

AGENDA

Marches Enterprise Joint Committee

Date: **Tuesday 19 March 2019**

Time: **4.45 pm**

Place: **The Clive, Bromfield, Ludlow, Shropshire, SY8 2JR**

Notes: Please note the time, date and venue of the meeting.

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Agenda for the Meeting of the Marches Enterprise Joint Committee

Members:

Chairman

Councillor S Davies

Telford and Wrekin Council

Councillor JG Lester
Councillor PA Nutting

Herefordshire Council
Shropshire Council

Non Voting Member

Mr G Wynn OBE

Chairman of the Local Enterprise Partnership

AGENDA

		Pages
1.	APOLOGIES FOR ABSENCE To receive apologies for absence.	
2.	NAMED SUBSTITUTES (IF ANY) To receive details of any Executive Member nominated to attend the meeting in place of the voting Member representing their Authority.	
3.	DECLARATIONS OF INTEREST To receive any declarations of interest by members of the Committee in respect of items on the agenda.	
4.	MINUTES To approve and sign the Minutes of the meeting held on 24 July 2018.	5 - 6
5.	MARCHES LOCAL ENTERPRISE PARTNERSHIP STRATEGIC ECONOMIC PLAN 2018 To approve the Marches LEP Strategic Economic Plan 2019 for publication.	7 - 78
6.	FUTURE OF THE MARCHES ENTERPRISE JOINT COMMITTEE (MEJC) To outline the changes that are taking place to the way the Marches LEP must be governed, to remind members why the Marches Enterprise Joint Committee (MEJC) was formed in early 2015 and to seek views from MEJC members on whether they wish to close the Committee because of the changes in governance.	79 - 132

MINUTES of the meeting of Marches Enterprise Joint Committee held at The Clive, Bromfield, Ludlow, Shropshire, SY8 2JR on Tuesday 24 July 2018 at 4.15 pm

Present:

Councillors: Councillor S Davies, JG Lester, Mr G Wynn OBE and N Laurens

Officers: Nicholas Alamanos and Gill Hamer

24. ELECTION OF CHAIRPERSON AND VICE CHAIRPERSON

Resolved that:

Councillor S Davies be elected chairperson for the following year.

Councillor Davies in the chair

Resolved that:

Councillor P Nutting be elected vice-chairperson for the following year.

25. APOLOGIES FOR ABSENCE

Apologies were received from Councillor P Nutting.

26. NAMED SUBSTITUTES (IF ANY)

Councillor N Laurens substituted for Councillor P Nutting.

27. DECLARATIONS OF INTEREST

None.

28. MINUTES

Resolved that:

the minutes of the meeting held on 21 February 2018 be approved as a correct record and signed by the chairperson.

29. THE MARCHES LOCAL ENTERPRISE PARTNERSHIP ENERGY STRATEGY

The Marches LEP programme manager introduced the report and highlighted the key elements of the energy strategy. It was explained that a formal launch of the strategy was planned for October 2018 and that the strategy would also inform the refresh of the Strategic Economic Plan.

The energy strategy steering group would be responsible for taking the work forward, which would include producing a detailed action plan. An important step would be to ensure that senior officials from energy companies were aware of the strategy and its objectives.

In discussion of the strategy Councillor Lester highlighted the value to Herefordshire Council of the Energy from Waste plant which was a joint project with Worcestershire County Council. The plant had significantly reduced waste sent to landfill from the county and as a closed system had minimal impact on air quality. As the plant was located outside the Marches LEP boundary at Hartlebury in Worcestershire it had not been included in the Marches energy strategy.

It was agreed that moving forward the strategy should include energy facilities and opportunities in the wider region that could have benefit for the Marches area. The Marches LEP programme manager was tasked to action this with the steering group.

Subject to the above action being progressed it was resolved that:

- (a) the Marches Local Enterprise Partnership Energy Strategy at Appendix 1 to the report be approved.**

30. MARCHES ENTERPRISE JOINT COMMITTEE ANNUAL REPORT

The Marches LEP programme manager introduced the report and summarised the activities of the Marches Enterprise Joint Committee during 2017/18. Decisions taken by the LEP Director under the scheme of delegation were highlighted.

Resolved that the joint committee:

- (a) agree the content of the report which can be used in updating their respective Council's on the work of the committee.**

The meeting ended at 4.23 pm

CHAIRMAN



Marches Enterprise Joint Committee	
Meeting date:	19 March 2019
Title of report:	The Marches Local Enterprise Partnership Strategic Economic Plan
Report by:	Marches Local Enterprise Partnership Partnership Manager

Classification

Open

Decision type

Key

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of communities living or working in an area comprising two or more wards in the Marches Local Enterprise Partnership (LEP) area.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Purpose and summary

To approve the Marches LEP Strategic Economic Plan 2019 for publication.

The Strategic Economic Plan (SEP) sets out the vision and priorities of the Marches LEP and will guide future investment decisions. The SEP has been shaped by representatives from business, local government, education and training providers and other local partners. An updated evidence base underpins the plan, which builds on findings from previous reports into key growth sectors. It also reflects the economic growth strategies of each of the local authority partners.

The approved SEP will support the development of the Marches Local Industrial Strategy.

Recommendation(s)

THAT:

- (a) the Marches Local Enterprise Partnership Strategic Economic Plan at Appendix 1 be approved; and**
- (b) The LEP Director be authorised to make typographical and formatting changes to the document before publication.**

Alternative Options

1. Not to approve the Strategy. If the Strategy is not approved, the LEP will not have an agreed and updated Strategic Economic Plan to underpin its work and support the development of the Local Industrial Strategy as required by government.
2. The joint committee could identify additional or alternative priorities for the SEP. This is not recommended as the priorities set out in the draft plan at Appendix 1 are based on a comprehensive evidence base and build on previous reports including the economic growth strategies of each of the local authority partners in the LEP. The proposed priorities were subject to extensive consultation with all key stakeholders.

Key considerations

3. The first Marches LEP Strategic Economic Plan was developed in 2014. Following a competitive tendering process, the Marches LEP engaged Metro Dynamics in April 2018 to support the updating of its evidence base, to lead an engagement and consultation programme and to produce a new SEP.
4. The first SEP was used to secure £195m Growth Deal funding (2015–2021) for transport, broadband and skills projects. This has supported economic growth within the region including innovative projects such as the development of Shrewsbury Flaxmill, Newport Innovation & Enterprise, NMITE and the Hereford Cyber Security Centre.
5. The updated SEP (2019 – 2038) is based on a refreshed evidence base compiled by Metro Dynamics. This includes findings from reports into our key growth sectors of Advanced Manufacturing and Engineering, Defence and Cyber Security, Food Processing and Manufacturing, and Environmental Technologies, our Strategic Transport Corridors report, our Freight Strategy, our Energy Strategy report and the Economic Growth Strategies of each of our Local Authority partners. These have been reviewed against the backdrop of technological changes, the demographic trends that are driving the local and regional economy and the uncertainty surrounding the impact of Brexit. Throughout the summer and early autumn of 2018, a comprehensive programme of consultation was undertaken which included open events, led by the three Business Boards and key business representative organisations, facilitated group sessions, telephone interviews, and a widely promoted online consultation survey. Findings from all elements of the consultation have been included within the SEP.
6. The Marches LEP Board has led on the new strategic vision for the Marches to guide its priority activities and future investments. Members have contributed extensively to the SEP's development and refinement through facilitated discussions and review at the May, July and September 2018 board meetings, and by contributing to the drafting of different sections.
7. A presentation by Metro Dynamics and follow up discussion at the Marches LEP Board meeting on 29 January 2019 reflected on how the SEP had been developed and how it would be used to support a Marches Local Industrial Strategy (LIS). The LIS will be based on economic evidence as outlined in the SEP and will be aligned to the Government's National Industrial Strategy. It will set out plans to boost productivity and the creation of good quality jobs across the Marches through targeted investment that build on our strengths identified in the SEP.
8. The SEP, once approved, will be sent to key stakeholders, launched publicly and also made available on www.marcheslep.org.uk. The updated data set is already publicly available, and partners are encouraged to use it to support funding bids and economic growth initiatives.

Community impact

9. The SEP includes a new vision for the Marches LEP which clearly sets out the aspiration that the Marches is '*an inclusive place that enables residents from all communities to thrive and develop*'.
10. With this aspiration in mind, all proposed actions within the SEP are focused on housing, connectivity, economic growth, business and job creation and raising skills levels across the Marches LEP area. There is particular emphasis on the urban areas of Hereford, Shrewsbury and Telford but consideration is also given to how Market Towns can be supported in order to drive economic growth across communities. Opportunities associated with the Marches' environmental technologies sector have also been identified and these will be explored in more detail through the development of the Marches Local Industrial Strategy.

Equality duty

11. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
12. The public-sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
13. Through our consultation process, we have considered how housing, connectivity, economic growth and job creation will support inclusive growth across the Marches area.
14. The equality implications of individual elements of the plan will be considered in more detail as they are taken forward and where decisions are required by the individual member councils to implement projects, the public sector equality duty will be considered during the approval process.

Resource implications

15. There are limited resource implications arising from this report. The budget for SEP development has been allocated as part of the LEP's operational budget. Additional funding to support the drafting, printing and publication of the final document has been secured from Ministry of Housing, Communities and Local Government within a successful application for capacity funding linked to the LEP Review.
16. Having a clearly articulated SEP will allow the Marches LEP to make the case to government for funding to support economic growth, it forms the foundation of our

Local Industrial Strategy and will be used to prioritise opportunities for funding under the UK Shared Prosperity Fund.

Legal implications

17. The joint committee must set, monitor and review the SEP because it contains objectives and priorities for strategic economic investment across the Marches LEP area.
18. As required, the SEP has been considered by the LEP board as detailed in the consultation section below.

Risk management

19. If the SEP is not agreed, the LEP will not be in the position to begin work on its Local Industrial Strategy which is a requirement of government.

Consultation

20. The LEP team, Metro Dynamics and partners have supported a wide range of consultation activities and stakeholder to underpin the SEP development. Details of individuals and organisations who contributed to the consultation process may be found at Appendix 1 of the SEP.
21. Earlier drafts of the SEP were presented to key partners for their feedback and comments. To note, this included the Shropshire Council Cabinet and Directors meeting on 9 July 2018, Telford & Wrekin officers on 23 July 2018 and the Herefordshire Council General Scrutiny Committee on 8 October 2018. Feedback from these sessions enabled the SEP to clearly reflect the economic growth priorities of the local authorities and to consider a consolidated approach to identifying support for market towns. The three Business Boards also supported the development of the SEP to ensure that it reflected the ambitions of our key employers and focussed on opportunities for business growth.
22. LEP Board members have contributed extensively to the SEP's development and refinement through facilitated discussions and review at the May, July and September 2018 and January 2019 board meetings, and by contributing to the drafting of different sections.

Appendices

Appendix 1 – Marches Local Enterprise Partnership Strategic Economic Plan (also found at https://www.marcheslep.org.uk/download/economic_plans/strategic-economic-plan-update-2019/Draft-Strategic-Economic-Plan-2019.pdf)

Background paper

None identified



**FINAL
DRAFT FOR
APPROVAL**

THE MARCHES LEP

**STRATEGIC
ECONOMIC PLAN**
2019



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FOREWORD

The Marches is a thriving, successful place to live and do business, with an exceptional quality of life and natural environment and strong communities. People here collaborate and help each other succeed. Businesses, local authorities, education and third sector organisations are ambitious for growth and are committed to working together to invest in the prosperity of our businesses and residents. We are a great place to grow.

Our aim is to grow our economic output to

£23.8BN
BY 2038

Adding **£8.7bn** to the UK economy, and creating approximately **58,700** new jobs.





The Ironbridge UNESCO World Heritage Site marks our central contribution to the first wave of industrialisation. Our traditional manufacturing strengths now drive highly innovative firms in high-tech agriculture, the automotive supply chain and environmental and recycling technology, all at the cutting edge of the new industrial revolution. We are pioneering new approaches to healthcare in dispersed communities, driven by new business models and digital connectivity.

The Marches is home to natural, cultural and heritage assets, including the renowned Shropshire Hills, Malvern Hills and Wye Valley Areas of Outstanding Natural Beauty (AONB), thriving urban centres in Hereford, Shrewsbury and Telford, and beautiful, historically significant market towns. We have excellent schools, colleges and universities and a vibrant cultural sector. As technology continues to change how people work and how businesses operate, the Marches combines the accessibility, skills and networks that people and businesses need, with a choice of housing, leisure opportunities and a natural environment that is second to none.

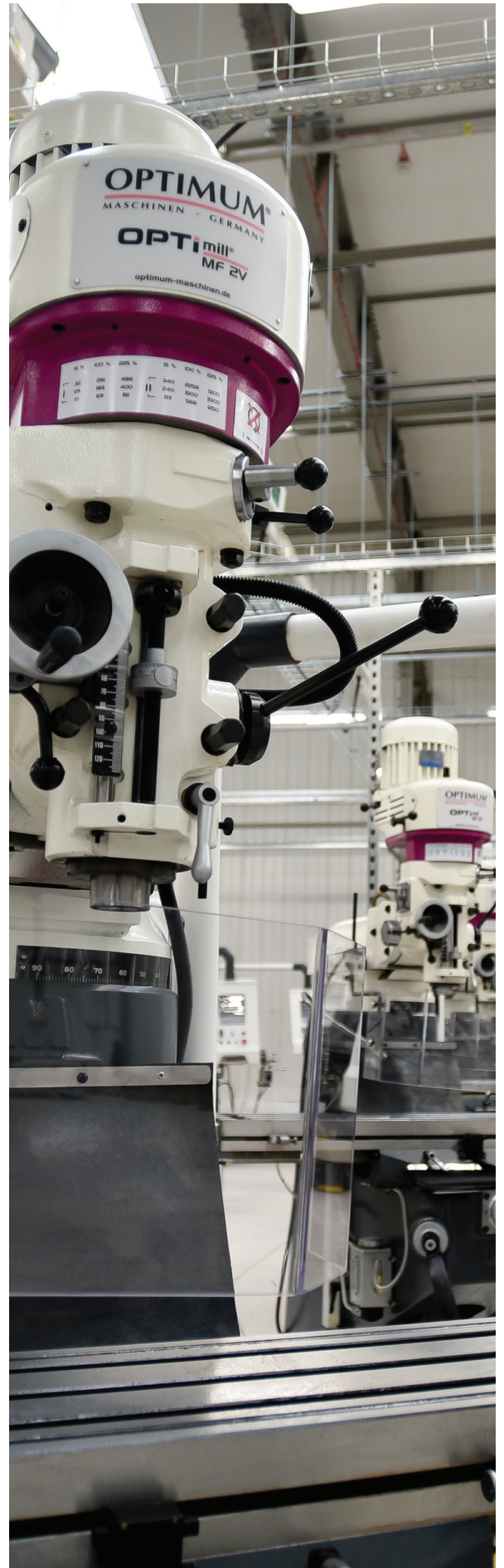
We are well placed to access major UK markets and our aim is to grow our economic output to £23.8bn by 2038, adding £8.7bn to the UK economy, and creating approximately 58,700 new jobs – predominantly in high productivity growth and high value sectors.

Our ambition for the future is built on recent success and a track record of delivery. Over the past four years the Marches Local Enterprise Partnership (LEP), working with partners, has secured over £195m of investment, with £104m of this from three Growth Deals. Our existing investments will deliver 9,000 jobs, build 16,000 homes, provide 77,000 premises with access to broadband and create 3,025 apprenticeships by 2032. As the global economy continues to change, we are making sure we are ready for the challenges and opportunities ahead.

We have agreed a clear vision and priorities, harnessing the distinctive business strengths and assets that will drive economic success and further growth. We will help people and businesses develop the skills they need to succeed, support firms and communities to adapt to technological change and we will invest in attracting new highly skilled people.

This strategy sets out the actions we will take to deliver these opportunities and commitments. It has been developed by businesses, colleges, universities, councils and our voluntary and community organisations, working together in the way that sets the Marches apart. It means we will continue to deliver and it is how we will make change happen.

Graham Wynn OBE
Chair, The Marches Local Enterprise Partnership



Major successes and projects currently being delivered include:

TELFORD LAND DEAL

Establishing a new model of public land disposal, which has accelerated the volume of commercial and residential sites sold and will see up to £44.5m from the sale of Homes England land in Telford invested locally.

DEVELOPMENT OF SKYLON PARK, INCLUDING THE CENTRE FOR CYBER SECURITY

Creating a nationally recognised hub of high-tech excellence on the country's only enterprise zone with a defence and security sector focus.

SHREWSBURY BIG TOWN PLAN

A comprehensive, collaborative master plan to map a vibrant future for Shrewsbury, which creates a thriving centre of enterprise whilst reflecting the town's unique heritage.

INTEGRATED TRANSPORT PROJECTS AND PACKAGES IN OUR MAJOR CENTRES

Developing integrated and resilient transport networks that are fit for purpose for the years ahead, driving economic growth through improved physical connectivity.

LAUNCH OF THE MARCHES GROWTH HUB AND THE CREATION OF A NEW BUSINESS INCUBATION CENTRE

Providing expert advice to entrepreneurs throughout their business journey and helping them access funding, support and resources to realise their growth ambitions for the future.

DEVELOPMENT OF THE NEW MODEL IN TECHNOLOGY & ENGINEERING (NMITE)

Hereford's new university will pioneer a new way of delivering the high-quality engineering courses our businesses need to stay at the forefront of the new industrial revolution in a unique collaboration with regional employers.

SHREWSBURY FLAXMILL

A major investment to bring the world's first iron-framed building back to commercial and social life and redevelop derelict brownfield land for 120 new homes.

NEWPORT INNOVATION PARK (NI-PARK)

A multi-million pound development to create a world leading agri-tech business park for companies at the cutting edge of developing ways to improve food production and help manage the environmental impact of farming, aiming to create up to 1,000 new jobs.

INVESTING IN COLLEGES AND TRAINING PROVIDERS TO HELP THEM DELIVER FIRST CLASS ENGINEERING SKILLS

A comprehensive package of measures to deliver the skills employers need to thrive in the modern market place, drawn up in collaboration with employers and training providers.

INVESTING IN THE ROLLOUT OF SUPERFAST BROADBAND

To give 77,000 extra homes and businesses in the Marches speeds of more than 24mbps by the end of 2019.

EXECUTIVE SUMMARY

Our 2018 Strategic Economic Plan (SEP) sets out our vision to become a £23.8bn economy with 5,200 more businesses and 58,700 new jobs by 2038.

The technological changes and demographic trends that are driving the global economy and the uncertain post-Brexit trade and regulatory environment mean that now is the right moment to take stock of our progress and agree the actions that will underpin the success of our communities and businesses in the years ahead.

The economy of Shropshire, Herefordshire and Telford & Wrekin contributes £14.3bn in gross value added (GVA) to the UK economy and has grown steadily since our 2014 economic strategy. We have high levels of economic activity and employment.

The Marches is up for growth and open for business. We are historically innovative and closely connected to major UK markets in the North West, West Midlands, South West and Wales. The Marches is acting creatively and innovatively to support radical changes in the way that people and businesses work. The actions in this strategy will put in place the networks, physical and digital connectivity and skills that people and businesses need to adapt and succeed in our rapidly changing world.

The economy of Shropshire, Herefordshire and Telford & Wrekin contributes

£14.3BN

IN GVA TO THE UK ECONOMY

and has grown steadily since our 2014 economic strategy.

We are building on our existing economic strengths, sectoral specialisms and demographic characteristics to meet our potential:

- ▶ Our traditional manufacturing strengths now drive highly innovative, Industry 4.0 firms (those embracing the trend of automation and data exchange within manufacturing technologies) in high-tech agriculture, the automotive supply chain and environmental and recycling technology.
 - ▶ We are pioneering new approaches to health and social care in dispersed communities, driven by new business models and digital connectivity.
 - ▶ Our historic defence expertise is at the heart of a globally significant cluster in cyber and business security and resilience. Our strengths here, and our wider technological specialisms, will support the transformation of businesses into truly digital enterprises.
 - ▶ We have a supportive business environment with the highest two-year new business survival rate in the country, with major international firms alongside thriving small and medium-sized enterprise (SME) and micro businesses, and 2,740 business births in 2016.
 - ▶ We have a very high quality of life with rich natural, cultural and heritage assets, and high-quality schools, attracting professionals and families.
- Whilst there have been long standing barriers to meeting our potential, particularly in terms of lower productivity, the pace of technological change and new ways of working provide us with real opportunities to make a difference:
- ▶ The age profile of our area is older than the UK average and our dispersed population is relatively slow growing – this provides a core market and test bed for innovative health and social care technologies and approaches.
 - ▶ Historically low skills levels in some of our communities are being tackled by active, community level partnerships between businesses, schools, learning providers, our colleges, now strengthened following the Area Review process, and a growing university sector.
 - ▶ We are investing heavily in our key strategic economic and transport links to the North West, West Midlands, South West and Wales, and are actively engaged with the Midlands Engine, Midlands Connect and the national LEP Network.

We have agreed a clear vision of how we want the Marches to be, which will guide our investments and be delivered by the actions set out in this strategy:

THE MARCHES

01. **A place which is open for business**, up for business and pro-growth.
02. **At the forefront of changes in how people live and work** using new technology and improved physical and digital connectivity to enable businesses and people to develop and succeed.
03. **A growing place, attracting more people to come**, stay and build their careers and businesses.
04. **A destination not a boundary** – gateway to markets in the Midlands, Wales, South West, North and Europe. A visitor destination with significant natural and cultural resources that is well known and attracts people looking for a high-quality experience.
05. **A pioneer in the provision and testing of digitally driven health and social care for dispersed populations** supporting healthy ageing and economic participation in later life.
06. **A global centre of excellence in advanced manufacturing** specifically automotive, cyber security, and the next phase of technology development in agriculture, environment and food production.
07. **An inclusive place that enables residents from all communities to thrive and develop** with quality jobs offering good wages, training and progression.
08. **A collaborative and proactive place** with businesses, further education institutions (FEIs), higher education institutions (HEIs) and public organisations working together to agree what needs to happen and getting things done. Known as a good place to start and grow a business.

Delivering our ambitions and meeting our economic potential means growing the size and productivity of our economy. The actions we have agreed are based on a detailed evidence base and understanding the needs of our businesses, communities and residents:

INNOVATION AND BUSINESS ENVIRONMENT



We will develop incubation, accelerator and grow on spaces for firms to explore and test new technologies and partnerships, support companies to adopt opportunities to innovate, and set up an automation task force of business champions who can identify and validate the opportunities for our firms, particularly in our cyber, manufacturing and food sectors. We will build on our reputation as a supportive place for businesses by further improving business and funding support to SMEs, ensuring new employers have everything they need to move to the Marches, encouraging local business networks and supporting local supply chains.

SKILLS



We will further develop partnerships between businesses and learning providers to meet the changing needs of our businesses. We will continue to seek investment in high-quality training facilities with state-of-the-art resources. We will create a culture of lifelong learning and upskilling to raise skills levels for future business growth and job security. We will increase engagement between businesses and schools to highlight job opportunities in our growth sectors, encourage apprenticeship uptake and support innovative curriculum development to develop new digital and technical skills in many of our key sectors.

