



Our Strategy for Growth 2013–2022

The Marches is a unique region, with a business base as rich and diverse as its landscape. At its heart is the global birthplace of industry, part of a heritage which has sparked a revolution of a different kind with innovative hi-tech enterprises operating alongside land-based industries and entrepreneurs flourishing alongside global players.

It is also a region ripe for investment. Encompassing Herefordshire, Shropshire and Telford & Wrekin, it is home to more than 630,000 people and 28,000 businesses and currently contributes £10 billion to the UK economy.

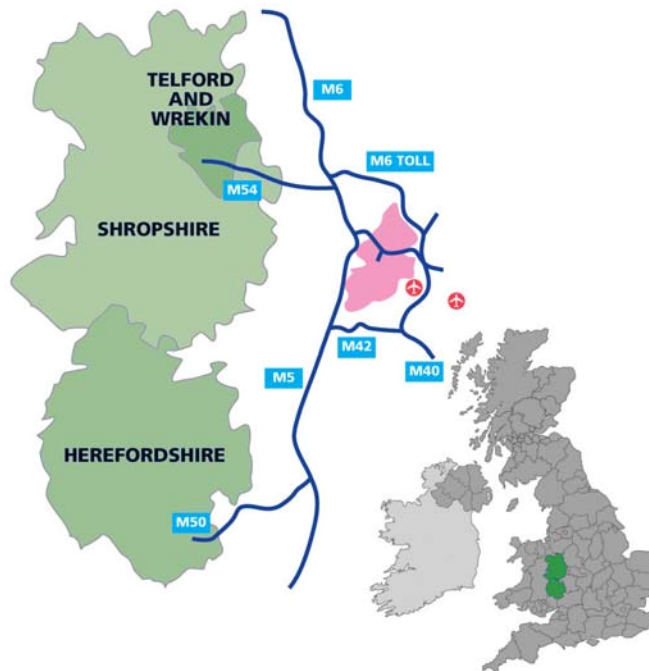
But there is significant scope to improve upon that contribution.

Our vision is of a connected Marches – where businesses are connected to each other, to Centres of Excellence and research institutions and to a marketplace which reaches far beyond our own borders and that of the UK.

This strong connectivity will build on the Marches' position as a national leader in the transfer of skills and innovation in precision technology and engineering across our key business sectors, which include advance manufacturing, food & drink and defence & securities.

We are ready. We have the key components for success in place.

The Marches: A Wealth of Opportunity



Ideas which changed the world were born here: the Industrial Revolution in the Ironbridge Gorge; the first modern skyscraper, the Flaxmill in Shrewsbury; the modern Olympic movement in Much Wenlock; the Mappa Mundi in Hereford and Darwin's Theory of Evolution.

These big ideas are evidence of the Marches' pioneering industrial heritage and its entrepreneurial spirit. It has demonstrated its ability to change and adapt to emerging

technology and innovation, without losing sight of its rural advantage and the quality of life this offers.

In this Strategy for Growth, we have set out our vision and our strategic priorities up to 2022. But in order to achieve these priorities, and ensure the big ideas of the future become game-changing realities, we need:

- Assistance to maximise the opportunity available in private and public investment and in the new EU Programme Funding
- Our Government to intervene where regulators are stymying growth and to assist us to access funding that has proved difficult to attract to more rural areas of the country.
- Support to deliver activity through a bespoke "Marches Deal" that will meet our unique circumstances and energise our business base. We are developing the details of a package of opportunity and support to deliver key elements of our Growth Plan.

Our remit as a LEP is simple. We want to drive, create and deliver.

By driving business growth, creating economic advantage and delivering private sector jobs, the LEP will help create a minimum of 12,000 new high value jobs, unlock £3.8 billion of GVA and create more than 3,000 new businesses over the next decade.



