

31st March 2014: FINAL



*Strategic Economic Plan*

**Accelerating Growth through Opportunity**

The Marches LEP has received the full support of the following companies for this strategic economic plan.



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## Foreword from the Chair of the Marches LEP

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The Marches provides an outstanding business environment. With a strong, loyal and proactive private sector, an excellent history of delivering new housing, jobs and businesses, and superb schools and housing stock, the Marches offers both employers and staff the best of work and home life.

Businesses in the Marches are passionate about what they do and where they are based. A rich mix in typology and scale of SMEs provides all the vital ingredients to sustain a productive local economy. These interplay with some of the country's most recognised business brands, including Muller, Heineken and BAE Systems, to create a diverse economy and business offer in the Marches.

This Strategic Economic Plan (SEP) demonstrates our vision for the future of the Marches and describes how, with a dedicated business base and strong public and community sector, we have the opportunity to deliver this sustainable growth now.

This Plan sets out our priorities for addressing areas of business need. These range from infrastructure including transport and broadband, education and skills investment and access to small business finance. These will all assist in supporting our rural areas, opportunity towns and urban powerhouses to maximise economic growth and achieve the ambitions of our businesses and communities.

We are seeking new arrangements with government for the creation of an Investment Fund, which sees the capital receipts achieved through accelerating development, reinvested back into the area to enable more sites to come forward. By creating the financial mechanisms, freedoms and flexibilities to control this single pot, the Marches will both accelerate and create more growth.

The Marches is brimming with opportunity. We have planning approvals able to deliver thousands of homes quickly, and we have private sector partners ready to invest. With the right interventions we can build on our excellent track record for delivering growth, to be one of the most successful LEPs in delivering housing, jobs and businesses now and in the future.

This Plan sets out our aspirations. All can be achieved by working in effective partnership with government and our local private, public and voluntary, community and social enterprise sectors.



**Graham Wynn OBE**  
**Chairman**  
**Marches LEP**

## The Marches LEP Vision Statement

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Our vision for the Marches is of a strong, diverse and enterprising business base, operating in an exceptional and connected environment, where the transfer of technology and skills foster innovation, investment and economic growth.

## The Marches LEP Strategic Priorities

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The Marches LEP Board has developed a set of strategic priorities which provide the guiding principles for the LEP Work Programme, including projects and programmes to be delivered via the European Structural and Investment Funds (ESIF) Strategy and the SEP.

These are described as follows:

<b>The Marches LEP Strategic Priorities</b>	
<b>Supporting Business</b>	We will create an exceptional business support environment for aspiring growth businesses through access to finance and incentives to innovate. We will promote the Marches as a business investment location
<b>Physical Infrastructure</b>	We will provide a compelling business investment offer with a progressive planning framework and infrastructure fit for tomorrow's business needs.
<b>Skills Investment</b>	We will support employers to develop themselves and their workforce and to provide employment opportunities for young people.
<b>Low Carbon Economy</b>	We will drive the transition to a high value, low carbon economy, maximising the opportunity in new technologies, reducing environmental costs to business and recognising our environment as an economic asset.
<b>Social Inclusion</b>	We will support socially excluded and marginalised groups by removing barriers to their participation in activities that will improve their economic well-being.

## Executive Summary

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**The Marches is one of the largest geographical LEPs in the country.** It is an area which is rich in land, home to the three urban powerhouses of Hereford, Shrewsbury and Telford, an abundance of market towns, rural villages and wonderful landscapes. **The Marches has a large number of SMEs** operating across both its urban and rural places. **Big businesses also reside in the Marches** making it a thriving and successful place, with a competitive and welcoming business environment. **In total there are 28,000 businesses operating in the Marches contributing £10bn to the UK economy.**

Businesses in the Marches are dedicated to making the region a success, citing its unique rural landscape as an advantage to create and sustain economic growth, the ability to guide and direct skills as vital, and the innovation and variety of industries in the area making it a great platform for growth.

**The Marches is also faced with challenges.** There are **high levels of young unemployed people** who are not in work or further education or training. **Companies report finding the right people for their business more difficult.** The road and rail network needs upgrading with infrastructure that in many places is stymying the high levels of housing and employment development that is possible. As cited by the Chair of a local business board, just getting from A to B in the Marches is a problem. **Our road and rail network is not good enough for our businesses to really excel.**

**The Marches has a vision; to create 70,000 new homes and almost 40,000 new jobs over the next twenty years** accelerating growth and providing opportunities for all who live and work here.

It is an ambitious plan which will be realised through strong stewardship and strong partnerships between the local authorities and private sector. **The Marches has a strong record in leveraging private sector investment and has strong private sector support for the Strategy and projects within this Plan.**

The Marches LEP is going to kick start its growth by seeking funding from Government, through the Single Local Growth Fund, for infrastructure and transport schemes which will unlock housing and employment sites. The Marches has a plentiful amount of developable land available which can be accelerated through targeted investment unlocking land, and driving out high levels of housing and jobs.

In Year One, the Marches has **fourteen schemes which are ready to deliver growth across our area in 2015/16.** Taken together, they will have a significant impact on the local and regional economy creating almost 29,000 jobs and over 18,000 homes.

**The total cost of the 14 schemes is £154m which creates excellent value for money on both cost per job and cost per home. Match funding to the tune of £52m has already been secured from other sources making the total contribution requested from the Local Growth Fund £102.5m.**

Year Two projects which will be ready to go in 2016/17 include infrastructure and transport priorities and will also introduce a broadband package to see connectivity across the Marches enhanced.

**The Marches is seeking to create an Investment Fund** by capturing the growth driven through the initial investment into our priority projects alongside our asks around earnback from HCA land holdings and retained business rates. The Fund will provide on-going finance for infrastructure and transport improvements for future sites, recycling the uplift generated through housing and employment developments into the next best site. It is envisaged that the fund will have an initial life of 20 years sustaining the economic growth stimulated through the Local Growth Fund. Alongside the Marches commitment to streamline planning and regulation and ensure the area is 'open for business' it will mark out the Marches as a destination of choice for inward investment and developers.

**The Marches will work with its employers and FE providers to up-skill its workforce** ensuring education and training reflects business needs and prepares our young people to access new jobs and opportunities.

**The Marches is also planning for the medium term considering opportunities to grow its HE provision,** working with new and existing institutions to increase the range of the Marches offer.

This SEP provides evidence of the strengths, challenges and opportunities for the Marches.

The Marches has a vision; to create 70,000 new homes and almost 40,000 new jobs over the next twenty years accelerating growth and providing opportunities for all who live and work here.

**It describes how modest investment will kick start some major development sites** in the area and discusses the projects and their impact on local market failures and their impact regionally and nationally.

This SEP also **sets out the guiding principles for the new Investment Fund.**

Above all our SEP **tells a story about the Marches describing how it is an area which is ambitious, which can deliver and which has worked hard to ensure that its business voice is heard and the challenges it faces will be met.** The Marches LEP is ready to deliver new homes, jobs growth, delivering tangible benefits not only to our local communities and business but across the wider region, and the UK.





## Part One - All About the Marches

### 1. An Introduction to Place

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The Marches is a distinctive area. At its heart is the global birthplace of industry, part of a heritage which has sparked a revolution of a different kind with innovative hi-tech enterprises, land-based industries and entrepreneurs flourishing alongside global players. Ideas which changed the world were born in the Marches: the Industrial Revolution in the Ironbridge Gorge; the first modern skyscraper, the Flaxmill in Shrewsbury; the modern Olympic movement in Much Wenlock; the Mappa Mundi in Hereford and Darwin's Theory of Evolution.

These big ideas are evidence of the Marches' pioneering industrial heritage and its entrepreneurial spirit. It has demonstrated its ability to change and adapt to emerging technology and innovation, without losing sight of its rural advantage and the quality of life this offers.

The Marches is geographically one of the largest LEPs in the country, covering 2,300 square miles. It includes the Urban Powerhouses and designated Growth Points of Hereford, Shrewsbury and Telford and some very rural places which make a significant economic contribution, all of which are complemented by a range of Opportunity Towns.



This rich mix of urban and rural, of small businesses and major employers - including international conglomerates - across a substantial geography, provides both challenges and opportunities in the Marches.

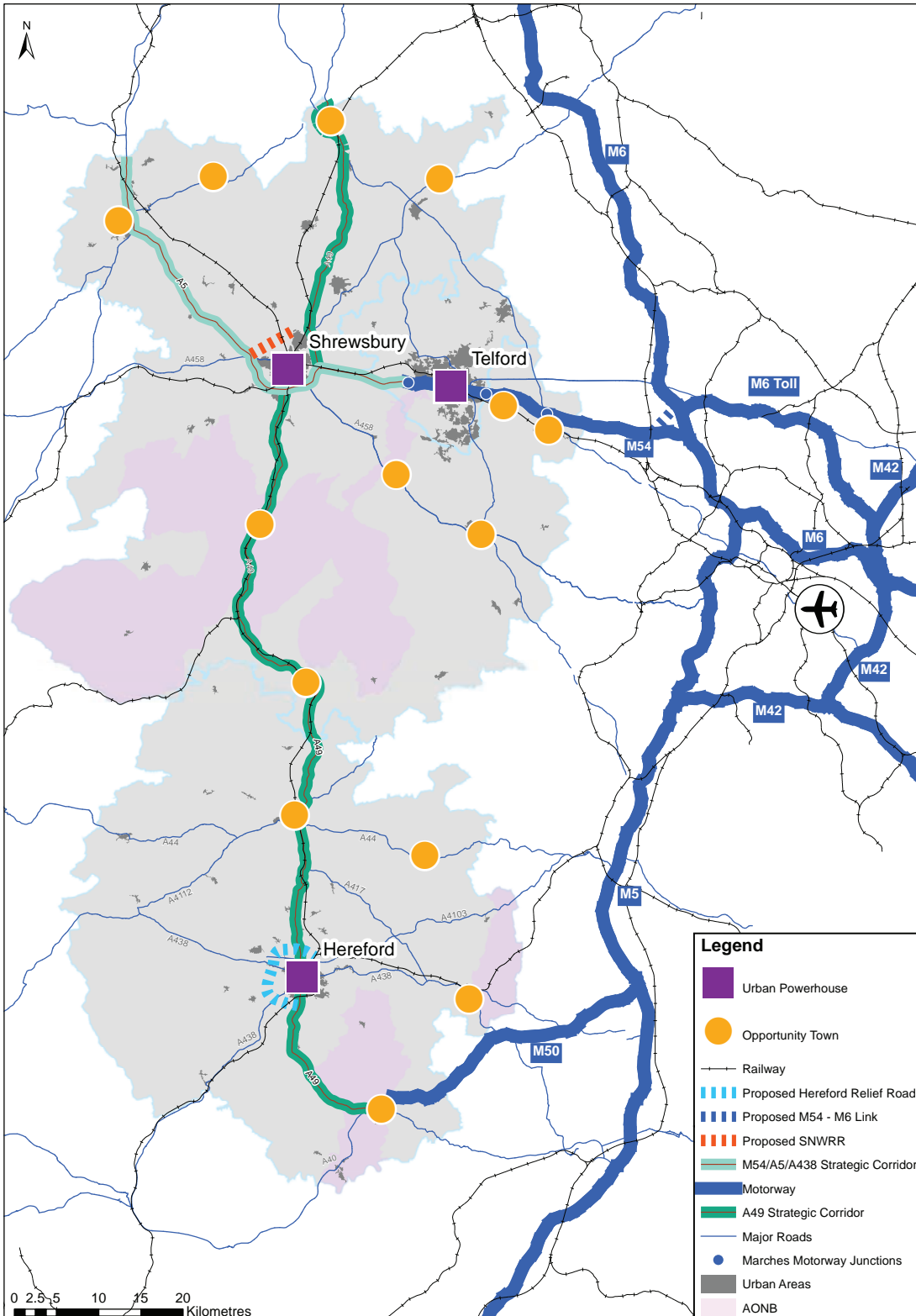
The housing, jobs and GDP growth opportunities in the Marches have striking potential, with housing targets in parts of the region being met and strong sector opportunities in industries such as defence, food and automotive manufacturing. This SEP sets about detailing how the opportunities can be brought to fruition.

The economy in the Marches has remained relatively stable through the economic downturn and the acknowledgement that the area has a buoyant and thriving SME community has played an important role in the way in which the area has navigated the recession.

The Marches LEP is ambitious; it wants to see growth which will benefit local people, the wider region and the UK as a whole. It has striking potential to be able to deliver over 70,000 homes and nearly 40,000 jobs by 2031. This document will describe that:

- The SME community is the lifeblood of the Marches and needs to be celebrated and nurtured alongside attracting major employers to increase productivity, drive innovation and deliver jobs;
- Infrastructure improvements are needed to facilitate and accelerate growth;
- There are skills gaps and youth unemployment is high;
- There is ample public land available and the Marches LEP is set to deliver.
- We have partners alongside us - developers, investors and communities - ready to deliver and drive growth.

# The Marches Location Plan



## 2. What are the Marches Successes, Challenges and Opportunities?

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The Marches is an area primed for growth. With a strong business base and a track record of delivery, the Marches is a place where a strong partnership with Government coupled with modest investment will reap rewards locally, regionally and nationally.

The Marches needs new jobs and new houses. There is a proven demand for new homes to meet growing community needs, including those of young earners, and opportunity through housing

developers keen to meet that demand but stymied by infrastructure-related barriers that make delivery uneconomic. There is demand for new jobs to meet a growing population with limited opportunities for young people and a need to promote competitiveness and innovation within business through higher skills-related occupations and support to new entrepreneurs. This will promote economic well-being for our communities, improving average wage levels across the economy.

### The Marches has an Excellent Track Record

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The Marches is a well-established business arena with over 28,000 businesses, contributing £10 billion to the UK, and a population of 634,000 which is set to increase to 700,000 by 2031.

A very large proportion of businesses - 86% - employ less than 10 people.

It is an area which throughout the economic downturn has maintained strong delivery of new housing and jobs.

Over the last five years, the Marches has:

- Delivered 9,850 houses;
- Created 8,000 jobs;
- Secured £670m of private investment in growth schemes;
- Invested £800m in infrastructure, economic development and transportation.



## Market Failures

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Despite this track record we do face very real challenges. There are a number of market failures which are either unique to the Marches or read across to areas with similar economic drivers, infrastructure and demographics. Understanding these has informed the identification of our priorities and targeting where public sector and LEP interventions will be most effective, or, where the market left to its own devices is more likely to develop a solution. These market failures undermine the Marches' economic competitiveness and are limiting the contribution this area can make to the economy locally, regionally and nationally. The main market failures identified for the Marches are set out below.

### **A lack of critical mass to drive economic activity**

The region has a low population which hinders the growth of the economic base. This is not a market failure per se but rather a reflection of the structural characteristics of the area. Economic activity is dispersed between large swathes of rural areas with small market towns and urban areas scattered around. This results in: reduced opportunities for the types of organic growth that arises from business clustering, more limited opportunities to attract talented employees and inward investment; long travel distances for business and employees who need to access jobs and markets by car; and a general lack of economic momentum in growth sectors.

### **Lack of identity and appeal to investors**

Telford has a track record of attracting foreign investment with more than 150 global brands including Ricoh, Epson, Makita. But more recently the Marches region does not appear to be on the overseas investors' radar impacting on the area's ability to attract private sector investment at scale.

### **Limited university offer or graduate jobs leading to a loss of the younger highly skilled generation**

With the notable exception of Harper Adams University and the University of Wolverhampton campus in Telford, the Marches lacks a local higher education base. This lack of institutional capacity limits potential for growth through the presence of a higher skilled, R&D-orientated workforce and is compounded by the lack of retention of undergraduates who have to leave the region to seek higher qualifications. This exacerbates demographic trends, where the economic value generated will be dependent upon a shrinking base with greater demands placed upon it. The working age population is set to decline by 8% up to 2033.

### **Low levels of R&D and commercialisation**

The low level of R&D and commercialisation across the Marches is demonstrated by the lowest level of patents per 100,000 population across all of the LEPs. This constrains the levels of business start-up and growth in the Marches economy.

### **Poor virtual and physical connectivity**

The road network suffers from a lack of major roads between key economic towns across the Marches region making it difficult to connect one side of the area to the other quickly and efficiently. The lack of direct rail links to the capital has been a major hindrance to business and to the visitor economy. Across the rural parts of the Marches limited broadband connectivity also represents a significant market failure that needs to be addressed.

