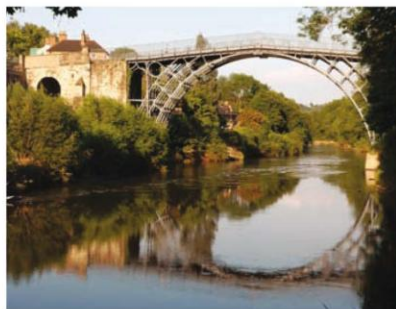


# The Marches Local Enterprise Partnership Proposal

August 2010



# PROPOSAL

## **Marches Local Enterprise Partnership**

***Creating the conditions for a strong, diverse and enterprising  
business base resulting in an increase in  
sustainable private sector jobs***

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## **The Marches Local Enterprise Partnership**

### **1. Executive Summary**

This proposal sets out the rationale for the formation of a new Marches Local Enterprise Partnership for the area covered by the unitary authorities of Herefordshire, Shropshire and Telford & Wrekin.

The proposal has been submitted jointly by the Leaders of the 3 local authorities and the chairs of the 3 county level business boards. The submission has the backing of Shropshire & Telford and Herefordshire & Worcestershire Chambers of Commerce, as well as the Country Land and Business Association and has generated significant levels of support from independent and influential members of the local business community including some of the areas' major employers. It represents a cohesive and ambitious bid which has the support of all the key partners.

The area covered by the Marches Local Enterprise Partnership has a natural economic geography as demonstrated in our joint economic assessment which can demonstrate a successful track record of proactive and effective joint working between areas, business and local government in the promotion of growth and prosperity.

The Marches Local Enterprise Partnership aims to create the conditions for enterprise to flourish and will improve the economic prosperity of the Marches area by co-ordinated action to stimulate the drivers of economic development, including housing, transport, infrastructure, broadband availability, inward investment and skills. It will engage in cluster development and business support, promote innovation, and encourage graduate retention. It will build on high levels of enterprise and home working across the area and maximise the value of our natural and economic assets in an environmentally sustainable way.

In doing this the Partnership's ambition is to overcome the current dependence on the public sector to provide the area's jobs which, at over 28% of total employment, exceeds the national average.

It will underpin its activities through the collective resources of the local authorities, using a new Marches Business Investment Fund and proceeds gained from the transfer of Regional Development Agency and Homes and Community Agency assets, leveraging greater private sector capital, making more flexible use of business rates and council tax, managing and optimising the availability of European Funding and bidding for Regional Growth Fund resources.

There is a clear intention not to create additional bureaucracy but rather to have a light touch, action based approach. Therefore, the structure of the Marches Local Enterprise Partnership will build on the existing framework of successful collaboration with the business community. The Partnership will be led by a small executive board with 50/50 private/public representation at the highest level. It will be chaired by a leading business figure, with the reputation and gravitas to influence all sectors of the local business community, and with connections beyond our boundaries that will ensure the profile of the area is maximised on a national and international stage. It will make the most of the range of local networks and support organisations that exist, to ensure fully representative engagement with local business, whilst keeping the executive function

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small, swift and informed so that decision making will result in timely and effective action.

This proposal raises a number of issues that relate to areas of Government Policy that are still emerging. We are therefore requesting an early dialogue with Government to jointly develop the proposal further, with a view to having a clear and deliverable plan of action agreed in the autumn of this year.

## 2. Introduction – Our Aim

The Marches Local Enterprise Partnership ('the Partnership') welcomes the opportunity to submit this proposal to join together to form a new Local Enterprise Partnership. The proposal is based on the common vision of local Business and Local Authority Leaders in Herefordshire, Shropshire and Telford for greater prosperity and economic growth and builds on 500 years of shared history and commerce between our areas. Our Partnership will lead an ambitious strategy and has in place the capacity to commission and deliver this using area-based resourcing to dramatically increase economic growth:-

- The new Partnership will build on the particular strengths and opportunities of the area, creating the right conditions for substantial business growth and increased enterprise to emerge quickly from the current recession;
- Business leadership, through our Business Boards and intense business engagement with our many local business networks, is at the heart of this proposal;
- Our programme of work will be ambitious and innovatively driven by a dynamic collaboration between the private and public sectors, and;
- The outcome will be the improved economic prosperity, job growth in expanding sectors and new business start-ups in the Marches achieved by shaping all the main drivers of economic development, including housing, transport, tourism, inward investment, skills, and quality of life.

