

# A new start for Berkshire



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- People – Skilled
- Business Support – Collaborative
- Infrastructure – Connected

## Welcome

# An unwavering commitment

**Since the LEP was established in December 2011, it's fair to say we've seen a lot of change. One constant, however, is our commitment to delivering high-quality evidence, intelligence and dynamic initiatives that help the Berkshire economy and its people to thrive.**

The biggest disruption to the economy in recent years has undoubtedly been Covid-19. When we published our Recovery and Renewal Plan in February 2021, we set out a strategy to usher Berkshire out of the pandemic and towards a better future, to create a connected, collaborative and skilled Berkshire. We're now halfway into that five-year plan – a good time to refresh the evidence base and check we're still on track.

From April 2024, the responsibility for developing Berkshire's economic strategies will transfer to local government. By highlighting key areas for focus in this report, we aim to support the future work of the six local authorities who have been our long-time partners and collaborators.

In the past, the LEP has been likened to the oil that makes the Berkshire economy engine run smoothly and I'm pleased that the Berkshire Leaders' Group has recognised the value of our work. We will continue to act as a partner to the six local authorities, delivering high-quality programmes

such as the Careers and Enterprise Company (CEC), Berkshire Growth Hub and Skills Bootcamps.

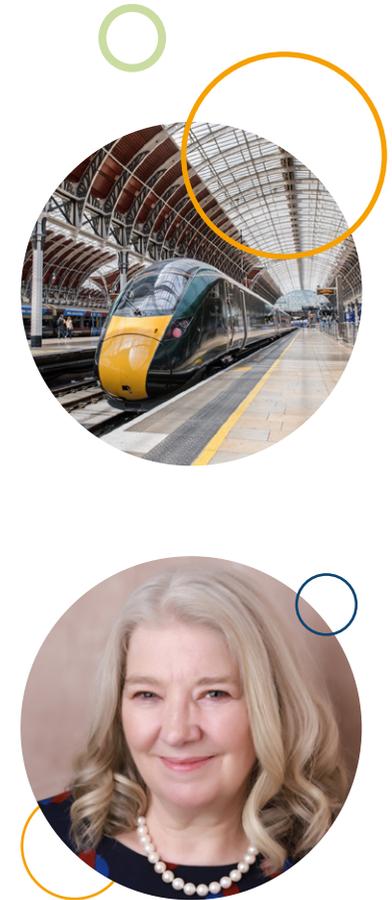
Despite Berkshire's many assets – an enviable location, fantastic connectivity, a relatively young, highly skilled population and vibrant job sectors - we are facing many of the same challenges as other parts of the UK such as the cost of living crisis, driven by global conflict and rising energy prices as much as by adapting to a post-Covid environment and the need to forge a new trading relationship with Europe post Brexit. This document sets out a plan for good growth – growth that is sustainable, delivers benefits for everyone, good jobs for the people of Berkshire and which values the future of our planet.

In Berkshire we are an excellent position to thrive, even as the world around us changes. We look forward to continuing to contribute to Berkshire's connected, collaborative and skilled economy.



*Alison Webster*

**Alison Webster - Chief Executive, Berkshire LEP**





**Berkshire LEP  
has undertaken a  
mid-point review of the  
Recovery and Renewal Plan,  
refreshing the economic  
evidence, identifying what  
has been achieved and  
what remains to  
be done.**

**This document sets  
out a vision for good  
growth that is sustainable  
and values the future of our  
plant while securing good jobs  
and delivering benefits for  
the people and economy  
of Berkshire.**

## Chapter 1: Introduction

# Dynamic, diverse Berkshire

**With easy access to London, Berkshire has a character of its own. Innovative, dynamic start-ups, diverse towns where many languages are spoken, and some of the UK's most iconic landmarks, including Windsor Castle, are part of the mix that makes Berkshire unique.**

World class companies in thriving business sectors such as digital technology and life sciences are supported by excellent universities and strong anchor institutions. One of the world's busiest airports sits on our doorstep. The economy of Berkshire has long been one of the most productive and dynamic in England.

The last fifteen years have delivered a series of hammer blows to Berkshire, as they have the rest of the UK. The economic downturn of 2008, the biggest economic crisis since the Great Depression (1929-1939), was followed by several economic shocks. These include Brexit, which has made it more difficult to trade with our closest markets, the Covid-19 pandemic and, most recently, global conflicts.

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**Despite these tough times,  
our resilient businesses have  
weathered the storm.**

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**Since its creation in 2011, Berkshire Local Enterprise Partnership (LEP) has driven the economic strategy for the area and produced:**

- Berkshire's Strategic Economic Plan (2015)
- Berkshire's Local Industrial Strategy (2019)
- Berkshire's Recovery and Renewal Plan (2021)

**These strategies were developed after in-depth consultation with local businesses and wider stakeholders, and signed off by the leaders of six local authorities of Berkshire.**

Chapter 1: Introduction

# The Recovery and Renewal Plan

In 2021, Berkshire LEP published our locally agreed Recovery and Renewal Plan (RRP). This set out a plan for Berkshire across three stages.

- **Resilience** supported our businesses through the worst of Covid, over six months.
- **Renewal** considered how to bounce back, within six months to two years.
- **Growth** set out a longer term path, looking two to five years ahead.



**Immediate**

**Resilience**

Help companies and individuals through the worst of the pandemic, minimising difficulties and ensuring a base from which to rebuild.

**6-18 Months**

**Renewal**

Help companies and individuals to 'bounce back'. Pursue better, faster digital infrastructure, regenerate our town centres and develop our innovation eco-systems.

**2-5 Years**

(where we are today)

**Growth**

Build back an even better Berkshire, with higher productivity across the economy, leading to increased wages. We will build a sustainable Berkshire, in full alignment with the government's target of a 'net zero' carbon economy by 2050.



## Chapter 1: Introduction

# A 'good growth, good jobs' economy

**This report is an opportunity to take stock of what has been achieved and what is still to come.**

Even without these economic shocks, it would still be prudent under any scenario to revisit our RRP halfway through its cycle.

*A New Start for Berkshire* is published in a different world to that which went before. Covid-19, in particular, has brought lasting change. Tragically, many thousands of people lost their lives. Countless more struggled, including children and young adults whose school and university studies were interrupted. Older people suffered loneliness and isolation. It is normal at such times for people to take stock of their lives.

We see this in the world of work, as many over-50s, furloughed during Covid, have not returned to the workplace. There is no consensus on the reason for this. While there is more to life than work, work is nevertheless important for peoples' sense of identity and wellbeing; this makes the case for creating good work.

**This report is an opportunity to take stock of what has been achieved and what is still to come.**

*A New Start for Berkshire* unashamedly addresses the issue of good work. In the pages that follow, we ask the question: what would tempt those over-50s, with skills and experience that would massively benefit the Berkshire economy, back to the workplace?

We also see an acceleration in home and remote working, which was already a trend. Home working has benefits, including allowing flexibility for those with young children or other caring responsibilities. It also has costs, including isolation and the loss of those 'water cooler' moments that can be good for the sharing of ideas.

Covid has changed us for good, but the disruption doesn't stop there. Our economy must also contend with the twin challenges of digital technology and climate change.



**In the pages that follow, we ask the question: what would tempt those over-50s, with skills and experience that would massively benefit the Berkshire economy, back to the workplace?**



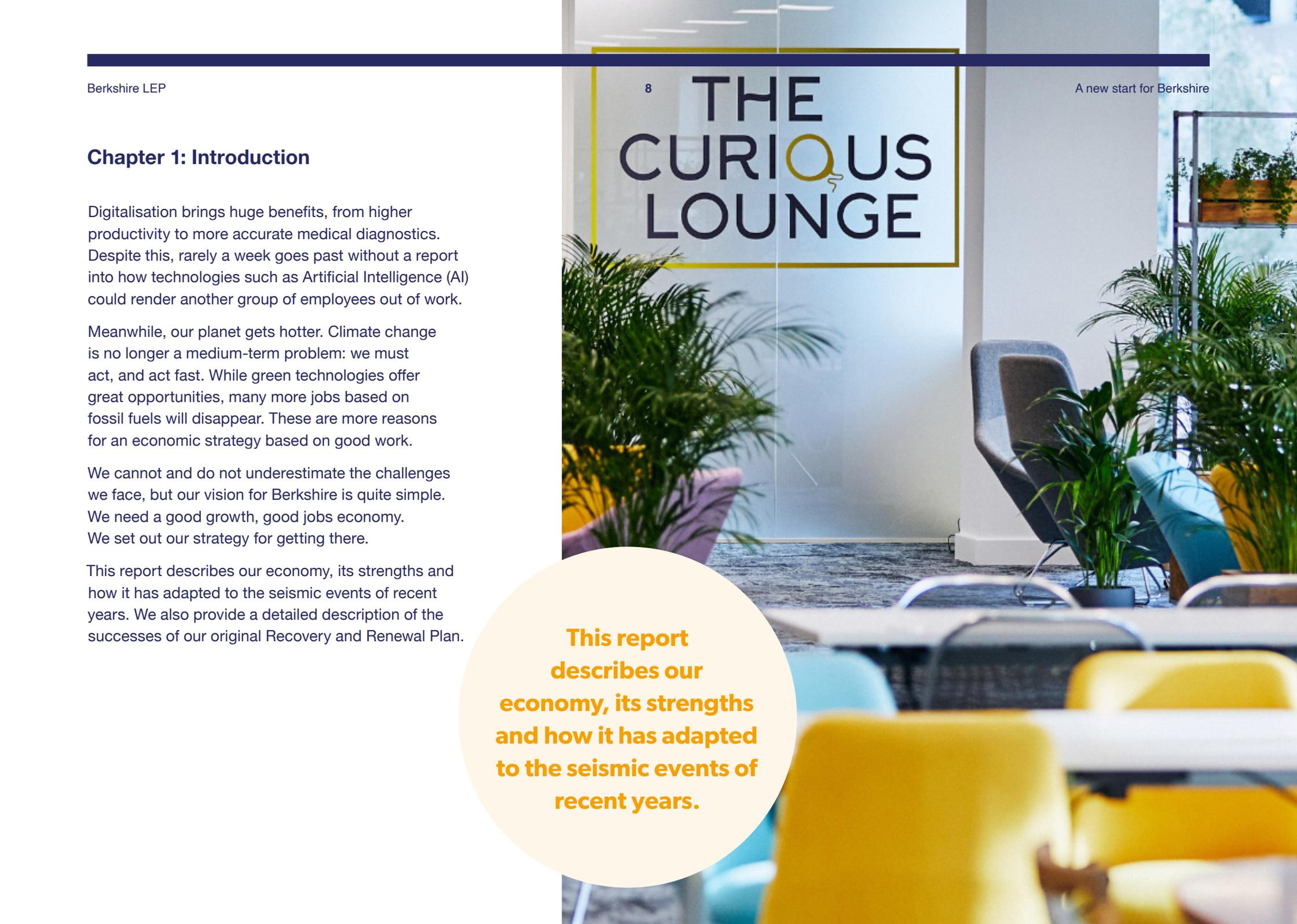
## Chapter 1: Introduction

Digitalisation brings huge benefits, from higher productivity to more accurate medical diagnostics. Despite this, rarely a week goes past without a report into how technologies such as Artificial Intelligence (AI) could render another group of employees out of work.

Meanwhile, our planet gets hotter. Climate change is no longer a medium-term problem: we must act, and act fast. While green technologies offer great opportunities, many more jobs based on fossil fuels will disappear. These are more reasons for an economic strategy based on good work.

We cannot and do not underestimate the challenges we face, but our vision for Berkshire is quite simple. We need a good growth, good jobs economy. We set out our strategy for getting there.

This report describes our economy, its strengths and how it has adapted to the seismic events of recent years. We also provide a detailed description of the successes of our original Recovery and Renewal Plan.



**This report describes our economy, its strengths and how it has adapted to the seismic events of recent years.**

# The key takeaways from our review of the Berkshire economy

**With a productive economy, Berkshire is strong in some key, high-skilled knowledge sectors, and has excellent connectivity.**



Like all places, Berkshire has been hit by Brexit, the Covid-19 pandemic and the war in Ukraine.



Alongside a relatively high standard of living, Berkshire has pockets of deprivation, especially in Reading and Slough.



The South East has experienced a loss in median weekly wages and in employment growth relative to the UK average since Brexit.



UK output has returned to pre-pandemic levels. The UK has, however, been left with large debts left by the costs of getting the country through Covid-19.



Like most places, Berkshire has an hourglass economy, so we have many jobs in low-skill, low-value sectors too.



The war in Ukraine has led to very high levels of inflation and, in order to try to tame that inflation, high levels of interest rates.



Commercial industrial and warehouse demand remains strong across Berkshire with high land and lease values.



Unexpected consequences of the pandemic include large numbers of over-50s leaving the labour market.



Home and hybrid working will impact both positively and negatively on town centres, the larger commuting destinations being the most negatively impacted.



The commercial office market will have to undergo major changes to accommodate both home/hybrid working and new energy efficiency regulations.



Alongside the tragic loss of life, Covid-19 increased levels of loneliness and isolation, damaging the mental health of young people in particular.



Key industries across Berkshire whose future we feared have proved to be resilient. Very high levels of unemployment, which many feared during the pandemic, have not come to pass, largely as a result of the furlough scheme.



## Chapter 2: About Berkshire

# Berkshire – a great place to live and work



**Berkshire is a highly competitive location, in the heart of the Thames Valley. We are ranked number one among LEPs by GVA per filled job, 44% above the UK figure.**

### A thriving Berkshire

Learn more about some of our successes in three strategic areas.

**No.1** Berkshire is ranked number one among LEPs by GVA per filled job

**TOP 30** The University of Reading is a top-30 UK university with world-leading research

**1/4** Digital tech generates almost one quarter of Berkshire's GVA

**1/2** Half of our workforce is skilled to level NVQ4 or above

 We are fast becoming a hub for film and TV production

 We have a high concentration of foreign-owned companies

**99%** Berkshire has 99% superfast and 85% gigabit/fibre coverage



## Chapter 2: About Berkshire

# High value, high skill

The graph on this page highlights how Berkshire's GVA grew steadily from 2009 to 2019, at which point it fell. 2020 was, of course, the year of Covid, as well as the year that the Brexit withdrawal agreement came into effect. It is important not to read too much into one year's figures, but the drop is something to keep an eye on.

