



# The Marches Local Industrial Strategy

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# Foreword

To be developed.

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# Executive Summary

*The birthplace of the Industrial Revolution, now at the cutting edge of modern engineering, high-tech food production and cyber security. Herefordshire, Shropshire, Telford and Wrekin is a thriving economy, supporting business and communities to recover from the impacts of COVID-19 and getting on with the transition to zero carbon living.*

The Marches has long been a place of trade and connections with Wales, the West Midlands and North West. The Marches is up for growth and open for business. It is a beautiful place with strong, supportive communities, centres of innovation and a growing reputation as a great place to live, visit, invest and do business. Its £13.9bn economy, businesses and trading relationships are well connected to major UK markets and supply chains, including the fast-growing centres of the West Midlands and Midlands Engine, the South West and Wales.<sup>1</sup>

Business survival rates are higher than the UK as a whole. Levels of economic activity and employment are also higher. Excellent schools, universities and Further Education (FE) providers work closely with businesses and communities to provide new opportunities for entrepreneurship and innovation. But there are concentrations of deprivation in both rural and urban areas and, reflecting UK wide trends, productivity and wages are lower than they could be.

With three major urban centres, market towns and rural areas, the Marches is a diverse area and economy. Hereford, Shrewsbury and Telford are benefiting from ambitious and sustainable transport and housing growth investment. The Marches is working with communities to ensure they benefit from opportunities such as the A5/M54 growth corridor, one of the largest housing and commercial opportunities in the West Midlands, and HS2, which will further improve connectivity to London and the North West. Partners in the Marches are committed to ensuring that all communities have energy efficient and sustainable housing, and that investment in infrastructure underpins improved, low carbon, public transport.

Market towns and rural communities are home to highly innovative companies in a range of advanced manufacturing supply chains, low carbon food production, and cyber security and defence, building on the area's long relationship with the Special Forces. Local agencies and the NHS are working together, with local residents, to pioneer new approaches to health and social care in dispersed rural communities.

The opportunity in the Marches is to use the imperative of a transition to zero carbon<sup>2</sup> to improve productivity and create inclusive growth that benefits all residents, adapts to

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<sup>1</sup> ONS Balanced GVA (2017) Gross Value Added (GVA) is given in 2016 terms.

<sup>2</sup> The definition of 'zero carbon' is that no carbon emissions are produced by a product or service. In June 2019, the UK became the first major economy to pass net zero emissions law, requiring all greenhouse gas emissions to be net zero by 2050. 'Net zero' means any emissions would be balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere.

climate change and protects the high-quality natural environment. The Marches has the research and business expertise needed to play a major role in the UK's transition.

## **Ambition**

This Local Industrial Strategy sets out how the Marches is building on recent success and working to ensure a balanced and inclusive economy for the future. It shows the Marches is taking action to accelerate the transition to a zero carbon economy through improved productivity, whilst maximising its natural environment, expertise in environmental technology and energy efficiency, and inward investment opportunities. The Marches is investing in digital connectivity and clean transport, to support people to work and study in different ways and different locations.

Over the past two years, local partners have come together to agree a clear set of goals and actions, including the creation of over 58,000 new jobs, 5,000 new businesses and improvements in productivity, fuel poverty and wellbeing. This Local Industrial Strategy is the Marches' plan, working with Government to deliver a new Marches Growth Deal to further unleash the potential of our businesses and communities.

## **Major growth opportunities**

### ***Ensuring future competitiveness and success in high-tech, energy efficient manufacturing and engineering***

The national Industrial Strategy acknowledges the unprecedented shifts in manufacturing processes and products caused by automation, Artificial Intelligence (AI) and decarbonisation over the next decades, together with the increasing trend to service-based business models. Jobs and the skills required to do them are changing, alongside new techniques and technologies, with the switch to low carbon and autonomous transport and systems dominating supply chains across a range of industries, including agriculture.

The advanced manufacturing and engineering cluster in the Marches is at the heart of this shift, playing a core role in the wider Midlands automotive, aerospace and defence sectors. The Marches has both long established and new firms with expertise in making and servicing 'next shape' components using high-tech, energy efficient techniques and materials, working as part of the wider West Midlands and Stoke and Staffordshire cluster. Sharing expertise and exporting knowledge are increasingly important to these businesses and the Marches will establish a major new, business-led engineering resource centre to better enable firms to share advice and develop new opportunities, including new schemes to support the transition to the circular economy, low carbon and sustainable practices.

The Marches is committed to working with these firms to support the collaboration, innovation and investment needed to adapt, for example through business-led shared career development pathways and recruitment across firms, and through building businesses' capacity to access and adopt new technology.

### ***Securing the future food supply chain and achieving modern and environmentally sustainable production, packaging and distribution through agri-tech innovation***

All aspects of food production are changing fast. Climate change is driving growing concerns around soil and water management, energy use and biodiversity. These are being reinforced through changing consumer demands, alongside the increasing application of digital technologies and techniques, such as automation and AI, to agriculture and food processing. The Marches is distinctive in that it has all aspects of the food production supply chain. With major brands across mixed farming, meat processing, dairy, fruit, cider and horticulture. Harper Adams University is a global centre of precision farming. Telford is a growing food packaging centre. Major global brands in the Marches include ABP Food Group, Avara, Müller, Haygrove, S&A and Snells, with specialist logistics companies.

The Marches ambition is to combine these strengths to be a successful 'living lab' for modern, high-tech and environmentally sustainable methods of:

- Food production, processing, packaging and distribution
- Natural capital, soil, water and waste management
- Carbon sequestration
- Energy use

The Marches will partner with global research centres and local firms to speed up the adoption of new technology, for example in autonomous harvesting of soft fruit, or sustainable, high-tech milk production. Local partners will explore a new providence scheme to market both high-quality products and the expertise of the Marches food supply chain, creating new inward investment opportunities for high-value food production and packaging. Partners will also explore shared approaches to seasonal labour, maximising the vital experience and contribution that seasonal workers make to the Marches economy.

The Marches' expertise in sustainable and energy efficient techniques in manufacturing, engineering and food production, is also reflected in a growing environmental services sector, responding to increasing demand, both nationally and globally, for expertise and skills in natural resource management and use.

### ***Developing world-renowned excellence in cyber security and resilience***

With digitisation and the growth in the application and use of technology, cybercrime and terrorism are growing threats with the potential to have major disruptive impacts. The UK Government estimates that in 2017, over four in ten UK businesses suffered at least one cyber-attack.<sup>3</sup> Cyber-attacks ranked fifth in global risks of doing business, with SMEs particularly vulnerable.<sup>4</sup> Over 40 per cent of cybercrimes are targeted at smaller enterprises

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<sup>3</sup> UK Government (2018) <https://www.gov.uk/government/news/new-figures-show-large-numbers-of-businesses-and-charities-suffer-at-least-one-cyber-attack-in-the-past-year>

<sup>4</sup> World Economic Forum (2018) <https://www.weforum.org/agenda/2018/11/these-are-the-top-risks-for-doing-business-around-the-world/>

and 60 per cent close their doors within six months of an attack.<sup>5</sup> Firms in the Marches have the ability to support all forms of business to implement high-quality cyber security.

The Marches has a strong defence history, home of the Special Forces, Signals Brigade at MoD Donnington, RAF Shawbury, RAF Cosford and the G4S Training Centre. This long presence has created firms with a deep expertise in defending against cyber threats and improving resilience. This fast-growing cyber sector, which includes the UK's first dedicated cyber enterprise zone at Skylon Park in Hereford, is part of the "Cyber Valley" of Gloucestershire and Worcestershire, the UK's largest cyber cluster outside London.

The Marches ambition and opportunity is to work with these partners to secure and develop Cyber Valley's position as a global Centre of Excellence in cyber security and resilience, serving a wide global customer base. The Marches will continue to ensure the provision of high-quality commercial incubator and grow on space that the sector needs, and work through the Midlands Engine and Department for International Trade (DIT) to maximise the export and investment opportunities of this important UK specialism.

## **Foundations of productivity**

### ***Place***

The Marches is a diverse area with three main urban centres, market towns and a strong rural economy. Hereford, an historic cathedral city, is home to major food and drink brands, and has several specialist advanced manufacturing and engineering businesses. Its strong defence heritage and assets have evolved into an emerging cluster of cyber security and resilience firms with the recent launch of Cyber Quarter. Shrewsbury is an important commercial centre, serving a wide area, with a range of cultural and heritage assets, as well as agri-food and agri-tech and manufacturing companies. The Big Town Plan will attract new investment in housing, workspace, sustainable transport routes and green corridors, which will in turn transform the town. Telford is a fast growing, diverse modern business location at the forefront of opportunities in advanced manufacturing, engineering and agri-tech. With the International Centre and the Ironbridge World Heritage Site, Telford has a strong business and leisure visitor offer. Telford's strategic Land Deal with Homes England and the Marches LEP means that the town responds quickly and flexibly to business demand.

Market towns in the Marches are employment centres and visitor destinations with a strong sense of community and heritage, and diverse economies and businesses. These towns have distinctive sectoral strengths and specialisms, reflecting major growth opportunities: Bridgnorth, Leominster and the cluster of towns around Telford have long-standing manufacturing and engineering strengths. Firms based in Ludlow and Newport and the new Ni-Park are at the forefront of agri-tech and precision engineering. Food production and processing is a major Marches specialism, with concentrations in Oswestry, Ludlow and Ledbury. Strengths in cyber reach east from Hereford towards Malvern with cyber firms also based in Ledbury.

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<sup>5</sup> UK Government (2018) <https://www.gov.uk/government/news/new-figures-show-large-numbers-of-businesses-and-charities-suffer-at-least-one-cyber-attack-in-the-past-year>

The large rural areas that connect the main urban centres and market towns are home to the majority of small and micro businesses, vibrant local communities and give the Marches its unique natural environment and high quality of life. These areas offer a range of leisure and outdoor activities for visitors.

Local partners will support major planned investments in physical and digital infrastructure, and improvements in major urban centres, including supporting sustainable transport solutions. The Marches will also design and deliver a new Opportunity Towns programme with a targeted set of interventions to tackle the specific characteristics, strengths and opportunities of market towns. A co-ordinated Visitor Economy Strategy will be developed to maximise the opportunities from the diverse offer of the Marches, including its historic and cultural assets and beautiful countryside.

### ***Ideas***

The Marches aims to further drive up levels of business innovation, in partnership with Government and the Midlands Engine. It will build on established research strengths at Harper Adams University and emerging expertise at University Centre Shrewsbury with the Centre for Research into Environmental Science and Technology (CREST), the Composites and Additive Layer Materials Engineering Research & Innovation Centre (CALMERIC) at University of Wolverhampton Telford Innovation Campus, and the New Model in Technology and Engineering (NMiTE). Innovation assets include Shropshire Food Enterprise Centre, Cyber Quarter, Robert Jones and Agnes Hunt Orthopaedic Hospital and Ni-Park.

The Marches will explore a new innovation and business growth fund for SMEs, targeted at funding clean growth related ideas. Alongside continuing to ensure the availability of space and financial support for innovation, the Marches will support new peer-to-peer networks and business-led arrangements to help speed up the adoption of new technology. Higher education institutions (HEIs) and FE providers will work with businesses to further strengthen local links and both the diffusion of knowledge and the awareness of the innovative jobs and businesses that exist in the Marches.

### ***People***

The Marches has high levels of employment and economic activity, lower than average levels of residents with no or low skills, and is strong at mid-level and technical skills. There is an excellent skills and education offer from a wide range of providers, with high quality schools, a diverse FE offer and growing HE provision, both at FE colleges and in four dedicated HEIs. Major schools, colleges and growing HEIs have important roles as anchor institutions in their own right. But, the Marches has fewer highly qualified residents and jobs than the average, and the demand for technical and business services skills continues to rise as technologies change.