The overriding ambition for the Partnership is to **create the conditions for a strong, diverse and enterprising business base resulting in an increase in sustainable private sector jobs**. As an area, the Marches has a greater potential to come out of recession faster than many other parts of the Midlands. By doing this, we also aim to reduce our over-dependency on public sector jobs which, at over 28% of all jobs in the area, is higher than both the regional and national averages.

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## **3. Requests of Government**

Using both public and private sector funds and assets to create the necessary critical mass, the Partnership will adopt a proactive Fund Management approach to deliver on this ambition and establish a new Marches Business Investment Capital Fund. The authorities will make a substantial initial investment in this to kick-start the new strategy and will seek to draw in Venture Capital to maximise the total finance available.

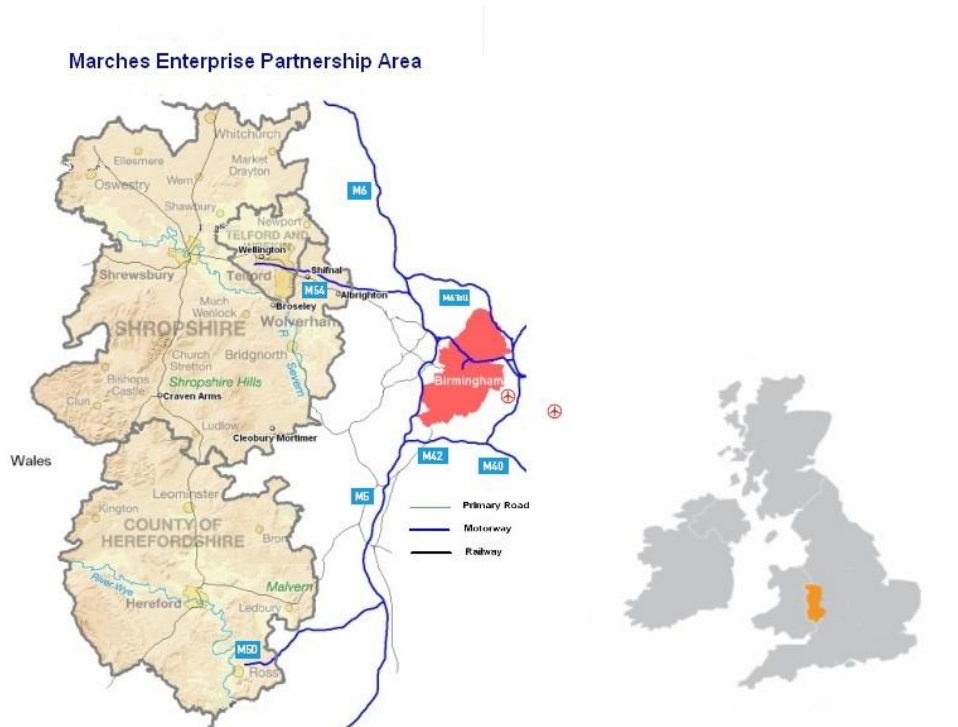
To achieve this major leap forward, the following is initially required of the Coalition Government:

1. Agreement to transfer all assets held in the area by Advantage West Midlands and its joint venture company PXP, to match fund the Marches Business Investment Capital Fund;
2. Agreement to transfer all assets held in the area by the Homes and Communities Agency, to dramatically increase housing and business growth;
3. Agreement to allow the Partnership to access and manage funds from both the European Regional Development Fund (ERDF) and the Rural Development Programme for England (RDPE), to invest in the area;
4. Agreement for the Partnership to develop business growth incentives made available through business rates and council tax from new developments;
5. Direct Partnership with the Department of Business, Innovation and Skills, as a test-bed site for devolution of services to the Partnership.
6. Agreement to the Partnership being a statutory consultee on all strategic planning applications.
7. Consider the Marches Local Enterprise Partnership area as a location for an Innovation Growth Hub.

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## 4. The Marches Local Enterprise Partnership Area

Ideally located at the heart of England, Herefordshire, Shropshire and Telford & Wrekin are unitary authorities in the West Midlands bordered by Wales to the west, the West Midlands conurbation, Staffordshire and Worcestershire to the east, Cheshire West and Chester and Cheshire East to the north west and north east, and Gloucestershire to the south. The combined population is approximately 634,000 and the area has in excess of 28,000 businesses within its 2300 square miles.



