



Thames Valley Berkshire Local Enterprise Partnership Berkshire Local Industrial Strategy

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1: Introduction

About Local Industrial Strategies

Thames Valley Berkshire Local Enterprise Partnership (LEP) – like all other LEPs and Combined Authorities in England – was tasked by government with developing a **Local Industrial Strategy (LIS)**.

The requirement for LISs was set out in the Industrial Strategy White Paper which was published in November 2017. Structured around five **Foundations of Productivity**, four **Grand Challenges**, and several national **Sector Deals**, the overarching aims of the White Paper are essentially to:

- improve the UK's overall **productivity performance**; and
- ensure that future economic growth is **more inclusive**.

BEIS published a *Prospectus* in October 2018. This stated that LISs should be:

- based on **evidence**, with a rigorous understanding of the local economy
- informed by a good understanding of the area's **strengths and weaknesses**, including in relation to the five **Foundations of productivity**
- developed **collaboratively**, both with local stakeholders and partners, and with neighbouring areas
- focused on clear **priorities**
- informed by the disciplines of **evaluation**.

How we developed the Berkshire Local Industrial Strategy (BLIS)

It has taken almost two years to develop the **Berkshire Local Industrial Strategy (BLIS)**. The process has been highly iterative and consultative. Overseen by the Thames Valley Berkshire LEP Forum and Board, it has involved:

- discussions with key **stakeholders and stakeholder groups**, including the voluntary and community sector, further

education colleges, transport stakeholders, business representative organisations, rural stakeholders, and organisations with an interest in Heathrow Airport

- regular meetings of a **Task and Finish Group** which includes two officers from each of the six unitary authorities within Berkshire, and is genuinely multi-disciplinary
- the work of a specially-convened **Productivity Commission** – drawn from the private sector and including academic inputs from the University of Reading (see Box 1)
- a formal **consultation** on the draft BLIS Framework (in early summer, 2019).
- an intensive period of **co-design** with Central Government in summer 2019.

Box 1: Berkshire Productivity Commission

The Commission was drawn from Berkshire's business community and it included: individuals from both corporates and smaller companies; individuals who work with businesses in Berkshire (in an advisory/deliver capacity); and academics from the University of Reading.

Its main Terms of Reference were to:

- review the initial evidence in relation to the performance of Berkshire's economy, particularly on indicators linked to productivity
- consider – in a technical sense – where the greatest opportunities might be to effect an improvement in productivity, consistent with the overarching priority set out in the Strategic Economic Plan (“to secure better access to talented people and bright ideas, and to use both more effectively”)
- take a forward view in terms of how productivity imperatives might be changing – informed in part by the contents of the national Industrial Strategy – and identify areas requiring further evidence gathering and investigation.

And then to:

- review the outputs from the second stage of evidence gathering
- agree (in a technical sense) what the priorities should be in seeking to effect productivity improvements across Berkshire.

The Productivity Commission met three times and its deliberations focused on five main issues:

- the changing role of the tech sector within Berkshire’s economy
- the significance of internationalisation in relation to the area’s productivity performance
- the changing scale and nature of “the middle” of Berkshire’s economy, and the implications for inclusion and progression
- the scale, character and role of the public sector in economic terms
- spatial considerations relating to all four of the points above.

The evidence gathered by the Productivity Commission is considered throughout this document.

to explore the spatial dimensions of the BLIS with the intention of informing the evolution of planning policy across Berkshire.

- We will also embark on the development of a series of **Implementation Plans**; notwithstanding the uncertainties that exist, these will summarise how partners across Berkshire will work together to deliver the priorities outlined in this document

All of these different elements together comprise Berkshire’s Local Industrial Strategy. We will use it to will guide strategic investment and maximise outcomes across Berkshire, consistent with our Vision and Overarching Priorities.

The importance of evidence

Consistent with BEIS’s requirements, the process of BLIS development has been strongly **evidence-based** throughout. As well as the work of the Productivity Commission, it has drawn on a substantial body of existing literature and data, including that generated by the six unitary authorities and by Thames Valley Berkshire LEP.

This document

This document is a summary statement of our **Strategy**.

Its publication marks the end of one phase of the BLIS process, but the beginning of another:

- Work will proceed shortly on a refreshed **Spatial Economic Narrative**; this will seek

Figure 1: Structure of the Berkshire Local Industrial Strategy



2: Berkshire's commitment to responsible economic growth

Later chapters describe Berkshire's economy, its challenges and its opportunities, in detail. From all of this, four principles have fundamentally shaped the BLIS and its Vision. Looking ahead, these same principles translate into an **ongoing commitment to responsible economic growth**. We are making this commitment both locally and nationally.

First, Berkshire must grow in a way that is UK net additional and in co-designing the BLIS with government, this has been a shared mission.

In other words, Berkshire should not seek to grow by attracting businesses or jobs from elsewhere in the UK; instead, growth should be of a form that simply would not happen anywhere else.

Moreover – given the tightness of the labour market, the recruitment challenges that already exist and the problems surrounding congestion – growth needs to be “smart”. This means focusing on the quality of jobs and the output linked to them, not simply the quantity.

Second, Berkshire is the kind of place in which inclusive growth is a real challenge. We must address this head-on.

Proximity to London and a prominent international gateway function together mean that Berkshire is a very expensive place to live and work. The costs of both housing and commercial property are well above the national average and the evidence suggests that “middle level” functions and “middle level” occupations are, literally, being priced out.

In socio-economic terms, the consequence is that Berkshire is polarised: it does well in relation to top end jobs and occupations. These generate demand for local services, but they are associated with poorly paid and insecure employment which is incongruous with the character of (in particular) local housing markets.

One consequence is high levels of in-work poverty. Looking ahead, this combination of circumstances is as undesirable as it is

unsustainable. Instead we need a more efficient and inclusive labour market, providing better opportunities for more people. What is missing is routes to progression.

Third, the strength of national and international flows of people, ideas and investment into (and out of) Berkshire is masking places that are, in themselves, rather “underpowered”. We must strengthen place-making in response.

This third commitment may be controversial, but it is important. In the language of economics, the issue is whether spill-over effects are being captured fully or whether there is so much transience that they are dissipated and lost. This in turn poses major questions for Berkshire's towns: are they places that attract and retain talent and engender a sense of commitment, attachment and reinvestment, or are they simply places in which to reside for a short while?

Fourth, given the severity of the climate crisis – and the urgency with which carbon emissions need to be reduced – we must respond to the environmental implications of our growth processes.

This statement is challenging. Most obviously, whilst we must harness the advantages associated with proximity to Heathrow Airport, we need to do this in a way that delivers environmental gains as well as economic benefits. There are no easy solutions – but, galvanised by the strength of our knowledge assets, we must work together to develop some.

These four statements summarise our commitment to responsible economic growth in Berkshire. The BLIS is the beginning of our response.

3: Berkshire and the Greater South East

In developing their LISs, Thames Valley Berkshire and five other southern LEPs (Hertfordshire, South East, Coast to Capital, Solent, Enterprise M3) have explored common issues, opportunities and challenges; and have developed a shared evidence base.

In the light of these, they have

- agreed some shared high-level priorities (which have shaped individual local industrial strategies)
- agreed a small number of shared commitments that they will advance collaboratively.

Introduction

The Greater South East is London's city-region and it is also the UK's principal international gateway.

It is difficult to define very precisely, but six LEP areas (Hertfordshire, South East, Coast to Capital, Solent, Enterprise M3 and Thames Valley Berkshire) together account for a sizeable share of it. They have:

- a combined population of over 11 million people – substantially bigger than London itself
- just under half a million businesses and 5.7 million jobs
- economic output that sums to about £300bn currently.

To put this in context, the Greater South East (excluding London) is bigger than all seven Combined Authority areas in England *in combination*. It is also on a par with national economies of the scale of Finland, Ireland and Denmark.

The role of the Greater South East within the UK economy...

The Greater South East plays a crucial role within the UK's economy. It contains some of the UK's most significant assets and opportunities, many

of which were identified in the Industrial Strategy White Paper. These include:

- a large – and generally well-qualified – resident workforce
- clear sectoral specialisms – notably in the sphere of digital technologies; life sciences; medical technologies, marine and maritime; and cultural and creative industries
- world class universities such as the University of Southampton and University of Surrey
- pioneering research and technology organisations, many of which are now within the private sector (such as Leatherhead Food Research, BRE, The Pirbright Institute)
- a fast-developing infrastructure to accelerate processes of commercialisation and innovation (through, for example, Surrey Technology Park, Southampton Science Park, Stevenage Bioscience Catalyst, Thames Valley Science Park and Discovery Park)
- some outstanding global businesses (many of which are internationally owned) – ranging from Microsoft, Cisco and IBM in the digital sphere, to Bayer, Pfizer and GSK in pharmaceuticals and life sciences; and from McLaren, Xtrac and Ford in motorsport, automotive and advanced engineering through to Amex, PwC and Deloitte in financial and professional services.

