



Transforming Telford
Contractual Agreement Monitoring Report

8 Month Report

April - November 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 in the context of its role in the delivery of the Borough’s Economic Development Strategy:

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 – November 2008** of Transforming Telford’s performance.

2. Context

2.1 The National Economy

The Bank of England Agents’ summary of business conditions for November 2008 states:-

- Contacts painted a weak picture of most aspects of economic activity, with further reductions in the Agents’ scores from the low levels reported last month.
- Demand for consumer services continued to shrink, and retail sales values were broadly unchanged relative to a year earlier.
- Investment intentions have been further reduced, with an increasing number of contacts citing tighter financing conditions as a factor in their decisions over and above the outlook for demand.
- Manufacturing output for domestic sales fell and a range of construction and business service activities also contracted.
- Growth in export orders had slowed sharply – after having been broadly stable across much of the year.
- Employment intentions were scaled back further across all sectors.
- Growth in labour costs remained subdued, with most contacts expecting next year’s pay rises to be no larger than this year’s.
- Annual input and output price inflation eased slightly.
- Retail goods and service price inflation also eased amidst reports of increased promotional activity.

With national reports at every bulletin on the impact of the recession and with almost daily Government responses, the challenge locally is to understand how our economy is being affected.

2.2 The Local Economy

(i) Although serious attempts are being made to measure the economic downturn nationally it is difficult to extract data or interpret impact at a local authority level at this stage. The exception to this is unemployment, which continues to rise. This is now at 2.7% (November 2008) and equated to 2705 people. The number of unemployed in certain wards is rising faster than others e.g. Malinslee (204) and Woodside (194). This needs to be monitored closely so that support services can be targeted.

(ii) Not all statistics reflect a negative picture. Nomis figures (November 2008) for average Median earnings report that:-

For workers/people who live in Telford - the average rates for FT workers have increased from £433 to £449.60 per week

Residents/people who live in Telford but may work elsewhere – the average rates have increased from £416.50 to £456.10 per week.

Although we are still below the UK average figures we are above West Midlands average.

Work continues with public sector partners to target and focus on real business issues. As a result of the Telford Economic Development Partnership meeting on 23 October, an Economic Think Tank met on 26th November 2008. Chaired by Ian Dosser, the Chairman of the Telford Economic Development Partnership, local business leaders came together to discuss what action should be taken locally to address the impact of the recession. After an exchange on the realities of the situation, the Think Tank came up with the following recommendations:-

Leadership – Telford partners must show confidence and remain committed to the Big Projects in the pipeline e.g. Town Centre and Lakeside. These projects must accelerate and every effort made to keep investors engaged. The focus must be on delivery, delivery, delivery!

Unblock – all public agencies need to get behind physical infrastructure developments and support individual investors. Encourage all agencies to Bring Forward public sector investment proposals, clearly announce the time table and demonstrate that they are doing do.

Stimulate – the housing market by examining phasing and proportion of social housing. Encourage banks to support first time buyers and develop shared mortgage packages as quickly as possible. Develop a Transforming Telford approach to housing development as quickly as possible.

Champion Business to Business Collaboration – Step up our ‘Positive Supportive Business Culture’. Increase Business Networking

Activity and access to a range of support available. Monthly clinics/mentoring.

Think and Act Locally – increase awareness of, and support for local procurement to keep Business in Telford. Set up B2B Waste matching service now.

Sell Telford Campaign – quickly develop new packages, new prices and services and really focus on “customer” and “quality” differentials. Promote good news, good news, good news, however small.

Invest now for the Future – escalate investment in skills across the board. Increase simple access to wide range of skill support to train people in and out of the local market.

Transforming Telford has fed these issues nationally into the Economic Development Companies network facilitated by DCLG and to the Regional Taskforce which will meet on 4th December. We are currently working closely with the Council and other partners such as the Chamber, LSC and Business Link to put a package of proposals together. We must respond to local business needs with actions and provide proactive and responsive services.

Telford and Wrekin Council will announce a package of support before Christmas. In addition, Transforming Telford will continue to;

- Increase marketing activity to attract tourists and visitors to the destination with the spring campaign
- Encourage more businesses to take up Business Link support seminars by running sector focused workshops
- Increase support and access to redundancy support services
- Support Enterprise HQ to establish itself in the area and promote its services to home based businesses

3. Economic Development Policy

3.1 During the past eight 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 70 people, updated local businesses on key economic facts and figures.

