The Marches
Local Enterprise Partnership
Herefordshire - Shropshire - Telford & Wrekin

The Marches Local Industrial Strategy Evidence Base

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Contents

Executive Summary

Metro Dynamics has been commissioned by the Marches to develop an evidence base to underpin their emerging Local Industrial Strategy.

This report summarises the key points of this analysis, looking at the economy and productivity, sectoral strengths and opportunities, and the five foundations of productivity: Ideas, People, Infrastructure, Business environment and Place. This has been developed between March and July 2019 and therefore the data provided will reflect what was available at the time of development.

The Marches economy

The Marches is a £13.9bn economy. The area tends to underperform economically relative to the region and UK with lower than average GVA per head. The Marches produces £20,326 per person, which is lower than the average for the West Midlands (£22,310) and UK (£27,096). Within the area, Telford and Wrekin has the highest GVA per head (£22,935), followed by Herefordshire (£19,492) and Shropshire (£19,383).

Economic growth is lower in the Marches at 0.8% on average per annum between 2012 and 2017, compared to 2.2% in the UK and 2.5% in the West Midlands, with fastest growth in Telford and Wrekin (1.3%).

Productivity is lower in the Marches at £26.52 per hour worked than the West Midlands (£29.50) and UK (£33.65). This varies across the area. Telford and Wrekin is the most productive part of the Marches (£28.64 per hour), followed by Shropshire (£27.09) and Herefordshire (£23.84). Low and declining productivity in the Marches is not unique, but reflects its demographics, skills profile, sectoral composition, and physical and digital infrastructure.

There are 314,000 jobs in the Marches with relatively low job growth of 6.5% between 2012 and 2017, compared to 9.6% in Great Britain (GB) and 10.1% in the West Midlands, with highest growth in Telford and Wrekin (9.4%).

Sectoral strengths and opportunities

Advanced manufacturing and engineering has 27,500 jobs, accounting for almost 9% of employment, compared to 6.3% in GB, and 1,575 businesses. Over the past five years, there has been 3.7% job growth, which is slightly higher than the GB average (3.3%).

Over 70% of manufacturing employment is in five sub-sectors. Metals is almost twice as specialised as GB with 7,500 jobs. Automotive is twice as specialised as GB with 3,250 and particular specialisms in the production of parts and accessories. There are a further 3,750 jobs in machinery and equipment, 3,750 jobs in rubber and plastic products, and 1,625 jobs in wood manufacture.

There are 9,875 jobs in food and drink manufacture and 170 businesses. These strengths are linked to a strong agricultural sector with 22,000 jobs, which is almost five times more specialised in the Marches than GB.

Food manufacturing is more than twice as specialised in the Marches as GB and has 8,500 jobs. Processing and preserving of poultry meat is ten times more specialised than GB with 2,250 jobs. There are a further 1,750 jobs in meat processing, whilst milk processing has 600 jobs and is almost 16 times more specialised in the Marches than GB. Beverage manufacturing has 1,375 jobs and is three times as specialised in the Marches as GB. Specialisms include cider and fruit wines (750 jobs).

The Marches has emerging strengths in energy and environmental technologies. There are over 8,000 jobs and 453 businesses in Low Carbon Environmental Goods and Services, amounting to £1.1bn in sales. With almost 13% of the UK's anaerobic digestors, the Marches has nationally significant strengths in anaerobic digestion.

There are also emerging strengths in cyber security and resilience, based on the strong defence and security sector locally. This is part of the wider Cyber Valley, along with Gloucestershire and Worcestershire, which is the largest cluster of cyber security outside of London.

Ideas

Business spend on research and development (R&D) and take up of available funding is lower than in other parts of the country. In 2013, businesses spent £46m on R&D, which is the second lowest of all LEPs. This equates to £69 per person, which is above the level of expenditure in Greater Lincolnshire, but below that of Heart of the South West. The Marches has made a higher number of tax credit claims (265) than Greater Lincolnshire (220), but this is significantly less than Heart of the South West (410 claims)*. Businesses, universities and other organisations have received almost £19m of Innovate UK funding, which is lower than comparator areas. Many projects relate to sectoral strengths – £3.6m to manufacturing and materials, £1.8m to food supply and £450K to agri-tech.

People

Almost 700,000 people live in the Marches, with slightly higher than average population growth of 3.9% over the past five years. This growth is concentrated in the most densely populated areas of Hereford, Shrewsbury and Telford. Telford and Wrekin has experienced particularly fast population growth of 5.4%.

This is an older age profile than other places with a higher than average proportion of residents aged 65 and over (22.4%) compared to the UK (18.3%) and West Midlands (18.5%), and a lower than average proportion of younger residents, aged 25 to 34 at 11.4% compared to 13.5% across the UK as a whole. Telford and Wrekin has a younger demographic with a higher proportion of residents aged below 20. The Marches is attracting residents with a net inflow of migrants from elsewhere in the UK, including families.

There is a technical, mid-level skills base. This is characterised by lower than average levels of residents with no or low skills, but also lower than average levels of residents with high skills. A higher proportion of residents have mid-level skills – NVQ Level 2 (16.9% compared to 15.8% in the UK) or NVQ Level 3 (18.3% compared to 17.0% in the UK). This is reflected in the higher than average proportion of residents working in admin and skilled trades roles.

The labour market is tight with high employment levels. The unemployment rate of 3.1% is significantly lower compared to the UK (4.3%), reflecting a general trend over time. Herefordshire especially has a low unemployment rate of less than 3%. Economic inactivity is more common in Telford and Wrekin, which also has higher levels of deprivation. Concentrations of deprivation are also present in rural areas.

There are challenges around low wages. Median gross annual pay is around £1,769 lower in the Marches than the West Midlands and £3,627 less than the UK. Wages are especially low in Herefordshire – £5,640 less than the UK level. The proportion of employee jobs earning below the Real Living Wage (29.4%) is higher than the UK (22.8%) and West Midlands (24.7%) as well. Lower wages are linked to challenges around housing affordability in the Marches.

** These LEP areas are used as comparators as they share similar characteristics to the Marches and therefore provide a good baseline comparison.*

Infrastructure

The Marches has strong strategic economic links to the North West, West Midlands, South West and Wales, as it is linked to these places via its strategic road and rail links. There are long-term challenges around the lack of dual carriageways, alternative road routes and frequency of rail services.

Broadband coverage is uneven with high maximum download speeds (70-80 Mbit/s) across much of the area, but low maximum download speeds of 0-10 Mbit/s in some rural areas. Mobile phone coverage is also lower than average.

Energy consumption is higher in both urban areas and areas of economic activity, such as in Telford, parts of Hereford and Battlefield in Shrewsbury.

Median house prices in the Marches (£207,000) are below the national level (£235,000), but above the regional level (£190,000). There are challenges around housing affordability across Herefordshire and Shropshire, due to relatively high house prices alongside low wages.

Business environment

There are 30,780 businesses in the Marches, with business activity concentrated in the three urban centres of Hereford, Shrewsbury and Telford. The structure of the business base is similar to the UK with 89.6% micros, but employment in micro companies is higher in the Marches (26.6%) than the national average (23.0%).

Relative to the size of its population, the Marches has good levels of business activity with a higher number of businesses per capita (446 per 10,000 population), which is 11% higher than the UK and 24% higher than the West Midlands average.

The Marches has a stable business base, which is less dynamic than other places. There are a lower than average number of business births and deaths – 9.7% business birth rate compared to 13.4% in West Midlands and 13.1% in UK and 9.3% business death rate compared to 11.4% regionally and 12.2% nationally. Business survival rates are higher than comparator areas.

Export levels are generally lower here than in other places with the Marches exporting £1.8bn of goods (£9,311 per full-time employee), with almost 76% to the EU. The region exports £737m of services (£3,910 per full-time employee), 65% of which are from Telford and Wrekin. Export performance varies compared to LEP comparators.

Place

With three Areas of Outstanding Natural Beauty, Telford Town Park and one of the UK's UNESCO World Heritage Sites at the Ironbridge Gorge, the Marches has rich natural, cultural and heritage assets, offering a high quality of life and attracting visitors.

The Marches is self-contained with almost 84% of workers also living in the area, although there are differences in containment levels across the Marches. Around 44,000 workers leave the Marches for work each day, whilst 41,000 commute into the area, making the Marches a net exporter of labour. High volumes of commuting between the Marches and neighbours emphasise strong links with Wales and the West Midlands.

It is a diverse area with thee main urban centres, market towns and a strong rural economy.

Introduction

Metro Dynamics has been commissioned by the Marches LEP to develop an evidence base to underpin their emerging Local Industrial Strategy.

The analysis has considered the Marches as a whole, but also variation within the area. This involves looking at differences between the local authorities, as well as identifying patterns at the small area level, data permitting.

Comparators have been used to provide context for performance against socio-economic indicators, data permitting at three levels:

- Similar LEP areas – Greater Lincolnshire and Heart of the South West
- Regional level – West Midlands
- National level – United Kingdom (UK), Great Britain (GB) or England.

Where possible, temporal data and change over time has been used to contextualise current performance and show trends.

This pack is organised into eight sections. The first two sections give an overview of the Marches economy:

- **Economy and productivity** – analyses the size of the economy, economic growth, overall and sectoral productivity, and jobs growth.
- **Sectors** – looks in depth at the sectoral make up of the economy, and sub-sectoral specialisation and employment levels, with detailed deep dives into advanced manufacturing, food and drink, energy and environmental technology, and cyber security and resilience.

To closely align with the national Industrial Strategy, the next five sections are structured by the five foundations of productivity:

- **Ideas** – covers R&D and innovation spending.
- **People** – provides in depth analysis of the labour market, including demographics, employment patterns, wages, deprivation, skills and migration.
- **Infrastructure** – covers residential and commercial property trends, digital connectivity, energy and transport.
- **Business environment** – includes a detailed analysis of the business base looking at its structure, spatial distribution, births and deaths, large companies, exports and inward investment.
- **Place** – presents commuting patterns, population clusters, land use and green & blue infrastructure, deprivation and the visitor economy.

Following this, the Methodology section sets out the analytical approach taken in this evidence base. Additional maps and charts are provided in the Appendices.

Economy and productivity

Economy and productivity

A **£13.9bn** economy – lower average Gross Value Added (GVA) growth between 2012 and 2017 (**0.8%**) compared to the UK (2.2%) and West Midlands (2.5%)

£20,326 produced per head of population compared to £22,310 in the West Midlands and £27,096 in UK

£26.52 produced per hour worked – lower than regional (£29.50) and national (£33.65) average – with lower than average productivity across sectors

314,000 jobs with **6.5%** growth between 2012 and 2017, which is below average for the region (10.1%) and GB (9.6%)

Economic growth

Gross Value Added (GVA) is the standard measure in the UK for the total size of local economies. Specifically it measures the increase in the value of the economy due to the production of goods and services in an area.

The Marches is a £13.9bn economy. Between 2012 and 2017, the Marches grew by 0.8% on average per annum. This is low when compared to the national and regional averages of 2.2% and 2.5% respectively. The Marches also underperforms compared with other LEP areas, with per annum growth of 2.0% and 1.7% in Greater Lincolnshire and Heart of the South West, respectively.

Within the Marches, Shropshire is the largest economy (£6.2bn), followed by Telford and Wrekin (£4.0bn) and Herefordshire (£3.7bn). In terms of growth across the period, Telford and Wrekin has seen the highest at 1.3% on average per annum, with Shropshire close behind at 1.1% and no growth in Herefordshire.

GVA per head of population is a normalised measure of GVA used to compare regions of different sizes. The chart overleaf shows GVA per head for the Marches, its local authorities, and regional, national and LEP comparators from 2001 to 2017.

In 2017, the Marches produced £20,326 per head of population, which is lower than average GVA per head for the UK at £27,096 and the West Midlands at £22,310. The area performs better than other LEP comparators Greater Lincolnshire (£18,625) and Heart of the South West (£19,943).

When comparing the local authorities, Telford and Wrekin has the highest GVA per head at £22,935. Herefordshire and Shropshire perform similarly at £19,492 per head and £19,383 per head, respectively.

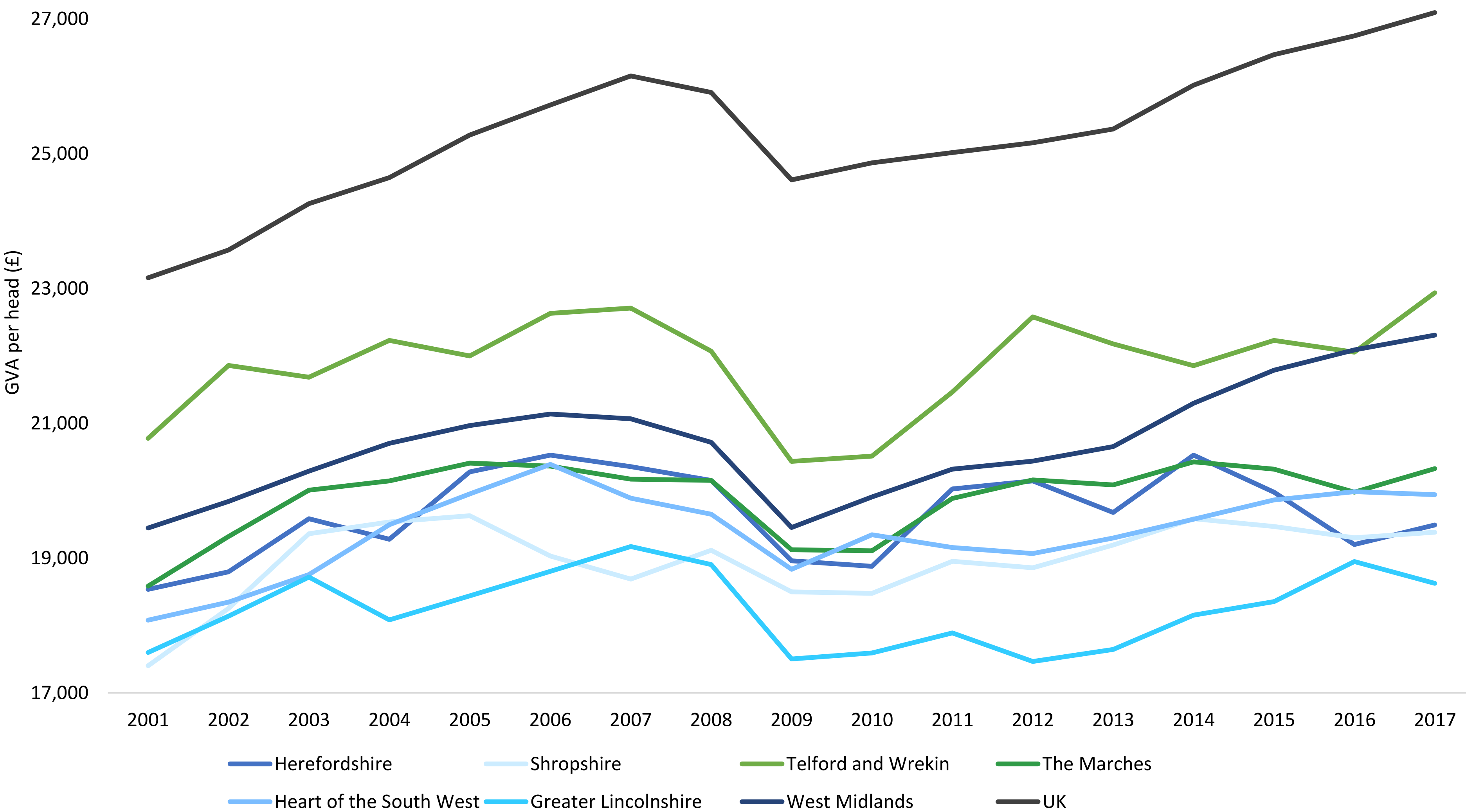
Average annual GVA per head growth between 2012 and 2017 has been 0.3% in the Marches. This is lower than the UK average of 1.7% and West Midlands (1.9%). Greater Lincolnshire and Heart of the South West have experienced higher growth rates in the same period at 1.4% and 0.8%, respectively.

Within the Marches, between 2012 and 2017, average annual GVA per head growth is 0.8% in Telford and Wrekin and 0.2% in Shropshire, with negative growth of -0.2% in Herefordshire.

In 2016 terms.

Source: ONS Balanced GVA (2001-17)

GVA per head (£) in the Marches, its local authorities and comparators (2001-17)



In 2016 terms.

Source: ONS Balanced GVA (2001-17)

Productivity

Productivity can be measured by GVA per hours worked. The chart overleaf shows GVA per hour worked for the Marches, its local authorities, and regional, national and LEP comparators from 2004 to 2017.

GVA per hour in the Marches was £26.52 in 2017. This is lower than the UK average of £33.65 and the West Midlands average at £29.50. Relative to LEP comparators, the Marches has lower GVA per hour than both Greater Lincolnshire (£27.40) and the Heart of the South West (£27.89). Within the Marches, Telford and Wrekin is the most productive economy with GVA per hour of £28.64, followed by Shropshire (£27.09) and Herefordshire (£23.84).

GVA per hour in the Marches has been declining, with average negative growth of -0.5% per annum between 2012 and 2017. This is not in line with national and regional trends, which have experienced low but positive growth of 0.8% and 1.0%, respectively.

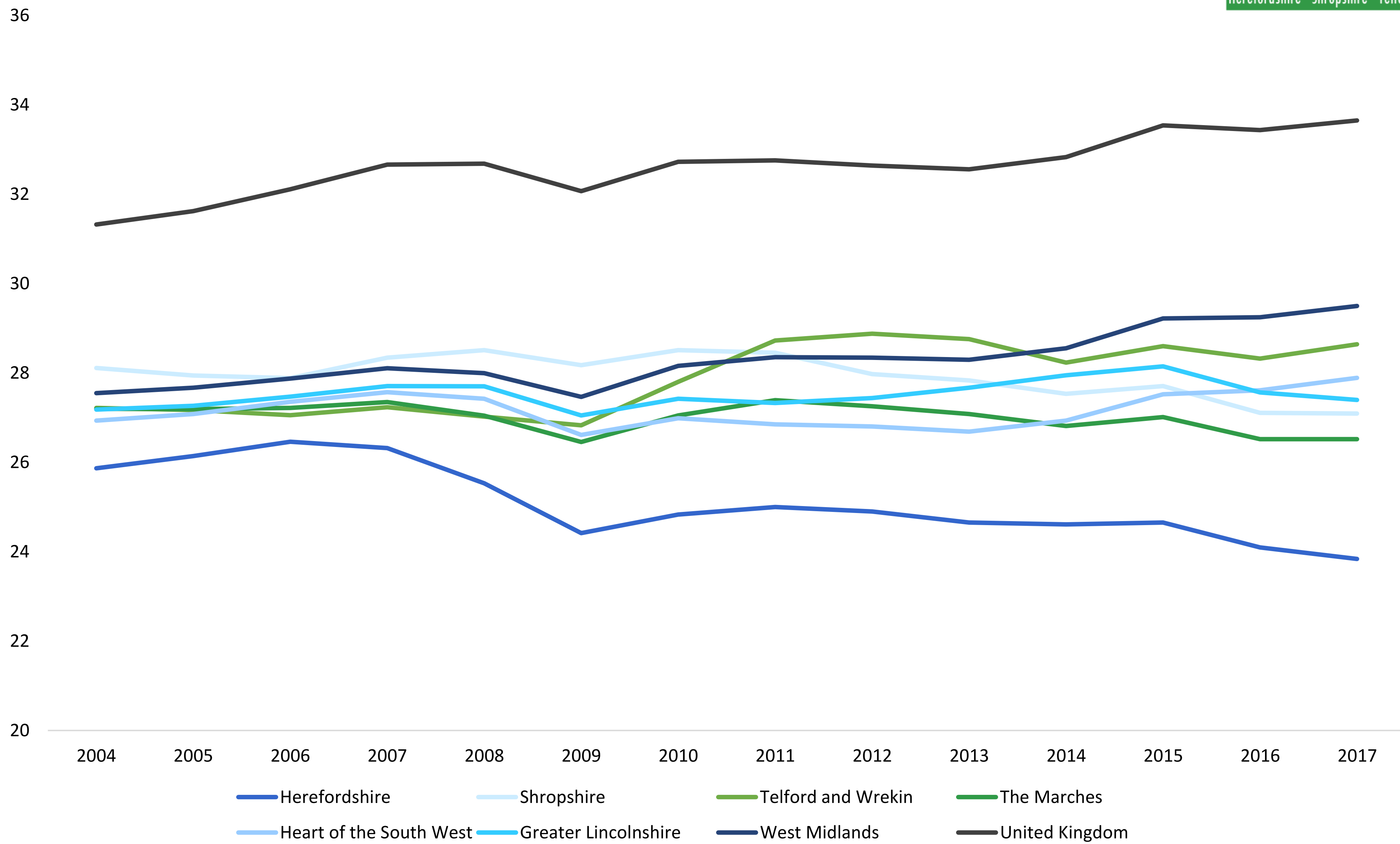
Productivity growth in Herefordshire and Shropshire is negative at -0.8% and -0.7% average growth per annum, respectively. Telford and Wrekin has stagnant productivity growth with on average -0.1% per annum.

Low and declining productivity in the Marches is not unique, but reflects its demographics, skills profile, sectoral composition, and physical and digital infrastructure, as will be explored in the rest of this evidence base.

In 2017 terms.

Source: ONS GVA per hour worked (2004-17)

GVA per hour worked (£) in the Marches, its local authorities and comparators (2004-17)



In 2017 terms.

Source: ONS GVA per hour worked (2004-17)

Productivity by broad sector groups

Productivity by broad sector group in the Marches (2012-17)

Broad sector group	GVA (£m)	GVA per job (£)	GVA per job growth	Jobs
Real estate*	£549	£84,462	2.4%	6,500
Information and communication	£552	£78,857	18.0%	7,000
Construction	£988	£65,867	12.4%	15,000
Manufacturing**	£2,195	£57,013	0.1%	38,500
Transportation and storage	£383	£38,300	-3.3%	10,000
Finance, business and professional services	£1,630	£36,629	-7.3%	44,500
Other services	£497	£34,276	-21.0%	14,500
Public sector	£2,536	£33,150	-10.4%	76,500
Agriculture, mining, energy, water and waste	£843	£32,053	3.7%	26,300
Retail and hospitality	£2,245	£29,539	6.4%	76,000

*In 2016 terms. * Excludes imputed rental.*
*** Includes food and drink.*

Productivity can also be measured by GVA per job. The table on the left shows GVA per job for broad sector groups (using the definitions set out in the Methodology).

Productivity tends to be lower in the Marches than the regional and national average (see the Appendices).

The highest productivity broad sector in the Marches is real estate* producing £84,462 per job, with GVA of £549m and 6,500 jobs. The sector is consistently the most productive across the country.

The next most productive is information and communication, producing £78,857 per job, due to its relatively modest GVA contribution (£0.5bn) and small number of jobs. GVA per job has risen significantly between 2012 and 2017 by 18%. Compared to the UK, information and communication is 12.7% less productive.

Construction is another high productivity sector within the Marches, producing £65,867 per job. It provides a greater GVA contribution than information and communication at almost £1bn, however it has over double the number of jobs, making it less productive. It is less productive than the GB average by 10%.

Manufacturing** contributes £2.2bn to the economy with 38,500 jobs, producing £38,300 per job. GVA per job has declined by -3.3% in the last five years. Research by Cambridge Econometrics (2019) shows this sector will be worth £2.6bn by 2030.

Agriculture, mining, electricity, gas, water and waste is one of the least productive categories. It has a moderate GVA contribution at £843m, but its GVA per job (£32,053) is pulled down by its large workforce of 26,300 jobs. Additionally, productivity is far below the rest of the UK (£72,356 per job).

Retail and hospitality provides one of the largest GVA contributions of any sector group at £2.2bn. It has a very high work force of 76,000 jobs, making GVA per job the lowest of all broad sector groups.

Source: ONS Balanced GVA by industry (2012-17), ONS BRES (2012-17); Cambridge Econometrics sector projections (2019)

Productivity by sub-sector

Having set out productivity by broad sector groups, this next section goes further by analysing productivity at the sub-sector level. The table on page 14 gives a more detailed breakdown of productivity for the top ten sub-sectors, whilst page 15 gives a break down for the bottom ten sub-sectors (either single SIC2s or groups of one or more aggregated SIC2s, depending on data availability).

This also considers levels of specialisation, as indicated by Location Quotients (LQs). LQs are ratios for each sector between the local share of employment and share of employment in GB. Higher LQs correspond to higher levels of specialisation, with an LQ above 1 indicating that the area is more specialised in that sector than GB as a whole. This is a key piece of analysis since building on existing sectoral strengths is likely to increase the chances of economic success.

Top ten most productive sub-sectors

Financial and insurance activities and civil engineering are the most productive sub-sectors. Financial and insurance activities has a GVA contribution of £420m and 4,250 jobs. However, it is less specialised than the rest of the UK and has experienced declining productivity (-8.3%) between 2012 and 2017.

Civil engineering produces £234m GVA, but has a smaller workforce (2,750 jobs). Unlike financial and insurance activities, this productivity has increased by 20% in the same period. The sub-sector is also slightly more specialised than GB with an LQ of 1.2.

There are two sub-sectors within manufacturing that feature in the top ten most productive sub-sectors. These include manufacture of wood, petroleum, chemicals and minerals and the manufacture of metals, electrical products and machinery. The latter has the higher GVA contribution of almost £1.0bn; however, it has over double the number of jobs (17,125).

Both are specialised in the Marches relative to GB, with manufacture of metals, electronics and machinery having an LQ of 1.61 and manufacture of wood, petroleum, chemicals and minerals with 1.23. Both have experienced declining productivity between 2012 and 2017.

Many of the remaining sub-sectors in the top ten are not specialised relative to GB, with some experiencing large declines in productivity. For instance, repair of households goods has seen a fall in productivity by -24% in five years.

Bottom ten least productive sub-sectors

Many of the bottom ten least productive sub-sectors are in health and social care, retail and hospitality. Some sub-sectors have large workforces of over 20,000 jobs.

The majority of sub-sectors within the bottom ten have experienced productivity losses, with social work; head offices and management consultancy; accommodation and food services; human health activities and tourism services all becoming less productive. Conversely, both services to buildings and landscape, and office administration have seen rises of 18.8% and 62.1%, respectively.

With the exception of services to buildings and landscape activities, all of the least productive sub-sectors underperform the GB and West Midlands average.

In 2016 terms.

Source: ONS Balanced GVA by industry (2012-17), ONS BRES (2012-17)

Top sub-sectors by productivity in the Marches (2012-17)

Sub-sector	GVA(£m)	GVA per job (£)	GVA per job growth	Jobs	LQ
Financial and insurance	£420	£98,824	-8.3%	4,250	0.40
Civil engineering	£234	£85,091	20.0%	2,750	1.20
Real estate*	£549	£84,462	2.4%	6,500	1.17
Rental and leasing activities	£155	£82,667	1.5%	1,875	1.19
Information and communication	£552	£78,857	18.0%	7,000	0.52
Construction of buildings	£319	£75,059	0.1%	4,250	0.90
Other professional, scientific and technical activities	£216	£66,462	-1.1%	3,250	0.56
Membership organisations; repair of household goods	£168	£62,804	-24.0%	2,675	0.96
Manufacture of wood, petroleum, chemicals and minerals	£484	£61,538	-3.3%	7,865	1.23
Manufacture of metals, electrical products and machinery	£999	£58,336	-1.8%	17,125	1.61

*In 2016 terms. * Excludes imputed rental.*

Source: ONS Balanced GVA by industry (2012-17), ONS BRES (2012-17)

Bottom sub-sectors by productivity in the Marches (2012-17)

Sub-sector	GVA (£m)	GVA per job (£)	GVA per job growth	Jobs	LQ
Social work activities	£97	£11,412	-45.0%	8,500	0.90
Head offices and management consultancy	£97	£13,857	-19.2%	7,000	0.85
Accommodation and food service activities	£411	£16,776	-16.8%	24,500	1.05
Arts, entertainment and recreation	£139	£18,721	-3.5%	7,425	0.93
Employment activities; tourism and security services	£221	£20,045	-3.0%	11,025	0.80
Services to buildings and landscape activities	£171	£28,500	18.8%	6,000	0.85
Retail trade	£835	£29,298	15.9%	28,500	0.96
Human health and residential care activities	£927	£29,429	-17.9%	31,500	1.01
Architectural and engineering activities	£136	£30,222	0.1%	4,500	0.86
Office administration and business support activities	£86	£31,273	62.1%	2,750	0.50

In 2016 terms.

Source: ONS Balanced GVA by industry (2012-17), ONS BRES (2012-17)

Job growth

Number of jobs and growth in the Marches, its local authorities and comparators (2012-17)

	Jobs (2017)	Jobs growth (2012-17)
Herefordshire	90,000	5.3%
Shropshire	137,500	6.2%
Telford and Wrekin	87,000	9.4%
The Marches	314,000	6.5%
Greater Lincolnshire	452,500	8.4%
Heart of the South West	755,500	5.9%
West Midlands	2,664,500	10.1%
GB	30,593,000	9.6%

The table to the left shows the total number of jobs and job growth between 2012 and 2017 in the Marches, its local authorities and comparators.

Overall there are 314,000 jobs in the Marches. This is a smaller employment base than in Greater Lincolnshire (452,500 jobs) and Heart of the South West (755,500 jobs).

Almost 44% of jobs are in Shropshire (137,500), followed by 90,000 in Herefordshire and 87,000 in Telford and Wrekin.

Over the past five years, job growth in the Marches has been 6.5%, which is higher than job growth in Heart of the South West (5.9%), but lower than in Greater Lincolnshire (8.4%), the West Midlands (10.1%) and GB (9.6%).

Employment growth has been fastest in Telford and Wrekin (9.4%) at a similar rate as the GB average. Growth in Herefordshire and Shropshire has been significantly lower at 5.3% and 6.2%, respectively.

See the Appendices for a table of SIC2 sub-sectors with over 1,000 new jobs created between 2012 and 2017.

Source: ONS BRES (2012-17)

Sectoral strengths and opportunities

Sectoral strengths and opportunities

27,500 jobs in **advanced manufacturing and engineering** with specialisms in metals, wood, rubber and plastic products, machinery and motor vehicles

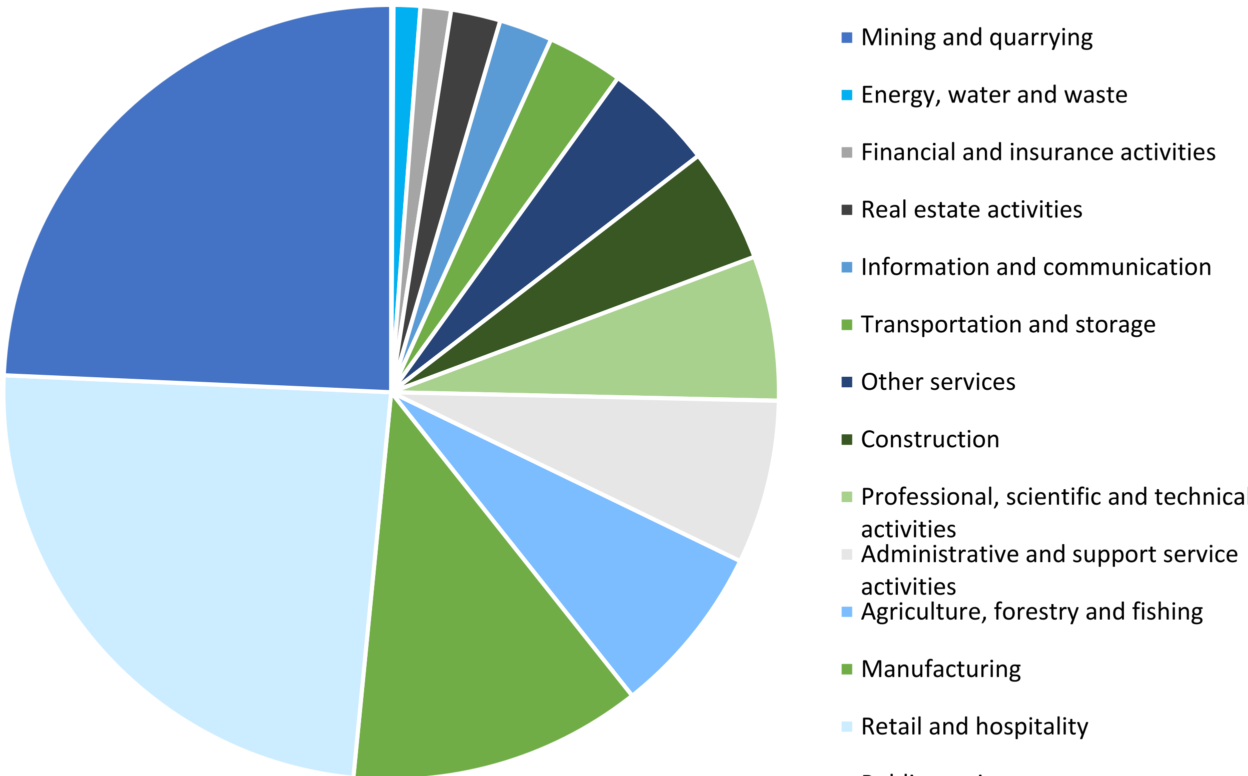
Based on a strong agricultural sector, with almost 10,000 jobs, **food and drink** in the Marches has sub-sectoral strengths in meat and dairy, and cider

With 13% of the UK's anaerobic digestors, there are emerging strengths in **energy and environmental technology**

A growing **cyber** sector based around Cyber Valley, the largest cyber security cluster outside of London

Sector make up of the economy

Employment by broad sectors in the Marches (2017)



The pie chart illustrates the broad sector make up of the Marches economy (using the definitions in the Methodology).

In 2017, there were 314,000 jobs in the Marches*. Almost 50% of jobs in the Marches are in two broad sectors: 76,500 (24.3%) are in public services and 76,000 are in retail and hospitality (24.1%).

Just over 12% of jobs are in manufacturing (including food and drink) (38,500 jobs). There are 22,500 jobs in agriculture.

There are a high number of jobs in certain service sectors, including administrative and support service activities (21,500 jobs) and professional, scientific & technical activities (19,000).

Taking a more in-depth look at sub-sectors, shows the top three SIC2 sub-sectors are retail trade (except for motor vehicles and motorcycles) with 28,500 jobs, education (25,000 jobs) and crop and animal production (22,000 jobs) (see the Appendices for a table of top 20 SIC2 sub-sectors by number of jobs).

** Please note jobs by sector quoted in this analysis might not sum to the total number of jobs as these are estimate based.*

Source: ONS BRES (2017)

Levels of specialisation

The bubble charts on the following pages illustrate results of the Location Quotient analysis for SIC2 sub-sectors. On the y-axis are the LQs for 2017 with a higher value indicting a higher degree of specialisation. The right quadrant denotes gains in concentration and the left quadrant represents de-concentration, relative to GB over the period 2012-2017. The size of the bubbles indicates total employment in the sub-sector. The bubble chart on page 23 shows a zoom in of the SIC2 sub-sectors in the boxed area on page 22.

Advanced manufacturing and engineering

Advanced manufacturing comes through as a highly specialised sector, with six SIC2 sub-sectors featuring in the overall top 20: manufacture of basic metals, wood, rubber and plastic products, machinery and equipment, motor vehicles and fabricated metals. Together, these sub-sectors account for almost 20,000 jobs.

Basic metals and wood manufacture are the most specialised sub-sectors. The manufacture of basic metals is over three times as specialised in the Marches as GB and the manufacture of wood products is over twice as specialised. Of the top 20 most specialised SIC2 sub-sectors, basic metals has experienced the greatest increase in concentration over the five years spanning 2012 to 2017.

Manufacture of motor vehicles, machinery and equipment, and rubber and plastic products are all twice as specialised as GB, but have become less concentrated over the period.

Food and drink

Food and drink is also an important sector in the Marches. Food manufacture is over twice as specialised as GB and drink manufacture is almost three times more specialised. Both have become less specialised since 2012. Combined they have 10,000 jobs and this base has remained stable.

Agriculture (closely linked to food and drink manufacture) has the highest specialism of the top 20. Crop and animal production has an LQ of 4.64 and has become more specialised over time. It also has the highest employment of the most specialised SIC2 sub-sectors (22,000 jobs).

Source: ONS BRES (2012-17)

Business and professional services

The Marches has strengths in business and professional services. Rental and leasing activities has an LQ of 1.20 and 1,875 jobs, whilst insurance services has an LQ of 1.32 and 1,250 jobs. Both have become more specialised over time. Real estate activities also features in the top 20 with an LQ of 1.18 and 6,500 jobs.

Retail and wholesale

Retail and wholesale has two sub sectors within the top 20, including wholesale and retail trade of motor vehicles, and the wholesale of all other trades. Together these SIC2 sub-sectors have 23,000 jobs. Specialism over the past five years has seen little change.

Health and social care

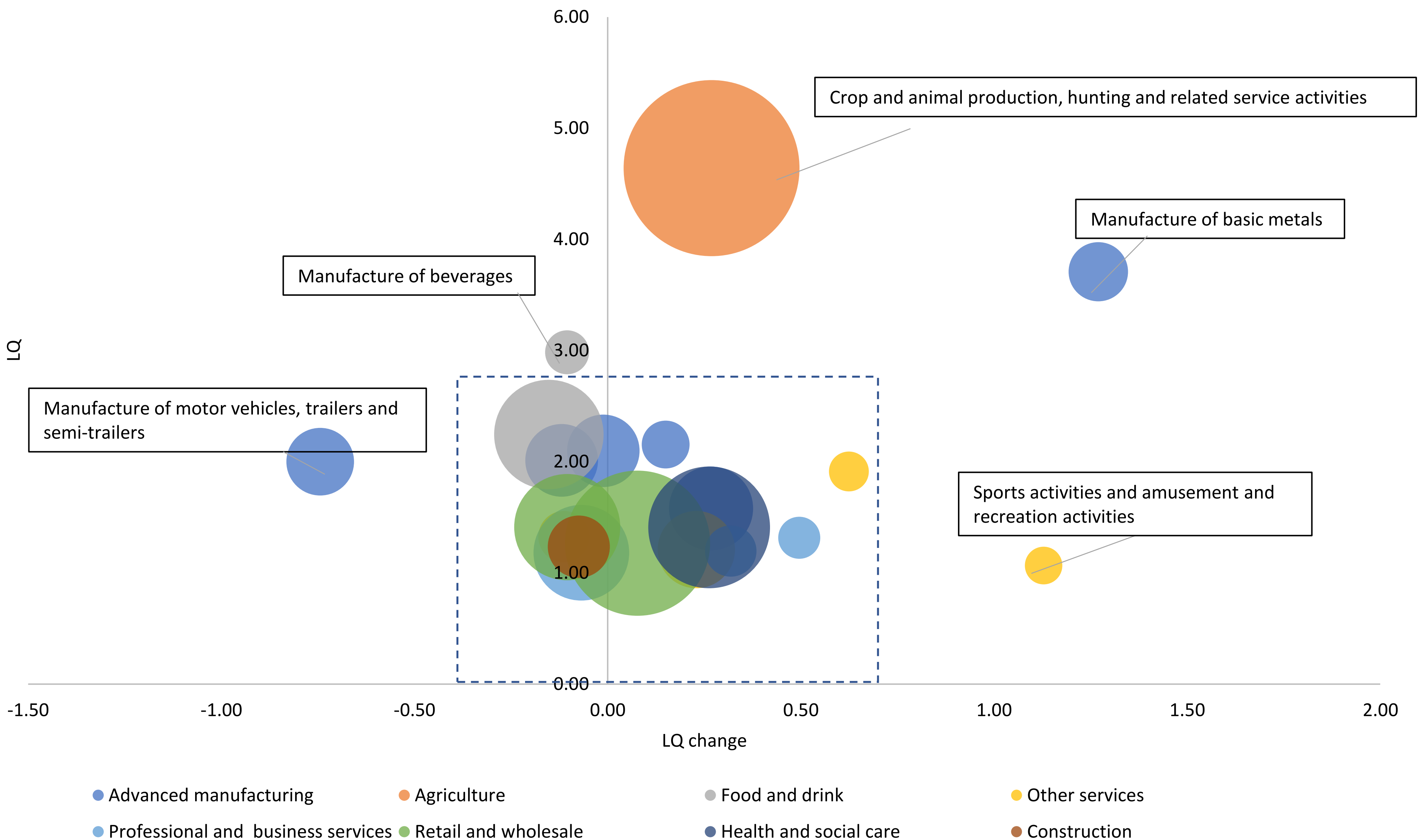
There is one health and social care sub-sector in the top 20. Residential care activities has 10,500 jobs, with 2,000 new jobs in the last five years, and an LQ of 1.41.

Other services

The Marches also has specialism in a wide range of other services, such as veterinary activities, waste collection, sports and recreation activities and civil engineering.

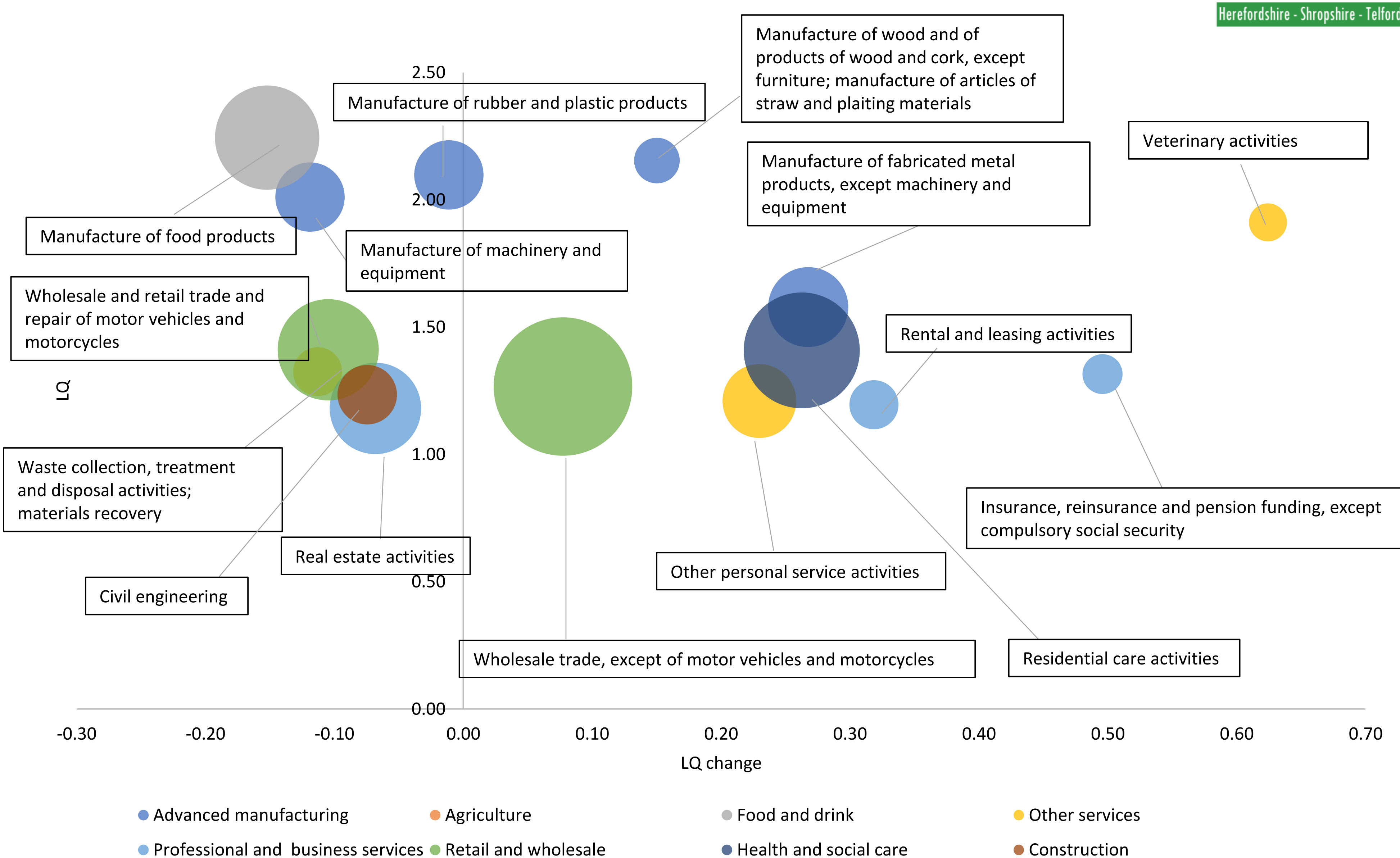
Source: ONS BRES (2012-17)

Top 20 SIC 2 sub-sectors by LQ in the Marches (2012-17)



Source: ONS BRES (2012-17)

Zoomed in top 20 SIC 2 sub-sectors by LQ in the Marches (2012-17)



Source: ONS BRES (2012-17)

More detailed specialisation

The bubble charts on the following pages illustrate results of the LQ analysis for SIC5 sub-sectors. The bubble chart on page 27 shows a zoom in of the SIC5 sub-sectors in the boxed area on page 26.

