

**ECONOMY AND ENVIRONMENT  
OVERVIEW AND SCRUTINY PANEL  
20 SEPTEMBER 2021**

**UPDATE ON THE LOCAL ECONOMY AND WHAT THE  
COUNCIL HAS DONE AND IS DOING TO HELP BUSINESSES  
RECOVER AND GROW**

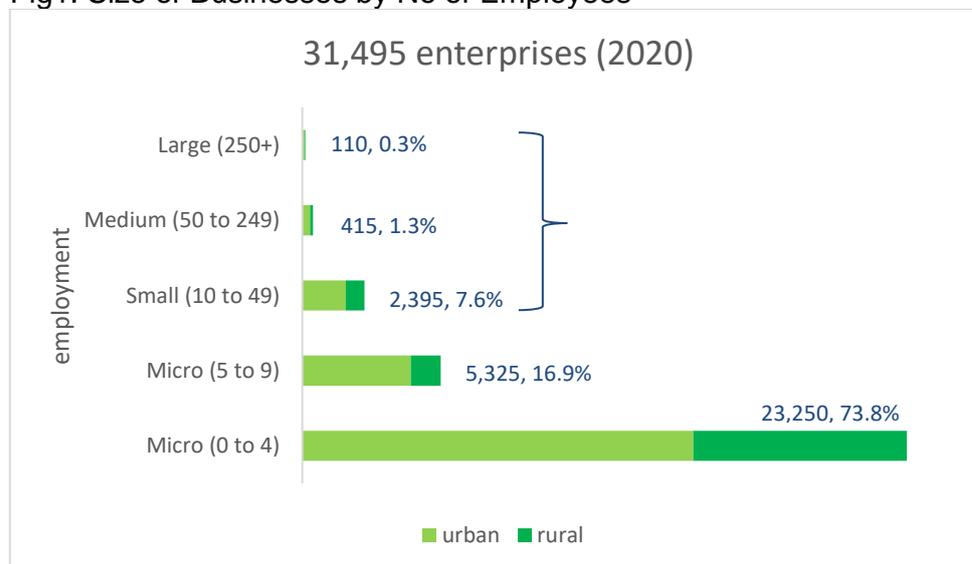
**Summary**

1. The Panel has requested an update on the Council's support to businesses during the COVID pandemic.
2. Senior Officers from the Directorate of Economy and Infrastructure have been invited to the meeting along with the Cabinet Member for Economy and Skills.

**The Worcestershire Economy**

3. **Population** – Worcestershire has a population of 598,070 of which 354,064 are aged between 16 and 64 (59%)
4. **Business** – There are currently 31,495 enterprises in the county of which 32% are in rural areas (see Fig 1)
5. **Employment**: there are 273,000 workplace jobs in the county

Fig1: Size of Businesses by No of Employees



**The Worcestershire Economic Recovery Plan**

6. The county and district authorities along with the regulators and representatives of the business community, the Chamber of Commerce, Federation of Small Businesses, Worcestershire Regulatory Services, the National Farmers Union and Worcestershire

Business Central have met regularly since March 2020 as Worcestershire COVID-19 Economic Response, Recovery and Resilience Group (WCERG). This group has provided a forum to initially understand the impact on the county and to co-ordinate resources effectively to deliver national programmes and develop a more targeted local understanding and frame our collective immediate economic and policy response to Covid-19. The group has developed an economic recovery framework to rapidly identify local interventions and the most effective ways to deploy resources.

7. There are five key areas of focus within the recovery framework which are:

- a) Delivering co-ordinated, timely and accurate information about national programmes to the business community;
- b) Focussing and enhancing current business support programmes available across Worcestershire and Greater Birmingham and Solihull LEP Areas to support recovery;
- c) Accelerating investment in major schemes;
- d) The use of direct resources to support specific demands and opportunities including the Here2Help initiative;
- e) Ensuring we have the best information we can – national analysis and local data.

