

World Class **Worcestershire**



Our Place



Our People



Our Businesses

Our ten year plan for jobs, growth and the economy



Worcestershire
Local Enterprise Partnership



OUR VISION

"..an internationally recognised, highly competitive and innovative business location by stimulating investment, improving productivity and supporting the creation of sustainable economic growth..."

Planning for a

World Class **Worcestershire**

This document summarises Worcestershire's Strategic Economic Plan (SEP), our ten year plan for more, better paid jobs and a stronger local economy. In the plan we aim to secure new money from both central Government and businesses to deliver our commitment to create more than 25,000 new jobs and bring an extra £2.9 billion into the local economy by 2025.

We now want to share what we are asking Government for, what changes need to take place, what projects need to happen and where our focus lies. Why? Because whether you're running a business, working in public service and involved in decisions that affect the future, or just keen to see Worcestershire flourish, you need to understand the big plan for our economic wellbeing and play your role in making it happen!

HOW WILL THE PLAN WORK?

The plan will help us prosper by building on our many current successes. Here in Worcestershire we've enjoyed one of the highest long-term economic growth rates outside of the Greater South East and we've some real sector strengths in advanced manufacturing, agri-tech, cyber security, defence and IT to focus on. Growing our high quality professional and business services sector is also a big opportunity.

Just doing more of the same, however, isn't enough to make Worcestershire truly world class. In recent years growth has slowed so this plan identifies what's holding us back from realising our untapped growth potential and sets out a comprehensive package of clear actions to break through these barriers.

WHO CREATED THE PLAN?

Our plan has been put together by the Worcestershire Local Enterprise Partnership (WLEP), a business-led partnership of local councils, local businesses, trade organisations and the voluntary sector, with responsibility for leading local economic growth and creating more jobs.

The WLEP team has worked, over many months, with all of its partners (especially local businesses) and a panel of renowned economic experts to challenge our assumptions, affording us the best opportunity of achieving the investment and deregulation we need to make good things happen faster.

"We're on the way to everywhere."

Penelope Bossom, Overbury Estate.

three key sectors



Advanced manufacturing



Agri-tech



Cyber security, defence & IT

WHAT'S IN THE PLAN?

At nearly 200 pages, the full plan is a lengthy and detailed read as such a crucially important document should be. It can be summarised simply however:

*Making our economy stronger with even more skilled jobs means we need to focus on **creating jobs, developing skills, building world class education and make the most of our brilliant central location by radically improving transport and broadband infrastructure.***

We then need somewhere to base these growing businesses and we also need to free them from much of the red tape that we know is slowing growth in certain sectors.

In even simpler terms it's creating the right environment to make the most of our **place**, our **people** and our **businesses**.

WHERE WILL THE MONEY COME FROM?

Whilst the local government family in Worcestershire is already spending in excess of £35 million to support economic growth, more money will equate to more growth, quicker.

So, although the plan is very useful in defining our vision and outlining actions we can take to speed up growth, its primary function is to underpin our bid to central Government for around **£250 million** in investment over the coming years through the **Local Growth Fund (LGF)**.

Through the LGF, central Government will grant more than £2 billion each year to support local economic development initiatives across the country, with a specific focus on transport, skills development and housing. Here in Worcestershire we are one of 39 LEPs making our case for significant investment to make our economic dreams come true. We believe we've a convincing story to tell with our exciting, evidence based plan, although we are being ambitious and asking for more than we may get.

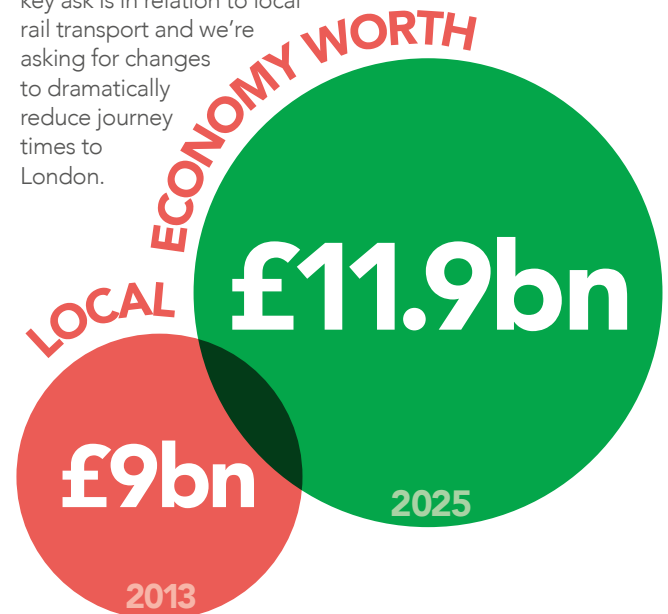
The plan's potential for bringing new investment to us doesn't end with the LGF, it is just the start. The total central Government investment we are asking for could act as leverage for more than **£1.3 billion of additional private sector investment** here over the next ten years, as world class companies choose to invest and grow here in world class Worcestershire.

