



# West Berkshire - *“Open for Business”*

## Summary of West Berkshire Economic Development Strategy 2013-2018





## **West Berkshire- “Open for Business”**

### *A Local Economic Development Strategy for West Berkshire 2013-2018*

#### **1. Our Economic Vision**

*“West Berkshire Council will work proactively and openly with partners and stakeholders to maintain strong and resilient economic prosperity. We will provide an environment that creates opportunities for business growth that make a real difference to all people's lives, with businesses that start, stay and develop in the area.”*

Central Government's clear aspiration is that it is businesses that will drive the economy forward and this Strategy aims to ensure that the Council is well placed to take advantage of any emerging opportunities for growth and to work with its partners in the public, private and voluntary sectors to shape the future economic prosperity of the area. This Strategy will act as a catalyst for improved collaborative working to ensure we are working towards our economic goals to improve outcomes for residents and those who also work and visit the area.

The national and local economy is part of an ever-increasing competitive and global economy and as such it was necessary to develop a local economic strategy to:

- take account of immediate economic challenges
- encourage economic stability and growth over the next five years
- help the Council and its partners in prioritizing limited resources in doing the above.

Some of the challenges that we face locally include:

- Ensuring that local skills meet local employment need
- Supporting businesses to stay and grow in the local area and promoting West Berkshire to companies and organisations that may wish to re-locate or start their enterprise here
- Being able to provide the right mix of employment land to meet the needs of businesses
- Making sure there is adequate housing provision for all who want to live and work here
- Making informed decisions by having access to and providing robust economic intelligence
- Regenerating key development sites in West Berkshire in a way that benefits the local community and economy.

#### **2. Our Economic Objectives**

The Economic Vision will be achieved by delivering on our economic objectives which are outlined below:

1. Work with partners to ensure that **local skills** meet the needs of today's business and work environments.
2. **Promote** West Berkshire as a good location for business, leisure, learning and life.
3. Enable effective **infrastructure** that supports economic growth.
4. Encourage inward **investment and business retention** across all sectors
5. Actively support sustainable **rejuvenation and regeneration** projects in key locations.

### ***Our Underlying Principles of Delivery***

Each economic objective will be achieved in line with the following principles:

1. **Working in partnership** with those supporting the local economy to ensure a co-ordinated and collaborative approach to economic growth and retention, providing leadership and co-ordination where appropriate by:
  - a) Building and maintaining relationships with those in the **business** and **education** sectors to mutually support the local economy, with a strong channel for **two-way communication**.
  - b) Working closely with Regional Economic Organisations such as **Thames Valley Berkshire Local Economic Partnership (TVBLEP)** and through TVBLEP with relevant Government Economic Departments such as **UKTI**<sup>1</sup> and **BIS**<sup>2</sup>.
2. Understanding, monitoring and communicating trends and performance in the operation of the local economy by building a **Business Information Centre**.

### ***2.1 Skills and Employment***

Skills and employment includes the following priority themes:

- Ensuring that local skills meet local employment need.
- Promoting and improving access to apprenticeships and other learning opportunities.
- Encouraging business mentoring schemes.
- Facilitating work placements.
- Working with partners to ensure education and training providers deliver the Information and Guidance (IAG) agenda.
- Supporting young people not in employment, education or training (NEET) towards employment.
- Enabling local people opportunities to access employment, education and training opportunities to help improve the skills levels of the West Berkshire workforce.

### ***2.2 Promotion of West Berkshire***

The promotion of West Berkshire includes the following themes:

- Encouraging and communicating a business friendly environment.
- Work with partners to develop tourism.
- Enhancing the retail offer of our town centres such as Newbury, Hungerford, Thatcham, Calcot and larger villages.
  1. *Increase West Berkshire's profile.*
  2. *Increase networking with business communities.*
  3. *Raise the profile of town centres as retail destinations.*

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<sup>1</sup> UK Trade and Investment

<sup>2</sup> Department for Business Innovation and Skills

### **2.3 Infrastructure**

Economic Infrastructure includes the following elements:

- Housing
- Transport Network
- Superfast Broadband
- Flood Protection
- Providing the right mix of sites and premises
- Utilities
- Schools and training and education providers

### **2.4 Investment and Retention**

Investment and Retention includes the following themes:

- Providing or signposting businesses to good quality Business Support.
- Local Economic Intelligence.
- Incubation provision for start-ups and growth units for business development.
- Removing barriers to enterprise.