## The Economic Impact

8. As part of the recovery plan the Council has been continuing to monitor the impact of COVID-19 on the economy:

### Worcestershire Claimant Count

9. The claimant count decreased in July 2021 by 125 to 15,220 and the number of claimants aged 18-24 decreased by 100 to 2,770 – see Table 1.

10. Comparisons with March 2020, prior to the impact of the pandemic, show that the claimant count has increased by 6,915 or 83% and the number of claimants aged 18-24 increased by 1,175 or 74% - see Table 2.

11. The highest levels of claimant counts are in Redditch (5.2%), Worcester City (4.8%) and Wyre Forest (4.8%). However, the largest increases in claimant count have been seen in Wychavon (108%) and Bromsgrove (88%).

**Table 1: The Claimant Count within Worcestershire**

Area	Claimant Count	Rate	change on last month	change since March 2020	% change since March 2020
Bromsgrove	2,185	3.7%	-5	1,020	88%
Malvern Hills	1,645	3.7%	-40	720	78%
Redditch	2,720	5.2%	0	1,185	77%
Worcester	3,105	4.8%	-90	1,325	74%
Wychavon	2,750	3.6%	30	1,430	108%
Wyre Forest	2,810	4.8%	-25	1,230	78%
<b>Worcestershire</b>	<b>15,220</b>	<b>4.3%</b>	<b>-125</b>	<b>6,915</b>	<b>83%</b>
West Midlands	237,380	6.5%	-1,440	93,030	64%
England	1,946,790	5.5%	-14,510	883,285	83%

**Table 2: Claimant Count 18-24-year olds**

Area	Claimant Count (18-24)	Rate	change on last month	change since March 2020	% change since March 2020
Bromsgrove	420	7.0%	-5	205	95%
Malvern Hills	280	6.4%	-10	100	56%
Redditch	500	8.4%	-20	190	61%
Worcester	565	5.6%	-40	245	77%
Wychavon	495	6.3%	-15	235	90%
Wyre Forest	505	7.7%	-15	195	63%
<b>Worcestershire</b>	<b>2,770</b>	<b>6.8%</b>	<b>-100</b>	<b>1,175</b>	<b>74%</b>
West Midlands	44,420	8.5%	-1,320	16,515	59%
England	343,035	7.3%	-14,700	145,305	73%

**Coronavirus Job Retention Scheme (CJRS) furloughed employments**

12. As at 30 June 16,300 employments were furloughed in Worcestershire. This represents a take-up rate of 6%, slightly below regional and national rates. (Table 3)

13. The proportion of employees furloughed is highest in Redditch at 8%.

14. The largest number of furloughed employments were in Manufacturing (3,060).

**Table 3- Coronavirus Job Retention Scheme (CJRS) furloughed employments**

Area	Employments furloughed	Eligible employments	Take-up rate
Bromsgrove	2,800	42,800	7%
Malvern Hills	1,800	30,300	6%
Redditch	3,100	39,800	8%
Worcester	2,700	48,200	6%
Wychavon	3,300	56,400	6%
Wyre Forest	2,500	41,100	6%
<b>Worcestershire</b>	<b>16,300</b>	<b>258,600</b>	<b>6%</b>
West Midlands	159,400	2,424,300	7%
England	1,554,000	23,881,800	7%

**Employer Demand/Recruitment trends:**

15. On 20 August 2021 the number of UK online job adverts was 128% above its February 2020 average level and 147% above in the West Midlands. (ONS analysis of Adzuna data)

**Pay As You Earn Real Time Information**

16. In the UK in July 2021, 182,000 more people were in payrolled employment when compared with June 2021, but 201,000 fewer people were in payrolled employment when compared with February 2020.

17. In July 2021 there were 264,655 people in payrolled employment living in Worcestershire, 1,772 more than in June 2021 and 1,572 more than February 2020.

## Business Support

18. In response to the Economic Recovery Plan several measures have been implemented, these include administration of government grants, refocussing and enhancing current business support schemes and new investments to support the economy to reopen and adapt.

