

COUNCIL
17 MAY 2018

**REPORTS OF CABINET MEMBERS WITH RESPONSIBILITY
– CABINET MEMBER WITH RESPONSIBILITY FOR
ECONOMY AND INFRASTRUCTURE**

Introduction

1. I am very pleased and privileged to offer this report to Council on the work carried out in the areas of economy and infrastructure over the last two years. At the time of my last report in July 2016, I had barely assumed responsibility for the economy and infrastructure, and, a year ago, I was stripped of the additional area of skills.
2. That said, I am confident that this report chronicles a great deal of important and productive work in these two areas that are of such vital importance to the County and all of its residents and businesses.

Economic Growth and Investment

3. The work of the growth and investment team directly supports the Open for Business theme of the Corporate Plan and the economic priorities of the County Council which focus on job creation and growth. Worcestershire continues to be identified as an area of significant growth, with the Gross Value Added (GVA) in the county growing every year since 2011, and at a faster rate than the West Midlands and England.
4. On 27 November 2017 the Government published the 'Industrial Strategy: building a Britain fit for the future'. The White Paper sets out the Government's final plans for supporting Britain's industrial sectors, improving productivity, driving growth across the country and making British business more competitive.
5. The strategy is structured under five foundations of productivity: ideas, people, infrastructure, business environment, and places. It draws together in one place a range of new and existing policy and related funding. The Industrial Strategy also sets out 4 grand challenges:
 - Put the UK at the forefront of the artificial intelligence and data revolution
 - Maximise the advantages for UK industry from the global shift to clean growth
 - Become a world leader in shaping the future of mobility, and
 - Harness the power of innovation to help meet the needs of an ageing society.

The Council is now working with partners to identify the opportunities for Worcestershire and the implications of the strategy post Brexit.

Worcestershire Local Transport Plan (LTP)

6. The Local Transport Plan is a statutory document, which all Local Transport Authorities are required to produce, deliver and maintain under the Transport Act 2000

and the Local Transport Act (2008). The Worcestershire LTP4 was adopted on 9 December, 2017. The compendium of documents that make up this plan can be viewed here: www.worcestershire.gov.uk/LTP.

7. Delivery of a number of schemes identified in the Local Transport Plan is already underway. Detailed programming of schemes listed is in progress, and delivery plans will emerge in a robust and timely manner.

Worcestershire Rail Investment Strategy

8. The Council has adopted a comprehensive rail investment strategy for the county. This Strategy sets out an ambitious investment plan for Worcestershire's rail infrastructure and services providing additional capacity to support change in travel demand essential to support Worcestershire's growth aspirations

9. The adopted Strategy, supported by an impressive business case, provides a valuable lobbying tool to stimulate investment in Worcestershire's rail infrastructure and services. This Strategy has been shared widely with partners in the rail industry, and will help influence wider regional and national strategy and underpin future planned rail industry investment.

10. The Strategy focuses on four overarching 'conditional outputs' for rail service development, which collectively have the potential to deliver up to £55.2 million additional GVA per annum and 1,269 jobs across Worcestershire by 2043. Specifically:

1. Two trains per hour Worcester to Paddington;
2. One train per hour Kidderminster/Droitwich Spa/Worcester/Paddington;
3. Additional calls at Worcestershire Parkway for Bristol/Manchester and Plymouth/Newcastle services;
4. Regional service between Kidderminster and Bromsgrove, Worcester and Cheltenham Spa, Gloucester and Bristol.

11. This is supported by key aspirational infrastructure schemes, essential to facilitate this new connectivity, including:

- North Cotswold Line dualling and wider capacity upgrade;
- Worcester Area and Droitwich Spa to Stoke Works capacity upgrade;
- Worcester Shrub Hill station regeneration;
- Electrification of both the Bristol to Birmingham and Snow Hill lines;
- New car park capacity and/or new stations if demand requires it.

12. Together with partners at West Midlands Rail and the Department for Transport, Worcestershire County Council has had a significant involvement in the letting of the contract for the West Midlands Rail Franchise, using the Rail Strategy to specify investment requirements for Worcestershire. The new franchise was let on 10 December, 2017 to West Midlands Trains; a consortium of Abellio, JR East and Matsui. Further details of agreed franchise commitments can be viewed here: <http://maps.dft.gov.uk/west-midlands/>

North Cotswold Line Task Force

13. Worcestershire County Council has spearheaded the development of the North Cotswold Line Task Force; a collaboration of Gloucestershire, Oxfordshire, Herefordshire and ourselves as Local Authorities, with the common aim of securing major investment in the North Cotswold Line.