Dr Geoffrey Davies OBE
Chairman, The Marches LEP

*All job numbers identified in document are net job totals

Our Vision

“A strong, diverse and enterprising Marches business base, operating in an exceptional and connected environment, where the transfer of technology and skills foster innovation, investment and economic growth”

Our Cross-Cutting Themes

Three key themes are the “Golden Threads” which will run through our programme of work:

■ **ACHIEVING CONNECTIVITY** across the Marches, across the UK, across world markets

■ Consolidating our position as a national leader in **TRANSFERRING SKILLS AND INNOVATION IN PRECISION TECHNOLOGY**

■ **A LOW CARBON APPROACH** to delivering economic growth across the Marches Local Enterprise Partnership

Our Strategic Priorities up to 2022

Supporting Businesses

We will create an exceptional business support environment for aspiring growth businesses through support, access to finance and incentives to innovate

Physical Infrastructure

We will provide a compelling business investment offer with a progressive planning framework and infrastructure fit for tomorrow's business needs

Skills Enhancement

We will support employers to develop themselves and their workforce and to provide employment opportunities for young people

New Business Investment

We will promote the Marches as a business investment location

Low Carbon Economy

We will drive the transition to a high value, low carbon economy, maximising the opportunity in new technologies, reducing environmental costs to business and recognising our environment as an economic asset

Priority Investment Areas for the Marches



Supporting Businesses

Access to Finance: Developing a range of access to finance solutions for micro and small businesses, to complement national programmes, our existing local grants and loan schemes.

Business Advice: Encouraging sustainable business growth through the Marches Business Support project, through providing mentoring and local procurement opportunities and signposting to existing national and local support and advice.

Supporting Innovation: Encouraging and incentivising businesses to adopt new technologies and to invest in research & development, improving their range of products and services and increasing their customer base, working with our Centres of Excellence, HE Institutions and national organisations offering support and advice.

Exploring new markets: Encouraging businesses of all sizes to explore export markets, working with Chambers of Commerce and UKTI.

Physical Infrastructure

Three Enterprise Areas for the Marches: Developing three strategic employment areas comprising of Hereford Enterprise Zone and Enterprise Areas in Shropshire and Telford & Wrekin, providing high quality land and workspace, with a customised package of support.

Centres of Excellence: Adding to our existing centres of excellence through the development of the National Centre for Precision Engineering at Harper Adams University College and RAF Cosford National Aeronautical Academy.

Broadband & Mobile Telecommunications Delivery: Implementing the broadband delivery plans and removing mobile phone black spots to enable business to operate within a competitive market place.

Essential Utilities: Working with providers of essential utilities, including electricity, mobile telecommunications and water quality, to unlock private sector investment in areas of opportunity.

Transport Improvements: Reducing congestion in our urban centres at Hereford and Shrewsbury, improving M6 connectivity, delivering the Telford Rail Freight Interchange; electrification of the Wolverhampton to Shrewsbury line and better links to Birmingham and London by rail.

Three Major Town Centre Redevelopment Schemes: Providing significant commercially-led business investment and sustainable job creation, working through our Marches Planning & Housing Partnership to secure jobs and good quality affordable housing.

Marches Redundant Building Grant Programme: Supporting expanding businesses to create sustainable employment across the Marches.

Skills Enhancement

Implementation of the Marches Enterprise Zone Skills Plan: to be completed early in 2013, the Plan will establish evidenced

priorities and identify the key areas of work to be delivered to raise employer and employee skills.

Supporting our young people: Encouraging the provision of locally available Higher Education courses and good job opportunities for young people across the Marches, supporting our school leavers to be work ready.

New Business Investment

Inward Investment: Developing the business investment proposition within three key sectors of advanced manufacturing, food & drink and defence & securities, working with UKTI, capitalising on our unique selling points in local Centres of Excellence and industry expertise, unique business support offer, good quality supply chains and ready-to-go sites, particularly in Telford.

Low Carbon Economy

Marches Green Deal: Retrofitting existing housing stock and buildings to improve energy efficiency within three pilot communities in the Marches, working through our Marches Planning & Housing Partnership.