INFRASTRUCTURE AND PLACES



We will continue to develop the physical and digital networks and connectivity that businesses and people need. These connections will support the sustainable growth of our towns, rural areas and neighbouring economies by investing in priority schemes and growth corridors. To support growth, we will strive to ensure that the Marches has a flexible, reliable and secure energy generation and supply system. We will seek to address accessibility issues to training and employment sites, as well as to improve and 'futureproof' broadband connectivity and mobile coverage where required. We will bring these actions in this strategy together in a new 'Opportunity Town Programme', supporting the distinctive strengths and needs of our market towns and building on our innovative, forward-looking vision for the Marches. Through strong local ownership and partnerships, we will work with places to define our actions based on a detailed understanding of the hyper local economy and wider supply chain links. And we will continue to work at a national and international level with Government to promote opportunities here in the Marches.

01. OUR STRATEGIC ECONOMIC PLAN



1.1

Our economic strategy is structured as follows:



OUR VISION

Sets out the future that we want for our economy and places, building on our strengths, and based on clear evidence and developed by all partners.



OUR POTENTIAL

Shows the ways in which our economy can grow and how we will measure our progress.



OUR ECONOMY AND SECTORS

Summarises what our comprehensive evidence tells us about our strengths and opportunities, our sectoral strengths, specialisms and the opportunities which these present.



OUR ACTIONS

Sets out the actions we are proposing to take to deliver our vision and potential in three areas: Innovation and the Business Environment, Skills, Infrastructure and Places.



NEXT STEPS AND IMPLEMENTATION

1.2 This strategy has been co-designed by a wide range of individuals and organisations, including businesses, local government, education and training providers and other local partners. Collectively we have identified priorities based on our strengths and future local, national and global opportunities. We have held workshops, one-to-one interviews and a business survey.

A full list of those involved is included in Appendix 1.



02. OUR VISION

2.1

Building on the evidence and engagement with partners we have agreed a clear set of ambitions:

THE MARCHES:



A place that is open for business,
up for business and pro-growth.



At the forefront of changes in how people live and work
using new technology and improved physical and digital connectivity to enable businesses and people to develop and succeed.



A growing place, attracting more people to come,
stay and build their careers and businesses.



A destination not a boundary
- gateway to markets in the Midlands, Wales, South West, North and Europe. A visitor destination with significant natural and cultural resources that is well known and attracts people looking for a high-quality experience.



A pioneer in the provision and testing of digitally driven health and social care for dispersed populations supporting healthy ageing and economic participation in later life.



A global centre of excellence in advanced manufacturing specifically automotive, cyber security, and the next phase of technology development in agriculture, environment and food production.



An inclusive place that enables residents from all communities to thrive and develop with quality jobs offering good wages, training and progression.



A collaborative and proactive place with businesses, further education institutions (FEIs), higher education institutions (HEIs) and public organisations working together to agree what needs to happen and getting things done. Known as a good place to start and grow a business.

03. OUR POTENTIAL

3.1

A clear vision and our strengths and assets give us a strong basis on which to further drive growth and productivity. We do not underestimate the challenge and complexity of doing so but the prize is significant and the actions we have agreed are based on a strong evidence base. Delivering our strategy and the investments in it could achieve significant growth by 2038.

We want to grow our economy in an inclusive and sustainable way:



BE IN THE
**TOP 25% FOR
LIFE SATISFACTION**
NATIONALLY



CREATE
1,000 NEW JOBS
IN THE LOW CARBON
SECTOR BY 2030



MOVE TO
**50% RENEWABLE
ELECTRICITY**
GENERATION BY 2030



REDUCE 1990
CARBON EMISSIONS
BY 57%
BY 2032



LOWER
FUEL POVERTY TO
BELOW 10%
BY 2030

BY 2038, WE HAVE POTENTIAL TO:



GROW OUR ECONOMY
BY £8.7BN TO
£23.8BN



INCREASE GVA
PER HEAD TO
£29,425



RAISE OUR
POPULATION TO
807,500



BUILD
54,400
NEW HOMES



CREATE
5,200
NEW BUSINESSES &
58,700
NEW JOBS



INCREASE
THE PROPORTION OF
RESIDENTS WITH LEVEL 3+
QUALIFICATIONS TO
60%

04. OUR ECONOMY¹

Figure 1. Headline economic statistics



£14.3BN
TOTAL GVA



£27.76
GVA PER HOUR WORKED



684,300
POPULATION



286,000
NUMBER OF JOBS



30,775
NUMBER OF BUSINESSES



32.5%
RESIDENTS WITH
LEVEL 4+ QUALIFICATIONS



4.1

The Marches is a large area: 2,300 square miles and a population of 684,300 people, 286,000 jobs and 30,775 businesses. Our economy contributes £14.3bn in economic output measured as Gross Value Added (GVA) or £21,178 per person. Over the last five years for which we have data, our economy grew by 5.9%, adding £800m to UK output. Exports are worth £1.8bn annually.

4.2 More residents here are engaged in the economy with an economic activity rate of 80% compared to 78.2% nationally. Employment is also high at 76.7% compared to the UK average of 74.7%. There are low levels of benefits dependency with only 0.7% of 18 to 64-year olds claiming Job Seekers Allowance, which is lower than the national figure of 1.2%. Employment and Support Allowance claimants make up 5.3% of the working age population in the Marches, compared to 5.9% nationally.

4.3 We have significant sectoral strengths in advanced manufacturing with specialisms in metals, machinery and automotive, particularly lightweighting and composites, as well as business and professional services and food and drink, especially in meat and dairy processing. And we have emerging, nationally important strengths in environmental technology, cyber security and resilience, agri-tech, and innovative health and social care.

4.4 Overall, our productivity is lower than the UK average at £27.76 per hour worked, compared to £33.99 nationally, and has been relatively static since 2004. The productivity challenge is not unique to the Marches, but does reflect our demographics, skills and physical and digital connectivity. We will continue to support innovation and investment to improve productivity.

¹Our strategy is underpinned by a comprehensive and detailed evidence base available online at: www.marcheslep.org.uk/what-we-do/economic-plan

A SUPPORTIVE BUSINESS ENVIRONMENT – MICRO BUSINESSES AND MAJOR INTERNATIONAL FIRMS

4.5 We have a supportive business environment with strong, closely networked SMEs, and active local Business Boards. Networking and referrals resulting from a good local business network is seen by local businesses as a major strength in a recent survey. We have the highest two-year business survival rate (80.2%) of all LEP areas. This reflects an established and mature business culture, which provides a stable environment for further increasing the number of businesses that are started here.

4.6 The Marches is home to major international businesses in a range of advanced manufacturing specialisms, logistics, and food and drink – including: BAE Systems, GKN, Ricoh, Denso, Special Metals Wiggin, Magna Cosma, Kuehne and Nagel, Avara Foods, ABP Food Group, Müller and Heineken. Other large companies in the area include Capgemini, Culina and CML.

4.7 Local networks are strong but also outward looking. We export £1.8bn of goods, 76% of which are to the European Union. Germany is our largest export market making up 23% of our exports (£415m). Germany has the largest share of foreign owned companies in Telford and there is also a long-standing cluster of Japanese-owned firms in the town.

4.8 Micro businesses (those with fewer than 10 employees) make up 89.7% of the Marches business base, which is similar to the UK average of 89.4%. Many of our businesses operate in rural areas and many reflect the growing patterns of working remotely and from home. The continued improvement of our broadband and mobile connectivity provides further opportunities for our micro businesses.

4.9 Some micro businesses and smaller SMEs continue to experience difficulties in accessing bank finance. The alternative finance sector's exponential growth provides a plethora of medium to high-risk commercial financial propositions for businesses. However the higher rates of interest charged can lead borrowers into financial difficulties and restrict the growth and long-term viability of businesses. Capitalising on local Community Development Finance Institutions provides more affordable options.

CENTRES OF POPULATION GROWTH

4.10 The population of the Marches is 684,300. The three main urban centres, Hereford (60,825 population), Shrewsbury (71,864) and Telford (147,698) are home to 41% of our population.

4.11 Over the past five years, the Marches has seen population growth roughly in line with that of the UK as a whole, though the population of Telford has grown much more rapidly, and Shropshire has seen slower growth. In a few areas, including parts of Shrewsbury, north of Ludlow and east of Bridgnorth, there has been some population decline.

4.12 Our population is older and ageing more rapidly than the national average. Across the Marches 22.1% of the population are aged 65 or over (an increase from 16.8% in 1997). This is significantly higher than the national figure of 18.2%. This figure is as high as 24% in Herefordshire and 23.9% in Shropshire, although Telford & Wrekin has a younger population. Between 1997 and 2017, the number of over 65s within the Marches has grown 60% faster than the national average, increasing on average 2.1% per annum, compared to 1.3% across the UK as a whole.

4.13 There is also a lower proportion of young people. Only 16.6% of the population are aged 20 to 34. This is much lower than the UK average of 19.9%. The lowest proportion of this age group is in Shropshire (15.6%). Outward migration of young people is a challenge in the Marches with a net outflow of 1,570 15 to 19-year-olds and net inflow of 130 20 to 29-year-olds in 2017.

4.14 The demographic profile of the Marches presents both challenges and opportunities. A slow growing, ageing population contributes to an ageing workforce and puts pressure on health and social care. But it is also an opportunity to pioneer new healthcare and ageing related technologies in a dispersed population.

A STRONG EDUCATIONAL OFFER – RESPONDING TO BUSINESS NEEDS

4.15 As our economy evolves and we develop new approaches that take advantage of technological change, the skills needs of businesses are changing. Businesses require a work-ready, technically skilled workforce, which is able to adapt as the economy and businesses change.

4.16 There are some important skills challenges that need to be addressed. The Marches has a lower skill base relative to the UK and we have lower numbers of higher-level jobs. In the Marches, 32.5% of working age residents have qualifications roughly equivalent to degree level or higher, compared to the national average of 38.4%. Equally, 19.5% of working age residents in the Marches have either no formal qualifications or Level 1 only, compared to the UK average of 18.6%. Level 1 is defined as having one to four GCSEs grades 3,2,1/D, E, F, G or equivalent qualifications.

4.17 The skills challenge in the Marches is linked to the difficulty in attracting and retaining young people as evidenced by the migration of different age groups previously. This suggests that many young people are leaving the Marches to either attend university or to work.

4.18 The Marches has nationally leading public and private skills providers. Recent investment has increased provider capacity to deliver programmes that meet business needs, including across the advanced manufacturing and engineering sectors. Our colleges and other providers support both people who go on to work in our SMEs or are already in the workforce, as well as those wishing to progress to university. This places particular emphasis on the need to develop and maintain relationships with businesses and on retaining contact with students once they enter the workforce. Employers that are investing significantly in training also need to be engaged as part of the solution.

4.19 We have a high-quality school offer, including state and independent sector provision, which attracts families. There is a diverse education offer for young people through to the age of 18, including specialist institutions and a recent expansion in the number of schools with sixth forms. Our further education (FE) colleges, consolidated and strengthened as part of the recent Area Review, sixth form colleges and specialist college, Hereford College of Art, provide a range of opportunities for academic and vocational education.

4.20 In recent years higher education (HE) provision has developed across the Marches. Alongside significant HE level provision in our FE colleges, there are now four dedicated HE institutions: Harper Adams University, University of Wolverhampton and University Centre Shrewsbury (UCS) – part of the University of Chester. The most recent addition to the Marches HE offer will be the New Model in Technology and Engineering (NMiTE) in Hereford with its first cohort starting in 2020. There are also opportunities to access accredited learning and development programmes through Manchester Metropolitan University's presence at The Gateway Centre in Shrewsbury and the Fields Studies Centre at Preston Montford.

A HIGH QUALITY OF LIFE WITH RICH NATURAL, CULTURAL AND HERITAGE ASSETS

4.21 The Marches is a great place to live with a high quality of life that is important to our businesses. We have high levels of positive net migration. Between 2012 and 2017, the Marches had a net inflow of 14,540 residents, and the net inflow of people per year has increased over fivefold since 2012.

4.22 We have abundant and rich natural, cultural and heritage assets, with beautiful countryside that offers a wealth of leisure activities. The Shropshire Hills, Malvern Hills and Wye Valley are designated AONBs, the Telford Town Park has previously been voted the UK's Best Park, and the rivers Severn and Wye are important blue assets. The Ironbridge Gorge - one of the UK's 31 UNESCO World Heritage Sites - preserves and tells the story of the area's role in the first Industrial Revolution and is now a major regeneration site. We are also home to many beautiful and historically significant market towns and recent investment in our urban areas, e.g. the Old Market development in Hereford and Telford's Southwater, has enhanced our leisure offer.

4.23 How land management and support for environmental stewardship will be impacted by reform to the Common Agricultural Policy as part of Brexit negotiations is, as yet, unclear. We will support inclusive, low carbon growth that serves to protect our natural assets and delivers environmental net gain for the benefit of residents and visitors.

4.24 Housing affordability is mixed. There are areas of high affordability, particularly in Telford, where house prices are three to four times higher than annual household incomes. Low affordability is an issue in areas across the Marches, with median house prices as high as 10 times median salaries in the area north of Ledbury. This impacts the ability of people to live close to their place of work and introduces recruitment and staff retention issues for businesses.

4.25 Building on the success of the Telford Land Deal and to address these challenges, all three local authorities are taking action to provide affordable, mixed tenure housing for key workers, through interventions such as creating housing development companies. It is also important to continue developing higher value jobs to address the issue of low wages. There is significant potential for further provision of starter homes and smaller houses to support inward migration and retention of talented young people and families.

CASE STUDY

The Telford Land Deal helped create the biggest foreign direct investment in the UK in the last decade when Magna Cosma opened its doors on the T54 Technology Park in a move which will ultimately create 800 jobs.

Under the deal, a percentage of receipts from the sale of Government-owned land goes to the Marches Investment Fund to support growth projects across the region.

- ▶ **More than £236m brought to Telford since the deal was unveiled**
- ▶ **Up to £44.5m generated from the sale of Homes England land in Telford invested locally**
- ▶ **Multi-million pound Newport Ni-Park will create 1,000 high-tech jobs in the agriculture and processing industry**



STRONG ECONOMIC LINKS AND CONNECTIVITY

4.26 The Marches is a destination with excellent strategic economic links with other UK and global markets. Centrally located, we have close economic ties to the North West, West Midlands, South West and Wales with good access to major cities including Liverpool, Manchester, Birmingham, Coventry, Nottingham, Bristol and Cardiff. Business survey respondents referenced the Marches' central location and good transport links as a strength of the area, influencing their decision to locate their business in the area.

4.27 Our supply chains and businesses operate across administrative borders. Our manufacturing strengths in the east of the Marches around Telford and Bridgnorth are closely linked to automotive supply chains in the West Midlands. With a number of major household names in the Marches, our agricultural and food and drink supply chains reach out across the country. There is a net outflow of 3,000 people leaving the Marches for work each day with more than 42% going to Birmingham. We attract workers from bordering areas including Mid Wales, Wolverhampton, Worcestershire and Staffordshire.

4.28 Our transport and digital infrastructure is therefore central to future growth, with deep, long standing challenges around lack of dual carriageways, alternative road routes, and frequency of rail services. Connectivity to broadband is particularly problematic in rural areas. Much of south and north Shropshire and west Herefordshire has slow broadband (0-10 Mbit/s). In some areas, this accounts for over 80% of premises. There are also issues with poor mobile phone coverage.



CASE STUDY

Telford electrical company WES has seen a major improvement in efficiency after receiving £12,000 funding through the Marches and Gloucestershire Broadband Grant Scheme, funded by ERDF.

It now enjoys a superfast connection of 30mps compared to the 1.6mps connection it previously experienced, meaning production machines can be connected to the network, allowing remote access for repairs, analysis and adjustment.

- ▶ **The LEP is investing £7.7million in the rollout of superfast broadband**
- ▶ **77,000 extra homes and businesses will have speeds of more than 24mps by the end of this year**
- ▶ **More than 215,000 businesses now have access to superfast broadband**

05. OUR ASSETS AND RELATIONSHIPS

OUR ASSETS



FEIs

01. Herefordshire, Ludlow and North Shropshire College with sites at Oswestry, Walford, Ludlow, Hereford and Holme Lacy
02. Shrewsbury Colleges Group
03. Telford College
04. Hereford College of Arts



HEIs

05. University Centre Shrewsbury
06. Harper Adams University
07. University of Wolverhampton (Telford Innovation Campus)
08. New Model in Technology & Engineering



TRAINING CENTRES

09. Marches Centre of Manufacturing & Technology
10. Herefordshire Group Training Association
11. SBC
12. Derwen College



INNOVATION CENTRES

13. Shropshire Food Enterprise Centre
14. T54
15. Skylon Park, Hereford Enterprise Zone
16. Robert Jones & Agnes Hunt Orthopaedic Hospital



MOD BASES

17. RAF Shawbury
18. MoD Donnington
19. RAF Cosford (and museum)
20. Special Air Service



AREAS OF OUTSTANDING NATURAL BEAUTY



IRONBRIDGE GORGE WORLD HERITAGE SITE



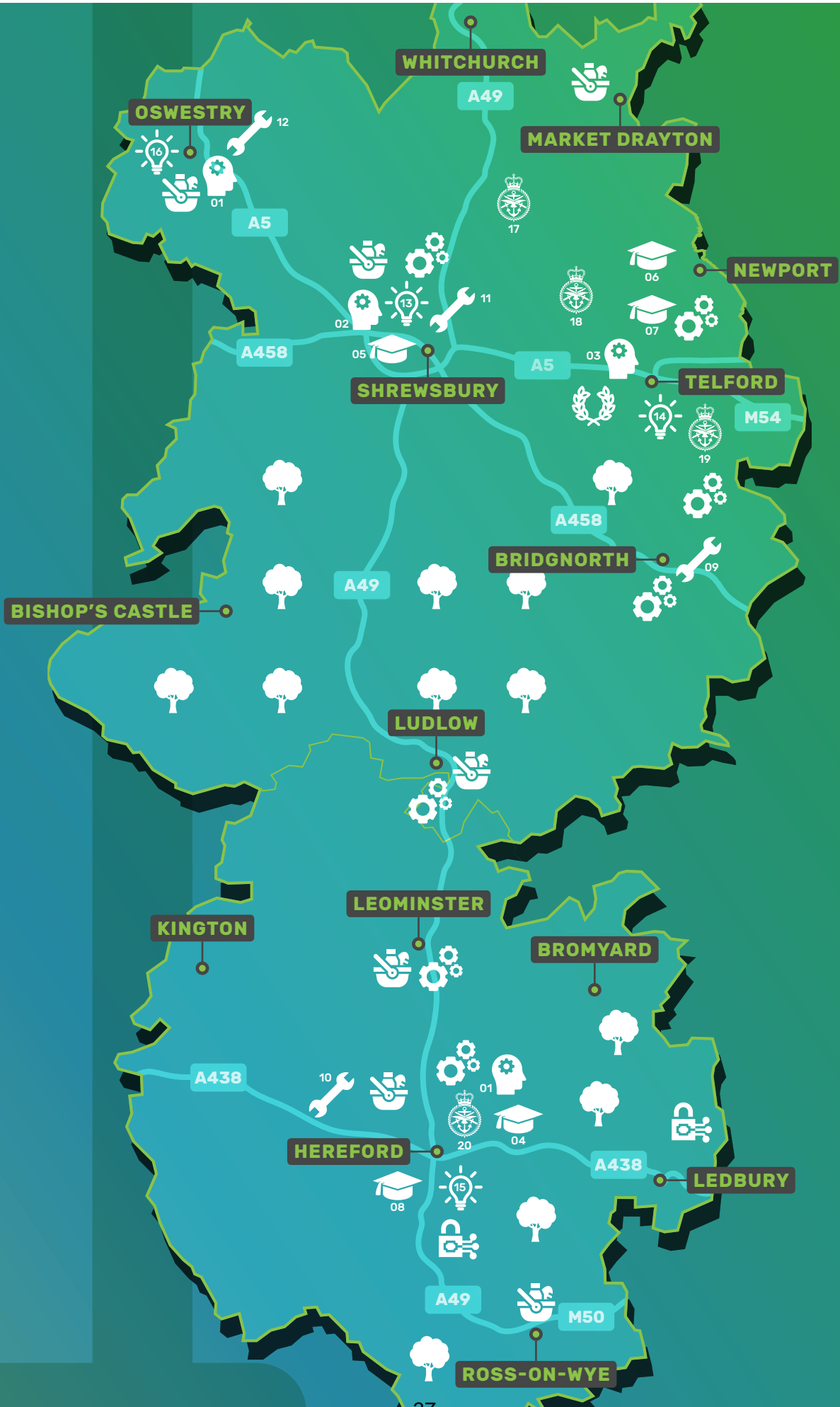
ADVANCED MANUFACTURING



FOOD AND DRINK



CYBER SECURITY AND RESILIENCE

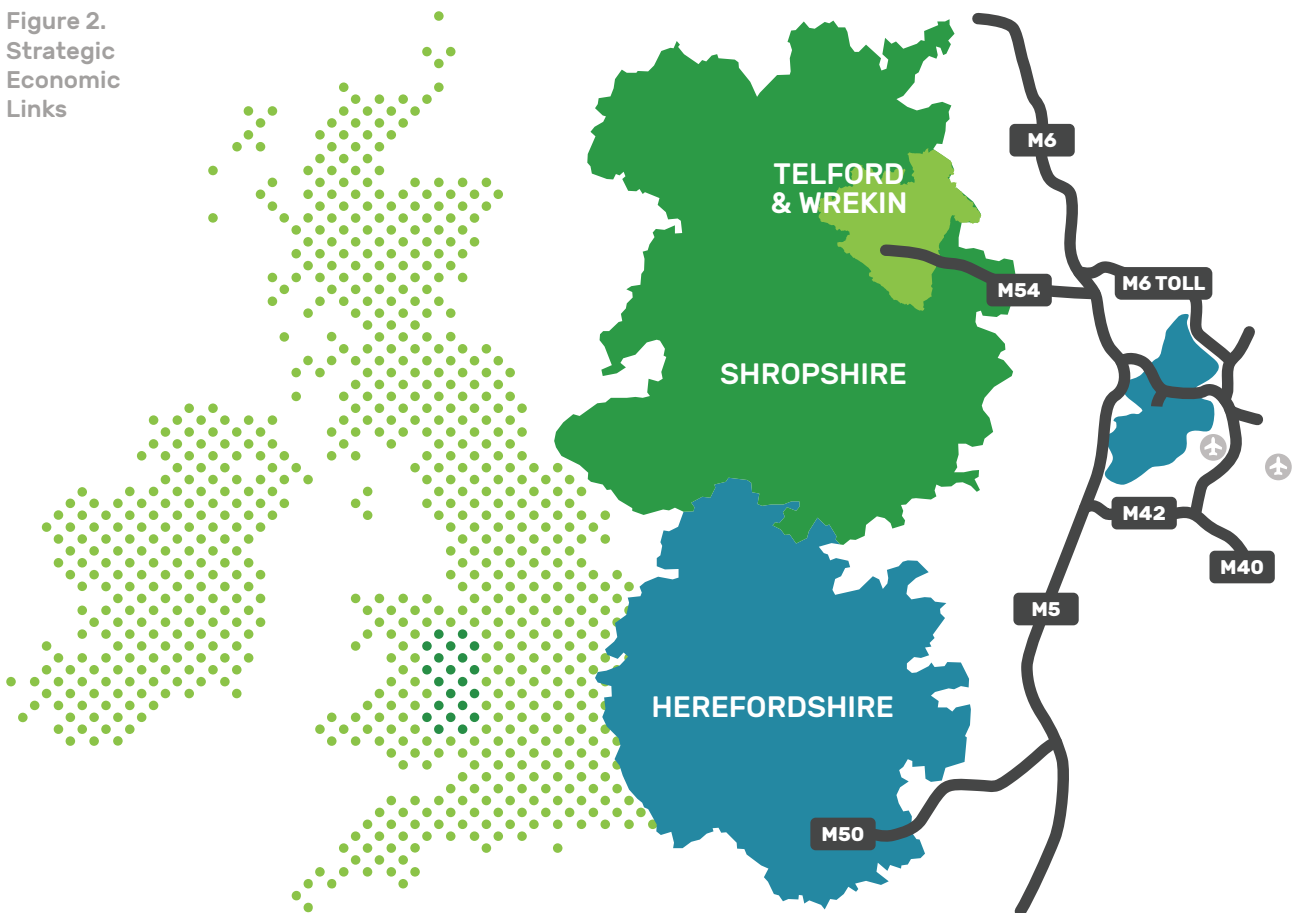


RELATIONSHIPS

5.1

The Marches is a connected place with transport and supply chain links to neighbouring economies. We have strong relationships with our neighbours in the North West, West Midlands, South West and Wales. Work with our neighbours ensures that we capitalise on our central location. Building these strategic economic links and developing our relationships is key to delivering this strategy, boosting productivity and generating economic growth.

