




TELFORD & WREKIN
LOCAL ECONOMIC ASSESSMENT
- strengthening our competitive advantage

January 2011



CONTENTS

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Telford & Wrekin Summary Report

Introduction - A Different Approach

In undertaking a Local Economic assessment, Telford & Wrekin Council concluded that they really needed something different, that went beyond statistics, a practical examination of the key aspects of the economy that would point the way to actions that would strengthen its competitiveness. This document represents the results of that work. A lot of work is already underway, some issues raised in the report are not 'rocket science', some are well-known thorny issues, on which people are already working hard. Some, however, are new and, in some cases, alternative approaches are suggested. What all have in common is their significance for the competitiveness of Telford & Wrekin.

The project has made clear the Council's commitment to play its part in empowering the local economy - not least by catalysing a £0.5 billion pound investment in new schools, new housing, new shopping and leisure facilities and other infrastructure – and is involved in collaboration with other partners, public and private, to make this a reality.

Methodology

A local specialist consultancy, Inspira Consulting, was retained to work with the Council to develop the approach. A review of the statistical and strategic evidence base was the starting point but this has been complemented by extensive 'action' research. Key themes for further investigation have emerged. To develop these, investigative consultation work has been used to gain the insight of local stakeholders and businesses. Hard and soft evidence has been analysed to identify growth opportunities for the Borough and barriers that pose a threat to growth. To demonstrate the value of this practical approach to assessment, a number of 'golden threads' (sometimes 'fragmented' threads) have been identified, that offer interesting development potential.

Finally, the conclusions have been converted into a set of suggested actions that would strengthen the competitiveness of the local economy and are manageable as a 'to do' list for the next 3 – 5 years. For that reason, the action set does not address every issue that has been identified but concentrates on those things that would make the most difference and where the likelihood of actually making them happen is good.

Sub-regional Dimension

The production of this Assessment is timely: Telford & Wrekin, Herefordshire and Shropshire have recently gained approval to develop the Marches Local Enterprise Partnership. To this end, this Assessment also identifies those aspects of Telford & Wrekin's economy that may have relevance for the sub-region.

Format of the Report and other Resources

The purpose of this summary document is to provide an overview of the work undertaken and its results. The report gives a snapshot of key statistics to contextualise each subject area but deliberately does not detail every statistical measure. A comprehensive range of data is held electronically by the Council and a supporting set of documentation provides much more information. This report is presented in sections that assemble the information gathered during the different stages of the project and broadly follow the headings suggested by central Government's original guidance on Local Economic Assessments:

- People and Communities
- Sustainability
- Business and Enterprise
- Economic Geography and Competitiveness.

Section 1.0 Economic Geography and Competitiveness

Key Features of the Borough's Economic Geography:

- Located at a bridging point between countryside and conurbation;
- Rural and urban economies working together;
- Historic Borough Towns complemented by an expanding Town Centre;
- Ability to use former county (Shropshire) connections when appropriate e.g. tourism;
- Slight physical separation has engendered a spirit of independence with above average education and research facilities;
- The Marches LEP creates 'formal' sub-regional economic interests with Herefordshire and Shropshire;
- Strong economic connections with Black Country and conurbation;
- Easy road travel for individuals going to work and for leisure.

How does the Borough compare?

- The West Midlands region contributes approx. 7.5%[i] to the national economy, a decline of 0.6 of a percentage point in the last 8 years;
- Telford and Wrekin's combined business turnover is estimated to be in the order of £5,833,184,000[ii], a contribution of 3.3% to the regional economy. The figure remained stable and even grew slightly in the 7 year period from 2000 – 2007;
- In 2005, total GVA was estimated to be approx £2.6bn with an average annual growth rate of 4.6%;
- GVA in 2007 stood at £18,792/person, a 2.2% increase on 2006 and nearly 30% since 2000. This compares extremely well with neighbouring shire authorities and with the regional average of £17,044, although below the £20,430 national average, a 36.5% increase since 2000.

What is the Borough's competitive edge?

- Distinctive blend of rural and urban, historic and modern;
- Great road network and motorway links with little congestion;
- Plenty of employment and housing development land;
- A diverse, often innovative manufacturing sector that has learnt skills from extensive inward investment;
- A burgeoning tourism sector, where rurality, heritage and innovation sit side by side;
- Excellent R & D facilities, very relevant to the current business base, which are helping to create new business clusters;
- A self sufficiency that comes from its separation from other areas;
- A land bank to support the Borough's development strategically;
- A series of assets that, when linked together, have serious potential to add value.

What barriers need to be overcome to strengthen Borough competitiveness?

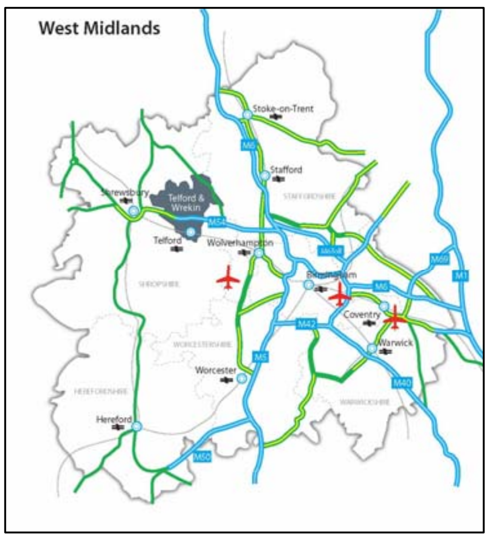
- Entrepreneurial spirit abounds but translates into below average start up businesses;
- The Borough has significant strengths e.g. tourism assets but these are not always connected together to realise their full potential;
- Infrastructure is both a strength and a weakness but there are significant problems around public transport, energy and electronic communications;
- Dependence on the public sector could be a 'drag' on the economy. 50% of businesses surveyed had public sector contracts but 77% were concerned about the impact of public sector spending cuts;
- Low skill levels may impede business growth but Telford's strength as a value for money location also predicates on competitive salary levels;
- Net jobs growth is needed to reduce unemployment levels and must be of the kind that local people have a realistic chance of being able to do.

Section 2.0 Geography, People and Communities

2.1 Geography, history and nature of Telford & Wrekin

Headlines

- ☺ Convenient location, well placed in the heart of England in a beautiful rolling rural landscape
- ☺ A distinctive attractive urban/rural and modern/traditional mix
- ☺ A growing modern town centre complemented by six Borough Towns
- ☺ Excellent road infrastructure, reasonable external public transport connections
- ☺ Plenty of space for development remains
- ☺ 1960s town centre, older Borough Town facilities and older housing stock now the object of major investment
- ☹ Poor internal public transport
- ☹ Poor connection to the M6 northbound
- ☹ Some older industrial estates are now showing their age



Telford in West Midlands with Transport Links

In an attractive green and hilly landscape on the borders of Staffordshire and Shropshire, the Unitary Borough of Telford & Wrekin intertwines the modernity of former New Town Telford with the heritage and tradition of six borough market towns.

Situated between Birmingham and Shrewsbury, the Borough's early industrial history stems from its natural resources of iron, coal and limestone. Now designated a UNESCO World Heritage Site, Abraham Darby and Thomas Telford gave the area around Ironbridge Gorge its reputation as the 'Birthplace of the Industrial Revolution'.

Heavily reliant on manufacturing and with its natural resources exhausted, the area suffered a decline between the 1850s and 1950s. Regeneration and diversification of business came in the 1960s in the form of 'New Town' status. Its boundaries allowed plenty of room for population expansion, one reason why the Borough still has open space and attractive development sites aplenty.

Telford's rural setting, new business parks and housing attracted many overseas investors (particularly Japanese and US companies) to establish manufacturing plants in the town, an important part of its business base today.

Quick Facts

- **1960s population of 50,000**
  - Today – 162,000
  - 2031 projected - 185,000
- **4,500 businesses**
- **5650 business units**
- **6 market towns plus Telford New Town**
- **Telford population 86% of whole – 139,000**
- **290 sq. km = 72% rural**
- **Birthplace of the Industrial Revolution**
- **Only Midlands World Heritage Site**

Good road infrastructure and its rural location close to but separate from the West Midlands conurbation is fundamental to the distinctive character that has attracted both businesses and individuals. The addition of the M54 motorway underpinned its accessibility to the conurbation, the central UK motorway network and to Wales.

2.2 Demography

Headlines

- **A fast growing population, who will need services, infrastructure and employment to meet their needs**
- **A higher than average number of young people who need good education, training and employment opportunities**
- **An aging population, who will need additional health and social care service and whose other needs in terms of leisure and employment, should also be considered**
- **Housing plans in place to accommodate growth**
- **Expansion of town centre facilities will help to provider services to meet growth**

As the fastest growing local authority Borough and a 'Strategic Growth Point' in the region, Telford & Wrekin will have to provide housing, services and jobs for a projected additional 20,000+ people by 2031.

