

OVERVIEW AND SCRUTINY PERFORMANCE BOARD 6 SEPTEMBER 2023

WORCESTERSHIRE LOCAL ENTERPRISE PARTNERSHIP (WLEP) ANNUAL REPORT (2022/23)

Summary

1. This report has been written to provide Worcestershire County Council's (the Council) Overview and Scrutiny Performance Board (OSPB) with an annual update on the achievements of the Worcestershire Local Enterprise Partnership (WLEP) over the last 12 months and to outline strategic objectives for 2023/24.
2. The Chairman and Chief Executive of the WLEP, the Leader of the Council (who is also Vice-Chairman of the WLEP Executive Board and Local Authority Representative of the WLEP) and the Section 151 Officer have been invited to the Meeting.
3. In addition, the six District Councils have been invited to nominate a Councillor representative to attend the Meeting.

Background – What are Local Enterprise Partnerships

4. Local Enterprise Partnerships (LEPs) are partnerships between local authorities, further and higher education and local businesses. They were set up in 2011 by the Department for Business, Innovation and Skills, and are recognised by central government as the primary vehicle to help determine local economic priorities and lead economic growth and job creation within the local area.
5. There are 36 LEPs nationally and their role has evolved considerably since inception in light of government policy changes to remit and the routing of funding being directed through local authorities. The policy of Levelling Up and Devolution by central government has seen varying models of delivery of the functions and role of the LEPs in each locality across England.
6. In September 2021, WLEP published the refreshed economic strategy for the County, the Worcestershire: Plan for Growth (2020-2040). The Plan for Growth supersedes the Worcestershire Strategic Economic Plan, which was originally published in March 2014. WLEP continues to strive to achieve several ambitious objectives by 2025 and these are on track despite the economic shock the COVID-19 pandemic created.
7. The ambitious targets within the original Strategic Economic Plan from 2015 to 2025 were:
 - Create 25,000 jobs
 - Increase Gross Value Added (GVA) by £2.9 billion; and
 - Contribute towards the delivery of 21,500 new homes.

8. In the Plan for Growth these Key Performance Indicators (KPI's) have been extrapolated through to 2040. To setting an overall ambition of:
 - creating an additional 18,500 jobs; and
 - an extra £2.5billion of GVA economic growth between 2025 and 2040.
9. As part of the LEP's Local Assurance Framework and continued commitment to robust governance, it is agreed that WLEP will submit a report to OSPB on an annual basis to outline achievements and a forward look forward to the upcoming priorities and workload.

Looking back – WLEP key local achievements

10. WLEP has always prided itself on its track record for successful delivery, within approved budgets.
11. The policy directive of Government has changed and has moved the funding for place based economic and regeneration activity to an application, bidding or allocation process for local government partners to lead upon, instead of the LEPs, this applies to Towns Funds, Levelling Up funds and UK Shared Prosperity (UKSP) funding. This means the WLEP role has changed over the past 12 months and is likely to change in the future.
12. However, the WLEP gets measured on the achievements and successes it delivers on behalf of the businesses and residents of Worcestershire. On this basis, over the last 12 months there are a number of significant achievements from across the partnership to celebrate:
 - Successfully produced the Worcestershire Economic Review which provides the data and reporting of economic statistics on the local economy. This document is used to provide the evidence base material for projects, bids and applications by partners and the development of individual business plans by local businesses.
 - Worcestershire's Technology Accelerator programme BetaDen, continues to deliver further cohorts with the figures related to delivery now showing over 40 founders/entrepreneurs, over £6m amount raised and over 100 jobs created.
 - BetaDen winning the national award of technology accelerator of the year at the UK Innovation awards.
 - Delivery of the BetaDen North based in Wyre Forest focused on Clean Technology, supported 8 cohort companies.
 - Delivery of the Primary Stem Challenge when 80 schools competed in a final at Yamasaki Mazak HQ, the full programme inspired 3000 primary school pupils total.
 - The Youth Hub, Worcester has engaged with 500 young people aged between 16–24 and has supported 132 young people into employment (73 received health and wellbeing support and 226 received support to increase their readiness for work or training).
 - Working with all High Schools, Special Schools, Pupil Referral Units, FE Colleges, to deliver careers advice and guidance to 10,000 pupils from year 10 to 13.