...as its primary international gateway region...

The Greater South East is also home to most of the UK's major international gateways – including major ports at Dover, Southampton and London Gateway (Thurrock); and airports at Gatwick, Stansted, Southend, Luton and Southampton (and of course, Heathrow, which is on the edge of the Greater South East).

This in turn helps to explain why it has long been a major focus for international inward investment to the UK and for international trade. It also explains why economic growth within the Greater South East must be encouraged: its international focus means that

it is not at the expense of growth elsewhere in the UK. Quite simply, for the UK economy to prosper, the assets of the Greater South East must be used to the full.

...and in relation to London

Similar arguments must also be made in relation to London. Strong relationships with both Central London and Outer London define the Greater South East and unite it in functional terms.

These relationships are symbiotic: flows and inter-dependencies are defined in two directions, not one. For example, although the number of in-commuters to London has grown by well over 100,000 since the 1990s, the commuting balance has changed little in over two decades. This is because the scale of out-commuting from London to centres like Watford, Reading, Slough, Guildford and Crawley has grown substantially.

Through these links, the Greater South East is playing a pivotal role in sustaining London's growth. As costs (of housing, land and labour) have spiralled, the Greater South East has been crucial in enabling and unlocking a range of responses. The Greater South East has housed London's workers; enabled its scientific assets to be commercialised; serviced its established businesses; and provided key elements of a quality of life for its residents. But exactly the same arguments must be made in the opposite direction, such is the strength of interdependencies.

Without the Greater South East, London would struggle to function. Yet the pressures on the Greater South East are significant and they are substantially shared across all six LEP areas. They include an overarching imperative for growth which is both clean and smart.

A shared agenda

...to be pursued in complementary ways

Linking in with the Industrial Strategy's five Foundations of Productivity, all six local industrial strategies across the Greater South East therefore recognise the need to:

- work the area's knowledge assets harder through a range of interventions, accelerating processes of commercialisation and encouraging even greater investment in R&D (**Ideas**)
- equip more people with skills and knowledge in science, technology, engineering and mathematics, in part to ensure that they can navigate multiple career changes (**People**)
- use digital technologies better, not least to reduce the pressures of congestion (**Infrastructure**)
- ensure that the economic potential linked to major infrastructural investments is harnessed fully, most immediately Crossrail (**Infrastructure**)
- secure appropriate infrastructure investment linked to international gateways (**Infrastructure**)
- make better use of (increasingly scarce) employment land and ensure that provision is better aligned with sectoral growth priorities (**Business Environment**)
- engage fully in international trade, recognising the competitive advantages stemming from international gateways (**Business Environment**)
- deliver substantial numbers of new homes, particularly through new Garden Towns, Villages and Communities which are scattered across the Greater South East (**Place**).

...to be pursued through joint working across the southern LEPs

In responding to these shared imperatives, all six LEPs are developing locally tailored responses through their own local industrial strategies. But they are – in addition – seeking to advance a small number of joint ventures, working closely with different central government departments. These are:

- a joint approach to the UK's international gateways to ensure that their full economic potential is recognised and

captured as the UK navigates the process of Brexit and the adjustments to international trade that will inevitably follow **(Business Environment)**

- an enquiry into employment land provision, recognising that substantial areas of land have been lost over recent years across the Greater South East and that this will have implications for future economic growth models **(Business Environment)**
- a joint approach to the regeneration of two groups of towns in which deprivation is acute: established New Towns/Garden Cities and coastal towns **(Place)**
- a shared dialogue with Homes England / MHCLG to accelerate the delivery of new Garden Towns/Villages, recognising that these must be nurtured as enterprising communities **(Place)**.

...to be advanced with partners in London

In addition, reflecting the area's unique relationship with London, there is a shared commitment to:

- **progress future strategies for the main corridors into London**, most immediately the Thames Estuary (an area for regeneration and growth of national significance and scale), working closely with the Greater London Authority and central Government
- **sustain a better and more creative dialogue across the London City-Region**, involving the Greater London Authority and London Enterprise Panel as well as the six LEPs in the Greater South East, to ensure that issues and opportunities affecting the area as a whole are appropriately recognised and harnessed.

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4: Berkshire's spatial economy

Location, place and economic performance

Berkshire's economy performs strongly. On most metrics – including key ones relating to productivity – it is at, or close to, the top of UK league tables: GVA per job or per hour worked (i.e. productivity); GVA per capita (wealth); incidence of knowledge-based employment; employment rates; qualifications within the working age population, and so on.

Figure 2: Situating Berkshire



Source: Produced by SQW 2018. Licence 100030994

In large part, this reflects the advantages linked to its location:

- Berkshire has all the economic benefits (and some of the costs) linked to **Heathrow Airport** – the second busiest airport in the world by international passenger traffic and a major national focus for recent, ongoing and planned investment.
- It is shaped by adjacency to the world city economy that is **London** – with its unique financial services sector, its role at the heart of government, its outstanding science base (through its universities), and its apparently magnetic appeal – to

corporate HQs and millennial entrepreneurs alike.

- Berkshire is very well located in relation to the **national transport infrastructure**. Particularly through the M4 motorway, Great Western Railway and South West trains, it has good connections, not only to London but also to other major growth engines: Bristol to the west; Oxfordshire and the wider Oxford-Cambridge Arc to the north; and Surrey/North Hampshire through to Southampton to the south. Moreover, through Crossrail and Western Rail Link to Heathrow (WRLtH), much of Berkshire should see further enhancements in connectivity.

But in part, its strong performance also reflects **the intrinsic nature of Berkshire as a place – or, more precisely, places**. This is a theme to which we return, but within Berkshire are some of the nation's major historic and cultural assets which are known around the world – from Windsor Castle to Ascot to Eton College. In addition, there is beautiful and accessible countryside, some of which falls within the North Wessex Downs Area of Outstanding Natural Beauty.

This combination of factors – some related to location, others related to place – helps to explain Berkshire's economic vibrancy. It explains why it has proved so attractive to inward investors; why its economic growth narrative over the last 50 years has really centred on the evolution of the digital technologies sector; and why Berkshire's export performance has been so consistently strong.

In short, Berkshire has a lot going for it.

Functional economic areas within Berkshire

Berkshire has a distinctive spatial form which helps to explain how the economy “works” – and how its performance might be enhanced. Much of the land area is rural, but most of Berkshire's businesses and jobs are located in, or close to, its towns.

Berkshire's largest towns are (in descending order of population size, and based on data from Census 2011): Reading (over 220,000 people in terms of urban footprint) and Slough

(over 150,000 people), then Bracknell and Maidenhead (both well over 60,000), and then Wokingham and Newbury (over 35,000). There is also a group of market towns that are a key part of Berkshire's economic life; examples are Hungerford and Crowthorne.

However – like the rest of the Greater South East – the urban area that has the greatest influence is, arguably, London (see Box 2). Much of Berkshire – but particularly the area in the east – needs to be understood as part of agglomerative processes and pressures which are defined around London¹.

Box 2: Berkshire's relationship with London

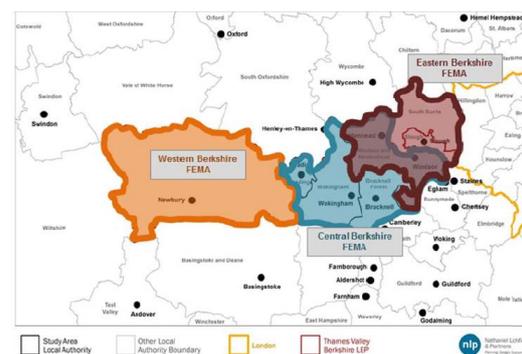
In Berkshire (like the rest of the Greater South East), the urban area that has the greatest influence on the economy is London. At the time of the last Census, some 43,000 Berkshire residents commuted to London while over 24,000 London residents commuted in the opposite direction. In fact, even in terms of travel patterns, the links are stronger than these numbers would on their own imply: many residents travel to and from London, either whilst “doing business” or because they work in London for part of the week. But there are also many other, wider, flows relating for example to goods, services, finance, ideas/know-how and international tourism.

There is another facet of London which is important. From the draft London Plan, planned housing growth within the capital is insufficient to meet some scenarios relating to projected demand. The inference is that surrounding areas will absorb London's unmet housing need. This has consequences for all of London's neighbours, Berkshire included.

The three Functional Economic Market Areas

Informed by commuting data and evidence relating to housing markets, commercial property markets, key sectors and key infrastructures, three **Functional Economic Market Areas (FEMAs)** have been identified across Berkshire². These are important because they signal potentially different economic pressures and opportunities, and these differences are important in effecting sustainable economic growth.

Figure 3: Functional Economic Market Areas across Berkshire



(Source: NLP)

Western Berkshire FEMA

The **Western Berkshire FEMA** is predominantly rural. It is very constrained in terms of future growth. Some 74% of the land area is within the North Wessex Downs AONB and 12% is functional floodplain. West Berkshire's Local Plan (to 2036) is currently being prepared.