## The Marches Strengths

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### Employment

The Marches has a higher than average employment rate and self-employment rate and a very high proportion of business enterprises, 44 per 1,000 population ranking it third among LEPs. This diverse economy across the business sectors provided resilience during the recession. The Marches business survival rate is good, with 80.4% surviving after 2 years.

### Location

The Marches central geographic location and connections to the motorway and rail network, linking it to West Midlands and further afield are cited as one of the reasons businesses do well in

the Marches. There is also access to international air connections via Birmingham, Manchester and Cardiff International Airports and to air freight hubs in East Midlands and Manchester.

### Sectors

The Marches is home to a number of multi-national and household names. This helps to nurture and bolster our sector strengths especially: food & drink; agri-technology, advanced and automotive manufacturing; defence & securities; tourism & leisure; environmental technologies & services and social enterprise. A full description of sectors can be found in Appendix C.

## The Marches Barriers to Growth

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The Marches is an area of opportunity, but there are barriers that we need to work with Government to overcome to unlock our full potential. Our SWOT analysis, included in Appendix B, has highlighted a number of key areas where the Marches economy requires specific support and intervention. This includes:

### Stalled housing and employment sites

The Marches has a track record of delivery on developable sites. However, increasingly housing and employment sites are being held back by gaps in infrastructure and accessibility. The Marches has the potential to deliver significant numbers of homes and jobs over the next 20 years, but we need investment in key infrastructure to drive the creation of new and sustainable communities and investor opportunities.

### Transport

The Marches LEP, whilst home to a strong business base and some key growth corridors, suffers in many parts from poor accessibility to employment centres. This results in a number of

potential development sites being stalled due to limited transport connectivity. These transport barriers include:

- Current and forecast traffic congestion in the Urban Powerhouses and Opportunity Towns.
- Pinch points and missing links in the road and rail inter-urban transport network.
- A lack of highway access into specific sites for car drivers, HGVs, buses, pedestrians and cyclists.
- Poor public transport in rural areas which affects the ability of people without a car to access education and, in particular, jobs.
- Ageing public realm and traffic dominated streets detract from the offer for potential investors.

There are a large number of rural based micro & small businesses which suffer particularly from poor accessibility and are located far from faster road and rail links placing them at a competitive disadvantage in attracting skilled workers.



### **Broadband Connectivity**

Digital connectivity is critical to our businesses and communities. Whilst the most urban parts of the Marches are well served by broadband provision, poor connectivity remains a key barrier to investment in some of the rural areas of the Marches where many SME's operate. Even with the addition of commitments contained within signed BDUK contracts (Herefordshire and Shropshire) a number of SMEs are not expected to have access to fibre broadband speeds without additional intervention being secured.

### **Skills Gap**

With youth unemployment in the Marches higher than the national average at 7.6%, Telford and Wrekin and Herefordshire have the highest and second highest proportion of young people classified as NEET in the West Midlands. Furthermore, Telford features in the lower quartile for the number of young people classified as NEET in the UK.

Whilst GCSE attainment levels across the Marches have traditionally been better than the national average in terms of the percentage of students gaining 5 GCSEs A\*- C (including English and Maths), the region has now dropped below the national average.

Only half as many 20-24 year olds in the Marches region have degree level qualifications (NVQ4+) when compared with the national average. The number of apprentices aged 16-18 in the Marches region has fallen from 37% of apprentices under 19 in 2007 to 24% in 2010/11.

Some 40% of employers interviewed in the Marches Business Survey reported that they were facing skills shortages and some 75% of businesses interviewed had not engaged in any business support programmes during the past 3 years.

## The Marches - Land of Opportunities

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Together with Government we can build on our strengths, tackle our challenges and maximise the opportunities for accelerating growth across the Marches:

### **The Marches has a large amount of 'ready-to-go' land**

Telford alone has 400 acres of employment land including sites on the doorstep of 154 minutes from the M54. With the correct investment in infrastructure this land could deliver significant growth in the Marches and unlock, add value and speed up growth, innovation and job creation, now. With major housebuilders including Barratt Homes, Persimmon Homes and Taylor Wimpey Homes committed to do business in the Marches we are ready to go.

### **Urban Centres**

The three Urban Powerhouses of Hereford, Shrewsbury and Telford are designated as Growth Point towns, with a track record of delivery including town centre regeneration schemes under development that through partnership are capable of generating £450m private investment and 3,500 sustainable private sector jobs. In addition, there are a number of strategic Enterprise Areas including the Enterprise Zone in Hereford, which will create a further 4,200 private sector jobs and £250m of additional private sector investment.

"Taylor Wimpey are committed to doing business in Telford and the Marches where the supply of land, proactive approach to planning and 'can do' attitude is enabling us to deliver. "

*Daniel McGowan, Regional Managing Director,  
Taylor Wimpey*

"Persimmon Homes are fully behind the LEP's plans and urge the Government to back this deal to accelerate growth in the Marches."

*Tim Brickley, Director in Charge, Persimmon Homes/  
Charles Church West Midlands*

### **The Marches has a strong and ambitious business base**

The presence of innovative, well-renowned companies already in the Marches is evidence of this investment potential and presents a real opportunity to drive further growth. Opportunities to establish new and strengthen existing Centres of Excellence in the Marches, will provide value to the whole business community through high quality, joined up business support, providing the conditions for innovation in product development, stimulating entrepreneurship and offering bespoke business space.

### **The Marches presents an attractive investment area**

With its strong enterprise culture, a stable and flexible, wage-competitive workforce, and a high quality, attractive environment with a good supply of development land and premises, the Marches provides an attractive investment proposition.

### **The Marches is well-located**

It has strong economic connections with other LEPs, with Jaguar Land Rover's £355m new I54 engine plant set to support 3,000 new jobs and up to 1,500 companies 12 miles from Telford and with defence and securities industry links to neighbouring Worcestershire and Gloucestershire.

**The Marches LEP has ambitious plans to develop a reputable, world class, highly skilled workforce.** A workforce that will stimulate growth, attract investment and bring new prosperity to the region.

### 3. Summarising Our Findings

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The previous sections have described the challenges the Marches will tackle. The business groups in the Marches who have responded to the draft SEP are unanimous in their call for investment into infrastructure and skills to enhance and support the business environment.

It is apparent through the work of the Local Transport Body that each area of the Marches needs targeted investment into transport and infrastructure to drive investment. Developers and investors will not bring forward schemes where access and pinch points on the road network are a prohibitively expensive issue.

The schemes listed in Appendix D are needed to enable sites to be developed. If these sites across the region are developed, they will create almost 29,000 and over 18,000 homes.

The projects range from Town Centre transport schemes to free up capacity on the road networks and introduce way finding and pedestrian areas, to improvements to major junctions providing access to the major employment sites.

Skills is another major priority for the Marches LEP. The Marches Skills Board strategy will be to support businesses of all sizes, urban and rural, to increase their investment in both skills and training and to ensure that individuals are better prepared and ready to take advantage of identified opportunities. Both of these elements require a high performing education and training sector that can meet individual and employer demands for local, national and international markets.

The following section describes the Marches Solutions and how the LEP Board has prioritised six areas where it can deliver against the priority projects, accelerating growth.



“We have already seen how the Marches work with SMEs is strengthening the local supply chain, and as a larger company we are reaping the benefits of this improved service offering.

As such, we support all positive business initiatives for the area and we are supportive of the principles set out in the Marches LEP strategic priorities”.

*Mark Hemming, Facility Director  
Stadco Shrewsbury*



## 4. The Marches Solutions

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We are looking for freedoms and investment that provide the right solutions to unlock the Marches opportunities, in the following six areas:

### **Speed up delivery on 'ready to go' land**

Across the dispersed economic geography of the Marches, in areas capable of providing more growth now with long term benefits, there are stalled sites which can be delivered with small infrastructure interventions. These are described further in Part 3.

### **Speed up housing completions**

Evidence suggests that housing completions across the Marches have been falling since 2006 through to 2013. Infrastructure and transport improvements will speed up delivery on sites which have been identified in the Marches local plans. The Marches can far outreach its average completions figures, which currently sit at 2,076 per annum. Private sector housing partners are behind this pledge and will work with the LEP, through its Investment Fund, to ramp up housing delivery to exceed 'business as usual' delivery and see around 70,000 homes delivered.

### **Invest in infrastructure**

Transport and infrastructure are a fundamental focus for the Marches SEP and make up a major proportion of the 'ask' with regard to investment. Ageing infrastructure and strategic road networks, poor site access, public transport difficulties and high levels of congestion are acting as restraints on the levels of major growth that could be delivered. The projects proposed will help to remove these constraints – they are the enabling infrastructure which will allow the Marches to accelerate growth.

### **Support SMEs and encourage the entrepreneurial business environment**

86% of businesses employ fewer than 10 people. With the potential to create significant numbers of jobs and drive growth, the Marches LEP has identified business support as a key theme, with particular attention being paid to strengthening priority sectors.

The Marches LEP proposes a new and integrated approach to business support that, through a bespoke Growth Hub model, will address the key issues of entrepreneurship, business growth (especially amongst high growth local businesses) and innovation. This delivery model will incorporate both virtual and physical hubs providing support tailored to supporting the businesses we have today and critically finding and nurturing the entrepreneurs and businesses of tomorrow. The LEP will provide management and strategic coordination of this activity.

Links to schools and colleges will be a key feature of SEP delivery and our ambition is to inspire a new generation of entrepreneurs. The SEP prioritises the conversion of unemployment to self-employment, business engagement with schools and 'work ready' skills for school leavers to support their transition from academia to a business environment.

The LEP will offer a suite of flexible and wide-ranging products, to facilitate company growth and encourage employment. These will simplify the business support landscape, removing duplication, building on the national offer with a clear and concise branding. These are anticipated to include:

- A single grant and voucher scheme.
- Investment in Crowd Funding.
- Potential regional loan funding.
- National Opt ins.
- Inward Investment promotion.

### **Retain major employers and attract further investment**

The Marches has some major employers including: Muller, Ricoh and Heineken. The LEP will work with them to ensure that there is a highly skilled workforce with excellent transport and infrastructure. The Marches needs to boost its inward investment. It can only achieve this by being able to offer the right business premises, skills and housing for future employees.

The Enterprise Zone in Hereford has been taking great strides in attracting employers from key sectors. There are other enterprise areas across the Marches including Telford and Oswestry

Innovation Park which, with the right investment, offer the conditions to support innovation and major investment.

### **Create a skills framework to deliver the best people for employment**

The Marches Skills Board will implement the priorities and actions outlined in the Marches Skills Plan and Marches ESIF which will maximise resources and funding opportunities through closer partnership working with the Skills Funding Agency, DWP, the private, public and VCS sectors. The Plan integrates and aligns local policies forming a Marches-wide approach to address the skills challenges.

#### **THE HEREFORD ENTERPRISE ZONE**

The Hereford Enterprise Zone at Rotherwas was designated in 2011. The site presents over 60 hectares of free, ready to develop land and is excellently located on the A49, with easy access to the M50, with proximity to three major airports in Cardiff, Birmingham and Bristol. The site is located within the highly attractive and historic City of Hereford. If the correct investment is achieved, this site could accommodate almost 4,200 jobs and see £2m a year in business rate uplift. It has already attracted businesses to occupy 12,000m<sup>2</sup> of its space and have 6 solid investment leads with 2 new contracts recently signed. With an emphasis on attracting advanced manufacturing and defence industries the zone will act as a draw for recent graduates, attracting high skilled young workers to the area.



## 5. Investing in Our People

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The Marches Skills Plan has evaluated evidence from across the Marches drawing on surveys with local business and providers. The Plan sets out four skills priorities for intervention:

### **Priority 1: Developing the skills required for business growth**

#### **Supporting SMEs and high-growth businesses**

Reflecting the high density of micro-enterprises across the Marches region and within this the increased support required for high-growth businesses, the skills support will be focussed at a sector specific level and aligned with the Marches Growth Hub proposal, of which entrepreneurship is the backbone (referenced on page 17). This will be achieved by:

- Offering additional skills support to enhance the business support package. providing a service which will support employers to recruit, retrain and retain, source appropriate training and promote access to skills funding initiatives. Building on the 'Joined-up-for-Jobs' initiative which has been successfully piloted at the Hereford Enterprise Zone this will be approached at a sector specific level working with existing further education and training providers, higher education and agency partners.
- Creating a 'Skills Hub' which will employ individuals and offer them on placement or at a reduced rate to reduce risk to small employers. Developing a shared employee model where an employer cannot offer a long-term contract and at the moment cannot therefore access more expensive, higher skilled labour. This will be used to multi-skill these individuals so that they become higher skilled in that specific sector. Linked with our ESIF Strategy we will enable SMEs to access highly skilled labour making graduate placements more affordable for small business through either increased match funding or more flexible terms of payment.

- Increasing the quality and depth of training in specific sectors through the establishment of 'Centres of Excellence'. As well as the further education sector this will also include utilising the training offered in-house within businesses which will also be offered to other businesses. This approach has already been successfully adopted in the manufacturing sector in Telford.
- Establishing employer-led sector specific groups to develop education and training provision, opportunities and progression routes in the key economic sectors. This will ensure that provision is aligned to employer needs.

### **Priority 2: Supporting enterprise and access to employment**

Many people are unable to take up work experience placements and job opportunities across the Marches region due to the rural locations of many businesses and costs and availability of transport. A public transport subsidy fund will be established to fund a 'Wheels to Work' scheme which will be enhanced through the development of the transport infrastructure in rural areas.

Enterprise and entrepreneurship will be the focus of the Marches Growth Hub and activities will include introducing enterprise into the curriculum and supporting start-ups and existing businesses, including providing support to the unemployed who wish to become self-employed.

### **Priority 3: Realising the potential of young people**

Young people have suffered disproportionately in the current recession and combatting youth unemployment and underemployment is a key priority. This will be addressed by engaging Marches businesses with young people, through Apprenticeships, traineeships and work experience facilitated brokerage services and digital solutions across the Marches region.

We will utilise funding sources such as ESF, to encourage and support businesses to work with education and training providers to help give young people the skills that they need to succeed, and link them to job opportunities. This will include information, advice and guidance, employability skills, LMI, apprenticeship growth and Inspiring entrepreneurship activities.

### **Higher Education**

The public sector has made significant education and skills investments in recent years, and the Marches now has some of the highest performing secondary education schools in the UK. With regard to Higher Education, however, there are a number of areas where the Marches shows weakness, with a lack of HE presence in the area leading to: an out-migration of young, educated graduates and challenges for local businesses to collaborate on innovation initiatives with HE establishments.

The Marches considers HE Institutions and their partnership with local businesses to be an important way of driving local innovation and growth enabling the transformation to a skilled population capable of driving its own future growth, and empowering the economy of the Marches to fully engage with the wider UK and global economies.

This area of work is also high on the Government's agenda evidenced through both the principles accepted in the Heseltine Report and the Witty Review which set out in greater detail the approach to forging stronger links between researchers, universities and business to develop, support and maintain UK's world class knowledge base.

The challenge is to enable students to study locally in the Marches and to attract new students into the

area. The Marches already has some strong HE presence with Harper Adams University and the University of Wolverhampton Campus in Telford. However, establishing new university provision with distinctive branding, new sense of place and vision to grow steadily over the next ten, twenty, thirty years and into the future could be a compelling proposition for a range of teaching and academic institutions and would lead to an increase in the higher skills/occupational base, increases in economic activity/GVA and a raised profile and identity for the Marches.

In order to assess these issues and take advantage of the opportunities an enhanced HE provision would bring, the Marches LEP is considering a number of potential solutions to increase the localised HE presence:

1. Expansion of HE provision through either existing HE or FE providers.
2. Partnering with an existing HE provider from outside the Marches.
3. Establishing a new HE provider within the Marches.

The large geography of the LEP may require any or all of these concepts to provide the increased presence the Marches desires. The LEP is supporting partners working with emerging providers. This includes the New University of Herefordshire, which is being pursued by a private sector led group of educators and business leaders who have developed proposals for a not-for-profit privately funded institution. It also includes the Shropshire Council and University of Chester partnership which is providing a University in Shrewsbury, with research and teaching facilities in new and refurbished premises, combining undergraduate and post graduate courses (from Sept 2014) with academic and commercial research, set within the town's proposed Education Quarter.



## Part Two - What the Marches Will Do

### 6. Our Asks

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The realisation of accelerated growth is contingent upon the following mechanisms and asks of Government:

- Funding through the Single Local Growth Fund to kick start our priority projects;
- Freedoms to unlock land, especially public sector land, for housing and employment;
- The creation of a Marches Investment Fund;
- Freedoms to address skills and training locally.