- Measuring the level of achievement and delivery of careers advice and guidance against the national Gatsby benchmarks with Worcestershire schools achieving an average benchmark completion rate of 92.6%, where Worcestershire are ranked 3rd in England.
- Worcestershire Apprenticeships has delivered information, advice and guidance to 19,438 young people throughout the academic year.
- Delivery of the Annual Skills Show with over 3,000 participants from Y10 across all Worcestershire schools.
- Delivery of the Worcestershire Careers and Apprenticeship roadshow to help guide young people in Year 9 about their option choices. This was supported by 65 employers and there were over 1500 attendees.
- Apprenticeship Awards Celebrations which are in its 9th year and continues to build on the success of apprenticeships in the County. This is supported by employers, training providers and apprentices.'
- Launch of the Worcestershire Apprenticeship account with the to simplify the application process. In addition there is a new bursary system to support those who do become an apprentice. Already over 100 young people have accessed the system administered by the County Council.
- Cutting the soil on the Kidderminster College Construction and Automotive Innovation Centre, which will be open in September 2023 with Getting Building Fund money.
- Pershore Northern Link opened.
- Vale Park expansion commercial units with funding from the Getting Building Fund is fully let.
- Delivery of the Energy Mapping project which brings together all the data on infrastructure, property information and overlays other criteria to identify areas of intervention required to move to greater efficiency, plan for the future needs and guiding other projects delivered by partners.
- Professional Business Advisors delivery FREE advice to over 600 companies across marketing, legal, environmental, technology and general business advice.
- Delivery of an inclusive growth conference to bring together partners working on ensuring people of all backgrounds have the support for them to enter the world of work. This conference has led to the design and implementation of a series of workshops for employers to focus on the recruitment, retention and skills of people with disabilities in Autumn 2023.
- A commercial property market report across all Worcestershire Districts providing a clear view on uptake, enquiries and demand for commercial property in partnership with GJS Dillon Commercial Property Agents.
- Active member on District Boards such as Town Boards, UKSP groups.
- Growth Hub has engaged with approximately 2000 businesses in Worcestershire offering advice, signposting and dealing with proactivity and reactive requirements.
- Redevelopment of the Growth Hub website to improve the ease of use for businesses, the website has engaged with over 76,000 pageviews and over 30,000 unique visitors.

13. This is not an exhaustive list but gives a flavour of the scale, range of initiatives that the WLEP engage with to work across the wider partnership to achieve the Plan for Growth 2040 targets and Key Performance Indicators.

14. Further examples are listed in the WLEPs delivery plan for 2022/3.

Worcestershire's Plan for Growth and support for WLEP

15. Worcestershire has a consensus on the economic vision and priorities across partners and stakeholders within the private, public, education sectors as evidenced by the endorsement of the Plan for Growth (2020-2040). This support extends to the six local Worcestershire MPs who were engaged throughout the process and supported the economic strategy launch with content.
16. Partners continue to be focused on maintaining the momentum on delivering the economic priorities in Worcestershire.
17. Therefore, the WLEP Board agreed to fund the partnership model from various sources such as core grant, external funding and reserves for the forthcoming 2 to 3 year period, over this period the aim is to provide local certainty to the WLEP and Growth Hub team to ensure delivery is maintained and a cohesive and co-ordinated approach is maintained.
18. Working with District Council partners, the WLEP has secured funding from the UKSP Funding to further the business engagement in the six District areas and gather further business engagement and intelligence to identify future projects or remove barriers to growth on a local level. Therefore investing the Worcestershire Growth Hub and business accelerator, BetaDen.
19. This has meant that the WLEP has changed into more of a delivery body, whilst retaining its strategic economic function.

