

The Wiltshire Local Enterprise Partnership Proposal

Providing a Gateway to Growth
for Southern England

Submitted by
The Wiltshire Strategic Economic Partnership

Consultation Draft



This Proposal has received letters of support from the following businesses

Organisation

Signatory

Consultation Draft

Foreword

We believe that an effective Local Enterprise Partnership for Wiltshire will be the foundation on which we can build a new understanding between the public and private sectors. This will underpin our efforts to grow our economy and create jobs in the current very challenging environment – where the role of the state, and its interventions, is significantly rolled back.

The Wiltshire Strategic Economic Partnership provides a strong foundation for this proposal. As an organisation with a wide network of businesses to call upon we feel that we are well placed to make a difference and do more for the Wiltshire economy. Our organisation is a private sector-led arms length company, that provides a voice for business and is a sounding board in the formulation of local economic strategies and policies. We have been collaborating successfully with the public sector in Wiltshire for over a decade and see this as an opportunity to build further success.

Our ambition is to fully understand the challenges we face in our economy, agree a vision and strategy to address these and create an environment where the private sector can do what it does best – drive economic growth, improve productivity through increasing GVA and encourage business and job creation. This will mean changing cultural attitudes so that the potential of our local entrepreneurs is realised. We will do this by challenging our public sector partners to become ‘enablers’, seizing commercial opportunities that will arise as we transit to a low carbon economy and re-balancing economic activity across a broader sectoral base.

Our role is to provide strategic leadership, to listen to the needs of our wealth creators and to champion Wiltshire – locally, nationally and globally. We will act as a catalyst for change and create the right environment for economic growth. We will encourage and drive a more responsive, leaner public sector and use the assets of Wiltshire to attract investment and entrepreneurs to the area. We expect all partners – including central government – to play their part and will build a culture of challenge and support – essential if we are to achieve the radical change needed to meet the competition, and capture the opportunities of Globalisation, whilst addressing the structural deficit faced by the nation.

Steve Stone
Chairman, Wiltshire Strategic Economic Partnership

Chair
Private Sector Chair of the shadow LEP Board

BM 1
Wiltshire Council

BM 2
Wiltshire College

BM 3
43 Wessex Brigade

BM 4
Public Service Board representative

BM 5
Strategic Vision representative

BM 6
Third Sector

BM 7
Strategic Business

BM 8
FSB

BM 9
Wessex CoC

BM 10
Business representative

BM 11
Tourism Business sector

BM 12
Food and drink sector

Executive Summary

Wiltshire is strategically placed as a gateway to, and from, the South West of England and its economy reflects that in that it is outward-facing with strong economic links to all points of the compass. Its geography gives it a unique mix of market town and rural landscape at the heart of Southern England. Covering 3255 square kilometres, 46% of which is designated as areas of outstanding natural beauty (AONB), it is predominantly a rural county with a low population density – averaging 1.4 people per hectare. Wiltshire’s population is currently 460,000 and expected to rise to 500,000 by 2020, and it has a VAT registered business base of 21,300. With excellent East/West connectivity Wiltshire will be able to develop wider economic alliances once the Partnership is established.

As one of the largest administrative areas in England, Wiltshire has sufficient critical mass to be a viable economic zone that will meet the needs of its businesses, its communities and government. Our support for Unitary status in 2009 was based on our belief that it would provide the springboard needed for greater efficiency and engagement. We believe that this still applies and will provide a solid base from which to launch the LEP – and enable it to make a difference very quickly. We already have robust, evidence based economic and community strategies available to help shape the vision and direction of the Wiltshire LEP – that have consensus and buy-in from both business and public sector partners.

The evolution of activity to a Wiltshire LEP umbrella will strengthen the area’s ability to deliver both national and local economic development and enterprise objectives. The Wiltshire LEP will enable the existing public/private partnerships to support growth, create jobs and build sustainable communities. We believe that this Board and the partnership can make a difference – coming together to meet these economic

challenges:-

- Impact of globalisation and the increasing competitive pressure that brings on our business base.
- The impact of a smaller public sector - spending and job losses.
- The need for infrastructure investment to support our economic growth.
- Connectivity, specifically Broadband access and speed.
- Maintaining sustainable rural communities.
- Driving up the skill levels of our workforce.
- Access to Higher Education.
- Tackling youth unemployment.

