

Supplement: Item 4 Documents marked to follow

**Economy Overview and Scrutiny Panel
Friday, 29 July 2022, 10.00 am, County Hall, Worcester**

Membership: Cllr Matt Dormer (Chairman), Cllr Karen Hanks (Vice Chairman),
Cllr Martin Allen, Cllr Bob Brookes, Cllr Allah Ditta, Cllr Ian Hardiman,
Cllr Tony Muir, Cllr Richard Udall and Cllr Craig Warhurst

Agenda

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NOTES

Webcasting

Members of the Panel are reminded that meetings of the Economy Overview and Scrutiny Panel are Webcast on the Internet and will be stored electronically and accessible through the Council's Website. Members of the public are informed that if they attend this meeting their images and speech may be captured by the recording equipment used for the Webcast and may also be stored electronically and accessible through the Council's Website.

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ECONOMY OVERVIEW AND SCRUTINY PANEL

29 JULY 2022

OVERVIEW OF THE ECONOMY IN WORCESTERSHIRE

Summary

1. The Economy Overview and Scrutiny Panel has requested a strategic summary of the economy in Worcestershire. As a new Overview and Scrutiny Panel, it will be helpful for the Panel to understand Worcestershire County Council's (the Council) role in economic development including how it works with partners.
2. The Cabinet Member with Responsibility for Economy, Infrastructure and Skills, and the new Interim Assistant Director for Economy have been invited to the meeting to respond to any queries the Panel may have.

Background

Overview of the Economy

3. Data from the Office for National Statistics (ONS) shows that Worcestershire has 29,210 businesses of which over 90% are micro businesses (0-9 employees), 7.7% employ between 10 and 49 employees, with employer with over 50 employees only accounting for 1.8%. This compares to 1.9% of businesses across the West Midlands region having more than 50 employees and 1.9% as the nationally. The greater difference lies in the percentage of businesses employing 10-49 which is 8.6% in the West Midlands and 8.30% nationally compared to Worcestershire at 7.7%.

Businesses by Sector

4. In Worcestershire the sectors with the highest number of businesses are Business Administration 14.8%, Professional, Scientific, and Technical 13.8%, Construction 12.1%, Transport and Storage 12.1% and Manufacturing 5.8%. This is a similar picture to the West Midlands however nationally manufacturing accounts for a lower proportion of total businesses (5%).
5. However, it is not just the numbers of businesses but the number of people employed in each sector which provides a valuable insight into the local economy. The top sector for employment in Worcestershire is currently Health at 12.6% followed by Business Administration and Manufacturing at 11.5% and 10.8% respectively. The fourth and fifth largest sectors are retail (9.3%) and education (8.2%)

Claimant Count

6. The claimant count (number of people claiming benefits principally for the reason of being unemployed) decreased in June 2022 by 210 to 11,015 and the number of

claimants aged 18-24 increased by 10 to 1,690. Comparisons with March 2020, prior to the impact of the pandemic, show that the claimant count has increased by 2,710 or 33% and the number of claimants aged 18-24 increased by 95 or 6%.

Table 1: Claimant Count (Age 16-64) June 2022

Area	Claimant Count	Rate	change on last month	change since March 2020	% change since March 2020
Bromsgrove	1,530	2.6%	-25	365	31%
Malvern Hills	1,155	2.6%	-55	230	25%
Redditch	2,050	3.9%	10	515	34%
Worcester	2,370	3.7%	-80	590	33%
Wychavon	2,020	2.7%	-60	700	53%
Wyre Forest	1,890	3.2%	0	310	20%
Worcestershire	11,015	3.1%	-210	2,710	33%
West Midlands	179,935	4.9%	-1,070	35,585	25%
England	1,349,920	3.8%	-14,895	286,415	27%

Table 2: 18-24 Claimant Count May 2022

Area	Claimant Count	Rate	change on last month	change since March 2020	% change since March 2020
Bromsgrove	225	3.7%	0	10	5%
Malvern Hills	185	4.2%	10	5	3%
Redditch	350	5.9%	10	40	13%
Worcester	370	3.6%	-15	50	16%
Wychavon	295	3.8%	5	35	13%
Wyre Forest	270	4.1%	5	-40	-13%
Worcestershire	1,690	4.1%	10	95	6%
West Midlands	29,690	5.7%	-265	1,785	6%
England	208,415	4.4%	-1,605	10,685	5%

NEET (Not in Education, Employment and Training) Levels

7. The NEET levels in the County remain low, having felt a slight increase less than 1% across the pandemic with around an increase of 70 young people, currently in Worcestershire around 538 young people.

Businesses across Worcestershire continue to report skills deficits

8. Skills deficits and challenges in recruiting staff continue to be one of the highest concerns in Worcestershire's businesses with the latest Herefordshire and Worcestershire Chamber of Commerce report reflecting 76% of respondents finding it difficult to recruit staff, citing skills deficits most frequently in ICT, Higher Level ICT and technical skills.

Recruitment

9. There continues to be a challenging recruitment market in the county, demand on wages is higher with a number of examples of "bidding" wars happening in certain industries. Worcestershire's vacancy numbers remain high with on average around 8000-9000.

10. Movement has increased from employed participants however there are still large parts of the population not moving due to the lack of certainty and wishing to retain terms and conditions.

11. There are challenges in encouraging those out of work into work, and for 12 months there has been limited contact with those claimants. Although the Department for Work and Pensions (DWP) have restarted meeting these individuals, this has affected the recruitment picture, however the DWP new strategy and campaigns around ways into work has had good impact on the ground which is being seen in positive progression levels.

12. Young people's education experiences have been impacted and although apprenticeship opportunities remain at good levels and recruitment is higher than previous years, it has been evident that there are less young people wishing to choose this route not only because of their capability to choose apprenticeships, but also returning to normal for this cohort meant returning to education, which is being seen in the figures of post 16 and 18 destinations.

13. Applicants are demanding working from home as a right and often a subsidy (like London weighting) is being paid to get people to travel into offices – or people living in Worcestershire now have opportunities UK-wide without the commute, but also our employers are starting to recruit applicants further afield.