14. This Task Force has a dual role:

- To prepare the business case for investment in the North Cotswold Line
- To lobby for investment in the route's infrastructure and services from the rail industry.

It is expected that the outputs from the business case work will be published in Summer 2018.

Midlands Connect

15. Midlands Connect is a £5 million collaboration with central government that brings together 28 local authorities and 11 Local Enterprise Partnerships from across the Midlands. Together, the Midlands Connect Partnership and the Department for Transport have developed a transport strategy that identifies the major infrastructure projects needed to improve the connectivity of our region's key locations so we can help drive economic growth and power the Midlands Engine. The strategy is available to view here: www.midlandsconnect.uk, this includes proposals for investment in the A46 corridor and regionally significant rail corridors which pass through Worcestershire.

Digital Connectivity

• Broadband

16. The Superfast Worcestershire Programme will enable superfast broadband connectivity to more than 96% of homes and businesses in Worcestershire by the end of 2019, whilst at the same time supporting proactive communities in the remaining 4%, through a number of alternative schemes. To date the programme has already enabled fibre to an additional 70,000 premises, 60,000 of these are able to receive superfast speeds. Since the programme began the superfast coverage across the county has increased from 69% of all premises to 94.7% and the coverage of business premises has increased from 44% to 90% across the county.

17. The programme continues to undertake 'Demand Stimulation' activity to encourage and ensure people are aware of the need to 'take-up' services on the new infrastructure. Current take-up remains above the national average, compared to other programmes across the country, with our second contract amongst the top five performers. Positive 'take-up' ensures benefits are realised across the county and provides an opportunity for re-investment into the programme through the 'Claw-back' mechanisms within the contract.

• 5G

18. Working alongside Worcestershire LEP, the County Council have been engaging mobile network operators on improving their existing mobile phone services, 2G, 3G and 4G. Conversations with all four operators have already delivered positive outcomes in the county, with further coverage and service benefits expected.

19. Worcestershire is one of only six successful bids into Phase One of Government's 5G Testbed and Trials programme to test and explore 5G connectivity, to revolutionise the way future business will operate both in the UK and globally. The Worcestershire 5G Consortium, involving public and private sector companies has secured £4.8m in grant funding from the Government and is progressing one of the country's most comprehensive industrial 5G testbed and associated trials. This could give Worcestershire businesses the opportunity to be at the forefront of innovative new technologies, with the aim of creating new jobs, educational programmes and attracting investment into the county.

Major Infrastructure Projects

- **Southern Link Road (SLR)**

20. The Council is committed to the dualling of the Southern Link Road from Junction 7 of the M5 to the Powick Roundabout. At c£100M, this is one of the biggest upgrades to road infrastructure in the county for many years. The scheme has been identified as one of the highest priorities in terms of tackling both current and future levels of congestion.

21. Work is well underway with **Phase 3**, which will ultimately see completion of the dualling between Whittington and the Ketch Roundabouts. Works already undertaken include the completion of a dedicated left-hand turn from the M5 approach to Whittington roundabout on to Crookbarrow Way, the widening of Norton Roundabout and provision of two running lanes for westbound traffic travelling towards Malvern. Current works on site include the construction of a new railway bridge which will be installed under a blockade of both road and rail traffic at the end of May 2018.

22. In March 2017, an application for £54.5m funding for SLR **Phase 4** (aka Carrington Bridge), estimated to cost £62 million, was submitted to the Department for Transport and Programme Entry was secured in November 2017. The selected procurement route is via Early Contractor Involvement and Stage 1a of the ECI Contract was awarded to the successful tenderer in May 2017.

23. The planning application for the scheme was submitted in October 2017 and planning permission obtained in March 2018. The next stage includes concluding statutory processes ready for commencement of the main works in Spring 2019. Ahead of this some advanced enabling works are planned to take place in 2018. This includes: the relocation a high voltage overhead pylon, flood mitigation, preparation of replacement common land and environmental mitigation works.

- **Worcestershire Parkway**

24. In January 2017 Worcestershire County Council appointed Buckingham Group Contracting Limited to undertake the design and construction works for Worcestershire Parkway. The station will address Worcestershire's poor accessibility to and from London, arising from the current limited frequency and journey times of train services, as well as inadequate parking capacity. Detailed design works have progressed and early works on site commenced in 2017. Current site activities include erection of station building steelwork, installation of the new B4084 roundabout and associated infrastructure and works to the PROW path. Construction works will continue through 2018 / early 2019.

