



**Transforming Telford
Contractual Agreement Monitoring Report**

5 Month Report

April – August 2008/2009

Service Output Performance Overview

1. Introduction

1.1 Transforming Telford is required through the Contractual Service Level Agreement to provide monitoring reports on performance to the Council in Month 3, 5, 8 and 12. The format of this report is agreed with the Council and includes up to date extracts from the Priority Plan on “Strengthening the Economy and Skills”. Transforming Telford contributes to many of the sub priorities in this plan but particularly:

Sub Priority 1 – Encourage Investment, Innovation and Growth

Sub Priority 2 – Promoting the Area as a Business and Leisure Tourism Destination.

Annex 1 of this report highlights the progress against the Key Performance Indicators of these two sub priorities. Annex 2 and Annex 3 set out the details of progress against the plans.

1.2 This report covers **April 2008 – August 2008** of Transforming Telford’s performance.

2. Context - The National Economy

2.1 Official Treasury figures is showing the UK economy grinding to a halt between April and June – ending a run of 63 consecutive quarters of economic growth. The Bank of England’s new deputy governor, Charles Bean, has said that the economic downturn is as bad as the 1970s and might “drag on for some considerable time”. With:

- publication of government data last week showed the UK economy had ground to a halt in the second quarter of the year as households and businesses cut spending
- the oil shock, as the rise in oil prices reaches the same order of magnitude that we had to deal with in the 1970s,
- the annual growth rate in Britain having slowed to 1.4%, its weakest since late 1992 when the pound was forced from the Exchange Rate Mechanism on "Black Wednesday".
- recession technically defined as two successive quarters of a declining economy - Bean said it was "foolish to believe" that another downturn of that (Black Wednesday) magnitude could be prevented, although better regulation might help cushion the blow.
- more than a year since the credit crunch emerged – we have witnessed property prices slumping and triggering the near collapse of banks including Northern Rock and Bear Stearns in the US
- rising food and energy costs and disposable income very low
- manufacturing and construction contracted since the second quarter, and only the service sector barely expanding

- Bank of England governor, Mervyn King, predicting two weeks ago that inflation would rise to more than 5%
- the fear of recession pushing The Bank of England to cut interest rates later this year or early in 2009 as it's caught between the desire to tame inflation and the need to kick-start the economy.

The difficulties and challenges that we work on together with Telford & Wrekin businesses must be set in this wider regional, national and global context.

2.2 Context - The Local Economy

- (i) Locally, business is affected by varying degrees by these national and global factors: e.g.
- house building on major sites at Lawley, East Ketley and Millenium Village has slowed dramatically
 - local, commercial and industrial property agents report that enquiry levels have slowed
 - companies in the construction industry supply chain are seeing a sizeable downturn in orders
 - energy and transport costs are affecting profit margins

The Shropshire Chamber is currently surveying its members on the State of the Economy, which forms part of the British Chambers Quarterly Economic Survey. This will give us a more local trend picture and will be reported in the Autumn.

- (ii) It is too early to predict the impact all of this will have on Telford and whether our business base will be more or less resilient to these challenges. Interestingly, unemployment still remains low at 2.3% (July) and below regional averages. What is clear is that Transforming Telford, with partners, must continue to provide a flexible and responsive investment service to meet companies needs.
- (iii) In the next quarter October – December 2008 Transforming Telford will support the:-
- Telford Economic Development Partnership to consider the impact of the Credit Crunch and hear from the Bank of England, and local companies first hand on the issues.
 - Telford Business Partnership (TBP) to also consider this topic at its quarterly breakfast meeting and will work with Business Link to promote access to finance and wider Business Support
 - Business Environmental Support Scheme for Telford (BESST) to promote 'Understanding your Bills' and particularly focus on reducing energy and water costs
 - Telford and Shropshire Marketing Partnership to consider how to 'wake up your website' and the 'Power of PR'

- The new sector directors of Business Link to run seminars and workshops to support the manufacturing and leisure and hospitality sector.
- (iv) Work will continue to monitor the economic data trends for Telford. The Employer Survey completed and analysed in May 2008, gave a useful insight into the local employment structure, overseas investment, commuting patterns and the Top 100 employing companies. The annual update of the Economic Profile for the Borough will start in October and be completed early in the New Year. Robust economic data is essential to underpin policy development and support responses to regional issues. It also helps to develop the business case to attract public and private sector funding.

