning for employment (39.6% vs 30.4%). Data shows The Marches has a low student retention rate, as 55.2% of young people leave for study and do not return (compared to 34.3% nationally), and only 1.2% of young people stay for study and leave for employment (compared to 6% nationally). Over half (56.4%) of students leave The Marches after graduating compared to 40.3% nationally.

	Stay for study and employment	Leave for study, return for employment	Leave for study, do not return	Stay for study, leave for employment
The Marches	4.1%	39.6%	55.2%	1.2%
National Average	29.3%	30.4%	34.3%	6.0%

Source: Higher Education Funding Council for England 2017 data

Population

In 2018 there were a total of 690,180 people in The Marches. Of these, 413,921 were of working age (16-64 years old). Since 2017, the total population has increased by 0.9% (+5,912 people), which is a greater increase than the UK average of 0.6%. 46.4% of the population live in Shropshire (320,274 people), 27.8% live in Herefordshire (192,107 people), and 25.8% live in Telford and Wrekin (177,799 people).

Annual Change in Population ⁶								
Mid 2010	Mid 2011	Mid 2012	Mid 2013	Mid 2014	Mid 2015	Mid 2016	Mid 2017	Mid 2018
0.6%	0.7%	0.6%	0.4%	0.6%	0.6%	0.8%	1.0%	0.9%

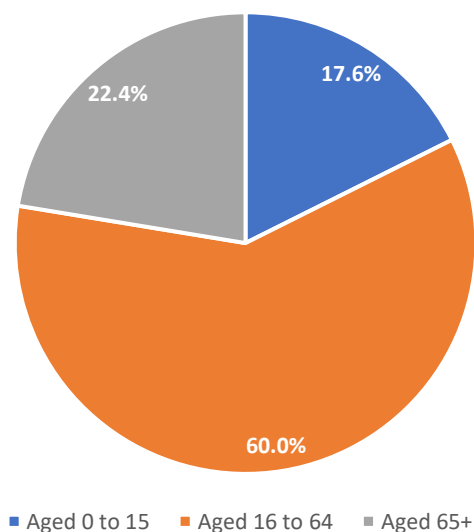
Source: ONS (2019) Mid-Year Population Estimates

Population Age Profile

In 2018, 17.6% of the population were aged between 0-15 years old (121,605 people), this is the same as the UK average. 60.0% of The Marches population are 16-64 years old (413,921 people), slightly lower proportion than the UK at 62.7%. 22.4% of The Marches population are aged 65+ (154,654 people) a higher proportion than the UK of 18.3%.

Since 2016, within The Marches there has been a 1.1% increase in the number of people aged 0-15 (+1,327 people), a 0.3% increase in people aged 16-64 (+1,336 people), and a 2.1% increase in the number of people aged 65+ (+3,249 people).

The Marches Population Age Profile



⁶ Orange indicates growth from the previous year but less than the UK average, while green indicates growth from the previous year which is above the UK average.

SECTION 4:

Innovation and Business Environment

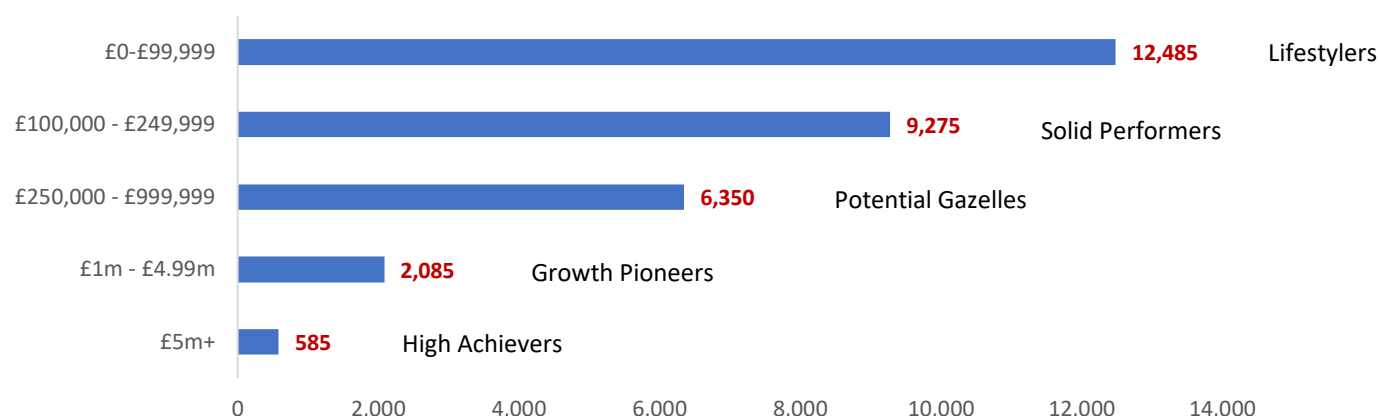
The Marches Enterprises

Firms have been categorised into five groups based on their turnover band:⁷

1. There are 585 **“High Achiever”** enterprises with a turnover of more than £5 million a year, this is an increase of 15 enterprises compared to 2017 (+2.6%). These enterprises account for 1.9% of the business base – slightly lower than the UK average of 2.3%.
2. **“Growth Pioneers”** with a turnover band between £1m-£4.99m, contains 2,085 enterprises. These account for 6.8% of the business base, compared to the UK average of 6.9%. There are 20 more businesses in this cohort since last year (+1%).
3. The 6,350 **“Potential Gazelles”** enterprises that turnover between £250k to £999k account for 20.6% of the business base compared to 19.5% in the UK. There was also a 3.2% increase on the business base in this cohort (+195 enterprises).
4. The 9,275 SMEs with a turnover between £100k to £249k are classified as **“Solid Performers”** and account for 30.1% of the business base, slightly below the UK business base of 31.9%. This is a 4.4% increase compared to 2017 (+395 enterprises).
5. Enterprises with a turnover less than £100k are classed as **“Lifestylers”**, this includes micro enterprises of which there are 12,485. These account for 40.6% of the business base, a decrease of 4.7% since the previous year (-620 enterprises). This business base is slightly higher than the UK average of 39.5%.

⁷ Currently the Business Demography dataset does not provide a breakdown by turnover of the 27,460 registered enterprises. However, this breakdown can be obtained via the UK Business Count Dataset, which is a snapshot (March 2018) of the Business Demography dataset. At the time of the snapshot there were 30,780 enterprises in The Marches which has been used for the turnover analysis.

The Marches Enterprise Base, 2018

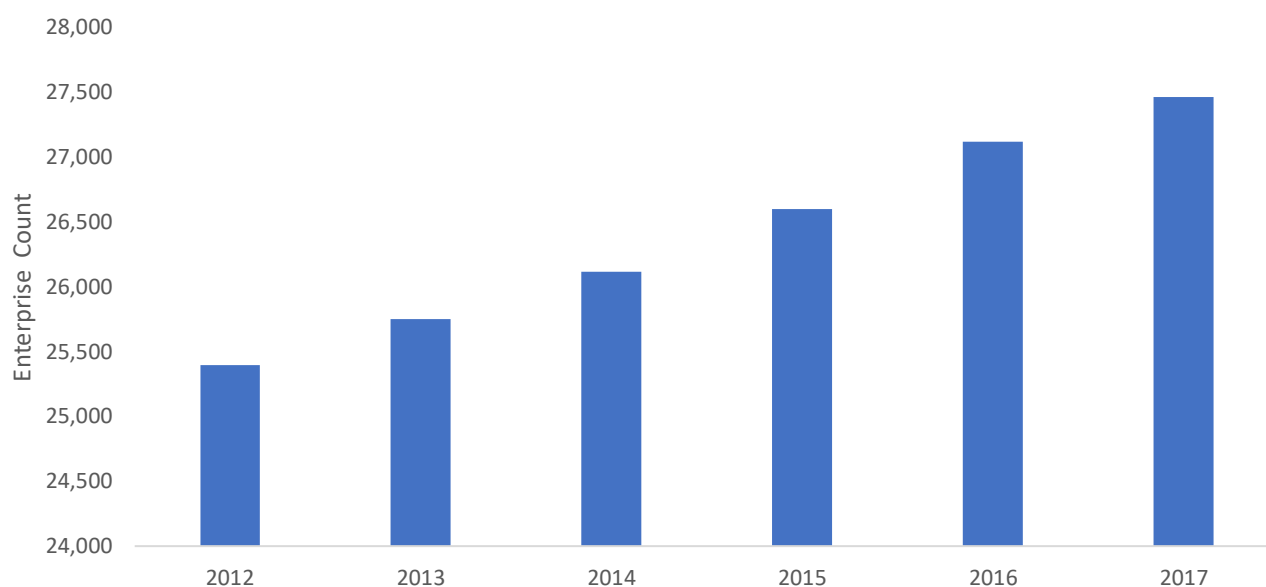


Source: ONS (2018) UK Business Count

There has been a steady increase of enterprises in The Marches since 2012. In 2017, there were 27,460 active enterprises in The Marches, an increase of 345 (+1.3%) enterprises since 2016⁸, and an increase of 2,065 enterprises since 2012 (+8.1%).

This equates to 401 enterprises per 10,000 population in 2017, below the UK average of 464 per 10,000 population. Within The Marches, Herefordshire performs higher on the number of enterprises per 10,000 population, at 444. Shropshire's 13,600 enterprises equate to 428 per 10,000 population, with Telford & the Wrekin's 5,380 enterprises equating to 306 per 10,000 population.

The Marches Enterprise Base, 2012-2017

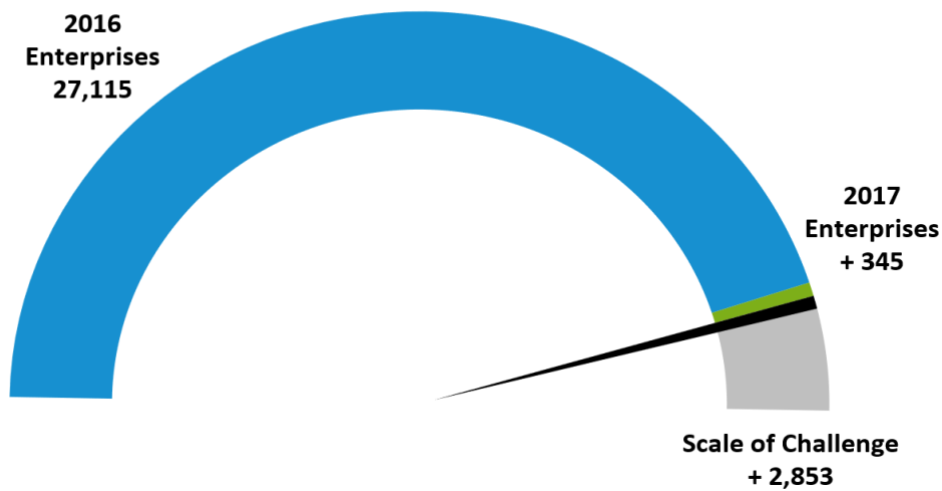


Source: ONS (2018) Business Demography

⁸ ONS (2018), Business Demography 2017

As shown in the diagram below, The Marches requires 2,853 additional enterprises to reach the national average for enterprises per 10,000 population (464).