Changing Government Policy on LEPs

20. As referred to earlier in the report, the role of the partnership is changing due to changes in funding responsibility and government policy related to Levelling Up and devolution.
21. In the Spring Budget 2023, the Chancellor announced that the Government was 'minded to' withdraw core funding for LEPs from April 2024 and transfer their functions – namely business representation, strategic economic planning and the delivery of government programmes where directed – to upper tier local authorities where they are not in a Combined Authority.
22. An evidence gathering exercise was undertaken and a letter was sent on 4 August 2023 (attached at Appendix 1) to local government partners and LEP Chairmen confirming it would be the case that core funding would be withdrawn from LEPs.
23. Alongside this decision, technical guidance was published which states that Government expects a smooth and orderly transition of these functions to upper tier authorities. Although LEPs may choose to continue to operate and if upper tier local authorities continue using the LEP as a vehicle to continue delivery of these core functions they are free to do so.

24. Government will therefore provide some revenue funding to support local authorities from 2024/25 to maintain the delivery of the functions and guidance will follow. Although the technical guidance does identify a minimum size of area for these functions to be delivered on, as having a population of 500,000 and 20,000 business which a whole Worcestershire approach would achieve.
25. This decision therefore vindicates the WLEP Board decision by use of various funding sources to maintain the partnership model of delivery. This is supported by the Council and therefore the momentum and focus over this period brings resources to bear on this new delivery role of the WLEP and retaining the partnership working between the stakeholders is essential.
26. The Partnership maintains its role with the key partners of business, local government and further and higher education and the executive work to bring these stakeholders together from the various sectors and institutions to share and solve joint problems; the WLEP can provide data, intelligence and evidence collated from many sources together and provides an independent analysis of the challenges and opportunities facing the local economy.
27. By convening the partners, the WLEP acts as a focal point to gathering the voice of business about the priorities and barriers to growth in the local, national and international economy. This role allows the partnership to provide strategic overview of the needs of the economy and enable other partners to intervene or it can deliver itself on behalf of the partners.

Changes to the WLEP Board

28. There have been several changes to the WLEP Board, the former Chair of the WLEP, term of office ended. Therefore, in order to maintain stability in the leadership of the partnership, an external recruitment company was employed to provide independence to the process and identify a list of prospective candidates.
29. A number of other Non-Executive Members completed their terms of office or retired from their formal role in County, this was the case with of the FE representative, Stuart Laverick, CEO and Principal of Heart of Worcestershire College.
30. In March 2023, Paul Walker MBE was recruited to become the WLEP Chair. Paul has been a prominent figure in the Worcestershire community for over 20 years. In 1993 he joined Malvern Instruments based in Malvern, a company which designs and manufactures scientific instrumentation, where he was Managing Director until he retired in 2017. Paul was awarded an MBE for services to the industry in 2012 and has held numerous board roles, most notably being Chair of the Herefordshire and Worcestershire Chamber of Commerce for five years.
31. Other new members to the Board include Nigel Hall (experienced executive in the technology sector), James Speller (Managing Director at Speller Metcalf) & Cat Lewis (Principal of Kidderminster College). The WLEP Board took the decision in November 2022, to prepare a budget for the next following two financial years, 2023/24 and 2024/25 based on continuation of the WLEP model.

Forward Looking Plan

32. The WLEP Board has constantly provided a steer to ensure delivery is focused on the longer term priorities within the framework of the Plan for Growth 2040, yet recognises the different economic environment that now exists, since the strategy was launched. For example, the changing circumstances facing the macroeconomy, such as global events such as inflation, the changes to the way the workforce works, and the impacts of the Russia/Ukraine war.
33. The new Chair of the LEP has started a review of the Plan for Growth 2040 in relation to these macroeconomic changes. The work of the partnership has been to refocus on the deliverables of the next 3 to 5 years to impact on the local economy and provide solutions that the partners working together across the themes of innovation, business environment and skills.
34. The forward activity of WLEP is in line with the three areas of focus set out for LEPs by the Board, but also remain under the functions of the partnership.

Strategy

35. The WLEP will monitor the KPIs of the Worcestershire economy as identified in the Worcestershire Plan for Growth: 2020-2040 and will:
- deliver on the UKSP Fund contracts for the Growth Hub and BetaDen and support partners to deliver their Levelling Up Fund, Towns Funds and Future High Street projects, where relevant expertise or experience can support the success of the schemes.
 - continue to execute the BetaDen Business Plan 2020 to 2025 and evolve the future operating model for our commercial technology accelerator, supporting entrepreneurs, businesses and attracting inward investment to the county.
 - work with training providers to implement the Green and Digital Skills strategy for Worcestershire.
 - convene the business community through other organisations such as the Chamber of Commerce to magnify the voice of business, conducting research and producing reports into the challenges and opportunities facing businesses.