The Marches Enterprise Partnership area has significant centres of population and economic activity at Telford (139,000), Shrewsbury (70,000), and Hereford (55,700) together with a large rural area, with 25 long-standing market towns which act as local hubs for services, and employment.

The area is renowned for its high quality natural and cultural environment. Key assets include the Ironbridge Gorge World Heritage Site, the Shropshire Hills and the Wye Valley Areas of Outstanding Natural Beauty, Offa's Dyke, the rivers Severn and Wye, and iconic places of interest including Ludlow and Ross-on-Wye, which combine to make it a significant centre for the expanding visitor economy.

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## **5. The Marches Local Enterprise Partnership Economy**

The Partnership area has a natural economic geography, which has been clearly demonstrated through our joint assessment of our current and potential future business base. The area shares a transport and communications network with important and significant commuter flows within the area and particularly between Shrewsbury and Telford with almost 18,000 people making the daily commute. Smaller flows exist between south Shropshire and Herefordshire which itself has strong levels of self containment, and self-sufficiency. Supply chains traverse the administrative boundaries within the Partnership area, particularly within the land based sector where major processing sites draw resources from across the Marches. While there are differences in the economic characteristics of locations within the area, the partnership believe these to be wholly complimentary, providing opportunities to spread best practice and share in the success.

Hereford, Shrewsbury and Telford are all designated Growth Points, and the designation of and funding to the Rural Regeneration Zone which covers most of Shropshire and Herefordshire, has provided a new dynamism to the rural economy and has acted as a catalyst for more effective collaborative working between the local authorities and with local businesses.

The economy of the Partnership area can be typified as comprising a high proportion of micro, small and medium enterprises, with in excess of 97% of total business employing less than 50 staff, but also a significant number of major employers, such as Bulmers / Heineken, Kingspan, Cargill, Müller Dairy (UK), Doncasters Aerospace, Ricoh, Denso, Makita and Capgemini.

The new Partnership presents an attractive opportunity to stimulate further private sector growth in areas and sectors of the local economy which find both a natural home in the Marches and reflect the changing shape of the UK economy post recession. These include environmental and building technologies, renewable energies, creative industries, the food and drink sector, advanced engineering, and polymers and bio-plastics, building on the diversification of the strong manufacturing and engineering base.

Agriculture and food production, traditional manufacturing, tourism and heritage and social enterprise remain highly important to the local economy, and this initiative provides a significant opportunity to work with and support these sectors to grow and diversify quickly.

High rates of enterprise and impressive survival rates for new businesses provide a solid foundation for economic growth, with large numbers of home based workers and high rates of self employment evident across the area, reflecting its culture of entrepreneurialism and self-reliance. For example, 15.4% of Herefordshire residents are self employed compared with the national average of 9.1%. In addition to our growing

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social enterprise sector, these areas will be a major focus of activity to stimulate growth in the local economy.

**Strengths** of the local economy include:

- A £10bn contribution to the national economy;
- Ideally situated between Manchester and Birmingham international airports with direct rail services to London, (which will include access to the planned new high speed rail lines);
- Links to the wider national motorway network via the M54 from Telford and Shrewsbury to the north and the M50 to the south linking the M5 to Ross and South Wales. The A49 trunk road runs north to south from Ross in the south of Herefordshire to Whitchurch in north Shropshire and beyond to Cheshire;
- A particularly strong and well-established enterprise culture, as illustrated by the high rates of self employment and business survival, with both Shropshire and Herefordshire being voted regional winners and national runners up in the Enterprising Britons awards;
- At 27.3%, the proportion of the population with higher level skills (NVQ4 and above) is greater than the West Midlands average. Equally, the proportion with no qualifications is significantly less than the regional average;
- Strong established business sectors, such as food and drink, polymer and bio plastics, with other sectors offering opportunities for significant growth, including environmental technologies, renewable energies, creative industries and the care sector;
- The University of Wolverhampton campus in Telford, a leader in Informatics and Learning Technologies, and Harper Adams University College, home of the Regional Food Academy, are nationally important economic drivers. The University of Worcester is also a key provider of HE to local residents and businesses in the south of the area. In addition, our area boasts an enviable collection of high quality schools and FE colleges including Shrewsbury and Telford Colleges of Art and Technology and, the Hereford Colleges of Art and Technology;
- Levels of 'worklessness' are 5 percentage points lower than the national average;
- A strong track record of working in partnership to deliver real economic change, including attracting inward investment, securing European Funding and the activities of the Rural Regeneration Zone, the West Housing Market Area Partnership and cooperation on planning and strategic transport and;
- A good quality of life with desirable towns, which attracts inward investment, with room to grow.