Figure 2.
Strategic
Economic
Links



5.2 We connect to the North West via two major transport corridors: the North – South spine including the A49 and Marches Rail Line, and the North West corridor, comprising the A5, A483, A41 and Shrewsbury to Wrexham Rail Line. As well as links to the major urban centres of the North West, we also have good links to airports in Manchester and Liverpool.

5.3 The new HS2 station at Crewe will be a huge opportunity with further connections to major urban centres in the North West and London. We are partners with Cheshire & Warrington LEP, Stoke & Staffordshire LEP, and Worcestershire LEP in the Agri-Tech West Alliance (ATWA), driving supply chains in rural economies and developing an inter-LEP approach to growing the agri-tech sector.

5.4 We have strong links to the West Midlands via two key strategic transport corridors: the East – West central corridor includes the M54 and Shrewsbury to Birmingham Rail Line (and, in due course, will link us to HS2), whilst the Wales and Marches to Midlands corridor links Hereford to Birmingham. The M54/A5 East growth corridor provides opportunities to support employment-led growth of regional significance. The Marches will continue to work with partners, including our neighbouring Black Country local authorities and the West Midlands Combined Authority, to maximise the economic potential of this. Our proximity to the West Midlands also includes good links to Birmingham International Airport.

5.5 We are an important part of the West Midlands supply chain, specifically in the automotive sub-sector. Our cyber-security sector also has close links to the University of Wolverhampton as the university is a key partner in the development of the Centre for Cyber Security at Skylon Park. We are a member of the Midlands Engine, working with partners to boost Midlands GVA by £54bn to 2030, and we are also members of Midlands Connect, the body recommending transport projects across the Midlands. Shropshire and Telford & Wrekin are non-constituent members of the West Midlands Combined Authority, whilst Herefordshire Council and the Marches LEP are observers.

5.6 Our North – South spine and Wales and Marches to Midlands corridors provide transport links into the South West. We are part of the Cyber Resilience Alliance along with our partners Worcestershire LEP, GFirst LEP and Swindon & Wiltshire LEP. Worcestershire LEP is also a partner in ATWA.

5.7 To the west, our economy is intricately connected to Wales through our strategic transport corridors, our supply chains and our role as a strategic logistics gateway for businesses through to the Welsh market. We are currently working on a delivery plan for our recently launched joint freight strategy for the Marches and Mid Wales, partnering with the Growing Mid Wales Partnership, Welsh Government, Midlands Connect and local authorities. This could release £149m of financial benefits for the region. The Growing Mid Wales Partnership is currently working on a Regional Economic Action Plan to improve innovation, skills, competitiveness and physical and digital connectivity.

06. OUR SECTORS

6.1 Our businesses define our economy with clear existing and emerging specialisms and strengths. Understanding our assets and business base is vital if we are to effectively target action to drive growth.

The evidence shows our business sectors in three broad categories:

CORE ECONOMIC SECTORS

High productivity with high levels of employment and specialisation

EMERGING SECTORS

High future economic and productivity growth potential but lower employment and fewer, smaller companies

ENABLING SECTORS

High employment, with significant entry level jobs and services and vital to our economy, often with lower overall productivity or different productivity and growth challenges

6.2 These areas of focus are illustrated in the diagram below:

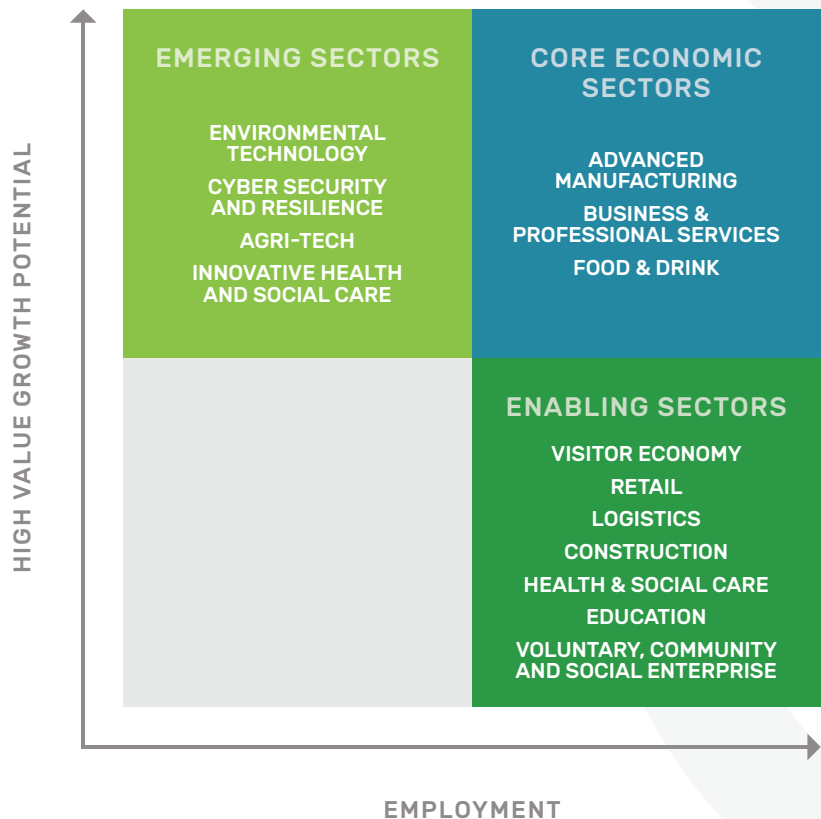


Figure 3. Sectors in the Marches

6.3 Our economy is undergoing significant technological change with the development of new emerging technologies, such as 5G, artificial intelligence (AI), the Internet of Things (IoT), virtual reality, augmented reality, mixed reality, smart grids and satellite broadband. So opportunities increasingly exist across traditional sectors and supply chains to adopt technology in their production processes or final outputs to increase value added, for example in high tech agriculture, autonomous vehicles and AI.

6.4 Supporting businesses and individuals to adapt and make the most of these opportunities and challenges is a fundamental part of this strategy and has guided our choice of actions. One initiative here is the emerging digital academy – The Digital Enterprise based in Telford – which will support the transformation of businesses across the Marches into true digital enterprises with integrated digital processes alongside staff with the necessary skills. The academy will encompass advanced digital connectivity and automation, cloud computing, augmented reality, cyber security, sensors and 3D printing.

6.5 Another significant transformation affecting our sectors is Brexit. There is great uncertainty around how the post-Brexit economy will look but it is likely to impact trade, regulations, workforce, funding and investment and will be particularly important for our sectors that have strong trading and supply-chain relationships with Europe, and those who currently employ significant numbers of EU workers.

CORE ECONOMIC SECTORS

Advanced manufacturing

6.6 Home to global manufacturers and well-established supply chains of SMEs in the diverse and distinct strengths of metals, machinery, materials and automotive.

6.7 With its central role in the first industrial revolution at Ironbridge, the Marches has a long history of engineering innovation. Today, the Marches has a significant manufacturing sector with more than 26,800 jobs, contributing £2.3bn to its economy (including food and drink).

6.8 The Marches has some distinct manufacturing strengths. Almost 70% of manufacturing jobs are located in metals, machinery, materials and automotive. The manufacture of basic metals is over three times as specialised in the Marches as Great Britain, whilst the manufacture of motor vehicles and machinery are both over twice as specialised. We are home to major firms including Special Metals, Ricoh, BAE and GKN.

6.9 We are an integral part of the West Midlands automotive supply chain with a range of Tier 2 and 3 companies across the Marches supplying large original equipment manufacturers (OEMs) with parts including batteries, light weighting and composites. It will become increasingly important to support these firms with the transition in the sector to electric vehicles and ultimately autonomous vehicles.

Business and professional services

6.10 This core sector supports 47,000 jobs including large firms such as Capgemini, Staffline Group and ReAssure. There are 7,470 businesses in the business and professional services (BPS) sector as a whole, which contributes 24.3% of our GVA. The finance and real estate sub-sectors are dominated by micro businesses and, in terms of overall size and output, the sector is broadly comparable to similar LEP economies.

6.11 The sector plays a critical role in supporting the scale-up and growth of businesses in the Marches, including in providing the advisory skills and networking (both formal and informal) that is critical to increasing levels of innovation and technology adoption in SMEs. Our BPS firms are central to the success of our wider business base and are also a strong provider of highly skilled, well paid jobs with good progression and professional development opportunities.

6.12 The wider, global, trend towards 'servicisation' also creates big opportunities for the Marches. Across a wide range of sectors demand for business and professional service skills and approaches is growing. Innovative use of business, finance and professional service skills is increasingly core to the future of a wide range of firms. And technology is changing the way that even micro professional service firms operate, providing new market opportunities and new approaches to delivering value.

6.13 With our focus on connectivity, our high quality of life and excellent housing and skills offer, we provide a fantastic location for professionals seeking to take their skills into different sectors, establish new practices and for existing and new BPS firms to grow.

Food and drink

6.14 Our rich agricultural sector provides the base for a strong food and drink sector characterised by international companies.

6.15 The legacy and heritage of the Marches as a farming region has evolved into a nationally significant food and drink sector with over 9,000 jobs.

6.16 With specialisations in cider and fruit wines, meat and dairy processing, a number of international companies have a presence in the Marches, including Avara based in Telford and Herefordshire, Heineken in Hereford, ABP Food Group, which has sites in Shrewsbury and Oswestry, and Müller, which has its head office in Market Drayton and production facilities in Telford and near Shrewsbury.

6.17 Our farmers and growers are internationally recognised, including Haygrove, S&A and Snells, and are major employers. They provide significant opportunities for the development of innovative approaches and the adoption and application of new technologies.

6.18 Food and drink processing is part of a complex agri-food supply chain in the Marches. Companies of a range of sizes are involved in the supply side, producing raw materials from farming, feed and other inputs. A highly specialised food packaging cluster exists in Telford, linked to manufacturing specialisms in plastics, with firms such as Sirane and TCL Packaging. Logistics companies support the storage and distribution of food and drink both within and outside of the Marches. Together all components of the agri-food supply chain culminate in the Marches producing high quality food and drink products for the UK and international markets.

6.19 The Shropshire Food Enterprise Centre in Shrewsbury is one of only 10 centres nationally. It offers food production start-ups and SMEs excellent production units equipped to the highest standard with on-site business support.

6.20 Harper Adams University in Telford & Wrekin contributes to this sector by leading research into global food production and processing. It is also home to the Regional Food Academy, which includes food processing facilities, a sensory evaluation room and specialist equipment for students to learn new skills in food processing and preservation, product design and development.

6.21 Maintaining the continuity of food production and stability of prices for consumers is of crucial importance going forward, particularly given uncertainties around trade following Brexit.

EMERGING SECTORS

Environmental technology

6.22 Nationally significant strengths in anaerobic digestion coupled with the opportunity to become leaders in water management and natural capital management and assessment.

6.23 Population growth results in higher demand for and growing depletion of natural resources. This is increasing the role of environmental technology in sustainable development. How our natural resources are managed will require careful thought to avoid pollution, ecological damage, and to address the changing conditions associated with climate change. Environmental technology refers to green or clean technology, renewable energy generation, the application of environmental sciences, environmental monitoring and the use of electronic devices to help manage the natural environment.

6.24 The Marches intends to be at the forefront of environmental technology, delivering low carbon and low-cost energy to businesses and communities, accommodating planned growth and supporting well-developed low carbon supply chains.

6.25 With more than 13% of the UK's anaerobic digesters (AD) located within the Marches, we are leading the UK in this technology by managing waste from agriculture and food, producing fuel and generating renewable energy. This embraces the principles of by-product synergy and the circular economy.

6.26 There is scope to further develop our expertise in anaerobic digestion and other forms of renewable energy. There are large-scale opportunities to roll out solar photovoltaics in homes, commercial premises, and, in some cases, solar farms. There are also opportunities to link these renewable energy systems to the nascent energy storage sector, including kinetic energy storage and compressed gas systems.

6.27 Building upon the work of the Marches Nature Partnership (MNP), the Centre for Research into Environmental Science and Technology (CREST) at UCS puts the Marches on the map in terms of natural resource management and natural capital management. The centre researches how best to manage the natural environment in line with societal and economic needs.

6.28 There is significant potential for the Marches to develop strengths in natural resource management through the use of environmental sensors, energy efficiency techniques, energy requirement minimisation, waste management, water supply management, and air pollution management.

6.29 There is also an opportunity for the Marches to become a test bed for the development of Natural Capital Management and assessment techniques. The Marches has the ambition to become a national leader in natural resource management and natural capital, starting with water.

6.30 This ambition is grounded in the reality of practical approaches that are already in place to address issues around water quality and water supply, such as the on-going European Regional Development Fund (ERDF) funded Freshwater First project and proactive efforts to establish robust baseline evidence via the Marches Ecosystems Assessment carried out for the Marches LEP through the University of Birmingham. These and complementary initiatives are published in the Nature's Worth prospectus.

Cyber security and resilience

6.31 An internationally recognised defence and security sector with an emerging cyber cluster in 'Cyber Valley' specialising in business security.

6.32 In our digital economy, cyber security has become a global priority as the threat from cybercrime and terrorism increases. The UK Government has estimated that in 2017, over four in 10 UK businesses suffered at least one cyber attack. It is important that we protect our businesses, data and networks from such security threats.

6.33 Home to the Special Air Service, military bases and private sector organisations such as a G4S Specialist Training HQ, the Marches has a longstanding tradition of defence and security. These defence assets provide significant employment, innovation and economic opportunities. Bridging this existing strength and the new digital sector is the emerging cyber security and resilience.

6.34 Along with neighbouring Worcestershire and Gloucestershire, Herefordshire is part of 'Cyber Valley', a highly specialised cluster of cyber companies around Great Malvern. Innovative companies in this sector are at the forefront of offering business-to-business (B2B) solutions to companies to address matters of everyday security.

6.35 Hereford Enterprise Zone at Skylon Park is the only enterprise zone in the UK with a specialism in defence and security. A joint £9m investment from the University of Wolverhampton, Herefordshire Council, Marches LEP and the ERDF has established the Centre for Cyber Security. Opening in 2020, it will provide incubation space for 20 new companies. Acting as a hub of research and development, it will encourage collaboration and technology transfer between businesses and academics. The centre will also provide secure testing facilities and specialist cyber security training for local residents and businesses.

6.36 Cyber security is an important specialism that links to and sits within a wider ICT/digital sector. The skills that are important in cyber security also have a wider bearing across many other sectors of the economy in driving innovation and new ways of working. Partners will work collaboratively to share learning from the Centre for Cyber Security across the Marches, e.g. as part of the emerging Digital Enterprise Academy in Telford.

CASE STUDY

The £6.5m redevelopment of the historic Shell Store to create a business incubation centre and the £9million University of Wolverhampton Centre for Cyber Security will both get under way in the next 12 months at the LEP's Enterprise Zone in Hereford.

The flagship schemes will help cement Skylon Park's national reputation as a centre of excellence for the security and defence sector and a home of pioneering high-tech innovation.

- ▶ **Shell Store scheme will create at least 100 new jobs**
- ▶ **More than £22m invested in creating new business premises on the zone**
- ▶ **37 new companies attracted to Skylon Park**



Agri-tech

6.37 A nationally significant agri-tech cluster characterised by engineering and precision farming with world renowned Harper Adams University at its core.

6.38 Agriculture is an important sector in the Marches, with 20,634 farm workers and 460,000 hectares of farmed land, making up 77.2% of total land (2016 figures). Of the 6,731 holdings in the Marches, large percentages are relatively small in size between 5 and 20 hectares (27.0%).

6.39 Global population growth continues to put increasing pressure on environmental resources, particularly by increasing demand for food. Our growing agri-tech sector directly addresses this challenge by using technology to sustainably increase agricultural yields and productivity. There are opportunities to use outdoor intensive methods in production, harvesting, grading and packaging on farms through automation. Increased use of technology and automation will also provide some solutions to potential labour shortages in a sector that relies heavily on seasonal and migrant workers.

6.40 Linked to our strengths across agri-food, the Marches is developing a nationally significant agri-tech cluster. At the heart of agri-tech in the Marches is Harper Adams University in Telford & Wrekin. It is the world leader in agri-tech research and the largest specialist land-based institution in the UK. Surrounding Harper Adams are many small companies operating in distinct niches as well as some larger firms and multinationals. Ni-Park will provide start-up and grow on space for agri-tech companies to support and expand the cluster.

6.41 Our specialisms include advanced engineering and precision farming. The National Centre for Precision Farming, based at Harper Adams, is developing automation, drones and autonomous systems. Harper Adams is also a partner in 5G Rural First to use agri-tech to support autonomous farm vehicles, crop/soil condition mapping and augmented veterinary. We have ambition to grow our expertise in autonomous vehicles used for crop production, using this technology at a larger scale by creating a 'hands free farm', building on the success of 'hands free hectare'. Collaboration with other areas through ATWA is increasing access to innovation support for businesses within the sector.

Innovative health and social care

6.42 An ageing population in a rural area offers opportunity to pioneer new innovative health and social care approaches and technologies.

6.43 The UK has an ageing population. People are typically living for longer but not necessarily experiencing good health. Rural areas have specific challenges in addressing healthy ageing as patients may have to travel considerable distances to access key services and domiciliary care providers may not deliver services to certain areas due to the extra resources it would require.

6.44 Innovative healthcare offers the opportunity to address health and social care challenges in dispersed populations. It can revolutionise care commissioning and provision through data driven prevention and remote monitoring.

6.45 The Marches has emerging capabilities in digital health and assistive technology. The Living Circle provides cloud-based services for health and care organisations. Bronze Labs, a Telford-based company with expertise in the IoT and cloud computing software, has recently launched The Tribe Project. This nationally significant project aims to support NHS and adult social care resourcing through machine learning to identify areas of high resource need and better allocate resources.

6.46 Shropshire has been selected as one of nine local authorities in a Government funded programme to explore how technology can shape the future of social care through piloting a data visualisation tool to identify areas of need for care homes and domiciliary care. Another technology project being trialled in Shropshire brings together the Council, The Lady Forester Centre, UCS, local GPs, the community and large technology companies Hitachi, Microsoft and Amazon to use smart watches, voice activated devices and messaging to support independence amongst vulnerable people.

6.47 Companies operating in assistive technology in the Marches include Hereford-based Chunc Wheelchairs, which produces mobility equipment, and The Helping Hand in Ledbury, a manufacturer and supplier of disability and living aids. It is also home to the Robert Jones and Agnes Hunt (RJAH) Orthopaedic Hospital in Oswestry, a global centre of excellence and innovation in musculoskeletal surgery, medicine and rehabilitation.

ENABLING SECTORS

Visitor economy

6.48 The Marches has a diverse visitor economy offer, comprising our beautiful natural landscape, including three AONBs, high quality locally produced food, World Heritage Site and historic market towns. The visitor economy plays an important role in our economy. Our natural, cultural and heritage assets are essential to attracting people to live and work in the Marches. The visitor economy is also a large employer with almost 4,250 jobs in accommodation, supporting thousands more jobs in related sectors such as restaurants, museums, transport, and visitor and leisure attractions. Business tourism is also important for the Marches. The International Centre in Telford generates £50m for the local economy per year and provides 15,000sqm of floor space and in-house experts for conferences, exhibitions and events. The government's tourism sector deal will be an opportunity for the Marches to drive economic and productivity growth by attracting more visitors, both from the UK and overseas, extending the season beyond the peak summer months, and developing career paths with clear progression. There are also opportunities for virtual reality to enable visitors to engage with local sites of interest, bringing more cultural and heritage assets to a wider audience.

Retail

6.49 Retail is a large employer. There are 33,700 retail jobs across the Marches, amounting to over 12% of total jobs. This sector grew almost 5% between 2011 and 2016. Retail provides entry-level jobs and long-term careers for people, as well as part-time, flexible work for older people. Our shops are often the front end for our local farm businesses and food producers. Retail is also important for our town centres and the sector, made up of major brands and a strong independent presence, contributes to our high quality of life. In the context of the changing retail environment and the need for town centres to respond to changing markets, there are three town centre Business Improvement Districts in the Marches, which aim to work with partners to deliver investment and improvement to the town centres of Shrewsbury, Oswestry and Hereford.

Logistics

6.50 Our logistics sector employs almost 8,000 people and is closely related to our supply chains in advanced manufacturing, agriculture and food and drink. Almost 80% of jobs are in activities related to freight and road transport, including warehousing. Key companies in logistics include Kuehne and Nagel, Culina Logistics and GroContinental. Our strengths in logistics include defence related logistics, particularly with the opening of the £83m, 80,000 sq. metre Ministry of Defence (MoD) fulfilment centre in Donnington, which will provide logistics and storage to the UK armed forces.

Construction

6.51 There are 18,500 jobs in construction in the Marches and around 3,150 construction businesses. Of these jobs, 6,500 are in specialised construction activities, including electrical installation, plumbing, joining, roofing, painting, scaffolding and plastering. The construction sector is central to our investment in new infrastructure, commercial space and housing. Forecast construction spend in the Marches between 2018 and 2022 is £4bn, over half of which is planned new housing. There is significant scope for new entrants, especially given the volume of house building planned and the adoption of new methods of construction. A Marches-based partnership has recently secured funding under the Construction Industry Training Board (CITB) Construction Skill Fund to encourage more people to enter the sector.