### **2.5 Rejuvenation and Regeneration**

Rejuvenation and regeneration projects must meet the following key criteria:

- Enhanced quality of living.
- Improved employment opportunities.
- Schemes must be fit for identified current and modern use.
- Schemes must provide substantial visual enhancement to an existing area – public realm and landscaping.
- Any negative impact of a scheme must be mitigated for with consideration for the lives of existing residents and / or businesses.

The following key sites will support delivery of this objective:

1. *London Road Industrial Estate, Newbury*
2. *The Wharf, Newbury*
3. *Market Street/Station Gateway, Newbury*
4. *Sterling Cables site with new through road*
5. *Institute of Animal Health, Compton (will be redeveloped into a residential led mixed use development)*
6. *Arlington Business Park, Theale (opportunities will be taken to facilitate the redevelopment of stock as it becomes outdated).*
7. *Greenham Business Park (development land opportunities)*
8. *Other Rural Schemes*

#### 4. Location

West Berkshire is well located and is bisected north to south by the A34 which connects the south coast with the Midlands. The Great Western Railway and the M4 motorway links South Wales and the West with London, with the M4 running directly through West Berkshire from the east to west. Both roads form part of the national arterial network and are maintained by the Highways Agency. These roads are also of European importance. The other main roads are the A339 connecting Newbury to Basingstoke and the A4 which runs east/west and is maintained by the Council and. The key urban centres in southern England (London, Reading, Southampton, Portsmouth, Bristol, Oxford and Swindon) are all within an hour's drive, as is Heathrow airport. The District is substantively rural, with nearly three quarters of West Berkshire lying within the North Wessex Downs Area of Outstanding Natural Beauty which is a nationally important and legally protected landscape, designated for the quality of its scenic beauty.

#### 5. The West Berkshire Local Economy

A summary of some key economic indicators across local comparator areas in the South East is shown below:

**Table 1.0 Summary of Economic Indicators for areas surrounding West Berkshire**

	<b>West Berkshire (Newbury)</b>	<b>Reading</b>	<b>Swindon</b>
<b>Total jobs 2003</b>	91,000	111,000	118,000
<b>Total jobs 2011</b>	100,000	105,000	120,000
<b>% No of jobs change 2003-2011<sup>3</sup></b>	+1.1%	+1.0%	+1.0%
<b>Mean and median average gross annual salary (Feb. 2012)<sup>4</sup></b>	£35,700 £30,600	£37,700 £30,900	£33,300 £26,800
<b>Rail Journey time to London</b>	1 hour	30 mins.	1 hour
<b>Average House Price<sup>5</sup></b>	£226K	£193K	£128K
<b>Average House Price (detached)<sup>6</sup></b>	£377K	£372K	£212K
<b>Prime Office Rent <sup>7</sup>(Business Park)</b>	£18 p.s.ft	£26 p.s.ft	£19 p.s.ft
<b>Average Industrial Rent<sup>8</sup></b>	£8 p.s.ft	£8.25 p.s.ft	£6.75 p.s.ft

<sup>3</sup> Nomis Annual Business Enquiry

<sup>4</sup> ONS Annual Survey of Hours and Earnings 2012

<sup>5</sup> Land Registry 2012

<sup>6</sup> Land Registry 2012

<sup>7</sup> Commercial Property Agent Reports 2011 and 2012

<sup>8</sup> Commercial Property Agent Reports 2011 and 2012

### A diverse mix of business.

Whilst there are some large businesses based in the area (AWE, Bayer, Vodafone, Stryker, Micro Focus International plc), the majority of businesses are SMEs and cover a diverse range of sectors. 73% of these employ between 0-4 people. The largest sectors are Professional, Science and Technical, Information and Communication, Construction and Business Administration and Support Services.<sup>9</sup>

Within the ICT sector West Berkshire appears to have some strengths in software publishing and 'other' telecommunications activities, although these strengths are weaker when compared to Berkshire and Oxfordshire. However, the recent relocation of Vodafone's international business functions to Paddington highlights the vulnerability of the ICT and telecommunications sectors.