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**Challenges** that will be tackled by the Partnership include:

- Net outward migration of young people due to limited employment and Higher Education opportunities in the area currently;
- Poor and inconsistent broadband speeds throughout the area which has little likelihood of private sector investment into Next Generation Access as evidenced by the Analysys Mason Report recently commissioned by the Department for Environment, Food and Rural Affairs;
- GVA runs at £15,600 per head, as compared with in excess of £20,000 as the national average;
- Whilst higher level skills are above the average for this part of the country they still lag behind national figures and there are some specific sector gaps;
- The lack of non specialist resident University;
- Housing affordability; and
- Communications and mobility.

## **6. Our Approach**

To respond to these Challenges, we will build effectively on the assets and opportunities that exist now, and those that will arise in the future, to create the right conditions for business to grow and create new jobs.

The approach has been informed by the 3 business boards and by recent consultations with the wider business community in the Marches Local Enterprise Partnership Area. These have canvassed the views of a diverse variety and large proportion of businesses in our area on a number of issues. They include a survey of over 700 employers in Herefordshire, a Business Summit in Shropshire attended by over 60 of the county's leading businesses, numerous business breakfasts and a business survey in Telford with 170 respondents and an online survey of the membership of the 2 local Chambers of Commerce with 290 business from Shropshire and Telford and 100 from Herefordshire responding. Also during 2010, research has been conducted into the barriers to growth from inadequate broadband infrastructure across rural Shropshire and Herefordshire. This has included an extensive survey of the local membership of the FSB. Throughout the recession, the Shropshire and Herefordshire and Worcestershire Chambers have been in regular communication with the strategic businesses in all 3 areas to gain intelligence on the needs and constraints to growth of the area's 80 largest employers. All of these consultations have informed the interventions proposed below.

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There is an established track record of success in stimulating economic growth in the area. For example, Telford has attracted high rates of foreign direct investment in high value industries, including world class Japanese companies. However, to create the conditions for economic growth across the area as a whole, we recognise the need to learn from successes such as this and to build on them to an extent which hasn't been evident in the past. Therefore, our focus for intervention will include:

## ***Strategic***

### ***Leadership***

- We will use a robust evidence base and develop a clear, focused and deliverable strategy, concentrating on those actions where the Partnership can make a difference in delivering or influencing positive change quickly. This will give us one set of shared targets against which our success can be measured, and targeted investment in projects to deliver agreed outcomes;
- We will lend support to the area's strategic businesses to ensure that their voices are heard and their growth potential is not unduly inhibited by bureaucracy.

### ***Enterprise***

- We will deliver locally advice and support for new and existing businesses, ensuring it is adequately designed around the needs of the local business community/economy, including social enterprises and the third sector. This will include tailored support which meets the diverse needs of, for instance, growth and lifestyle businesses;
- We will positively promote self employment and enterprise;
- Where successful existing business support structures are in place, we will work with these to provide a locally-based service responsive to local needs, and ensure a smooth transition to a locally based framework;
- We will use Partnership resources to promote and provide risk finance to new business start ups in the area;
- We will promote the benefits of diversification into export markets to increase the level of overseas trade by our business community.

### ***Employment***

- We will support the creation of employment opportunities by improving the infrastructure and conditions for business success;
- We will focus support on identified growth sectors, such as Environmental and Building Technologies, Renewable Energies, Polymers and Bio-degradable Plastics, Food and Drink, the Creative Industries, Advanced Engineering and the Care Sector, balanced with the diversification of the traditional industries;
- We already have the regional Food Enterprise Centre based here

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and want this to be the centre of excellence for national support to the food and drink sector;

- We have a proven track record of supporting business networks by developing the local supply chains in our key growth sectors, which we will strengthen and extend, by encouraging collaboration between local businesses to form strong consortia;
- We will develop the strength and vibrancy of our growing visitor and land based economy, in order to maximise the economic value of our natural and cultural assets;
- We will build on the success of the Tourism Boards, generate a lasting legacy from the Olympics (not least through our unique links at Much Wenlock), grow business tourism, and grow the proportion of UK residents' spend to 50% on local tourism.

