



2018

ANNUAL REPORT OF

THE MARCHES LOCAL ENTERPRISE PARTNERSHIP



The Marches LEP is a business-led organisation **working in partnership with the public sector.**

The LEP directs Government and EU funding to priority projects which **will boost economic growth.**



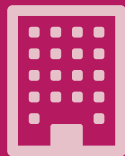
Tasked with growing the regional economy, our partners include **Herefordshire Council, Shropshire Council and Telford & Wrekin Council**

THE MARCHES REGION ATTRACTS
£90 MILLION
OF EU FUNDS

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The Marches LEP is home to:



30,775
BUSINESSES



677,070
PEOPLE

The Marches LEP developed the



the one-stop-shop for business support across the region

OUR BUSINESS SURVIVAL RATES IN THE LEP AREA ARE THE
2ND HIGHEST
IN THE UK

THE MARCHES LEP REGION CONTRIBUTES

£12.3 BILLION

TO THE UK ECONOMY



We work with further and higher education providers to **ensure we have a workforce equipped with the right skills** for the future



FOREWORD

WORKING FOR THE FUTURE

The last 12 months have seen the Marches LEP at the forefront of moves to ensure our region is a thriving, prosperous place to do business, which both draws on its rich heritage and has its sights firmly set on the opportunities the future will bring.

GRAHAM WYNN OBE
Chairman, Marches LEP

Since our launch seven years ago, we have worked tirelessly with our partners to remove the major barriers to business growth which held back our economy in the past. As a private sector-led board, we have helped put the needs of business at the heart of the regional agenda, bringing nearly £195m of investment to the region, which will create thousands of homes and jobs.

In the past 12 months we have secured a fresh growth deal which will see £21.9m invested in projects to boost the region's skills and help nurture innovation. Our Marches Growth Hub has supported nearly 9,000 businesses, strengthening the region's reputation as a national hot-spot for new business start-ups and ensuring entrepreneurs have the comprehensive support they need to build for a successful future.

We have cemented our partnerships with key partners across the wider region – working as part of the Midlands Engine to ensure the Midlands plays a central role in driving the UK economy, and adding value and scale to our own work in the Marches. We are also working across the border with partners in Wales to tackle infrastructure and connectivity issues which affect both our areas.

A huge amount of work will be carried out to refresh our Strategic Economic Plan in 2018 to ensure we create a culture of innovation and can train our people in the skills needed to deliver on our promise to create thousands of new homes and jobs over the next 20 years.

We are very proud of this track record of success – which saw us being recognised for excellence in governance this year – but are equally determined that we will not rest on our laurels in the year ahead.

The next 12 months will see a renewed emphasis on building a region which works for the future and engaging with business at all levels to help us do so. Our commitment to developing skills training is evidenced by the challenging targets we have set ourselves in our Marches Skills Plan.

Our goal is to have played a significant part in creating three million apprenticeship starts nationally by 2020 and to have helped lead a major reform of post-16 education and training which produces a workforce fully equipped with the skills needed to succeed in the modern economy.

As we update our Strategic Economic Plan and develop a Local Industrial Strategy, we will engage comprehensively with the business community. And we will continue to focus all our attention on making sure this region is fully equipped to meet the challenges of the global economy and the opportunities that the emergence of new markets will bring.

I hope you enjoy reading this report.
This is your LEP and we are working for you.



OUR PROJECTS

Our economy can only grow if we have the buildings, roads, power supply and the connectivity to make that possible.

There has been nearly £195m of investment in the Marches LEP region, an investment which will create a potential 9,000 jobs and 16,000 homes by 2032 and leverage £35m of private sector investment.

 **9,000**
JOBS

 **16,000**
HOMES

 **77,000**
PREMISES WITH
ACCESS TO BROADBAND

 **3,025**
APPRENTICESHIPS

BROADBAND

Fast, reliable & resilient internet access is vital for a growing economy, with data consumption increasing at around 30% a year. Yet many of our rural homes and businesses are still without high speed access.

This is why the LEP is investing £7.7m in the roll-out of superfast broadband to give 77,000 extra homes and businesses in the Marches speeds of more than 24mps by the end of next year.

TRANSPORT

Developing the economy by delivering houses, training and jobs, requires an integrated and resilient transport network that is fit for purpose.

Our businesses require a transport network that:

- Quickly and reliably connects to major employment centres and markets
- Enables business to collaborate / develop supply chains and customer base
- Gives people access to a wide range of jobs & training opportunities
- Is resilient to disruption, providing choice and mode options

Transport connectivity is the ‘glue’ that binds our communities and the economy together.

SHREWSBURY NORTH WEST RELIEF ROAD

The LEP is a key supporter of Shropshire Council’s bid for government funding for the construction of the final part of the Shrewsbury bypass, known as the Shrewsbury North West Relief Road (SNWRR).

The SNWRR will provide a new, single carriageway road linking the northern and western parts of Shrewsbury, including a new bridge over the River Severn and over the Shrewsbury–Chester railway line.