Housing development sites and plans are in place and the development of the town centre's retail, leisure and recreational facilities, now in its early stages, is a further important component of this expansion.

But the combination of rapid growth, a younger than average population but also an aging population who may need or choose to work beyond retirement age will create pressure for more and varied employment opportunities.

Expanding services to meet the demands of population growth requires careful planning but will also bring opportunities. For example, the provision of adequate health and social care facilities will be important and may provide opportunities for new businesses to be created, particularly social enterprises. Collaborative planning between local health and other service commissioners and those responsible for economic development and suitable business development support services may help to identify and fill early gaps in the market.

Quick Facts

- **558[iii] people per square kilometre**
- **162,000 population[iv]**
- **3%[v] of the West Midlands population**
- **50/50 gender split**
- **17% population growth since 1991**
- **Projected 14% growth by 2031**
- **A WM strategic growth point – fastest growing local authority district**
- **More under 16s than average (21%)**
- **Less over 65s than average (17%)**
- **62% working age population**
- **By 2026 48% increase in 65+**
- **By 2026 100% increase in 85+**
- **Average life expectancy**
- **BME population = 5%; grows to 6.5% by 2026[vi]**

2.3 Educational Attainment, Skills and Graduates

Headlines

- Improving educational attainment rates for 16 year olds that now exceed national averages.
- Overall, the Borough is well-placed for training provision, but further research is needed to ascertain whether provision matches the employers' current and future skill needs.
- Persistent challenge to reduce the number of NEET young people and careful partnership working across the public and private sectors needed to hold these young people in education for two further years when the school leaving age increases to 18.
- Relatively well-placed for higher education but lack of some facilities around leisure and recreation appears to be a disincentive to some students. Incubation facilities and support to start businesses as part of degree courses appears a great incentive to 'hold' graduates in the Borough post university. A low skilled indigenous population with below regional average NVQ3 and NVQ4 and a serious challenge to meet regional NVQ skill attainment targets.
- Anecdotal evidence that employers are 'importing skills' via inward commuting
- Widespread reporting from employers about skills deficits and lack of work readiness causing problems with recruitment BUT a mixed picture on these issues in relation to young people.

Educational Attainment

The Borough's picture on educational attainment is good and improving with above average numbers of 16 year olds achieving GSCEs. This is extremely good news, although the improving average masks wide variations.

However, too many young people leave school at 16 without a job or training place. The 'NEET' figure remains constant just below 10% despite good work to reduce it each year. Increasing the education leaving age to 18 may only shift the problems forward and increase truancy.

Collaborative working with schools and colleges must help to prepare pupils for vocational training and work. Employers have an important role to play in ensuring vocational training meets their needs and by facilitating entry into employment.

Skills

To meet employers' current as well as future skill needs and so help them grow their businesses and sustain the Borough's economic growth, skill levels amongst the Borough's residents must rise. Low skills go hand-in-hand with unemployment, low

Quick Facts

The Times newspaper described Thomas Telford City Technology College as:

"the leading comprehensive school in England. In science, 100% were awarded at least two good GCSEs."

- **Educational attainment at 16 is above national levels**
- **99% 16-year old pupils at 3 exemplar schools achieved 5+ GCSEs at A* - C grade**
- **Above average number of 3 and 4 year olds in education**
- **12.4% [vii] residents have no qualifications**
- **Above average residents with GSCEs and A levels**

Shropshire Chamber's QES points to recruitment problems with high and low skilled occupations in manufacturing and service sectors, particularly for professional jobs.

income and deprivation, so individuals' personal circumstances can be improved by enhancing their skills.

As well as equipping people with specific skills, NVQs have an important role in driving commitment to lifelong learning and as a route to personal development and career progression. Feedback from employers suggests that flexibility in the workforce and a willingness to learn new skills are more important attributes than possessing a specific vocational skill.

Patterns of net inward commuting to jobs in Telford & Wrekin show local people are losing out to their better qualified neighbours. This is confirmed by evidence from employers of skill-related and 'employment readiness' recruitment difficulties at all levels and particularly related to managerial and professional posts.

Although low skill levels might be associated with some jobs in traditional manufacturing, on which the Borough has been heavily reliant, there has been significant diversification of the economic base and, statistically speaking, good rates of job-related training and so it is perhaps surprising that the overall position remains a concern.

In its favour, the Borough has significant and well respected employment-based training schemes in place that should help to counter this. T-CAT, the local College of FE, is a Centre of Vocational Excellence for Engineering and, according to its website, "*the largest and most successful provider of training on employer premises in the UK*" and there are other training facilities and providers, some vocationally-biased, such as the Polymer Training and Innovation Centre[viii], a unit of Wolverhampton College, that provides a wide range of services for the sector.

Telford & Wrekin's manufacturing base has demonstrated greater resilience during the recession than manufacturers elsewhere in the region. One school of thought is that overseas businesses have brought in new processes and technologies that have informally 'migrated' around the Borough as employees move from one company to another, taking acquired skills and knowledge with them.

In its "Position Statement on Work & Skills Priorities (April 2010)", the Council acknowledges that the issue of upskilling its population is a challenging one: "9800 more working age adults would need to become qualified to Level 4 or above and 11,100 to Level 2 or more to meet the Regional Skills Action Plan targets in 2011". Giving encouragement to existing employees to gain skills qualifications remains a key priority.

At the sub-regional level of the Marches LEP, the under-performance for higher level skills is masked, since the combined figure exceeds the regional average. Thus, it will be important to ensure that this priority for the Borough is not diluted.

Graduates

Improving graduate retention rates is a common objective for areas across the West Midlands, one shared by the Marches LEP. Statistical evidence at a District or sub-regional level is difficult to find but longitudinal studies concluded in 2005[ix] have shown that the region enjoys a comparatively high rate for local graduates but is less successful with those who have moved here from elsewhere to study. Increased tuition fees that mean more students stay at home to study may play to this strength.

With two HE facilities and a College of FE that provides foundation degree courses, the Borough should consider developing a graduate retention strategy.

Quick Facts

- **Employer e-survey September '10 – top 3 concerns:**
  1) ability to recruit locally,
  2) quality of existing workforce and
  3) access to training
- **89.1% of employed graduates, who lived and studied in WM region, retained there**
- **T-CAT is launching an Apprenticeship Academy in January 2011 to extend the 'work readiness' training it offers to students**

The experience of Graduate Retention programmes elsewhere in the country appears to suggest that 'place loyalty' can be increased via employer link programmes and by pro-active support programmes for graduates[x].

Websites targeted at undergraduates researched for this project often include descriptions of the town's facilities as well as the University. One described Telford as "a town formerly based on iron and coal that will now more probably offer opportunities in the service sector", so there is also a message here about optimising the town's public profile and marketing image.

Incubation programmes already operating at both HE institutions, sometimes linked to degree courses, appear to be a practical way of retaining graduates in an entrepreneurial setting; there may be scope beyond the current target sectors of ICT and food and drink.

The University of Wolverhampton has closed its Business School in Telford partly because of poor student satisfaction with local recreational facilities. This decision is doubled edged, since it has opened up badly needed additional incubation space. It suggests, however, that the town's facilities are an important element in the mix of what attracts students to different study locations, so the Southwater development of town centre facilities in Telford (see Sub-section 3.4) is an important step forward and not just for the visitor economy and local people.

2.4 Economic Activity

Headlines:

- ☺ **Approx. 8000 people who are economically inactive say they want to work**
- ☹ **An above average proportion of the population are employed in occupations that demand lower skill levels**
- ☹ **Hard to fill vacancies persist despite around 4000 people claiming Jobseekers Allowance**
- ☹ **Income levels are now below regional average and substantially below the other areas within the Marches LEP geography**
- ☺ **Lower wage rates give the economy a competitive edge**
- ☹ **Commuting patterns suggest that employers may not be able to procure all the skills they need in the indigenous workforce**

Quick Facts

- **51% return home after studying away**
- **Few who studied in WM but live elsewhere stay in the region afterwards**
- **13.5% of graduates newly into employment in WM attracted from other regions**
- **The Times/Sunday Times University Guide in 2009 states about University of Wolverhampton: *"Wolverhampton's success in widening participation in higher education is such that it is the only university in Britain where a majority of undergraduates come from working-class homes.***
- ***"At Telford the £7-million e-Innovation Centre has already won awards for the incubation and support it offers to e-businesses."***

Approx. 105,000 people or 62% of the total population are of working age. This figure is declining slowly as a percentage of total population and broadly fits the regional pattern. Approx. three quarters are economically active, slightly below the regional and national averages and a quarter are economically inactive. A higher than average number of the economically inactive say that they want a job. At 6%, self employment levels are below average.

Interestingly, 50% more of the Borough's 8100 ethnic minority residents are classified as employed, than regionally or nationally. A range of explanations is possible: we think it would be useful to conduct further research to understand the underlying reasons and also the chronology.