£2.9 billion increase in GVA*

MORE THAN MONEY

In addition to bringing extra financial support, the Strategic Economic Planning process also allows us to make other "asks" of central Government, notably for flexibility in some of the rules and regulations that threaten to stifle our development potential.

In many cases, it is predicted that these "asks" promise as much potential for growth as capital investment. For example, we are asking for change in regulation to allow local public services to collaborate further in property management so saving millions of public money each year. Another key ask is in relation to local rail transport and we're asking for changes to dramatically reduce journey times to London.



"9 out of 10 businesses identified supporting growth of existing businesses as a key profit priority."

Local business survey , December 2013

* Gross Value Added: a measure of productivity.

“A lot of our competitors are in London and Birmingham but we’ve got such great transport links around here it doesn’t matter.”

Nick Grey, G Tech, a famous Worcestershire business.



4 Kanes Food, employing 1,800 people, near Evesham showing its state-of-the-art grass roof.

Creating a

World Class Business Location

WHERE WE ARE NOW?

We’re already well on our way to becoming a great business location. We benefit enormously from being right in the heart of England. We’ve exceptional links into the UK motorway network and proximity to an expanding Birmingham International Airport affords growing international opportunities. Proximity to HS2 will bring ever more connectivity in coming years. We’ve also some great business locations such as the award-winning and expanding Malvern Hills Science Park and, equally important in attracting inward investment, is the fact that this is a wonderful place to live.

WHAT MORE DO WE NEED TO DO?

We’re not yet, however, a world class business location and becoming one will take many years longer unless key measures are taken now. We’ve many natural advantages but must improve our **local transport links** to ensure fast, reliable journeys for people and goods if the economy is to grow, just as we must improve **communications**.

We also need to free up more employment land if we’re to build the **sites and premises** we need to fulfil the potential of our high growth sectors. We must work together to raise our **international profile** and tackle housing requirements posed by any future population growth.

“..there is in fact an acute shortage of quality B1 (office, research and development and light manufacturing) and B2 (general manufacturing) accommodation and land in the county.”

DTZ research, 2012

HOW THE PLAN ADDRESSES THESE CHALLENGES

No less than seven key initiatives and eight “asks” have been outlined in the plan to ensure Worcestershire fulfils its enormous potential as a world class business location.

Development for Growth focuses on the development of four, strategically important “game-changer” sites to house our exciting high growth sectors including the Redditch Eastern Gateway and South Kidderminster Enterprise Park, further expansion of the Malvern Hills Science Park and development of the Worcester Technology Park. A number of improvements to our local city and town centres are proposed, as are additional flood defence schemes and a new pedestrian river crossing in Worcester, from Gheluvelt Park to Kepax Country Park. We will be asking to retain business rates from the “game-changer” sites for 25 years to support an **Infrastructure Investment Fund** to make ongoing infrastructure improvements in support of growth.

The Transport Investment Programme addresses the huge problems created by lack of capacity on our key roads, such as the A4440 Worcester Southern Link Road and M5 Junction 6. It also outlines ambitious plans for rail improvements, including a new Worcestershire Parkway to reduce journey time to and from London to less than two hours and provide links into HS2. Looking beyond county boundaries, it looks to remove growth constraints posed by access routes from neighbouring counties such as the A46 in Gloucestershire and Warwickshire.

The Infrastructure Programme seeks to tackle issues surrounding our existing broadband provision and speed up the roll out of superfast broadband across the county as well as improving mobile services.



Total site development worth	£722.4 MILLION GVA	544,420m² floor space by 2029
£520 MILLION		9,581 new jobs

WORCESTER TECHNOLOGY PARK

A key site identified in our “game-changer” programme, the accelerated development of a state-of-the-art facility to support growth in our high value advanced manufacturing sector at the M5 Junction 6 has the potential to create 5,500 skilled and therefore well paid jobs in the next 10 years.