SHREWSBURY INTEGRATED TRANSPORT PACKAGE (SITP)

The Shrewsbury Integrated Transport Package is a £12.1m programme designed to improve Shrewsbury’s transport network, whilst helping the economy to grow through the creation of jobs and homes. The award-winning project includes highway infrastructure such as new traffic signals along with pedestrian and cycle facilities helping to reduce congestion.

£6M of Growth Deal Funding
£6M of Private and Local Authority funding brought into the project.

TELFORD BUS STATION

The relocation of the bus station forms an integral component of Telford town centre’s redevelopment. The project is key to unlocking development as part of the Telford Shopping Centre masterplan, which aims to create 8,800 sq m of retail development land and 300 jobs at the site.

The bus station has benefited from the remodelling of entrances and footpaths, providing an enhanced public transport interchange.

UNLOCKS **8,800**_{SQM} of commercial floorspace
Aims to create **300** JOBS

HEREFORD CITY CENTRE TRANSPORT PACKAGE

This project is a £40m transport package creating a new link road between the A465 and the A49, unlocking land for development and providing investment opportunities in the retail, leisure and tourism sectors. The package will also create a new urban village as well as an integrated transport hub whilst regenerating Commercial Road, Newmarket Street and Bluecoat Street.

Aims to build **800** NEW HOMES
Aims to create **760** JOBS



KEY PROJECTS
BEING DELIVERED

TELFORD
EASTERN GATEWAY

UNLOCKS
31 HECTARES
of employment land

Creation of
1,400 HOUSES

3,400 JOBS

£3.6M
of Growth Deal
investment

OXON
LINK ROAD

Aims to create
2,800 JOBS

750 NEW HOMES
to be built

UNLOCKS
12 HECTARES
of employment land

£8.5M
of private funding
attracted into the project

SOUTH WYE
TRANSPORT
PACKAGE

1,000 NEW JOBS

1,000
NEW HOMES

£40M
transport package

IMPROVED
ACCESS
to the Hereford
Enterprise Zone

PROJECTS
IN THE PIPELINE

NEWPORT
INNOVATION AND
ENTERPRISE
PACKAGE

1,070 HOUSES

954 JOBS

50,000SQM
commercial floorspace

HEREFORD
CENTRE FOR
CYBER SECURITY

Creation of
184 JOBS

£5.5M
of business investment
unlocked

2,840SQM
commercial floorspace
by 2025

SHREWSBURY
FLAXMILL
MALTINGS

120 NEW HOMES

REMEDIATION OF
2 HECTARES
of brownfield land

£1.9M
of Growth Deal Funding

NEW MODEL IN
TECHNOLOGY AND
ENGINEERING
(NMITE)

Creation of
484 JOBS

Development of a new
UNIVERSITY

1,000
UNDERGRADUATES

TELFORD
LAND DEAL

800 NEW JOBS AT BIGGEST
SINGLE FOREIGN INVESTMENT
IN A DECADE

A unique land deal in Telford has paved the way for a series of new job - creating developments, including the biggest foreign direct investment in the UK in the last decade.

Automotive manufacturer Magna Cosma opened its doors in Telford in 2018 after the deal, secured as part of the Marches LEP’s Growth Deal, saw the Government committing £44.5m from land sales in the town into opening up new employment and residential sites.

The deal is already bearing further fruit with major car parts manufacturer Polytec announcing a move onto the Hortonwood site, bringing more than 200 new jobs.

Under the Telford Land Deal, a percentage of the receipts from

the sale of land go to the Marches Investment Fund, helping to support further growth projects across Herefordshire, Shropshire and Telford & Wrekin.

Telford & Wrekin Council is promoting development sites across 200 acres, the size of 166 football pitches, part of Telford’s advanced manufacturing corridor. The Telford Investment Cluster sites can deliver a mixture of industrial units to meet demand and spread risk in already established employment locations along the northern edge of Telford.





SKYLON PARK

This year will see some of the biggest developments to date at Skylon Park, the Marches LEP's Enterprise Zone in Hereford.

As well as new multi-million pound private sector investments, 2018 will see a £6.5m redevelopment of the historic Shell Store to create a business incubator centre, bringing at least 100 new jobs. In the pipeline for development is the University of Wolverhampton's £9m Cyber Security Centre, the catalyst for a new cyber-focused campus of businesses at the park.

More than £22m has been invested in the development of new business premises on the Zone since construction started on the site at Rotherwas in autumn 2013. Five years on Skylon Park has welcomed 37 new companies. Currently being promoted is the North Magazine, a multi-million pound development opportunity for investors.



"Skylon Park offered us a blank canvas to design a bespoke facility that will suit our specific needs. This includes workspace with increased headroom up to 11.5m and overhead crane capacity up to 120t, allowing us greater flexibility in our design and manufacture process."

KEN DAVIES

Managing Director, KGD Engineering

Investing £5m in the Zone
and creating 50 new jobs



NEW BUSINESS INCUBATION CENTRE

The £6.5m redevelopment of Hereford's historic Shell Store is bringing the former munitions factory back to productive life for the first time in more than 50 years.

The pioneering scheme will create a new home for 25 businesses and 100 new jobs in a new business incubation and research centre, funded via the European Regional Development Fund (ERDF), Herefordshire Council and a loan from the LEP's Marches Investment Fund.