A major site at Grazeley is being investigated (jointly by West Berkshire District Council, Wokingham Borough Council and Reading Borough Council) and it is possible (although not certain) that this will be the focus for a sizeable new settlement. Beyond that, future growth will depend on the vibrancy of Newbury and Thatcham, and – longer term – on possibilities linked to AWE at Aldermaston. The strength of the rural economy – ranging from the equine cluster at Lambourn to the performance of market towns – will also be important.

Central Berkshire FEMA

Central Berkshire FEMA – with Reading, Wokingham and Bracknell defining its urban core – is similarly constrained through a combination of Green Belt and environmental constraints (including flood risk). In growth terms, its narrative is more complicated for it impinges on four different unitary authorities, each of which has its own Local Plan preparation process (which in most cases is currently at an advanced stage although still

¹ Data throughout this document are sourced from ONS datasets – principally BRES, ASHE, APS, Jobs Density dataset, and IDBR

² *Berkshire Functional Economic Market Area Study*. Report by Nathaniel Lichfield and Partners for Thames Valley Berkshire Local Enterprise Partnership, February 2016

on-going). General themes, however, surround the shortage of employment land; the need for urban densification linked to the better use of town centre sites (particularly in Reading and Bracknell); and the imperative for better connectivity both within and between the major urban areas.

Bracknell has made substantial headway over recent years and progress with the Lexicon (originally the product of a town centre masterplan, and now with a Bracknell Vision looking to 2032), is widely applauded. Reading too has seen major investment in the town centre, linked in part to the improved railway station. The imminent prospect of Crossrail (for Reading, Twyford and Maidenhead) ought to create growth opportunities – if these can be accommodated. Separately, if it is advanced, Grazeley will also have a major bearing on Central Berkshire FEMA and it will need to be part of the future growth narrative.

Eastern Berkshire FEMA

Defined around the predominantly urban areas of Slough, Windsor and Maidenhead, the **Eastern Berkshire FEMA** is also under some pressure.

Its future is linked intrinsically to plans for Heathrow Airport. Construction of a third runway at Heathrow should start within 2-3 years. This will be a major project in its own right but once completed, it ought to reinforce further the economic significance of international connectivity through Heathrow Airport. A Heathrow Strategic Planning Group is exploring the surrounding issues within (and beyond) Berkshire.

A second key (on-going) piece of work is the Wider Area Growth Study³. This reflects the complexity of the area in growth terms – including in respect of Slough, the largest town within the Eastern Berkshire FEMA.

Significant headway has been made in respect of Slough Trading Estate, which has strengthened its position as a nationally

significant business hub (including, increasingly in relation to data centres). Slough town centre is the next priority. The £400m Heart of Slough project to redevelop the town centre is underway. 2017 saw the opening of The Curve, Slough's new cultural hub and the Porter Building, which offers a fresh and dynamic environment next to Slough Station. Future progress may well see residential development featuring strongly – partly because there is a pressing need to deliver more housing and partly because Slough town centre (like many others) needs to redefine its own economic purpose given profound changes within the retail sector. Reflecting further the challenges of providing sufficient land for housing development, discussions are also underway around the possibility of a Northern Extension (beyond the borough's northern boundary).

Geographies linked to key sectors

Places matter – but for businesses and investors, administrative boundaries are irrelevant. We have already made reference to the importance of London, but Berkshire needs to be understood on a wider spatial canvas still.

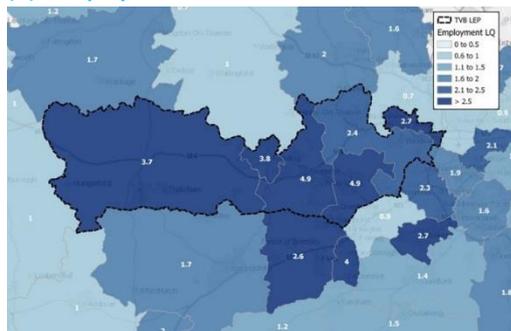
This is illustrated by the **tech sector**. Its scale and concentration is a defining characteristic of Berkshire's economy; it accounts for almost 70,000 jobs and over 7,500 enterprises. It is also a major driver of productivity (see Box 3). In terms of numbers alone, its spatial pattern is distinctive, in parts of Berkshire, the sector is nearly five times more significant locally than is typically the case across the UK: Reading and Wokingham (and, to a lesser extent, Slough) stand out on measures of both enterprise and employment numbers, but the sector is strongly concentrated across the piece.

Figure 4: Understanding the significance of the tech sector across Berkshire, in terms of:

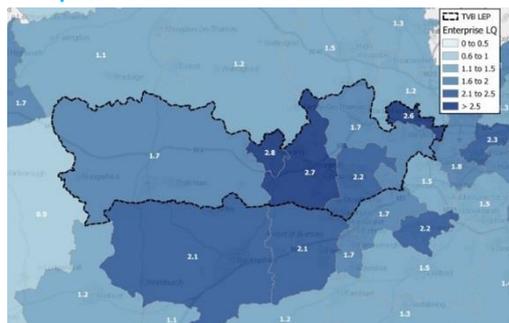
³ This has been commissioned by Royal Borough of Windsor & Maidenhead (RBWM), in conjunction with Slough Borough Council (SBC), South Bucks District Council (SBDC) and Chiltern

District Council (CDC). It is intended to jointly address issues arising from growth that is anticipated across the area, and potentially, more widely.

(A) employment



(B) enterprises



Source: Produced by SQW 2018. Licence 100030994 Contains OS data © Crown copyright [and database right] [2018]

What the maps also show is that the local authority district/unitary areas with very high levels of tech activity extend beyond Berkshire's boundaries into – in particular – North Hampshire and Surrey. This wider footprint is very significant. It was explored as part of the Innovation South Science and Innovation Audit which alighted on the potential of the area's strengths in relation to digital enabling technologies⁴.

Similar arguments can be made in respect of **life sciences**. Here though, the footprint has a different shape. It extends to the north of Berkshire into Oxfordshire. Various networks – such as the Oxford Academic Health Sciences Network – extend across both areas; and Oxfordshire and Berkshire are together developing a life sciences sector deal. This recognises that the two areas play different roles, but also that the life sciences sector needs to be understood in relation to both.

Conclusions

Across Berkshire, the relationship between places and the economy is complex. It is the result both of policy (particularly land use planning) and the decisions made by individual businesses and investors. It defines the canvass on which economic life is acted and the spatial opportunities and constraints which give it form.

This all matters because:

- it influences the extent to which activities can co-locate (which in turn is important in sharing knowledge, innovation and learning (virtual solutions notwithstanding))
- it shapes both the geometry and scale of labour markets and therefore the range and depth of skills that are available to employers and the diversity of job opportunities that are open to local people
- it affects the sustainability of economic life in environmental terms – an issue which is increasingly important given concerns about resource use and climate change
- it influences the balance between supply and demand across many different factors of production.

In other words, it has a material bearing on competitiveness and all the underpinnings of productivity. It is therefore a central consideration within the BLIS .

⁴ Innovation South – A Powerhouse of world class strengths in digital enabling technologies SIA report, sponsored by BEIS, 2017

5: Berkshire's economy today

Berkshire's productivity performance

According to data from ONS, Berkshire's economy generated output (GVA) to the value of **£37.8bn** in 2017 (in current prices). It is therefore a sizeable economy.

Within this context, **Berkshire is a top-performing LEP area on the main metrics of productivity:**

- On **GVA per hour worked**, Berkshire is ranked second to London amongst 38 LEP areas in England. In 2017, every hour worked in Berkshire generated GVA with a value of £40.30 compared to a UK average of £33.60.
- In 2017, every filled job in Berkshire generated GVA valued at £68.8k; the UK average was £54.3k. So, on this second measure – **GVA per filled job** – Berkshire is again ranked second to London.

By virtue of being both the capital city and a world city, London is not directly comparable to Berkshire: it hosts certain functions and plays particular roles that are, within the UK, unique. It is fair to observe therefore that among reasonable UK comparators (i.e. excluding London), **Berkshire is currently the best performing LEP area in terms of headline productivity performance.** Part of the reason for this relates to its sectoral make-up and the high incidence of international investment (see Boxes 4 and 5).

Box 4: Insights from the BLIS Evidence Base – The Digital Tech Sector

In 2017, the sector accounted for about 13% of all employment and 16% of the total business stock. Evidence suggests that, over recent years, it has seen substantial growth in employment (+21% between 2010 and 2017) and enterprises (+51%). Nationally, digital tech is a sector which is linked to strong productivity performance. The inference is that Berkshire's productivity performance is causally linked to the sector's scale and concentration.

Data suggest that some sub-sectors have seen rapid growth (e.g. computer programming activities and computer consultancy activities), but others have experienced declining employment and/or business stock (e.g. repair of computers and peripheral equipment; other information technology and computer service activities). In general terms, growing sub-sectors have either been those with few barriers to entry (linked to self-employment) or those which are typically regarded as higher value added.