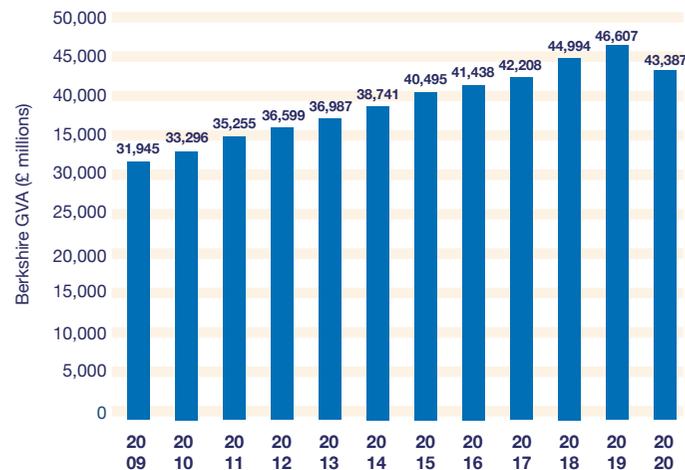
Berkshire boasts innovative businesses, a skilled workforce and an excellent location. We have fast rail and motorway connections into London and the rest of the UK, and easy access to one of the world's largest international airports.

We are strong in high-value, high-skill sectors that help us supercharge the economy; 50.2% of our workforce is skilled to level NVQ4 or above, compared to 43.6% across Great Britain (2021). Maidenhead, Slough and Reading featured among the European Cities and Regions of the Future 2023, as compiled by fDi intelligence.

Our network of high-quality further education (FE) colleges sits alongside the University of Reading. This top-30 UK university boasts world-leading research capabilities, as well as high levels of university-industry collaboration and spin outs through the Henley Business School.

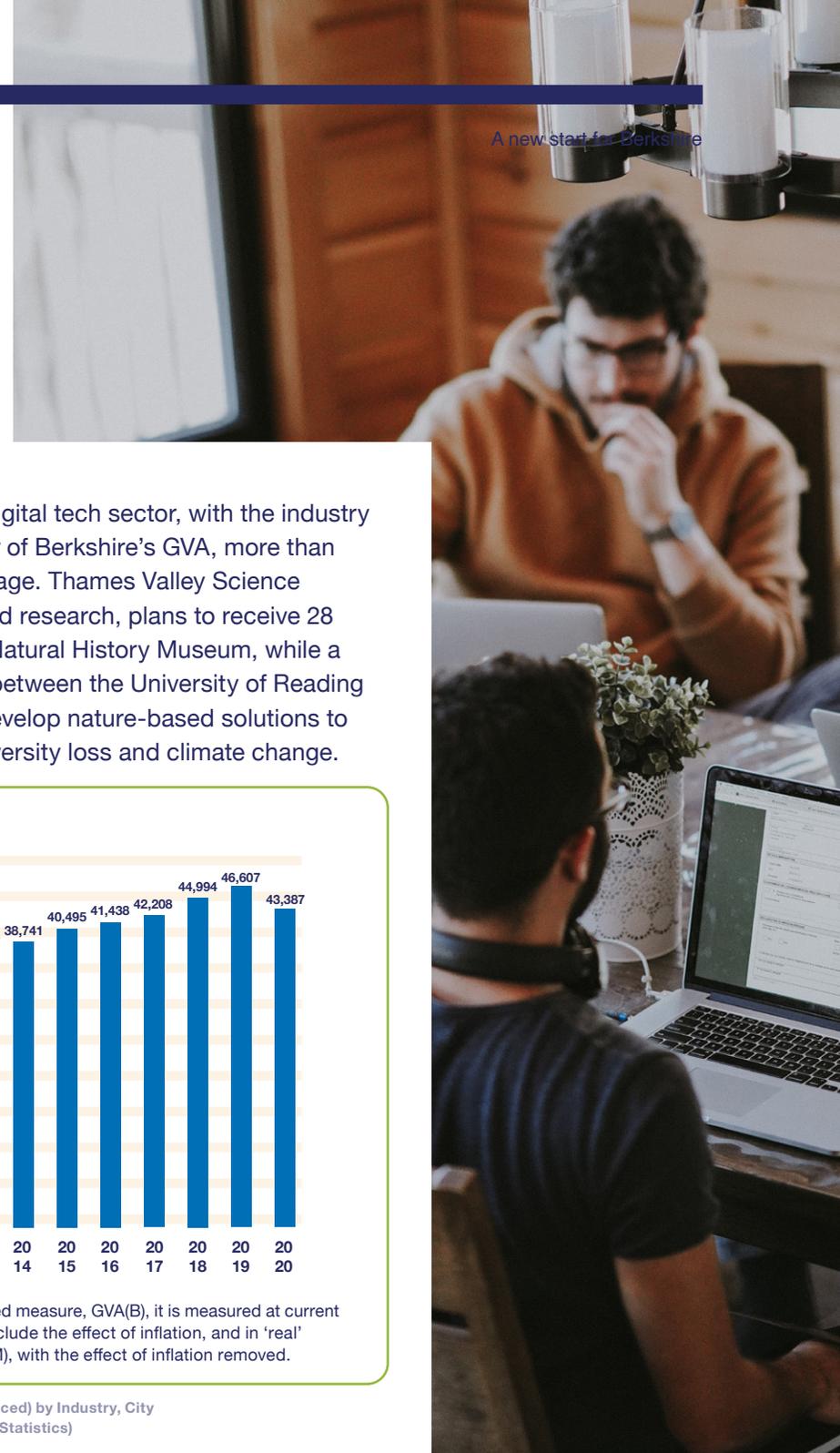
Berkshire is a leader in the digital tech sector, with the industry generating close to a quarter of Berkshire's GVA, more than three times the national average. Thames Valley Science Park, a hub for innovation and research, plans to receive 28 million specimens from the Natural History Museum, while a new research collaboration between the University of Reading and Kew Gardens aims to develop nature-based solutions to tackle global issues of biodiversity loss and climate change.

**GVA Growth in Berkshire**



Chained value measures: For the balanced measure, GVA(B), it is measured at current basic prices (value in £ million), which include the effect of inflation, and in 'real' terms in chained volume measures (CVM), with the effect of inflation removed.

Source: Regional Gross Value Added (Balanced) by Industry, City and Enterprise Regions (Office for National Statistics)



## Chapter 2: About Berkshire

# Leader in digital tech

The graph opposite shows how Berkshire enterprises generated £43.39bn GVA in 2020. Almost a quarter of this (23.6%) was generated by digital tech.

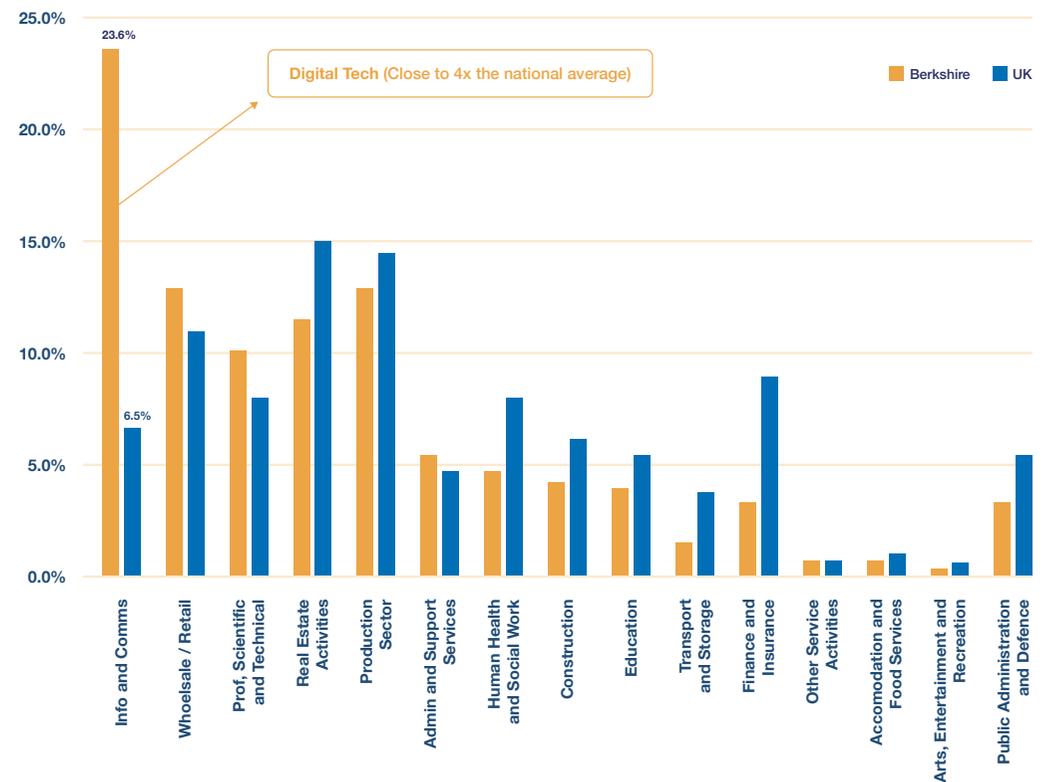
Berkshire has strengths in a range of other sectors, including life sciences, energy and the environment and, increasingly, the creative sector. We are a growing hub for film and TV production.

Berkshire has the highest concentration of foreign-owned companies out of all LEP areas, largely due to the dominance of our digital technology sector. Foreign-owned companies with significant operations in Berkshire include Adobe, Verizon, Syngenta and Huawei.

Our connectivity isn't just about road and rail: Berkshire offers 99% superfast and 85% gigabit/fibre coverage, and is an early adopter of a LoRaWAN network covering over 95% of the county, ready to fully exploit Internet of Things (IoT) innovation.

Vibrant lifestyle opportunities make Berkshire attractive to millennial (born between 1981 and 1996) and career-age talent. Disposable income, efficient infrastructure and levels of openness, social cohesion and inclusivity are important differentiators for Berkshire.

GVA by Sector, Berkshire and UK



Source: Regional gross value added (balanced) by industry: city and enterprise regions, ONS, May 2022 (table B2)

## Chapter 2: About Berkshire

# Ongoing challenges facing Berkshire

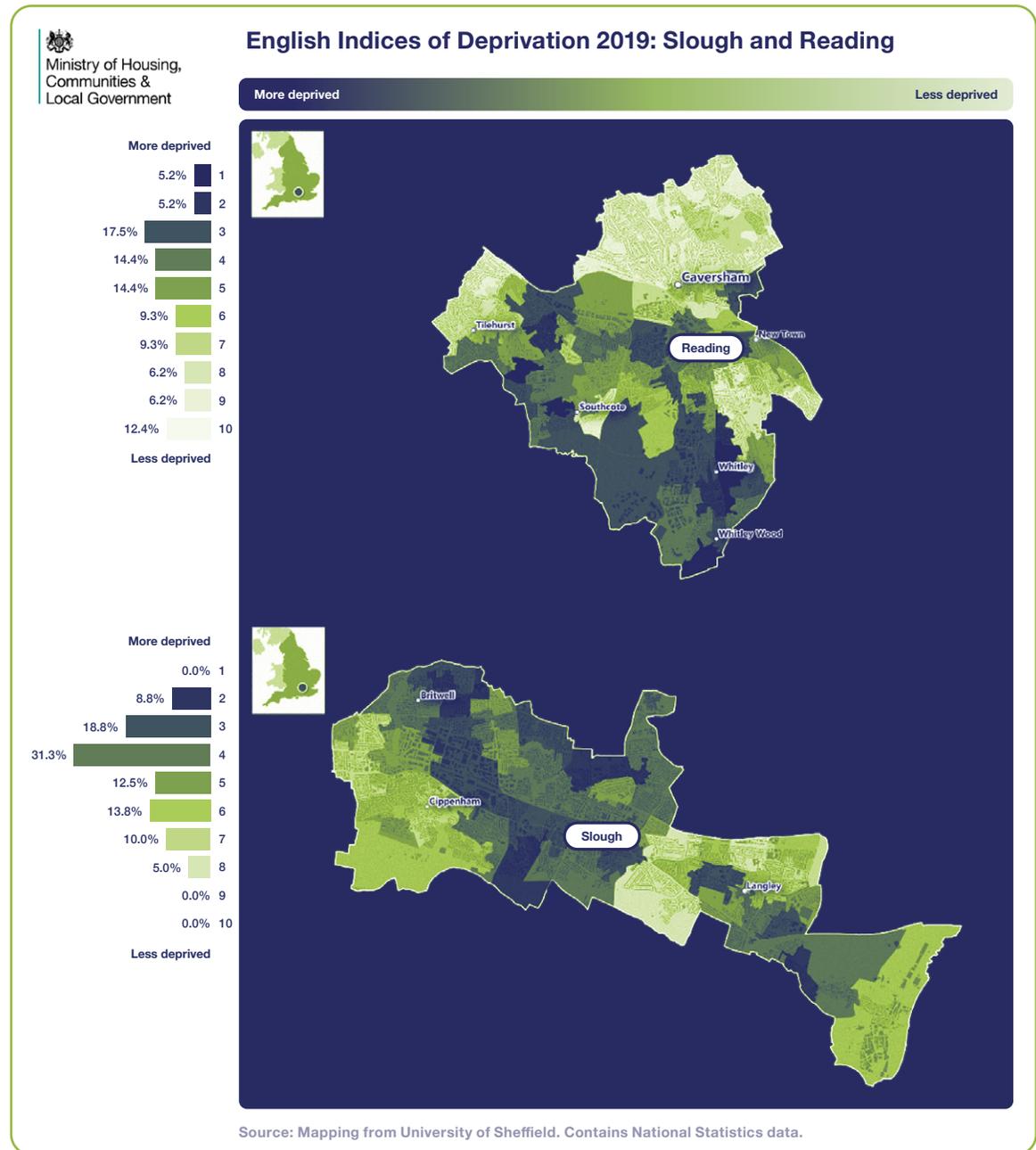
With this impressive list of assets, it would be easy to conclude that all is well in Berkshire and little further support is needed. Unfortunately, this isn't true – Berkshire also faces challenges.

Berkshire's six towns make our county what it is, but there is no disguising some great differences between the local authorities across our economy. Reading and Slough, dynamic though they are, have pockets of serious deprivation.

### Deprivation in Reading and Slough

The maps to the right show levels of deprivation in Reading and Slough in 2019, the most recent figures available. Reading ranks 144 and Slough 172 out of a total of 317 Local Authority areas in England, in terms of deprivation. Reading has five of the most deprived areas in Berkshire, all of which fall within the 10% most deprived areas of the country. In Slough, more than 50% of the borough can be identified as deprived.

This feeds through to educational attainment. In Slough, the overall proportion of people qualified at level 3 and above is 53% (lower than the England average of 60%). Among 20-24 year olds, the number qualified at level 3 and above is 16% – that's lower than the same age range for Berkshire and 13.8% lower than England.