The Marches is determined to both attract the new people and skills that its firms and communities need and to ensure that residents at all ages can understand and access opportunities in the local economy. The Marches will continue to support collaboration between providers and businesses, including tailored course modules to provide the digital and technical skills that are now core to advanced manufacturing and engineering, food



production, cyber security and resilience, and health and social care. The Marches will support expanded and enhanced FE and HE provision, and as set out above, explore collaborative careers and development approaches across firms with similar requirements.

### ***Infrastructure***

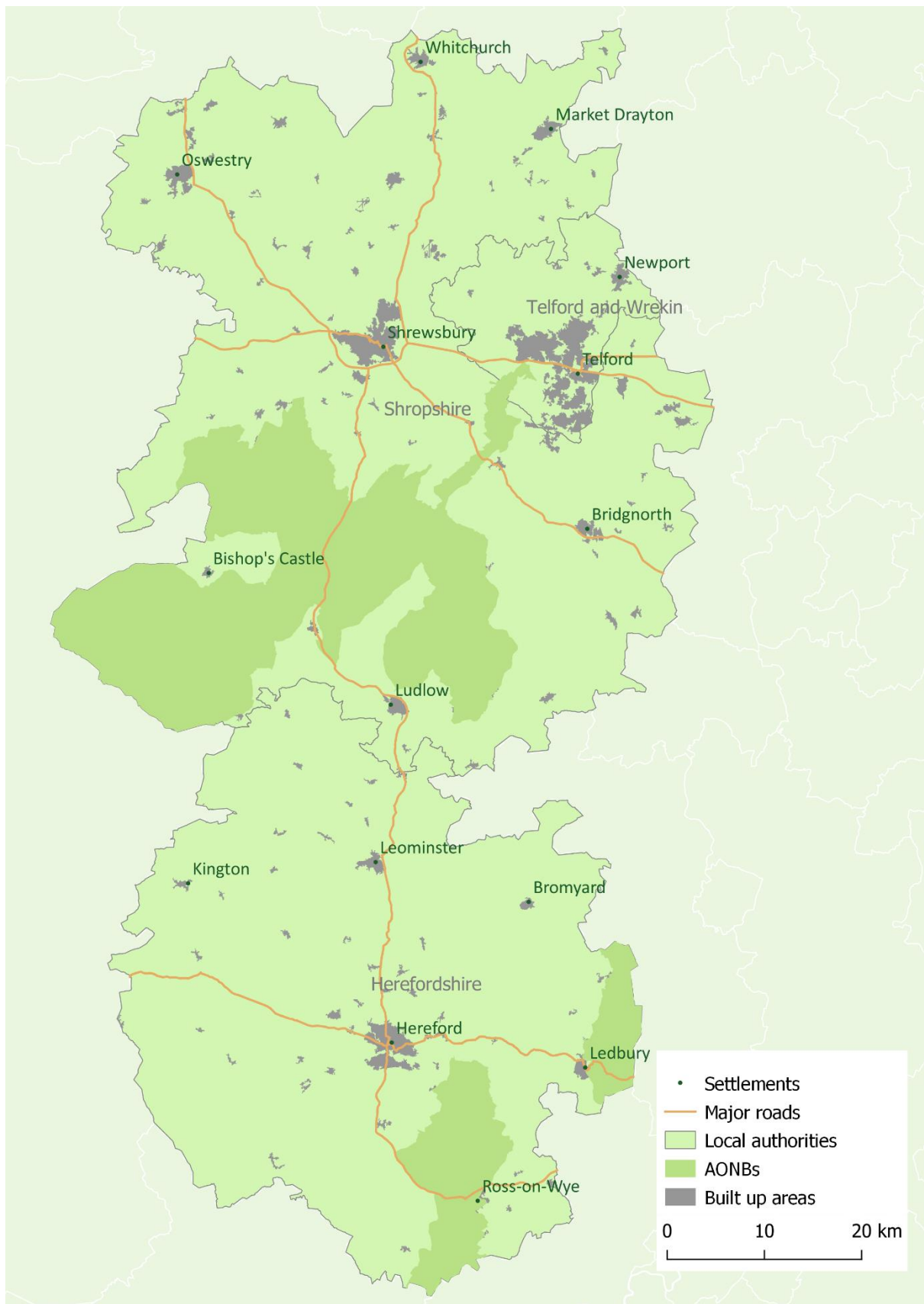
The Marches has excellent strategic economic links between the Marches and the North West, West Midlands, South West and Wales. Improvements to infrastructure are vital for the sustainable future of communities. And increasing just in time supply requirements in the agri-food and advanced manufacturing sectors mean that access to distribution centres has become even more important if these firms are to retain their competitiveness. The Marches has clear priorities for future investment, including bypasses, dual carriageways, alternative road routes, and frequency of rail services, set out in its Strategic Economic Plan 2019. Local partners will work together to put in place the physical and digital infrastructure necessary to support clean, sustainable growth and improved productivity.

This will include delivering The Marches Digital Strategy, using new technology to continue to work towards tackling digital connectivity for rural communities and businesses (including 4G and 5G). Alongside ensuring the availability of commercial land, the Marches is committed to a major programme of building 54,500 new homes by 2038 for its communities, tackling pinch points around the availability, suitability and affordability of housing for key workers. The Marches will also work to deliver the local Energy Strategy, including working with agriculture businesses to maximise opportunities for energy self-sufficient farm and food businesses, and using expertise in water management as both an export opportunity and to drive productivity and sustainability in local businesses.

### ***Business environment***

The Marches has a growing reputation as a great place to invest and do business. There are high business survival rates and levels of business activity. In common with most parts of the UK, there is a strong base of closely networked micro businesses and SMEs. The Marches is also home to major large, international companies. However, there are lower levels of business start-ups and growth. Export levels are higher than some comparator areas, but lower than other parts of the UK, and businesses in the Marches are highly reliant on exporting goods to the EU.

The Marches will build on the work of the existing Growth Hub to further boost business growth and productivity, including delivering support to businesses operating cross-border into Wales. This will involve introducing new programmes of support, targeting high growth potential firms, and supply chain firms, particularly focused on the move to low carbon/electric and autonomous transport and agriculture, including support for firms who could export but do not currently do so. The Marches will also explore a new offer for young entrepreneurs and will further develop the Food Enterprise Centre to encourage scale ups through investment, support and grow on manufacturing space for small batch production.



# 1. The Marches Local Industrial Strategy: Approach – Clean growth and improved productivity

The Marches Local Industrial Strategy sets out the contribution that the Marches will make to the UK's shift to clean growth and zero carbon, and how this will be delivered through productivity improvements in local businesses and communities. It has been developed by the Marches Local Enterprise Partnership, working together with businesses, education and training providers, local authorities and other partners. It is based on a robust evidence base developed by all partners over the last two years. The strategy builds on the Strategic Economic Plan (SEP) (March 2019) and sets the basis for the emerging Marches Growth Deal.

- A place which is open for business, up for business and pro-growth.
- At the forefront of changes in how people live and work using new technology and improved physical and digital connectivity to enable businesses and people to develop and succeed.
- A growing place, attracting more people to come, stay and build their careers and businesses.
- A global centre of excellence in advanced manufacturing, specifically automotive, cyber security, and the next phase of technology development in agriculture, environment and food production.
- A collaborative and proactive place with businesses, further education institutions (FEIs), higher education institutions (HEIs) and public organisations working together to agree what needs to happen and getting things done. Known as a good place to start and grow a business.

## **The Marches in a changing global context**

The global and UK economy is currently undergoing a period of significant demographic, technological and environmental change. Factors including a growing global population and advancements in technology, higher energy and data consumption, are increasing demand for resources and energy alongside new, more efficient ways of using and deploying them. There are growing pressures on the environment, air quality, biodiversity and awareness of the impacts of climate change. Consumer demand is driving a shift towards a zero carbon

economy, transitioning to renewable energy, balancing emissions through carbon offsetting, and taking new approaches to valuing natural capital.

These global changes present both challenges and opportunities for businesses and communities in the Marches. By drawing on technical expertise in environmental technologies and management, there are opportunities to use and manage resources more efficiently and sustainably, and develop, adopt and optimise new technologies. Changes in the way people want to live and work prompt opportunities to move towards more innovative and collaborative approaches to business models, such as co-operatives and social enterprises.

The imperative to adapt to climate change and move to zero carbon is clear. The Marches is keen to do this in a way that improves business productivity and clean, inclusive growth through ensuring that all businesses, communities and residents are equipped with the tools and strategies to seize these opportunities and adapt to significant changes over the next decade.

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## Clean Growth in the Marches

Clean and inclusive growth is a global priority, recognized in the UN Sustainable Development Goals. It is also a major national priority with the UK Government identifying clean growth as one of four Grand Challenges which will put the UK at the forefront of the industries of the future. The UK also became the first major economy to pass a net zero emissions law, requiring all greenhouse gas emissions to reduce to net zero by 2050.

Climate and environmental change provides an opportunity to both drive business productivity through new processes, methods and technologies, and export related expertise and new products to growing global markets. This Local Industrial Strategy shows how the Marches will help lead the transition to a zero carbon economy through enhanced sustainability and resource efficiency, recognising that every business starts the journey to zero carbon from a different place.

Clean growth and future success in the Marches will be achieved by pioneering new approaches to component manufacture, high-tech precision agriculture and food production, energy use, water and waste management, minimising input costs.

The Marches has a range of distinctive skills and knowledge in energy and environmental technology. CREST, based at University Centre Shrewsbury, is putting the Marches on the map in terms of natural resource and natural capital management. It also provides research support, development and advice to SMEs to increase productivity, upskilling and innovative product development. Harper Adams University is leading research into sustainable, high-tech, precision agriculture.

Innovative firms working in energy and environmental technology in the Marches include Caplor Energy, a Herefordshire-based renewable energy company, offering a range of technologies, products and solutions. Marches Biogas in Ludlow is an anaerobic digestion engineering company with extensive experience of plant design, equipment manufacture, installation, operation and maintenance. AO Recycling has a four-acre plastic recycling plant in Telford, cleaning and refining the plastic collected from its main fridge recycling facility, which processes up to 700,000 units per year from across the UK.

Expertise in new approaches to industry, agriculture and resource use can be translated into the wider business base to help make large productivity and efficiency gains by tackling the long-tail of low productivity micro businesses with the potential for growth, and supporting the uptake of new technology. Networks and innovation assets can be galvanised to support clean growth and the transition to a zero carbon economy. Strong local networks, such as the Marches Nature Partnership, the Business Environmental Support Scheme for Telford (BESST), Marches Business Environment Network and Sustainability West Midlands, share best practice in sustainability and application of environmental technologies.

All three local authorities have declared a climate emergency, committing to become net zero counties by 2030. Anchor institutions will play an important role in meeting carbon dioxide reduction targets and are able to use procurement to drive wider change and support other businesses and organisations to adapt. For example, Herefordshire Council has met its 2020 target early with a 43 per cent reduction in carbon dioxide through 'invest to save' projects, including LED lighting, renewable energy generation and usage, greener vehicles and wider energy efficiency projects.

The Marches' ambition is to use its existing and emerging strengths to deliver this clean growth transition, in a way that benefits all businesses and communities, with actions targeted at each of the foundations of productivity.

### Major growth opportunities

Building on specific strengths and specialisms, the Marches Local Industrial Strategy has identified three major opportunities for future success, growth and productivity gains. It also sets out the clearly defined actions necessary for businesses to take advantage of these opportunities and successfully benefit from well evidenced global trends:

- In **advanced manufacturing and engineering**, the Marches will continue to be a successful cluster at the forefront of making and servicing 'next shape' components using high-tech, energy efficient techniques, through the development of a new engineering resource centre and scheme supporting firms to transition to a circular economy.
- **Agri-food and agri-tech** businesses in the Marches are in prime position to engage in high-tech, environmentally sustainable food production, processing, packaging and distribution, through university and business collaboration, faster adoption of new technology, a new providence scheme, and shared approaches to seasonal labour.
- The Marches ambition to secure Cyber Valley's position as a global Centre of Excellence in **cyber security and resilience**, through the provision of high-quality business space and exporting this important UK specialism.

