

Shropshire's Economic Growth Strategy



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Foreword

A personal message from the Chair of the Business Board

“We are excited to have had the opportunity to work with a whole range of organisations, including the private, public and voluntary and community sectors to create a business led economic strategy for Shropshire, founded on a robust and detailed economic review of the area – truly an evidence based strategy.

Additionally, many of you have told us what you think are the important issues and opportunities, and we have listened to businesses both individually and at the Shropshire Business Summit, as well as Voluntary and Community Sector organisations, Registered Social Landlords and public bodies operating in Shropshire, in particular Shropshire Council.

We would like to thank everyone who has worked with us to make this strategy one that Shropshire, most especially our businesses, can share in and believe. We want the business community to take the driving seat in creating a better future for everyone. We now need your help to deliver the vision.”

Mandy Thorn

Chair of the Shropshire Business Board





Introduction

This strategy takes a new approach to past strategies relating to the economy of Shropshire, where the emphasis was mainly on how money for regeneration would be spent. It has been drafted from the perspective of the business community and focusses on unlocking capacity and resources from what we already have, with a recognition of the important role the public sector has to play in creating the conditions for growth.

It is based on a combination of what businesses have told us they think, what we have heard from you and a long hard look at the facts relating to our economy and future trends.

It establishes a vision and priorities for partners to work towards over the life of the plan to 2026, responding to the Europe 2020 Strategy and aligning it with our Shropshire's Development Plan, which provides a strategic spatial framework for growth.

Our business plan will span the next three years and will become a rolling programme of actions over the life of the strategy to support us to achieve our longer term goals, many of which are around investing in our infrastructure needs.

Our heritage, visitor economy and enterprise density means that we have a fairly resilient economy, however our relatively low Gross Value Added per head and wage levels and infrastructure constraints means that we need to take advantage of the many opportunities before us so that we can realise our full potential.

In recognition of our beautiful environment and characteristic vibrant market towns, sustainable development is a central plank of this strategy, because if, in increasing the social and economic wellbeing of the people of Shropshire we destroy the environment – the landscape, its biodiversity, its communities, culture and heritage – then we will have failed.

Equally, whilst there are many new opportunities for economic growth in our strong enterprise culture and our 'growth' sectors, if our larger employers and towns are ignored then the overall strategic objective will not be realised.

Our analysis shows us that three priority objectives, business growth, skills development and new infrastructure investment underpin our economy and that these need to be pursued vigorously alongside a stronger focus on our land based and quality of life sectors to achieve greater economic resilience and growth.

It will not be surprising to many that business growth, skills development and new infrastructure development and a focus on those sectors which play to Shropshire's strengths are seen as the key principles for driving economic growth, but we have really tried to look at how we deliver them with fresh eyes, commercial focus and a new determination to make a difference.

Building growth and prosperity requires co-ordinated action from all sectors. However, we recognise that companies and the workforce remain the key drivers of economic growth, particularly with the on-going pressure on consumer and public expenditure.

The problems we collectively face are all too apparent with continuing downward pressure on consumer spending and public expenditure and a shift away from public sector employment mean that it is essential that this strategy and its delivery, is driven by the business community, the Council and other public sector bodies along with our communities and the voluntary and community organisations across Shropshire.

We need your help to communicate this strategy widely in order that the Business Board might positively influence other important strategies relating to the future of Shropshire, such as the Employment and Skills Strategy and the Visitor Economy Strategy by encouraging the adoption of a business focus and ethos of sustainable development.

“Join us in helping making
our vision a reality”



**The important elements of
the Strategy are set out in a
summary on the following
pages for ease of reference.**

Our strategy in summary

Our vision: **Shropshire's economy is sustainable and businesses are competitive and resilient.**

What do we want to see happen

- 1 People in Shropshire will have access to better-paid and more secure and satisfying employment, including self-employment, in their local area, with a reduction in the numbers of the long term unemployed.
- 2 Our local workforce will possess the skills and knowledge they require for work, and be able to access training to gain new skills that match the needs of employers.
- 3 Shropshire will be widely recognised as a great place to live, work, invest and visit.