Employment

An above average number of people work in elementary occupations. This is consistent with a significant stock of manufacturing businesses. There are lower proportions working in professional and technical occupations. Although the number of managers and senior officials has increased slightly, there is also a slight downward trend in the percentage of residents in higher level jobs overall.

Employer feedback supports the need to 'import' higher level skills. Other anecdotal evidence pointed to some specific recruitment problems in the hospitality industry, especially chefs and, to some extent, waiting staff and in the health and social care industries. Both these sectors are expected to grow strongly in the coming years but the combination of difficulties in recruiting lower and higher level staff could hold them back.

A pragmatic approach has been adopted by Jobcentre Plus to help overcome hard-to-fill vacancies. They recognise that people often do not want to take work that involves anti-social hours or is low paid. JCP seeks to bring together employers who have overcome such difficulties with ones who are struggling to recruit to show how this can be done while still keeping the business operational and competitive.

Reduced public sector funding will result in ex public sector workers seeking jobs in the private sector. Providing support for individuals in the form of 'Jobclubs' etc. is important but recognising where employment opportunities exist and where and what skills are needed in industry could channel residents towards sectors that have good potential for employment sustainability. This approach could work at local and sub-regional level.

Income

Whether judged by weekly pay or household disposable income, the Borough's residents receive less money for the work they do and the latter figure is £1500 – £2000 lower than the figures for Herefordshire and Shropshire respectively.

Although job density, a traditional indicator of commuting, stands at 0.85 and suggests a net number of people going out of the

Quick Facts

- **Approx. 100,000 people of working age**
- **Working Age Population = 62% of total**
- **79,200 economically active**
- **66,800 (63.5%) employees**
- **19,700 (24.9%) in part time employment**
- **6300 (6%) self employed**
- **26,000 economically inactive, of which 8400 want a job**

Borough for work, other statistics provide strong evidence of significant inward commuting. Net inward commuting seems to chime with employers' concerns about the skills of the local workforce i.e. the local workforce is not always well equipped to compete against external competition. Thus, raising skill levels may well help weekly pay and disposable income figures to rise.

2.5 Unemployment, Deprivation and Health

Headlines:

- ☺ 3.7% unemployment is an improving position, slightly better than the region, slightly worse than the national figures
- ☺ By percentage, far fewer residents are long-term unemployed than the regional or national averages
- 😐 Just over a fifth of the population live in deprived communities – better than regional, worse than national
- ☹ Approx. 1/3 of the unemployed are aged 18 – 24, higher than the regional and national figures, although probably accounted for by the population profile
- ☹ Of 108 neighbourhoods, 12 suffer deprivation particularly related to income levels, 8 related to employment and 11 linked to child poverty
- ☹ Nearly a quarter of the Borough's under-16 population are believed to live in income deprived households, higher than the national average
- ☹ Basic skills, employability issues and a wide range of barriers to employment affect people's ability to work
- * Advice offered to individuals should take account of new models of working, including self employment
- * It will be essential to monitor changes to back-to-work provision for the unemployed caused by the introduction of the new Work Programme to ensure appropriate support is in place that drives real progression towards getting a job

Provision

There is some good news: the rate of unemployment in the Borough is declining and the claimant count in every ward has decreased. There are comparatively few long term unemployed and a marginal decrease in the number of claimants on a broader range of out of work benefits when the comparative figures for the region and for England have increased.

More worrying is the picture for young people; taking account of earlier messages in this report about the number leaving school and becoming 'NEET', approx. one third of all claimants (1330) are in the 18 – 24 age bracket, slightly above comparable averages and the figure has almost doubled since 2007.

20% of the total population and 25% of under 16s live in neighbourhoods assessed as amongst the 10% poorest in England.

Quick Facts

- **8100 ethnic minority residents, mostly Asian**
- **5000 BME employed**
- **% BME employed much higher than average**
- **21.7% live in deprived areas. Better than region, worse than national**
- **Children in families dependent on out of work benefits +4.2% above national average**
- **2009 weekly pay: £430/week, reduction of 4.4% on 2008**
- **Weekly pay below regional (£456) and national (£488) averages**
- **Annual gross household disposable income = £12,775 (2008)**
- **Net inward commuting of approx. 6000 people**
- **3.7% unemployment, better than region, worse than nation**

Education, training, employment and health issues affect these communities, which are typically found in the more urban areas. Some rural areas experience problems around housing and access to services.

Although greatly reduced, youth homelessness accounts for 50% of all homelessness. The Borough has an above average number of registered disabled but only average numbers of people claiming incapacity benefit. However, this masks some wards where the count is double the regional and national average. Telford & Wrekin Joint Strategic Needs Assessment and Annual Public Health Plan 2009 uses a range of socio-economic data to demonstrate the clear link between deprivation, including poor housing and fuel poverty, and poor health.

Help for the Unemployed

A range of provision is available to help people get into or back to work and to overcome barriers to employment. Training providers include Jobcentre Plus, Telford College of Arts and Technology, County Training (Shropshire Council's training arm) and the Prince's Trust.

During consultation, training providers suggested that despite a range of networks in place, links with employers need to be strengthened further. In addition and anecdotally, the complexity of structures designed to set overall strategy and steer provision on employment and skills matters is detrimental to effectiveness and impact - simplification of structure and clarification of role is required. These could be important roles both for the local Business Board and for the LEP.

With a focus on economic competitiveness, this assessment has not looked in detail at training programmes for the unemployed. However, evaluation elsewhere suggests one of the primary impediments to progression towards work for unemployed people is the lack of a planned, coherent customer journey that retains consistency even when support is delivered by a number of different agencies.

Incapacity benefit and housing benefit claimants generally account for a significantly larger number of people than those registered as unemployed. The Coalition Government is expanding the programme commenced by the previous Government to help incapacity benefit claimants return to work. Alongside the introduction in 2011 of the Work Programme, whereby those in receipt of benefits will be obliged to return to work if a job is offered to them, this will represent a major influx into the jobs market of people potentially poorly equipped for the world of work. The Government plans to address this through expanded employability and vocational skills training programmes e.g. the expansion of the Apprenticeship programme.

Employers reported that they favoured subsidised work placement schemes to introduce previously unemployed people into work, particularly for young people. The now defunct Future Jobs Fund was cited as a positive example. They also made it clear that they will seek to 'screen out' those individuals without positive attitudes to work.

It is extremely important to ensure close networking between the new range of training providers joining the local market place as a result of the tendering process for the Work Programme, so that employment opportunities are maximised but also employers' needs are properly met.

Quick Facts

- **4000 people on out of work benefits - 2/3rds are male**
- **Cuckoo Oak and Woodside have unemployment rates around 8%**
- **12% claimants out of work over 12 months, well below regional and national averages**
- **80 claimants out of work for more than 2 years**
- **Approx. 30% down list of most deprived authorities in WM**
- **Approx. 40% down list of most deprived in England**
- **6 out of 108 neighbourhoods in top 10% in England for deprivation**
- **Above average bankruptcies, 16.7 per 10,000 head of population**

Section 3.0 Business and Enterprise

3.1 Overview of Economic Base

Headlines:

☺ Inward investment has been a major success for the Borough with some 148 businesses providing approx. 20% of local jobs but also brings some vulnerability due to increased mobility of such businesses

☺ The overall picture is of a business base that is resilient and has good underlying potential for growth in the medium term, with some short term concerns about the affect of a shrinking public sector on contracts and on consumer spending

☺ Important sectors are manufacturing, polymers, advanced engineering, food and drink, construction, retail and tourism. Manufacturing is contracting at a slightly slower rate than other parts of the UK

😐 Telford centre is the main focus of business activity but each of the Borough towns has its own town centre. There are also some clusters of businesses in the rural areas

😐 By proportion, there are a greater number of larger employers and fewer small and micro businesses than the regional average and a lower ratio of businesses to people than elsewhere but the growth of the business base is stronger

😐 As elsewhere, the service sector is growing, particularly in relation to real estate and business services

☹ There is a below average percentage of start up businesses and self employment

☹ Over a quarter of employment is in the public sector (see Quick Facts on P15), which brings concerns about the impact of public sector spending cuts, both on individuals and on businesses

The business base has both strengths and weaknesses: the Borough's economy is well diversified and well represented in a number of growth sectors, which straddle both manufacturing and service sectors. With relevant local R & D facilities, it can support the development of manufacturing businesses, both the more traditional ones that will benefit from new processes and the cutting edge ones, which are developing new products and processes. By comparison with other regions, however, it is over-reliant on its manufacturing businesses and the manufacturing base is contracting albeit more slowly than elsewhere.

Reliance on public sector contracts or on the disposable income of public sector employees is a concern for over 75% of employers who participated in an e-survey. Inward investment has been a great success for the area but also makes businesses more mobile on a global scale and therefore more likely to move to developing countries to improve cost efficiency.