The project will see the creation of 2,700 sq ft of commercial space for start-up and growing businesses within the existing building footprint, retaining much of the original factory including its steel roof structure.

The Shell Store will provide a development and application area for NMITE (the new University) to provide project space for business/student interaction.

SKILLS FOR THE FUTURE

Our region needs to have a workforce equipped with the modern skills and flexibility to support business growth

Between 2012 and 2037, 20,000 higher skilled jobs will be created so we need to train and develop our workforce to meet that demand.

The LEP’s Skills Action Plan sets out how, through working with partners and supported by £4.7m of Growth Deal funding from the Government, we will support the take-up of apprenticeships including higher level apprenticeships and the upskilling of our workforce.

We are doing this by:

- Increasing access to higher level and modernised training facilities in the FE colleges in the Marches providing more pathways to entrepreneurship & business success
- Improving the technical training facilities and equipment in our FE colleges making them more efficient and effective in the way they deliver training provision
- Growing the numbers of young people and adults who are trained in technical skills, which meet the needs of local employers
- Supporting a range of initiatives to develop more opportunities for training, at higher levels and with more support for disadvantaged groups

The Marches LEP has awarded more than **£2.5m** to colleges across the Marches through the Investing in Our Future Workforce project.

Herefordshire & Ludlow College

Development of historic buildings at the Holme Lacy Campus to form the Rural Enterprise Centre incorporating start-up business incubator units

North Shropshire College

Investment in IT infrastructure and IT learning resources to meet NSC’s Digital Strategy, modernising the curriculum to the changing skills and qualifications needs of the Marches employers and better access to learning through the use of technology

Derwen College

Improved IT Infrastructure to develop digital resources assisting young people in the workplace. The project is supporting employers where they need to make adjustments in their workplace for learners with different abilities

Telford College

A project which will see the development and installation of virtual reality and augmented reality technology in multi-media suites at the college, allowing specialised hi-tech 3D education and training to be delivered

Shrewsbury Colleges Group

Shrewsbury Colleges Group has received more than £200,000 to bring the latest technological advances to its teaching of construction, built environment and digital media at both apprenticeship and HE levels



BRINGING SCHOOLS AND BUSINESS TOGETHER

Secondary schools and colleges across the Marches are being given greater access to senior business leaders to support the delivery of careers, work, and enterprise education.

Dedicated Enterprise Coordinators have been recruited for the region as part of a national programme supported by the Careers and Enterprise Company. These Coordinators are recruiting a network of senior figures from the business community to act as Enterprise Advisers giving a vital insight into the world of work to our schools and colleges.

The Coordinators, all of whom have in-depth experience of the careers sector, will provide the Enterprise Advisers with high-quality training, introductions to schools and colleges, and extensive on-going support.

NEW MODEL IN TECHNOLOGY AND ENGINEERING (NMITE)

Hereford’s New Model in Technology and Engineering (NMiTE) is Britain’s first wholly new challenger university in 40 years. It aims to establish a new model of high-value engineering education, using an approach which reflects best practice used in the USA and Canada but is little known in Britain.

Hereford-based NMiTE will help to address the national shortage of graduate engineers, helping to champion creativity, design and innovation – the key skills that employers now demand in the dynamic and productive modern engineering workplace.

The project, which secured £8m of Growth Deal funding to boost the Marches economy, will help to retain some of the 18-24 population who leave to attend universities across the country, whilst transforming the local economy and improving the productivity of local businesses.



BUSINESS SUPPORT

The Marches is home to a diverse business base, with over 30,000 companies operating across the region. Supporting these businesses is a priority for Marches LEP.

We aim to create an exceptional business support environment for aspiring growth businesses through access to finance and incentives to innovate. We are promoting the Marches as a business investment location and helping to safeguard and create jobs.

Businesses here are supported by the Marches Growth Hub, which is in the top quartile of all Growth Hubs. It is a central point of access to advice and information for both start-ups and established companies looking to grow.

The Marches Growth Hub works with partners, including local authority business support teams, the University of Wolverhampton and University Centre Shrewsbury and organisations such as the Department for International Trade, to deliver its services. This includes events to support business knowledge, growth and networking; a searchable Support Finder directory on the virtual hub at www.marchesgrowthhub.co.uk and three Hub sites in Hereford, Shrewsbury and Telford.

The hub is the gateway to 22 EU funded business support projects, including grants and consultancy support, with a financial value of £22million. This includes the £1.2million ERDF funded Marches Growth Hub/Building Business Confidence project led by Telford and Wrekin Council. This provides additional diagnostic support and business advice through the three physical Growth Hubs.

HOW THE MARCHES GROWTH HUB HAS SUPPORTED BUSINESSES

 **8,556**
ENQUIRIES RECEIVED

 **8,687**
BUSINESSES SUPPORTED

 **518**
EVENTS DELIVERED

 **5,641**
PEOPLE ATTENDED EVENTS

 **22**
EU FUNDED BUSINESS SUPPORT PROGRAMMES ON OFFER

DID YOU KNOW?

The four largest EU business support schemes (Business Energy Efficiency Programme; Business Growth Programme, Marches Business Investment Grant and Marches and Gloucestershire Business Broadband Grant) awarded a combined £2m to Marches businesses in 17/18. The Rural Development Programme for England awarded £800,000 to Marches businesses during the year. The investment is aiming to create around 100 jobs.

