

THE MARCHES LEP **ANNUAL REPORT 2019**

WELCOME

As many of you will know, this is my last year as chairman of the Marches LEP, having had the privilege of leading the partnership for the last six years and being on its board for 12 months before that as the Telford Business Board chairman.

When the LEP was formed, there were people in Westminster who had little idea of just where the Marches was. Working with our partners, stakeholders and an exceptional business community, I believe we have now firmly put this region on the map.

Nationally-important projects such as the emerging Newport Innovation Park, Cyber Quarter – Centre for Cyber Security at Hereford and the redevelopment of Shrewsbury's historic Flaxmill Maltings show just what can be achieved by working together.

We have invested millions of pounds in our future workforce to develop skills, knowledge and a thirst for innovation which will help our businesses carve out a place at the cutting edge of the digital revolution which is sweeping through industry.

We have built a strong partnership with our three unitary authorities that has helped bring major infrastructure projects to a successful conclusion, ensured thousands more businesses have the modern utilities such as broadband they need to prosper and worked tirelessly to encourage entrepreneurship.

And this year we have set some truly ambitious – but entirely achievable – targets in our new Strategic Economic Plan and recently-launched Marches Energy Strategy.

We are committed to creating more than 58,000 new jobs by 2038 and growing our economy by some £8.7bn to £23.8bn. We'll build 54,400 new homes and be in the top 25 per cent for life satisfaction nationally, whilst raising productivity per head to £29,425 from £21,178.

And we'll do right by the environment by ensuring half of the region's electricity is produced by local renewable sources by 2030, carbon emissions are reduced and we remain a national leader in the deployment of anaerobic digestion.

We still don't know what form our exit from the EU will take. But we do know that there are very many opportunities ahead of us and our growth hubs are there to help and support business.



The infrastructure we have developed around the Marches Growth Hub is class-leading. Westminster admires the effectiveness of the hub in supporting start-up and growing businesses and the way we work with partner authorities and the university sector in an integrated manner to provide a one-stop shop for support and advice.

Government also likes the infrastructure we have around business, with a strong working partnership with the three business boards in our area. The fact that we have such strong lines of communication with those boards – and them with us – is held up as a role model to other regions.

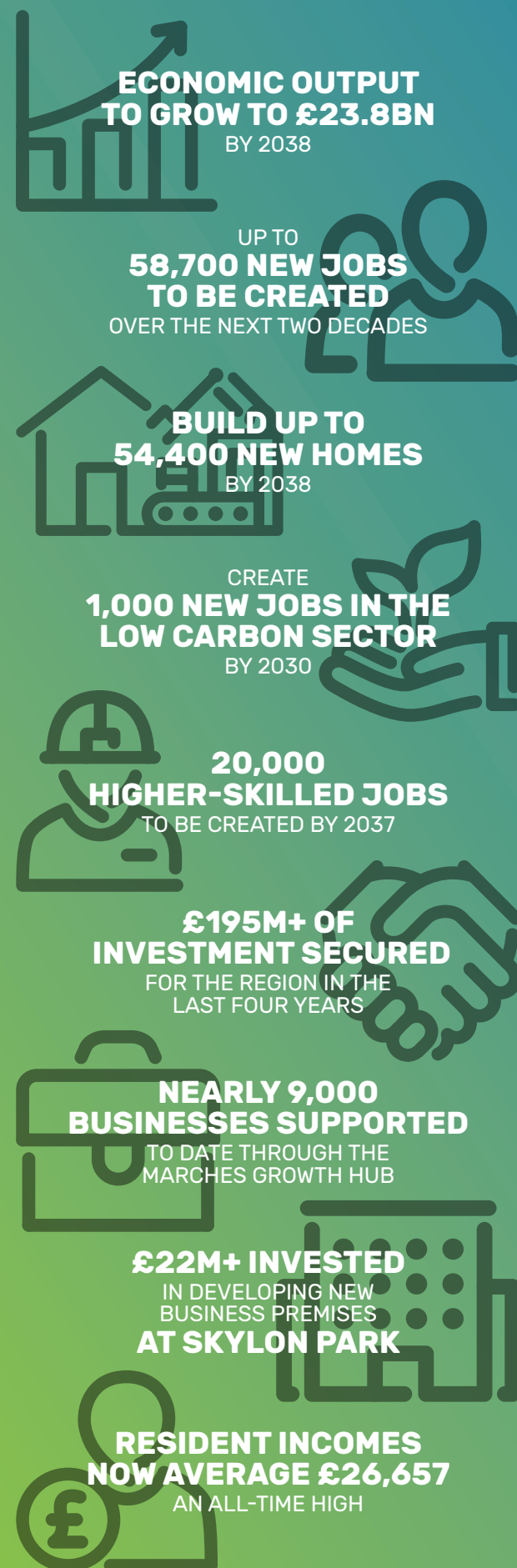
And our partnership working outside our borders – as part of the Midlands Engine and Midlands Connect to the East and with colleagues across the border in Wales to the West – has ensured that we are now not seen in isolation, but in a wider context.