There is some evidence of specialisms within the digital tech sector at a local level in Berkshire – e.g. datacentres in Slough, as well as cyber security and cloud computing.

A review of literature found that Berkshire's international links via Heathrow Airport, regional links with London through the M4 motorway, the Great Western Mainline and the Reading to Waterloo Mainline, and the size of the "tech talent pool" are key reasons for tech businesses locating in Berkshire.

However, alongside this first observation, it is important to make a second: **Berkshire has been dogged by very slow productivity growth over recent years.**

Between 2007 and 2017:

- **GVA per hour worked** in Berkshire grew by 1.2% per annum compared to 1.9% per annum across the UK and 1.6% per annum in London
- **GVA per filled job** grew by 1.3% per annum in Berkshire – placing it 34th amongst 38 LEP areas in England in terms of growth rates and well below the UK average (2% per annum).

This all suggests that Berkshire's strong absolute performance is the result of its economic endowment and accumulated past investment – but also that **its comparative advantage is diminishing.**

For the BLIS, this presents an overarching challenge.

Box 5: Insights from the BLIS Evidence Base – International investment

Berkshire has the highest concentration of foreign-owned companies of all 38 LEP areas. Data from Inter Departmental Business Register (IDBR) (2017) demonstrate that whilst 98% of enterprises in Berkshire are UK owned, foreign-owned businesses account for 47% of turnover in Berkshire and 30% of employees.

Two main conclusions follow:

- foreign-owned businesses account for a substantial share of the Berkshire economy (in terms of employment and turnover)
- foreign-owned businesses are typically relatively large – certainly as compared to the economy as a whole.

Sectorally, Berkshires inward investment profile is dominated by knowledge-economy sectors. ICT-related investments accounted for the lion's share of recent FDI wins in 2017-18; life sciences and biotech/pharma were also apparent.

There is a substantive literature and evidence base describing the attractiveness of Berkshire in relation to inward investment. From this material, five factors appear to be uppermost in explaining what attracts internationally-owned businesses to Berkshire: accessibility – linking to Heathrow and proximity to London; the importance of Reading as a “node” within Berkshire; cost (relative particularly to London); workforce availability; and business confidence.

There is much academic and other literature to suggest that companies with Foreign Direct Investment out-perform their domestically-owned competitors. In July 2018, ONS figures revealed that businesses under foreign-ownership are up to three times as productive as domestic ones. This in turn bites at two levels: the performance of the businesses themselves (i.e. the direct effect) and the performance of local economies which benefit from indirect effects linked to spill-overs. Berkshire has long been a beneficiary of this process and the FDI data appear to suggest that – at least for now – this is continuing.

Key data:

The value of goods and services exported from Berkshire is high. The value of services exported from Berkshire was £7.7bn (in 2016), the highest local (NUTS3) area outside of London

Foundations of Productivity

In order to interrogate the causes of productivity performance, the Industrial Strategy White Paper considers five Foundations of Productivity. The fifth

Foundation – place – is cross-cutting and in relation to the specifics of Berkshire, it was introduced in the previous chapter. The other four Foundations provide a lens on Berkshire's assets – and its principal strengths and weaknesses.

Ideas

Nationally, government has set a target that 2.4% of GDP should be devoted to R&D. R&D expenditure as a proportion of local economic output (GVA) is high in Berkshire at just over 4%; this is the fifth highest figure of all 38 LEP areas. Neighbouring areas also perform strongly.

Within Berkshire, there is one main higher education institution – **University of Reading** (which encompasses Henley Business School) – together with small facilities linked to other institutions (e.g. University of West London).

2026 will mark University of Reading's centenary as an independent university and its vision is to be a “*vibrant, thriving, sustainable, global and broad-based institution, responsive to, stimulated by and informing changes in the world around us*”. Consistent with this vision, it has five Interdisciplinary Research Institutes (including the Institute of Food, Nutrition and Health and the Institute for Environmental Analytics). These are well-aligned with major themes from the White Paper, particularly the four Grand Challenges (artificial intelligence and data; future of mobility; clean growth; ageing society). They are also well aligned with the wider competencies and possibilities that define Berkshire. Indeed, in combination, Berkshire's businesses, university and other organisations ought to be able to make a substantial response to all four of the Grand Challenges.

University of Reading is, increasingly, recognising the importance of links – in both directions – to the business community, and it has put in place an infrastructure to facilitate these. This includes an Enterprise Centre which is located on its main campus, and Thames Valley Science Park. Having been identified as a project priority at the time the Strategic Economic Plan was drafted in 2014,

Thames Valley Science Park is now open and operating; its completion is rightly regarded as one of the major developments of recent years.

Alongside the University of Reading, other major organisations/corporates are functioning as anchor institutions in the “ideas economy” – in the sense both of providing a local driver for research and innovation *and* (in some cases) providing a focus for the possibility of spatial clustering. Examples include:

- **AWE** – with a range of defence-related specialisms, including high performance computing and materials science, at a large site at Aldermaston, some of which could come forward for employment uses
- **Deloitte’s Cyber Intelligence Centre** which has grown quickly within Berkshire
- **Syngenta** – focused on advanced agricultural technology with its global R&D centre in Bracknell, has national and international significance, with aspirations to develop a science park at its site.

Business environment

Berkshire is a place where enterprise can flourish. There are 44,600 enterprises in total, suggesting roughly 780 for every 10,000 residents of working age. Across the UK, the equivalent figure is about 640. This points to a vibrant and entrepreneurial business environment within Berkshire and a strong small business community.

In practice, the business environment within Berkshire has supported the formation and growth of both small, entrepreneurial businesses and larger players. Proximity to Heathrow Airport and London have helped to shape the business environment, but its character is not reducible to external

influences alone: Berkshire *as a place* has been important too.

Major employment sites – most notably Green Park (on the edge of Reading) and Slough Trading Estate – have helped to provide a visible focus. Increasingly, they fulfil many of the functions of anchor institutions in their own right – through, for example, the provision of formal and informal networking and support. They are genuine economic hubs of some scale: a cluster of data centres has, for example, emerged at Slough Trading Estate.

However, elements of the business environment require attention. In general terms – as the previous chapter explained – there is a shortage of employment land, in part because of changes to residential uses, accelerated through permitted development. Moreover, available sites and premises are expensive, pricing out lower value uses and forcing businesses seeking grow-on space to look elsewhere.

In addition, there is concern that provision for very early stage businesses may still be under-developed. Some flexible and managed workspace is available within Berkshire’s town centres, and there is evidence of commercial investment, but the provision of more animated incubator, accelerator and co-location spaces – which are fully part of a wider ecosystem – is limited⁵.

Against this backdrop, Thames Valley Berkshire Growth Hub is supporting the development of small businesses from across a wide range of sectors.

In parallel, building on the ScaleUp Berkshire Programme, the challenge must be to encourage more businesses to scale-up, recognising the importance of the wider business environment in this context. Access to appropriate forms of growth finance is one key element; access to people with the right skills is a second; and the provision of

⁵ Thames Valley Berkshire Supporting Workspace – Report by Renaissance, November 2016

appropriate commercial property is a third. The BLIS must in practice respond to all three.

Key data:

Berkshire has the 6th highest concentration of scale-up firms of all 38 LEP areas – with 580 firms scaling between 2013 and 2016

Supporting scale-up is important in terms of economic performance and productivity. But it also matters in relation to wider aspirations for inclusive growth. Growing firms provide a range of occupations and they play a key role in facilitating progression within the labour market. If these businesses are “squeezed out”, there is a risk that the prospects for progression are similarly curtailed.

People

Berkshire’s labour market: buoyancy, quality and “tightness”...

Within Berkshire, people constitute both a critical economic asset, but also – increasingly – a growth constraint. Two sets of data-driven observations explain why:

- Between 2006 and 2016, the total number of jobs in Berkshire grew by 15%. Over the same period, the resident working age population increased by around 5%. So, the number of jobs has grown much more quickly than the number of working age people.
- Across Berkshire, employment rates are high. Overall, the proportion of 16-64 year olds in employment is around 80%, some five percentage points higher than the national average.

The inference is a very tight labour market – and all the qualitative evidence from employers points to the challenges of recruitment and retention. The clear implication is that Berkshire’s economy needs to grow principally by increasing the output

from jobs, not the overall number; in other words, the overarching imperative must be one linked to productivity.

Within this context, it is also important to recognise the attributes of the labour market on which employers can draw. Within Berkshire, qualification levels are generally high: the proportion of working age adults with degree level (or higher) qualifications is close to ten percentage points above the national average. Locally, it is higher again (in Windsor and Maidenhead, and in Wokingham).

Particularly for major corporates, the effective labour market catchment is larger than Berkshire: people can be attracted from a wide area, including internationally. And as noted already, whilst there are high levels of out-commuting (especially to London), flows in the opposite direction are substantial too.