1 Accelerating business growth

What do we want to see:

- More businesses connecting and working with each other to strengthen local supply chains, including supply chains around our larger companies, with an increase in local spend and resilience.
- Entrepreneurship and inventiveness become more widespread with businesses that make use of a sound knowledge base to recognise and exploit opportunities (including exporting) and supported by effective, simplified business advice and support.
- A rebalance of the Shropshire economy to increase the proportion of private sector employment.
- More businesses relocating or choosing to expand and grow in Shropshire.
- A choice of quality service providers delivering locally to meet identified local need.
- Development of strong research and development links between our academic institutions and the business community particularly our micro and small and medium sized enterprises.

2 Infrastructure for growth

What do we want to see:

- Businesses and home workers that can work more flexibly through the use of improved superfast broadband, improved telecommunication networks and transport links.
- Shropshire is widely perceived as one of the best visitor destinations as well as an excellent place to do business.
- Quality work space / infrastructure available for businesses at every stage – including incubators for start-up, innovation centres and space for growing businesses to expand into and cluster.
- Appropriate and affordable housing in the right places, together with adequate and reliable utilities enabling existing and future businesses to grow and thrive.
- Opportunities created by a developing low carbon economy are maximised.

3 Stimulating our growth sectors

What do we want to see:

Business growth in our 'opportunity sectors' :

- *Land based industries, that is:*
 - food and drink manufacturing companies
 - green economy
 - land owners and farmers
- *Quality of Life sectors, that is:*
 - the visitor economy
 - creative and cultural industries
 - the care industry
- Increased growth and wealth creation from our growth sectors listed above.
- More knowledge based employment and increased productivity, innovation and GVA from these sectors.

4 Our skilled and loyal workforce

What do we want to see:

- Demand for skills is met by well qualified, work ready people, with the right skills to meet changes in economic demand and emerging opportunities.
- Higher quality jobs with higher salaries to attract and retain a loyal and well qualified workforce.
- More, high quality opportunities in higher education available locally aligned to our opportunity sectors.
- Local talent being retained and nurtured further.
- More people previously in long term unemployment in sustainable jobs, particularly in areas of deprivation.



Our vision:

Shropshire's economy is sustainable and businesses are competitive and resilient

What do we want to see happen ...

- **People in Shropshire will have access to better-paid and more secure and satisfying employment, including self-employment, in their local area, with a reduction in the numbers of the long term unemployed.**
- **Our local workforce will possess the skills and knowledge they require for work, and be able to access training to gain new skills that match the needs of employers.**
- **Shropshire will be widely recognised as a great place to live, work, invest and visit.**

Our approach to delivering our vision is based on four key areas – accelerating business growth, infrastructure for growth, our opportunity sectors and our skilled and loyal workforce. A detailed business plan will provide the focus for our activities around these priority themes, and will build on everything that is already special about Shropshire to maximise the potential for our businesses and our economy long into the future.



This does not mean that other work to help the economy grow will not happen. There is already a lot of good work going on in the county that will contribute to our vision and outcomes.

We will build on the work being done across Shropshire, Herefordshire and Telford and Wrekin through the Marches Local Enterprise Partnership, and the embryonic tri-county work with Staffordshire and Worcestershire.

The business plan will be regularly monitored by the Business Board and Shropshire Council's Enterprise and Growth Scrutiny Committee so that as the positive impacts of work against each priority begin to be felt, other issues can be focussed, on in a rolling programme of economic growth.



Our priorities for growth:

Priority 1: Accelerating Business Growth

What do we want to see happen?