Environmental Technologies: Supporting businesses operating in the sector, which saw 65 per cent growth in the Marches region in 2011, in conjunction with the Marches Environmental Technologies Network.

What's our evidence?

Geography and business landscape

While Telford, Hereford and Shrewsbury are the powerhouses of our urban economy, our business base is predominantly small companies and micro-enterprises. Self-employment is high, with micro-businesses accounting for 90.4% of companies based here and 86% of businesses employing fewer than 10 people.

This has brought a diversity and resilience that has protected the Marches economy in past recessions. But the current economic problems, lack of access to finance and escalating costs of fuel and distribution have inhibited business dynamism and growth across the area.

The Marches boasts multi-national companies that make a significant contribution to our area, including Muller Dairy UK, Doncasters Aerospace, Denso, Capgemini, Ricoh, Cargill, Bulmers/Heineken, Grocontinental, McConnel, Kerry Ingredients, Special Metals, Kingspan and Makita.

These firms appreciate our high quality business environment but they also require good transport infrastructure to reduce travel time costs and readily available capacity within utilities infrastructure to encourage their further investment in our area.

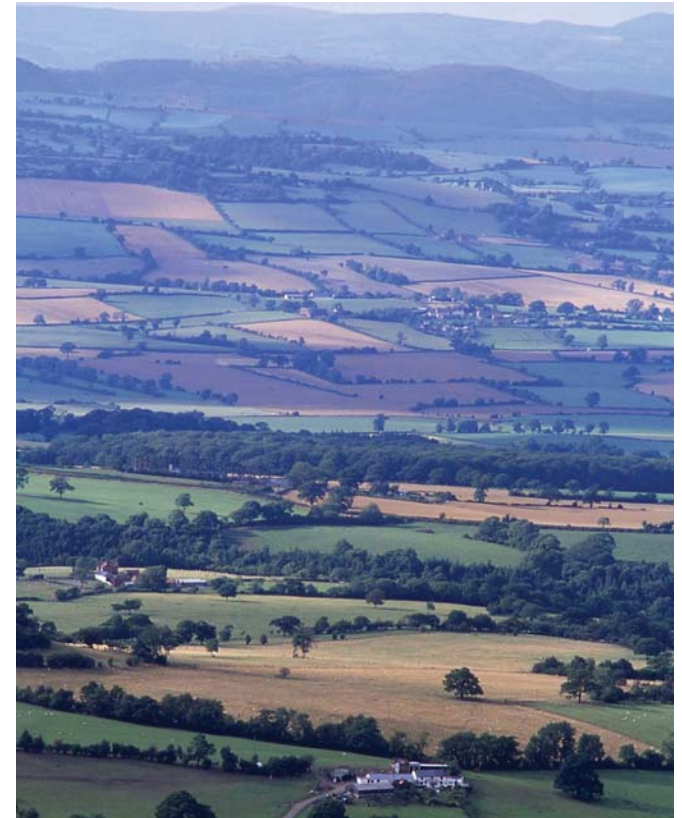
Location

We are well placed as a business location - an hour from several major airports, with road and rail connections which could be improved. But our full economic potential will only be finally realised if we are supported to improve congestion in our urban centres at Hereford and Shrewsbury; if we can achieve our ambition for the Telford Rail Freight Terminal; and are successful in our aim, shared with other LEPs, for better M6 connectivity and electrification of the Wolverhampton to Shrewsbury line. These multi-national business requirements are reflected in our plan.

Skills

Employers, large and small, need a flexible, forward-thinking Marches workforce, equipped with the skills required for future business investment needs. The work age population of the Marches is set to decline by 8% by 2033. The number of 18 year olds in Herefordshire is expected to drop by 20% over the next 10 years.

Urban parts of Telford will have an expanding younger population in need of jobs. We need locally available high quality HE courses and good job opportunities for young people. Our school leavers need greater support to be work ready. Reversing these trends is a key area of work within our strategy.