The £18 million development on 70 hectares will offer small units to support the growth of a raft of small, local companies as well as the opportunity for larger companies to buy land at the site to develop it themselves to fit their needs.

And, given that advanced manufacturing is also a high value as well as high growth sector, Worcester Technology Park will generate **an extra £240 million** each year for the local economy.



Artist's impression of the Worcester Technology Park



MAJOR ROAD IMPROVEMENTS

Faster, quicker journeys to HIGHER PAID jobs with improvements to the **A4440, M5 Junction 6** and **A46**, as well as extra **flood defences** and new **pedestrian river crossing** in Worcester, from Gheluvelt Park to Kepax Country Park.

MORE EFFICIENCY FREES FUNDS FOR GROWTH

The plan has identified that significant public finance savings could be made in terms of public sector property management - these savings could be even greater if central Government property assets were included in the review. Under the Joint Property Vehicle project we're asking Government to include their assets to enable us to generate as much as **£188 million** in capital receipts and **save 28%** on public property costs over ten years. This is extra money that could be invested in growth.

We know it will work as we've trialled it in Bromsgrove. By amalgamating the fire and police station in a single unit under the Bromsgrove Blue Light Project – see what we've already achieved:

- Annual running cost savings >£300,000
- **£1 million** reduction in capital expenditure
- Removal of **£1.2 million** backlog of maintenance liability
- New brownfield land to be developed for employment

BETTER, FASTER BROADBAND
90% TAKE-UP BY 2015



Developing World Class Skills

WHERE WE ARE NOW?

As far as academic attainment goes we're outperforming the region with nearly one third of residents qualified to Level 4 (or above) and apprenticeship rates growing at twice the national rate. We're a growing Higher Education and Further Education location with an excellent base of strongly performing schools - 84% are now good or outstanding - and the University of Worcester is recognised as one of the fastest growing in the UK.

WHAT MORE DO WE NEED TO DO?

Closer examination of education attainment rates demonstrates, however, that we already suffer from some local skills gaps and our future economic growth is jeopardised by a lack of local workplace-ready skills. Raising skills levels is crucial if we are to attract and even retain growing businesses in the county.

Although apprenticeship take-up is high, completion rates have not increased proportionately and most completions tend to be at Level 2 or below. We also have an ageing local population with many young, qualified people leaving the county to work elsewhere. In addition, a number of skills shortages have also been identified in relation to the existing workforce, especially technical and job-specific skills.

Better, more appropriate education and training is vital if we're to produce a workforce capable of taking up the higher paid, specialist roles we have the potential to create here in Worcestershire.

HOW THE PLAN ADDRESSES THESE CHALLENGES


Improving skills levels lies at the heart of the plan. Six major initiatives and three "asks" are detailed in the plan to ensure Worcestershire can fulfil its enormous economic potential through world class people.

Skills for Growth will work at all levels but is especially focused on raising our higher level (Level 4) apprenticeship attainment levels, outlining clearer pathways into well paid work and enabling more SMEs to benefit from the Apprenticeship Programme.

The proposal for **Enhanced Further Education and Higher Education Business Offer** will create better links between business and our university and colleges to ensure we create appropriately skilled graduates, as well as allowing businesses to capitalise on the excellent leadership and management development programmes our providers can offer.

Connecting Schools and Businesses will also play a significant and expanding role in overcoming one of our key barriers to growth as it will enable education providers to better structure their offer to suit the needs of employers.

Two proposed flagship **centres of excellence in technology and rural innovation** also promise to accelerate growth. Each will act as the focal point for the development of each sector both locally and nationally, integrating industry and academic expertise to promote the sharing of industry knowledge and innovation to enormous local advantage.



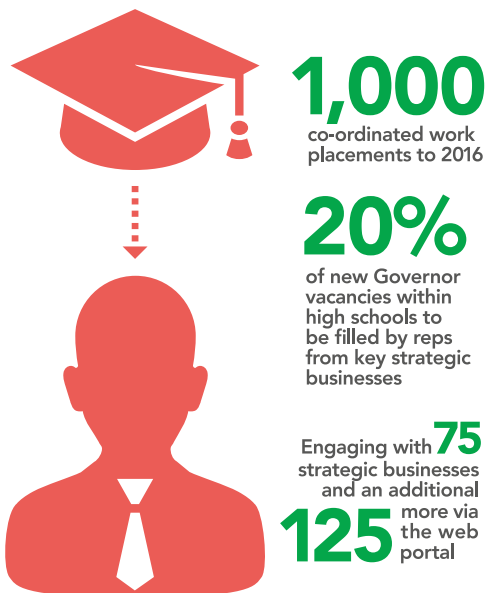
"I'd love to stay working in Worcestershire after I finish my apprenticeship and keep my skills here as this is my home."