If my time as chairman of the LEP has taught me anything, it is that working together with our partners in local Government, the wider business community and our excellent educational sector, brings much greater success than any of us could hope for by working alone.

It has been my great honour to serve this region for these last six years, and I am particularly pleased to be able to pass the baton to my successor Mandy Thorn MBE. She is a woman with a proven track record of success and deep understanding of the people and businesses of this region. We could not be in better hands.

Graham Wynn OBE

Chairman,
The Marches Local Enterprise Partnership



A YEAR OF CHANGES AT THE MARCHES LEP

Not only are we now a company limited by guarantee, as all local enterprise partnerships are required to be by the Government, we've also welcomed new members to our board and to our team. The LEP has also said goodbye to our chairman for the last six years, **Graham Wynn OBE.**

Gill Hamer

Director,
The Marches Local Enterprise Partnership



What hasn't changed, however, is our successful working relationship with our partners and the strength of our good governance, as the LEP continues its drive to boost the economy of Herefordshire, Shropshire and Telford & Wrekin,

The LEP does not stand apart from the businesses and the local authorities it works with. They are integral to the effective partnership which has delivered the infrastructure projects and investment in jobs and homes you'll see detailed in the next few pages.

The chairs of the area business boards are all directors of the new LEP company and generously give their time and expertise towards the goal of making our region prosperous. They are the voice for their businesses, representing the views of companies of all sizes, operating across multiple sectors.

Also directors of the new company are the Leaders of our local authorities, and together with board members from the private sector, further and higher education and the third sector, they direct funding to support work which boosts our economy.

Of course, along with the delivery of multi-million pound projects comes the need for robust systems to ensure public funds are spent properly and provide value for money.

The LEP is committed to being open and transparent through its Accountability and Assurance Framework which sets out the practices and standards of the LEP in managing growth.

The LEP Board's decisions are examined by the democratically-elected scrutiny committees of the three local authorities and the LEP's actions reviewed through its Performance, Risk and Monitoring Committee to ensure good governance. This, in turn, is monitored each year by central Government, which has always confirmed that across all areas the Marches LEP has either been ranked 'good' or 'excellent.'

This combination of excellent partnership working and good governance is key to the continued successful delivery of projects in our region which promote innovation, investment and the creation of sustainable jobs.

As Graham steps down, I'd like to publicly thank him for his unfaltering commitment to the LEP, his valued counsel and friendship while we have worked together and his dedicated service to this region and its businesses. Undoubtedly, Herefordshire, Shropshire and Telford & Wrekin are richer for his contribution.

OUR YEAR OF SUCCESS



JUNE 2018

A £2.5m investment in skills training to help create the workforce of the future was unveiled by the LEP. The cash has been used by colleges across Herefordshire, Shropshire and Telford & Wrekin, to develop hi-tech training and education. Latest figures show the investment has so far helped create 74 apprenticeships, helped support 718 full-time students between Levels 2 and 5 and 670 students on other courses.