19. The County Council has refocussed existing EU funded business support schemes to ensure delivery can continue. This has resulted in services being offered online and the support being targeted at working with businesses on resilience and recovery as well as growth. The programmes include:

- a) **Enterprising Worcestershire:** a programme supporting new and early stage businesses.
- b) **Elevate (Growth):** a programme supporting our businesses to pivot and grow by providing expert advice and business consultancy and business grants. With specific targeted support for Manufacturing and Creative Tech sectors
- c) **Elevate (Technology):** focusing on technology adoption by SMES to support productivity improvements.
- 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. The programme has also recently launched an Innovation Platform providing an ask, search, find facility, collaboration space and advice from experts
- e) **Clean Growth Programmes:** supporting businesses to reduce energy costs by becoming more energy efficient and supporting companies to develop and commercialise low carbon technologies and services.

20. 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 distinct areas of support. Due to the success of the programmes the council has committed a further £900k, bringing the council's commitment to £4.4 million:

[Here2Help Business | Worcestershire County Council](#)

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

21. Since the launch the service has responded to over 600 enquiries, and has supported over 340 companies with advice, consultancy and grant funding, including 50 graduate placements.

22. Working with Worcestershire Local Enterprise Partnership; Worcestershire Business Central has expanded its delivery to support local businesses, this has included additional specialist business advisors and the development of peer2peer networks. The service is now co-located with Worcester City Council and led by Worcestershire LEP. Worcestershire Business Central is the dedicated growth hub for the county and provides a single front door for business support.

## **Current Employment Land Programme:**

### **a) Worcester Six**

23. Worcester Six is a 72-hectare (178 acre) site set immediately to the east of the M5 motorway at junction 6, Worcester Six is set to become one of the region's flagship developments. Worcester Six provides new floor space for manufacturing, offices, Research and Development and logistics. On site 780,500 sq. ft is now let/sold or under construction, creating between 350 - 400 jobs.

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

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

25. 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], adjacent to Newtown Road, which will provide up to a further 680,000 sq ft of floorspace. An outline planning application has been submitted and is awaiting an outcome.

### **b) Redditch Gateway**

26. The Redditch Gateway development will open up approximately 35 acres of development land on the northern side of the site and a further 27 acres to the south.

27. 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.

28. Since then a £5.5 million transport infrastructure programme has been carried out, and a 366,000 sq ft warehouse building erected to the north of the site, which has been pre-let to a multinational retailer, Amazon and is set to be completed in Q3 2021 creating c200 - 250 jobs.

29. The appointed developer at Redditch Eastern Gateway is now seeking occupiers for the remaining part of the southern site, and strong market interest continues.

### **c) Malvern Technology Park**

30. Worcestershire County Council acquired 4.5 hectares of land from QinetiQ Limited in 2019. The land has outline consent for 300,000 square feet of B1(b) commercial space.

31. The land sits adjacent to Malvern Hills Science Park (MHSP), with 130,000 square feet of flexible or hybrid laboratory and commercial accommodation.

32. The development and promotion of the land, alongside MHSP and QinetiQ Ltd would allow the presentation of a European-scale science and technology park.

33. WCC have commissioned a sitewide Masterplan and are developing an Infrastructure Plan. Planning consent has been obtained for a spine road through the site and for a 'Hub' which would service the needs of all parties as well as providing commercial space.

#### **d) Redditch Rail**

34. Worcestershire County Council secured funding to support Business Case development and land acquisition around Redditch Railway Quarter.

35. The Business Case using the Getting Building Funding will continue and be complete in March 2022.

#### **e) Shrub Hill**

36. WCC acquired Shrub Hill Industrial Estate in November 2020. The property comprises approaching 26,103sq m (280,000 sq ft) of industrial and office space on 3.93 hectares (9.73 acres) of land in two parcels, a short distance from Worcester City Centre.

37. As part of the Shrub Hill Station redevelopment and service improvement proposals the potential to support the regeneration of the Shrub Hill Quarter to provide jobs, commercial space and new homes has been modelled.