HUNDREDS OF COMPANIES GATHER FOR THE BUSINESS EVENT 2017

Hundred of businesses from across Herefordshire, Shropshire and Telford & Wrekin gathered to learn about support on offer to help them grow at The Business Event 2017.

Held at Telford International Centre and Hereford Racecourse, the Marches LEP and Marches Growth Hub partnered with Shropshire and Herefordshire & Worcestershire Chambers of Commerce and the Federation of Small Businesses for the events.

A speed networking breakfast launched the day-long event in Telford, with guest speakers at both events sharing the secrets of their business success. Companies also took part in business clinics and workshops, with the Marches Growth Hub taking centre stage to showcase the support on offer.





Businesses are also being supported through the European Regional Development Fund via programmes including:



Business Growth Programme (BGP)

A £33m fund which consists of four strands of business support; the Business Development Programme, the Business Innovation Programme, the Green Bridge Supply Chain Programme and the HS2 project. BGP grants are available to eligible companies across the Marches area, via the European Regional Development Fund. The scheme is being delivered by Birmingham City Council in partnership with the Marches LEP and Greater Birmingham & Solihull and Stoke on Trent and Staffordshire LEPs. To March 2018, nearly £1.8m of funding has been awarded to businesses within the Marches area, creating nearly 200 jobs.



Manufacturing Growth Programme

Delivered by Economic Solutions Ltd, the programme supports SME Manufacturers to grow by identifying, understanding and removing barriers to growth and enabling sustainable business improvement. Progress in the last year includes nearly £70,000 of grants offered to more than 50 businesses within the Marches.

ERDF SME International Growth Project

SME International Growth Project

Developed by the Department of International Trade, the project encourages and assist SMEs in the Marches to investigate and move into new overseas markets and deliver export growth. To date, this project has provided grants to 28 SMEs committing over £55,000 of funding to support their Internationalisation aspirations and promising 47 new jobs. Marches businesses are also supported by the international trade teams with DIT, with 286 Marches businesses supported in the last year, securing more than £31m worth of export orders.



Building Business Confidence

Delivers coaching and mentoring support through the Start2Great and SmarterGrowth programmes. Since June 2017, around 100 people been supported to plan and develop their business ideas and a further 40 enterprises in their initial stages have been supported to grow. Another 40 have either completed or are currently undertaking the programme for more established businesses.



The Marches Building Investment Grant

Went live in February 2017 and provides grants to businesses looking to extend, reconfigure or renovate commercial premises to increase productivity. A total of £726,405 has been awarded to businesses to date, aiming to create an additional 51 jobs in the Marches area.



LEP GRANT SUPPORTS FIRM EXPANSION

An Oswestry company has enjoyed a year of growth thanks to a £97,000 grant from a Marches LEP scheme.

CV Rollers secured the funding from the Marches Building Investment Grant (MBIG) to help drive expansion work at its site on the town's Mile Oak Industrial Estate.

The company, which was formed in 1996 and specialises in the manufacture of bearing-related products, has seen its turnover grow from £800,000 to more than £2.1m in the last five years, and says the MBIG funding was essential to its continued growth plans.

Director Colin Derbyshire said: "We realised that the MBIG finance could offer us the opportunity to fast-track our much-needed expansion to capitalise on the new business opportunities that we're continually securing.

"The impact that it will have to our business cannot be underestimated. Simply, without it we wouldn't have been able to contemplate such a rapid expansion and it's likely that we'd have been looking at gradual growth over

two to three years, as opposed to the six months that we'll have achieved this in."

The Marches Building Investment Grant totals £2.5m and is open to businesses across Herefordshire, Shropshire and Telford & Wrekin who need to fund extensions, renovations or reconfigurations of commercial premises.

It awards grants of up to 45% of the total project costs and is expected to attract up to £3m in private sector investment in the region and lead to the creation of 130 jobs. It has been part funded by the England European Regional Development Fund as part of the European Structural and Investment Funds Growth Programme, 2014-2020.

INNOVATION

The long-term economic success of the Marches region depends on our ability to move with the times and innovate.

The Marches is building a proud track record of supporting cutting-edge companies and institutions and a highly-skilled workforce equipped for the fast-moving pace of the modern world.

We have a wealth of innovation and knowledge in specialist sectors in the Marches, with a particular focus on agri-tech, defence and security – including the rapidly-emerging and hugely important area of cyber security.

CYBER SECURITY

The Marches is at the forefront of helping safeguard the UK's cyber security.

Our region possesses the fourth-highest concentration of employment within the defence and security sector of any LEP, with the 72-hectare Hereford Enterprise Zone home to over 200 advanced manufacturing, defence and security businesses, many of which are top-tier suppliers to defence companies both in the UK and overseas.

We are a part of the new Cyber Resilience Alliance involving Worcestershire LEP, Gloucestershire LEP and Swindon and Wiltshire LEP. The alliance is already working with the State of Maryland in the US, which mirrors our cyber specialisms.