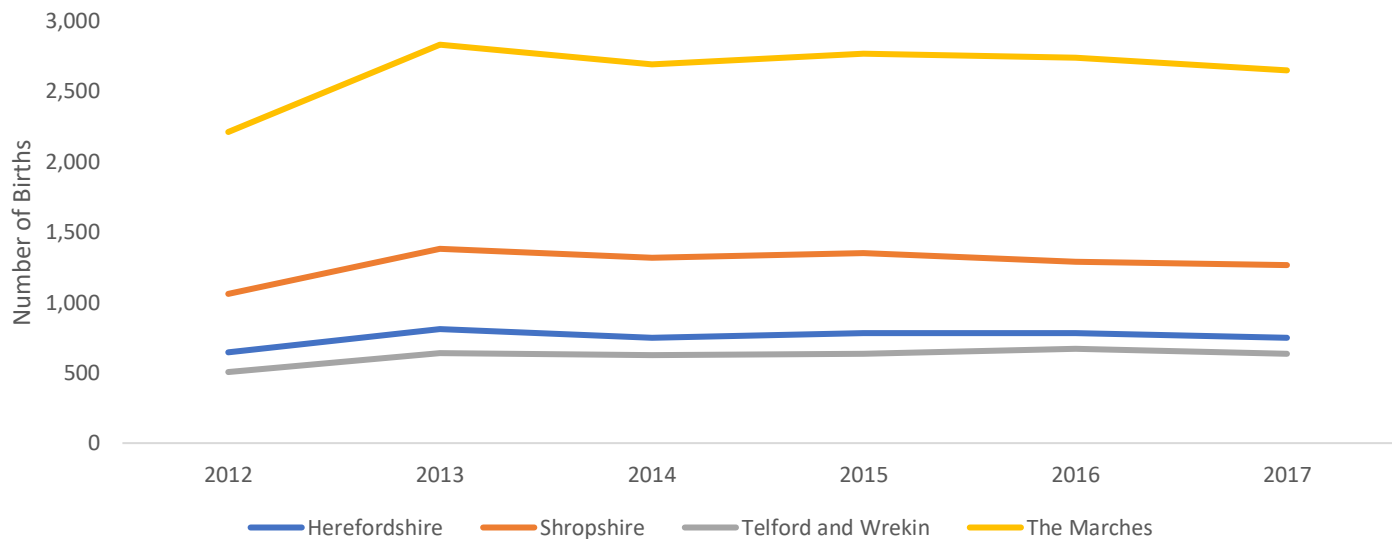
The Marches: Enterprise Stock Scale of Challenge



Source: ONS (2018) Business Demography

The Marches Enterprise Births, Deaths and Survival

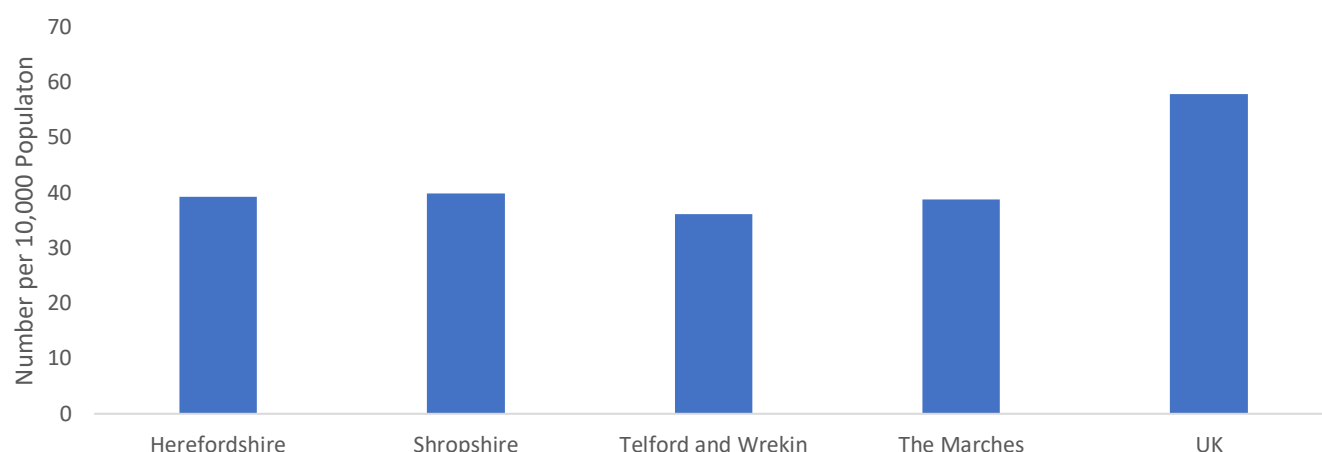
The Marches Enterprise Births, 2012 - 2017



Source: ONS (2018) Business Demography

2,650 new enterprises were started in The Marches in 2017. Despite strong growth in new enterprise starts over the last 4 years, there have been declines both nationally and across The Marches (-7.7% UK vs -3.3% The Marches). Enterprise births in The Marches equates to 39 per 10,000 population compared to 58 per 10,000 population for the UK. This means that in order to meet the UK average, The Marches requires 1,307 more enterprise births annually.

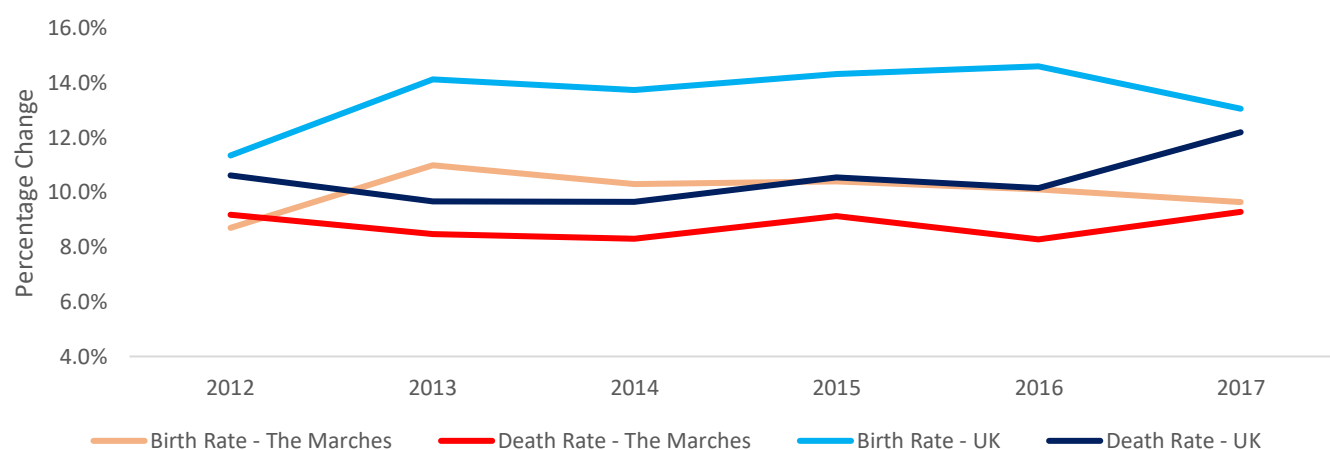
Enterprise Births per 10,000 Population, 2017



Analysing enterprise survival and death rates helps us understand whether enterprise births in The Marches are turning into sustainable and successful businesses.

The Marches enterprise death rate⁹ in 2017 was 9.3%. Positively, this is below the UK rate of 12.2% but is still the highest death rate in The Marches in the last 6 years. As the graph below shows, the gap between enterprise birth rates and death rates has remained stable since 2012, but in 2017 the gap closed considerably nationally. The gap between the enterprise birth and death rates is now just 0.4pp in The Marches and 0.9pp in the UK as a whole; driven by both a decrease in enterprise births and an increase in enterprise deaths.

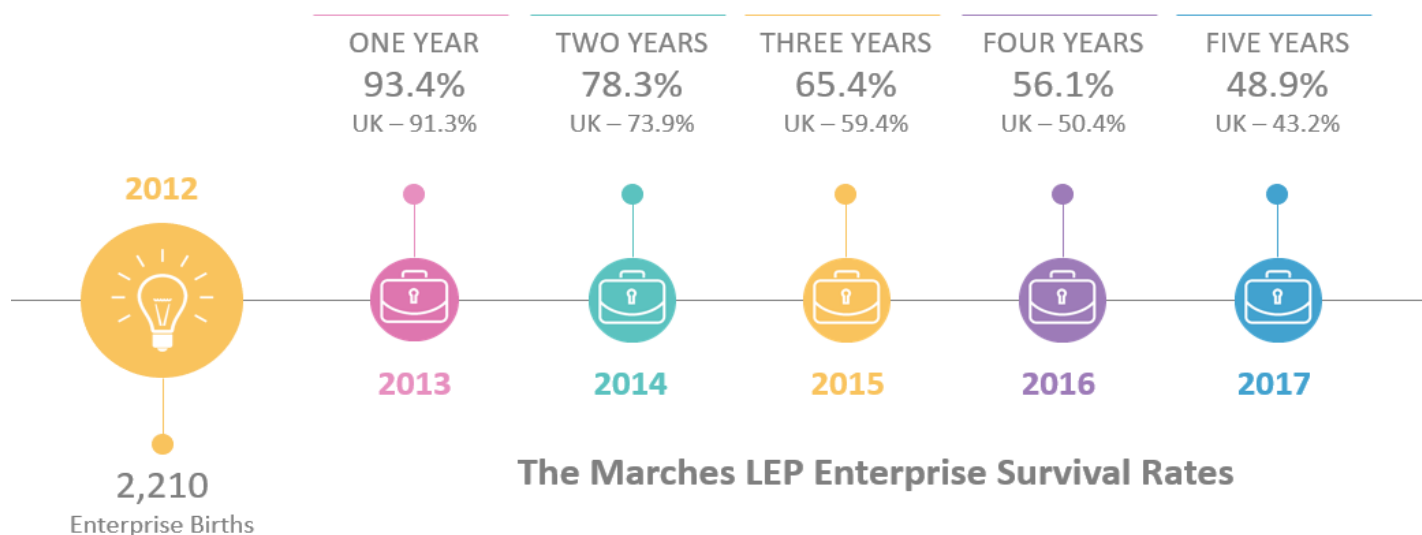
Enterprise Birth Rate and Death Rate: The Marches & UK, 2012 - 2017



Source: ONS (2018) Business Demography

Out of 2,210 enterprises births in 2012, 93.4% survived their first year compared to 91.3% across the UK. By 2017, 48.9% of the enterprises were still running compared to 43.2% across the UK. Demonstrated in the following image, The Marches performs considerably better than the UK average when it comes to enterprise survival – both in the short-term and the long-term.

⁹ The number of enterprise deaths as a proportion of the active businesses



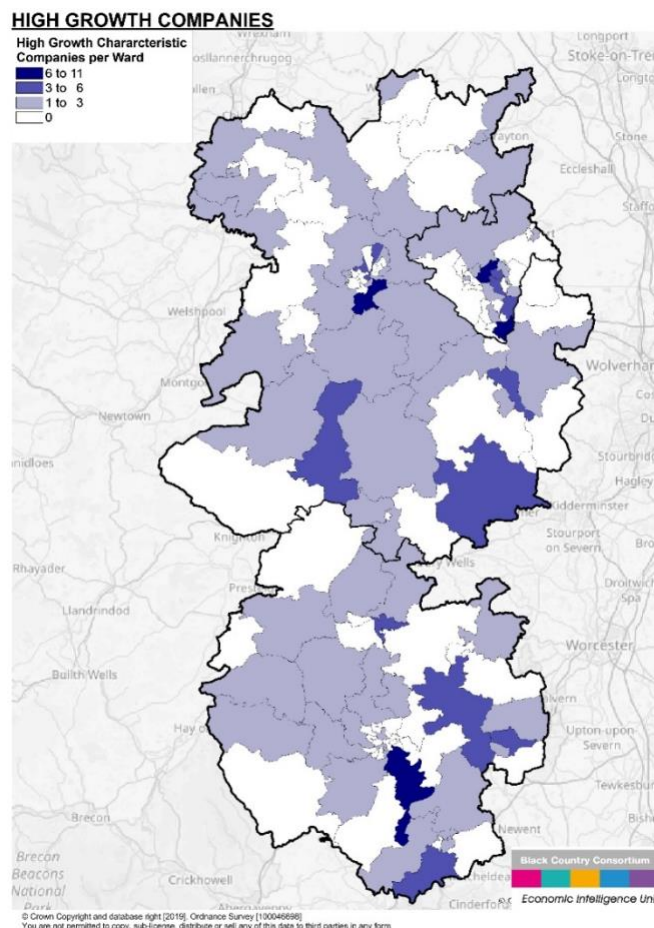
Source: ONS (2018) Business Demography

High-Growth Firms

Between 2014 and 2017, 6.4% of firms in The Marches were high-growth according to the OECD definition; this is slightly higher than the England average of 6.3%. However, The Marches has lower scale-up rates than the England average: between 2014-2017, 6% of £1-2m turnover businesses in The Marches grew to a minimum of £3m turnover, below the national rate of 7.5%.¹⁰

The spatial distribution of high-growth firms can be reflected in wider data. Based on a number of specific “triggers” to identify companies, 146 enterprises in The Marches are deemed to have high-growth characteristics.¹¹ The map shows the location of these.

The identified high-growth enterprises appear relatively well-spread across The Marches area, with particular hot-spots in and around the more urban areas of Hereford, Shrewsbury, and Telford. Almost half (72) of The Marches’ 147 wards currently host no high-growth firms as identified by Beauhurst.



Source: Beauhurst High-Growth Company Database

¹⁰ Enterprise Research Centre: UK Local Growth Dashboard (June 2018). High-Growth is defined by the OECD as annualised average growth in employment of 20% or more over a three-year period (in this case applied to 2014-2017).