The Telford Economic Development Partnerships has met three times and considered:-

- The impact of the Credit Crunch with the Bank of England
- The opportunity of Sports Development and Investment with the Olympics and Telford Sports and Learning Community.
- The importance of the ‘Green’ Agenda
- The role and relevance of the City Region

3.2 The Transforming Telford Investment Team continues to help 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 Positioning the interest of Telford in the Wolverhampton and Telford Technology Corridor new Business plan for 2009/10 – 2011/12 has been critical. Telford has put a strong case forward to support the development of our technology offer at Lakeside and Telford Technology Park. This is supported by proposals to develop a Polymer Centre of Innovation in Building and Environmental Technologies and ICT/Media Technologies Centre. Initial concept studies for both of these centres are currently being developed with the private sector.

3.5 We are working closely with Harper Adams University to support the development of the new Regional Food Academy. This will be launched in Autumn 2009. Building on Shropshire's strengths, particularly in dairy manufacturing, we are developing a series of events for 2009 to increase annual awareness of the opportunities the new centre will offer.

3.6 In times of economic downturn, enterprise start up rates tend to increase. The new service for Home based businesses, Enterprise HQ, will greatly enhance the offer for this often hidden sector of the economy. The new centre based at the John Rose building in Coalport Ironbridge, will be launched on 12th February 2009. The centre will provide 3,000 sq ft of high spec office space with conference and launch pad facilities. We are working closely with the team to refer prospective businesses and identify the potential client base.

3.7 Since September 2008 World Heritage Site partners in Ironbridge with the help of ERDF funding have been working together to deliver a range of projects and support packages. Early in the new year partners will meet to discuss and plan the next steps to be taken forward for the recently commissioned

- Interpretation Study
- Accessibility and Transport Study
- Branding development Proposals

Transforming Telford have led on the Branding proposals with support from the Council and Ironbridge Gorge Museum Trust.

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 the downturn in the economic climate, performance to date against the key indicators is still on target except for new investments. Not surprisingly pipeline activity on this is being delayed, cancelled or investment decisions withdrawn.

(i) **Eleven New Investments** have been secured April - November 2008. The Investment team have provided a range of support including locating premises, promoting services and sourcing subcontractors for the following companies.

- Control Electrics moved into the E-Innovation Centre.
- Web Chief Design relocated from Birmingham into a Unit at Hortoncourt
- Robert Harrop Designs relocated from Shifnal to The Mill at Jackfield
- 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** from new investments to date (April – November 2008) currently stands at 109. These include jobs from Weber, Maxsys, Lastar, KDS Solutions and Robert Harrop Designs. Further jobs are anticipated later in the new year, particularly from Nom.

(iii) **Twenty one Business Expansions** have been supported April - November 2008, this has included:

- helping the following companies find new premises in Telford

- Safeguard Cleaning moved into new premises at Abbey House, Newport
 - Sheet Metal Solutions expanded into 3 Telford Wrekin Units at Hadley Business Park
 - Solarinks leased an additional unit on Cuckoo Oak Industrial Estate
 - The Surveying Consultancy expanded from the E-Innovation Centre to The Plaza
 - Pandapack expanded into an additional unit at Tweedale Court
 - Press Red Rentals have taken a unit at Court 2000 in Tweedale
 - Excalibur Engineering moved into Queensway Business Park
 - Bowmore Zell moved into the e-Innovation Centre
 - Shropshire UKTI moved into an office at the PTL building
 - Nfocus expanded into a larger office at the e-Innovation Centre
 - Simmonds Transport moved into International House on Stafford Park
- Helping the following companies to recruit, promote and advertise their vacancies widely
 - Ricoh, Windsor Life, Borgers, Mitak and Schneider Electric who have increased their workforce due to the investment in a new product lines and facilities.
 - Mahle Filter Systems relocated some of their Wiltshire based product lines and staff to their site in Telford, following closure of the Wiltshire site
 - Helping the following companies to win new contracts
 - Wenlock Health and Safety, Business Watch Guarding Ltd, Adendi and Dodd Group
- (iv) The **number of jobs created by business expansions** to date (April – November 2008) currently stands at 162 jobs created. These include jobs from Ricoh, Windsor Life and Schneider.
- (v) To date, 101 **Strategic company visits** have been completed plus 241 other company visits. These provide an invaluable insight to the challenges companies are facing at this time.
- (vi) **Performance Analysis**
- To date enquiry levels at Transforming Telford have seen a gentle slowdown for both inward investment and business expansions and received enquiries are down overall on 2007/8. This is also reflected in market intelligence from local agents and partners.
 - Whilst this may not affect this years performance adversely, it will have a knock on impact on subsequent years. It can take 18 months to two years to secure an inward investment.