The proposed Cyber Security Centre being developed by the University of Wolverhampton in Hereford will provide research capability in cyber supply chain resilience, education and training facilities. It will marry up the best of academic cyber research with business-led activities to commercialise new innovations, develop skills and create a world class cyber security capability in the UK.



AGRI-TECH

Advanced manufacturing and food and drink production and processing are strong business sectors in the Marches.

The growing agri-tech industry is bringing them together. We are harnessing the opportunities that improvements in productivity through innovation bring, and we are part of Agri-Tech West, an alliance including Cheshire and Warrington, Stoke & Staffordshire and Worcestershire LEPs, aiming to ensure our businesses are at the forefront of that work.

INNOVATION PROJECT TO CREATE 900 JOBS

The Newport Innovation and Enterprise project aims to support the development of more than 1,000 homes and creation of 900 new jobs including an Enterprise and Science Park.

It will create serviced employment land including NI-Park, a 10 hectare enterprise and science park with direct links to Harper Adams University and its Agri-EPI Centre – a global centre for agricultural engineering and precision farming.

The project will attract investment from high-tech businesses, stimulating complementary research and development activities and encouraging supply chain growth across a wide range of companies engaged in new agricultural technologies and with links to Telford's strong advanced manufacturing sector.

It is part-funded by the Marches LEP with £6.3m from the Government's Growth Deal with the LEP.



WORKING TOGETHER

The Marches LEP is not working in isolation.

We are part of a wider network of organisations and groups working in partnership to drive the economy of the Marches, the Midlands and the UK as a whole.

The Midlands sits at the very heart of the UK economy. Stretching from Shropshire to Lincolnshire, with the M1, M6, and most of our major railway lines running through it, the region has a crucial role to play in the economic vitality of the nation.

The **Midlands Engine** aims to make the West and East Midlands a catalyst for growth for the UK economy. It is being backed by business, local authorities and 11 Local Enterprise Partnerships including The Marches LEP.

The Midlands Engine Strategy sets out the actions being taken to address productivity barriers across the region, enabling businesses to create more jobs, export more goods and services, and grow their productivity.

Through **Midlands Connect** we are helping to develop a modern strategy for transforming transport connectivity across the Midlands Engine region.

Marches LEP chairman Graham Wynn is playing a key role on the Midlands Connect Board as it drives forward its vision for an integrated transport network fit for the challenges that the future will inevitably bring.

We're also working in partnership with the West Midlands Combined Authority to make sure the voice of our region is heard and the investment is delivered to benefit our businesses and our people.

The Marches was also part of the Midlands Engine team showcasing investment locations in Herefordshire, Shropshire and Telford & Wrekin at **MIPIM**, the global property expo in Cannes in 2018.

“

“The Marches LEP, with its ambition and drive to grow a regional economy already worth more than £12.3 billion, is a vital cog in the Midlands Engine. Our work together is seeing our region punch above its weight on a global stage and delivering real change on the ground”

SIR JOHN PEACE
Chairman, Midlands Engine



WORKING ACROSS BORDERS

Located in the centre of the UK, the Marches is bordered by the industrial heartland of the West Midlands to the east and Wales to the west and provides a strategic logistics gateway for European and UK businesses through to Welsh and Irish business markets.

Our geography is one of our key strengths, and we have joined forces with our neighbours to make sure we capitalise on our central location. In the last year we have launched a new freight strategy for transport across the Marches and Mid Wales.

Working with The Growing Mid Wales Partnership, together with the Welsh Government, Midlands Connect and councils on both sides of the border, the LEP jointly commissioned the new strategy which could realise financial benefits worth £149m for the region.

The strategy includes recommendations on how to improve the experience of businesses moving freight within and through the region, whilst enhancing the quality of life for residents near to key freight corridors and reducing environmental impacts.

“It’s easy to think that the experience of businesses here in the Marches is unique to us, but our neighbours in Mid Wales share many very similar challenges, as well as opportunities. We share several essential road links as well as an important rail infrastructure”

PAUL HINKINS
VICE-CHAIR OF THE MARCHES LEP

BUSINESS BOARDS

The Marches LEP is private-sector led – it has the voice of its business community at its heart and engages with employers through three Area Business Boards in Herefordshire, Shropshire and Telford.

As well as engaging with individual businesses, the Business Boards also work with organisations working to support them, including the Chambers of Commerce, the Federation of Small Businesses and local authorities. The LEP Board also draws on the experience of a small number of important sub groups which provide an opportunity for engagement and input from businesses in a number of sectors. Together, they contribute experience and local intelligence to support LEP decision-making and are chaired by a Board Member of the Marches LEP.

A particular focus in 2018 has been how businesses can best tackle the skills gap. We have held a number of round table events to discuss how employers can attract and retain staff faced with an ageing workforce.

And the Marches LEP also joined with large employers to develop a video aimed at encouraging companies to launch apprenticeship programmes.

LEP NETWORK

Marches LEP Chairman Graham Wynn sits on the board of the LEP Network, representing the West Midlands group of LEPs.

The Network sees all 38 of the UK partnerships come together on areas of shared importance, engage with Government, and share knowledge and good practice.