14. Employer location remains a challenge for some of our potential workforce, with employment support providers reporting transport links and timetabling to meet shift patterns preventative for their interested and able participants. There are concerns about bus subsidies and the impact of this moving forward on routes.

Summary of Levelling Up Indicators

15. Below is a summary of Levelling Up Indicators, with further details in Appendix 1 (these indicators relate to the Government's Levelling Up White Paper¹, designed to address and narrow social and economic differences across the United Kingdom):

- a. Productivity in Worcestershire is below the UK average.
- b. Household income per head in Worcestershire is similar to the UK average, but both resident and workplace pay are below UK averages.
- c. Worcestershire has a strong labour market with above average employment and economic activity.
- d. The proportion of employed people in skilled employment in Worcestershire has remained unchanged over the last 10 years and is now just below average.
- e. Worcestershire businesses received a lower share of Innovate UK funding than the proportion of businesses in the area, but the proportion of businesses that are defined as innovation active such as registering new patent is similar to the national average.
- f. Education, training and apprenticeship numbers have not fully recovered from the falls seen in the pandemic but signs of recovery are underway with Engineering Apprenticeship back up to pre-pandemic levels.

¹ [Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up-white-paper)

Supporting the Economy

16. A range of new or expansion of existing measures have been delivered to support the Worcestershire Economy and its residents to survive, recover and thrive after the global economic shock caused by the pandemic. This has involved refocussing and enhancing current business support schemes with the administration of grants, working in partnership with District, City and Borough Councils, HW Chamber of Commerce, Worcestershire Local Enterprise Partnership (LEP) and University of Worcester and infrastructure investments to support the economy. Alongside this the Skills team has introduced schemes and measures to support some of those most challenged following the pandemic as well as a range of support for employers alongside to support recruitment practices in partnership with Education providers, District councils and the Worcestershire Local Enterprise Partnership (LEP).

17. The County Council's Economic Development function has refocussed existing EU funded business support schemes to ensure delivery has remained in place during the past 2 years and is responding to the needs of local businesses. While the majority of the funding is provided by central government through EU funds, these support programmes have been supported by all District Councils and partners who share data via a joint client management system, to ensure there is a single system recording business interactions. This system is also used by Worcestershire Growth Hub, who are the gateway to the support programmes and grants.

18. Projects include:

- a) **Enterprising Worcestershire:** a programme supporting new and early-stage businesses. This programme also focuses on high growth businesses who will be creating employment by providing 1-2-1 support. The provision for early-stage businesses has also been reshaped, implementing a new coaching model where support is bespoke and tailored to the individual business while providing opportunities for the participating businesses to meet and collaborate. The provision for young people is delivered by project partner, The University of Worcester.
- b) **Elevate (Growth):** a programme supporting our businesses to scale up by providing expert advice, business consultancy and funding with specific targeted support for Manufacturing and Creative Tech sectors, which is a result of consultation with the local business community.
- c) **Elevate (Technology):** focusing on technology adoption by Small and Medium Enterprises (SMES) to support productivity improvements. The scheme supports business to implement new technology effectively to improve productivity and efficiency.
- d) **Worcestershire Innovation:** supporting innovative local companies with direct bespoke support, access to Betaden (the county's technology accelerator based at MHSP) and access to business grants of up to £30k.
- e) **Clean Growth Programmes:** Working in partnership with HW Chamber of Commerce, supporting businesses to reduce energy and resource costs and supporting companies to develop and commercialise low carbon technologies and services.

19. In July 2020 Worcestershire County Council agreed to allocate £3.5 million to

support local businesses and launched the **Here2Help Business Programme** which offers five areas of support due to the success of the programmes the Council committed a further £900k, bringing the Council's total commitment to £4.4 million: providing:

- a) Business Grants to support businesses to adapt and diversify
- b) Business Support programme offering free advice and guidance
- c) A specific programme to support agricultural businesses
- d) Graduate Recruitment Programme
- e) Business mentoring (operated in conjunction with University of Worcester and Worcestershire Ambassadors).

20. Recently, 105 businesses were surveyed to understand the effectiveness of the Here2Help Business programme and its impact. It was found that 96% thought the staff guiding the businesses through the application process were helpful and professional. 93% of businesses found that the administration of the programme was good or very good, 92% found the relevance and quality of support good or very good with 90% also adding that the level and focus of the support was right.

21. The overall Here2help business programme impacts are:

- Over 700 enquiries managed and processed
- 172 businesses Assisted through 1:1 specialist advice clinic
- Over £3m contracted in grant funds
- 249 new jobs have/will be created because of the grant funding
- 522 jobs safeguarded because of grant funding
- 50 new graduate placements contracted

22. The wider effects of the programme include 84% of businesses that responded have improved or expect to improve business resilience, 91% of businesses citing they had completely or partially overcome the barriers they had with their business at the time of enquiry, 44% adopted new technologies while 43% scaled up production and diversified into new markets. 95% of businesses would recommend the Here2Help Business programme, and 94% felt well supported.

Worcestershire Growth Hub

23. Worcestershire County Council continues to work in partnership with Worcestershire LEP, as the accountable body which authorises the contracts from the Department for Business, Energy and Industrial Strategy (BEIS) to fund the service. The Growth Hub is currently in receipt of funding for 22/23 of £250,000. The Council also contribute three members of staff to work within the growth hub team. The Growth Hub continues to be the front door to business information advice and guidance in the county supported by all partners.

Skills and Investment

24. The County Council's Skills team has been focused on introducing schemes to support residents back into work and to ensure that moving forward a ready supply of skilled workforce is available to businesses. Projects include :-

Careers and Enterprise Company Programme

25. The Careers and Enterprise Company Programme works with 65 Education establishments with cohorts of young people from Year 7 up to year 13 across the county to assist with the careers planning of young people. The Council and the LEP work with the schools and colleges to influence young people to choose the skills and education pathways as needed by the employers within the county whilst supporting employers' future workforce ambitions.