### Foundations of productivity

The actions in this Local Industrial Strategy will remove barriers to productivity gains and growth in these three opportunities and across the wider business base.

#### The productivity challenge in the Marches

The productivity challenge is not unique to the Marches, but reflects its demographics, skills profile, sectoral composition, and physical and digital connectivity. The Marches economy is less productive, producing £26.52 per hour worked, compared to £29.50 in the West Midlands and £33.65 in the UK. Lower than average productivity plays out across all sectors with all underperforming the regional and national averages.

Productivity has declined with average negative growth of 0.5 per cent per annum between 2012 and 2017, compared to relatively stagnant growth regionally (1.0 per cent) and nationally (0.8 per cent). Negative growth is largely driven by employment growth in lower wage and lower value sectors and a lack of business investment.<sup>6</sup>

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<sup>6</sup> ONS GVA per hour worked (2012-17)

Against each foundation of productivity, the Local Industrial Strategy sets out clear actions based on robust evidence and engagement with business, education and training providers, local authorities and other local stakeholders:

- **Place** – develop prosperous and resilient places for people to live, work and visit, and for businesses to succeed by improving infrastructure, delivering the Opportunity Towns programme, developing a campaign to attract people to the Marches, maximising the opportunities of the M54 employment led corridor, and developing a co-ordinated Visitor Economy Strategy.
- **Ideas** – support innovation in SMEs through a new innovation and business growth fund, encourage business demand and uptake of technology, ensure the availability of space for innovation, and develop networks.
- **People** – meet the growing need for workforce expansion and new skills through collaboration between businesses, and between businesses and providers, as well as support reskilling programmes for people at all ages and implement a scaled up “Future Leaders” scheme for young people to engage with business.
- **Infrastructure** –support priority transport schemes, deliver The Marches Digital Strategy, ensure the availability of commercial land, and build 54,400 new homes by 2038.
- **Business environment** – alongside the provision of general business support, target high growth potential firms focused on the move to low carbon, as well as explore a Marches package for young entrepreneurs, encourage scale ups by developing the Food Enterprise Centre, collaborate across borders to support supply chain firms, and build networks.

These actions are important for businesses in both rural and urban areas alike, and implementation and delivery will reflect dispersed populations and businesses.



Contribute to the UK's shift to clean growth and zero carbon delivered through productivity improvements in local businesses and new opportunities for our communities

## Clean Growth Grand Challenge

### Major growth opportunities



Ensuring future competitiveness and success in high-tech, energy efficient manufacturing and engineering



Securing the future food supply chain and achieving modern and environmentally sustainable production, processing, packaging and distribution through agri-tech innovation



Developing world-renowned excellence in cyber security and resilience

### Foundations of productivity



**Place:** Develop prosperous and resilient places for people to live and work, and for businesses to succeed, through a Marches Growth Deal



**Ideas:** Develop networks and encourage business demand and uptake of technology



**People:** Improve access to opportunities at all ages and meet growing need for workforce expansion and new skills through collaboration between businesses, and between businesses and providers



**Infrastructure:** Enhance sustainable energy and water management, and support major transport, digital, employment land and housing priorities



**Business environment:** Grow new market opportunities and encourage business growth through supply chain and SME support



## 2. Major growth opportunities

### Ensuring future competitiveness and success in high-tech, energy efficient manufacturing and engineering

The Marches manufacturing base is at the centre of global trends in both digitalisation of design and production, and the switch to low carbon and autonomous transport and mobility systems. The global transition to service-based business models provides new opportunities for local firms to export their expertise and knowledge as well as their core products.

Reducing input costs and responding to environmental pressures is also changing the manufacturing process and business models. The circular economy and growing expertise in water and energy management are increasingly important to local firms. Managing these shifts locally requires addressing productivity issues around innovation, the business environment, and resource use. These changes are transforming jobs and changing skills needs, requiring innovative approaches to improving skills levels and skills sharing, as explained more in the People section. Retraining and re/upskilling of workers of all ages will be necessary in order for people to take advantage of new opportunities and to help businesses adapt.

The Marches strengths in advanced manufacturing and engineering are part of the wider Midlands cluster, and serve supply chains in automotive, aero, defence and agriculture. The Marches sector contributes £2.2bn<sup>7</sup> to the economy with 27,500 jobs<sup>8</sup> and 1,575 businesses.<sup>9</sup> Recent job growth has been higher than average, with a mixture of long-established firms and newer entrants, with large manufacturers including BAE, GKN, Ricoh and Special Metals.

As an integral part of the West Midlands automotive supply chain, there are a range of Tier 2 and 3 companies across the Marches supplying large original equipment manufacturers (OEMs) with parts including batteries, light weighting and composites. As the OEMs in the West Midlands transition to manufacturing autonomous and electric vehicles, supply chain firms in the Marches will need to adapt and evolve their components. Navigating this shift will make a significant contribution to mobility and advanced manufacturing in the UK with both long-established and new firms developing expertise in making and servicing 'next shape' components using energy efficient techniques and materials. There is scope in the Marches for supply chain firms to collaboratively work to share expertise and knowledge around adapting processes and products to wider shifts in the sector.

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<sup>7</sup> ONS Balanced GVA by industry (2017) Given in 2016 terms for manufacturing including food and drink manufacturing.

<sup>8</sup> ONS Business Register and Employment Survey (BRES) (2017)

<sup>9</sup> ONS Business Counts (2018) VAT-registered businesses.

The Marches ambition is to grow its manufacturing base and further increase productivity and highly skilled jobs, with a successful cluster at the forefront of making and servicing 'next shape' components using high-tech, energy efficient techniques.

Linking to the actions set out in the Ideas section, the Marches will support the successful evolution of the manufacturing base by continuing to back innovative projects to further enhance expertise and skills, such as the CALMERIC at the University of Wolverhampton Telford Innovation Campus, supporting small-to-medium enterprises (SMEs) to develop high performance, lightweight and resource efficient components through research and innovation projects.

The Marches will also support wider technical skills provision, including through links between FE providers and advanced manufacturing and engineering businesses, the Marches Centre of Manufacturing and Technology (MCMT) and NMiTE. MCMT is an employer-led consortium of major manufacturing and engineering firms and private training provider In-Comm. It is pioneering training across the region, providing high quality apprenticeships and high-tech upskilling.

NMiTE in Hereford is one of the first new universities developed in the UK in the last 40 years. It is a nationally significant asset, addressing a UK wide shortage of engineers and contributing to overall competitiveness in manufacturing, engineering and technology. It will take a new approach to delivering high quality engineering courses through collaboration with regional employers. The new university has recently received LEP Growth Deal grant funding to develop a Centre for Advanced Timber Technology, Centre for Automated Manufacturing, and a Centre for Future Skills on the Hereford Enterprise Zone.

The Marches will support the successful move to service-based business models through a major new business-led engineering resource centre to better enable firms to share advice and develop new opportunities, and will put in place a new scheme to highlight and support the transition to circular economy, low carbon and sustainable practices, and better energy usage in manufacturing. There are opportunities for collaboration with the Black Country and Stoke and Staffordshire through supply chain support and cluster development. This is explored more in the Business environment section.

#### CASE STUDY

Bridgnorth Aluminium is an exemplar in sustainable energy use and resource efficiency. It is aiming to reduce its impact on the environment by responsibly sourcing energy and minimising its carbon footprint. Currently, over 40 per cent of energy is sourced from a local anaerobic digestion facility. Their strong environmental ethos is well recognised – they were awarded the Water Quality Blue Business Award in 2015 and the Best Practice Representative in 2018 by the Parliamentary Review.

#### CASE STUDY

Proto Labs in Telford is leading technology development and innovation in advanced manufacturing and engineering. The R&D lab has a mission to continue to look for ways that will advance and improve manufacturing processes. Producing commercial-grade plastic, metal and liquid silicone rubber parts within days, Proto Labs has an innate appreciation for technology, innovation and new product development.

#### CASE STUDY

Doncasters Aerospace is transitioning to a service-based business model in modern component manufacture, servicing current customers including Siemens, Rolls Royce and General Electric by providing timely, cost effective repairs, overhauls and condition monitoring from their production facility in Shrewsbury. Its multi-million capital investment in laser technology and JIT manufacturing capability has enabled the provision of specialised, often one-off component parts, saving their customers time and cost by the replacement of individual parts not entire product.

#### CASE STUDY

Galebreaker Group is a specialist manufacturer of screens and doors, which are designed to control temperature and the environment, for use in agriculture, power stations, and in the oil and gas sector. Galebreaker applied to the Marches Growth Hub Business Energy Efficiency Programme in 2017. Independent energy management experts, Pro Enviro, were appointed and carried out a free energy assessment at the factory and offices, helping Galebreaker to save up to almost £19K and 63 tonnes of carbon dioxide, annually.

#### CASE STUDY

The Marches has a number of innovative firms engaging in modern component manufacture, servicing the wider West Midlands automotive supply chain. GKN has recently made a multi-million pound 'Swan-Line' investment into their Telford plant, making it a leading wheel and structures manufacturer with market-leading product development, test facilities and manufacturing capabilities. Based in Bridgnorth, Grainger and Worrall supply a wide range of precision machined components to automotive, as well as aerospace.

## Securing the future food supply chain and achieving modern and environmentally sustainable production, processing, packaging and distribution through agri-tech innovation

The Marches is distinctive in that it has all aspects of the food production supply chain. With 6,000 businesses<sup>10</sup> and 32,000 jobs, over ten per cent of the Marches workforce are employed in agri-food, including agriculture and food and drink processing, compared to 2.8 per cent nationally<sup>11</sup> and contributing £1.4bn to GVA.<sup>12</sup>

Consumer expectations and agricultural practices are changing fast, driven by environmental pressures and climate change. For the Marches, where natural capital (worth £14.8bn<sup>13</sup>), landscape and biodiversity are major assets, working with food businesses to help secure their future success alongside managing environmental change is a major priority. Research and business expertise can play an important role in the UK's contribution to meeting these challenges on a global scale, alongside increasing demand for food from a growing global population. The food sector is an important element of the local economy and the Marches can make a significant contribution to the development of a resilient, sustainable and humane agricultural sector as outlined in the forthcoming National Food Strategy. Long-term, strategic business support is important in developing food supply chains and maximising EU Exit opportunities, as set out in the Business environment section. Increasing labour constraints in the post-EU Exit economy are also an important driver for change.

The Marches has a range of strengths in agri-food with mixed farming, food processing, packaging and distribution. There are specialisms in meat, dairy, cider and fruit wines, and fresh produce. Harper Adams University, the largest specialist land-based institution in the UK, is at the core of agri-tech innovation and skills provision in the Marches, leading research into agri-tech, global food production and processing. Holme Lacy Campus and Walford Campus, both part of North Shropshire, Herefordshire and Ludlow College, are important agricultural education assets.

Major global brands in the Marches include ABP Food Group, Avara, Chase Distillery, Haygrove, Müller, S&A, Snells, Tyrrells and Weston's Cider. The Shropshire Food Enterprise Centre, one of only ten centres nationally, offers excellent production units equipped to the highest standard with on-site business support to food production start-ups and SMEs. A growing food packaging cluster exists in Telford and a number of specialist logistic companies serving the agri-food sector operate in the area, such as Culina.

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<sup>10</sup> ONS Business Counts (2018) VAT-registered businesses.

<sup>11</sup> ONS BRES (2017)

<sup>12</sup> ONS Balanced GVA by industry (2017) Given in 2016 terms. This includes agriculture, mining, electricity, gas, water and waste, and the manufacture of food, beverages, textiles and clothing, due to data availability.