3. Economic Development Policy

- 3.1 During the past 5 months work has continued to raise the profile and increase our understanding of Telford's Economic issues.

The "Telford Business Review" in April attended by over 73 people updated local businesses on key economic facts and figures.

The Telford Economic Development Partnerships has met twice and considered:-

- The role and relevance of the City Region
- The importance of the 'Green' Agenda
- The opportunity of Sports Development and Investment with the Olympics and Telford Sports and Learning Community.

- 3.2 The Transforming Telford Investment Team has helped to represent the Borough's interests on:-

- City Region Core Officers Group
- Wolverhampton and Telford Technology Corridor
- AWM's Investment Proposals
- AWM's Business and Professional Sector Networks
- Regional Chairs Meeting of Destination Management Partnerships
- Regional Business Tourism Theme Group
- Shropshire and Telford 2012 Group
- Shropshire and Telford Destination Management Partnership
- Cultural Consortium for Shropshire and Telford
- Environmental Technologies Sub Regional Group

This work is crucial to position Telford and Telford's growth sectors of Tourism, Business & Professional Services Sector, Advanced Manufacturing, Polymers and emerging new sectors

- 3.3 Work continues to help the Council Refresh the 2026 Vision document from a Business perspective, support the Economy and Skills Priority Plan

and respond to other key policy changes such as the Sub National Review.

- 3.4 It will be important during in the next six months to review and refresh the Economic Development Strategy for Telford. This document produced in 2004 by Segal, Quince and Wickstead needs to reflect changes in the local economy and Telfords new aspirations for the future.

4. Economic Development Service

- 4.1 The Investment Team at Transforming Telford delivers a range of Economic Development Services on behalf of the Council

- 4.2 **Key Indicators** – Despite concerns about the overall economy, team performance to date against the key indicators is on target.

- (i) **Eight Investments** (April – August 2008) have been secured to date including:

- Wiltshire Farm Foods moved into a unit on Queensway Link on Stafford Park
- Advanced Surface Polymers relocated from Wrexham to Unit D5 Horton Park Industrial Estate
- Maxsys Ltd relocated from the Black Country to Telford and moved into Telford and Wrekin new offices at Donnington
- Lastar an American company subletting a unit at Hortonwood
- KDS Solutions moved from Shrewsbury into Hortonwood
- Smash Rooms, a new company moved into Ketley Business Park
- Warmflow, from Ireland and Manchester, signed a lease on a unit at Hortonwood
- Multisorb, from Warrington, signed their lease on a unit in Stafford Park.

- (ii) The **number of jobs created** (April – August 2008) from new investments currently stands at 85. These include jobs from Bohle, Nom and Weber. Further jobs are anticipated later in the year, particularly from Nom.

- (iii) **Seventeen business expansions** (april – August 2008) have been supported including:-

- Pandapack expanded into an additional unit at Tweedale Court
- Press Red Rentals have taken a unit at Court 2000 in Tweedale
- Ricoh increasing their workforce due to the investment in a new product line
- Wenlock Health and Safety, Business Watch Guarding Ltd, Adendi and Dodd Group have all won new contracts
- Shropshire UKTI moved into an office at the PTL building
- Mitak who have expanded their workforce
- Nfocus expanded into a larger office at the e-Innovation Centre

- Bowmore Zell moved into the e-Innovation Centre
 - Mahle Filter Systems relocated some of their Wiltshire based product lines and staff to their site in Telford, following closure of the Wiltshire site
 - Excalibur Engineering moved into Queensway Business Park
 - Windsor Life recruited new staff as part of their expansion plans
 - Simmonds Transport moved into International House on Stafford Park
 - Schneider Electric and Borgers who are expanding their workforces.
- (iv) The **number of jobs created by business expansions** (April – August 2008) currently stands at 57. These include jobs from Schneider Electric Ltd, Windsor Life and Ricoh with further jobs anticipated later in the year.
- (v) To date 65 **Strategic company visits** have been completed plus 160 other company visits. Due to the challenging economic conditions, the team will increase its visit programme activity in the next quarter.
- (vi) Performance Analysis
- Enquiry levels at Transforming Telford are beginning to show a slight downturn for both Inward Investment and business expansions. This mirrors reports by local agents and other partners.
 - The emphasis in the autumn will be to try and attract more investment from neighbouring areas
 - In July 2008 Transforming Telford completed its Annual Benchmarking Survey with other investment agencies regionally and nationally for 2007/8. Transforming Telford performs well across all indicators once data is adjusted to reflect population size.