26. The programme over the last year has been focused on recovery, the previous 12 months being incredibly challenging for education settings. The resulting impact has been both a decline in the levels of employer encounters offered in education but also a less informed information, advice and guidance service for young people which has significantly affected the landscape around post 16 destinations. This year the programme has been returning to pre-pandemic levels and the performance has returned to similar levels; currently at over 6.03 out of 8 Quality Careers Benchmarks being completed by educational establishments with significant increases in the levels of employer encounters happening in the geography. This piece of work nationally is recognised as one of the exemplar geographies and highest achieving.

27. The next phase of this project is to focus on those less socially mobile young people at risk of completing an unsuccessful outcome, to ensure they are targeted and their aspirations are raised. Aligned with this the team are working on a new programme of events which will include the return of the Worcestershire Skills show in 2023.

Careers Worcestershire

28. Over the last twelve months, the brand of Careers Worcestershire, supporting young people 16-24 continues to grow. The brand built to bring forward a helpline for young people with supporting information and events grew to include a two-year European programme of £2.97M of funding offering direct advice and guidance to young people and supporting interventions. The programme, launched in January 2022 has been designed to support over 1900 young people who are both at risk of being NEET and who are NEET across the county. The full county coverage programme will work in education establishments and in communities working with 7 education partners and supporting 850 young people into employment.

29. Alongside this in July 2022, working with the Department of Work and Pensions, the team opened a physical drop in space for 18 – 24-year-old claimants, designed to support over 300 young people in Worcester city alone to improve their employment prospects and outcomes. The next phase of this programme will be to introduce similar interventions into Redditch and Wyre Forest.

Worcestershire Apprenticeships

30. Worcestershire Apprenticeships, the brand created to offer advice and guidance to young people, parents and employers in 2015 has faced a number of challenges over the last 12 months not least that due to outputs being around school engagement. However in 2022 the interaction with young people has returned and over 100 sessions have been delivered in schools and 66 in Community and Jobcentre settings.

31. Apprenticeship numbers stood at 3490 in 2020/21 with significant drops in under

19s accessing, down around 1000 starts from pre-pandemic levels. However, employer interest has been peaked for 22/23 with the introduction of Government incentives and vacancy levels are therefore at an all-time high. More work is needed to influence young people and support employers to be able to undertake apprenticeships as a route to workforce planning but recent Apprenticeship updates from academic year 21/22 suggest significant gains in numbers at 22% increase and a rebalancing of apprenticeships from existing workforce to new entrants into organisations.

32. The Council is planning the Apprenticeships Awards for November 2022, which will recognise the achievements of employers and apprentices in a face to face ceremony at the West Midlands Safari Park.

DWP Kickstart

33. As part of the Government's Plan for Jobs in 2020 in response to the pandemic and high levels of youth unemployment, DWP launched the Kickstart programme to support claimants aged 16-24 into 6 month paid placements, free of charge to employers. Worcestershire County Council and Worcestershire LEP jointly took on the programme to become a gateway for Kickstart and support employers across the county to access placements. Despite a slow start from DWP in the programmes administration processes, the team placed 299 young people into employers and to date have had 83 moved into full time employment within their respective companies. The programme completes in September 2022.

Worcestershire Jobs www.worcestershirejobs.co.uk

34. Launched in April 2021 to support residents during the pandemic, Worcestershire Jobs offers efficient searching and ability to access vacancies, training, and apprenticeships in the county. It brings together data from across online vacancy and education platforms, returning results into one place. To date the site has had 55000 unique views with new easy access links to the County Council and NHS vacancies to highlight working in our public sector employment.

Learning Services

35. The Learning Services Team in Skills and Investment delivers a number of Education and Skills Funding Agency contracts worth approximately £1.07 M, which are subject to Ofsted inspection. The team delivers programmes of education including qualifications to vulnerable young people aged 16-19 and adults 19+ through the Adult Learning Centre in Warndon and other community venues. The challenge of learning delivery in 2020-22 on a virtual basis has been significant and the decision was taken over 2021/22 to utilise the time to restructure the service and to refocus the services to respond to the needs of residents moving out of the pandemic. The team is relaunching its offer in September 2022 with a renewed focus on Employment, Qualifications and Health and Wellbeing.

Community Grants – European Social Fund

36. Over the Last three years the Council has been supporting community organisations to move residents closer to employment, and to date the team has supported over 600 residents through community organisations supporting individuals

recovering from domestic violence, exiting armed forces and with disabilities plus many more to focus on their journey into employment. The team has given around £700k in grants out to a range of provision.

Current Employment Land Programme

Worcester Six

37. Worcester Six is a 72-hectare (178 acre) site set immediately to the east of the M5 motorway at junction 6. Worcester Six provides new floor space for manufacturing, offices, Research and Development and logistics. On site 840,500 sq. ft is now let/sold or under construction, creating between circa 500 jobs. Current and future confirmed occupiers/investors include:

- Kimal
- Spire Healthcare
- Material Solutions (part of Siemens)
- Liberty Property Trust
- Kohler Mira
- Cornelius Drinks
- Zwickroell
- IONOS
- Victoria Carpets

38. Having attracted significant investment to the site, there are now plans to extend the business park to the south (Worcester Six Business Park Southern Extension), which will provide up to a further 680,000 sq ft of floorspace. Planning permission has been granted with a start on site anticipated in the next twelve to fifteen months.

Redditch Gateway

39. The Redditch 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.

40. The appointed developer at Redditch Gateway has secured one large occupier, Amazon and is now seeking occupiers for the remaining available plots. Currently, there is an existing planning application submitted to Stratford Upon-Avon District Council for two speculative builds totalling 446ksqft. A decision on the planning application is expected in the summer of 2022. The overall scheme is set to deliver significant economic value 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 economy in the environs of Redditch and re-position the area as a location of choice for growing local companies and prospective inward investors.

Malvern Technology Park (MTP)

41. Using the Council's acquisition of 4.5 hectares of Employment Land from

QinetiQ with Outline consent for 300,000 square feet of B1(b) development to create a Science and Technology Park bringing together existing operations (Malvern Hills Science Park, QinetiQ and the commercial development site) that combined, will provide the opportunity to create a knowledge and innovation-based environment of international reach and merit and to grow the Malvern Hills Science and Technology community.

