

**OVERVIEW AND SCRUTINY PERFORMANCE BOARD
30 SEPTEMBER 2021****WORCESTERSHIRE LOCAL ENTERPRISE PARTNERSHIP
(WLEP) ANNUAL REPORT (2021/22)****Summary**

1. This report has been written to provide Worcestershire County Council's 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 2021/22. A presentation to support this report is attached at Appendix 1.
2. The Chairman and Chief Executive of the WLEP and the Section 151 Officer have been invited to the Meeting.
3. In addition, 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 38 LEPs nationally and their role has developed considerably since inception. In March 2014, WLEP produced their Strategic Economic Plan (SEP), a national requirement of all LEPs. This plan sets out the strategic approach for achieving sustained economic growth across Worcestershire and is a key component in securing future government funding for infrastructure and development projects essential for economic success across the county.
6. The Worcestershire SEP was agreed by all partner organisations in March 2014. WLEP is, therefore, working to achieve several ambitious objectives by 2025. These are to:
 - Create 25,000 jobs
 - Increase Gross Value Added (GVA)¹ by £2.9billion
 - Contribute towards the delivery of 21,500 new homes.

¹ Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy.

7. WLEP will shortly be publishing a refreshed economic strategy, the Worcestershire: Plan for Growth (2020-2040), with further details provided within this report.

8. In October 2020, OSPB received a report from WLEP via electronic distribution to outline the scrutiny, audit, and governance arrangements in place for WLEP. A physical meeting was not possible in 2020/21 due to the impact of COVID-19 and lockdown restrictions imposed nationally. 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 for the next 12 months.

Looking Back – key achievements since last report

9. WLEP plays a critical role in coordinating local and regional stakeholders at a strategic level to inform future local and regional economic priorities. This influencing and convening role has proved critical in brokering local consensus and buy-in on key investment priorities which has enabled the delivery of an impressive range of economic development schemes across the county over the last 10 years.

10. The last 18 months have been incredibly challenging for everyone due to the COVID-19 pandemic, and the LEP have worked closely with partners during this time to provide a coordinated economic response across Worcestershire and will continue this collaboration as we progress the economic recovery.

11. WLEP remain a key partner in the Worcestershire Economic Recovery Group, marshalling progress against the seven-point Economic Recovery Plan developed in partnership with Local Authorities, Business Representative Organisations (e.g. Chamber of Commerce, NFU) and the Worcestershire Growth Hub.

12. This collaborative approach to responding to the pandemic has ensured consistency of message to the Worcestershire business community and timely sharing of local intelligence to inform local interventions. During the last 18 months:

- Over £219m of Business Support Grants have been issued via District Councils to support Worcestershire businesses
- WLEP and partners have mobilised a £12m capital investment programme utilising Getting Building Fund monies from central government
- Successfully implemented the recommendations of the Growth Hub review and transitioned the Worcestershire Growth Hub to become more closely aligned with WLEP operations
- 80+ businesses have completed the Peer Network programme via the Worcestershire Growth Hub gaining advice and support on common business issues
- 160+ businesses have accessed Worcestershire Growth Hub's Specialist Advisor Support Programme in response to Brexit and COVID-19 issues
- The County Council have allocated over £3.5m business support grants via the Here2Help programme, supporting 284 businesses to date
- A dedicated Worcestershire Jobs website and a Careers helpline were launched to provide a matching service for residents and employers seeking employment and to provide advice guidance and support to

young people about their future education/careers pathways as a result of national decision to cancel examinations in 2020, respectively.