Carrying out specialisation analysis at this detailed sub-sectoral level enables us to dig down and identify specific strengths and specialisms in the Marches. This further demonstrates the Marches strengths in advanced manufacturing and engineering, and food and drink.

Advanced manufacturing and engineering

Analysis at the SIC5 sub-sector level further shows that advanced manufacturing and engineering is a key sector within the Marches. Within metals, the casting of light metals has 700 jobs and is over 12 times more specialised in the Marches than GB.

Relating to strengths in automotive, the manufacture of accessories and parts for motor vehicles is over five times more specialised than GB and has 3,000 jobs.

Manufacture of office machinery is highly specialised with an LQ of 22.92 and a high employment base of 1,000 jobs.

Food and drink

Food and drink has six SIC5 sub-sectors featuring in the top 20.

Within food manufacturing there are three specialisms. Processing and preserving of poultry meat comes through as one of the strongest, with 2,250 jobs and an LQ of 9.74. There has been a decline in employment since 2012. Processing of other meats provides 1,750 jobs, which has increased by 900 in the same period, although it is less specialised than poultry processing.

Other specialised SIC5 sub-sectors include butter and cheese processing with 500 jobs and an LQ of 8.12 and manufacture of cocoa with 600 jobs and an LQ of 6.50.

In drink manufacture, the manufacture of cider and other fruit wines has the highest specialism of the top 20 with an LQ of 36.54 and 750 jobs. Manufacture of milk products has an LQ of 15.59 and 600 jobs.

Related to food and drink, agriculture is almost five times more specialised in the Marches than GB and has 22,000 jobs.

Source: ONS BRES (2012-17)

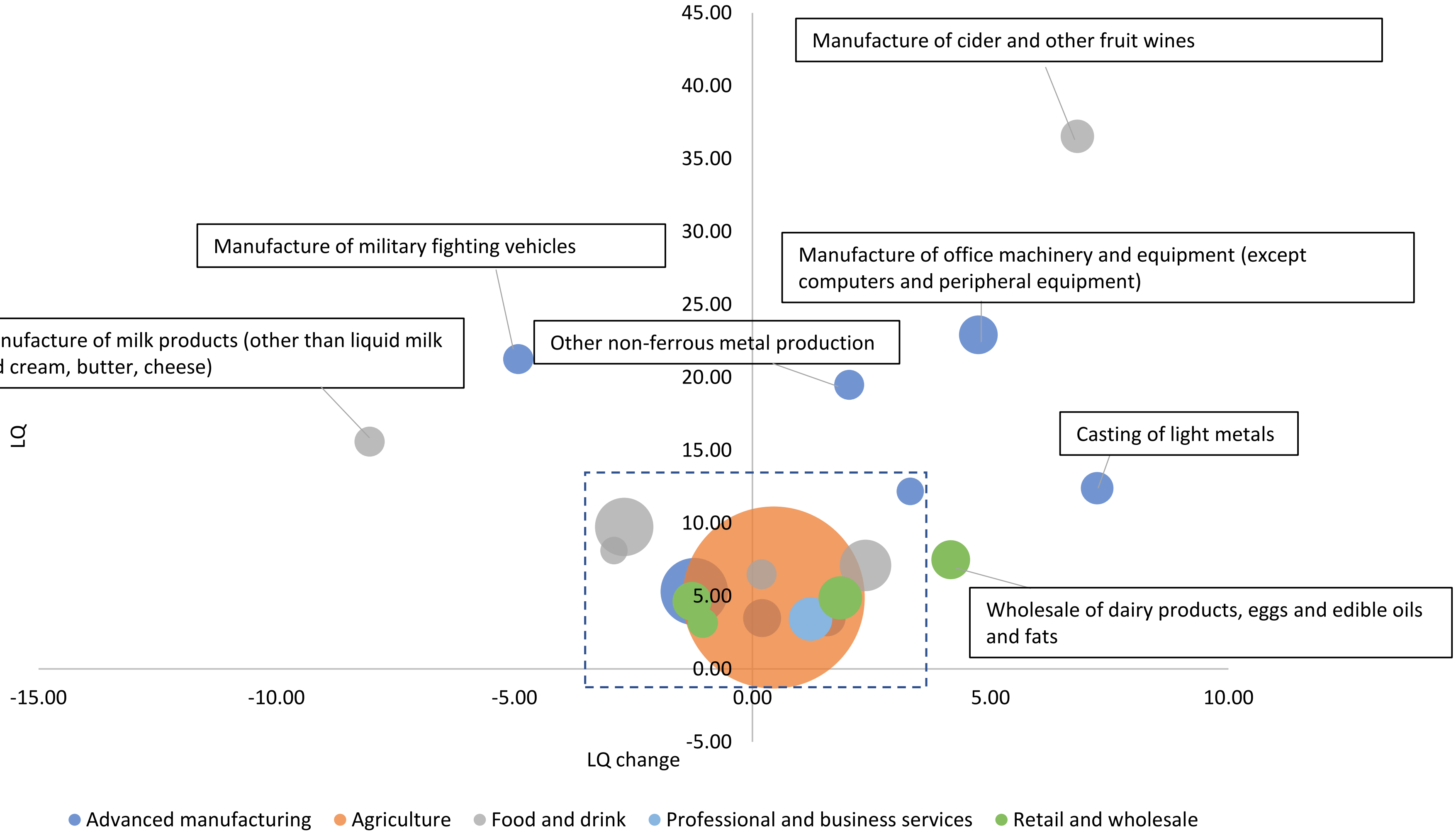
Retail and wholesale

There are four retail and wholesale sub-sectors in the top 20 most specialised SIC5s with the majority of these relating to food and drink. Wholesale of dairy has a high specialism of 7.49 and 1,000 jobs. Employment has doubled between 2012 and 2017. Wholesale of agricultural equipment is three times as specialised in the Marches as GB with 600 jobs. The wholesale of meat is a growing SIC5 sub-sector with over a 50% increase in the number of jobs between 2012 and 2017 (now at 1,250).

Linked to the strength in manufacture of office machinery, wholesale of office machinery has 1,000 jobs and an LQ of 4.64.

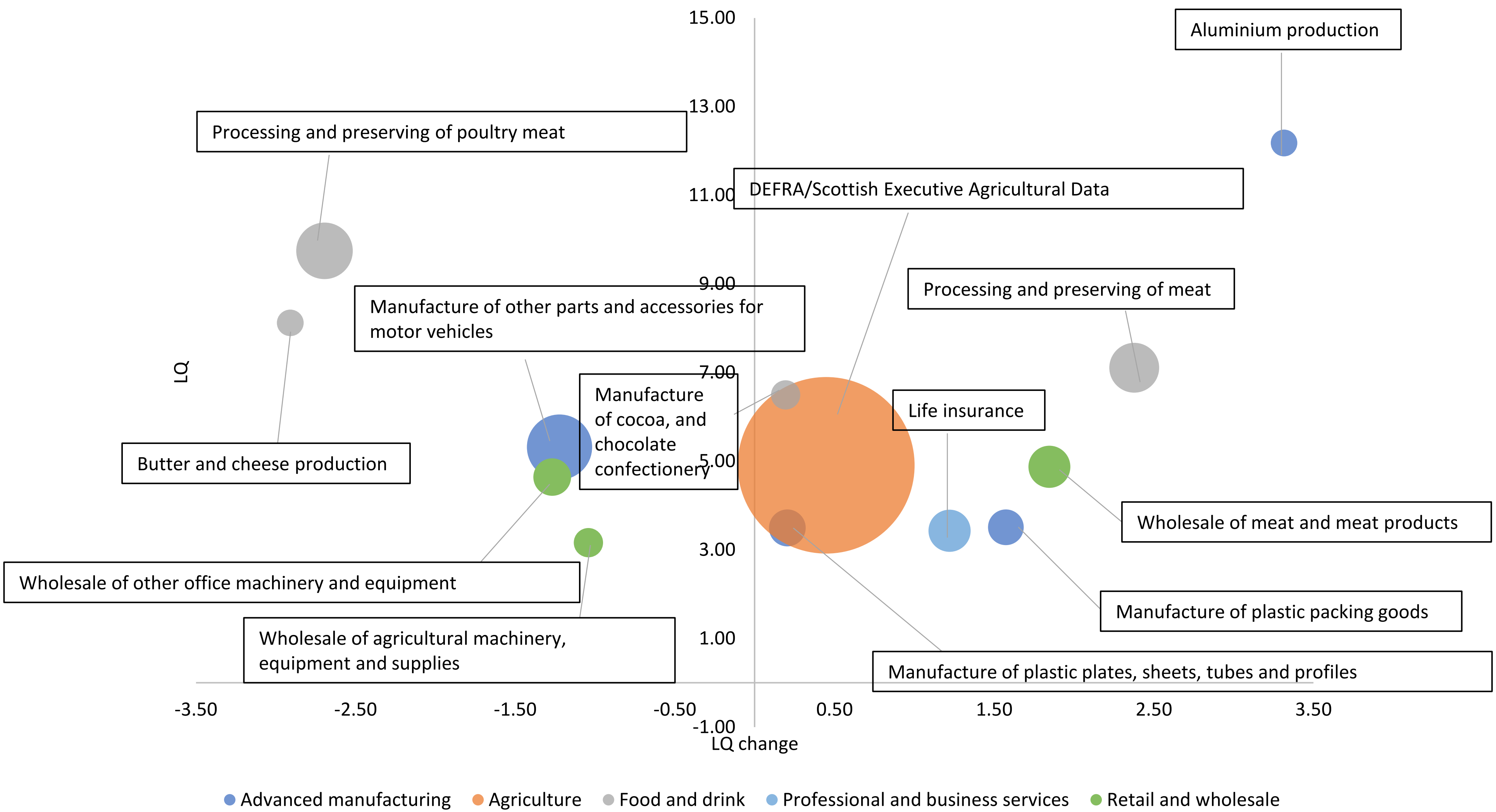
Source: ONS BRES (2012-17)

Top 20 SIC 5 sub-sectors by LQ in the Marches (2012-17)



Source: ONS BRES (2012-17)

Zoomed in top 20 SIC 5 sub-sectors by LQ in the Marches (2012-17)



Source: ONS BRES (2012-17)

Advanced manufacturing and engineering

Employment, specialisation and sub-sectors

The Marches has a strong advanced manufacturing and engineering sector with a high number of jobs and several highly specialised sub sectors.

In 2017, there were 27,500 jobs in the sector, which accounted for 8.8% of total jobs within the Marches, compared to 6.3% nationally. There are 1,575 businesses.

There has been a 3.7% rise in the number of advanced manufacturing and engineering jobs between 2012 and 2017, which is slightly faster than 3.3% in GB. Within advanced manufacturing and engineering, five of the most specialised sub-sectors make up over 70% of total employment. These include manufacture of metals, wood, rubber and plastic products, machinery and motor vehicles.

The manufacture of metals has 7,500 jobs is almost twice as specialised as GB. It is a growing sub-sector with 1,750 new jobs between 2012 and 2017. Two thirds of jobs in metals (5,000 jobs) relate to fabricated metals, a sub-sector with an LQ of 1.58, whilst one third are in basic metals (2,500 jobs), which is over three times more specialised in the Marches than GB.

In fabricated metals, the manufacture of metal structures (1,375) and machining (1,125) have the highest number of jobs. Metal structures is 2.5 times more specialised in the Marches than GB.

Within basic metals, there is a specialism in casting of metals (700 jobs), which is 12 times more specialised than GB and has become more specialised with an increase in jobs.

Automotive is twice as specialised in the Marches as GB with 3,250 jobs. However this has been declining between 2012 and 2017, with a loss of 500 jobs. Over 90% of automotive jobs are in the manufacture of motor vehicles, production of other parts and accessories, which is over five times more specialised in the Marches than GB and has 3,000 jobs.

Manufacture of machinery and equipment has a high employment base of 3,750 jobs, but lost 500 jobs in the same period. Office machinery and equipment manufacture has 1,000 jobs, with a further 450 in agricultural and forest machinery manufacture.

Manufacture of rubber and plastic products has 3,750 jobs and is twice as specialised as GB. This specialism is largely driven by plastic packaging of goods, which has an LQ of 3.51 and 900 jobs, and the manufacture of plastic sheets, tubes and profiles with an LQ of 3.49 and 950 jobs. The manufacture of other plastic goods contributes the most to the total employment with 1,000 jobs and has an LQ of 1.76.

Manufacture of wood products has 1,625 jobs. Around 70% of jobs are in builders carpentry and joinery, which is twice as specialised as GB.

For a detailed table of sub-sectoral specialisms, see the Appendices.

Source: ONS BRES (2017)

Spatial distribution of jobs

The map overleaf shows the spatial distribution of jobs in advanced manufacturing and engineering across the Marches to identify areas of job concentration. The total number of jobs in advanced manufacturing is shown by mid-level super output area (MSOA) with the darker colour representing a higher number of jobs. There are eight areas across the Marches with a high concentration of jobs in advanced manufacturing and engineering, with the largest in Telford.

Jobs in metals are concentrated primarily on the A442 south of Telford (1,560 jobs) and the area east of Bridgnorth (1,145 jobs). There is a lower concentration of jobs on the A438 West of Hereford (800 jobs), Telford (355 jobs) and west of Telford (250 jobs).

Machinery manufacturing is found mainly in Telford where there are 960 jobs. Less significant concentrations are found in south of Telford (540 jobs), south of Hereford (525 jobs) and west of Telford (350 jobs).

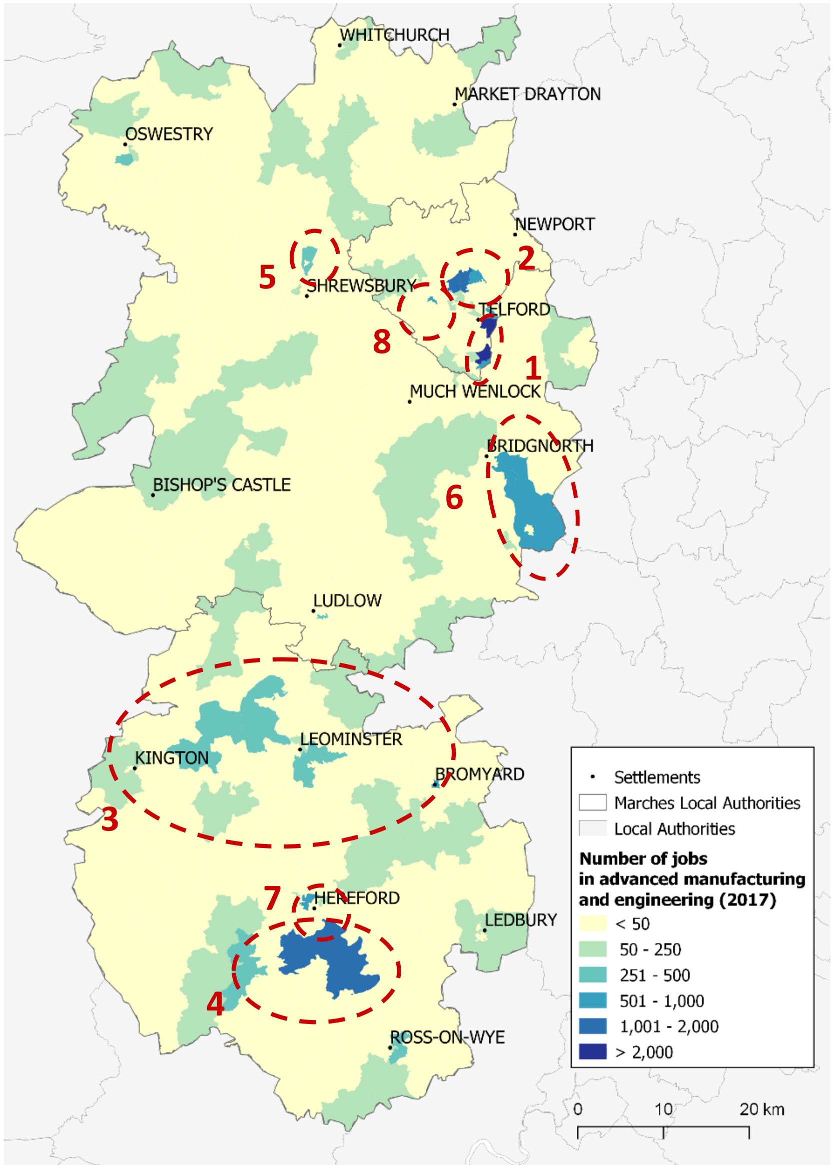
The area that has the largest employment base in rubber and plastic products is south of Telford with 1,215 jobs. Other areas with smaller concentrations of jobs include the A44 from Kingston to Bromyard (600 jobs) and the area south of Hereford (560 jobs).

Around 50% of all automotive jobs are based in Telford. The area stretching along the A44 from Kington to Bromyard has a further 500 automotive jobs, whilst there are 250 in Battlefield.

There is a concentration of manufacturing employment south east of Ludlow, with 255 jobs, 175 of which are within the manufacture of machinery. McConnel, an agricultural machinery manufacturer, is based here.

Source: ONS BRES (2017)

Spatial distribution of advanced manufacturing and engineering jobs in the Marches (2017)



	Geographic area	Total no. jobs	No. jobs in sub-sectors	Example companies
1	A442, south of Telford	5,685	Metals: 1,560, Rubber and plastics: 1,215, Machinery: 540, Paper: 535	The Metal Works, M&P Engineering, Wrekin Sheetmetal, Midland Alloy, CEL Sheet Metal, Secal, Telford Fabrications Plastil
2	Telford	4,605	Automotive: 1,580, Machinery: 960, Rubber and plastics: 365, Metals: 355	Ricoh, BAE Systems, GKN Wheels and Structures
3.	A44 from Kington to Bromyard	2,045	Rubber and plastics: 600, Automotive: 500, Metals: 325, Computers/Electronic: 205	Polythene Solutions, Zwick Testing Machines
4.	Area south of Hereford	1,990	Rubber and plastics: 560, Machinery: 525, Wood: 460, Metal: 245	Elite Plastics, Claymore Plastics, Deyn Plastics, Cypher Co, Selmach Metalworking Machinery
5.	Battlefield	1,340	Machinery: 295, Automotive: 250, Metals: 170, Petroleum products: 120	Doncasters Aerospace, Caterpillar Defence, EAE Automotive Equipment, Sentinel Manufacturing
6.	Area east of Bridgnorth	1,335	Metals: 1,145	Bridgnorth Aluminium, Kecol Pumping Systems, Grainger and Worrall
7.	A438, west of Hereford	1,055	Metals: 800, Rubber and plastics: 170	AB Stainless, Special Metals Wiggin, JMG Sheetmetal
8.	A5, west of Telford	855	Machinery: 350, Automotive: 250, Metals: 250	Epson Telford, Ethero Telford and Telford Copper Cylinders

Source: ONS BRES (2017)

Food and drink

Employment, specialisation and sub-sectors

Over 3% of jobs in the Marches are in food and drink (9,875 jobs), compared to the GB average at 1.3%. Between 2012 and 2017, food and drink job growth was 2.6%, which is significantly lower than GB (10.4%). There are 170 businesses. When combined with agricultural businesses, this increases to 6,000.

Manufacture of beverages is three times as specialised in the Marches than GB with 1,375 jobs and strong job growth of over 22% between 2012 and 2017.

Within drinks manufacture, manufacture of cider and other fruit wines is highly specialised with a very high LQ of 36.5 with 750 jobs.

Food manufacturing has an LQ of 2.4 and a high number of jobs (8,500 jobs) with no change in jobs between 2012 and 2017.

An area of particular high employment and specialism within this sub-sector is processing and preserving of poultry meat. This is almost ten times more specialised in the Marches than GB and has 2,250 jobs. There has been a decline of jobs by 10% between 2012 and 2017. There are a further 1,750 jobs in meat processing, which is also specialised with an LQ of 7.10.

Manufacture of milk products is highly specialised with an LQ of 15.59. It has 600 jobs, which has declined considerably from 1,250 in 2012. Manufacture of cocoa and butter/cheese production are specialised sub-sectors, each with 600 jobs.

For a detailed table of sub-sectoral specialisms, see the Appendices.

Spatial Distribution

The map on page 32 shows the spatial distribution of jobs in food and drink across the Marches. Distribution of jobs is relatively dispersed across the area with four areas of concentration.

West of Hereford has the greatest density of employment (2,675 jobs) with around 75% of these in poultry processing. Other contributors are cider and grain milling with 425 and 225 jobs, respectively.

Another area that provides employment in meat processing is the area north east of Oswestry (700 jobs) with a further 350 jobs in butter and cheese production.

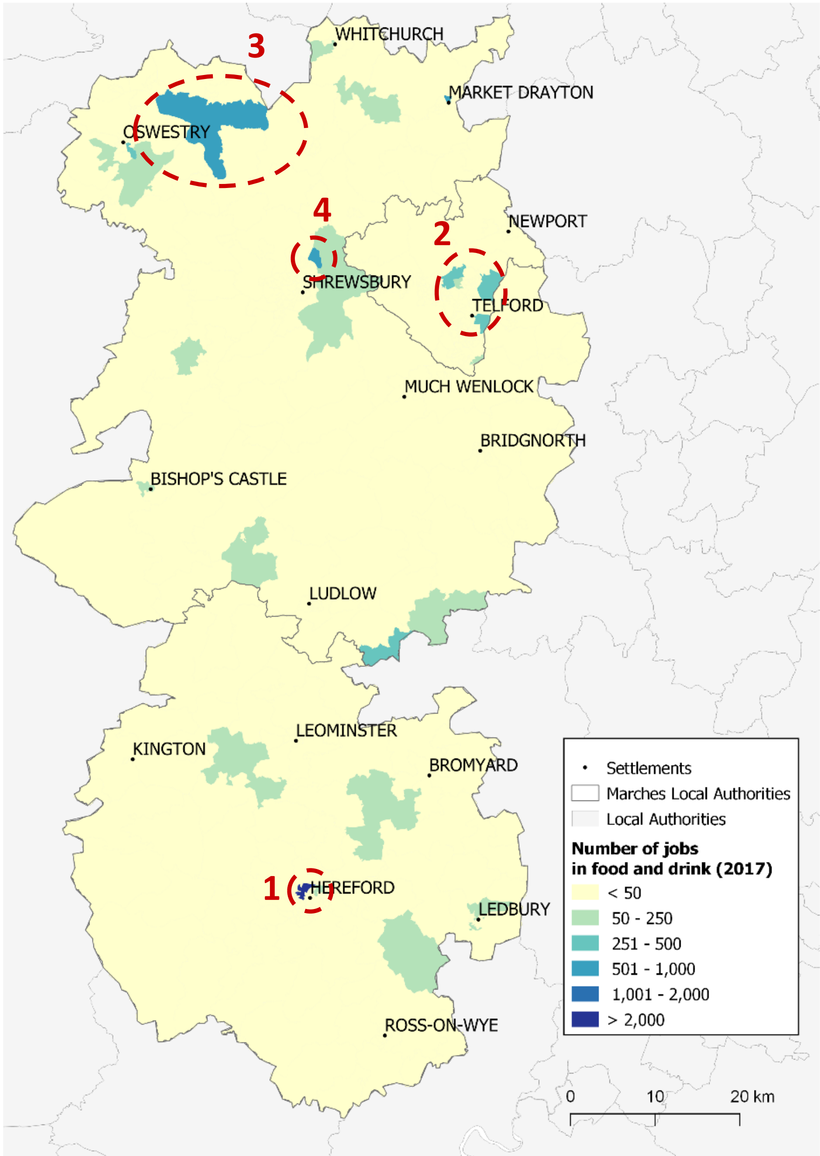
Battlefield has a further 700 jobs in meat processing, which accounts for almost all employment within the food and drink sector in the area.

There 1,400 food and drink jobs in and around Telford with 500 jobs in cocoa manufacture, 400 jobs in milk manufacture and 250 jobs in poultry processing.

Source: ONS BRES (2017)

The Marches Local Enterprise Partnership
Herefordshire - Shropshire - Telford & Wrekin

Spatial distribution of food and drink jobs in the Marches (2017)



	Geographic area	Total no. jobs	No. jobs in sub-sectors	Example companies
1	A438, west of Hereford	2,675	Poultry processing: 2,000, Cider: 425, Grain Milling: 225	Cargill, Heineken
2	A41, Telford	1,400	Cocoa: 500, Milk: 400, Poultry processing: 250	Avara, Evolution Foods, Müller, Sirane and TCL Packaging
3	Area north east of Oswestry	1095	Meat processing: 700, Butter and Cheese: 350	ABP Food Group and Arla
4	Battlefield	740	Meat processing: 700	ABP Food Group, Fryers Catering Services

Source: ONS BRES (2017)

Energy and environmental technologies

The energy and environmental technologies sector is difficult to capture by SIC code analysis. Therefore, the granular detail with which the sector can be analysed differs to more conventional sectors, such as advanced manufacturing and engineering.

Based on the most recent data published by the Department of Business, Innovation and Skills in 2011/2012 on the Low Carbon Environmental Goods and Services (LCEGS) sector at the local level, there were 8,279 jobs, 453 companies and £1.1bn sales in this sector in the Marches.

From analysing the number of renewable energy installations as of March (2019), it is clear that the Marches has strengths in anaerobic digestion. There are 53 anaerobic digesters in the Marches, over half of which are located in Shropshire (BEIS, 2018). This accounts for almost 13% of the total number of anaerobic digestors in the UK.

The map on the next page shows the location of anaerobic digestion plants across the Marches area (it is important to note that the number of digestor mapped differs to the figures quoted above due to them being from different sources). They are fairly evenly distributed across Shropshire and Hereford with four small clusters in north west Kington, Ludlow, south west Oswestry and south Herefordshire.

Anaerobic digestors are closely linked to the agricultural sector in the LEP area, as 36 of the 41 digestors mapped are 'farm-fed', the remainder being categorised as 'waste-fed'. This indicates the emergence of a circular economy, whereby wastage products from one or more industries are used to generate value through another use.

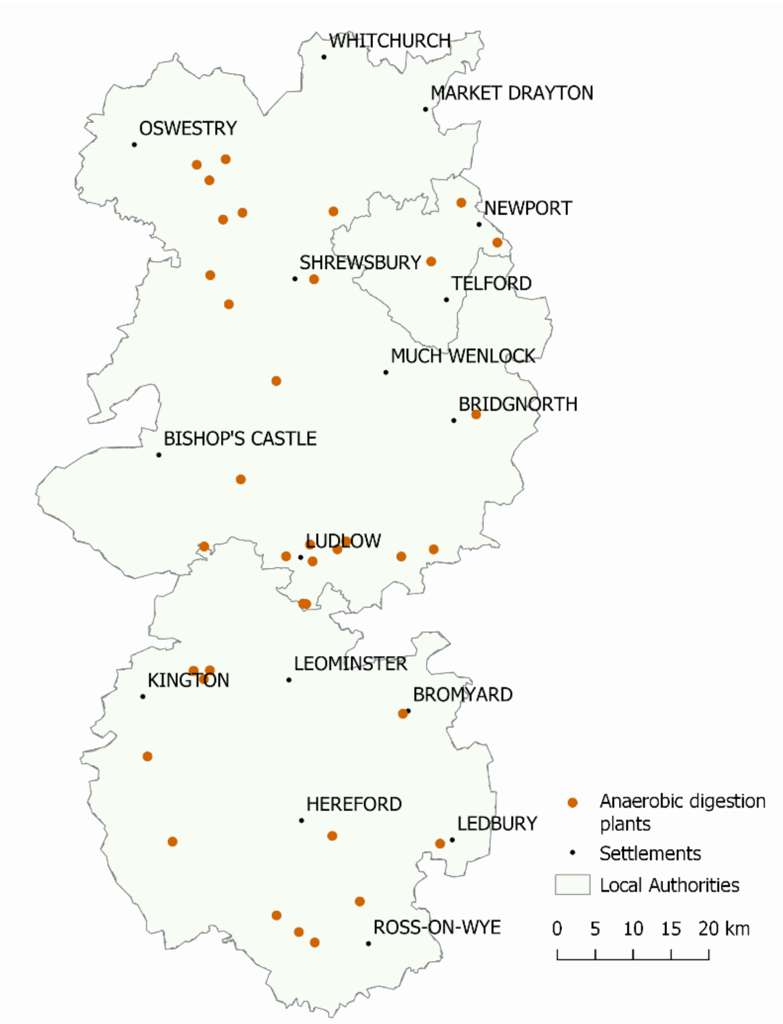
Digestors typically use more than one feedstock. The feedstock used by the highest number of plants is animal waste from cattle and pigs, including slurry and manure (22 plants). The second most popular feedstock is energy crops (20 plants), followed by poultry waste (18 plants), silage (12 plants) and food waste (11 plants). The high use of waste from livestock reflects the LEP area's strengths in poultry and meat processing. Also relating to the drink processing sector, one digestor in Ledbury was developed by Heineken to use its brewery waste.

Technology provider and engineering companies operating the anaerobic digestors include Marches Biogas, which is known to operate 14 of the digestors in the Marches, as well as plants in Lancashire, Northumberland, Gloucestershire, Cheshire, Devon, South Western Scotland, East Wales, West Wales and the Valleys. Other companies include Biogen Greenfinch, Free-Energy, OMNI Heat and Power, MT Energie, EverGreen Gas, Ener-G, PlanET and E&J Solutions.

It should also be noted that the Marches has strengths in photovoltaics. On average, the Marches has a photovoltaic installation rate of 427 per 10,000 households compared to the national average of 287 per 10,000 households (BEIS, 2018). In Herefordshire, the rate is as high as 513 installations per 10,000 households. It is likely that there are a range of service companies based around this sub-sector, demonstrating a key opportunity for the Marches.

Anaerobic digestion

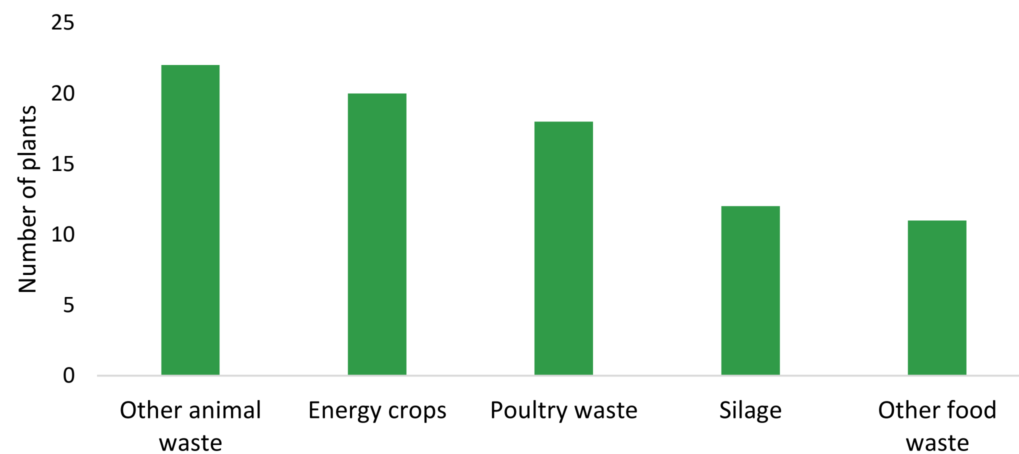
Anaerobic digestion plants in the Marches (2018)



Cumulative installations confirmed on the Central Feed-in Tariff Register in the Marches and its local authorities (March 2019)

	Photovoltaics	Wind	Hydro	Anaerobic Digestion
Herefordshire	4,941	19	6	19
Shropshire	6,590	69	4	29
Telford and Wrekin	2,519	3	-	5
The Marches	14,050	91	10	53
Share of UK	1.7%	1.2%	0.9%	12.6%

Number of anaerobic digestion plants using particular feedstock in the Marches (2018)



Source: BEIS (2019) Sub-regional Feed-in Tariffs statistics; The Official Information Portal on Anaerobic Digestion (2018)

Cyber resilience and security

Cyber resilience and security is a specialised sub-sector related to both the traditional defence and security sector and the new digital sector.

The Marches has traditional strengths in defence and security, due to the presence of the Special Air Service in Hereford and G4S HQ in Ross on Wye, as well as the close proximity of GCHQ in Cheltenham. There are 11,550 jobs in defence and security, 11,000 of which are in public administration and defence and 550 of which are in security and investigation activities. Linked to this sector are 600 jobs in the manufacture of military fighting vehicles, a sub-sector which is over 20 times more specialised in the Marches than GB, and 250 jobs in weapons and ammunition manufacture. Herefordshire has 200 companies in defence and security, many of which have been set up by ex-military personnel.

There are a further 9,500 jobs in the digital economy and according to a recent study by the University of Wolverhampton, there are over 1,400 businesses.

Bridging defence and security and the digital sector is the emerging strength in cyber resilience and security. This sector is centred in Herefordshire, which along with Gloucestershire and Worcestershire, is within the Malvern Cyber Security Cluster or 'Cyber Valley'. This is considered to be the UK's largest cyber security cluster outside of London in a Science and Innovation Audit published by the Department of Business, Energy and Industrial Strategy.

There are over 100 businesses within Cyber Valley, focused on research and development, and producing and selling cyber security products and services.

Within cyber security, businesses in Herefordshire are typically providing B2B services aimed at addressing the 'everyday' security issues of businesses, such as IP theft, rather than cyber terrorism.

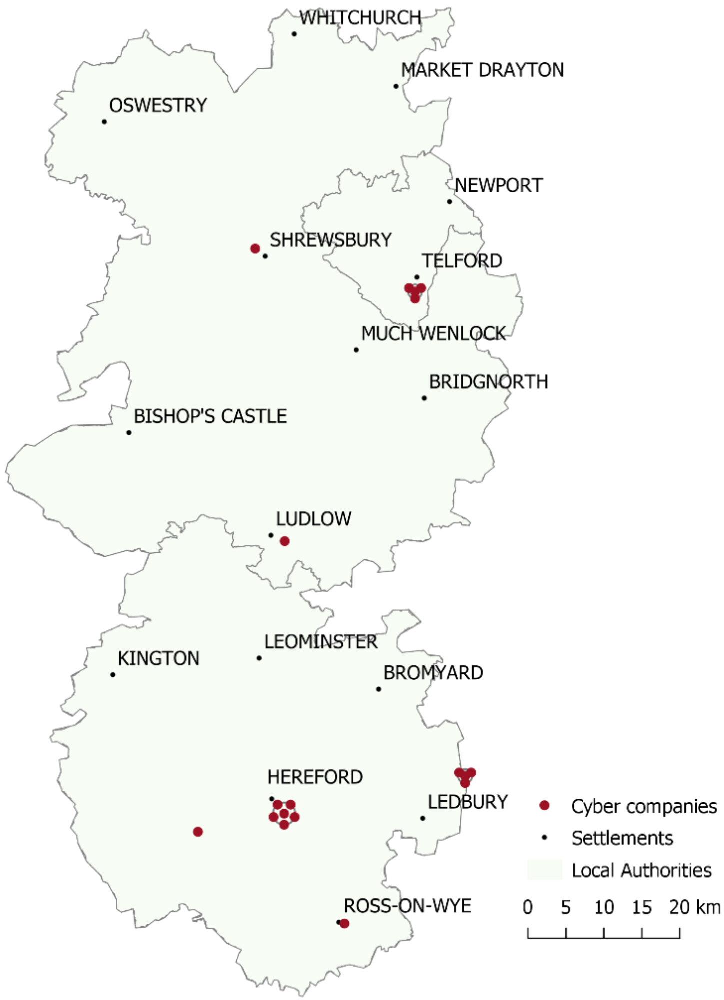
Skylon Park, Hereford Enterprise Zone, is a key employment site in this sector. It is the only Enterprise Zone in the UK with a focus on defence and security. The Cyber Quarter – Midlands Centre for Cyber Security will be based at Skylon Park, making Herefordshire home to the UK's leading centre of excellence in cyber security. The £9m state-of-the-art hub will support innovation and businesses in the sector, providing tailored security testing, training, R&D and sector expertise. Partners include the University of Wolverhampton and Herefordshire Council, with funding from the Local Growth Fund, via the Marches LEP, and the European Regional Development Fund. It will be home to 16 cyber SMEs.

The map on the page overleaf illustrates the distribution of cyber companies in the Marches (please note, this is not exhaustive). There is a cluster of cyber companies in Hereford and on the Herefordshire-Worcestershire border towards Malvern Hills and Worcester. Local companies include ETL Systems, Serbus and KeyIQ.

There are cyber strengths in Telford. Capgemini leads the cyber cluster in Telford, investing in SMEs working on control systems, the Internet of Things, and connected cars. Nasstar, a cloud hosting company with an office in Telford, sells cyber security as a part of its package of services.

Cyber companies

Example cyber companies in the Marches



	Example companies
Hereford	ETL Systems, Serbus, Simtech-IT, Xreach, Zovolt, Hex Security
Telford	Capgemini, SmartWater Technology, Nasstar
Shrewsbury	Hazy (Anon AI)
Ross-on-Wye	Logiplex Solutions
Ludlow	Idappcom

Artist's impression of the developed North Magazine, Skylon Park

The Marches
Local Enterprise Partnership
Herefordshire - Shropshire - Telford & Wrekin

Foundation of productivity: Ideas

Foundation of productivity: Ideas

£46m business spend on R&D or **£69** per person – lower than other places

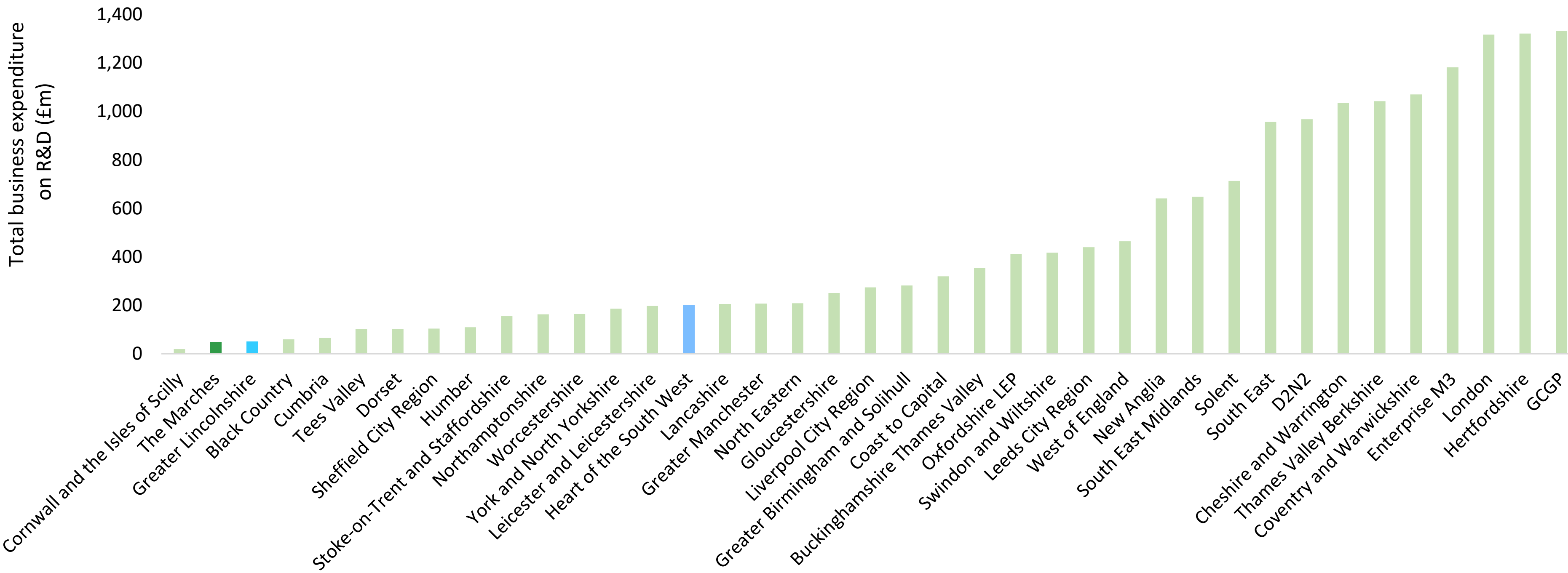
265 tax credit claims amounting to **£5-15m**

Innovate UK

£18.9m funding with projects relating to sectoral strengths – **£3.6m manufacturing and materials**, **£1.8m food supply** and **£450K agri-tech**

Business spend on R&D

Business spend on R&D by LEP (2013)



The graph above shows the spending of businesses on R&D by LEP. This uses a dataset which is only available for 2013.

The Marches has low levels of innovation and ranks as one of the lowest for total business expenditure on R&D (37/39). Businesses in the Marches spend £46m overall or £69 per person.

Total business R&D expenditure in the Marches is similar to Greater Lincolnshire (£50m), but per capita spend is lower (£47 per capita).

Spend by businesses on R&D is higher in Heart of the South West (£200m), which is around £119 per person.

Source: ONS Business Enterprise Research and Development by LEP (2013)

R&D tax credits

*Summary of R&D tax credits in the Marches, its local authorities and comparators (2015-16)**

	Number of claims	Amount claimed (£m)	Expenditure (£m)
Herefordshire	95	<£5	<£5
Shropshire	105	<£5	<£5
Telford and Wrekin	65	<£5	<£5
The Marches	265	<£15	<£5
Greater Lincolnshire	220	£5	£35
Heart of the South West	410	£20	£150
West Midlands	3,785	£290	£2,440
UK	42,885	£3,650	£28,685

R&D tax credits support companies working innovatively to advance science and technology. It is essential that projects advance the overall field, rather than just for the purpose of the business. Relief is made available for both SMEs and large companies.

Overall, in 2015-16, there were 265 claims made in the Marches, which is estimated below £15m. Nearly half of these were in Shropshire (105 claims), followed by Herefordshire (95 claims) and Telford and Wrekin (65 claims). In all local authorities, the majority of claims are made via the SME R&D Scheme.

Companies in Greater Lincolnshire are slightly less active in claiming R&D tax credits (220 claims) with a value of £5m. However, companies in Heart of the South West claim a greater number at 410 with a value of £20m.