¹¹ The identification of these companies is based on the Beauhurst database and platform. Beauhurst utilise 8 “triggers” to track companies with high-growth characteristics in the UK: equity/venture debt investment; academic spinout; scaleup; accelerator graduate; MBO; high growth list; innovation grant recipient.

Sectors

An assessment of the headline economic strengths of The Marches is carried out through analysis of 10 key sectors that make-up the whole economy. The below table demonstrates the **GVA, jobs and enterprises by these 11 sectors in The Marches**.

		GVA (£m)			Jobs			Enterprises (Snapshot)		
		2017	%	UK %	2017	%	Eng. %	2018	%	UK %
Emerging Sectors	Environmental Technologies	318	2.2%	2.6%	3,255	1.1%	1.1%	135	0.4%	0.5%
	Agri-Tech	554	3.9%	1.8%	10,255	3.5%	0.7%	5,995	19.5%	4.3%
	Cyber Security and Resilience	658	4.6%	4.6%	11,325	3.9%	4.6%	350	1.1%	0.6%
Core Economic Sectors	Advanced Manufacturing	2,359	16.7%	11.1%	42,255	14.6%	9.7%	2,730	8.9%	8.6%
	Business and Professional Services	4,276	30.2%	38.1%	49,800	17.2%	24.9%	8,310	27.0%	39.6%
Enabling Sectors	Visitor Economy	558	3.9%	4.3%	30,125	10.4%	9.9%	2,420	7.9%	7.9%
	Retail	1,890	13.4%	10.0%	49,250	17.0%	15.3%	4,285	13.9%	14.2%
	Transport and Logistics	381	2.7%	4.1%	9,285	3.2%	4.8%	915	3.0%	4.2%
	Construction	988	7.0%	5.9%	13,450	4.6%	4.8%	3,385	11.0%	12.4%
	Health and Social Care	1,109	7.8%	7.1%	41,600	14.3%	13.1%	1,110	3.6%	4.2%
	Public Sector incl. Education	1,059	7.5%	10.5%	29,750	10.2%	11.2%	1,135	3.7%	3.3%
Total		14,150	100%	100%	290,350	100%	100%	30,770	100%	100%

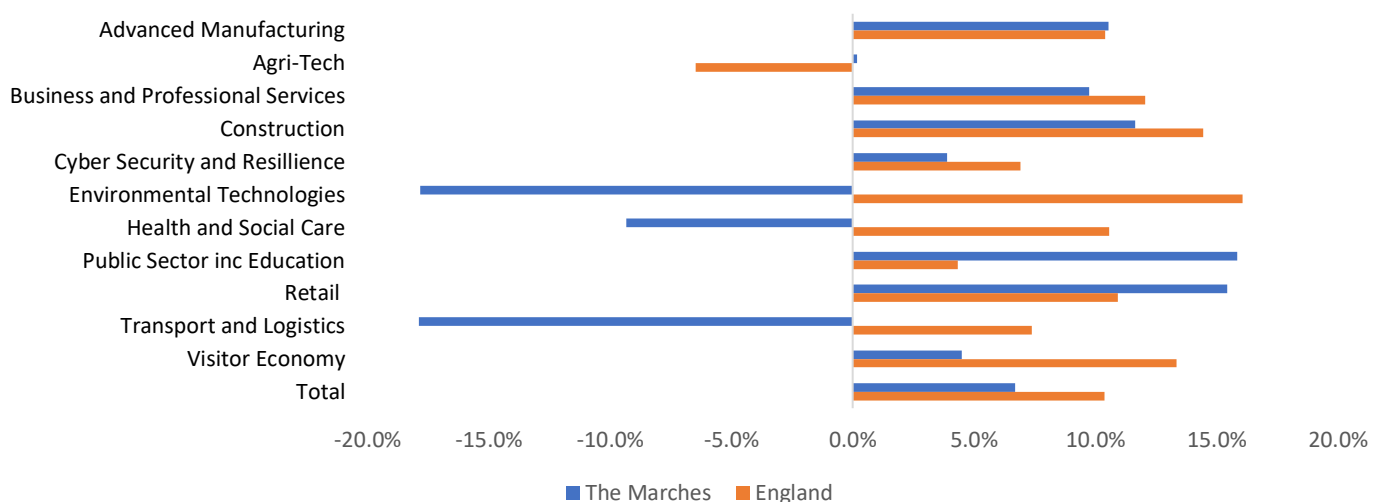
Sources: Business Register & Employment Survey (2018), ONS (2018) Regional Gross Value Added (Balanced GVA)

Business and Professional Services is the largest sector in The Marches across all three measures - £4.3bn GVA, over 49,000 jobs and 8,310 enterprises. Advanced Manufacturing is another large employer (42,255 jobs), contributing £2.4bn GVA from 2,730 businesses. Health and Social Care is the third largest sector in terms of employment (41,600 jobs).

The Marches has a higher than national average proportion of employment in many sectors including Advanced Manufacturing (14.6% vs 9.7%), Agri-Tech (3.5% vs 0.7%), Retail (17.0% vs 15.3%), Health and Social Care (14.3% vs 13.1%) and the Visitor Economy (10.4% vs 9.9%). In terms of concentration of enterprises by sector, the area's agricultural specialism is clear (19.5% of all businesses compared to 4.5% in the UK overall), as well as a strong Advanced Manufacturing presence (8.9% vs 5.2%) and Cyber Security and Resilience presence (1.1% vs 0.6%).

Sector Growth

GVA Growth by Sector, 2014-2017



Source: ONS Regional gross value added (balanced) local authorities by NUTS1 region

GVA in The Marches grew by 6.7% between 2014 and 2017, below the UK average of 10.6%. Three sectors in The Marches have seen GVA decline since 2014: Transport and Logistics (-17.9%), Environmental Technologies (-17.8%) and Health and Social Care (-9.3%). In each of these sectors the national trend was of positive growth.

In four sectors, GVA growth in The Marches has been faster than that of the UK average: Retail – the fastest growing sector in The Marches – 15.5% compared to 10.9% growth nationally, Public Sector incl. Education (15.9% vs 4.3%), Advanced Manufacturing (10.5% vs 10.4%) and Agri-tech (0.2% vs -6.5%).

This GVA data demonstrates the medium-term changes in the sectoral makeup of The Marches economy. For shorter-term changes, we can also assess sector jobs and enterprises growth in the last year of available data.

Jobs by Sector

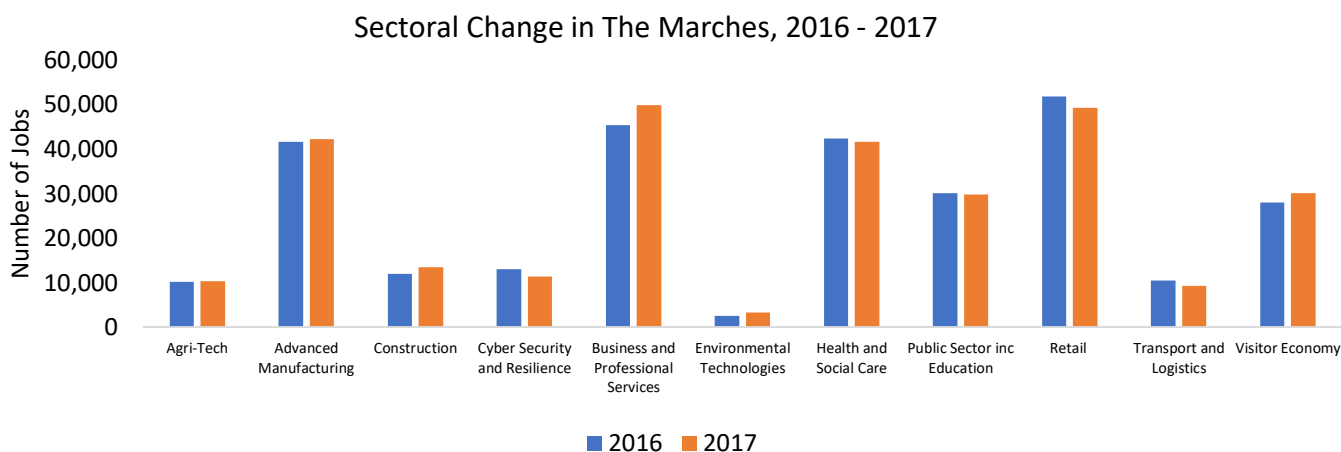
The highest number of jobs in 2017 for The Marches was in the Business and Professional Services Sector (49,800) followed by Retail (49,250). Environmental Technologies employ the least amount of people (3,255).

		2015	2016	2017	%	16/17 growth	
Emerging Sectors	Environmental Technologies	2,745	2,530	3,255	1.12%	28.66%	725
	Agri-tech	10,875	10,100	10,255	3.53%	1.53%	155
	Cyber Security and Resilience	12,050	12,950	11,325	3.90%	-12.55%	-1625
Core Economic Sectors	Advanced Manufacturing	41,350	41,630	42,255	14.55%	1.50%	625
	Business and Professional Services	44,945	45,275	49,800	17.15%	9.99%	4525
Enabling Sectors	Visitor Economy	25,125	27,925	30,125	10.38%	7.88%	2200
	Retail	48,750	51,750	49,250	16.96%	-4.83%	-2500
	Transport and Logistics	11,710	10,425	9,285	3.20%	-10.94%	-1140
	Construction	14,950	11,950	13,450	4.63%	12.55%	1500
	Health and Social Care	35,550	42,350	41,600	14.33%	-1.77%	-750
	Public Sector inc Education	28,750	30,000	29,750	10.25%	-0.83%	-250
Total		276,800	286,885	290,350	100%	1.20%	3,465

Source: Business Register & Employment Survey (2018)

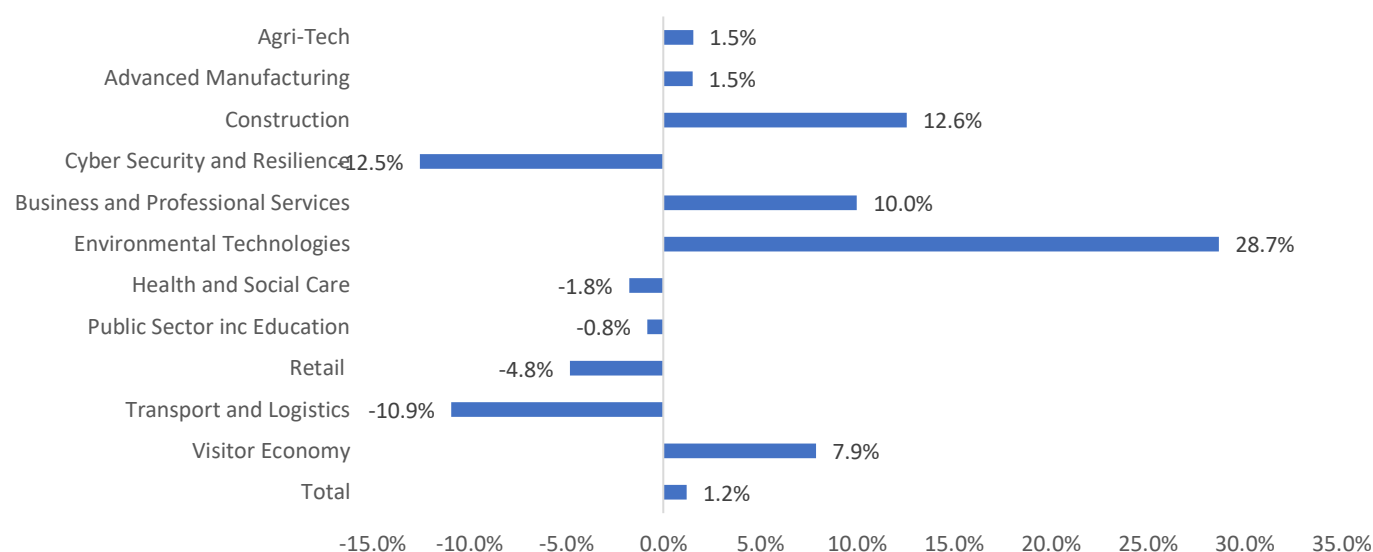
Jobs Growth

Between 2016 – 2017 there was a decrease in the number of jobs in the Cyber Security and Resilience Sector (-1,625), Health and Social Care Sector (-750 jobs), Public Sector including Education (-250 jobs), Retail (-2,500 jobs) and Transport and Logistics (-1,140 jobs).