Quick Facts

- **4400 VAT registered businesses**
- **5650 business units; largest number by sectors are retail, then construction, then professional and technical**
- **Strong growth in stock: - 2.5% per annum v. 1.4% regional average**
- **35 businesses employing 250+**
- **Household names:**
  - **- Dairy Crest**
  - **- Epson**
  - **- Ricoh**
  - **- GKN**
- **148 inward investors providing 19,000 jobs, nearly 20% of total:**
  - **- 48 US owned**
  - **- 28 German**
  - **- 16 French**
  - **- 14 Japanese**

Strategic Employers

Given the significance of larger employers and inward investors to Borough employment, the local supply chain and the wider economy, seeking to ensure their loyalty to the area is essential.

Building and maintaining strong relationships with key employers can help to retain their local presence. As an example, in other places, helping companies to strengthen balance sheets by rezoning unused land that they own has helped to fight off pressure to move abroad. Employers appear to view Telford & Wrekin as a conveniently located and good value business location, so taking measures to ensure that image persists is important to future stability and growth. Over the last couple of years, the Borough has had measures in place to build strong contacts; building on this work should form part of a strategy to engage more strongly with such employers.

Inward Investment

It is unrealistic to expect inward investment of the type experienced during the 1980s and 90s to return: manufacturers are increasingly looking towards developing countries. As one might expect, there was a sharp downturn in relocation enquiries during the recession, approx. 25% in the Borough's case. Enquiries received straddled all the identified growth sectors.

The growth area of investment is now coming from physical regeneration projects, including new retail and leisure facilities, such as the Southwater town centre initiative, with major employment creation prospects, and the regeneration of the Borough Towns. The Borough has grasped this potential and is making a significant investment in physical development.

Hoshizaki moves to larger premises

The growth of the home tourism industry may also attract new investments e.g. visitor attractions and the Borough may be well-placed to accommodate these, given the availability of large development sites. Just as it is looking strategically at retail and leisure facilities and support for business tourism, so a strategic approach to development that would draw in new businesses and so strengthen the competitive edge of other sectors will be important.

Nevertheless, opportunities for small-scale relocations will still exist e.g. clusters of industry developing to take advantage of support facilities and businesses seeking to escape high rents and higher crime rates in the more densely populated conurbation.

As well as maintaining Telford's reputation as a good value business location, further research into the potential that exists to attract business start up and relocation related to particular sectors and developments and then carefully targeted marketing at these businesses, perhaps using non-traditional routes e.g. through supply chains and other networks, could help to stimulate the market.

3.2 Jobs

Headlines:

- **Strong jobs growth up to the recession, in line with LEP partner areas**
- **Strong job creation through physical development projects: Southwater, Building Schools for the Future etc.**
- **Public sector, tourism, manufacturing, retail and finance all important employment sectors**
- **Employers have problems with recruiting across the board but particularly skilled workers**
- **How to re-engage the pool of unemployed in the jobs market**

The Borough faces four key challenges in relation to jobs:

- *In the short-term, ensuring public sector job cuts do not stifle economic growth by creating a pool of unemployed workers;*
- *Upskilling local people to make them more suited to higher level vacancies and to the needs of the Borough's employers;*
- *Driving jobs growth to create employment for forecast population growth;*
- *Moving the unemployed into work in a way that is beneficial to the individual and the state and does not create significant problems for employers, through poor employability skills.*

Despite 4000 unemployed residents, employers continue to report recruitment problems across the board. According to the Chamber of Commerce, there are particular issues about recruiting to managerial and professional posts. Some of the Borough's ongoing hardest to fill vacancies are in the hospitality and social care sectors but, in the past 12 months, the pattern of vacancies has changed somewhat with evidence of new jobs in manufacturing but service sectors appearing less buoyant.

Anecdotal feedback suggests vocational training course content is not always relevant to employer needs. Strengthening relationships between employers and training providers will help to influence the provision of training to ensure it includes the skills that are important to employers.

Quick Facts

- **81,000 jobs**
- **6% jobs growth from 2002 - 2008**
- **Strong reliance on public sector inc. education and health – 26.2% of jobs**
- **23% of jobs in distribution, hotels and restaurants**
- **21.7% in banking, finance and insurance**
- **18.6% in manufacturing v. 13.8% (region) and 10.2% (nation)**
- **19% jobs in foreign owned businesses**
- **78% of jobs in service sector**
- **25% part time/75% full time**

Up to 800 construction jobs have been created by the extensive physical regeneration programme now underway across the Borough through the Borough Towns Initiative and Building Schools for the Future programme and development contracts include a requirement to train staff and recruit local people. Effectively, the Borough is in the process of creating a pool of construction workers who will be able to work on successive physical regeneration projects around the town over coming years.

The Southwater Development in Telford's town centre is expected to create 2000 – 4000 jobs in retail, leisure and hospitality. A key objective should be to use similar development agreements to ensure that local people have the best possible chance of securing this employment. The creation of so-called employment 'hubs' should be considered – multi-agency arrangements to create a suitably skilled pool of labour for the jobs. A key lesson from other schemes is to ensure that planning work commences sufficiently early to allow time for people to be trained.

Making Use of New Models of Employment

Changes in employment patterns over the past decade have set the pattern for the foreseeable future. A 'job for life' is largely a thing of the past. Self employment, agency working, temporary employment and 'bolting together' a range of different occupations to derive a viable income are all likely to increase. The last option is not uncommon in rural areas and has the benefit of spreading the risk if one job ceases.

Support that is offered to those seeking employment must cover different models of employment in the advice offered. During consultation, employers were asked how they thought the jobs market could be expanded sustainably. 'Taster' schemes like Future Jobs Fund were cited and smaller employers also suggested that employment models that allow a group of small businesses to employ a person between them might also be attractive if the complexities of employment law could be overcome. This warrants further investigation, perhaps with some kind of employment agency involvement and/or achieved via a third sector organisation or social enterprise.

3.3 Enterprise

Although Telford & Wrekin appears an enterprising place, in fact, its character today belies the statistical evidence. This shows, on almost every measure, a below average number of micro businesses and self employment. A possible explanation is that, as a relatively large urban centre in a rural setting, Telford is a magnet for business activity. A large number of micro businesses are based just over the border in Shropshire and may be drawn to Telford to do business and for services. Research by Birmingham University positions Telford & Wrekin within an 'arc' around the West Midlands conurbation where home-based businesses and people who are employed but frequently work from home are located. Moreover, the take up of incubation space has been very successful e.g. at Wolverhampton University's E-Innovation centre and at Harper Adams College with all units now fully occupied. Enterprise HQ provides a highly valued networking, information and support facility for micro businesses, with approx. 800 members.

Quick Facts

- **38.5% of jobs in knowledge-based sectors, lower than regional or national average but employment in these sectors going faster than elsewhere**
- **Business 'birth rate' at 10.4% below WM average.**
- **Business 'death rate' at 8.6% below WM average.**
- **More businesses created than closing**

The positive connection between business support for start up and micro businesses and improved survival rates is well established. Making sure that adequate support is in place to stimulate and assist growth is essential and will be an important issue for the Borough when Business Link's responsibilities for this service change.

Social Enterprise

The Borough also has some high profile social enterprises. The Council has proactively supported the creation of a number of such organisations, such as the Fairshare Credit Union and Wrekin Care Co-operative and very recently, AFC Telford United Football Club. The Council is also looking at the opportunities to promote enterprise start up through the personalisation of social care budgets through its 'micro-markets' initiative.

This experience may prove useful as public sector cuts stimulate new models of service delivery and in response to the growing needs for services that lend themselves to community provision, e.g. health and social care. Support services should be equipped to advise on setting up social enterprises. Consultation suggested that some relationship and capacity building may be required in the third sector to enable voluntary and community organisations to help develop this potential.

Self Employment

Earlier in the report we highlighted low levels of self employment in the Borough. Not only can self employment be the forerunner to starting a small business, it offers a more flexible model of employment that may suit people returning to or entering the employment market. With a higher number of people than average saying they wish to find work, this may be a route into a job and has equal potential for those offering services to their local community: such as hairdressers, window cleaners and cake decorators.

Support services for those wishing to become self employed are currently part of Government funded support that may cease. Alternatives should be put in place that will proactively stimulate the latent potential in the Borough.

Enterprise HQ in Coalport

3.4 Knowledge-Based Industries and Growth Sectors

The Borough's growth sectors have a potential advantage from the proximity of related higher education and research provision. Facilities at the Telford campus of University of Wolverhampton and at Harper Adams University College appear to be helping to 'cluster' ICT, food and drink and land-based industries. Both institutions offer starter and small business incubation facilities, which are full.

The University of Wolverhampton has been one of the most proactive in the region at delivering Knowledge Transfer Partnerships (KTPs), which use graduate placement in businesses to help companies to assimilate new technologies and graduates to gain a better understanding of the workplace.

ICT/Business and Professional

AWM cluster skills research conducted in 2009 identifies ICT as a key growth area. The University of Wolverhampton's Telford campus at Priorslee is now home to the E-Innovation centre. Nearly 40 small businesses that use digital technologies are based in incubation space there and additional space has just been freed up to provide grow-on space for these businesses. Collectively, they now form a cluster in their own right and are growing the local skills base in this sector.