* *Ranges presented, as some values <5 or monetary values <£5m are suppressed in the raw data, due to disclosure reasons.*

Source: HMRC R&D Tax Credits (2015-16)

Innovate UK funding

Innovate UK funding in the Marches, its LEP and regional comparators (to date – July 2019)

	Funding allocated (£m)	Funding spent (£m)
The Marches	£18.9	£13.6
Greater Lincolnshire	£28.1	£20
Heart of the South West	£106.1	£82.5
West Midlands	£1,364	£764.4

Innovate UK, the innovation agency for the UK, is part of UK Research and Innovation (UKRI). It works with individuals, companies and other organisations to drive innovation in science and technology with the aim of growing the economy.

The table above shows a summary of funding allocations and spending for the Marches, LEP and regional comparators to date.

The Marches has been allocated £18.9m of spending, which represents 1.4% of the total allocation to the West Midlands. Allocated funding in the Marches is low compared to Heart of the South West, which was allocated £106.1m, and Greater Lincolnshire (£28.1m).

The left hand map on page 43 illustrates Innovate UK projects in the Marches by the type of organisation receiving the funding. This is categorised by academic institutions, businesses and not for profit organisations, although there are some projects where this information is missing from the dataset.

In total (excluding withdrawn projects), there have been 189 Innovate UK projects to date (July 2019) in the Marches. The majority of projects have been for businesses, representing around 78% of the total (148 projects). The split between businesses of different sizes has been as follows: 27.5% micro businesses (52 projects), 18.5% small businesses (35 projects), 4.8% medium businesses (9 projects) and 27.5% large businesses (52 projects).

Just over 10% of projects are academic (21 projects) and are located primarily at Harper Adams University.

The right hand map on page 43 shows the distribution of Innovate UK projects across the Marches by sectors, as defined by Innovate UK (see box below).

Innovate UK sector definitions

Development – includes cross-border projects

Emerging and enabling technologies – early stage, cross cutting and broad scope innovation

Health and life sciences – agriculture, food and healthcare, including precision medicine and biosciences

Infrastructure systems – energy, transport and digital connectivity

Manufacturing and materials – using digital technologies to increase productivity, supporting automotive and aerospace, and early stage concepts

Source: Innovate UK (2019)

The highest number of projects are within emerging and enabling technologies (65 projects), accounting for around 14% of total grants (excluding withdrawn projects) or £1.8m. Emerging and enabling technology projects are present in most parts of the Marches. Recipients include the academic and research institution Harper Adams, as well as businesses relating to sectoral strengths, including agri-tech company J.M Sankey and soft fruit producer S&A Produce.

The Marches has 47 active manufacturing and materials projects to date, which have been in receipt of almost a third of total grants or £3.6m of funding. Recipients of funding include GKN Auto Structures, Culina Logistics, Grainger and Worrall, and Smithers Rapra. Projects are in diverse areas including advanced materials, high-value manufacturing, materials, nanotechnology, sustainability and transport.

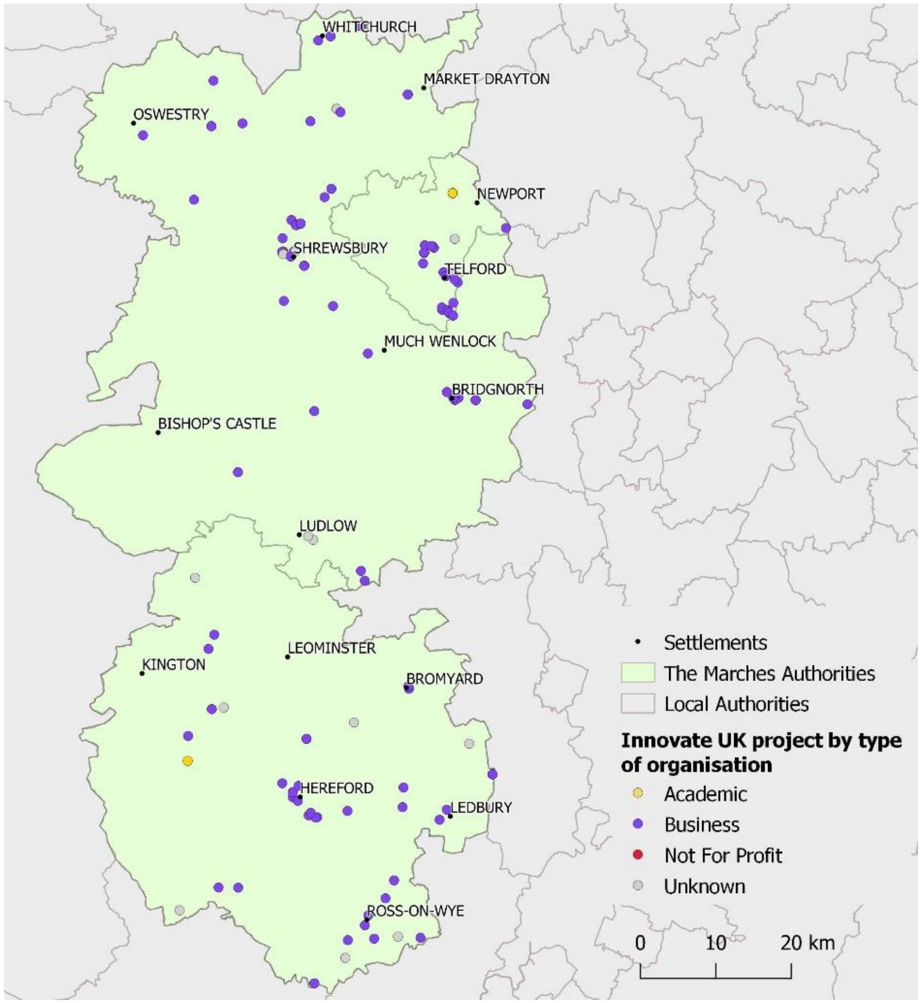
Health and life sciences has received 18.6% of total grants, totalling £2.3m across 29 active projects. Over 65% of these projects (19 projects) relate to food supply, including Harper Adams University, Anglo Beef Processing, Cobrey Farms and Müller. Food supply projects have received £1.8m in funding.

There are 24 active infrastructure projects to date, in receipt of £1.5m funding (12.3% of the total). Over half of these projects relate to energy generation and supply (around £740K). Primsil Silicones, Drisq ltd, Hydro Logic are recipients.

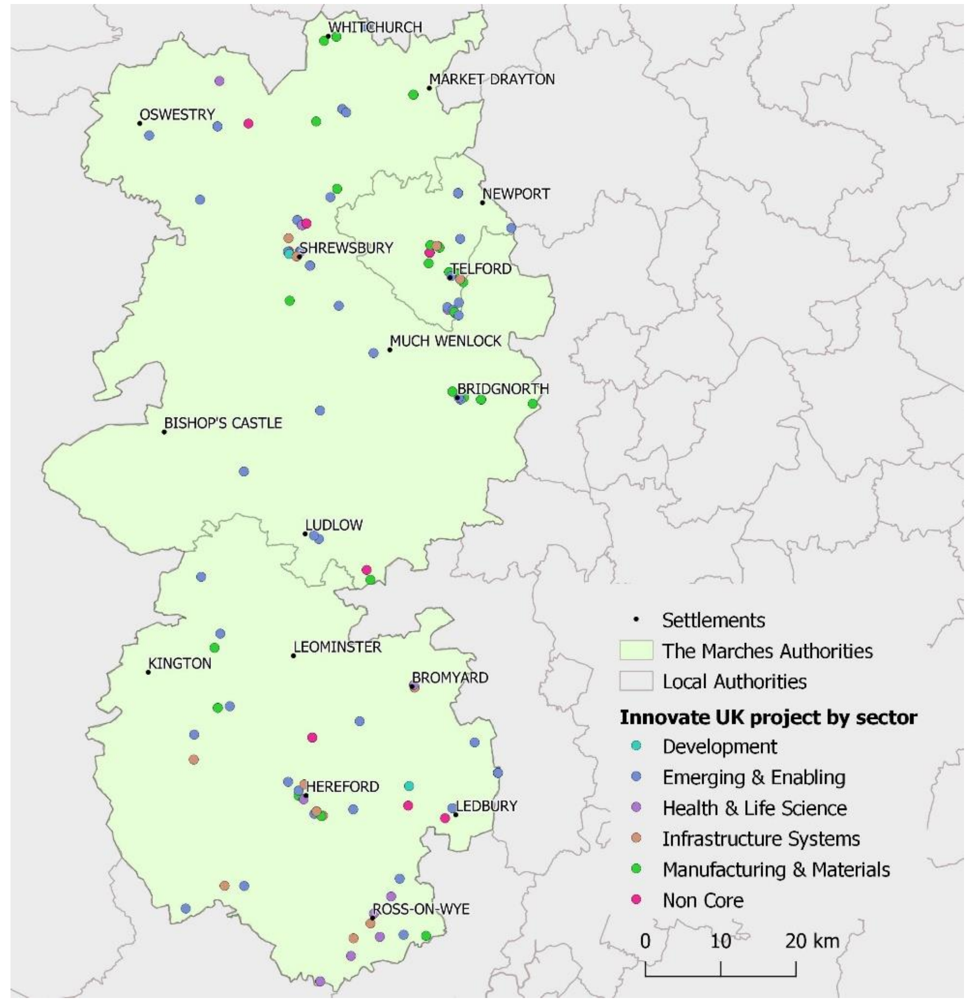
Around £450K has been allocated to agri-tech projects (13 projects in total) with recipients including Harper Adams University, S&A Produce, Haygrove and Anglo Beef Processors.

Source: Innovate UK (2019)

Innovate UK projects by type of organisation in the Marches (to date – July 2019)



Innovate UK projects by sector in the Marches (to date – July 2019)



Source: Innovate UK (2019)

Innovation benchmarking

The Enterprise Research Centre (ERC) has published a report providing innovation benchmarks for local areas in England. It is based on data from the UK Innovation Survey 2017 which surveyed 14,000 firms.

The benchmarks look at ten metrics under different themes:

1. **Organisational and marketing innovation**

- Firms engaged in introduction of new business practices
- Firms engaged in introduction of new methods of organising work responsibilities
- Firms engaging in marketing innovation

2. **Inputs and structure of innovation activity**

- Firms engaged in R&D
- Firms engaged in design
- Firms that were collaborating as part of innovation activity

3. **Outcomes from innovation**

- Firms engaged in product or service innovation
- Firms engaged in new to the market innovation
- Firms' sales of innovative products or services
- Firms engaged in process innovation

The following page shows the performance of the Marches compared to other places. The radar chart shows performance against each metric compared to the highest and lowest performing areas.

The black line shows the proportion of firms in the Marches who answered positively for each metric. The light blue shape shows the proportion of firms answering positively in the lowest performing LEP, whilst the darker blue shape shows the proportion of firms answering positively in the highest performing LEP.

The table displays the proportion of firms carrying out the different activity under each metric and how the Marches ranks against all other LEPs. The Marches tracks the general pattern of both the highest and lowest performing areas.

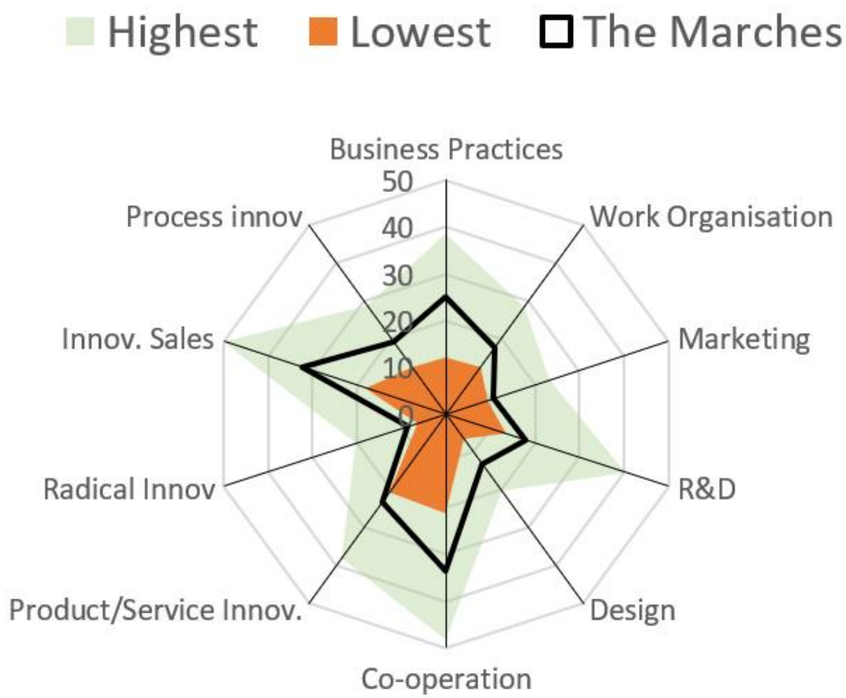
It tends to rank in the lower half of the table for most metrics, such as new methods of work organisation (32nd or 17.5% of firms), marketing innovation (35th or 10.7% of firms), undertaking R&D (31st or 18.0% of firms), undertaking product or service innovation (29th or 23.2% of firms) and sales of innovative products or services (28th or 32.4% of firms). For most of these metrics, Heart of the South West is ranked higher.

For some metrics, the Marches is mid-rank, including 13th for introduction of new business practices (25.1% of firms), 14th for process innovation (19.2% of firms) and 16th for collaboration in innovation (33.5% of firms). For these three metrics, the Marches outperforms Heart of the South West.

Typically, the Marches outperforms Greater Lincolnshire, except for the sale of innovative products or services, where Greater Lincolnshire is ranked 14th (40.5% firms), whereas the Marches is ranked 28th (32.4% firms).

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

Innovation benchmarks for the Marches (2014-16)



Performance against metrics in the Marches and LEP comparators (2014-16)

	The Marches		Greater Lincolnshire		Heart of the South West	
	% firms	Rank	% firms	Rank	% firms	Rank
Introduction of new business practices	25.1%	13	17.5%	38	20.6%	33
New methods of work organisation	17.5%	32	12.5%	39	21.1%	14
Marketing innovation	10.7%	35	n/a	n/a	14.2%	17
Undertaking R&D	18.0%	31	15.7%	35	21.1%	21
Undertaking design investment for innovation	13.3%	18	6.4%	36	8.6%	35
Collaboration for innovation	33.5%	16	25.7%	35	31.3%	20
Undertaking product of service innovation	23.2%	29	20.9%	38	25.0%	22
New to market product and service innovation	8.8%	20	7.6%	27	10.1%	13
Sales of innovative products or services	32.4%	28	40.5%	14	37.3%	20
Process innovation	19.2%	14	17.6%	20	17.3%	23

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

Foundation of productivity: People

Foundation of productivity: People

Almost **700,000 people** with 3.9% population growth over five years – above UK average

An **older, ageing population** with 22.4% of residents over 65 (UK = 18.3%) and a lower proportion of young people, but attracting families

A low skills base relative to the UK with fewer high-level jobs, but a **strong technical skills base**

High levels of employment with an unemployment rate of 3.1% compared to 4.3% in the UK, but challenges around low wages

Population growth and projections

Population (including growth and projections) in the Marches, its local authorities and comparators (2013-18 and projections to 2041)

	Population (2018)	Population growth (2013-18)	Population projections (2041)	Projected population growth (2018-41)
Herefordshire	192,107	3.1%	205,784	7.1%
Shropshire	320,274	3.6%	337,787	5.5%
Telford and Wrekin	177,799	5.4%	192,517	8.3%
The Marches	690,180	3.9%	736,088	6.7%
Greater Lincolnshire	1,087,659	3.2%	1,157,742	6.4%
Heart of the South West	1,354,685	4.5%	1,513,134	11.7%
West Midlands	5,900,757	4.0%	6,494,044	10.1%
UK	66,435,550	3.6%	72,904,546	9.7%

The Marches has a population of 690,180 people. Over 46% of residents live in Shropshire (320,274). Herefordshire is the next largest local authority by population (192,107), whilst around 177,800 people live in Telford and Wrekin.

Between 2013 to 2018, population growth in the Marches was 3.9%. This is higher than the UK average (3.6%) and similar to the regional average (4.0%). Population growth in the Marches is higher than Greater Lincolnshire (3.2%) and equal growth to Heart of the South West (4.0%).

Growth is highest in Telford and Wrekin at 5.4%, which is above the regional and national average. Growth in Shropshire is at the national average, whilst it is slightly lower in Herefordshire (3.1%).

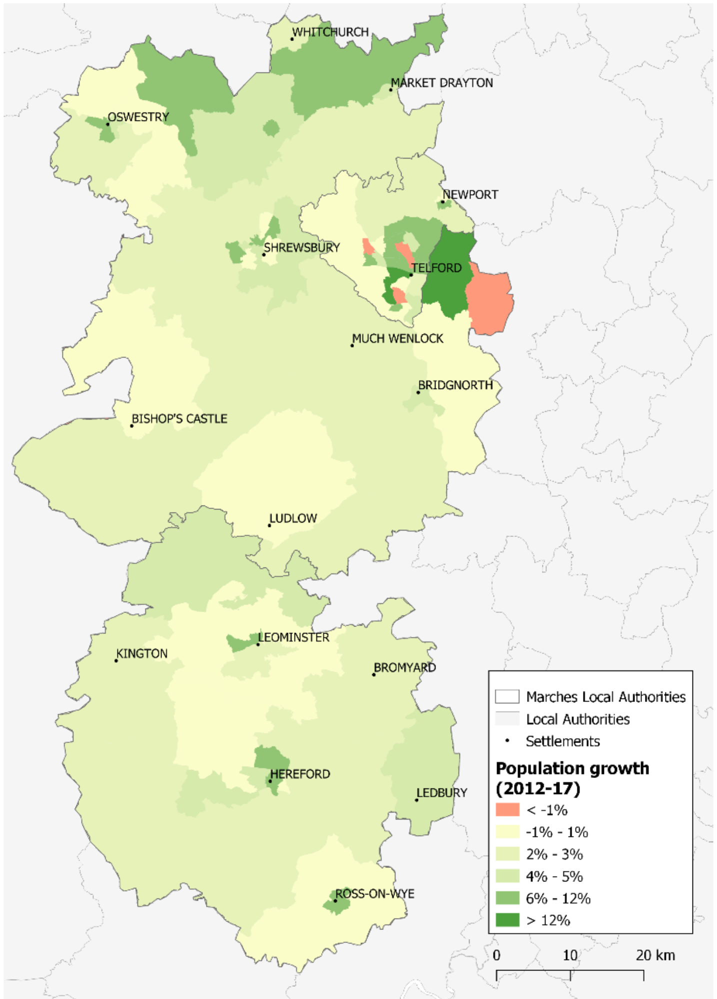
Up to 2041, the population is projected to grow by 6.7% in the Marches to around 736,000. This is lower than projected population growth in the UK (9.7%), the West Midlands (10.1%) and Heart of the South West (11.7%), but lower than Greater Lincolnshire (6.4%).

Within the Marches, Telford has the highest projected population growth of 8.3%, compared to Herefordshire (7.1%) and Shropshire (5.5%).

Source: ONS Population Estimates (2013-18); ONS Population Projections (2018-41)

Population growth across the Marches

Population growth across the Marches (2012-17)



This map displays population change at the local level in the Marches between 2012 and 2017. This can be used to show demographic trends and which parts of the area are growing and contracting. Please note, this time period has been used, as 2018 data was not available at the local level at the time of making this map (May 2019).

Across much of the Marches, there has been relatively low levels of growth, below the national average, between 0% and 3%. There has been higher than average growth of 4% to 5% east of Shrewsbury, the northern part of Herefordshire, west of Hereford and around Ledbury.

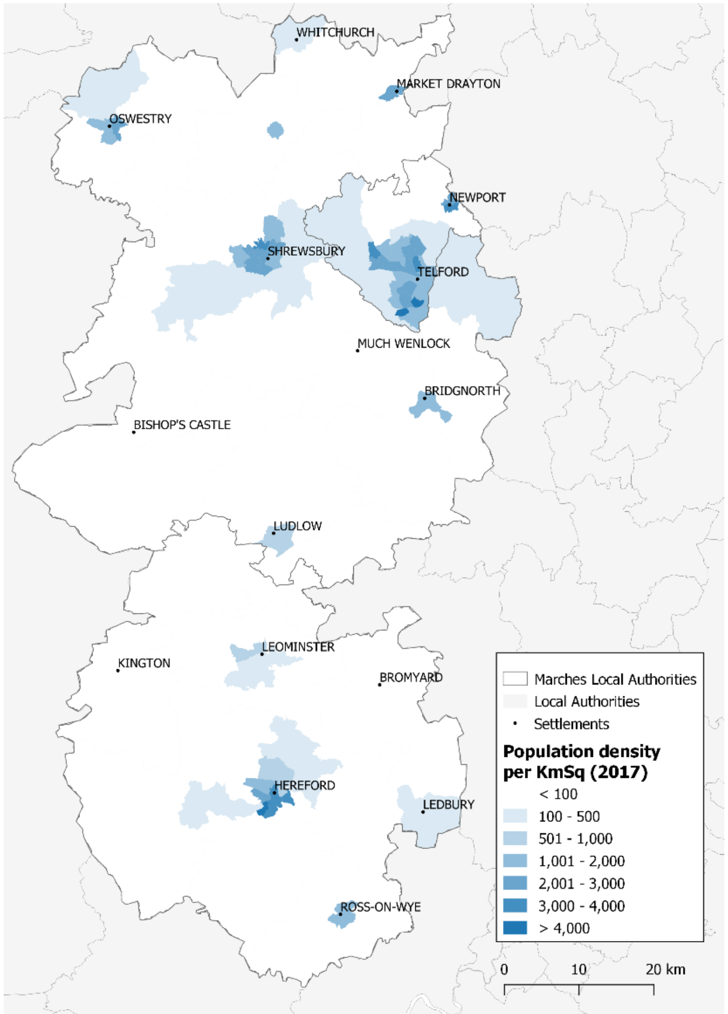
Areas which have experienced growth of between 6% and 12% include northern parts of Shropshire, the outskirts of Shrewsbury, Leominster, Hereford, Ross-on-Wye and much of Telford.

In Telford, there has been contrasting levels of growth with over 12% increase in population in some areas and decline of more than -1% in other areas.

Source: ONS MSOA Mid-Year Population Estimates (2012-17); Ordnance Survey

Population density

Population density across the Marches (2017)



This map shows population density, measured by the number of people per square kilometre, to demonstrate the distribution of residents locally and where they live.

As would be expected, population density is relatively low across much the Marches, due to the rurality of the area, with less than 100 people per square kilometre. In the outskirts of the towns, this increases to between 100 and 500 people per square kilometre.

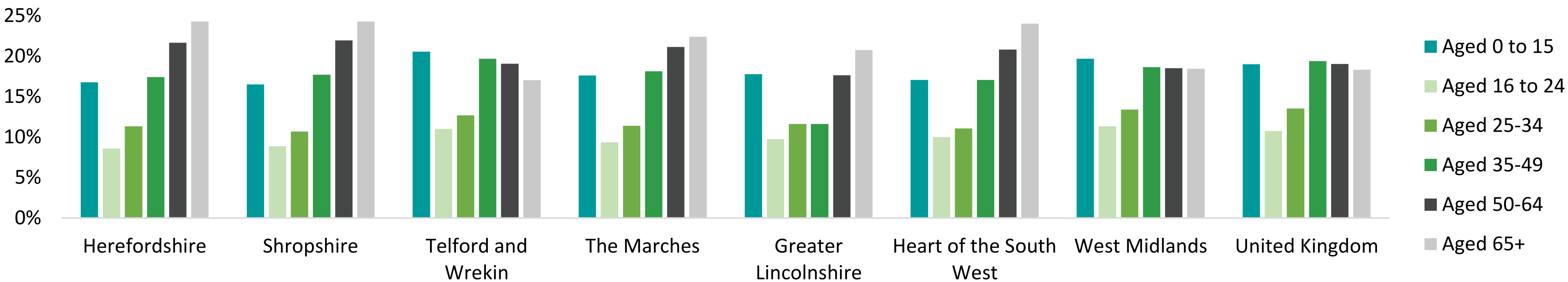
Population density is highest in urban areas. In some of the larger towns, there is a population density of 1,000 to 3,000 people per square kilometre, including Oswestry, Market Drayton, Shrewsbury, Newport, Telford, Bridgnorth, Hereford and Ross-on-Wye.

The centre of the three main urban centres, Shrewsbury, Telford and Hereford, have densities of upwards of 3,000 people per square kilometre, including above 4,000 people per square kilometre in Telford and Hereford.

Source: ONS MSOA Mid-Year Population Estimates (2012-17); Ordnance Survey

Age profile

Age profile in the Marches, its local authorities and comparators (2018)



The graph above shows the proportion of residents by age bracket in the Marches, its local authorities and comparators. Generally, the Marches has an older age profile than the national and regional averages.

The share of residents aged 65 and over in the Marches is 22.4% compared to the UK and West Midlands average at 18.3% and 18.5%, respectively. This is driven by the high proportion of older residents in Herefordshire and Shropshire (both 24.3%).

Heart of the South West (24.0%) has a higher proportion of residents in this age group.

This is coupled with a lower share of young residents (aged 25 to 34) in the Marches (11.4%) compared to the UK (13.5%) and the West Midlands (13.4%).

Telford and Wrekin has a much younger population relative to the UK. It has a higher share of those aged 0 to 24 at 31.5% compared to the UK average of 29.8%. Relative to the Marches, it has a higher proportion of residents aged 25 to 34 at 12.7%.

Telford and Wrekin has the lowest proportion of residents aged 65 and over at 17.0%, lower than both the regional and national averages of 18.5% and 18.3%, respectively.

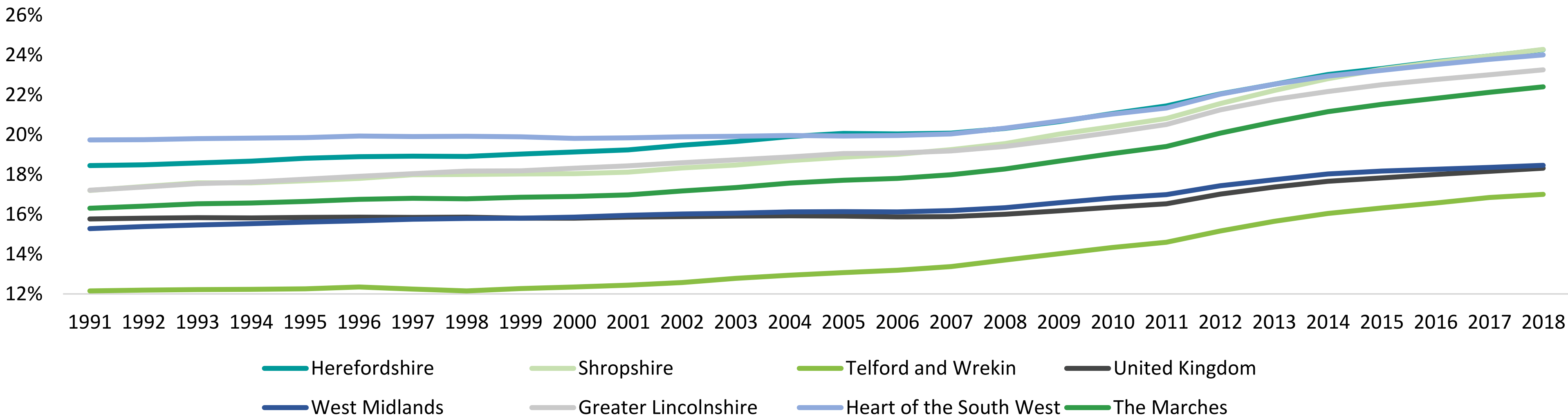
Population projections for 2018-41 by age group shows that younger residents aged 25-34 in the Marches are expected to decline (-2.0%), compared to positive growth regionally (5.0%) and nationally (1.8%).

The share of residents aged 65 and over is expected to increase by 46.0%, which is higher compared to the region (39.2%) but similar to national trends (46.3%). For a table showing the breakdown of all age groups, see the Appendices.

Source: ONS Population Estimates (2018); ONS Population Projections (2018-41)

The share of older residents over time

Share of residents aged 65 and over per total population in the Marches, its local authorities and comparators (1991-2018)



The chart above shows the share of residents aged 65 and over in the population for the Marches, its local authorities and comparators between 1991 and 2018.

The proportion of older residents has been growing faster in the Marches than the UK and West Midlands. Since 2011, the proportion of older residents in the Marches has increased 3 percentage points from 19.4% to 22.4%, compared to 1.5 percentage points in the West Midlands (17.0% to 18.5%) and 1.8 percentage points in the UK (16.5% to 18.3%).

Within the Marches, Shropshire's older population has been rising at the fastest rate, increasing 3.5 percentage points from 20.8% in 2011 to 24.3% in 2018.

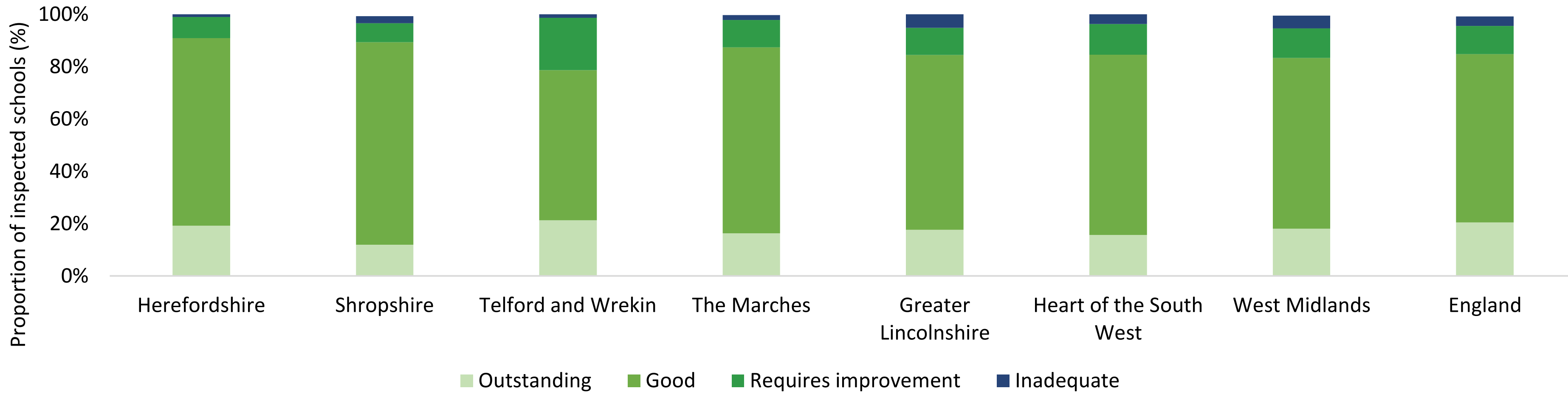
An ageing workforce is a challenge for employers in the Marches and puts pressure on health and social care provision. It is important to encourage healthy ageing and productive work for older people, as well as to retain graduates and young people, and attract young people to the area.

An ageing population is an opportunity to become a test bed for healthy ageing and new assisted living technologies linked to the Ageing Society Grand Challenge.

Source: ONS Population Estimates (1991-2018)

School Inspections – overall effectiveness

Overall effectiveness for schools inspected in the Marches, its local authorities and comparators (2018)



The chart above shows the overall effectiveness of schools within the Marches, its local authorities, and regional and national comparators according to their most recent Ofsted inspection.

The share of schools that are awarded 'Outstanding' in the Marches is 16.4%. This is lower than the regional and national averages of 18.1% and 20.5%, respectively. Within the Marches, Telford and Wrekin has the highest share of outstanding schools at 21.3%, compared to 19.2% in Herefordshire and 12.0% in Shropshire. The Marches outperforms Heart of the South West and underperforms Greater Lincolnshire.

Most of schools within the Marches fall into the 'Good' category (71.0%). This is higher than the national (64.3%) and regional (65.2%) averages. Within the Marches, Shropshire has the largest share of 'Good' schools at 77.3%, closely followed by Herefordshire (71.7%) and Telford (57.3%).

The share of schools that require improvement in the Marches (10.5%) is similar to the national (10.8%) average and slightly lower than the West Midlands (11.3%). Within the Marches, Telford and Wrekin has the highest share of schools that require improvement at 20.0%. Herefordshire and Shropshire have less than half the share of schools given this score than in Telford and Wrekin at 8.1% and 7.3%, respectively.

There are a low proportion of inadequate schools in the Marches (1.9%). This is lower than the national (3.6%) and regional (4.8%) averages. Comparing the local authorities in the Marches, Shropshire has the highest share of inadequate schools (2.7%), followed by Telford and Wrekin (1.3%) and Herefordshire (1.0%). Greater Lincolnshire and Heart of the South West have higher proportions of schools with this ranking at 5.2% and 3.7%, respectively.

Source: Ofsted (2018) from The Marches Skills Advisory Panel data

Talent pool – school leavers

GCSE attainment in the Marches, its local authorities and comparators (2016/17)

	% of pupils who achieved a strong 9-5 pass in English and maths
Herefordshire	42.3%
Shropshire	40.3%
Telford and Wrekin	39.6%
The Marches	40.6%
Greater Lincolnshire	41.4%
Heart of the South West	40.0%
West Midlands	39.2%
England	39.9%

Achieving a grade 5 or above in either English language or literature and maths is the new headline attainment measure given recent changes to the GCSE grading structure.

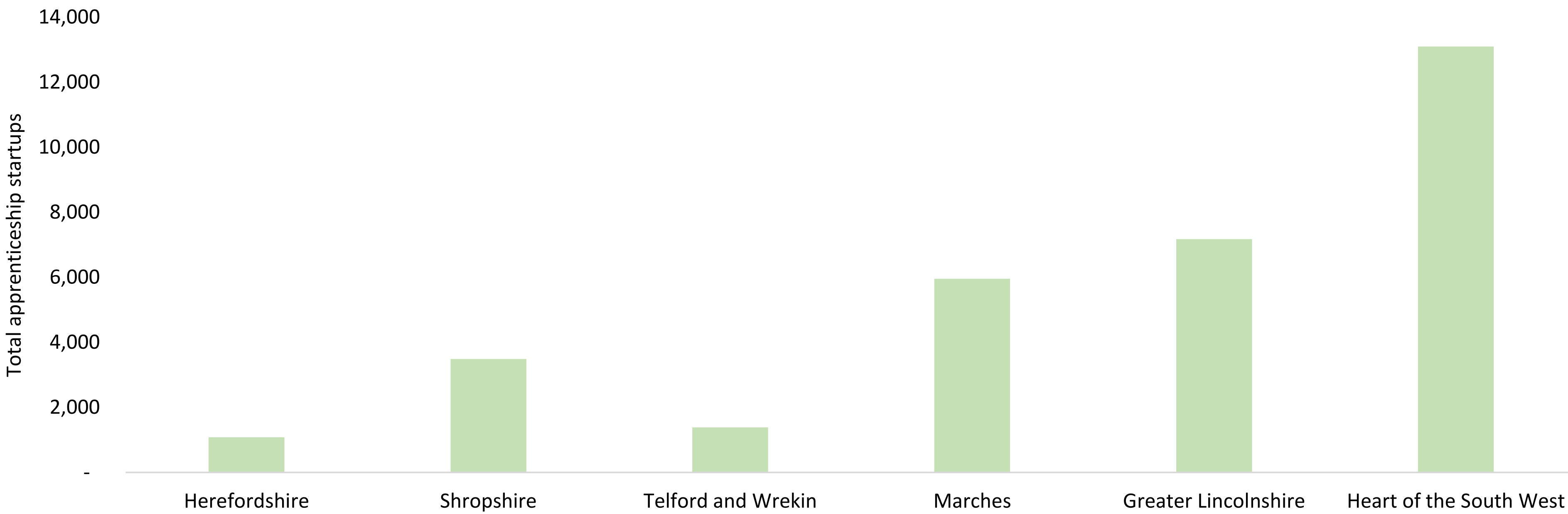
The Marches has relatively high attainment with 40.6% achieving this a strong 9-5 pass in English and maths, compared to 39.2% in the West Midlands and 39.9% in England. This is similar to the Heart of the South West (40.0%), but lower than Greater Lincolnshire (41.4%).

There is little variation in GCSE performance within the Marches. Herefordshire has the highest level of attainment (42.3%) followed by Shropshire (40.3%) and Telford and Wrekin (39.6%).

Source: DfE (2016/17)

Total apprenticeship starts

Total apprenticeship starts in the Marches, its local authorities and LEP comparators (2017)



The chart above shows total apprenticeship starts for the Marches, its local authorities and LEP comparators.

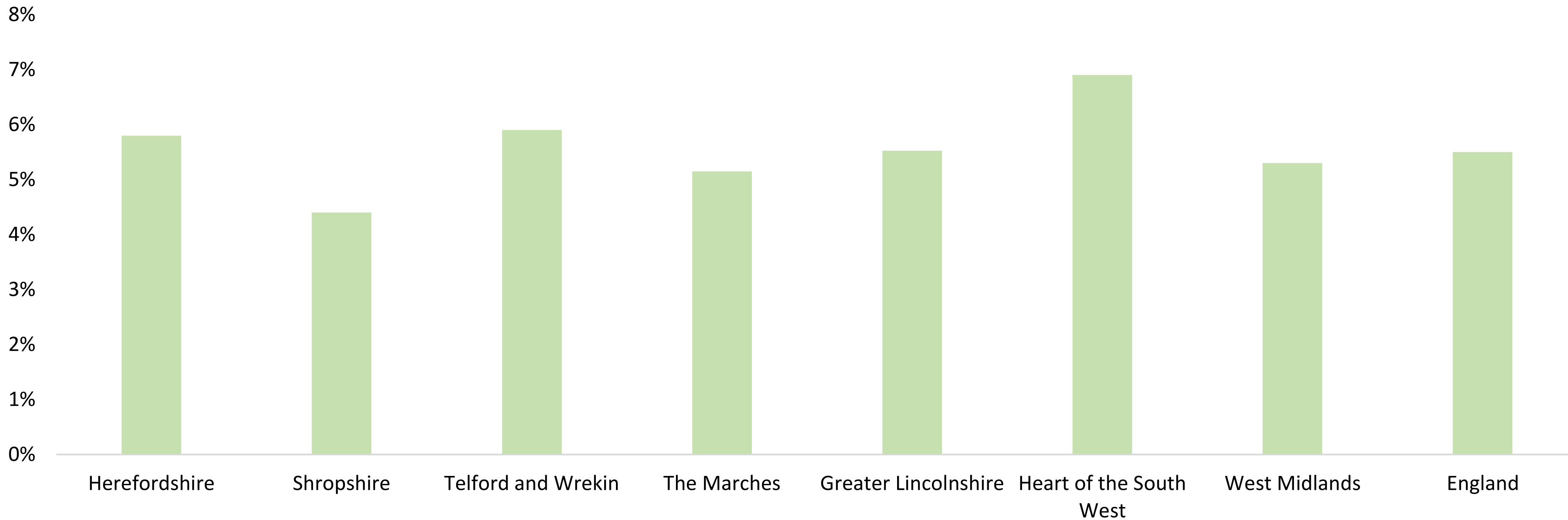
The Marches (5,950) has a slightly higher number of apprenticeship starts compared than Greater Lincolnshire (7,170), however the Heart of the South West has a larger number (13,100). This is consistent with Heart of the South West having double the number of residents aged 16 to 18 (56,411) than the Marches (23,263).

Shropshire has the highest share of apprenticeship starts (58.7% or 3,490). Telford and Wrekin and Herefordshire have a lower number of starts.

Source: DfE (2016/17); ONS Population Estimates (2017)

Not in education, employment or training

Proportion of 16-17 year old residents not in education, employment or training (NEET) in the Marches, its local authorities and comparators (December/February 2019)*



The graph above depicts the share of 16-17 year old NEETs*, including those whose activity is not known.

The proportion of NEETs in the Marches is 5.1%, which is slightly lower than the levels in the West Midlands (5.3%), England and Greater Lincolnshire (both 5.5%). Heart of the South West has a higher proportion of NEETS (6.9%).

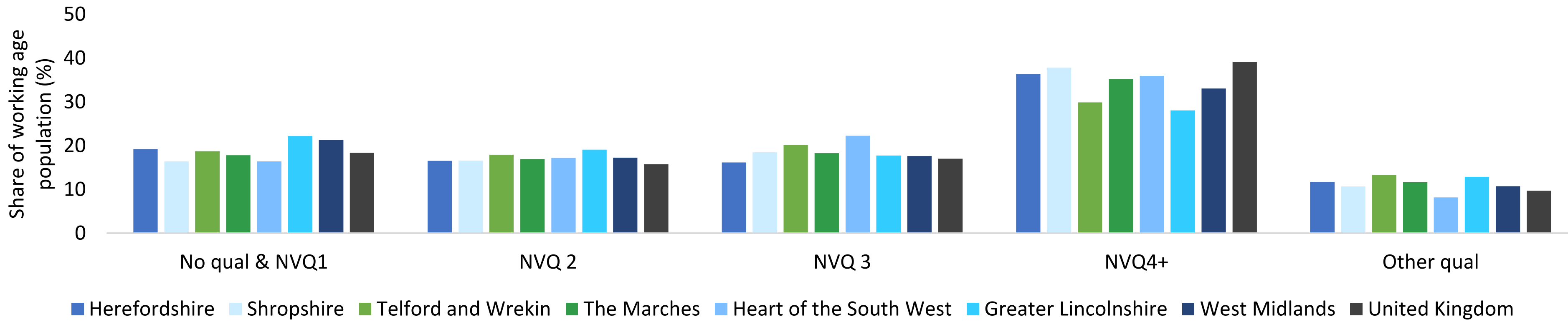
Within the Marches, Herefordshire and Telford and Wrekin have similar shares of NEETs at 5.8% and 5.9%, respectively. Shropshire has a lower share at 4.4%.

** Including those whose activity is not known.*

Source: DfE (2019)

Skills profile

Qualifications profile in the Marches, its local authorities and comparators (2018)



The above graph shows the proportion of working age population in the Marches, its local authorities and comparators with different qualifications, providing insight into the skills available the employment base.

There are lower than average levels of residents with no or low skills, but fewer residents have high level skills.

The proportion of working age residents with no qualifications or NVQ Level 1 in the Marches (17.8%) is lower than the regional (21.3%) and national (18.4%) averages, as well as Greater Lincolnshire (22.2%). Herefordshire has the highest proportion of residents with no qualifications/low skills (19.2%).

The Marches has a lower proportion of working age residents with NVQ Level 4 and above (35.3%) compared to 39.2% in the UK. This is higher than the West Midlands average (33.1%) and Greater Lincolnshire (28.0%), and similar to Heart of the South West (35.9%).

Within the Marches, Telford and Wrekin has the lowest share of residents with NVQ Level 4 and above (29.9%), with higher levels in Herefordshire (36.4%) and Shropshire (37.8%).

The Marches has higher levels of medium skills. In the Marches, almost 17% of residents have NVQ Level 2, compared to 15.8% nationally, whilst 18.3% have NVQ Level 3, compared to the UK average of 17.0%.