4.3 Additional Support had been given to:-

- Promote Telford as a building technologies investment location at three national seminars run by Mtech
- Home HQ to establish a series of seminars to support a Home Entrepreneurs and a location in Ironbridge
- Host the UKTI Japanese team visit to Hozshizaki and Shimitzu
- promote 'Innovation' by sponsoring an Award at the annual Shropshire Business Awards
- Organise the British Japanese Parliamentary Group visit to Telford in October 2008
- Host a seminar with the Institute of Materials, Minerals and Mining to raise the profile of Polymers in Telford

4.4 Other Key Achievements include:

- Representing the Region at the Sisters Cities Festival in Chicago promoting the destination and the Ironbridge World Heritage Site
- Sponsoring the national Plastic, Design and Moulding (PDM) 3 day Exhibition and Conference was held in April, which Transforming Telford sponsored to raise the profile of Telford as the Polymer Central

- Supporting AWM on their exhibition stand at Foreign Direct Investment (FDI) Expo on 24th/25th June at Excel in London
- Successfully running 16 networking events attended by 599 delegates from 303 companies
- Producing a new World Heritage map for Visitors to the Gorge and revamping the Visitironbridge.co.uk website
- Handling 49 conference event enquiries with a return investment of £948,286 to the Destination
- Bidding with partners for additional resources for Tourism for the next three years including:-
 - £330,000 for the Destination Management Partnership from AWM
 - £420,000 for Business Tourism from AWM
 - £67,500 for Leisure Tourism from ERDF

Annex 1
Progress against Key Performance Indicators - April- August 2008/9

| Ref | Name | Baseline | 2008/9 Target | 5 Month | Comment |
|---|--|----------|---------------------------------------|---------|--|
| NI 151 | Overall employment rate (working age) | 73.00% | 73.5% | 73.00% | National statistics are released quarterly and reported 9 months in arrears. The most recent data released for 2008 reports a 73.00% employment rate. This is still above the regional average of 72.4%. |
| NI 166 | Median earnings of employees in the area (current regional average 3%) | 2.9% | 1% above national growth rate | NYA | Annual national statistics will be released November 2008 and reported December 2008 |
| NI 171 | New business registration rate | x | x | NYA | Annual national statistics will be released end of November 2008 and reported in December 2008 |
| NI 172 LAA2 | Percentage of small businesses in an area showing employment growth | n/a | Baseline and future targets to be set | NYA | This is a brand new data set and data will now not be available nationally until 2009. |
| INVESTMENT , INNOVATION AND GROWTH | | | | | |
| Local 1 | Keep GVA at 4.5% above West Midlands average (currently £15,325) | £16 003 | 4.5% above the West Midlands Average | NYA | The baseline target cannot be set until the new National Data is released. It is scheduled for release in 2009 and will be reported when released |
| Local 2 | The percentage of working age population claiming Jobseeker Allowance (currently 2.3%) to remain below regional average (currently 3.1%) | 2.1% | Remain below regional average (3.1%) | 2.3% | In July Overall unemployment rose from 2,285 to 2,365, this represents an increase of 80 people in the last month. There has been an overall rise of 46 people over the last 12 months. |
| Local 3 | Retain 21.7% of workforce employed in manufacturing | 21.7% | 21.7% | NYA | Annual national statistics are released in December 2008 and reported January 2009 |
| Local 4 | Increase % of workforce employed in banking, finance and administration from 19.2% to 19.7% by 2010/11 | 19.2% | 19.4% | NYA | Annual national statistics are released in December 2008 and reported January 2009 |