**Table 2.0 Business Size in Berkshire<sup>10</sup>**

	Micro Business (0-9)	SME (10-249)	Large (>250)	Total
<b>Bracknell Forest</b>	3620	350	35	4005
<b>Reading</b>	4760	675	35	5470
<b>Slough</b>	3425	520	50	3995
<b>West Berkshire</b>	6920	845	40	7805
<b>Windsor and Maidenhead</b>	7130	715	35	7880
<b>Wokingham</b>	6325	575	35	6935

Between 2006 and 2010, there has been a net gain of 7.3% in new business start-ups, higher than the England growth of 3.3%. The following tables and figures in 3.0-3.3 demonstrate this healthy trend.

**Table 3.0 Business Start ups and closures<sup>11</sup>**

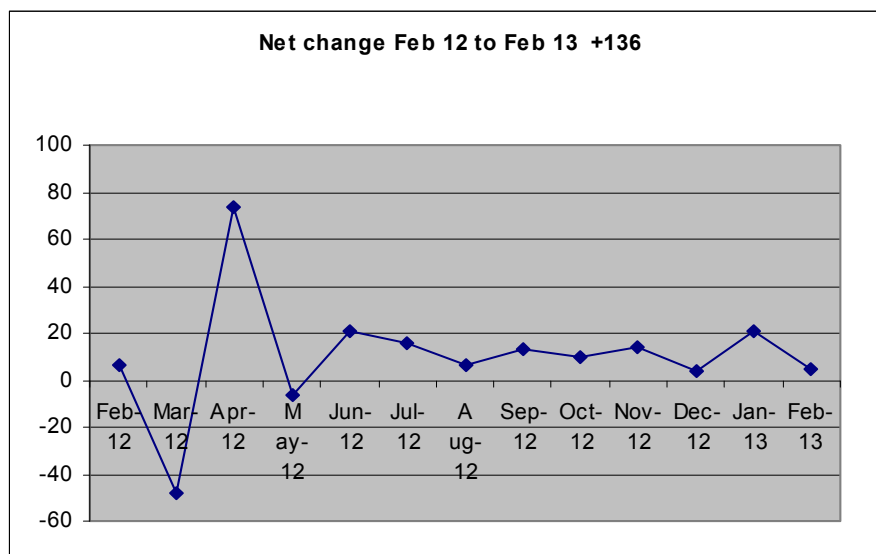
Births of Enterprises	2006	2007	2008	2009	2010	Total	% change between births and deaths
West Berkshire	790	980	885	850	800	4305	+ 7.3%
TVBLEP area	4125	4745	4660	4160	4475	22,165	+8.5%
England	225,120	246,700	236,345	209,035	207,520	1,124,720	+ 3.3%

This comparative data ceased to be provided in 2010 so we are unable to provide more recent figures on this basis. However, local data shows that we have net gain business start-ups than business closures.

<sup>9</sup> ONS Neighbourhood Statistics March 2011

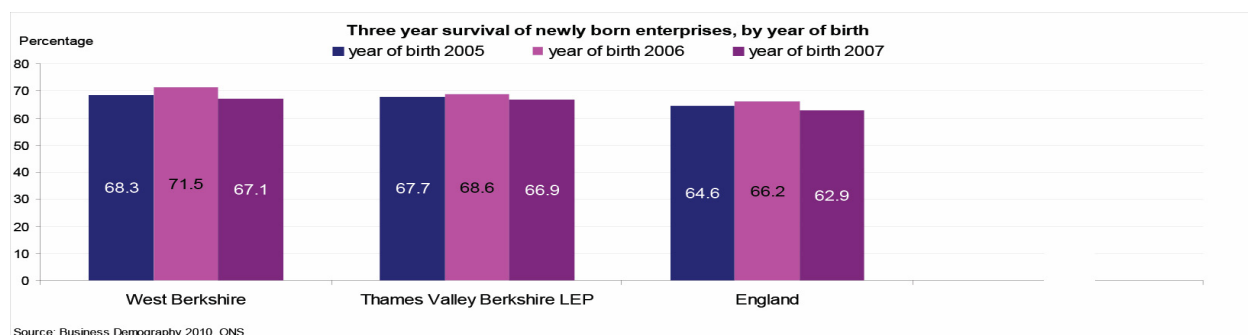
<sup>10</sup> ONS UK Business Activity 2012