JULY 2018

A new report revealed that the unique Telford Land Deal has delivered over £25m of development land sales and is set to create nearly 1,000 jobs. The deal – supported by the Marches LEP – helps drive investment in the town and releases cash for further growth projects across the Marches. They include investments from automotive manufacturers Magna and Polytec (pictured).



AUGUST 2018

The Marches LEP, together with a strong consortium of local businesses, successfully secured a £650,000 Government grant to bring a new employer-led skills training hub to the region to help more people move into the construction industry. Known as the Marches Construction Ready Partnership, the group, which includes The Wrekin Housing Trust, training provider Landau Ltd, Beattie Passive and Telford College, aims to introduce around 400 skilled construction workers to the Marches area by training the long-term unemployed, students and people looking to make a career change.



SEPTEMBER 2018

A new £8m investment at Hereford Enterprise Zone officially opened, offering more than 61,000 sq ft of industrial and office space for businesses. The 60-unit Centenary Park will bring new purpose-built office and industrial space to Skylon Park, the country's only enterprise zone with a defence and security focus.

OCTOBER 2018

Companies across the Marches exported £2.34bn of goods last year, with more than 100 businesses in Herefordshire, Shropshire and Telford & Wrekin delivering their products to a total of 52 different countries. Graham Wynn, Marches LEP chairman, said the figures showed the extent to which businesses in the Marches were now working on the global stage, thanks in part to the work of the LEP and Marches Growth Hub in promoting export opportunities.



DECEMBER 2018

Planning permission is granted for Ni-Park – a world leading agri-tech research and innovation hub in Newport – which will create up to 950 jobs. The scheme is part of the Newport Innovation and Enterprise Package which secured £6.36m funding from the Marches LEP under the Local Growth Fund. The area has been designated as a High Potential Opportunity by the Department for International Trade under a pilot scheme to attract investment in high productivity food production.



NOVEMBER 2018

The Marches region has been singled out as having a major part to play in ambitious plans for a huge growth in hi-tech cyber sector jobs over the next seven years. Herefordshire, Shropshire and Telford & Wrekin are part of a special alliance which plans to double the number of jobs in the cyber security industry across its area by 2025 by tapping into the £64.5bn global market. Up to 10,000 people will be employed in the hi-tech sector under the plans outlined by the Cyber Resilience Alliance (CRA) – a consortium of over 100 commercial, private, public and voluntary organisations from across the LEP regions of the Marches, Worcestershire, Gloucestershire, Swindon and Wiltshire.

JANUARY 2019

The £250m Midlands Engine Investment Fund (MEIF) – supported and promoted by the Marches LEP – reaches a major milestone after supporting investment of £50m in the region's businesses. The Fund seeks to address regional imbalances in finance available to Midlands businesses. The £50m invested so far, which includes £19m of private sector funds alongside finance from the Midlands Engine Investment Fund, has supported over 150 businesses, including a £500k investment in Hereford-based eTravelSafety.

FEBRUARY 2019

The importance of LEPs in driving growth and building crucial partnerships between the public and private sectors is underlined by the Prime Minister at a meeting of LEP leaders in London attended by Marches chairman Graham Wynn.



MARCH 2019

The Marches LEP formally becomes a company limited by guarantee under a move to give the partnership a legal entity. New articles of association are adopted by the LEP Board, working within a streamlined structure. The new structure will minimise bureaucracy, cost and duplication, achieve speedy decision making and delivery and share expertise and resources.

Work begins to transform Hereford's Shell Store into a flagship business incubation and innovation centre. The £7.3m redevelopment of the derelict building on Skylon Park, Rotherwas, will deliver more than 2,000 sq metres of employment space, with room for new and growing businesses to set up and expand alongside facilities for development and innovation. The Marches LEP provides a £2.49m interest-free loan via the Marches Investment Fund.