<sup>13</sup> Given in 2015 terms. Marches Nature Partnership (2019) Marches Environmental Strategy Strategic Vision and Priorities 2019-23

Harper Adams University and Keele University have formed Harper and Keele Veterinary School to meet the changing needs of the veterinary industry. This combines Harper Adams University's strengths in animal sciences, veterinary nursing and veterinary physiotherapy, whilst Keele has a long history in life sciences and human medicine. The new vet school will benefit the agri-food sector, as vets will be trained alongside agriculturalists and agri-tech engineers, positively impacting animal welfare standards for farmers and food processors.

The emerging agri-tech cluster has specialisms in engineering and precision farming. High productivity food production in the Marches is recognised as a High Potential Opportunity by DIT. Ni-Park is a multi-million-pound development to create a world leading agri-tech business park for companies at the cutting edge of developing ways to improve food production and help manage the environmental impact of farming, aiming to create up to 1,000 new jobs. It will provide a range of start-up and grow on space to support the cluster of small companies, larger firms and multi-nationals surrounding Harper Adams University and enable them to benefit from their agri-tech research and innovation services.

The opportunity in the Marches is to develop new ideas by combining its agri-food and agri-tech strengths to be a successful 'living lab' for modern, high-tech and environmentally sustainable methods of food production, processing, packaging and distribution, demonstrating best practices in natural capital, soil, water and waste management, carbon sequestration and energy use. This will involve the adoption of digital technologies and techniques, as outlined in the Ideas section, including automation and drone technology, improving quality control, increasing production speed and addressing labour shortages. AI is already being used in crop and soil modelling, to predict the impact of weather changes on crop yields and to support harvesting crops with autonomous vehicles. Food processing companies are using AI to sort products, comply with food safety regulations, improve cleanliness, and design new products.

To support this ambition the Marches has several ongoing highly innovative and nationally significant projects. The Agri-EPI Centre delivers R&D, demonstration and training on precision agriculture and engineering, and the National Centre for Precision Farming develops autonomous systems and drones. Expertise in use of autonomous vehicles for crop production will continue to be developed through the new 35 hectare 'hands free farm', scaling up the highly successful 'hands free hectare'. The Regional Food Academy has specialist facilities for students to learn about food processing and preservation, product design and development.

The Marches will also partner with global research centres and local firms to speed up the adoption of new low carbon technologies, including the use of robotics in soft fruit and sustainable, high-tech milk production and explore a new provenance scheme to market both high quality products and the expertise of the Marches food supply chain, creating new inward investment opportunities for high-value food production and packaging.

#### CASE STUDY

Harper Adams University is working with businesses at the forefront of agri-tech research and innovation. Hands Free Hectare is a world-first project, run between the university and Precision Decisions. This project demonstrates leadership in cutting edge agri-tech and technology development. Having received funding from the Agriculture and Horticulture Development Board (AHDB), the project returns to grow a crop of winter wheat with the aim to improve the machinery's accuracy and so improve field coverage, ultimately leading to a more competitive yield. Maggrow is working with the university on a research project looking at developing engineering research and spray test capabilities to assist in identifying and quantifying spray-related performance factors. It will also provide the opportunity to optimise system performances, benefiting food production and the environment.

#### CASE STUDY

Anglo Beef Processing are world and industry leading on animal genetics, focusing on production techniques for beef production, and speeding up growth without the need for hormones. Ellesmere is an integrated site with slaughter, de-boning and retail packing, employing 800 people with a £30m investment in 2015. Sustainability is integrated into the functioning of the site. As the newest abattoir across the Group, it is a triple zero site: waste to landfill, net carbon emissions and net water usage. It was the world's first independently certified to PAS 2060 Carbon Neutral (Scope 1 & 2) beef processing plant.

#### CASE STUDY

WeCan Solutions has two sites in Rotherwas and provides contract canning services for small to medium-size beverage producers by taking its canning line to the client's production site. It also provides labelling and packing services and can assist with contract brewing and processing. The company has received £30K grant support from the Business Growth Funding to invest in new canning and filling machinery, filling an additional 2 million cans annually and creating new jobs.

#### CASE STUDY

Two Farmers, based in Ross-on-Wye, is the UK's first 100 per cent compostable and plastic free crisp brand. The company grows all of their potatoes, which are graded using a system powered by renewable energy and packaged in 100 per cent compostable bags.

#### CASE STUDY

Avara has a presence in both Hereford and Telford. It is one of the UK's largest food businesses operating a fully integrated supply chain. Following a £36m expansion and refit in 2015, the company has invested in technology, automation and infrastructure. Avara is at the forefront of automating repetitive tasks and creating more skilled roles.

Draft

## Developing world-renowned excellence in cyber security and resilience

With digitisation and growth in the application and use of technology, cybercrime and terrorism are growing global threats, with a fast-growing global market in cyber security and business resilience. The UK Government estimates that in 2017, over four in ten UK businesses suffered at least one cyber-attack.<sup>14</sup> Cyber-attacks ranked fifth in global risks of doing business, with SMEs particularly vulnerable.<sup>15</sup> Over 40 per cent of cybercrimes are targeted at smaller enterprises and 60 per cent close their doors within six months of an attack.<sup>16</sup>

The Marches has an established and internationally recognised defence and security sector which is specialised in techniques and skills that are core to cyber security. Key assets include the Special Forces, Signals Brigade at MoD Donnington, G4S Training Centre, RAF Shawbury and RAF Cosford. The long-standing presence of these centres of excellence has supported both a substantial defence sector, with over 12,000 jobs, and a fast-growing cyber security and resilience cluster.<sup>17</sup>

The Marches is part of Cyber Valley, along with Gloucestershire, Worcestershire and Swindon and Wiltshire, the largest cluster of cyber security activity outside of London with 5 per cent market share of the UK market. Cyber Quarter, the Midlands Centre for Cyber Security, supported by the University of Wolverhampton and Herefordshire Council, has recently been launched at Skylon Park, Hereford Enterprise Zone. The £9m state-of-the-art hub will specialise in defence and security, supporting innovation, R&D, collaboration and technology transfer with 16 cyber SMEs to be based there.

The Marches ambition and opportunity is to work with partners to secure and develop Cyber Valley's position as a global Centre of Excellence in cyber security and business resilience. The Marches will continue to ensure the provision of high-quality commercial incubator and grow on space that the sector needs, emphasising the importance of employment space, as explored in the Infrastructure section. To maximise this opportunity, improving skills levels is also important, specifically ensuring that digital skills and awareness of cyber careers are accessible to local young people and others retraining. The Marches will also work through the Midlands Engine and DIT to develop a supportive business environment for cyber firms by maximising export and investment opportunities.

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<sup>14</sup> UK Government (2018) <https://www.gov.uk/government/news/new-figures-show-large-numbers-of-businesses-and-charities-suffer-at-least-one-cyber-attack-in-the-past-year>

<sup>15</sup> World Economic Forum (2018) <https://www.weforum.org/agenda/2018/11/these-are-the-top-risks-for-doing-business-around-the-world/>

<sup>16</sup> UK Government (2018) <https://www.gov.uk/government/news/new-figures-show-large-numbers-of-businesses-and-charities-suffer-at-least-one-cyber-attack-in-the-past-year>

<sup>17</sup> ONS BRES (2017)



## Defence in the Marches

The Marches has an internationally recognised defence sector. There are several nationally significant military assets in the area:

- Three Special Forces regiments based in Hereford, with strengths in cover reconnaissance, counter-terrorism, direct action and hostage rescue.
- Ministry of Defence Donnington is home to the Signals Brigade and has recently opened a £83m logistics centre, employing almost 8,000 people with close links to advanced manufacturing and engineering, and agri-food supply chains. The Ministry of Defence fulfilment centre provides logistics and storage to the UK armed forces.
- RAF Shawbury provides all helicopter training and trains around 1,000 students a year across the UK Armed Services and international partners to be robust, resilient military personnel.
- RAF Cosford is a nationally recognised military training base and a major part of the Defence College of Technical Training, delivering flexible, affordable, modern and effective technical training that meets the needs of the UK Armed Forces now and in the future.

There are also manufacturing strengths. Both based in Shrewsbury, Caterpillar Defense produces engines and drivetrains for British Army Equipment, whilst Doncasters Aerospace manufactures components and assemblies for civil and military aeroengine and airframe. GKN in Telford also services the military aerospace sector.

Hereford Enterprise Zone is the only Enterprise Zone in the UK with a defence and security focus.

## CASE STUDY

Cyber Quarter – Midlands Centre for Cyber Security is a new £9m centre of excellence in cyber security located at Hereford's Skylon Park. It is a joint venture between the University of Wolverhampton, specifically the Cyber Research Institute, and Herefordshire Council, with funding from the Local Growth Fund via the Marches LEP and the European Regional Development Fund. The aim of the centre is to tackle the growing threat of cyber-attacks which could significantly impact local, regional and national businesses. The building will have over 1,000m<sup>2</sup> of R&D floorspace with three cyber labs, with lab and testing facilities, and more than 1,500m<sup>2</sup> of employment space for 16 cyber security businesses and incubator units. There will be two workshops and meeting rooms with an innovation sandpit room, and 250m<sup>2</sup> of high-quality business and training floorspace. The centre will offer cyber R&D, product testing and certification, Continuing Professional Development, short courses and conferences.

## CASE STUDY

Capgemini have a team of proven cyber security practitioners with significant expertise and experience. Their services, solutions and delivery models, including the global network of Security Operations Centres, provide increased visibility and rapid detection of threats to companies. Using their end-to-end services, Capgemini can accelerate cyber security growth through every phase of a company's cyber transformation.

Draft

# 3. Foundations of productivity

## Place

The Marches is a great place to live and start a business with a high quality of life, rich natural, cultural and heritage assets. Major urban centres, market towns and rural areas have strong communities, diverse modern strengths, and an excellent education and training offer for residents of all ages. The combination of these distinctive assets creates a strong visitor economy offer. Marketing these strengths will play an important role in attracting investment, businesses and people to live and work in the Marches.

The significant variations in density and physical and digital connectivity mean that places in the Marches have very different opportunities and challenges around business growth and productivity. There are pockets of deprivation in both rural and urban areas, requiring targeted interventions. Partners in the Marches are committed to developing and delivering the interventions set out in this strategy so that they reflect the distinctive needs of the main urban centres of Hereford, Shrewsbury and Telford, market towns, and rural areas.

The Marches is committed to ensuring that all communities, however dispersed, can benefit from the actions set out in this strategy around greater housing affordability, more employment land, high quality transport and digital infrastructure and networks, and the transition to zero carbon.

### M54 – an employment led corridor

The M54 corridor is a strategic priority of the Marches LEP and partners with local and regional significance. It connects Wolverhampton, South Staffordshire, Telford and Wrekin, Shropshire and mid-Wales by linking i54, t54 and Shrewsbury. The M54 joins the A5, an important arterial road, providing east to west connectivity and the main link into mid-Wales.

Engaging and working with local communities along this employment led corridor is vital to ensuring that investments in housing, employment land, rail and road infrastructure deliver high-quality living and working environments and lasting opportunities for local people.

The scale of opportunity allows for innovative, sustainable solutions to living, working and moving, for instance through the development of garden villages and the roll-out of electric vehicles. Investments will allow for higher productivity through greater innovation, research and development and higher value production, for instance through supporting the expansion of the nationally significant engineering excellence at RAF Cosford.

## Main urban centres

Hereford, Shrewsbury and Telford offer fast growing business locations with rapid connections to the West Midlands, South West and Mid-Wales. The three urban centres are home to almost 40 per cent of the population, a quarter of businesses and around half the number of jobs in the Marches, making them significant centres of business activity.<sup>18</sup> However, these economic opportunities are not reaching all communities and there are concentrations of high deprivation in each of the three urban centres. Hereford and Telford have recently been announced as two of the 100 towns to be supported in developing innovative regeneration plans through the £3.6bn Towns Fund.