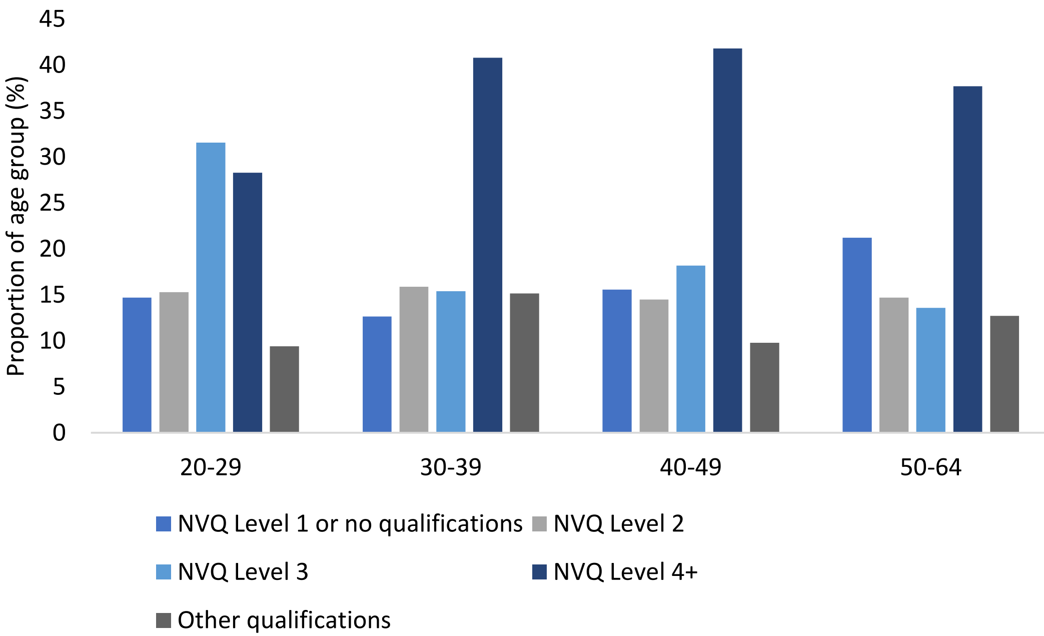
Further evidence of a technical skills base in the Marches is shown by 11.7% of residents having other qualifications (including trade apprenticeships) compared to the UK average of 9.7% and regional average of 10.7%.

Telford and Wrekin has the highest levels of residents with medium or technical skills.

Source: ONS Annual Population Survey (APS) (2018)

Qualifications by age

Qualifications profile by age in the Marches (2018)



This figure shows qualifications attainment by age group in the Marches.

There is high proportion of residents aged 30 to 64 years old with NVQ Level 4 or above. The age group with the highest share are those aged 40 to 49 (41.8%). The proportion of 20 to 29 year old residents with NVQ Level 4 or above is significantly lower than other groups (28.2%).

This may reflect that some residents in this age group are still undertaking university studies and are yet to attain NVQ Level 4, particularly as the most represented qualification is NVQ Level 3 (31.6%). It may also imply that younger residents leaving the Marches area are often those with the highest qualifications.

The 50 to 64 age group has the highest share of residents with either no qualifications or NVQ Level 1 (21.2%).

Source: ONS APS (2018)

Spatial distribution of skills

Mapping qualification levels provides an understanding of the spatial distribution of skills across the Marches.

Overleaf, the map on the left shows the proportion of working age residents with high level qualifications (NVQ Level 4 and above).

The map showing NVQ Level 4 and above shows that the majority of the Marches has 30% to 40% of working age residents with this level qualification. There are pockets with higher attainment, notably Shrewsbury, the area east of Bishop's Castle and the area north of Ledbury, which have attainment of 40% or higher.

In some towns, there are lower proportions of working age residents with high qualifications, including Whitchurch, Market Drayton and Leominster (between 20% and 25%).

The northern parts of Shrewsbury, Leominster and Telford have a lower share of residents with NVQ 4 and above (15% to 20%). Attainment is lowest in the southern parts of Telford and Hereford (between 10% and 15%).

The second map shows the proportion of residents who have no or low qualifications (none or NVQ Level 1). It is almost an inverse of the NVQ Level 4 and above map.

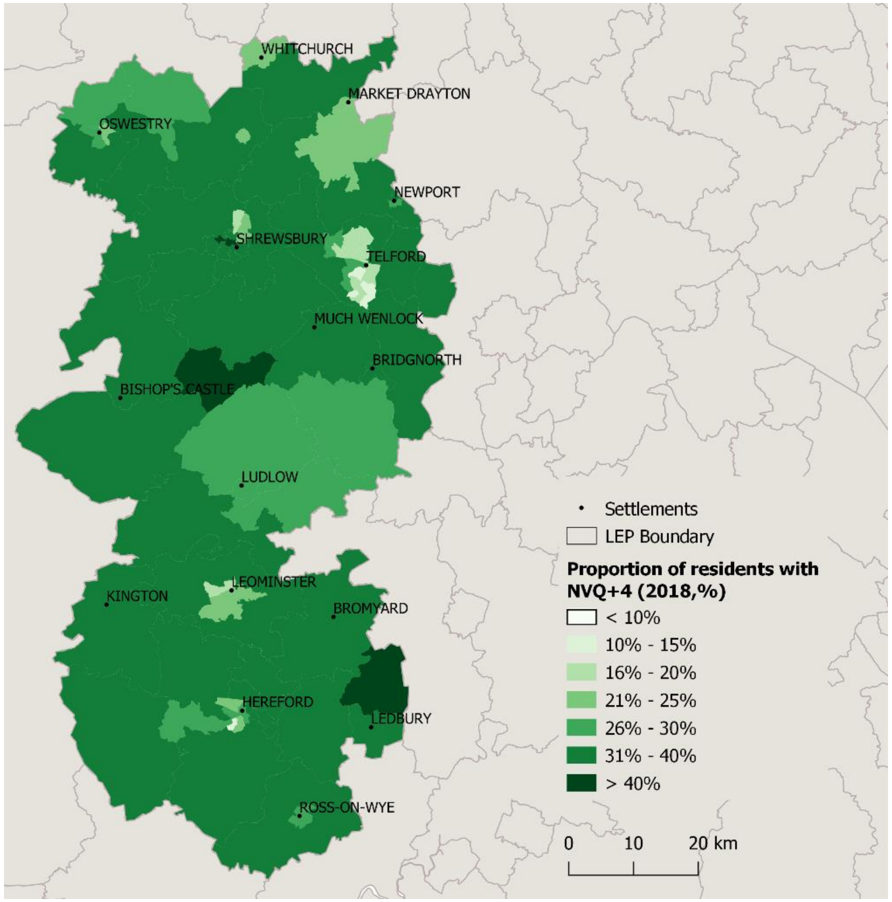
Areas with the lowest proportion of working age residents with no qualifications or NVQ Level 1 include south and north Herefordshire, and the area surrounding Newport (less than 10%).

There are large areas with slightly higher shares of residents with no or low qualifications (10% to 15%), including Shrewsbury and much of Herefordshire

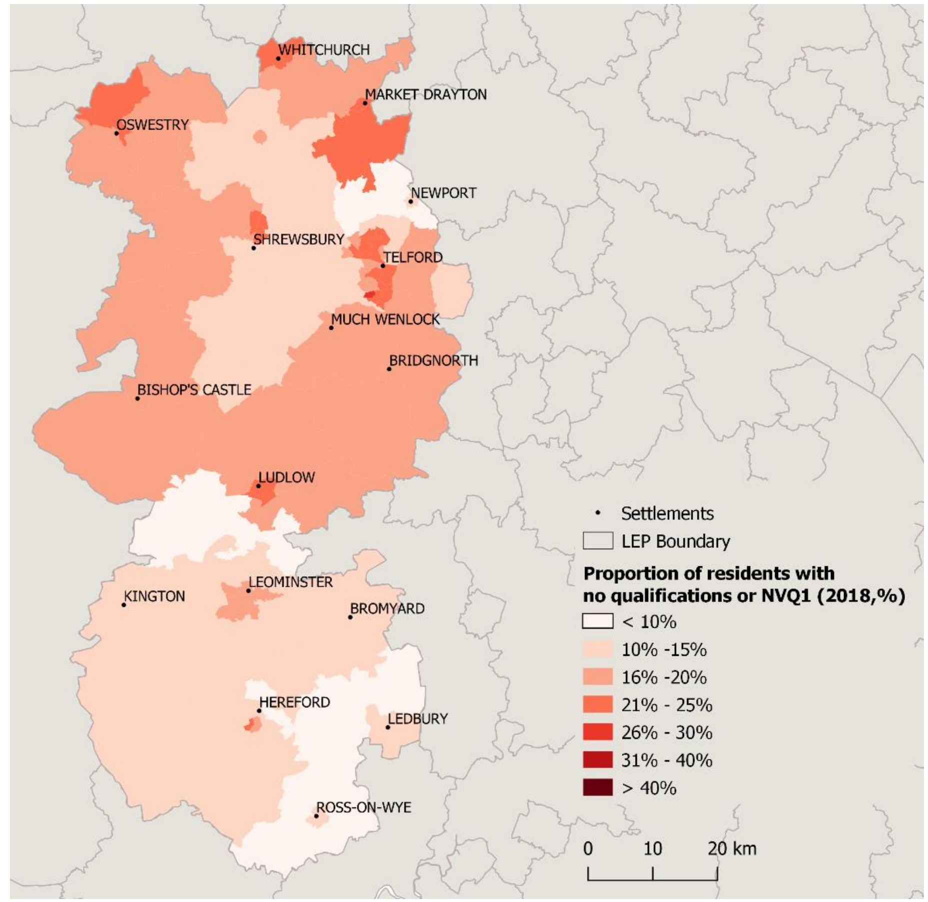
Urban areas tend to have higher proportions of working age residents with no or low skills, including Oswestry, Whitchurch, Market Drayton and Ludlow and south Telford (20% to 25%).

Metro Dynamics estimates based on ONS APS (2018) and Census (2011) data

Residents with high qualifications across the Marches (2018)



Residents with no or low qualifications across the Marches (2018)



Metro Dynamics estimates based on ONS APS (2018) and Census (2011) data

Barriers to training

Reasons for establishments not providing more training in the past 12 months in the Marches, West Midlands and England (2017)

The chart above illustrates data from the Employers Skills Survey (ESS) (2017). It shows the reasons that establishments have not provided more training in the past 12 months in the Marches, West Midlands and England.

A lack of funds for training and not being able to spare staff time are the two main reasons for not having provided more training. In the Marches, 54% of businesses surveyed cited lack of funds, in line with the regional average and just above the national average (51%). Just under half (48%) of firms surveyed in the Marches stated that they couldn't spare the staff time, compared to the West Midlands and England averages of 52% and 49%, respectively.

For other barriers to training, the Marches has similar outcomes to the regional and national averages. These include lack of appropriate training, difficultly finding training providers, lack of interest from staff, lack of need and lack of good local training providers.

There are two areas where there is a large difference between firms in the Marches and the national and regional averages. A lower proportion of establishments in the Marches report finding it hard to find time to organise training (4%), compared to the national (15%) and regional (16%) averages.

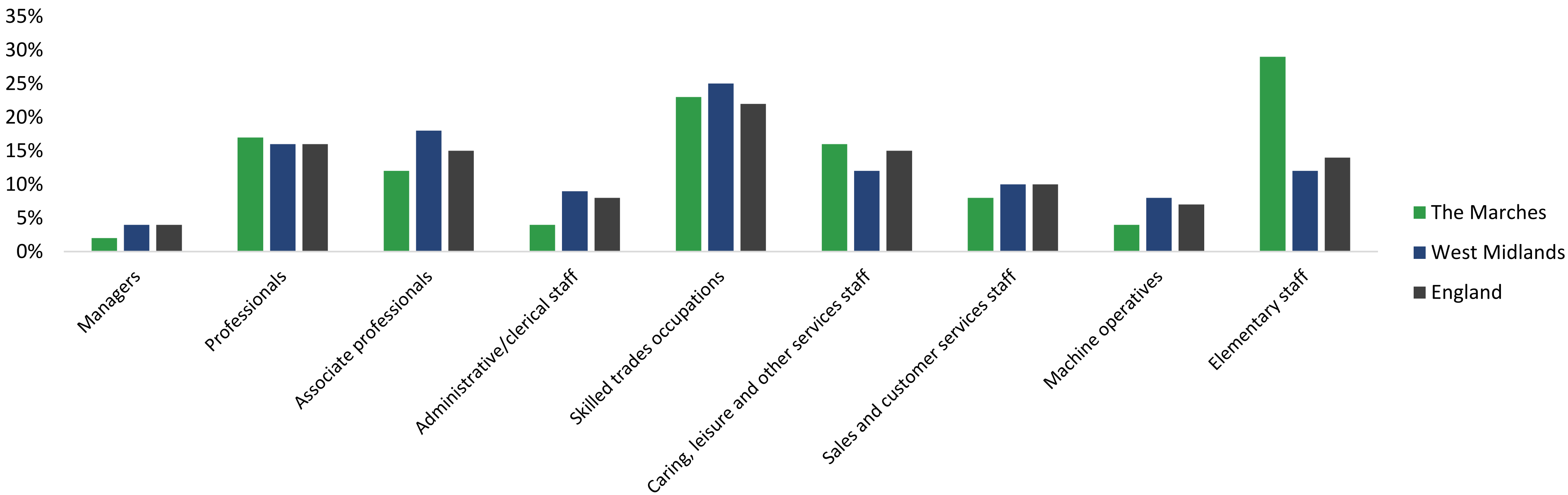
In contrast, a greater share of establishments report a lack of knowledge about training opportunities (18%). This is significantly higher than the regional and national averages (both at 2%).

The ESS (2017) additionally provided information regarding proportion of staff that were trained over the last 12 months. In the Marches 56% of staff received training. This is slightly lower than the West Midlands average of 58% and the national average (62%).

Source: Employer Skills Survey (2017) from The Marches Skills Advisory Panel data

Hard to fill vacancies

Incidence of hard to fill vacancies by occupation (employer base) in the Marches, West Midlands and England (2017)



Using data from the ESS (2017), the chart above shows the incidence of hard to fill vacancies by occupation in the Marches, West Midlands and England.

For associate professionals the Marches has a lower share (12%) of hard to fill vacancies compared to England (15%) and West Midlands (18%). Similarly, the Marches has a lower incidence of hard to fill occupations for administrative/clerical staff (4%) compared to 8% in England and 9% in the West Midlands.

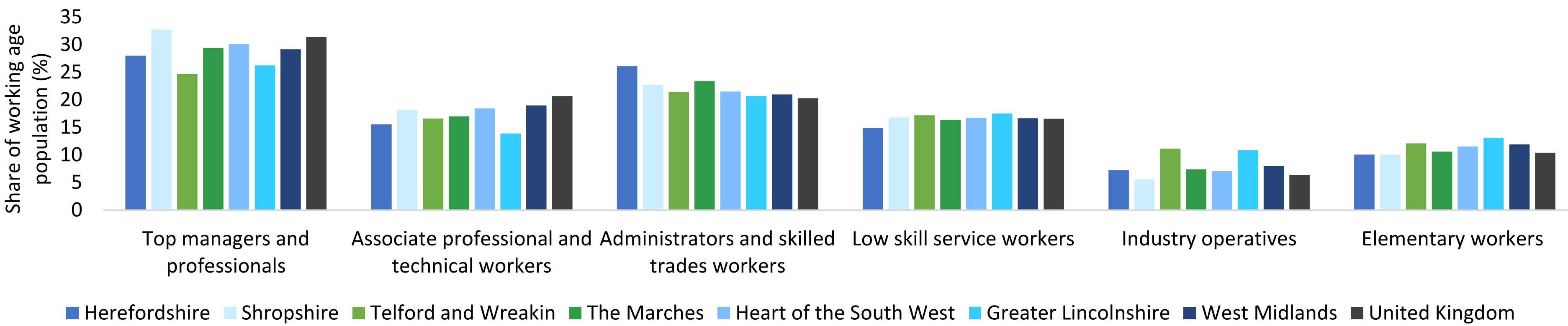
The Marches has a significantly higher incidence of hard to fill vacancies for elementary roles (29%), compared to the rest of England (14%) and the West Midlands (12%).

The Employer Perspectives Survey in 2016 reveals that 39% of establishments within the Marches cite attaining a particular level of education (e.g. GCSE, A levels or a degree) as a crucial factor in the recruitment process, compared to the UK average of 46%. Relevant work experience is regarded as a crucial factor by 63% of establishments, which is in line with the UK average (64%).

Source: Employer Skills Survey (2017) and Employer Perspectives Survey (2016) from The Marches Skills Advisory Panel data

Occupations profile

Occupations profile in the Marches, its local authorities and comparators (2018)



The chart above shows the proportion of working age residents working in different occupations in the Marches, its local authorities and comparators.

The pattern of local occupations mirrors the skills profile of the area. There is a lower proportion of residents in high-level occupations, such as top managers and professionals (29.4%), compared to the national average (31.4%). There is also a lower share of residents who work as associate professionals (17.0%) in the Marches than nationally (20.7%).

For these high-level occupations, the Marches outperforms Greater Lincolnshire, but underperforms compared to Heart of the South West.

Similar to the distribution of skills within the Marches, the share of top managers in Shropshire (32.7%) is significantly higher than Telford and Wrekin (24.7%).

Reflecting its lower skills base, Telford and Wrekin has the highest share of working age residents in elementary roles (12.1%).

There is a higher proportion of medium level occupations (administrators and skilled trade workers) in the Marches at 23.4% than the national (20.3%) and regional averages (20.9%). Herefordshire has the highest share of residents in these roles (26.1%).

Demonstrating the mid-level and technical skills base in the Marches, there is a higher proportion of working age residents working as industry operatives (7.4%) compared to the UK average (6.4%). Telford and Wrekin has the highest share of workers within this category (11.1%), which is indicative of Telford's manufacturing strengths.

A strong base in technical skills offers an attractive proposition for the Marches to continue to develop its strengths in manufacturing by attracting new businesses.

Source: ONS APS (2018)

Spatial distribution of occupations

Mapping the proportion of residents in certain occupations is useful for strengthening our spatial understanding of the labour market.

The left hand map overleaf shows the proportion of working age residents in elementary roles.

The majority of the Marches area has between 6% and 9% of working age residents in elementary roles. In many of the towns, the proportion is higher (between 9% and 12%), including Ledbury, Ross-on-Wye, Oswestry, Market Drayton, Leominster, Newport and Whitchurch.

Parts of Telford and Hereford have over 18% of working age residents in elementary positions, whilst parts of northern Shropshire have lower proportions of residents in these roles (between 3% and 6%).

The map on the right shows the proportion of residents in top manager and professional roles. It is almost an inverse of the share of residents in elementary work.

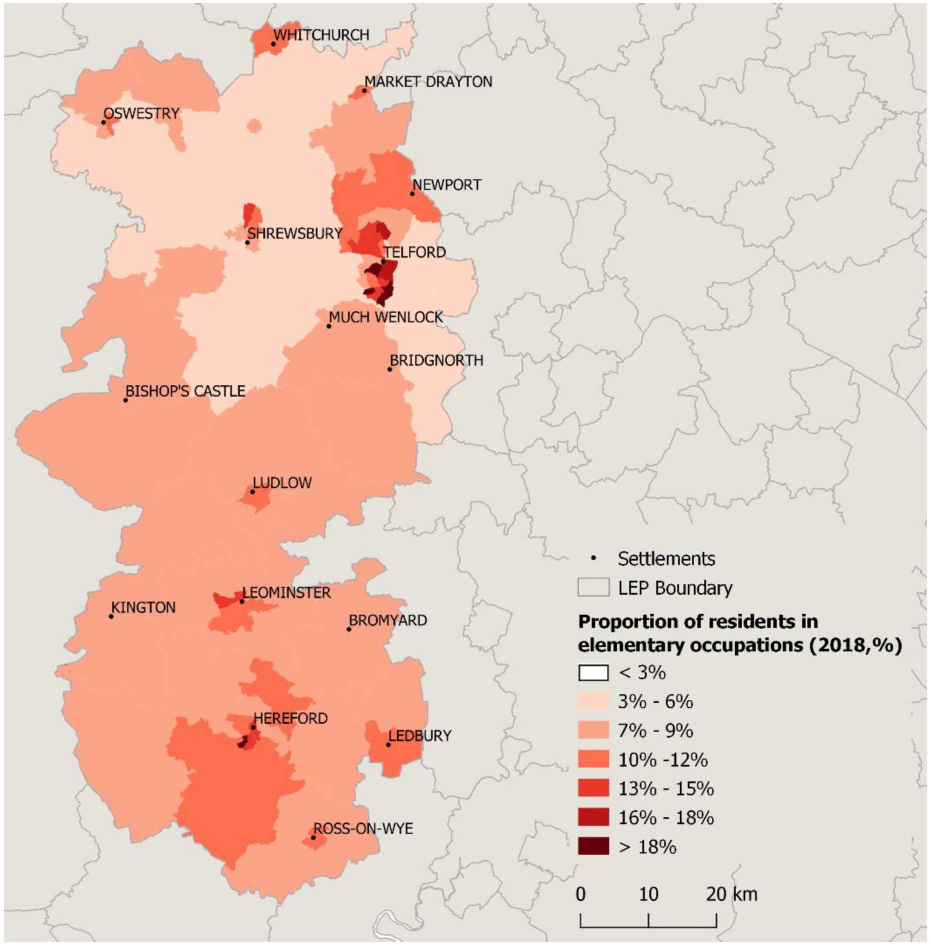
Much of the Marches has between 30% and 35% of its working age residents in these roles, including Kington, Bromyard, Ledbury and Bishop's Castle.

Areas with a higher proportion of working age residents in high level roles include of parts of north and east Shropshire and south Herefordshire (35% to 50%). Whitchurch, Oswestry, Market Drayton and Ross-on-Wye have lower shares of top managers compared to the rest of the area (25% to 30%).

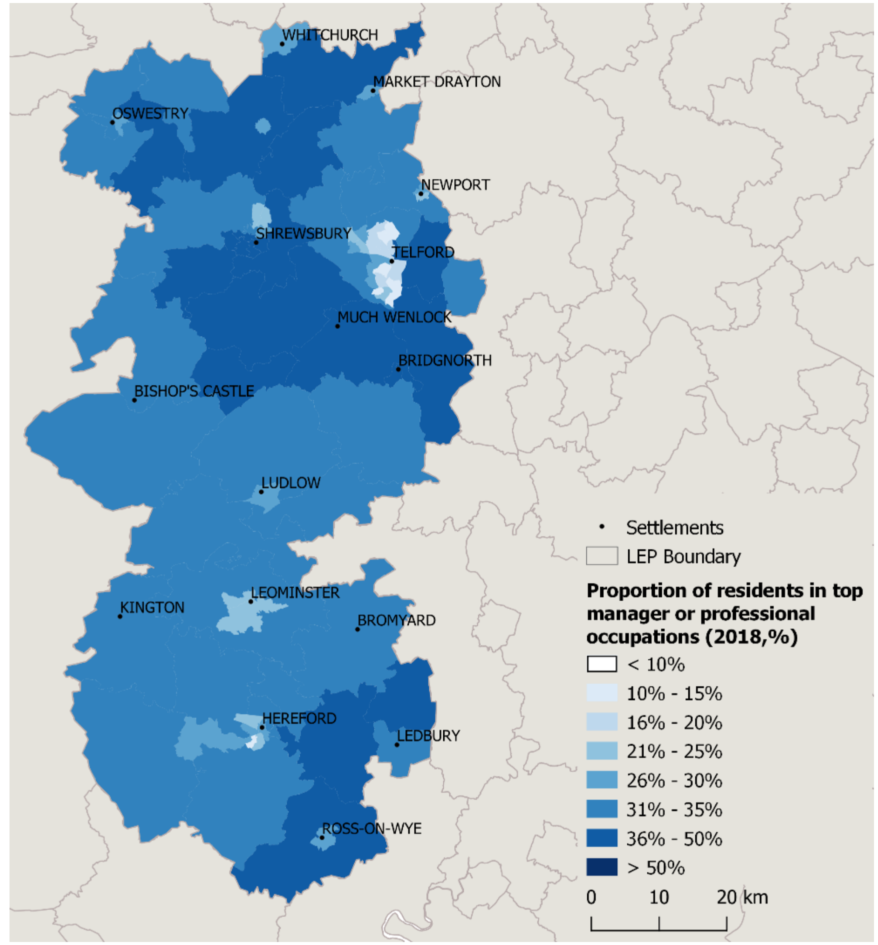
Parts of Telford and Hereford have the lowest proportion of residents in high-level occupations (between 10% and 15%).

Metro Dynamics estimates based on ONS APS (2018) and Census (2011) data

Residents in elementary roles across the Marches (2018)



Residents in top managerial or professional roles across the Marches (2018)



Metro Dynamics estimates based on ONS APS (2018) and Census (2011) data

Employment profile

Employment levels in the Marches, its local authorities and comparators (2018)

	Economic activity rate (2018)	Employment rate (2018)	Unemployment rate (2018)
Herefordshire	83.4%	81.1%	2.7%
Shropshire	84.8%	82.3%	2.9%
Telford and Wrekin	75.7%	72.7%	3.9%
The Marches	81.9%	79.4%	3.1%
Greater Lincolnshire	78.7%	74.5%	5.3%
Heart of the South West	81.6%	78.7%	3.5%
West Midlands	77.0%	73.3%	4.8%
UK	78.3%	75.0%	4.3%

Levels of economic activity and inactivity indicate the size of the labour market in an economy. Economic inactivity refers to people who are outside of the labour market, as they are neither in employment or are unemployed. This includes students, the long-term sick or carers.

Almost 82% of the population in the Marches are economically active. This is higher than the average for the UK (78.3%) and West Midlands (77.0%), showing that there is a relatively large labour force in relation to the population. Telford and Wrekin has lower levels of economic activity (75.7%) than both the Marches and the UK average.

The unemployment rate indicates the health of an economy, as it responds to recession and growth. Unemployed people are those without a job who have been actively seeking work in the past four weeks and those who have found a job and are waiting to start.

Unemployment rates in Herefordshire, Shropshire, Telford and Wrekin are lower than the UK average of 4.3% and West Midlands average of 4.8%. Heart of the South West and Greater Lincolnshire have higher unemployment rates than the Marches.

The unemployment rate in the Marches and three local authorities has fluctuated much more than the UK average. All experienced an increase post-2008 with the unemployment rate peaking in Telford and Wrekin at 9.9% in 2011. Since the financial crisis, there has been a gradual decline. Between the years 2013 and 2014, the unemployment rate fell significantly in the Marches from 6.8% to 4.3% (see the Appendices for a time series of unemployment rate).

Source: ONS APS (2018)

Benefit claimants

Proportion of JSA and ESA claimants in the Marches, its local authorities and comparators (Nov 2018)

Area	JSA claimants (per 18-64 year olds)	ESA claimants (per 16-64 year olds)
Herefordshire	0.4%	4.2%
Shropshire	0.5%	4.1%
Telford and Wrekin	1.2%	7.0%
The Marches	0.6%	4.9%
Greater Lincolnshire	0.8%	6.0%
Heart of the South West	0.4%	5.2%
West Midlands	1.1%	5.4%
UK	0.8%	5.3%

Analysing Job Seekers Allowance (JSA) and Employment and Support Allowance (ESA) enriches the understanding of the labour market. JSA is an unemployment benefit paid by the UK Government to people who are unemployed and actively seeking work. Residents are eligible for ESA if they are unable to work due to illness and/or disability, or to support them with working if their condition allows them to do so.

The proportion of population aged 18 to 64 claiming JSA is slightly lower in the Marches (0.6%) than the West Midlands (1.1%) and UK (0.8%). The rate is highest in Telford and Wrekin (1.2%).

The proportion of working age population claiming ESA is lower in the Marches at 4.9% than the average for the UK (5.3%) and West Midlands (5.4%). Telford and Wrekin has a significantly higher rate of ESA claimants at 7.0%, reflecting higher economic inactivity and unemployment levels.

For both measures the Marches performs better than Greater Lincolnshire and Heart of the South West.

Source: ONS Jobseekers Allowance Monthly Claimant Count (November 2018), Work and Pensions Longitudinal Survey (November 2018), ONS Population Estimates (2018)

Median wages

Median gross weekly annual pay for full-time workers by workplace in the Marches, its local authorities and comparators (2018)

Area	Gross annual pay
Herefordshire	£23,934
Shropshire	£26,519
Telford and Wrekin	£26,975
The Marches	£25,947
Greater Lincolnshire	£25,720
Heart of the South West	£26,371
West Midlands	£27,716
UK	£29,574

The table shows median gross annual and weekly pay for full-time workers in the Marches, its local authorities and comparators.

The Marches annual pay of £25,947 is lower than the regional average of £27,716 and national average of £29,574. Annual pay is higher than Greater Lincolnshire (£25,720) but lower than Heart of the South West (£26,371).

Within the Marches, Herefordshire has significantly lower pay at £23,934 than in Shropshire and Telford and Wrekin.

Up to 2008, annual pay increased in line with the national trend (see the Appendices for time series of annual wages). After the financial crisis, the decline in annual pay in Herefordshire and Telford and Wrekin was significantly higher than the regional and national decline.

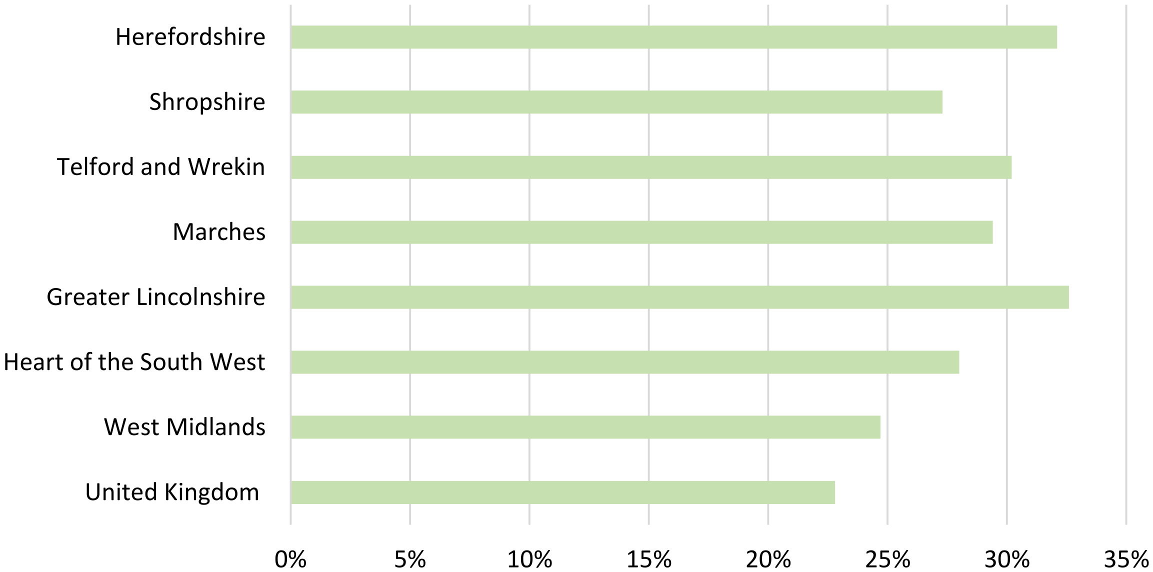
Wages have made a recovery in Shropshire and Telford and Wrekin, however wage growth in Herefordshire has stagnated, only marginally increasing in the last two years.

In 2018 terms.

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

Real Living Wage

Share of employee jobs under the Real Living Wage for the Marches, its local authorities and comparators (2018)*



The chart illustrates the percentage of workplace jobs earnings beneath the Real Living Wage in 2018, as set by the Living Wage Foundation*. The Real Living Wage can be used as a proxy for in-work poverty.

The results indicate that the Marches (29.4%) has a higher share of employee jobs earning below the Real Living Wage than Heart of the South West (28.0%), and the national (22.8%) and regional average (24.7%). Greater Lincolnshire has higher levels of employee jobs earning below the Real Living Wage (32.6%).

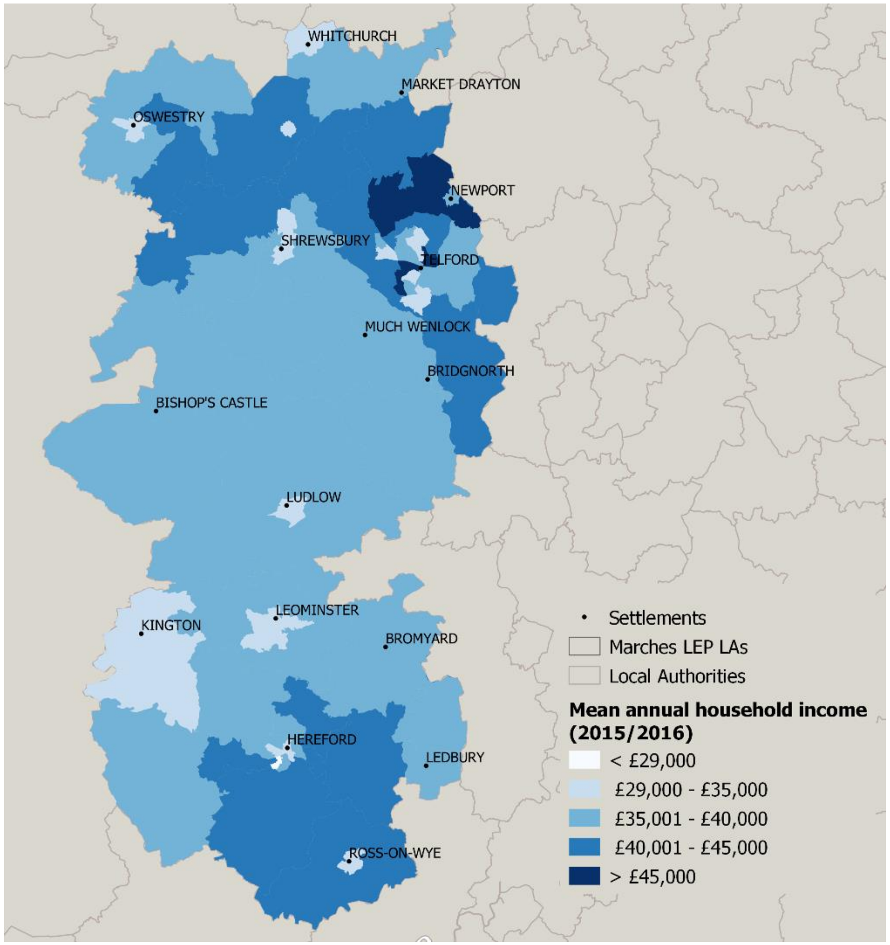
The breakdown between the three local authorities within the Marches shows that jobs below the Real Living Wage are most prevalent in Herefordshire (32.1%) and Telford and Wrekin (30.2%). Shropshire has the lowest proportion (27.3%).

** Based on the Living Wage Foundation Living Wage of £8.75 per hour (outside of London).*

Source: ONS ASHE (2018)

Earnings

Earnings levels across the Marches (2015/16)



The map to the left illustrates the spatial distribution of wages across the Marches.

Mean annual household income may be distorted by outlying values, resulting in income seeming higher than expected. This disguises extremes which is important when considering inclusive growth.

Much of the Marches area has medium value mean annual household income of £35,001 - £40,000. There are some areas with slightly higher income of £40,001 - £45,000, particularly the in south Herefordshire and parts of north Shropshire.

Wealthier areas with an income over £45,000 are located around Telford and the outskirts of Newport.

Areas with a lower income of £29,001 - £35,000 are typically in urban areas including Kington, Leominster, Shrewsbury, Oswestry, Ross-on-Wye and Hereford. The lowest mean annual household income is found in south west Hereford, where earnings are below £29,000.

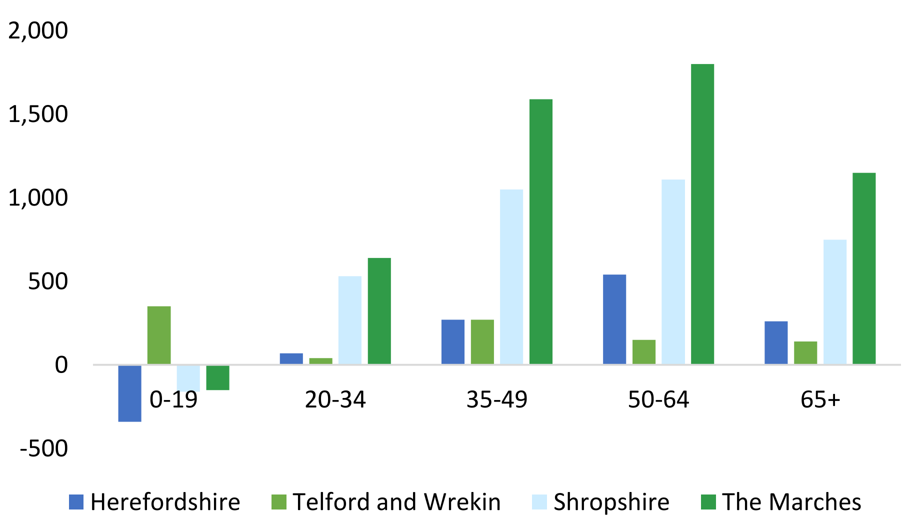
Source: ONS Small area income estimates for middle layer super output areas (2015/16)

Internal UK migration

Migration inflows and outflows in the Marches and its local authorities (June 2016-17)

	Inflows	Outflows	Net inflow
Herefordshire	7,650	6,850	800
Shropshire	14,930	11,650	3,280
Telford and Wrekin	8,350	7,400	950
The Marches	30,930	25,900	5,030

Net movements by age in the Marches and its local authorities (June 2016-17)



The table to the left shows internal migration movements for the Marches and its respective local authorities. These are broken down into inflows and outflows to and from the place to other places in the UK. The net movements are also quoted.

Overall there has been a positive inflow of over 5,000 people into the Marches between 2016 and 2017, with 30,930 moving into the Marches area and 25,900 moving out.

There is some variation in the level of migration within the Marches. Over half the net inflow of people into the Marches is to Shropshire (3,280). This is followed by Telford and Wrekin (950) and Herefordshire (800).

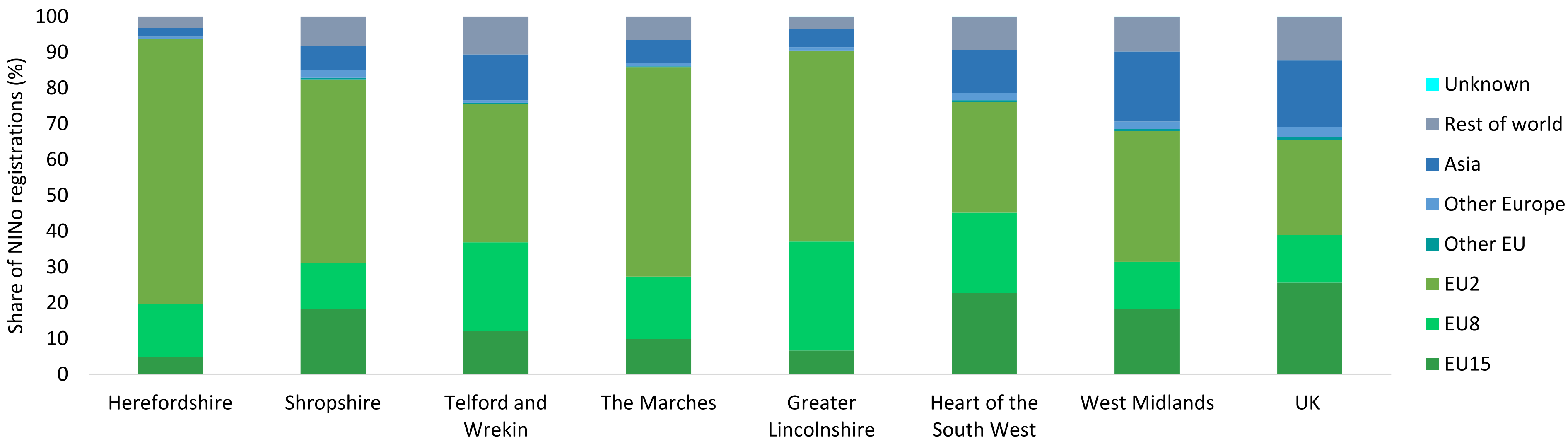
The bottom chart shows the breakdown of migration by age. There is high positive net inflow between the ages of 35 to 65 (3,390) and 65 and over (1,150). The age bracket with the largest net inflow of 1,800 people is those aged 50 to 64. Similar to the general finding, the positive net inflow of this age group in the Marches is largely driven by Shropshire (61.7%). Migration of people aged 65 and over is most likely due to the Marches reputation as an attractive place to retire. This is linked to higher house prices for the economically active population.

There is a negative movement of 150 people aged 0 to 19. This is highest in Herefordshire (-340 people). The net outflow of 1,570 residents aged 15 to 19 is likely to be caused by young people leaving for university outside of the area. There is a net inflow of 1,420 residents aged under 15, indicating that the Marches is a population place for families to locate to.

Source: ONS Internal Migration (2016-17)

Migration from overseas

NINo Registrations to Overseas Nationals Entering the UK in the Marches, its local authorities and comparators (March 2017-18)



For adult overseas nationals entering the UK who have been allocated National Insurance numbers (NINo), the chart above shows the area of world that they are from for the Marches, its local authorities and comparators (see the Methodology for category definitions).

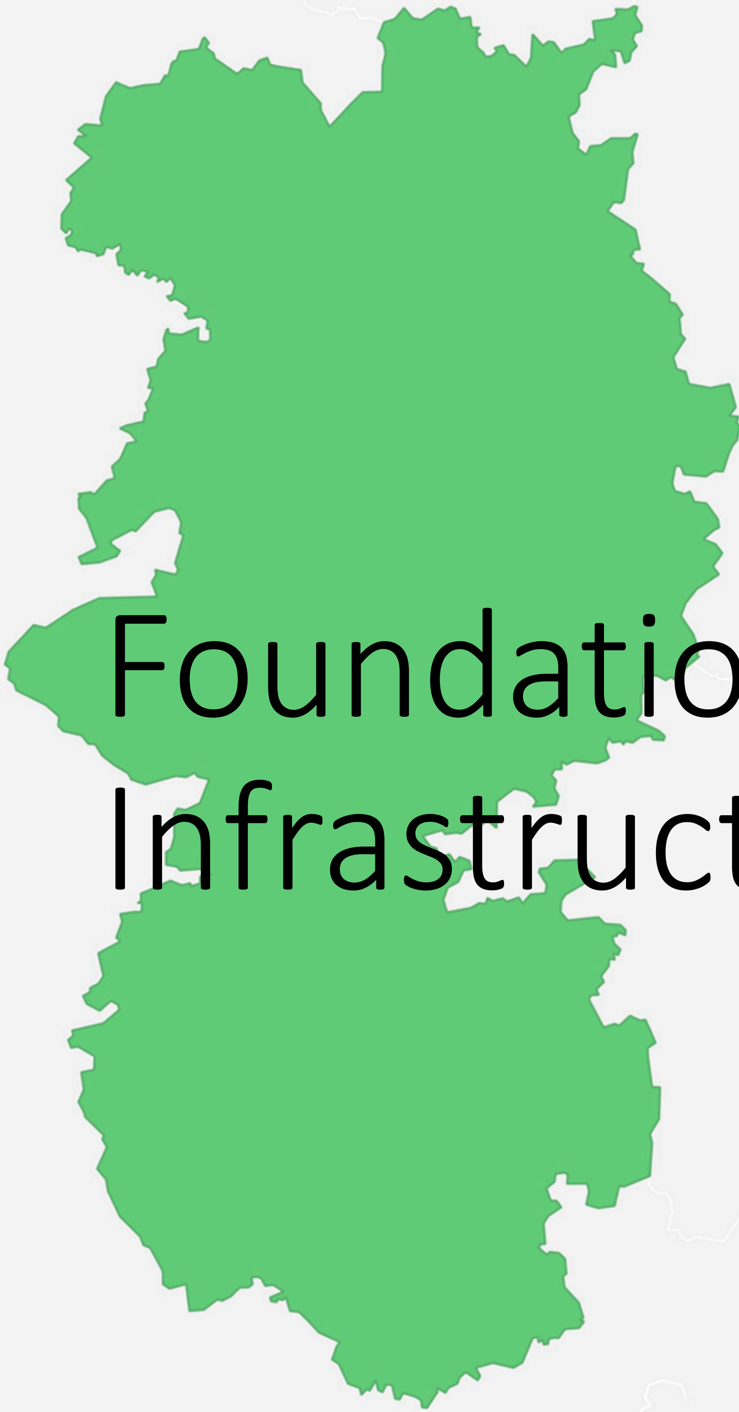
In the time period of March 2017 to March 2018, 4,844 adult overseas nationals were allocated National Insurance numbers in the Marches. Almost 50% of these allocations were for residents in Herefordshire.