MAY 2019

The LEP leads a new campaign for major infrastructure projects to help drive the region's growth. Dualling of the A5 and investment in the A49 and the M54/M6 link is vital if the economy of the Marches and the wider Midlands is to thrive, the Government is told at a London meeting staged by the Marches Local Enterprise Partnership to outline its key transport priorities. The call receives backing from MPs from across the region.



APRIL 2019

The LEP launches its new Strategic Economic Plan – setting ambitious targets for the region's growth over the next 20 years. More than 58,000 new jobs will be created, the economy grow by £8.7bn, an extra 5,200 new businesses will launch and 54,000 new homes be built as the region's economy grows to £23.8bn by 2038.

£10m 
Growth Challenge

JUNE 2019

The Marches Growth Hub launches a £10m Growth Challenge to businesses across the region to help fire up the economy. The Hub says there is a £10m pot of business funding available to drive growth and create jobs and wants companies and entrepreneurs across Herefordshire, Shropshire and Telford & Wrekin to bid for a share of it. Paul Hinkins, Marches Growth Hub chairman, said: "This support, which includes both grants and loans, can act as a real catalyst to help launch businesses, kickstart growth, create jobs and boost the economy for all our communities."

An official ground breaking ceremony marks the start of work on the £9m Cyber Quarter – Midlands Centre for Cyber Security on the LEP's Enterprise Zone at Skylon Park in Hereford. The trail-blazing project is a joint venture between the University of Wolverhampton and Herefordshire Council and part-funded by the Marches LEP and the European Regional Development Fund (ERDF). Andrew Manning Cox, chairman of Hereford Enterprise Zone and Marches LEP board member, said the new centre would further underline the zone's position as a natural home for cyber security, business, research and innovation.



JULY 2019

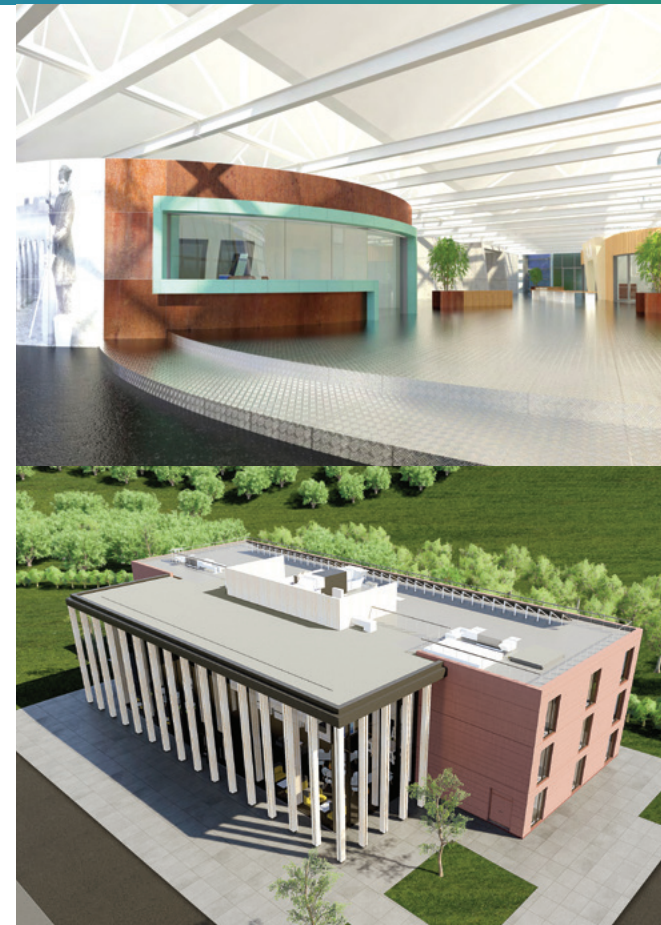
Two leading businesswomen join the board of the Marches Local Enterprise Partnership after a comprehensive recruitment process. Ruth Shepherd is the founding director of Results Communications Ltd, a consultation and communications consultancy based in Whitchurch, whilst Sara Williams is marketing manager for Northern Europe at Telford-based global digital manufacturer Protolabs. The pair are also joined on the board by new members David Hitchiner, leader of Herefordshire Council, and Shropshire Business Board chairman Paul Bennett.