Billy Narburgh, Academy Motorsport, near Pershore.

CONNECTING SCHOOLS AND BUSINESSES

Fundamental in ensuring we teach the skills our businesses really need, **extending the Connecting Schools and Businesses programme** sees joint ambitions realised in a host of effective activities:

- Creation of a **school-business web portal** to enable work placements, an **online skills competency tool** to enable students to manage skills and career development and a co-ordinated, online approach to the management of **work placements** to all 29 high schools
- A **teacher- industry awareness programme** with more business leaders visiting schools and more visits by schools to industry, plus business mentors working with schools to support young enterprise



CENTRE FOR RURAL INNOVATION

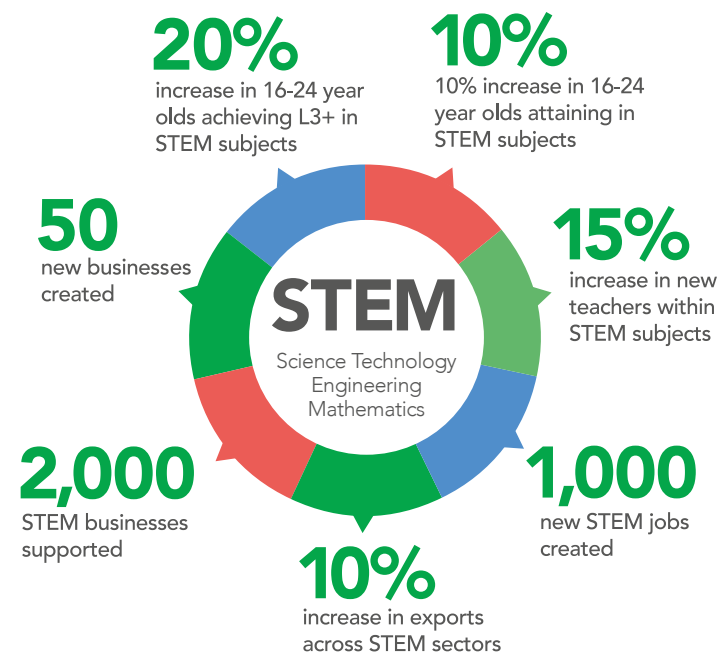
With agri-tech skills, especially in the fields of crops and horticulture, already a key local strength, we're already investing **£4 million** to redevelop **Pershore College** and help it become a nationally-renowned **centre of excellence**. Under our plan, we propose to invest even more to develop skills in this key growth sector.

CENTRE OF EXCELLENCE IN TECHNOLOGY

STEM sectors – those where **science, technology, engineering and mathematics** are key – already account for 20% of our economy and will be the lynchpin of our economic growth in the future. With an ageing manufacturing workforce, there's a vital need to improve STEM skills among our younger people and existing workforce if we're to realise our economic potential. The plan outlines the need for a Centre of Excellence in Technology to focus specifically on fast-tracking STEM skills development.

The employer-designed 30,000 sq ft will grow STEM skills among 14-24 year olds through a mix of academic, vocational and work-based training as well as enhance the skills of those already in the workplace. Students will enjoy state-of-the-art engineering workshops, design studios, research and "dirty" lab texting facilities as well as a fully WiFi office environment with ultrafast broadband and 4G.

SKILLS INVESTMENTS WILL LEAD TO



“Innovation is anything but business as usual.” Anon.

Our Businesses

Supporting World Class Innovation

WHERE WE ARE NOW?

As one of the fastest growing areas outside the South East in recent years, we've a great track record of start-ups here in Worcestershire and the number of new enterprises continues to out-perform the West Midlands in terms of number per capita. We're also outperforming the region - and the country as a whole - in terms of business survival rates with 62% surviving three years or more. Our expertise in high growth sectors is testament to local talent for innovation, as is our relatively high level of patents registered to companies in Worcestershire.

WHAT MORE DO WE NEED TO DO?