Chapter 2: About Berkshire

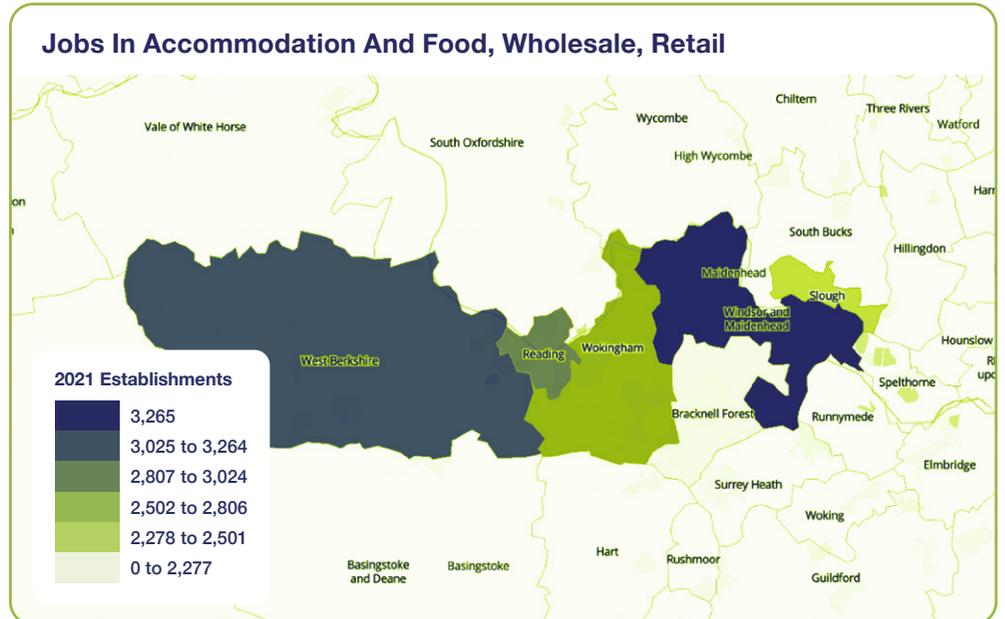
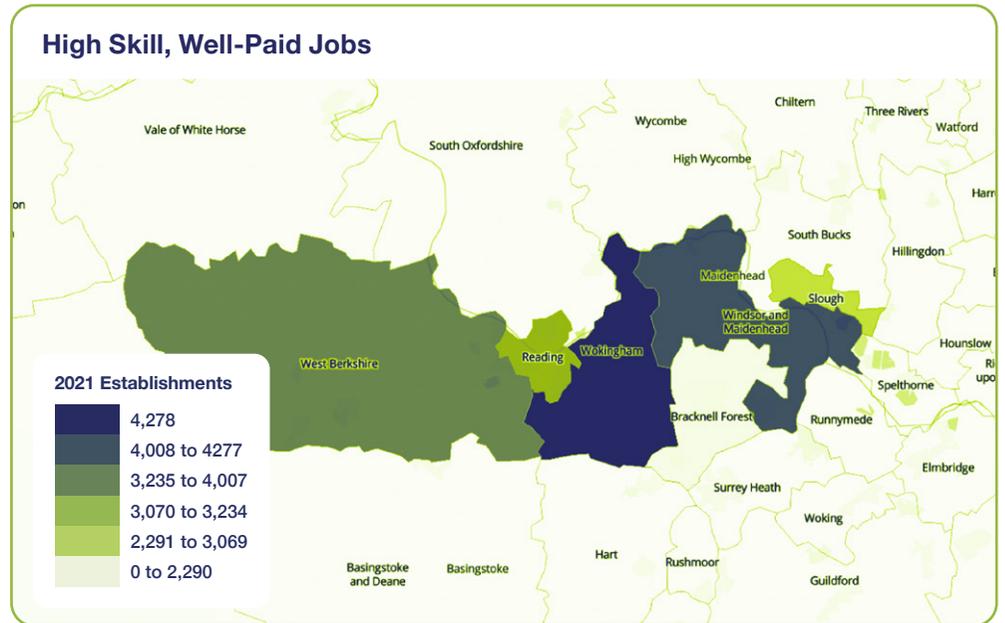
# An hourglass economy

Like most places, Berkshire also has an hourglass economy, as we can see from the following maps.

The map opposite outlines the number of establishments in high skill, high value sectors. It shows 17,305 establishments, providing 132,000 high skilled, well-paid jobs (per the latest 2021 data), in the professional, scientific and technical, and ICT activities across Berkshire.

**17,305**  
establishments, providing  
**132,000**  
high skilled, well-paid jobs

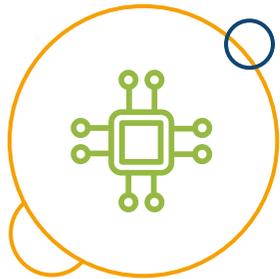
The map opposite shows more than 15,800 companies, providing just under 171,000 jobs (per the latest 2021 data) in accommodation and food, wholesale and retail trade, and administration and support services, alongside more precarious jobs in arts, entertainment and recreation across Berkshire.



Source: UK Business, Activity, Size and Location (Office for National Statistics)

## Chapter 2: About Berkshire – Key Sectors

# Key Sectors



## Digital tech

**The digital tech sector in Berkshire continues to perform well. 14% of jobs in Berkshire are in the digital tech sector – approximately three times the national average (5%).**

Of these, 73% (52,000) are in key digital tech occupations. Berkshire also continues to attract significant digital tech-related foreign direct investment (FDI). Reading ranks first in the UK for the number of foreign HQs and boasts the UK headquarters of Microsoft, Oracle, Veritas, Huawei and Thales Group.

Major Berkshire digital sectors include computer consultancy, software development and telecoms with specialisms developing in data processing and hosting, e-commerce, cyber security, fintech, AI, Internet of Things and cloud computing.



## Science innovation

**The pandemic presented opportunities and challenges for life sciences and pharma companies. UK companies found themselves front and centre in the race and succeeded in supplying vaccines and medical products to support patients. Despite this, R&D experienced profound disruption as staff adjusted to remote work environments.**

In Berkshire, there is a shortage of scientific lab capacity, and this has impacts on innovation and attracting talent. Key businesses in Berkshire are set to expand the availability of lab space to provide early stage bio-tech/pharma businesses looking to expand their footprint with facilities, equipment and expertise.

**Digital Tech,  
Science Innovation  
and Creative  
Excellence**

The demands on the UK energy sector are great. The sector has been critical in supplying energy during the uncertainty of the pandemic and more recently in the wake of the Ukraine-Russia War. Longer term issues of climate change and the Government target of net zero greenhouse gas emissions by 2050 cannot afford to be ignored and provide opportunities and challenges for Berkshire businesses operating in the energy and environment sectors.

## Chapter 2: About Berkshire – Key Sectors



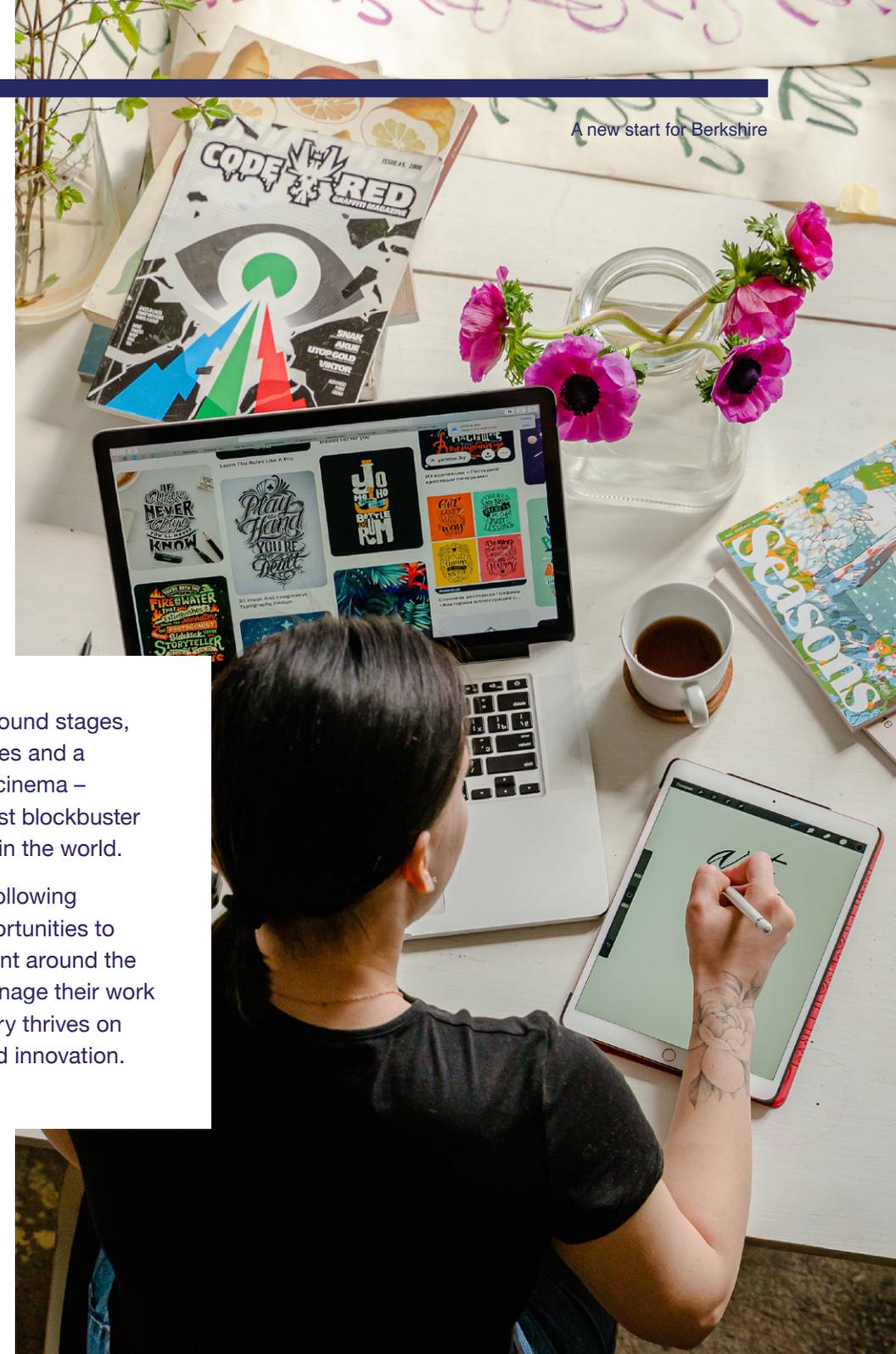
### Creative excellence

The Covid pandemic hit the UK's creative industries hard with lockdown restrictions leading to significant jobs losses and the closure of many creative businesses small and large. According to Creative UK, the creative industries are estimated to have lost £12 billion in GVA as a result of the Covid-19 pandemic, dropping from £115.9 billion in 2019 to £104.1 billion in 2020 – well below the £122 billion in GVA the sector was projected to generate by the end of 2020, had the pandemic not materialised.

Despite this, Berkshire is witnessing a growth in the creative industries through the expansion of Shinfield Studios, a major film and TV studio set in the Thames Valley Science Park. Upon completion, it will be one of the largest studio complexes in

the UK, with 18 purpose-built sound stages, workshops, contemporary offices and a post-production complex with cinema – all designed to service the largest blockbuster film and television productions in the world.

An increase in hybrid working following the pandemic has opened opportunities to connect with great creative talent around the world. While this helps staff manage their work life balance, the creative industry thrives on collaboration to spark ideas and innovation.



## Chapter 2: About Berkshire

# Our proximity to London

**Berkshire faces other, longstanding challenges. Our closeness to London is undoubtedly a blessing in many ways, but it can also be a curse. Reading is less than half an hour from London, while Slough is only 15 minutes away. The brightest and the best among our young people can easily be tempted to work in the capital. London can inevitably offer more choice and often higher salaries, even when travel costs are taken into account.**

The cost of living – especially the cost of housing – in Berkshire is also high. According to Rightmove, the property website, Berkshire properties sold for an overall average price of £503,577 in 2022. Overall sold prices in Berkshire over the last year were 5% up on the previous year and 12% up on the 2020 level of £449,213.

With an overall average price of £724,509 in 2022 London is clearly more expensive. However, sold prices in London were similar to the previous year and 9% up on 2020, when the average house price was £666,624. In other words, house prices are rising faster in Berkshire than they are in London.



**Reading is less than half an hour from London, while Slough is only 15 minutes away.**

## Chapter 3: Recovery and Renewal Plan progress update

# How we fought back after Covid-19

**Berkshire LEP published the Recovery and Renewal Plan (RRP) in February 2021. Published as the worst depths of Covid were passing and a vaccine became available, the RRP set our sights on an economy recovering from the pandemic.**

### Recovery

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The first step was to keep the economy on its feet. The Recovery section described actions to be undertaken in the first six months.

### Renewal

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Next, we needed to consider how to build back. This meant developing actions to be undertaken in six months to two years.

### Growth

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And in the long term, between two and five years, we developed a suite of proposals for the future growth of Berkshire.

## Chapter 3: Recovery and Renewal Plan progress update

### Recovery

**Developed a Place Making Board to identify strategic opportunities.** We have since hosted high street taskforce events to reimagine our public space and showcased Berkshire's infrastructure investment opportunities in a series of Prospectuses and attendance at UK Real Estate Inward Investment Forum (UKREiF) in 2022 and 2023.

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**Further developed the Berkshire Growth Hub** which was achieved by transitioning the service to an in-house LEP managed service in April 2021.

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**Launched a local Digital Skills Partnership** in collaboration with Catalyst South (a strategic alliance of six Local Enterprise Partnerships: Coast2Capital, Enterprise M3, Hertfordshire, South East, Solent and Berkshire LEP). There is a focus on championing an economic and business voice, promoting collaboration across boundaries and supporting issues of common importance to business to stimulate business growth and recovery.

### Renewal

**Accelerated the 4G and 5G digital infrastructure across Berkshire.**

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**Developed our labour market and skills analysis in support of Berkshire businesses.**

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**Launched a new model of Growth Hub service** with clear pathways on an evolved website to reach more businesses.

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**Delivered enhanced business support programmes** (Start-up and High Growth) through the Growth Hub using UK Shared Prosperity Funds (UKSPF).

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**Increased the maximum loan value of the Thames Valley Berkshire Funding Escalator** to £500k to support growth.

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**Supported local authority bids for Government funding** such as Levelling Up Fund, Homes England funding and One Public Estate revenue and capital funding.

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**Collaborated for strategic development**, by working closely with our partners on the Berkshire Place Making Board, the Digital Infrastructure Group and the One Public Estate Team.

## Chapter 3: Recovery and Renewal Plan progress update

### Growth

**We are, of course, at the early stage of this part of the Recovery and Renewal Plan.**

**An increase the number of people in 'good work'.**

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**Provide recommendations through the Berkshire Innovation and Eco-systems Strategy** for anchor institutions to come together to support clusters and sectors, exchange knowledge and develop sites for innovation to support a resilient and robust business eco-system.

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**Improve the co-ordination and growth of inward investment across Berkshire.**

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**Invest in activities to reduce carbon emissions,** such as increasing electric vehicle infrastructure.