We see our opportunities as:-

- Being part of the solution for re-balancing the economy away from the over-heating in the South East.



We will capitalise on our location as a gateway to other economic zones, we will use our excellent transport links, the strengths of our existing business base and workforce to underpin our willingness to grow – ensuring our area is 'Open for Business'.

We will be innovative in how we work, making sure that the public sector plays an enabling role for the private sector to invest and create new jobs.

We will build on the work of the Wiltshire Assembly – through the Action for Wiltshire initiative - and Wiltshire Council's 2011-5 Business Plan. We will create that supportive environment and we will use the realistic, but challenging, objectives set to achieve real change. These include:-

- **6000 New Private Sector jobs** to be created.
- Safeguard a further **8000 jobs** within our business base.
- **85% area coverage** by superfast Broadband.
- Using the **new powers** to build a supportive economic environment.
- Identification, allocation and preparation of **Strategic employment land sites**.

Our work together is underpinned by the following principles:

- A commitment to providing the environment that will encourage, not frustrate, business growth. Help to create new jobs and take people out of worklessness.
- A focus on sustainable growth, with increased wealth generation helping the UK meet its budget deficit reduction target. By investing in infrastructure and services underpinned by private investment. This will help us reduce the call on the public purse.
- A will to work collaboratively to mitigate the effect of job losses in the public sector as the role of the state is reduced. The development of more opportunities through private sector business investment and growth.

Adopting best business practice, we will build our 'business partnership' in stages, starting with a firm Wiltshire base. **We will then seek to develop strategic alliances with other LEPs – either geographically or common purpose.**

We have identified a number of strengths on which we will build a strong and resilient Local Enterprise Partnership. These include:-

- **Strategic location** – we are a gateway to the South West and South East and straddle the main strategic road and rail routes to Wales and the Midlands.
- **A strong business and industrial base**, with particular strengths in:
 - Advanced engineering and Manufacturing
 - Finance and Business Services
 - Tourism
 - ICT
 - Logistics
 - Low Carbon and Renewable Energy
- **Strong existing local partnership** between the private and public sector - the Wiltshire Strategic Economic Partnership, the Wiltshire Assembly and Wiltshire Public Service Board.
- **Rurality** – importance of rural communities and economies, with the challenges of connectivity and service provision.
- **Defence** – the military presence is significant and plays a key role in local economies and communities.

The Wiltshire LEP wants to be the national lead on Military Civilian Integration – building on the existing Military/Civilian Integration activity with the Army in Wiltshire.



Economic and Geographic Profile

Wiltshire straddles the major strategic transport routes to the South West, South East and Wales. It offers a compelling combination of quality of life, pro-active business culture, access to other major economic zones and the human and physical capital to support economic growth. The area’s position as a ‘pivotal gateway’ to these other major economic areas puts it in a strong position to build economic growth, wealth creation and jobs.

Whilst predominantly rural, our market towns have a rich industrial and historic heritage and make a significant contribution to the local and national economies – both in the traditional (manufacturing) and new (knowledge-based) economies. What they have in common is a drive to succeed and grow, based on a forward-looking, ‘can do’ culture – building a business base fit for the future. There are important clusters and these include:-

Advanced Engineering
Rail -Knorr-Bremse & Invensys Design & Innovation – Dyson Rubber – Avon, Cooper Tyres
Service
Virgin Friends Provident
Food & Drink
Apetito, Cereal Partners, Nutricia & Wadworths
Research
South Wiltshire research triangle employing over 5,000 scientists and technicians, based in Dstl, HPA and Qinetiq and others.



Statistics	
Land Mass	3255 sq km
Population	469,000
Workforce (16-64)	279,000
Employment (16-64)	227,700
Unemployment 2009/2010	10,000, 4.4%
Total Claimant Count 16-64	5445, 1.9%
- aged 16-19	595, 10.9% total
- aged 20-24	1,010, 18.6% total

The Wiltshire LEP has a significant economic, geographic and social footprint. The area’s economic profile is distorted by the significant number of high earning out-commuters - masking the low wage economy that exists outside its principal urban conurbations.