This overall picture – of buoyancy, quality and “tightness” – undoubtedly brings some challenges, and any dialogue with employers will quickly turn to these. Recruitment is difficult. Retention is also hard, particularly given the attractions that London presents for aspirational and ambitious employees, young ones especially.

Berkshire’s labour market: challenges for those in low pay jobs...

However, there is a second narrative which is equally important in Berkshire, and to which the BLIS must respond.

Research by University of Oxford found that for every ten middle-skilled jobs that disappeared in the UK between 1996 and 2008, about 4.5 of the replacement jobs were high-skilled and 5.5 were low-skilled.⁶ The consequence is polarisation across the labour market. Nationally, this process is forecast to continue⁷.

⁶ Dr. Craig Holmes of Oxford University: Why is the Decline of Routine Jobs Across Europe so Uneven? (November 2014) from: [Social Mobility Commission: State of the Nation 2016: Social Mobility in Great Britain]

⁷ UK CES: Working Futures 2014 to 2024; Main report (April 2016) from: [Social Mobility Commission: State of the Nation 2016: Social Mobility in Great Britain]

Although both the indicator and the data are imperfect, one insight into the consequences for Berkshire relates to earnings. In absolute terms, earnings have become more polarised in every unitary authority across Berkshire since 1997. Relatively – on the basis simply of the ratio between the 10th and 80th percentiles – they have become slightly more polarised in Reading and West Berkshire and slightly less polarised in the other four areas, but the differences are still sizeable.

For those in low pay employment, Berkshire is a very challenging place to be: house prices are well above the UK average and affordability ratios are, for many, prohibitive.

Moreover, there is evidence to suggest that progression within the labour market is difficult. Jobs in “the middle” have been squeezed. Historically, these have played a crucial role in relation to progression for individuals. Finding alternative routes will be essential if more inclusive growth is to be achieved (see Box 5).

Box 6: Insights from the BLIS Evidence base – Unpacking “the middle”

A concern identified by the Productivity Commission during its first meeting was the apparent absence of “the middle” (in terms of jobs, occupations and activities) in Berkshire: both “the top” and the “the bottom” have grown, but “the middle” has all but disappeared. Patterns of this nature are recognised nationally, but because Berkshire is expensive (particularly in relation to housing and employment land/premises), these issues are exaggerated locally.

Using workplace-based data from ASHE, we considered the polarisation of employee earnings within Berkshire and how this has changed over the last two decades. Data suggest that employee earnings have become more polarised in absolute terms in every unitary authority area across Berkshire since 1997. Relatively, though, the picture is more mixed.

Nationally, the issues around polarisation are significant ones. For those who find themselves in “low pay” employment, progression is crucial, which in turn is key for inclusive growth. A national analysis by the Resolution Foundation found that the likelihood of progression is affected by four main factors:

- propensity to move jobs - generally speaking, moving jobs is a catalyst for pay growth
- type of employer - UK wide, public sector employers are considered a better route to progression than

private sector companies (although large private sector employers are better than smaller ones)

- sector of employment - cleaning, hospitality, hairdressing and childcare are identified as having the highest incidence of low pay jobs
- skills: while education “helps”, a degree is less effective than it used to be in securing progression, while the evidence suggests that lower level qualifications help people to enter the workforce but not to progress within it

Across these four dimensions, the overall assessment of Berkshire is mixed. Simply because of the buoyancy of the labour market, the scope for job moves must be higher than elsewhere. However, Berkshire’s public sector is relatively small. We also know that there is high demand for labour in sectors where progression appears to be difficult nationally (such as cleaning, hairdressing and childcare).

A view expressed by the Productivity Commission was that the cost of business space prevents “non high-end” businesses – those which typically seek to hire people “in the middle” - locating (or remaining) in Berkshire. CoStar data found that the cost of business space – both office and industrial – is amongst the highest in the UK outside of London.

Polarisation, progression and commercial property are rarely considered together, but the links are clear and important in shaping Berkshire for the next two decades, particularly in respect of its ability to achieve growth that is both rapid and inclusive.

Skills priorities

Cutting across all of this – and at all points in the labour market – there is a need to ensure that employers can recruit the right people with the right skills. This is both an immediate imperative and a future-facing one, recognising profound changes in the nature of work, an evolving sectoral make-up, the overarching consequences of technological change and obvious uncertainties in relation to international dimensions of labour supply.

In this context, between 2016 and 2018, Thames Valley Berkshire LEP undertook a major piece of work to develop a Skills Priority

Statement⁸. This involved extensive business consultation and it resulted in the identification of distinct skills priorities relating to “jobs families”. These were:

- **Tier 1** – focused on high value and fast-growing sectors in which employers are finding it hard to fill vacancies (digital tech, and engineering and science)
- **Tier 2** – covering construction, health and social care, and education; these sectors too have hard-to-fill vacancies although their significance for Berkshire is as much about quality of life and the functioning of the place as it is economic output, and their links to the labour market are different
- **Tier 3** – encompassing a wide group of other sectors/occupations, ranging from transport and distribution to creative.

The key point is that all of these are important for a sustainable and inclusive labour market, and efforts to promote productivity and progression apply across the board.

Box 7: Learning today, leading tomorrow

Berkshire has excellent education providers at every key stage, with first class teaching and facilities to match. It has the University of Reading, five further education colleges and many excellent schools, including Wellington College and St George’s, as well as top-rated state-funded schools.

From this position of excellence, there is a need constantly to align provision with emerging opportunities in, for example, data science, machine learning and robotics.

Infrastructure

The fourth of the Industrial Strategy White Paper’s Foundations of Productivity relates to infrastructure – both physical and virtual.

Transport and congestion

Over recent years, Berkshire has benefited from major transport investments and more

are planned; these include Crossrail, Western and Southern Rail Access to Heathrow, M4 Smart Motorway, and, longer term, a third runway at Heathrow. For the most part, the rationale for these investments is defined nationally. It reflects, again, the importance of London within the economic life of the UK and/or the significance of international gateways.

Box 8: Heathrow, aviation and carbon emissions – statement from Heathrow Airport

The global aviation industry must decarbonise to hit net zero emissions by 2050. But aviation must also be able to continue to facilitate opportunities for trade, jobs and economic growth. To achieve both objectives will require a complete industry shift, spearheaded by developing sustainable aviation fuels, robust carbon removal schemes and new flight technologies. Heathrow Airport fully supports the call on Government to rapidly implement policies that will accelerate progress towards net zero aviation including sustainable aviation fuel production in the UK, airspace modernisation, innovation in aircraft and engine technology and kick-starting a market for greenhouse gas removals.

In parallel, it is important to recognise a set of infrastructure issues that needs to be defined at a more local scale. This includes long-established priorities (like a third crossing of the River Thames), but also on-going imperatives around both intra- and inter-urban connectivity. Both have seen some investment and improvement in recent years, but there is much more to be done.

The context for all of this is high levels of congestion, and the economic and environmental challenges linked to it. In some respects, this is the consequence (and cost) of economic buoyancy. Resources from the Local Growth Fund have been used to invest in local improvements. In addition, transport-related stakeholders have noted that:

- local attitudes to large scale development are becoming more positive, because of the potential for major schemes to unlock infrastructure-related investment

⁸ Thames Valley Berkshire Skills Priority Statement 2018, published by Thames Valley Berkshire LEP

- the appetite for virtual and IT-enabled solutions is growing quickly.

Berkshire is ripe for intelligent mobility – one of the Grand Challenges from the Industrial Strategy White Paper. There is also widespread recognition that behavioural changes will need to be a central part of the solution. This will require more flexibility from employers over working hours, and a greater commitment to sustainable transport modes. Relatively small changes (such as the provision of bicycle storage facilities at more railway stations) could make a big difference in terms of the efficiency and capacity of the transport network overall.

Energy and water

However, another infrastructure that is under pressure is that relating to key utilities.

Investment cycles/processes linked to energy infrastructure are not well aligned to the needs of buoyant local economies: they struggle to react quickly in the context of fast-changing patterns of demand.

Two processes within Berkshire are especially challenging in this context. One relates to major new developments which bring a step-change in demand at a local level. A second reflects sectoral economic changes which are occurring within existing patterns of land use. The increasing number of data centres which occupy sites with B8 warehouse and distribution Use Classes is one important element; and the provision of EV charging facilities (for electric cars) is another.

It appears therefore that solutions to specific infrastructure constraints (notably transport-related) are creating pressures – but also potentially market opportunities – elsewhere. Indeed, it is increasingly recognised that demands on the energy infrastructure are materially important in relation to the pace of, and constraints to, economic growth.

Housing

As noted already, housing pressures across Berkshire are substantial. All six unitary authority areas have affordability ratios that are both challenging and deteriorating. The ratio of median house prices to median gross annual residence-based earning in Slough was 7.7 in 2007 but 11.0 in 2017, and throughout Berkshire, the pattern is similar. Rental levels are also very high.