42. **Expected outcome/output:** There is outline consent for 300,000 sq ft of B1(b) gross internal area (GIA) commercial floor space.

43. **Medium Term Planning (MTP) - Getting Building fund Outputs**

- 650m road, cycle lanes and walkways maintained and built
- 1990 sqm public realm
- 6,689 sqm Commercial space (based on the development of the first commercial unit on the site)
- 497 jobs created (based on the development of the first commercial unit on the site)
- 56 additional construction jobs

Shrub Hill Station

44. The creation of a development Vision for Shrub Hill Quarter in Worcester, including Shrub Hill Station and that land owned by Worcestershire County Council, know as Shrub Hill Industrial Estate (3.93 hectares). The securing of funding and developer interest in order to see the development of the quarter in line with the development vision. Delivery of overarching regeneration programme and specific project as funding is available.

45. **Expected outcome/output:** The Spatial Blueprint identified the possibility of development within the Shrub Hill Quarter of up to:

- Up to 5,000 jobs
- 500+ homes
- 2 hectares public space
- New gateway to Worcester city centre

46. **Phase 1 includes** the following outputs:

- Brownfield Land Release Fund (BLRF) releasing land for 76 units of residential
- Towns Fund: Enterprise Centre 4,922 sqm high quality business space (City Council objective)
- Towns Fund: public realm 2,000 sqm public realm (City Council objective)
- Towns Fund: residential 100 units residential (overlaps with BLRF so should not be double counted) (City Council objective)
- Towns Fund: jobs creation of 400 new jobs (City Council objective)
- Towns Fund: 90 new parking spaces to support commercial and residential uses (City Council objective)
- Towns Fund: unlocking 1.55ha of remediated land (City Council objective)

47. **Timeline:** This is a 20+ year programme with Phase 1 being delivered 2022-

Visit Worcestershire

48. Worcestershire County Council took on responsibility for Visit Worcestershire from HW Chamber of Commerce in April 2020 and allocated £246k towards supporting its development. Since then the Council has:

- a. Rebranded the service in line with customer feedback and align with One Worcestershire.
- b. Completely refreshed the original Visit Worcestershire website and invested in a new site that is planned to go live in October 2022. The site is more intuitive, focusses on accessibility at all levels and enables booking via the platform.
- c. Continued to increase the profile of visiting Worcestershire on social media; to encourage click through to the website content which includes blogs and lifestyle articles, established an Instagram channel which now has almost 5000 followers, and increased followers on Facebook and Twitter. As well as launching on Tik Tok. The Council averages between 200,000 to 400,000 impressions monthly on its content.
- d. Hosted its first Visit Worcestershire awards celebration at Stanbrook Abbey, which saw 13 winners announced as exemplars within the sector. With three of our local winners, going on to win awards at a national level with Visit England, with Treeopia being awarded Gold for Self-Catering.
- e. Established a strong working relationship with District Council partners which has included attending tourism exhibitions under the Visit Worcestershire banner and bi-weekly meetings.
- f. Summer 2022 has seen the launch of the new campaign, 'Make Worcestershire Part of your Story' which has out of home advertising placed around the wider region, particularly around Birmingham linked to the Commonwealth Games. You will see our hero images, such as the Malvern Hills on the side of the M6, and in regional rail stations. The new guidebook is out in service stations and Tourist Information Centres with 22% of the total distribution already flying off the shelves.
- g. Supported the tourism sector, including a new tourism network which runs bi-monthly, attracting around 40-50 businesses each time – focusing on spreading of best practice advice and collaboration, a new Facebook group for the sector, and opening the Here2Help Business grant to attractions and hotels.
- h. Offered account management meetings to meet and get to know local businesses, offering signposting and advice as well as collecting insightful data which helps campaigns and product development.
- i. Great Western Railway are now the Council's official travel partner, this partnership means the exciting development of reciprocal advertising deals which will see the Worcestershire brand reach a much larger new audience across the franchise area from London to the South West.

Community Renewal Fund (CRF)

49. The County Council was Awarded £2.7m from Government under the Community Renewal Fund in November 2021 to support 6 projects which are all currently in delivery phase to December 2022 following a national project extension. Projects are as follows:

- **Worcestershire Wellbeing:** Worcestershire Wellbeing is run by Wyre Forest Community Housing: has 12 community partners in place and delivering grass roots interventions to the community, reaching those furthest from the job market to engage them in life skills and job searching interventions. They have worked with over 100 people in Wyre Forest and Worcester City to date.
- **Young Enterprise:** Young Enterprise has already worked with 3 SEND schools and several mainstream schools to deliver enterprise education to over 1,500 students. A further 1,000 students are registered up until the end of the academic term. The programmes have been well received with fantastic outputs for a number of young people who had disengaged with mainstream education, finding real tangible benefits, especially in the enterprise programmes. A showcase of the young people's products is scheduled for the 3 December at Worcester Cathedral.
- **Betaden North:** Led by Wyre Forest DC working in partnership with Worcestershire LEP, this programme has hosted two workshops with guest speakers from Vodafone and Siemens. The full bootcamp ran from May to July with 6 businesses completing the full programme. The final pitch event was a huge success with one of the innovators now in talks with M&S and Next about mass producing their product – the GrowHanger.
- **Low Carbon Wyre Forest:** Led by WCC, the programme offers retrofitting training courses, smart meters and low carbon advice. The programme is delivering above expectations with 15 businesses enlisted for the bespoke support and 60 for the advice service.
- **Malvern and Wychavon's skills programme:** The skills programme run by Malvern DC has been delivering well. A survey of 650+ local businesses didn't indicate the level of skills gap expected, so the project looked at other outcomes from the survey that could be supported including Age Friendly work practices.
- **Made in Worcester:** Led by Raise Partnership, this scheme has recruited 39 young people to work across three film crews with story boards and scripts in development for tourism, innovation and environmental films. WCC has been engaged in the process, with officers being involved in the films to share their expertise. The Worcester Film Festival is scheduled for October.