Hereford is an historic cathedral city, a centre of cultural importance and a gateway to surrounding countryside and leisure opportunities. It is home to major food and drink brands, such as Avara, Bulmers, Chase Distillery, Heineken, Tyrrells and Weston's Cider. There are also specialist engineering firms and manufacturers, such as ATN Europe, KGD and Special Metals Wiggin. As part of Cyber Valley, Hereford's strong defence heritage and assets have evolved into an emerging and nationally significant cluster of cyber security and resilience firms, including ETL Systems, Hex Security, Serbus, Simtech-IT, Xreach and Zovolt. The recently launched Cyber Quarter will be an asset for the city, attracting investment and encouraging the growth of the cyber cluster. NMiTE will be a new anchor institution and is key to further developing the town's attractiveness to new professional businesses and people.

Shrewsbury is a renowned historic market town with excellent cultural and heritage assets, including its Tudor buildings, castle, Music Hall and Theatre Severn, surrounded by beautiful countryside. As an important commercial centre, the town serves a wide area. Shrewsbury's future success will be based on a thriving food sector, and manufacturing and engineering strengths, with large firms including ABP Food Group, Caterpillar, EAE Automotive Equipment, Salop Design and Engineering and Sentinel Manufacturing. With CREST based at University Centre Shrewsbury and a growing cluster of environmental advisory firms, Shrewsbury is becoming a centre for new approaches to natural capital and water management. The Big Town Plan will attract new investment in housing, workspace, sustainable transport routes and green corridors, transforming the town.

Telford is a fast growing, diverse modern business location at the forefront of opportunities in advanced manufacturing and engineering and agri-tech. It is located at or close to the core of global, value added supply chains in automotive, with the JLR plant located at nearby i54. There are also strengths in food production and processing, with a growing cluster of food packaging companies, and Telford is an important logistics and distribution hub. There are high levels of foreign investment with several major firm including Epson, Denso Europe, Maxell, Ricoh and Xerox. Research and innovation assets include Harper Adams University, leading research into precision farming and engineering, and CALMERIC at the University of Wolverhampton Telford Innovation Campus. Telford's strategic Land Deal with Homes

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<sup>18</sup> ONS Population Estimates (2017), ONS Business Counts (2018) and ONS BRES (2017)

England and the Marches LEP means that the town responds quickly and flexibly to business demand. The Telford Shopping Centre, the International Centre and the Ironbridge World Heritage Site create a strong visitor offer, attracting significant numbers of business and leisure visitors each year.

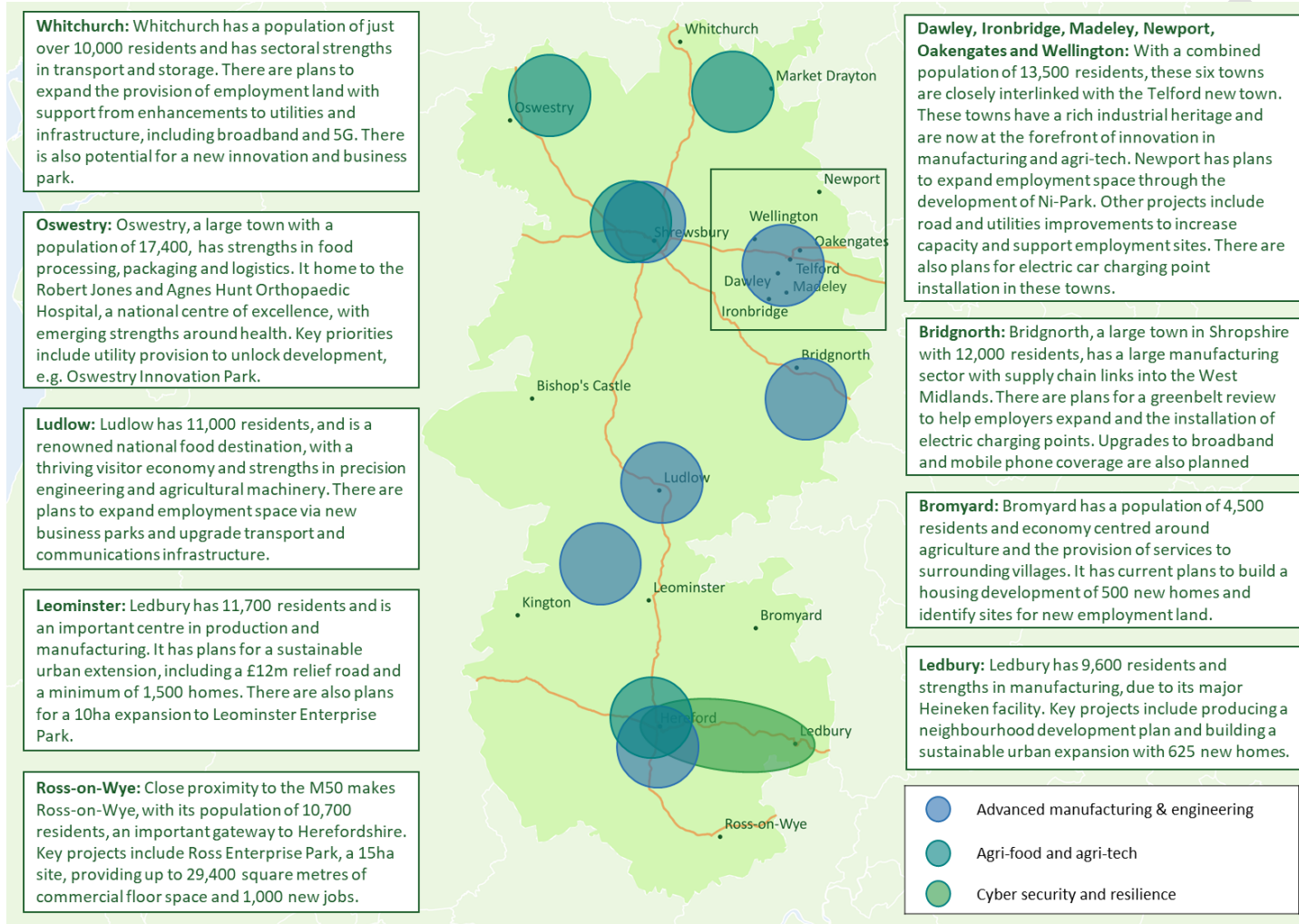
### **Market towns**

The Marches market towns are important centres of employment, living and commercial activity, as well as visitor destinations, with distinctive strengths, specialisms, opportunities and challenges. Market towns connect to different economies and have different and quite specific anchor industries and sectors, with important implications for local labour markets and requirements for skills and commercial space. For instance, Bridgnorth is strongly linked to automotive manufacturing in the West Midlands. Towns in the Marches have pockets of deprivation and communities which don't have the right access to skills and jobs. The Marches will tailor investments and interventions to the individual needs of each town.

Place shaping and investment in towns is important to support new ways of working and attract residents and visitors through creating small scale urban experiences and developing strong and inclusive communities. Leominster and Oswestry have recently been announced as beneficiaries of the Government's Historic High Streets Fund. Funding will support new High Street Heritage Action Zones to optimise the long-term public value of historic buildings and stimulate private sector investment. Key development locations, such as the former Ironbridge Power Station and Clive Barracks at Tern Hill, present opportunities for innovative approaches to housing, employment land and infrastructure development to meet the needs of local communities.

**Figure 1. Market towns with sectoral strengths**

The Marches market towns include:



## Rural areas

Connecting the three main urban areas and market towns are large rural parishes, with areas of outstanding natural beauty, highly productive farming and important biodiversity and natural capital. These areas give the Marches its unique natural environment and high quality of life, and offer a range of leisure and outdoor activities, attracting both residents and visitors. Rural areas are also home to highly innovative businesses and large numbers of residents. Many of the Marches globally important cyber security firms, for example, are located in rural areas. The majority of small and micro businesses are based in the rural economy and rural businesses are central to agri-food supply chains through primary food production.

The Marches has rural proofed this strategy by involving rural businesses throughout its development. It places opportunities for rural businesses and communities at the heart of the Marches plans for future growth, through supporting changing ways of working, enhancing physical and digital infrastructure, and supporting rural businesses to innovate and grow. Rural businesses are deeply embedded in their communities, and their future success and growth is vital to develop a more inclusive and sustainable economy.

### CASE STUDY

Skylon Park is the site of the Hereford Enterprise Zone and a catalyst for growth across both Herefordshire and the wider Marches. Building on the area's wealth of defence expertise and the deep-rooted association Hereford has with the Special Forces, it is the only Enterprise Zone in the UK with a defence and security focus. With a growing cyber cluster around Hereford, it is home to Cyber Quarter. It also is a focal point for business growth in the wider business base, for instance through the provision of incubation space at the refurbished Shell Store, due to open in 2020.

### CASE STUDY

The Shrewsbury Big Town Plan is a collective vision and plan for the town that has been co-created by Shrewsbury Business Improvement District, Shropshire Council and Shrewsbury Town Council following extensive engagement with the public and stakeholders. It sets the aims, aspirations and vision for Shrewsbury now and for the future. It also provides a strong statement for residents, employers and visitors to Shrewsbury of how they can expect the town to develop over time, and how that growth and change is being planned, coordinated and communicated.

## CASE STUDY

The Telford Land Deal established a new model in public land disposal. Upfront investment into site preparation and marketing of sites underpinned Telford and Wrekin Council's investment offer, delivering an acceleration in commercial and residential sites sold and raised land values above year one projections.

### Aims and action

Place is central to the Marches Local Industrial Strategy given the scale and diversity of the area, and the varied opportunities and challenges this presents. The Marches Local Industrial Strategy sets out the actions necessary for businesses to take advantage of major opportunities for future success, growth and productivity gains, which have a spatial dimension. There are specific actions across innovation, skills, infrastructure and business support, which aim to improve business productivity and support clean, inclusive growth across the entire business base and in all places. To enhance the business, resident and visitor offer of main urban centres, market towns and rural areas in the Marches, The Marches LEP and local partners will:

- Support major planned investments and interventions in infrastructure improvements in major urban centres, linking together supply chains and better connecting residents to opportunities.
- Develop and deliver the Opportunity Towns programme with a targeted set of interventions to recognise the specific characteristics, strengths and opportunities of each of the priority market towns and to address challenges around innovation, skills, business support and deprivation.
- With local partners, develop a campaign to attract families and young people, and businesses.
- Work with local partners to maximise the opportunities of the M54 employment led corridor.
- Support joint working between the local authorities on developing a co-ordinated Visitor Economy Strategy.



## Ideas

The Marches has large and small innovative businesses in all sectors, with research assets and innovation concentrated in the major opportunity areas – advanced manufacturing and engineering, agri-food and agri-tech, and cyber security and resilience. There are well established research and innovation strengths at Harper Adams University and emerging expertise at University Centre Shrewsbury with CREST, CALMERIC at University of Wolverhampton Telford Innovation Campus, and NMiTE. Innovation assets include Shropshire Food Enterprise Centre, Cyber Quarter and Robert Jones and Agnes Hunt Orthopaedic Hospital, a global centre of excellence in musculoskeletal surgery, medicine and rehabilitation.

Innovate UK funding has been allocated to projects in manufacturing and materials (£3.6m), food supply (£1.8m) and agri-tech (£450K), and major companies, including ABP Food Group, Culina, GKN, Grainger and Worrall, Haygrove, Müller and S&A.<sup>19</sup> But generally, investment and innovation within businesses, spend on R&D and take up of available funding and tax credits is lower than in other places. The Marches ranks as the second lowest LEP for business expenditure on R&D at around £46m, or £69 per person<sup>20</sup> and the fourth lowest LEP for Innovate UK funding.<sup>21</sup>

The dispersed geography of the Marches hinders the visibility of opportunities and success stories and creates challenges around the ability of firms to network and share knowledge. Businesses in the Marches need support with understanding the benefits of innovation, improving leadership and management capacity, developing strong networks, and attracting, retaining and sharing skilled workers.