The majority of allocations are made to overseas nationals from the EU (86.1%) with as high as 93.8% in Herefordshire. This is significantly above average for the West Midlands (68.6%) and UK (66.2%). In Greater Lincolnshire, 90.5% of overseas nationals allocated NINos are from EU countries.

In Telford and Wrekin, the share of EU migrants allocated NINo is lower at 75.9%, due to the higher proportion of migrants from the 'rest of the world' (Africa, North, Central and South America, and Oceania).

Disaggregating the high proportion of NINo allocations from the EU for the Marches shows that the majority of EU migrants are from Bulgaria and Romania (EU2 countries). Almost 59% of migrants in the Marches are from these countries compared to 26.5% nationally, 36.5% regionally and 30.9% in Heart of the South West. Greater Lincolnshire also has a higher than average share (53.3%). In Herefordshire, 74.0% of NINo registrations are to overseas nationals from EU2 countries.

Source: DWP (2018)



Foundation of productivity: Infrastructure

Foundation of productivity: Infrastructure

High maximum download speeds upwards of 70 Mbit/s in many areas but **digital connectivity challenges in rural areas** with low download speeds

Median house prices are **lower** than the UK, but **affordability challenges** in parts of the area

Energy consumption highest where **energy intensive businesses** are located – Telford, Hereford – Ross-on-Wye, and Battlefield, Shrewsbury

Excellent strategic economic links to the North West, West Midlands, South West and Wales but **challenges around road infrastructure and rail frequency**

Broadband connectivity

Fixed broadband coverage (proportion of premises) in the Marches, its local authorities and comparators (2019)

Area	Superfast coverage	Ultrafast coverage	Full Fibre coverage
Herefordshire	87%	14%	14%
Shropshire	93%	11%	5%
Telford and Wrekin	98%	80%	2%
The Marches	93%	35%	7%
Greater Lincolnshire	92%	27%	3%
Heart of the South West	94%	47%	3%
England	97%	60%	7%

The table to the left shows fixed broadband connectivity as a proportion of premises in the Marches, its local authorities and comparators.

Effective and high-quality broadband coverage is essential to support businesses and economic growth, especially given the shift towards an internet based economy and changing work practices, with working from home becoming more common.

Superfast broadband coverage (speeds of 30-300 Megabits per second (Mbit/s)) in the Marches (93%) is similar to LEP comparators and is slightly below the English average (97%). Within the Marches, Telford and Wrekin has the highest superfast coverage (98%), followed by Shropshire (93%) and Herefordshire (87%).

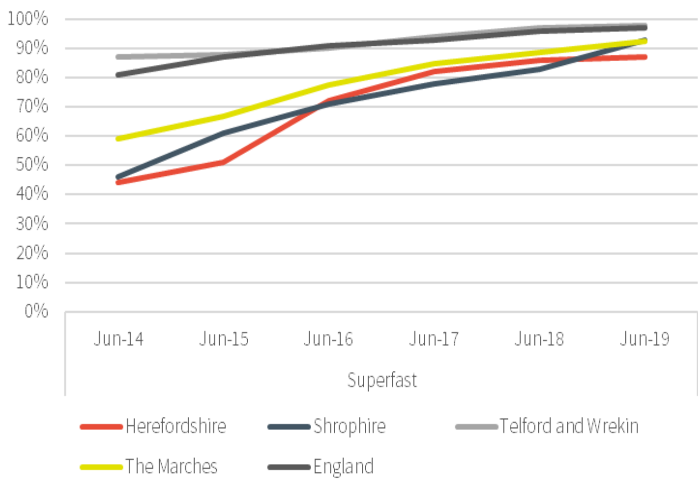
The proportion of premises with Ultrafast broadband coverage (speeds of over 300Mbit/s) in the Marches is 35%, which is significantly lower than the national average (60%). Coverage is higher than in Greater Lincolnshire (27%), but lower than in Heart of the South West (47%). Within the Marches, Telford and Wrekin has the highest Ultrafast coverage (80%), which is above the national average.

The share of premises with full fibre coverage in the Marches is 7%, which is in line with the English average, and higher than in Greater Lincolnshire and Heart of the South West (both 3%). Herefordshire has the highest proportion of premises with full fibre coverage (14%), which is higher than in Shropshire (5%) and Telford and Wrekin (2%).

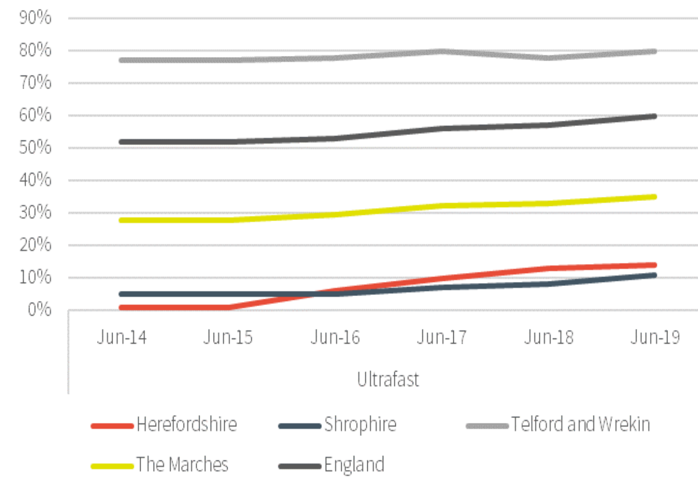
Source: Marches Digital Strategy (2019) using Thinkbroadband (2019) data

Broadband coverage over time

Proportion of premises with Superfast broadband coverage in the Marches, its local authorities and England (June 2014-19)



Proportion of premises with Superfast broadband coverage in the Marches, its local authorities and England (June 2014-19)



The two line graphs above show the proportion of premises with Superfast (30-300Mbit/s) and Ultrafast (>300Mbit/s) broadband coverage in the Marches, its local authorities and England over time.

In June 2014, around 60% of premises in the Marches had Superfast coverage. This was below the England average of 80%. Between June 2014 and June 2019, Superfast coverage in the Marches increased significantly to 93%, compared to 97% in England.

The largest increase in Superfast coverage has been in Shropshire, rising from around 46% of premises in 2014 to 93% in 2019. Coverage in Herefordshire has increase from 44% to 87% in the same period. Telford and Wrekin started with higher coverage than the national average at 87%, which has increased to 98%.

In 2014, Ultrafast coverage in the Marches was just below 30%. This was lower than the national average (51%). Between 2014 and 2019, Ultrafast coverage has increased to 35% in the Marches, compared with 60% in England.

Within the Marches, there was almost no Ultrafast coverage in Herefordshire and Shropshire in June 2014, compared to higher than average coverage in Telford and Wrekin (77%). Ultrafast coverage has increased in Herefordshire and Shropshire to 14% and 11%, respectively. Current coverage in Telford and Wrekin is 80%.

Full fibre coverage has increased in all areas over the past five years with particularly strong up take in Herefordshire (see the Appendices for a time series of full fibre broadband coverage).

Source: Marches Digital Strategy (2019) using Thinkbroadband (2019) data

Broadband adoption and future developments

Various campaigns have been initiated to help increase awareness of service availability and the benefits of using higher speed broadband, led by internet service providers within the Marches.

Phase 1 of Building Digital UK (BDUK) delivery of broadband to the nation involved £530m of public money to improve coverage, followed by Phase 2 (£230m of funding).

Supported programmes under BDUK in the Marches include Connecting Shropshire, Fastershire and Superfast Telford. Broadband take-up has generally been strong:

- **Phase 1 BDUK uptake:** Connecting Shropshire (56% increase), Fastershire (55%), England BDUK average (58%)
- **Phase 2 BDUK uptake:** Connecting Shropshire (39%), Fastershire (11%), Superfast Telford (51%), England BDUK average (39%)

Connecting Shropshire has two new contracts with the UK network company Openreach to extend reach of Superfast broadband to commercially unviable areas, connecting 18,000 new premises by 2030.

Phase 2 of Fastershire delivery includes two contracts with Gigaclear and Openreach with delivery across four areas.

Superfast Telford has developed an urban focused rollout of fibre technologies with Openreach contracted to connect approximately 9,000 out of reach homes.

Other public sector activity includes the Marches and Gloucestershire Broadband Grant, Local Full Fibre Networks and Rural Gigabit Connectivity Programme, Gigabit Voucher Scheme, Better Broadband Scheme, Market Stimulation and Policy Work, USO.

Commercial activity includes Openreach's first fibre programme which will target 3 million homes by 2020, and Virgin Media's target of connecting 4 million additional properties by 2020. There are several other smaller projects.

Source: Marches Digital Strategy (2019)

Broadband connectivity across the Marches

The two maps on page 79 represent maximum and average broadband download speeds at the local level by Mbit/s for the Marches area. This can be used to see which areas have the highest and lowest connectivity. Please note, the maps overleaf use data from Ofcom Connected Nations (2018), which differs to the Thinkbroadband data used in the analysis on pages 75-76.

Maximum speeds allow us to see the constraint on connectivity, i.e. what it is possible to get in any area as demonstrated by the fastest connections available. Telford and the surrounding area, along with Newport, have the highest maximum speeds of 100 Mbit/s and over.

Areas of low maximum download speeds (0 – 10 Mbit/s) are typically found in rural parts of the Marches, such as parts of south and east Herefordshire and south and west Shropshire.

Maximum download speeds in most urban areas tend to be higher (70-80 Mbit/s). These include Shrewsbury, Whitchurch, Oswestry, Bromyard, Hereford and Ross-on-Wye.

Maximum speeds only reveal so much about the connectivity of a place. Looking at the average downloads speeds gives a better understanding of the current levels of digital connectivity.

The pattern of average downloads speeds largely reflects that of maximum. The areas to the north and south of Telford have the highest average download speeds of 80-90 Mbit/s. The next highest average speeds are found in parts of Newport with 70-80 Mbit/s.

Although many of the urban areas have high maximum connectivity levels, average download speeds are relatively low, with places such as Oswestry, Hereford , Bishop's Castle, Ledbury, Ludlow and Much Wenlock having average speeds of between 20-40 Mbit/s despite having maximum speeds of 70-80 Mbit/s.

Rural areas surrounding Bromyard and Bridgnorth, south of Bishop's Castle and between Ludlow and Kington have very low average download speeds of 0-20 Mbit/s but have a high maximum potential.

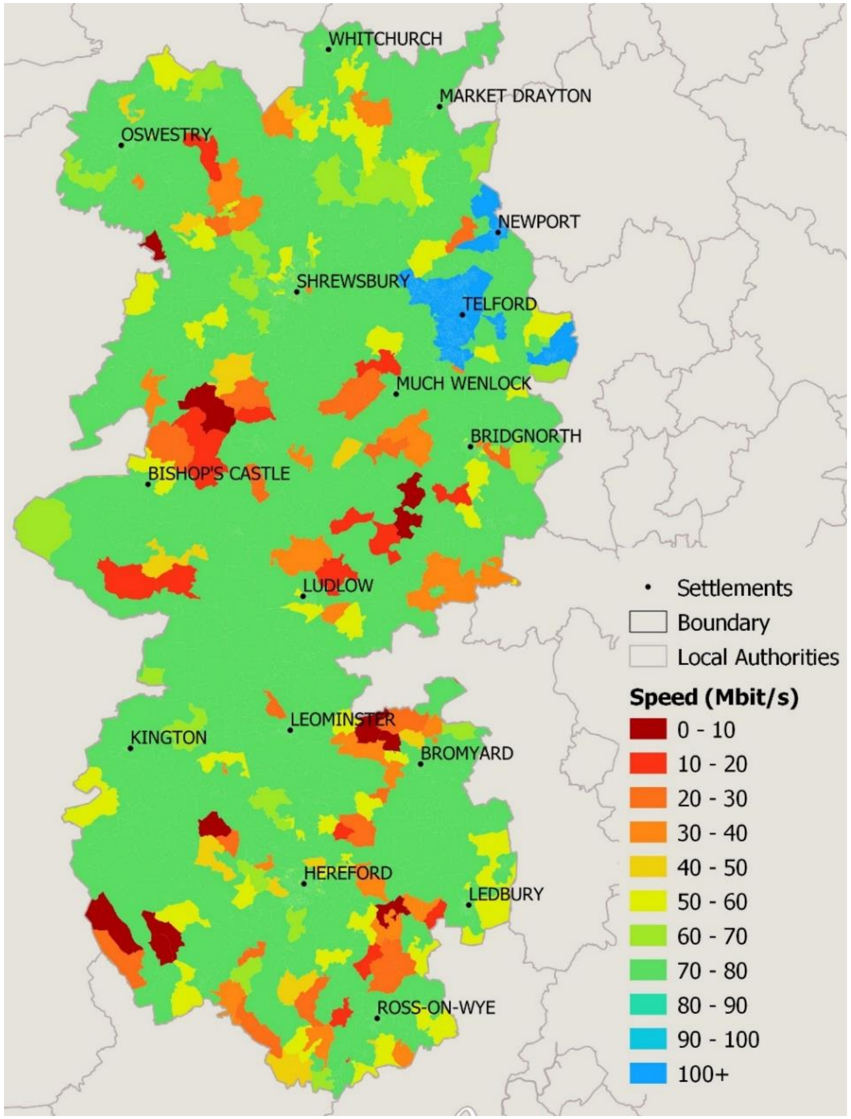
The two maps on page 80 represent average and maximum broadband upload speeds at the local level by Mbit/s for the Marches.

Upload speed are particularly of interest to businesses working in sectors where there is a heavy load of data processing. Note that upload speeds are generally lower than download speeds, because businesses upload much less than they download.

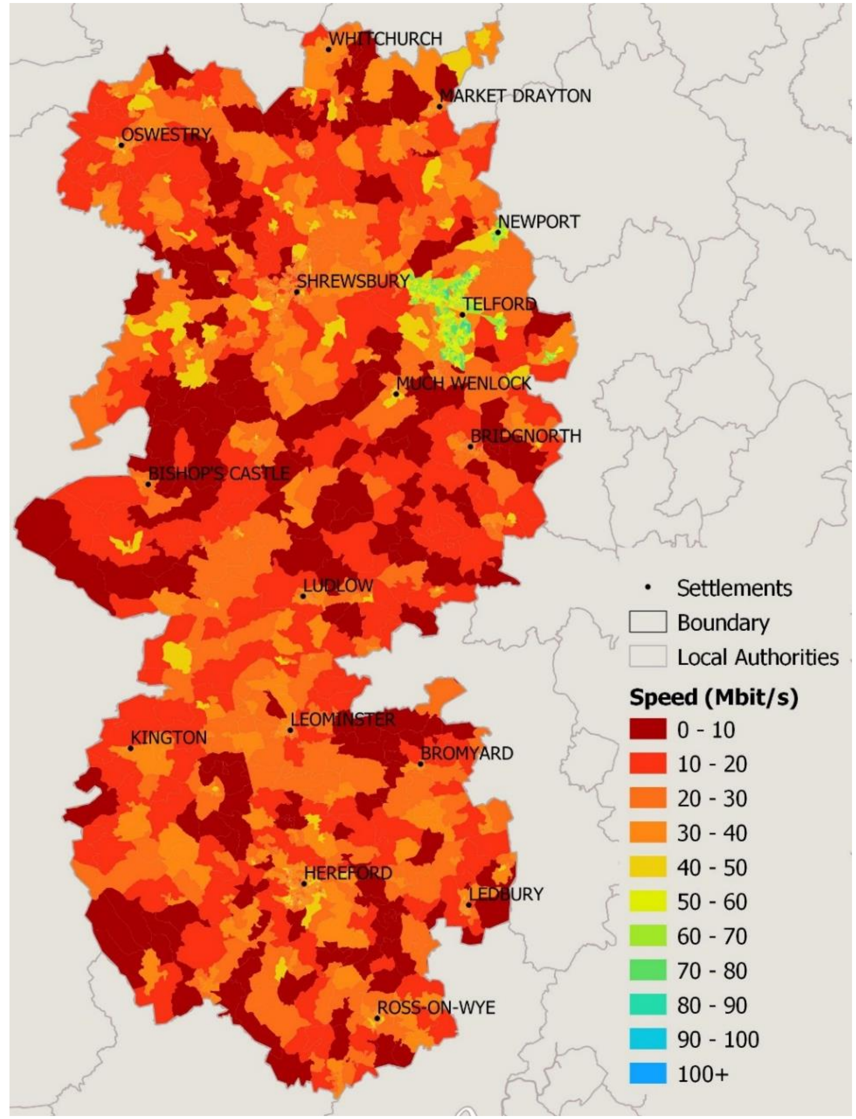
The majority of the Marches fits in the high maximum upload speed category 18-20 Mbit/s. There are some areas around Telford where upload speeds are greater than 20 Mbit/s. Some parts of the Marches, including the area north of Bishop's Castle and Ludlow and parts of south east Herefordshire, have very low maximum upload speeds of between 0-2 Mbit.

Source: Ofcom Connected Nations (2018)

Maximum download speeds across the Marches (2018)

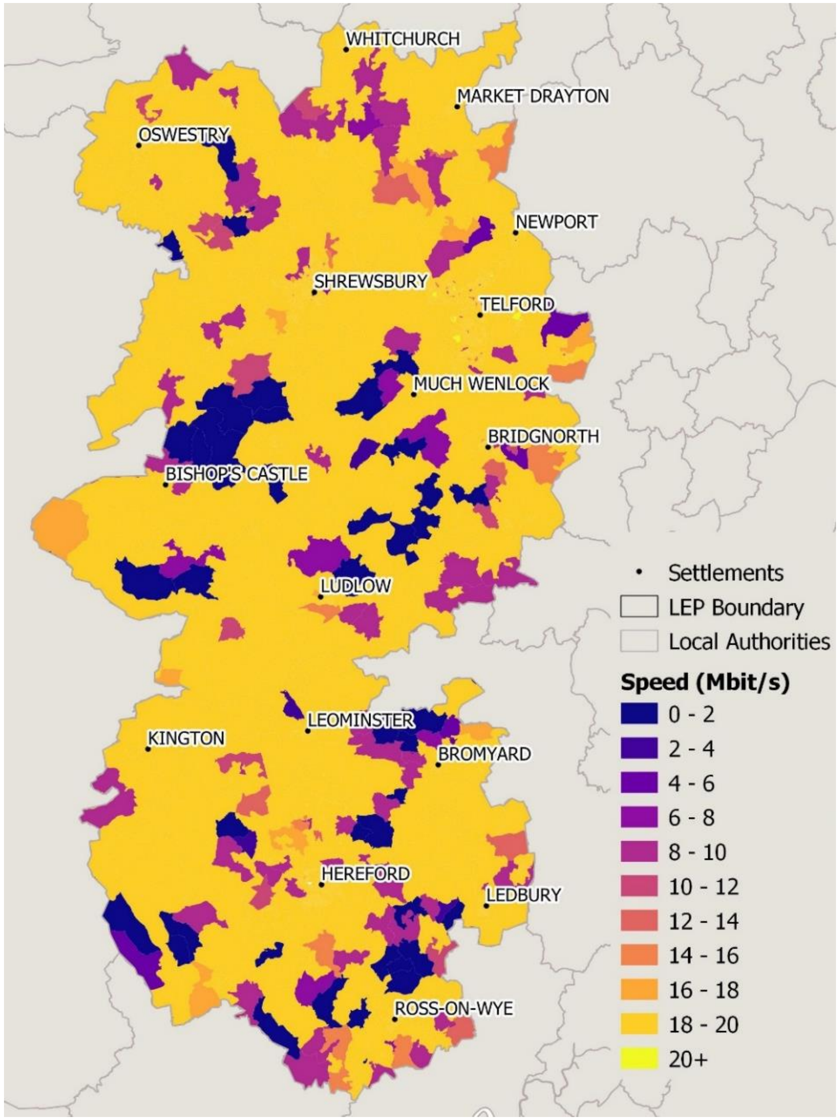


Average download speeds across the Marches (2018)

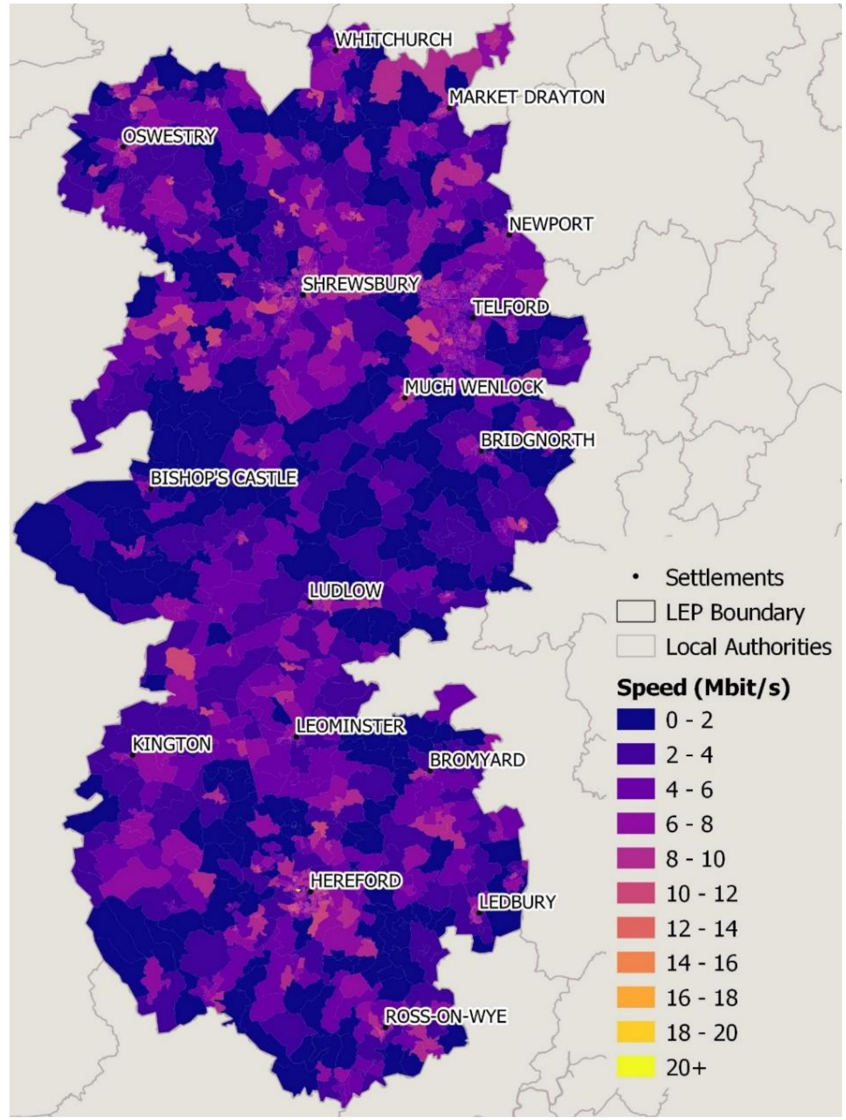


Source: Ofcom Connected Nations (2018)

Maximum upload speeds across the Marches (2018)



Average upload speeds across the Marches (2018)



The Marches Local Enterprise Partnership
Herefordshire - Shropshire - Telford & Wrekin

Source: Ofcom Connected Nations (2018)

Mobile phone coverage

Mobile phone signal from all operators (proportion of premises) in the Marches, its local authorities and comparators (2019)

This chart above shows mobile phone coverage of 4G indoor services and data services from all operators in the Marches, its local authorities and comparators.

Around two thirds of premises in the Marches have indoor 4G services. This is below the English average of 79%, and similar to levels in Heart of the South West (65%) and Greater Lincolnshire (67%).

Within the Marches, Telford and Wrekin has the highest coverage of indoor 4G services (79% of premises). This is followed by Herefordshire (62%) and Shropshire (56%).

For indoor data services, 96% of premises have coverage in the Marches. This is similar to the national average (97%) and the same level coverage as Greater Lincolnshire. The Marches slightly outperforms Heart of the South West (93%).

Almost all premises in Telford and Wrekin have indoor data services from all operators. This is also high in Shropshire (95%) and Herefordshire (94%).

Source: Marches Digital Strategy using Ofcom (2019) data

Mobile phone coverage across the Marches

EE indoor data coverage across the Marches (2019)

This map show the extent to which places in the Marches remain out of reach of mobile services, including fast and reliable 4G coverage.

Areas with dark green shading refer to places where coverage is stronger, whereas those in orange and white shading correspond to areas of relatively poor coverage.

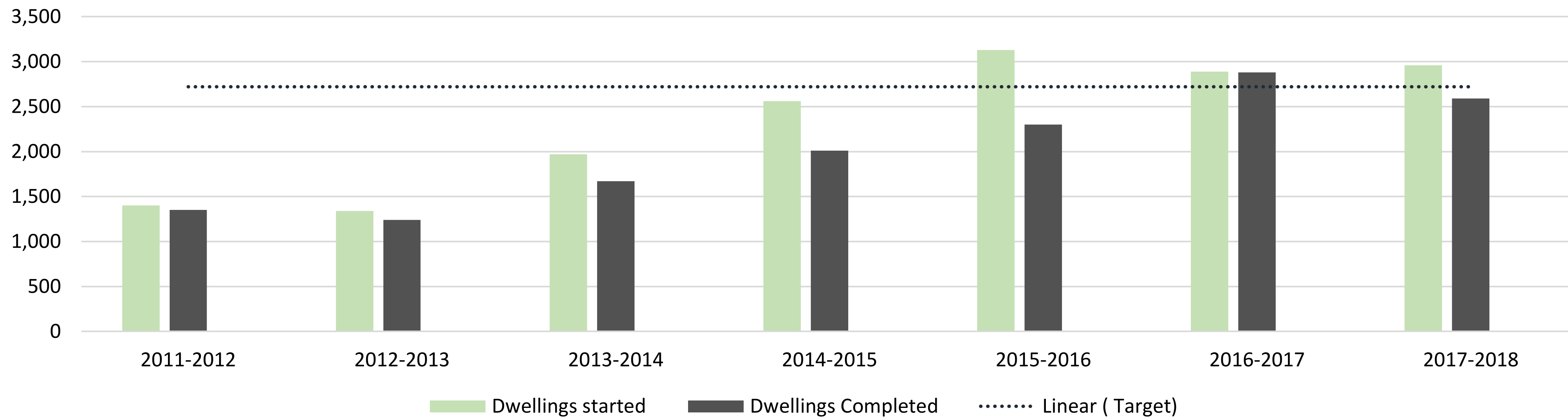
The maps show that coverage is strongest in the urban and densely populated areas of the Marches, such as Hereford, Shrewsbury, Telford, Ludlow, Oswestry, Newport and Bridgnorth. Rural areas have poorer coverage, including parts of north and south Shropshire and north and south Herefordshire.

In some instances, coverage is limited to basic voice and data transfer, which presents significant constraints on communication and day to day business activities.

Source: Marches Digital Strategy (2019) using Ofcom (2019) data

House starts, completions and targets

*New dwellings started and completed in the Marches against the target (2011/12 – 2017/18)**



The graph above illustrates the number of dwellings started and completed in the Marches since 2011-12 against the target delivery of approximately 2,720 new dwellings per annum.

This target is in line with the broader ambition of delivering new dwellings at the rate of Objectively Assessed Need (OAN).

Since 2016, when the OAN target was put in place, the Marches has achieved above its target for the year 2016-2017, when there were 2,880 completes.

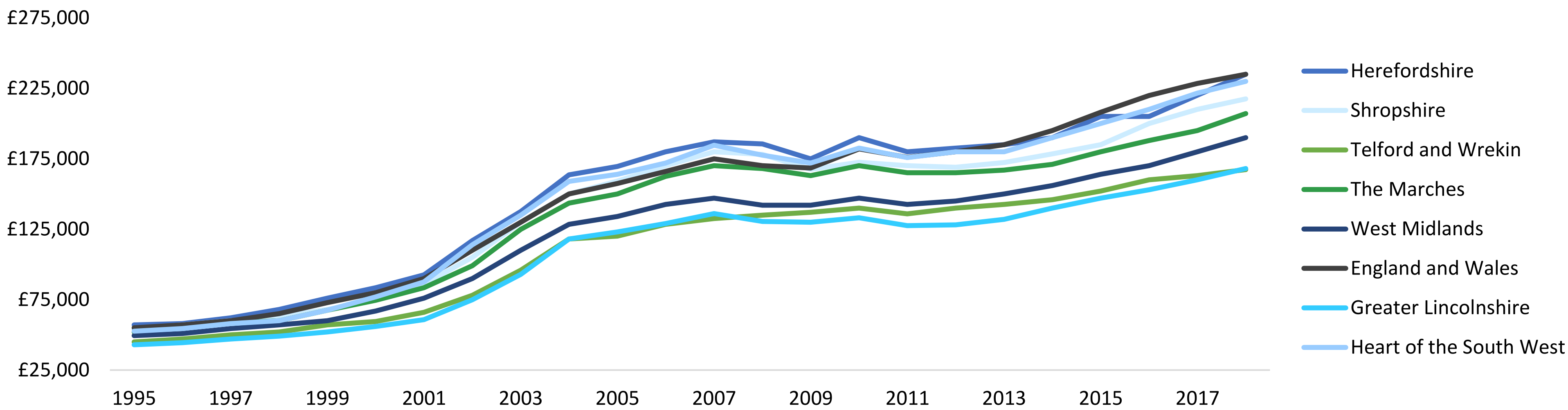
In the year 2017-2018, the number of completes has fallen below the target to 2,590, but the number of starts remains high at 2,960.

** Data includes estimates.*

Source: MHCLG Dwelling stock by local authority (2011-18)

Median house prices

Median house prices in the Marches, its local authorities and comparators (1995-2018)



This chart shows median house prices over time for the Marches, its local authorities and comparators.

In 2018, median house prices in the Marches were £207,000, which is below the national level of £235,000, but above the regional level of £190,000. Greater Lincolnshire has lower median house prices (£168,000), whereas median house prices are higher in Heart of the South West (£229,995).

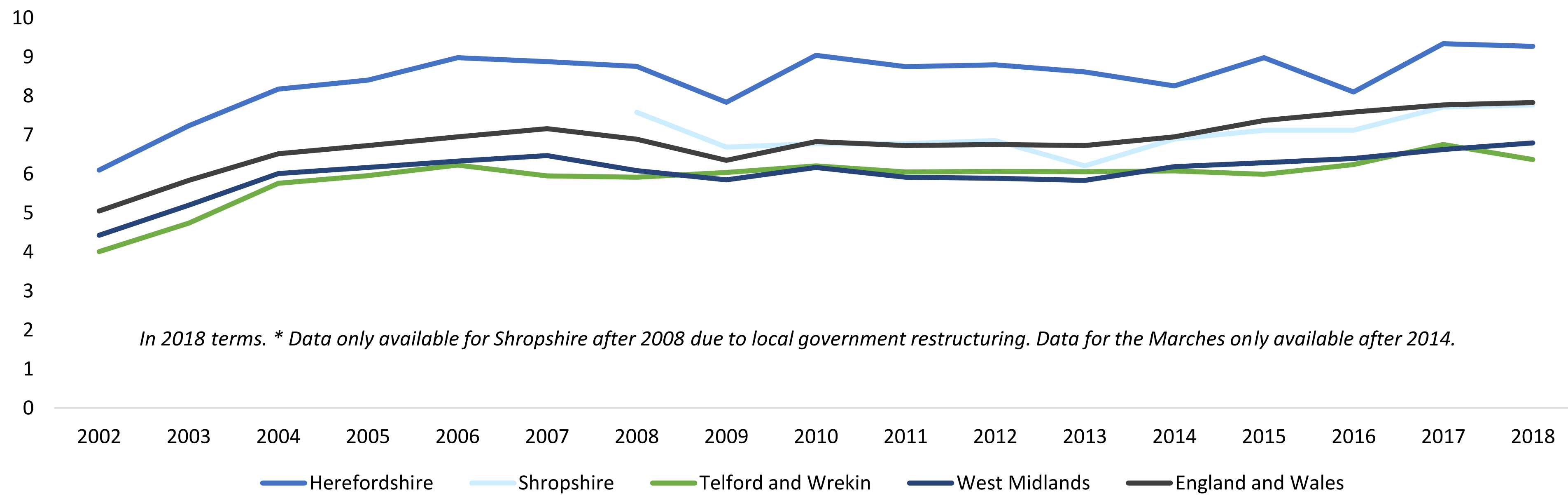
Within the Marches, Herefordshire has the highest median house prices of £235,000, followed closely by Shropshire (£217,500). They are considerably lower in Telford and Wrekin (£167,250).

Median house prices have increased on average 4.4% per annum in the Marches, which is slightly below the regional (4.8%) and national (4.9%) averages. Growth has been lowest in Telford and Wrekin at 3.3% on average per annum and around the regional/national average for Herefordshire and Shropshire, as well as Greater Lincolnshire and Heart of the South West.

Source: HPSSA (1995-2018)

Housing affordability

*Housing affordability in the Marches local authorities, and regional and national comparators (2002-18)**



Housing affordability is measured by the ratio of median house prices to median full-time earnings. A ratio of 4 is considered to be affordable.

The chart above shows housing affordability over time for the local authorities within the Marches, the West Midlands, and England and Wales.

Housing affordability has remained relatively stable between 2002 and 2018 for all areas. In 2018, median house prices in Herefordshire were 9.3 times higher than earnings, compared to 7.8 times higher than earnings nationally and 6.8 times higher regionally. Lack of housing affordability in Herefordshire is driven by median house prices at the same level as the UK but lower median wages.

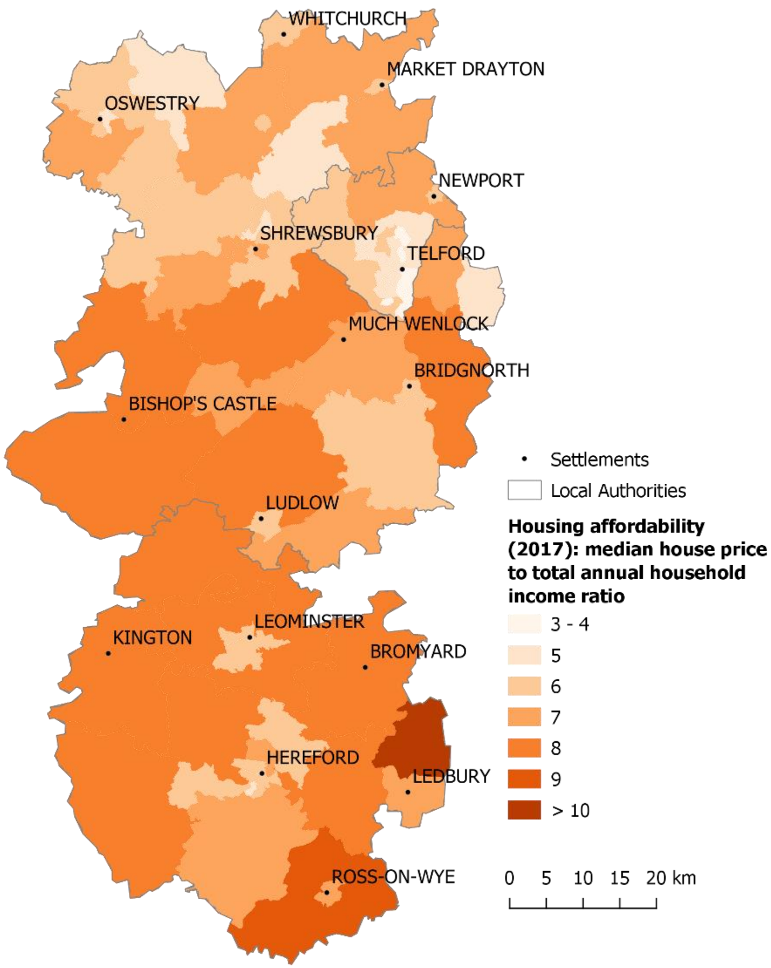
Housing affordability in Shropshire is in line with the national average. Telford and Wrekin is the most affordable area with house prices 6.4 times higher than earnings, although this is still above the affordability threshold.

** Data only available for Shropshire after 2008 due to local government restructuring. Data unavailable at the LEP level.*

Source: ONS House price to residence based earnings ratio (2002-18)

Housing affordability across the Marches

Housing affordability across the Marches (2017)



This map shows housing affordability at the local level across the Marches. Please note this uses 2017 data, as it is no longer possible to replicate this analysis.

Housing affordability across the Marches is diverse with areas of higher and lower affordability.

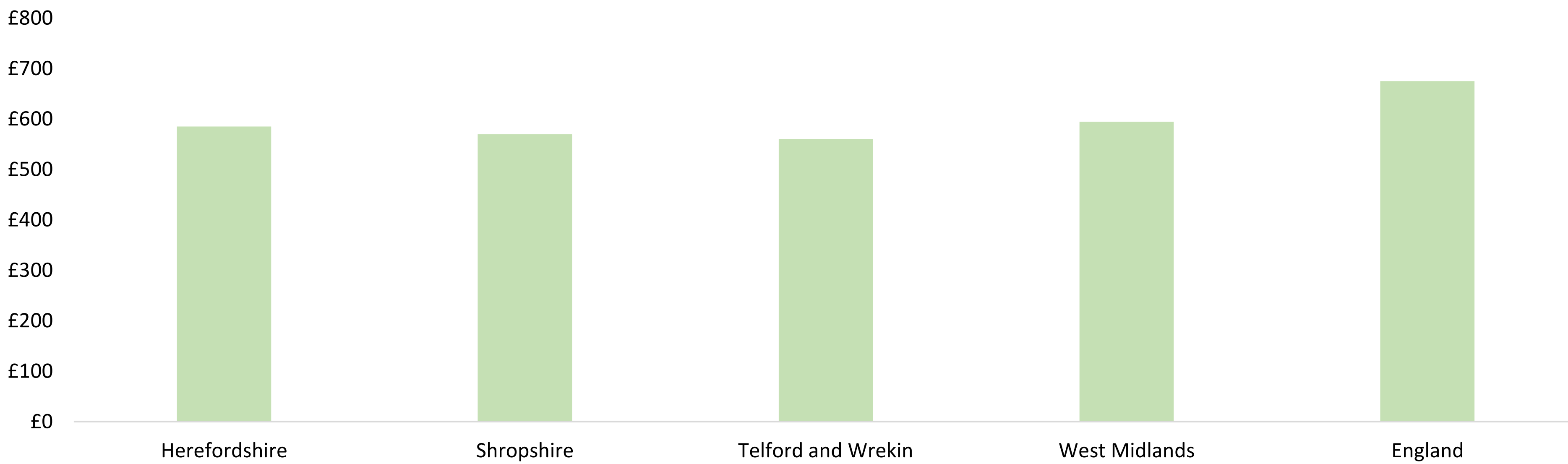
Telford is the most affordable with house prices between 3 and 4 times higher than annual household income. Northern parts of Shropshire around Shrewsbury and Oswestry, the area south of Bridgnorth, Ludlow, Leominster and Hereford have a ratio of 5 to 6 times annual household income.

Much of south Shropshire and rural areas of Herefordshire are close to the national level with a ratio of 8. The lowest levels of affordability are found in the southern tip of Herefordshire, where house prices are 9 times higher than annual household income, and north of Ledbury around Malvern Hills, where the ratio is higher than 10.

Metro Dynamics analysis of HM Land Registry and ONS ASHE data (2017)

Median rent

*Median monthly rental prices in the Marches local authorities, and regional and national comparators (2018)**



The graph above illustrates the median monthly rental price of properties in the Marches local authorities, the region and the UK.

In 2018, median monthly rent in Herefordshire (£585) was lower compared to the national level (£675) and slightly below the regional level (£595).

In Shropshire, median rental prices are similar to Herefordshire at £570 per month. Telford and Wrekin has the lowest median rents within the Marches at £560 per month.

** Data unavailable at the LEP level.*

Source: Valuation Office Agency Private Market Rental Statistics (2018)

Energy consumption in the Marches

The two maps overleaf represent median non-domestic electricity (left hand map) and gas (right hand map) consumption at the local level by Kilowatts per hour (KWh) per meter. This can be used to analyse where demand is highest.

Electricity is used throughout the Marches. Much of rural south west Shropshire and south Herefordshire has relatively low average electricity consumption (8,000-12,000 kWh). Urban areas such as Oswestry and Shrewsbury have higher energy consumption at 20,001-25,000 kWh. Parts of Telford have the highest electricity consumption of over 30,000 kWh.

There is missing data for gas consumption (in white), as these parts of the Marches do not have gas supply.

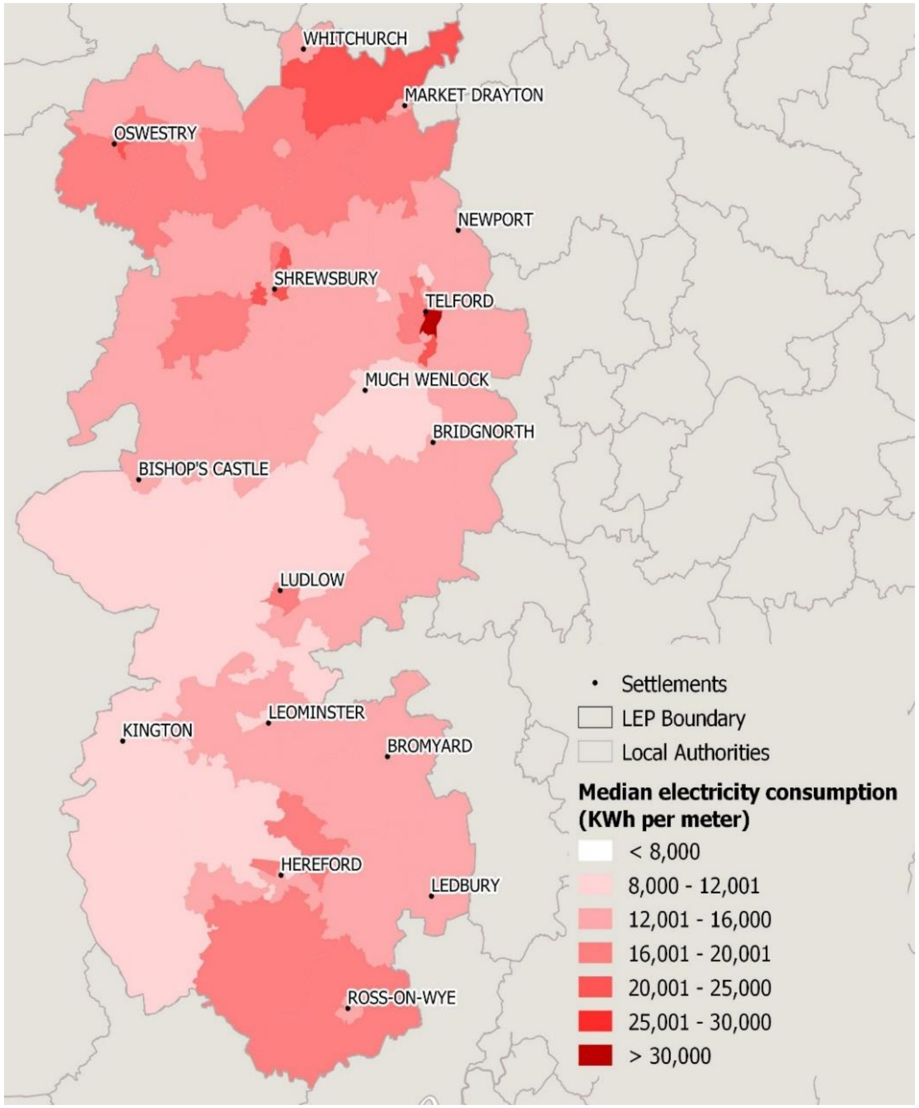
Large areas of the Marches have relatively low gas consumption at 100,001- 150,000 kWh. Areas of higher gas use in the range 150,000-200,00 kWh are situated in towns, including Kington, Ledbury, Shrewsbury and Market Drayton. The highest gas consumption is found in the area between Hereford and Ledbury (200,000 – 380,000 kWh) and north of Telford (over 380,000 kWh).