To date, LEPs nationally have delivered a total of over £7.6bn of private sector investment, supported over 196,000 businesses, created over 180,000 local jobs and helped to build over 93,000 homes.

WHAT'S NEXT FOR THE MARCHES LEP?

The Government's Industrial Strategy, Building a Britain fit for the Future, sets out a range of economic policies which aim to deliver a wealth-creating economy for the UK.

It stresses the importance of five foundations of productivity – Ideas, People, Infrastructure, Business Environment and Places.

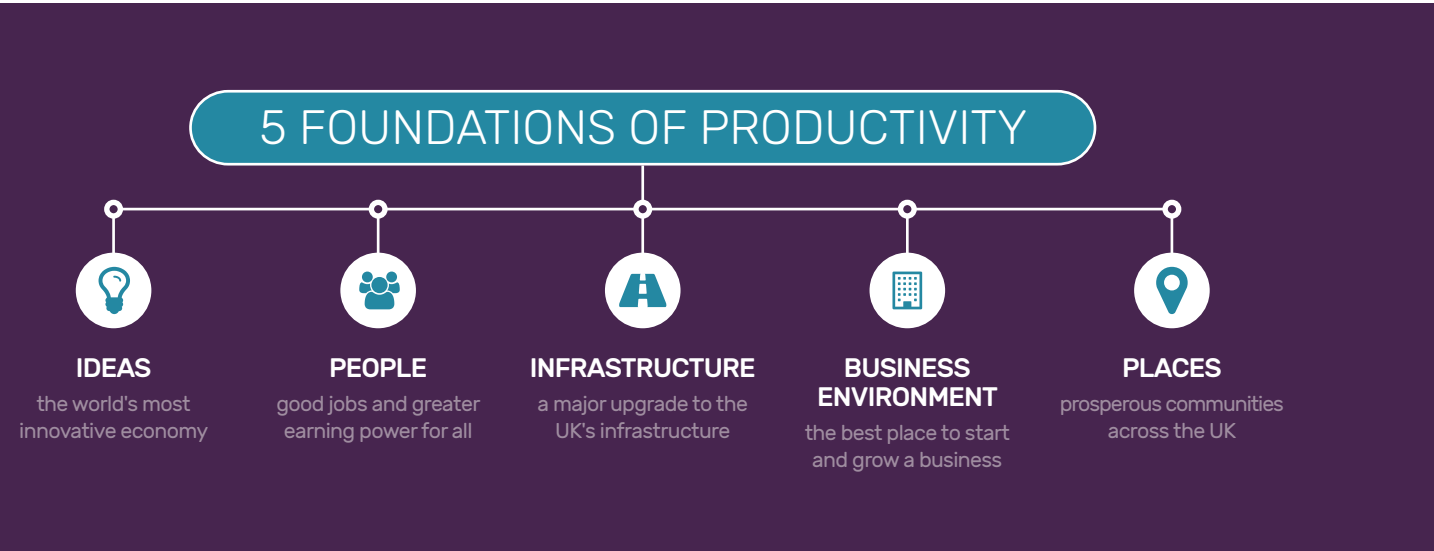
The Marches' Strategic Economic Plan was developed in 2014 and since then, the LEP and key partners have achieved a great deal, including attracting £195m investment from the UK Government as well as an additional £90m from the European Structural Investment Fund to support economic growth.

We will update our Strategic Economic Plan in 2018 to outline our current economic conditions and identify future opportunities. The new plan will help us to set our course for the coming years by better understanding our priority sectors and identifying key areas for growth through consultation with the business community and partners.

Looking ahead, and against the backdrop of the Government's Industrial Strategy, LEPs have been tasked with developing Local Industrial Strategies to drive economic growth, raise productivity and create more prosperous communities.

Our updated Strategic Economic Plan will help us to develop a Local Industrial Strategy and outline a long-term plan to maximise opportunities across the Marches. This will be developed around the four Grand Challenges identified in the Industrial Strategy White Paper where the Marches can clearly contribute to UK's and global technological revolution:

- AI and Data Economy** Putting the UK at the forefront of the artificial intelligence data revolution
- Clean Energy** Maximising the advantages for UK industry from the global shift to clean growth
- Future of Mobility** Becoming a world leader in the way people, goods and services move
- Ageing Society** Harnessing the power of innovation to help meet the needs of an ageing society



DELIVERING GROWTH THROUGH A NEW ENERGY STRATEGY

The Marches LEP has recognised that energy provision can impose a barrier to economic growth. The current energy infrastructure is already at capacity in many areas.

Whilst this presents a threat to future business and housing development, it also offers an opportunity to invest in innovation that can overcome these challenges while providing a unique selling point for those in the energy supply chain to invest in the area.

The new strategy identifies barriers to growth from current energy infrastructure; highlights opportunities for the Marches to deliver its growth potential through innovative and low-carbon related business opportunities and includes an achievable action plan required to mitigate risks and capture the opportunities for the Marches that come with change in the national energy system.

DELIVERING 6,500 HOMES AND 6,000 JOBS

One of the biggest projects currently being consulted on is the Hereford Bypass - a proposed new road to the west of the city, including a new river crossing. The bypass will support the delivery of 6,500 homes and 6,000 jobs, a new university and expansion of the Hereford Enterprise Zone at Rotherwas. The new bypass has been identified as a priority project by Midlands Connect and supported by the Marches LEP which backed Herefordshire Council's bid for funding for the scheme.