We have identified priority projects which, with investment and interventions, have the capacity to unlock land and development in the Marches that will in turn boost jobs and employment in the area. These are explained in more detail below including costs. A summary of the schemes is included in Appendix D. These schemes have been assessed for their potential to deliver jobs and housing in the immediate term and their wider regional impact across the Marches and the West Midlands.

#### **Our Ask of the Single Local Growth Fund**

To deliver the housing and jobs described earlier in this document, interventions and improvements are needed to transport and infrastructure to make growth happen. The Marches' dispersed economy covers a huge geography and generating additional growth across the whole area is challenging. The LEP has identified a set of schemes which will provide the widest reach and greatest long term economic impact across the Marches. These schemes focus on unlocking sites quickly and accelerating the creation of high levels of jobs and new homes. They offer good value for money, leveraging in substantial private investment by delivering business growth opportunities. Our Asks of the Single Local Growth Fund and

the scheme packages and costs are set out in Part Three of this document and greater detail is provided in Appendix D.

#### **Freedoms to Unlock Land for Housing and Employment Growth**

The designation of key Enterprise Areas will enable the Marches to fulfil its role as a key player in national growth and the achievement of an economically successful and self-sustaining economy.

The clear objectives for growth, and the scope to reinvest some of the returns into the area, will provide a strong incentive to the local authorities to facilitate the early development of sites. Mechanisms for advancing the land assets in the LEP area will include:

- A commitment to achieving faster delivery of planned housing sites than that represented by the current less proactively supported market trajectory.
- The designation of further Enterprise Areas, with a business friendly 'can do' private sector approach to development.
- An approach to Planning which supports and enables growth without delay, providing a one stop shop approach, clear development advice, and effective use of development charters and Local Development Orders within designated growth areas. These commitments are set out in the Marches High Level Planning and Housing Statement "Poised for Growth" (2012).
- A marketing approach which indicates that the area is open to development and growth and that stresses the integrated, live, work and invest opportunities of the area.

## 7. The Marches Investment Fund

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### The Marches Investment Fund

We are seeking a Partnership with Government to establish an Investment Fund to deliver infrastructure improvements to unlock and accelerate delivery. The Investment Fund will provide a mechanism to recycle funds from one investment into the next creating a sustainable investment model to drive continued growth.

The Investment Fund will be used to service and provide greater access to land primed for housing and employment growth, building synergies between sectors and enabling greater connectivity between people and places. It will target projects, prioritising those described in Part Three, to unlock growth in key strategic areas in the Marches.

Our proposition is for a 20 year Investment Fund, predicated upon the following:

- We have sufficient appropriately located sites to enable us to provide the job growth (40,000) and housing numbers (70,000) indicated in our SEP through a proposed accelerated programme for growth up to 2031.
- A number of these sites cannot currently be brought forward by the market as they have particular barriers to investment, for example around access or servicing costs, which can be overcome by intervention through an Investment Fund.
- The Marches area has a track record in successfully bringing forward sites to a point where market forces can and do take over. There are already examples of where accelerated growth has led to success for the Marches, with strong relationships demonstrated between the public and private sector (see Southwater Case Study on page 25).

### The Fund Mechanism

The Investment Fund will be sustained through:

- Retention of 100% of all Business Rate Growth within our Enterprise Areas
- Enterprise Zone Business Rate uplift
- Growing Places Funding
- Regional Growth Funding
- Earn-back from the proactive stewardship of HCA land on the following basis:
  - 50% retention of commercial land sale receipts and 25% retention of residential land receipts.
  - 75% of retained receipts will be held by the Council where the receipt is delivered with spend aligned to the Marches LEP Board priorities.
  - 25% of retained receipts will be ring-fenced as part of the Investment Fund to bring forward further sites.
  - Recognising that Treasury has built in targets for land receipts in 2015/16, the earnback mechanism will kick in only after this figure has been delivered. This may be achieved through accelerated delivery from future years and/or uplift.
  - Every investment will be subject to approval by HCA.

Appendix E sets out a schedule and plan of HCA land assets proposed to be subject to earnback.

The intervention from the Investment Fund will be complemented by the Marches' investment into business support, marketing and proactively driving inward investment.

The Investment Fund will encourage the commencement of developments that are vital to underpinning growth. The developments will facilitate inward investment, enable the re-location of expanding companies and support the development of new mixed tenure housing schemes across the Marches.

The earnback arrangement will extend the existing Stewardship Agreement between Telford and Wrekin Council and HCA, outlined below, to include all commercial and residential land assets with retained receipts enabling further investment to accelerate delivery of homes, jobs and further receipts.

### Key Principles of the Investment Fund

- Focussing on revenue which is derived in those areas of the Marches where infrastructure and other investment takes place.
- Seeking to use growth in the revenue base to fund infrastructure and other investment as opposed to using existing base line income.
- Limiting the need for new powers and or the reallocation of funding from Central Government and making full use of the powers and freedoms available to local authorities under the localism agenda.
- Ensuring options are acceptable to the public and other stakeholders and do not in themselves act as a deterrent to economic development and growth.
- Applying mechanisms to collect revenue that will be relatively simple and easy to implement and will rely on existing legislation.
- The Investment Fund will be overseen by the LEP Board. Governance proposals are outlined in more depth in Part Four.

### Case Study: Telford and Wrekin Council/HCA Stewardship Agreement

Telford & Wrekin Council entered into a stewardship agreement with HCA in November 2012 which sees the Council act as sole managing agents for the majority of HCA commercial land. As a result in the last 18 months we have delivered 83 acres of commercial land, 562 new jobs, 418 retained jobs, representing an investment of £39m into Telford. The strength of this partnership has delivered more development on HCA land than has been achieved in the last 10 years with more development in the pipeline.

The Council is able to deliver this acceleration through its proactive approach to development negotiating deals with the HCA, reducing red tape and speeding up the delivery process.





### Case Study: Southwater - stimulating private sector investment

Southwater is set to become the new heart of Telford Town Centre driven by a combination of public and private investment. Built in the 1960's and 1970's, the Town's core is dominated by a retail shopping centre surrounded by commercial, then residential development. The town's leisure and cultural offer was poor, with a limited night time offer, lack of vibrancy and sense of place, restricting growth in both business and leisure economy.

In response, Telford & Wrekin Council has worked with partners including Southwater Event Group, Homes & Communities Agency and private sector investors to develop and realise a £250m regeneration of the Southwater area to deliver a true heart to Telford Town Centre. The vision is to create:

- A vibrant and sustainable heart for Telford Town Centre - including a night time economy;
- High quality buildings and public space that will transform the image of Telford.
- Improved cultural, leisure, retail, and event facilities as well as new homes and offices.
- A greatly enhanced convention quarter.
- New jobs, new opportunities and inward investment.
- A place in which people will want to work, live, visit and enjoy.
- A place to be proud of.

Southwater, forms the ideal location for such a vision, situated in a strategic location between Telford Shopping Centre (a sub-regional retail centre of 1 million sq ft), Telford International Centre (one of the UK's largest conferencing and exhibition venues which attracts over 450,000 delegates every year), and Telford Town Park (a 400 acre green space, enjoyed by 750,000 visitors per year).

The first phase of the scheme will open in 2014 and will see £110m of investment into the town centre with £40m of public sector investment being matched by £70m of private sector investment. Public sector investment has focussed on enabling the site through securing outline planning consent, undertaking infrastructure improvements and creating development plots, delivering supporting developments such as a 600 space multi story car park and high quality landscaping to create a new square, main street and lake, as well as delivering iconic developments including a new interactive library and learning resource, a one stop shop for a range of other public sector services, a £4m refurbishment and extension of the existing ice rink as well as the delivery of 3 new restaurants and a coffee shop.

Public sector investment has been essential to catalyse wider development and create a sense of place thus leveraging in significant private sector investment in a multiscreen IMAX Cineworld cinema, an 85 bed hotel, a new ASDA superstore, a high quality extension to The International Centre's and seven restaurants, all of which are pre let to leading operators including Nandos, Pizza Express, Wagamama and Zizzi. This investment will significantly raise Telford's profile as a destination of choice for leisure and business.

On the back of the success of the Southwater development, owners of Telford Shopping Centre have recently secured outline planning consent for a major extension and redevelopment of the shopping centre. Their proposals amount to an investment of £200m creating a further 2,000 jobs.

### **Freedoms to Address Skills and Training Locally**

To realise our skills ambition we are seeking a number of freedoms and flexibilities:

- The government's plans for apprenticeship delivery in the future will have an impact on SMEs and microbusinesses taking on an apprentice and there are strong concerns that there will be a reduction in opportunities for young people in the Marches. Financial support to small micro businesses wishing to recruit, support and train apprentices is needed.
- LEPs have influence over SFA/DWP funding ensuring it is aligned to LEP priorities. Government funding rules for different age groups were seen as confusing and a barrier to growth by employers.

- Central Government amend the 16 hour rule to enable it to be more flexible especially for young people aged 18-24.
- Government extend responsibilities and create an 'all age' National Careers Service.
- Cross government departments come together and provide infrastructure and core staffing funding for the 'Skills Resource/Hub'. This would maximise resources available and ensure a cohesive 'offer'.
- Government look into providing a clear policy on transport linked to the Raising of the Participation Age.
- Central Government supports LEPs and local authorities to influence and support schools and businesses to re-think and re-design curriculum to develop the skills young people need to enter work. Schools need businesses to commit to and support young people to build their confidence and develop the skills they need to succeed and vice versa. League tables and national curriculum are seen as a barrier by businesses.



## 8. The Accelerated Growth Scenario

### The Accelerated Growth Scenario

In order to show the potential impact of the Marches asks and the scale and scope of the growth opportunity in the Marches a comparison has been made between ‘business as usual’ and an ‘accelerated growth’ scenario. The current housing completions rate is an average of 2,076 per annum. Business as usual, therefore would see just over 36,000 new homes introduced. With the investment and freedoms outlined, it is believed that the accelerated growth scenario will see an introduction of over 72,000 new homes by 2031. Similarly, an additional 8,000 jobs are created in the accelerated growth scenario.

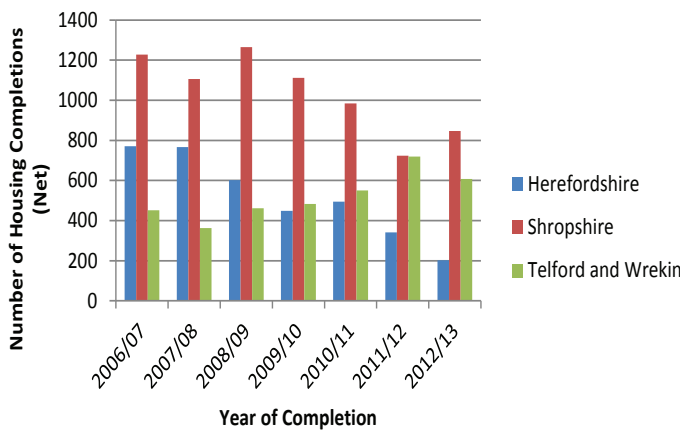


Figure 8.1: Housing Completion 2006-2013

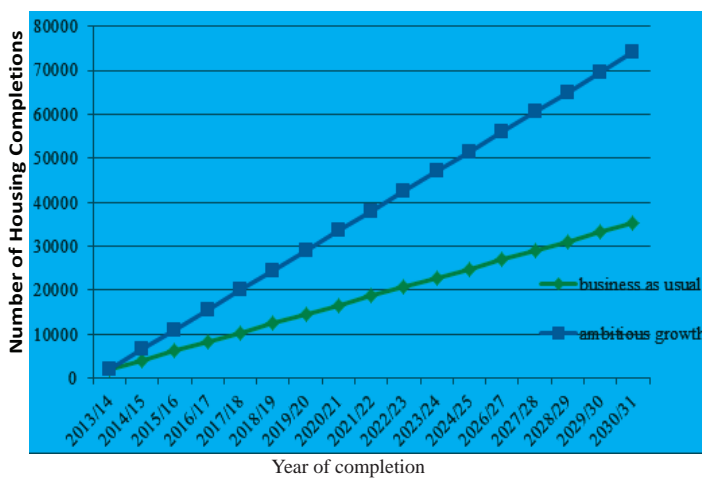


Figure 8.2: Housing Growth Predictions in the Marches 2013-2030

## **Part Three** - The Marches Projects - Realising our True Potential

### 9. Project Pipeline

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To deliver the housing and jobs described earlier in this document, interventions and improvements are needed to transport and infrastructure to make growth happen.

The Marches has a dispersed economy covering a huge geographic area, and generating additional growth across the whole area is challenging. Whilst an exemplar of strong co-ordination and partnership between local authority areas, treating the Marches as one single economic centre is unsustainable in our unique area, where growth is clearly centred around three distinct locations.

In recognition of this, our approach focusses on our three Urban Powerhouses of Hereford, Shrewsbury and Telford. It is in these three areas that growth can be accommodated; these are the core centres, the economic heartlands of the Marches. We have identified within and around these centres various sites which can accommodate growth in the area, and the barriers currently preventing that growth. From this, we have generated an initial set of schemes which will provide the widest reach and greatest long term economic impact across the Marches. These prioritised schemes focus on unlocking sites quickly, accelerating the creation of high levels of jobs and new homes, and offering the best value for money. Importantly, these schemes will also lever in significant benefits from the private sector, attracting further investment and development and are complementary to the wider SEP Work Programme.

#### **Priority Year One (2015/16) – Driving Growth in our Urban Powerhouses & Opportunity Towns**

Our Urban Powerhouses of Hereford, Shrewsbury and Telford are all designated Growth Points and provide opportunities to unlock and accelerate growth in 2015/16. Alongside several equally 'shovel ready' schemes within our Opportunity Towns, these projects provide an initial, year one pipeline of schemes capable of driving accelerated growth across the Marches. Together these schemes and projects will deliver almost 29,000 jobs and provide just over 18,000 homes.

"Bridgnorth Aluminium Ltd has been and continues to be a strong investor in the Shropshire and Marches economy. We strongly support the Marches Strategic Economic Plan, indeed more than that, we require it to be delivered as we rely on a vibrant skills base and competitive infrastructure in order to compete in world markets."

*Simon MacVicker, Managing Director,  
Bridgnorth Aluminium Ltd*



## **Hereford – Urban Powerhouse**

The vibrancy and growth of Hereford is central to the economic success of a much wider hinterland, a strong Hereford will help deliver a strong Herefordshire, with the city providing the drive and ambition to sustain economic growth throughout a wide geography. Hereford should be seen as a package of projects that create an interdependent series of interventions that accelerate growth.

The recent designation of Enterprise Zone status has provided a stimulant for the local economy with its increased profile and financial incentives attracting new and growing businesses alike. This can be coupled with an innovative approach to the development of an expanded Higher Education provision through the creation of a privately funded New University of Herefordshire, raising skill levels and wages. A major retail and leisure expansion to Hereford City Centre has just been completed securing over £100m of private sector finance and creating over 700 new jobs.

To complement the employment and education agenda strategic housing sites have been identified within the Local Plan to address the required growth in residential units. In total 6,500 new houses have been allocated to Hereford, in the main the strategic allocations are located as extensions to the existing city and will form growth points to the south, west and north.

Linking all these projects, and the focus for SEP investment, is the requirement for transport infrastructure to alleviate congestion, provide swift access to markets and enable the movement of people around the city. These interventions, in particular the Hereford Relief Road, will enable the development of 6,500 new houses and the creation of over 7,000 new jobs at the Enterprise Zone and across the city.

Construction work on these projects can commence in 2015/16, will continue the regeneration of a city and deliver benefits felt across the Marches.

## **Shrewsbury Urban Powerhouse**

Investments in transport provision to reduce congestion and improve journey times are essential to achieving economic growth in Shrewsbury and developing the town as an attractive business and tourist location.

Shrewsbury consistently features in The Sunday Times Best Places to Live in Britain List and is one of only 10 towns featured within the West Midlands. The town has a strong heritage and diverse business and cultural offer that welcomes over 3.2 million tourists each year which is worth over £140 million to the area.

As the primary retail, office and commercial centre of Shropshire, it is the county's designated Growth Point and the primary focus for development. It is planned to provide approximately 25% of its additional housing for the period 2006-2026 (6,500 dwellings) and 90 hectares of employment land.

The projects put forward will stimulate accelerated growth in Shrewsbury by unlocking the potential of two Sustainable Urban Extension's (SUEs) within the town. These strategic locations will address the requirement for greenfield sites to meet both the housing and employment needs of the town. The projects identified in this Plan will provide essential infrastructure to enable this growth.