- **More businesses connecting and working with each other to strengthen local supply chains, including supply chains around our larger companies, with an increase in local spend and resilience.**
- **Entrepreneurship and inventiveness become more widespread with businesses that make use of a sound knowledge base to recognise and exploit opportunities (including exporting) and supported by effective, simplified business advice and support.**
- **A rebalance of the Shropshire economy to increase the proportion of private sector employment.**
- **More businesses relocating or choosing to expand and grow in Shropshire.**
- **A choice of quality service providers delivering locally to meet identified local need.**
- **Development of strong research and development links between our academic institutions and the business community particularly our micro, small and medium sized enterprises.**

Why is this important

Shropshire has many great businesses but many others who have yet to realise their full potential. This gives us a great opportunity for economic growth through more targeted support for our larger businesses and harnessing our already strong culture of entrepreneurship through increasing aspirations and providing the conditions conducive to economic growth.

Many of our communities in Shropshire, particularly in our smaller market towns, are exceptionally dependent on a small number of large, highly successful, private sector employers, across a wide range of sectors. This means that a relatively high proportion of jobs in Shropshire's towns are with these large companies. Having more of a focus on these large companies, will help to ensure that they stay in Shropshire and are able to grow and respond to changes in their markets. This is of particular importance in an environment where public sector spending is reducing, due to fiscal restraint.

Shropshire has a strong small business base reflected by the high level of self-employment, sole traders and family enterprises. This, in part, reflects the high quality of rural life in Shropshire and the fact that many people want to live close to where they earn their living and has made Shropshire more resilient during the recession compared to other areas.

Even so, Shropshire businesses have been impacted by the economic downturn, with business closures exceeding business start-ups by a considerable margin and most smaller businesses not growing or planning to recruit in the near future.

To find out more about the evidence supporting this priority please go to www.shropshire.gov.uk/factsandfigures/priority1



What more do we need to do?

- Help our larger businesses to become more resilient to market changes, such as the current Euro crisis. We will work on removing barriers to growth and exporting and help more businesses to connect and trade in the rest of the UK and internationally, which will see increased profits, better resilience and lead to more and better paid jobs.
- Work across the county borders to achieve economic growth. We will look to improve inward investment opportunities, especially cross-border investment from Wales and the North West and the I54 corridor and create more Enterprise areas, such as that proposed at Cosford. The future investment potential in Shrewsbury is considerable, particularly in view of the county town's status as a Growth Point.
- More emphasis on helping to anticipate and respond where there is a danger of one of our larger companies relocating or being forced to close, in order to help to mitigate against any job losses and their effects, for example through much closer liaison between our larger businesses and the council and a stream lined rapid redundancy and recruitment response team.
- Explore new, innovative ways to deliver public sector services through Inspiring Partnerships and Enterprise (I,P & E), the new company being developed by Shropshire Council, to maintain both the range and quality of the services the council provides, as well as to protect and grow local jobs.
- Closer working between the Council and local communities to redesign services in a way that supports the local community to become more resilient.

- Increase money spent locally and strengthen local supply chains to ensure that the overall local economy is more resilient – we will capitalise on the rural nature of Shropshire and the location of many of our market towns by encouraging local people to spend more money in their local communities, to the benefit of their local economy. Buying ‘local’ provides producers with an income not tied to supermarkets or middle men and in particular supports farmers and farm diversification, and helps to keep money in the local rural economy.
- Build on our already strong business networks to offer improved opportunities for collaborative development into the future.
- There is already a high level of support for our small businesses, and those wishing to start up in business, to help and advise them through the more difficult early days. However, there is an opportunity to do more to attract and help people with a desire to be their own boss, to succeed, and perhaps in time, create more jobs for local people. We will put emphasis on encouraging and supporting our small to medium businesses and new business start-ups in the difficult early days and make it easier to find the right kind of business support including access to affordable finance.
- Small businesses require support to work with higher education, over and above workspace and finance, particularly to de-risk the first step a business might take into collaborative research and development. It is important to realise that knowledge and innovation can be used within non-knowledge based businesses to create a competitive advantage.



Priority 2: Infrastructure for growth

What do we want to see happen?