Source: Business Register & Employment Survey (2018)

Jobs Change by Sector in The Marches, 2016 - 2017

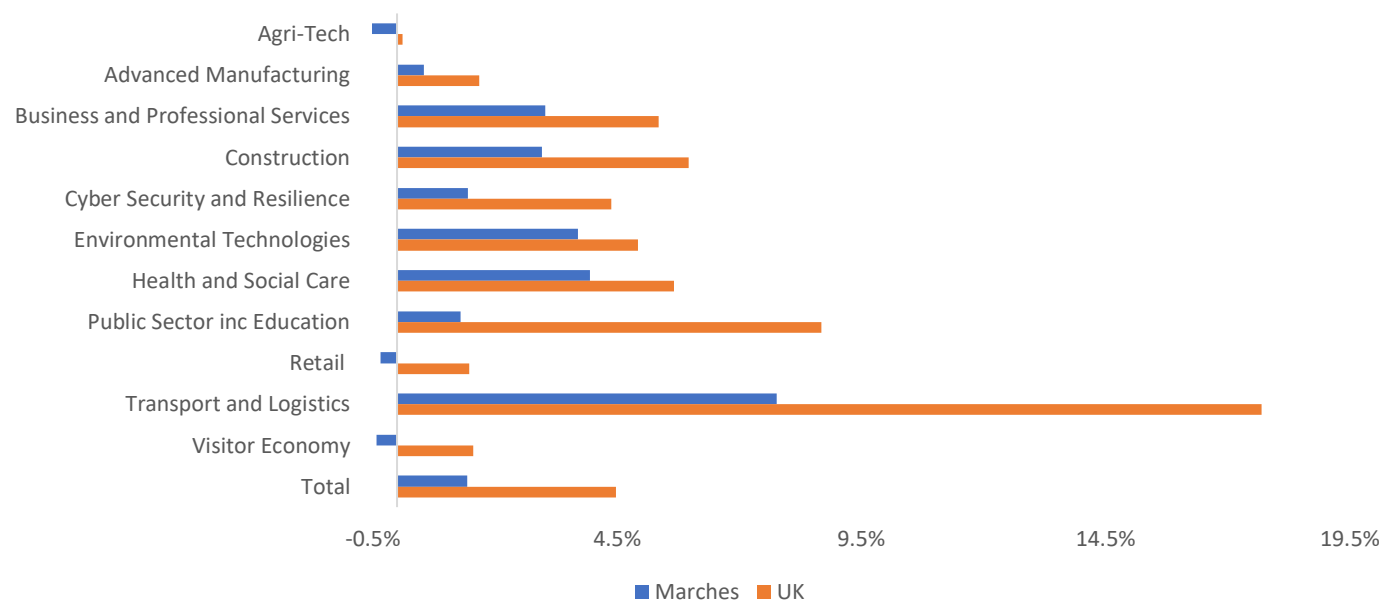


Source: Business Register & Employment Survey (2018)

Between 2016 and 2017, slight overall jobs growth was experienced in The Marches and England overall (+1.2%). There was a decrease in the number of Marches jobs in the Cyber sector (-12.5%), Transport & Logistics sector (-10.9%), Retail (-4.8%), Public Sector incl. Education (-0.8%) and Health and Social Care (-1.8%). Large increases bigger than the England average were seen in the Environmental Technologies sector (+28.7%), Construction (+12.6%) and Business and Professional Services (+7.8%).

Enterprise Growth

Enterprise Change by Sector, 2017 - 2018



ONS (2018), UK Business Counts

In the last year the total number of enterprises in The Marches increased by 1.4%, though there is divergence across sectors. The Transport and Logistics Sector has seen the most growth in firms in The Marches in the last year (7.8% growth), with Health and Social Care having the second largest rate of increase (+3.9%). Some sectors have seen a fall in enterprises, Agri-Tech (-0.6%), Retail (-0.3%) and Visitor Economy (-0.4%).

Sub-Sector Specialisms

Looking at sectors more granularly allows us to understand the sub-sector specialisms that exist in The Marches.

In terms of pure jobs figures, the largest 2-digit SIC code activity in The Marches is Retail trade, except of motor vehicles and motorcycles (27,000), followed by Education (24,000) and Human health activities (20,000). Sub-sectors represented below typically fit within enabling sectors such as Public Sector including Education, Retail and Health and Social Care and Cyber Security and Resilience.

Top 15 SIC 2-digit sub-sectors by Employment in The Marches

Industry and SIC code	2017 Jobs	Sector Group
47: Retail trade, except of motor vehicles and motorcycles	27,000	Retail
85: Education	24,000	Public Sector incl. Education
86: Human health activities	20,000	Health and Social Care
56: Food and beverage service activities	18,000	Visitor Economy
46: Wholesale trade, except of motor vehicles and motorcycles	15,000	Retail
87: Residential care activities	11,250	Health and Social Care
84: Public administration and defence; compulsory social security	10,750	Cyber Security and Resilience
01: Crop and animal production, hunting and related service activities	9,800	Agri-Tech
78: Employment activities	9,750	Business and Professional Services
88: Social work activities without accommodation	9,250	Health and Social Care
10: Manufacture of food products	8,500	Advanced Manufacturing
45: Wholesale and retail trade and repair of motor vehicles and motorcycles	7,250	Retail
43: Specialised construction activities	7,000	Construction
70: Activities of head offices; management consultancy activities	6,750	Business and Professional Services
68: Real estate activities	5,750	Business and Professional Services

Source: Business Register & Employment Survey (2018)

However, the Location Quotient (LQ) analysis carried out as part of The Marches SEP evidence pack¹² points to a number of key industrial specialisms locally, including:

- Manufacture of basic metals
- Manufacture of rubber and plastic products
- Manufacture of food products
- Manufacture of wood and of products of wood cork and straw
- Manufacture of motor vehicles, trailers and semi-trailers
- Veterinary activities

LQs are ratios for each sector between the local share of employment and share of employment in Great Britain. Higher LQs correspond to higher levels of specialisation, with an LQ above 1 indicating that the area is more specialised in that sector than Great Britain as a whole.

In addition to the established specialisms set out in the SEP evidence pack, other sub-sector activities are growing into potential specialisms in The Marches. The below table demonstrates the top 20 2-digit SIC code activities for jobs growth between 2015 and 2017 in The Marches (those with 500 jobs or more). The sub-sectors shaded in blue are already identified as Marches specialisms in the SEP evidence pack, whilst all the others can be identified as growing activities in The Marches that have the potential to be specialisms in future.

¹² The Marches LEP: SEP Evidence Base (October 2018)

Top 20 SIC 2-digit sub-sectors by Employment Growth in The Marches

Industry	2017 Jobs	2015-2017 Jobs Growth Marches	2015-2017 Jobs Growth England	Sector Group
75: Veterinary activities	1,100	100%	17%	Health and Social Care
13: Manufacture of textiles	650	86%	22%	Advanced Manufacturing
32: Other manufacturing	850	70%	3%	Advanced Manufacturing
42: Civil engineering	2,550	65%	20%	Construction
72: Scientific research and development	550	64%	-2%	Business and Professional Services
69: Legal and accounting activities	3,700	57%	6%	Business and Professional Services
70: Activities of head offices; management consultancy activities	6,750	47%	5%	Business and Professional Services
88: Social work activities without accommodation	9,250	37%	2%	Health and Social Care
11: Manufacture of beverages	1,415	37%	16%	Advanced Manufacturing
31: Manufacture of furniture	850	31%	3%	Advanced Manufacturing
58: Publishing activities	550	29%	-14%	Business and Professional Services
87: Residential care activities	11,250	29%	0.3%	Health and Social Care
68: Real estate activities	5,750	28%	1%	Business and Professional Services
56: Food and beverage service activities	18,000	24%	8%	Visitor Economy
77: Rental and leasing activities	1,800	24%	-14%	Business and Professional Services
28: Manufacture of machinery and equipment n.e.c.	3,800	23%	5%	Advanced Manufacturing
24: Manufacture of basic metals	2,500	22%	-2%	Advanced Manufacturing
81: Services to buildings and landscape activities	5,750	21%	-4%	Public Sector incl. Education
55: Accommodation	5,000	20%	6%	Visitor Economy
26: Manufacture of computer, electronic and optical products	1,050	20%	10%	Advanced Manufacturing

Source: Business Register & Employment Survey (2018)

Of activities that weren't initially identified as a specialist in the SEP evidence, the manufacture of textiles has seen the most growth in jobs in The Marches since 2015 (86% growth). This is followed by other manufacturing (+70% jobs growth) and civil engineering (+65%).

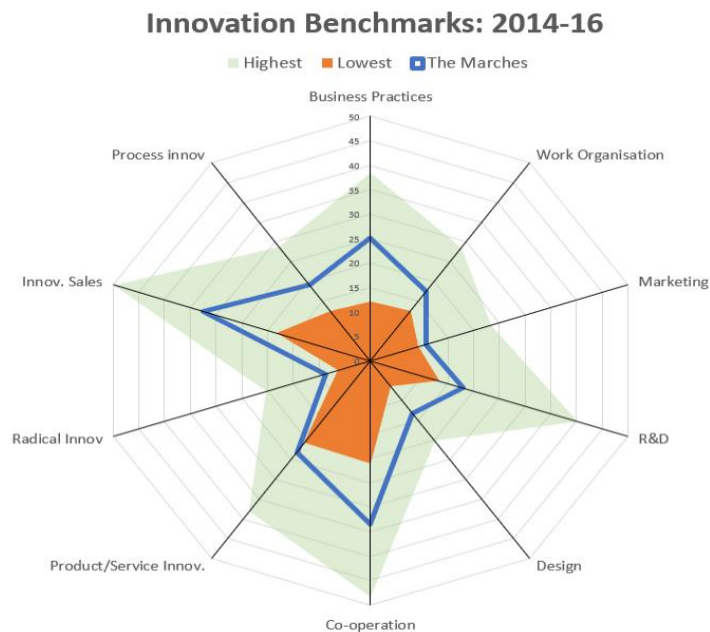
7 sub-sectors in the above table were previously identified as Marches specialisms, with veterinary activities showing the fastest jobs growth since 2015 of these (+100%), followed by residential care activities (+29%) and food and beverage service activities (+24%).

In all of the above sub-sectors jobs growth in The Marches exceeded that of the England average. The sectors represented indicate a greater cross-section than the sectors with the most employment. High rates of employment growth in recent years have been particularly prominent in the Advanced Manufacturing and Business and Professional Services sectors.

Innovation

The Enterprise Research Centre's (ERC) recent Benchmarking Local Innovation 2019 report provides innovation benchmarks for local areas in England (defined by LEPs). The benchmarks are based on a new analysis of data from the 14,000 firms which responded to the UK Innovation Survey 2017, covering the period 2014-2016.

In comparison to other LEPs, The Marches performs best on process innovation (ranked 14th), followed by collaboration (ranked 16th) and design investment (ranked 19th).



Source: ERC (2019), Benchmarking local innovation – the innovation geography of England, 2019

As shown below, across most indicators The Marches ranking has worsened when comparing the 2017 study (covering 2012-2014) with the 2019 study (covering 2014-2016). The largest drop in ranking has been within the introduction of new business practices indicator (-22 rank places), followed by new to market innovation (-18) and new methods of work organisation (-14).

Marches LEP Innovation Performance: 2017 and 2019 Studies

	2017 Study Ranking	2019 Study Ranking	Change
Product/Service Innovation	25	29	-4
Radical Innovation (New to Market)	2	20	-18
Process Innovation	4	14	-10
R&D	33	31	+2
Co-operation	6	16	-10
Introduction of New Business Practices	5	27	-22
New Methods of Work Organisation	18	32	-14
Marketing Innovation	25	35	-10
Design Investment	24	19	+5
Sales of Innovative Products/Services	34	28	+6

SECTION 5:

Skills

Good Level of Development

School readiness at age 5 has a strong impact on future educational attainment and life chances. Children who don’t achieve a good level of development at age 5 struggle with social skills, reading, maths and physical skills.

71.6% of all children in The Marches achieve a good level of development at the end of reception, higher than the national average of 71.5%. However, there is a significant gender gap between boys and girls, with the gap being higher than national average in both Shropshire and Herefordshire.