4.3 Additional Support had been given to:-

- Supported ten manufacturing companies to access research and development grants from the regional Manufacturing Advisory Service
- The new Sector Directors at Business Link to run targeted Seminars for Tourism, Business and Professional Services sector and the Manufacturing sector.
- 20 companies announcing 531 redundancies this year to date
- British Japanese Parliamentary to organise a networking meeting for leading Telford Japanese Companies in October 2008
- Promote Telford as a building technologies investment location at three national seminars run by Mtech in April, May and November 2008
- Home HQ to establish a series of seminars to support a Home Entrepreneurs and a location in Ironbridge
- Host a seminar with the Institute of Materials, Minerals and Mining to raise the profile of Polymers in Telford in July 2008
- Shropshire Constructing Excellence Club to host and manage a series of events for the buildings technologies industry in September and November 2008.

4.4 Other Key Achievements include:

- Showcasing the Business Environmental Support Scheme for Telford at the Annual Advantage West Midlands Conference in November 2008
- Successfully running 24 networking events attended by 998 delegates from 641 companies
- Handling 87 Conference Event Enquiries April – November 2008 with a return on investment of £966,196 to the Destination
- Securing funding with partners for a total of £507,000 for additional resources to support Tourism development across the county:-
 - £330,000 for Destination Marketing Partnership (DMP) from AWM (2008/9 – 2010/11)
 - £40,000 for Business Tourism from European Regional Development Fund (ERDF) (2008/9)
 - £137,000 for Leisure Tourism from European Regional Development Fund (ERDF) (2008/9)
- Representing the Region at the Sisters Cities Festival in Chicago in promoting the destination and the Ironbridge World Heritage Site
- Sponsoring the national Plastic, Design and Moulding (PDM) 3 day Exhibition and Conference held in April 2008, which Transforming Telford sponsored to raise the profile of Telford as Polymer Central
- Supporting AWM on their exhibition stand at Foreign Direct Investment (FDI) Expo on 24th/25th June 2008 at Excel in London and at Interbuild 2008 at NEC, Birmingham from 26th October to 30th October 2008.
- Working with Cogent (Sector Skills Council for Polymers) on developing a pilot apprenticeship scheme for Telford Businesses.

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

Ref	Name	Baseline	2008/9 Target	8 Month	Comment
NI 151	Overall employment rate (working age)	73.00%	73.5%	74.00%	National statistics are released quarterly and reported 9 months in arrears. The most recent data released for 2008 reports a 74.00% employment rate, relating to April 2007- March 2008. This is still above the regional average of 72.4%.
NI 166	Median earnings of employees in the area (current regional average 4.40%)	2.9%	5.5% (1% above national growth rate 4.5%)	3.80%	Median earnings of employees has increased from 2.9% (£433 per week) to 3.8% (£449.60 per week) in 2008. We are currently still below the national average of 4.5% growth rate. We have agreed to revise this target next year.
NI 171	New business registration rate	NYA	NYA	NYA	Annual national statistics have been delayed and will be released in December 2008.
NI 172 LAA2	Percentage of small businesses in an area showing employment growth	NYA	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					
LRED16	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.
LRED17	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 (3.4%)	2.7%	In October overall unemployment rose from 2,608 to 2,705. This represents an increase of 97 people in the last month. There has been an overall rise of 625 people over the last 12 months, the

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					highest level since August 1999. We remain well below the regional average (3.4%) but the gap is closing marginally. Nationally unemployment is expected to continue to rise.
LRED18	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
LRED19	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
LRED20	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
LRED21	Bring forward 10 acres of EP employment land by 2011	0	3.33	1.83	In October 2008, 1.83 acres of land have been brought forward on Halesfield Industrial Estate. It is expected a further 4.5 acres will be brought forward by end of March 2009.
BUSINESS AND TOURISM					
LRED22	Increase volume and value of business tourism	NYA	Baseline and future targets to be set	NYA	AWM will be undertaking volume and value research at regional and sub regional level. They are currently in the tender process and hope to appoint consultants in December 09. 2007 data is expected by April 2009.
LRED23	Increase 1.6m visitors by 5% by 2010/11	1.6m	5% increase	NYA	This data is extracted from the volume and value research (see above)
LRED24	Increase £105m spend by 5% by 2010/11	£105m	5% increase	NYA	This data is extracted from the volume and value research (see above)

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LRED25	Increase number of visitors to World Heritage Site	NYA	Baseline and future targets to be set	NYA	This will be commissioned once consultants have been appointed to complete the Volume and Value of Tourism Study for the region. It is anticipated this work will be completed by March 2009.
LRED26	Increase volume of bedspaces by 250 from 2921 to 3171 by 2010/11	2921	2971	2971	Premier Inn at Donnington has opened creating 50 new 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