- **Businesses and home workers that can work more flexibly through the use of improved superfast broadband, improved telecommunications and better integrated transport networks.**
- **Shropshire is widely perceived as one of the best visitor destinations as well as an excellent place to do business.**
- **Quality work space / infrastructure available for businesses at every stage – including incubators for start-up, innovation centres and space for growing businesses to expand into and cluster.**
- **Appropriate and affordable housing in the right places, together with adequate and reliable utilities enabling existing and future businesses to grow and thrive.**
- **Opportunities created by a developing low carbon economy, are maximised.**

Why is this important

Our beautiful natural environment and imaginatively conserved build environment is valued both as a business asset and an inspiration for life. This together with our characteristic market towns and high quality private and state schools, means that Shropshire is a place where many people come to work or visit and make the decision not to leave. This gives us the benefit of a stable workforce reluctant to change jobs and businesses that choose to stay and grow in Shropshire.

Shropshire also offers value for money as a location to do business, with reasonably priced high-specification premises and, in most sectors, reduced recruitment costs due to low staff turnover, giving us significant competitive advantage. That said the rural nature of our county means that service provision can be challenging and expensive, with some towns in danger of becoming dormitories as levels of self-containment decrease.

Although Shropshire enjoys relatively easy access to major conurbations and airports, we need further investment in the road network and a direct rail link to London to fully realise this potential.

Given our rurality, the latest technological changes are extremely important to how we will communicate and trade both at home and abroad in the future, so we need to ensure that mobile phone and broadband provision across Shropshire supports our aspirations for growth and the way we choose to live and work.

Shropshire's environment itself gives rise to new economic opportunity for businesses, taking advantage of what makes us special, creating new sustainable development and low carbon activities based around our natural resources.

The availability of sufficient and suitable land and premises is fundamental in contributing to attractive localities, to draw investment by businesses and to support the housing needs of workers and carers.

What more do we need to do?

- Continue our work to bring super-fast broadband and improved mobile phone connectivity to as many people as possible in Shropshire, and increasing the numbers of start-up and grow on premises in every town, as it will mean that people can base their businesses anywhere in the county. These factors are a real incentive for many would-be entrepreneurs, including those Shropshire people who in the past may have moved away to study or work and are now looking to come back and establish their own business.
- Give Shropshire a much higher profile as a great place to live, work, invest and do business, to raise a generally low awareness of what Shropshire has to offer. This will help to attract more inward investment and increase visitor numbers and spend in Shropshire.

- Promote Shropshire's positive planning policies (e.g. our Sustainable Urban Extension policy) as a favourable backdrop against which to come and do business. A place where appropriate development which shares the benefits of growth with local communities, in particular the benefits brought about by the use of the Community Infrastructure Levy and the employment exemption.



- Work closely with the development industry, including housing providers, to bring forward over 26000 homes and hundreds of hectares of industrial land to be developed over the life of this strategy. This, in itself, will provide significant economic growth for Shropshire, with associated jobs and training opportunities.
- Work with Marches Local Enterprise Partnership and Tri County partners to bring about improvements in transport infrastructure, including more frequent rail links to London, and improve our electricity and gas supplies in areas where service is inadequate for business need.
- Supporting businesses and the community at large to be as energy efficient as possible, thereby lowering carbon emissions and allowing the money saved to be put to good use in other areas.

- Encouraging businesses to become more resilient to the changing climate, and respond to the creation of a low carbon economy.



To find out more about the evidence supporting this priority please go to www.shropshire.gov.uk/factsandfigures/priority2



Priority 3: Stimulating our growth sectors

What do we want to see happen?

- **Business growth in our 'opportunity sectors' that is:**

Land based industries:

- food and drink manufacturing companies
- green economy
- land owners and farmers

Quality of Life sectors:

- the visitor economy
- creative and cultural industries
- the care industry

- **Increased growth and wealth creation from our 'growth sectors' listed above.**
- **More knowledge based employment and increased productivity, innovation and GVA from these sectors.**

Why is this important

As a predominantly rural county, agriculture is a foundation for the local economy, with farmers and land owners serving a key role in the economies of rural areas. Agriculture is central to not only our rural tourism offer, because of its role in managing our beautiful landscape but also in producing the raw materials and finished products for premium quality local foods.