The **primary urban conurbations are Chippenham, Salisbury and Trowbridge**. The remainder of the sub-national area is dominated by a market town economy and reliance on private transport is significant due to the absence of a viable public transport infrastructure. The GVA of the area reflects the gap between the rural and urban areas, where the high performing businesses are mostly located.

The area contributed £7.437 million (2006) to the UK economy.

The business base is dominated by a diverse SME community. A particular strength is the resilience of these businesses – Wiltshire entrepreneurs start more businesses which survive longer than the national average by some significant margin.

Significant employers (200+) account for just 0.5% of the business base, but provide 24.3% of employment in the area.

Statistics

10.1% of Working Age people are self-employed – 28,300

Business base (units)

- 87.2% are Micro (1-10)

- 10.2% are Small (11-49)

In terms of the anticipated public sector displacement, the overall picture shows there is a reliance on the sector for employment.



There are particular 'hot-spots' where the dependence will have a significant impact. These tend to be specialist organisations that are nationally important – particularly in terms of national security, they include:-

- DE & S Copenacre
- Dstl and the Health Protection Agency at Porton Down
- RAF Lyneham
- Qinetiq
- HQ Land Command, Wilton

Current public sector collaboration – through the Public Service Board structure – is intensifying. New ways of working are now emerging as organisations grapple with their budget reductions, following the CSR settlement.

In respect of 're-balancing the economy', our focus is very much aligned with the strategic objectives of the Government – building on our Sectoral and Cluster strengths in:-

- Advanced engineering and Manufacturing
- Tourism
- Food & Drink/Land-based industry

- Logistics
- Low Carbon and Renewable Energy

A key sector for both the Wiltshire Local Enterprise Partnership and Government is Tourism. The area has a compelling offer based on its heritage, physical and cultural assets. These include Kennet and Avon Canal, Stonehenge, Salisbury and the Wiltshire Downs.

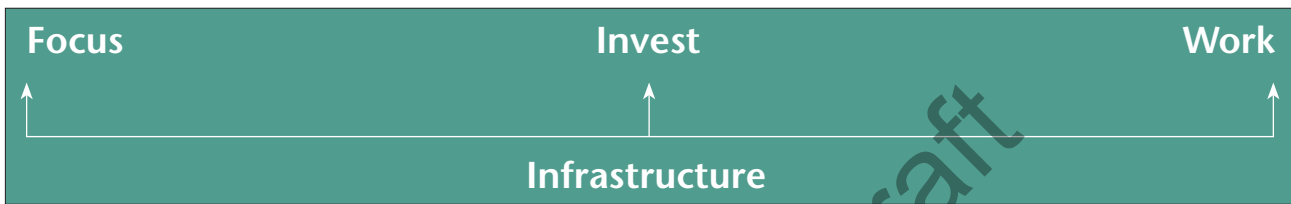
Although modest in employment terms, the rurality of the area means that land-based industries deploy an asset base that has significant economic impact – still employing 3.1% of the economically active workforce, over twice that for England (1.4%).



Making a Difference

Wiltshire is an outward facing economy that brings both opportunities and challenges. Our business community has shown great resilience in dealing with the global economic downturn and the financial crisis. With our business 'mix' - 87% of our businesses employ fewer than 10 - we remain extremely cautious about future growth prospects. Many businesses are still seeking to improve productivity and rebuild profit margins as order books recover. The SME sector will continue to be sensitive to the impact to the public sector retrenchment over the short/medium term. We believe that this partnership will help build a positive environment for growth to mitigate this.

The Wiltshire LEP will focus on three core priority programme areas, underpinned by an infrastructure investment programme geared to support the desire for growth and the creation of private sector jobs:-



Focus

Purpose:

Identify the key priorities and focus resources so that the Wiltshire LEP is seen to be delivering real benefits to the economy, its businesses and its residents.