Across a range of different sectors, businesses have consistently reported that due to both the pace of change and increasingly cross-sector approaches to technology (e.g. AI and connected and autonomous vehicle (CAV) use in agriculture) they need help to both access and build the capacity to adopt and adapt to new techniques. There is a strong appetite in Marches businesses to collaborate and develop shared approaches to challenges such as testing and investing in technology and the skills to use and maintain it. Marches universities and businesses are also committed to developing the strategic partnerships needed to diffuse innovation and bring new techniques to the market.

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<sup>19</sup> Innovate UK (2019)

<sup>20</sup> ONS Business Enterprise Research and Development by LEP (2013)

<sup>21</sup> Innovate UK (2020)

## Innovative health and social care in the Marches

The Marches has dispersed, rural and ageing communities. This presents opportunities to pioneer new innovative health and social care approaches and technologies, operating as a testbed/'living lab' for digital health and care. Digital innovation, data driven processes and the application of new technologies will both provide commercial opportunities for business and support innovation in services provided by public, private and third sectors.

This also offers the opportunity to use the transformation of wider health provision to maximise the benefits on the wider community and businesses. For instance, through the potential transformational impact of the proposed £312m investment into Shrewsbury and Telford Hospital NHS Trust.

The Marches health and social care sector is large, with 40,500 jobs. There is digital health expertise at University Centre Shrewsbury and the University of Wolverhampton, and emerging capabilities in digital health and assistive technology with companies such as Bronze Labs, Chunc Wheelchairs, Remote and The Helping Hand. It is also home to the Robert Jones and Agnes Hunt Orthopaedic Hospital in Oswestry.

Shropshire has been selected as one of nine local authorities in a Government funded programme to explore how technology can shape the future of social care by piloting a data visualisation tool to identify areas of need for care homes and domiciliary care. The Broseley Project is an innovative technology project delivered by collaboration between Shropshire Council, The Lady Forester Centre, University Centre Shrewsbury, local GPs, the community. Amazon, Hitachi and Microsoft are working on using smart watches, voice activated devices and messaging to support independence amongst vulnerable people.

The Marches has a high number of well established, independent providers, offering high quality care and engaging in national pilots of new innovations in social care. Herefordshire was one of nine local authorities taking part in a large-scale pilot of the Just Right approach in 2014-2015, funded by the UK Small Business Research Initiative grant. This involved introducing technology into the care sector through care providers testing data collection on adults with learning disabilities through use of motion and other sensors.

## CASE STUDY

Hospital Direct are winners of the Shropshire Chamber's Best Small Business Award 2019, demonstrating innovative activity taking place within Marches SMEs. Their solution-focused approach to meeting customers' demand involves amending or redesigning products to meet patient handling requirements. They have provided patient handling equipment, elderly and disability aids, servicing the NHS for over 20 years alongside the private care sector and directly to the public.

#### CASE STUDY

Telford-based company Bronze Labs have expertise in the Internet of Things and cloud computing software. The company has recently launched The Tribe Project. This nationally significant project is an example of innovation in social care. It supports the NHS and adult social care by using machine learning to identify areas of high resource need in order to better allocate resources.

#### CASE STUDY

With expertise in healthcare nationally and globally, Remote New Media build custom software systems for purpose-driven organisations. Examples include StrokeActive, an app to aid the recovery of stroke patients, which is widely used by healthcare professionals. It has been approved by Orcha and is being trialed within the NHS.

#### CASE STUDY

Now in its third successful year, Shropshire's annual Tech Severn conference, led by Shropshire Council, took place over two days in September 2019 at Shropshire Council's Theatre Severn and venues across Shrewsbury. Over 40 organisations and businesses from across Shropshire and the UK attended the conference. The event showcased digital and technical solutions to support people, businesses and the environment, including innovations in housing, technology-enabled care, digi health, education, modern methods of construction, and eco and green technology.

#### **Aims and actions**

The Marches aims to further drive up levels of business innovation, in partnership with Government and the Midlands Engine, and through building on established research strengths, particularly where these complement new markets in engineering, food production and cyber. Another focus will be strengthening local links and both the diffusion of knowledge and the awareness of the innovative jobs and businesses that exist in the Marches. The Marches and local partners will:

- Explore a new innovation and business growth fund for SMEs, to complement Innovate UK funding and targeted at funding clean growth related ideas, for instance through a loan programme for agri-tech start-ups to access R&D space, support for manufacturing firms working on making and servicing 'next shape'

components, and a voucher scheme to support businesses across the business base to access advice on national innovation funding applications.

- Support the development and adoption of digital solutions to health and social care, and the Marches' role as a test bed/'living lab' and major market for digital health and care, and related products, in dispersed rural and ageing populations.
- Ensure the availability of space for innovation, including micro innovation spaces in market towns, where the evidence shows they are needed, and incubator space for cyber start-ups.
- Use the Marches Growth Hub to encourage the take up of innovative practices to improve businesses' resource efficiency and maximise opportunities to use local expertise and natural capital for business led carbon reduction.
- Support new peer-to-peer networks and business-led arrangements to help speed up the adoption of new technology, particularly in agri-food and agri-tech. This will include continuing to strengthen relationships between HEIs and FE providers and businesses, for instance by supporting partnerships between soft fruit growers and NMiTE, Harper Adams and other universities around growing systems, hydroponics and robotics, including finding routes to funding.

## People

The Marches has high employment – around 80 per cent employment rate, compared to around 75 per cent in the UK – and high levels of economic activity – almost 82 per cent, compared to the UK average of 78.3 per cent.<sup>22</sup> Businesses consistently report high and growing demand for a wide range of skills, including digital, technical, leadership and management. Whilst automation has the potential to lead to higher paid and higher skilled jobs in food production and manufacturing, and potentially overcome challenges around the availability of seasonal labour, it is already increasing demand for more technical skills in machine maintenance and technology management, especially in agri-food. Service focused firms are also increasingly reliant on digital and technical skills. Recruitment, particularly for digital and technical skills is an issue for businesses across all sectors, as requirements change and alongside high employment levels. As businesses continue to evolve and adapt to new technologies and markets, the Marches needs to ensure that all its residents, including those in work, and firms have access to new skills and opportunities to retrain and upskill.

Currently the Marches has a strong mid-level and technical skills and jobs base with fewer people than average with low skills. There are just over 35 per cent of residents with NVQ Level 2 and 3, against the UK average of 32.8 per cent.<sup>23</sup> There is an excellent skills and education offer with high quality schools, diverse FE providers and growing HE provision both at FE colleges and in four dedicated HEIs.

At the same time, there are fewer highly qualified residents with around 35 per cent of residents with NVQ Level 4 and above compared to over 39 per cent in the UK.<sup>24</sup> Fewer residents are in top managerial or professional jobs – 29.4 per cent, compared to the UK average of 31.4 per cent.<sup>25</sup> There are inclusive growth challenges in the Marches linked to low wages – median annual pay is around £3,600 lower than the UK median and over 29 per cent of jobs earn below the Real Living Wage compared to 22.8 per cent in the UK overall.<sup>26</sup>

The Marches is an attractive location for families, with 5,000 more people moving to the Marches than leaving each year. However, younger residents tend to leave the area for university. Over 1,500 more 16-19 year-olds leave than move to the area each year. Younger residents in the Marches have lower skills than older age groups.<sup>27</sup>

The population of almost 700,000 is growing at a faster rate (3.9 per cent over five years) than the UK average (3.6 per cent over the same time period), with that growth concentrated in urban areas and particularly in Telford. Generally, the Marches has an older ageing population characterised by a higher proportion of residents aged 65 and over – over 22 per cent compared to around 18 per cent in the UK, and therefore an ageing workforce. There is a lower than average proportion of younger residents, with 11.4 per cent aged 25 to 34

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<sup>22</sup> ONS Annual Population Survey (APS) (2018)

<sup>23</sup> ONS APS (2018)

<sup>24</sup> ONS APS (2018)

<sup>25</sup> ONS APS (2018)

<sup>26</sup> ONS Annual Survey of Hours and Earnings (ASHE) (2018)

<sup>27</sup> ONS Internal Migration (2016-17)

compared to 13.5 per cent across the UK.<sup>28</sup> Telford and Wrekin has a younger age profile. An ageing population presents both challenges and business opportunities.

There remain pockets of deprivation in both rural and urban areas, and isolated communities close to major business clusters. Almost one in four neighbourhoods (24 per cent) in the Marches are in the most deprived 10 per cent nationally.<sup>29</sup> The main form of deprivation in Herefordshire and Shropshire is linked to housing, due to poor suitability and low affordability.<sup>30</sup> In Telford and Wrekin, deprivation is both more significant and multi-faceted, driven by challenges related to income, employment, education, health and crime.<sup>31</sup> Linking all residents and communities to opportunities is core to future success and inclusive growth in the Marches.

#### CASE STUDY

SBC Training has developed a new engineering and manufacturing training centre in Shrewsbury. The centre is focused on providing skills for the advanced manufacturing sector and provides access to modern industrial standard machinery and equipment with a new mezzanine floor, capital machinery and tooling. The project is expected to deliver 36 apprenticeships and 60 additional qualifications, and support 30 businesses by March 2021.

#### CASE STUDY

Arctic Circle, a Hereford based manufacturer of innovative low carbon solutions for the heat transfer market, is among a growing band of businesses encouraging more women into STEM sector careers. The company offers apprenticeships and takes on between two and four female apprentice engineers each year.

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<sup>28</sup> ONS Population Estimates (2018)

<sup>29</sup> MHCLG Index of Multiple Deprivation (IMD) (2019)

<sup>30</sup> MHCLG IMD (2019)

<sup>31</sup> MHCLG IMD (2019)

## CASE STUDY

The Marches Construction Ready Project aims to introduce 400 skilled construction workers to the Marches area by training the long-term unemployed, students and people looking to make a career change into the construction industry. The construction manufacturing hub is based in Telford, where learners are taught key construction and offsite manufacturing skills. Learners are receiving the training necessary for the first stage construction processes for passive housing, which are advanced, low energy, draft-free buildings featuring high performance insulation to effectively eliminate heat loss. Most of the heating in these properties come from sunlight, electrical appliances and even body heat, meaning almost no heating systems are required.

## CASE STUDY

In partnership with the Princes Trust, Cag Gemini deliver the Future Leaders programme, designed to equip young people with the skills, confidence and leadership to live, learn and earn. It specifically targets young people who may not have found employment, may be under-employed, or at a trajectory below their potential. During the pilot phase, this has helped 80 young people develop crucial life skills to help them find employment.

## Aims and actions

The Marches is committed to further raising skills levels by attracting new talent through investments in housing, infrastructure and place making. To support inclusive growth in communities, the Marches will ensure that existing residents in the workforce have access to opportunities to continue to develop and adapt their skills at all ages. It is important that the Marches recognises that businesses require a range of skills, including digital, technical, leadership and management. This may involve championing new approaches to vocational education and training.

As institutions, universities and FE providers have a major role to play in the success of towns and rural communities in the Marches, in engaging with schools to help young people understand the careers that are available and support employability skills and work readiness by providing routes to experience work. The growing HE presence and better awareness of local opportunities is vital to retaining talent in the Marches.

The LEP's Skills Advisory Panel is providing an evidence-based opportunity to inform curriculum development to support growth sectors, shape careers guidance and demonstrate the opportunities that exist in the local business base. Through engagement with businesses via sector groups and the Skills Advisory Panel, the Marches will continue to develop an understanding of the changing digital and technical skills needed by local businesses.