Despite this we have significantly lower rates of entrepreneurship than the rest of the country as a whole with just 47 businesses per 10,000 population compared with 55 for England and growth rates have plummeted in recent years.

Whilst we're home to a high number of small businesses, many of these are described as 'lifestyle' businesses with limited aspirations for growth. This is one of the reasons that our local GVA, a measure of productivity, per person is so much lower in Worcestershire than the region or country as a whole. This is also linked to low wages as the average annual earnings of those working in Worcestershire is 15% worse than the country as a whole at just over £23,000.

Our key growth sectors - advanced manufacturing, agri-tech, cyber security, defence and IT - face a number of challenges not only in terms of access to skills, but also finance: a recent survey found 35% of all local businesses believe this a key barrier to growth and we know that a lack of support in research and development threatens to strangle growth.

HOW THE PLAN ADDRESSES THESE CHALLENGES

The plan focuses on two core themes to support world class innovation: improving access to finance and providing relevant, timely business support as well as finding ways to remove the red tape that is hampering growth. These themes are delivered through seven key initiatives and three "asks".

The **Growth Hub**, an extension of our groundbreaking Worcestershire Business Central project, will continue to offer local businesses access to the comprehensive support they need from more than 20 different support agencies through a single point of access. **Business Finance** will deliver unprecedented levels of start-up loans and start-up equity to get good ideas off the ground, as well as provide access to development capital and further loans to help established ventures grow.

The **Innovation Programme** provides support in research and development to our technical, high growth sectors through a network of sector-specialist institutions and professionals to help them innovate and find the finance they need to grow. This programme will work alongside an **Innovation Fund** offering financial support for innovative business ideas and protection of intellectual property.

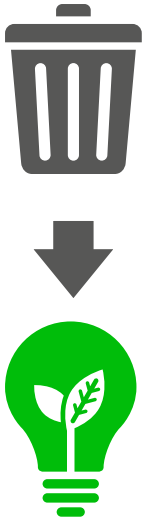
The **UK Regulation Exemplar** aims to simplify the complex regulatory landscape in our important agri-tech sector. Reducing the regulation stranglehold on businesses through a single regulatory framework and easier steps to practical self compliance is expected to help businesses at every stage in the field/farm-to-fork supply chain. Worcestershire is home to some very significant large employers. A **Business Engagement Programme** already works with the county's 70 largest businesses to make sure they have the support they need to stay and grow in the county. Under the plan this scheme will be extended far beyond this network to support many more medium and small enterprises.

Laboratory space used by fast growth hi-tech companies at the expanding Malvern Hills Science Park.



TURNING GREEN WASTE INTO ENERGY

A neat and effective solution to the challenges posed by mounting waste and rising energy costs is to turn that waste into energy. Evesham Vale Growers have done just that with the development of an Anaerobic Digester Plant and now produce enough energy - both electricity and gas - to heat their own 30 acres of greenhouses and sell energy back to the National Grid.



What makes this system unique in the UK is that food-grade CO2 is a useful byproduct as it can be used to aid the photosynthesis process which increases production by more than 20%.

Now the company is extending its energy generating capabilities by creating a larger plant capable of using animal waste from nearby farms who, in return, receive heat and power for their chicken sheds. Plans are also afoot to work with local authorities to deliver energy from food waste.

Under our plan, freeing the agri-tech sectors from current red tape will enable more businesses like Evesham Vale Grower to expand faster through such innovative technologies.

HIGH GROWTH SECTORS

£9.8 MILLION

tailored support

GROWTH

£10 MILLION

- START UP LOANS
- START UP EQUITY
- DEVELOPMENT CAPITAL
- BUSINESS LOANS



MALVERN HILLS SCIENCE PARK

Home to the **National Cyber Skills Centre**, the UK's only e-skills UK-accredited centre of **cyber security excellence**, set up to offer industry-led cyber security training. Malvern is one of the primary locations in the UK for the research, development and commercialisation of cyber security products and services.

LESS RED TAPE, MORE COMPETITION

As both the number and severity of cyber attacks rockets, it's no wonder Government departments want to work with suppliers who can protect them from cyber dangers and so stipulate minimum industry compliance standards. Unfortunately for small businesses, the current preferred standard is ISO27001 which whilst robust, is difficult and costly for small businesses to obtain.

This is a huge barrier to many small businesses and threatens to restrict the growth potential of the many innovative small cyber businesses we have in Worcestershire. That's why, in our plan, we're asking Government to adopt IASME as the recognised industry standard in the public sector tendering process to allow smaller businesses to compete fairly. In doing so it is estimated that our cyber cluster will grow by an extra 10%.