The Oxon Link Road within the Shrewsbury West SUE will provide an incremental step towards the long term provision of the Shrewsbury North West Relief Road, which will have significant economic benefits for the town and the town centre in particular.

### **Telford - Urban Powerhouse**

With more than 400 acres of development land Telford offers unique opportunities to accelerate the delivery of residential and commercial development using this development to drive further private investment across the Marches area as well as bringing regeneration benefits to the Borough.

The investments address key motorway and arterial routes and infrastructure that will immediately open up new site opportunities and accelerate delivery of others. Schemes include further enhancement to infrastructure around Telford Town Centre supporting the delivery of the £250m public/private investment which is creating a new heart to the Town and provides a regional scale leisure and retail offer and extends the LEP's business and leisure tourism reach.

Elsewhere on the eastern gateway of Telford, investment into junction improvements to M54 will deliver a 31 Ha employment site minutes from the M54 and less than 12 miles from I54. The site offers opportunities for tier one supply chain and, through investment, wider benefits to advanced manufacturing supply chain across the Marches area.

Telford has significant numbers of residential sites with planning permission currently stalled. Through relatively modest levels of investment these sites can be quickly brought to market delivering new homes and private investment. Maintaining a pipeline of such sites has a positive impact on construction, a key sector for the Marches.

The details overleaf should be read in conjunction with Appendix D which provides more information about each scheme.

These schemes incorporate the Marches Local Sustainable Transport Fund requirements for 2015/16 and are supported by the LEP Board.

The total cost of our priority schemes is £154m which creates excellent value for money on both cost per job and cost per home. Match funding to the tune of £52m has already been secured from other sources making the total contribution requested from the Local Growth Fund £102.5m. This will further lever significant private sector investment through the commitment of Marches expanding companies as well as inward investors.



Area	Project	Cost	Match Funding	LGF	Jobs	Homes
<b>Urban Power Houses</b>						
Telford	Telford Growth Point Package	£17,375,500	£3,475,200	£13,900,100	6,920	4,069
	Eastern Gateway	£5,209,537	£1,582,858	£3,626,679	3,438	1,400
	Telford Town Centre Connectivity	£11,822,323	£2,364,465	£9,457,858	2,000	2,600
	Stalled Housing Sites	£5,290,000	£1,058,000	£4,232,000	0	1,049
	Telford Bus Station	£1,896,732	£569,000	£1,327,732	300	0
Hereford	Hereford City Centre Transport Package	£33,500,000	£17,500,000	£16,000,000	760	800
	South Wye Transport Package	£34,700,000	£7,100,000	£27,600,000	1,100	1,100
Shrewsbury	Shrewsbury Integrated Transport Package	£10,000,000	£4,000,000	£6,000,000	4,500	4,200
	A5 Dobbies Roundabout	£5,500,000	£2,000,000	£3,500,000	2,262	900
	Oxon Link Road	£12,176,000	£8,000,000	£4,176,000	2,885	750
<b>Opportunity Towns</b>						
	Model Farm, Ross-on-Wye	£4,450,000	£890,000	£3,560,000	1,337	0
	Craven Arms	£4,500,000	£2,000,000	£2,500,000	605	150
	Oswestry Innovation Park	£3,548,253	£500,000	£3,048,253	2,389	0
	Whitchurch Electricity	£4,500,000	£900,000	£3,600,000	400	1000
<b>Totals</b>						
		<b>£154,468,345</b>	<b>£51,939,523</b>	<b>£102,528,622</b>	<b>*28,896</b>	<b>18,018</b>

\* Construction jobs have not been factored into the job creation as part of these packages

## Priority Year One Further Education (FE) Capital Investment (2015/2016)

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Responding to the opportunities identified in Part 1, Section 5, our initial bid for FE capital investment focusses on addressing skills needs in our priority sectors:

- Auto Manufacturing.
- Advanced Manufacturing.
- Food and Drink.
- Agri-Technology.
- Visitor Economy.

Capital investment will be used to generate an increase in the numbers of traineeships, apprenticeships and Level 2 and Level 3 learners and qualifications, responding directly to employer skills needs.

The investment will be in the refurbishment of premises, new build and high tech equipment. This will enable the Marches to create an area-wide infrastructure of 'Centres of Excellence', which will have world class learning facilities and resources, to develop internationally renowned training in the Agri-Technology, Advanced Manufacturing and Food and Drink industries.

Two key areas of investment have been identified as deliverable in 2015/16. A pipeline of further projects will be brought forward in partnership with the Skills Funding Agency. The two key areas are as follows:

**INVESTMENT 1** is a partnership with 2 further education colleges located in Shropshire and Herefordshire and will focus on Agri-Technology/ Engineering and Food and Drink (in particular Dairy, Cider and Poultry). It will involve integration with expertise and facilities at Harper Adams University in Telford & Wrekin, in turn stimulating progression into HE.

**Total capital investment required: £5 million**

**FE skills capital funding requested: £3.8million**

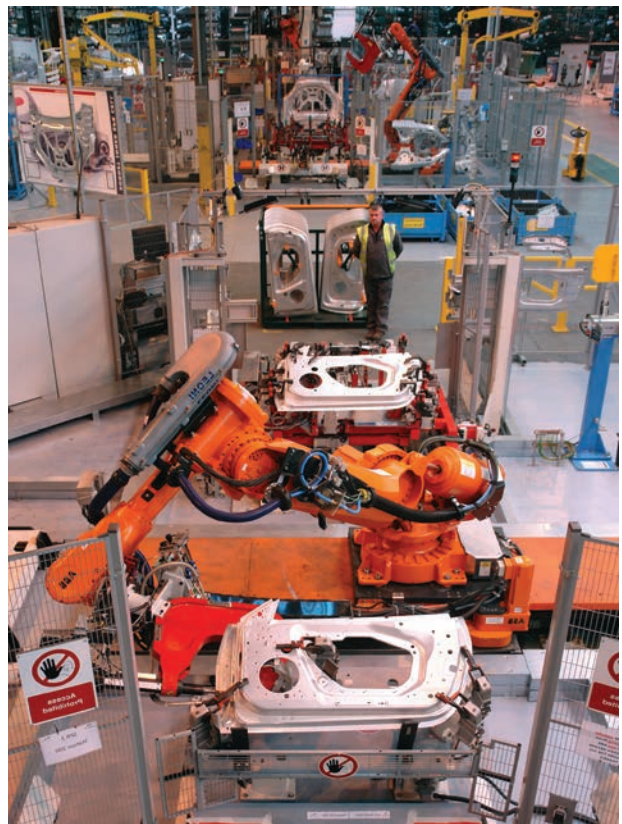
**INVESTMENT 2** which will also link with Investment 1 is a consortium of three private sector training providers and will focus on the Advanced Manufacturing, Auto Engineering and the Visitor Economy.

It will focus on the expansion of apprenticeship training facilities and increase the number of apprentices including higher level apprenticeships.

This also provides the opportunity for collaboration with Worcestershire LEP in Advanced Manufacturing.

**Total capital investment required: £1million**

**Total FE skills capital funding requested: £0.4 million**





## Priority Year Two (2016/17) and Beyond - Sustaining Growth

Year Two projects which will be ready to go in 2016/17 include infrastructure and transport priorities capable of sustaining accelerated levels of growth. Supporting Marches businesses to achieve the connectivity they require to operate effectively will remain a priority for the LEP in future years. As such, the Local Authority partners will maintain momentum on the BDUK broadband programmes (including Fastershire and Connecting Shropshire) and seek additional funding opportunities to extend the coverage. The Marches LEP European Structural and Investment Fund Strategy seeks to develop a targeted voucher scheme for businesses which remain

out of reach of super-fast broadband and whose productivity is constrained as a result. A future LEP wide LGF bid will be prioritised beyond 2016 to match this EU funding and reduce the burden on Local Businesses in the Marches.

There are a series of other longer term infrastructure priorities which would serve the Marches, across both its urban and rural parts. Taken together, these projects would unlock land to deliver more sites and provide improved transport networks, including public transport and sustainable transport such as walking and cycling. The LEP is continuing to develop these.

Project	Cost	Jobs*	Homes
Hereford Transport Strategy including Hereford Outer Relief Road	£162,984,000	5,235	5,134
Shrewsbury North West Relief Road	£100,200,000	2,645	2,900
Flax Mill Maltings	£5,358,027	300	120
Herefordshire EZ 15-18 Transport Package	£16,933,063	600	450
Telford Freight Connectivity Package	£4,790,797	0	0
Marches Superfast Broadband	£7,500,000	0	0

\* Construction jobs have not been factored into the job creation as part of these packages

## Future funding priorities for the Marches LEP

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The M6/M6Toll / M54 / A5 / A483 and A49 and key rail lines form key Growth Corridors running broadly north-south and east-west respectively. These perform a number of critical functions underpinning our growth ambitions:

- Improving connectivity to national and regional markets and airports.
- Linking the three Urban Powerhouses and a number of the Opportunity Towns, thereby strengthening the Marches as a single economic entity.
- Moving goods made or required by manufacturing businesses in the Marches.
- Moving goods for retail sale (both into and out of the Marches area).
- Linking related businesses closer together in economic clusters and therefore fostering more trade and co-operation (agglomeration).
- Accessing education, employment and retail opportunities - by a range of travel modes and therefore encouraging travel behaviour change.

These transport arteries are vital to businesses of all shapes and sizes that rely on them to trade cost effectively in a competitive market place.

These corridors are strategic priorities, which have national significance (influencing investment in the strategic rail network, public transport network and highways) which will benefit UK plc. No one LEP could deliver this on its own. A nationally important motorway, trunk roads and rail infrastructure gives our economy a competitive edge and is a

critical element to the wider West Midlands area, including the Marches, being able to maintain a position of international competitiveness. Most of these priority schemes are “big ticket” items and funding and delivery needs to be considered at a national and cross LEP level. Details of these schemes are included in Appendix D (see Strategic Transport Infrastructure) and include:

- **Investment** in Shrewsbury to Wolverhampton Rail Line Electrification and Line Speed Improvements.
- **Investment** in M54 to M6 / M6 (Toll) Link Road.
- **Investment** in M54 / A5 / A483 Corridor Improvements.
- **Investment** in A49 Corridor Improvements.



## 10. How does the SEP relate to the Marches EU programme

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The Marches European Structural and Investment Funds Strategy (ESIF) is a key component of the Marches SEP. The Marches ESIF Strategy takes its strategic direction from both the Marches SEP and the priorities for funding under the EU 2014 – 2020 Common Strategic Framework. The Framework brings together the three structural investment funds of the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD) under a single overarching Marches ESIF Strategy. The ESIF Strategy seeks to address the Europe 2020 objectives around economic growth and job creation and outlines the proposed use of the structural investment funds through the Marches LEP's Growth Programme allocation.

The Marches ESIF Strategy sets out the business case for the use of the £97.35m ERDF and ESF funds, derived from a comprehensive evidence base along with extensive stakeholder engagement. The LEP has also been allocated £7,457,814 through the EAFRD programme. The EAFRD funding will add value to the Marches ESIF Strategy through supporting activity and/or beneficiaries that will be ineligible for ERDF support. The Marches ESIF Strategy sets out a high level rationale for investment in the area and was endorsed by the LEP Board on 27 January 2014 and submitted to Government on 31 January 2014.

Within the EU 2014 - 2020 Common Strategic Framework, the European Commission has identified three types of regions, differentiated by relative prosperity, as follows:

- Less Developed Regions, GDP below 75% of EU average.
- Transition regions, GDP 75 - 90% of EU average.
- More developed regions, GDP above 90% of EU average.

The LEP is split into a Transition Area (Shropshire and Telford and Wrekin) and a More Developed Area (Herefordshire). The Transition Area (which is defined by Europe) also extends into Stoke and Staffordshire LEP and is the only such area in the West Midlands.

The following Strategic Activities have been developed to align with the Thematic Objectives of the EU 2014 - 2020 Framework and to support the Marches SEP Strategic Priorities, these are detailed in Appendix F and are as follows:

- Enhancing Competitiveness, Research and Innovation and Enabling Technology.
- Supporting the Shift Towards a Low Carbon Economy.
- Supporting the Environment.
- Employment and Skills.
- Social Inclusion.

The following table sets out how the Marches ESIF Strategy activity will help to deliver the Marches LEP strategic priorities and indicates the European Funding sources it could be funded from.



Marches SEP Strategic Priorities	Marches LEP ESIF Strategic Activities	Marches LEP ESIF Activity	European Funding Sources
<b>Supporting Businesses</b>	Enhancing Competitiveness, Research and Innovation and Enabling Technology	<ul style="list-style-type: none"> <li>• Strengthening business sectors.</li> <li>• Flexible business support products.</li> <li>• Site and sector based Inward Investment.</li> <li>• Centres of Excellence.</li> <li>• Smart Specialisation Strategy proposals.</li> <li>• Digital inclusion.</li> <li>• Supporting the visitor economy.</li> <li>• Increased Research and Development.</li> </ul>	ERDF
<b>Physical Infrastructure</b>	Supporting the Environment	<ul style="list-style-type: none"> <li>• Investing in the natural environment to support sustainable economic growth.</li> <li>• Protecting the natural and historic assets.</li> <li>• Supporting greening activities.</li> </ul>	ERDF/ EAFRD
<b>Skills Enhancement</b>	Employment and Skills	<ul style="list-style-type: none"> <li>• Developing the skills required for business growth.</li> <li>• Supporting enterprise and access to employment.</li> <li>• Realising the potential of young people.</li> <li>• Developing a shared responsibility for skills through effective partnerships.</li> <li>• Developing the Higher Education (HE) offer.</li> </ul>	ESF
<b>Low Carbon Economy</b>	Supporting the Shift Towards a Low Carbon Economy	<ul style="list-style-type: none"> <li>• Sustainable and balanced growth.</li> <li>• Supporting low carbon and renewable energy supply chains.</li> <li>• Providing opportunities for the development of energy efficiency, waste reduction and renewable energies in communities.</li> <li>• Increasing the use of renewable energy, decreasing energy use and promoting smart energy systems.</li> </ul>	ERDF/EAFRD
<b>Social Inclusion</b>	Social Inclusion	<ul style="list-style-type: none"> <li>• Learning and routes to employment.</li> <li>• Concentrating upon early intervention and hard to reach groups.</li> <li>• Community Led Local Development.</li> </ul>	ESF/ERDF

## Part Four - Governance

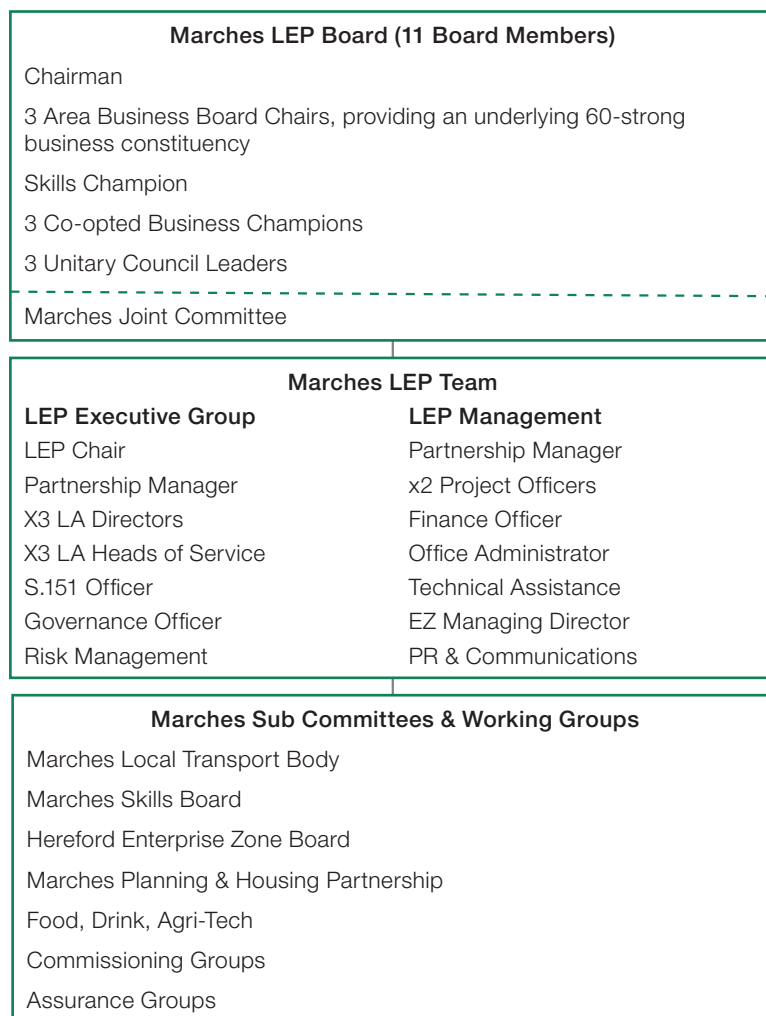
### 11. Governance for Accelerating Growth

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#### Governance Framework for Growth

The LEP operates as an informal partnership of private and public sector leaders, with a slim-line structure developed in the interests of minimising bureaucracy, cost and duplication and achieving speedy decision making and delivery. This section sets out the Marches sound governance arrangements for delivering the SEP Work Programme, including decision-making, financial accountability, project development & appraisal, project & risk management, and programme monitoring and evaluation. The section also sets out collaborative arrangements among the Marches partners and with other LEPs.