Public consultation on seven potential routes is currently under way and by the end of the year a preferred route will be decided upon.

UNLOCKING SITES FOR HOMES

The Marches LEP supported a bid from Shropshire Council to the Government's Housing Infrastructure Fund (HIF) in 2018. The result was £9.3m from the Ministry of Housing, Communities and Local Government (MHCLG) to develop housing in Oswestry. The funding will help improve the existing capacity of the road network on the A5 at Mile End and see the creation of a pedestrian bridge link across the A5 linking the housing area with the proposed employment development.

The £9.3m awarded to Shropshire Council unlocks the Marches Gateway sites for housing and employment growth.

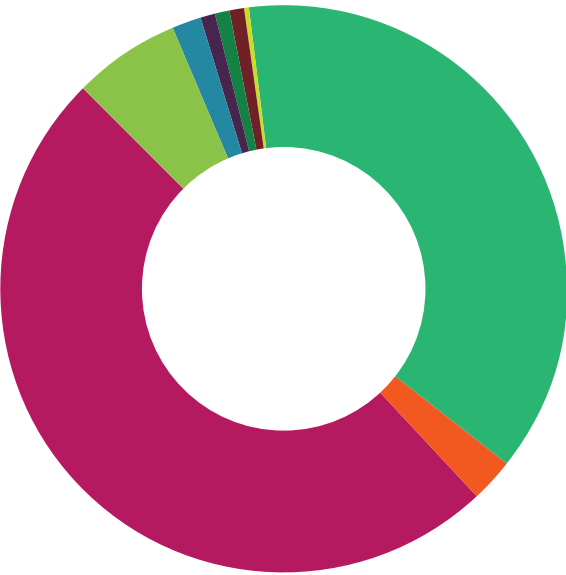
"These improvements will stimulate planned housing in Oswestry, which is crucial to support demand for employment land in the area."

CLLR NIC LAURENS
SHROPSHIRE COUNCIL'S CABINET MEMBER FOR ECONOMIC GROWTH



FINANCIAL INFORMATION AND GOVERNANCE

THE MARCHES LEP
FUNDING & INCOME 2017/18



- Core Funding 6.25%
- Capacity Funding 1.64%
- Marches Investment Funding - Revenue 0.77%
- Growth Hub Funding 1.05%
- Careers & Enterprise Funding 0.67%
- Enterprise Zone Skills 0.27%
- Marches Investment Funding - Capital 37.52%
- Interest on Balances* 2.54%
- Growth Deal Funding 49.29%

THE TOTAL FUNDING AND INCOME
AVAILABLE IN 2017/18 WAS
£19,571,468

The LEP is required by government to spend its Growth Deal annual allocation. Where possible, the LEP has encouraged projects to bring forward spend from future years to minimise the risk of financial underperformance. This has resulted in an overspend being shown in this financial year which will be redressed in future years.

THE MARCHES LEP
EXPENDITURE 2017/18



- Core Costs 2.58%
- Capacity Costs 0.86%
- Marches Investment Fund Projects 0.13%
- Growth Hub Projects 1.06%
- Careers & Enterprise Projects 0.24%
- Enterprise Zone Skills Projects 0.03%
- Redundant Buildings Costs 0.34%
- Growth Deal Projects 37.50%
- Balances carried forward 57.26%

TOTAL EXPENDITURE IN 2017/18
ACROSS THE VARIOUS PROGRAMMES WAS
£8,364,429

PERFORMANCE INDICATORS

Below are some key performance indicators to illustrate how the funding received by the LEP is used and distributed to partners.

Contributions of match funding to total funding received by each Local Authority (LA)

Table 1 shows for every £ contributed by the Local Authority as cash match how much funding they received via the LEP including growth deal, growth hub and reimbursement of overheads.

TABLE 1	Herefordshire	Shropshire	Telford & Wrekin
2015/16	1:388	1:38	1:143
2016/17	1:84	1:86	1:538
2017/18	1:5	1:100	1:11

LEP Team costs to total grant received

The figures show for every £ spent on the core team including staffing and running costs, how much grant is received by the LEP.

£1: £50 £1: £67 £1: £22
2015/16 2016/17 2017/18

The figures show the staffing and running costs for the Core Team as a percentage of the total grant received.

2.00% 1.49% 4.59%
2015/16 2016/17 2017/18

Match funding provided to core grant received

The figures show for every £ contributed by the Local Authority partners as match how much core funding is received from central government.

£1: £2.75 £1: £2.5 £1: £5.2
2015/16 2016/17 2017/18

Funding received within each LA area

Table 2 shows the funding received within each LA area including growth deal, growth hub, Marches Investment Fund, Careers and Enterprise and reimbursement of overheads.

TABLE 2	Herefordshire £ 000's	Shropshire £ 000's	Telford & Wrekin £ 000's	Total £ 000's
2015/16	10,083	1,585	3,280	14,948
2016/17	11,777	6,333	17,101	35,211
2017/18	763	5,948	802	7,513



THE MARCHES LEP BOARD

The Marches LEP Board is private sector-led, working in partnership with the three local authorities, education, business, housing and third sector champions.