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|-----------------------------|--|-------|---------------------------------------|-----|---|
| Local 5 | Increase % of workforce employed in knowledge economy occupations from 36.8% to 37.3% (Standard Occupational Class major group) by 2010/11 | 36.8% | 36.9% | NYA | Annual national statistics are released December 2008 and reported January 2009 |
| Local 6 | Bring forward 10 acres of EP employment land by 2011 | 0 | 3.33 | NYA | EP is currently in negotiation on 5 sites which could bring forward approximately 17 acres of employment land |
| BUSINESS AND TOURISM | | | | | |
| Local 7 | Increase volume and value of business tourism | n/a | Baseline and future targets to be set | NYA | AWM will be undertaking volume and value research at regional and sub regional level. 2007 data is expected by January 2008 |
| Local 8 | Increase 1.6m visitors by 5% by 2010/11 | 1.6m | | NYA | This data is extracted from the volume and value research (see above) |
| Local 9 | Increase £105m spend by 5% by 2010/11 | £105m | | NYA | This data is extracted from the volume and value research (see above) |
| Local 10 | Increase number of visitors to World Heritage Site | n/a | Baseline and future targets to be set | NYA | Identified the way to collate baseline information and bid to ERDF to pay for study |
| Local 11 | Increase volume of bedspaces by 250 from 2921 to 3171 by 2010/11 | 2921 | 2971 | NYA | Premier Inn are building a new hotel at Donnington, creating 50 bedspaces |
| PROJECTS | | | | | |
| Local 12 | Woodside estate satisfaction levels (bi annual survey) | 63.4% | Biannual | NYA | This is a biannual survey and the next survey is due 2009 |

Annex 2

Progress Priority Plan, Sub Priority 1 Investment, Innovation and Growth - April – August 2008/9

| Actions for 2008/9 – 2010/11 | Timescale | Target for 2008/09 | Comments |
|--|------------------------------|---|--|
| Attract 69 New Investments and 500 jobs by providing an inward investment service | 2008/9 2009/10 2010/11 | Achieve 22 New Investments and 140 jobs | <p>To date we have secured 8 new investments including,</p> <ul style="list-style-type: none"> • Wiltshire Farm Foods moved into a unit on Queensway Link on Stafford Park • Advanced Surface Polymers relocated from Wrexham to Unit D5 Horton Park Industrial Estate • Maxsys Ltd relocated from the Black Country to Telford and moved into Telford and Wrekin new offices at Donnington • Lastar an American company subletting a unit at Hortonwood • KDS Solutions moved into Hortonwood • Smash Rooms moved into Ketley Business Park • Warmflow signed a lease on a unit at Hortonwood • Multisorb signed their lease on a unit in Stafford Park. <p>To date 85 jobs have been created by New Investment companies</p> |
| Gain funding to review and Renew the Telford Economic Development Strategy | 2008/9 | Agree with Telford Economic Development Partnership and TWC the way forward | We will work with Telford and Wrekin and the new Head of Economic Development to take this work forward |
| Support 87 Business Expansions and 340 jobs by providing an investor development service | 2008/9 2009/10 2010/11 | Achieve 28 Business Expansions and 100 jobs | <p>To date we have supported 17 Business Expansions, including:</p> <ul style="list-style-type: none"> • Pandapack expanded into an additional unit at Tweedale Court • Madeley, Press Red Rentals taken a unit at Court 2000 in Tweedale • Ricoh increasing their workforce |

| | | | |
|---|------------------------------|---|---|
| | | | <ul style="list-style-type: none"> • Wenlock Health and Safety and Business Watch Guarding Ltd who have won new contracts • Shropshire UKTI moved into an office at the PTL building • Mitak who have expanded their workforce • Dodd Group and Adendi both won new contracts • Nfocus expanded into a larger office at the e-Innovation Centre • Bowmore Zell moved into the e-Innovation Centre • Mahle Filter Systems relocated their Wiltshire Office to their site in Telford • Excalibur Engineering moved into Queensway Business Park • Windsor Life recruited new staff • Simmonds Transport moved into International House on Stafford Park • Schneider Electric and Borgers who are expanding their workforces. <p>To date 56 new jobs have been created by Business Expansions</p> |
| Identify the Baseline for NI 172 and set targets for 2009/10 - 2010/11 | 2008/9 | No target has been set | This is a brand new data set and data will not be available nationally until 2009. |
| Strategic Company Visit Programme Complete 315 company visits | 2008/9 2009/10 2010/11 | Complete 100 Strategic Company Visits | To date 63 strategic visits have been completed. |
| Gain funding to continue to provide a range of Business Environmental Support Scheme for Telford (BESST) services | 2008/9 2009/10 2010/11 | Secure funding to deliver events programme 2008/9 | Funding secured from the Environment Agency to run the programme for 2008/9. The network successfully ran 2 seminars in April and June, 'BESST Annual Review' and 'Ensuring Legal Compliance' These were attended by 76 delegates from 53 companies. |
| Provide existing level of support for Human Resources Network for Manufacturing companies | 2008/9 2009/10 2010/11 | Run 4 seminars 2008/9 | Organised 3 seminars, Cognitive Behaviour Therapy in May, Performance Management in July and an Update of the changes to the Immigration |