More than 1,000 new low-carbon jobs will be created and emissions slashed under an ambitious new energy strategy unveiled for the region by the Marches LEP. The Energy Strategy will also see half of the region's electricity produced by local renewable sources by 2030, a national pilot scheme developed for overcoming disruption to the National Grid and fuel poverty cut to below ten per cent. An Energy Strategy Steering Group has been launched to help to drive forward the plans.



FUTURE TAKES SHAPE AT SKYLON PARK

Work is now under way on two of Hereford Enterprise Zone's most significant developments to date. The development of the nationally-important £9m Cyber Quarter – Midlands Centre for Cyber Security and the £7.3m redevelopment of the historic Shell Store site at Skylon Park will act as further catalysts to attract high-value companies to the region.



The 110-acre zone at Rotherwas, designated eight years ago as the enterprise zone for the Marches LEP region, is already home to 38 businesses employing 742 people with another 1,000 jobs expected to be generated from the investment so far which tops £48m.

More than 44 acres of land has been sold or is committed to development, with 46,000 sq metres of workplace already constructed or in the pipeline as the result of a total investment to date of £32m.

Companies such as Beck Group, KGD Industrial Services, Pearson Precision Engineering and Woodstock Trading Company have been attracted by a first-class business environment, multi-million pound investment in infrastructure and improved road links, as well as a simplified planning system offering the chance to develop purpose-built facilities.

The last 12 months have seen the launch of Cyber Quarter – a joint venture between the University of Wolverhampton and Herefordshire Council, and part-funded by the Marches Local Enterprise Partnership (LEP) and the European Regional Development Fund (ERDF). Cyber Quarter – Midlands Centre for Cyber Security will accommodate 190 high-value jobs when it opens in 2020.

Meanwhile the former derelict Shell Store site – part of a munitions factory during both world wars – is currently being transformed into more than 2,100 sq metres of business incubation and grow on space, with room for new and growing businesses to set up and expand alongside facilities for development and innovation.

Funding for the scheme has come from the ERDF and Herefordshire Council as well as a loan from the Marches LEP's Marches Investment Fund and anticipated business occupants will have created more than 450 jobs by 2031.

Both schemes will build on Skylon Park's specialism as the only Enterprise Zone in the country with a defence and security focus, putting it at the heart of a hugely significant and innovative global sector.



THE YEAR AHEAD

The next 12 months will see the Marches Local Enterprise Partnership working tirelessly as it continues to drive economic growth across the region. Key projects will include:

LOCAL INDUSTRIAL STRATEGY LAUNCH

Work is already under way on producing our first Local Industrial Strategy – a key document which will help shape the way the Government directs funding to this region.

It will identify our local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness.

We've already held conversations with businesses, partners and stakeholders and evidence gathered at these events will be fed back into the final strategy document which will be submitted to, and negotiated with, Government before the end of the year.

NMiTE

The Marches LEP has signed a £2.34m deal to fund the transformation of a former school into facilities for Hereford's new university – an innovative project to transform the way engineering is taught in this country.

The funding will support the first phase of teaching and administration facilities for the New Model in Technology & Engineering being developed at the former Robert Owen Academy in Blackfriars Street.

NMiTE is a new independent, not-for-profit, teaching university which aims to address the shortage of skilled graduate engineers in the Marches and British businesses across the advanced manufacturing, agri-engineering, data, defence, resources security, and sustainable/smart living technology sectors.

OXON LINK ROAD

The scheme forms the first phase of the Shrewsbury North West Relief Road.

A key infrastructure project for the LEP is the Oxon Link Road (OLR) a new high quality road running between the A5 and Holyhead Road. The OLR forms an integral part of the Shrewsbury West Sustainable Urban Extension (SUE) which will provide 750 new homes and 2,885 jobs. The OLR is therefore strategically and economically important to Shrewsbury and the wider area.