Note: NYA – Not Yet Available

Annex 2

Progress Priority Plan, Sub Priority 1 Investment, Innovation and Growth - April – November 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	To date (April – November) we have secured 11 new investments and 109 new jobs from new investments including jobs from Weber, Maxys, Lastar, KDS Solutions and Robert Harrop Designs. Due to the economic downturn the new investments target will not be achieved.
Gain funding to review and Renew the Telford Economic Development Strategy	2008/9	Agree with Telford Economic Development Partnership and TWC the way forward	Work is currently underway to complete the Annual Economic Profile and this will lead into a planned review of the strategy to be completed by October 2009.
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	To date (April – November) we have secured 21 Business Expansions, and have achieved 162 jobs created including jobs Ricoh, Windsor Life and Schneider. The economic downturn will affect the number of expansions secured.
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 (April – November 2008) we have completed 101 Strategic Company Visits including, Fruit of the Loom, Blockleys, Schneider, Martin Kaye Solicitors, Mahle Filter Systems and The Ironbridge Gorge Museum Trust.
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	The network has run 4 events including 'Ensuring Legal Compliance', 'Greening the Supply Chain', 'BESST Annual Review' and 'Understanding your Utility Bills'.

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Provide existing level of support for Human Resources Network for Manufacturing companies	2008/9 2009/10 2010/11	Run 4 seminars 2008/9	The forum has held 4 events including a joint half day seminar with Telford Business Partnership. Topics have included 'Performance Management', 'Changes to Immigration Regulations', & 'Stress Management & Alcohol & Drugs in the Workplace'.
Deliver Telford Business Partnership (TBP) contract with AWM for 2008/9	2008/9	Deliver contract targets by securing £29,750 in membership fees and sponsorship	TBP membership currently stands at 131. TBP have run 2 networking events, 'The Bank of England Credit Crunch' in October and a TYP event in November 'Alcohol and Drugs in the Workplace'. These events were attended by 128 delegates from 78 companies. TBP also ran a joint half day workshop with the HR Forum (detailed above)
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	Monthly development meetings are held on the Lakeside & Telford Technology Park projects & private sector partners are being engaged in developing the concept and propositions for the ICT/Media Centre for Lakeside and Polymer Centre of Innovation at Telford Technology Park. Feasibility studies are currently being scoped. Refer to the Project Performance Report for further detail
Deliver Collaborative Agreement with EP to bring forward 10 acres of employment land	2008/9 2009/10 2010/11	Bring Forward 3.33 acres.	1.83 acres of employment land have successfully been brought forward. Negotiations are currently in place on 5 sites which will bring forward approximately 19.22 acres of employment land. The forecast expects that 4.5 acres of employment land will have been brought forward end of March 2009.

Annex 3
Priority Plan, Sub Priority 2 Business and Tourism – April – November 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 Volume and Value Research on Business Tourism for the region. We are awaiting results.
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)	During September – November 2008, 25 Event Enquiries have been received, with a Return of Investment of £17,910. To date this creates a total of 87 event enquiries received April - November 2008, with a Return of Investment of £966,196 to the Destination.
Gain funding to develop services for 2008/9	2008/9	Secured funding to support sector	Secured £40,000 ERDF funding for Business Tourism and £145,000 from AWM for Business Tourism Marketing and Sales to increase our capacity to attract larger events with a high ROI to the region and local economy.
Provide existing level of support for Telford and Shropshire Marketing Partnership.	2008/9 2009/10 2010/11	Ongoing Delivery of Marketing Plan	Ran 1 networking event, 'Power of PR' in November. This was attended by 13 delegates from 11 companies.
Gain funding to develop and up date tourism services	2008/9 2009/10 2010/11	Secure Funding to support Leisure Tourism	Secured £137,000 ERDF funding to develop Leisure Tourism services and activity.
Establish baseline of visitors to WHS	2008/9 2009/10 2010/11	Baseline Data gathered targets set for 2009/10 and 2010/11	This will be commissioned once AWM has contracted regionally with an organisation to conduct the Volume and Value Study.
Support development of an additional 250 bed spaces	2008/9 2009/10 2010/11	Increase bedspace by 50 to (2971)	Premier Inn Hotel at Donnington has opened and has created 50 new bedspaces. We are continuing to work with English Partnerships on the release of 2 sites (Rampart Way and Lawley) and Castle Farm LLP (Lakeside) for future hotel development.