Health and social care

6.52 A high number of people are employed in health and social care. The sector has 41,000 jobs with 23,500 of these in human health and a further 10,500 in residential care. In the Marches, as well as across the UK, this sector is expected to experience an increase in demand with an increasing gap in provision for the elderly as the population ages. This is likely to exacerbate issues around recruitment of staff.

Education

6.53 The education sector is a large employer with 24,500 jobs. Its largest sub-sectors are primary education (10,500 jobs), general secondary education (7,500 jobs) and technical and vocational secondary education (1,875 jobs). The quality of education offered by the Marches, including its schools in the independent sector, is a key asset to support inward investment and the location of people and businesses.

Voluntary, Community and Social Enterprise (VCSE)

6.54 There are more than 4,000 registered VCSE organisations with a further 2,418 small informal groups in the Marches. The sector employs 6,760 people and has a large voluntary workforce, contributing over £6m to the local economy. The VCSE sector in the Marches provides a broad range of functions including helping unemployed and economically inactive people access employment, training carers, providing relief to health and social care services, supporting skills and reducing absenteeism, and finding innovative ways to overcome transport restrictions. Through new creative and innovative forms of enterprise, our VCSE sector presents new ways for people to engage in their local economies and communities.



07. INNOVATION AND BUSINESS ENVIRONMENT

INNOVATION

7.1

Innovation is essential for our businesses to grow, be competitive and succeed. We have highly innovative firms at the forefront of new technology and techniques in agri-tech and cyber security and resilience.

We need to ensure that more of our businesses have the opportunities to both understand the technology and processes that could benefit them and have access to the leadership and management skills needed to take advantage.

7.2 Innovation is also central to creating opportunities for businesses and individuals from the long-term trends of an ageing population and the combined effects of high levels of employment and shortages of certain skills. Improving productivity is both a goal and an opportunity, particularly in sectors such as agriculture and food production where we have high concentrations of firms and centres of innovation and research, such as Harper Adams University.

CASE STUDY

Building materials manufacturer Jesmonite's products are used around the world – earning the Bishop's Castle company a global reputation for innovation.

Jesmonite – described as the chameleon of the building industry for its ability to mimic a range of materials and finishes – was invented in 1984 by Peter Hawkins as a safe alternative to fibreglass and a lightweight alternative to cast concrete. The forward-thinking company's commitment to invention and problem solving has resulted in a range that now covers a myriad of applications.

- ▶ **Jesmonite helped HSBC in the building of a new headquarters in Birmingham that has been awarded the Gold Accreditation for Leadership in Energy and Environmental Design**
- ▶ **Products used in prestigious developments around the world including Middle East, Australia and film sets**
- ▶ **Jesmonite was named material of the year at the 2017 London Design Fair**

7.3 We will:

- ▶ Develop incubator, accelerator and grow on space at our key employment sites, such as Hereford Enterprise Zone, the Flaxmill, and Ni-Park, offering resources, mentoring and business support for new businesses in the early stage development and those which are rapidly growing. Through these we will encourage firms to be creative, learn about new ways of doing things and try new technologies.
- ▶ Bring together SMEs and larger firms (starting with construction and agri-tech), as well as our HEIs, to develop business-led networks, events and workshops for companies to understand the opportunities which exist in their sector to innovate and boost productivity.
- ▶ Set up an automation task force to help companies apply new technologies, for instance in AI, automation and robotics, building on successful schemes like the work of Harper Adams in connecting farmers to new innovations in autonomous crop production.
- ▶ Continue to work with local authorities, Clinical Commissioning Groups, the NHS and businesses to trial new innovative health and social care technologies.
- ▶ Support innovation in cyber security at the Hereford Cyber Security Centre, the development of hubs for composites and digital enterprise in Telford, and digital health in Shrewsbury and at the proposed Innovation Park in Oswestry linked to the RJA Orthopaedic Hospital.

BUSINESS ENVIRONMENT

7.4

The Marches has a supportive business environment and we want to enable more businesses to start and to grow. We have a high business survival rate of 80.2% after two years, compared to the national average of 75.6%, and a low business death rate of 9.1%, compared to the UK average of 11.6%.

7.5 In an economy with such a high proportion of small businesses and high level of economic activity there is a real opportunity to strengthen the ability of the overall business environment to support growth and innovation. This can be through providing the right kind of space, networking opportunities and support for smaller scale commercial research projects and business/FEI/HEI links to engage with real world technical and business solutions.

7.6 Our Growth Hub, which is in the top quartile of all national Growth Hubs, has supported nearly 9,000 businesses to date, using a decentralised model, which suits the needs of our area. We are also developing more start-up space at the Flaxmill in Shrewsbury, Shell Store in Hereford and Ni-Park in Telford. Developing this space and helping to develop a strong ecosystem will allow us to nurture innovative companies in the area.

7.7 Business representative organisations and business networks also have a key role to play in developing local supply chains and driving economic growth. We have a strong tradition of collaboration and networks between our companies, such as through our three Business Boards. Often these networks connect to wider geographies through their supply chains, such as Agri-Tech West and the Cyber Resilience Alliance. We should enhance these networks to grow our supply chains and share knowledge.

7.8 We will:

- ▶ Work with the Growth Hub and other local business groups to develop SME support packages, assisting them to develop leadership and management skills through training providers, understand their skills and technological needs and support them in expanding into new markets.
- ▶ Develop an Access to Finance Group, working with the business and professional services sector and the Growth Hub to highlight finance opportunities for growth orientated companies.
- ▶ Establish funding streams for SMEs in high productivity growth sectors: environmental technology, cyber security and resilience, agri-tech and innovative health and social care.
- ▶ Develop a Marches approach to encourage local networks, promoting different parts of the Marches with different strengths and supporting companies in manufacturing supply chains linked to the West Midlands.
- ▶ Investigate opportunities to establish a public-sector procurement charter that supports local SMEs and supply chains.



CASE STUDY

The Marches Growth Hub is now firmly established as the one-stop home of leading business support, advice and expertise in the region.

It ranks in the top quarter of all hubs across the country and is the gateway to 22 EU funded business support projects with a financial value of £22 million. Expert staff at the hub's three physical bases provide invaluable support to businesses of all sizes across the region.

- ▶ **Marches Growth Hub Shropshire helped more than 2,000 businesses with their launch and growth plans in 2018**
- ▶ **Marches Growth Hub Telford & Wrekin secured £1.4million in grants for businesses in its first three years**
- ▶ **Marches Growth Hub Herefordshire has helped over 1,100 businesses with launch and growth plans in 2018**

08. SKILLS

8.1

Skills are fundamental to our future success. The education offer in the Marches is a significant strength and is vital in driving growth and attracting people to the area.

In a tight labour market with almost full employment our firms risk struggling to recruit, whilst, at the same time, people already in work have to keep pace as new technology and techniques drive new ways of doing business – particularly in our food production and manufacturing businesses.

8.2 There is clear evidence from the UK and overseas that skills institutions play a crucial role in the success of towns and cities. Investing in the general education, skills, knowledge and experience of our people, and in high-quality provision is a priority, as is ensuring that our learning providers – including colleges, universities and private training providers – continue to work closely with businesses and people at every stage of their careers. Our schools have a vital role to play in allowing young people to understand the careers available and to experience work, particularly in our more rural and less connected communities. We need to support businesses and skills providers working together to help individuals achieve their potential and to meet the changing skills needs of new and existing businesses as they grow. Brexit increases the impetus to upskill residents, enabling them to take on higher skilled jobs.

CASE STUDY

The Marches Centre of Manufacturing and Technology is pioneering training across the region and helping ensure we bridge the skills gap for old and young alike.

The 36,000 sq ft facility in Bridgnorth, which is 12 months old, is employer-led and boasts over £4m of new technology including the latest robotics, metrology, CNC machines and 3D printing. It will train around 100 apprentices over the coming year.

- ▶ **The LEP has awarded £2.5m to colleges for high-tech skills training**
- ▶ **£4.7m of growth deal funding to support take-up of apprenticeships**
- ▶ **20,000 higher-skilled jobs to be created by 2037**



8.3 We will:

- ▶ Continue to work with learning providers to ensure that private and public investment is targeted at providing the high-quality facilities and provision needed to retain young people and reflect the opportunities that exist locally and nationally. We will ensure students have the information they need to understand the opportunities available.
- ▶ Work with SMEs in our major sectors and skills providers (starting with construction but looking at opportunities in advanced manufacturing and health and social care) to develop business-led networks that encourage links with learning providers. These will include developing and maintaining links with learners who enter the workforce and exploring opportunities to fund further learning jointly between the public sector and employers.
- ▶ Work with the health and social care sector to explore the development of a Marches Digital Care curriculum for 16 to 18-year-olds, providing core skills and expertise in new care techniques and technologies.
- ▶ Continue to promote the value of apprenticeships, including higher level and degree apprenticeships, and support SMEs to take on apprentices.
- ▶ Build on the work of our local authorities, Young Enterprise and Careers and Enterprise Company programmes to develop a 'Future Leaders' scheme. This will offer schools the opportunity to engage with businesses locally to provide short term mentoring, workplace experiences and real world problem solving projects for 13 to 14-year-olds, developing employability skills and showcasing the opportunities available in the Marches, before making GCSE choices.
- ▶ Further support the development of specific partnerships between learning providers and businesses, particularly in our growth and emerging sectors, e.g. environmental technology.
- ▶ Continue to support businesses with workforce development and upskilling initiatives (including apprenticeships) so that they retain competitive advantage.
- ▶ Work with businesses and learning providers to support work readiness, lifelong learning and upskilling relative to the needs and opportunities of local businesses, particularly those in growth sectors, and explore expanding employer-led learning.

09. INFRASTRUCTURE AND PLACES

9.1

Our places are a key asset for our economy. Business and people locate and flourish in places that are well connected, offer a high quality of life and where people have the skills those businesses need.

Our infrastructure is absolutely vital in linking people up with opportunities and companies with markets and labour. Our aim is to secure investment for the future infrastructure we need to grow and build on our supply chain and economic links with major global economies, whilst maintaining the high quality of place that makes us an attractive location.

INFRASTRUCTURE

9.2

Infrastructure is fundamental to a modern, successful, productive, growing and sustainable economy. The Marches has committed to identifying ways in which it can improve and develop its infrastructure, as outlined in the Rail Study Report, Strategic Transport Corridors Report, Freight Strategy and Energy Strategy.

Our transport links drive economic growth, support the development of new housing and employment sites, and connect the area to surrounding economies. Unlocking these sites will also require significant investment in water management, civic infrastructure, utilities including secure energy generation and supply, broadband and mobile coverage, as well as transport.



CASE STUDY

The £40m Hereford City Centre Transport Package will create a new link road between the A465 and A49, unlocking land for development and providing investment opportunities for retail, leisure and tourism.

It will create a new urban village, boost regeneration along Commercial Road, Newmarket Street and Bluecoat Street and create 760 jobs and 800 new homes.

- ▶ **The LEP 's new freight strategy for the Marches and Mid Wales could realise £149m benefits for the region**
- ▶ **LEP driving infrastructure improvements in Shrewsbury, Telford and across the region**
- ▶ **Transport connectivity is the glue that binds communities and the economy together**

9.3 The Marches road network is an important strategic asset and is well used, with an estimated 2.6bn miles of motor vehicle travel every year. This total has increased by 22% since 2000. Over 7.1m entries and exits were recorded at railway stations in the Marches in 2016/17, an increase of 3.4% over the previous year.

9.4 However, there are a number of challenges affecting parts of the Marches road and rail networks, particularly in rural areas. Many main arterial roads are single carriageway, causing poor average speeds, long journey times and poor reliability. Urban centres also experience congestion. Rail links to London would benefit from more frequent, reliable and direct services. These issues limit the movement of people, goods and services, affecting both residents and businesses. Our geography and dispersed population result in higher operational costs for public transport systems, hauliers and industry.

9.5 We will continue to work with our partners at Highways England and Midlands Connect to overcome these challenges and deliver strategic transport infrastructure (rail and road). It is important to recognise the critical environmental infrastructure requirements, such as drainage and flood risk management, which need aligning with other infrastructure delivery. This is to ensure investment in road and rail is resilient to environmental risk and the integrated opportunities are harnessed to maximise the most efficient and effective delivery.

9.6 High-spec broadband and mobile coverage is also essential for high productivity growth. Given the shift towards remote/agile working and an internet-based economy, provision of ultrafast broadband across the area is vital to support home-based businesses and home-workers, as well as larger companies based in rural areas. In 2015, the Marches secured £7.7m of Growth Deal funding to roll out superfast broadband. Many areas now have superfast broadband (30-300Mbit/s), with a high percentage of premises in Telford, Newport and south Herefordshire having access to ultrafast broadband (300Mbit/s+).

9.7 However, there remain large areas of the Marches with slow broadband, especially in more rurally dispersed areas. Connectivity challenges affect rural areas more severely but many businesses in urban areas report inadequate broadband for their business needs.

9.8 To help businesses thrive, we will seek to deliver Government's ambition of full fibre broadband coverage across the UK by 2033. We will continue to work with Building Digital UK (BDUK) to bring about programmes that will deliver superfast broadband and full fibre networks, providing new opportunities, particularly around the evolution of 5G technologies.

9.9 We will put in place a digital strategy, work with businesses to find solutions, and support the three local authorities with their current and future interventions to address digital connectivity challenges. We will continue to support the innovative use of technologies by institutions and businesses in the Marches to test new disruptive operating models, such as Harper Adams' trials of automated agri-tech.

9.10 It is important for us to attract companies to relocate to the Marches by providing high quality employment sites that are accessible, close to housing for staff, and have a ready supply of energy and other utilities. These sites need to be 'shovel ready', as companies are often unwilling or unable to wait long periods for remediation works or planning permission to begin development. Strengthening our relationships with utilities companies and other infrastructure key stakeholders will be key to this.

9.11 We will:

- ▶ Invest in priority schemes with the agreement of our partners, including local authorities, Highways England and National Rail.
- ▶ Ensure a pipeline of strategic sites across the Marches are 'shovel ready' for development with physical and digital infrastructure and utilities in place.
- ▶ Support capacity and speed improvements on major rail lines: The Marches line, Shrewsbury to Birmingham, Hereford to Birmingham, and Shrewsbury to Crewe (all future HS2 links).
- ▶ Ensure that technical studies for infrastructure projects are completed in advance to make effective funding bids and secure more capital investment.
- ▶ Work with the local electricity network operators (DNOs) and energy companies to understand planned work, constraints and opportunities.
- ▶ Work with partners to roll out electrical charging points for businesses and residents given the shifting balance of private vehicles from diesel and petrol to electric vehicles.
- ▶ Improve high speed broadband in all gap areas of the Marches to ensure that there is ubiquitous access to superfast broadband and ensure that priority urban centres and growth corridors have access to fibre, which will enable 5G digital solutions and ultrafast broadband access.
- ▶ Work closely with local authorities and businesses to develop a digital strategy that will find solutions to digital connectivity challenges.
- ▶ Work with local authority partners, bus operators and anchor tenants to facilitate conversations to improve public transport links to address accessibility issues to key training and employment sites.
- ▶ Work with local authorities to explore land value capture mechanisms that can be used to invest in transport infrastructure.
- ▶ Work with partners to improve environmental infrastructure delivery through integrated place-based working to understand current and future risks and identify opportunities to deliver net environmental gain, helping to establish the right conditions for growth and reducing the extent to which people and businesses are disrupted by environmental capacity constraints.

A HIGH QUALITY PLACE

9.12

The Marches is a beautiful place with a high quality of life. People choose to live here and visit because of the many outdoor experiences that our countryside offers; the quality of our historic towns, large and small, and the opportunities of our larger urban centres.

These include fast growing business locations with rapid connections into the West Midlands. Our communities are supportive and inclusive, blending strong local traditions and history with a welcoming of the new and diverse and a renowned local arts and cultural offer.

9.13 At the same time, housing affordability and provision vary significantly across the Marches. Whilst house prices and rents are relatively affordable in some areas, particularly in Telford, in other parts of the Marches median house prices are as high as ten times median annual salaries. Moreover, at the lower end of the housing price spectrum, the picture is worse. Lower quartile house prices are as much as twelve times that of lower quartile annual salaries in parts of the Marches. Available evidence suggests that, in part, this reflects a lower proportion of one and two-bedroom houses in the Marches, which would increase average prices. There is also a shortage of rental properties available (both through private provision and through housing associations.)

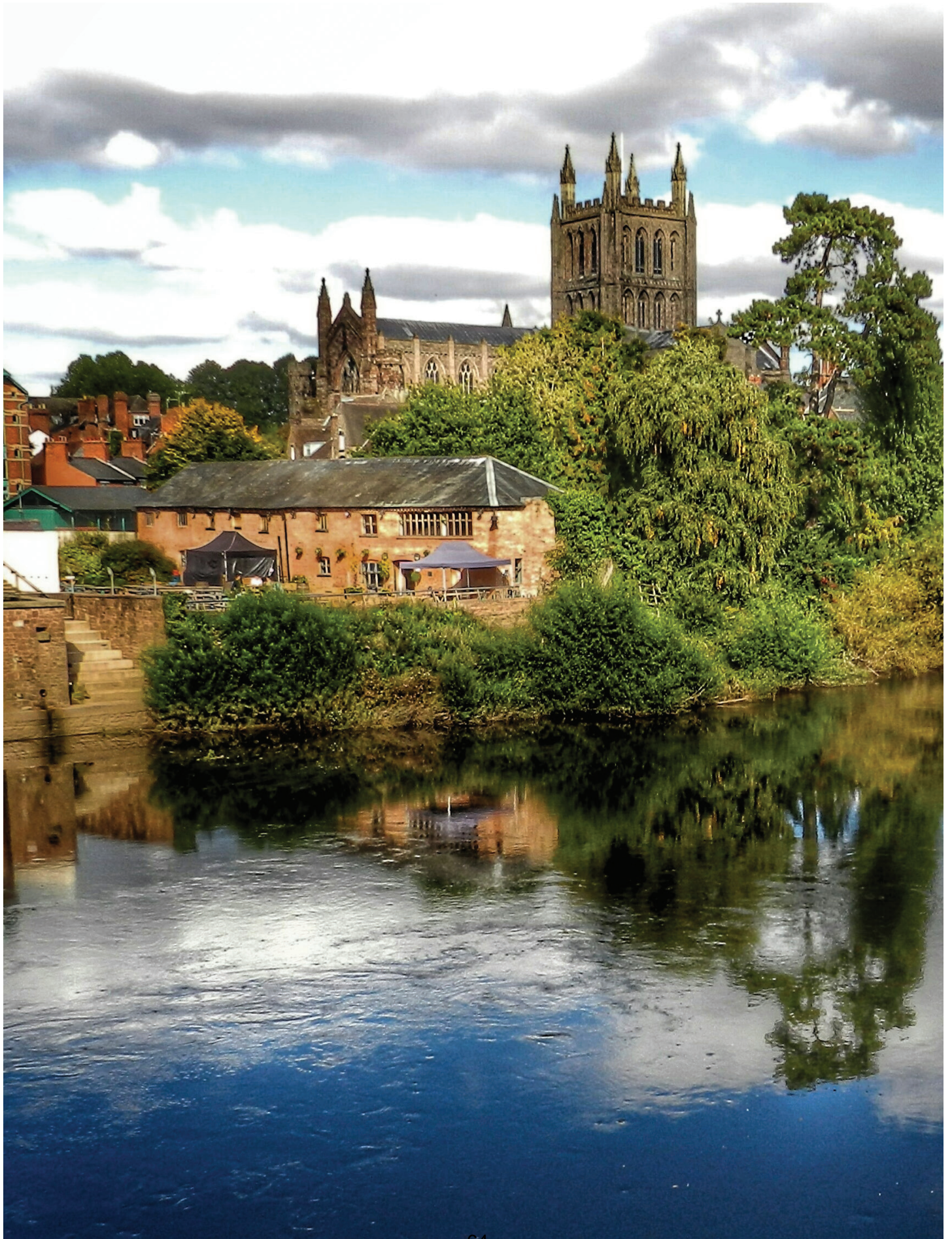
9.14

Our approach to place reflects our two main types of economic centre:

- ▶ Our three main urban centres of Hereford, Shrewsbury and Telford
- ▶ Market towns across the Marches, which are important economic and employment centres serving the rural hinterland, with different specialisms and opportunities.

9.15 Some of our key development locations, e.g. the former Ironbridge Power Station and Clive Barracks at Tern Hill, present us with opportunities for innovative approaches to housing, employment land and infrastructure development to meet the needs of our local communities. How we implement the actions and the priorities in this strategy will reflect the unique and varied economy and requirements of our places. From employment land, housing choice, technology adoption and showing young people the careers available locally – many of the priorities in this strategy will require distinctive local delivery and design.





HEREFORD

9.16 Hereford is an historic cathedral city, a centre of commercial and cultural importance and also a gateway to surrounding countryside and leisure opportunities. Recent expansion to the retail area has seen the redevelopment and renewal of the Old Market.

9.17 Hereford and its surrounding area is home to major food and drink brands, such as Avara, Heineken, Bulmers, Westons Cider, Chase Distillery and Tyrrells. There are also specialist engineering firms and manufacturers, such as Special Metal Wiggins, KGD and ATN Europe. As part of the Cyber Triangle, Hereford has a growing nationally significant cluster of cyber and business security and resilience firms, including ETL Systems, Serbus, Simtech-IT, Xreach, Zovolt and Hex Security.

9.18 Hereford has a strong education offer that is expanding further with the creation of a new university focused on meeting the national demand for engineering skills and employment ready graduates. NMiTE will be a new anchor institution and is key to further developing the town's attractiveness to new professional businesses and people. This will involve the construction of a campus and student accommodation in the city centre, along with laboratories and workshops at the Hereford Enterprise Zone at Skylon Park.

9.19 Hereford has the potential to significantly expand employment land, integrated with the provision of new incubator and grow-on facilities at Skylon Park. More than £22m has been invested in the development of new business premises at Skylon Park, attracting 37 new companies to the Marches. The new Centre for Cyber Security will be an asset for the city, attracting investment and encouraging the growth of the cyber cluster.

9.20 Hereford is well connected to the road and rail network, both east to west and north to south. Current investment in the Hereford City and South Wye Transport Packages is key to delivering wider economic objectives. The Southern Link Road (the first leg of the Hereford relief road) will improve access and reduce congestion. A major priority is to deliver the Hereford Transport Package, which includes the Hereford Bypass and other walking, cycling, bus and public realm improvements. The bypass will significantly improve existing congestion bottlenecks, enhance north to south transport connectivity, provide an alternative route for freight, and open up further growth opportunities by unlocking new housing and employment land. Housing affordability and securing the right type of housing offer for young families and professionals is a further priority.

Other infrastructure priorities include the pilot partnership project between the Environment Agency, Herefordshire Council and Dŵr Cymru Welsh Water to test a new strategic approach to drainage and flood risk management in which catchment management across Hereford is aligned with the local economic growth programme.