Transport Infrastructure

50. Alongside routine Highway maintenance and relatively minor corridor and junction capacity enhancements, the Council undertakes a programme of major transport infrastructure improvements which are designed to reduce journey times, improve journey time reliability and enhance the public realm, all of which are shown to have significant economic benefit and attractive benefit cost ratios (BCR). These major projects are funded through a number of sources, including; DfT, Growth Funding, Developer Funding, County Council Capital.

Recently completed:

- **Churchfields Urban Highway Improvement Scheme, Kidderminster:** A highway scheme to help unlock development in this area of Kidderminster was completed last year.
- **Worcestershire Parkway:** The award winning Worcestershire Parkway Station opened in February 2020 just before the Pandemic. Demand for rail services was severely affected by the Pandemic, however, it is growing again throughout the

County. Worcestershire Parkway's growth is particularly strong and passenger numbers are significantly ahead of those predicted pre-Pandemic. This is probably due to its accessible location, ample parking and access to services to Birmingham, Nottingham, Cardiff, London and the Thames Corridor as well as its unique interchange function. The provision of the station provides an attractive alternative to passengers who were previously driving to Warwick Parkway, Birmingham International or making their entire journey by car. Officers are already looking at options to increase car parking capacity at his location.

- **Kidderminster Station:** The new Kidderminster Station was completed during the Pandemic and officially opened in December 2021. The improved station, car park and drop-off facilities have made rail travel to and from this location considerably more attractive and represents a realistic alternative to journeys that might otherwise have to be made by car.
- **Hoobrook Roundabout, Kidderminster:** Major capacity improvements to this junction on the A449 just south of Kidderminster were completed earlier this year. Together with previous improvements such as the Hoobrook Link Road and recent changes to junction priorities at "Black Bridge" at Torton, it is possible to improve journey times between Kidderminster and Worcester.
- **Phase 1 and 2 A38 Bromsgrove Route Enhancement Programme:** Phase 1 included capacity enhancements at Junction 4 of the M5/A38, Junction 1 of the M42/A38 and the provision of a right turn lane at the junction with Barley Mow Lane. Phase 2 was more focussed on walking and cycling infrastructure, however, this can provide benefits by making walking/cycling to school, work and other trip attractors a viable option for some thereby reducing some trips by car which in turn improves journey times and journey time reliability for others.
- **Port Street and Waterside, Evesham:** Public Realm scheme in Evesham designed to rationalise parking, improve junction efficiency, enhance the environment and improve crossing facilities. Public Realm improvements are shown to increase economic activity by making retail and leisure areas more attractive and increasing dwell time and spend.

Projects Underway:

- **Southern Link Road, Worcester:** Once the work is completed on Phase 4 over the summer, the A4440 will be fully dualled between Junction 7 of the M5 and Powick Roundabout. This will improve journey times and journey time reliability on one of the County's most important strategic routes.
- **Upton-upon-Severn Roundabout:** The provision of a roundabout represents a major efficiency improvement to this former staggered junction on the A38 which suffered from congestion at peak times and during festival season. Work is due for completion this autumn.
- **Future High Streets Fund, Worcester:** This programme of work is well underway and includes improvements to footways, lighting, de-cluttering and improvements to street furniture all of which will make the City a more attractive place to shop and work which in turn delivers economic benefit.

Under development

51. Schemes being considered or under development include Phase 3 of the A38 Bromsgrove Route Enhancement Programme which would see capacity improvements throughout the A38 corridor in Bromsgrove (Golden Cross to Hanbury Turn), the provision of further car parking at Worcestershire Parkway Station, walking/cycling bridges at

Kepax in Worcester and Hampton near Evesham which would deliver economic benefits through leisure and tourism and Redditch and Shrub Hill Rail Stations

Purpose of the Meeting

52. The Panel is asked to:

- consider and comment on the information provided on The Worcestershire Economy; and
- determine whether any further information or scrutiny on a particular topic is required.

Supporting Information

Appendix 1 – Worcestershire Economic Levelling Up Indicators

Contact Points

Sue Crow, Strategic Programme Manager, Economic Development
Email: scrow@worcestershire.gov.uk

Judy Gibbs, Skills and Investment Group Manager, Skills and Investment
Email : jjibbs@worcestershire.gov.uk

Specific Contact Points for this report

Emma James / Jo Weston, Overview and Scrutiny Officers, Tel: 01905 844964 / 844965
Email: scrutiny@worcestershire.gov.uk

Background Papers

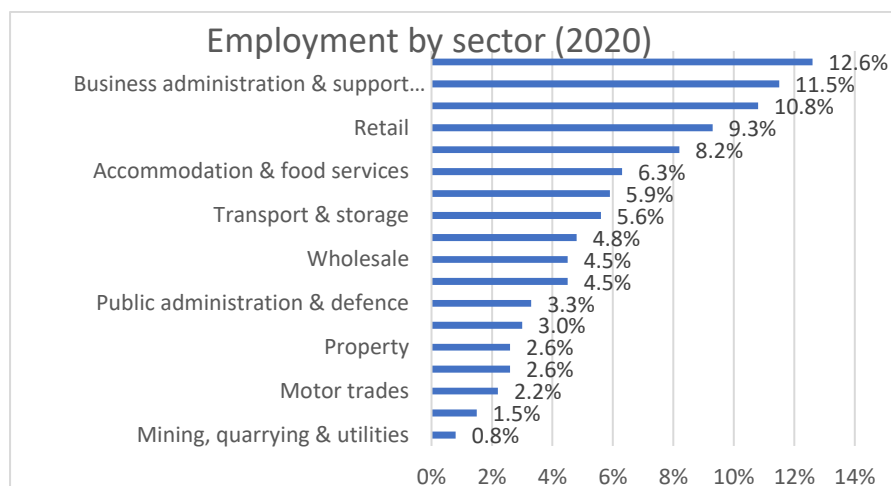
In the opinion of the proper officer (in this case the Assistant Director Legal and Governance) there are no background papers relating to the subject matter of this report:

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Worcestershire Levelling up Indicators