The combination of the University's facilities developing as a centre for start-up businesses with growth potential that are strongly based in the locality is an interesting model of 'growing your own' and may have relevance beyond ICT.

At the other end of the size scale, CapGemini is contracted to provide systems development services to HMRC in Telford until 2013. Consequently, it is the largest private sector employer in the town with a workforce of around 3000. The skills problems highlighted earlier in this report mean that the company 'imports' approx. 10% of its workforce on short-term and agency contracts.

Advanced Manufacturing

The Borough's 250-year track record of engineering innovation lives on: in and around Telford are businesses that are using leading edge technologies in the production of their products. The innovation in these businesses, combined with the advanced support for engineering businesses that is provided at the Telford Campus of the University of Wolverhampton will help to ensure that Telford has the capacity to stay at the forefront of advanced engineering in the coming decades as well.

Polymers are an important sub-sector of manufacturing in the Borough. Polymers have an increasing role in both end products and in the engineering sector. In the Government's report on Skills for Growth (Building Britain's Future) the Composites area is singled out as a strategic area for growth.

The Borough has a good range of technical support facilities for the sector: Telford is now the base for RAPRA, the national trade research and training body for the rubber and plastics industry. In addition, Telford College operates a foundation training facility for the polymer industry.

The University of Wolverhampton's Dept. of Engineering has made a substantial investment in state-of-the-art production facilities for metal and composite tool-making and for rapid prototyping, which it offers commercially with short turn-round times. It networks with a cluster of polymer companies across Telford and the West Midlands and is setting up various manufacturers' 'clubs' that will enable the transfer of innovation and good technical practice. It is working with toolmaking businesses as well as manufacturers themselves and there are some signs that its facilities, which are beyond affordability for small manufacturers, may act as a stimulus to other business to relocate to the Borough.

The engineering services of the University have potential to give local traditional manufacturers a competitive edge through cheaper tooling costs and should be encouraged and promoted.

The WMRO Regional Skills Assessment for both Telford & Wrekin and Shropshire makes it clear that local businesses must have access to the skills they need. This relates not just to technical skills but also to management expertise, an area where the Borough workforce is weak.

Food and Drink

There is a strong nucleus of food and drink businesses in Telford and Wrekin and businesses have continued to become established throughout the recession. Some have developed in land-based businesses from a desire to add value to primary products; others from products prepared in people's kitchens that find a market. Alongside this cluster of micro businesses are some major businesses with internationally known brands, particularly in the dairy industry, such as Dairy Crest and Nom, with local supply chains that extend into local agricultural production businesses. Food and drink businesses also form a significant cluster within the business base in Herefordshire and Shropshire and have strong links into retailing, tourism and leisure.

New businesses that are established in the Borough enjoy access to a high level of expertise locally through a range of local organisations including the new Regional Food Academy at Harper Adams University.

New arrangements for supporting business start-up need to be plugged into specialist expertise for the food sector and other specialisms. Opportunities for developing local supply chains and marketing local produce should be explored.

Visitor Economy

An officer report to Shropshire Council in May 2010 estimated the value of tourism expenditure in Telford & Wrekin as £104 million and that the industry supports approx. 3600 jobs[xi.]

Visit England's 2010 – 2020 Strategic Framework suggests strong growth in England's visitor economy over the next decade.

Business and leisure tourism are both important components of the Borough's visitor economy: Telford's conference venue 'Telford International Centre' (known as TIC), offers 11,600 m^2 of conference, sports and event space in Telford town centre, supported by three hotels. Expansion of facilities now underway as part of the Southwater development will boost that to 15,000 m^2, making it 5^{th} largest facility of its type in UK. This is complemented by the wider regeneration of the town centre area, where work has already begun on Phase 1 and development will be phased over the next 20 years, ultimately creating some 4000 new jobs.

In the medium term, this will address the often heard criticism that Telford's town centre lacks a strong night time 'offer'. In fact, the market towns of the Borough offer a wide range of pubs and eateries, all with a traditional high street feel about them. The extensive regeneration of the market towns by the Council through the Borough Towns Initiative means they are becoming increasingly attractive.

Artist's impression of revamped Telford International Centre

Consolidating the Borough's overall evening 'offer', ensuring conference and leisure visitors know where they can find evening entertainment and that transport links work seamlessly to allow, particularly conference, visitors to Telford to use these facilities could do much to improve the image of the current night-time economy.

Telford & Wrekin's most significant tourism asset is Ironbridge Gorge Museum, the only UNESCO designated World Heritage Site in the West Midlands, which includes a chain of 10 museums celebrating the area's role as 'Birthplace of the Industrial Revolution'. On the Borough's boundaries is the RAF Museum, Cosford, the only National Museum in the West Midlands.

In their curatorial role, both museums undertake internationally important conservation work in their respective fields and offer high calibre learning and work experience opportunities for young people and for post graduates.

Less recognised are the smaller scale business conference/meeting facilities they are both able to provide, which diversify the local conference offer and appeal to different markets. This diversity draws into the Borough business visitors with a strong interest in current and future, as well as latter day engineering e.g. technical institutes and aerospace businesses.

With its strong foundation of cutting edge manufacturing and research bodies alongside engineering heritage, there is an opportunity to develop the Borough's image, not just as the Birthplace of the Industrial Revolution but the 'home of technology, then, now and in the future'. Strengthening links with conference facilities could provide useful two-way intelligence that could bring business and investors to the area.

Sports tourism appears to be an important but under-acknowledged aspect of the local visitor economy. As the birthplace of the modern Olympic Games, Much Wenlock has an important link with the 2012 Games. The Shropshire, Telford and Wrekin 2012 Group has formulated plans to help the area maximise the economic benefit of the London Games, both while they are held and in the legacy period. These target tourism, sport and culture.

Quick Facts

The £250 million masterplan for Telford town centre developed by Southwater Event Group and Telford & Wrekin Council :

"will create a vibrant heart for the town where …visitors can meet and socialize. With new bars, restaurants, cafes and shops, the development will also include leisure facilities..as well as a new 200-bedroom hotel." [xii]

The Borough's visitor attractions accounted for 1,000,000 visits in 2009.

Ironbridge ranked No. 20 in Visit England's national 2009 survey of Top Visitor Attractions where admission is payable, the only West Midlands venue to do so[xiii] and No. 1 on the same list for the West Midlands region, with various of its individual museums also on the list.

But more could be done: consultation with tourism related businesses did not suggest that this opportunity was being maximised, although Ironbridge expect their international visitor figures to rise substantially during the Games.

More widely, because of a wide range of facilities, sometimes of a national standard, such as T-CAT's Astroturf surface, sporting competitions are frequently held in the Borough and attract both competitors, support crews and friends and family. Some sports, such as BMX, are growing in popularity nationally and have highly regarded local teams but poor facilities.

Alongside the conference tourism market, there may be potential to catalyse sports tourism through the development of new facilities in partnership with the private sector. The appeal of this may not be limited to those interested in competitive sports but may also enhance the overall tourism offer, particularly for those seeking 'active' breaks'.

Wrekin Riders BMX Team

Retail

The Borough's main shopping centre is Telford Centre, a combination of a major modern indoor shopping centre and 'out of town' type shopping parks close by. It has been difficult to obtain up to date market information about retail trade in Telford & Wrekin. A 2006 Study[xiv] suggests Telford town centre was at that time ranked 15^{th} in region with nearly 43,300 m^2 of floor space and 6th largest for office space with 1.173 million m^2. Telford scores 3 on a scale of 1 -5 for vitality and viability, where 1 is very healthy and 5 is very weak, its retail ranking being the category that scored lowest, probably because of a lack of 'desirable' brand names in the town centre. This perhaps supports a view of Telford as a 'value for money' shopping centre.

Developing a more local picture of the health of the town centre is an important aid to planning. The Association of Town Centre Management advises that regular research, both quantitative and qualitative, should be conducted. It has developed a 'health check' toolkit[xv] that accepts views from a range of different stakeholders and can be benchmarked against different towns.

For a more traditional shopping experience, the market towns each have their own high street, a mix of chain stores and a larger range of independents. In addition, the area offers a number of markets; the one in Wellington is particularly successful with over 120 stalls. It is also one of the oldest in the country, awarded its Royal Charter in 1244.

In other locations e.g. Stoke on Trent, market trading has been used as a low-risk introduction to self employment and business start-up. With below average self employment and start up rates and a retail offer that favours the value end of the market, this approach might well offer some potential.

The issues raised earlier in the Visitor Economy section relating to making better use of the combined modern and traditional facilities of the Borough also apply to retail, itself an important component of the overall visitor offer. The market towns are undergoing substantial improvement works, thanks to the Council's 'Borough Towns Initiative'. This physical regeneration is bringing renewed confidence in the shopping centres: Wellington, for example, is seeing new retailers moving in and the void rate is reducing. Lower rentals provide more affordable options for those starting out in retail. The diversified offer provided by a range of independents is a welcome change from the uniform nature of major shopping centres across the country.