Scope:

Known Economic threats – there are a number of existing threats that need to be addressed:-

- Closure of RAF Lyneham.
- Loss of R & D capacity at HPA, Porton Down.
- Impact of public sector job losses (both from organisations within Wiltshire and significant numbers of residents that commute to other areas).

Unemployment – develop and implement the Action for Wiltshire initiative to address the actual/potential rise in unemployment through the measures outlined in the Work section below.

Retaining/expanding the business base – develop a pro-active service that will engage

with strategic businesses and business organisations to identify needs and issues.

Work with relevant partners to clear blockages to growth. Initiatives include:-

- Wiltshire 100 programme that provide an aftercare service to key businesses.
- A Business Charter/Compact that sets out clearly roles and responsibilities for effective collaboration between the public and private sectors.
- An integrated planning system that will provide a 'user friendly' service that is timely and gives clarity around what can, and cannot, be done.



Invest

Purpose:

Encourage inward and indigenous investment in businesses and individuals to enhance a culture of enterprise and achieve growth.

Scope:

Inward investment – establish a rapid response capacity that will work in partnership with UKTI to attract and retain inward investment to the area.

Business growth – develop a high-value, low-cost model for business growth where delivery is private sector-based. With focus on encouraging businesses to build networks, work with each other and encourages local supply chains.

Support for Enterprise – build better engagement between business and education to change cultural attitudes

towards starting and running your own business as a viable career option. Work with Partners to improve access to private sector finance and encourage business start up and entrepreneurship.

Sector development – prioritise support for key business sectors where the Wiltshire LEP can demonstrate a compelling offer for new and existing investors including:-

- Advanced engineering and Manufacturing
- Business Services
- Tourism
- Logistics
- Low Carbon and Renewable Energy

Innovation – facilitate access to research and development in public and private sectors, encourage technology transfer and generic innovative processes within the greater business communities.

Work

Purpose:

Strengthen the provision of a workforce that has the relevant skills to meet the present/future needs of the economy and address the issues of worklessness and unemployment.

Scope:

Employability – better balance and focus between attitudinal values, vocational skills and academic achievement.

Apprenticeships – both in terms of opportunities within business, take-up by young people leaving school or adults needing to re-skill/re-train following redundancy or returning to employment.

Worklessness and Youth Unemployment – build on the lessons from Wiltshire's ESF/ FJF programme to develop effective solutions. Support those who haven't worked for some

time and the 18-24 segment with their search for employment.

FE and HE – improve access through development of new delivery channels/models and create a seamless FE and HE offer to reflect a re-balancing to the skills requirements of the private sector employers.



Infrastructure

Purpose:

Plan effectively for, and provide, the infrastructure business needs. Improve the connectivity to, and within the area - creating the environment in which businesses can thrive.

Scope:

Strategic Planning - including housing, transport, urban regeneration and strategic infrastructure. Prioritising availability of employment land in areas in which businesses want to invest.

Strategic Sites – the council is putting in place a programme of investment that will bring forward a range of ‘Oven ready’ development sites that will mitigate private sector resource risk – both in terms of time and money.

Broadband – access/connectivity (speed) remains a significant barrier to growth and is a priority for our partnership. By accessing national programmes and investing locally, Wiltshire will see £42.1m invested over the next 2 years to provide 85% coverage for super-fast Broadband, 95% universal coverage. Our private sector partners will be critical in terms of the financial leverage and prioritisation of this investment to maximise the economic impact.

Land based industries – identify new ways of working together to address the issues of the rural economy. These include productivity (diversification) of land-based industries and addressing remoteness/access issues for rural businesses and communities. This includes Broadband connectivity as previously outlined.