#### LEP Structure



As a new Partnership operating across a new economic geography, formal arrangements have been put in place through a Joint Committee structure to ensure fast and effective decision-making together with democratic accountability for the substantial public funds that are required to deliver the ESIF Strategy, Growth Deal and wider Marches SEP Work Programme. The single governance structure set out below will oversee the delivery of the growth programme for the LEP.

The LEP is working with the Government’s Growth Team, Managing Authority Departments (DCLG, DWP and DEFRA) and BIS Local, in finalising the detailed design for strong governance, including for delivery of the ESIF Strategy.

The roles & responsibilities of the LEP governance model are as follows, with each group operating in line with an agreed governance document or terms of reference and conduct protocols:

<p><b>Marches LEP Board</b></p>	<p><b>Strategic Decision-Making</b>                  The LEP Board provides the strategic lead and is responsible for setting the overall strategy for growth including: the development of SEP strategic priorities, oversight and endorsement of strategic projects and monitoring of expenditure and output performance for the programme of work.</p>
<p><b>Marches Joint Committee</b></p>	<p><b>Democratic Accountability</b>                  The Marches Joint Committee provides democratic accountability for decision-making around expenditure of public funds, enables partners to work together in a variety of ways and saves time by removing the need for separate executive decisions to be taken, thereby reducing unnecessary delays in the delivery and management of the work programme.</p>
<p><b>Private Sector Area Business Boards:</b></p> <ul style="list-style-type: none"> <li>• Herefordshire</li> <li>• Shropshire</li> <li>• Telford &amp; Wrekin</li> </ul>	<p><b>Strong Communication with the Business Base</b>                  The Chairs of each Business Board sit on the LEP board. The area business boards have cross sector representation including: the Chambers of Commerce; the Federation of Small Businesses; other business sector networks; the voluntary sector; the Asian Business Community; and the Rural Farming Network. The structure provides strong, two-way connectivity with the business community.</p>
<p><b>Marches LEP Team</b></p>	<p><b>Executive Function</b>                  The LEP Management Team is responsible for supporting the LEP Board in strategy development, coordinating the management of the SEP Work Programme and the day to day administration of the Partnership including internal and external communications.</p> <p>The Executive Group includes senior officers with responsibility for growth related services including economic development, housing and planning and the finance and governance officers providing the accountable body role for the LEP. The Group is responsible for aligning public, private and VCSE resource and funds against delivering identified Board priorities and supporting the LEP Management Team in overseeing SEP programme development, management and monitoring.</p>
<p><b>Marches Sub Committees and Working Groups</b></p>	<p><b>Policy &amp; Advice; Programme Development; Delivery Capability</b>                  This grouping includes a set of working groups, comprising of private, public and VCSE sector partners, with specific and separate responsibilities for (i) providing advice and expertise to the Board on policy and priorities around areas such as housing, skills, transportation and sector needs. Chaired by a private sector lead/LEP Board Member and supported by a local authority technical officer, these include: Local Transport Body, Marches Skills Board, Planning &amp; Housing Partnership and Food, Drink &amp; Agri-Tech Groups (ii) development &amp; commissioning of the work programme against the LEP Board’s identified priorities via LEP Commissioning Groups (ii) appraisal of proposed projects &amp; programmes via Assurance/Appraisal Groups and/or Independent Technical Advisor and (iv) delivering projects &amp; programme through procured private, public and VCSE deliverers, Local Transport Authorities and Hereford Enterprise Zone Board.</p>

## Management & Coordination of the SEP Investment Programme

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The Marches operational structure provides the required expertise and essential capacity to: develop/procure projects and programmes to address identified Board priorities; oversee the development and delivery of those projects; and provide day to day management and coordination of the delivery programme, including supporting the monitoring and evaluation of projects and programmes.

The LEP will ensure that decisions impact in a fair way, are based on evidence, are open and transparent and that they have engaged relevant partners. This will be achieved by having equality champions, identifying a pool of sustainability specialists and providing written guidance on sustainability and equality. Where required, specialist equality training and support will be provided to the Equality Champions so they are effective in their role.

### **Project Development & Commissioning**

The business-led Board, supported in some areas by sub groups, sets the strategic priorities for the SEP Work Programme, identifying issues to be addressed and the outcomes to be achieved through programme delivery. These decisions are used by the LEP Team to oversee the development of projects and programmes to achieve the desired outcomes.

Project development work is undertaken by groups of public, private and VCSE sector local and national partners with knowledge and expertise around the issues and areas of work to be addressed. They are brought together as a 'Commissioning Group' to design a project/tender specification for the area of work and criteria against which tender responses will be judged. The make-up of a Commissioning Group varies according to the issue and expertise required. In respect of transport issues, the project work

has been designed by local transport authority planners, working with the Highways Agency, Dept for Transport and other relevant experts and stakeholders.

### **Project Appraisal & Prioritisation**

Tenders received through open calls are appraised against criteria set by the Commissioning Group. The criteria reflect requirements around economic growth potential, delivery of strategic priorities/cross cutting themes and relevant Treasury requirements. Project appraisal is overseen by the LEP Management Team, using set conduct protocols, and undertaken by a relevant LEP Assurance sub-group or an Independent Technical Advisor; with no prior or subsequent involvement in the area of work. Recommendations are made to the LEP Board which makes the final decision on the projects to be approved. In the case of transport schemes, appraisal and prioritisation work has been undertaken by an Independent Technical Advisor, overseen by the Local Transport Body which recommended a prioritised list of schemes to the LEP Board for approval. This project development, appraisal and approval process, is streamlined and transparent, providing essential rigour in determining use of funds.

"The Strategic Economic Plan addresses many of the key economic issues highlighted by local Voluntary, Community and Social Enterprise (VCSE) organisations over recent months. As small and medium enterprises, the VCS is encouraged to see that the Marches LEP recognises the need for support from employers; for volunteering and training provision as a route to employment; for improved ICT provision for businesses and communities; and for improved access through investment in transport and infrastructure."

*Jackie Jeffrey, Chair of Shropshire VCS Assembly*

### **A Track Record of Good Financial Governance**

The Marches LEP has already been awarded over £25.5 million by the Government including the Growing Places Fund, Regional Growth Fund (Marches Redundant Building Grant) and a range of projects and programmes through the current EU Programme. From these and the award of Enterprise Zone status for Hereford's Skylon Park, it is already successfully delivering upfront capital funding for physical infrastructure and direct support to SMEs.

The Marches LEP partners have more than 10 years of experience in delivering and providing the accountable body role for the European Regional and Development Fund (ERDF), European Social Fund and Rural Development Programme for England. The three local authorities have experience in developing and delivering: Action Plans (over £30 million in total value); Strategic Packages (over £75 million in total value); RDPE Programme including LEADER in the Northern Marches, Shropshire Hills and Vital Herefordshire; and large scale strategic projects including Switch on Shropshire, Hereford Learning Village and Leominster Access Road. The local authority partners are delivering over £6million European Social Fund for 14-19 year olds and all three have dedicated resources in their Finance and Funding Teams to support delivery of current programmes and to prepare for the future programmes.

### **Project Delivery and Risk Management**

The Management Team will produce an Implementation Plan containing all LEP work agreed through the government negotiation process as well as other key LEP projects both under delivery and coming through the project pipeline. Each project has an identified Project Manager and Finance Manager, working to an agreed Delivery Programme that can be monitored against identified project milestones, timetabled output achievements, agreed financial spend profile and risk management plan. These Managers will report progress to the LEP Management Team on a quarterly basis.

### **Project and Programme Monitoring and Evaluation**

The Management Team will work with the accountable body to assemble a Performance Management Framework against which the work programme can be monitored by the Board. The Board will monitor programme finance and outputs (incl. jobs and houses) and will receive other essential information on individual project performance and management of risk through exception reports, the detail of which will be managed and overseen by the LEP Executive Group.



## Engagement with Partners

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### Collaborative Local Authority Arrangements

The three local authority partners are committed to working collaboratively to promote economic growth through the LEP. Within the new governance structure they have made a significant resource commitment to the successful development of the partnership and delivery of the SEP, working together within each stage in the management process, moving to 'area lead' approaches on delivery across the area, and aligning finance against common objectives. Collaborative input includes:

1. At the strategic leadership level through the partnership commitment at the LEP Board.
2. At Executive Group level by ensuring adequate resource is aligned to delivery of Board priorities, working with the LEP Secretariat.
3. At the Sub Committee/Working Group level, where essential technical officer support is provided by the three local authorities, working together:
  - Through the Commissioning Groups in designing tender specifications to deliver against Board priorities; and
  - Working to private sector sub group chairs, to support the work of the key sub groups with responsibility for advising the LEP Board on strategic policy direction, including the Marches Skills Board, Marches Local Transport Body, Marches Housing & Planning Partnership and LEP Funding Forum.
4. At project and programme delivery level as required, for example the Hereford Enterprise Zone and SEP prioritised transport infrastructure projects.
5. Through the financial commitment of the local authority partners to aligning funds against the revolving Investment Fund.

6. The LEP Management Team is also part funded by local authority contributions, matched with Central Government funding and EU Technical Assistance.

7. Through the Joint Committee structure to ensure swift decision making and alignment around use of public funds.

### Engagement with Partners

The LEP has in place a strong structure for our partners to engage, shape and enable the development of our plans on economic growth.

A unique characteristic of our eleven-Member LEP Board is the inclusion of the Chairs of each of three Area Business Boards. These Area Boards provide an underlying, combined 60-strong business constituency that contributes experience and local intelligence to support LEP decision-making. The Area Business Boards have representation from larger strategic businesses across the area, such as Muller and Ricoh, smaller SMEs that are central to our economy and key business networks such as Chambers of Commerce, the Federation of Small Businesses, Rural Farming Network and NFU. The LEP Board also draws on the experience of a small number of important Sub Groups, described above, that provide an opportunity for engagement and input from around a further 20 businesses.

In respect of the proposals in the SEP document, the LEP has consulted on the development of the ESIF and SEP with the private sector, public and VCSE sectors, further and higher education institutes and business networks through an extensive series of workshops and events during 2013/14. The LEP held two conferences in February 2014 attended by around 200 businesses from across the Marches and discussions have been held with local MPs through both joint and individual meetings. Awareness and engagement within the wider business community has been encouraged through local PR and a formal consultation period on the SEP, running throughout February 2014.

## Cross LEP Collaboration

The LEPs' individual SEPs refer to cross LEP working where appropriate. The following summarises the scope of this collaboration in relation to transport, access to finance and support for the supply chain with our West Midlands LEP partners.

### **Governance - West Midlands LEP Chairman's Group**

Uniquely across England, the 6 West Midland Chairmen meet on a formal and quarterly basis, with the Chairman of the Greater Birmingham & Solihull LEP chairing the group. Officers from the various secretariats meet in support, chaired by the Black Country LEP's Managing Director. Together, these arrangements enable formal and coordinated responses to a range of LEP issues pertinent to the area. Examples include:

- Transport - Airport lobbying and formal response to the Aviation Policy Framework consultation.
- Joint work around national connectivity/regional centre connectivity including the M6 Toll road.
- Formal responses to the Autumn Statement
- Engagement with Government departments such as DfT.
- Collaboration on Regional Growth Fund funding such as the Green Bridge project.
- RAF Cosford Prospectus for Growth through the development of an National Aeronautical Academy.
- Engagement with Universities as a Response to the Witty Review.
- Coordinated representation on the LEP Network (WLEP).

On the newly created shadow West Midlands Integrated Transport Authority LEP Chairmen sit alongside the local authority Leaders.

## Transport

Transport is the number one priority for cross-LEP working in the West Midlands. An effective transport infrastructure is particularly important to advanced manufacturing and exporting businesses to enable them to maintain their international competitiveness. The area sits at the apex of an extensive national and international transport infrastructure and the six West Midlands LEPs are determined to ensure that it does not become a transport bottleneck and to maximise the potential impact of HS2.

We have developed a cross-LEP transport statement setting out our commitments alongside a number of Asks of government. The detail of this is provided in Appendix 2 and includes our requirements around improved links from the M54 to M6 and rail freight and electrification in the West Midlands.

Our joint Asks as six LEPs are:

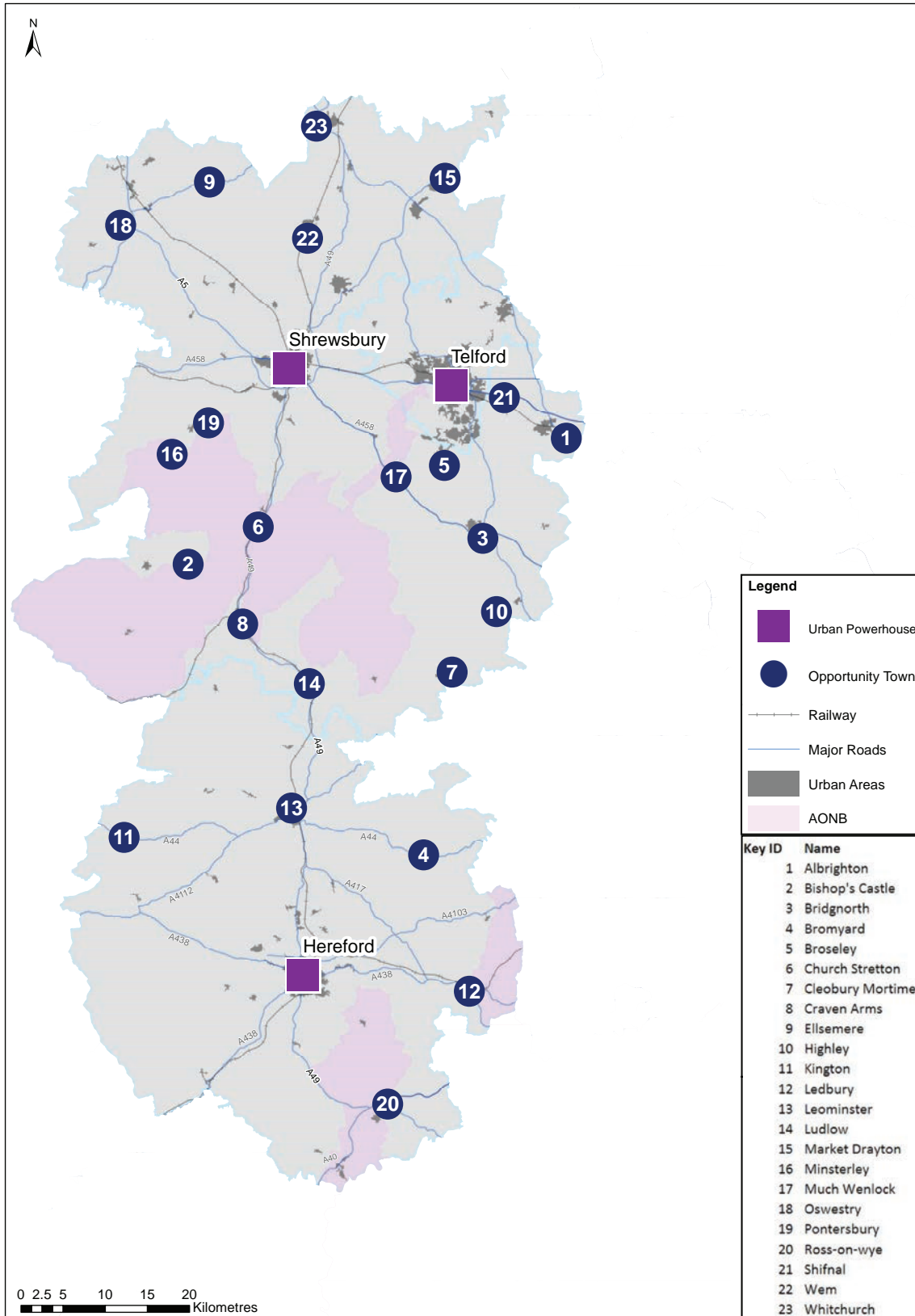
- Multi-year allocations and flexibility to help deliver transport priorities;
- Joint working with government to realise the full benefits of the M6 Toll, enabling the M6 to perform its strategic function;
- Active support for the West Midlands rail devolution proposal, including integration with the London Midland franchise;
- A stronger direct input to the Highways Agency's investment programme.