## ***Education and Skills***

- We will commission and influence providers of skills and training to improve the employability of the local workforce and encourage the increased retention of graduate-level employees in the area;
- We will encourage the local business community to invest in the skills of their workforce by promoting the benefits to business productivity;
- Where appropriate, we will strengthen the role and remit of our Employment and Skills Boards and ramp up by thousands the number of apprenticeships in local businesses and business contribution to training;
- We will expand local Higher Education provision to support the identified needs of local business, and maximise graduate placement and employment opportunities to increase business interaction with universities, to promote more effective and knowledge transfer to generate innovation among those of our companies with growth potential;
- We will work with local primary and secondary schools to instill an early emphasis on entrepreneurial skills and enterprise, to ensure that the effective local partnership links between business and education continue to flourish in our area.

## ***Planning and Housing***

- We will ensure that our strategic and local planning is responsive to local communities aspirations including thriving businesses, jobs and enterprise;
- We will create business-friendly policies and services offering a

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fast-track and non bureaucratic regulatory regime and examine how local development orders can provide flexibility on business parks and industrial estates;

- We will ensure that planning is closely linked with regeneration and delivery of development and that we make full use of the community infrastructure levy;
- We will continue our pro-active joint approach to the provision of housing, particularly innovative approaches to affordable housing, with locally initiated schemes to meet local needs;
- We will promote vital and attractive, distinctive towns that act as service hubs for their rural hinterlands, prime business locations and attract tourists and residents.

## ***Transport and other infrastructure***

- We will draw together the known transport and other infrastructure priorities, including Broadband, roads, rail and the utilities necessary to support economic growth. We will deliver on these working with other Local Enterprise Partnerships, service providers and government departments as appropriate;
- We will support the High Speed 2 rail link which will free up capacity on an upgraded local network to boost labour mobility and increase growth;
- We will address urban transport issues and rural connectivity, focusing on sustainable and affordable solutions.

## ***Sustainability***

- We will promote a modern, low carbon economy for the 21<sup>st</sup> century;
- We will continue our collaborative activities to develop sustainable business and local enterprise practices by sharing best practice (for example the Business Environmental Support Scheme) widely across our SME businesses;
- We will continue to link organisations together to enable pioneering sustainability schemes to be established as examples for others to follow;
- We will promote sustainable rural communities that are attractive, viable and affordable.

The Shadow board of the Marches Local Enterprise Partnership will be meeting in early September. They will begin to focus on a Delivery Plan which will identify and prioritise the specific activities, projects and deliverables to achieve the functions outlined above and which will form the basis of an initial bid to the Regional Growth Fund.

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We recognise the significant economic dependencies and linkages to neighbouring areas. We will, therefore, positively engage in cross boundary working with neighbouring Local Enterprise Partnerships on issues of common interest particularly where:

- an intervention is likely to have a greater impact, or co-ordination is required, beyond the geographic area covered by the Marches Local Enterprise Partnership;
- efficiency savings and economies of scale can be achieved by undertaking a specific function on a collective, rather than an individual Local Enterprise Partnership basis;
- the Partnership will be able to more effectively inform and influence national frameworks by working collectively on shared issues, than it would on an individual basis; or
- areas for cross Local Enterprise Partnership working will include: sector leadership and specialist business support, access to finance, skills and training, strategic transport and other infrastructure planning, responding to economic shocks and providing a single voice for lobbying, influence, and promotion to attract inward investment through a single prospectus.

## 7. Resources

The Partnership already has the competence, capability and capacity to commission and deliver a comprehensive growth strategy. We will:-

- Establish a Marches Business Investment Capital Fund kick-started by a substantial initial investment by the three local authorities;
- Match fund this with assets from Advantage West Midlands, PXP, HCA, Local Authorities and businesses themselves, as well as by the use of business growth incentives;
- Seek private finance through Venture Capital investment and partnerships with the commercial banking sector;
- Engage in direct partnership with key Government departments to devolve business support from BIS and others to the Partnership;
- Use European and National Government funding, such as the Rural Development Programme for England and the European Regional Development Funds;
- Reduce bureaucracy from our sub-national administrative structures thus freeing up resources with a determined approach to create a simple and transparent model for stakeholders to engage with;
- Harness and support the skills that exist among our business community, through a business angel support scheme providing mentoring to fledgling SMEs based on the successful “Business Ambassador Scheme”;
- Put in place effective transition planning to ensure not only that we do not lose the existing skills, competencies and experience that we have across the area, but also that we make more effective use of what we already have;

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- Make an early Partnership bid to the Regional Growth Fund, and use this to match European funding. (We would also welcome a discussion on the potential for a devolved Regional Growth Fund, managed locally, to stimulate development in the Marches Enterprise Partnership area).