The housing stock is increasing: between 2006 and 2016, it grew by over 27,000 dwellings with the biggest absolute increases in Reading and Slough. Looking ahead, significant additional housing growth is planned, although the balance may shift spatially towards the other unitary authority areas, most of which have one or more big planned (or at least possible) developments.

For the economic potential of Berkshire to be realised, it will be important that these sites come forward and the housing numbers set out in emerging Local Plans are indeed achieved.

6: Assets, challenges, constraints and opportunities

Berkshire has a mix of world-leading assets, but also major constraints linked to the growth process. These attributes need to be understood in the context of more general trends and drivers – social and environmental as well as straightforwardly economic. Cutting across all of these are specific global trends which will transform our future. Identified in the Industrial Strategy White Paper as Grand Challenges, four key ones are: artificial intelligence and data; future of mobility; clean growth; and ageing society.

Table 1 below summarises the future-facing opportunities and/or challenges that are linked to the key assets and constraints which define Berkshire. These frame both the Vision and Overarching Priorities for the BLIS (which are described fully in the chapter that follows).

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Table 1: Framing the BLIS: Assets, challenges, constraints and opportunities

Asset/constraint	Future-facing opportunities and challenges for Berkshire
High incidence of internationally-owned businesses, particularly in the tech and life sciences sector	<ul style="list-style-type: none"> Risks and uncertainties (upside as well as downside) linked to the process of Brexit, and the changing nature of international business more generally Concerns relating to the “hollowing out” of higher value or higher knowledge content functions in Berkshire (with some companies operating administrative functions in Berkshire and undertaking their R&D elsewhere) Risks surrounding the retention of younger workers within Berkshire, including international ones
Scale and nature of tech sector	<ul style="list-style-type: none"> Berkshire’s large tech sector presents a number of opportunities, for example in relation to providing innovative solutions to support an ageing population and reduce social and health care costs.
Proximity to London and Heathrow	<ul style="list-style-type: none"> Major opportunities linked to Berkshire’s location although some challenges and pressures too
University of Reading – as Berkshire’s major higher education institution	<ul style="list-style-type: none"> Specialist research and teaching within the ambit of all four of the Grand Challenges Scope to invest in the wider innovation ecosystem, recognising that the University of Reading needs to be a central player within this
Well-qualified and economically active	<ul style="list-style-type: none"> Existing workforce skills ought to mean that Berkshire can be an agile economy, adapting effectively to technological change and, at times, being in the vanguard
working population	<ul style="list-style-type: none"> Those people that are not well-qualified are at risk of in-work poverty, particularly given the nature of the housing market (both owner occupied, and rental)
Strong track record in jobs growth	<ul style="list-style-type: none"> Vibrant economy overall, but within this some concern about the quality of jobs growth and the scope for progression
Retaining young people	<ul style="list-style-type: none"> London has magnetic appeal to younger adults and Berkshire struggles to hold on to its young people – particularly recent graduates – although a proportion return later in life
Ageing population	<ul style="list-style-type: none"> Demographic structure is changing and ageing, with widespread implications including for key private and public services
Fragmented innovation ecosystem	<ul style="list-style-type: none"> The innovation ecosystem is under par, particularly in comparison to the well-qualified nature of the workforce: it may struggle to compete with the best in the world and this may matter as knowledge content rises Opportunities exist to forge alliances, particularly with Oxfordshire (through Oxfordshire LEP), and Hampshire and Surrey (EM3 LEP), to accelerate and encourage innovation and enterprise within key sectors Major challenges surround the lack of “ecosystem champions”: who “talks up Berkshire” as a focus for dynamic and entrepreneurial small businesses and a hub for young entrepreneurs?
Berkshire’s towns	<ul style="list-style-type: none"> Town centre issues are “writ large” and there is a need for creative responses, informed

Asset/con straint	Future-facing opportunities and challenges for Berkshire	Asset/con straint	Future-facing opportunities and challenges for Berkshire
	<p>by recent regeneration achievements across Berkshire</p> <ul style="list-style-type: none"> In some cases, Crossrail ought to provide a catalyst for town centre regeneration and growth (Reading, Twyford, Maidenhead) Smaller towns in the more rural parts of Berkshire need to function as economic hubs Berkshire's towns need more profile – and they need to develop a more consistently excellent cultural offer 		<p>retained, despite market and other pressures</p> <ul style="list-style-type: none"> There are few large employment sites – which is an issue, particularly given the scale of growth potential linked to international gateway functions
Quality of life	<ul style="list-style-type: none"> Generally, Berkshire provides a good quality of life – albeit it is an expensive place for those on low incomes There are some pockets of high deprivation (predominantly in Reading but also in Slough) 	Rural parts of Berkshire	<ul style="list-style-type: none"> The natural environment is, in large part, outstanding and it needs to be celebrated in these terms, recognising the contribution it makes to the area's quality of life but also some of the pressures Rural communities must however be sustainable – and the loss of young people in the context of very high house prices is a threat
Berkshire's "brands"	<ul style="list-style-type: none"> The multicultural nature of Berkshire needs to be celebrated ("<i>the world comes to Berkshire</i>") as does the strength of its tech sector Windsor Castle, Ascot, Eton College, etc., are known around the world, and they present a great opportunity to raise the profile of Berkshire vis-à-vis investors and businesses; they are also at the centre of the visitor economy Berkshire has other brands – e.g. Reading Festival – which appeal to a different demographic group 	Transport infrastructure	<ul style="list-style-type: none"> Berkshire's transport infrastructure is generally very congested despite seeing major investment projects: modal shifts and behavioural changes will be important, as potentially will be the use of autonomous vehicles and other digital solutions
		Housing provision	<ul style="list-style-type: none"> There are major challenges relating to housing supply – both the quantity and the affordability in the owner-occupied and rental markets
		Climate crisis	<ul style="list-style-type: none"> The need to respond to the climate crisis is both a threat and an opportunity in relation to local economic growth: while resource use efficiency must improve, there are emerging markets linked to electric vehicles, sustainable materials, etc.
Employment land	<ul style="list-style-type: none"> Lower value uses are in the process of being squeezed out with major consequences for the mix of jobs within Berkshire: looking ahead, there is a need to ensure that appropriate provision is 	Much of Berkshire is functional floodplain and/or	<ul style="list-style-type: none"> There is relatively little developable land – meaning that high density solutions will be needed and also that hard decisions may need to be taken about the nature

**Asset/con
straint**

**Future-facing opportunities and
challenges for Berkshire**

Green Belt
and/or
designated
landscapes

and direction of growth over
the medium-long term

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7: VISION AND OVERARCHING PRIORITIES

Vision: the best of both global and local

At the core of our Vision is a commitment to becoming the best of both global and local.

We have an outstanding location at the heart of one of the world’s major international gateways and adjacent to a thriving world city. This gives us tremendous opportunities for international business and for trading around the world. At the same time, we cherish the places (both urban and rural) that define Berkshire. These must be encouraged to thrive – as must the businesses and communities that call them “home”.

Against this backdrop, our Vision is simply that **Berkshire should grow with ambition and intent to harness the best of both global and local**. We want to accelerate the pace of economic growth – consistent with the strength of our assets – and to sustain it at a high level, but we also want to see *good* growth. By this, we mean growth that is smart, knowledge-intensive, inclusive and resilient. We want businesses to thrive, communities to prosper and individuals of all ages to progress and flourish.

The consequence will be that we generate businesses, jobs and output that would simply not occur elsewhere, and we will do so in a way that increases inclusivity and achieves positive environmental impacts. This will all add to the health of the UK economy overall.

Figure 5: Our Overarching Priorities



From Vision to Overarching Priorities...

Although our economic fundamentals are robust, there is much to do in achieving this Vision.

To this end, we have identified six Overarching Priorities for Berkshire. These are indivisible elements of a sustainable economy given the nature of our place(s), our location, our assets – and our imperatives set out above. They need to be considered “as a whole”.

Of the six Overarching Priorities, three are concerned with the activities of our businesses, both individually and in terms of their relationships to each other and to key organisations / institutions within and beyond Berkshire:

- **Enhancing productivity within Berkshire's enterprises**
- **Supporting ecosystems which are maturing and evolving, and which extend beyond Berkshire**
- **Encouraging international trade, collaborations and investments.**

Three are broader in scope, and they describe the kind of place that Berkshire is determined to be as we look to the 2020s and beyond:

- **Building vibrant places and a supportive infrastructure**

- **Making Berkshire an inclusive area where aspirations can be realised**
- **Ensuring that economic growth contributes positively to Berkshire's environmental performance, recognising the need to respond to the climate crisis.**

...to be delivered through our Local Industrial Strategy

The Vision and Overarching Priorities will be taken forward through everything that we – as a Local Enterprise Partnership – do.

In the chapters that follow we explain how they will be advanced through the lens of the Industrial Strategy's five Foundations of Productivity, following a co-design process with Government.