Energy and Utilities – a joint approach to improving energy efficiency and managing waste. We will also encourage and support the use of renewable energy on and off site, including:-

- Wind and solar
- Waste to energy and district heating schemes
- Biomass

Unique Selling Points of Wiltshire

The key contributors to the local economy, which are not generic economic issues, include:-



- **Economic impact of the Military presence** – the British army is hugely important to Wiltshire’s economy. Spending more than £500m annually, it has over 25% of UK land forces (nearly 23,000 frontline troops) based here. There is also the likelihood of further relocations from Germany in the short/medium term. Wiltshire, through the **Military Civilian Integration programme**, has begun to optimise the economic opportunities that flow from the Army’s presence – and expansion – on Salisbury Plain. This work is recognised as a national pathfinder. Through it we will mitigate the impact of the closure of RAF Lyneham in December 2012. There are wider socio-economic challenges as the army becomes more settled - soldiers and their families will want to live locally when they leave the forces.
- **Tourism** – maximising the natural and built assets of Wiltshire, such as Stonehenge, Salisbury Cathedral, Avon & Kennet Canal and the Wiltshire Downs.
- **Quality of Life** – Wiltshire’s geography, location and easy access to the rest of Southern England, combined with the economic opportunities make it a great place to work, play and live.

How the Wiltshire LEP will contribute to the National Economic Agenda

Our partnership will need empowerment from government to succeed. This will require a combination of factors – powers to act, investment and an asset base. With this support we are confident we can drive economic growth and create jobs.

Responsibilities

If we are to deliver the outputs/outcomes outlined in this proposal we need the (statutory) tools in our toolkit to drive the change needed to build the economy. Key areas include:-

Power of General Competence – vital if we are to change cultural attitudes in Local Government and help them become ‘enabling’ – a change of attitude to risk will be a key success factor.

Control over business rates - would allow us to further promote the priorities identified in this proposal, which would require legislation.

Strategic Planning – over-arching responsibility for strategic infrastructure planning across the LEP area.

Inward Investment – local capacity to pro-actively manage Inward Investment and FDI enquiries in partnership with relevant Government Departments, specifically UKTI.

Skills and Learning – this policy/activity area is crucial to economic growth and we need the ability to influence commissioning if local needs are to be better catered for. A shift from student-based funding to employment needs-based funding would give business better traction and support to protect and grow the business base.

Unemployment/Jobs – ability to influence/direct the Work Programme led by Job Centre Plus to ensure appropriate local delivery.

Finance and Delegated Authority

The partnership recognises that the budgets of the HCA and other public agencies are

being cut. Although the core activities of the Wiltshire LEP can be supported, there are severe limitations on resource – both human and financial. Support from the LEP Capacity Fund will be critical to the establishment of a viable and sustainable partnership that is ‘fit for purpose’ and able to deliver its objectives. Successful submissions to the Regional Growth Fund will be challenging in light of the competing demands on that investment resource.

European Funding

Wiltshire has successfully used European funding to support its economy – specifically ESF/ the Lisbon Agenda-based Competitiveness Fund. Continued ability to access that funding once it centralised will be important in terms of leveraging other investment sources.

Supporting Government

We believe that the Wiltshire LEP can provide valuable local intelligence to central Government departments and provide a delivery mechanism for existing and new initiatives. Specifically:-

- BIS - Act as a point of reference for the businesses, provide intelligence on issues and challenges they face and liaise with key companies to protect and build on their investment in Wiltshire and the UK.
- CLG - provide a delivery function for the department specifically around programmes such as the ‘Green Deal’ and other environmental initiatives.
- DEFRA - the rural nature of Wiltshire and its role as a major grain producer, makes it a significant delivery partner for the department.
- The Wiltshire LEP also supports the DECC and DCMS policy objectives in terms of renewable energy and heritage.

Wider Alliances

This proposal will establish a 'core' area - we recognise that in order to pursue wider strategic priorities the LEP will need to federate/coalesce with other LEPs on particular cross border zones and wider economic synergies. Its proximity and position in relation to the West of England, Bournemouth Dorset & Poole, Gloucester & Swindon, Devon & Somerset and the South East means that there are other areas of common interest that we can interact with to stimulate and support economic growth. The situation, however, remains fluid and we believe that establishing a firm base is the important first step. Wider federations/alliances will be the next phase of development – when both we, and our potential partners, are in a position to forge meaningful alliances.

We consider future LEP alliances will focus on common economic interests/themes and major strategic issues. Where the scale of intervention/investment requires an integrated approach, sub-national rather than a local partnership would be able to deliver. For example:-

- Military/Civilian Integration – Aldershot, Catterick (Super-Garrisons).
- Development along, and of, the M3/A303/ A350 economic corridors and North/South Coast Port linkages.
- Broadband.
- Rural/Land based Economic Development.
- Tourism.