## Chapter 4: Recent challenges for Berkshire

# Brexit, Covid-19 and the war in Ukraine

**Since 2016 there have been three shocks to the British economy: Brexit, Covid-19 and the war in Ukraine. The effects of Brexit will be felt in the medium-longer term.**

Given the major hit to the global economy, including the UK, of Covid-19 and the Ukraine-Russia war, disaggregating how much of this is due to Brexit and how much to other factors is not easy.

## Chapter 4: Recent challenges for Berkshire

# The effects of Brexit

Nevertheless, the Office for Budget Responsibility (OBR) essentially made three forecasts about the effects of Brexit:

### On trade and productivity

It assumed that the volume of UK imports and exports would both be 15% lower in the long run than if we had remained in the EU. This would lead to a 4% reduction in the potential productivity of the UK economy.

### On investment

The OBR forecast that greater uncertainty from the result of the referendum would see some investment projects postponed or cancelled, but that shortfall would fade as uncertainty over the future trading relationship receded and investment recovered.

### On migration

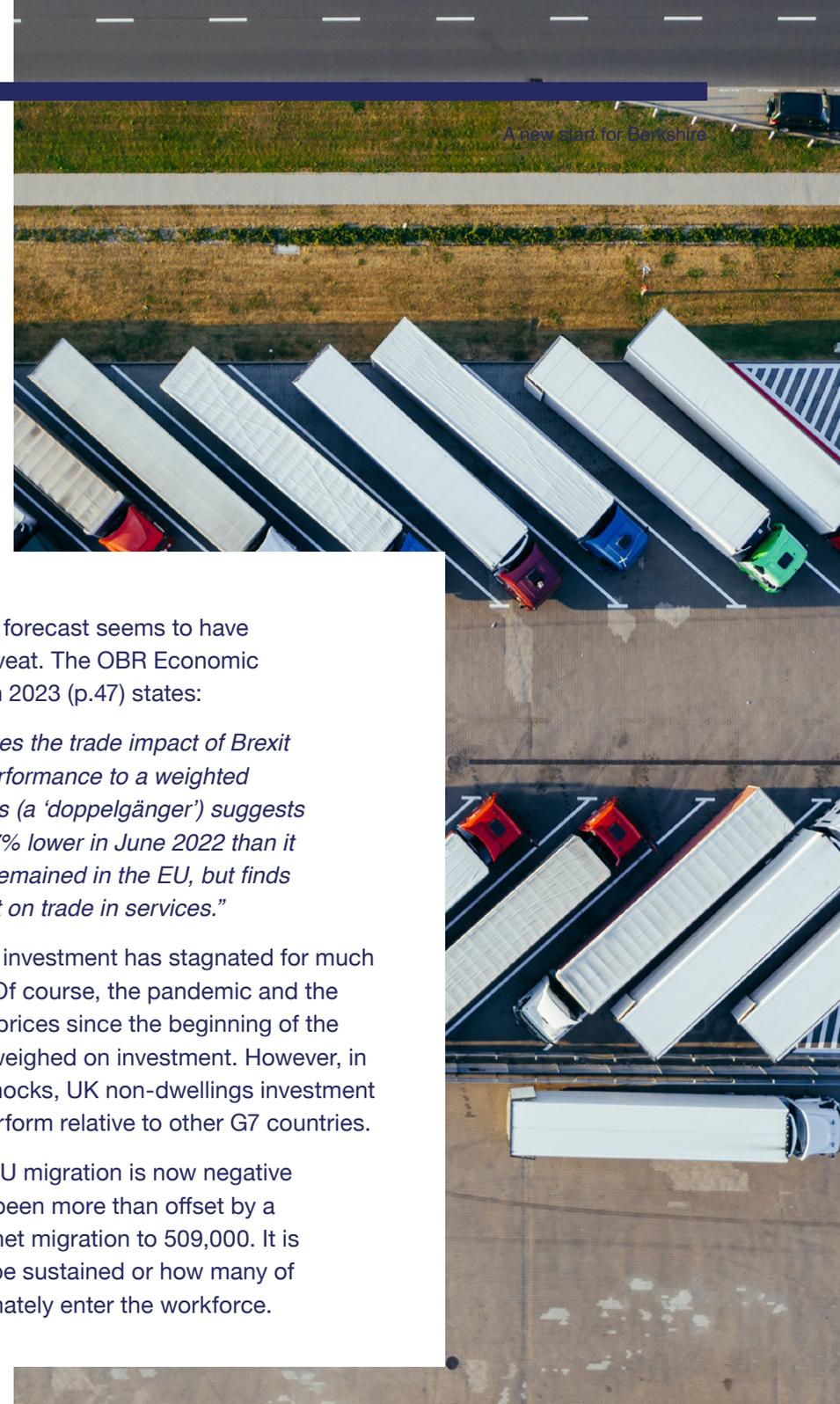
The OBR initially assumed that migration would be lower than otherwise. Once details of the UK's post-Brexit migration regime became available, the assumption was that it would reduce net migration from the EU, but that non-EU flows would be higher.

**On trade**, so far, the OBR forecast seems to have been borne out, with a caveat. The OBR Economic and Fiscal Outlook, March 2023 (p.47) states:

*“A recent study that estimates the trade impact of Brexit by comparing UK trade performance to a weighted average of similar countries (a ‘doppelgänger’) suggests that UK goods trade was 7% lower in June 2022 than it would have been had we remained in the EU, but finds less evidence of an impact on trade in services.”*

**On investment**, business investment has stagnated for much of the period since 2016. Of course, the pandemic and the increase in global energy prices since the beginning of the war in Ukraine have also weighed on investment. However, in the face of these global shocks, UK non-dwellings investment has continued to underperform relative to other G7 countries.

**On migration**, while net EU migration is now negative at minus 51,000, this has been more than offset by a large increase in non-EU net migration to 509,000. It is too early to tell if this will be sustained or how many of the new migrants will ultimately enter the workforce.



Chapter 4: Recent challenges for Berkshire

# Brexit on wages and employment

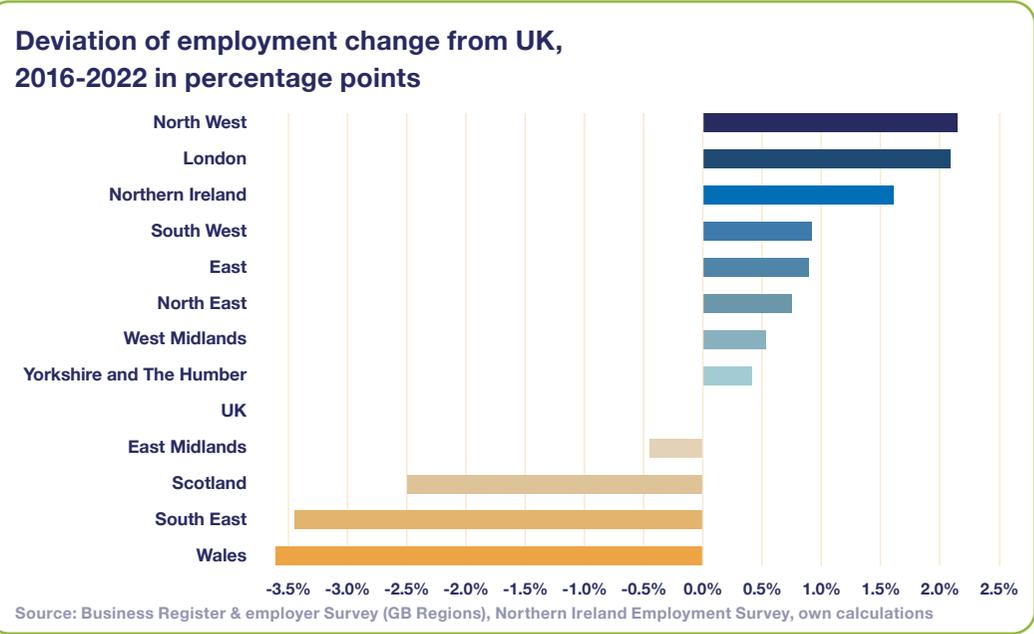
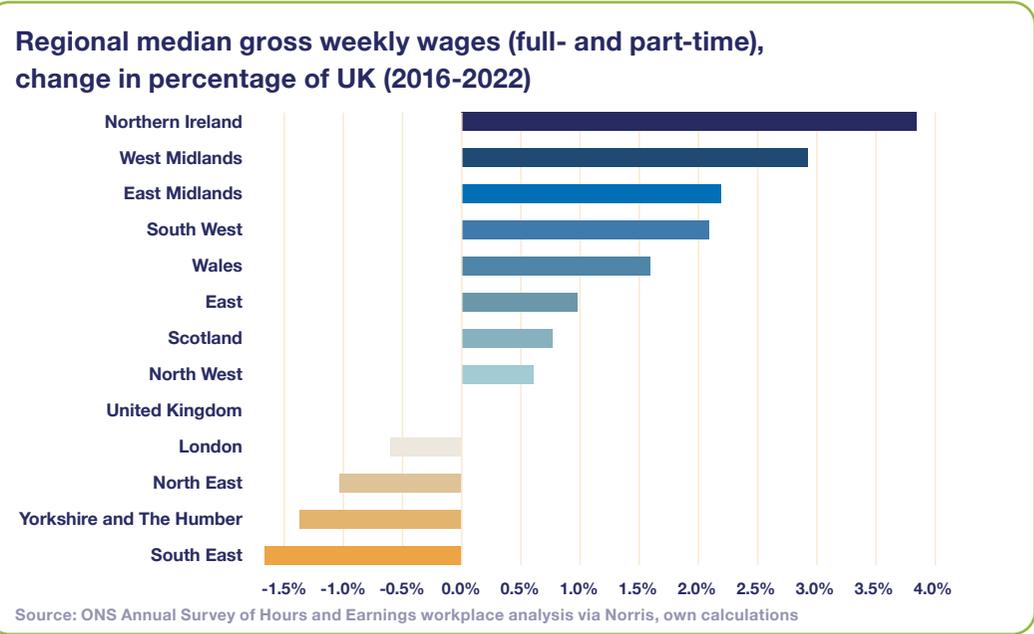
Of course, these are national figures. We cannot disaggregate to the level of Berkshire, but we do have some figures for the South East of England.

In an article for UK in a Changing Europe, published in June 2023, Professors Ian Docherty and Donald Houston address the effects of Brexit on wages and employment growth.

The graph to the top right shows that Northern Ireland, once one of the UK's most deprived regions, is suffering least from Brexit, this is likely due to its continued membership of the Single European Market. However, other areas have enjoyed increases in regional median weekly wages compared to the UK average between 2016 and 2022. Those areas include the Midlands, the South West and Wales.

The South East, by contrast, has seen the biggest percentage fall in median wages, at minus 1.5%, a larger fall than Yorkshire and the Humber, the North East and London.

The graph to the bottom right looks at employment growth. The South East has seen a 3.5% fall in employment growth compared to the UK average, second only to Wales. Scotland has also felt this problem.



## Chapter 4: Recent challenges for Berkshire

# Covid-19

**According to Budget 2023, output in the UK's private sector industries has seen a strong recovery from Covid, returning to above pre-pandemic levels. Total output remains below 2019 levels due to a slower recovery in the public sector, principally the health sector due to the ongoing effects of the pandemic.**

Budget 2023 also points out that public sector net debt currently stands at almost £2.5 trillion. The OBR forecasts that this debt will reach 100.6% of GDP in 2022-23, which would be its highest level since the 1960s.

Debt has risen over recent decades not just because of Covid-19, but also as a result of shocks like the global financial crisis of 2008 and the energy crisis caused by the war in Ukraine. This has led to higher borrowing to fund additional support for households and businesses. Furthermore, high inflation and rising interest rates have increased the cost of servicing government debt. Government is now attempting to bring this debt down. With money for the NHS, education and defence ring-fenced, the pressure falls on other government departments.



**The UK's private sector industries has seen a strong recovery from Covid, returning to above pre-pandemic levels.**

## Chapter 4: Recent challenges for Berkshire

# Inflation/ interest rates

The other major shock to the economy has come in the form of high inflation and, as a consequence, high interest rates. This has been caused principally by high food and energy prices as a result of the war in Ukraine.

Inflation peaked at 11.1% in October 2022. It is now on a downward trajectory, but it is still well above the government target of 2%. Energy prices are falling, but food inflation remains stubbornly high. The inflation rate for food and drink in October 2023 was 10.1%. As the Resolution Foundation points out, poorer families are most affected by surging food prices as they spend a far greater share of their family budgets on food (14%, compared 9% for the highest-income households).

Historically, inflation levels of 11% are not unknown in the UK. Especially at the time of the oil price shock in the 1970s, inflation rose above 20%, as we see in figure 1.

Happily, we have become more used to the situation since the end of the 1980s. As the graph below shows, inflation remained below 10% – often much lower – from 1989 to 2022. It is notable that during this period, the UK followed a policy of inflation targeting – proving the adage that what gets measured gets done.

**Figure 1: Inflation rose sharply in the 1970s before falling back in the 1980s**

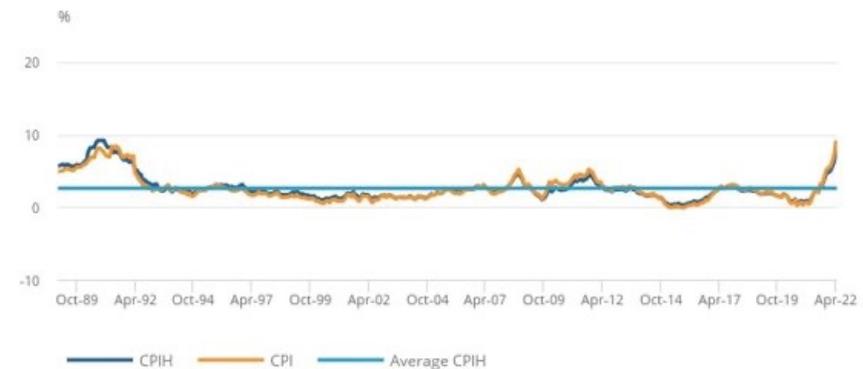
Newly modelled CPIH and remodeled CPI, UK, 1950 to 1988, 12-month growth rate, %



Source: Office for National Statistics - Consumer price inflation

**Figure 2: Inflation has typically been lower since 1989 than between 1950 and 1988**

CPIH and CPI, UK, January 1989 to April 2022, 12-month growth rate, %



Source: Office for National Statistics - Consumer price inflation

## Chapter 4: Recent challenges for Berkshire

The inflation that we have experienced in the last couple of years, then, is inconsistent with the UK's recent economic history. Policy makers fear that, if inflation becomes baked into the system, it can become difficult to remove. The Bank of England has steadily increased interest rates for this reason. Interest rates cool the economy by reducing the spending power of both consumers and businesses. Less money chasing the same amount of goods reduces upward pressure on prices.