	% achieving a good level of development, 2018			
	All	Girls	Boys	Gap
Herefordshire	74.1%	81.8%	66.9%	14.9%
Shropshire	69.9%	78.1%	62.2%	15.9%
Telford and Wrekin	70.9%	77.3%	65.2%	12.2%
The Marches	71.6%	79.1%	64.8%	14.3%
England	71.5%	78.4%	65.0%	13.5%

Source: Department for Education (2018): Early Years Foundation Statistics

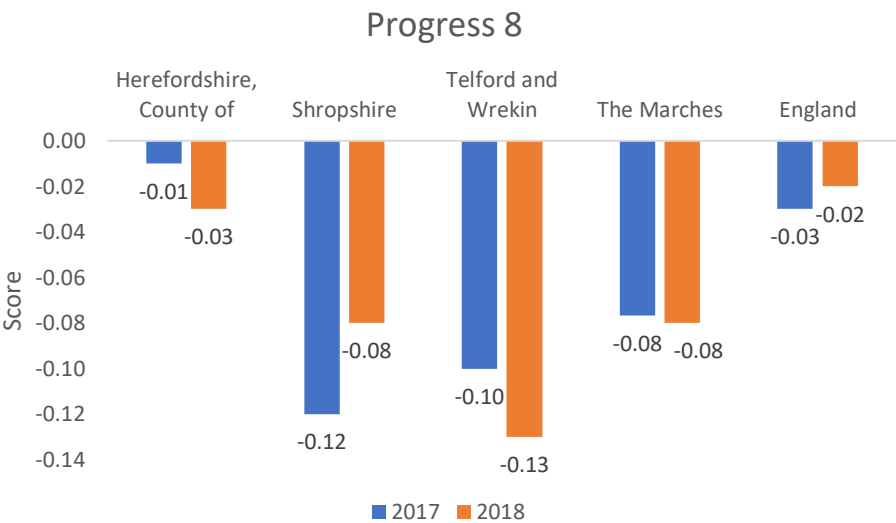
Schools Performance

There have been some significant policy changes in school’s data as to how achievement is measured. These are largely designed to encourage good teaching across a broad curriculum. The following outlines this performance in The Marches by Progress 8 and Attainment 8.

Progress 8

Progress 8 is designed to measure how well pupils progress between the end of primary school and the end of secondary school. The score for each pupil is based on whether their actual grades are higher or lower than those achieved by pupils who had similar attainment. Results are classified as: Well Above Average, Above Average, Average, Below Average and Well Below Average.

Herefordshire is rated as average (-0.03)
Shropshire is below average (-0.08) as is
Telford and Wrekin (-0.13).



Source: Department for Education (2019): School Performance Tables

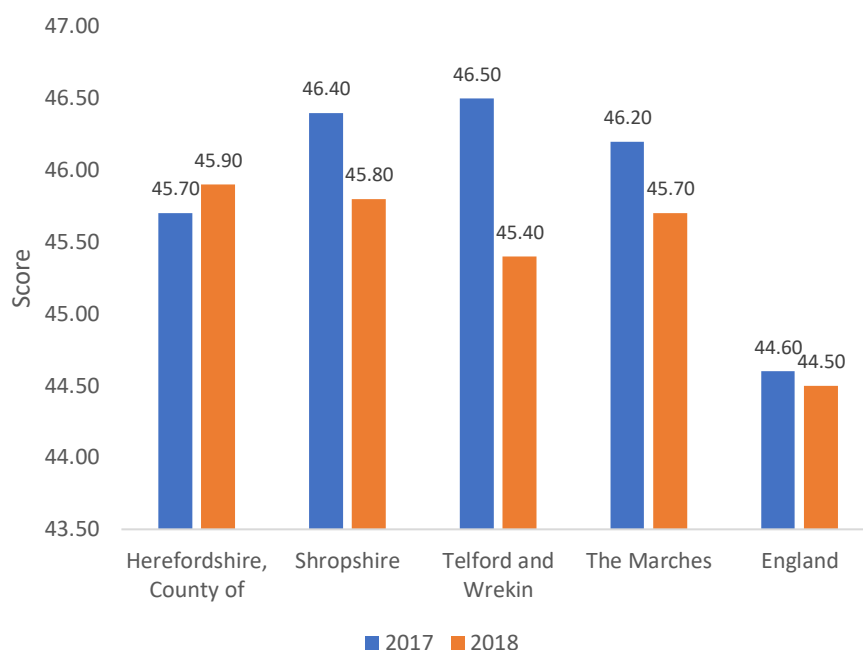
Attainment 8

Attainment 8 measures a student's average grade across eight subjects – the same subjects that count towards Progress 8. This measure is designed to encourage schools to offer a broad, well-balanced curriculum.

The average attainment 8 score for all schools in The Marches decreased from 46.2 in 2017, to 45.7 in 2018. Telford and Wrekin's score decreased from 46.5 to 45.4, as did Shropshire's from 46.4 to 45.8. Herefordshire's score increased from 45.7 to 45.9.

Scores in the English and Maths elements of attainment 8 remained relatively stable, while the average score for the English Baccalaureate (EBacc) element was 4.00 compared 3.85 (England)

Attainment 8, 2017 - 2018



Source: Department for Education (2019): School Performance Tables

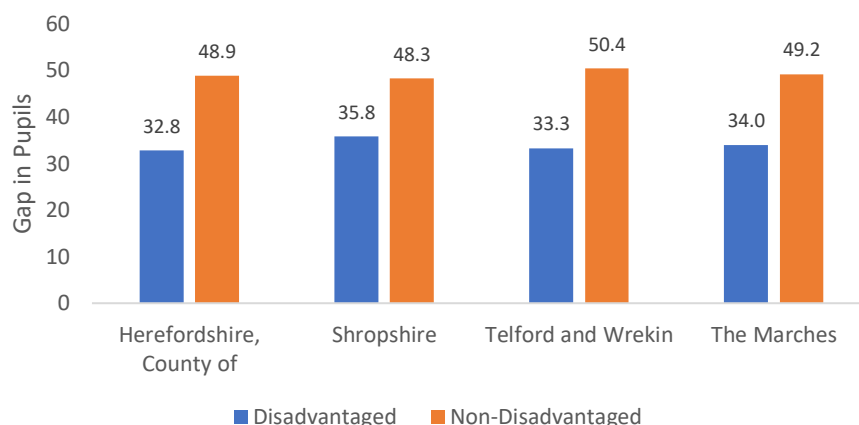
Attainment Gap

Overall there are 1,396 secondary school pupils deemed disadvantaged across The Marches. This equates to 23% of all pupils in secondary education.

The attainment gap between disadvantaged and non-disadvantaged pupils in The Marches is 15.2pp, down -2.7pp from 2017. The largest disparity is in Telford & Wrekin (17.1pp).

The attainment gap is largest for those pupils who have Free School Meals – with fewer than 1 in 5 achieving a 9-5 pass. 19.2% of pupils who have Free School Meals achieve 9-5 pass in English and Maths, compared to 43.6% for all other pupils - nationally 21.7% and 46.6%.

Attainment 8 - Disadvantaged vs Non-Disadvantaged



Source: Department for Education (2019): School Performance Tables

Performance Map – By Progress 8

The following map shows the performance of state funded schools by Progress 8 compared to the national average.

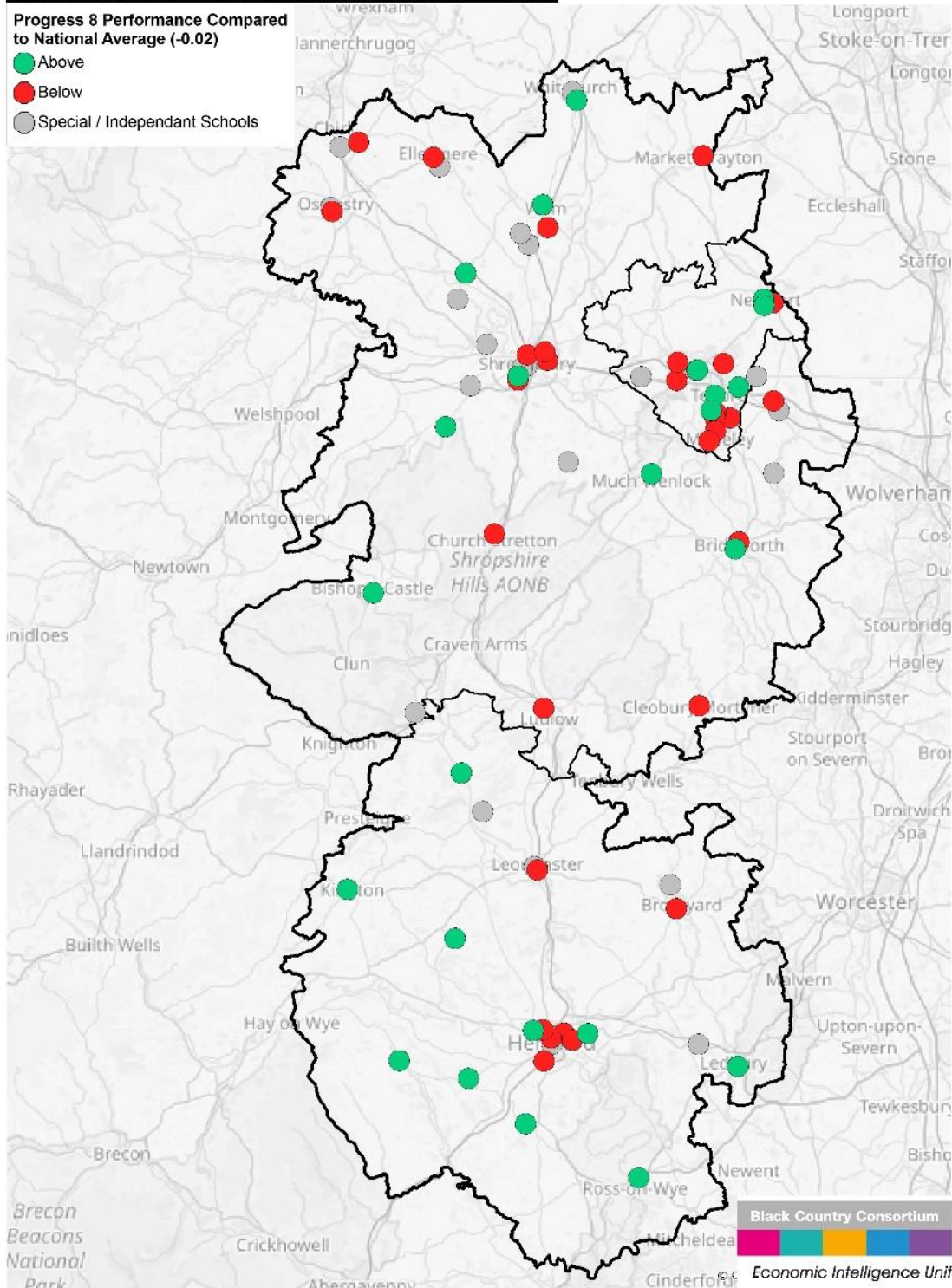


30 schools are below the national average



24 schools are above national average

PROGRESS 8 PERFORMANCE 2017-2018

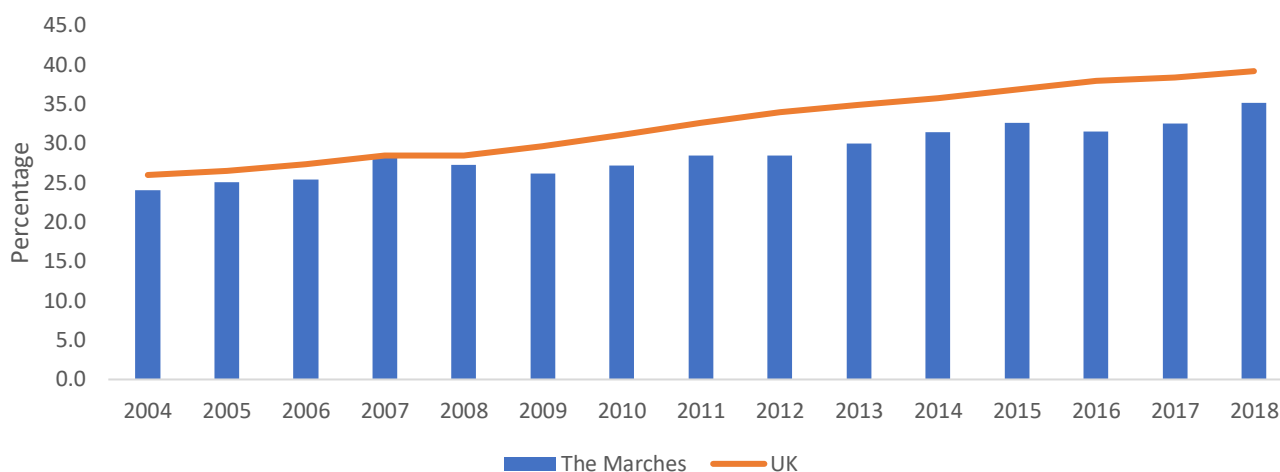


Qualifications

NVQ4+

The number of people in The Marches qualified to NVQ4+ increased by 9,400 to 141,300 in 2018. There has been an increase of 50,900 people qualified to NVQ4+ since 2004 (an increase of 56.3% compared to 66.3% UK). To reach the UK average of 39.2% requires a further 15,814 people qualified at this level.