Our farmers and growers are inextricably linked to our strong and growing food and drink manufacturers, a sector with much growth potential, especially in view of assets such as the richness and diversity of local produce, our Food Enterprise Centre the Regional Food Academy, and Harper Adams University College's new Precision Livestock Centre.

Our unique environment provides opportunities in developing new industries related to the green economy, including alternative energy generation, low carbon industries, and advanced manufacturing, which whilst challenging, also offer considerable opportunity for Shropshire businesses. Whilst we must take care to retain and nurture what is special about Shropshire, it is evident that more than any time before technology and global trends are coming together to make our natural assets a source of real competitive advantage.

Shropshire already has a strong visitor economy, with food and drink an integral part of our offer and our county town of Shrewsbury being a particular draw. A recent study has shown there is potential to significantly increase visitor spend in Shrewsbury by as much as £275m per year. The study also gives us an insight into the level of opportunity across the whole of the county, including making the most of the legacy of the 2012 Olympic and Paralympic Games, and the rise of people taking short breaks and stay at home holidays.

Creative and cultural industries do well in Shropshire. We are already home to a large number of design, marketing and public relations businesses, but more can be done to encourage and support these types of businesses to grow and thrive, acting as a magnet to others.

People are living longer, and enjoying a better quality of life into later years. Shropshire attracts people who may be retiring earlier and have plenty to offer to communities either economically or socially, but this also represents a challenge to be addressed in meeting future and on-going care needs without a supportive family network.

To find out more about the evidence supporting this priority please go to www.shropshire.gov.uk/factsandfigures/priority3




What more do we need to do?

Many of the actions identified in the business plan will benefit all businesses (existing and potential) in Shropshire. However, as a general principle there will be more of a focus around these 'opportunity' sectors.

More work will need to be around these business sectors to consider where their real competitive strengths lie, so we can understand how we can take action to support existing businesses to grow, encourage new start-ups and look for opportunities to attract people from outside Shropshire to invest here, for example by developing and nurturing niche manufacturing enterprises around these sectors.

- Our county's tourism and leisure potential presents opportunities such as extending the holiday season, encouraging visitors to stay longer and spend more, and by developing more niche markets to widen Shropshire's appeal and capitalise on our national reputation for fine dining and programme of food festivals.
- Foster links between academia and business and encourage businesses to develop leading edge knowledge and technologies that give future commercial opportunities and enable businesses to compete in a progressively global marketplace. An example is the work being done at Shropshire's Harper Adams University College who provide internationally recognised education and training for young people in the agricultural sector.
- Prepare Shropshire for the shift towards a low carbon economy by understanding the issues and supporting businesses to be energy efficient and able to exploit associated opportunities.



Priority 4: Our skilled and loyal workforce

What do we want to see happen?

- Demand for skills is met by well qualified, work ready people, with the right skills to meet changes in economic demand and emerging opportunities.
- Higher quality jobs with higher salaries to attract and retain a loyal and well qualified workforce.
- More, high quality opportunities in higher education available locally, aligned to our opportunity sectors.
- Local talent being retained and nurtured further.
- More people previously in long term unemployment in sustainable jobs, particularly in areas of deprivation.

Why is this important

Business enterprise and our skilled workforce are our most important assets with evidence showing that there is a strong link between the quality of the workforce and how well an economy performs.

Some areas in Shropshire are not doing well. There are pockets of deprivation linked to long term unemployment and a general lack of ambition and confidence. This has a significant negative impact on the economy of Shropshire as a whole.

Although Shropshire benefits from a stable workforce, rapidly reducing numbers of people of working age in Shropshire makes economic growth more challenging. This increases the need to develop and improve the skills and career opportunities for people in Shropshire eligible for work and to encourage people with skills who may have left Shropshire at the start of their careers to return and make an investment in Shropshire.