Job creation

The Marches excels at a national level in five of its key business sectors which are currently predicted to generate just over a fifth of our new job growth. These should be supported to achieve greater job creation, focusing on high value sustainable employment opportunities:

1. Advanced Engineering and Manufacturing

- Provides 1 in 7 jobs
 - Includes substantial operations, household names and tier one suppliers, including Denso, Doncasters, Makita, Ricoh, Stadco and GKN, as well as small supply chain firms to the wider West Midlands.
 - A strong supply of development land is available across the area, with Telford having the largest supply of serviced, ready-to-go land in the West Midlands, close to the i54 Enterprise Zone.
 - A Hereford Enterprise Zone set to take advantage of the local defence and security specialism and links with Malvern Science Park.
- ## 2. Agriculture, Food & Drink
- Around 80% of our land area is dedicated to agricultural and horticultural production with more than 16,000 employees
 - Food & drink processing thrives within a landscape that provides the finest quality raw materials; creating a home for multi-nationals, such as Muller, ABP, Kerrys, Nom Dairy, Cargill Meats and Bulmers as well as the small artisan producers who supply high end department stores and 'quality regional food' aisles of major supermarket chains.
 - The Marches has a well-established supply chain, in food packaging; materials innovation, testing and development; and specialist logistics and preservation solutions, which are supported by Centres of Excellence and provide support for future investment and business growth.

3. Defence and Securities

- Represents a significant long-term growth opportunity for the UK economy and the Marches sector has grown around a solid base of MOD facilities in army, air force and world-renowned special operatives
- Provides an additional customer base for our local firms but also a strong regional skills base in a range of engineering, IT and other areas, as personnel re-enter the local labour market.
- Our Enterprise Zone at Hereford and MOD assets at RAF Cosford and MOD Donnington represent a once in a generation opportunity for substantial private job growth and world class training provision.

4. Environmental Technologies and Services

- One of our faster growing sectors, which includes market leading companies and technologically cutting-edge enterprises covering renewable energy, water technology, waste management and pollution control.
- Presents an opportunity to showcase the best of Marches business expertise and innovation in the sector
- Transfer of knowledge to help Marches businesses working in all sectors to improve economic performance through better environmental management, generating demand for local product and services solutions.

5. Visitor Economy (leisure and business tourism)

- Generates more than £1 billion, employs over 33,000 and accounts for more than 15 per cent of our GDP.
- Incorporating three distinctive destinations, the Marches area is home to two UNESCO World Heritage Sites, award winning attractions, historic landscapes and market towns making it a unique and popular domestic tourism destination.
- The Marches is also emerging as a leading convention capital in the UK, home to the Telford International Centre.



What are our strengths?

- The diversity of our economy across the business sectors which has provided resilience in recession, which provides opportunity for growth
- A high proportion of business enterprises (44 per 1000 population, ranked joint third among LEPs)
- Manufacturing accounts for 15% of total employees, which is 1 job in every 7, across low and medium-low manufacturing, with Telford & Wrekin having a predominant concentration of medium-high technology businesses.
- The Marches has a number of multi-national companies which have chosen to base operations here, including Denso, Doncasters Special Metals, Makita, Ricoh, Stadco and GKN as well as their locally established supply chain.
- Our distinctive visitor economy/tourism offer includes two World Heritage Sites, a conference centre ranked in the top 10 nationally, a wealth of beautiful and varied landscapes, vibrant urban centres

and market towns which provide a varied rural & urban/historic & modern visitor experience, contributing over £1 billion to the local economy each year.

- Food & Drink processing sector thrives, based upon the highest quality local produce and our advantages of accessibility, skills, quality land & premises. We have household names here as well as artisan producers supplying high-end stores such as Harrods and the quality regional food aisles of major supermarket chains with the highest reputation for gourmet dining outside of London.
- A higher than average employment rate (73% March 2011) and self-employment rates.
- Major planned investment and growth in the urban centres of Shrewsbury (Riverside Regeneration), Hereford (Edgar Street Grid) and Telford (Town Centre Infrastructure/Southwater Development).
- Good business survival rates (80.4% surviving after 2 years) and good quality, active business networks in each of our Market Towns and for each of our key business sectors.