Again, recent interest rates have been historically low. Rates fell from 5% in October 2008 to 0.5% in March 2009 after the financial crisis. They fell even lower during the Covid-19 pandemic. However, 5% interest rates are more of a problem today because house prices are so much higher than in the past.

In its report to coincide with March 2023's Spring Budget, the Office for Budget Responsibility forecast CPI inflation to fall to 2.9% by the end of 2023. It may fall to zero in the middle of this decade, which would produce a different kind of problem. What seems clear, however, is that inflation will fall substantially.



**5% interest rates are more of a problem today because house prices are so much higher.**

## Chapter 4: Recent challenges for Berkshire

# The Resilience of Berkshire

**Covid-19 and the war in Ukraine have provided a massive disruption to the economy, in Berkshire, in the UK and across the globe. In our worst fears, we expected a huge rise in unemployment and the collapse of several key industrial sectors.**

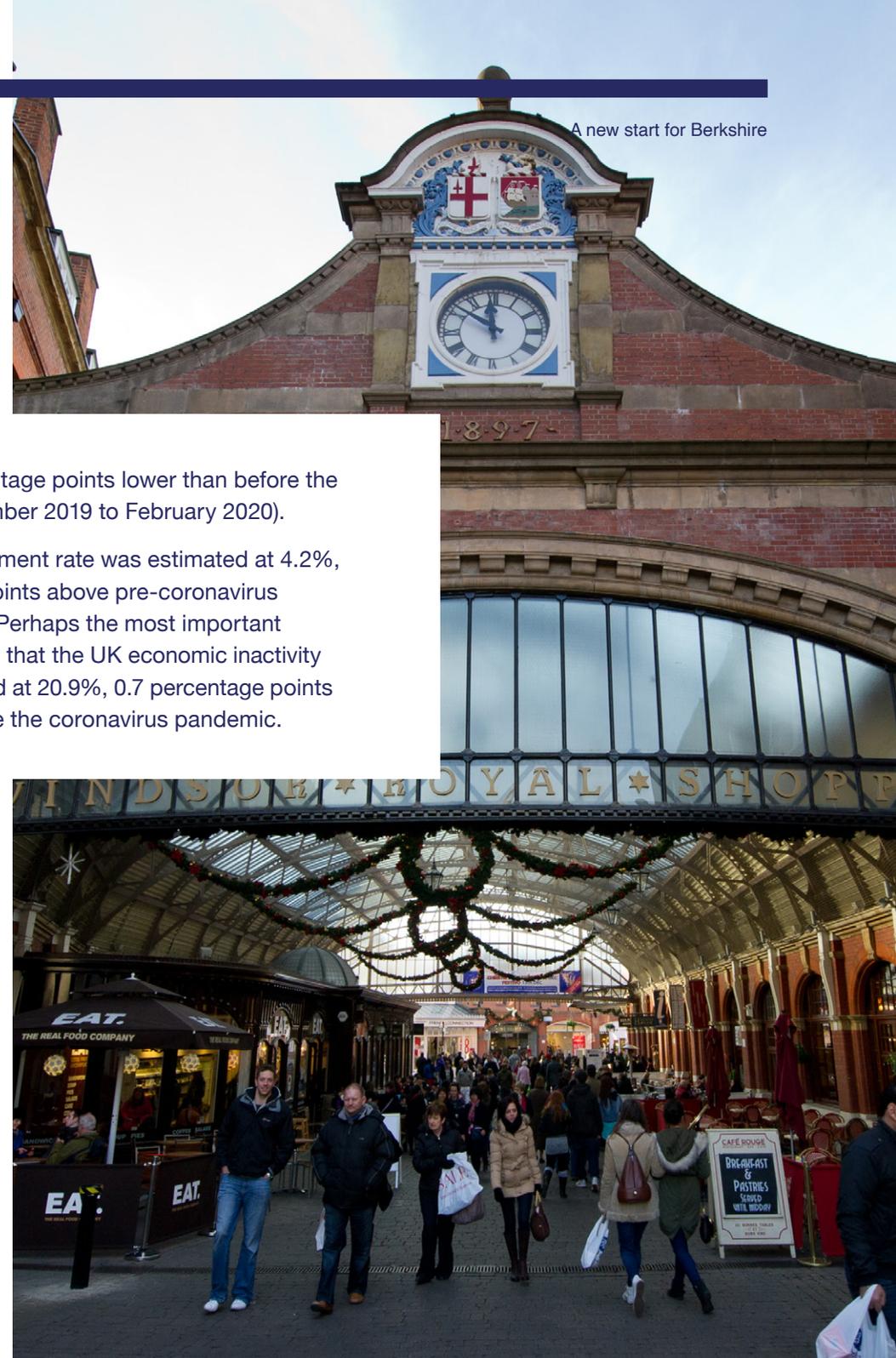
In our Recovery and Renewal Plan, Berkshire LEP listed sectors at risk. These included: construction, manufacturing, administrative and support services, non-food retail and wholesale, hospitality and tourism, arts, entertainment and recreation, and aviation. In the event, those sectors were more resilient than we had imagined.

The pandemic led to an initial large fall in employment levels, with unemployment and economic inactivity both rising. According to the House of Commons Library, the number of people in work fell by 825,000 between January-March 2020 and October-December 2020, while unemployment rose by almost 400,000 and the number of people who were economically inactive rose by 327,000.

Berkshire also has 6,300 more people unemployed in the first quarter of this year than in the first quarter of 2020, i.e., the beginning of the pandemic.

75.7%, 0.8 percentage points lower than before the pandemic (December 2019 to February 2020).

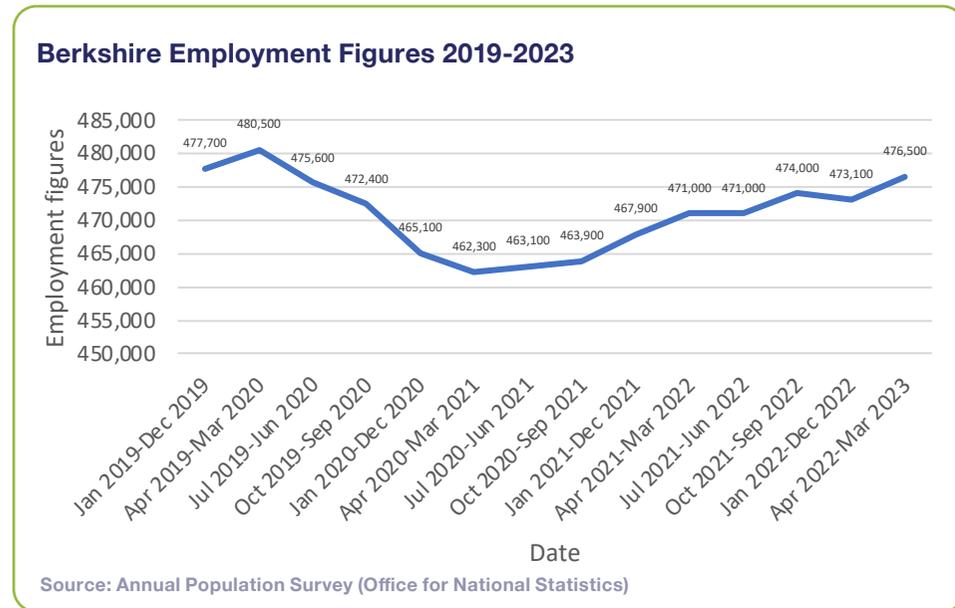
The UK unemployment rate was estimated at 4.2%, 0.2 percentage points above pre-coronavirus pandemic levels. Perhaps the most important figure, however, is that the UK economic inactivity rate was estimated at 20.9%, 0.7 percentage points higher than before the coronavirus pandemic.



## Chapter 4: Recent challenges for Berkshire

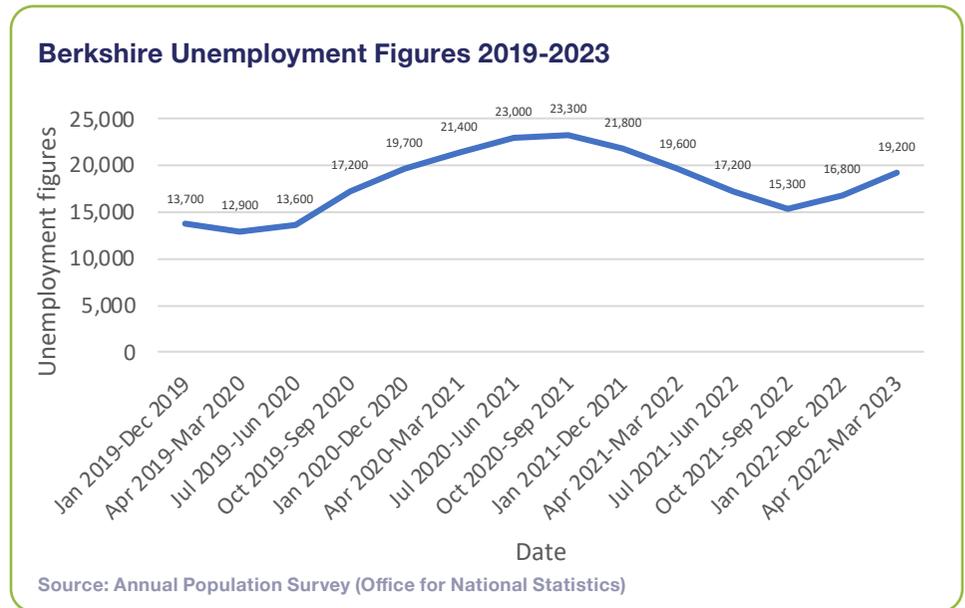
As the graph below shows, employment levels in Berkshire in the first quarter of 2023 are just 4,000 lower (476,500) than before the pandemic.

### Employment Figures



By the start of 2021, national employment and unemployment levels began to recover, but economic inactivity continued to grow, peaking in December 2021- February 2022 at 8.9 million.

### Unemployment Figures



This was nearly 450,000 more than in January-March 2020.

In April to June 2023, according to the Office for National Statistics, the UK employment rate was estimated at

## Chapter 4: Recent challenges for Berkshire

### Employment levels

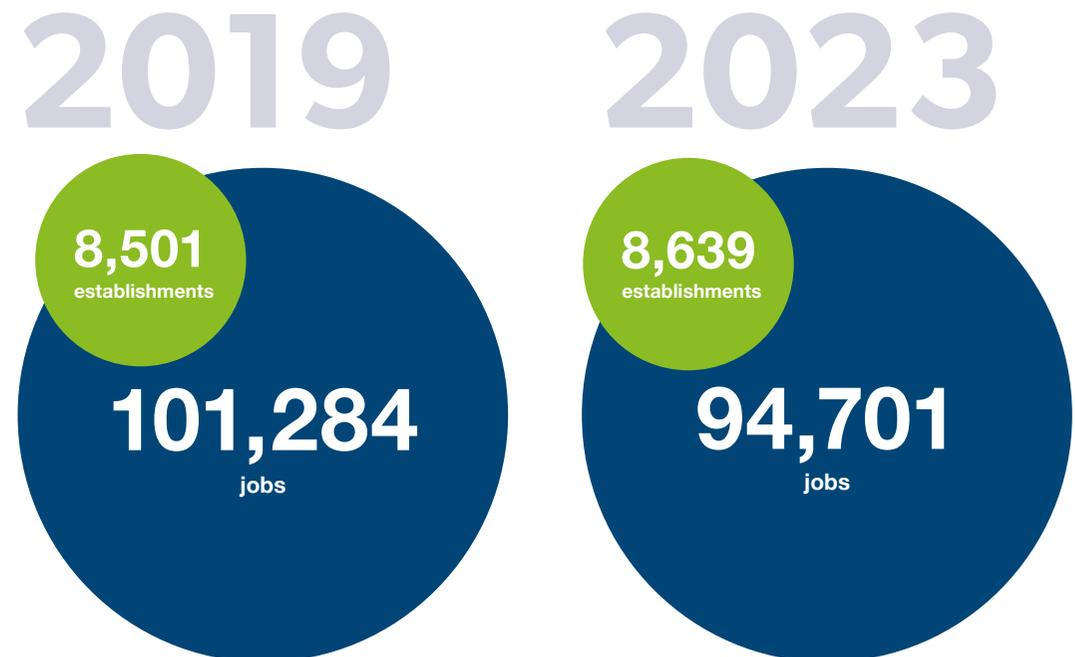
Regarding those sectors at risk, employment numbers in both 2018 (pre-pandemic) and in 2021 (latest figures), are outlined to the right and on the following page.

As Berkshire recovers from the effects of the COVID-19 pandemic, the figure for total employee jobs (513,000) has returned almost to the pre-pandemic baseline of 517,000, indicating economic resilience within Berkshire.

The sectors which were initially deemed to be most at risk (Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles, Accommodation and Food Services, Admin and Support Services and Arts, Entertainment and Recreation) still have some recovering to do to return to baseline, but far less that was initially anticipated.

Conversely, the sectors that Berkshire is traditionally strong in, namely, 'Information and Communication' and 'Professional, Scientific and Technical' have come out of the pandemic stronger, employing 68,000 and 64,000 people respectively in 2021, compared to 65,000 and 60,000 five years prior, as shown below.