LOW CARBON BUSINESS PROGRAMME

ANNUAL EFFICIENCIES





“We support the improvements to the key transport routes across the county, these will help my business.”

Dean Attwell, Oakland International Ltd

Summary of...

World Class **Worcestershire**

We've shared our aspirations for our economy, for our place, our people and our businesses and the schemes and projects we want to make happen through new Government and business investment. We want to make Worcestershire a truly world class place to do business.

WHY WE MUST WORK TOGETHER TO MAKE WORCESTERSHIRE WORLD CLASS

To achieve this in the next ten years we need to radically improve what our place has to offer in terms of better transport and business parks, the development and skills of our people and the innovations in our businesses. We're building on the great things already here; the sectors we've outlined that with new money will thrive and be able to compete nationally and internationally - advanced manufacturing, agri-tech and cyber security, defence and IT.

Our plan has the support of all our MPs, our councils and our business community. Over **150 organisations contributed their ideas and projects** to make sure we've based our plan on local needs.

We are the only LEP area that has invited anyone to challenge and test our ambitious proposals: through an independent expert panel chaired by Ben Page, Chief Executive of Ipsos MORI, we've double checked that we've prioritised the right schemes for fastest growth.

Last year we set out our big vision, The Next Generation, signed up by all Worcestershire leaders and the business community. The big vision for the Next Generation lists **25 commitments** we want to make happen with a prosperous economy the central theme. "By 2040 Worcestershire will have a radically different and varied

economy where people work close to home, often at home, with great technology, in interesting and skilled jobs, leading the way in green technologies." This plan will help deliver these ambitions and, we hope, far more.

There are some very compelling reasons to seize this opportunity now. Worcestershire's performance in terms of GVA - or productivity - per person has fallen consistently below the national average in recent years. Recent employment growth has been limited and it's worth mentioning again that average earnings of those working in Worcestershire is 15% worse than the country as a whole at just over £23,000.

We know we need to up our game and tap into our full growth potential. Now is the time to take action. To make the most of the considerable advantages we have by investing in our place, our people and our businesses, not just to reverse the recent decline in economic performance but to become truly world class.

So tell your friends and colleagues, talk to your peers, spread the Worcestershire word and play your part in selling the SEP - our Strategic Economic Plan.

"Worcestershire is such a fantastic place to live, but to match that as a place to do business it needs a radical plan for growth - this Strategic Economic Plan is the answer."

Ken Williams, General Manager, Kingfisher Shopping Centre.

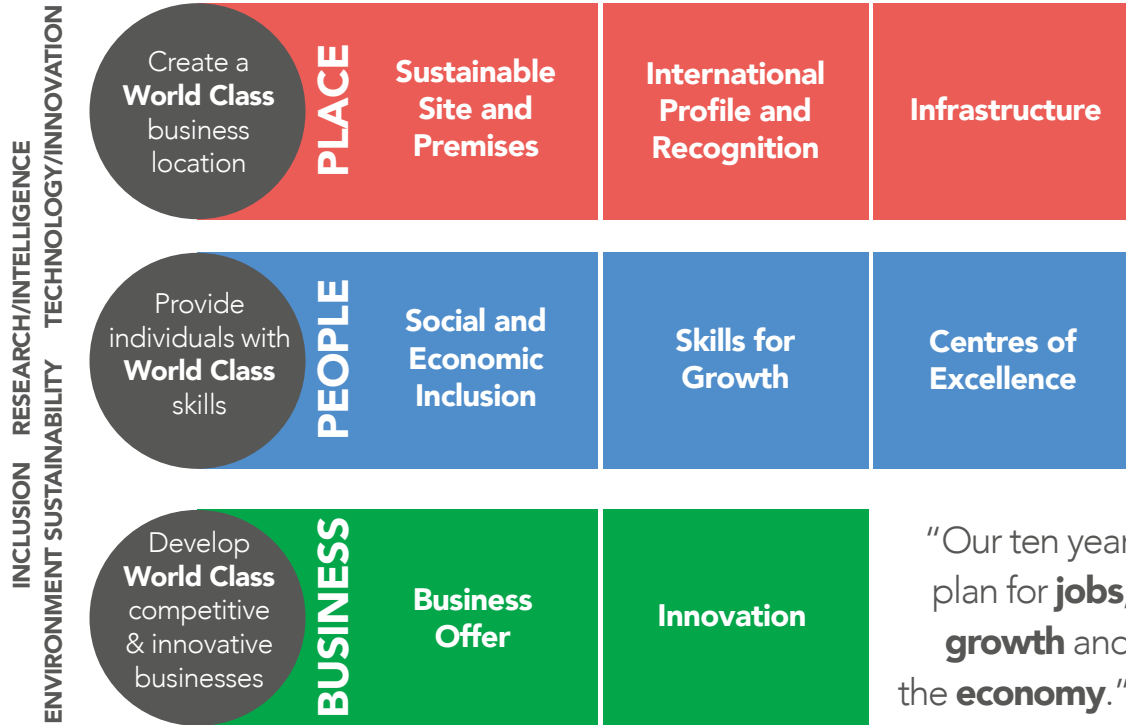
"Worcestershire's SEP is based on **firm evidence** with a **sound rationale** for the investments outlined, which we have critically appraised. The plans are a **good example** of public infrastructure facilitating much larger private sector investment/growth. I endorse the SEP's plans and wish Worcestershire the best of luck competing for Government funding to help realise its potential."