## Access to Finance

Access to finance is a key barrier to many companies seeking to extend along the value chain and exploit supply chain opportunities of the type that are available in the West Midlands. The six West Midlands LEPs are committed to creating a JEREMIE Investment Fund of 150m euros, coming together to secure Advantage West Midlands legacy funds, European Strategy Investment Funds and securing an additional 50m euros from the European Investment Bank.

## Appendix A: Urban Powerhouses and Opportunity Towns Map

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# Appendix B: SWOT

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## STRENGTHS

- The diversity of our economy across the business sectors which has provided resilience in recession AND provides opportunity for growth.
- A high proportion of business enterprises (44 per 1000 population, ranked joint third among LEPs).
- Manufacturing including automotive, aerospace and defence sectors accounts for 15% of total employees.
- The Marches has a number of multi-national companies which have chosen to base operations here.
- A distinctive visitor economy/tourism offer.
- Food & Drink processing sector thrives, based upon the highest quality local produce and our advantages of accessibility, skills, high quality land and premises.
- A higher than average employment (73% March 2011) and self-employment rates.
- Major on-going investment and growth in the three urban centres.
- Good business survival rates (80.4% surviving 2 years or more).
- The Marches has a good track record in delivering the Redundant Building Programme which supports expanding businesses to create sustainable employment by bringing empty property back into use.
- Central geographic location and generally good connections to the motorway and rail network, plus reasonable access to international air connections.
- Excellent schools and educational achievements.
- Good experience of running student and graduate placements in companies.

## **WEAKNESSES**

- A static enterprise population with relatively lower rates of company births and deaths compared with other areas despite good enterprise density.
- Lower than average GVA per head reflecting low levels of pay and out commuting of higher skilled workers.
- The penetration of the knowledge intensive sectors in the Marches LEP is below the regional average and significantly below the national average.
- An identity and brand that is not sufficiently well recognised at the national and global level resulting in assets not always being connected to realise their full potential.
- Rural based micro & small businesses don't have proximity to faster road and rail links and are at a competitive disadvantage in terms of fuel & distribution costs and also in attracting skilled workers.
- One of the LEP areas with the lowest share of total employee jobs in foreign-owned enterprises limiting access to finance available in competitor destinations.
- LEP with lowest rate of patenting per 100,000 residents.
- Poor superfast broadband and mobile phone infrastructure, exacerbating the issue around accessing services in rural areas.
- Pockets of deprivation within both urban and rural areas and amongst excluded groups.
- Limited university presence in the 'less urban' west of the West Midlands.
- The enterprise culture whilst resilient shows low levels of innovation and entrepreneurship.

## OPPORTUNITIES

- The Marches has a strong enterprise culture, with a stable and flexible, wage-competitive workforce, a good supply of development land & premises; a high quality of environment enables an enviable work-life balance, making the area very attractive to aspiring businesses, entrepreneurs and investors.
- Significant growth potential in key sectors: food & drink; advanced manufacturing; defence & securities; tourism & leisure; environmental technologies & services and social enterprise.
- Significant growth potential in the exploitation of renewable energy and broadband technology within the area.
- The natural resources and the environment are ideal for the production of food and renewables.
- Centres of Excellence add real value to the wider business support offer, providing advice on product development, market research and bespoke business space.
- RAF Cosford, MOD Donnington and RAF Shawbury provide substantial business within their community and a strong local skills base in a range of engineering, IT and other areas.
- Growing potential for business tourism.
- A centrally positioned business location with an existing road and rail infrastructure providing connections to major airports which offers the opportunity to be strengthened further to improve links to London/SE in particular.
- Strong economic connections with other LEPs, (particularly the Black Country, with Jaguar Land Rover's £355m new i54 engine plant set to support 3,000 new jobs and up to 1,500 companies 12 miles from the Marches and with defence and securities industry links in Worcestershire.
- Opportunity to enhance the support for local businesses in particular in relation to employees, access to finance and business skills.



- Scope to work with more universities outside the immediate Marches LEP area (eg Wolverhampton, Keele, Staffordshire, Chester and the Birmingham Universities).
- There is potential to unlock, add value and speed up through provision of strategic employment areas providing high quality land and workspace; adding to the areas Centres of Excellence; supporting broadband and mobile telecommunications delivery; unlocking private sector investment in areas of business opportunity; supporting transport improvements and to the major town centre redevelopment schemes.
- The urban centres are designated Growth Point towns, with plans for an additional 354ha of employment land and town centre regeneration schemes under development.
- The strategic sites including the Enterprise Zone in Hereford and Enterprise Areas provide significant growth opportunity, including the biggest land opportunities in the region with 400 acres of development sites in Telford alone.
- The strong presence of innovative Agri-Food businesses, such as Muller, Cargill and ABP, along with assets such as the Food Enterprise Centre and the Regional Food Academy, the Agricultural Innovation Centre and a range of food market strengths, such as health and food security offer the foundation for food sector innovation.
- The presence of clusters of environmental technology businesses within the Marches LEP area is an opportunity for the LEP, particularly if strongly connected to the knowledge base.

## THREATS

- Continued poor quality broadband infrastructure especially in more sparsely populated rural areas preventing businesses to operate and communicate within a competitive, international market place. The Marches does not yet have universal 3G coverage.
- Sluggish economic growth is making business investment aspirations very challenging, with a lack of access to finance for micro and small businesses inhibiting growth potential.
- Uncertainty around the future of RAF Cosford and MOD Donnington is a barrier to growth.
- Loss of young people including graduates from the area due to gaps in the existing HE provision and job opportunities, perception of limited social scene/nightlife and low wage levels.
- The Marches overall has a higher than average number of young people not in education, work or training.
- Significant problems around public transport limiting easy movement of the workforce and preventing access to jobs.
- Severe problems with utilities provision in some key employment areas, particularly electricity in North Shropshire (Whitchurch) and water quality in the River Wye and Lugg affecting Hereford City growth plans and intermittent mobile telecommunication in more rural parts of the Marches area.
- Continued low wage levels could have implications for the attractiveness of the area to a more mobile workforce and the levels of GVA per head.
- Around 28% of the workforce is currently employed in a contracting public sector services.
- Complex national landscape to regulation for small business.
- The working age population is declining in Shropshire and Herefordshire, (although it is growing in Telford).

# Appendix C: Business Sectors

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Sector	Key Facts	What makes it strong?
Food and Drink	<p>The sector covers food and drink manufacture, processing, food services and auxiliary services such as packaging, and is worth £179bn GVA in UK and £1.9bn GVA in the Marches.</p> <p>It has the highest share of GVA at 22% of all Marches GVA which is much higher than the UK figure at 15%. 20% of our total employment is in this sector with 60,000 employees.</p> <p>The sector has bucked the trend and even expanded at 3% per year during the recession. Employment is shifting to more scientific and professional jobs. On average 1,200 new jobs have been created for the last 5 years.</p>	<p>The raw material base is critical and Shropshire has the 6th largest land area for cattle, the 5th for Sheep and 12.2% of the UK poultry comes from the Marches. The strength of the sector is based on these raw materials, a highly skilled work force and strong family businesses.</p> <p>The Marches has a well-established supply chain, in food packaging; materials innovation testing and development; and specialist logistics and preservation solutions, which are supported by Centres of Excellence and provide support for future investment and business growth. The area boasts a wealth of expertise in a range of agri-business support and in cutting edge-technological development. The Agricultural Innovation Centre at Harper Adams University creates long term links between business and R&amp;D. This is leading best practice within the food security agenda.</p> <p>The Marches is home to Heart of England Fine Foods (HEFF) and the Shropshire Food Enterprise Centre at Battlefield, Shrewsbury and the Regional Food Academy at Harper Adams.</p>
Agri Technology	<p>The UK Agri-technology industry supports 3.8 million jobs and contributes £96bn to the UK economy. In Shropshire 81% of the land area is devoted to agriculture and 22% of all businesses are in the Agri-technology sector that is 3000 businesses. Between them Shropshire and Staffordshire have 50% of the sector businesses in the West Midlands.</p> <p>Top businesses in the sector include the global HQ and academy for JCB in Staffs and McConnel based in Ludlow. Fullwoods based in North Shropshire is a world leader in robotic milking parlours exports include robotic camel milking parlours to Saudi Arabia.</p> <p>The Witty Report (Oct 2013) provided an analysis of industry clusters mapped by LEP areas that showed the highest employer location quotient in Agri-Tech in 2012 was in the Marches LEP.</p>	<p>In Harper Adams University the Marches has a leading institution specialising in this subject area; the number one for agricultural engineering in the UK and nearby is Keele University with its complimentary Sustainability Hub.</p> <p>The development, in 2013 of the £2.93m Agricultural Engineering Innovation Centre and the National Centre for Precision Farming partly funded by the Marches LEP has meant that the sector now has a nationally recognised Centre of Excellence at Harper Adams University. Marches expertise and good quality business interaction in research and innovation in Agri-Technology provide an unrivalled opportunity to deliver on key areas of the Government's Agri-Tech Strategy (July 2013).</p>

<p>Defence and Security</p>	<p>The Marches is currently home to a number of key employers in defence and security industry including BAE Systems and Dytechna.</p> <p>The sector is well represented in the Marches, compared to the rest of the UK and is the 4th best represented of all Local Enterprise Partnerships in the country.</p> <p>Building on the worldwide reputation the British Army has for quality and expertise, these companies are able to exploit the growing export market for the supply of security and defence services. A high proportion of businesses in the Hereford defence and security cluster either export their products directly or provide skilled personnel into overseas markets.</p>	<p>The Hereford Enterprise Zone has provided the opportunity to link the numerous defence and security related businesses in operation around Hereford to the provision of skills and expertise emerging from the Special Forces bases just outside the City.</p> <p>The RAF Cosford site currently houses the Defence College of Aeronautical Engineering and other technical training operational units, alongside the West Midlands RAF museum. The MOD has trained 1,200 graduates from 16 different countries in the West Midlands, generating £36m. There is current demand for £130m of generic (ie not type specific) aircraft maintenance training business for the MOD. The aim is to create a National Aeronautical Academy and centre of excellence for aeronautical education and training on the site, led by three West Midlands LEPs in partnership with the MoD, private industry and an educational consortium of surrounding HE/FE institutions.</p> <p>Telford with its concentration of aero and defence companies &amp; supply chain around MOD Donnington has the potential to develop as a defence gateway and centre of logistics excellence.</p>
<p>Advanced Manufacturing</p>	<p>From the birthplace of the industrial revolution the Marches has been at the heart of global manufacturing.</p> <p>The Marches LEP is strongly focussed on the advanced manufacturing industry with 1 in 7 jobs provided in this sector.</p>	<p>The Marches is increasingly dominating this sector along with the wider Midlands region.</p> <p>The LEP is home to a number of substantial operations, household names, and tier one suppliers, including DENSO, Stadco. Other large employers include Caterpillar, Mahle, Doncasters, Makita, Johnson Controls and RICOH as well as smaller supply chain firms.</p>
<p>Automotive Manufacturing</p>	<p>The UK automotive sector generates £55bn in annual turnover and employs more than 700,000 people.</p> <p>Nationally, the automotive sector has never been stronger with seven volume car manufacturers; eight major premium and sports car manufacturers and more than 100 specialist brands; and around 2,350 component manufacturers.</p> <p>In recent years, the Marches has managed to attract significant inward investment in the automotive sector, thanks in large to its proximity to major manufacturers and its availability of quality sites.</p>	<p>Of particular importance in the future is JLR's new engine plant near Wolverhampton which is only 12 minutes along the M54 from Telford. This represents a major opportunity for Marches manufacturers a number of whom, including Stadco, are already tier one suppliers to do more business with JLR, and puts the LEP in a prime position in terms of future inward investment sites for the automotive industry.</p>

<p>Visitor Economy</p>	<p>A thriving visitor economy is present in the Marches, which generate visitor spend on accommodation, retail, transport, food and drink and attractions.</p> <p>The tourism industry of the Marches is characterised by a relatively low number of big businesses and a very large proportion of SME businesses across a large rural area.</p> <p>This visitor spend, therefore, provides revenue into local tourism businesses but also for businesses in the supply chain, making local services viable, supporting local infrastructure and creating local jobs.</p> <p>Research has shown that the Marches is not a recognised consumer brand as a visitor destination. Some of its key tourism towns and areas do however have the potential to become so.</p> <p>A reliance on widely dispersed SMEs has made it difficult for the area to achieve the focused investment and development it needs in research, new product, quality and marketing.</p>	<p>The Marches is home to numerous unique and outstanding tourism assets:</p> <p>Its unparalleled landscapes include the Shropshire Hills Area of Outstanding Natural Beauty, part of the Wye Valley AONB, the Rivers Severn and Wye, Offa's Dyke national long distance trail and the Meres and Mosses Nature Improvement Area.</p> <p>Two World Heritage Sites – Ironbridge Gorge and part of the Pontcysyllte Aqueduct and Canal.</p> <p>A portfolio of churches, castles, historic houses, towns and villages of historic character.</p> <p>Hereford City with the cathedral and the Mappa Mundi, and the historic county town of Shrewsbury.</p> <p>Good cultural offer which includes Shrewsbury's Theatre Severn and Hereford's Courtyard Theatre.</p> <p>Telford's modern retail and entertainment offers including cinemas, large indoor shopping centre, snowboarding and ski centre.</p> <p>Telford's emerging role as a leading convention and business tourism capital in the UK, home to the Telford International Centre.</p>
<p>Environmental Technologies and Services</p>	<p>Environmental technology and services is a burgeoning sector in the Marches.</p> <p>As a LEP, the Marches is the second best represented with regard to environmental services and technology, with a number of market leading companies and technologically cutting-edge enterprises covering renewable energy, water technology, waste management and pollution control.</p>	<p>The LEP is keen to capture this expertise to increase the uptake of innovative technologies and resource efficiency measures to ensure sustainable development and facilitate growth towards a green economy.</p> <p>Initiatives such as the Marches Environmental Technologies Network and the Business Environmental Support Scheme assist in improving environmental impact management across the business base and promote environmental business growth.</p>

## Appendix D: The Priority Projects

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## Priority Year One

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The following section provides details of the individual priority schemes that form the basis of the Marches LEP bid for Local Growth Funds.

Project	Cost	LGF
Telford Growth Point Package	£17,375,500	£13,900,100
Shrewsbury Integrated Transport Package	£10,000,000	£6,000,000
Hereford City Centre Transport Package	£33,500,000	£16,000,000
Eastern Gateway	£5,209,537	£3,626,679
Model Farm, Ross-on-Wye	£4,450,000	£3,560,000
Oxon Link Road	£12,176,000	£4,176,000
Oswestry Innovation Park	£3,548,253	£3,048,253
South Wye Transport Package	£34,700,000	£27,600,000
Telford Town Centre Connectivity	£11,822,323	£9,457,858
Stalled Housing Sites	£5,290,000	£4,232,000
Craven Arms	£4,500,000	£2,500,000
A5 Dobbies Roundabout	£5,500,000	£3,500,000
Whitchurch Electricity	£4,500,000	£3,600,000
Telford Bus Station	£1,896,732	£1,327,732
<b>TOTALS</b>	<b>£154,468,345</b>	<b>£102,528,622</b>



### **Telford Growth Point Package**

The Telford Growth Point Package will involve amendments to a series of junctions located along the strategic highway network in Telford and on site infrastructure that will open up additional housing and employment sites at Muxton, Shawbirch and Hortonwood. The package is also supported by sustainable transport improvements across the Borough enhancing the cycle network providing linkages into the key employment areas. The six key junctions identified are:

- Trench Lock Interchange
- Clock Tower Roundabout
- Shawbrich Roundabout
- Ketley Brook Roundabout
- Limekiln Roundabout
- Randlay Interchange

The investment will support delivery of 6,920 jobs and 4,069 and safeguarding of a further 750 jobs.

### **Shrewsbury Integrated Transport Package**

This scheme offers a package of projects for improvements to transport in and around Shrewsbury. The scheme has six main elements:

- Junction improvements at 6 important junctions around the Shrewsbury inner relief road and the main links to the town centre from this corridor;
- Further phases of the SCOOT network to include variable message signing for traffic and car parks;
- Traffic management in the historic centre of the town
- Enhancements to the shopping area - particularly Pride Hill;
- Improved pedestrian wayfinding within and around the “river loop” (town centre) including the major car parks at Abbey Foregate and Frankwell;
- Enhanced pedestrian and cycle links to the town centre.