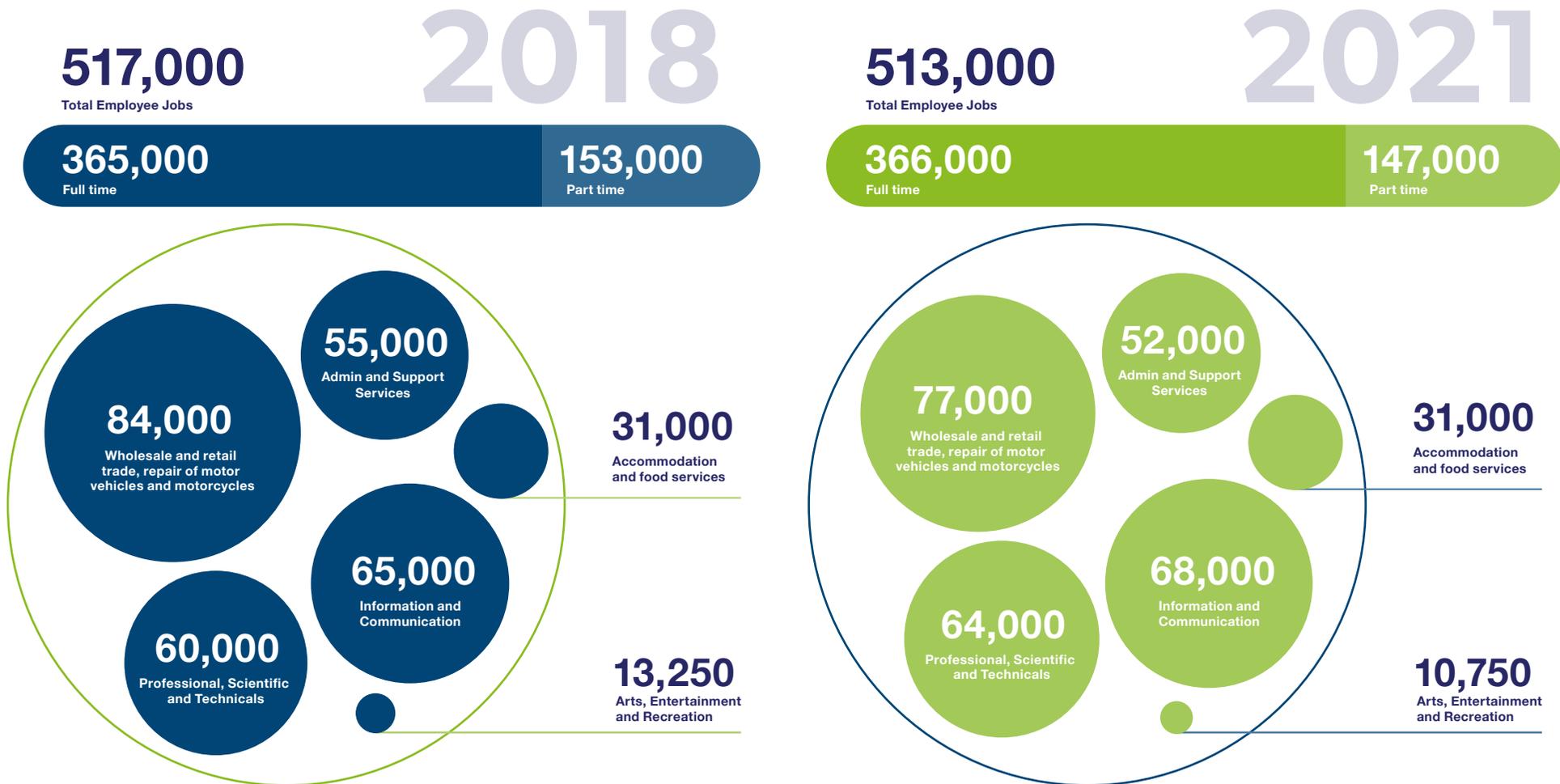
### Jobs in sectors identified as most at risk due to Covid-19



## Chapter 4: Recent challenges for Berkshire

### Resilience of employee jobs in Berkshire

These tables show that Berkshire has lost fewer employee jobs than we feared at the start of the pandemic, and we have bounced back even more strongly in some key high value sectors. We have fewer jobs, but the jobs we have kept are of high value.



## Chapter 4: Recent challenges for Berkshire

### Recovering high streets

Footfall within Berkshire’s high streets across has also rebounded. The Centre for Cities has a **high streets recovery tracker**; this monitors how high streets in the UK’s largest cities and towns are returning to their previous levels of activity. The graphs opposite show how activity in both Reading and Slough, by 2022, town centres were almost at the levels seen before the pandemic.

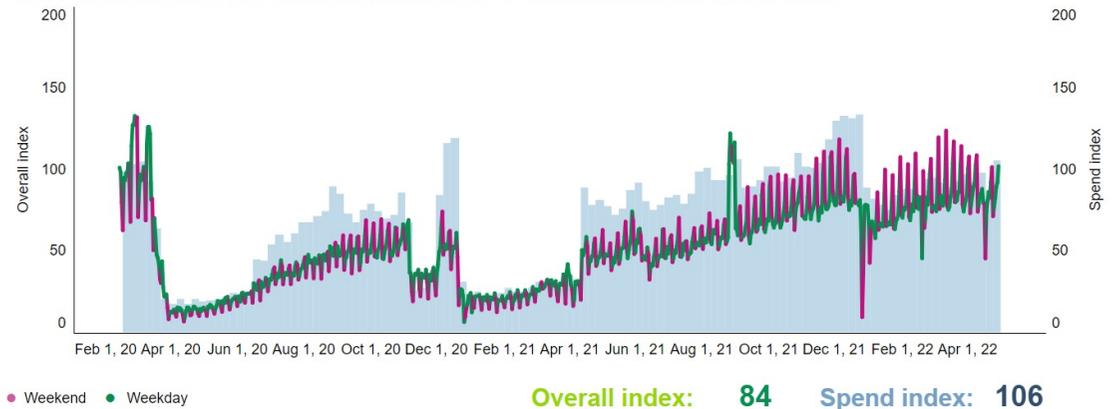
**By 2022,  
footfall and  
spend in town  
centres were almost  
at pre-pandemic  
levels.**

#### Recovery and Spend Index for Reading (2022)



##### Overall recovery and spend index

This index looks at everyone who was in the city centre at any time of the day, compared to a pre-lockdown baseline of 100. The spend index looks at relevant offline sales made in the city centre at any time of the day, compared to a pre-lockdown baseline of 100.

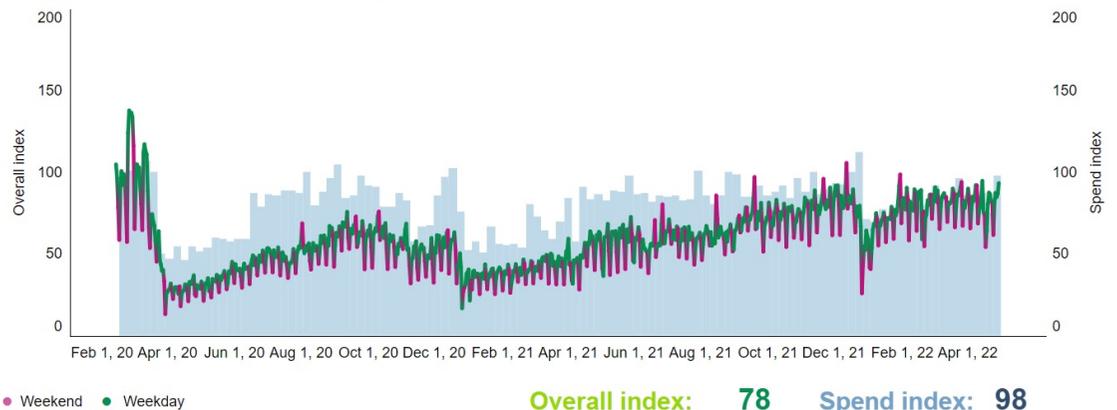


#### Recovery and Spend Index for Slough (2022)



##### Overall recovery and spend index

This index looks at everyone who was in the city centre at any time of the day, compared to a pre-lockdown baseline of 100. The spend index looks at relevant offline sales made in the city centre at any time of the day, compared to a pre-lockdown baseline of 100.

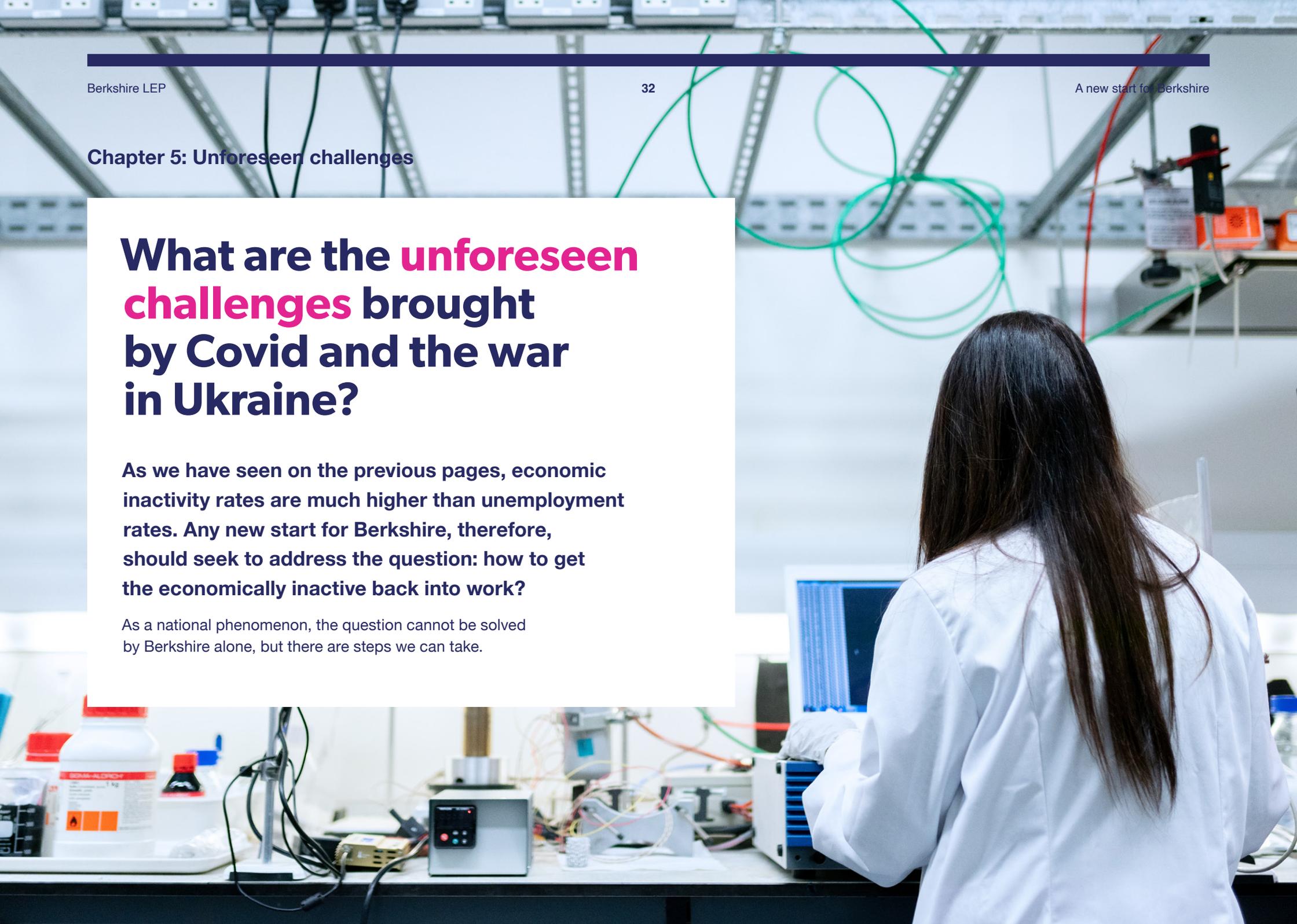


Chapter 5: Unforeseen challenges

# What are the **unforeseen challenges** brought by Covid and the war in Ukraine?

As we have seen on the previous pages, economic inactivity rates are much higher than unemployment rates. Any new start for Berkshire, therefore, should seek to address the question: how to get the economically inactive back into work?

As a national phenomenon, the question cannot be solved by Berkshire alone, but there are steps we can take.



## Chapter 5: Unforeseen challenges

# Addressing economic inactivity

**First, we must ask the question: who is economically inactive? The biggest rise in this category is among those who are long-term sick and those aged 50 and over.**

According to Budget 2023, there are 410,000 more people reporting they are inactive due to long-term sickness since the start of the pandemic, across all working age groups. Looking specifically at Berkshire, from April 2022 to March 2023, 16,400 people were economically inactive due to long-term sickness – a significant reduction on the previous period and trending back towards pre-pandemic levels.

For those who have left work recently, there has been an increase in the number reporting retirement as the main reason. The Over 50s Lifestyle Study by the Office for National Statistics suggested that those over 60 were most likely to cite 'to retire from paid work' as a reason for leaving work, while those aged 50 to 54 were more likely to cite 'stress' and 'I did not feel supported in my job'.

The UK inactivity rate is currently significantly higher than in the best performing OECD comparators. Reducing UK inactivity to the same rate as the Netherlands, the second-best performer in the OECD, would result in 2.7 million more people in the labour force, an increase of over 8%.



**For those who have left work recently, there has been an increase in the number reporting retirement as the main reason.**



## Chapter 5: Unforeseen challenges

### Long Covid

**Some argue that we are giving insufficient attention to long Covid, which could help to explain what is happening here. In July 2022, the Institute for Fiscal Studies (IFS) published a report into the effects of long Covid on the labour market. The IFS found that long Covid sufferers are more likely to have a pre-existing health condition, be female and be middle aged. They are also more likely to live in social housing, to have been claiming benefits before the pandemic, and possibly be in poverty.**

The IFS estimated that one in ten people who develop long Covid stops working, with sufferers generally going on sick leave, rather than losing their jobs altogether. As a result, hours worked on average reduce by about 2.5 hours per week and earnings by £65 per month (6%), or £1,100 per person who drops out of work.

Clearly long Covid is a serious issue, but if most sufferers go on sick leave but remain in work, they do not, by themselves, explain very high economic inactivity rates.

Perhaps we should focus instead on good work. If people aged 50-54 cite stress and a sense of being undervalued at work as reasons for dropping out of the labour market, these are issues that can be addressed with job design, voice at work and flexibility. We address these issues further in our policy recommendations below.



**One in ten  
people who  
develop long  
Covid stop  
working.**

## Chapter 5: Unforeseen challenges

# Mental health

**In April 2021, the mental health charity MIND launched a survey to try to understand how Covid-19 had affected our mental health. Among their findings were the following:**

Around a third of adults and young people said their mental health has got much worse since March 2020.

58% of people receiving benefits said their mental health was poor.

88% of young people said loneliness made their mental health worse during the pandemic.

1 in 5 adults did not seek support during the pandemic because they didn't think their problem was serious enough.

It is well known that work is good for mental health, so helping people back into the labour market both boosts the economy and supports those people who are struggling. Again, issues of job design, voice at work, flexibility and good management, including an empathic ear, are important. An advantage of Berkshire is its green and blue spaces which are known to boost wellbeing.



**An advantage of Berkshire is its green and blue spaces which are known to boost wellbeing.**

## Chapter 5: Unforeseen challenges

# Remote and hybrid working

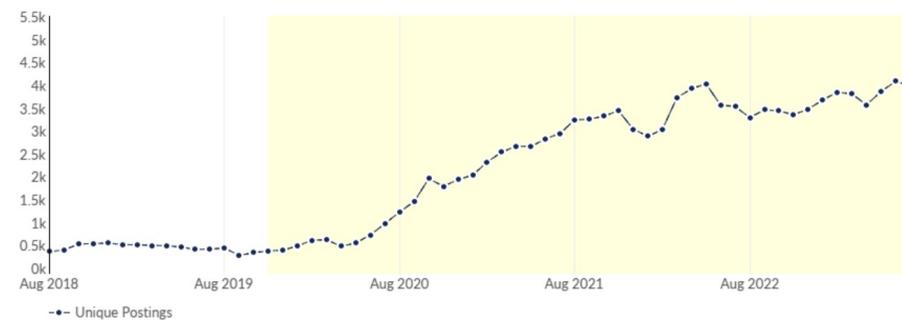
The other major trend we've seen since the pandemic is an increase in remote working, sometimes known as working from home. Figures for remote working in Berkshire at the depth of the pandemic and today can be seen in the two graphs opposite.