Delivery

36. In line with the five foundations of productivity framework, the WLEP will:

Ideas

- gather intelligence and data on innovating companies in Worcestershire and how they go about this process.
- Working with the academic institutions of the wider Midlands and further afield to understand how they can support Worcestershire businesses to access new research in newly forming businesses areas of Artificial Intelligence (AI), Cyber Security and 5G mobile connectivity.
- Deliver a feasibility study on heat networks in Worcester City and Hartlebury to understand the potential for an energy innovation zone in Worcestershire to support net-zero ambitions.
- Support local businesses to access national funding programmes / initiatives that stimulate innovation and improve productivity.

People

- Continue to work with education establishments in Worcestershire to reach the eight Gatsby Benchmarks and support young people to understand the careers of the county's employers.
- Deliver the Careers Hub contract on behalf of the Careers & Enterprise Company.
- Continue to promote Apprenticeship opportunities within the county – and launch an access fund to support young people to access their apprenticeship.
- Deliver the Department for Education (DfE) Bootcamps programme in Worcestershire.
- Continue the Youth Hub model in Worcester City and expand the service to Redditch and potentially Kidderminster with the support of the Department for Work and Pensions.
- Work with the DfE and local partners to implement the recommendations of the Local Skills Improvement Plan (LSIP).
- Work with employers to improve their recruitment and training process to enable greater inclusion in our workforce therefore resolving shortages in the labour supply.

Infrastructure

- Open the Construction and Automotive Skills Centre in partnership with Kidderminster College.
 - Support the intelligence gathering of the need for greater digital connectivity in the county for the business community.
- Business Environment - delivery of the UK Share Prosperity Funding Worcestershire Growth Hub and BetaDen Accelerator programme.
- Delivery of a framework of Specialist Business Advisors to support Worcestershire businesses via the Worcestershire Growth Hub.
 - Deliver the Key Account Management contract on behalf of Department for Business and Trade, working with local Foreign-owned businesses.
 - Lead, manage and deliver a range of business engagement events across the county to capture business views on key topics.
 - Provide local business intelligence to local and national partners to inform future government policy.
 - Coordinate insights and activity with other Business Representative Organisations (BROs) operating within the county e.g. National Farmers' Union, Chamber of Commerce, Federation of Small Businesses etc.

Place

- Support Redditch Borough Council with their Towns Deal investment programme for Redditch town centre
- Support Worcester City Council with their Future High Street and Towns Deal investments for Worcester City
- Support Wyre Forest District Council with their Future High Streets Funding and Levelling Up Funded programme in Kidderminster
- Support Bromsgrove District Council with their Levelling Up Funded programme for Bromsgrove town centre
- Support all Local Authority partners with their UKSPF investment plans and applications for Government funds.

Purpose of the Meeting

The Board is asked to:

- Consider and comment on the Worcestershire Local Enterprise Partnership (WLEP) Annual Report (2022/23),
- Agree any comments to highlight to the Chairman and Chief Executive of the WLEP
- Determine whether any further Scrutiny is required.

Supporting Information

Appendix 1 - a joint letter dated 4 August 2023 from the Minister for Levelling Up and the Minister for Enterprise, Markets and Small Business to LEP chairs, combined authority mayors, local authority leaders and the Mayor of London [Transfer of Local Enterprise Partnership \(LEP\) core functions to combined and local authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118444/Transfer_of_Local_Enterprise_Partnership_(LEP)_core_functions_to_combined_and_local_authorities_-_GOV.UK_(www.gov.uk).pdf)

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are the background papers relating to the subject matter of this report:

- Worcestershire's Plan for Growth 2020-2040 [WLEP-Plan-for-Growth-2020-2040-EXEC-SUMMARY.pdf](#)
- Delivery Plan [FINAL-WLEP-A4-Annual-Report-2021-2022.pdf](#)

[All agendas and minutes are available on the Council's website.](#)