## **8. Governance and Delivery**

Much of the framework for delivering and ensuring our economic success is already in place. Our desire is not to add more layers of bureaucracy, and our priority is to remain business-led, with a commercial approach at the heart of everything we do.

Herefordshire, Shropshire and Telford have a nationally recognised record of engagement with very effective business boards in each of the unitary areas. The Partnership will add value being both strategic and delivery focussed, and also firmly connected to the local business base.

The Partnership will be led by a small Executive Board, consisting of the Chairs or nominees of our Business Boards, together with Local Authority Leaders from each of the three unitary areas with ex officio support from relevant officers. The first meeting of the shadow board will take place in early September and will ensure a high level of commitment and a single shared strategic approach to realising our economic potential. The Executive Board will be chaired by a leading figure from the business community in the area with a personal reputation, network of contacts and influence that extends well beyond it.

Following a comprehensive survey of the local business sector, there is evidence of strong support for their involvement in the Partnership more widely. The Board will develop a programme of projects and initiatives to be delivered in line with clearly defined SMART objectives. The views of the Geographic Business Boards will be taken into account in developing this programme. The Board will take responsibility for ensuring all delivery bodies are performance managed and achieve economic success. They will evaluate and monitor outcomes and put in place measures to ensure continuous improvement and development. Constant feedback and exchange of best practice between delivery partners will be sought from the private sector to contribute to an ongoing assessment of the impact that the partnership is having on the economic environment within the Marches. At all stages, the processes will take in to account the business needs as outlined by the Geographic Business Boards.

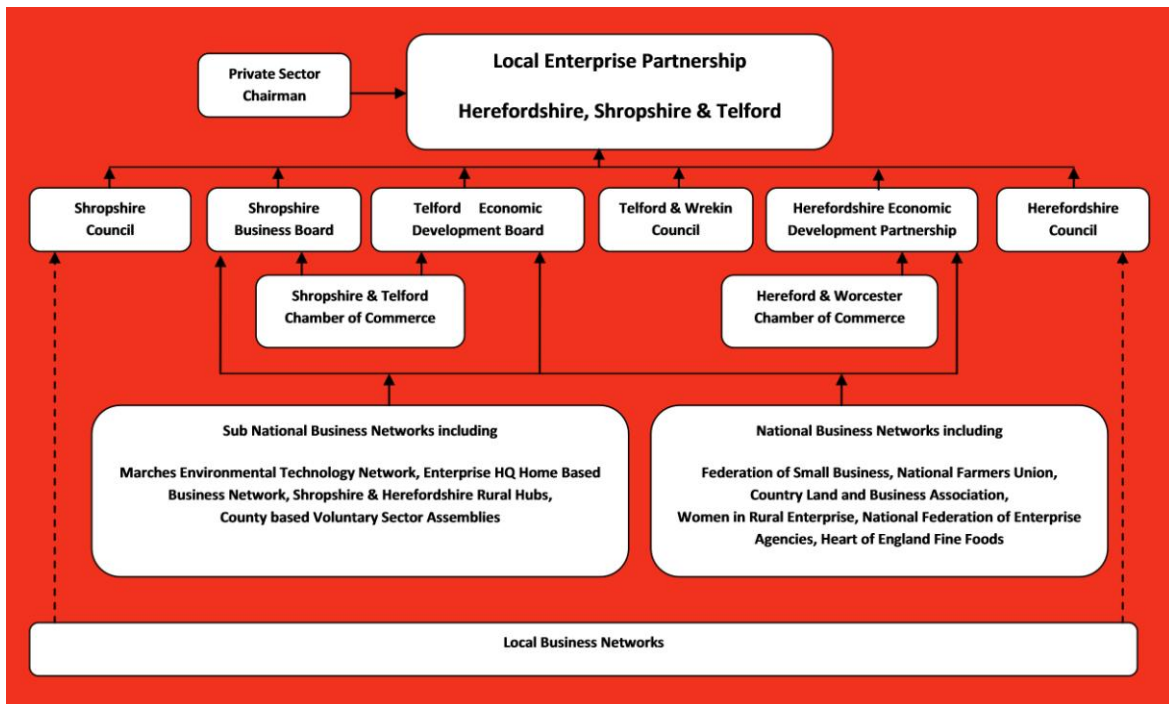
Initially, the Partnership will be an unincorporated association, using an appropriate accountable body to draw down funds where necessary in order to minimise additional costs. It will establish the parameters of activity and commission partners to undertake the delivery and keeping structures lean. This status will be reviewed in due course, as and when opportunities for delivering local programmes of economic change become clearer.