13. WLEP has always prided itself on its successful delivery track record and will continue to provide a proactive, strategic, and facilitating role in working with partners on the economic recovery. In addition to the work undertaken on the economic recovery, there are a significant number of additional achievements, across the partnership, from the last 12 months to celebrate too:

- Worcestershire 5G Testbed project successfully completed with key findings report published and acknowledged by the Department for Digital, Culture, Media and Sport (DCMS)
- Funding commitment secured from Malvern Hills Science Park (MHSP) and WLEP (via Growing Places Fund) to invest in a new commercial entity, nexGworx, launched in June 2021, following 5G testbed programme
- Worcestershire have continued to lead the West Mercia 5G project looking at health and social care opportunities around 5G uses and applications
- BetaDen successfully completed delivery of its third cohort, supporting 23 Worcestershire-based technology businesses/entrepreneurs to date and in the process creating 20 new jobs and leveraging over £240k in third party investment, whilst 10 new to market products created
- WLEP and partners engaged over 500 placements with local employers for young people on the national Kickstart initiative
- WLEP gained funding to support the implementation of a new Midlife MOT programme for over 50-year olds in Worcestershire to focus on career, health, and wealth
- WLEP is ranked No. 2 in the country for performance on our Careers Hub and No 1 for SEND schools performance
- WLEP delivered innovative and engaging content through a virtual conference event working with partners in October 2020, as well as bite-size podcasts released in 2020/21 with the latest information on Worcestershire economic issues
- Churchfields highways improvements scheme was completed in Kidderminster to enable access to new housing development land
- A38 highways improvements in Bromsgrove were completed with works on M42 J1 and M5 J4
- Phase 2 of the Duckworth Centre of Engineering was successfully completed and opened by Heart of Worcestershire College in Worcester
- Kidderminster Rail Station refurbishments were completed
- The Pinvin element of the Pershore Northern Link Improvements was completed
- The GBF project at Vale Business Park in Evesham completed in May 2021 with the delivery of 10 industrial units totalling 2,295 sq. m of new commercial floor space
- Funding leveraged from Department for Investment and Trade (DIT) to deliver Midland Cyber initiative on behalf of Midlands Engine, with continuation of DCMS funding in 2021/22

- Successful Future High Streets Funding announcements for Kidderminster (Wyre Forest) and Worcester to enable diversification of high street offers through targeted investment
- Towns Deal funding announcements from central government for Redditch town centre and Worcester city centre following successful applications.

14. This is by no means an exhaustive list but provides a flavour of the range and scale of the initiatives that WLEP have identified as part of a wider partnership for the future economic prosperity of Worcestershire.

15. Further examples of successes and achievements will be published in WLEP's 2020/21 Annual Report during Q3 2021/22.

16. Finally, it is worth noting the focus and time spent by the WLEP Board, Executive Team and partners during 2020/21 in finalising the refresh of Worcestershire's local economic strategy, the local Plan for Growth (2020-2040) which will be launched in Autumn 2021 and will ultimately supersede the Strategic Economic Plan (2015-2025).

Worcestershire Plan for Growth (2020-2040)

17. Prior to the COVID pandemic, WLEP were working on a Local Industrial Strategy (LIS) and were due to engage with BEIS in April 2020 on a proposed final draft before the impact of COVID-19 and lock-down restrictions shifted national and local priorities.

18. Following the initial economic response and restart phases, the WLEP Board agreed at their meeting in September 2020, to commission a refresh of the local economic strategy for the county, recognising our Strategic Economic Plan (SEP) is now dated, having been originally published in 2014.

19. The refreshed economic strategy, the *Worcestershire Plan for Growth (2020-2040)* utilises the robust evidence base work undertaken pre-COVID on our LIS and has been updated to reflect, as best as possible, the impact of COVID.

20. The Plan for Growth (2020-2040) will serve as a long-term economic strategy for the county and outlines four key strategic objectives for Worcestershire's economy along with a number of key aims across the five foundations of productivity:

- Ideas (R&D / Innovation)
- People (Skills)
- Infrastructure
- Business Environment
- Place.

21. The four strategic objectives of the Plan for Growth (2020-2040), as informed by an extensive stakeholder engagement programme, and scrutinised by an independent expert economic panel, are:

- Improving Worcestershire's strategic connectivity and infrastructure (physical, digital and energy)
- Stimulating investment in research & development and innovation to create a dynamic Worcestershire business environment
- Supporting a creative future-fit Worcestershire workforce
- Revitalising our city and town centres.