The Marches LEP operates as a partnership of private, public and voluntary leaders, with a streamlined structure developed in the interests of minimising bureaucracy, cost and duplication; achieving speedy decision making and delivery; and sharing expertise and resources.

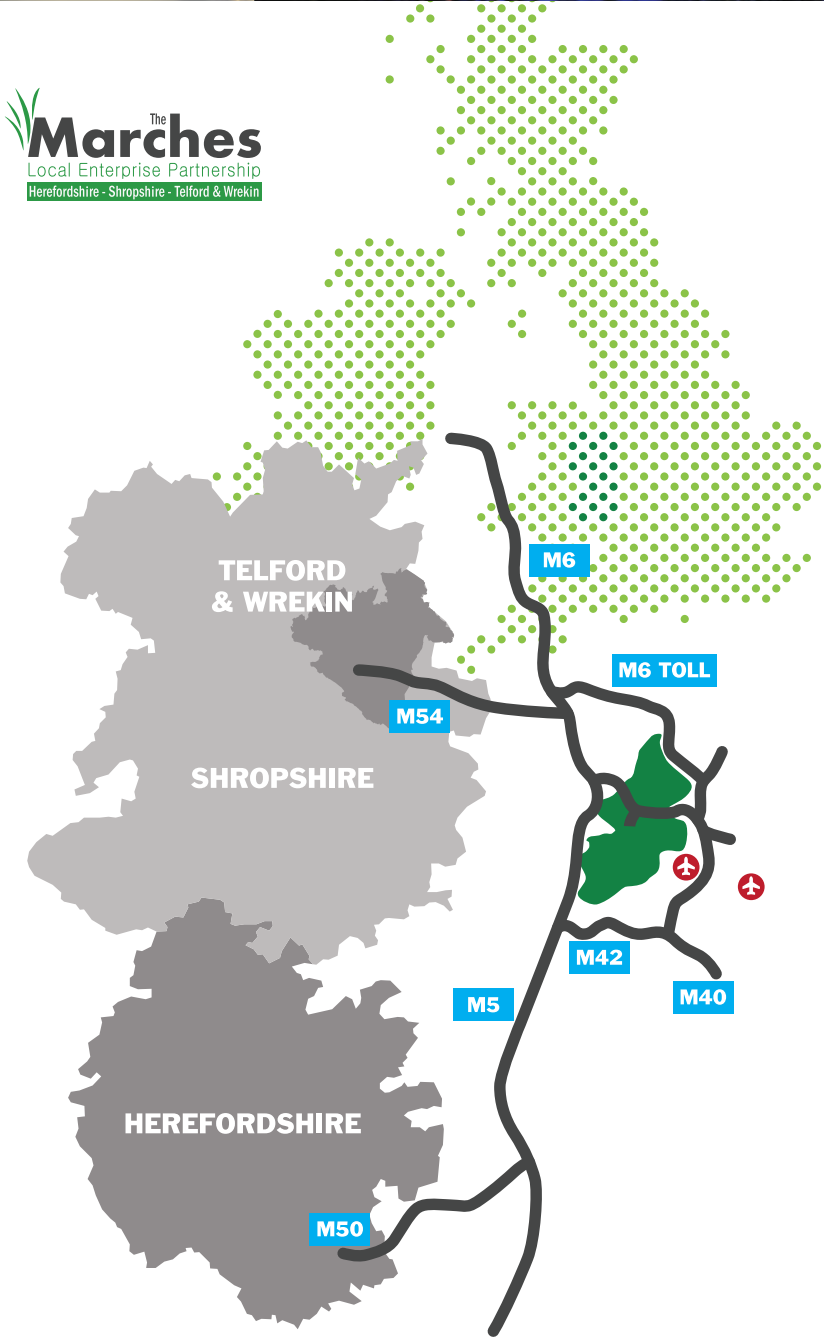
Working with the LEP Board are sub-groups including the Hereford Enterprise Zone Board; Marches Skills Board, Marches Transport Sub-Group; the Marches LEP Management Group, Marches LEP Energy Sub-Group, the Marches Growth Hub Steering Group and the Marches Performance, Risk and Monitoring Committee.

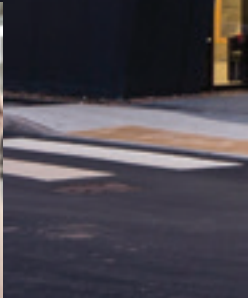
Above from left to right:

- ANDREW MANNING COX
- FRANK MYERS MBE
- MANDY THORN MBE
- DR DAVID LLEWELLYN
- PAUL HINKINS
- JAMES STANIFORTH
- SONIA ROBERTS
- PAUL KALINAUCKAS
- GRAHAM WYNN OBE

Not pictured:

- PROF IAN OAKES
- CLLR JONATHAN LESTER
- CLLR SHAUN DAVIES
- CLLR PETER NUTTING





2018

ANNUAL REPORT OF

THE MARCHES LOCAL ENTERPRISE PARTNERSHIP



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🌐 The Marches LEP

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