The Marches and local partners will:

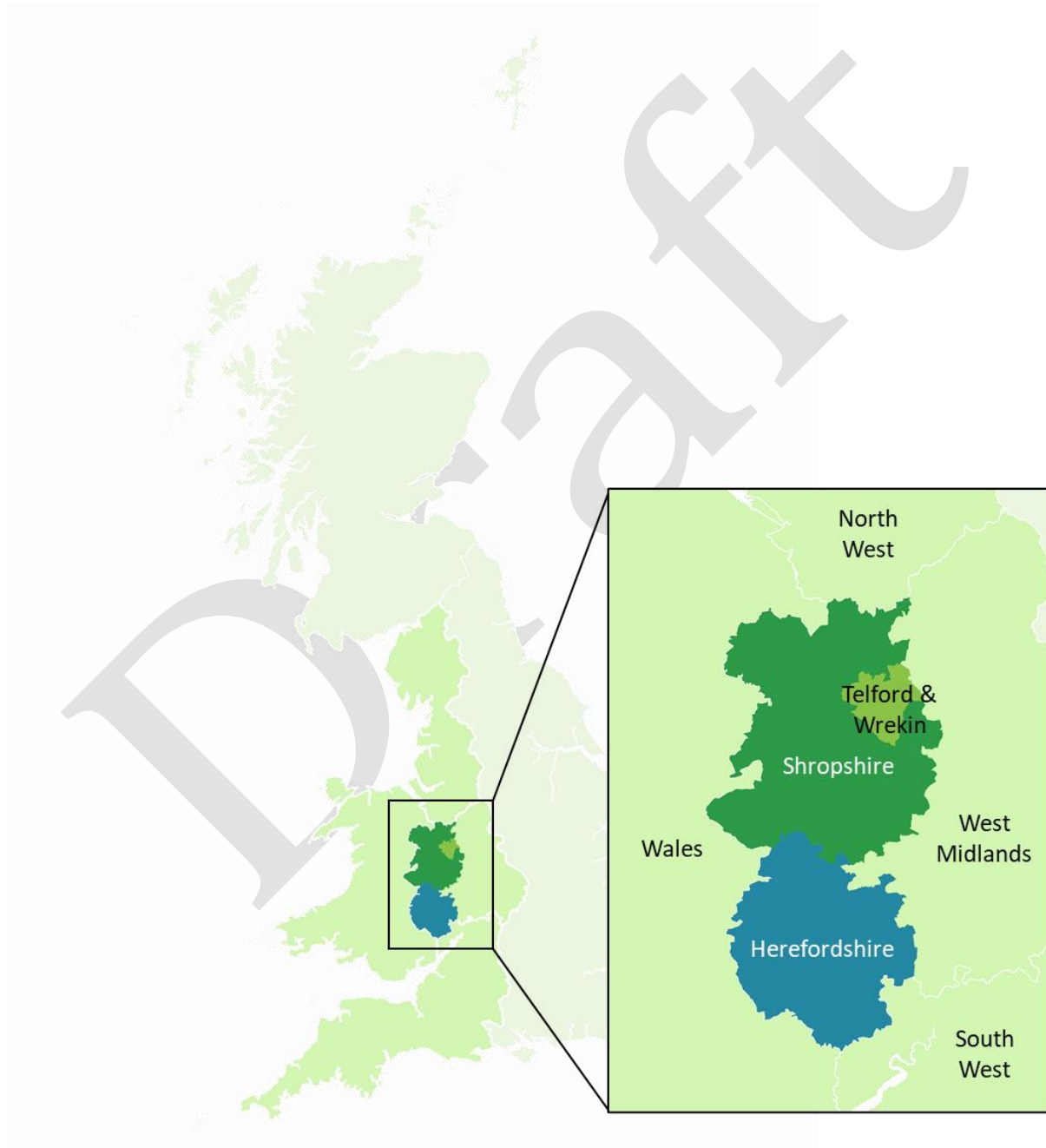
- Support collaboration between providers and businesses, including tailored course modules to provide the digital and technical skills that are now core to manufacturing and engineering, food production, cyber security and resilience, and health and social care.
- Explore workforce and skills focused collaboration between businesses in advanced manufacturing and engineering, and agri-food and agri-tech, such as through 3-6 month work experience placements for school/college/university leavers in different areas. This could include developing a joined up and coherent message around the benefits of seasonal workers and the need to expand recruitment.
- Support reskilling programmes, which are accessible for people at all stages of their working lives and are available for those in work, and support expanded and enhanced FE and HE provision through capital investment in facilities to address the major opportunities identified in this strategy. The design of these programmes will include further work on raising awareness of opportunities, particularly amongst cohorts who have experienced barriers to reskilling.
- Build on the existing work of local authorities and Careers and Enterprise Company programmes to implement a scaled up “Future Leaders” scheme, designed to offer 13-14 year olds the opportunity to engage with local businesses through short-term mentoring, workplace experience and real-world problem solving projects, developing employability skills and learning about local opportunities for successful careers and enterprise opportunities. This could involve exploring the potential for a scheme specifically focused on improving awareness of local career opportunities in the environmental and sustainability sectors.



## Infrastructure

The Marches has excellent strategic economic links between the Marches and the North West, West Midlands, South West and Wales. Improved infrastructure and connectivity in the Marches is vital for the sustainable future of both rural and urban communities, particularly given the need to transition to a zero carbon economy. The Marches LEP is in the early stages of working with Government to deliver a new Marches Growth Deal.

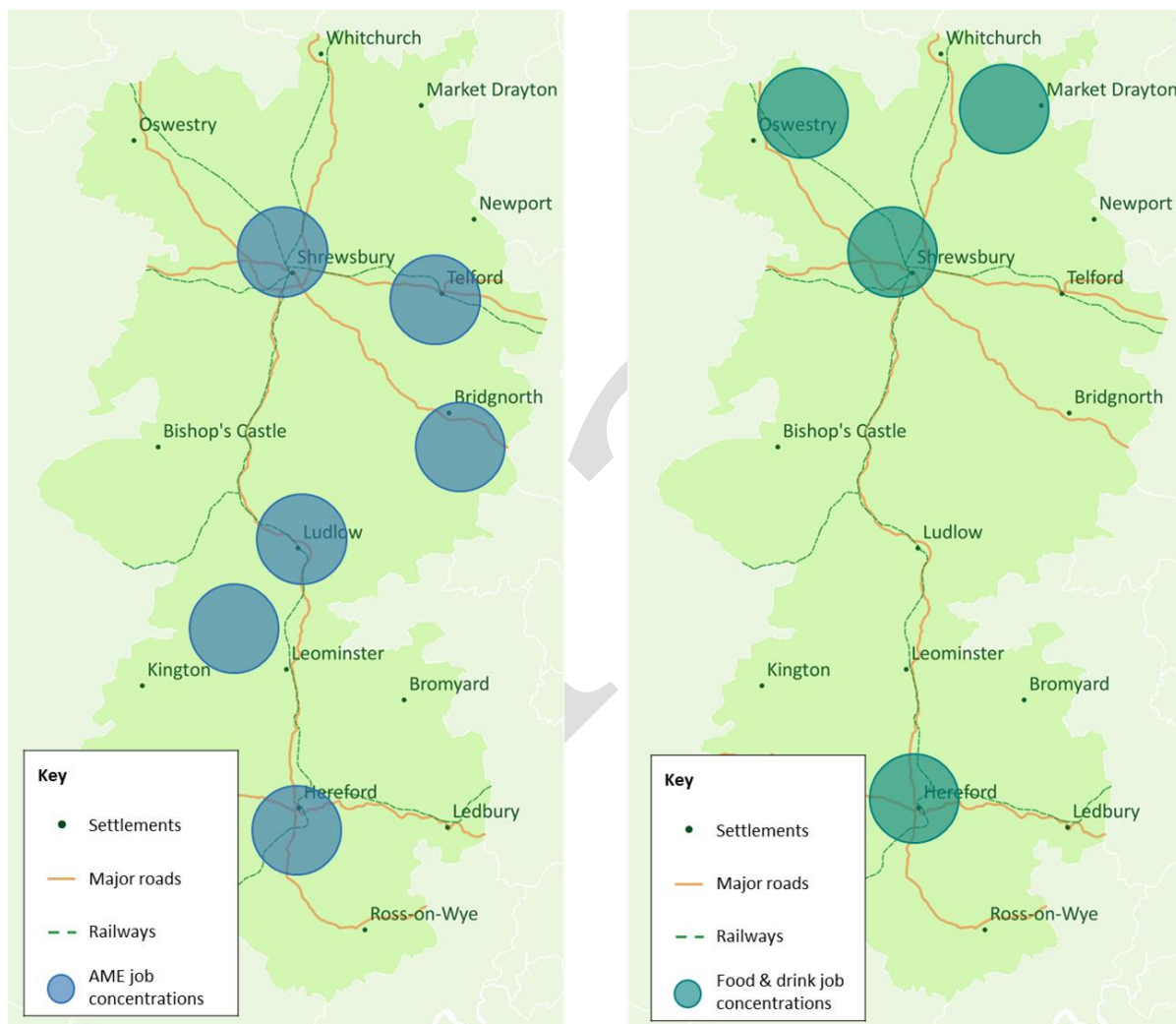
**Figure 2. Strategic economic links**



The availability, frequency and reliability of public transport, including both buses and rail, present challenges for both residents accessing employment and education, and businesses.

The changes needed to improve productivity and competitiveness in advanced manufacturing and engineering, agri-food and agri-tech, and cyber security and resilience, require ongoing and improved connectivity to the markets and supply chains that they serve to retain their competitiveness. As just in time supply requirements and distribution factories of the future are adopted by more of the OEMs, large food manufacturers and retailers that supply chain firms in the Marches serve, there will be greater urgency for infrastructure investment to connect points of productivity to wider markets.

**Figure 3. Concentration of jobs in advanced manufacturing and engineering (AME) and food and drink manufacturing**



The Marches and local partners have successfully secured investment to extend superfast and ultrafast broadband coverage in recent years. Good progress has been made towards the target of 96 per cent coverage for high speed broadband, but coverage remains uneven and digital connectivity is a challenge for rural businesses and communities. Rural areas, particularly in south and west Shropshire and much of southern Herefordshire, tend to have the lowest download and upload speeds, whilst higher speeds are found in urban areas, particularly in parts of Telford. Mobile phone coverage is lower in the Marches than the national average with only 66 per cent of premises with access to indoor 4G services,

compared to 79 per cent nationally.<sup>32</sup> Coverage is lower in Shropshire and Herefordshire, which are largely rural and topographically challenging.

There are challenges around the availability and type of housing for key workers. Housing affordability is mixed with low affordability in some areas, including Herefordshire and Shropshire, with median house prices up to nine times median wages (a ratio of four is considered to be affordable).<sup>33</sup> This is driven by similar median house prices to the UK but lower wages. High housing costs relative to wages mean that average commuting times are often long, with workers travelling into the Marches from more affordable surrounding areas. This is more prevalent in some sectors, such as agriculture and food production. The redevelopment of brownfield land should be considered for both new housing and employment sites.

Energy consumption is already high in areas with a concentration of industry and housing. A constrained electrical grid, in terms of both generation and supply, and lack of gas in some rural areas, are barriers to commercial and residential development. Businesses sometimes face challenges around consistent energy supply, which is critical to support the increasing use of industrial sensors as part of automation. High energy costs and rurality also mean that fuel poverty is more prevalent – 11.7 per cent of households compared with the UK average of 10.9 per cent, particularly in certain communities.<sup>34</sup> There are also growing concerns linked to climate change, especially water availability, particularly in agriculture and manufacturing.

#### CASE STUDY

The Shrewsbury Integrated Transport Package aims to reduce the volume of traffic flow through the town, improving air quality. It also aims to encourage sustainable methods of transport by adding missing links to current pedestrian and cycle routes. A major infrastructure project in Shropshire is the North West Relief Road, which will provide a new, single carriageway road, linking the northern and western parts of Shrewsbury.