NEWPORT NI-PARK

Work will start on the planned 25-acre Newport Innovation Park after the first phase of the project was approved.

Full planning permission has been granted for phase 1 of the development providing 24 new business units and the main infrastructure works, which secured £6.36m funding from the Marches LEP under the Local Growth Fund.

Outline consent was also granted for the remainder of the site which will be released in response to occupier demand.

The multi-million pound Innovation Park is supporting the delivery of 950 high value jobs to the growing market and university town of Newport, establishing it as an international hub for innovation and technology associated with precision technology in agriculture.

The scheme will see the creation of a high tech business start-up and incubation space, training and higher level skills development, and collaboration between local businesses and higher education.

The package will also support delivery of more than 1,000 essential new houses including starter homes in the Newport area – a key element of the Marches contribution to meeting government housing priorities.

SHELL STORE

The next 12 months will see the £7.3m transformation of the historic Shell Store on Hereford Enterprise Zone into a bustling centre to help innovative new businesses start up and develop.

The derelict building – a munitions site during both world wars – will become a flagship business incubation and growth centre, providing employment space for up to 25 dynamic and innovative businesses and driving economic growth through the generation of around 128 new jobs by 2023 – rising to more than 450 by 2031.

The Marches LEP has provided a £2.49m interest-free loan via the Marches Investment Fund for the project.





ACCESS TO FINANCE

A new strategy to make sure businesses across the Marches can get the funding they need to thrive has been agreed by the Marches LEP, and will form one of the centrepieces of the partnership's work over the coming 12 months.

The Access to Finance Strategy promotes 'the availability of external finance to local businesses seeking to grow thereby adding value to the local economy'. It was developed following a series of consultation events with banks, professional services advisers, accountants, solicitors, enterprise support advisers, business finance advisers, finance brokers, insolvency practitioners and alternative finance providers in the Marches area.

An Access to Finance Group will be formed from participants in the consultation events to support the LEP as a consultative group for Access to Finance policy development and to raise awareness of finance initiatives to support economic growth and build capacity and capability within the Marches Growth Hub teams to help support businesses with their growth aspirations.

SHREWSBURY FLAXMILL MALTINGS

The restoration of the world-famous Flaxmill Maltings at Ditherington to bring it back into thriving economic and social use will continue throughout 2020, with completion anticipated the following year.

Work to restore the site – home to the world's first-ever iron-framed building and described as 'the most important building of the modern age' by the chairman of the National Lottery Heritage Fund, Sir Peter Luff – is currently focussed on the Main Mill and Kiln buildings and has been supported by the Marches LEP through Growth Deal funding.

When complete in 2021 these buildings will be home to a brand new public interpretation space and café at ground level and several thousand feet of contemporary office and meeting space on the floors above, creating a new learning and enterprise quarter for the region.

CYBER CENTRE

Construction work has started on the new £9m Cyber Quarter – Midlands Centre for Cyber Security at Hereford Enterprise Zone, which will bring up to 190 high-value jobs to Skylon Park and establish this region as a magnet for high-tech firms.

The centre is a joint venture between the University of Wolverhampton and Herefordshire Council and is part funded through the European Regional Development Fund (ERDF) in conjunction with the Marches LEP Local Growth Fund.

The 2,000 sq metre building will provide significant resources for research and development across three cyber laboratories, advanced training facilities as part of the University of Wolverhampton's Cyber Research Institute (WCRI) and additional business space for up to 16 cyber companies.

CONNECTING SHROPSHIRE

Shropshire is one of the most sparsely populated counties in the country. These characteristics make broadband infrastructure technically challenging to deploy in Shropshire and commercially unattractive to infrastructure providers.

Through the 'Connecting Shropshire project' Shropshire Council (through British Telecommunications PLC & Airband Community Internet Limited) has provided superfast broadband using a variety of both fixed and wireless infrastructure broadband.