SHREWSBURY

9.21 Shrewsbury is a renowned historic market town with excellent cultural and heritage assets, including its Tudor buildings, castle, Music Hall and Theatre Severn, surrounded by beautiful countryside. It has an exceptional education offer, with high-performing schools, a large college offering academic and vocational programmes and a new University Centre, all with strong links to local businesses and career opportunities. Shrewsbury has long been a gateway town for leisure and business connections to north and mid wales and south Shropshire, with a high quality cultural and sporting offer. The birthplace of Charles Darwin provides opportunities to highlight the area across a number of sectors, including education and the visitor economy.

9.22 Partners in Shrewsbury have come together to develop a radical approach to rethinking the town centre, bringing together the local authority, the Town Council, Shrewsbury Business Improvement District, businesses, community groups and education providers. The result of this groundbreaking partnership is the Shrewsbury Big Town Plan, which will see fundamental redesign of how the town works. It will enhance the town's accessibility and offer, attract new investment in housing and workspaces and new sustainable transport routes and green corridors. Transformational once in a generation projects including the Flaxmill and Riverside schemes will place high quality design at the heart of development. This is in keeping with the high-quality built and natural environment that already exists in the town, showing how a successful historic town can succeed with 21st century ways of living, travelling and working.

9.23 Shrewsbury's future success will be based on a thriving food sector, and strong engineering and manufacturing firms including Caterpillar, Salop Design and Engineering, EAE Automotive Equipment, Sentinel Manufacturing and ABP Food Group.

9.24 Shrewsbury is well connected - under an hour from the centre of Birmingham by rail with two trains an hour and with a direct rail service to Manchester (under 90 mins). In order to maximise the economic potential of its location, we will continue to lobby West Midlands Railways and Transport for Wales to increase capacity and reliability of trains on these lines. HS2 will bring travel times to London via Crewe down to under 2 hours.

9.25 Shrewsbury is well connected to the motorway network via the M54 and is where the A5 and A49 corridors intersect. The North West Relief Road (NWRR) will provide a new, single carriageway road linking the northern and western parts of Shrewsbury. This will unlock capacity and allow for better ease of movement in the town centre. With new bridges over the River Severn and its flood plain and the Shrewsbury-Chester railway line, it will connect to existing roads with new roundabouts. The NWRR will link with the existing Battlefield Link Road in the north and the planned Oxon Link Road in the west. Each of these provides access to important employment and development areas, e.g. the Oxon Link Road will be delivered as part of the proposed Shrewsbury Western Sustainable Urban Extension. Following the submission of the outline business case to Department for Transport (DfT) in 2017, we will continue to work with key partners to lobby for funding and raise awareness of the economic opportunities associated with the NWRR.

TELFORD

9.26 The birthplace of the industrial revolution, Telford is now a fast growing, diverse modern business location at the forefront of opportunities and challenges around productivity and automation in advanced manufacturing. Telford is meeting the need for a more technically skilled workforce and at the same time is addressing inequalities through an innovative and all-age programme focussed on work readiness and progression in both wages and skills.

9.27 The town's strength in advanced manufacturing is supported by the presence of Harper Adams University, one of the leading institutions at the forefront of the agri-tech revolution, and the University of Wolverhampton which has made a multi-million pound investment in a centre of advanced manufacturing on its Telford Innovation Campus. The University of Wolverhampton has also established University Centre Telford (Southwater) in Telford Town Centre to promote part-time and lifelong learning. In terms of college provision, the newly launched Telford College provides a range of important academic programmes and vocational training that responds to business needs and is essential to a pipeline of skilled workers.

9.28 Telford is strategically placed with good motorway and rail links - contributing to and benefiting from the wider West Midlands economy. Across a range of sectors, Telford is located at or close to the core of several global, value added supply chains in automotive, with the JLR plant located at nearby i54, and other advanced manufacturing and engineering. A key growth area in Telford is manu-services - this is significant given that some manufacturers can generate up to 40% of revenue from services associated with a manufactured product.

9.29 Telford is a gateway location between engineering/tech and food production and processing firms, and an important logistics and distribution hub. Telford also has a growing sector in information and communications technologies (ICT) with the renewed investment of Capgemini in the town and the location here of HM Revenue & Customs (HMRC)'s specialist ICT hub. As a result, Telford has a proven capacity to attract investment with a strong track record of foreign direct investment (FDI) and attracting UK growth businesses. The borough is now home to more than 150 foreign companies with large numbers of American, German, Japanese and Taiwanese investors, including household names such as Ricoh, Epson, Xerox, Denso Europe and Maxell. As well as this, the MoD is developing its new National Defence Fulfilment Centre in Donnington. Telford has a relatively balanced economy with larger businesses complemented by a strong SME community.

9.30 Relatively low land values and a deal-focussed approach to employment land means Telford responds quickly and flexibly to business demand. Telford & Wrekin Council has adopted a borough wide enterprise offer not limited by zone or sector.

9.31 Telford is delivering growth. As a legacy of its status as a New Town, the borough has a number of major residential and employment sites, amongst the largest in the region. Through a strategic Land Deal with Homes England and the Marches LEP, the council controls the disposal of all public land with a commitment from Government to reinvest £44.5m from Homes England land sales. This is being used to support site preparation and infrastructure in order to remove risk and accelerate housing and employment sites to the market.

9.32 Through the Telford Local Plan, adopted in 2018, the borough is committed to delivering 17,280 homes by 2031. The town is ranked number one by the Centre for Cities for housing growth (2018).

9.33 The Telford town centre has seen a £250m public/private sector regeneration programme establish it as a regional retail/leisure/conference hub benefitting from the adjacent 450-acre Urban Town Park – one of the largest in the country – and the Telford International Conference Centre. The Telford Shopping Centre is currently investing a further £200m to expand its footprint and consolidate its regional position.

Together Telford Shopping Centre, the International Centre and the Ironbridge World Heritage Site create a strong visitor offer for Telford, which attracts significant numbers of business and leisure visitors each year.

9.34 Telford has a diverse population, younger relative to other parts of the Marches. It also has some areas that are amongst the most deprived in the country, reflected by the Assisted Area status, with contiguous links to the Black Country. Supporting balanced growth that benefits all areas of the borough and giving all residents access to new economic opportunities is an essential part of our approach.



OPPORTUNITY TOWNS

9.35

Our market towns are places of opportunity, each with distinct strengths and specialisms. Our Opportunity Towns include:

WHITCHURCH has a population of just over 10,000 residents and has sectoral strengths in transport and storage. There are plans to expand the provision of employment land with support from enhancements to utilities and infrastructure, including broadband and 5G.

OSWESTRY a large town with a population of 17,400, has strengths in food processing, packaging and logistics and is home to the Robert Jones and Agnes Hunt Orthopaedic Hospital, a national centre of excellence. Key priorities for Oswestry include utility provision to unlock further development.

LUDLOW has 11,000 residents, and is a renowned national food destination, with a thriving visitor economy and strengths in precision engineering and agricultural machinery. There are plans to expand employment space and upgrade transport and communications infrastructure.

LEOMINSTER has 11,700 residents and is an important centre in production and manufacturing. It has plans for a sustainable urban extension, including a £12m bypass and a minimum of 1,500 homes. There are also plans for a 10ha expansion to Leominster Enterprise Park.

ROSS-ON-WYE close proximity to the M50 makes Ross-on-Wye, with its population of 10,600 residents, an important gateway to Herefordshire. Potential projects include Model Farm, seeking to deliver innovative industries on a site of 100,000 square meters.

MARKET DRAYTON with a population of more than 12,000, sits close to major road and rail networks and has the potential to benefit from investment in HS2 at Crewe Hub Station.

It is home to national companies, including Müller Dairy and Services (UK HQ) the Addo Group (formerly Palethorpes) and Culina Logistics alongside high-value precision manufacturers. Tern Valley Business Park has 5 ha of employment land, providing additional opportunities for business growth and investment.

NEWPORT, WELLINGTON, OAKENGATES, DAWLEY, MADELEY, AND IRONBRIDGE with a combined population of 13,500 residents, these six towns are closely interlinked with the Telford new town. These towns have a rich industrial heritage and are now at the forefront of innovation in manufacturing and agri-tech. Newport has plans to expand employment space through the development of Ni-Park. Other projects include road and utilities improvements to increase capacity and support employment sites. There are also plans for electric car charging point installation in these towns.

BRIDGNORTH a large town in Shropshire with 12,000 residents, has a large manufacturing sector with supply chain links into the West Midlands. Opportunities for additional housing and employment land are currently being considered to meet the town's growth aspirations.

BROMYARD has a population of 4,500 residents and economy centred around agriculture and the provision of services to surrounding villages. It has current plans to build a housing development of 500 new homes and identify sites for new employment land.

LEDBURY has 9,600 residents and strengths in manufacturing, due to its major Heineken facility. Key projects include producing a neighbourhood development plan and building a sustainable urban expansion with 625 new homes.



9.36 We will support our opportunity towns with actions that are targeted effectively and recognise their specific characteristics, strengths and opportunities. Such interventions will drive economic growth, availability of employment land, housing, town centre regeneration, skills and community inclusion. We will do this through a Marches Opportunity Town programme.

We will work with local business and community partners to develop, manage and deliver the programme in a series of phases, beginning in early 2019:

- ▶ **Phase 1 Evidence** – challenges and opportunities, building on any existing studies
- ▶ **Phase 2 Priority development** – working with local businesses and leaders, covering:
 - **Connections**
 - **Business/employment land**
 - **The changing nature of town centres**
 - **Skills**
 - **Incubation/support**
 - **Networks**
- ▶ **Phase 3 Implementation** – working with local public and private partners to secure funding and deliver agreed priorities. This programme will not rely solely on public sector funding and will build on existing strategies, partnerships and plans where appropriate.

RURAL AREAS

9.37 Our rural places are important for their contribution to our high quality of life, our land-based sectors and they support many other businesses.

9.38 We have taken a proactive and collaborative approach with input from the Marches Nature Partnership and the Rural LEP Group to consider our challenges and build on our opportunities. In feedback to Government about national policy development, we have collectively sought to emphasise the need for robust evidence about rural communities and businesses and their needs.

9.39 The Marches LEP has also highlighted the following potential opportunities to DEFRA:

- ▶ Digital connectivity, including the uptake of online services; telecare and telehealth by older residents;
- ▶ Use of One Public Estate approaches to land management;
- ▶ Mobility and transport innovation, e.g. electric vehicles, connected and autonomous vehicles;
- ▶ Innovative approaches to energy generation, storage and transmission and clean growth.

9.40 We have also emphasised the importance of supporting the land-based sector, our rural SMEs and communities, including through any successors to the LEADER programme.

HOUSING

9.41 Our area is expecting to see significant housing growth over the next two decades. We are currently working with Homes England to ensure that more people have access to a home that they can afford. The Local Plans and planning frameworks currently in place are very supportive of housing growth in the right places and provide a good platform for development. Nonetheless, it will also be important to:

- ▶ Address other barriers to development
- ▶ Ensure the right quality, type and tenure of housing
- ▶ Ensure that housing supports enhanced quality of place.

9.42 The most important barrier to development is a lack of correct infrastructure. This includes not only road and other transport connections but utilities such as energy, gas and water, flood defence, and broadband that are essential to support higher property values. Local planning authorities are addressing each of these barriers, by working with utilities providers to understand where there may be network constraints, and putting in place flood defence and mitigation measures.

9.43 We are also working proactively to address site specific issues: such as site assembly/land ownership issues, and site remediation issues. The Telford Land Deal is an important example of how we are working with Homes England. In Telford and Shropshire, we are also working closely with the West Midlands Combined Authority to address these issues where there are overlaps with wider challenges across the West Midlands.

9.44 We are working to support an improved mix of housing, with more affordable homes, and more homes that address the relative lack of two to three bedroom homes. All of our local authorities either have housing companies and/or work closely with local housing associations to provide a broader range and tenure of housing.

9.45 We are supportive of modern methods of construction, which can help increase the speed of housing delivery and provide more sustainable homes. There are several construction companies in the Marches that are using modern construction methods, mainly offsite. We will support this trend so that we can deliver more homes to a higher standard and support the sector in developing new and innovative approaches.

INVESTING IN OUR BRAND

9.46 The attractiveness of the Marches as both a place to live and do business is a major strength, and we want more businesses and people to share in and drive our future success.

We will:

- ▶ Work with our investment (Invest in Telford, Invest in Shropshire, and Invest Herefordshire) and tourist partners (Shropshire Tourism, Visit Herefordshire and Discover Telford) to develop a campaign to attract families and young people to locate here. This will use physical and digital connectivity, housing choice and affordability, education and employment alongside quality of life as drivers, and/or a 'Start your business in the Marches' campaign.
- ▶ Establish a visitor economy commission/ study to develop detailed recommendations about improving levels of spend, quality of accommodation offer and lengthening the season.

10. MAKING THIS HAPPEN

10.1

In this Strategic Economic Plan, we set out a clear vision about what we want to achieve and the actions and strategic investment priorities that will enable us to do so.

10.2 In the months ahead, we will work with partners to prioritise existing and future funding, with delivery continuing the successful journey the Marches has taken to date. Implementation will be overseen by the LEP Board with individual local authority and other partners leading on relevant projects and programmes.

10.3 We will also further develop our business and productivity focussed actions through our Local Industrial Strategy (LIS), which will build on this plan and the opportunities it sets out. The evidence shows that the Marches has significant potential to achieve productivity growth in high value sectors, and that we can achieve a sustainable balance between accommodating the growing population and high-quality housing that highly skilled people and families need, whilst also protecting and nurturing our natural environment and capital.

10.4 Government has stated that it wants all LEP areas to have a LIS in place by early 2020. We are ready to push on with developing a LIS focused on our growth ambitions through intensive work with local businesses in our key sectors, our HEIs and other regional partners.

10.5 Our partnership working is a major strength. We will work with Government to co-create our LIS and welcome the opportunity to draw on the findings of the 'trailblazer' strategies that are currently being developed around the country.

10.6 On overall SEP delivery we will continue to work with our local authority partners to address the infrastructure and housing challenges which are critical to economic growth and attracting and retaining a highly skilled workforce.

10.7 It is important that the LEP continues to be a voice for businesses and we will continue to work with the three local Business Boards to address the challenges emerging from the LIS work. We will establish sector-specific groups that bring together HEIs and businesses to identify the opportunities in our emerging sectors.

10.8 Recognising that much of the future funding landscape is still uncertain, we will continue to look at how we can best use our resources to support productivity growth. We welcome the improved capacity funding for our LEP and will seek to use this to increase strategic and delivery capacity. We welcome the opportunity to work with Government to consider how the UK Shared Prosperity Fund could operate, and how best to address the UK's Grand Challenges from the perspective of the Marches economy.



APPENDIX 1

The Marches LEP would like to thank individuals and teams from the following organisations who supported consultation events held throughout summer 2018

Agri-Tech West Alliance partners	Highways England	Marches Skills Provider Network
Building Better Opportunities partners	Ironbridge Gorge Museum Trust	NMiTE
Cities and Local Growth Unit (Department for Business, Energy and Industrial Strategy/Ministry of Housing, Communities and Local Government)	Landau Ltd	North Shropshire College
Construction Industry Training Board	Local MPs: - Lucy Allan MP - Philip Dunne MP - Daniel Kawczynski MP - Jesse Norman MP - Owen Paterson MP - Mark Pritchard MP - Bill Wiggin MP	Professionals Partnership (Shropshire and Telford & Wrekin)
Cyber Resilience Alliance partners	Marches Business Environmental Network	Public responses to online survey
Derwen College	Marches Community and Voluntary Sector Assembly members and partners	Shrewsbury Business Improvement District
Environment Agency	Marches Growth Hub - Herefordshire	Shrewsbury Colleges Group
Federation of Small Businesses	Marches Growth Hub - Shropshire	Shropshire Business Board members and guests at consultation events
Growing Mid Wales	Marches Growth Hub - Telford & Wrekin	Shropshire Chamber of Commerce
Harper Adams University	Marches Growth Hub Steering Group	Shropshire Construction Training Group
Hereford Enterprise Zone (Skylon Park)	Marches LEP Board members	Shropshire Council (Cabinet Members and Directors)
Herefordshire & Ludlow College	Marches LEP Energy Strategy Steering Group	Shropshire Council officers
Herefordshire & Worcestershire Chamber of Commerce	Marches LEP Higher Education Group	Telford & Wrekin Council elected members
Herefordshire Business Board members and guests at consultation events	Marches LEP Skills Board	Telford & Wrekin Council officers
Herefordshire Council officers	Marches LEP Transport Officers Group	Telford Business Board members and guests at consultation events
Herefordshire Council Scrutiny Committee	Marches Nature Partnership	Telford College
Herefordshire Group Training Association		University Centre Shrewsbury
		University of Wolverhampton

APPENDIX 2

Key documents and research reviewed:

Cyber Resilience Alliance – A Science and Innovation Audit Report	Local Plans for Herefordshire, Shropshire and Telford & Wrekin
Delivering Digital Enterprises in the Marches Feasibility Study	Marches and Mid Wales Freight Strategy
Economic Development Strategy for Herefordshire 2011-2016	Marches LEP Annual Reports 2016, 2017 and 2018
Economic Growth Strategy for Shropshire 2017-2021	Marches LEP Energy Strategy
Enterprising Telford – Driving Growth and prosperity: Economic Development Strategy 2016	Marches ESIF Strategy 2014-2020
Growing Mid Wales Framework for Action	Marches LEP Rail Study
Hereford Enterprise Zone strategy documents	Marches LEP Skills Action Plan
Herefordshire Council Corporate Plan 2016-2020	Midlands Connect – Our routes to growth
High Potential Opportunity – High Productivity Food Production – Commercialising New Technologies in Telford	Scoping Study – Agri-Tech West
Invest in Telford – Telford & Wrekin: Competitiveness & Growth	Sector Needs Assessments (Advanced Manufacturing, Defence and Security, Environmental Technologies and Food Manufacturing and Processing)
Investing in Strategic Transport Corridors in the Marches	Shrewsbury Big Town Plan
	Shropshire Council Corporate Plan 2018/2019
	The Economic Value of the Adult Social Care Sector – England
	The Marches & Mid Wales Joint Appraisal Framework



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Marches Enterprise Joint Committee	
Meeting date:	19 March 2019
Title of report:	Future of the Marches Enterprise Joint Committee (MEJC)
Report by:	Director, Marches LEP

Classification

Open

Decision type

This is not a key decision.

Purpose and summary

1. To outline the changes that are taking place to the way the Marches LEP must be governed from 1 April 2019. The changes are required to bring the LEP into line with the outcomes of the national review of LEPs undertaken by the Ministry of Housing Communities and Local Government (MHCLG) in 2017/18
2. To remind members of the Marches Enterprise Joint Committee (MEJC) the reasons why the MEJC was formed in early 2015 and its Terms of Reference
3. To seek views from MEJC members on whether they wish to close the Committee because of the changes in governance the Government is imposing on LEPs

Recommendation(s)

THAT:

- (a) **subject to confirmation of the Marches LEP Board support for the new governance arrangements required by government agreement is given to:**
- **the establishment of the Marches LEP as a private company limited by guarantee; and**
 - **the Marches Joint Executive Committee ceasing to operate with effect from 31 March 2019**

Further information about this report is available from
Gill Hamer, Director of Marches LEP. Tel: 01743 462026. Email: gill.hamer@marcheslep.org.uk

Alternative options

1. There are no alternative options.
2. As set out in the report “Strengthened Local Enterprises” issued in July 2018 by the Ministry of Housing, Communities and Local Government (MHCLG) Government required that every LEP adopt a legal personality. See Appendix 1. It also stated that LEPs must abide by the laws and regulations that apply to the legal entity that it adopts. Because of this the LEP Board proposed to MHCLG in October 2018 that it become a Company Ltd by Guarantee by 1 April 2019 at the latest, which most other LEPs have either already adopted or will be doing so by the given deadline. MHCLG have agreed to this approach and the LEP has appointed a solicitor who is drawing up the Articles of Association for the new company and registered the LEP company with Companies House on 12 February 2019.
3. MHCLG issued to all LEPs and Mayoral Combined Authorities in January 2019 a new National Assurance Framework, which sets out in detail the new governance requirements that LEPs must comply with. In this document it states” the LEP Board is the LEP’s ultimate decision-making authority”. This document also states “The LEP should ensure that there are Local Authority representatives on the LEP Board to ensure democratic accountability and provide local intelligence.”
4. The Marches LEP draft Articles of Association which will be considered at the LEP Board on 19 March 2019 state that the three local authorities will, as per the current LEP Board Terms of Reference, each have a seat on the Board of the new company (as Members and Directors) and that the quorum for the transaction of business at a meeting of directors is any seven Eligible Directors, which must include five Private Sector Directors and two Public Sector Directors. It is also proposed that there is a clause in the Articles that requires the LEP to consult the three local authorities on strategic issues. This matter is being considered at the LEP Board on 19 March 2019.

Key considerations

5. In May 2015 the three Local Authorities that operate in the Marches LEP area set up the Marches Enterprise Joint Committee. Its purpose was to:
 - a) Set, monitor and review objectives and priorities for strategic economic investment across the Marches LEP area.
 - b) Agree allocation of Marches LEP revenue and capital spend that is under the control of the LEP Partnership Board and relating to the delivery of the LEP Strategic Economic Plan.
 - c) Agree Marches LEP capital expenditure programmes relating to the delivery of the LEP Strategic Economic Plan, and ensure policy and programmes are delivered effectively.
 - d) Agree Major Transport Scheme funding allocation in line with the LEP Strategic Economic Plan.
 - e) Ensure alignment between decision making regarding achievement of the Marches Strategic Economic Plan and decisions on other related areas of policy such as land use, transportation and wider community and economic regeneration.

- f) Influence and align government and public investment to boost economic growth within the Marches LEP area.
 - g) Provide an annual report on the activities of MEJC to the three partner councils.
 - h) Agree lead or accountable body status for any issue as necessary.
 - i) Review and (where all three Leaders are present) amend the Terms of Reference of the MEJC.
6. A copy of the Terms of Reference for the Committee is at Appendix 2
7. The Marches LEP Director has since Autumn 2018 had meetings with the Local Authority Monitoring Officers and Heads of Economic Development to consider the implications of the required changes in LEP governance for the Local Authorities. The most recent meeting on 27 February 2019 concluded that: -
- a) The LEP Director would prepare a paper for the MEJC on 19 March 2019 setting out the issues and seek the Committee Member's views on whether they wished to continue MEJC;
 - b) That a clause would be developed for inclusion in the LEP's Articles of Association for the new Company Ltd by Guarantee which would set out the strategic issues the LEP Board would be required to consult the three local authorities on; and
 - c) That the LEP would be invited twice a year to attend Scrutiny at each of the three Councils to report on performance and future investment plans in the Marches.

Resource implications

8. The Marches LEP currently funds Herefordshire Council to manage the secretariat for MEJC meetings. If the MEJC meetings do not continue there would be a saving for the LEP. The LEP has been provided with funds in 2018/19 financial year from MHCLG to pay for the cost of setting up the new company including preparing the Articles of Association.

Legal implications

9. MEJC was established as a joint committee by Herefordshire, Shropshire and Telford and Wrekin councils to carry out certain functions. As these functions will now be carried out by a limited company there is no reason for the joint committee to continue.
10. The three councils will continue to have involvement in the Marches LEP by their membership and director appointment. The company articles will also make it a requirement that the three council leaders are consulted on key strategic issues.
11. All three councils are able to scrutinise the work of the Marches LEP via their general scrutiny committees.