Telford Eastern Gateway is a £5.2m infrastructure project, which is key to maximising the opportunity linked to the Jaguar Land Rover site just 12 miles to the east of Telford. It has opened up the potential of the 31Ha T54 development site near M54 Junction 4 and brings wider economic benefits to the automotive supply chain. The project aims to deliver around 3,400 new jobs and 1,400 homes.

The Straight Mile cycle and walking route in Rotherwas was launched in October 2019 alongside a new flagship Park and Choose site. The projects are part of an Area Travel Plan for Rotherwas, which aims to reduce the number of car journeys to Skylon Park and increase the number of people walking or cycling to work. A new electric charging network has also been installed.

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<sup>32</sup> Marches Digital Strategy using Ofcom (2019) data

<sup>33</sup> ONS House price to residence based earnings ratio (2018)

<sup>34</sup> BEIS (2017)

#### CASE STUDY

Through grant funding, Telford battery pack manufacturer AceOn is engaging in electric vehicle and battery storage. The BMZ Group, a leading lithium-ion battery system manufacture, is expanding its activity in the UK energy storage market by partnering with AceOn. AceOn has expertise in R&D and manufacture of intelligent battery systems and solar products. Service care and installations will be central to this partnership with AceOn training local installers at their Telford Training Centre.

#### CASE STUDY

Nuplace are a quality lettings company, owned by Telford and Wrekin Council, offering high quality homes for private rent across the borough. The company builds and manages the homes, meaning that the properties are modern and purpose built for the rental market with customers' needs in mind. Nuplace offer secure, long-term tenancies. There is a strong focus on community and safety with good access to schools, shops and amenities. On offer are two, three and four-bedroom houses and apartments with a number of properties available for affordable rent. Developments include Pool View in Randlay, Woodland Walk and Miners Walk in Madeley, The Oaklands in Dawley, Coppice Court in Snedshill, Springfields in Newport and Blossom Walk in Hadley.

#### CASE STUDY

Wire Electric Supplies, an electrical coil winding business in Telford, received a £20K Business Growth Programme grant via the Marches Growth Hub, drawing on Marches and Gloucestershire Broadband Grant Scheme, funded by European Regional Development Fund. The grant was used to help fund a new production line, increasing production capacity by 25 per cent, boosting efficiency and creating five new jobs.

#### CASE STUDY

Herefordshire Archive and Records Centre invested in the installation of a solar panel electricity system. The photovoltaic cells convert energy into electricity, even on an overcast day. This intervention has saved around £6.5K and 17 tonnes of carbon dioxide per year.

## Aims and actions

The Marches has clear priorities for developing the strong physical and digital infrastructure necessary to support the transition to clean growth and sustainability, and improved productivity. The Marches and local partners will:

- Deliver the priority schemes for future investment, including bypasses, dual carriageways, alternative road routes, and frequency of rail services, set out in The Marches Strategic Economic Plan 2019.
- Deliver The Marches Digital Strategy, prioritising connectivity, digital innovation, digital skills and investment, and using new technology to continue to work towards tackling digital connectivity for rural communities and businesses, positioning the Marches as a testbed for new broadband and mobile connectivity technologies.
- Ensure the availability of commercial land, based on a strategic assessment of local need, particularly in market towns and deliver the commitment to build 54,400 new homes by 2038, including becoming an exemplar area for energy efficient new homes and retrofitting rural homes to improve efficiency and reduce fuel poverty.
- Work with partners, including cross-border working with the West Midlands Combined Authority and Black Country authorities to help bring forward developments, particularly the delivery of infrastructure to support strategic growth.
- Deliver The Marches Energy Strategy, including working with agriculture businesses to maximise opportunities for collective solutions to water and energy management, energy self-sufficient farm and food businesses, and using expertise in water management as both an export opportunity and to drive productivity and sustainability in local businesses.
- Work with Government, the Environment Agency and the River Severn Partnership to explore the potential for a major infrastructure project to support economic growth along the Shropshire to Gloucester corridor through strategic flood resilience management.
- Build on the existing work of local authority partners to develop and implement a Climate Change Action Plan, supporting businesses, residents and anchor institutions to reduce carbon emissions and resource use.

## Business environment

The Marches has a growing reputation as a great place to invest and do business. Businesses see the Marches as a supportive place to locate and grow, with high survival rates (48.9 per cent survive after five years), which is above the UK (43.2 per cent) and West Midlands (44.4 per cent) averages, and high levels of business activity – 11 per cent more businesses per person than the UK and 24 per cent more than the West Midlands.<sup>35</sup> The Marches has fostered strong SME business networks and is building collaborative approaches to shared business issues such as recruitment and workforce development, and the opportunities provided by the circular economy. Local partners are committed to helping more businesses to start and grow, including exploring alternative business models, such co-operatives and social enterprises.

In common with most parts of the UK, there is a strong base of micro businesses (89.6 per cent of all businesses)<sup>36</sup> which are significant employers with over one in four jobs.<sup>37</sup> The Marches is also home to major large, international companies, including ABP Food Group, Avara Foods, BAE Systems, Capgemini, CML, Culina, Denso, GKN, Heineken, Kuehne and Nagel, Magna Cosma, McConnel, Müller, Ricoh and Special Metals Wiggin.

There are lower levels of business start-ups and growth. The business birth rate in the Marches is 9.7 per cent, compared to 13.1 per cent in the UK,<sup>38</sup> and there are relatively low levels of scaleups.<sup>39</sup> Across a range of sectors, businesses report that access to advice and support to help export, grow and make the next step up is particularly important in rural and market town areas where private sector advice and networks are less available.

Businesses in the Marches export £1.8bn of goods or £9,311 per full-time employee,<sup>40</sup> and £737m of services or £3,910 per full-time employee.<sup>41</sup> This is higher than some comparator areas but lower than other parts of the UK. Businesses are highly reliant on exporting goods to the EU – almost 76 per cent of total goods exports.

Local partners are committed to ensuring that businesses have the publicly and privately funded support they need in an important period of transition. In practice this means the three local Business Boards, two Chambers of Commerce, Federation of Small Businesses (FSB), National Farmers' Union (NFU) and sector groups working together to avoid duplication and effectively target businesses that have the most potential and need support. This will also involve local schemes supporting entrepreneurship amongst young people, such as the Shropshire Youth Support Trust.

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<sup>35</sup> ONS Business Demography (2017)

<sup>36</sup> ONS Business Counts (2018)

<sup>37</sup> ONS special request (2019)

<sup>38</sup> ONS Business Demography (2017)

<sup>39</sup> Scaleup Institute (2018) The Scale Up Index

<sup>40</sup> HMRC Growth Hub Data (2015) and ONS BRES (2015)

<sup>41</sup> ONS Service Exports (2016) and ONS BRES (2016)



## CASE STUDY

The Marches LEP established the Marches Growth Hub to provide easy access to business advice and support. A website ([www.marchesgrowthhub.co.uk](http://www.marchesgrowthhub.co.uk)) and enquiry line (0345 6000 727) provide a wealth of information for businesses whatever their size, sector or stage of growth.

To enhance this virtual support, there are three physical Growth Hubs situated in Hereford (supported by Herefordshire Council and the University of Wolverhampton), Shrewsbury (supported by Shropshire Council and University Centre Shrewsbury) and Telford (supported by Telford and Wrekin Council and the University of Wolverhampton). Here, hub staff and partners provide face-to-face advice, access to follow up and specialist services, host a wide range of business events and provide hot desk facilities and meeting rooms.

The Marches Growth Hub has been recognised by government as one of the best performing Growth Hubs within its funding band. It benefits from:

- A low-cost, high-return model due to partner contributions;
- Sound public and private sector partnerships and governance arrangements;
- Effective co-ordination of business support provision and efficient signposting to partners;
- Highly regarded physical premises; and
- Successful client engagement through effective promotion and marketing, including a strong social media presence (Twitter @marcheshub and Facebook @marchesgrowthhub).

It has a proven track record of supporting SMEs and supply chain firms. For example, Planet Doughnut, a small food producer and retailer, received support to secure a new unit at the Food Enterprise Centre and a kiosk in the heart of Shrewsbury's shopping centre. Bond Retail Services Group, a commercial refrigerator manufacturer servicing major UK supermarkets, was supported in creating an app to track equipment improving productivity, and to secure grant funding to create new jobs and expand premises.

## CASE STUDY

Private and public sector organisations are working together in Telford to help businesses across the region to improve their environmental performance and reduce their carbon footprint. BESST is a not-for-profit business network which works to promote an environmentally aware business culture, whilst supporting companies to boost their competitiveness and make financial savings. It works in partnership with the Marches LEP, Environment Agency, Shropshire Wildlife Trust and Sustainability West Midlands.

### Aims and actions

The Marches Local Industrial Strategy sets two broad priorities for business growth. Firstly, to increase the numbers of businesses that are growing and the number of high growth potential start-ups. Secondly, to improve productivity through helping businesses to adapt to and maximise the opportunities that economic, technological and environmental change will bring, particularly in the major opportunity areas set out in this strategy – advanced manufacturing and engineering, agri-food and agri-tech, and cyber security and resilience. Improving skills levels and developing high quality infrastructure are also key to supporting businesses in the Marches.

To deliver these aims, and building on the work of the existing successful Growth Hub to further boost business growth and productivity, the Marches will:

- Continue to offer general business support to all businesses through the three high performing Growth Hubs, including accessing grant funding and leadership and management development opportunities.
- Introduce new programmes of support alongside existing Growth Hub services. These should target high growth potential firms, including in manufacturing and agri-food supply chains, particularly focused on the move to low carbon/electric and autonomous transport and agriculture. This will complement the innovation growth fund described in the Ideas foundation. It will also include new support for SMEs and micro firms with the potential to grow who could export but do not currently do so and may not be reached by existing central Government support. In designing new programmes, further work will be carried out on disaggregating and targeting particular cohorts of businesses, in terms of size, location and sector.
- Explore a Marches package for young entrepreneurs with accommodation, incubation space, business support, targeted advice and business seed funding.
- Further develop the Food Enterprise Centre to encourage scale ups through investment, support and grow on manufacturing space for small batch production.



- Collaborate with the Black Country and Stoke and Staffordshire LEPs to introduce a programme of support for supply chain firms and their development.
- Build networks by expanding Agri-tech West, Marches Business Environment Network, Marches Nature Partnership and BESST, and grow networks of cyber companies across Cyber Valley.

Draft

## 4. Implementation

The Marches Local Industrial Strategy focuses on the priorities and actions needed to deliver ambitions in the Strategic Economic Plan (March 2019) to improve business productivity and transition to a cleaner, more inclusive economy.

Delivering these actions will continue the journey that the Marches has taken in the last few years, building on strong local partnerships. This strategy has been developed in collaboration with a wide range of local partners, including businesses, education and training providers and local authorities.

The Marches LEP and local partners will prioritise existing and future funding. Implementation will be overseen by the LEP Board, with individual local authority and other partners leading on relevant projects and programmes.

It is important that communities, third sector groups and businesses continue to be fully involved. The Marches LEP will continue to work with the three local Business Boards, two Chambers of Commerce, FSB, NFU, and sector groups, which bring together FE providers, HEIs and businesses, to implement the actions needed to maximise the opportunities and address the challenges in the Marches economy.

The Marches LEP will set up a robust monitoring and evaluation process to assess the performance of projects and programmes in order to ensure that these are targeted and effective.

This Local Industrial Strategy does not include any new spending commitments outside of existing budgets. Instead, it will inform the strategic use of local funding streams and, where relevant, spending and decisions at the national level. Where actions are locally led, these will be drawn from local budgets which exist for those purposes; where actions are shared between the Marches and Government, they will be funded from existing local and departmental budgets, with funding allocated for those specific purposes.