Where are we disadvantaged?

- A static enterprise population with relatively lower rates of company births and deaths compared with other areas despite good enterprise density.
- Lower than average GVA per head (£15,700 compared to England rate of £21,000 in 2009) reflecting low levels of pay and out commuting of higher skilled workers.
- An identity and brand that is not sufficiently well recognised at the national and global level resulting in assets not always being connected to realise their full potential. The tourism industry and

awareness of the business investment opportunity provide clear examples.

- Rural based micro & small businesses simply don't have proximity to faster road and rail links and are at a competitive disadvantage in terms of fuel & distribution costs and also in attracting skilled workers.
- One of the LEP areas with the lowest share of total employee jobs in foreign-owned enterprises which closes access to an avenue of finance available in other better-served areas.
- LEP with lowest rate of patenting per 100,000 residents.





Where are the opportunities?

- The Marches has a strong enterprise culture, with a stable & flexible, wage-competitive workforce, a high quality of environment with a good supply of development land & premises available, with a matchless work-life balance making the area very attractive to aspiring businesses, entrepreneurs and investors.
- Significant growth potential in key sectors: food & drink; advanced manufacturing; defence & securities; tourism & leisure; and environmental technologies & services
- Centres of Excellence add real value to the wider business support offer, providing advice on product development, market research and bespoke business space, including: Shropshire's Food Enterprise Centre at Battlefield, Shrewsbury; the Regional Food Academy at Harper Adams University College; the IT focused, e-Innovation Centre in Telford and the Environmental Technologies Centre at the Shrewsbury Pumphouse. The proposed National

- Centre for Precision Farming Engineering at Harper Adams University College will add internationally significant expertise in the advanced technology and manufacturing for the agri-food sector.
- Growing potential for business tourism, focused on Telford; home to one of the UK's top 10 convention centres at The International Centre. The Marches welcomes over 5000 events each year attracting over 450,000 delegates.
- A centrally positioned business location – an hour from several major airports (Birmingham, Manchester, Liverpool, Cardiff), with road and rail connections which could be improved.
- Strong economic connections with other LEPs, particularly the Black Country, with JLRs £355m new i54 engine plant set to support 3,000 new jobs and up to 1,500 companies and with Worcestershire, with its defence & securities industry links with the Malvern Science park.

What are the barriers to growth?

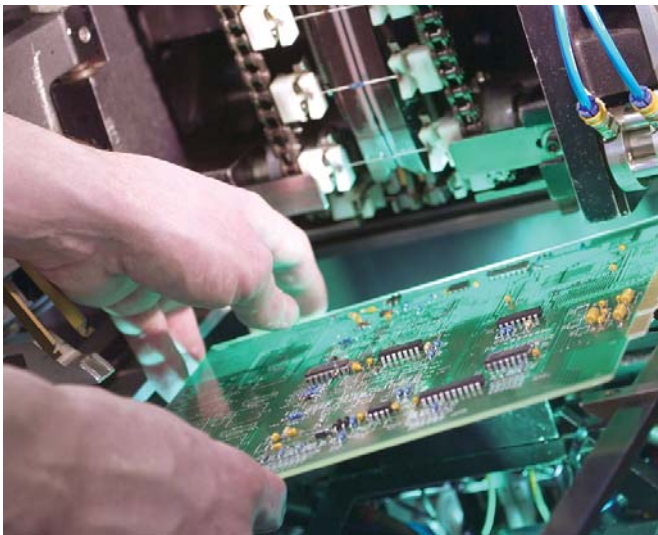
- Poor quality broadband infrastructure especially in more sparsely populated rural areas. We need fast efficient broadband services across the whole of the Marches, enabling 100% of our businesses to operate and communicate within a competitive, international market place
- Sluggish economic growth is making business investment aspirations very challenging, with a lack of access to finance for our micro and small businesses stymying growth potential. New sources of finance and cheaper banking needed to enable businesses to plan ahead
- The vulnerability of major employment sites to MOD restructuring. For example, at RAF Cosford and MOD Donnington, our Defence & Securities sector has grown around a solid base of MOD facilities in army, air force and special operatives; not only providing an additional customer base for our local firms but also providing a strong local skills base in a range of engineering, IT and other areas, as personnel re-enter the local labour market at the end of their period of service