In areas of high energy consumption, there are concentrations of employment in energy intensive industries. For instance, north Telford has a high number of manufacturing jobs and high gas consumption.

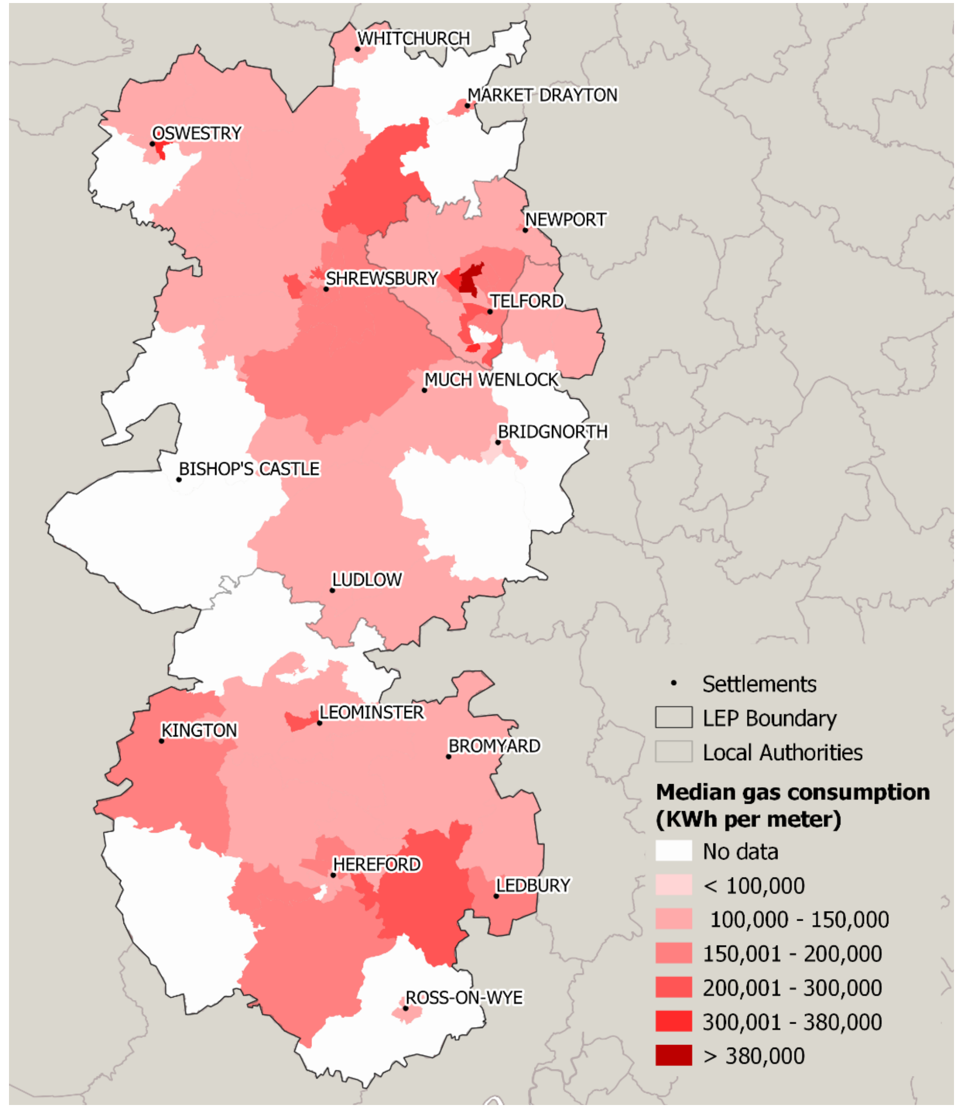
Other concentrations of economic activity may be driving high energy consumption in the area. For example, Battlefield has a high number of jobs in food processing, as well as high electricity and gas consumption.

Source: Department of Business, Energy and Industrial Strategy (BEIS) (2017)

Electricity consumption by KWh per meter across the Marches (2017)



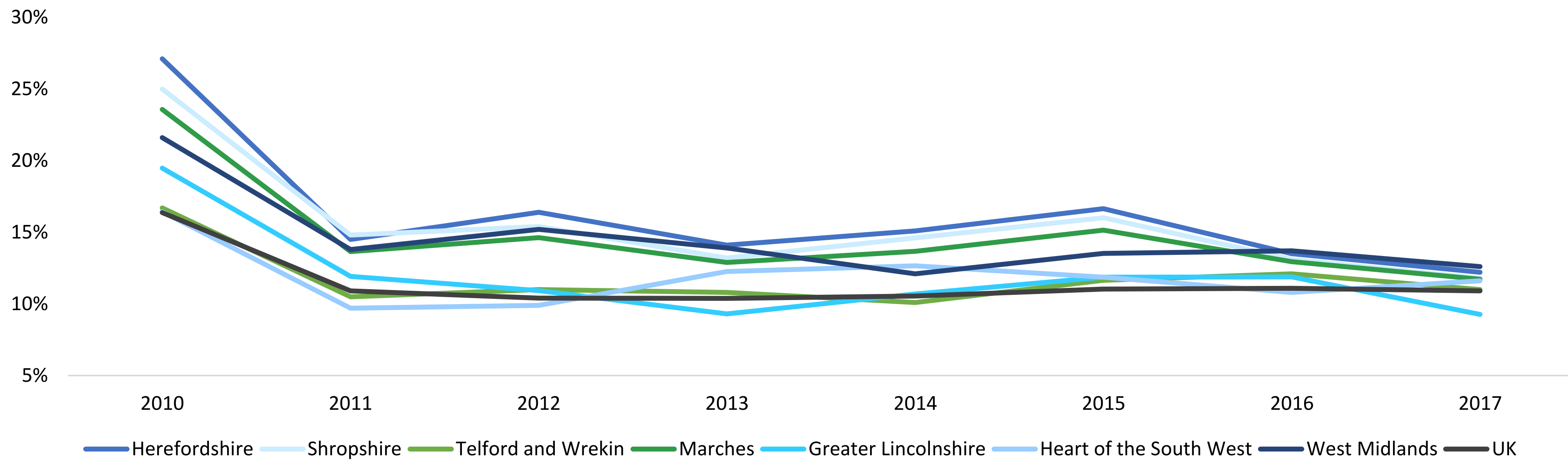
Gas consumption by KWh per meter across the Marches (2017)



Source: BEIS (2017)

Fuel poverty

Estimated share of fuel poor households in the Marches, its local authorities and comparators (2010-17)



Fuel poor households are those where the required fuel costs are above the national median level and were they to spend that amount on energy, residual income would place the household below the official poverty line.

The chart above shows the share of fuel poor households in the Marches, its local authorities and comparators.

The number of fuel poor households in the Marches has decreased over time from 23.6% of households in 2010 to 11.7% in 2017. Despite this relatively large decrease, there remain a higher proportion of fuel poor households in the Marches than the UK as whole (10.9%), but less than the regional average of 12.6%.

The Marches has a similar share of households in fuel poverty compared to Heart of the South West (11.6%), but underperforms compared to Greater Lincolnshire (9.4%).

Within the Marches area, Herefordshire has the highest share of households in fuel poverty at 12.2%, followed by Shropshire and Telford and Wrekin at 11.8% and 11.0%, respectively.

Source: BEIS (2010-17)

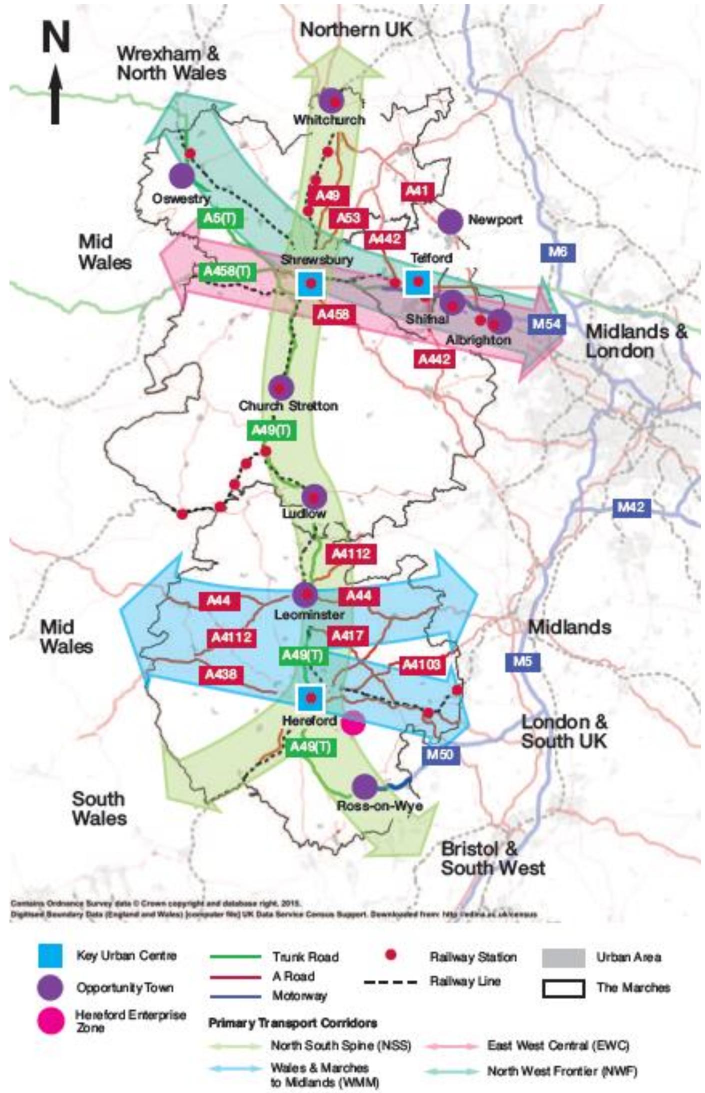
Road and rail connectivity

The following couple of pages provide a broad overview of strengths and challenges for road and rail connectivity in the Marches based on a review of three strategic documents:

- The Marches Strategic Transport Corridors Report (2016)
- The Marches and Mid Wales Freight Strategy (2018)
- The Marches Rail Study (2014)

There are four strategic transport corridors in the Marches:

- **North – South Spine** connecting the Marches to the North West, South West and South Wales
- **East – West Central** connecting the Marches with mid-Wales and the West Midlands
- **North West Frontier** connecting the Marches to the North West, North Wales and Ireland
- **Wales and Marches to Midlands** connecting the Marches to the West Midlands, North West and South West



Source: The Marches Strategic Transport Corridors Report (2016)

Road transport

According to the Freight Strategy (2018), the Marches Strategic Road Network includes:

- The M54 and M50
- A49 from Ross-on-Wye to Shrewsbury
- A5 from Shrewsbury to Chirk (Welsh border)
- A483 Pant to Oswestry
- A458 from Shrewsbury to west of Wollaston (Welsh border)

These strategic roads link key urban centres, as well as act as important transport links outside of the region.

A strength of the road network in the Marches is the connectivity with the North West, West Midlands, South West and Wales. The two motorways provide key links with the Midlands and trunk roads provide north to south and east to west connections, supporting supply chains.

Another important road is the A41, that connects London to Birkenhead. This route passes through Wolverhampton, and goes along the east of the Marches area, passing through the area east of Telford, Newport and Whitchurch. It takes overspill when the M6 is closed or heavily congested.

The dispersed nature of economic activity in the Marches and the presence of supply chains in agri-food and manufacturing mean that the area is highly dependent upon freight transport.

There are a number of challenges affecting the Marches road network, including:

- Many main artillery roads are single carriageway, resulting in poor average speeds, long journey times and poor reliability
- There is a lack of alternative routes, which is problematic when traffic incidents occur
- Slow moving farm traffic hinders mobility
- West of the motorways, roads become single carriageway roads, hindering efficiency and reliability
- Urban centres suffer from congestion
- Lack of accessibility has stalled development in some cases

Source: The Marches and Mid Wales Freight Strategy (2018)

Rail transport

The Marches Rail Study (2014) identifies four railway lines:

1. The Marches line: Abergavenny to Wrexham

The Marches line is a double track railway, linking Hereford and Shrewsbury, and providing a key link between Wales, the North and the Midlands. This route has over 60 level crossings. It is relatively fast, travelling at 90mph between Abergavenny and Hereford and 80-90mph between Hereford and Shrewsbury. There are 1.5 trains between Shrewsbury and Hereford every hour, but this decreases to 1 per hour between Shrewsbury and Wrexham and 0.5 per hour between Hereford and Wrexham. This is a busy line with morning peak seated capacity of 1,150 from Shrewsbury to Hereford. This decreases to 620 in the afternoon. From Hereford to Shrewsbury, morning peak seated capacity is 750 and afternoon peak seated capacity is 670.

2. Shrewsbury to Birmingham New Street

This is also a double track line, linking Shrewsbury to the heart of the West Midlands conurbation. The route has relatively high speeds with continuous 70mph between Shrewsbury and Wolverhampton. There are two trains per hour on this line. Morning peak capacity from Shrewsbury to Birmingham is high at 1,120, and 440 in the other direction. In the afternoon, peak seated capacity from Shrewsbury to Birmingham is 320 and 640 from Birmingham to Shrewsbury. Between Telford Central and Wolverhampton, a 46% increase in demand is expected by 2024 based on 0% Retail Price Inflation (RPI+0).

The West Midlands Railway has recently introduced a new timetable with a higher frequency of services between Shrewsbury and Birmingham, particularly in the early morning and late evenings on weekdays, and a new hourly service on Sunday. Extra carriages have been added to increase capacity.

3. Hereford to Birmingham New Street

The Hereford to Birmingham route has single tracks between Shelwick Junction and Malvern Wells with a loop at Ledbury. There is also single track between Droitwich Spa and Stoke Works Junction. Consequently, speeds are low and fluctuate between 25mph and 70mph, depending on the time. Frequency of trains on this line is one per hour. Peak seated capacity is quite low at 320 in the morning from Hereford to Birmingham, and 340 in the afternoon. In the other direction, it is 200 in the morning and 810 in the afternoon. The demand on this line is predicted to increase 69% by 2024 based on RPI+0.

4. Shrewsbury to Crewe

There are 1.5 trains per hour on this train. This line will be of critical importance when Crewe becomes an HS2 station, as London will be accessible from Crewe within 55 minutes, down from 1 hour 30 minutes (HS2, 2013). This will help overcome poor direct transport links to London and the South East.

Similarly to road, the Marches rail network provides important economic links to other regions. The north to south Marches Rail is intersected with important east to west routes.

Rail also links smaller towns, such as Wellington, Ludlow, Leominster and Ledbury, to the larger settlements of Hereford, Shrewsbury and Telford. However, several towns do not have rail stations, increasing the reliance on road. Poor public transport in rural places was identified as a weakness in The Strategic Transport Corridors Report (2016).

Source: The Marches Rail Study (2014)

The Marches
Local Enterprise Partnership
Herefordshire - Shropshire - Telford & Wrekin

Foundation of productivity: Business environment

Foundation of productivity: Business environment

The Marches Local Enterprise Partnership
Herefordshire - Shropshire - Telford & Wrekin

30,780 businesses – **89.6%** micros employing **over 25%** of jobs

High levels of business activity with **446 businesses per 10,000 population** – 11% higher than UK average and 24% higher than West Midlands average

A **stable business base** with low levels of churn – lower than average birth and death rates and good business survival rates

£1.8bn goods exports (£9,311 per full-time employee) and **£737m** service exports (£3,910 per full-time employee) – performance against comparators varies

Businesses and growth

Number of businesses and growth in the Marches, its local authorities and comparators (2013-18)

Area	Business count (2018)	Business growth (2013-18)
Herefordshire	10,130	7.5%
Shropshire	15,710	10.8%
Telford and Wrekin	4,940	18.5%
The Marches	30,780	10.8%
Greater Lincolnshire	37,650	13.1%
Heart of the South West	71,510	11.5%
West Midlands	212,505	23.7%
UK	2,669,440	23.2%

The table shows the number of VAT registered businesses in 2018 and the growth between 2013 and 2018 for the Marches, its local authorities and comparators.

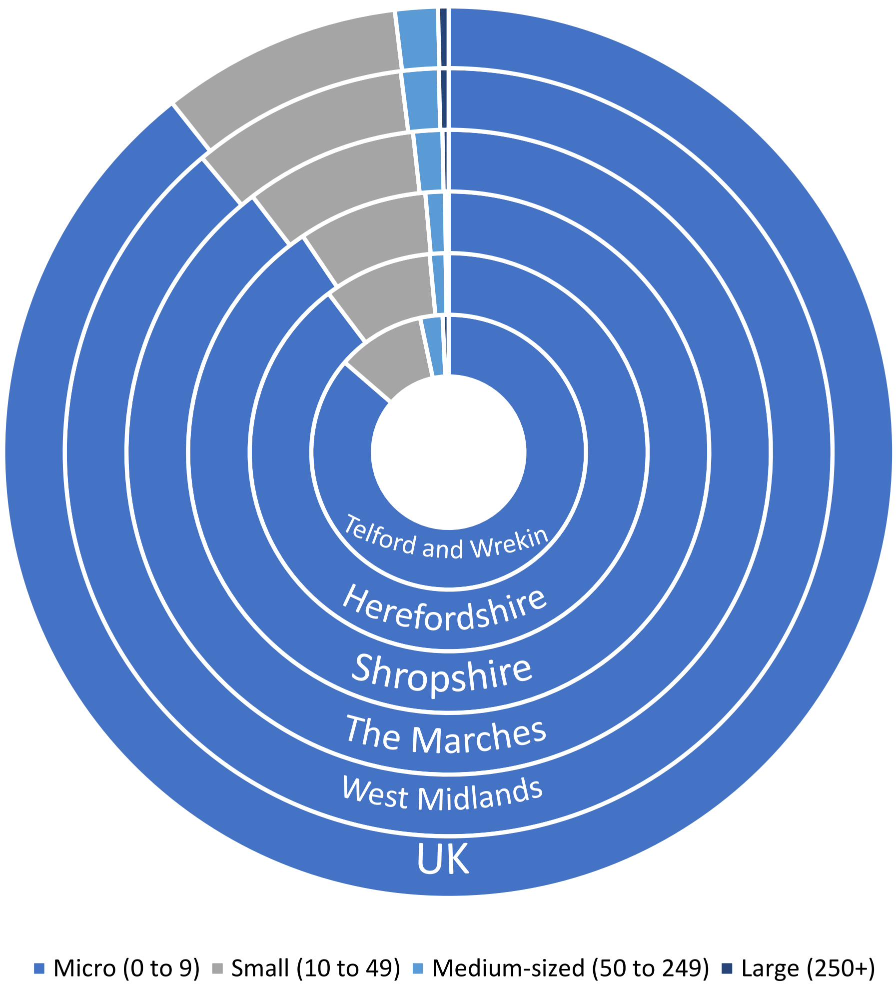
Overall, there are 30,780 VAT registered businesses in the Marches. Business growth of 10.8% in the Marches between 2013 and 2018 is significantly lower than the UK (23.2%) and West Midlands (23.7%) averages. Business growth has also been higher in Heart of the South West (11.5%) and Greater Lincolnshire (13.1%).

Over half of Marches businesses are located in Shropshire. Despite having a smaller business base, Telford and Wrekin has experienced the highest business growth (18.5%) in the Marches, although this is below the regional and national average.

Source: ONS Business Counts (2013-18)

Business profile

Business profile in the Marches, its local authorities, and regional and national comparators (2018)



This chart shows the breakdown of businesses by size in the Marches, its local authorities, the West Midlands and UK. The Marches follow a broadly similar pattern to the UK.

Around 90% of businesses are micros (0 to 9 employees). This is similar to the UK average of 89.3% and slightly higher than the West Midlands average of 88.9%. Both Greater Lincolnshire and Heart of the South West have slightly lower proportions of micro businesses at 88.3% and 89.1% respectively, which are also below the UK average.

The highest proportion of micro businesses in the Marches is found in Shropshire (90.5%), followed by Herefordshire (89.7%). Telford and Wrekin has a lower share than both the Marches and UK average (86.3%).

Most micro businesses in the Marches have less than four employees (86.3%). This reflects national (87.2%) and regional trends (85.5%). There is little difference between the local authorities or between the Marches and Greater Lincolnshire and Heart of the South West, all are within the range of 85-87.5%.

There are 2,660 small businesses (10 to 49 employees) in the Marches, which is 8.6% of the total. This is similar to the UK average of 8.7% and slightly below the West Midlands average of 9.1%. Greater Lincolnshire and Heart of the South West have higher share of small businesses at 9.7% and 9.2%, respectively. Telford and Wrekin has the highest share of 10.3%.

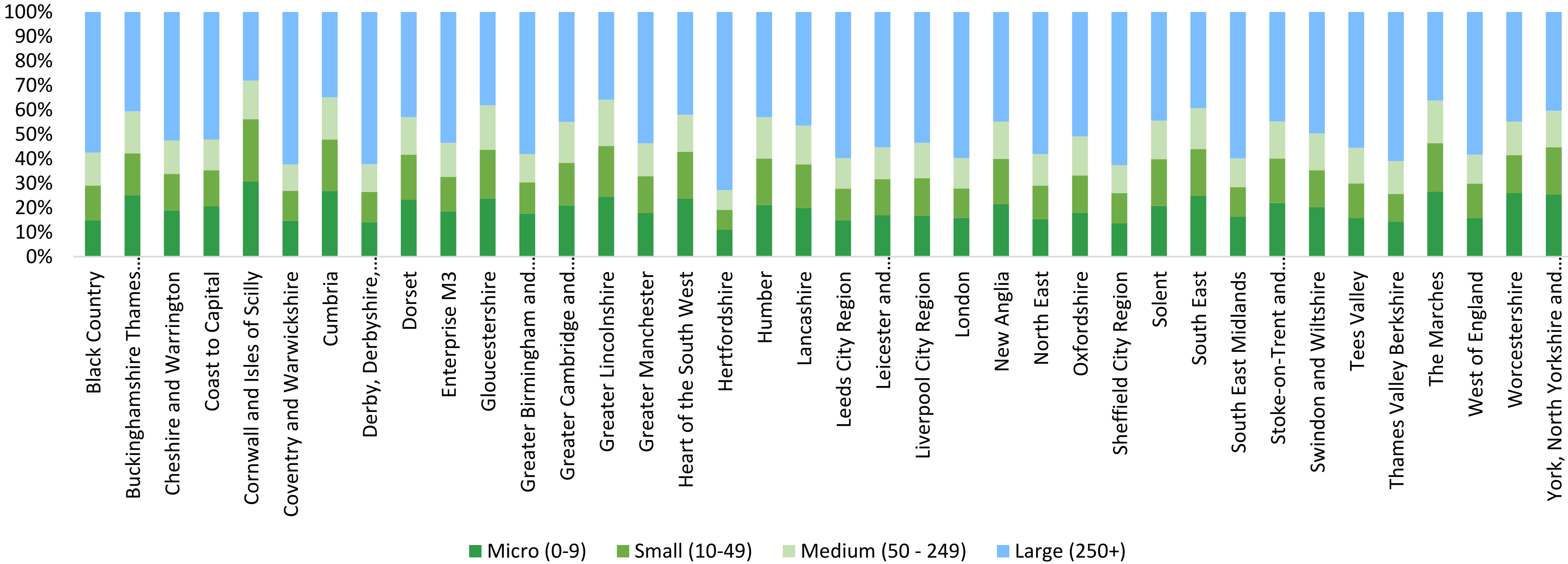
In the Marches, 1.5% of businesses are medium sized (50 to 249 employees), which is in line with the West Midlands and UK averages (both 1.6%), Greater Lincolnshire (1.7%) and Heart of the South West (1.4%). Telford and Wrekin has an above average share of medium sized businesses (2.6%).

There are 95 large businesses in the Marches, which accounts for 0.3% of total businesses. This is similar to the West Midlands, UK and LEP comparators. Within the Marches, Telford and Wrekin has the highest share of large companies at 0.7%, compared to 0.2% in both Herefordshire and Shropshire.

Source: ONS Business Counts (2018)

Employment by size of business

Proportion of employment by size of business for LEPs



The chart above shows the proportion of employment by size of business for all LEPs.

In the Marches, 26.6% of employment is in micro firms (0-9 people). This is the third highest of all LEPs, after Cornwall and the Isles of Scilly (30.8%) and Cumbria (26.9%). In Greater Lincolnshire, 24.4% of employment is in micro firms, and for Heart of the South West, the figure is 23.8%.

This is significantly higher than the regional (22.7%) and national (23.0%). It tends to be the case in rural areas that a higher proportion of jobs are in micro businesses.

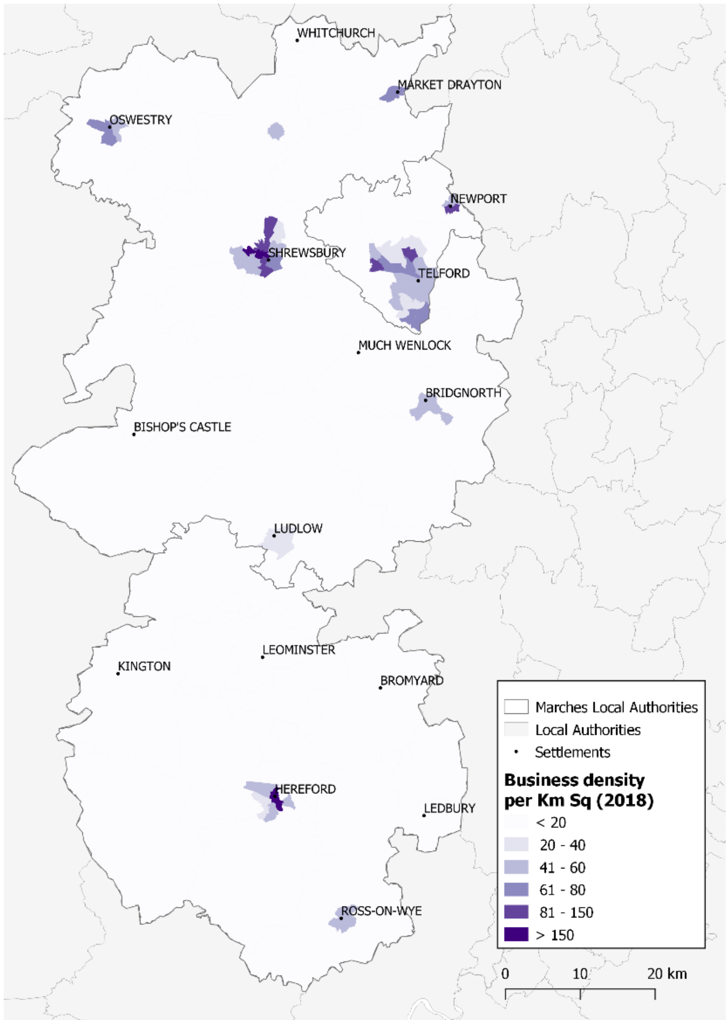
A further 19.8% of jobs are in small firms, which is higher than the West Midlands (16.7%) and UK (17.3%).

Therefore, there are a lower than average proportion of jobs in medium sized firms, 17.5% compared to 13.3% in the West Midlands and 14.4% in the UK, as well as large firms (36.1%), compared to 47.2% and 45.4% in the West Midlands and UK, respectively.

Source: ONS special request (2019)

Business density

Business density across the Marches (2018)



This map illustrates business density at the local level, which is measured by the number of VAT registered businesses per square kilometre. It is used to show where firms are located.

Business activity in the Marches is clearly concentrated in the three main urban centres of Hereford, Shrewsbury and Telford. The first two have business densities of above 150 businesses per square km, whilst the highest densities in Telford are between 81 and 150 businesses per square km.

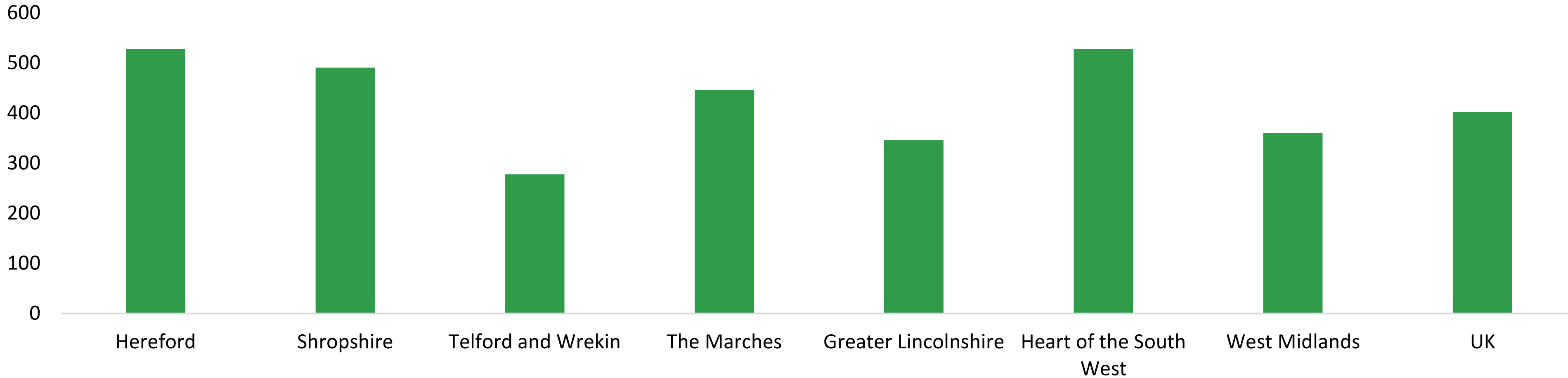
There are other concentrations of economic activity in Oswestry, Market Drayton, Newport, Bridgnorth with over 61 businesses per square kilometre.

As much of the Marches is rural, many parts of the area have low business densities of less than 20 businesses per square kilometre.

Source: ONS Business Counts (2018); Ordnance Survey

Businesses per capita

Number of businesses per 10,000 population in the Marches, its local authorities and comparators (2018)



This chart show the number of VAT registered businesses per capita, as measured by businesses per 10,000 people in the Marches, its local authorities and comparators.

This is a useful way of comparing the number of businesses for larger areas. Population can be used as a proxy for size in order to normalise the number of VAT registered businesses for comparison with other areas. Businesses per capita can be used to indicate the success of an area at attracting and retaining businesses.

In the Marches, there are 446 VAT registered businesses per 10,000 population. This is 11.0% higher than the UK average (402 businesses per 10,000 people) and 23.8% higher than the West Midlands average (360 per 10,000 people). This shows that the Marches has higher levels of business activity than average, indicating that there is a supportive business environment.

It outperforms Greater Lincolnshire (346 per 10,000 population), but is lower than Heart of the South West (528 per 10,000 population).

Herefordshire has the highest number of businesses per capita (527 businesses per 10,000 population), followed by Shropshire (491 businesses per 10,000 population). Telford and Wrekin has the lowest levels at 278 businesses per 10,000 population, which is significantly lower than the regional and national average.

Source: ONS Business Counts (2018); ONS Population Estimates (2018)

Business demography

Key business demography metrics in the Marches, its local authorities and comparators (2017)

Area	Business birth rate (%)	Business death rate (%)	Business churn rate (%)	Start-ups per 10,000
Herefordshire	8.8%	9.0%	17.9%	39
Shropshire	9.3%	8.9%	18.2%	40
Telford and Wrekin	11.8%	10.6%	22.4%	36
The Marches	9.7%	9.3%	18.9%	39
Greater Lincolnshire	10.3%	11.6%	21.9%	36
Heart of the South West	9.6%	9.3%	18.9%	31
West Midlands	13.4%	11.4%	24.8%	52
UK	13.1%	12.2%	25.2%	58

The table shows business birth and death rates. Business births are a key determinate of job creation and economic growth. Business deaths can be more frequent in a period of economic downturn.

The Marches has a business birth rate of 9.7%, which is below the national (13.1%) and West Midlands (13.4%) averages. This is similar to Heart of the South West, but slightly lower than Greater Lincolnshire (10.3%). Within the Marches, Telford and Wrekin has the highest birth rate at 11.8%, which remains below the national and regional averages.

The business death rate in the Marches (9.3%) is lower than the regional and national averages of 11.4% and 12.2%, respectively. This is indicative of a stable and mature business base. Having both the highest birth and death rate shows that Telford and Wrekin has the most dynamic business base.

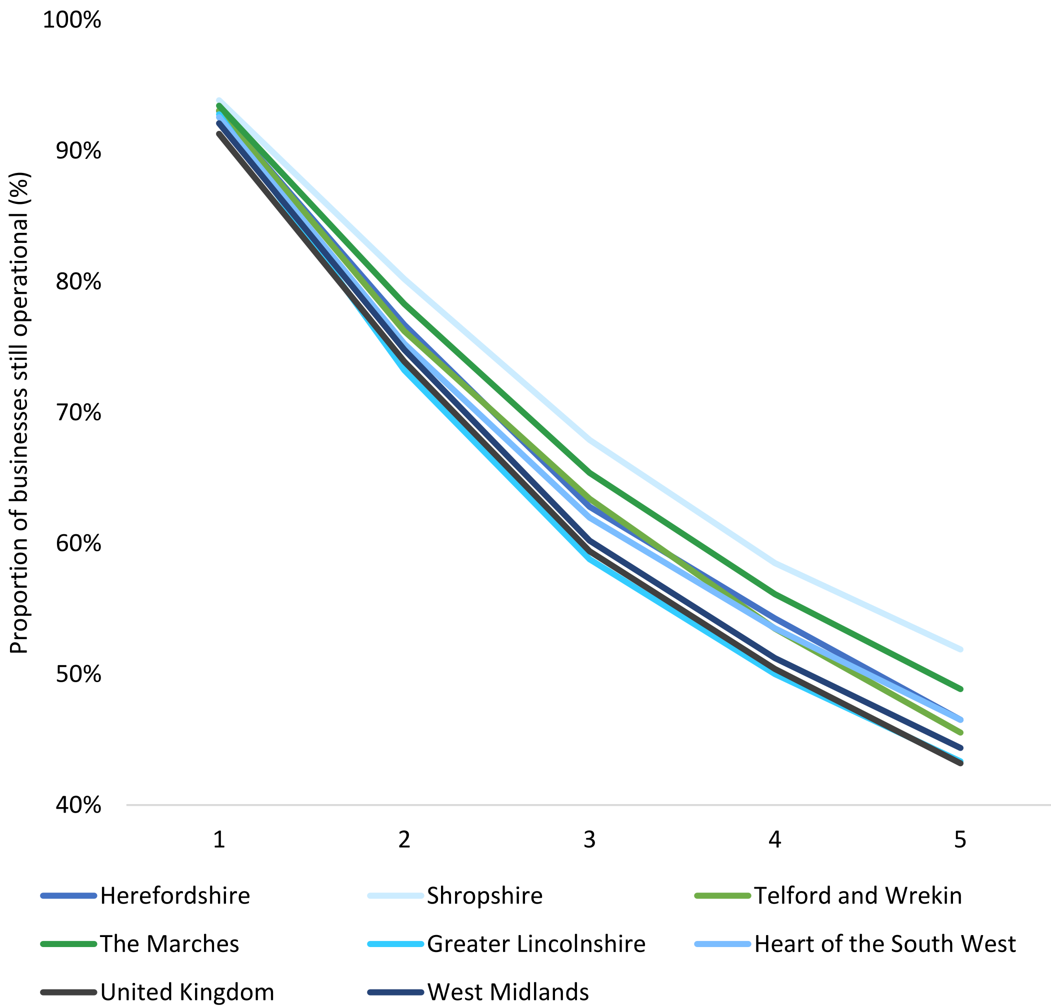
Stability and lower levels of dynamism are also shown by calculating business churn, the sum of the number of business births and deaths over total active businesses. The Marches has the lowest business churn (18.9%) compared to 25.2% in the UK and 24.8% in the West Midlands. Churn is lowest in Herefordshire and highest in Telford and Wrekin.

Similarly, the Marches has the lowest number of start-ups per 10,000 population (39) when compared to the West Midlands (52) and the UK (58) average. This figure is higher than in Greater Lincolnshire (36) and Heart of the South West (31).

Source: ONS Business Demography (2017)

Business survival rates

Businesses still active for 1-5 years following start-up in the Marches, its local authorities and comparators (2012-17)



Business survival rates are also indicative of a supportive business environment.

This chart shows business survival rates over a five year period from 2012 to 2017. It measures the proportion of VAT registered businesses which started in 2012 that are still operational after one, two, three, four and five years.

The Marches has a high business survival rate when compared to the regional and national average. It has the highest three-year survival rate of 65.4% compared to the UK (59.4%), West Midlands (60.2%), as well as Greater Lincolnshire (58.8%) and Heart of the South West (62.0%).

The survival rate of Marches businesses after five years remains the highest of any comparator at 48.9%. The average five-year survival rate in the UK and West Midlands is 43.2% and 44.4%, respectively. In Greater Lincolnshire and Heart of the South West, the five-year survival rate is 43.3% and 46.5%, respectively.

Within the Marches, Shropshire has a particularly high five-year survival rate of 51.9%, whilst Telford and Wrekin has the lowest at 45.5%, reflecting the higher business death rates found there.

Source: ONS Business Demography (2017)

Top companies by sector

A sample of the top 1,000 companies by turnover in the Marches was extracted from the Experian MarketIQ database. The map on the next page shows these companies categorised by key sector. Companies tend to be based in the main urban centres of Hereford, Shrewsbury and Telford, as well as other towns.

Advanced manufacturing and engineering

There are a high number of large manufacturing companies in Telford, Shrewsbury and Hereford.

Telford has the largest concentration with large companies such as Schneider Electric, CEDO, Makita Manufacturing and Epson. Large firms in Shrewsbury include Doncasters and Patterson Enterprises, whilst companies based in Hereford include Special Metals, Pontrilas Group and Fluidmaster GB. Bridgnorth Aluminium is based in Bridgnorth and Skyjack UK is located in Oswestry.

Food and drink

There are fewer large food and drink companies compared to advanced manufacturing and engineering. Large companies are distributed across the Marches. Some of the biggest companies are based in Shrewsbury, such as Anglo Beef Processors. Pickstock Limited and Egmond Foods are located in Telford. Other high revenue generating companies include Müller, located in Market Drayton, Ornua Ingredients based in Ledbury and LWC Drinks in Leominster.

Retail

Companies in the retail sector are clustered around Shrewsbury and Telford. Top companies in Shrewsbury include CJ Wildbird Foods, Guestline and H&H. The greatest concentration of high revenue retail companies is around Telford, with firms such as Lyreco, Magna Specialist and Preston Innovations. Park Retail is based in Hereford. Other notable companies across the Marches include M and M Direct in Leominster and Lloyds Animal Feeds (LAF) in Oswestry.

Construction

There are a relatively high number of construction companies in the list of top 1,000 companies. Companies are concentrated in Shrewsbury, Telford and Hereford. Large companies in Shrewsbury include Shropshire Homes, Caterpillar, Darwin Group and ARH Group. Dodd Group, McPhillips, Strata Housing and Freyssinet are located in Telford. Hereford features top companies such as Bathgate Flooring, Taylor Lane Timber Frame, and Central Roofing and Building Services. Other firms include Elements Europe and Pave Aways, both in Oswestry, and Thomas Panels and J. Harper and Sons in Leominster.

Education

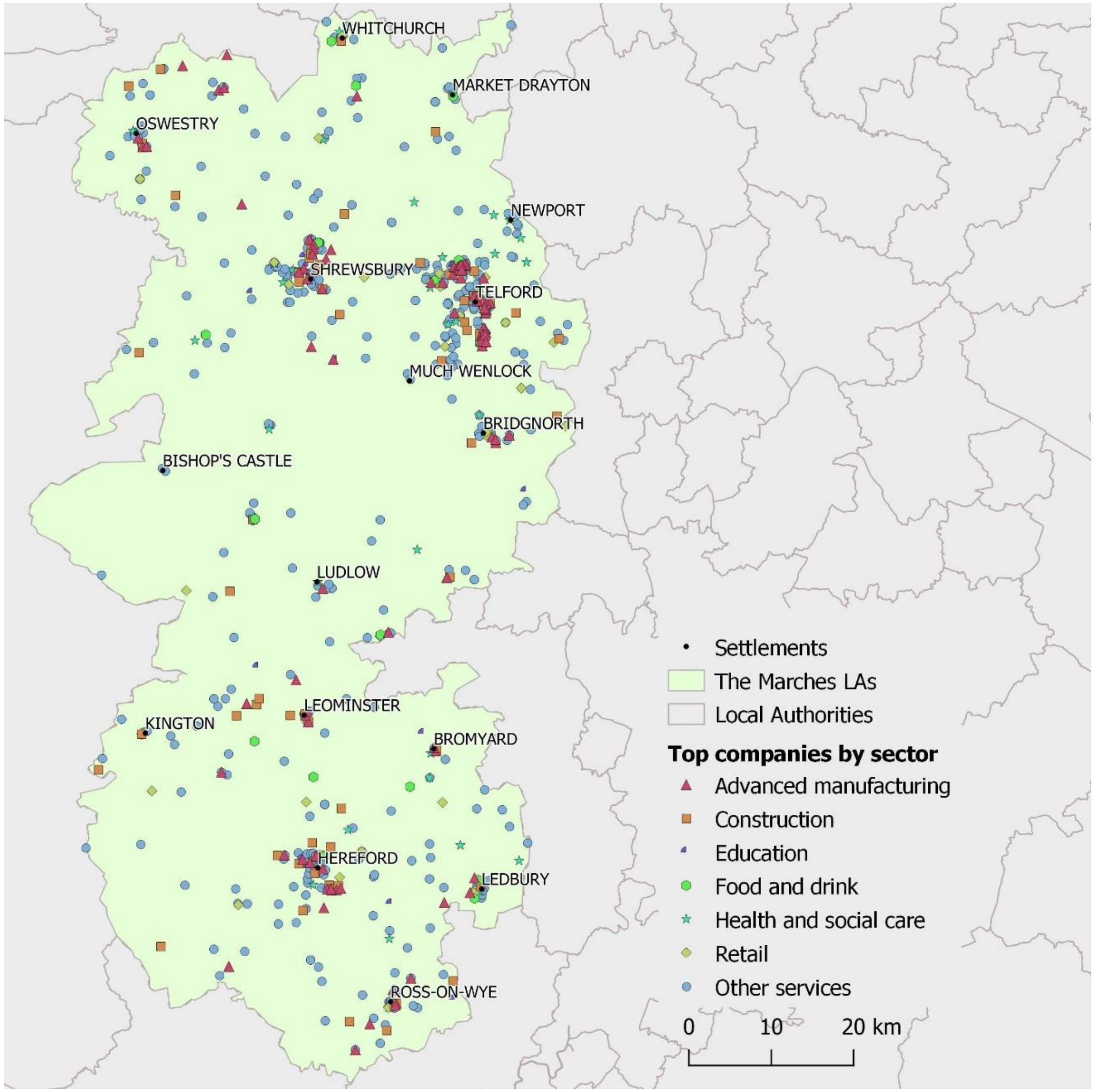
There are a relatively small number of firms in education, most likely as much of the activity is in the public sector. Shrewsbury is home to Wall Family and Acer International. IQARUS International is based in Hereford. Some of the companies with the highest revenue in the education sector are located in Telford, including TTC 2000 ltd, Staff Select ltd and Old Park Services ltd. Another notable firm is Senad based in Bromyard.