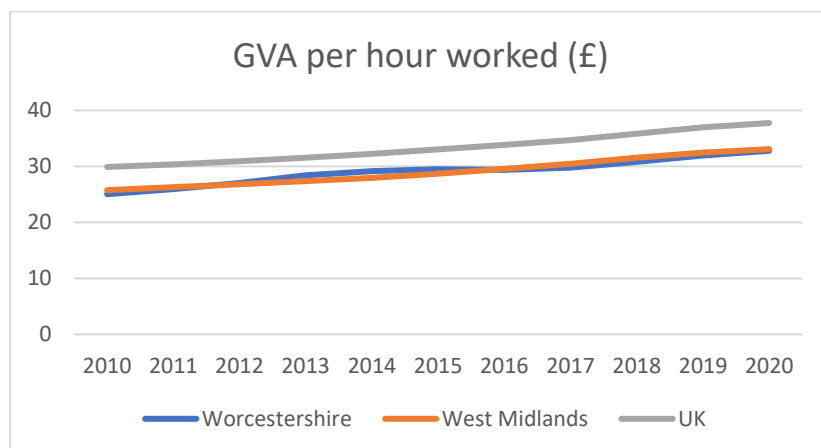
Employment by Sector

The top sector for employment in Worcestershire is currently Health at 12.6% followed by Business administration and Manufacturing at 11.5% and 10.8% respectively. The fourth and fifth largest sectors are retail (9.3%) and education (8.2%)



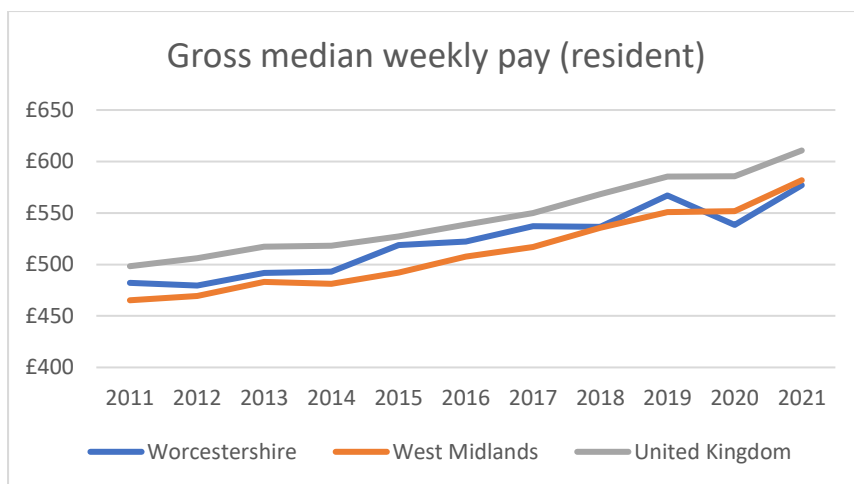
Gross Value Added (GVA) per hour worked

Productivity in Worcestershire has grown on average by 3.1% per year over the last 10 years to £32.80 and is close to the West Midlands average (£33.10) but remains below the UK average (£37.70).

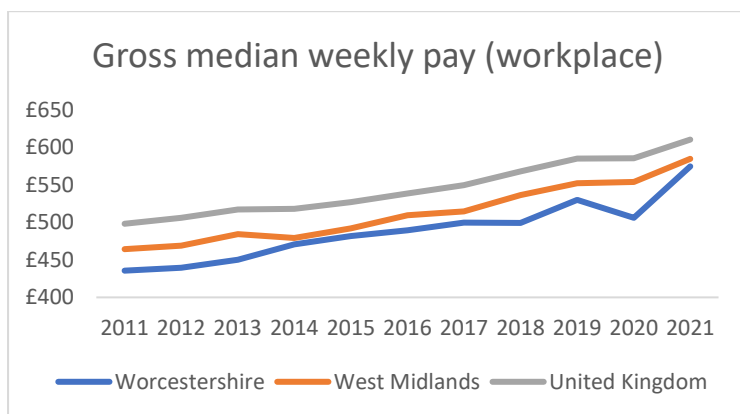


Gross median weekly pay (£)

Average pay for Worcestershire residents fell in the pandemic, but has since recovered to £576.90, close to the West Midlands average (£581.80), but below the UK average (£610.70).

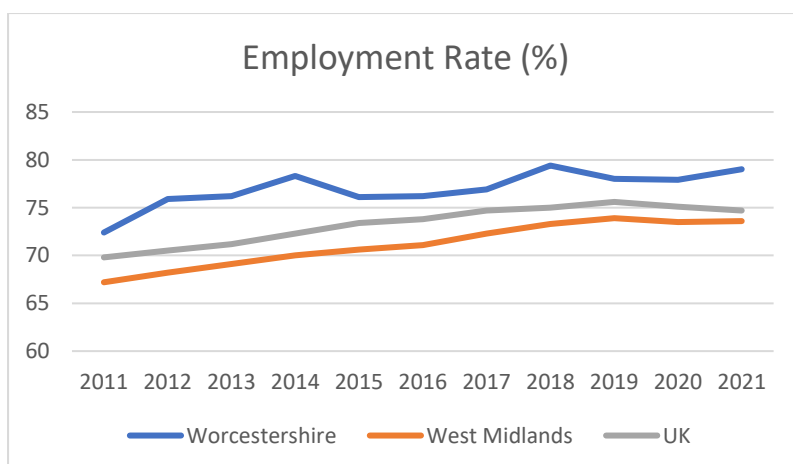


Since falling in the pandemic workplace pay in Worcestershire has recovered strongly to £574.90, narrowing the gap with the UK average (£610.70).



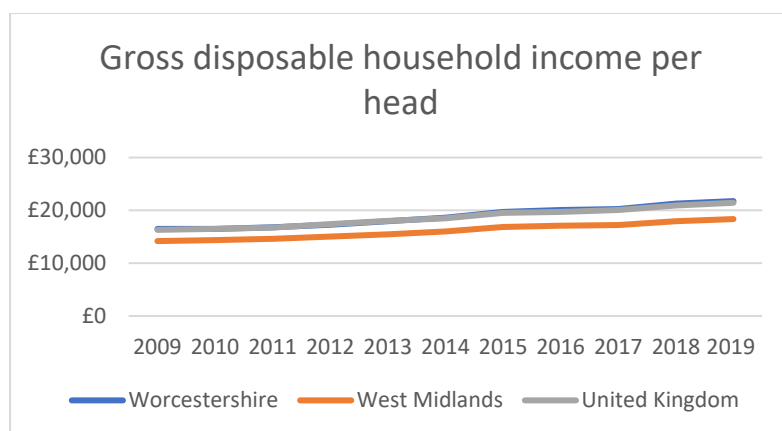
Employment rate for 16–64-year-olds

The employment rate in Worcestershire is 79.0% above the West Midlands (73.6%) and UK (74.7%) rates.