- Loss of young people including graduates from the area due to lack of HE provision and job opportunities, perception of limited social scene/nightlife and low wage levels. Higher than average number of young people not in education, work or training in Telford.
- Significant problems around public transport limiting easy movement of the workforce and preventing access to jobs.
- Severe problems with utilities provision in some key employment areas, particularly electricity in the north (Whitchurch) and water quality in the River Wye and Lugg affecting Hereford City growth plans and intermittent mobile telecommunication in more rural parts of the Marches area.
- Continued low wage levels could have implications for the attractiveness of the area to a more mobile workforce and the levels of GVA per head. Around 28% of the workforce currently employed in a contracting public sector services
- Regulatory difficulties for small businesses in employing additional staff

Unlocking the potential



Our urban centres of Hereford, Shrewsbury and Telford are designated Growth Point towns, with plans for an additional 69,500 houses, 354 ha employment land and town centre regeneration schemes under development that are capable of generating £450m private investment and creating 3,500 sustainable private sector jobs.



Our strategic sites, including our Enterprise Zone in Hereford and Enterprise Areas will create a further 7,400 private sector jobs and a further £250m private sector investment.

With 28% of our workforce currently employed by the public sector, the opportunities provided by our major town centre schemes and strategic employment sites could not be more vital to keeping the Marches growing, investing and working.

A network of 25 vibrant market towns provide a set of unique opportunities for investors and job growth that will see: a tailored range of business services available to serve their more rural hinterlands; a reduction in travel time costs and improved energy savings for rural business and low carbon energy efficient public buildings, business premises and community housing, using our local expertise in new technologies.

The LEP and Marches Planning Authorities are working hard to ensure that their policies and practice promote growth and support those wishing to invest here. This work has commenced with the development of the new Marches Planning & Housing Partnership and the publication of the LEP's High Level Planning and Housing Statement in October 2012. The Partnership will work to provide decent, affordable housing to meet the needs of local people and businesses and achieve outcomes in keeping with community aspirations, through innovative delivery across the Marches.

The Marches outstanding natural and historic environment is a valuable economic asset for the area which we will enhance and protect, working with relevant partners, such as the NFU, Forestry Commission and our Local Nature Partnerships.

The Marches has strong business networks that provide good quality support and advice to the business base, such as the Shropshire and Herefordshire & Worcestershire Chambers of Commerce and the Rural Farming Network.

There are several Centres of Business Excellence across the Marches adding real value to our business support offer and providing opportunities for technology transfer across business growth sectors. These include Shropshire Food Enterprise Centre at Shrewsbury, the Regional Food Academy at Harper Adams University College, the IT focused, e-Innovation Centre in Telford and the Environmental Technologies Centre at the Shrewsbury Pumphouse.

The National Centre for Precision Farming Engineering at Harper Adams, under construction following an injection of Marches Development (Growing Places) Funds, will soon join this list.

Opportunities to enhance the business support landscape for Marches micro and small businesses with growth ambition are being pursued through our European-funded Business Support Project, the Business Enterprise Grant and the Regional Growth Fund supported Marches Redundant Building Grant. The LEP will add to these in areas where the best opportunity for sustainable job growth are presented.

The Marches Local Enterprise Partnership was launched to create the conditions for economic vitality and sustainable employment across this diverse region, globally recognised for its pioneering industrial heritage and entrepreneurial spirit.

This Strategy for Growth is our commitment to building on that recognition, securing economic health for the benefit of the Marches and the people who live and work here.





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