Percentage of People aged 16-64 with NVQ4+, 2004 - 2018



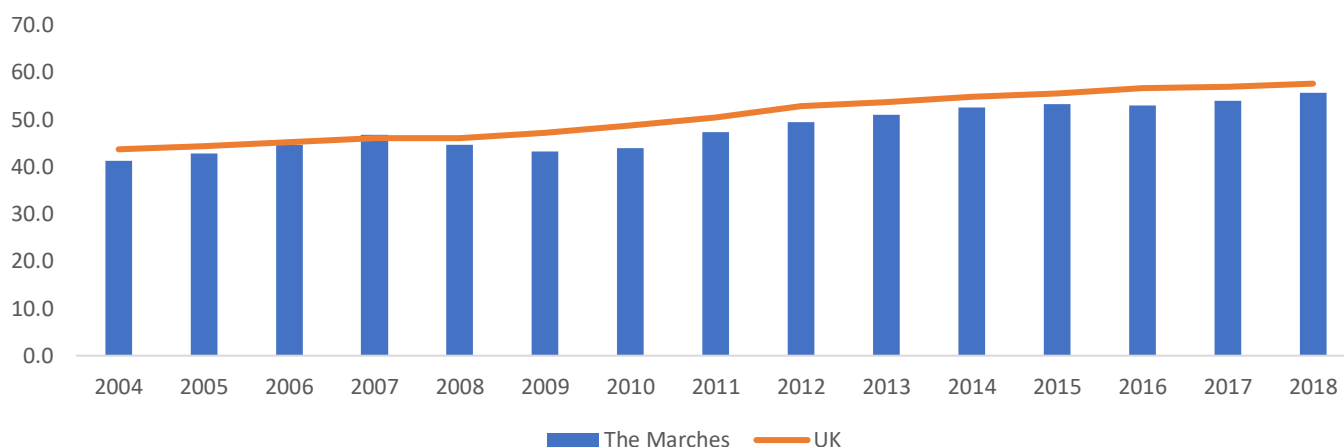
Source: Annual Population Survey, 2019

NVQ3+

In 2018, 55.6% of The Marches population were educated to NVQ3+ level, equivalent to 222,700 people. This is an increase from the previous year by 1.8% (+4,000 people), compared to the UK which increased by 1.4% to 57.6%. Since 2004 the number of people educated to NVQ3+ increased by 67,500 people (+43.5%), lower than the UK growth rate of 45.8%.

Rates vary across The Marches, with Herefordshire having 54.4% of people educated to NVQ3+, Shropshire at 58.4%, and Telford and Wrekin have 51.9%.

Percentage of People Aged 16-64 with NVQ3 + Qualifications, 2004 - 2018

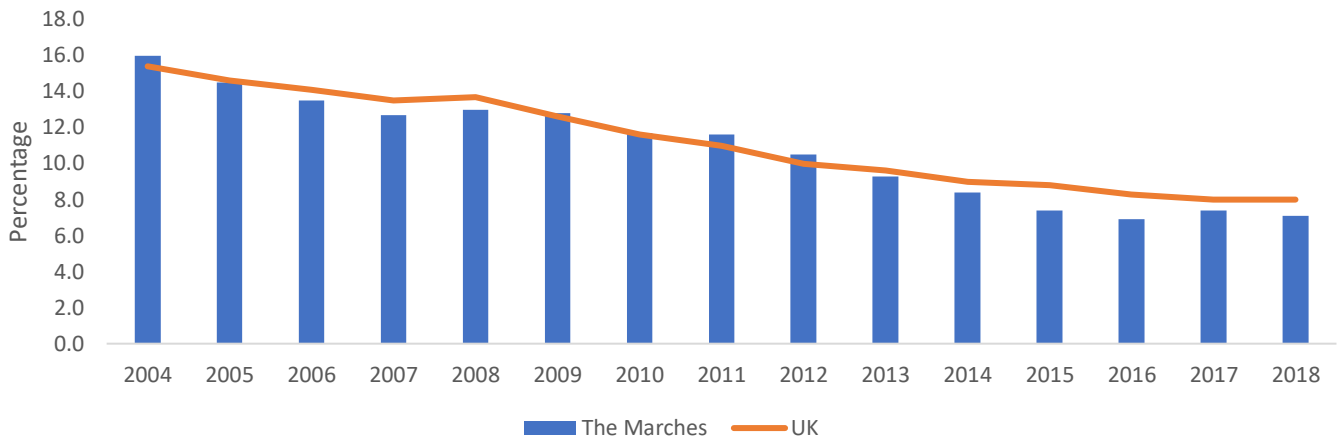


Source: Annual Population Survey, 2019

No Qualifications

The proportion of The Marches residents with no qualifications fell from 7.4% (30,100) in 2017 to 7.1% (28,500) in 2018. This is lower than the UK average (8%).

Percentage of People with No Qualifications, 2004 - 2018



Source: Annual Population Survey, 2019

The following table shows the annual change of residents with no qualifications for The Marches since 2004/05¹³:

Annual Percentage Change in Residents with No Qualifications in The Marches													
2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
-8.8%	-5.1%	-5.4%	6.5%	-1.5%	-8.6%	-1.1%	-10.1%	-11.0%	-9.4%	-12.5%	-6.4%	9.1%	-5.3%

Apprenticeships

Mirroring the trend nationally (-24.1%), apprenticeship starts across The Marches decreased by -1,560 (-20.6%) to 6,020 between 2016/17 to 2017/18. It is believed that the fall in apprenticeship starts is due to the implementation of the Apprenticeship Levy, with businesses so far using just 14% of their levy funds.

The number of apprenticeships starts at all levels were down on the previous year. Intermediate Apprenticeships bore the brunt of the reduction in absolute numbers, falling by -1,360 (-36.6%); while Higher Apprenticeships performed reasonably well in the overall context dropping by 50 (-9.6%) and Advanced Apprenticeships reduced by 160 (-4.8%) since 2016/17.



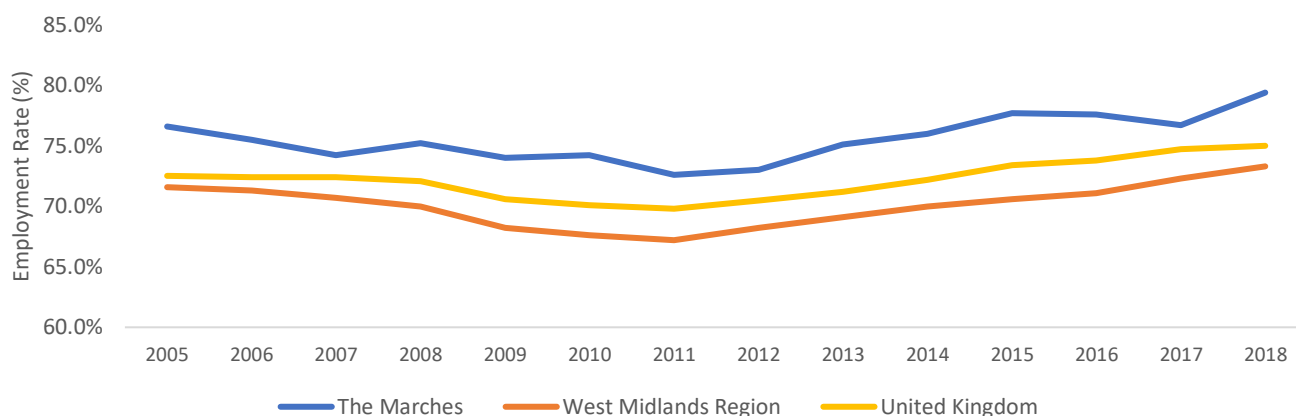
Source: ESFA Datacube 2017/18 Full Year Data

¹³ Green indicates an improvement from the previous year which is above the UK average, orange indicates an improvement from the previous year but is less than the UK average while red indicates a negative change from the previous year.

Employment Rate

In 2018, The Marches employment rate was 79.4% (318,900 people), which is above the average UK rate of 75%. The rate varies within The Marches, with the lowest rate in Telford and Wrekin (72.7%) and the higher rates in Herefordshire (81.1%) and Shropshire (82.3%).

Employment Rate, 2005 - 2018



Source: ONS (2019) Annual Population Survey

The following table shows the annual percentage point change in the employment rate for The Marches since 2005/6:

Annual Percentage Point Change in Employment Rate ¹⁴												
2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
-1.1pp	-1.3pp	1.0pp	-1.2pp	0.2pp	-1.6pp	0.4pp	2.1pp	0.9pp	1.7pp	-0.1pp	-0.9pp	2.7pp

Training

The percent of staff trained in The Marches was 56% compared to the national average of 62% - this equates to 3.7 training days per staff member compared to 4 days nationally. Levels of staff training vary within The Marches as 60% of all staff are trained in Herefordshire, 54% in Shropshire, and 55% in Telford and Wrekin. Staff in Herefordshire receive 5.2 training days, compared to 3.2 days in Shropshire and 2.9 days in Telford and Wrekin.

Training	Herefordshire	Shropshire	Telford and Wrekin	The Marches	England
% of establishments training staff over the last 12 months	62%	60%	71%	62%	66%
% of establishments providing off-the-job training in the last 12 months	53%	45%	56%	49%	48%
% of establishments providing on-the-job training in the last 12 months	49%	45%	51%	47%	53%
% of training establishments providing online training or e-learning in the last 12 months	53%	45%	55%	49%	52%
Number trained as % of total staff	60%	54%	55%	56%	62%
Training days per trainee	8.6	6.0	5.3	6.6	6.4
Training days per staff	5.2	3.2	2.9	3.7	4.0

Source: Employer Skills Survey (ESS) (2017)

¹⁴ Green indicates an improvement from the previous year which is above the England average, orange indicates growth that is below the England average and red indicates a negative change from the previous year.

SECTION 6:

Infrastructure and Places

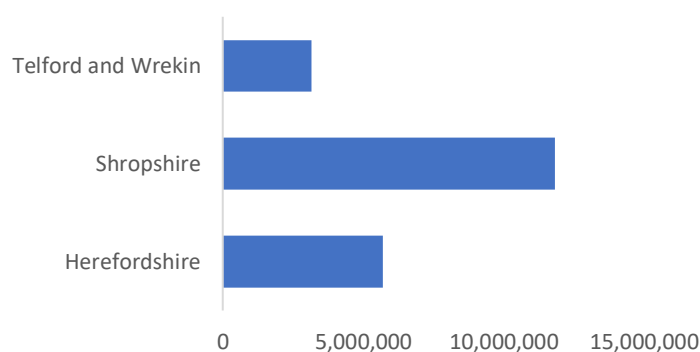
Visitors to the Area

There were 19 million day visitors (average of three years, 2015-2017) to The Marches, with people spending £452m. 57.6% of the day visitors were to Shropshire, 27.5% were to Herefordshire, and 14.9% were to Telford and Wrekin.

There were 1.7 million overnight trips to The Marches; people stayed for a total of 4.9 million nights, and spent £280 million. Overnight trips can be broken down by reason: 45.0% of overnight trips were for holidays, 41.3% was visiting friends and relatives, and 11.6% were business trips. A total of £157 million was spent on holiday visits.

In total there were 20.7 million day visits and overnight trips to The Marches and £732 million was spent.

Day Visits and Overnight Trips to The Marches



Source: The GB Tourist and The GB Day Visitor Annual Reports (2018)

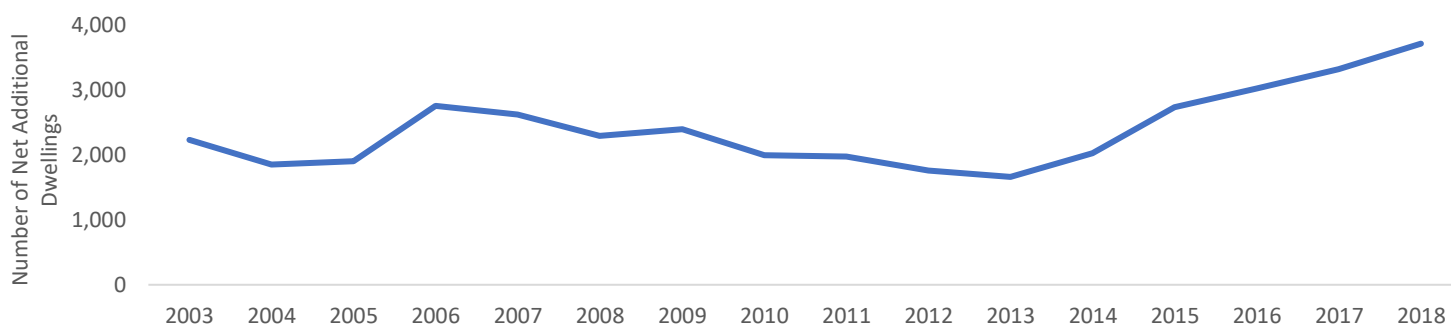
New Dwellings

In 2018 there were a total of 305,050 dwellings across The Marches with 28.0% of these dwellings were in Herefordshire (85,330), 47.3% were in Shropshire (144,310) and 24.7% were in Telford and Wrekin (75,410).