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8: IDEAS

Berkshire has strong assets linked to the generation and deployment of ideas, particularly across its tech, life sciences and low carbon sectors. But we need to make these assets work harder. Our key challenge has long been the resilience of the ecosystem and the strength of the connections within it. We intend to develop these connections, helping Berkshire to perform even better on an international stage and responding to some of the government's Grand Challenges in the process.

What Berkshire will do

...with local partners

A: Using Knowledge Exchange to respond to the Grand Challenges

Knowledge Exchange is concerned with sharing tacit knowledge. It is a priority for Berkshire because of the depth and breadth of knowledge that exists, particularly across our corporates, our HEIs, and our other institutions. Much of this is relevant to problem solving across the four Grand Challenges – and those, in turn, are crucially important in shaping the sustainable future of businesses and communities across Berkshire.

⇒ We will put in place mechanisms for increasing local Knowledge Exchange in response to the Grand Challenges. These may include challenge competitions, data science collaborations, student placements and events structured on the basis of "common purpose".

B: Developing the innovation ecosystem with a particular focus on anchor institutions

The BLIS has identified a fragmented innovation ecosystem across Berkshire and yet

there is an emerging group of actual or potential anchor institutions, each of which could be a catalyst for ideas across the area.

⇒ We will work with actual or potential anchor institutions to support the commercialisation of knowledge, and build productive links between SMEs and major players across Berkshire. This will require creative responses through the use of sites and premises, through workforce development plans, and through networking processes and events.

...with central government

C: Implementing the sector deals for AI and Life Sciences

TVB's tech sector is second to none in terms of its local scale and importance to the national economy. In addition, the University of Reading has specialisms linked to AI and its application. Berkshire has a specialist labour market as a result and a huge talent base in related activities and applications, including within Life Sciences.

⇒ We will work with government to implement the sector deals for AI and Life Sciences insofar as these are relevant to Berkshire. We will continue to make the case for a Life Sciences Opportunity Zone in Berkshire

How this will contribute to our Vision and Overarching Priorities

In delivering these different actions, we will make headway in relation to our Vision and Overarching Priorities. This is summarised in the table below.

Table 2: Achieving our Vision through the IDEAS Foundation

Overarching Priority	How these actions will contribute
Enhancing productivity within Berkshire’s enterprises	<ul style="list-style-type: none"> • ...by engaging businesses within Knowledge Exchange activities (IDEAS Action A) • ...by delivering national Sector Deals within Berkshire (IDEAS Action C)
Supporting ecosystems which are maturing and evolving, and which extend beyond Berkshire	<ul style="list-style-type: none"> • ...by encouraging deeper relationships through Knowledge Exchange (IDEAS Action A) • ...by strengthening the role of anchor institutions (IDEAS Action B)
Encouraging international trade, collaborations and investments.	<ul style="list-style-type: none"> • ...by investing in the international credentials of our tech and life sciences sectors through the national Sector Deals (IDEAS Action C)
Building vibrant places and a supportive infrastructure	<ul style="list-style-type: none"> • ...by strengthening the role of anchor institutions, noting that these are located “in place” and some have ambitions for physical provision to support commercialisation processes (IDEAS Action B)
Making Berkshire an inclusive area where aspirations can be realised	
Ensuring that economic growth contributes positively to Berkshire’s environmental performance, recognising the need to respond to the climate crisis	<ul style="list-style-type: none"> • ...by focusing Knowledge Exchange on the Grand Challenges, particularly in this context, clean growth (IDEAS Action A)

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9: PEOPLE

Our people are our most important asset. We need to invest in our people, recognising the need for multiple job/career changes in a working life and the importance of achieving clear progression. We also need to ensure that our people are equipped with the skills and training that our businesses demand.

What Berkshire will do

...with local partners

A: Developing the Berkshire Skills Advisory Panel (SAP) and supporting its early work

The Thames Valley Berkshire Skills, Education and Employment Programme Group (which comprises representatives from FE, HE, school, voluntary, local authority and private sectors) will take on the function of Berkshire's Skills Advisory Panel (SAP). It will provide local strategic leadership on skills and act as a key enabler to address skills challenges within the local economy, and remove barriers to work.

Specifically, the SAP's priorities are to:

- promote and enhance local employer / education / training partnerships to help address local skills challenges
- continue to implement Berkshire's STEAM (Science, Technology, Engineering, Arts & Maths) Strategy
- establish a local digital skills partnership that responds to the digital skills needs of the local economy and promotes inclusive growth
- advocate for adult learning, particularly in relation to in-work progression and improving digital and basic skills
- direct discretionary funding to areas identified within the Skills Priority

Statement that address employer skills needs and / or inclusive growth

⇒ We will support the work of the SAP, particularly in terms of maintaining a robust evidence base (in the form of Skills Priorities Statements) and then using it to effect better outcomes in terms of raising productivity and promoting inclusive growth.

...with central government

B: Growing and evolving the supply of people with higher-level skills

The availability of talent is a key factor in the locational choices of knowledge intensive global companies: Berkshire must produce the workforce on which these businesses depend.

At the same time, the professional development provided by global companies contributes to raising employee skills levels, and the productivity of the local population.

Maintaining these virtuous circles is critical to maintaining a strong local economy; adapting to technological change; and addressing key aspects of climate change. However, the prospect of Brexit raises a number of risks in this context.

⇒ We will increase our supply of people with higher-level skills to sustain productivity levels and continue to attract and retain leading international firms post-Brexit. We will work with central government to ensure that local learning provision (from schools to Higher Education) is able to respond to local current and future industry demand and societal needs.

How this will contribute to our Vision and Overarching Priorities

In delivering these different actions, we will make headway in relation to our Vision and Overarching Priorities. This is summarised in the table below.

Table 3: Achieving our Vision through the PEOPLE Foundation

Overarching Priority	How these actions will contribute
Enhancing productivity within Berkshire's enterprises	<ul style="list-style-type: none"> • ...by reflecting in full the needs of Berkshire's businesses within the work of our Skills Advisory Panel (SKILLS Action A) • ...by working hard to secure an adequate supply of higher level skills (SKILLS Action B)
Supporting ecosystems which are maturing and evolving, and which extend beyond Berkshire	<ul style="list-style-type: none"> • ...by supporting the work of the Skills Advisory Panel in the delivery of our STEAM strategy (SKILLS Action A)
Encouraging international trade, collaborations and investments.	<ul style="list-style-type: none"> • ...by working securing a supply of higher level skills that is sufficient to attract and retain international businesses post-Brexit (SKILLS Action B)
Building vibrant places and a supportive infrastructure	<ul style="list-style-type: none"> • ...by supporting the work of FE Colleges – all of which are based in our towns – within the wider context of the Skills Advisory Panel (SKILLS Action A)
Making Berkshire an inclusive area where aspirations can be realised	<ul style="list-style-type: none"> • ...by supporting the work of the Skills Advisory Panel in respect of workplace progression (SKILLS Action A)
Ensuring that economic growth contributes positively to Berkshire's environmental performance, recognising the need to respond to the climate crisis	<ul style="list-style-type: none"> • ...by supporting the work of the Skills Advisory Panel in respect of digital skills (SKILLS Action A)

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10: INFRASTRUCTURE

Berkshire's infrastructure is under substantial pressure. In a net-zero emissions future, investing in infrastructure appropriately will be critical in relation to the sustainability of the economy, and the quality of life for all who live and work locally.

What Berkshire will do

...with local partners

A: Securing a world class digital infrastructure and digital solutions

Excellent digital infrastructure is vital both for the 'everyday' economy and for TVB's position as the UK's leading concentration of tech employment, much of which is internationally driven. Prioritising investment in our digital infrastructure will help to secure TVB's – and the UK's – competitiveness. It will reduce the need to travel, easing congestion and contributing to a reduction in carbon emissions.

Traditional investment is very unlikely to solve congestion and as a result, economic growth is unlikely to be sustained through it. The LEP has recognised the importance of investing in and encouraging innovative, technological solutions and will continue to do so.

With a world-class concentration of 'digital' businesses, we want to ensure that we have the world-class infrastructure that will underpin our long-term sustainability.

⇒ We will put in place a Digital Infrastructure Group (DIG) to drive this forward, acting as TVB's 'Digital Champion' and 'Digital Infrastructure Co-ordinator'; this will result in more and better digital solutions to solve infrastructure/connectivity issues, particularly making use of fibre, 5G and Big Data.

B: Achieving world class logistics

Within Berkshire – given its location close to London and Heathrow – there are particular opportunities in relation to the logistics sector. This is ripe for transformation through the

creative application of digital technologies, generating positive environmental outcomes in the process.

⇒ We will explore the option of a 5G Logistics Hub, with the local authorities and the private sector.