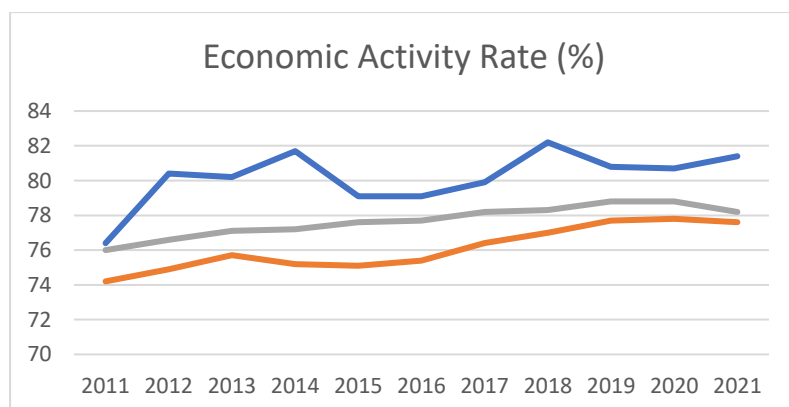
Household Income

Household income per head in Worcestershire is £21,755, above the West Midlands average (£18,350) and similar to the UK average (£21,433).



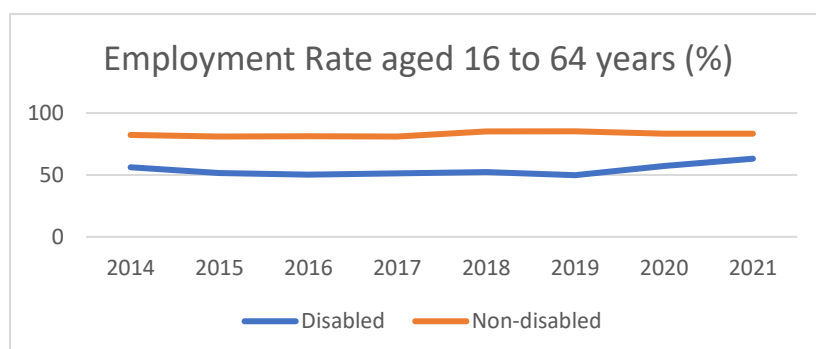
Participation Rate

The economic activity rate for 16–64-year-olds in Worcestershire is 81.4%, above the West Midlands (77.6%) and UK (78.2%) rates.



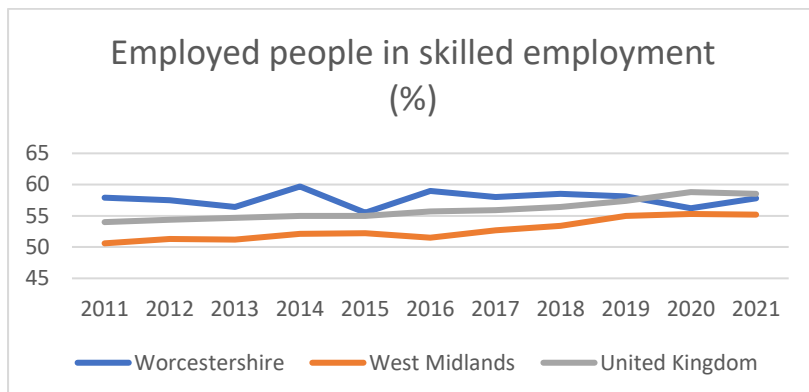
Disability employment rate gap

The employment rate for disabled people in Worcestershire is 63.1%, compared with 83.3% for non-disabled people. The difference in the employment rate between disabled and non-disabled people has fallen in Worcestershire to 20.2 percentage points, in line with national trends.



Proportion of employed people in skilled employment (SOC 1-3, 5)

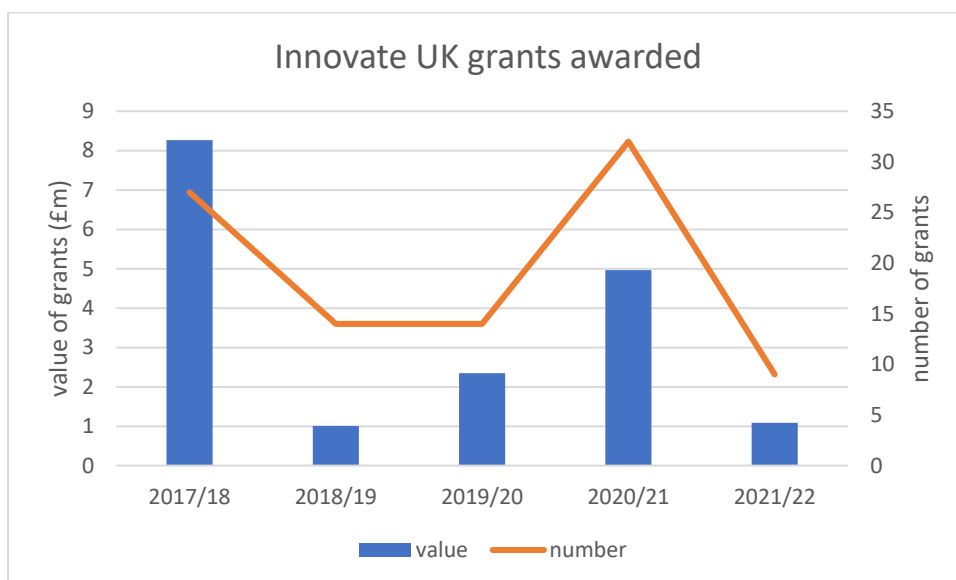
The proportion of employed people in skilled employment in Worcestershire is 57.8% and, although subject to sampling variation, has remained at a similar level over the last 10 years. This contrasts with the West Midlands and UK where proportions in skilled employment have risen with Worcestershire now just below the national average of 58.5%.