Ensuring that the support infrastructure for tourism includes retailing is important. Helping to provide outlets for other sectors that have retail potential, such as food and drink and the creative industries is a further route to viability and vibrancy; the Borough also has major concentrations of visitors around its key attractions; perhaps thought should be given to how to take 'shopping opportunities' to them. For example, merchandising locally produced food and drink products with their own brand and offering these in their cafes and restaurants.

Retailing is a very visible indication of the dramatic impact of technology on our everyday lives. So-called E-tailing – selling over the web – is no less than a revolution and is set to change the shape and nature of town and shopping centres for ever. A recent article in 'Marketing Week[xvi]' suggests how leading-edge retailers will be re-shaping their businesses to maintain market share.

"For retailers looking to make an impact, there are 5 new rules to be considered...customer service, technology, experience, communities and endorsement.

"Trends Agency PSFK suggests: "Everywhere will be a store, everything will be available to buy and everyone will be involved in the sale. With the technology available to us, I can snap a picture on my camera phone of a friend's shoes and get them shipped for arrival when I wake the next day.

"Ocado is already experiencing the way technology is changing purchasing behaviour. Five per cent of the supermarket delivery business sales are now made through its app, which allows people to scan products in their fridges with an iPhone, and then put them into their online shopping basket. "

Helping smaller retailers to understand and take advantage of models being employed by international retailing brands will help strengthen their viability.

Quick Facts

- **The company that operates Wellington market, Wellington Markets PLC, is reportedly the UK's largest private operator of traditional markets, operating some 35 markets across England and Wales with 5000 stalls and thus with a substantial body of expertise in this field.**

- **Sales of branded goods, particularly food and drink, have been a major success for some of the UK's top historic houses. Chatsworth House[xvii] is particularly renowned for its retailing success, which has recently extended to a range of garden furniture produced by local craftsmen.**

Heritage Technologies

Industries that require traditional skills are finding it increasingly hard to recruit skilled workers. Many of these skills are connected with built heritage and maintaining the collections of museums. Within the Borough, Ironbridge Gorge Museum, RAF Cosford Museum and the Telford Steam Railway all rely on skills specialist to their sector to maintain their collections and equipment.

Provided the business case could be proved, there may be an opportunity for a joint initiative between the council, local training providers and museums/historic visitor attractions to create a centre of excellence for heritage skills.

Generic Business Support

It is important to make sure that the particular advice needs of individual business sectors that are important to the Borough are supported but there is also a generic need for advice and support for all businesses. Employers expressed concern during consultation about what will happen to local support after the closure of the local Business Link service and some are already confused about the complexity of support. ***Furthermore, smaller businesses were concerned about their ability to influence the work of the LEP and the help it might provide to them.***

Building on work to improve access to Council services for business by integrating business support on a multi-agency basis could help remove confusion. Decision structures within the Marches LEP need to involve a representative cross-section of the business community.

Quick Facts

Marketing Week magazine: "Co-operatives have also been rising in popularity; their combined turnover rose 16% to nearly £34bn this year. Secretary general of trade body Co-operatives UK, Ed Mayo, says the desire for its affiliation is on the up.

"There is a real interest in belonging and a question for retailers about how to tap into that. Co-operatives have it easier because people are co-owners of the business."

Section 4.0 Sustainable Economic Growth

Headlines

- ☺ The attractive mixed urban and rural landscape created through the large-scale restoration and regeneration of the area is now an important characteristic of the area
- ☺ Renewable energy technologies being developed within the Borough offer solutions
- ☺ Good road networks and connections to the motorway infrastructure
- ☺ Rail freight terminal offers great potential
- ☺ Development of steam railway could make a valuable addition to transport infrastructure
- ☺ Sites available and plans in place to develop housing to meet strategic growth targets
- ☺ Good supply of quality business development sites
- ☺ Excellent range of local education and leisure facilities developing through BSF and other investment
- ☺ Good FE and HE provision
- ☹ Fabric of some industrial estates is aging and needs refurbishment
- ☹ ICT infrastructure inadequate for mobiles and broadband
- ☹ Poor public transport, particularly bus services
- ☹ Poor links to M6 Northbound
- ☹ Insufficient electricity supply because of inadequate network
- ☹ Poor access to HE research grants

Quick Facts

- **A number of Town Partnerships across the Borough enable local people and businesses to advise on the development of the high street and public space**
- **The local Environmental Network is well respected as a source of information and good practice exchange for any organisation seeking to reduce its carbon emissions. It offers valuable services, such as hiring out metering equipment to measure the energy consumption of key processes**

4.1 Natural and historic environment

Earlier sections of this report point to the significance of Telford & Wrekin's combined rural and urban character and the success of modern and historic townscapes. The new town of Telford was constructed around market towns with heritage that extends back into the middle ages, thus the Borough's heritage is an intrinsic part of the place it is today.The quality of the environment has played a key role in attracting inward investors and in influencing local people from the surrounding areas to establish their businesses in the Borough. Sympathetic development and schemes to 'green up' the landscape over the past 50 years have played a major part in creating the characteristics of the Borough that are part of its attraction.

The particular nature of the Ironbridge museums, spread across a wide area, might have made conservation more challenging, so designation with World Heritage Site status has helped to secure and preserve them.

Ironbridge Gorge and Telford's Iron Bridge

It is equally important to ensure that the character of the Borough retains the current equilibrium between the different aspects that are giving it a strong economic future. This is not a reason to stop future development, for ongoing transformation and regeneration is also a part of the Borough's history. It is about ensuring that development does not detract from what has been created to date.

The Council's redevelopment programmes on some of its former Council owned housing estates, the expansion of Telford town centre and the Borough Towns initiative are all good example of ways in which development can enhance the built environment.

Involvement of the local community in development is an essential requirement; Town Centre Managers in the market towns are also playing an important role in building relationships between the town, the Borough Council and developers.

4.2 Environment, energy and a low carbon economy

The Council is firmly committed to good environmental management. Local consultation on climate change showed that organisations across the Borough also wish to see Telford & Wrekin as an exemplar authority for carbon reduction.

Prices for traditional fuels will only increase over the next few years. At the same time, concerns about energy security are growing. The UK's generating capacity is under strain and some sources predict that electricity cuts may start to occur if nothing is done.

At a local level, the Borough has its own problems. The physical electricity supply cable network is insufficient and research showed examples of businesses not able to operate all machinery at the same time and some having created their own generation facilities to 'top up' that available from the Grid. This is a major threat to competitiveness.

Yet within the economic base are some cutting edge companies who are developing products and processes that may hold the answer to these problems. One such business has relocated to Telford on to University of Wolverhampton's campus because of the facilities available there that will enable it develop hydrogen fuel cells. Alternative types of renewable energy sources are being developed at Harper Adams University College.

These new technologies, developed within the Borough, could hold the key to solving the Borough's supply issues and would leave it well placed to ensure a supply of affordable and reliable energy, a potential source of competitive advantage for all its businesses. There may also be scope to think about the development of demonstrator facilities with potential for sponsorship and creating a centre of excellence.

4.3 Transport and Infrastructure (ICT)

The Borough enjoys good road networks and very little traffic congestion; although planners indicate that projected housing growth would increase congestion and journey times, this is some time away and measures to improve public transport could reduce the impact.

By contrast, public transport is seen by many as a significant problem and delivering a sustainable public transport system remains a key priority of the Local Transport Plan.

Rail and Bus Transport

Given that international travel is particularly important to Telford's many overseas-owned businesses, it was a positive move 3 years ago when a direct link through to Marylebone, London by train was secured. Disappointingly, this service has ceased at the end of January. Regular services work reasonably from east to west, operating to/from Birmingham to Shrewsbury, Aberystwyth to Birmingham and Chester to Birmingham, all via Wolverhampton and Telford. North - south services are poorly served, however.

Branch lines also serve some of the market towns and Wellington station has become a popular start point for many commuters, although the impact on Wellington's car parks is a bone of contention with some traders.

Anecdotally, transport by bus around the Borough is problematic. Services operate on a 'star' system in and out of Telford centre, so moving across neighbourhoods involves journeys into and out of the centre, which greatly extends journey times. Combined with the difficulties of movement, the bus service into the rural hinterland appears insufficiently regular to take employees to and from work; this latter point has been raised frequently by employers.

Urgent discussions are important to see whether an alternative rail through service to London service can be secured. Discussions are also needed, which could include employers, to improve public transport services, perhaps by involving the third sector.

Rail Freight

Telford International Rail Freight Park is a 46 acre site incorporating a rail terminal hub and development space. The development of TIRFP was initiated through a partnership between Telford & Wrekin Council, MOD and the Homes & Communities Agency. The project culminated in the reinstatement of approximately 3km of railway line from Wellington to Donnington and the construction of freight handling and storage facilities at Donnington.