<sup>11</sup> ONS Business Demography 2006-2010



**Figure 1 Graph to show net change in Non Domestic Business Rate Registration and Deregistration<sup>12</sup>**

New enterprises in West Berkshire also show a trend to survive longer than in the TVBLEP area as a whole and also compared with England.



**Table 4.0 Age of Businesses across Berkshire<sup>13</sup>**

	<2 years	2-3 years	4-9 years	>10 years	Total no of businesses
<b>Bracknell Forest</b>	725	560	1235	1485	4005
<b>Reading</b>	1225	835	1480	1935	5475
<b>Slough</b>	1030	600	1065	1300	3995
<b>West Berkshire</b>	1290	965	2155	3395	7805
<b>Windsor and Maidenhead</b>	1400	1070	2225	3185	7880
<b>Wokingham</b>	1255	935	2060	2685	6935

<sup>12</sup> As above

<sup>13</sup> ONS UK Business Activity 2012



### **A strong local skills base**

West Berkshire is a high performing economy with higher than average levels of educational attainment and skills. As shown below in Table 3.4, 35.9% of the working age population holds a qualification at NVQ Level 5 and above (degree level attainment) which is higher than the figure for Great Britain as a whole.

At NVQ Level 2 (GCSE level) and above, West Berkshire also has a higher percentage of 16-64 year olds with this type of qualification than both the South East and Great Britain. However, it should not be overlooked that 22% of the working age population in West Berkshire has not attained at least a Level 2 (GCSE level) qualification.

Whilst West Berkshire has relatively low numbers of young people not in education, employment or training (NEET), there is a growing number of young people, aged between 17-24, leaving full-time education and accessing part-time work, usually in the retail sector, without any accredited training and hence poor longer term career prospects. This is known as “Jobs without Training” (JWT). To keep this in perspective, we currently estimate these young people to be a small selection of around 600 people. The challenge is to engage with both these young people and their employers at a local level.

A key objective of our Skills improvement program will be to directly enhance the prospects of this group of young people and to encourage employers to “grow their own” talent, thereby reducing staff churn and recruitment costs.

We plan to do this via our local participation in the new Berkshire-wide City Deal initiative. Under this umbrella, we will set up West Berkshire Futures in co-operation with Newbury College and other local support organisations. West Berkshire Futures will be a Hub for advice, guidance, support and skills training for work. This Hub will also provide business support for SMEs and micro-businesses in the area.

As well as a youth focus on Jobs without Training, West Berkshire Council also has a strong commitment to supporting adult learners to improve their employment prospects through its “Community Learning and Skills Plan 2013-2014”, again in conjunction with Newbury College and other local support organisations.

**Table 5.0 Qualifications (Jan. 2012-Dec. 2012) in West Berkshire compared with South East and Great Britain<sup>14</sup>**

	<b>West Berkshire (numbers)</b>	<b>West Berkshire (%)</b>	<b>South East (%)</b>	<b>Great Britain (%)</b>
NVQ4 and above <sup>15</sup>	35,800	35.9	36.8	34.4
NVQ3 and above	58,900	59.3	58.2	55.1
NVQ2 and above	77,200	77.6	75.4	71.8
NVQ1 and above	89,300	89.8	87.7	84.0
Other qualifications	4,400	4.4	5.4	6.3
No qualifications	5,800	5.8	6.9	9.7

*Numbers and % are for those aged 16-64 in an area.*

However, there is still a need to further improve these levels. There are still elements (5.8%) of the population with no qualifications as illustrated below:

<sup>14</sup> Source: ONS annual population survey

<sup>15</sup> NVQ Level 1: GCSEs, O-Levels or equivalent at grades D-G; Business Training and Education Council (BTEC) first or general certificate; General National Vocational Qualification (GNVQ) foundation level

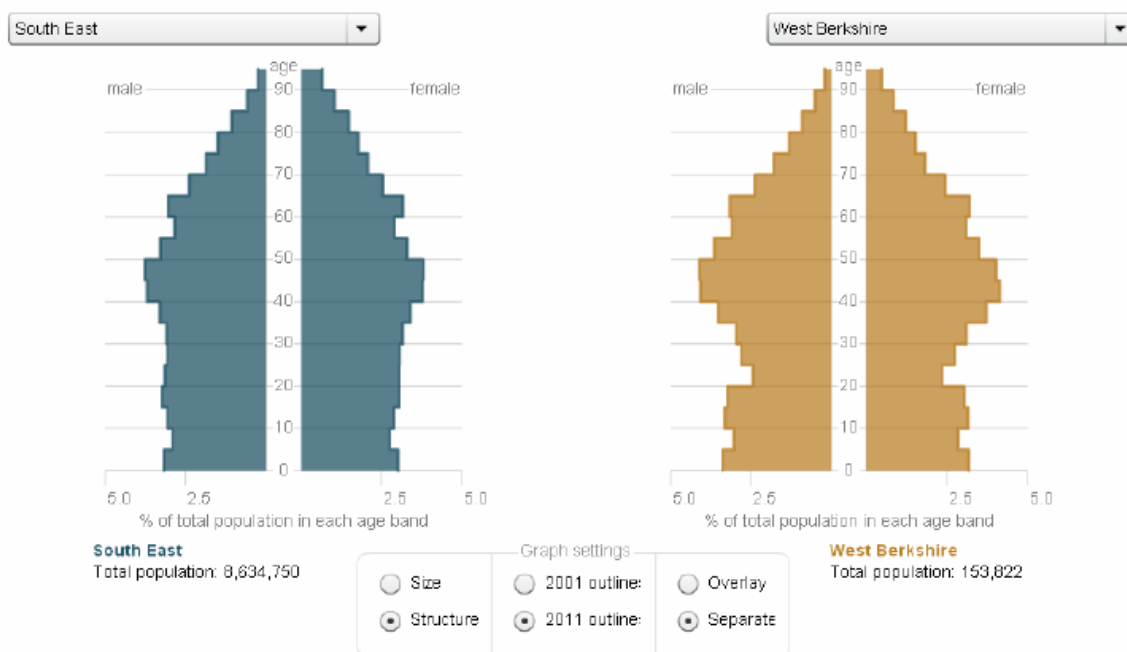
NVQ Level 2: Five or more GCSEs, O-Levels or equivalent at grades A\*-C; BTEC first or general diploma; GNVQ intermediate level; City and Guilds Craft;

NVQ Level 3: Two or more A-Levels or equivalent;; BTEC National; Ordinary National Diploma (OND); Ordinary National Certificate (ONC); City and Guilds Advanced Craft.

NVQ Level 4: First or other degree;; Higher National Diploma (HND); Higher National Certificate (HNC); and higher education diploma; nursing; teaching (including further education, secondary, primary and others)