The number of unique active remote jobs postings have risen by about 4,000 from the start of the pandemic to the most recent figures available. With regard to Berkshire, the evidence is mixed: Between Nov 2019 and July 2023, approximately 7.12% of Berkshire's active job postings were for remote positions, compared to a UK average of 6.64% and a South East average of 5.57%. This would mean that Berkshire has more remote workers than other parts of the UK and probably reflects our mix of sectors. On the other hand, 29.5% of Berkshire workers combine home working with the office, a lower percentage than London or the South West.

### Unique active remote jobs postings

Unique Postings Trend

[Jump to Job Postings Table](#) ■■■



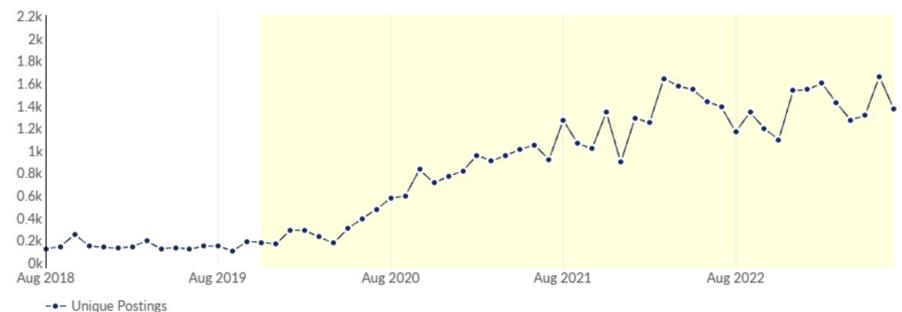
Unique active jobs postings refers to jobs that are active whenever they are published.

Source: Lightcast

### Unique newly posted remote jobs postings

Unique Postings Trend

[Jump to Job Postings Table](#) ■■■



Unique newly posted jobs postings refer only to those posted within a specific timeframe. This graph shows the jump from month to month and, again, demonstrates a quadrupling across the timeframe of the pandemic.

Source: Lightcast

## Chapter 5: Unforeseen challenges

### Differences across industries

Research has found that people working in information and communication, professional, technical, and administrative industries are more likely to work at home compared to those in skilled trades and service occupations. If applied to Berkshire, this would mean that the transition to hybrid working has not impacted Berkshire's key sector of digital technology or business administration and support services but has impacted the creative and life sciences sectors as well as construction, retail, and transport and storage.

The growth in remote working has divided opinion. For some, it is an opportunity for greater flexibility, around childcare and caring responsibilities for example, it reduces commuting time and allows for greater autonomy. For others, it reduces learning opportunities for the young, who pick up a great deal from being in the company of more experienced colleagues. It denies the kinds of spontaneous conversations that are important for innovation. It can also feed isolation, which is particularly important given concerns about mental health and loneliness, as seen in the MIND research above.



The transition to hybrid working has not impacted Berkshire's tech sector.

## Chapter 5: Unforeseen challenges

### The impact on society

**The rise in working from home has social implications too. Combined with the rise of online shopping, it means less footfall for those town centres which had previously high numbers of inbound commuters. This results in fewer customers for pubs, cafés and restaurants.**

Conversely, some smaller town centres have benefited from the fact that home-working residents now access goods and services locally during the week; some residents also use coffee shops to work from as an alternative to being 100% home-based. In these locations, footfall has flattened to a more even spread through the week from previously experiencing weekend peaks.

Town centres have traditionally served as community hubs; they can foster social capital, the relationships and shared values that make up the fabric of a place. It was social capital that mobilised volunteers to offer support to the elderly and vulnerable during the pandemic. In a similar way, a trip to the shop can be the only social connection that an elderly person, living alone, has all day. Social capital is one of those things that isn't missed until it's lost.

Some smaller towns with previously high numbers of out-commuters have seen a strengthening of social capital as residents who are now wholly or partially based at home access their local centres more often during the working week.



**Social capital is one of those things that isn't missed until it's lost.**

## Chapter 5: Unforeseen challenges

### Commercial property

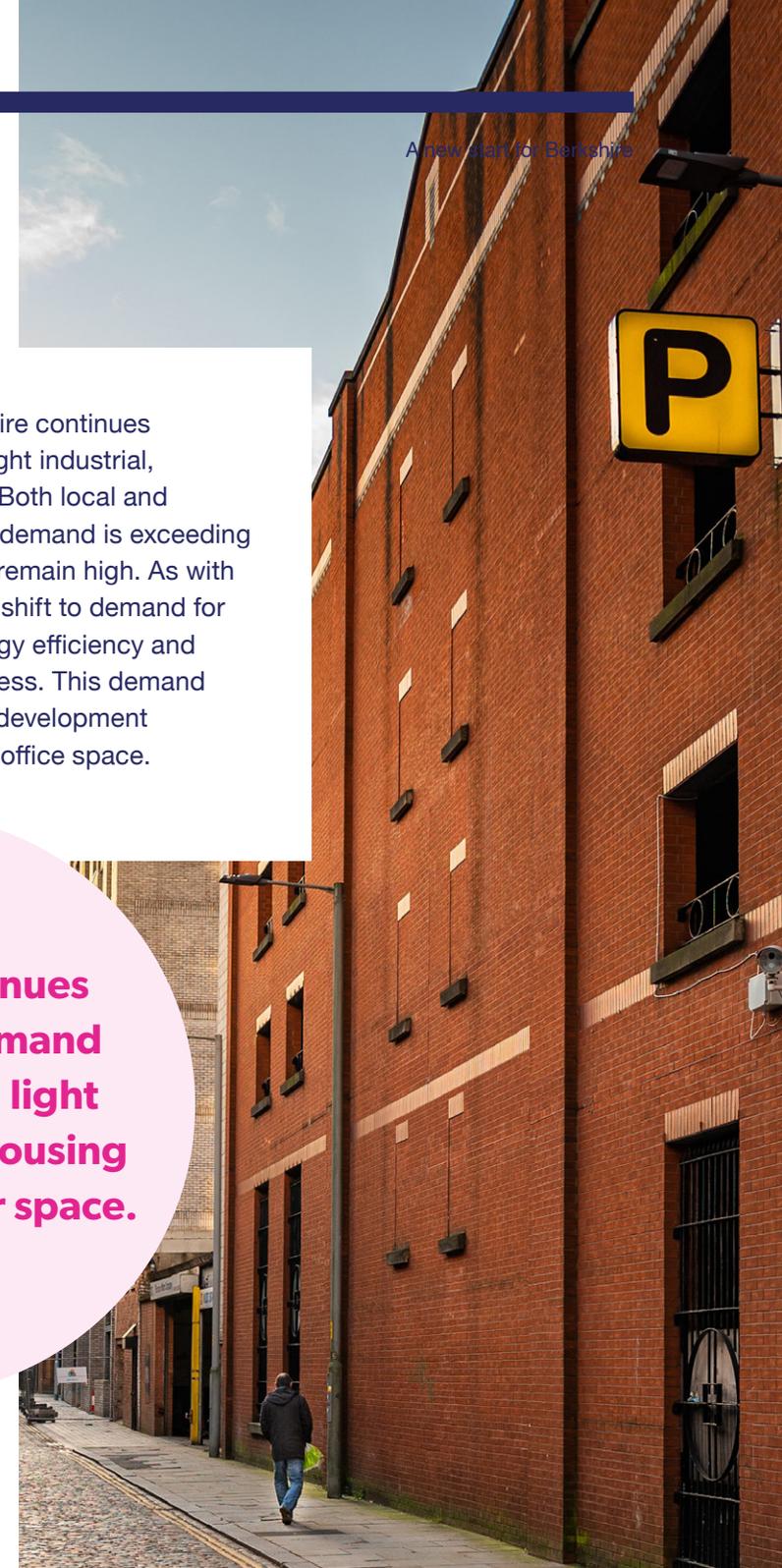
**The impact of home/hybrid working is starting to be seen on the commercial property market, where businesses are reviewing employee occupation levels within their property portfolios. Some businesses are already looking to rationalise space, especially in leasehold properties when leases end or have breaks.** Office space now needs to offer a 'home from home' environment for employees, be fully energy efficient for both cooling and heating and ideally be in a desirable location for both car and public transport.

Although there has been media coverage of the downsides of home/hybrid working, in reality employees are now demanding some degree of hybrid working as standard practice. This may change if the national employment situation changes but at present, in an employee-led market, employers are having to incorporate home/hybrid working as normal practice.

Older, lower grade office buildings will increasingly struggle to be let, landlords may have to consider significant upgrading, possible conversion to residential use or in some cases complete redevelopment. However, even in light of this structural change to the office market, top grade A+ offices meeting all these requirements will continue to be in demand, especially if sited in desirable locations benefiting from excellent road and public transport links.

Conversely to the office market, Berkshire continues to have high demand for commercial, light industrial, warehousing and trade counter space. Both local and national agents confirm that at present demand is exceeding supply and both land and lease values remain high. As with the office market there also has been a shift to demand for better quality property, a focus on energy efficiency and key locational factors such as road access. This demand and current high values may provide redevelopment opportunities for redundant low quality office space.

**Berkshire continues to have high demand for commercial, light industrial, warehousing and trade counter space.**



## Chapter 6: Towards a 'good growth, good jobs' economy

# Not just jobs, better jobs

**As we've seen in previous pages, many people find that working is good for mental health. So, what is good work?**

Martin Wolf, the Financial Times commentator says:

*"The intrinsic value of a job lies in the pleasure of doing it and the sense of purpose and fulfilment it provides. The extrinsic value lies in the income, status, independence, marriageability, and so forth that having a job provides. Both the intrinsic and the extrinsic value of jobs are important."*

Of course, the money we earn is important, but work is about more than wages. Good work, as Martin Wolf says, provides purpose and satisfaction.

It is easy to see why good work is beneficial for the economy as well as for the employee. If we enjoy the work we do, we are more productive and more likely to go the extra mile for our employer.

**Good work  
provides purpose  
and satisfaction.**

The UK has done better than many of our European counterparts in recent decades when it comes to creating many jobs. This is partly why our youth unemployment is so much lower. But we have had less to say about good jobs. The former Downing Street advisor, Matthew Taylor, argues that every job should be a good job and there is no reason why this cannot be the case.

There are practical steps that employers can take to ensure that jobs are good jobs. We describe some of them in our recommendations in this section.

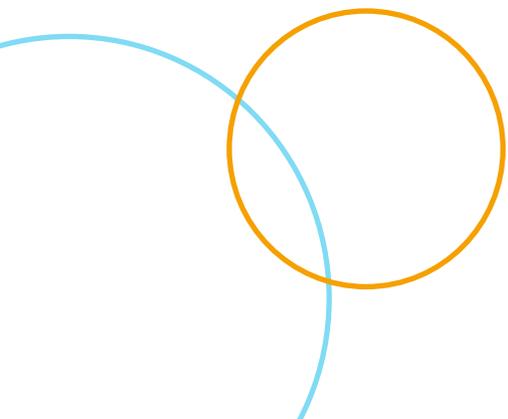


## Chapter 6: Towards a 'good growth, good jobs' economy

# Our vision for Berkshire

**We define a 'good growth, good jobs' economy as having four key aspects.**

Over the next three pages we highlight approaches that will be vital for a Berkshire that is skilled, collaborative and connected. We have also highlighted the stakeholders who should drive these actions.



Chapter 6: Towards a ‘good growth, good jobs’ economy

# Delivering a skilled Berkshire for growth

## Approaches for a skilled Berkshire

**Encourage and support partnerships.**

**Support the implementation of the Thames Valley Chamber of Commerce (TVCC) Local Skills Improvement Plan.**

**Support the lifelong development of relevant skills** – adaptable to change, better able to transfer between economic sectors.

**Help employers move out of low skills traps** – including management training and embedding skills policies in broader business support mechanisms.

**Skills updates and training for the over-50s.**

**Identify and skills gaps in low carbon technology supply chains.**

**Support those furthest from the labour market into work** to increase inclusion and enhance wellbeing.

**Forge partnerships with local employers to provide work-based learning opportunities and apprenticeships.**

**Encourage employers to collaborate with education on curriculum development to ensure real world relevance.**

### Drivers of a skilled Berkshire

#### Key Drivers

**Department for Education (DfE)**

**Department for Work & Pensions (DWP)**

**Local Authorities**

**Employers**

**Berkshire LEP**

**Further Education**

Activate Learning, The Windsor Forest Group, Newbury College

**Higher Education**

University of Reading

**Adult Education**

providers

#### Supporting Drivers

Childrens Services Departments

Schools

Local Skills Improvement Plan / TVCC

Other learning providers

Skills for Life

Apprenticeships

Skills Bootcamps

Careers Enterprise Company

## Chapter 6: Towards a ‘good growth, good jobs’ economy

# Delivering a collaborative Berkshire for growth

## Approaches for a collaborative Berkshire

**Create conditions conducive to high growth firms** – recognise scale-ups as a segment to be nurtured, provide talent and skills, growth capital, access to customers and markets, leadership capacity, peer to peer networking and infrastructure.

**Adopt a company policy that ‘every job is a good job’**, e.g. all employees to be offered a minimum of five days’ training; set up a dialogue mechanism with employee representative(s) to address concerns and co-pursue solutions; review where and how people work to ensure the whole organisation is working effectively.

**Promote entrepreneurial skills.**

**Offering flexible working for older workers, parents and carers.** Support the mental health needs of employees, especially young people who have struggled through the pandemic.

**Support social entrepreneurship as a source of job creation** – including social entrepreneurship hubs within co-working spaces/Henley Business School.

**Support for all stages of a business** whether they are starting, running or growing on key business fundamentals of business finance, leadership and sales and marketing.

**Encourage, co-ordinate and manage domestic and foreign direct inward investment to Berkshire.**

## Drivers of a collaborative Berkshire

### Key Drivers

Department for Business and Trade (DBT)

Local Authorities

Berkshire LEP

Berkshire Growth Hub

Employer Representative Bodies

Employers

Higher Education

Further Education

Investors

Innovation Hubs

Social Entrepreneurship Hubs

### Supporting Drivers

Economic Development Teams

Thames Valley Chamber of Commerce (TVCC)

Federation of Small Business (FSB)

Institute of Directors (IoD)

REDA

Confederation of British Industry (CBI)

British Business Bank

Finance South East

Thames Valley Funding Escalator

Banks

Angels

## Chapter 6: Towards a ‘good growth, good jobs’ economy

# Delivering a sustainable Berkshire for growth

## Approaches for a sustainable Berkshire

**Adopt new approaches to economic development** – build partnerships between the Growth Hub, universities, and firms to promote knowledge sharing.