TIRFP is the first rail terminal to the west of the West Midlands conurbation and its proximity to principal markets and transport networks ensures the rapid transport of goods, whilst avoiding some of the region's major congestion problems. TIRFP completes a network of terminals in the West Midlands region and can provide a complementary service to other local terminals, such as Hams Hall and Daventry International Railfreight Park.

Discussions are already underway and must reach a successful conclusion if the potential of the freight terminal is to be fully realised for the sub-region, as well as the Borough.

Steam Rail

The local steam railway provided an important service to industry in the late 19th and early 20th centuries. The railway has been taken over by Telford Horsehay Steam Trust, which hopes to take over the line into Ironbridge Gorge, thus creating transport for visitors from a park and ride facility in Madeley into the Gorge. Longer term, discussions are underway with Severn Valley Railway about physically joining up the two tracks to provide a through route to and from Kidderminster, Bewdley and Bridgnorth.

Severn Valley's Kidderminster halt is co-located with the main rail station and talks are also underway about the inclusion of a halt for the West Midlands Safari Park; this could create a valuable joint steam and modern through-connection between visitor attractions that would become not only another experience for visitors but could also transport tourists in and out of the area and might have value to commuters.

Road Infrastructure

Overall, businesses like the road network around the Borough, which has ensured to date that traffic congestion remains minimal. *In a recent survey, however, businesses expressed concern about the condition of the roads on some industrial estates, where they felt urgent repairs were needed. These difficulties had been highlighted during poor weather, which had worsened the condition and, in some cases, created access problems*.

ICT

Access to broadband and super-broadband facilities are a major priority for the area, particularly because of the increasing needs of businesses in the ICT sector. Telford & Wrekin lags well behind: a good mobile signal is still a problem in some locations and bandwidth for digital connections is inadequate.

The designation by the Government of South Herefordshire as a pilot area for super broadband in rural areas may present opportunities for the Borough to 'piggy back' as a result of its sub-regional connections.

4.4 Regeneration, Housing and Development Sites

Physical regeneration and development have an important role to play in improving the Borough's economic fortunes in the next 15 – 20 years. The combination of a raft of current regeneration projects in the South Telford and in the market towns, housing development, development of Telford town centre, as defined in the Central Telford Area Action Plan and success in retaining its Building Schools for the Future projects amount to a current investment of around £0.5 billion.

Quick Facts

- **2009 assessment of available land for housing development within the Local Development Framework estimates the actual 5 year supply (2010 – 2015) at 154% of the supply actually needed or 138% if a margin for development slippage is included.**
- **Borough house prices prices rose by 4.1% in the year to Nov. 2010 compared with 1.4% regionally and 2.2% nationally but fell in the final month of that period by 1% regionally and nationally and by 2% in the Borough[xviii]**

Housing

The Borough has been identified as a strategic regional growth point. It still retains sufficient development land to meet its original ambitions for a population of approaching 200,000 and is targeted to build 26,500 homes by 2026, which would include sufficient affordable housing to overcome the current shortfall. This amount of homes is required to meet indigenous population growth and brings an additional requirement for jobs and also for services for the individual.

Modelling work conducted in 2006[xix] suggests that housing growth of 24,000 by 2026 might create an increase in the population of 42,800 people, of whom approx. 60% are of working age and could lead to an additional 12,000 jobs. These projections were made pre-recession, so it is important to recognise that the total number of jobs in the Borough took a substantial 'hit' from 2007 – 2009. The number of additional jobs required to create 'full employment' would be substantially in excess of the 12,000 figure.

Housing is generally more affordable in the Borough than elsewhere in the region although problems still exist for those trying to get on the bottom rung of the housing ownership ladder. Annual trends show some signs that house prices in the Borough are increasing more rapidly than regionally or nationally. However, house prices remain fragile and in Oct/Nov 2010, the last month of that annual snapshot, prices actually fell everywhere and at a faster rate in Telford & Wrekin.

Stafford Park Industrial Estate

Business Premises and Employment Land

The Borough's business property stock has been developed over the past 40 years. Particularly in Telford Central, much of it is modern and provides a strong townscape. Some of the original industrial estates are now showing their age, however and a few individual sites are virtually derelict and require attention.

Striking the right balance for the range of property available is important. Different types of businesses will be able to afford different quality of units. Regeneration projects in other places have effectively driven out businesses that they consider 'less desirable' through compulsory purchase and high rents but this seems to be a mistake: every business community needs its scrap yards and small engineering shops, particularly those heavily reliant on the processing of raw materials, where waste is produced and must be processed.

The issue for the Borough over the coming years is finding a way of upgrading and maintaining its older sites as well as bringing new ones to fruition. Employers have expressed some concern about the availability of expansion premises. Models of community regeneration where relatively small improvements make a big difference to the overall environment may hold some lessons. Combining this approach with other objectives e.g. that of increasing energy security and efficiency would provide significant added value.

For example, redevelopment of a derelict site to provide new units that are equipped with the latest energy efficiency products and perhaps demonstrate the use of alternative types of renewable energy might serve to significantly uplift the quality of the environment around those units, could provide cutting edge businesses with a place to 'show off their wares' and would provide a focal point for the Borough's existing environmental initiatives that could increase the interest and awareness of businesses in these issues.

The Borough is still able to offer a range of substantial and attractive development sites to employers and inward investors, predominantly in and around Telford. As at 2009, 222.4 hectares of employment land were identified in the Annual Monitoring Review.

Land assets owned by the HCA are an important element of the Borough's 'land bank'. This is currently the subject of discussion between the Council and the HCA through the Housing Regeneration Partnership.

Another indicator of sustainability in the current challenging market is the saleability of commercial property. It is positive to note that the sale of retail property and parks seems quite buoyant, e.g. Wrekin Retail Park changed hands in November. Commercial vibrancy often results from such sales, with the new owners declared intention to do new things, increase revenues etc.

4.5 Facilities

The Borough has been successful in securing its Building Schools for the Future programme. This has important ramifications, not just for education but for the future delivery of public services in localities. A number of redevelopment projects are being badged as 'Sports and Learning Communities' and will combine education, health, sport and leisure facilities for local people. Multi-agency delivery on multi-use sites will be a key tool in securing resource efficiencies at a time of reduced public funding.

Less certain is the future of services at Telford's hospital, with plans to redistribute services between Telford and Shrewsbury with a potential down-grading of clinical capability in Telford. This is to be offset by an improvement in specialist services overall e.g. for cancer patients. From an economic perspective, whilst job cuts do not appear to be an integral part of the restructuring, substantial population growth forecast for Telford in the coming years will require ready access to a full range of health services.

FE and HE institutions and research

Telford & Wrekin is comparatively well-served for facilities offering Further and Higher Education, with a well respected College of FE with strong ties to the business community and two Universities, both with specialisms that reflect the needs of the local business base.

The current reductions in Government funding to universities and policies on student fees mean that England may see a contraction in the HE sector. The current and potential synergy between the Universities and the local economy is significant and provides a clear advantage not just to the Borough but to the Marches sub-region, ***so it is crucial to ensure that every possible support is given to maintain the HE presence in Telford & Wrekin.***

An additional benefit of both these latter facilities is the research facilities they offer, that have the potential for economic benefit, as well as incubation facilities that will drive start-up businesses in growth sectors. Ensuring that grow-on facilities exist for these businesses is an important part of securing their ongoing presence in the Borough.

Neither university fares particularly well on the amount of research grants it has won but is working in important areas of potential economic benefit, so doing everything possible to strengthen grant applications and secure awards will help the local economy.

Quick Facts

- **The regional average receipt of research grant across the West Midlands' ten universities is 6.75% and Birmingham and Warwick are 'market leaders' at 21.2% and 17.2% respectively. In 2006/07 Harper Adams received 2% of its operating budget and University of Wolverhampton 1.9%[xx] from research grants.**

Section 5.0 External Factors

To make properly informed judgements about those actions that will help the local economy to thrive, it is essential to understand what is happening in the wider world. Political and macro economic factors are likely to have the more dramatic impact on the trading environment than local issues. The Borough's plans to strengthen the economy must take account of these broader threats and opportunities.

Some of the key macro economic issues that will affect individuals, businesses and the economy over the next few years are:

- Government policy changes – benefits, the Work Programme, Regional Growth Fund, the Localism Bill and the Big Society.
- Public sector spending reduction – as well as jobs and contracts, consumer spending levels will all be affected, at least in the short term.
- Availability of business finance at affordable prices continues to be an issue.
- Energy cost increases on the horizon. These not only affect industry but residential consumer energy price increases create pressure for higher wages. Political instability in middle eastern oil producing nations will cause oil prices to fluctuate.
- Many raw material costs are at an all time high and demand from developing economies such as China and India will add pressure. EU carbon reduction legislation is being introduced incrementally over the next 4 years and requires large businesses to limit their corporate carbon footprint.
- International trade is important to the Borough. In challenging times, many nations are taking the view that exports are the way to economic recovery. For the UK, the relatively weak pound is good for exports.
- Unequal demand - some overseas economies still steaming ahead, which may help our international trade performance if targeted correctly and refocused on to those developing markets. It is recommended that Borough plans are regularly reviewed to take account of changing circumstances, responsibilities and opportunities.