Since 2017, there has been an increase of 3,710 dwellings (+1.2%) in The Marches, with Herefordshire increasing by 780 dwellings (+0.9%), Shropshire increasing by 1,880 dwellings (+1.3%), and Telford and Wrekin increasing by 1,050 dwellings (+1.4%). On average, England increased by 0.9% from 2017.

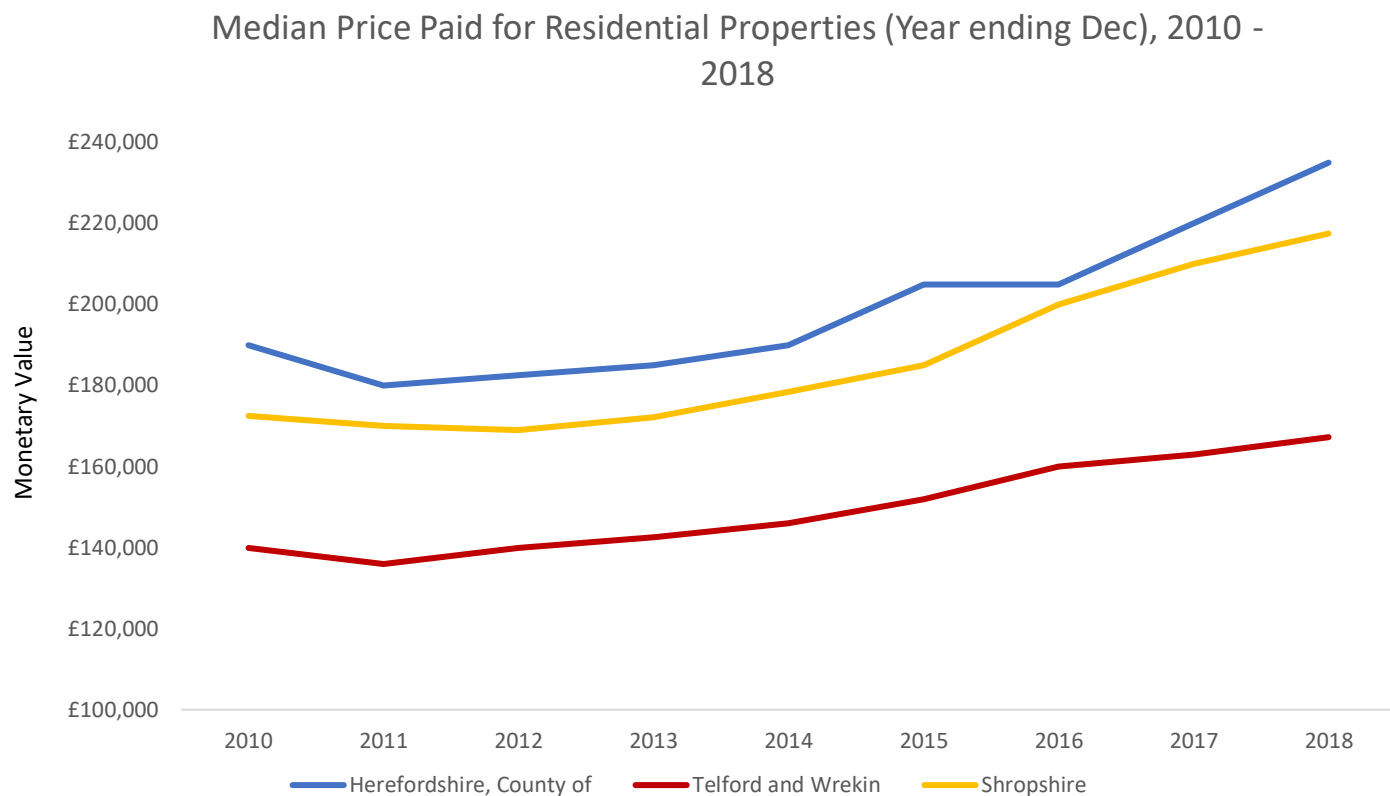
As the population continues to increase in The Marches, the number of dwellings has also increased year on year in order to meet the demand. Since 2002, The Marches have increase by 38,210 dwellings (+14.3%), while England has increased by 13.2%.

The Marches Total Number of Net Additional Dwelling Stock, 2003 - 2018



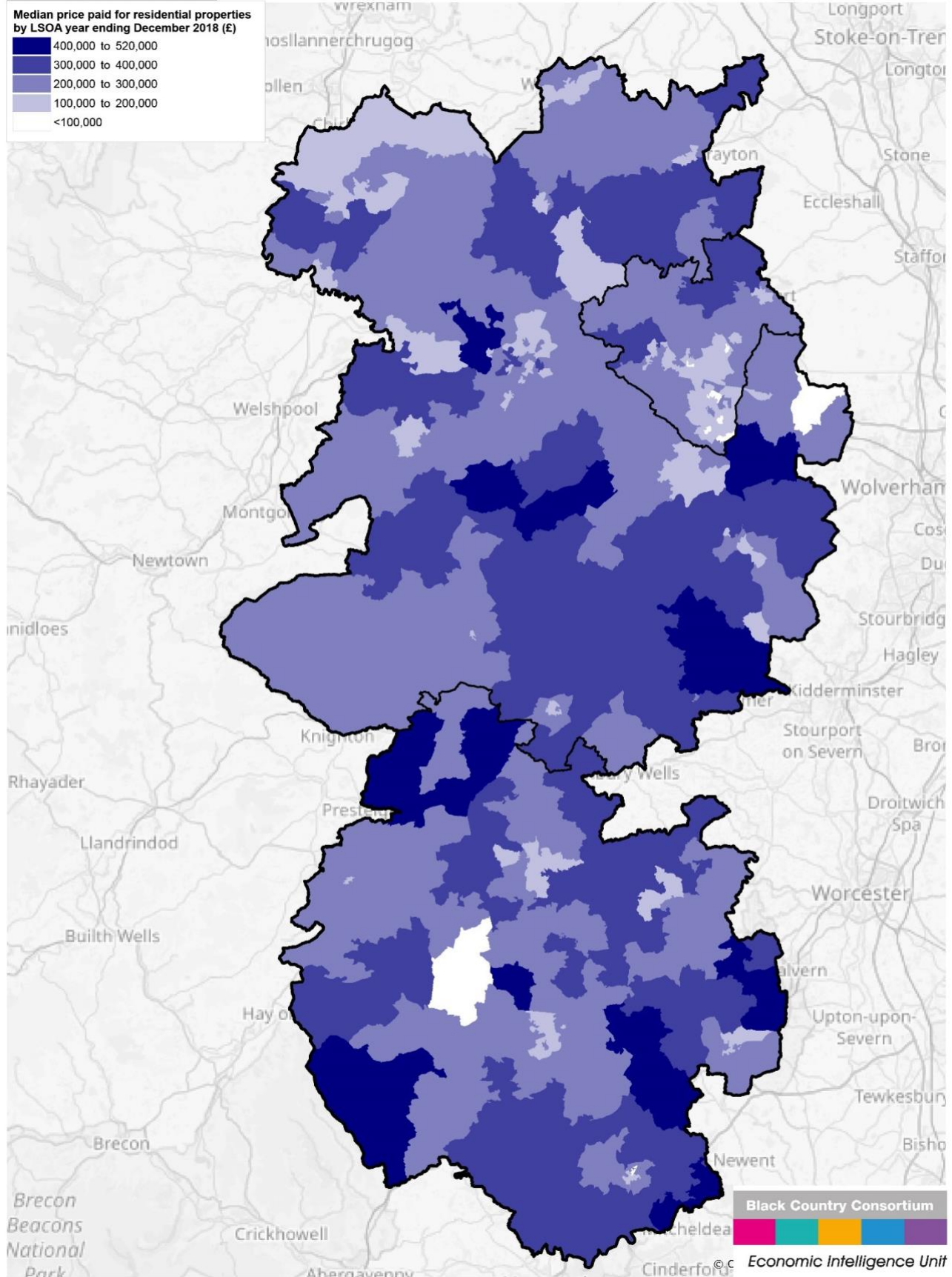
House Prices

Between 2011 and 2018 house prices have increased across The Marches. In 2018, the average house price for The Marches was £206,583 an increase of 4.5% since 2017. Residents are paying more on average for properties in Herefordshire (£235,000) and Shropshire (£217,500) than in Telford and Wrekin (167,250).

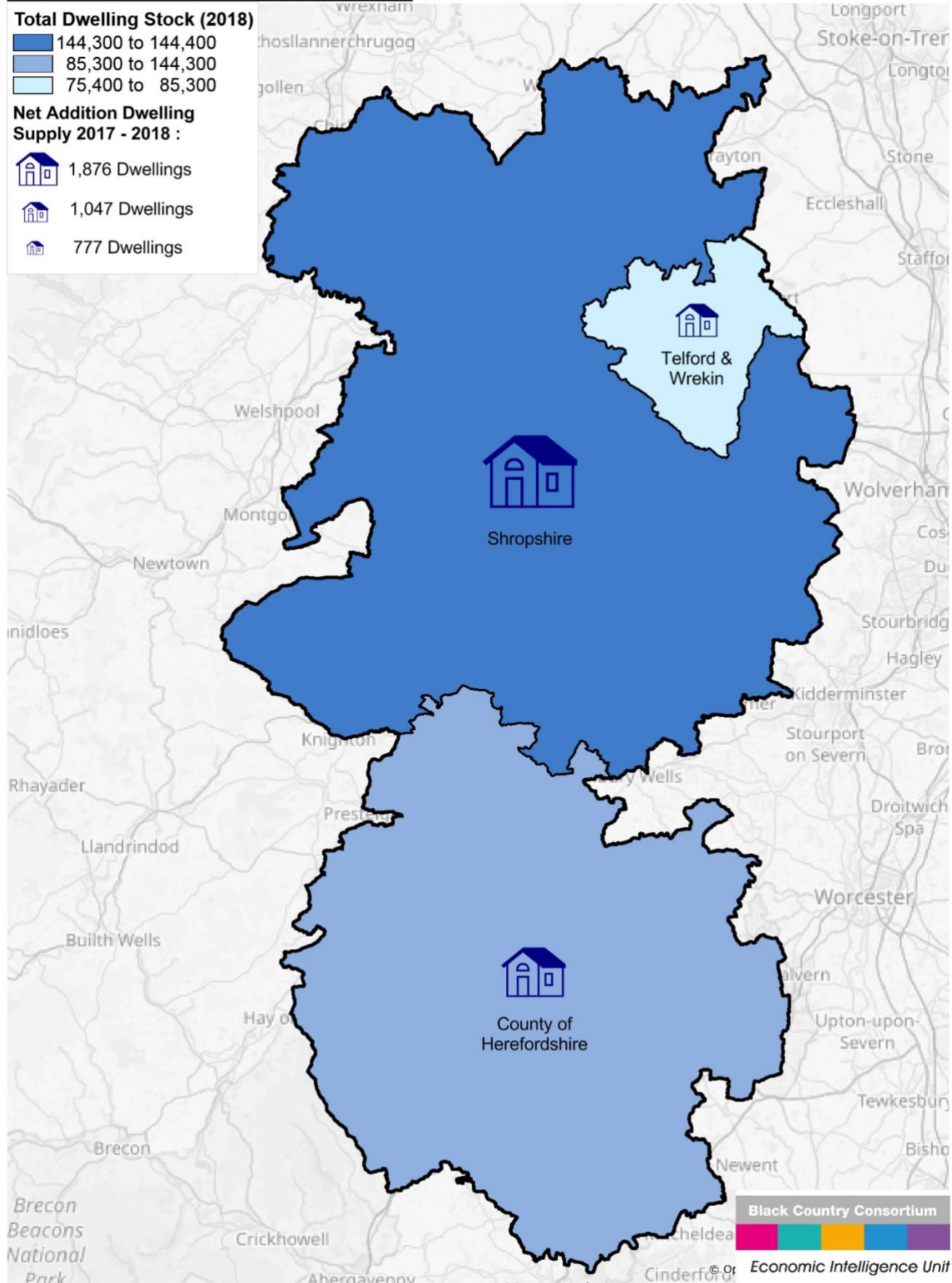


Source: ONS (2019), House Price Statistics

HOUSE PRICES



DWELLING STOCK & SUPPLY



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SECTION 6:

Sustainable and Inclusive Growth

Fuel Poverty

In 2017, 11.7% (33,703) of households in The Marches were living in fuel poverty, above the national average of 10.9%. However, compared to 2016 there was a significant decrease in The Marches, by 9.2% (-3,396 households). Nationally the decrease was only 0.7%¹⁵.