Health and social care

Top revenue health and social care companies in Shrewsbury include Morris Care , Morris and Company and Shropshire Doctors Cooperative. Marches Care is another large health and social care company. Bryn Melyn Care and Rotherwood Group are based in Telford, whilst one of the highest turnover companies in the Marches is Festival Housing in Bromsyard.

Source: Experian MarketIQ (2019)

Top 1,000 companies in the Marches (2019)



Please note, this list of companies is a snapshot. It is not exhaustive and does not have 100% coverage. It is meant to be used indicatively to show spatial patterns in the types of companies present in the area and their characteristics.

Source: Experian MarketIQ (2019)

Foreign ownership

Based on the sample of top 1,000 companies from Experian MarketIQ, the maps overleaf illustrate foreign ownership through company parentage.

The left hand map on page 106 shows companies with a foreign immediate parent. This is defined by ONS as the first foreign business which holds 10% or more voting power within the company. There can be more than one immediate parent.

Based on those companies which have provided information, companies with a foreign immediate parent often originate from Europe, including France, Germany and the Netherlands. Some companies are from further overseas such as the United States.

Many of the German companies are based north and south of Telford including Petrofer UK and Kein Mineral Plants. French companies are also primarily located around Telford, including Freyssinet and Haulotte UK. Companies with an immediate foreign parent from the US include firms such as Fluidmaster, Wall Family and Preston Innovations.

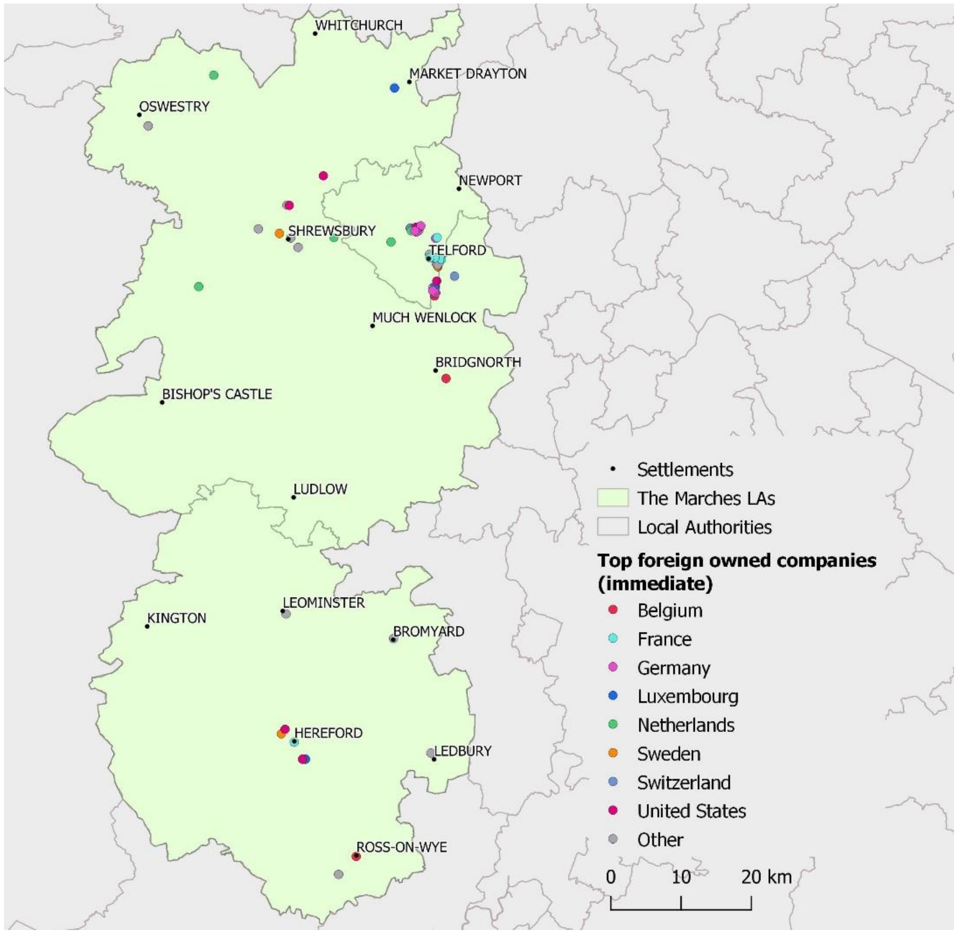
The other map on page 106 shows companies with a foreign ultimate parent. The foreign ultimate parent is at the top of the ownership chain and is not controlled by any other entity.

Many companies with a UK immediate parent have a foreign ultimate parent. This is particularly the case for UK companies which have an American ultimate parent.

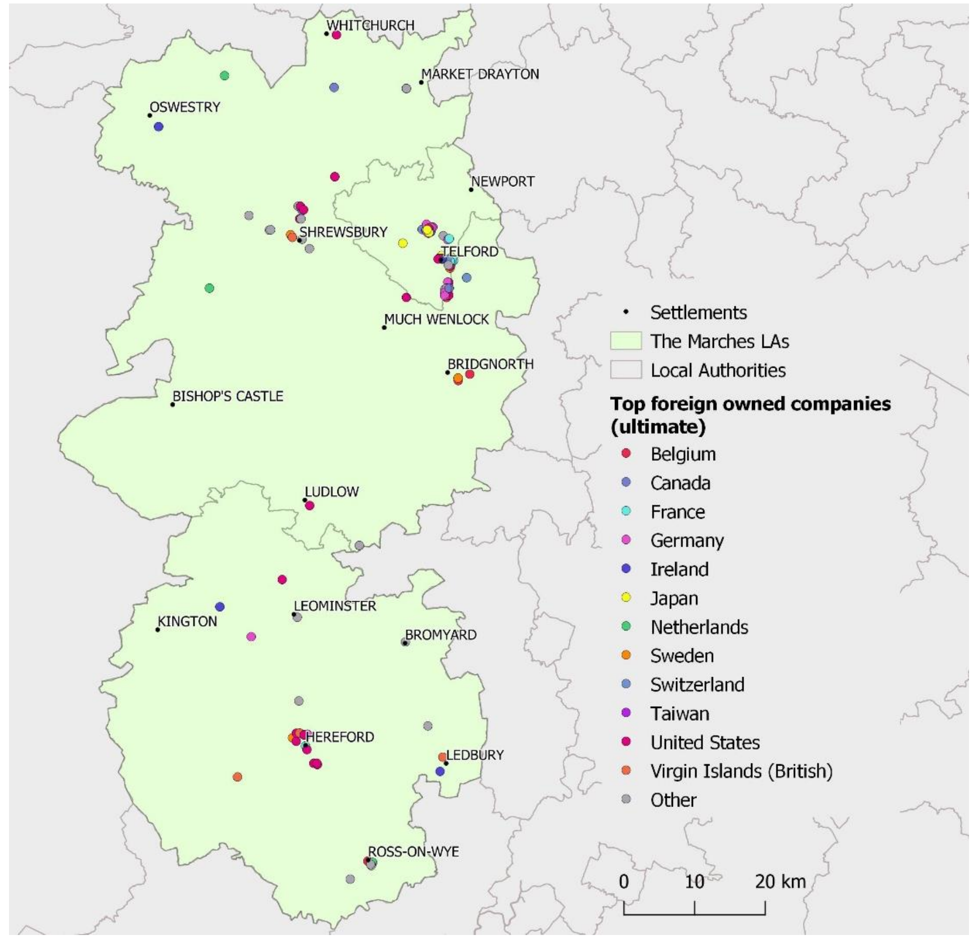
Several of the common nationalities of foreign immediate parents are also foreign ultimate parents, such as Belgium, France, Germany, Netherlands, Sweden, Switzerland and the USA. The nationality of ultimate parents is more extensive, including countries outside of Europe such as Singapore, Taiwan and India.

Source: Experian MarketIQ (2019)

Top companies with an immediate foreign parent in the Marches (2019)



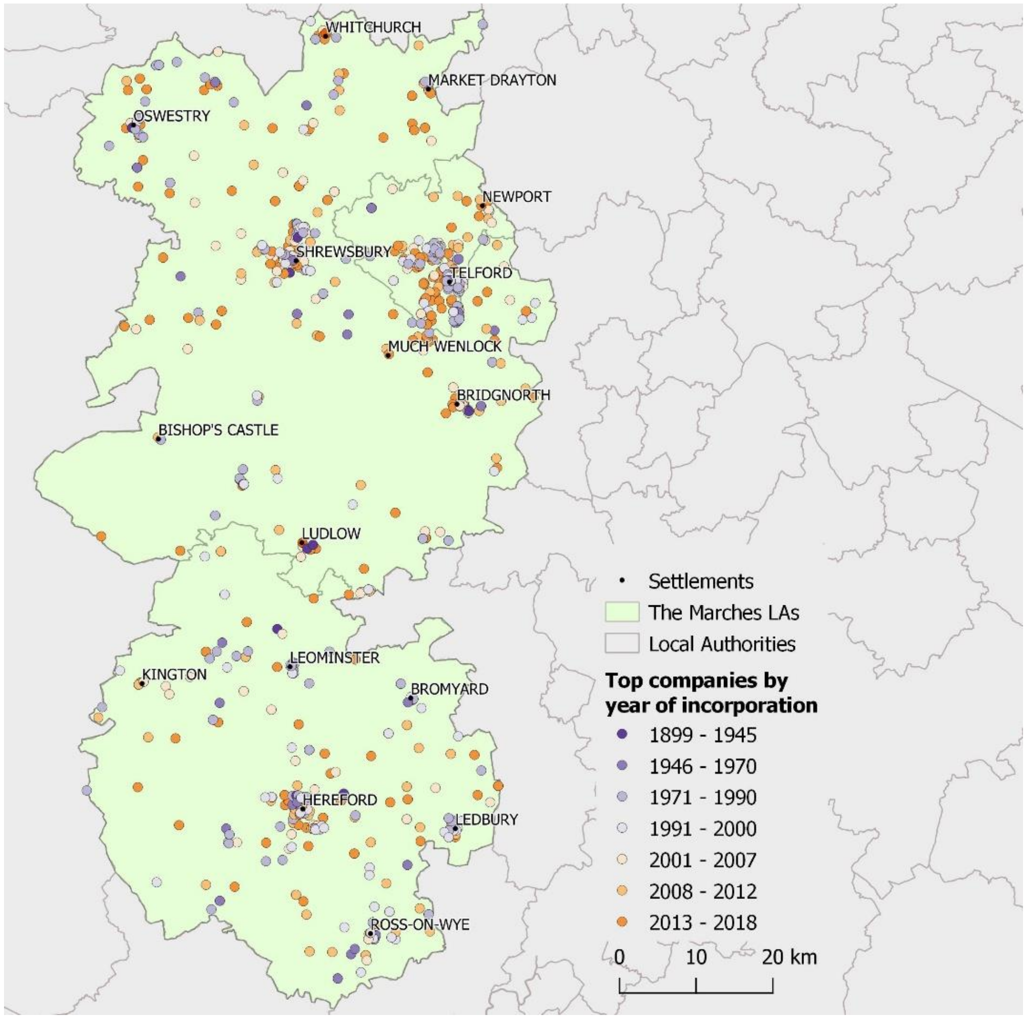
Top companies with an ultimate foreign parent in the Marches (2019)



Source: Experian MarketIQ (2019)

Age of companies

Top companies by year of incorporation in the Marches (2019)



The date of incorporation of a company can be used as a proxy for age, but please note this is not a perfect proxy. It is meant to be used indicatively to show where business activity, whether new business start-ups, churn or investment, is taking place.

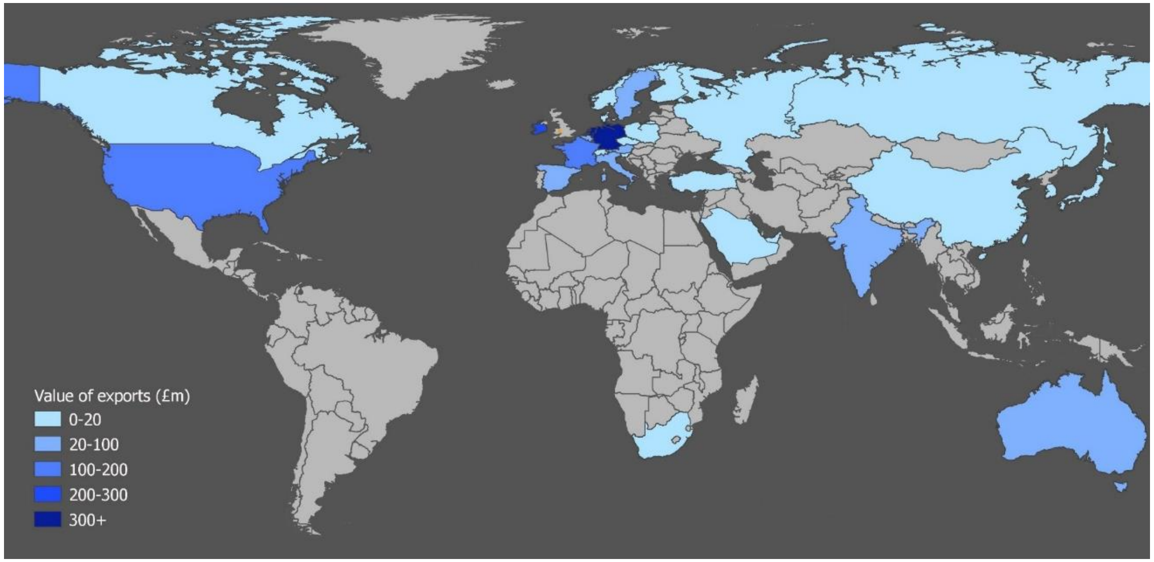
The split between older companies (pre-dating 2000) and newer companies (those established after 2000) is skewed to the latter, where around 64% of companies in the Top 1,000 were established post 2000.

In the Marches, both old and new firms are present in the main urban centres, market towns and rural areas.

Source: Experian MarketIQ (2019)

Goods exports by country

Value of Marches goods exports to main world trading partners (2015)



High levels of exports are indicative of a successful, outward looking area with productive companies. The map above illustrates the value of goods exports to the main trading partners of the Marches.

In 2015, the Marches exported £1.8bn of goods or £9,311 per full-time employee (FTE). Almost 76% of exports are to EU countries, with a value of £1.3bn.

This is evident when analysing the top ten trading partners by export value, as nine out of ten are EU countries, with the exception of the USA (fourth highest at £129m). The Marches exports £415m to Germany, a further £320m to the Netherlands, £221 to Ireland and £125m to France.

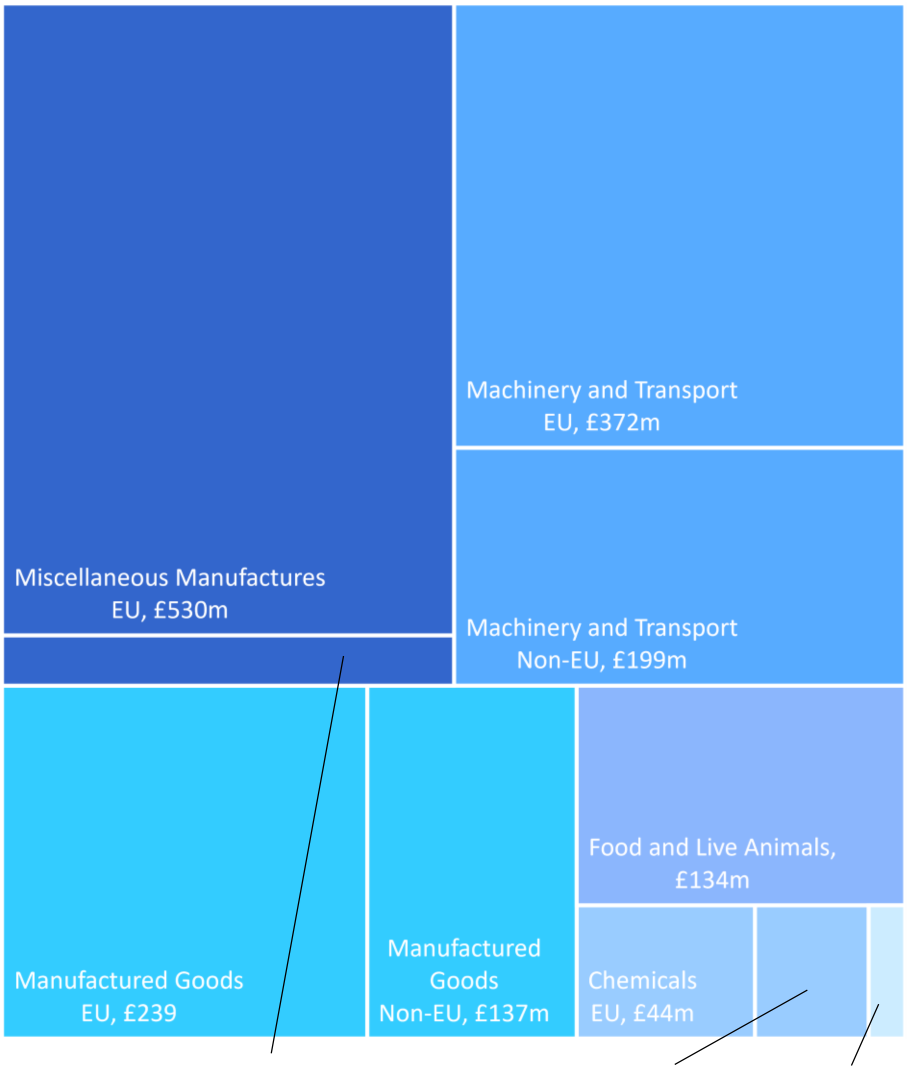
Greater Lincolnshire is a larger goods exporter with a value of £2.9bn in 2015, which is £10,118 per FTE. The proportion of exports to EU countries is lower than the Marches at around 63%. The top five partner countries are Belgium, Netherlands, France, Germany and USA, showing cross-over with the Marches.

Heart of the South West exports a similar volume of goods to Greater Lincolnshire at around £3.0bn, but the value per head is lower at £6,655 per FTE. The majority of goods are exported to the EU (56.0%) with major trading partners including Germany, USA, Italy, Ireland and France. South Korea is a major trading partner of Heart of the South West with goods exports worth £113m.

Source: HMRC Growth Hub Data (2015); ONS BRES (2015)

Goods exports by industry

Value of Marches exports by type of good (2015)



The chart on the left depicts the breakdown of goods by broad sectors and by EU and non-EU trade.

Linked to strengths in machinery and automotive, the highest value exports for the Marches are miscellaneous manufactures and machinery and transport. Together this accounts for almost 65% of total exports.

In the Standard International Trade Classification, miscellaneous manufactures is a broad category encompassing prefabricated buildings, sanitary, heating and lighting fixtures; furniture; apparel, clothing and accessories; professional and scientific instruments; photo apparatus, optical goods, watches and clocks; and other manufactured goods, such as arms and ammunition, office and stationery supplies, toys and jewellery. The Marches exports £573m of miscellaneous manufactures, 92.5% (or £530m) is to EU countries. This is slightly lower than Heart of the South West (£625m), but significantly higher than Greater Lincolnshire (£197m).

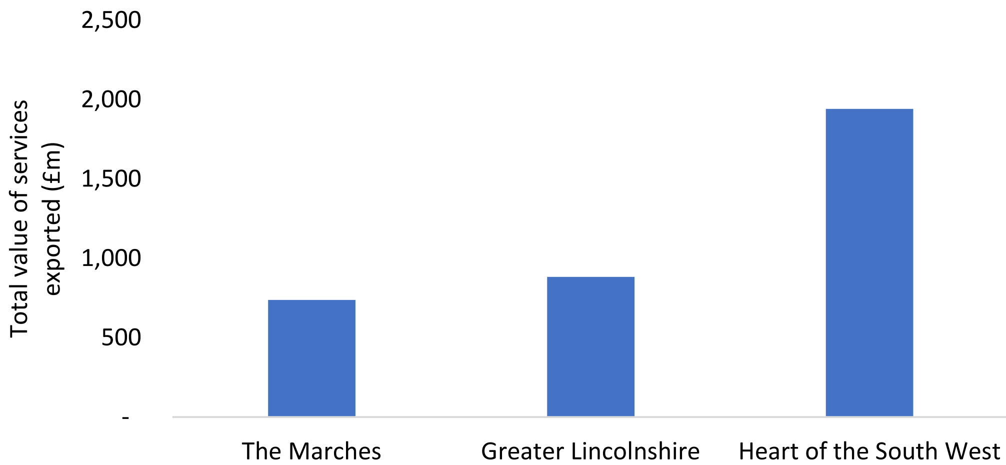
Machinery and transport exports, which include industrial machinery, telecommunications equipment, electrical machines/appliances, and transport vehicles and components, has a value of £571m. Around 65% of exports of this kind, with a value of £372m, are to EU countries. Heart of the South West is a large exporter of machinery and transport (£1.6bn), whilst Greater Lincolnshire exports slightly less than the Marches (£522m).

The Marches exports a relatively high volume of manufactured goods (£376m), which includes leather, rubber, cork and wood, paper, textiles, non-metallic minerals (e.g. glass, pottery), and metals, including iron and steel, non-ferrous metals and components made of metal. This links to strengths in metals, rubber and plastics, and wood manufacturing. Around 64% of exports are to the EU (£239m). This a lower volume of exports of manufactured goods to Heart of the South West (£298m), but exceeds the volume exported by companies in Greater Lincolnshire (£168m).

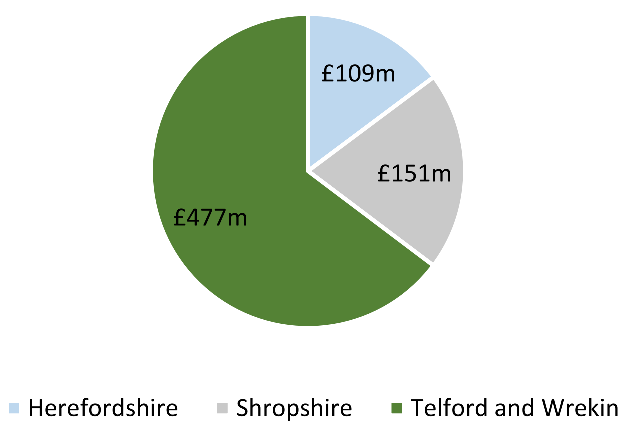
Source: HMRC Growth Hub Data (2015)

Service exports

Service exports in the Marches and LEP comparators (2016)



Service exports in the Marches local authorities (2016)



The bar chart to the left shows the value of service exports in the Marches and LEP comparators, whereas the pie chart to the bottom left shows value of service exports within the Marches.

The Marches has exported a total of £737m worth of services in 2016, which equates to £3,910 per FTE. This is below the West Midlands average of £5,373 per full-time employee.

Businesses in Greater Lincolnshire export more services than businesses in the Marches at £883m, but exports per FTE is lower (£3,082 per FTE). Businesses in Heart of the South West export £1.9bn worth of services (£4,328 per FTE).

Within the Marches, businesses in Telford and Wrekin export around 65% of total service exports with a value of £477m or £8,017 per FTE. This is significantly higher than the regional average for service exports per FTE.

Shropshire and Herefordshire have a relatively equal spread of the remaining share with the value of service exports at £151m (£1,948 per FTE) and £109m (£2,117 per FTE), respectively.

Source: ONS Service Exports (2016); ONS BRES (2016)

Inward investment

Inward investment is important for job creation and economic development. The Marches has a number of international businesses, including Ricoh, Denso, Kuehne and Nagel, ABP Food Group, Heineken and Müller.

As of June 2019, there were 27 ongoing active and prospective foreign direct investment (FDI) projects in the Marches. Over 60% of projects are expansion of existing sites or activity, whilst one third are creation of new sites or activities.

Investors are from a range of countries. This includes both countries within and outside of the EU, including Germany, Ireland, the USA and East and South Asian nations.

There are projects which related to sectoral strengths and opportunities. Over half are in food and drink, including agriculture and horticulture, and food and drink processing. Around one third are related to manufacturing, across automotive, engineering and metals.

Source: DIT FDI reports available from The Marches LEP (2019)

Foundation of productivity: Place

Foundation of productivity: Place

A high quality of life – **3 Areas of Outstanding Natural Beauty** and other natural assets

Almost 84% of workers live in the Marches with 41,000 commuters into the area each day and 44,000 leaving the Marches for work each day

A diverse area with **three main urban centres**, **market towns** and a **strong rural economy**

Index of Multiple Deprivation (IMD)

*IMD in the Marches and its local authorities (2019)**

Area	IMD - Rank of average score	IMD - Rank of extent
Herefordshire	152	182
Shropshire	174	204
Telford and Wrekin	86	78
The Marches	20	27

The IMD combines information from multiple domains of deprivation such as income, health and crime, and is used to identify areas of relative high and low deprivation in England. The table above shows the rank of average score and extent for The Marches and its local authorities.

The rank of average score summarises the average level of deprivation across the higher level area, based on the scores of the LSOAs in the area. As all LSOAs in the higher level area are used to create the average score, this gives a measure of the whole area, covering both deprived and non deprived areas. Those with a rank of average score closer to 1 are the most deprived*.

Shropshire is placed 174th, whereas Herefordshire is slightly more deprived (152nd). Telford and Wrekin is the most deprived local authority area within the Marches and is ranked 86th.

The Marches ranks 20th out of 39 LEPs with respects to average score, showing that its level of deprivation is mid-rank compared to other LEPs.

Extent is one of the summary measures used to describe deprivation in larger areas such as local authorities and LEPs. The extent measure focuses on the neighbourhoods in the larger area that are among the most deprived three deciles of deprivation (30%), but gives higher weight to the most deprived decile and gradually less weight to each individual percentile thereafter.

The rank for extent shows a similar outcome as the average score, whereby Shropshire places 204th, whereas Herefordshire is slightly more deprived (182nd). Telford and Wrekin is ranked 78th, again signalling higher levels of deprivation.

The Marches has a rank of extent of 27th out of 39 LEPs, showing that the Marches share of areas in the most deprived 30% is low compared to the majority of LEP areas.

Looking at the seven domains of deprivation shows that crime and health deprivation are relatively low in the Marches with a rank of average score of 27th and 22th, respectively (out of 38 LEPs). Reflecting challenges around housing suitability and affordability, the Marches is ranked 9th for housing deprivation and 11th for living environment deprivation. It is around mid-rank for income and employment deprivation.

The drivers of deprivation in Herefordshire and Shropshire follow the Marches as a whole with lower levels of deprivation in health and crime with challenges around housing and living environment. Both authorities rank in the poorest performing one third of local authorities in these domains.

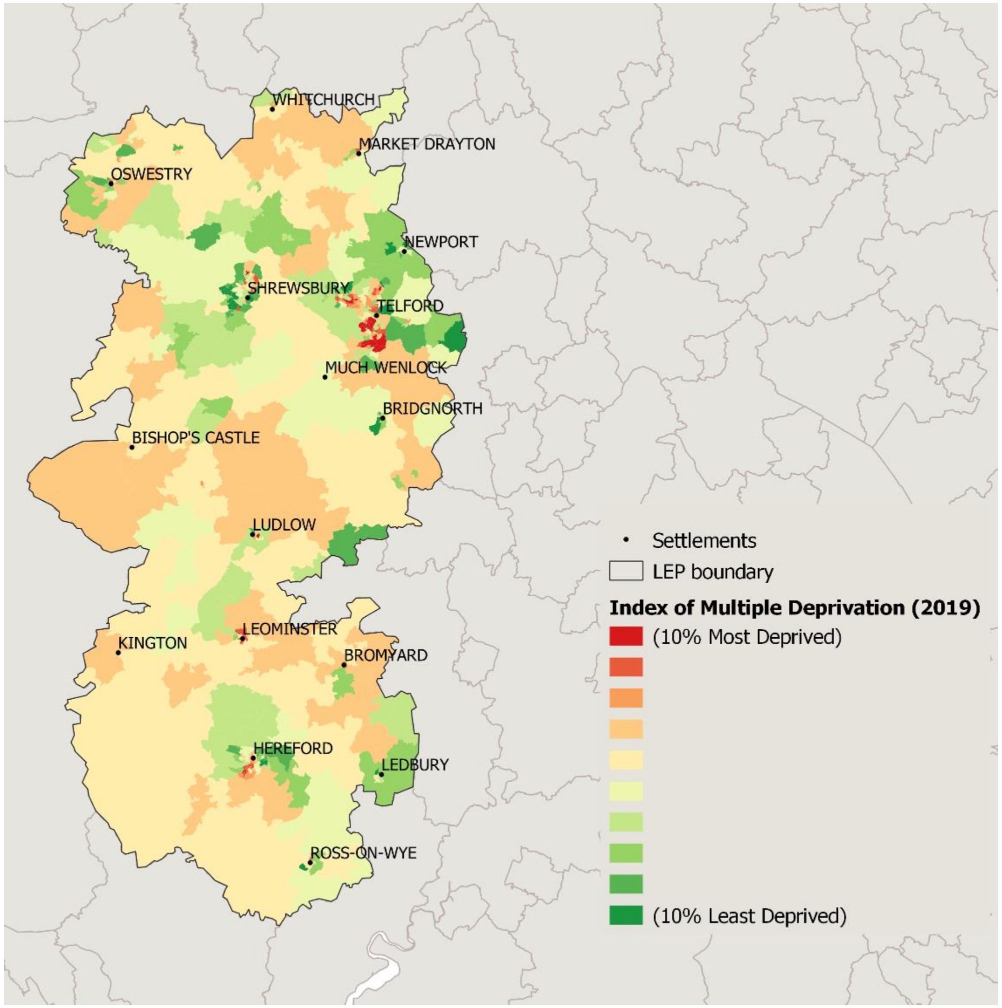
In contrast, deprivation in Telford and Wrekin is driven by income, employment, education, health and crime. Telford and Wrekin ranks in the poorest performing one third of local authorities in these domains. Housing and living environment related deprivation is lower.

** Local authorities are ranked out of 317 local authorities, whereas the Marches is ranked out of 38 LEPs*

Source: MHCLG IMD (2019)

IMD across the Marches

IMD across the Marches (2019)



The map to the left illustrates the IMD decile score at the local level across the Marches. Areas in red and orange indicate higher levels of deprivation, whilst areas in green are less deprived.

There are large areas with average levels of deprivation. This includes parts of south Shropshire and much of Herefordshire. There are some places that have higher levels of deprivation, featuring in the top 40% most deprived. These tend to be rural areas that have some distance from the nearest town, such as the area west of Bishop's Castle, north of Ludlow, south of Whitchurch and east of Much Wenlock.

Some of the towns in the Marches area have relatively high levels of deprivation. For instance, parts of Oswestry, Market Drayton, Leominster and Hereford feature in the top 20% most deprived.

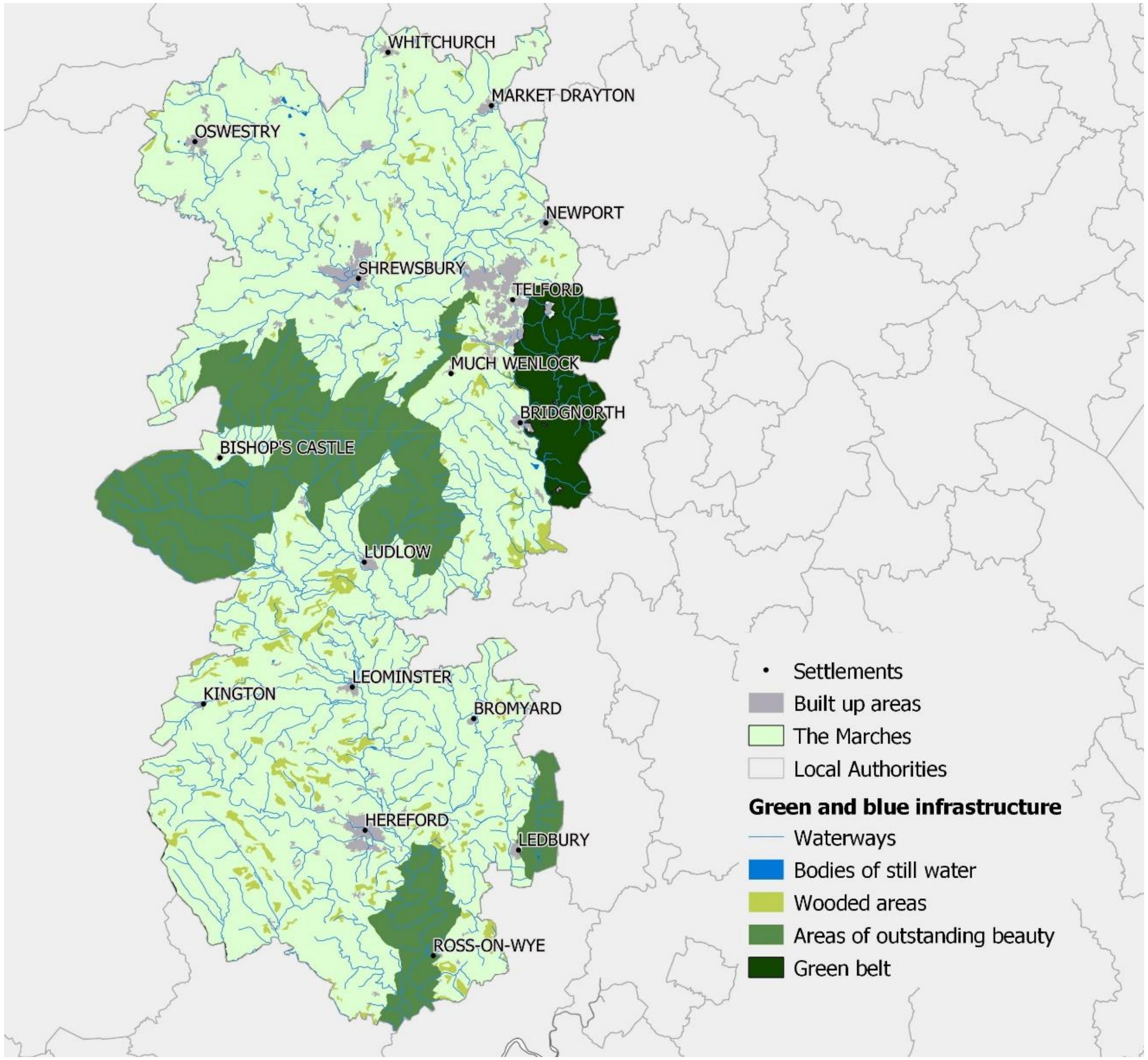
Other urban areas experience low levels of deprivation, including parts of Shrewsbury and Bridgnorth, which are in the top 10% and 20% least deprived, respectively.

Despite parts of Telford being in the top 10% most deprived, there are also areas that are within the top 10% least deprived.

Source: MHCLG IMD (2019)

Natural assets

Natural assets in the Marches (2017)



The map to the left illustrates natural assets in the Marches, including green and blue infrastructure.

The Marches is an extremely attractive area offering a high quality of life. It is largely a rural area with the most developed areas located in Telford, Hereford and Shrewsbury.

It has three Areas of Outstanding Natural Beauty. The largest is Shropshire Hills which is the expanse between Bishop's Castle and Ludlow. The other two are the Malvern Hills which crosses over into Worcestershire and Wye Valley which extends over Gloucestershire. They are both located in the south of the area. Telford Town Park has previously been voted the UK's Best Park.

Part of the West Midlands green belt reaches into the Marches, stretching from Telford to south of Bridgnorth.

There are a number of rivers, bodies of still water and wooded areas across the Marches. The longest river in the country, the River Severn crosses through the Marches. It flows through Shropshire, crossing the town of Shrewsbury. The River Wye, the fifth longest river in the country, is another important blue asset, flowing through south Herefordshire.

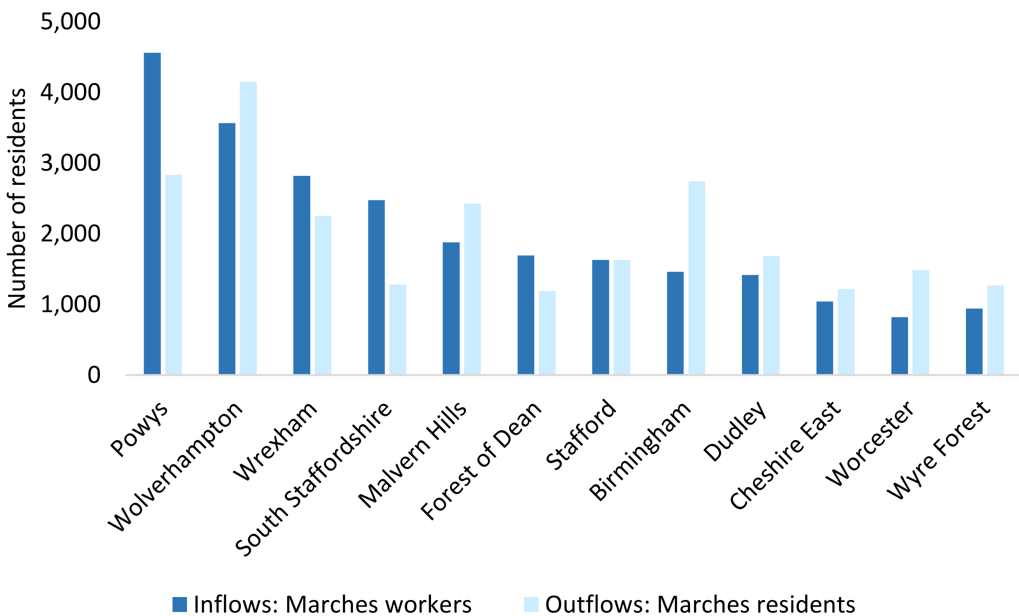
Source: Ordnance Survey

Commuting patterns

Total commuting flows for the Marches (2011)

Movement	Number of people
People who live and work in the Marches	207,190
People who live in the Marches but work outside the area	44,060
People who live outside of the Marches but work in the area	41,060

Commuting inflows and outflows by main local authorities for total population in employment (2011)



The table summarises commuting movements in the Marches by those people who live *and* work in the Marches, outflows of residents in the Marches to other places and inflows of people who work in the Marches but live elsewhere.

The Marches is self-contained with 84% of workers also living in the area (207,190), although containment levels vary across the area. Just over 41,000 workers each day commute into the Marches from outside of the area. Given that just over 44,000 Marches residents leave the area each day for work, this makes the Marches a net exporter of labour.

The chart to the left illustrates the top ten local authorities by inflows and outflows.

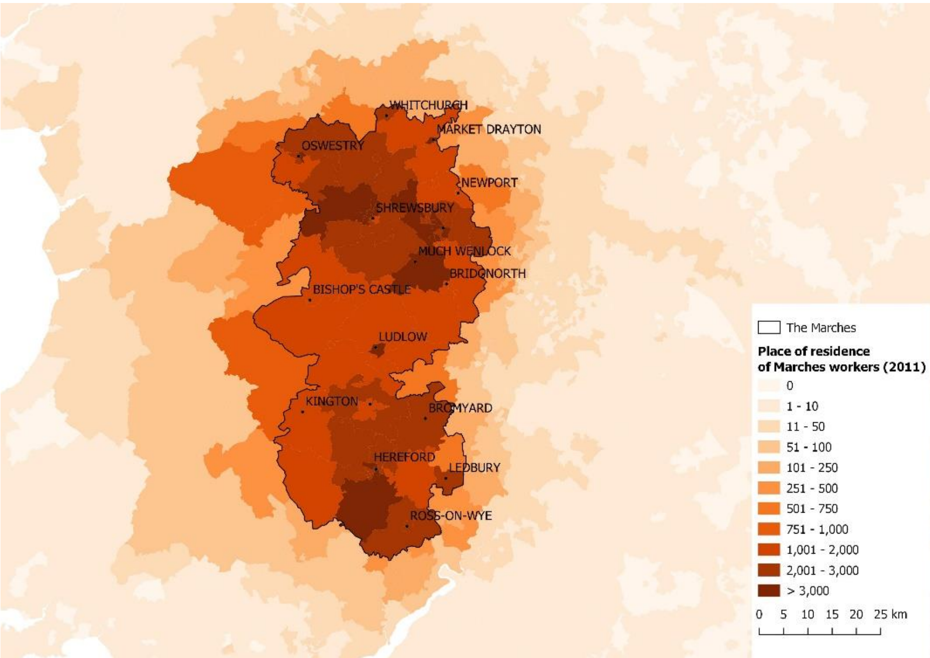
This demonstrates strong links with neighbouring counties and areas. The highest number of movements is between the Marches and Powys (7,491). More people who live in Powys come to work in the Marches (4,559) than leave the Marches to work in Powys (2,832). The same is true of Wrexham, where 564 more people come to work in the Marches than leave, and South Staffordshire where the figure is 1,196.

A higher number of Marches residents leave to work in the West Midlands (including Wolverhampton, Birmingham and Dudley) than those commuting in.

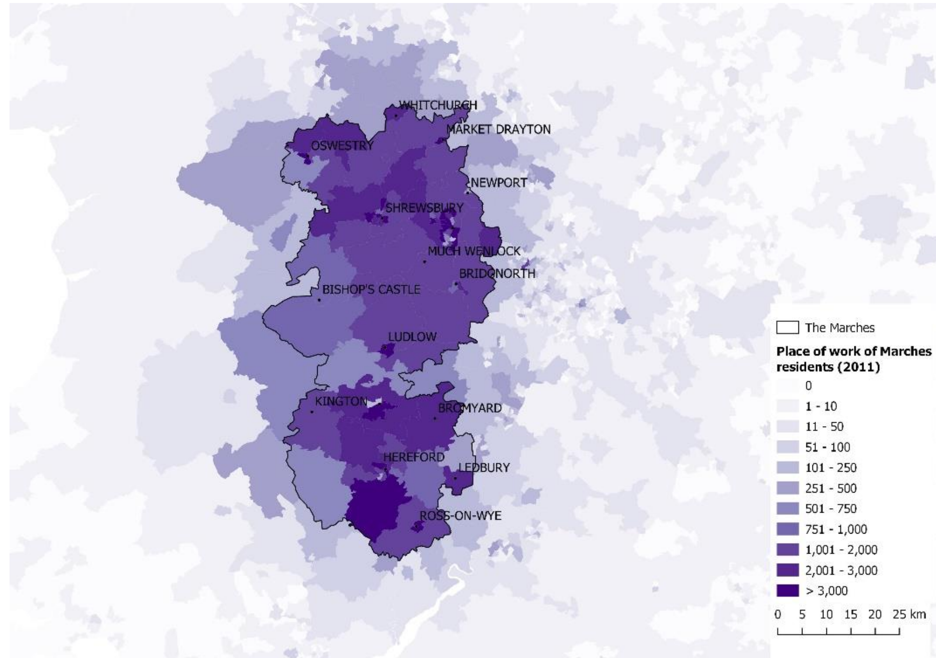
Source: Census (2011)

Detailed commuting patterns

Who works in the Marches (2011)



Where Marches residents work (2011)



The maps above show Marches commuting patterns at a granular level (MSOA). The map on the left (orange) shows the place of residence of Marches workers, whilst the map on the right (purple) shows the place of work of Marches residents.

Both maps show that commuting in both directions mainly takes place in areas which directly border the Marches. This indicates the strong links between the Marches economy and the West Midlands and Wales.