Section 6.0 Consultation

At the outset of this project it was agreed that a critical part of this work would be consultation – with businesses, with representative organisations and with local stakeholders. We have conducted consultation in a number of ways:

- Through face-to-face visits and telephone discussions;
- Through discussion groups;
- Through email, where consultees were struggling to find diary time for us;
- Through an e-survey.

By these various means, we have directly consulted with approx. 60 individuals and received survey results from a further 40+. It is also worth noting that we have consulted with various senior officers responsible for administering employer organisations or other types of networks, so the reach of the project has been considerable and that consultation has involved more than 100 people.

Full details of everyone involved in the consultation process can be found in an appendix to the supporting information for this summary document.

At the outset, particular issues were identified that warranted investigation in more detail with local 'experts'. Accordingly, we organised discussion groups or extended discussions on the following topics:

- Key sectors e.g. engineering, polymers, tourism, land-based industries, food and drink;
- Infrastructure;
- Employment and Skills;
- Promoting Telford.

Rather than separating the messages from consultation into a separate section, wherever possible we have tried to weave these into the narrative about the particular subject matter they concern.

The full messages from each of these workshops can be found in the supporting documentation to this report.

Section 7.0 Converting Assessment into Action

Having established a set of attributes for the economy, thought about external influences, the problems to be overcome and competitive edge that could underpin Telford & Wrekin's future economic wellbeing, the following lines of enquiry were developed to help shape an outline action plan:

- What would help existing local businesses to thrive –what would help to establish the right conditions for growth?
- How to continue Telford's reputation as an attractive, good value business location?
- What can be done to manage the impact of public sector spending reductions?
- How can the Borough cement its unique, combined urban and rural character, how can it build on its heritage of innovation?
- What actions would strengthen those sectors with growth potential?
- From a commercial perspective, in what ways does infrastructure need to be strengthened?
- How are R & D facilities working with business and how can this be extended?
- Where are the opportunities for jobs growth? How can employers be assisted to employ more people, included the currently unemployed?
- How is entrepreneurship supported? Will it translate into the businesses of the future?
- How will the Borough deliver on carbon reduction? Does it have a role to play in developing the technologies that will allow carbon reduction to take place?
- How can the Marches sub-regional focus and economy add value?

Through further consultation and research, each of these issues were investigated and reaction informally 'tested' to a set of actions that builds on the Borough's strengths and also address some of the issues that could hold back performance.

The results of this phase of the work have led to the development of a suggested action plan, which we offer to the Board for consideration and approval. A one-page summary of the detailed Plan is included overleaf. The complete plan is detailed in a stand-alone document.

Section 8.0 Conclusions and Recommendations

We would like to offer some final thoughts, which have emerged from our work:

- We have uncovered some of the Borough's potential through the course of 'investigative conversations'; although the work has been far-reaching, it has not been exhaustive. We strongly recommend that there should be an ongoing process to really find out what other ideas, processes and products people and organisations are working on and how they can be supported to ensure they benefit the local economy.
- The Borough is significantly well placed in regard to a number of its assets but some are 'hidden gems' and there are some 'golden threads' that link or could link together to better exploit their combined potential. The complementary role of the Borough's industrial heritage, that attracts people, including business people from across the globe, and the presence of cutting edge engineering innovation is one example. We have uncovered some but undoubtedly more exist; the key to creating significant added value is first, to identify these assets and recognise their potential and then to tease out those issues of common interest that can make them work well together.
- At the outset, we were impressed with the number of networks and the opportunities to connect with other people in the Borough. Whilst some work well, however, it appears that their potential is not always followed through. We would suggest that simplified structures with a clear remit might assist this issue.
- To make the most of the Assessment, leadership will be critical. This must come from both the public and private sectors. There are many positive examples: the successful LEP application represents a clear demonstration of good leadership; now this must be carried through into making tangible progress in realising some of the 'dormant' economic potential of the Borough.
- Resources to carry out this work will be scarce. It is important to ensure that priorities are kept manageable. Achieving different and improved results means doing things differently. This process starts with thinking differently. The Borough has tremendous potential for creative thought and innovation, so it is vital that the intellectual resources of people and of places that we have encountered during this work are fully catalysed.

REPORT ENDS

APPENDIX 1

TELFORD & WREKIN ECONOMIC ASSESSMENT – SUGGESTED INTERVENTIONS SUMMARY		
1.0	**GEOGRAPHY, PEOPLE AND COMMUNITIES**	**TIMESCALE**
1.1	**Population –** measures to increase net jobs growth and to help an aging workforce carry on working	**Yrs 2 - 3**
1.2	**Education and Skills –** measures to increase the number of people with enhanced skills, to help young people access high quality vocational training and ensure training meets the needs of employers.	**Yr 1 ongoing**
1.3	**Employment and Unemployment –** measures to help understanding of current/ future jobs, to retain within the workforce the skills of workers leaving the public sector and to ensure strategic planning and delivery is fit for purpose.	**Yr 1 ongoing**
2.0	**BUSINESS AND ENTERPRISE**	
2.1	**Existing business base –** maintain the Borough as a good value business location, keep close to existing employers to understand their needs and make sure suitable, integrated advice is available to help businesses start, survive and grow.	**Yr 1 ongoing**
2.2	**Growing businesses –** measures to support growing sectors and businesses in the economy.	**Yr 1 - 2**
2.3	**Visitor economy** – measures to strengthen the Borough's 'brand' and planning, networking, collaboration and marketing of the sector.	**Yr 1 - 3**
2.4	**Retail –** measures to improve local understanding of and support for the sector and to connect it with other growth sectors such as tourism and food and drink.	**Yr 2 - 3**
2.5	**Heritage Technologies –** measures to investigate the establishment of a centre of excellence for traditional skills.	**Yr 2 onwards**
3.0	**SUSTAINABLE GROWTH**	
3.1	**Sensitive development** – ensure that planning decisions maintain the balance between rural and urban, modern and traditional that is an intrinsic part of the Borough's distinctive nature.	**Yr 1 ongoing**
3.2	**Infrastructure** – measures to improve public transport, local roads, older industrial estates, data connections, electricity supply and 'green' energy generation.	**Yr 1 - 3**

END NOTES

[i] ONS Regional GVA 2000 - 2008
[ii] IDBR SIC level 2

[iii] ONS Population Density 2008 (released August 2009)

[iv] ONS Resident Population Estimates by Broad Age Band, Mid 2008

[v] ONS Total number of people residing in Telford & Wrekin Proportion of Regional/National population

[vi] Telford & Wrekin JSNA and annual Public Health Report 2009

[vii] NOMIS Annual Population Survey Percentage of the working age population who hold qualifications April 2010

[viii] See: http://www.wolvcoll.ac.uk/polymer/index.asp
[ix] "Who Stays and Who Goes" HESA 2005. http://ww2.prospects.ac.uk/cms/ShowPage/Home_page/Main_menu___Research/Labour_market_information/Graduate_Market_Trends/Who_stays_and_who_goes__Graduate_retention_under_the_microscope__Summer_05_/p!ejFkdie#West Midlands
[x] For example, Yorkshire Forward's Graduate Retention Programme Evaluation: http://www.yorkshirefutures.com/what-works/evaluation-yorkshire-forwards-graduate-retention-programme
[xi] "TOURISM FUTURES: SUPPORT FOR THE SHROPSHIRE AND TELFORD AND WREKIN VISITOR ECONOMY" –Paper to Cabinet of Shropshire Council May 2010
[xii] For full document "England: A Strategic Framework for Tourism 2010 2020", go to: http://www.enjoyengland.com/Images/7049_Strategic_Framework_LR_singles2_tcm21-185932.pdf
[xiii] For full list go to: http://www.enjoyengland.com/Images/Top%2020%20UK%20Attractions%20-%20Paid%20-%20Quark_Layout%202_tcm21-194626.pdf
[xiv] 2006 Study of Regional Centres by Roger Tym & Partners
[xv] For a description and trial version, go to: http://www.atcm.org/tools/town-centre-healthcheck.php

[xvi] http://www.marketingweek.co.uk/analysis/cover-stories/the-future-of-retailing-is-here/3015484.article

[xvii] For further details of the range of retailing offered by Chatsworth, go to: http://www.chatsworth.org/shop-eat/the-house-shops
[xviii] Source: Land Registry Monthly House Price Index: http://www1.landregistry.gov.uk/houseprices/housepriceindex/report/
[xix] Oxford Economic Forecasting: "Housing Growth Forecasts" 2006
[xx] Higher Education Statistics Agency: Value of research contracts and grants as a percentage of total higher education institution income

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