Shropshire benefits from excellent schools and a high level of educational achievement, yet at present 20% of the population of Shropshire has no qualifications, with many of our employers regularly saying that they face skills shortage.

There is a lack of diverse employment and higher education opportunities. This, coupled with a substantial shift away from full-time employment to part-time jobs in the last two years and a recent higher than average drop in managerial jobs, contributes to a high level of people leaving to work elsewhere and commuting, and a perception, particularly amongst young people that there are not enough 'good' jobs' in Shropshire. Young people have also said that they want more and better help, advice and training to ensure that they are prepared for the world of work and that they have the skills that employers want and need.

To find out more about the evidence supporting this priority please go to www.shropshire.gov.uk/factsandfigures/priority4



What more do we need to do?

- Closer working between the council, schools and colleges, training providers, voluntary groups and employers to better align education and training with the needs of employers and future skills requirements, including tapping into the research and innovation expertise in neighbouring universities and increasing their activity in Shropshire.
- Significantly increase the number and range of flexible and affordable higher education and professional development opportunities available locally, to help raise the aspirations of young people in Shropshire and retain a pool of local talent with the skills and expertise to drive innovation and business excellence in Shropshire.
- Offering more vocational courses around the right skills and increasing opportunities for quality work placements.
- Increasing the number of different level apprenticeships in all sectors, especially in our small and medium sized businesses.
- Work through the Marches Local Enterprise and Tri County Partnerships to utilise new government initiatives to increase local funding for employers to boost skills training.
- Building on the Growing Graduates programme to support more young graduates to find jobs in Shropshire through a more collaborative approach to recruiting and training between businesses, the voluntary sector and the Council and other public bodies.
- Businesses, voluntary groups, social landlords, social enterprises and public bodies working more closely together with communities in areas of deprivation by raising confidence levels and improving the skill levels and work readiness of people who are long term unemployed or have never worked.

How we will deliver the strategy?

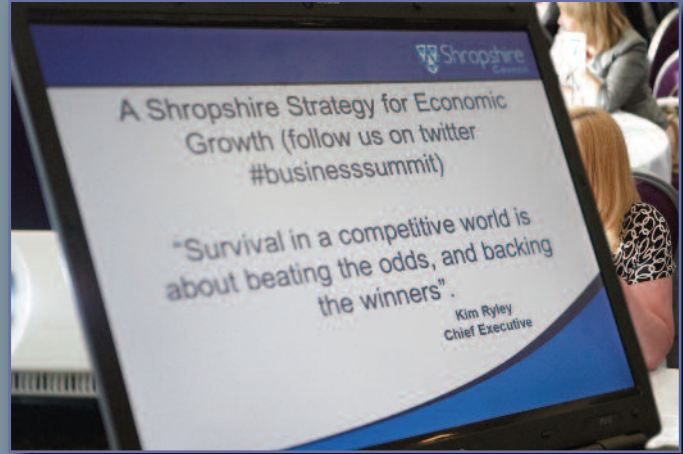
Economic growth, within environmental limits is an essential part of a healthy, well-balanced and prosperous society and it is in all our interests that we get this right.

This strategy does not stand alone, so we will work with others, such as the Health and Well Being Board to ensure that the economic, social and environmental aspects of all key initiatives are properly considered early in the process. Where appropriate we will work with our neighbours across the county borders and with our colleagues in the Marches Local Enterprise Partnership where there is a shared objective or where working together will have greater benefits than working on our own.

This is a strategy for growth which plays to our strengths and is endorsed by business for business. We will deliver it through our Business Plan by putting in place a rolling programme of targeted actions, support and resources to facilitate and assist the needs of business, to develop individuals and to reduce red tape and barriers to growth. We shall regularly monitor progress together and take additional measures as necessary to ensure that we resolve problems and exploit new opportunities as they arise.

If you would like to find out more about the Shropshire Business Board go to:

www.shropshire.gov.uk/businessboardnsf.nsf





For further information on the Shropshire Economic Growth Strategy,
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