Premises to have benefitted are spread across the whole of the Shropshire Council area. By the time the final contract closes in 2020 it is projected that that over 97% of premises will have access to superfast broadband. The scheme has received £5,022,000 of Local Growth Fund support and match funding of £10,363,763 and has seen commercial broadband access delivered to 5,001 sites and 62,514 premises now accessing superfast broadband.



SUPPORTING BUSINESSES THROUGH OUR GROWTH HUB

The Marches Growth Hub has firmly established itself as the one-stop home of business support, advice and expertise across the region since it was launched four years ago – and was this year given an official seal of approval by the Government.

The Department for Business, Energy and Industrial Strategy confirmed in its latest assessment of the Growth Hub's performance that it is among the best in the country when compared with all growth hubs that receive the same level of funding.

The hub – an online virtual advice centre supported by three physical bases in Hereford, Shrewsbury and Telford – plays a key role in the Marches LEP's ambition to drive growth and prosperity, by supporting new business start-ups and helping established companies to grow.

Our region's increasingly diverse business base now supports 30,775 businesses, sustaining 286,000 jobs and the hub drives this growth by providing streamlined access to funding programmes, expert advice, business support and workshops and seminars.



In the last 12 months, the Marches Growth Hub Herefordshire has helped more than 1,100 businesses with their launch and growth plans, signposting relevant financial help as well as delivering expert help and support.

The Marches Growth Hub Shropshire has been just as successful from its Shrewsbury base, helping more than 2,000 businesses in the same period as well as running and facilitating a packed schedule of events, workshops and seminars.

And the Marches Growth Hub Telford & Wrekin has secured £1.4m in grants for businesses in the first three years of its life, and this year launched a new Growth Hub Gurus initiative to give businesses regular first-hand advice from a hand-picked team of experts.

This year saw the launch of the Marches Growth Hub's £10m Growth Challenge – urging businesses across the region to make the most of the funding programmes on offer from the European Regional Development Fund and the Midlands Engine Investment Fund.

Much of the Growth Hub's success comes from its excellent working relationship with its 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 a specially-developed Brexit toolkit bringing together all the latest advice and information in one place.



FINANCIALS



Core Funding	7.12%
Capacity Funding	2.83%
Marches Investment Funding - Revenue	2.18%
Growth Hub Funding	1.16%
Careers & Skills Funding	0.95%
Enterprise Zone Skills	0.27%
Marches Investment Funding - Capital	44.0%
Interest on Balances*	3.46%
Growth Deal Funding	38.02%

The total funding and income available in 2018/19 was £17,794,269

The funding received from the various sources is detailed in the chart above.

*Interest on balances relates to balance from previous years £497,881 plus 2018/19 Interest £118,195 = £616,076



Core Costs	3.40%
Capacity Costs	0.79%
Marches Investment Fund Projects	0.14%
Growth Hub Projects	1.18%
Careers & Skills Projects	0.62%
Enterprise Zone Skills Projects	0.00%
Growth Deal Projects	29.7%
Balances carried forward	64.17%

Total expenditure in 2018/19 across the various programmes was £6,375,845.

A balance of £11,418,424 has been carried forward to 2019/20 within grant accounts and revenue reserves. A breakdown of expenditure against the programme of activities carried out within the LEP is detailed in the chart above.

MEET THE TEAM



OUR BOARD

Led by Chairman Graham Wynn OBE in 2018-2019, our private-sector led board includes the Leaders of our three local authorities as well as small business, third sector and further and higher education champions. To ensure the LEP genuinely has the voice of business at its heart, the business community is represented by the three chairs of area business boards.

OUR TEAM

Under the direction of Director Gill Hamer, the LEP team works with local authority colleagues and private sector partners to deliver the vision of the LEP Board. In 2019, the team welcomed new project officers to support the LEP's programme of work across the region. The most recent addition to the team is Tim Yair, who will oversee the delivery of the Marches Energy Strategy launched this year.



WORKING IN PARTNERSHIP WITH



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