Without this package of measures, congestion through the town centre and the along the inner bypass will increase from its already congested state. The additional traffic generated by the new developments across the town will eventually go beyond a sustainable level and lead to widespread gridlock. As well as reducing traffic and journey times, this scheme will have wider benefits in creating greater business confidence in Shrewsbury as a place to work from. The scheme will also help to unlock the development of 4,500 new jobs and 4,200 new homes in the Shrewsbury area, which would otherwise be severely affected by congestion issues.

### **Hereford City Centre Transport Package**

The Hereford City Centre Transport Package (HCCTP) is a package of schemes, including a new link road, which enables a major mixed-use development, integrated with the city centre and maximising the potential of a significant area of under-utilised land in a highly sustainable location for both Hereford and the County. It will assist in delivering retail, leisure, tourism, employment, housing, and other development. It addresses the decline in Hereford’s traditional role as a regional economic hub, and meets the national agenda for economic growth.

Without the HCCTP the regeneration potential in the area will not be realised. This will impact the future economy of the City by not supporting development requirements arising from the needs of the existing community as well as that from planned future growth.

It is suggested that the link road will provide an additional 680 homes, 410 jobs and £15 million GVA at Edgar Street, which would not be developable without the link road.

## **Eastern Gateway**

The Eastern Gateway project is key to maximising the opportunity of JLR just 12 miles to the east of Telford opening up the potential of the 31ha T54 development site immediately adjacent to J4 of M54 and bringing wider economic benefits to the automotive supply chain. The scheme includes two elements:

- The full signalisation of junction 4 of the M54. The improved junction will serve the strategic employment site at T54.
- The installation of an electrical upgrade to the network at T54 and the undertaking of further ground investigations to deliver the necessary certainty needed to unlock employment development.

This gateway location will subsequently:

- Unlock 31ha of development land;
- Deliver at least 1,400 houses;
- Provide 3,438 new jobs; and
- Support Telford businesses in the supply chain for JLR.

## **Model Farm, Ross-on-Wye**

The Model Farm proposes the provision of approximately 30,000 sqm of new employment floorspace, with the potential to provide over 1,300 gross new jobs on a former farm site in Ross-on-Wye. This scheme would implement the access arrangements, internal estate road infrastructure, site drainage, and strategic landscaping for the site; individual plots would then be sold to specific businesses.

The project would create a new strategic employment site at Ross on Wye, the largest new employment site proposed in South Herefordshire. Alongside the provision of over 1,300 new jobs, this site would attract inward investment to the area, with businesses wanting to take advantage

of the communication links via the M50 to Birmingham and Cardiff, and as such stimulate further growth in jobs in South Herefordshire. Within the Core Strategy 900 new houses have been allocated to Ross and the Model Farm site is seen as a complementary element of the town's growth, providing new job opportunities for people moving into the new houses.

## **Dobbies Roundabout**

The scheme proposes to increase the capacity of Dobbies Roundabout, a major junction on the A5 Shrewsbury Bypass. The proposed scheme will retain four signalised approaches to this intersection between the A5(T) (strategic corridor east to west), A49(T) (strategic corridor southwards), the A5112 (local arterial route), with the access to the service area remaining under priority control. The two A5 (T) approaches will be widened to provide 3 lanes over a longer length (50m+). The pedestrian facility on the west side of the roundabout will also be retained.

This scheme is likely to unlock 2,262 jobs and 900 new homes through enabling currently stalled developments around Shrewsbury Sustainable Urban Extension (SUE). Alongside threatening this new growth, failing to implement an improvement scheme at this junction will have three main consequences:

Without work, the junction will become a significant bottleneck causing traffic congestion along the strategic corridors

It could increase traffic movements on the local highway network with drivers trying to avoid delays on the strategic corridor. Thereby, having an adverse impact on the environment, residents and businesses in the town and causing congestion on local routes.

It will limit the economic growth potential and viability of the town centre and SUE employment sites.

## **Craven Arms**

Craven Arms Business Park is approaching full occupancy and it is recognised that there is potential to provide additional commercial space within this important local centre in rural south Shropshire. The site is currently severed by a level crossing. The proposed scheme would enable the Business Park to be extended to the north, and would also provide an access to a new abattoir in the area. The scheme consists of three parts:

- A new link road to access Long Lane and the Craven Arms Business Park from the A49 trunk road, including a new bridge over the railway line, alleviating congestion at the junction of Long Lane and A49(T).
- A new roundabout junction on the A49 north of Craven Arms to access the new link road to the west and the new abattoir to the east
- The closure to all traffic at the level crossing on Long Lane. Vehicular and pedestrian access will be facilitated by the new link road and bridge.

Failure to implement this scheme will mean limited potential for Craven Arms to develop as a viable business location both in terms of extending the business park and in providing a viable junction off A49 (T) for the relocation of a new, expanded abattoir. It is anticipated that the development of land to the north east and north west of Craven Arms, facilitated by the improvements outlined in this proposal, will lead to an estimated 525 people employed (based upon 16.5 hectares of land) by 2026. The improved access to the site could lead to an additional 80 jobs by 2026 if the residual plots of the existing Craven Arms Business Park are taken up.

## **South Wye Transport Package**

The South Wye Transport Package (SWTP) provides transport improvements to this part of Herefordshire, which supports the new Hereford

Enterprise Zone. The scheme includes the following key elements:

- New link road linking the HEZ with A49 strategic corridor.
- Pedestrian crossing improvements to Belmont Road and A49 in Hereford urban area
- Cycle and walking provision on and off road at A49 and A465
- Residential cycling schemes in Belmont and Bullingham

Major congestion on the A49 is currently impacting upon journey time and costs for commuters in the area; a significant blocker to further development at the HEZ and other employment sites. This scheme will reduce that congestion in conjunction with improving the environment in the immediate vicinity of the A49/A465 junction and without this project is it believed the HEZ cannot be developed further. The congestion is also a key factor holding back development of 3000 houses within the city boundary. With this scheme, several strategic sites will become viable, including Lower Bullingham (1,000 homes), Three Elms (1,000 homes) and Holmer West (500 homes). Approximately 1,000 new jobs will also be supported by the package.

## **Telford Town Centre Connectivity**

The transformation of the Telford Town Centre is key to the delivery of over 2000 jobs and homes and to driving wider economic benefits establishing Telford and the Marches as a destination of choice for investors, business and leisure visitors and residents. The package of infrastructure improvements will enhance the £250m public/private investment into Southwater, strengthening the conference offer and providing a unique, regionally significant retail, leisure and residential offer in the heart of the town.

The connectivity package seeks to improve traffic capacity, alleviating congestion on the box road facilitating further residential and retail

development and benefitting existing businesses through reduced journey times and improved access. The scheme improves accessibility by public transport and linkages between the train station, Town Centre and Telford International Centre encouraging increased visitor and delegate investment and supporting the overall aim of a 10% modal shift in the town centre. This will also be supported by proposals for a Cycle Experience Hub in Telford Town Park.

The Telford Town Centre Connectivity Package (TTCCP) includes:

- Widening and dualling of Rampart Way, Hall Park Way and Improvements to Hall Roundabout to provide an outer ring road, reducing pressures on the Box Road itself;
- Developing the Town Centre Area Travel Plan to continue working with businesses to support a 10% modal shift to more sustainable modes of transport.
- Improvements to pedestrian bridge to provide an enhanced gateway and allow ease of access from Telford Railway Station to Telford Town Centre and Telford International Centre.

The Telford Town Centre Connectivity Package will: support delivery of 2,000 direct jobs; deliver 2,600 houses; unlock 9ha of development; reduce carbon emissions by 2825 tonnes; and improve journey times by 17%.

### **Stalled Housing Sites**

The primary aim of the Stalled Sites Investment Fund (SSIF) is to bring about the delivery of housing sites with planning consent that have remained unimplemented or stalled. The selection of sites will focus on those that with project intervention are otherwise ready to go delivering an early pipeline of units contributing to the SEP's accelerated sites target.

Currently the project focusses on 9 development sites across Telford and Wrekin, and it is anticipated that these will deliver 1049 new homes:

- Manor Heights, Telford - 60 homes-0.11 ha
- Farm Lane, Telford - 23 homes-0.81 ha
- Charlton Arms, Wellington - 41 homes-0.43 ha
- Orleton Lane, Wellington -165 homes-4.20 ha
- Hinkshay Road, Telford -165 homes-4.36 ha
- Hadley Road, Telford - 260 homes-6.35 ha
- Grove Road, Telford - 80 homes-1.87 ha
- Beech Road, Telford - 90 homes-5.98 ha
- Gower Street, Telford - 165 homes-3.48 ha

The SSIF will address private sites that have not been eligible for any other public funding but remain vital to maintaining the growth ambitions of the Marches and the Borough. A number of the schemes represent sites and buildings which have been long vacant where development would bring considerable community and regeneration outcomes eliminating vacant land that can cause anti-social behaviour and including a proportion of affordable homes.

### **Oswestry Innovation Park**

This scheme involves the delivery of a strategic employment site to support the economic growth of Oswestry, an opportunity town in the north-west of Shropshire 20 miles from Shrewsbury and 15 miles from Wrexham. The identified site, which has been allocated for employment use comprises 22.7 hectares for B1, B2 and B8 use, with the potential to deliver up to 6000 jobs.

The scheme itself delivers 2,389 jobs and an additional 20 in construction. It is also adjacent to the planned Oswestry Sustainable Urban Extension of 750 new homes and will help to support growth here. The need for employment land in Oswestry is now pressing and this scheme will help to support the development of the town and the economic development of the wider area, helping to ensure the retention of local firms, enable business expansion, and support the attraction of new businesses to the area.

### **Oxon Link Road**

The Oxon Link Rd (OLR) is a strategic, single carriage way linking the A5 to the B4380 Holyhead Road. This new link road will enable the development of the Shrewsbury West Sustainable Urban Extension (SUE) to support the economic growth of Shrewsbury in its role as an Urban Powerhouse, and designated Growth Point town.

As part of a coordinated direction of growth the Oxon Link Road will enable delivery of 750 new homes and 21 hectares of employment land (2885 jobs). The scheme provides further long term benefits by serving as an enabler to the wider Shrewsbury aspirations of improving and enhancing access in and around this County Town, through the creation of the North West Relief Road (NWRRL). This is an inherent part of the wider economic development of Shrewsbury.

### **Whitchurch Electricity**

The lack of electricity supply capacity in Whitchurch is due to the high cost of reinforcing the network. Existing regulations dictate that additional capacity cannot be provided on a speculative basis by Scottish Power. Additional capacity is unlikely to be provided by businesses as costs would be disproportionate to the individual company requirements.

An assessment has been undertaken of Whitchurch electricity capacity; Whitchurch only has 1MVA of spare capacity. Further investment is required in a primary substation and the network which will increase capacity to 4MVA but further large scale improvements will be required to the 132kv network (estimated at between £20-40m). Scottish Power will contribute on a pro-rata basis in providing the substation subject to a developer also contributing to the remainder. Given development viability issues this is unlikely without public subsidy.

Based on the initial assessment the cost of improvement is estimated at £4.5m with a contribution of £2.5m from the LEP and match funding of £2m. The upgrading would facilitate the development of 1000 dwellings and 26 hectares of employment land as allocated in the Site Allocations and Management of Development Plan.

### **Telford Bus Station**

The Telford Bus Station scheme is key to unlocking development as part of the Telford shopping centre owners' masterplan. The existing location occupies valuable retail floorspace and acts as a barrier to the effective pedestrian linkage of the shopping centre with the new Southwater scheme. Specifically the scheme will support the regeneration of Telford Town Centre by:

- Releasing land for development.
- Improving the public realm and increasing footfall to the Shopping Centre and Southwater.
- Reducing carbon emissions.
- Improving public transport access to the new Southwater and Asda developments.
- Facilitating the removal of non-essential traffic from Coach Central.

The scheme is deliverable in 2015, accelerating the re-development of the shopping centre, and delivering:

- 9.1ha of retail development land.
- 2,000 jobs in the Town Centre, of which 300 will be directly delivered through the scheme.

## Strategic Transport Infrastructure

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### **Investment in Shrewsbury to Wolverhampton Rail Line Electrification and Line Speed Improvements**

Electrification of, and line speed improvements along, the 30 mile line between Shrewsbury - Telford - Wolverhampton will help stimulate economic growth across the region by reducing journey times, providing more frequent services and improving connections to the West Midlands, London and the South East. Increased train capacity will improve links for people to jobs and services and help open up new opportunities for businesses. Electrification of the route will help to promote business and leisure tourism visitors using sustainable modes of transport and reducing the accessibility problems within the Marches, whilst increasing tourism revenue.

Analysis undertaken by KPMG in 2012 showed that the electrification of the line could provide a West Midlands regional GVA benefit of £262m per annum as well as creating 3,320 jobs across the West Midlands area, with the majority of these being in Shrewsbury and Telford. A study commissioned by the Shropshire Chamber of Commerce in 2006 looked at the benefits of electrifying the line and the potential economic growth and employment opportunities these works could provide, including:

- An additional 37% of revenue to the train operating companies.
- Increased turnover of more than £14m for existing businesses.
- Scope to redress past lost investment worth in excess of £100 million.
- Securing new investments valued at in excess of £1bn.
- Almost 12,000 new jobs, created by entrepreneurial in-migrants.
- The equivalent of £2.6m (per annum) savings in road de-congestion.

### **Investment in M54 to M6/M6 (Toll) Link Road**

The lack of direct access from the M54 motorway to the northbound M6 Motorway and the southbound M6 Toll Road is a major constraint for the Shrewsbury and Telford corridor, which adds unnecessary time to the journey of those seeking to access the M6 northbound and increases traffic congestion on the A449 and A454 in Staffordshire. This lack of connectivity also impacts on freight operations which can also impact on business decisions to invest in the Marches' local economy.

The proposed M54/M6/M6 Toll Road Link will provide access in all directions and is therefore essential for the economic development of the Marches and improving access to markets in the rest of the UK and Europe. The scheme will expand the catchment area for employers in the area, providing a boost to the regional economy, creating jobs and making the Wolverhampton-Telford-Shrewsbury corridor a more attractive place for inward investment.

The future economic development of the Wolverhampton to Telford Technology Corridor will also be significantly boosted by the scheme. The i54 Technology Business Park is situated directly off the M54, and in March 2011 became an Enterprise Zone. In September 2011 Jaguar Land Rover (JLR) announced a decision to build their new engine plant at i54 creating around 750 additional jobs within the company and more within the supply chain, some 12 miles away from Telford and less than 20 miles from Shrewsbury. Both towns have strong supply chain links to JLR with scope to grow. Access to M6 northbound and M6 Toll Road will help to facilitate this supply chain growth through delivering fast and reliable motorway links.

### Investment in M54/A5/A483 Corridor Improvements

West of the M54 motorway and A5 dual carriageway, a single-carriageway route, running between the A5 Shrewsbury bypass and the A483 at Ruabon, south of Wrexham, forms part of the Trans European Network (TEN-T) from Felixstowe and Holyhead. This final western section of the TEN-T, which facilitates national and European freight movements from southern and eastern English sea-ports into Wales and Ireland, is the only one which still contains sections of single carriageway. The route is therefore totally inadequate for the volume of traffic travelling from Ireland and the industrial areas of North East Wales and there is frequent congestion and accidents on this route.

Dualling or partial dualling of the A5 / A483 north of Shrewsbury, and improved junction capacity at junctions on the A5 Shrewsbury and Oswestry bypasses, would significantly improve journey times for freight movements on the TEN-T network. These interventions would also enable development-led growth in towns such as Shrewsbury, Oswestry and Wrexham, both in the long and short term.

### Investment in A49 Corridor Improvements

The A49 through the spine of the Marches is mostly rural single carriageway with frequent side roads and farm accesses, not to mention the congested urban sections through Hereford and around Shrewsbury. A number of major east-west routes – such as the A44, A456 and A5 – also intersect with the A49 at major roundabout junctions. As a result journey times can be very slow and often unpredictable, with larger Heavy Goods Vehicles and agricultural machinery causing delays for the majority of traffic (especially cars). Driver frustration leads to potentially dangerous over-taking manoeuvres.