The Marches attracts workers from the areas which it borders including Mid-Wales, Wolverhampton, Worcestershire and Staffordshire. Marches residents also commute to areas just outside of its boundaries, but some commuters travel further, for instance into Birmingham.

Source: Census (2011)

Visitor economy

Average visitor spend in the Marches, its local authorities and England (2019)

	Day visits	Domestic overnight trips		Overseas trips*	
	Average spend per day	Average spend per trip	Average spend per night	Average spend per trip	Average spend per night
Herefordshire	£25.58	£176	£55	£331	£43
Shropshire	£24.45	£173	£60	£326	£49
Telford and Wrekin	£18.02	£142	£55	£326	£49
The Marches	£23.80	£168	£57	£329	£45
England average	£34.65	£187	£65	£486	£57

The national tourism survey from VisitEngland estimates that there are 21m tourist visits to the Marches annually – 90% of these trips are day visits and comprise of 60% of the visitor spend.

The Marches average spend per day is £23.80 which is below that of the England average (£34.65). Within the Marches, Herefordshire has the highest average spend (£25.58) followed by Shropshire (£24.45) and Telford and Wrekin (£18.02).

The majority of overnight trips are made by UK residents. Average spend per night is higher than day spend. The Marches has a lower average spend per night (£57) than the England average (£65). Within the Marches, Shropshire has the highest average spend per night at £60 followed by Herefordshire and Telford and Wrekin both at £55.

Overseas trips have a lower average spend per night compared to domestic. The Marches overseas average spend is £45 which is lower than the England average (£57). Average spend per night is highest in Shropshire and Telford Wrekin for overseas trips at £49 followed by Herefordshire (£43).

Average spend per trip is higher for overseas compared to domestic (indicating longer stays). The Marches average spend per trip is £329 which is below that of the England average of £486. Although Herefordshire had a lower overseas average spend per night, it has the highest spend per trip in the Marches at £331 followed closely by Shropshire and Telford and Wrekin at £326.

The Marches comprises of attractive towns and landscapes. The area is home to the Shropshire Hills and Wye Valley, both of which are Areas of Outstanding Natural Beauty. The River Severn passes through the town of Shrewsbury. Herefordshire has various tourist attraction sites including Hereford Cathedral, Eastnor and Goodrich Castle, whilst areas such as Ludlow draws in visitors with its established foodie reputation. Telford is home to the UNESCO World Heritage Site, the Ironbridge Gorge, and is also a prime destination for business conferences.

** Figures for overseas trips are for Hereford & Worcester (old county definition) rather than Herefordshire.*
England average spend figures for overseas trips exclude London.

Source: Visitor Economy Strategy for the Marches (2019)

Main urban centre profiles

The tables on pages 121-122 show demographic and economic profiles of the three main urban centres: Hereford, Shrewsbury and Telford. The following draws this information together into short summaries of each place.

Hereford

Hereford has the smallest population of the towns with almost 50,600 people in 2017. It has grown by 3.2% in the observed five year period. It has the highest population density of 2,795 people per kilometre squared.

With the smallest population, it is unsurprising that Hereford has the lowest number of jobs (28,600) compared to the other urban centres. Similarly to population density, it has the highest jobs density.

There has been almost no employment growth in Hereford since 2012, compared to average growth of 6.5% in the Marches. Additionally, there has been relatively low growth in its business count (4.9%) compared to the Marches average (10.8%).

Shrewsbury

The second largest town by population, Shrewsbury has just over 73,200 residents and has grown by 2.4% between 2012 and 2017, which is below the Marches average of 3.5%. Out of the three urban centres it is mid-rank on population density with 2,245 people per square kilometre.

The age profile of Shrewsbury is older than the other urban centres and the Marches with the highest share of residents aged 65 and over (24.0%) and 50 to 64 year olds (22.1%). Shrewsbury has the lowest share of young residents, aged between 20 and 34, at 17.8%, although this is higher than the Marches average.

Shrewsbury has the second highest number of jobs (44,750) with growth of 5.4% between 2012 and 2017. This is slightly below the Marches average. Shrewsbury has lower jobs density than Hereford. The number of businesses in Shrewsbury has increased by around 20% between 2012 and 2017, almost double average growth in the Marches.

Telford

Telford has the largest population, with approximately 140,550 people. The town has experienced the highest population growth of 5.3% between 2012 and 2017. Telford's population relative to its area is low, with the lowest population density of the three towns at 2,149 people per square kilometre.

There is a younger population. It has the lowest share of residents aged 65 and over at 15.7%, compared to the Marches average of 22.1%. It also has the highest share of 20 to 34 year olds at 20.2%, which is around 4 percentage points higher than the Marches average.

Reflecting its large population size, Telford has a high number of jobs at almost 77,000. This is over double the number of jobs in Hereford. Job growth has been high in the five year period with an increase of around 10% (or 7,000 jobs).

Along with a growing workforce, business numbers have also been rising with around 21% growth between 2012 and 2017 (the highest growth of the three urban centres).

Source: ONS Population Estimates (2012-17); ONS BRES (2012-17); ONS Business Counts (2013-18)

Main urban centres – Demographic profile

Demographic profile for Hereford, Shrewsbury, Telford and the Marches (2017)

Urban area	Population (2017)	Population density (sqKm, 2017)	Population growth (2012-17)	Share of total population (2017)				
				0-19	20-34	35-49	50-64	65+
Hereford	50,597	2,795	3.2%	21.1%	19.3%	18.7%	18.7%	17.6%
Shrewsbury	73,230	2,245	2.4%	14.9%	17.8%	22.1%	22.1%	24.0%
Telford	140,533	2,149	5.3%	19.9%	20.2%	18.3%	18.3%	15.7%
The Marches	684,300	-	3.5%	21.9%	16.6%	18.4%	20.9%	22.1%

Please note, 2017 data is the most recent data available at the local level.

Source: ONS Population Estimates (2012-17)

Main urban centres – Economic Profile

Economic profile for Hereford, Shrewsbury, Telford and the Marches (2017/18)

Main urban centre	Jobs (2017)	Job change and growth (%) (2012-17)	Jobs density (sqKm, 2017)	Businesses (2018)	Business change and growth (2013-18)	Business density (sqKm, 2018)
Hereford	28,600	-75 (-0.3%)	1,580	1,400	65 (4.9%)	77
Shrewsbury	44,750	2,300 (5.4%)	1,372	2,710	465 (20.7%)	83
Telford	76,875	7,075 (10.1%)	1,175	3,505	610 (21.1%)	54
The Marches	314,000	19,300 (6.5%)	-	30,780	3,005 (10.8%)	-

Source: ONS BRES (2012-17); ONS Business Counts (2013-18)

Methodology

Methodology

Report references and data sources

Report references and official data sources used in this pack are noted on the bottom right corner of each page. A comprehensive list of reports and data sources used in this pack is available on page 126.

Geography, comparators and temporality

The analysis has considered the Marches overall, but also variation within the area. This involves looking at differences between the local authorities, as well as identifying patterns at the small area level, data permitting.

Similar LEP comparators have been used to provide context for performance on social and economic indicators, data permitting, including Greater Lincolnshire and Heart of the South West. Performance has also been compared to the regional level of the West Midlands and the national level of the UK, GB or England.

Where possible, temporal data and change over time has been used to contextualise current performance and show trends. In some cases, data is not available for previous years or may use a different methodology and not be comparable.

Sectoral strengths and opportunities

Analysis of advanced manufacturing and engineering, and food and drink is carried out using the SIC code definitions stated on pages 127. Please note, SIC codes have not been used in the analysis of energy and environmental technology, or cyber security and resilience, as these sectors are difficult to capture using SIC codes. Instead, we will draw on local intelligence and qualitative evidence gathered through business engagement events.

GVA

For GVA and GVA per head, chained volume measures in 2016 terms is used. This gives the most accurate local GVA figures, as a local deflator is applied for each place.

For GVA per hour worked, the December 2018 GVA deflator is used, giving values in 2017 terms.

GVA and GVA per job (productivity) by the broad sector group

GVA and GVA per job at the broad sector group level (definitions set out on page 128) are calculated using the ONS Regional GVA (balanced) tables and ONS Business Register and Employment Survey (BRES). This data was released in December 2018 for the year of 2017. We have also used jobs data from 2017 to calculate GVA per job. There are no overlaps where broad sector groups are used.

GVA and GVA per job (productivity) by sub-sector

GVA and GVA per job at the sub-sector level are calculated using the ONS Regional GVA (balanced) tables and ONS BRES.

Please note, that for GVA available at the SIC2 sub-sectoral level, some SIC2 codes are aggregated and only available at this level e.g. manufacture of metals, electrical products and machinery. Disaggregating these groups of SIC2 codes would undermine the robustness of the data.

Business birth, death and churn rates

Business birth and death rates are expressed as a proportion of the active business population for that year. Business churn is calculated by summing business births and deaths and working this out as a proportion of the active business population for that year

Qualifications and occupations

An in house model is used to calculate qualification and occupation figures at the small area level using an in house model based on a combination of Census and Annual Population Survey data.

NINo country classifications

EU15 countries refer to member countries prior to the 2004 EU enlargement: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden. EU8 countries refer to those that became members post 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. EU2 countries refer to those that became members in 2014: Bulgaria and Romania.

The other EU category refers to Croatia, Cyprus and Malta. Other Europe refers to countries outside of the European Union. Rest of the world refers to countries in the continents Oceania, Central and South America, North America and Africa.

Main urban centre profiles

Where small area level data is available, it has been used to analyse the social and economic characteristics of the three main urban centres. Small area level data has been aggregated for Hereford, Shropshire and Telford using the MSOA 2011/01 definitions listed on pages 130-131, depending upon the data source. The number of jobs in 2012 and businesses in 2013 is calculated using MSOA 2001 definitions of the towns.

Official data sources

BEIS (2010-17)

BEIS (2019) Sub-regional Feed-in Tariff statistics

Bright Space Foundation (2018)

Census (2011)

DfE (2016/17)

DfE (2019) NEETs

DIT FDI reports available from The Marches LEP (2019)

DWP NINo Registrations to Adult Overseas Nationals Entering The UK (2018)

Employer Perspectives Survey (2016) from The Marches Skills Advisory Panel data

Employer Skills Survey (2017) from The Marches Skills Advisory Panel data

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

Experian MarketIQ (2019)

HM Land Registry (2017)

HMRC Growth Hub Data – Exports (2015)

HMRC Research and Development Tax Credits (2015-16)

HPSSA Median house prices (1995-2018)

Innovate UK (2019)

Marches Digital Strategy (2019) using

Thinkbroadband (2019) and Ofcom (2019) data

MHCLG Dwelling stock by local authority (2011-18)

MHCLG Index of Multiple Deprivation (2019)

Ofcom Connected Nations (2018)

Official Information Portal of Anaerobic Digestion (2018)

Ofsted (2018) from The Marches Skills Advisory Panel data

ONS Annual Population Survey (2018)

ONS Annual Survey of Hours and Earnings (1999-2018)

ONS Annual Survey of Hours and Earnings - Estimates of the number and proportion of employee jobs with hourly pay below the living wage, by local authority (2018)

ONS Balanced GVA (2001-2017)

ONS Balanced GVA by industry (2012-17)

ONS Business Counts (2013-18)

ONS Business Demography (2017)

ONS Business Enterprise Research and Development by LEP (2013)

ONS Business Register and Employment Survey (2012-17)

ONS GVA per hour worked (2004-17)

ONS House price to residence based earnings ratio (2012-18)

ONS Internal migration (2016-17)

ONS Jobseekers Allowance Monthly Claimant Count (November 2018)

ONS Labour Force Survey (2016)

ONS MSOA Mid-Year Population Estimates (2012-17)

ONS Population Estimates (1991-2018)

ONS Population Projections (2018-41)

ONS Service Exports (2016)

ONS Small area income estimates for middle layer super output areas, England and Wales (2015/16)

Ordnance Survey

The Marches and Mid Wales Freight Strategy (2018)

The Marches Rail Study (2014)

The Marches Strategic Transport Corridors Report (2016)

The Official Information Portal on Anaerobic Digestion (2018)

Visitor Economy Strategy for the Marches (2019)

VOA Private Market Rental Statistics (2018)

Work and Pensions Longitudinal Survey (November 2018)

Accessed in spring/summer 2019.

Key sector SIC code definitions

Advanced manufacturing

12 : Manufacture of tobacco products

13 : Manufacture of textiles

14 : Manufacture of wearing apparel

15 : Manufacture of leather and related products

16 : Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials

17 : Manufacture of paper and paper products

19 : Manufacture of coke and refined petroleum products

20 : Manufacture of chemicals and chemical products

21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations

22 : Manufacture of rubber and plastic products

23 : Manufacture of other non-metallic mineral products

24 : Manufacture of basic metals

25 : Manufacture of fabricated metal products, except machinery and equipment

26 : Manufacture of computer, electronic and optical products

27 : Manufacture of electrical equipment

28 : Manufacture of machinery and equipment n.e.c.

29 : Manufacture of motor vehicles, trailers and semi-trailers

30 : Manufacture of other transport equipment

31 : Manufacture of furniture

32 : Other manufacturing

33 : Repair and installation of machinery and equipment

Food and drink

10 : Manufacture of food products

11 : Manufacture of beverages

Please note, SIC codes have not been used in the analysis of energy and environmental technology, or cyber security and resilience, as these sectors are difficult to capture using SIC codes. Instead, we will draw on local intelligence and qualitative evidence gathered through business engagement events.

Source: ONS BRES (2017)

Broad sector group SIC code definitions

Agriculture, mining, energy, water and waste

A – Agriculture, forestry and fishing

B – Mining and quarrying

D – Electricity, gas, steam and air conditioning supply

E – Water supply; sewerage and waste management

Manufacturing

C – Manufacturing (including chemicals and pharmaceuticals)

Construction

F – Construction

Retail and hospitality

G – Wholesale and retail trade; repair of motor vehicles

I – Accommodation and food service activities

Transportation and storage

H – Transportation and storage

Information and communication

J – Information and communication

Finance, business and professional services

K – Financial and insurance activities

M – Professional, scientific and technical activities

N – Administrative and support service activities

Real estate

L – Real estate activities

Public services

O – Public administration and defence

P – Education

Q – Human health and social work activities

Other services

R – Arts, entertainment and recreation

S – Other service activities

Source: ONS BRES (2017)

Broad sector SIC code definitions

Agriculture, forestry and fishing

A – Agriculture, forestry and fishing

Mining and quarrying

B – Mining and quarrying

Energy, water and waste

D – Electricity, gas, steam and air conditioning supply

E – Water supply; sewerage and waste management

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Public services

O – Public administration and defence

P – Education

Q – Human health and social work activities

Other services

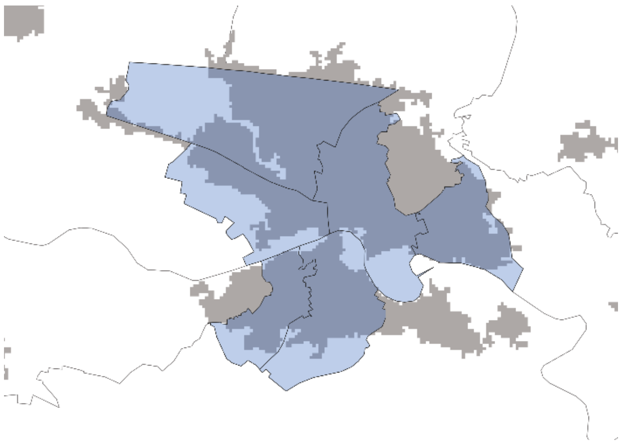
R – Arts, entertainment and recreation

S – Other service activities

Source: ONS BRES (2017)

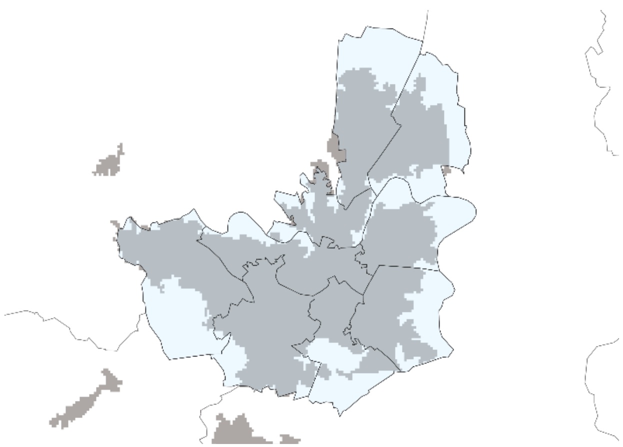
Main urban centre MSOA definitions

Hereford



MSOA 2011	MSOA 2001
Herefordshire 010	Herefordshire 010
Herefordshire 012	Herefordshire 012
Herefordshire 013	Herefordshire 013
Herefordshire 014	Herefordshire 014
Herefordshire 015	Herefordshire 015
Herefordshire 017	Herefordshire 017

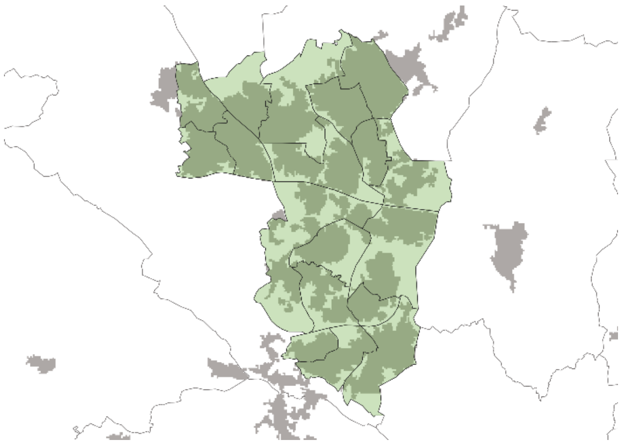
Shrewsbury



MSOA 2011	MSOA 2001
Shropshire 015	Shrewsbury and Atcham 002
Shropshire 016	Shrewsbury and Atcham 003
Shropshire 017	Shrewsbury and Atcham 004
Shropshire 018	Shrewsbury and Atcham 005
Shropshire 019	Shrewsbury and Atcham 006
Shropshire 020	Shrewsbury and Atcham 007
Shropshire 021	Shrewsbury and Atcham 008
Shropshire 022	Shrewsbury and Atcham 009
Shropshire 023	Shrewsbury and Atcham 010

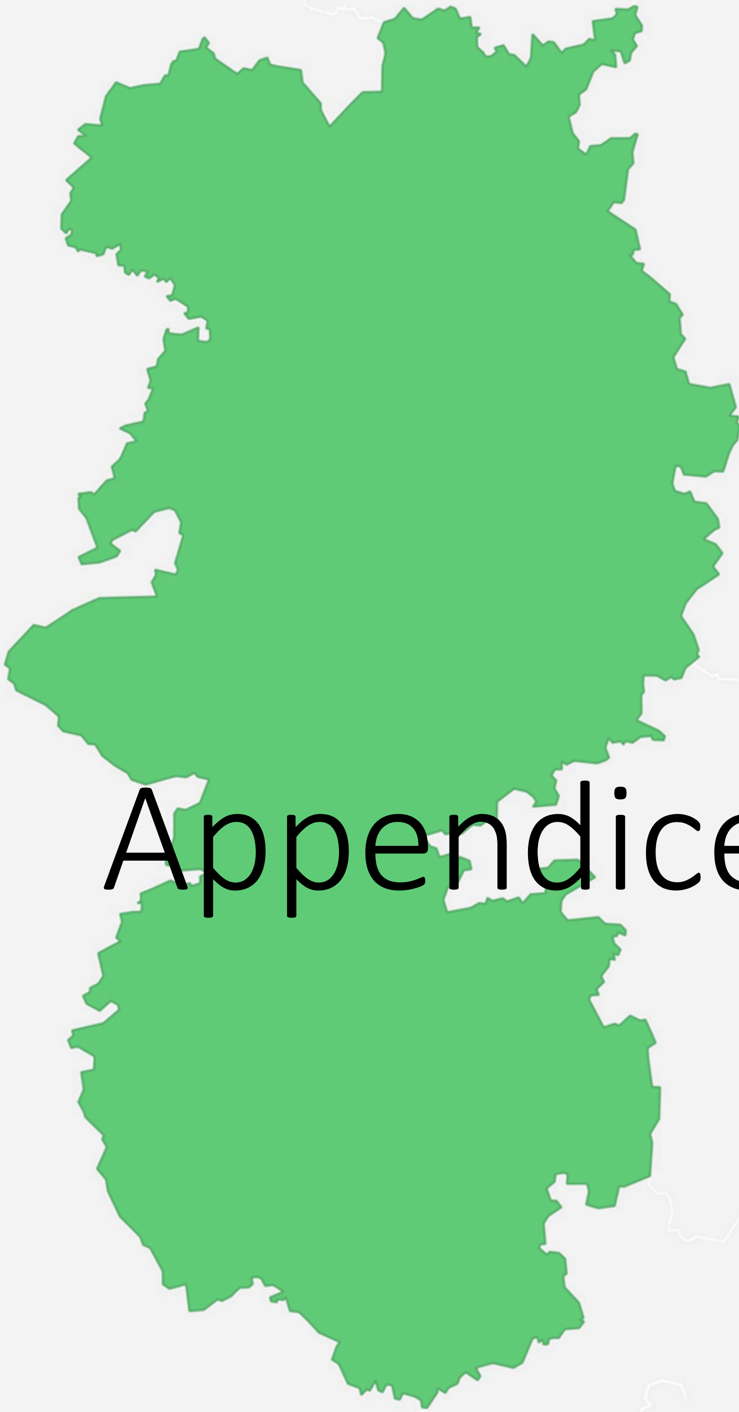
Source: Ordnance Survey

Telford



MSOA 2011	MSOA 2001
Telford and Wrekin 005	Telford and Wrekin 005
Telford and Wrekin 006	Telford and Wrekin 006
Telford and Wrekin 007	Telford and Wrekin 007
Telford and Wrekin 008	Telford and Wrekin 008
Telford and Wrekin 009	Telford and Wrekin 009
Telford and Wrekin 011	Telford and Wrekin 011
Telford and Wrekin 012	Telford and Wrekin 012
Telford and Wrekin 013	Telford and Wrekin 013
Telford and Wrekin 014	Telford and Wrekin 014
Telford and Wrekin 015	Telford and Wrekin 015
Telford and Wrekin 016	Telford and Wrekin 016
Telford and Wrekin 017	Telford and Wrekin 017
Telford and Wrekin 018	Telford and Wrekin 018
Telford and Wrekin 019	Telford and Wrekin 019
Telford and Wrekin 020	Telford and Wrekin 020
Telford and Wrekin 021	Telford and Wrekin 021
Telford and Wrekin 022	Telford and Wrekin 022
Telford and Wrekin 023	Telford and Wrekin 023

Source: Ordnance Survey



Appendices

Productivity by broad sector groups in the Marches, West Midlands and GB

Productivity by broad sector group in the Marches, West Midlands and GB (2012-17)

Broad sector group	GVA per job (£)		
	The Marches	West Midlands	GB
Real estate*	£84,462	£103,058	£125,077
Information and communication	£78,857	£80,569	£88,857
Construction	£65,867	£69,754	£72,499
Manufacturing**	£57,013	£69,756	£71,821
Transportation and storage	£38,300	£41,792	£36,828
Finance, business and professional services	£36,629	£40,252	£71,284
Other services	£34,276	£44,016	£49,719
Public sector	£33,150	£35,759	£38,923
Agriculture, mining, energy, water and waste	£32,053	£69,934	£72,356
Retail and hospitality	£29,539	£31,531	£37,182

*In 2016 terms. * Excludes imputed rental. ** Includes food and drink.*

Source: ONS Balanced GVA by industry (2012-17), ONS BRES (BRES) (2012-17)

High job growth sub-sectors

SIC2 sub-sectors with over 1,000 new jobs in the Marches (2012-17)

Rank	SIC2 sub-sectors	Jobs (2017)	LQ (2017)	Net job change (2012-17)	Sector
1	Food and beverage service activities	19,500	0.08	4,500	Visitor economy
2	Activities of head offices; management consultancy activities	7,000	0.06	3,500	Other commercial services
3	Residential care activities	10,500	0.31	2,000	Health and social care
	Employment activities	10,000	0.19	2,000	Other commercial services
	Specialised construction activities	8,000	0.55	2,000	Construction
4	Services to buildings and landscape activities	6,000	0.60	1,750	Other commercial services
	Accommodation	5,000	0.61	1,750	Visitor economy
	Architectural and engineering activities; technical testing and analysis	4,500	1.29	1,750	Other commercial services
5	Other personal service activities	4,250	1.09	1,250	Other commercial services
6	Wholesale trade, except of motor vehicles and motorcycles	15,000	0.06	1,000	Retail and wholesale
	Sports activities and amusement and recreation activities	5,500	0.74	1,000	Visitor economy
	Manufacture of fabricated metal products, except machinery and equipment	5,000	0.59	1,000	Advanced manufacturing & engineering

Source: ONS BRES (2012-17)

High employment sub-sectors

Top 20 SIC2 sub-sectors by number of jobs in the Marches (2012-17)

Rank	SIC2 sub-sectors	Jobs (2017)	LQ (2017)	Net job change (2012-17)	Sector
1	Retail trade, except of motor vehicles and motorcycles	28,500	0.96	-1,000	Retail and wholesale
2	Education	25,000	0.93	-500	Education
3	Crop and animal production, hunting and related service activities	22,000	4.64	800	Agriculture
4	Human health activities	21,000	0.88	-500	Health and social care
5	Food and beverage service activities	19,500	1.05	4,500	Food and drink
6	Wholesale trade, except of motor vehicles and motorcycles	15,000	1.27	1,000	Retail and wholesale
7	Public administration and defense; compulsory social security	11,000	0.85	-500	Defence
8	Residential care activities	10,500	1.41	2,000	Health and social care
9	Employment activities	10,000	0.94	2,000	Other services
10	Manufacture of food products	8,500	2.24	0	Food and drink
	Social work activities without accommodation	8,500	0.89	-1,000	Health and social care
11	Specialised construction activities	8,000	0.93	2,000	Construction
	Wholesale and retail trade and repair of motor vehicles and motorcycles	8,000	1.41	0	Retail and wholesale
12	Activities of head offices; management consultancy activities	7,000	0.84	3,500	Professional and business services
13	Real estate activities	6,500	1.18	0	Professional and business services
14	Services to buildings and landscape activities	6,000	0.84	1,750	Construction

Source: ONS BRES (2012-17)

Top 20 SIC2 sub-sectors by number of jobs in the Marches (2012-17) – continued

Rank	SIC2 sub-sectors	Jobs (2017)	LQ (2017)	Net job change (2012-17)	Sector
15	Sports activities and amusement and recreation activities	5,500	1.13	1,000	Visitor economy
16	Accommodation	5,000	1.06	1,750	Visitor economy
	Manufacture of fabricated metal products, except machinery and equipment	5,000	1.58	1,000	Advanced manufacturing & engineering
17	Architectural and engineering activities; technical testing and analysis	4,500	0.84	1,750	Construction
	Computer programming, consultancy and related activities	4,500	0.58	-250	Digital
18	Construction of buildings	4,250	0.93	250	Construction
	Land transport and transport via pipelines	4,250	0.77	-1,250	Logistics
	Other personal service activities	4,250	1.21	1,250	Other commercial services
19	Legal and accounting activities	4,000	0.55	750	Finance, business and professional services
20	Manufacture of rubber and plastic products	3,750	2.10	500	Advanced manufacturing & engineering

Source: ONS BRES (2012-17)

Advanced manufacturing and engineering – metals

Metals SIC5 sub-sectors in the Marches (2017)

SIC5 sub-sectors	Jobs (2017)	LQ (2017)	Job change (2012-17)
Manufacture of metal structures and parts of structures	1,375	2.50	525
Machining	1,125	1.10	225
Casting of light metals	700	12.40	400
Other non-ferrous metal production	600	19.49	0
Manufacture of other fabricated metal products nec	550	1.73	-50
Aluminium production	500	12.18	125
Manufacture of doors and windows of metal	400	2.11	0
Manufacture of basic iron and steel and of ferro-alloys	375	1.66	185
Treatment and coating of metals	375	1.62	0
Casting of iron	250	6.96	50
Manufacture of weapons and ammunition	250	1.87	250
Forging, pressing, stamping and roll-forming of metal; powder metallurgy	200	1.03	-75
Manufacture of fasteners and screw machine products	170	3.01	45
Total metals	**7,500**	**1.94**	**1,750**

Jobs and job change by SIC5 sub-sector may not sum to total jobs due to use of rounding and estimates.

Source: ONS BRES (2012-17)

Advanced manufacturing and engineering – machinery

Machinery SIC5 sub-sectors in the Marches (2017)

SIC5 sub-sectors	Jobs (2017)	LQ (2017)	Job change (2012-17)
Manufacture of office machinery and equipment (except computers and peripheral equipment)	1,000	22.92	-250
Manufacture of agricultural and forestry machinery (other than agricultural tractors)	450	6.75	-50
Manufacture of other special-purpose machinery nec	350	3.25	50
Manufacture of power-driven hand tools	300	53.14	-150
Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	250	1.43	245
Manufacture of non-domestic cooling and ventilation equipment	250	1.08	-225
Manufacture of other taps and valves	225	2.44	50
Manufacture of other general-purpose machinery nec	210	0.85	-215
Manufacture of lifting and handling equipment	160	0.78	-115
Manufacture of fluid power equipment	150	1.95	75
Total Machinery	**3,750**	**2.01**	**-500**

Jobs and job change by SIC5 sub-sector may not sum to total jobs due to use of rounding and estimates.

Source: ONS BRES (2012-17)

Advanced manufacturing and engineering – rubber and plastics

Rubber and plastics sub-sectors in the Marches (2017)

SIC5 sub-sectors	Jobs (2017)	LQ (2017)	Job change (2012-17)
Manufacture of other plastic products	1,000	1.76	150
Manufacture of plastic plates, sheets, tubes and profiles	950	3.49	150
Manufacture of plastic packing goods	900	3.51	450
Manufacture of buildersware of plastic	500	1.04	-200
Manufacture of other rubber products	400	2.51	-75
Total rubber and plastic products	**3,750**	**2.10**	**500**

Jobs and job change by SIC5 sub-sector may not sum to total jobs due to use of rounding and estimates.

Source: ONS BRES (2012-17)

Advanced manufacturing and engineering – automotive

Automotive SIC5 sub-sectors in the Marches (2017)

SIC5 sub-sectors	Jobs (2017)	LQ (2017)	Job change (2012-17)
Manufacture of other parts and accessories for motor vehicles	3,000	5.31	-250
Manufacture of trailers and semi-trailers	100	1.50	40
Total Automotive	**3,250**	**2.00**	**-500**

Jobs and job change by SIC5 sub-sector may not sum to total jobs due to use of rounding and estimates.

Source: ONS BRES (2012-17)

Advanced manufacturing and engineering – wood

Wood SIC5 sub-sectors in the Marches (2017)

SIC5 sub-sectors	Jobs (2017)	LQ (2017)	Job change (2012-17)
Manufacture of other builders' carpentry and joinery	1,125	2.41	225
Sawmilling and planing of wood	350	4.26	0
Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	150	2.44	0
Total wood products	**1,625**	**2.15**	**250**

Jobs and job change by SIC5 sub-sector may not sum to total jobs due to use of rounding and estimates.

Source: ONS BRES (2012-17)

Food and drink

Food and drink SIC5 sub-sectors in the Marches (2017)

SIC5 sub-sectors	Jobs (2017)	LQ (2017)	Job change (2012-17)
Processing and preserving of poultry meat	2,250	9.74	-250
Processing and preserving of meat	1,750	7.10	850
Production of meat and poultry meat products	800	2.51	0
Manufacture of cider and other fruit wines	750	36.54	200
Manufacture of milk products (other than liquid milk and cream, butter, cheese) nec	600	15.59	-650
Manufacture of cocoa, and chocolate confectionery	600	6.50	-100
Butter and cheese production	500	8.12	-200
Manufacture of beer	425	2.51	-125
Other processing and preserving of fruit and vegetables	300	1.30	-50
Manufacture of other food products nec	300	0.85	220
Manufacture of bread; manufacture of fresh pastry goods and cakes	275	0.35	0
Processing and preserving of potatoes	250	3.25	75
Manufacture of prepared feeds for farm animals	250	2.87	20
Grain milling	225	4.62	0
Distilling, rectifying and blending of spirits	120	1.23	105
Total food and drink	**9,875**	**2.35**	**250**

Jobs and job change by SIC5 sub-sector may not sum to total jobs due to use of rounding and estimates.

Source: ONS BRES (2012-17)

Population projections by age group

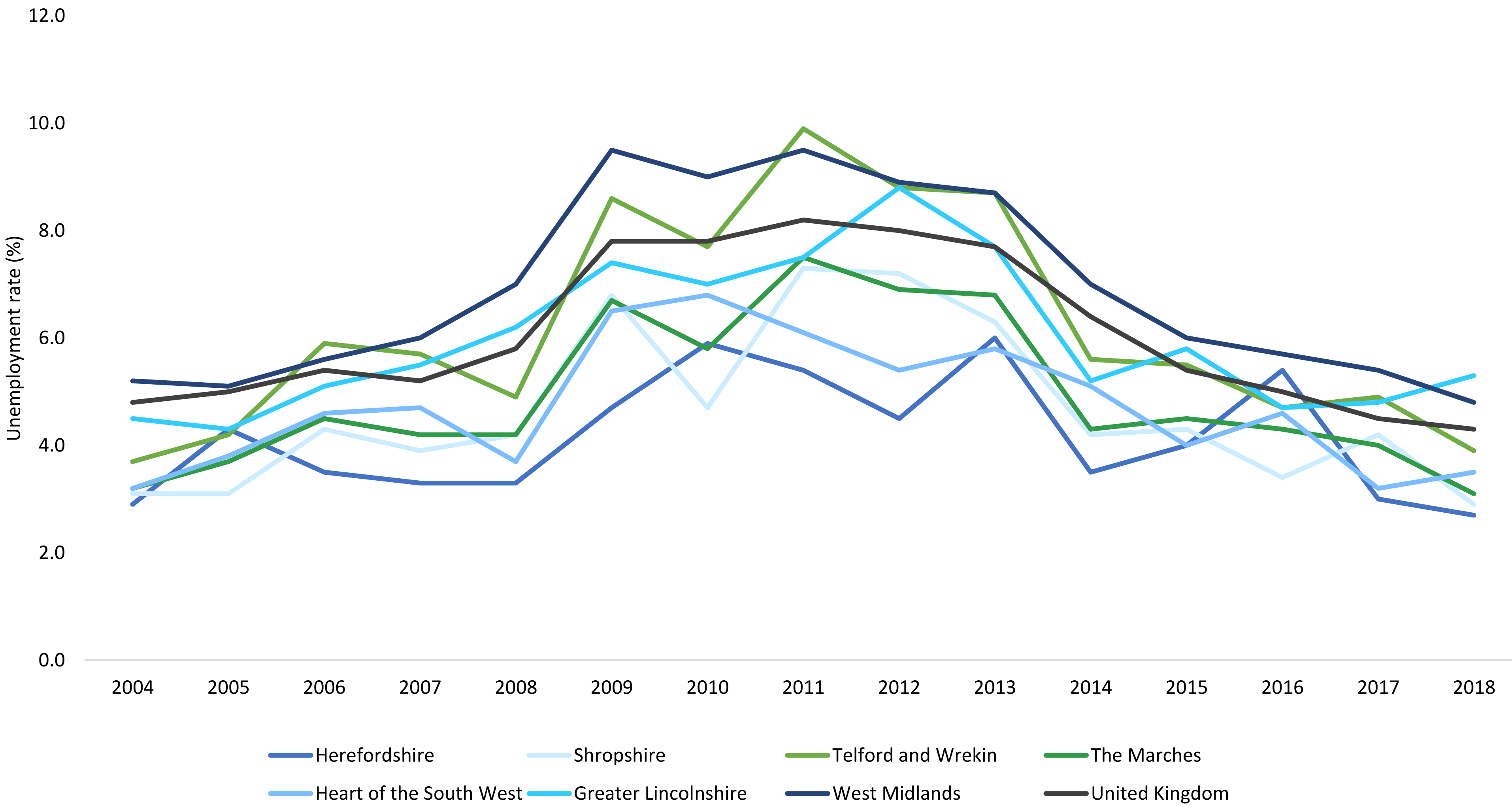
Projected population growth by age in the Marches, its local authorities and comparators (2018-41)

Age	Herefordshire	Shropshire	Telford and Wrekin	The Marches	Greater Lincolnshire	Heart of the South West	West Midlands	UK
0-15	-2.8%	-7.5%	-4.5%	-5.3%	-4.9%	1.4%	3.4%	0.2%
16-24	-1.1%	-5.1%	5.6%	-0.8%	2.4%	8.7%	7.4%	7.2%
25-34	-1.3%	-5.9%	3.2%	-2.0%	-1.4%	3.6%	5.0%	1.8%
35-49	0.0%	-8.5%	-3.2%	-4.7%	-2.6%	0.1%	2.9%	-1.2%
50-64	-8.5%	-10.1%	-0.4%	-7.4%	-6.7%	-5.3%	0.5%	2.3%
65+	39.9%	47.4%	52.2%	46.0%	40.4%	42.7%	39.2%	46.3%

Source: ONS Population Projections (2018-41)

Unemployment rate over time

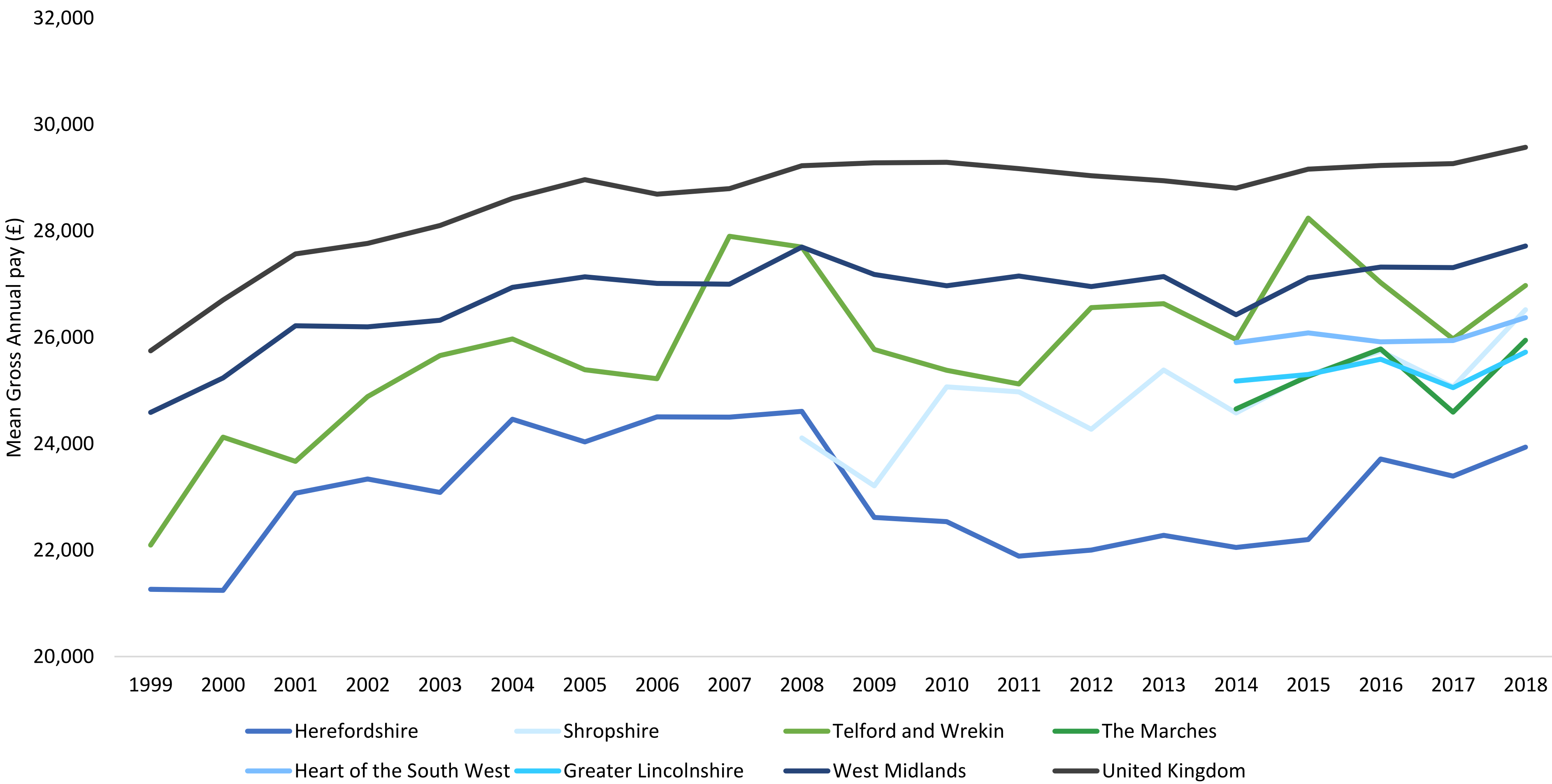
Unemployment rate in the Marches, its local authorities and comparators (2004-18)



Source: ONS APS (2004-18)

Annual pay over time

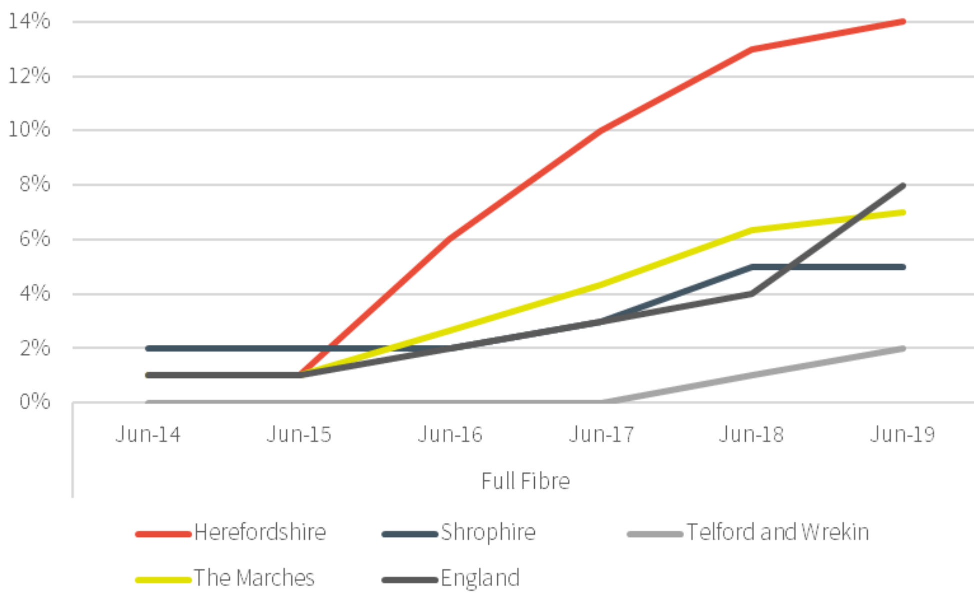
*Median gross annual pay for full-time workers by workplace in the Marches, its local authorities and comparators (1999-2018)**



*In 2018 terms. * Data only available for Shropshire after 2008 due to local government restructuring. Data for the Marches only available after 2014.* Source: ONS ASHE (1999-2018)

Full fibre broadband coverage

Proportion of premises with full fibre broadband coverage in the Marches, its local authorities and England (June 2014-19)



Source: Marches Digital Strategy (2019) using Thinkbroadband (2019) data