- **Hoobrook Link Road**

25. The Hoobrook Link Road is situated within the South Kidderminster Enterprise Park which is one of the strategic employment sites. The new road was completed in September 2016. This includes a 57m single span bridge over the River Stour and Staffs and Worcs Canal, two new 3 way signalised junctions on Stourport Road and Worcester Road and construction of 650m of new Highway linking both junctions through the former British Sugar site.

- **Pershore Infrastructure Improvements**

26. The c£11.6m Pershore Infrastructure Improvement Scheme is progressing, this consists of:

- The provision of a northern link road that connects the employment sites of the Keytec Business Park with the A44
- The provision of capacity enhancements at Pinvin crossroads to alleviate existing and projected congestion in the area, and
- Upgrading of the Wyre Road / Station Road Junction.

27. Construction is expected to commence in 2019 and the benefits of the scheme include: supporting growth in employment and the economy, improving access from Keytec Business Park to the A44 and reduction in congestion.

- **Churchfields Urban Village Highways Infrastructure Improvements**

28. Development of the Churchfields Scheme is underway. This c£5.7m scheme seeks to deliver improved access to the Churchfields Masterplan area in order to unlock significant housing-led development. The purpose of the scheme is to increase capacity on the highway network to enable the redevelopment of the Churchfields area and to provide an improvement scheme for Blackwell Street that improves the air quality within the Air Quality Management Area.

29. Work is underway to progress securing land and planning decisions. Construction is currently expected to start around mid-2019.

- **Kidderminster Rail Station**

30. The Kidderminster Railway Station project is making good progress and number of key milestones have been achieved over the last few months, including the next stage of the design. Worcestershire County Council's term highways contractor, Ringway, has been engaged and is preparing for the highways construction works on Comberton Road.

31. Positive progress is being made with Network Rail regarding the station and forecourt works and the procurement of the detailed design and construction contract is currently underway.

32. The team are working through the funding details and a review of the full business case with WLEP and GBSLEP.

- **Public Realm Programme**

33. Public Realm schemes have been completed at Cathedral Square in Worcester, Teme Street in Tenbury Wells, Alcester Street in Redditch and Droitwich High Street. This programme of works has made significant improvements to some of the County's most important public areas, serving as thoroughfares, shopping areas, business

locations and meeting places. Forthcoming Public Realm schemes include Worcester Street in Kidderminster and the Shambles in Worcester.

- **Bromsgrove Eastern Bypass A38 Corridor**

34. Development of the A38 Bromsgrove Eastern Bypass Corridor Major Scheme Business Case is ongoing. This major scheme, proposed to be delivered in a series of Phases, will see significant capacity improvements delivered at a number of junctions along the A38 Bromsgrove Eastern Bypass, from M5 Junction 4 (Lydiate Ash) to M5 Junction 5 (Wychbold). The total scheme is currently estimated to have a value of approximately £40 million. A number of funding bodies are being approached currently to enable this critical major scheme to be pursued, subject to final funding approval the emerging programme could see work starting at the end of 2018.

Strategic Planning, Development Control and Waste & Minerals Plans

35. Minerals Local Plan: we have continued to develop the plan for the 4th stage consultation late in 2018. A fourth call for sites was undertaken to address the short fall in supply and our land banking requirement. This has resulted in further new sites coming forward which are currently being assessed for their deliverability.

36. Notable planning decisions have included:

- Southern Link Road, phase 4 which was granted planning permission in March 2018
- New Road, Worcester flood alleviation works, which was granted planning permission in December 2017
- Malvern Vale Primary School, and
- Worcestershire Parkway - continued to be supported following the grant of planning permission with the discharge of conditions.

37. The Planning Validation document has been updated and the new version adopted. This provides guidance on the documents which need to be submitted in support of a planning application to the County Council.

38. In partnership with the Green Infrastructure Partnership for Worcestershire, Worcestershire County Council is leading on the review of the evidence bases for the Green Infrastructure Strategy, prior to a review of the strategy itself. This work commenced in 2017.

39. The team has continued to work in partnership with the district councils in Worcestershire, concentrating on supporting the review of local plans and infrastructure delivery plans. This has been ongoing throughout financial year 2017/18 and will continue in the current year.