22. We will be launching this plan from a position of strength. Whilst COVID has undoubtedly impacted on our economy, it has also accelerated some of the trends we were already working to address under the previous economic strategy i.e. improving digital capability of our businesses and workforce to pivot and trade online and improving digital infrastructure county-wide.

23. Worcestershire is an attractive place to live and with our significant investments in digital connectivity and continued commitment to invest in robust gigabit-capable infrastructure across rural/urban areas, it will place the county in a strong position to attract inward investment, support start-ups and improve productivity as remote working behaviours become more commonplace.

24. We have also invested heavily in improving physical connectivity and will continue to champion rail as a sustainable method of travel with ambitions to further improve access to the National Rail network across the county and lobbying for enhanced rail services.

25. Our business base is demonstrating a commitment to sustainability and net-zero and we have pockets of specialism in low-carbon energy technologies which can support a green recovery and clean economic growth across the county.

26. We also have excellent engagement levels with schools and colleges across the county providing a strong platform to showcase careers opportunities and encourage positive learning / career pathway choices. Our focus on older demographics within the workforce will also support upskilling / reskilling opportunities across sectors.

27. Through the work of WLEP and partner organisations, we have a clear vision and strategy and are in a strong position to deliver on this for Worcestershire; to *create a connected, creative and dynamic economy for all*.

28. The Worcestershire Plan for Growth (2020-2040) has been endorsed by Worcestershire MPs and Local Leaders and will be published in Autumn 2021.

Looking Forward – key priorities for 2021/22 and beyond

29. The activity of WLEP is guided by the overarching economic strategy in place. As a result of a refreshed economic strategy being developed, WLEP's key priorities will now be informed by the Worcestershire Plan for Growth: 2020-2040.

30. The focus for the next 12 months is outlined below, in line with the three areas of focus set out for LEPs by Government.

Strategy

31. WLEP will launch the Worcestershire Plan for Growth: 2020-2040 – a refreshed economic strategy and project pipeline for the county, setting the vision for Worcestershire up to 2040.
32. WLEP will continue to coordinate and collaborate with key partners and stakeholder organisations on the Economic Recovery Plan for Worcestershire.
33. WLEP will engage and contribute to the National LEP Review, working with central government, the LEP Network and local stakeholders on the evolving LEP role.
34. WLEP will develop and implement the Business Engagement strategy (2021/22) for the Worcestershire Growth Hub (WGH) shifting from a volumes / targets-led approach to an account management relationship with Worcestershire businesses.
35. WLEP will support execution of the BetaDen Business Plan as it continues the transition from wholly public-funded to a self-sustaining operating model.
36. WLEP will also develop and launch the Local Skills Report 2021 for Worcestershire.
37. WLEP will support implementation of a county-wide Digital Connectivity Board in Autumn 2021 to ensure Worcestershire realises its digital potential and gigabit-capable ambitions

Delivery

38. In line with the five foundations of productivity framework established in the Plan for Growth (2020-2040), WLEP's delivery priorities for the next 12 months are as follows:

Ideas

- Launch a new commercial entity resulting from our Worcestershire 5G testbed programme – nexGworx – to provide local, regional and national SMEs with opportunity to test, trial and deploy this technology
- Establishment of an Innovation Board for Worcestershire to manage and steer a new action plan.

People

- Develop and implement a digital skills strategy for the county for 2021-26
- 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.

Infrastructure

- Complete delivery of the LGF-funded A38 Bromsgrove Route Enhancement Programme (active travel improvements)
- Continue delivery of the LGF-funded Pershore Northern Link Road scheme – final completion scheduled for Summer 2022
- Continue to ensure delivery of our Getting Building Fund programme – 12 capital projects across the county.

Business Environment

- Deliver new cohorts of the National Peer Networks programme

- Enhance the local business support offer with introduction of Specialist Business Advisor support via the Worcestershire Growth Hub.