| | | | |
|--|------------------------------|---------------------------|---|
| | | | Regulations in August. These events were attended by 39 delegates from 30 companies. A further two events are planned for 2008/9. |
| Deliver Telford Business Partnership (TBP) contract with AWM for 2008/9 | 2008/9 | Deliver contract targets | TBP have recruited 14 new members and membership currently stands at 130. TBP have run 3 networking events, Power of the Media Workshop held in May, Wrexham and Shropshire Railways held in July and Tax Efficiency Workshop also in July. These events were attended by 158 delegates from 111 companies. |
| Attract New Investors from hi-tec companies to Lakeside, Telford Technology Park and the Town Centre | 2008/9 2009/10 2010/11 | Develop Project Proposals | Building Strong relationships with partners through monthly 'Lakeside Development Project group' and Telford Technology Park project' which include English Partnerships, AWM, T&WC, Corridor, the University and regular liaison meetings held with private sector partners. Feasibility study being commissioned to look at options for 'technology' centre on either of the 2 sites. See Project Reports |
| Deliver Collaborative Agreement with EP to bring forward 10 acres of employment land | 2008/9 2009/10 2010/11 | Bring Forward 3.33 acres. | Formal quarterly meetings are held with English Partnerships to update on progress and strengthen relationships. Negotiations are currently in place on 5 sites which will bring forward approximately 17 acres of employment land. |

Annex 3

Priority Plan, Sub Priority 2 Business and Tourism – April – August 2008/9

| Actions for 2008/9 – 2010/11 | Timescale | Target for April – August 2008/09 | Comment |
|--|------------------------------|--|---|
| Gain funding to identify the Business Tourism baseline and set targets for 2009/10 – 2010/11 | 2008/9 | Establish baseline for Business Tourism | Marketing Birmingham are taking the lead on the Volume and Value study for the region in Business Tourism. Results expected September 08 |
| Provide existing level of support for Telford and Shropshire Conferences | 2008/9 2009/10 2010/11 | Achieve 100 Event Enquiries and report on Return of Investment (ROI) | To date 49 event enquiries have been received April – August 2008, with a Return of Investment of £948,286 to the Destination |
| Gain funding to develop services for 2008/9 | 2008/9 | Secured funding to support sector | A full application led by Marketing Birmingham has been submitted to AWM and results will be known by mid September |
| Provide existing level of support for Telford and Shropshire Marketing Partnership. | 2008/9 2009/10 2010/11 | Ongoing Delivery of Marketing Plan | Run three networking events, '2009 Anniversaries' in May, the AGM in June and 'Local Produce' with the Heart of England Fine Foods in July. These were attended by 87 delegates from 64 companies. |
| Gain funding to develop and up date tourism services | 2008/9 2009/10 2010/11 | Secure Funding to support Leisure Tourism | Bid made to ERDF funding for Xk to support Autumn Leisure Tourism Campaign. Secured £14k from Ironbridge Task Force to promote WHS map and update www.visitironbridge.co.uk |
| Establish baseline of visitors to WHS | 2008/9 2009/10 2010/11 | Baseline Data gathered targets set for 2009/10 and 2010/11 | Identified way to collate baseline and bid into ERDF to pay for study |
| Support development of an additional 250 bed spaces | 2008/9 2009/10 2010/11 | Increase bedspace by 50 to (2971) | Premier Inn are building a new hotel, creating 50 bedspaces. Working with English Partnerships on the release of 2 sites (Rampart Way and Lawley) and Castle Farm LLP (Lakeside) for future hotel development. |