Ben Page, Chief Executive, Ipsos MORI
Chair of the plan's external Independent Expert Panel.

"With the support set out in the SEP my business will flourish and grow."

Steve Borwell-Fox, Borwell.
Specialist software company and Malvern Hill Science Park high-growth business.

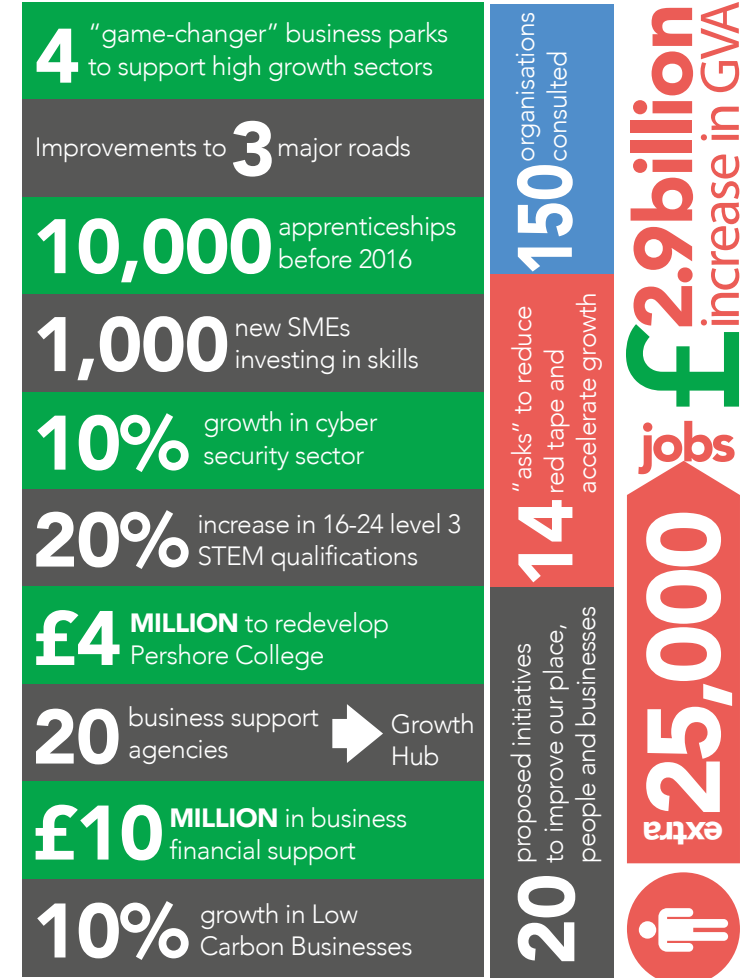
OUR THEMES AND PRIORITIES



"The much needed investment in **transport, housing** and new **employment sites** will put Worcestershire at last on the map as a key business location."

Jacqui Bayliss, Harris Lamb. Commercial property consultants.

OUR PLAN IN NUMBERS





This is just a taste of our full Strategic Economic Plan and our submission to Government.
Log onto www.wlep.co.uk to read more about the projects we've put forward to help us make Worcestershire World Class.

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@worcsLEP
#worldclassworcs



Worcestershire
Local Enterprise Partnership