Worcestershire Innovation (WINN)

40. Partners across Worcestershire have come together under the brand of WINN to galvanise the individual organisations' activities and efforts into a combined strategy for innovation across the county.

41. Services are supporting businesses within the Worcestershire region in developing new, improved and valuable products and services, and accessing new markets, with the primary objective of increasing economic activity, productivity and GVA.

42. Successes this year include; the development of a network of more than 650 local business people, a number of business events, launch of the Make it Happen Challenge supported by local businesses, and a funding package is now in place for The Kiln to establish an exciting new innovative co-working space in Worcester from summer 2019.

Worcestershire Local Enterprise Partnership (LEP)

43. Worcestershire County Council is a key partner in the WLEP, also performing the role of accountable body. Worcestershire County Council's Corporate Plan is clearly aligned to the Strategic Economic Plan (SEP), and is committed to supporting the delivery of an **additional 25,000 jobs and increase in GVA by £2.9 billion by 2025.**

44. The Worcestershire LEP and the county council continue to co-invest in improving the connectivity of the county. Projects include:

- Southern Link Road
- Malvern Hills Science Park
- Worcestershire Parkway
- Superfast Broadband
- Kidderminster Station, and
- Flood Relief Programme.

45. In addition setting the strategic direction for skills and enterprise infrastructure remains a core priority along with a strong focus on key sectors including Agri Tech, advanced manufacturing and cyber security, defence and IT; in response to the emerging industrial strategy, consideration is being given to the impact of the ageing society work, and links to the medical technology sector in Worcestershire.

Business Support Programme

- **Worcestershire Growth Fund:** a £2m Local Growth Fund Project which has supported 25 businesses with their expansion plans. The project will create more than 200 jobs, with private sector leverage of £3m.
- **Enterprising Worcestershire:** Enterprising Worcestershire assisted more than 300 people to start a business in the past 12 months. In addition to the core business start-up service a new bespoke programme has commenced targeting those newly created businesses with high growth potential, we currently have 12 businesses on this programme with a further 23 expected to join the programme over the next 12-18 months.
- **Proof of Concept (POC):** a £2.1m Innovation programme to help business with research and product development. The project has worked successfully with the Central Technology Belt to support 55 local businesses to bring new projects to market. The project has allocated over £1.3m of grant funding which has generated approx. £3.5m of private sector investment.
- **FinditWORCESTERSHIRE (FIIW):** now has over 8,000 members, with an average of 90 businesses attending each month's networking event. The events are now primarily focussed on winning new businesses/meet the buyers.

- **Be Cyber Secure.** Provides county based SMEs with support to improve their cyber security and achieve cyber certification, through diagnostics and free specialist advice in 2017/18. We have assisted 69 local businesses to improve their cyber security and also provided funding of over £125k to implement recommendations within the businesses.
- **Investing in Growth:** This EU funded project provides a broad spectrum of support to enable inward investment and internal business expansion from investment readiness, advice and guidance. This supports SMEs to become investor ready and gain access to appropriate business finance grants of up to £50,000 for inward investment, promoting Worcestershire as a key business location. To date the project has supported 20 businesses with their investment plans and provided grant funding to 14 businesses of over £500k, generating private sector investment of over £750k.

LEADER Programme

46. Worcestershire has been successful in securing a £1.96m LEADER programme which aims to create a vibrant, connected and enterprising rural area that inspires diverse and inclusive rural communities in which to live, work and visit. Rural businesses and community groups can apply for up to £50,000 to make a difference to the local area and grow the rural economy. Since launching the current LEADER programme in November 2015, we have allocated over £1.5m to more than 51 businesses supporting Worcestershire's rural economy.

47. The LEADER Programme is supported by a local board known as a Local Action Group which has an independent chair and representatives from public sector, Worcestershire LEP, NFU, CLA, Visit Worcestershire, ACRE and private sector representatives from forestry and farming.

Worcestershire Business Central

48. The County Council has worked closely with partners to develop a sustainable partnership for Worcestershire's growth hub - Worcestershire Business Central (WBC). The service is now successfully co-located within Herefordshire and Worcestershire Chamber of Commerce. The County Council has allocated 4 members of staff to the team.

49. The enhanced growth hub has continued to develop a proactive engagement strategy to ensure Worcestershire businesses are aware of the support available to them. WBC now has 9 members of staff, namely 4 Business Engagement Managers, focused on supporting business growth and the three key priority sectors of agri-tech, advanced manufacturing and cyber security, and 4 telephone-based support staff.