We recognise also the importance of achieving a wider engagement with the business community and voluntary sector across the area. This will be achieved through ensuring

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that the Business Boards within each of the unitary areas are fully representative of that community. In addition, through the Business Boards, the Partnership will fully engage with existing business networks, such as the Chambers of Commerce, National Farmers Union, Country Land and Business Associations, the Federation of Small Business and the Marches Environmental Technologies Network.

Figure 1 below presents this framework for collaboration in more detail.



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## Annex 1 – Signature page and business support

The Shadow Board of the Marches Local Enterprise Partnership fully endorse this proposal. We look forward to receiving the support of Government to recognise our strengths and successes and to develop the programme further, as well as to invest in new business growth and build on our huge potential to come out of recession faster and more strongly than many other areas of the country.

Angela Smith



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Chair, Herefordshire Economic Development Partnership Group

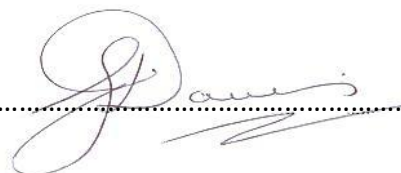
Cllr Roger Philips



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Leader, Herefordshire Council

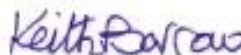
Dr Geoffrey Davies OBE



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Chair, Shropshire Business Board

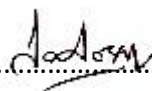
Cllr Keith Barrow



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Leader, Shropshire Council

Ian Dossier



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Chair, Telford and Wrekin Economic Development Board

Cllr Andrew Eade



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Leader, Telford and Wrekin Council

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This proposal has the approval of the 3 county based business boards and has received positive representations from a wide cross section of other significant businesses in the Marches. Below is a sample of these companies listed alphabetically;

7 Y Services	Marches Environmental Technology Network
Allpay.net	McConnel Limited
Ancor Flexibles	McPhillips
Amey	Morris Property
Anglo Beef Processors	Muller Dairy (UK) Ltd
Arctic Circle	NFU
Baker Tilly,	NOM Dairy
Bulmers / Heineken	NRG Direct Mail
Business Watch Group	Oaklands Farm Eggs Limited
Capgemini	Phil Collins Design & Build
Caterpillar	Pork Farms, Palethorpes
CH Hill & Sons	Riverside Training and Business Development
Country Land and Business Association	Robert Owen Society
CS Contract Furniture	Ross Labels
DENSO Manufacturing	St Michaels Hospice
Dyke Yaxley	Salop Leisure Limited
E4environment	Sansaw Estates
Enterprise South West Shropshire	Sequani
Federation of Small Business	Shrewsbury College of Arts & Technology
Grocontinental	Shropshire Chamber of Commerce & Enterprise Ltd
Haygrove	Shropshire Enterprise Partnership
Heart of England Fine Foods	Shropshire Homes
Hereford College of Art & Design	Shropshire Newspapers Ltd
Hereford Cathedral Perpetual Trust	Shropshire & Telford Destination Management Partnership
Herefordshire and Worcestershire Chamber of Commerce	Shropshire Tourism Destination Partnership
Herefordshire Group Training Association	Special Metals Wiggin
H Westons & Sons	Tanners Wines
IE Developments	Taylor Lane
JR Pickstock Ltd	The Naked Creative
Kerry Ingredients & Flavours	Tudor Griffiths Group
KGD	TTC Group
Leading Edge Turbines	Uniq Plc
Link 51	Wellington Chamber of Commerce
Marches Care Ltd	