**Support our local authorities in the development of their own economic strategies**, ensuring the wider pan-Berkshire functional economic area is recognised.

**Support pan-Berkshire place-making initiatives to improve the wider sense of place**, including our high streets – a hub of the community.

**Support the emerging pan-Berkshire growth and prosperity aspirations** coming through Berkshire’s response to the government’s Levelling Up White Paper.

**Berkshire Growth Hub to continue supporting local companies on their green transition.**

**Continue to support SMEs in Berkshire to make energy efficiency improvements.**

**Ensure that all new buildings across the public realm are low carbon buildings.**

**Support companies using sustainable methods through procurement policy.**

**Roll out EV charging infrastructure across the six local authorities.**

**Improve street lighting to encourage more walking and cycling.**

**Office spaces must meet the new energy efficiency requirements as well as being high grade.**

## Drivers of a sustainable Berkshire

### Key Drivers

Department for Energy Security and Net Zero (DESNZ)

Department for Levelling Up, Housing and Communities (DLUHC)

Department for Transport (DfT)

Local Authorities

Berkshire LEP

University of Reading

Further Education

Employers

### Supporting Drivers

Transport Officers

Climate Officers

Economic Development Teams

Berkshire Local Transport Body (BLTB)

Digital Infrastructure Group (DiG)

Local Electric Vehicle Infrastructure project (LEVI)

Net Zero Task Force

Berkshire Growth Hub

Place Making Board

# How we've delivered the Recovery and Renewal Plan

In this section, we shine a spotlight on some of the projects that are making a difference in Berkshire. These projects fall under three strategic areas of activity for the LEP: people, business support and infrastructure. This is where we have delivered in the Recovery & Renewal stages and have embarked on the Growth stage.

**Skilled**



**Collaborative**



**Connected**



**Sustainable**



**Inclusive**



## People – Skilled Berkshire delivery

# Changing lives one job at a time

### Barista & Beyond

A collaboration between New Directions College and community interest company Ways into Work has led to the opening of a buzzing café and new opportunities for locals.

In 2022, New Directions College in Reading and Ways into Work received £130k of skills capital funding to support adults and young individuals with disabilities into work. Opened by Ways into Work, the Barista & Beyond café in Reading provides work experience and supported employment opportunities. In parallel, the college offers a 10-week training programme in key hospitality skills; these include barista training, customer service, basic food preparation, food hygiene and IT skills. The collaboration equips learners with the skills and experience to work in the café and beyond.

# Careers that soar

### Langley College Aviation Centre

This state-of-the-art facility is a game-changer for local people entering the aviation industry.

Marked as a high-risk sector in our original Recovery and Renewal Plan, the aviation sector faced post-pandemic challenges due to a shortage of skilled personnel. To bridge the gap, Berkshire LEP invested in a Cut-away Cabin Service Trainer at Langley College. The facility, funded by £69,000 of skills capital funding in 2022, enables students to learn in a real-world environment. The courses have benefited from input from airlines such as EasyJet, British Airways and Emirates to ensure students build the skills employers want.



## People – Skilled Berkshire delivery

# Kickstarting workplace skills

## Skills Bootcamps

Intensive, immersive, and results-driven – our Skills Bootcamps are a fast-track to success in today's rapidly evolving job market. These dynamic and flexible training programmes are designed to give adults the in-demand skills needed to excel in their chosen field.

At the time of this report, we are delivering Bootcamps in green skills, data analytics, digital marketing, life sciences and screen skills. Each course provides a direct pathway to acquiring the skills employers are seeking. Our aim is to give learners a competitive edge that will open doors to exciting career opportunities. The project launched in April 2023 with £1.32M of Department for Education funding.

# Giving the screen sector a starring role

## Embedding industry-standard skills

The launch of two industry-standard facilities cement Berkshire's role on the UK's creative sector.

The Creative Industries Skills Centre at Reading College was launched in March 2023 with support from the University of Reading, Modest TV, and Envy Postproduction. This facility, backed by a £480,000 investment from Berkshire LEP, enhances education in the sector. Students can hone their creative skills using a green screen studio, recording studios, versatile rehearsal areas, and multimedia classrooms.

Additionally, the LEP invested in high-end camera equipment for the University of Reading's Minghella Studios which will support industry-led training to support the screen skills sector in Berkshire.



## People – Skilled Berkshire delivery

# An essential digital careers service

## Berkshire Opportunities

Berkshire Opportunities, led by Berkshire LEP, is a comprehensive digital service for students, employers, schools, colleges and residents. Since its launch, the platform has become a vital resource for exploring local career opportunities, pathways, resources, apprenticeships, courses, job listings, and key sector information.

The portal guides users to career and employability resources while providing insights into Berkshire's economy. An essential facility for those seeking career advancement, the site has had more than 38,143 visitors since June 2020.

# Building the talent pipeline

## Berkshire Careers Hub

The Careers Hub is at the heart of activity in Berkshire to drive skills and career pathways. In the period 2021/22, the Hub assisted 75 schools with 65 Enterprise Advisors from diverse local businesses. Other highlights include the Professional Development Conference for 60 Careers Leaders on the topic of career navigation. The Speakers for Schools events brought careers to life for pupils in Slough, showcasing employers such as the Screen & Film School, Maydencroft, Heathrow, and VolkerFitzpatrick.

The Senior Leaders Conference attracted more than 50 delegates and aided them in meeting statutory career planning requirements and promoting career sustainability. Additionally, peer-to-peer reviews and support were facilitated by Careers Ambassadors for new network schools.



People – Skilled Berkshire delivery

## Inspiration beyond the classroom

### Berkshire Careers Hub

The project is empowering Year 10 STEM teachers to address local skills gaps, talent recruitment challenges, and limited teacher-employer engagement.

By matching 15 science and math teachers with ten local businesses, the Careers Hub has created valuable links between the classroom and the workplace to explore science and math applications in industry, career options, and valued skills.

Teachers spent up to four days with local organisations, followed by roundtable meetings and collaborative lesson planning. Participating employers included NHS, Thames Water, Berkeley Homes, Redrow, Vodafone, Westcoast, Thales, Three, RSSL, and British Airways. Following this activity, which took place in 2012/22, the Careers Hub in Berkshire has continued to increase engagement with all secondary schools and colleges across Berkshire.



## Business support – Collaborative Berkshire delivery

# A motivated workforce

### Enhancing management skills

We've been raising management capability in Berkshire through continued promotion of national schemes such as the government's Help to Grow Management Programme. At a local level, the High Growth Programme – delivered through the Berkshire Growth Hub – is also enhancing management skills. The Programme is designed to support small business owners who are ready to seize opportunities to grow by leading more effectively, generating more customers and turnover, scaling up, and bringing new products/services to market.

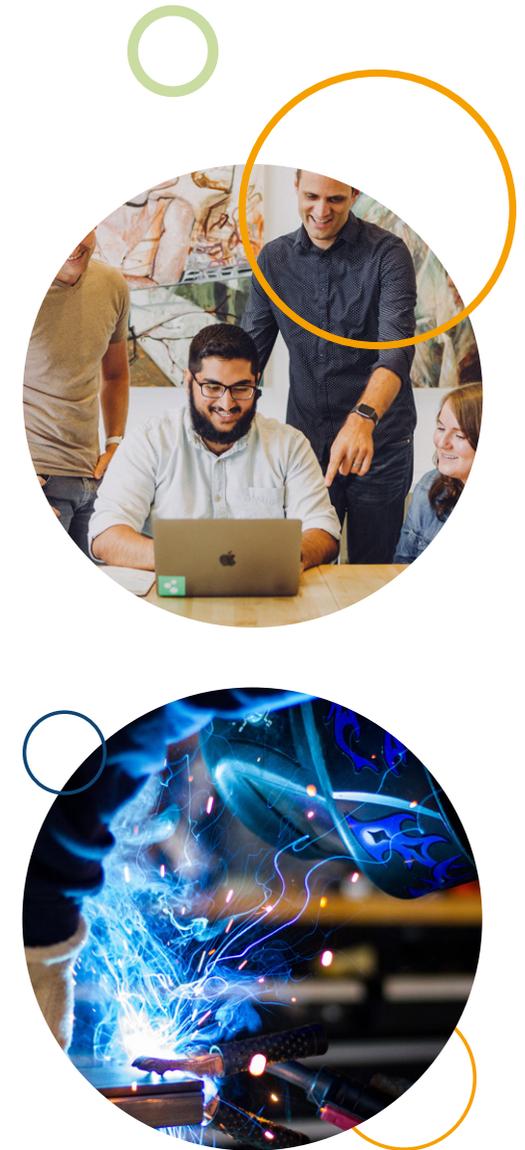
We will continue to support the raising of management capability through the promotion of central government schemes and local programmes delivered through the Berkshire Growth Hub.

# Support for sustainable growth

### Developing the Business Growth Hub

The business support provided via the Berkshire Growth Hub is helping Berkshire's SMEs to achieve sustainable growth. The service transitioned to a LEP-delivered service in April 2021; one year later a new delivery model was launched to support more businesses via a redesigned self-service website. Two new enhanced business support programmes – Start Up and High Growth – were launched in January 2023. These programmes are funded by all six Berkshire local authorities' UK Shared Prosperity Fund (UKSPF) allocation and will run until March 2025.

The LEP continues to deliver government-funded business support service alongside enhanced UKSPF funded programmes. We aim to further develop the service to provide new products and services including the delivery of business support outside Berkshire.



## Business support – Collaborative Berkshire delivery

# Spotting potential for growth

### Financial help for businesses

The continued delivery of Thames Valley Berkshire Funding Escalator provides loans to companies that will deliver high growth and employment opportunities across Berkshire. We responded to demand by increasing loan size from £300k to £500k.

The delivery of one-off Berkshire Business Capital Grants provides matched grants of £25,000-£50,000 to further support scaling Berkshire businesses in the key sectors of digital technology, life sciences, creative industries and energy and environment. The funding has resulted in, among other things, refurbished space, purchase of specialist equipment and the creation of 25 jobs.

The DIT ERDF Internationalisation Fund has allowed high growth SMEs to access co-funding to grow international activities and increase sales.

The LEP continues to provide loans to Berkshire high-growth potential businesses who are unable to access conventional finance and to work with partners to provide better access to finance and close key funding gaps.



# Low carbon futures

### Delivery of the green recovery action plan

Our activity to develop a greener region included the publication of our Berkshire Net-Zero Carbon Research report by Bioregional.

The continued delivery of the ERDF Low Carbon Workspaces project that provided grants to SMEs as they make energy-efficiency changes in their premises or processes.

In addition, the Government's Growth Hub grant and Business Rates Retention Pilot funds will help Berkshire SMEs look at how to reduce their carbon emissions in 2023/24.

## Business support – Collaborative Berkshire delivery

# Highlighting Berkshire's assets

### The drive for foreign direct investment

There has been a sustained effort to promote the potential in Berkshire for inward investors. To align Berkshire's investment proposition, an Invest in Berkshire micro site was developed on the LEP website. We presented to prospective investors from India and collaborated on Department of Business and Trade national sector propositions to promote Berkshire's assets.

We have refreshed the propositions for several sectors in which Berkshire has a competitive advantage: digital technology, life sciences & healthcare and energy & environment to produce key information for investors. Additionally, a third edition of the Berkshire Prospectus was published to highlight investment opportunities and was disseminated at the UK's Real Estate Investment and Infrastructure Forum (UKREiIF) in 2023. A further project has been initiated to better promote the region and co-ordinate Inward Investment.

# Developing a robust business eco-system

### Support for innovative sectors and clusters

We're working hard to identify and support the great potential in Berkshire. The LEP has published three new Sector Propositions in 2023, for Life Sciences and Healthcare, Digital Economy and Energy and Environment with a Creative Industries Sector Proposition due to publish in 2023. In digital technology there is a budding Thames Valley fintech sector as well as the University of Reading TV AI Hub. Life sciences & healthcare is supported by the Thames Valley Chambers of Commerce Life Sciences Working Group. The University of Reading Screen Berkshire Group is helping the creative industries to thrive. In energy/environment, we have seen the development of High Potential Opportunity for Agritech sector and co-ordination of the Berkshire Net Zero Taskforce.



## Infrastructure – Connected Berkshire delivery

# Defining our green goals

### The Net Zero report

The publication of the first Berkshire Net-Zero Carbon Research report shared a series of priorities that will ensure that Berkshire plays a leading role in the UK's drive to achieving net zero carbon emissions. This means facilitating communities to work together to put no more carbon into the atmosphere than it takes out – this is key to helping secure a sustainable future for the planet.

The report launch took place at Newbury College's new Renewables Centre, where the UK's first 100% electric coach made a stop on its Zero Carbon Tour journey through the UK en route to COP26. A Net Zero Task Force has been created and supported by LEP to drive further activity in this area.

# A greener future

### Pan-Berks LEVI project

Following the LEP-commissioned Berkshire Net-Zero Carbon Research report by Bioregional, the LEP supported the six Local Authority bids into the Local EV Infrastructure (LEVI) Fund.

As a result of these successful bids, the LEP has recruited and co-funded an EV and Net Zero Project Manager (in post late 2023) who will support pan-Berkshire roll-out of EV infrastructure and help accelerate the wider transition to a Net Zero economy.

# Connecting Berkshire

### Digital Infrastructure Group (DIG)

By taking a joined-up approach to solving challenges faced by current infrastructure restrictions, the Digital Infrastructure Group (DIG) aims to ensure businesses and residents can stay connected across all platforms post-pandemic. The physical and digital connectivity provided by the DIG gives Berkshire's businesses a cutting edge and facilitates greater work flexibility for its people.

The DIG currently oversees four ongoing LEP funded projects including the SMART City Cluster.



## Infrastructure – Connected Berkshire delivery

# Putting Berkshire in the spotlight

### Attracting inward investment

At the UKREiif (UK Real Estate Investment and Infrastructure Forum) Event, we led a cohort of partners to showcase how Berkshire is positioned to lead the charge for greater collaboration with like-minded stakeholders. Over two sessions the LEP, alongside local leaders and private investors, spoke about the development sites that are being bought forward. We also showcased new opportunities available as we launched the third Berkshire Prospectus.

The Place Making Board has been established to stimulate and support economic growth across Berkshire. It provides both strategic and granular information with expert local knowledge of the towns, cities, and rural areas within Berkshire.

# Connecting Berkshire

### Supporting the One Public Estate

Launched in 2016 with a £500k 'seed-corn' fund, the One Public Estate Partnership has started to deliver results across the six Local Authority areas. The programme won more than £8m of government capital and revenue investment to support ambitious development projects across the whole county area.

The Partnership has actively bid in the final two rounds of the OPE Brownfield Land Release Fund – results will be announced in autumn 2023 and autumn 2024.



## Contact us

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## Connect with us



Berkshire Local  
Enterprise Partnership

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