50. The website continues to have approx. 5,000 visits per month and over the past 12 months the service has undertaken over 550 visits to Worcestershire-based businesses and undertaken over 2,000 business diagnostics, which has led to 1,535 referrals on to support agencies, programmes, national schemes, etc. to ensure Worcestershire based businesses receive the support they need to realise their growth plans.

Game Changer Sites

• Worcester Six

51. Worcester Six is a 72 hectare (178 acre) site set immediately to the east of the M5 motorway at junction 6 that has much to offer including access to one of the best road transport networks in the UK. With outline planning consent for 1,500,000 sq ft (140,000 sq m) of manufacturing, offices, R & D and logistics buildings, Worcester Six is set to become one of the region's flagship developments.

52. Targeted at technology rich manufacturing companies that can draw on local skills specialisms in IT, defence and cyber sectors, Worcester Six also provides new floor space for manufacturing, offices, Research and Development and logistics. On site 420,500 sq ft is now let or under construction, creating circa 165 jobs.

53. Current and future Worcester Six occupiers/investors include:

- Kimal
- Spire Healthcare
- Material Solutions, part of Siemens, and
- Liberty Property Trust

• Redditch Eastern Gateway

54. The Redditch Eastern Gateway development is an exciting opportunity to build on the town's wealth of engineering and manufacturing expertise. The new development aims to promote and enhance supply chain links and to further develop the skills of the local labour market. Redditch, Bromsgrove and Stratford upon Avon District and Borough Councils all approved the project in March 2018 with Outline Planning consent granted.

55. Stoford Developments Ltd, the appointed developer at Redditch Eastern Gateway are now seeking occupiers for the one million sq ft premium employment space and is set to deliver up to 2,500 jobs to the area. Achieving an increase in economic growth and productivity, through the development of high-quality headquarters-style manufacturing facilities, the site provides an opportunity to transform the Redditch economy and re-position the area as a location of choice for growing local companies and prospective inward investors. The focus is on driving 'high value added jobs and skills' onto the site seeking to attract leading edge sectors and businesses.

• Malvern Hills Science Park and Technology Park

56. Malvern Hills Science and Technology Park describes the combination of the Malvern Hills Science Park and the QinetiQ site. Malvern Hills Science Park (MHSP) has been developed over four phases and is currently fully let accommodating over 30 technology-rich companies employing over 350 people. Phase 5 is now under construction and is due for completion this Summer providing a further 17,000 sq ft of Technology/R&D workspace for new and existing tenants to expand into, releasing space in Phases 1-3 to accommodate new businesses.

57. Additional employment land adjacent to it is being created from land surplus to QinetiQ core site and will provide high quality development of up to 300,000 sq ft of B1 (b) office and ancillary uses, to accommodate HQ, manufacturing, research and development and training facilities.

- **South Kidderminster Enterprise Park**

58. The South Kidderminster Enterprise Park (SKEP) is an area within Wyre Forest District that is a key focus for employment and regeneration. Located along Stourport Road in Kidderminster, North Worcestershire, the area benefits from an existing skilled labour force whilst being on the edge of the Birmingham and Black Country conurbation.

59. The largest site within the SKEP is the former British Sugar Site, now known as Silverwoods. The site is being developed in phases and is also the location of the new Hoobrook Link Road. The road has opened up further commercial development opportunities on this site and has improved connectivity within the corridor as a whole.

60. The SKEP benefits from an adopted Local Development Order (LDO). The LDO provides a simplified planning regime for business related activities within the area. Since its inception in 2012 development under the LDO has resulted in circa 150,000sq ft of new commercial premises, the investment of £25million and the creation/safeguarding of circa 350 jobs.

61. Whilst a number of sites have been developed since 2012, there remain key parcels of land that are already serviced and available for commercial activity. The majority of the corridor is also located within the UK's identified 'Assisted Area', bringing further benefits to companies looking to operate from here.

Conclusion

62. In conclusion, I must reiterate my grateful thanks to the dedicated team of officers who have carried out the hard work of the whole Economy and Infrastructure Directorate detailed here. I must also place on record my thanks to those who have helped in the preparation this report, and I anticipate the close examination of the work chronicled herein by the Environment and Economy Scrutiny Panel.

Ken Pollock

Cabinet Member with Responsibility for Economy and Infrastructure