In 2016, out of 326 English local authorities Herefordshire was the 32nd highest in 2016 and became the 62nd in 2017, Shropshire was ranked 42nd highest for the percentage of households in fuel poverty, at 13.1%. This has since improved and Shropshire is now ranked 72nd highest in 2017. Telford and Wrekin were the 81st highest and in 2016 became the 117th highest in 2017.

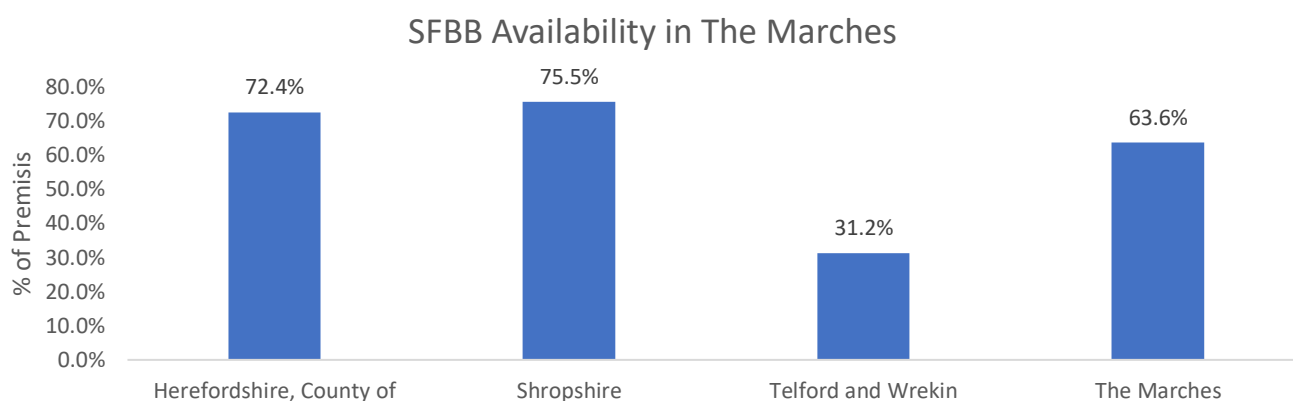
Within The Marches, Herefordshire had the highest percentage of households living in fuel poverty in 2017 at 12.2%; this is equivalent to 9,990 households. Compared to 2016, Herefordshire had the highest decrease in percentage terms within The Marches, at -9.5% (-1,053 households).

In Shropshire 11.8% (16,013) of households lived in fuel poverty in 2017, the highest number in all of The Marches. In comparison to 2016, Shropshire decreased by 9.4%, equivalent to -1,657 households.

Within The Marches, Telford and Wrekin had the lowest percentage of households living in fuel poverty in 2017 at 11% (7,700 households), but experienced the smallest decrease since 2016 - a decrease of 8.2% (-686 households).

Broadband

Superfast broadband availability varies significantly across The Marches premises, on average 63.6% of premises have access to superfast broadband in 2018. Superfast broadband availability varies from 75.5% in Shropshire, to 31.2% in Telford and Wrekin.



Source: Ofcom (2019), Connected Nations Report

¹⁵ Source: Department for Business, Energy & Industrial Strategy (2019), Sub- Regional Fuel Poverty in England.

Life Satisfaction

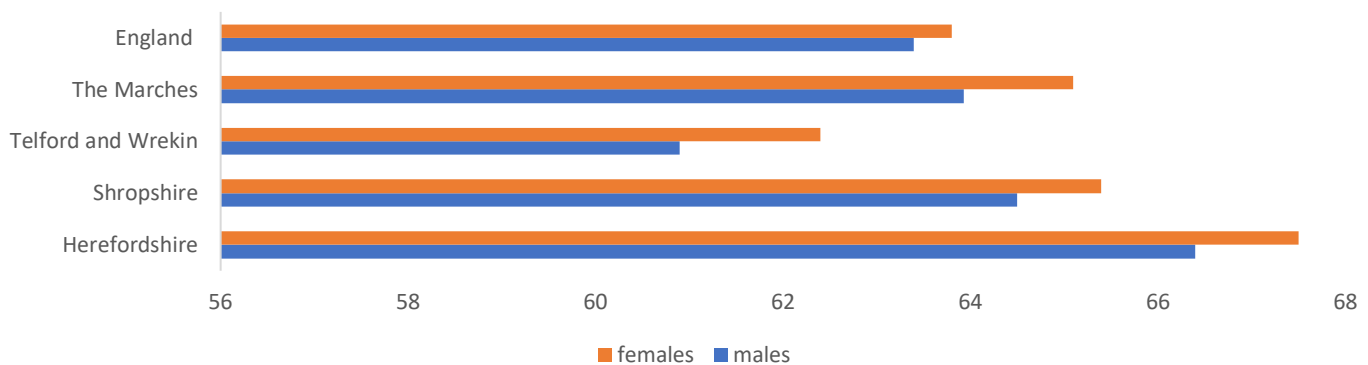
Life satisfaction for adults aged 16+ is higher in The Marches than for the UK (7.72 vs 7.69) in 2017/18. Life satisfaction is the highest in Herefordshire at 7.84 and lowest in Telford and Wrekin at 7.61¹⁶. Since last year, life satisfaction has increased in Herefordshire by 11%, but decreased in Shropshire (-5%) and Telford and Wrekin (-7%).

Healthy Life Expectancy (HLE)

There are differences between HLE for males and females both in The Marches and nationally, with a gap of 1.2 years between males (63.9 years) and females (65.1 years) in The Marches, and a gap of 0.4 years between males (63.4 years) and females (63.8 years) in England.

Over the past year the average healthy life expectancy has decreased by 1.4% for males, but increased by 0.4% for females in The Marches.

Healthy Life Expectancy for Males and Females in The Marches



Source: ONS (2018) Life Expectancy, Healthy Life Expectancy and Disability Free Life Expectancy at Birth and Age 65

Renewable Energy

In 2017 The Marches produced 517,149 MWh of renewable energy, up by 13.9% since the previous year. This is a smaller increase than the UK increase of 19.5%. The Marches renewable energy mix consists of photovoltaics (52%), onshore wind (1.2%), hydro (0.4%), anaerobic digestion (31.9%), sewage gas (1.8%), landfill gas (5.1%) and plant biomass (7.6%).

Across the UK, onshore wind (29.3%), offshore wind (21%) and plant biomass (20.2%) dominate the renewable energy mix. The Marches generates 0.5% of the total renewable energy generated in the UK.

Shropshire generates 61% of the total Marches renewable energy, Herefordshire generates 25% and Telford and Wrekin generate 14%.

	Herefordshire	Shropshire	Telford and Wrekin	The Marches	UK
Photovoltaics	48,283	185,665	34,466	268,414	11,505,435
Onshore Wind	483	5,809	112	6,403	29,112,873
Hydro	112	1,879	-	1,991	5,917,134
Anaerobic Digestion	49,258	102,142	13,769	165,170	2,517,672
Sewage Gas	-	4,419	4,969	9,388	967,349
Landfill Gas	-	6,466	20,051	26,517	4,283,784
Plant Biomass	31,125	8,141	-	39,266	20,059,490
Total (MWh)	129,261	314,521	73,367	517,149	99,372,500

Source: Department for Business, Energy & Industrial Strategy (2018), Renewable electricity generation: (MWh) by local authority

¹⁶ ONS (2018), Personal well-being estimates

CO2 Emissions

In 2017, The Marches area produced a total of 3,888 Kt CO₂ emissions. This equates to 5.7 tonnes per capita, higher than the England average of 5.1. Total emissions have reduced by 3.5% (-139 ktCO₂) since the previous year in The Marches, compared to a -3.6% decrease across England. Since 2005 The Marches have decreased carbon emissions by 31.4%, compared to a 33.7% reduction across England.

Within The Marches, Shropshire produced the highest emissions at 1,815 Kt CO₂ (5.7 tonnes per capita) and Telford and Wrekin were the lowest with 925 Kt CO₂ (5.3 tonnes per capita). Herefordshire produced 1,148 Kt CO₂ (6.0 tonnes per capita).

Emissions are broken down into four categories which can be seen in the following figure. Within The Marches area, the highest category to emit emissions was transport at 1,499 Kt CO₂ in 2017.

	Industry and Commercial Total	% of total emissions	Domestic Total	% of total emissions	Transport Total	% of total emissions	N. LULUCF Total ¹⁷	% of total emissions	Grand Total
The Marches	1,483	38.1%	1,041	26.8%	1,499	38.5%	-135	-3.5%	3,888
England	102,047	35.8%	80,782	28.4%	107,178	37.6%	-5,086	-1.8%	284,921

Source: Department for Business, Energy & Industrial Strategy, (2019) Local Authority CO2 emissions estimates (Kt CO₂)

Carbon reduction efforts need to be increased in order to meet the 2050 target of zero emissions as put into UK law under the Climate Change Act.

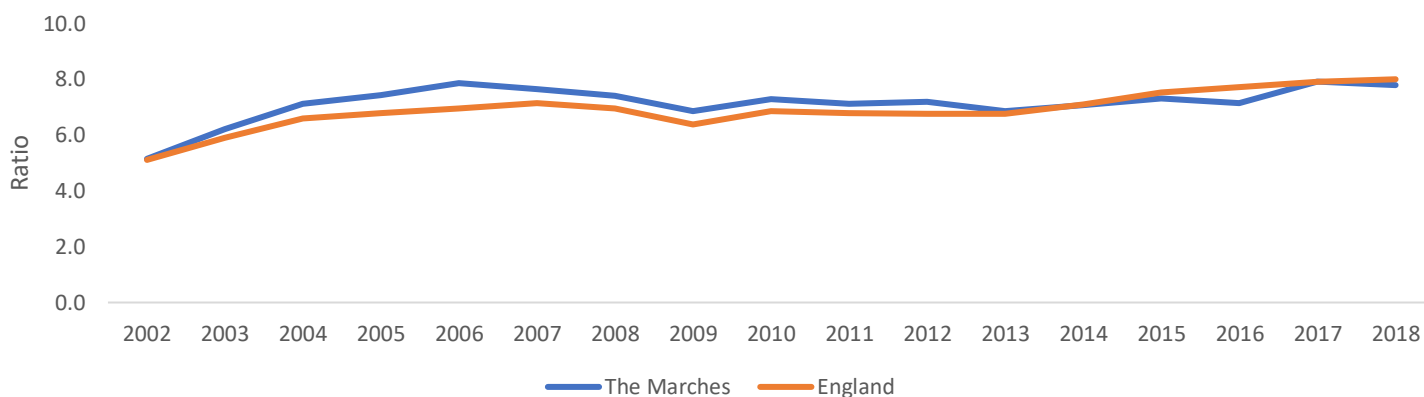
If The Marches continues to reduce at the average of the last 3 years (-4.1%) we would reach net zero emissions in 2231. In order to achieve as close to net zero as possible by 2050 (less than 1 Kt CO₂), emissions across The Marches would have to reduce annually by 25% from 2020.

House Price to Income Ratio

In 2018 the average house price to income ratio for The Marches residents was 7.8, a decrease of 0.1 (-1.6%) since the previous year. This is lower than the England average of 8.00, which saw an increase since the previous year by 0.1 (+1.2%).

Since 2002 the ratio of house price to medium income increased by 33.9% in The Marches, a slightly lower rate of change than what was seen across England (+36.1%).

Median House Price to Median Gross Annual Earnings Ratio in The Marches, 2002 - 2018



Source: ONS (2019), House Price to Residence Based Earnings Ratio (2019)

¹⁷ Land Use, Land-Use Change and Forestry

This report is produced by the Economic Intelligence Unit of Black Country Consortium Ltd



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