Total value of UK exports: In Worcestershire in 2020 the value of goods exports was £1.5 billion and service exports were worth £0.6 billion, in total £2.1 billion.

Government funding for R&D

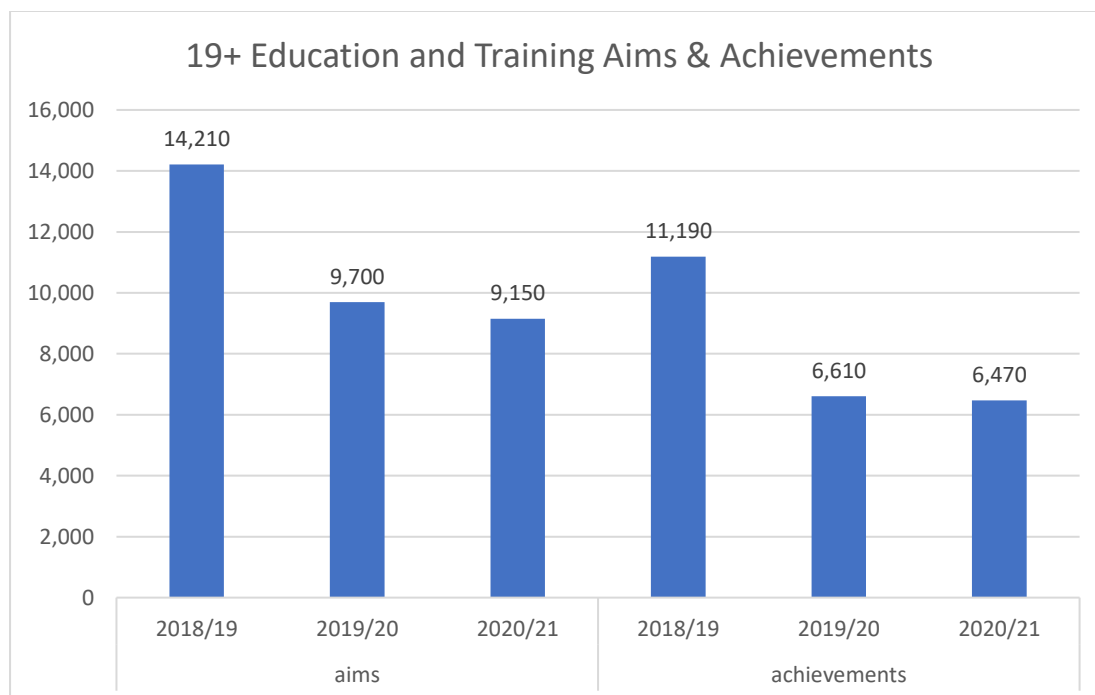
Over the last 5 years businesses in Worcestershire received £17.7m in Innovate UK funding. This equates to 0.3% of Innovate UK funding, less than Worcestershire's 1.1% share of businesses.



Percentage of businesses that are innovation active In 2018-2020, 43% of Worcestershire businesses were innovation active, compared with 46% of UK businesses.

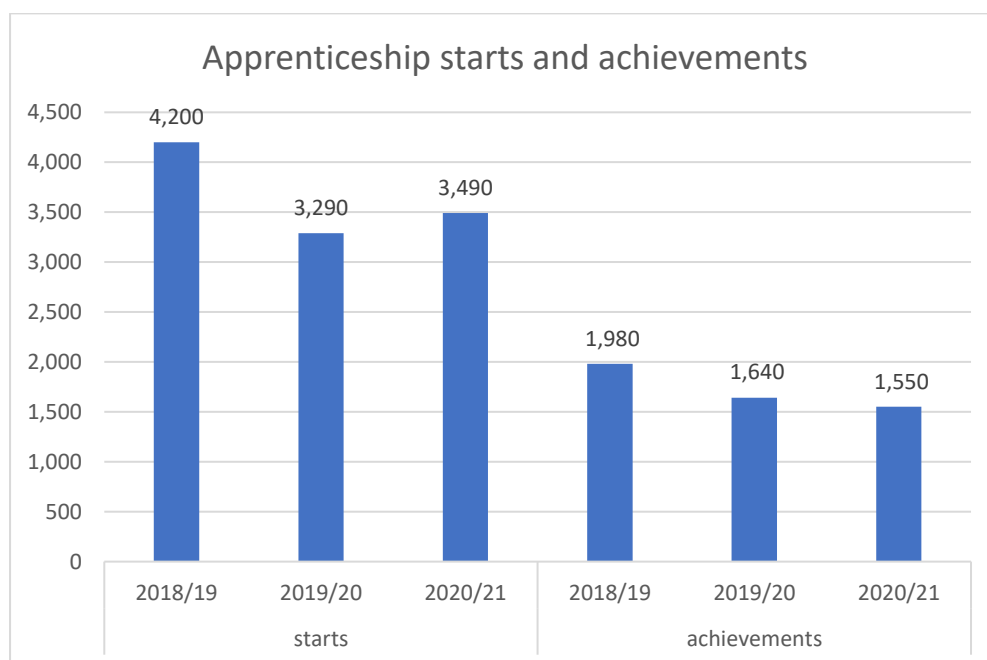
19+ Education and Training

Education and training aims and achievements by learners in Worcestershire fell in the pandemic and have not yet recovered.



Number of starts, and achievements, on apprenticeships

Worcestershire saw a fall in apprenticeship starts and achievements in the pandemic. Apprenticeship starts saw some recovery in 2020/21, but achievements have continued to fall reflecting the lag between starting and completing a course.



Proportion of the population aged 16 – 64 with level 3+ qualifications

The proportion of the 16-64 population with a level 3 or above qualification in Worcestershire has increased broadly in line with the UK and is currently 61.9%, similar to the UK average (61.4%) and above the West Midlands average (57.2%).