Core Partnership:

The Wiltshire LEP will form a robust 'Core' partnership that will have the critical mass and capability to take advantage of the clear opportunities that will occur. Where a federated approach to broader, strategic issues is needed. The following potential collaborations have been identified, where common interest will benefit from a stronger, collective voice.

South West and West:

The West of England LEP is the third cornerstone of the economic triangle that produces over 50% of the South West's GDP and is joined to the Wiltshire area by strategic road and rail networks – M4 (Bristol to London) and M5 (Birmingham to Bristol), Paddington main-line, North-South cross-country and routes to the South Coast. The potential trans-Wiltshire rail link will further

support this. There are close and significant links to the Somerset economy and we share similar economic profiles/challenges – particularly access to Higher Education.

North:

We share road and rail transport corridors with both Swindon and Gloucester and there is significant commuting between our areas. Partners in our original submission, we will continue to work closely with them on areas of common interest.

East:

There are clear synergies along the strategic transport corridors into the South East and London with the Thames Valley sharing many of the issues faced by this partnership. Big strategic issues include the electrification of the Bristol > London main line.

South and South East:

Collaboration with Hampshire and Dorset, Bournemouth & Poole, based on the strategic road/rail networks, North/South linkages to the ports and the significant defence presence would provide a for a federated relationship with a number of strands of activity as outlined above.



Governance and Engagement

We have a very strong local delivery model and will develop this to further strengthen private sector engagement, and investment, in this Partnership. Feedback from private sector partners confirms that they much prefer a local delivery model. The balance of the proposed Board and the individuals that have already committed to the partnership give this LEP real credibility – a partnership that is fully accountable democratically and economically to the business community.

LEP Board

A shadow Board – signatories to this proposal - is in place and it clearly demonstrates the commitment of local people to the local agenda. It is led by a Private sector Chair and will consist of no more than 12 members in addition to the Chair. There will be a majority private sector presence. This will provide a sufficient pool of members to ensure each meeting is quorate.

Local Delivery Structure

In order to maintain the engagement of the business community, and optimise the growth opportunities, we need to make rapid progress to real outcomes. To do this we will utilise our existing, long standing and successful Wiltshire Strategic Economic Partnership. The business community has made it clear that they would want any real engagement to have tangible outcomes and clarity of purpose. They recognise the need for a local support structure that continues to be enabling, and provides a relevant return on investment. A streamlined local delivery structure will support the objectives of the Wiltshire LEP (see appendix), meeting the economic priorities agreed by the private and public sector at a local level.

The work programme of Wiltshire LEP will use the currently agreed local economic strategies – and the evidence-base that supports these - as a base to build an integrated approach to the challenges the economy of Wiltshire faces – prioritised so that all stakeholders can see the Wiltshire LEP is making a difference.

Core Partners

Business – will be represented by key business leaders from strategic companies and the

various organisations that represent the SME community – FSB, CLA, Wessex CoC etc.

Public – Will be represented by the Leader of the Council, the Military – 43 Wessex Brigade and the Wiltshire Public Service Board.

Intermediaries – key partners such as Wiltshire College, Job CentrePlus and the 3rd sector.

Implementation

Our vision identifies a direction of travel that will focus on the short to medium term (April 2011 – March 2014), and provide a 'softer' medium to long term ambition that will cover our major infrastructure aspirations.

The economic challenges we face are already clear and we intend to develop the governance structure and delivery framework over coming weeks. This programme of work is mapped out in the following timeline:-

By 31 March 2011

Board membership will be established and a date for its inaugural meeting will be confirmed for April.

By 31 May 2011

A draft Business Plan will be completed by the secretariat drawn from the partner organisations. This will be presented to the Board at its June meeting and circulated for consultation to other key partners/ stakeholders.

By 30 June 2011

Governance and legal structures in place.

Appendix 1

Proposed Governance, Delivery and Engagement Structure.

Consultation Draft



Consultation Draft