38. Worcestershire County Council has secured £0.85 million Getting Building Funding to support Business Case development and land acquisition around Shrub Hill.

39. A Shrub Hill Programme Board and Steering Committee have been established to govern the development of Shrub Hill quarter and associated projects.

#### **Visit Worcestershire:**

40. 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 we have:

- a) Rebranded the service in line with One Worcestershire
- b) Launched a new look Visit Worcestershire website
- c) A focus 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 3000 followers, and increased followers on Facebook to 10,500 and Twitter to 14,000.
- d) Launched the Visit Worcestershire Awards, awards evening planned for 11 March 2022 at Stanbrook Abbey.
- e) Established a strong working relationship with district partners which has included attending tourism exhibitions under the VW banner etc
- f) In August 2021 launched a regional marketing campaign which in the first week saw website views increase by 50%

- g) Support for the tourism sector, including a new tourism network, business advice and consultancy, a new Facebook group for the sector which now has over 80 members, and opening the Here2Help Business grant to attractions and hotels.

### **New Funding:**

a) Community Renewal Fund:

41. The Government has £220 million nationally to allocate to Community Renewal Fund projects. Worcestershire County Council is the lead authority for Worcestershire and was invited by government to run an open call for projects.

42. The government used a methodology to identify 100 priority places and for Worcestershire the only priority place is Wyre Forest. Projects submitted to the fund needed to align with one, or deliver across several, of the following investment priorities:

- Investment in skills
- Investment for local business
- Investment in communities and place
- Supporting people into employment

43. The Worcestershire Bid was submitted on 17 June and although a decision was expected by end of July, we still await the outcome.

b) Levelling Up Fund

44. As a Transport Authority, Worcestershire County Council submitted a transport Levelling Up Fund (LUF) bid for the first phase of redevelopment at Shrub Hill Station.

45. The bid was submitted in June 2021 and announcement expected Autumn 2021. Funding has to be spent by end March 2025 (LUF was by end March 2024 or March 2025 in exceptional circumstances).

46. The project delivers:

- Renovation of the Grade-II-listed Shrub Hill Station building
- Development of a new Station Plaza providing an inviting pedestrian environment that transforms the areas around the station into a destination in its own right.
- Restoration of the Brunelian Station Undercroft which extends across the frontage of the station and the full extent under the platforms.
- Shrub Hill Active Travel Corridors from expanding neighbouring communities of Kempsey/Norton and Powick to connect the Active Travel city network.

### **Legal, Financial, and HR Implications**

47. From a County Council perspective, alongside the £4.4 million allocation to support businesses including the Here2Help business support, Worcestershire's Growth Hub has facilitated support for businesses. This has been through a one stop shop for business support across the County which has been funded by a mixture of funding

from the Department for Business, Energy and Industrial Strategy (BEIS) and ERDF grants totalling c£0.6 million.

48. Additional funding of c£0.2 million from BEIS was also received by the Growth Hub to deliver 11 cohorts on Peer to Peer networks, award ERDF grants to businesses affected by Covid and offer local and regional specialist support to all businesses affected by EU transition.

49. As also detailed within this report the County Council has been successful in securing external funding for a number of schemes, including Getting Building Fund for Shrub Hill and the Redditch Railway Quarter, and has bid for further funding from the Levelling Up and Community Renewals Funds.

50. The County Council has also allocated £0.6 million of Open for Business Funding focussing on the development of "One Worcestershire".

51. There are no legal or HR implications as far as we are aware with respect to this update.

### **Purpose of the meeting**

52. The Panel is asked to consider and comment on the latest information update on the Council's support to businesses during the COVID pandemic and agree:

- whether any further information or scrutiny is required at this stage
- any comments to highlight to the Cabinet Member.

### **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:

- Agenda and Minutes of Economy and Environment Overview and Scrutiny Panel on 19 July 2021

Minutes and Agendas are available on the Council's website at: [web-link to agendas and minutes](#)