The provision of safe passing places and junction capacity / safety improvements on the A49 between Ross-on-Wye to Whitchurch (a distance of around 140 kilometres), would significantly improve the problems experienced by drivers on these routes, reducing delays to businesses and enabling local growth in employment and housing. A corridor-based approach would tackle localised congestion and reduce travel to work times, and would improve passenger safety by constructing short lengths of passing places where slower moving vehicles can be overtaken.

A particular pinch point exists on the network in and around Hereford, the Herefordshire Local Plan - Core Strategy proposes a western alignment for a new Hereford Relief Road. This will provide the necessary traffic capacity to enable the development of both the strategic housing and employment sites in the city and the ongoing development of the Enterprise Zone, additionally it would provide the opportunity for the Highways Agency to adopt that route as an alternative to the existing A49 trunk road. As part of a future review of the Local Plan consideration may be given to the need for, and environmental impacts of an extension of the existing Rotherwas Access Road to the north and the east in order to provide direct access to the A438 Ledbury Road. If that additional access road is required it will not replace the need for a strategic north/south relief road for the wider city that would be provided by the route corridor identified in the Local Plan - Core Strategy.”

The Marches Rail Strategy is looking at possible improvements to the Marches railway line, although passenger journey times between Hereford, Shrewsbury and Whitchurch are competitive compared with the parallel A49.





## Appendix E: HCA Land Assets

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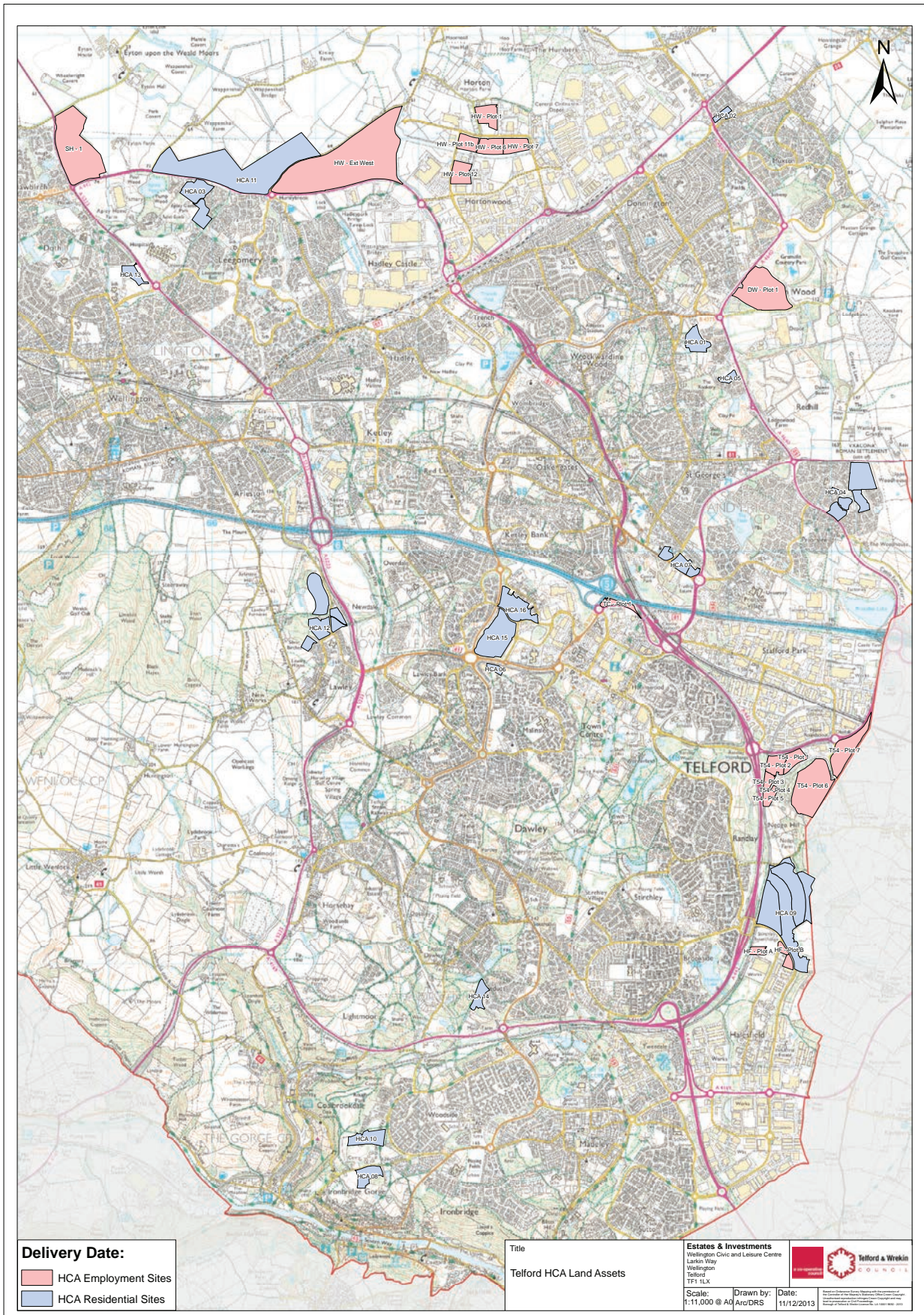
## Telford's HCA Land Assets

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The following section provides details of HCA Residential and Employment Land Assets in Telford.

<b>HCA RESIDENTIAL LAND OWNERSHIP</b>		
<b>HCA Sites</b>		
<b>Plan Ref</b>	<b>Site Address</b>	<b>Size(ha)</b>
HCA 01	Frome Way, Donnington	2.4
HCA 02	Wellington Road, Muxton	1.23
HCA 03	Peregrine Way, Apley	6.6
HCA 04	Priorslee East, Priorslee	11.6
HCA 05	Daisy Bank Drive, Donnington	1.17
HCA 06	Park Road, Malinslee	2.02
HCA 07	Church Lane, St Georges	3.12
HCA 08	The Beeches, Ironbridge	3.38
HCA 09	The Hem, Halesfield	15.9
HCA 10	Land at Rough Park 3	4.22
HCA 11	Wappenshall	43.5
HCA 12	Lawley Phase 7&8	20.1
HCA 13	Land adjacent to BRJ school, Wellington	2.26
HCA 14	Land off Majestic Way	2.55
HCA 15	Land at Old Park to west of Thomas Telford School	10.79
HCA 16	Land at Old Park to north of Thomas Telford School	6.57
<b>TOTAL</b>		<b>137.41</b>

<b>HCA COMMERCIAL LAND OWNERSHIP</b>		
<b>HCA Sites</b>		
<b>Plan Ref</b>	<b>Site Address</b>	<b>Size(ha)</b>
<b>Horton Wood</b>		
HW - Plot 1	Plot 1	3.91
HW - Plot 6 & 7	Plot 6 & 7	6.96
HW - Plot 12	Plot 12	3.83
HW - Plot 11b	Plot 11b	9.71
HW - Ext	Hortonwood extension (Wheat Leasowes)	33
<b>Telford 54</b>		
T54 - Plot 1	Plot 1	2.85
T54 - Plot 2	Plot 2	3.11
T54 - Plot 3	Plot 3	1.27
T54 - Plot 4	Plot 4	0.31
T54 - Plot 5	Plot 5	1.62
T54 - Plot 6	Plot 6	14.97
T54 - Plot 7	Plot 7	7.47
<b>Halesfield</b>		
HF - Plot A & B	Plots A & B	1.83
<b>Donnington Wood Park</b>		
DW - Plot 1	Land off Redhill Way	2.43
<b>Shawbirch</b>		
SH - Plot 1	Land off A442	22
<b>Telford Central</b>		
TC - Plot 1	Rampart Way	1.42
<b>Total</b>		<b>116.69</b>



## Appendix F: ESIF Further Information

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## Strategic Activity 1: Enhancing Competitiveness, Research and Innovation and Enabling Technology

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With the potential to create significant numbers of jobs and drive growth, the small and medium sized enterprises (SMEs) of the Marches are the backbone of the economy. The approach the Marches LEP is taking for business support reflects this, paying particular attention to strengthening the Marches priority sectors.

### **Sub Priority 1.1: Improving Enterprise and SME Competitiveness**

#### **Business Support**

The Marches LEP will take a new and integrated approach to business support in order to address market failure around entrepreneurship, business growth, inward investment and innovation. Business support will take place via a bespoke Growth Hub model within a delivery framework which will use the best of online and offline support to streamline and re-energise activity, making it more relevant to the needs of future entrepreneurs (of all ages), new and existing enterprises and importantly, ensuring it is more accessible. The Hub will ensure management and strategic coordination of business support landscape, simplify the offer to business, removing duplication and providing local context to promote take up of the national support offer alongside bespoke products for the Marches.

#### **Access to Finance**

Within the Marches it is evident that businesses need access to finance. Grants will be available, predominantly falling within the range of £1,000 to £50,000, with an allowance for higher levels of intervention for a small number of larger SME's with high growth potential and also for those larger businesses that sit within the Marches proposed Assisted Areas. Through the Growth Hub innovative funding mechanisms including crowdfunding will be available alongside

streamlined, fit for purpose grant schemes

In the medium to long term, the Marches will contribute to a Financial Engineering Instrument (FEI), with provisional agreement reached that the Marches LEP will be part of the planned new West Midlands FEI along with the five other West Midlands LEPs.

#### **Enterprise and Innovation**

The Marches is aware that businesses looking to grow will require a range of expert advice which might be of a legal, research, patent or human resources nature and which might not be suitable for generic training or business advice. Through the Growth Hub and support framework companies will be able to access advice that will support business growth through professionally accredited organisations or individuals. Critically however the Marches will also offer support and incubation for innovators and entrepreneurs from school age upwards using the ESIF, LEP and partners commissioning and procurement processes to provide opportunities for business innovation e.g. in school and growth and retention of local talent.

### **Sub Priority 1.2: Smart Research and Development and Innovation**

Over and above early-stage activities to support SMEs to invest in innovation, the Marches proposes to take a two-stage approach to the delivery of more specialised sector support for growth sectors and businesses. The Marches proposes, in the first instance, to utilise the potential to develop HEI within the LEP area to develop research to identify the specialised support required to deliver greater value chain connections, develop innovative low carbon and renewable energy technologies and support the adoption of enabling technologies that transfer across sectors. Informed by this research, and the proposed English S3 Strategy, the Marches will take decisions about the development of its Smart Specialisation priorities.

### **Sub Priority 1.3: Marches Digital Inclusion and Service Programme**

The Marches LEP will draw together a range of initiatives designed to tackle the key areas of market failure around digital exclusion and to encourage the use of ICT and digital technologies across all communities. The Marches LEP will also explore the potential for utilising ESIF funds to support and enhance future Government infrastructure programmes including the Superfast Extension Programme.

The Marches Digital Inclusion and Service Programme will bring people digitally excluded to a point where they can proactively engage with the internet and basic IT applications, and the public sector bodies can radically reform the way they interface with service recipients. It will ensure the land based sector is ready and able to engage with the digital by default agenda and to the changes in the way the sector will be required to interact with government through the Government Gateway.

## **Strategic Activity 2: Supporting the Shift Towards a Low Carbon Economy**

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Decarbonising the economy plays a key part in achieving sustainable and balanced growth. This Strategic Activity encourages an integrated and strategic approach to develop and implement proposals to increase the use of renewable energy, decrease energy use, and promote smart energy systems.

This approach will be led by initial investigative work which will inform the development of an on-going programme of open calls for projects through the Marches ESIF Business Process

## **Strategic Activity 3: Supporting the Environment**

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The Marches LEP recognises the importance of the natural and built environment to the local economy. The ESIF investment seeks to balance the protection of natural and historic assets, the efficient use of natural resources and the development of sustainable growth.

### **Sub Priority 3.1: Investing in the natural environment to support sustainable economic growth**

The ESIF investment and activities in the natural environment will lead to sustainable economic growth which will be delivered as part of an integrated approach to support better places for people to live, work and do business. Key investigative work will be commissioned to

complement work undertaken for existing strategies and will be used to inform the development of an ongoing programme of open calls for projects.

### **Sub Priority 3.2: Enhancing cultural heritage and tourism infrastructure in the Marches**

The Marches cultural (including heritage and art), landscape and tourism infrastructures are key assets of the visitor economy sector and provide a strong offer in the Marches ESIF. Investments in both rural and urban areas can deliver significant SME productivity outputs, improving the visitor experience and increasing propensity of visits and visitor spend.

## Strategic Activity 4: Employment and Skills

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The Skills and Employment Strategic Activity for the Marches is aimed at supporting local businesses to maximise their potential for growth by getting people into work and out of poverty, tackling skills shortages, low labour mobility and overcoming the barriers to getting and keeping a job. This Strategic Activity will continue to improve opportunities for employment, education and training and help combat social exclusion and poverty.

### **Sub Priority 4.1: Developing the skills required for business growth**

The objectives for ESIF are to:

1. Attract more people into employment, especially people who are at a disadvantage, or have become inactive, in the labour market.
2. Improve the skills of potential and current workers who do not have the basic skills and qualifications that are needed for individual progression and business growth.

3. Develop a skilled workforce which is capable of adapting to changes in the business environment so that the Marches can win in a competitive and quickly shifting national and global market.

### **Sub Priority 4.2: Supporting enterprise and access to employment**

The Marches recognises that supporting existing and growth industries will make a significant contribution in growing businesses where future jobs are to be created. This could happen by helping people get new skills and qualifications, meet employer's skills needs and support entrepreneurship and new business creation.

### **Sub Priority 4.3: Realising the potential of young people**

The Marches will sustain the commitment to reduce the number of young people aged 15-24 not in education, employment or training (NEET) and to support those young people at risk of becoming so.



## Strategic Activity 5: Social Inclusion

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Supporting those furthest from the job market into employment will transform the lives of individuals and families from these under-represented groups, providing a sustainable route away from poverty. Securing employment provides the single most important means through which people are able to turn their lives around.

### **Sub Priority 5.1 - Provide the means through which under-represented groups become work ready and are able to access learning, training and job opportunities**

The Marches LEP will identify activity to engage those who are furthest away from employment and through early intervention, mentoring, positive activity and volunteering help them onto the pathway to employment.

### **Sub Priority 5.2 - Engaging and supporting underrepresented groups to enable them to overcome barriers to employment**

There are a number of barriers which prevent people accessing employment and for some groups these can be complex and challenging. The Marches LEP will understand these barriers and work with local support agencies and service providers (existing and new) to identify and implement new approaches and ways in which these barriers can be overcome. It is important to improve the work-readiness and social skills in young people and in those new to/ returning to work.

### **Sub Priority 5.3: Develop capacity at a local level which supports and empowers under-represented groups**

Recognising that the most effective solutions will be designed and delivered at a local level, the Marches LEP will provide support to organisations, predominantly VCSE, to support and empower under-represented groups to become more actively engaged in understanding local need and developing/implementing sustainable local solutions.

### **Sub Priority 5.4 - Target geographical areas with high levels of unemployment, low education attainment levels and low income through a Community Led Local Development (CLLD) approach**

The Marches has a strong track record of successfully delivering the LEADER approach within its rural areas and recognises the lasting benefits to the lives of local people and businesses that can be achieved. Partners can see the benefit in applying Community Led Local Development (CLLD) approach within the deprived urban areas and have identified the LSOA's which fall within the top 20% nationally which they would seek to target.

### **Match Funding Assumptions**

The table on page 74 summarises the potential sources of match funding that will be sought to support the delivery of the Marches SEP and ESIF Strategy.

The Marches local authorities have significant experience of delivering externally funded schemes. and are aware of the match funding requirements that need to apply in particular circumstances.

## Marches SEP Funding Sources

FUNDING AVAILABLE WITHIN THE MARCHES LEP	MARCHES LEP PRIORITIES				
	Supporting Business	Improvements to Infrastructure	Skills Investment	Low Carbon Economy	Social Inclusion
ESIF	✓	✓	✓	✓	✓
LA Funding	✓	✓	✓	✓	✓
Private Sector	✓	✓	✓	✓	✓
Marches Investment Fund	✓	✓		✓	
Single Local Growth Fund	✓	✓		✓	
UKTI and MAS	✓		✓	✓	
SFA			✓		
Lottery/Charities/Trusts					✓
HLF	✓	✓			
BDUK		✓			
H.E/F.E. Colleges/HEfCE			✓	✓	
Housing Assocs/Registered Social Landlords		✓	✓	✓	
HCA		✓			
European Investment Bank/Legacy Funds	✓				
Other Public Funds	✓	✓	✓	✓	✓

The data used in this document is collated from a variety of sources, with details available on request. Should you require this publication in an alternative format, please use the contact details overleaf.

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