Risk management

12. To ensure democratic accountability for the work of the LEP and its investment decisions the Articles of Association for the new LEP company will include the requirement that the three Local Authorities will each have a seat on the Board.

Further information about this report is available from
 Gill Hamer, Director of Marches LEP. Tel: 01743 462026. Email: gill.hamer@marcheslep.org.uk

13. To ensure the three local authorities are given the opportunity to be consulted on strategic issues that the LEP is considering a clause would be developed for inclusion in the Articles of Association for the new Company Ltd by Guarantee

Appendices

Appendix 1 - MHCLG document of July 2018 "Strengthening Local Enterprises"

Appendix 2 - MEJC Terms of Reference

Appendix 3 – Draft articles of association

Background papers

None identified



HM Government

Strengthened Local Enterprise Partnerships



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Executive summary

Since their establishment in 2010, Local Enterprise Partnerships have been integral to economic growth across England. Following the publication of our modern Industrial Strategy, that sets out an approach to ensuring prosperous communities throughout the country, we have reviewed our policy towards Local Enterprise Partnerships to ensure that they continue to support Government in meeting this ambition.

In the Industrial Strategy, Government committed to work with Local Enterprise Partnerships to bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries. It is critical that Local Enterprise Partnerships are independent and private sector led partnerships that are accountable to the communities they support. At the same time, it is important to set out a model that will underpin future national and local collaboration. This will be essential to the development of Local Industrial Strategies and in the context of the future UK Shared Prosperity Fund.

This document sets out the conclusions of our policy review. It includes a series of Government commitments alongside a number of additional changes that Government will work with Local Enterprise Partnerships to implement.

Role and responsibilities:

Over recent years Local Enterprise Partnerships have played a key role in convening local economic stakeholders to develop evidence-based economic strategies. They have helped to identify key investment opportunities and interventions with the potential to increase growth in towns, cities and rural areas across the country. Local Enterprise Partnership Chairs have also acted as authoritative advocates for their local economy.

Government will:

- Publish a **statement on the role and responsibilities** of Local Enterprise Partnerships. Local Enterprise Partnerships will focus on enhancing productivity. This will be achieved through the development and delivery of their Local Industrial Strategy.
- Publish a **further statement on Local Industrial Strategies** to guide locally-led work. This statement will be published over the summer. Government will aim to agree Local Industrial Strategies with all areas of England by early 2020.
- Commission an **annual economic outlook** to independently measure economic performance across all Local Enterprise Partnerships and the areas they cover.

Government will support all Local Enterprise Partnerships to:

- Develop an evidence-based **Local Industrial Strategy** that sets out a long-term economic vision for their area based on local consultation.
- Publish an **annual delivery plan and end of year report**. This will include key performance indicators to assess the impact of their Local Industrial Strategy, funding and interventions. It will inform objective assessment on Local Enterprise Partnership performance both nationally and locally.

Leadership and organisational capacity:

Successful Local Enterprise Partnerships are led by influential private and public sector leaders, acting as champions for their area's economic success. Since their formation Local Enterprise Partnerships across the country have benefitted from business expertise and acumen. They have created new partnerships between the public and private sector across administrative geographies that represent the diversity of local businesses and communities.

Local Enterprise Partnerships prioritise policies and actions on the basis of clear economic evidence and intelligence from businesses and local communities. Their interventions are designed to improve productivity across the local economy to benefit people and communities with the aim of creating more inclusive economies. To do this effectively Local Enterprise Partnerships must have robust governance arrangements that provide the operational independence to take tough decisions and hold local partners to account for delivery. This also requires Local Enterprise Partnerships to have the organisational capacity to fulfil their roles and responsibilities. They must have the means to prioritise policies and actions, and to commission providers in the public, private sector and voluntary and community sector to deliver programmes.

Government will:

- Increase **regular dialogue** with Local Enterprise Partnerships. This includes the **Prime Minister chaired Council** announced in the Industrial Strategy, as well as a **senior official sponsor** for every Local Enterprise Partnership from across government departments.
- Actively **work with Local Enterprise Partnerships to advertise opportunities** for private sector leaders to become a Local Enterprise Partnership Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website.
- Offer an **induction and training** programme for Local Enterprise Partnership board members and officers on working with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.
- Provide **up to £20 million between 2018-19 and 2019-20 in additional capacity funding to support Local Enterprise Partnerships** to implement the review and to provide the strategic and analytical capability needed to develop ambitious Local Industrial Strategies.

Government will support Local Enterprise Partnerships to:

- **Consult widely and transparently** with the business community before appointing a new Chair; and introduce **defined term limits** for Chairs and Deputy Chairs in line with best practice in the private sector.
- Establish more **representative boards of a maximum of 20 persons** with the option to co-opt up to five additional board members. Our aspiration is that two-thirds of board members should be from the private sector;
- **Improve the gender balance and representation of those with protected characteristics on boards** with an aim that women make up at least one third of Local Enterprise Partnership boards by 2020 with an expectation for equal representation by 2023, and ensuring all Local Enterprise Partnership boards are representative of the businesses and communities they serve.

- **Provide a secretariat independent of local government** to support the Chair and board in decision making.
- **Develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. This will be supported by **robust evaluation of individual projects and interventions**.

Accountability and performance:

Local Enterprise Partnerships already recognise that they must operate to the highest standards of accountability and transparency in the use of public funding. Government has strengthened its approach to assurance processes for the Local Growth Fund. Additional guidance has also been provided to Local Enterprise Partnerships on transparency.

We want to build on that progress and go further. We will clarify Government's approach to robust monitoring and intervention. This will be based on a standardised national framework that ensures Local Enterprise Partnerships remain autonomous and independent bodies with local decision making powers. Sitting alongside this, the Government will agree with the LEP Network how it will support Local Enterprise Partnerships to share best practice, undertake peer-review and work together as a sector to embed a culture of good governance and self-regulation.

Local Enterprise Partnerships operate on organisational structures that support local decision making and provide greater assurance over the management of public funding. These structures should enable clear lines of accountability for delivery with local partners, as well as democratic, public and business scrutiny of decision making.

Government will:

- Continue to maintain **overall accountability for the system** of Local Enterprise Partnerships and local growth funding, and implement in full the recommendations of the Ney Review and any future recommendations that may be made as the performance of Local Enterprise Partnerships is scrutinised and reviewed.
- Assess and publish annual performance against **quantitative and qualitative measures** set out within Local Enterprise Partnership delivery plans.
- Set out within a revised National Assurance Framework a clear statement on an **escalating approach to intervention** in any instances where Local Enterprise Partnerships demonstrate that they are found to be underperforming.
- Develop with the LEP Network and Local Enterprise Partnerships a **sector-led approach to assessing and improving performance** through regular peer review.

Government will support all Local Enterprise Partnerships to:

- Have a **legal personality**, such as incorporation as companies, or mayoral combined authorities or combined authorities where they exist.
- Set out clearly and transparently the **responsibilities of the Chair, Board, Director, and Accountable Body**, including over spending decisions, appointments, and governance.
- Actively participate in relevant **local authority scrutiny panel** enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.
- Hold **annual general meetings** open to the public to attend to ensure the communities that they represent can understand and influence the economic plans for the area.

Geography:

One of the great strengths of Local Enterprise Partnerships is their ability to bring together business and civic leaders across local administrative boundaries and provide strategic direction for a functional economic area. This will remain central to the success of Local Enterprise Partnerships; however, it is right to review the current geographic boundaries to ensure that they are fit for purpose for the expanded role we are proposing here.

Overlapping geographies emerged when Local Enterprise Partnerships were first formed on a voluntary basis. Since 2011, however, the context in which Local Enterprise Partnerships operate has altered significantly. They now oversee significant amounts of public funding and have an authoritative voice in shaping national and local policy. It is important that accountability for decisions and responsibility for investment is clear. On balance, Government considers that retaining overlaps dilutes accountability and responsibility for setting strategies for places and so will seek to ensure that all businesses and communities are represented by one Local Enterprise Partnership. Close collaboration between Local Enterprise Partnerships will replace overlapping responsibilities. In looking to remove overlaps, we will also need to ensure that Local Enterprise Partnerships are operating over a significant enough scale to provide the strategic direction and efficient delivery of future programmes.

Government will:

- Ask Local Enterprise Partnership Chairs and other local stakeholders to come forward with **considered proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers**. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Government will support all Local Enterprise Partnerships to:

- **Collaborate across boundaries** where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives.

Mayoral combined authorities:

Government has supported local partners to establish mayoral combined authorities as democratically accountable bodies focused on driving growth. Part of the case for establishing these bodies over specific geographies is that these are functional economic areas that are conducive towards the development of strategy, policy and interventions. Government remains open to conversations with other local areas that wish to explore the potential for devolution, where clear local support and a strong economic case for doing so can be demonstrated.

Greater alignment and collaboration between mayoral combined authorities and Local Enterprise Partnerships is administratively efficient and leads to a greater economic impact, whilst still retaining private sector acumen in decision making. The precise nature of the relationship between these two institutions, however, will need to take account of the governance arrangements established for each area.

Government will:

- **Consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships** with a collaborative approach to agreeing a Local Industrial Strategy.

In mayoral combined authority areas, we will work with each Local Enterprise Partnership and mayoral combined authority to:

- **Ensure Local Enterprise Partnerships have a distinctive role in setting strategy and commissioning interventions** to drive growth, jobs and private sector investment.
- Require **Local Enterprise Partnerships and mayoral combined authorities to develop local agreements** which clearly set out roles and responsibilities and accountability.
- **Encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous geographies where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies.

The subsequent chapters of this paper provide detail on next steps and further detail on the reforms we will ask of Local Enterprise Partnerships in each of these areas. **Local Enterprise Partnerships will need to clearly set out how they will adopt these changes.** As referred to above, **we will provide up to £20 million of additional funding between 2018-19 and 2019-20 to support the implementation of these changes and embed evidence in Local Industrial Strategies.**

Introduction

The Industrial Strategy sets an ambitious, long-term vision to make Britain the world's most innovative economy, with good jobs and greater earning power for all. Every region in the UK has a role to play in boosting the national economy, driven by local leadership and ambitious visions for the future. We want to have prosperous communities throughout the country and strengthened Local Enterprise Partnerships will help deliver this vision in England.

Evolution of Local Enterprise Partnerships

Local Enterprise Partnerships are private sector led partnerships between businesses and local public sector bodies. They were announced in 2010 to bring private sector expertise into local economic decision making and to encourage collaboration and strategic decision making at a functional economic area. This was part of Government's ambition to shift power away from central government to local communities, citizens and independent providers, as set out in the Local Growth White Paper 2010.

Following the 2013 Spending Review Local Enterprise Partnerships acquired considerable new levers over growth – particularly funding to deliver the interventions that stimulate growth. Through three rounds of Growth Deals the Government is giving over £9 billion to help Local Enterprise Partnerships to deliver their investment priorities. Local Enterprise Partnerships also perform a strategic oversight function for EU Structural and Investment Funds.

Local Enterprise Partnerships have increased private sector involvement in economic decision making, encouraged greater collaboration between public sector leaders across administrative boundaries, and ensured that effective investments are made across areas in growth priority projects.

While Local Enterprise Partnerships have played an important role in supporting local growth, we know that performance has varied. Last year, Mary Ney (Ministry of Housing, Communities and Local Government Non-Executive Director) led a review into Local Enterprise Partnership governance and transparency. Government accepted all the review recommendations and made compliance with these a condition of funding for 2018 - 19. The Government has subsequently accepted in full the recommendations of the recent Public Accounts Committee report on Governance and departmental oversight of the Greater Cambridge Greater Peterborough Local Enterprise Partnership.

Reformed Local Enterprise Partnerships and the Industrial Strategy

The Industrial Strategy (published in November 2017) confirmed that the Government remained firmly committed to Local Enterprise Partnerships. As part of this commitment the Prime Minister agreed to chair a biannual 'Council of Local Enterprise Partnership Chairs'. This will provide an opportunity for Local Enterprise Partnership leaders to inform national policy decisions. The first of these meetings took place on 19th June 2018.

The Industrial Strategy stated that Government would work to strengthen Local Enterprise Partnerships to ensure that all parts of England stand ready to play their part in the growth of our economy after our exit from the European Union. The Government confirmed a

review of Local Enterprise Partnerships to deliver this objective, so that they are securely placed to drive growth through the development of the Local Industrial Strategies in partnership with areas, harnessing distinctive strengths to meet the Government's Grand Challenges and in the context of the UK Shared Prosperity Fund.

This document marks the conclusion of the Ministerial review of Local Enterprise Partnerships and sets out Government's expectations of their roles and responsibilities. Government will support Local Enterprise Partnerships to meet this level of ambition by working with them to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.

Approach to the review

In November 2017 the Industrial Strategy announced a review into the roles and responsibilities of Local Enterprise Partnerships that set out to identify reforms to leadership, governance, accountability, financial reporting and geographical boundaries.

Ministers in the Ministry of Housing, Communities and Local Government; the Department for Business, Energy and Industrial Strategy; and Her Majesty's Treasury convened an advisory panel, comprised of experts from Local Enterprise Partnerships, business, local authorities and business representative organisations in order to obtain an overview of both issues and practice. The panel met four times in December, January, March and May and has agreed the joint statement included as an annex below.

Government has worked with the LEP Network and received submissions from them and other organisations to inform the development of these reforms. In addition, through the annual performance review process we have held discussions with each Local Enterprise Partnership on their growth ambitions and challenges. Government has also carried out a series of in-depth deep dives into Local Enterprise Partnerships' governance, accountability and transparency to help to identify best practice.

Government will implement the commitments set out in this document and will work with Local Enterprise Partnerships to take forward all the recommended actions we have set out in preparation for Local Industrial Strategies across England and in the context of the UK Shared Prosperity Fund.

Role and responsibilities

Cities, towns and rural areas across England face a range of economic opportunities and challenges. Over recent years, Local Enterprise Partnerships have assessed these local needs and tailored economic policy responses accordingly. They must continue to carry out this critical role.

The case for change:

Local Enterprise Partnerships were initially established to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area”^[1] Their roles and responsibilities were relatively unspecified in order to allow for arrangements reflecting different circumstances across the country. They replaced the former Regional Development Agencies which delivered poor value for money; covering sprawling government office regions, the Regional Development Agencies were distant and remote from local business, and the arbitrary regions had no connection with natural economic areas.

This approach has led to significant local innovation. However, we think there is more opportunity to share best practice across the country and provide clarity on where Local Enterprise Partnerships should focus activity. By being clearer on roles and responsibilities we intend to set out a well understood model that allows Local Enterprise Partnerships to make the most effective use of available resources and funding.

Evidence also suggests that the best economic strategies integrate all influential economic players into decision-making.^[2] Successful economies require more than a single institutional or leadership model – they are dependent upon strong networks and sustained partnerships.

Private sector leadership remains integral to the Local Enterprise Partnership model. Businesses provide essential market intelligence to inform local decision making. Councils are also critical. They provide political accountability and community knowledge. They support business growth through their statutory functions, investment in economic infrastructure, and wider role in creating quality places. Successful Local Enterprise Partnerships have also worked closely with universities, business representative organisations, further education colleges, the voluntary sector, and other key economic and community stakeholders. It is Government’s expectation that Local Enterprise Partnerships continue this collaboration in order to draw on the best local knowledge and insight.

In line with the Industrial Strategy, we will set all Local Enterprise Partnerships a single mission to deliver Local Industrial Strategies to promote productivity. This should include a focus on the foundations of productivity and identify priorities across Ideas, People, Infrastructure, Business Environment and Places. In certain parts of the country this may

[1]

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32076/cm7961-local-growth-white-paper.pdf

[2] <https://www.gov.uk/government/publications/future-cities-comparative-urban-governance>

involve an emphasis on skills whilst in others it may be land supply, congestion or working with relevant local authorities in the delivery of housing where it is a barrier to growth. In others, it may involve harnessing distinctive strengths to meet the Government's Grand Challenges. And for others, it may involve identifying weaknesses in productivity across their local areas or communities and promoting inclusive growth by using existing national and local funding, such as in isolated rural or urban communities. This focus will ensure the benefits of growth are realised by all and that there are the right conditions for prosperous communities in an area.

Local Enterprise Partnerships will support the supply of skills to an area as they respond to the Skills Advisory Panels programme, and will develop even stronger local labour markets and skills governance through Skills Advisory Panels (these will, where possible, use existing infrastructure). These boards will convene local employers, learning providers and other partners, to achieve a better alignment of the local employment and skills offer. This analysis will feed into the development of Local Industrial Strategies.

How Government will support this change:

We have reviewed our previous statement on the responsibilities of Local Enterprise Partnerships. Whilst Local Enterprise Partnerships will determine their own specific priorities, we are clear that they should focus their activities on the following four activities to support the development and delivery of their Local Industrial Strategy:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

We will publish a further **statement on Local Industrial Strategies** to inform locally-led development across the country. This will set out how Local Enterprise Partnerships will identify priorities across the foundations of productivity. As set out in the Industrial Strategy, Government intends to discuss the operation of Local Industrial Strategies in the devolved nations with the relevant devolved administration and other stakeholders.

In addition, Government will **commission an annual economic outlook** to measure and publish economic performance across all Local Enterprise Partnerships and benchmark performance of individual Local Enterprise Partnerships. We will work with academics, and think tanks and the LEP Network to further develop the scope of this work.

How Local Enterprise Partnerships will support this change:

Government will work with Local Enterprise Partnerships to **develop Local Industrial Strategies. These will set out a collective and shared strategic course for the long-**

term. The first Local Industrial Strategies will be agreed with Government by March 2019. We will adopt a phased approach to working with places. We aim to **agree Local Industrial Strategies across England by early 2020.**

Building on the work already being developed across the country, all places should continue locally-led work in a range of areas, including: ensuring priorities are based on objective evidence, engaging with local stakeholders to build a focused set of priorities; and ensuring local ambitions are aligned to the national Industrial Strategy.

In addition, we expect all Local Enterprise Partnerships will follow best practice within the sector and **produce an annual delivery plan and end of year report.** These will be published and shared with Government and will include a set of headline outcome indicators based on local priorities to benefit people and communities, and a detailed and well developed understanding of the local economic evidence base across their area. These documents will inform objective assessments of Local Enterprise Partnership performance both nationally and locally. Local Enterprise Partnerships will need to work closely with key delivery partners, notably councils, to determine and agree the economic development priorities, interventions and funding that will be set out in their delivery plans.

We expect that these delivery plans would include how Local Enterprise Partnerships are investing existing Local Growth Fund awards, and delivering other local growth programmes such as Enterprise Zones and Growth Hubs. We will also expect that these delivery plans would include detail on how Local Enterprise Partnerships will work with local authorities to make the most of their existing levers to drive economic growth and ensure that the planning system is responsive to commercial development. They would also include details on the allocation of any other national and local funds, alongside approaches to monitoring and evaluation, and how the Local Enterprise Partnership plans for consultation and engagement with public, private and voluntary and community based bodies. Government will work with Local Enterprise Partnerships to develop a consistent approach to delivery plans that recognises different local priorities. These will be ready for April 2019.

The revised Local Enterprise Partnership Assurance Framework, to be published in early Autumn 2018, will provide further clarity on the development of Local Enterprise Partnership delivery plans.

Leadership and organisational capacity

The leadership that Chairs have provided has been central to Local Enterprise Partnerships' success. In the Industrial Strategy, Government set out a commitment to ensure that all Local Enterprise Partnerships are driven by influential local leaders, acting as champions for their area's economic success. Local Enterprise Partnerships provide a platform for businesses, local elected leaders, universities, skills providers and voluntary and community sector organisations to shape policies for their area, bringing in business expertise and acumen, as well as forming new partnerships between the public and private sector across existing administrative geographies.

Local Enterprise Partnerships must have the operational independence and organisational capacity to deliver on the roles and responsibilities set out in this document. They must have the means to prioritise policies and actions, and to commission providers in the public, private and voluntary sectors to deliver programmes. Local Enterprise Partnership board members should be provided with adequate support, coupled with proportionate governance requirements, to enable them to perform their role effectively.

The case for change:

The intention has always been that Local Enterprise Partnerships should be led by Chairs who are visible, active participants in the business community, supported by boards with a strong business and community voice.

Chairs must have a strong private sector background and experience of building effective organisations to ensure they are equipped with the skills needed to steer the work of a Local Enterprise Partnership. Chairs must be able to work collaboratively with a range of stakeholders, including local people, businesses and their representatives, elected officials, education institutions and voluntary and community sector bodies, holding stakeholders to account for delivery and ensuring tough decisions are taken. They must also act as an advocate for the place and be able to represent the concerns of its people, institutions and businesses, both locally and at the highest levels of Government.

As the role of Local Enterprise Partnerships evolves, it is increasingly important for Chairs to be strategic operators – able to interpret the external environment, articulate the Local Enterprise Partnership's position within it and amplify the board's stated ambitions. As Local Enterprise Partnerships invest significant amounts of public money, it is critical that Chairs have an eye on the detail and ensure that the correct processes are in place to provide assurance on both how funding is allocated and how it is managed. The support that they receive to carry out this greater strategic function must also be strengthened, including through the appointment of a Deputy Chair for each Local Enterprise Partnership.

The Industrial Strategy highlighted the role for communities in driving productivity across the country; Local Enterprise Partnerships must therefore be accountable to their area and representative of the communities they serve. We need to do more to improve the diversity of Local Enterprise Partnership Chairs and board members, both in terms of protected characteristics and also in drawing from a more diverse representation of sectors and all parts of their geography, with representation from more entrepreneurial and growing start-

ups and from the voluntary and community sector bodies who will often work with and deliver services on behalf of the most vulnerable in society.

As Local Enterprise Partnerships represent a broad coalition of interests and are responsible for allocating public funding, it is essential that recruitment exercises for Chair and board vacancies operate on the basis of merit, fairness and openness in line with the Nolan Principles. There must be consistent and publicly-outlined processes to enable effective recruitment of people who can bring new ideas and approaches, and help increase board diversity. Reflecting their broader role in promoting the development of prosperous communities, Local Enterprise Partnerships should look for board members who bring a range of expertise to their role, as the best do at present, for example business leaders who are also charity trustees, school governors or who lead social enterprises as well.

With a new enhanced role for Local Enterprise Partnerships, it is important these leaders possess the necessary skills and that their organisations have the capability to deliver on the fundamental task of generating local economic growth. This should include the ability to effectively gather and analyse evidence around the economic strengths, weaknesses and barriers to growth of the area; identify the priority areas for investment; and develop an investment plan to secure the necessary funding to take this work forward. To ensure effective and efficient focus on the priorities for local economic growth and to deliver impact, there should be robust monitoring and evaluation of programmes which is used to inform decisions around awarding, continuing or withdrawing funding.

How Government will support this change:

There will be an increase in regular **Government dialogue** with Local Enterprise Partnerships, to reflect their strengthened role. This includes the Prime Minister-chaired 'Council of Local Enterprise Partnership Chairs', which was announced in the Industrial Strategy. This will allow Chairs to identify key areas for action, inform national policy, and enable closer cooperation with Government on delivering the Industrial Strategy objectives. To complement this, each Local Enterprise Partnership will be supported by a senior official sponsor from across Whitehall, to provide additional guidance on working with Government.