NVQ Level 5: Higher degree; Doctor of Philosophy (Ph.D.); and NVQ Level 5

2011 Census: population estimates for England and Wales

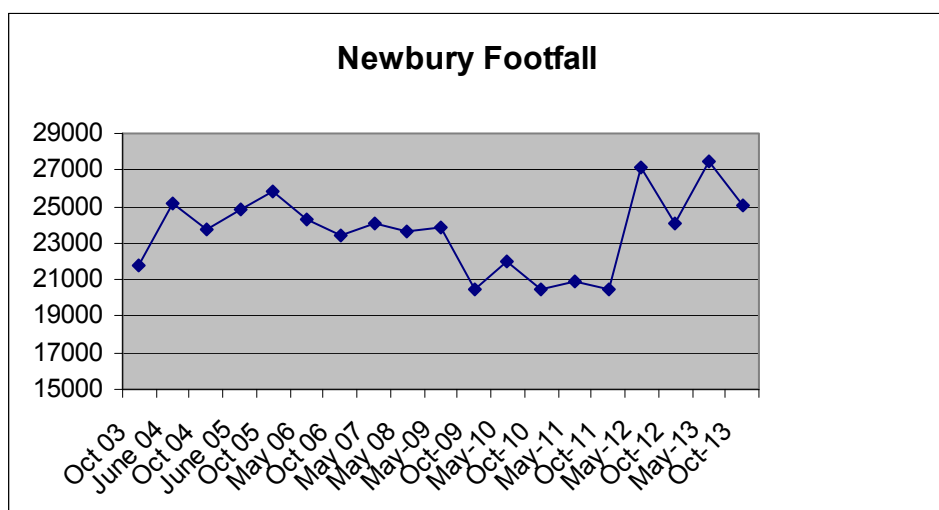


**Figure 2 Diagram to show age profile of West Berkshire compared with South East England**

**A quality retail destination.**

With the redevelopment of Newbury Town Centre and the opening of the Parkway Shopping Centre in October 2011, footfall figures overall are increasing. Parkway Newbury offers 475,000 sq ft of shops, restaurants and accommodation. Together with a wide range of independent retailers, Newbury will continue to offer an individual and comprehensive shopping experience. Newbury is moving up the retail rankings and is now on the 70th rankings.<sup>16</sup>

**Table 6.0 Newbury Town Centre Footfall<sup>17</sup>**

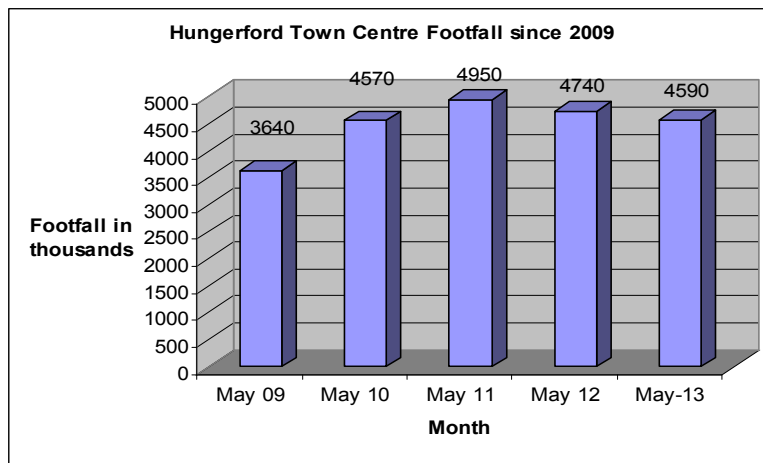


<sup>16</sup> Experian Retail Rankings

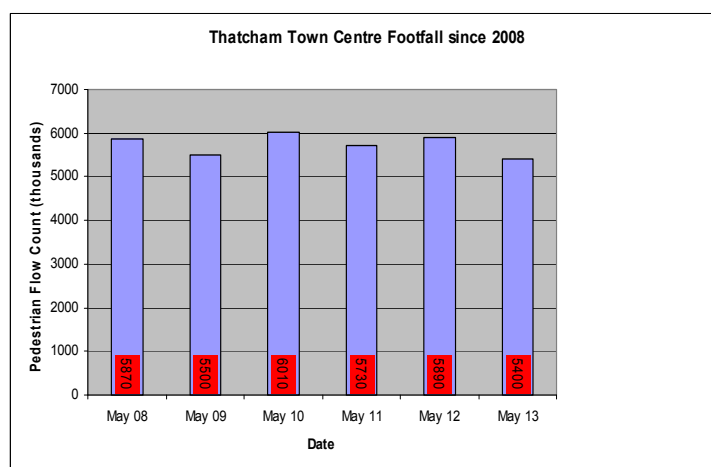
<sup>17</sup> PMRS Ltd data

There are pressures in other town centres such as Hungerford and Thatcham whose footfall has been performing more in line with the recent national downward trend. (Improvement has started to be seen nationally in August 2013).