Place

- Support the Green Recovery and Decarbonisation agenda across the county through support of key projects and initiatives including local COP26 events
- 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 programme in Kidderminster.

Governance

39. WLEP's governance objectives for 2021/22 will in part be guided by the outcome of the National LEP Review, linked to the Levelling Up White Paper, which is due for publication by Government in Autumn/Winter 2021.

40. Prior to that, WLEP will establish a WLEP Board sub-group, the Worcestershire Innovation Board, to lead on development of an Innovation Action Plan to address one of the key objectives of our Worcestershire Plan for Growth: 2020-2040 to stimulate investment in R&D and grow the innovation ecosystem across the county.

41. Finally, WLEP will continue to review and enhance private sector representation across WLEP Board and all sub-boards in 2021/22.

42. A review of WLEP's Local Assurance Framework will be subject to the outcome of the National LEP Review.

WLEP Financial Summary

43. Worcestershire County Council acts as the Accountable Body for WLEP and they support the budget monitoring, forecasting and control working with the WLEP Executive, providing financial challenge to the Board. The Head of Finance and S151 Designated Officer attends the WLEP Board, as an observer, on behalf of the Chief Financial Officer and has a valued input into all board reports prior to despatch and holds the Board to account on financial issues.

44. 2020/21 saw the successful maximum utilisation of WLEP's entire Local Growth Fund (LGF) allocation of £71.725m from Government. The final year's allocation in 2020/21 for £10.369m was fully defrayed in line with Government guidance.

45. A review of the expenditure profile for the GBF programme is underway and will be reported to WLEP Board following the Q2 fiscal period to understand progress and escalate any areas of concern re: potential under/overspend within the programme. Year 1 of the programme successfully spent to profile utilising agreed financial freedoms and flexibilities.

46. The operational budget for LEPs nationally, is determined by central government on an annual basis. The LEP's Core revenue budget for 2020/21 was **£652k**, comprising:

- i) DCLG income of £500k,
- ii) Local authority income of £140k
- iii) Other income of £12k.

47. Due to the National LEP Review currently underway, the Government has decided to provide LEPs with an initial six months of core funding in 2021/22 to the value of £250k per LEP.

48. The correspondence from Government advised that LEPS will be contacted in the summer with further detail on the financial data they expect LEPs to provide. This information will then support Government's understanding of LEP finances as part of the review and will help inform their decision on whether the allocation of the remaining 6 months of funding (£250k) will be released to LEPs later this year.

49. Current expenditure levels indicate that the WLEP budget is currently forecasting a break-even position. This assumes that all relevant Local Authorities pay their WLEP contribution for 2021/22 and the £500k core funding is received in full from Government for 2021/22.

50. A full overview of WLEP's end year financial accounts for 2020/21 will be published in our Annual Report 2020/21. Our final position in 2020/21 was £128k (rounded up) excess of income over expenditure budget, primarily because of reduced spending activity linked to the impact of COVID-19 e.g. no physical annual conference event.

51. Quarterly financial monitoring reports are available as part of WLEP Board papers, which can be found on our website.

National LEP Review

52. In the Chancellor's Budget Statement in March 2021, central government set out a commitment to work with local businesses and Local Enterprise Partnerships on the evolution of LEPs; which coincided with a shift in Government policy to route major capital funding for local economic development schemes via Local Authorities.

53. The Government-led National LEP Review was established in the following days with Terms of Reference discussed and agreed between Government officials and the LEP Network.

54. Originally intended to present recommendations to Ministers prior to Summer recess, the Review has over-run as it has become increasingly difficult to disentangle questions that the National LEP Review wanted to look at from questions on future funding and Government's wider approach to Levelling-Up, and institutional structures of devolution etc.

55. Whilst it has yet to be confirmed when the Spending Review 2021 will take place and when the Levelling Up White Paper will be published, Government officials have assured the LEP Network that the work undertaken on the Review to date has been the right approach to ensure the best quality information is available to inform Ministers on the best course of action with regards to:

- Accountability
- Funding and implementation
- Geography
- Local Government engagement.