Government will actively **work with Local Enterprise Partnerships to advertise opportunities** for private sector leaders to become a Local Enterprise Partnership Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website. This will help open up recruitment exercises to a broader pool of potential candidates, and at the same time underline the importance of the role to helping shape and deliver Government policy.

Some Local Enterprise Partnerships have proactively sourced formal support to build the capability of newly recruited board members. Government will build on this good practice and introduce an **induction and training** programme for Local Enterprise Partnership board members and officers, to ensure board members are adequately supported to provide challenge and direction to their Local Enterprise Partnership and understand how best to work with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.

To understand what support Local Enterprise Partnerships will need to implement these changes we will commission an independent benchmarking of the capacity and capability of all Local Enterprise Partnerships against best practice, so that performance requirements match resources available. In addition, **we are providing additional capacity funding in 2018 for each Local Enterprise Partnership that clearly sets out how they will adopt these changes and are ready to develop Local Industrial Strategies**. This funding will also help to strengthen Local Enterprise Partnerships' ability to more actively involve local communities and organisations in their activity. We will ask Local Enterprise Partnerships to develop an implementation plan before they receive their allocation of this funding.

How Local Enterprise Partnerships will support this change:

Government expects that each Local Enterprise Partnership **consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair**. This process, including members of the appointment panel, should be set out by the Local Enterprise Partnership in their local assurance framework. Government will support this by advertising vacancies and actively supporting recruitment into these roles but appointment to positions on Local Enterprise Partnership boards will remain a decision for the Partnership. In line with best practice in the private sector, Local Enterprise Partnerships will want to **introduce defined term limits for Chairs and Deputy Chairs** where these are not currently in place.

Businesses pay the taxes, create the jobs and provide the economic growth that will deliver the ultimate outcomes of the Industrial Strategy: higher living standards and higher levels of productivity. Government's aspiration is that Local Enterprise Partnerships work towards strengthening the representation from the private sector, increasing **representatives from the private sector so that they form at least two thirds of the board**, to ensure that each Local Enterprise Partnership can truly be said to be business-led. In order to maintain focused board direction and input, Government will work with Local Enterprise Partnerships to establish a **maximum permanent board of 20 people**, with the option to co-opt an additional five board members with specialist knowledge on a one year basis.¹

The composition of Local Enterprise Partnership boards is an important ingredient in their success. These boards must be able to take into consideration a breadth of interests of different local leaders and stakeholder groups to ensure that their growth strategies are relevant, representative and widely supported across their area. We want to ensure all Local Enterprise Partnership boards are truly representative of the communities that they serve. Government expects refreshed Local Enterprise Partnership boards to **improve their gender balance and representation of those with protected characteristics**. Our aim is for Local Enterprise Partnership boards to have equal representation of men and women by 2023. As a step towards achieving this, we will replicate the target set in the

¹ Any private sector board member must fit the definition of 'private sector' as defined by the National Accounts Sector Classification. A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts.

Hampton-Alexander Review for FTSE 350 boards; Local Enterprise Partnerships should aim for a minimum of a third women's representation on their boards by 2020.²

It is vital to ensure that local leadership has access to the advice and information they need to make informed and impactful decisions. Whilst local government representatives on boards can draw on the advice of their officials, other board members do not have the benefit of this level of support. Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.

We are determined to help local areas learn from what works best and where, so that we can work together to refine and maximise the impacts of major investments. Government will support all Local Enterprise Partnerships to **develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. We will **require robust evaluation of individual projects and interventions**. The additional funding that Government is providing each Local Enterprise Partnership will help to develop this capability and we will work with the LEP Network to develop and share best practice.

The revised Local Enterprise Partnership Assurance Framework, to be published in the Autumn, will provide further clarity on the leadership and capability requirements set out above.

² <https://www.gov.uk/government/publications/ftse-women-leaders-hampton-alexander-review>

Accountability and performance

As autonomous local partnerships, Local Enterprise Partnerships are primarily accountable to the communities within their area. In practice, the full and active role of senior local authority representatives on these boards provides a strong and direct link back to local people and are one part of the Local Enterprise Partnership's democratic accountability. Whilst Local Enterprise Partnerships are individually accountable, Government remains accountable for the overall system and ensures appropriate mechanisms are in place to drive standards of accountability and performance across the network.

Case for change:

Government has awarded significant funding streams to Local Enterprise Partnerships, most notably the £9 billion through the Local Growth Fund. As this funding has increased, Government and Local Enterprise Partnerships have developed systems of governance and accountability to ensure that the devolved funding from central Government budgets is being managed effectively.

There have been criticisms around the accountability and performance of some Local Enterprise Partnerships. The level of transparency local partners want to see has been limited by the absence of comparability across differing Local Enterprise Partnership legal personalities and accountability frameworks. Furthermore, the significant differences in structures between Local Enterprise Partnerships contributes to the lack of consistency across the network. This has prevented Government from applying more targeted and transparent rules on performance. It has also meant that the public have been unclear on the role and the impact of Local Enterprise Partnerships in their areas.

Whilst Local Enterprise Partnerships have made significant progress in strengthening their accountability and transparency arrangements over the past few years, Government's greater ambitions for these institutions requires a renewed commitment to accountability and a strengthened approach to performance to ensure that Local Enterprise Partnerships operate to the highest standards.

How the Government will support this change:

Government's primary ambition is for Local Enterprise Partnerships to operate as a self-regulating sector, working with local partners and their peers through the LEP Network to drive improvements in governance and delivery and strive for excellence. The Government, the LEP Network and Local Enterprise Partnerships will develop a **Local Enterprise Partnership sector-led approach to assessing and improving performance through regular peer review**.

Although Local Enterprise Partnerships are locally accountable for their decisions, as the arbiter of the system and as the primary funding provider for Local Enterprise Partnerships, **Government will retain accountability and oversight over the system as a whole**. Local Enterprise Partnerships recognise the need to adhere to standards of transparency and accountability clearly set out in the National Assurance Framework. This is one element of the wider assurance system, which also comprises of Local Enterprise Partnership reporting to Government on agreed outputs, evaluation frameworks and

annual performance reviews. In January 2018 we issued best practice guidance in response to the recommendations of the Ministry of Housing, Communities and Local Government Non-Executive Director Review into Local Enterprise Partnership governance and transparency.

Well performing Local Enterprise Partnerships are critical to creating successful local economies. To help ensure Local Enterprise Partnerships are performing to their highest standard there need to be clear expectations both from Local Enterprise Partnerships themselves and from Government around overall Local Enterprise Partnership performance and the performance of individual programmes. These will be used to support decisions around the level of control held over future funding programmes. The Government will set out more detail on how this system could work in due course.

Government will publish a statement regarding its approach to intervention in a revised National Assurance Framework where there are instances of non-compliance or underperformance. This will ensure that any intervention is proportionate and provides the appropriate levels of support to rectify issues. In the majority of cases, our intervention will be minimal as the sector matures and self-regulates to effectively address underperformance at the local level and through the network of Local Enterprise Partnerships. Where there are significant concerns, we will proceed using a spectrum of options ranging from regular, minuted performance meetings, the agreement of action plans with milestones and risk based deep-dives. In the most extreme instances, this could include direct intervention to express the Government's loss of confidence in the Local Enterprise Partnership by withholding or withdrawing funding.

The performance of each Local Enterprise Partnership differs based on the individual circumstances of their place. Each Local Enterprise Partnership's **overall performance will be held to account through measures agreed in their delivery plans**. The Government will work with Local Enterprise Partnerships to ensure that they have these plans in place by April 2019.

Government will continue to monitor Local Enterprise Partnerships through annual performance reviews and quarterly monitoring of data returns for major growth programmes to monitor risk. Performance assessments will be grounded in the three themes encompassing the objectives of a Local Enterprise Partnership: 'Governance', 'Delivery' and 'Strategy'. In order to strengthen this system, we will introduce a mid-year review session with each Local Enterprise Partnership. This will enhance the existing annual performance review meetings and will focus significantly on strategic direction whilst also providing a forum for Government to highlight concerns with senior Local Enterprise Partnership officials.

How Local Enterprise Partnerships will support this change:

Government will **support all Local Enterprise Partnerships to have a legal personality**. Where they are not already incorporated as companies, Local Enterprise Partnerships that are not in mayoral combined authorities or combined authorities should take steps to become companies. Where Local Enterprise Partnerships are integrated within mayoral combined authorities and combined authorities exist, they may elect to use this legal personality. This new legal structure should be in place by April 2019, ahead of any release of further local growth funding. Ensuring that all Local Enterprise Partnerships

have a legal personality reflects their more prominent role in local growth, that they are their own business-led organisations and will allow them to enter into legal commitments to take on further responsibilities in the future.

Local Enterprise Partnerships will continue to be individually accountable for the allocation of funding and the delivery and evaluation of projects, with Section 151 Officers (or equivalent) maintaining accountability for the proper conduct of financial affairs within the Local Enterprise Partnership. Local Enterprise Partnerships and Accountable Bodies are responsible for the success and day to day operations of the Local Enterprise Partnership. In addition, the revised National Assurance Framework will provide further clarity on the role of the Section 151 Officer and Accountable Body with regards to governance and financial oversight. Local Enterprise Partnerships will want to identify **a single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.

As legal entities, all Local Enterprise Partnerships will be required to hold an annual general meeting. **We will set an expectation that these are open to the public and businesses to attend and be properly promoted.** This provides Local Enterprise Partnerships with the opportunity to update the wider public on progress on growth plans and its ambitions for future growth and ensure the communities that they represent can understand and influence the economic plans for the area. To ensure that all businesses in an area have equal access to their Local Enterprise Partnership, we will not permit any Local Enterprise Partnership to operate on a paid-membership basis.

Local Enterprise Partnerships must be clear on who in their organisation is responsible for their activity – and who ought to be held to account. **We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance** locally. Schemes of delegation must be clear and the Partnership should explicitly address the accountability arrangements and relationships between the Board, Chair, Local Enterprise Partnership CEO, Accountable Body and Sub-Boards (in MCA areas this should also include the Combined Authority Board and the Mayor).

The Government will **support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight**, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions. We want this to provide an opportunity to Local Enterprise Partnerships to engage local partners and independent experts – such as academics - when developing their strategies, whilst reassuring their partners that taxpayers money is being put to best use.

This legal framework and additional detail on assessing performance within the National Assurance Framework will provide a greater level of clarity for all partners whilst ensuring that Local Enterprise Partnerships remain independent, private sector led institutions.

The Government will continue to provide guidance on the accountability requirements and assurance and performance management process for Local Enterprise Partnerships.

Geography

A strength of Local Enterprise Partnerships from the outset was their ability to bring together public and private sector leaders across functional economic areas to set a strategic vision and make decisions that transcend local administrative boundaries. However, in certain parts of the country, the benefits of this geographic scale have been tempered and the geographic boundaries have not provided the clarity needed to businesses and communities.

It is essential that communities served by Local Enterprise Partnerships are able to see a single vision and a compelling plan for their area. This will ensure that each Local Enterprise Partnership is in the best position to identify and align local interventions that maximise their economic impact.

The case for change:

When Local Enterprise Partnership geographies were first decided in 2011 they had a more strategic role with limited delivery responsibilities. Since then, the context in which they operate has changed greatly; as Government has committed over £9 billion from the Local Growth Fund to Local Enterprise Partnerships through three rounds of competitive Growth Deals.

To be fit for purpose as their roles and responsibilities are expanded once again, we need to ensure that Local Enterprise Partnership geographies provide simplicity, accountability and practicability. Whilst in most areas the existing arrangement has worked in practice, greater clarity and consistency is required if they are to meet Government's increased ambition. It is therefore the right time to revisit geographic boundaries.

The recent Public Accounts Committee inquiry into Local Enterprise Partnership assurance processes was clear that we need to provide clarity and accountability on how we deliver value for taxpayers' money. Local Enterprise Partnership accountability practices have been addressed throughout the wider review. The removal of overlaps forms a component part of a wider initiative to make these organisations more transparent, consistent and robust in the way that they allocate funding to drive growth across the country.

We must ensure that decision-making and delivery operate at the most appropriate geographical levels that maximise efficiency and effectiveness. In a number of instances since 2011, Local Enterprise Partnerships have amended their original boundaries, including the successful merger of Northamptonshire Local Enterprise Partnership and South East Midlands Local Enterprise Partnership, and we would expect any consideration of geographical changes to consider the most effective size and scale to operate over.

There is no universally accepted approach to measuring or defining functional economic areas and boundaries vary depending on the method used.³ However, we acknowledge

³ For example housing market definitions <https://www.gov.uk/government/publications/future-cities-comparative-urban-governance>, compared to labour market containment definitions

that economic geographies often cross administrative boundaries and we want to see continued collaboration between Local Enterprise Partnerships and local authorities where this is the case.

How the Government will support this change:

As Local Enterprise Partnerships are central to future economic growth, Government will ask Local Enterprise Partnership Chairs and local stakeholders to come forward with considered **proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.**⁴ We will encourage **Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies. These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

We recognise that Local Enterprise Partnerships are independent bodies and will have to work closely with local stakeholders to reconfigure their geographies to meet the future roles and responsibilities of Local Enterprise Partnerships. Once any changes to Local Enterprise Partnership boundaries have been agreed, we will work with each Local Enterprise Partnership to ensure that revised geographies come into effect by spring 2020 at the latest, recognising the need to deliver against existing commitments as well as transition to the new policy and funding landscape over these new geographies. This will simplify the allocation of future growth funding and rationalise the increasingly complex local growth landscape.

How Local Enterprise Partnerships will support this change:

Local Enterprise Partnerships should build on the strength of their existing partnership working to collaborate on common issues. Whilst we are removing all instances in which two or more Local Enterprise Partnerships geographies overlap, this is not to say that local partners should not participate in the development of other Local Enterprise Partnerships' strategies. The Government **expects collaboration between Local Enterprise Partnerships** where interests are aligned when developing strategies to maximize their impact across their different objectives. This helps to ensure a more efficient use of resources and secure a better outcome than operating in isolation. This collaboration need not be restricted to neighbouring Local Enterprise Partnerships and will be particularly important where partnerships share a common interest or particular themes, for example, aerospace technologies.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/commutingtoworkchangestotraveltoworkareas/2001to2011>, and variations of each.

⁴ This will also include removing any situation in which a lower tier or unitary authority is covered by two Local Enterprise Partnerships whose geographies do not overlap.

Mayoral combined authorities

Since 2012, City Deals, Growth Deals and Devolution Deals have shifted power and funding to local areas to enable them to take strategic decisions about local priorities. These deals have enabled places to develop long-term plans and create the right conditions for prosperity.

Both Local Enterprise Partnerships and mayoral combined authorities are seeking to drive growth at a strategic economic geography, through place-based and locally-controlled policies and funds. It is essential that these bodies work together to respond to future opportunities and challenges.

The case for change:

The election of six mayors in mayoral combined authority areas in May 2017 was an historic step in the Government's mission to deliver an economy that works for everyone, and the seventh city region mayor was elected in Sheffield City Region in May 2018.⁵ The Government and local leaders agreed a 'minded to' deal with North of Tyne at Budget 2017. On 20 July 2018 all of the authorities consented to deal. As a result the Government will proceed to lay the orders in Parliament. Government remains open to conversations with other local areas that wish to explore the potential for devolution, where clear local support and a strong economic case for doing so can be demonstrated.

In all of these areas, Local Enterprise Partnerships and local authorities have worked together effectively throughout the process of negotiating and implementing devolution deals. In this, Local Enterprise Partnerships have taken a distinct role from that of the mayoral combined authority, providing private sector expertise and challenge to drive and inform strategy and investment decisions, including on local growth funding, business support and skills.

It is crucial at this point to ensure that investors, businesses and the public have a clear understanding of the relationships between Local Enterprise Partnerships and mayoral combined authorities as they take on an ever greater strategic role. The relationship between these bodies reflects local priorities and varies from place to place. Government is committed to working with Local Enterprise Partnerships and mayoral combined authorities to ensure clarity and transparency on their respective roles and responsibilities, address potential inefficiencies and help strike the right balance between integrated decision-making and delivery on the one hand, and appropriate challenge and scrutiny on the other.

How Government will support this change:

Government will **consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing Local Industrial Strategies**. As set out in the Industrial Strategy, places in England with a Mayoral combined authority will have a single Local Industrial Strategy led by the mayor

⁵ Government signed the Cornwall devolution deal in July 2015. The content of this section does not apply to Cornwall as this deal does not include a Mayoral Combined Authority.

and supported by the Local Enterprise Partnership. To ensure the maximum buy-in of key local stakeholders, we will expect mayoral combined authorities to work in partnership with their Local Enterprise Partnership to jointly develop and agree these strategies.

How Local Enterprise Partnerships and mayoral combined authorities will support this change:

To help ensure that Local Enterprise Partnerships have a distinctive role from the mayoral combined authorities, we **will support Local Enterprise Partnerships and mayoral combined authorities to develop and publish agreements – brought together in a single document with relevant financial assurance frameworks – which set out their respective roles and responsibilities** in a way that recognises the variation between places, while providing sufficient clarity on accountability for public funding.

We have set out five themes below which we would want to see addressed in these agreements:

- **Advisory and challenge function:** how local partners will ensure that there is a strong, independent voice for the Local Enterprise Partnership in the decision making process within mayoral areas, and that the Local Enterprise Partnership Chair and Board are able to draw directly on appropriate support and expertise from staff.
- **Alignment of decision-making across a clear geography:** how local partners will work together to ensure a clear, transparent decision-making process which minimises the impact of differences in organisations' geographical boundaries. To assist with clarity and transparency, we would encourage areas to move towards coterminous Local Enterprise Partnership and mayoral combined authority boundaries, but recognising that this will not be possible in all cases.
- **Accountability:** how the formal accountability relationship between the Local Enterprise Partnership and the mayoral combined authority will work. We would expect local partners to designate the mayoral combined authority as the formal Accountable Body for the Local Enterprise Partnership in terms of handling public money.
- **Efficiency and corporate identity:** how the Local Enterprise Partnership and the mayoral combined authority will work together in their approach to staffing, branding and other resources and assets.
- **Overview and scrutiny:** how the Overview and Scrutiny Committees of the mayoral combined authority and local authorities will interact with the Local Enterprise Partnership.

A move towards more aligned geographies would greatly strengthen democratic decision making and scrutiny between the Local Enterprise Partnership and mayoral combined authorities. We will **encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies.

As agreed with Government, the London Local Enterprise Partnership is chaired by the Mayor of London and operates through the Greater London Authority (GLA) which acts as its accountable body for funding provided by Government. All decisions must comply with the GLA's corporate governance, financial, legal and procurement frameworks and processes. We will work with London Economic Action Partnership to implement the changes outlined in this document as relevant.

The revised National Local Enterprise Partnership Assurance Framework and revised Single Pot Assurance Framework, to be published in the autumn, will provide further clarity on the requirements for mayoral combined authorities and Local Enterprise Partnerships in these areas.

Managing the transition to strengthened Local Enterprise Partnerships

We want to ensure that Local Enterprise Partnerships maintain their momentum and move quickly to implement these changes and formally establish themselves in their new form.

This document has set out a plan for reform, to ensure Local Enterprise Partnerships continue to drive growth and remain credible organisations locally and nationally. This provides Local Enterprise Partnerships with defined role and responsibilities, and provides clarity on activities and objectives to deliver on the ambitions of the Government's Industrial Strategy.

We will write to Local Enterprise Partnership Chairs to communicate the importance of the review and will work with them to develop revised proposals on geography by 28 September 2018 and a detailed plan for implementing the changes outlined in this document before 31 October 2018 at the latest. In order to deliver their role effectively, Local Enterprise Partnerships need financial support. As referred to above, to support Local Enterprise Partnerships in implementing these changes and embed evidence in Local Industrial Strategies, we will provide up to £20 million of additional funding between 2018-19 and 2019-20 to support Local Enterprise Partnerships to adopt these changes.

We will update the National Local Enterprise Partnership Assurance Framework so that these changes are included within Local Assurance Frameworks ahead of April 2019. The National Assurance Framework will be an essential part of our wider Local Enterprise Partnership assurance system to ensure that Local Enterprise Partnerships have in place the necessary systems and processes to manage devolved funding from central Government budgets effectively.

We recognise that some reforms will take longer to implement, particularly as we leave the European Union and Government considers key funding arrangements such as the UK Shared Prosperity Fund. We will work with these Local Enterprise Partnerships to ensure these reforms are implemented in a measured way and with least disruption to existing programmes.

This document has set out a step change in approach for both Local Enterprise Partnerships and Government. We will continue to work with Local Enterprise Partnerships to understand how the network can identify and apply best practice and develop a programme of training for Local Enterprise Partnership boards and executive teams. This will be supported by regular engagement from senior government officials, to ensure Local Enterprise Partnerships and all parts of Government work strategically together to deliver economic growth and prosperity across the country.

Annex – Advisory Panel Joint Statement

The Industrial Strategy made clear Government “remains firmly committed to Local Enterprise Partnerships”, but that “performance has varied” across the country. The Industrial Strategy set out that Government will review Local Enterprise Partnerships.

To inform this review Ministers in MHCLG, BEIS and HMT established an external advisory panel. The panel met four times between December 2017 and May 2018 to discuss LEP best practice and opportunities for reform. The panel also provided advice on best practice in comparable private and public sector organisations.

Following these discussions and other engagement with officials, the advisory panel agrees that ministers should consider the following statement in concluding the review:

- LEPs provide a rich partnership of private sector organisations, local government, education – including universities – and other key local institutions and will be central to the delivery of the Industrial Strategy, driving growth and productivity across England. These partners each make unique and critical contributions to the LEP model, ensuring its distinctive role, which the ministerial review of LEPs should recognise and promote. To ensure LEPs are credible organisations locally and nationally, working with stakeholders from across the public and private sector, LEPs should have a clear and simple mission, focused on strategy-setting and the prioritisation of resources. Partnership working is the key determinant of a successful LEP and should be promoted across the country, so LEPs can set effective strategies for long term change and economic improvement.
- The panel recognises the important recommendations of Mary Ney’s Review of Local Enterprise Partnership Governance and Transparency and agrees that LEPs should have consistent, formalised and transparent governance arrangements. All LEPs should have the institutional capacity and capability to develop and maintain a robust evidence base to support and monitor the strategic vision and performance of an area. The review could consider how local authorities support LEPs, and how LEPs and other bodies such as the LEP Network collaborate to share best-practice and promote effective peer review within the sector.
- To ensure LEPs maintain a culture of constructive challenge and bring strategic leadership for growth across their area, they should have a distinctive role from individual local government institutions, including combined authorities. LEPs should not crowd out or duplicate business organisations, which represent businesses at the local level, and the LEP review should consider how Government can ensure these distinct roles are maintained. The review should ensure that the accountable body role undertaken by a local authority is facilitated in appropriate membership arrangements and recognises the risk management role that body fulfils on behalf of the LEP. The review could also consider increasing the proportion of private sector members on LEP boards, but should remain cognisant of the need for clear accountability.
- Effective boards represent the diverse communities and businesses of their economies, and those local bodies which contribute to growth. The best LEP boards draw on the expertise of an area’s business leaders and enable these individuals to

engage with local and national government, and the education and skills sector, to identify, articulate and invest in economic priorities and support innovation. All LEPs should engage small- and medium-sized business leaders as well as larger firms in their governance, and be representative of their areas' communities. Government and LEPs should show leadership on promoting diversity on boards and in effective decision-making.