**Table 6.1 Hungerford Town Centre Footfall<sup>18</sup>**

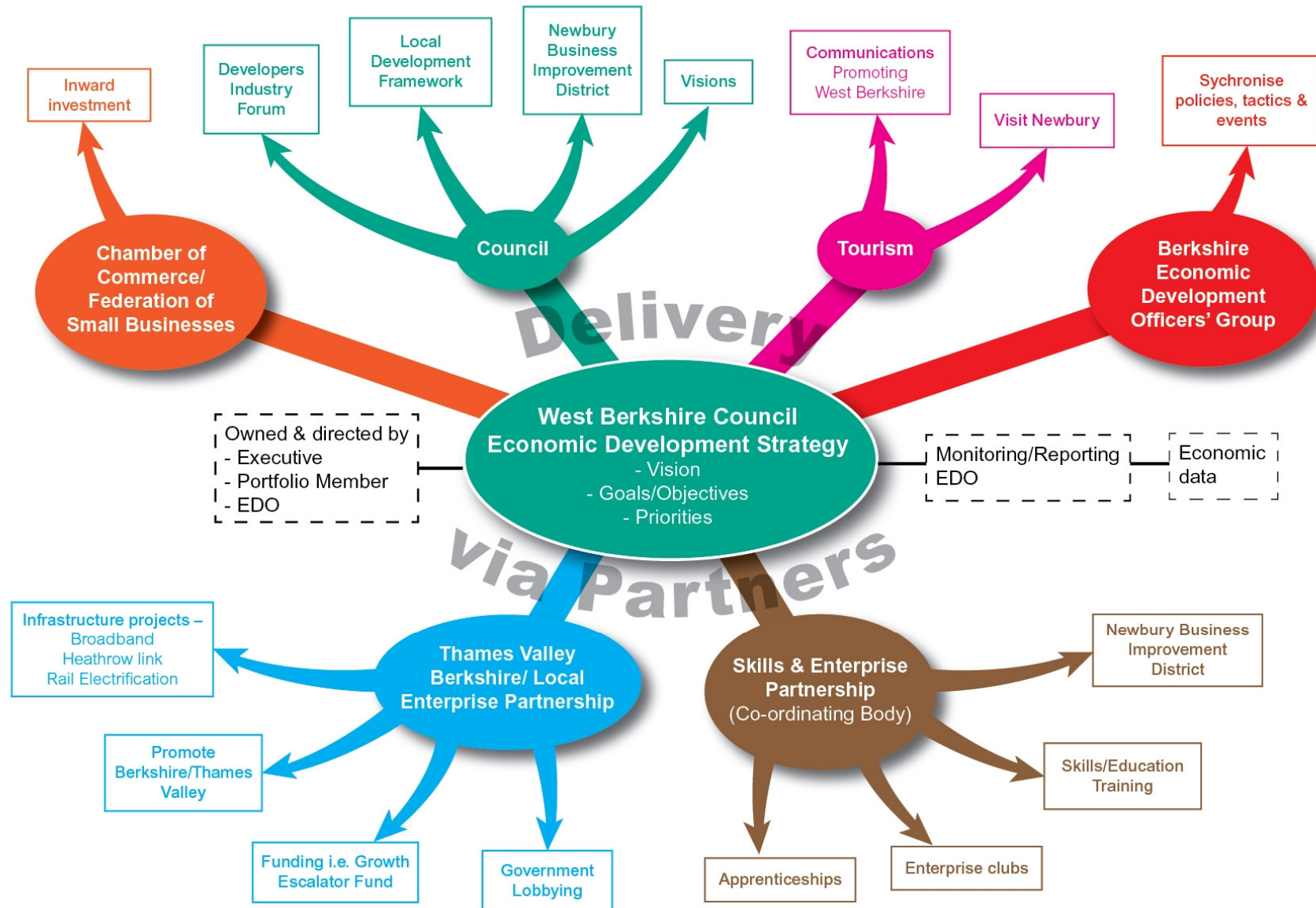


**Table 6.2 Thatcham Town Centre Footfall<sup>19</sup>**



<sup>18</sup> PMRS Ltd data

<sup>19</sup> PMRS Ltd data







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