56. Despite the lack of clarity at a national level, the Worcestershire LEP Board have consistently provided a steer to ensure continued focus on local and regional delivery, recognising the importance of meeting existing commitments, whilst simultaneously engaging with the National LEP Review through attendance on work-stream groups facilitated by the LEP Network.

57. This continued focus on delivery has resulted in positive outcomes as evidenced in May 2021 when Becky Miles, Area Director for Cities and Local Growth Unit wrote to WLEP to record the outcome of our Annual Performance Review meeting for 2020/21. Worcestershire successfully met the standards required across the three themes of Strategy, Delivery and Governance.

58. Despite this positive outcome, WLEP remains committed to continuous improvement and will review and refine our Local Assurance Framework following the National LEP Review to learn from best practice across the LEP Network and reflect the evolved LEP role and responsibilities.

59. In August 2021, the WLEP Board approved a revised Diversity and Equality Statement outlining the organisation's continued commitment and dedication to supporting a fully inclusive culture.

60. WLEP recognises that we have an important role in promoting diversity and eliminating discrimination and seek to do this in the way we conduct ourselves and our business. We will also provide training and opportunities for community members to be represented and perform the role of a Non-Executive Director.

61. BEIS remain assured by WLEP's performance, as evidenced by their feedback at regular touch-point meetings and attendance at our Programme Delivery Group meeting which oversees delivery progress of all LEP-funded activity. A mid-year review meeting between WLEP and BEIS will also take place in Autumn 2021.

62. WLEP will continue to work with partners and stakeholders in 2021/22 and beyond to deliver on our vision of 'building a connected, creative and dynamic economy for all'.

Purpose of the Report

63. WLEP welcomes the opportunity to report progress to the Overview and Scrutiny Performance Board of the Accountable Body and is proud to outline the positive impact that WLEP and the wider partnership is having on the county's economy, despite the obvious challenges currently presented.

64. WLEP trusts that the OSPB members will recognise the progress made to date be assured about WLEP's ambitious plans to further enhance the future economic prosperity of Worcestershire as we embark on delivering a refreshed economic strategy for the county, working with partners, local stakeholders and central government.

65. The Board is asked to:

- (a) Review and note the progress made by WLEP, working with partners to support development of a county-wide economic recovery plan in response to COVID-19;
- (b) Note the completion of a refreshed economic strategy for the county and WLEP's plan to launch in Autumn 2021;
- (c) Review and note the positive progress made by WLEP and partners on the delivery of significant programmes and project interventions, contributing towards the objectives of the economic strategy;
- (d) Review and note the successful financial performance of WLEP and the ability to operate within its financial envelope despite the two-stage application process for core revenue funding from central government in 2021/22;
- (e) Note the National LEP Review activity currently underway and its links to the proposed Levelling Up White Paper due for publication by central government in Autumn 2021;
- (f) Note the positive performance of WLEP as assessed by MHCLG via the Annual Performance Review process in 2020/21;
- (g) Note the planned programme of activity for 2021/22; and
- (h) Invite WLEP to provide a further Annual Report to OSPB in 2022/23.

Supporting information

Appendix 1 – Presentation Slides – WLEP Annual Report 2021/22

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

- WLEP Annual Delivery Plan 2020/21: <http://www.wlep.co.uk/resources/document-library/>
- WLEP Plan for Growth (2020-2040): <https://www.wlep.co.uk/wp-content/uploads/WLEP-Plan-for-Growth-2020-2040-FULL-VERSION.pdf>
- WLEP Plan for Growth (2020-2040) – exec summary: <https://www.wlep.co.uk/wp-content/uploads/WLEP-Plan-for-Growth-2020-2040-EXEC-SUMMARY.pdf>
- Worcestershire Economic Recovery Plan: <https://www.wlep.co.uk/wp-content/uploads/64733-Economic-Recovery-Plan-Summary-V02-Landscape-V05.pdf>

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