- LEPs' activities should work towards targeted key performance indicators and effectively evaluate the impact of their projects, programmes and investments. The panel recognises the importance of local autonomy and differentiation, and that LEPs should hold themselves to account and be held to account by others on the basis of their performance against these measures. Transparent performance measures and expectations could be accompanied by a more nuanced range of actions and support from Government with regards underperforming LEPs. It is vital to provide stakeholders with confidence that all LEPs can deliver on the core roles and responsibilities set out for them.
- It is important to ensure LEP boundaries provide clarity and transparency in decision making and recognise functional economic areas, whilst seeking to optimise opportunities for cross-LEP collaboration where common economic priorities are evident.

The terms of reference the advisory panel considered as part of the ministerial review were:

- Define with greater clarity the strategic role of LEPs in driving growth and productivity for business; people; ideas; infrastructure; and place.
- Strengthen business leadership and corporate governance to ensure that LEPs remain diverse private sector-led organisations that can shape and challenge local economic decision making, through the adoption of best practice.
- Establish clear accountability through rigorous financial reporting and enforcement of transparency in decision making.
- Assess the impacts of boundary overlaps to ensure clarity, transparency and representation of functional economic areas.
- Improve organisational capability and planning certainty, including looking at options for a common incorporation model; how LEPs are resourced and the standardisation of organisational structures and reporting.
- Define the relationship between LEPs and Local Authorities, as well as new organisational structures such as Mayoral Combined Authorities.

The panel members were:

- Dr Adam Marshall – Director General of the British Chambers of Commerce
- Cllr Anne Western – Leader of the Labour Group, Derbyshire County Council, and Vice-Chair of the Local Government Association's People and Place Board
- Cllr Bob Sleight OBE – Deputy Mayor of the West Midlands Combined Authority and Leader of Solihull Council
- Christine Gaskell MBE – Cheshire and Warrington Local Enterprise Partnership Chair and representative of the LEP Network Management Board

- Professor Diane Coyle CBE – Bennett Professor of Public Policy, University of Cambridge, and Co-Chair of the Industrial Strategy Commission
- Cllr Gordon Birtwistle – Councillor and former MP for Burnley
- Cllr Judith Blake – Leader of Leeds City Council
- Professor Judith Petts CBE – Vice Chancellor of University of Plymouth and Heart of the South West Local Enterprise Partnership Board Member
- Cllr Manjula Sood MBE – Deputy Mayor of Leicester City Council
- Martin McTague – Policy Director at the Federation of Small Businesses
- Mary Ney – Non-Executive Director at the Ministry of Housing, Communities and Local Government, and former Chief Executive of the Royal Borough of Greenwich
- Sherry Coutu CBE – Chair of the Scale-Up Institute, Chair of the Financial Strategy Advisory Group, University of Cambridge, and Non-Executive Director for the London Stock Exchange Group
- Stephen Greenhalgh – Joint Managing Director of J&J Omerod PLC

The Marches Enterprise Joint Committee Constitution

Purpose of the Committee

- Herefordshire Council, Shropshire Council and Telford and Wrekin Council have established an executive committee, known as the Marches Enterprise Joint Committee (MEJC), for the purpose of discharging the functions set out in the paragraph on roles and responsibilities below.
- MEJC is a joint committee of the executive for the purposes of Part VI of the Local Government Act 1972 and Part 1, Chapter 2 of the Local Government Act 2000 and the provisions applicable to joint committees of the executive shall apply to MEJC.
- MEJC will take decisions in accordance with the principles of good decision-making namely:
 - Giving consideration to all options available;
 - Having regard to due consultation;
 - Giving consideration to professional advice from officers;
 - Having clarity of aims and desired outcomes;
 - The action proposed must be proportionate to the desired outcome;
 - Having respect and regard for human rights;
 - A presumption for openness, transparency and accountability;
 - Only relevant matters being taken into account;
 - Due weight to all material considerations (including opportunities and risks);
 - Proper procedures being followed.

Committee Membership and Voting

Membership Organisation	Member	Alternate
Herefordshire Council	Cllr Jonathan Lester	Cllr David Harlow
Shropshire Council	Cllr Peter Nutting	Cllr Steve Charmley
Telford and Wrekin Council	Cllr Shaun Davies (Chair)	Cllr Lee Carter
Marches LEP	Graham Wynn OBE	Mandy Thorn MBE/ Paul Hinkins

- MEJC shall comprise four members as follows: three voting members, each council being entitled to appoint one voting member who shall be a member of that council's Cabinet; and one non-voting member, being the Marches LEP Partnership Board Chair. In the event of a voting member of the MEJC ceasing to be a member or executive member of their appointing council, that council shall appoint another voting member in their place. Only a voting member is entitled to be Chair or Vice Chair of MEJC.
- Each council may appoint members of its executive as named substitutes for voting members to attend meetings in the absence of a voting member

appointed as above. The secretary of MEJC shall be notified of any named substitutes before commencement of the meeting.

- For the avoidance of doubt, it is a matter for the respective councils' executives to appoint their voting members/substitutes.
- The MEJC shall, at its annual meeting, elect a Chair and Vice Chair from among its voting members; or may choose to adopt for that year a rotating Chair. In the event of an elected Chair and Vice Chair not being present the MEJC shall elect a Chair for the meeting from the voting members present.
- Two voting members shall constitute a quorum. Unless the law provides otherwise all matters shall be decided by a majority of the votes of the voting members present; if there are equal numbers of votes for and against, the Chair shall exercise a second, casting vote.

Meeting Arrangements

- Herefordshire Council will act as secretariat to MEJC and provide all necessary governance support.
- MEJC shall meet at least annually and otherwise as may be determined by the Chair, or at the written (electronically or otherwise) request of any two voting members; any such request should be forwarded to the secretariat who will convene a meeting within 28 working days of receiving the request.
- The secretariat will give notice of time, date and venue for the meetings in accordance with the provisions of the access to information requirements of the Local Government Act 2000 as amended and ensure compliance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.
- Unless explicitly provided for within this constitution; the relevant standing orders for MEJC are those of Herefordshire Council.

Roles and Responsibilities

- MEJC shall fulfil the following executive functions, at all times having regard to the duty to co-operate and the views of the Marches LEP Partnership Board:
 - a) Set, monitor and review objectives and priorities for strategic economic investment across the Marches LEP area.
 - b) Agree allocation of Marches LEP revenue and capital spend that is under the control of the LEP Partnership Board and relating to the delivery of the LEP Strategic Economic Plan.
 - c) Agree Marches LEP capital expenditure programmes relating to the delivery of the LEP Strategic Economic Plan, and ensure policy and programmes are delivered effectively.

- d) Agree Major Transport Scheme funding allocation in line with the LEP Strategic Economic Plan.
- e) Ensure alignment between decision making regarding achievement of the Marches Strategic Economic Plan and decisions on other related areas of policy such as land use, transportation and wider community and economic regeneration.
- f) Influence and align government and public investment in order to boost economic growth within the Marches LEP area.
- g) Provide an annual report on the activities of MEJC to the three partner councils.
- h) Agree lead or accountable body status for any particular issue as necessary.
- i) Review and (where all three Leaders are present) amend the Terms of Reference of the MEJC.

These Terms of Reference were last reviewed in March 2015. The membership table was last updated in May 2018.

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LIMITED
Adopted by special resolution on **2019**

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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LIMITED (the "Company")
(Adopted by special resolution passed on 2019)

Interpretation, objects and limitation of liability

1. INTERPRETATION

1.1. In these Articles, unless the context otherwise requires:

Accountable Body: means Shropshire County Council or such other local authority from time to time having responsibility for overseeing the proper administration of financial affairs within the LEP Area when these relate to public funds;

Act: means the Companies Act 2006;

AGM: has the meaning given to it in article 27;

Articles: means the Company's articles of association for the time being in force;

Assurance Framework: means the local assurance framework adopted by the Company from time to time and approved by the Accountable Body in accordance with the requirements of the government's national assurance framework;

Bankruptcy: includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day: means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

Chair: has the meaning given to it in article 14.1;

Conflict: means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;

Director: means a director of the Company and includes any person occupying the position of director, by whatever name called;

Document: includes, unless otherwise specified, any document sent or supplied in electronic form;

Electronic form: has the meaning given in section 1168 of the Act;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 15, any director whose vote is not to be counted in respect of the particular matter);

LEP Area: means Herefordshire, Shropshire and Telford and Wrekin or such other geographical area as is assigned to the Company by government from time to time;

Member: means a person whose name is entered in the Register of Members of the Company and **Membership** shall be construed accordingly;

Model Articles: means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

Objects: has the meaning given to it in article 2.1 and **object** shall mean any one of them;

Ordinary resolution: has the meaning given in section 282 of the Act;

Private Sector Director: means a natural person working or connected with the private sector who has the characteristics that are set out in the Assurance Framework;

Public Sector Director: means a natural person working or connected with the public sector who has the characteristics that are set out in the Assurance Framework;

Public Sector Member: means the public bodies for the time being entitled to appoint Public Sector Directors in accordance with the Assurance Framework;

Scheme of Delegation: has the meaning given to it in article 7.2;

secretary: means the secretary of the Company and any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

special resolution: has the meaning given in section 283 of the Act;

subsidiary: has the meaning given in section 1159 of the Act;

writing: means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5. Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.

- 1.6. Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7. The Model Articles shall not apply to the Company.

2. OBJECTS

- 2.1. The objects for which the Company is established (**Objects**) are:
 - 2.1.1. to stimulate economic growth, productivity, employment, community development, job creation, inward investment, training and development, and commerce in the LEP Area; and
 - 2.1.2. to promote the LEP Area positively at regional, national, European and international levels on matters affecting its economic development.

3. POWERS

- 3.1. In pursuance of the Objects, the Company has the powers to:
 - 3.1.1. do all such things which in the opinion of the directors are in the best interests of the Company and its Members; and
 - 3.1.2. do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the Objects.

4. INCOME

- 4.1. The income and property of the Company from wherever derived shall be applied solely in promoting the Objects.
- 4.2. No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:
 - 4.2.1. reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
 - 4.2.2. any interest on money lent by any Member or any director at a reasonable and proper rate;
 - 4.2.3. reasonable and proper rent for premises demised or let by any Member or director; or
 - 4.2.4. reasonable out-of-pocket expenses properly incurred by any director.

5. WINDING UP

On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members but shall be transferred to similar bodies or

another body with objects similar to those of the Company within the LEP Area or as directed by the government department then responsible for local enterprise partnerships.

6. GUARANTEE

- 6.1. The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for
- 6.1.1. payment of the Company's debts and liabilities contracted before he ceases to be a Member;
 - 6.1.2. payment of the costs, charges and expenses of the winding up; and
 - 6.1.3. adjustment of the rights of the contributories among themselves.

Directors: general

7. DIRECTORS' GENERAL AUTHORITY AND CONDUCT

- 7.1. Subject to these Articles, directors are responsible for the management of the Company's business and may exercise all the powers of the Company accordingly.
- 7.2. Each of the directors shall use their respective rights and powers to procure, so far as they are each able, that decisions of the Company are carried out in accordance with the Assurance Framework and any scheme of delegation for the time being and adopted by the Company contained in the Assurance Framework (**Scheme of Delegation**).
- 7.3. Subject always to the Act, in their conduct of the Company's business the directors shall at all times:
- 7.3.1. conduct themselves in a professionally responsible manner;
 - 7.3.2. have due regard to all confidentiality obligations concerning the Company's business;
 - 7.3.3. observe the seven principles as set out by The Committee on Standards in Public Life (as amended from time to time); and
 - 7.3.4. comply with the provisions of the Assurance Framework.

8. DIRECTORS MAY DELEGATE

- 8.1. Subject to the Articles:
- 8.1.1. the board of directors may delegate any of the powers which are conferred on them under the Articles and which are in line with the Assurance Framework:
 - i. to such person or committee;
 - ii. by such means (including power of attorney);

- iii. to such an extent;
 - iv. in relation to such matters or territories; and
 - v. on such terms and conditions;
- as they think fit.

8.1.2. the board of directors may revoke any delegation in whole or part, or alter its terms and conditions.

9. COMMITTEES AND SUB-BOARDS

The rules of procedure for all or any committees and sub-boards shall be as set out in the Assurance Framework.

Directors: decision-making

10. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

10.1. The directors shall endeavour to reach consensus on all decisions.

10.2. Subject to provisions to the contrary in these Articles and in the absence of consensus amongst the directors, the general rule about decision-making by directors is that any decision of the directors must be a majority decision taken in one of the following ways (or a unanimous decision taken in accordance with article 11):

10.2.1. on show of hands at a meeting of the directors; or

10.2.2. by written resolution, copies of which have been signed by a majority of the Eligible Directors or to which a majority of the Eligible Directors have otherwise indicated agreement in writing.

10.3. A decision may not be taken in accordance with this article 10 if the Eligible Directors purporting to take the decision would not have formed a quorum had the decision taken place in a meeting.

11. UNANIMOUS DECISIONS

11.1. Only to be used on approval from the Chair, a decision is taken in accordance with this article 11 when all Eligible Directors indicate to each other by email response or by any other electronic means that they share a common view on a matter.

11.2. A decision may not be taken in accordance with this article 11 if the Eligible Directors purporting to take the decision would not have formed a quorum had the decision taken place in a meeting.

12. DIRECTORS' MEETINGS

12.1. Directors' meetings shall take place at approximately every two months.

12.2. Notwithstanding the provisions of article 12.1 meetings of the directors are called by the Chair or Deputy Chair by giving not less than 10 Business Days' notice of the meeting to the directors or by authorising the secretary (if any) to give such notice.

12.3. A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

13. QUORUM FOR DIRECTORS' MEETINGS

13.1. At a meeting of the directors, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

13.2. The quorum for the transaction of business at a meeting of directors is any seven Eligible Directors, which must include five Private Sector Directors and two Public Sector Directors.

13.3. If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision to appoint further directors.

13.4. If neither the Chair nor the Deputy Chair is available the meeting will be declared inquorate, irrespective of the number of other attendees.

14. CHAIRING OF DIRECTORS MEETINGS AND APPOINTMENT OF DEPUTY CHAIR

14.1. The Company shall have at all times appointed a chairperson, who shall be a Private Sector Director and who shall be appointed in accordance with the process set out in the Assurance Framework and the person so appointed for the time being is the **Chair**.

14.2. The Private Sector Directors may appoint a Private Sector Director to act as a deputy to the Chair (**Deputy Chair**) in accordance with the process set out in the Assurance Framework for such purposes as the directors may determine.

14.3. Subject to clause 14.4 and clause 21.3, a Chair or Deputy Chair (as applicable) shall be appointed for periods of no more than three years, such appointment ending at the board meeting falling closest to the third anniversary of their appointment (or re-appointment). Unless otherwise determined by special resolution, the Chair or Deputy Chair (as applicable) shall be entitled to put themselves forward for re-election for a further period of three years provided that no Chair or Deputy Chair shall be able to serve more than six years in their respective role.

14.4. The terms of office for the first directors of the Company (including for the Chair and Deputy Chair) shall be deemed to include the period of appointment prior to the incorporation of the Company in which they were appointed to the board of the unincorporated Marches Local Enterprise Partnership.

14.5. Where the Chair puts him or herself forward for re-election, such election shall occur at the board meeting at which their board appointment ends in accordance with article 14.3.

14.6. In the case of the Deputy Chair, they shall be re-elected in accordance with the Assurance Framework or in the absence of such arrangements, as the Private Sector Directors shall between themselves agree.

15. CASTING VOTE

- 15.1. If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chair or Deputy Chair (as applicable) has a casting vote.
- 15.2. But this does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chair or Deputy Chair chairing the meeting is not an Eligible Director for the purposes of that meeting (or part of a meeting).

16. DIRECTORS' CONFLICTS OF INTEREST

Without prejudice to the provisions of the Act, the directors must at all times comply with any conflict of interest policy for the time being included in the Assurance Framework in relation to any Conflict.

17. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

18. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to these articles, the directors may make any rule which they think fit about how they and any committees formed by them take decisions, and about how such rules are to be recorded or communicated to directors.

Directors: numbers and appointment

19. NUMBER OF DIRECTORS

The Company shall aspire to have appointed to the board the number of directors set out in the Assurance Framework.

20. APPOINTMENT OF DIRECTORS

- 20.1. The board of directors shall be composed of Private Sector Directors and Public Sector Directors. The board members of the unincorporated Marches Local Enterprise Partnership shall upon incorporation be the first directors of the Company.
- 20.2. Upon a vacancy arising for a Private Sector Director, such appointment shall take place in accordance with the open recruitment exercise set out in the Assurance Framework.
- 20.3. Public Sector Directors shall be appointed in accordance with the process set out in the Assurance Framework.

21. RETIREMENT OF DIRECTORS

- 21.1. Private Sector Directors shall retire from office from the end of the third anniversary of their appointment. Subject to articles 21.2 and 21.3, such retiring director shall be eligible for re-election by the Members at the next general meeting.

- 21.2. A retiring director shall, subject to article 21.3, be eligible for re-election for further periods of three years.
- 21.3. Subject to article 21.4, any director (including the Chair and Deputy Chair) who shall have served for a total term of six years shall not be entitled to be re-elected.

22. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 22.1. A person ceases to be a director as soon as:
- 22.1.1. that person ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director;
 - 22.1.2. that person shall for more than six months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that that person's office be vacated;
 - 22.1.3. a Bankruptcy order is made against that person;
 - 22.1.4. a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 22.1.5. notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
 - 22.1.6. two-thirds of the board of directors resolve that the person has failed to conduct themselves in accordance with article 7 and should as a consequence be removed from office; or
 - 22.1.7. in the case of a Public Sector Director, they cease for any reason to be an elected member of the relevant local authority or, where the Public Sector Director is an employee of an authority, when that director ceases for any reason to be an employee.
- 22.2. Save where a director is a Public Sector Director, a director shall upon ceasing to be a director shall at the same time cease to be a Member.

Directors: alternate directors and miscellaneous

23. APPOINTMENT AND REMOVAL OF ALTERNATES

- 23.1. Public Sector Directors (other than an alternate Public Sector Director) may appoint as an alternate any other elected member from his or her Public Sector Member, or any other person approved by resolution of the directors, to:
- 23.1.1. exercise that director's powers; and
 - 23.1.2. carry out that director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

- 23.2. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 23.3. The notice must:
- 23.3.1. identify the proposed alternate; and
 - 23.3.2. in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

24. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

Members: becoming and ceasing to be a Member

25. MEMBERSHIP

- 25.1. Membership of the Company shall be comprised of:
- 25.1.1. all directors save for the Public Sector Directors; and
 - 25.1.2. the Public Sector Members.
- 25.2. A Public Sector Member shall be entitled to appoint a Public Sector Director to act as its representative in accordance with the provisions set out in these Articles and the Assurance Framework.

26. TRANSFER OF MEMBERSHIP

Membership shall not be transferable.

Decision making by Members: general meetings

27. ANNUAL GENERAL MEETING

The Company shall hold an annual general meeting (**AGM**) at least once every calendar year to be held within the LEP Area and which shall be open to the general public save for items that are determined by the Chair to be commercially sensitive

28. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 28.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 28.2. A Member is able to exercise the right to vote at a general meeting when:

- 28.2.1. that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 28.2.2. that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other Members attending the meeting.
- 28.3. The directors may make whatever arrangements they consider appropriate to enable those Members attending a general meeting to exercise their rights to speak or vote at it.
- 28.4. In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.

29. QUORUM FOR GENERAL MEETINGS

- 29.1. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 29.2. The quorum for a general meeting is seven Members and of these Members, five must be Private Sector Directors and two must be Public Sector Directors.

30. CHAIRING GENERAL MEETINGS

- 30.1. The Chair or, in his or her absence, the Deputy Chair shall preside as chair of every general meeting.
- 30.2. If neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the meeting shall be adjourned and reconvened.

31. ATTENDANCE AND SPEAKING BY NON-MEMBERS

The Chair of the meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting and, in the case of an AGM, the Chair of the meeting is obliged to permit such other persons who are not Members of the Company to speak.

32. ADJOURNMENT

- 32.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chair of the meeting must adjourn it.
- 32.2. The chair of the meeting may adjourn a general meeting at which a quorum is present if:
- 32.2.1. the meeting consents to an adjournment; or
 - 32.2.2. it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 32.3. The chair of the meeting must adjourn a general meeting if directed to do so by at least 50% of the Members present at the meeting.
- 32.4. When adjourning a general meeting, the chair of the meeting must:
- 32.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
 - 32.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 32.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 32.5.1. to the same persons to whom notice of the company's general meetings is required to be given; and
 - 32.5.2. containing the same information which such notice is required to contain.
- 32.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at general meetings

33. VOTING: GENERAL

Without prejudice to any other provision of these Articles, a resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

34. ERRORS AND DISPUTES

- 34.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 34.2. Any such objection must be referred to the chair of the meeting whose decision is final.

35. POLL VOTES

- 35.1. A poll on a resolution may be demanded:
- 35.1.1. in advance of the general meeting where it is to be put to the vote; or
 - 35.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 35.2. A poll may be demanded by:
- 35.2.1. the chair of the meeting;

- 35.2.2. the directors;
 - 35.2.3. two or more persons having the right to vote on the resolution; or
 - 35.2.4. a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 35.3. A demand for a poll may be withdrawn if:
- 35.3.1. the poll has not yet been taken; and
 - 35.3.2. the chair of the meeting consents to the withdrawal.
- 35.4. Polls must be taken immediately and in such manner as the chair of the meeting directs.

36. CONTENT OF PROXY NOTICES

- 36.1. Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which:
- 36.1.1. states the name and address of the Member appointing the proxy;
 - 36.1.2. identifies the person appointed to be that Member’s proxy and the general meeting in relation to which that person is appointed;
 - 36.1.3. is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 36.1.4. is delivered to the company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 36.2. The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 36.3. Unless a proxy notice indicates otherwise, it must be treated as:
- 36.3.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 36.3.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

37. DELIVERY OF PROXY NOTICES

- 37.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 37.2. An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 37.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

- 37.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

38. AMENDMENTS TO RESOLUTIONS

- 38.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 38.1.1. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - 38.1.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 38.2. If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

Administrative arrangements

39. MEANS OF COMMUNICATION TO BE USED

- 39.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 39.1.1. if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 39.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 39.1.3. if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 39.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

- 39.2. In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

40. INDEMNITY AND INSURANCE

- 40.1. Subject to article 40.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 40.1.1. each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
 - 40.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 40.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 40.2. This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.
- 40.3. The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 40.4. In this article:
- 40.4.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - 40.4.2. a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
 - 40.4.3. a **relevant officer** means any director or other officer or former director or other officer of the Company , but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.