C: Encouraging modal shifts in the way people move around Berkshire

Berkshire benefits from its connectivity to London and Heathrow and to the rest of the UK via the M4, M25 and national rail connections. Internally, there is a dense road network (although strategic road and rail connections are mostly east-west). This connectivity is an important element of TVB's appeal to investors, and efficient connections around Heathrow are nationally important. However, the system is under strain (in terms of reliability and environmental pressures) and this will worsen in the context of growth.

While the case for intervention to shift travel to more sustainable modes applies across the UK, the scale of the challenge (and the likely value for money of successful interventions) is greater in TVB than in most other non-metropolitan areas and requires urgent action.

Ongoing 'corridor studies' emphasise the imperative to work cross-boundary, both within Transport for the South East (TfSE) and beyond, e.g. with England's Economic Heartland (EEH).

Congestion is a serious challenge in many parts of TVB, and future economic and population growth will only be possible if there is a concerted effort to create a more sustainable transport system. We propose a package of measures to effect long-term modal shift.

⇒ We will implement the sustainable transport measures set out in the Local Transport Plans and the strategy adopted by TfSE.

⇒ Through the planning process, we will work to ensure that new housing developments are served by (and contribute financially to) sustainable transport schemes.

⇒ We will investigate non-infrastructure measures to encourage modal shift (such as smart ticketing/ Oyster extension, workplace parking charges and congestion charging).

D: Implementing the Transport Strategy adopted by TfSE, particularly those regional interventions focused on Berkshire

TfSE has identified regional transport priorities. Locally these include:

- the Third Thames Crossing
- two road corridors (A33 (Reading to Basingstoke)) and A34 Midlands – via West Berkshire - to the southern ports
- development of the North Downs (Reading to Gatwick) railway service.

⇒ We will continue to work cross-boundary to implement the transport strategy adopted by TfSE.

E: Improving the sustainability of resource use – particularly water and energy

There are substantial constraints in relation to key resources in Berkshire, (particularly water and energy) due to the effects of population growth and the challenge of climate change. This is having widespread implications, including in relation to sectoral growth possibilities.

There is a need for more investment in capacity infrastructure and smarter and more efficient solutions, which reduce carbon emissions and build a more resilient network and utility service.

We need to increase the proportion of energy generated from renewables. We also need to work with utility providers to plan provision appropriately.

⇒ We will start to implement the actions set out in the Thames Valley Berkshire Energy Strategy, working with partners to model and identify sustainable and best value utilities services for our area.

...with central government

F: Securing Western and Southern Rail Access to Heathrow

Improved access from the west and south – to the existing two-runway airport – will bring substantial benefits, including productivity enhancements. It should also increase the international competitiveness of businesses in Berkshire and beyond. There ought to be indirect benefits as perceptions and experiences of connectivity change. There should also be significant gains in terms of responding to the climate crisis.

The plans for a western link are supported by two (shadow) Sub-National Transport Bodies – TfSE and EEH; and by Enterprise M3, Swindon & Wiltshire, Oxfordshire, and Buckinghamshire Thames Valley LEPs.

In July 2019, Department for Transport (DfT) published draft strategic objectives for a Southern Rail Link to Heathrow. In June 2019, DfT's Board Investment & Commercial Committee (BICC) agreed that a Western Rail Link scheme can now be funded through the DCO process. With Network Rail and DfT, we want to shore-up the commitment to deliver Western and Southern Rail Access to Heathrow.

⇒ We will continue to work with government to shore-up the delivery of western and southern access to Heathrow.

How this will contribute to our Vision and Overarching Priorities

In delivering these different actions, we will make headway in relation to our Vision and Overarching Priorities. This is summarised in the table below.

Table 4: Achieving our Vision through the INFRASTRUCTURE Foundation

Overarching Priority	How these actions will contribute
Enhancing productivity within Berkshire's enterprises	<ul style="list-style-type: none"> • ...by accelerating the adoption of digital technologies (INFRASTRUCTURE Action A)
Supporting ecosystems which are maturing and evolving, and which extend beyond Berkshire	<ul style="list-style-type: none"> • ...by implementing regional-level transport priorities, recognising their relationship to innovation ecosystems that span LEP Boundaries (INFRASTRUCTURE Action D)
Encouraging international trade, collaborations and investments.	<ul style="list-style-type: none"> • ...by securing better access to Heathrow Airport (INFRASTRUCTURE Action F)
Building vibrant places and a supportive infrastructure	<ul style="list-style-type: none"> • ...by accelerating a shift to more sustainable transport modes, both generally and in relation to the planning of new development (INFRASTRUCTURE Action C) • ...by supporting the delivery of Berkshire's Energy Strategy (INFRASTRUCTURE Action E)
Making Berkshire an inclusive area where aspirations can be realised	<ul style="list-style-type: none"> • ...by accelerating a shift to more sustainable transport modes, recognising the links to inclusive growth (INFRASTRUCTURE Action C)
Ensuring that economic growth contributes positively to Berkshire's environmental performance, recognising the need to respond to the climate crisis	<ul style="list-style-type: none"> • ...by supporting the development of a 5G logistics hub (INFRASTRUCTURE Action B) • ...by accelerating a shift to more sustainable transport modes (INFRASTRUCTURE Action C) • ...by supporting the delivery of Berkshire's Energy Strategy (INFRASTRUCTURE Action E) • ...by securing better access to Heathrow Airport by sustainable travel modes (INFRASTRUCTURE Action F)

11: BUSINESS ENVIRONMENT

Berkshire needs to be a place where businesses can scale-up and grow yet our track record in these terms is mixed. Growing businesses have a key role to play in driving the economy forward and securing new investment. They are also important in terms of generating clear opportunities for workplace progression.

What Berkshire will do

...with local partners

A: Raising productivity through the Thames Valley Berkshire Business Growth Hub and Funding Escalator

Berkshire has a reasonable group of high-growth and scale-up businesses, but it is important that these continue to invest and grow. Berkshire must provide a business environment that nurtures growing businesses. Thames Valley Berkshire Business Growth Hub (which supports the development of SMEs from a wide range of sectors) and the ScaleUp Berkshire Programme (which brings together scale-up experts and businesses in Berkshire which are ambitious for growth and have business turnover exceeding £1m pa) are playing key roles.

In parallel, the Thames Valley Berkshire Funding Escalator has already invested £9.97m in high-growth SMEs since 2013, created or safeguarded 751 jobs and leveraged £31m of private finance.

There is an institutional gap between the upper limit of the Funding Escalator (£300k) and the lower limit of the Business Growth Fund (£2m). This is exacerbated in that the finance on offer is mainly equity

⇒ Locally, we will work through our Growth Hub to make sure that more businesses understand

how to become more productive and to scale-up, building on the ScaleUp Berkshire Programme.

⇒ We will build on the Funding Escalator and continue to work with the Business Growth Fund and other partners to ensure that more businesses have appropriate access to finance and can grow – thereby closing the key funding gap that exists.

B: Promoting Berkshire as a platform for trade

TVB's international credentials are outstanding, but they cannot be taken for granted. We need to reinforce them, and we need to ensure that SMEs, high-growth and export-orientated businesses in Berkshire have the connections, knowledge, finance and risk appetite to explore new markets.

⇒ We will promote an export support programme to target High Export Potential businesses

C: Promoting Berkshire to international investors

Berkshire is a focus for international investment of many different forms, and it is important that this continues to be the case. However, the "market" for international investment is highly competitive and there are on-going risks, particularly given uncertainties linked to Brexit. Berkshire needs to take the initiative in this context.

New investors and existing foreign-owned companies (FOCs) must have informed guidance and advice to support their own investment and growth decisions; we must support growth through retention and in doing so mitigate the risk of economic shocks to the local economy.

Looking forward, we need to ensure that Berkshire's international 'offer' is clearly defined and promoted. It must be nested within the overall UK offer but focused on Berkshire's particular strengths and assets.

As part of our wider international offer, we also need to develop the business events industry with the aim of appealing to international business travellers.

⇒ We will work with the Thames Valley Chamber of Commerce to ensure that support services (including Key Account Management) for international investors are targeted and maximise the impact of FDI for Berkshire

D: Effecting a better supply of affordable start-up and grow-on space

Commercial land and premises are very expensive in Berkshire. There is evidence to suggest that small businesses are unable to grow locally because of property costs.

⇒ We will work with partners to ensure that the full range of provision for land and premises required by major sectors is available – from start-up (incubator, managed workspace) to grow on space – in suitable locations (both urban and rural).

...with central government

E: Using the public estate well

In Berkshire – as elsewhere – there are significant land and property assets tied up

with the public estate. These are especially important in Berkshire given the pressures on housing and employment land provision.

As sites/buildings become available, we will work with government to ensure that they are used well and in a manner which is aligned with the broader objectives of the BLIS.

⇒ We will work with Government – and through the One Public Estate route – to identify opportunities to release sites and premises for re-use in a manner that is aligned with our ambitions for more inclusive growth that is also more productive.

How this will contribute to our Vision and Overarching Priorities

In delivering these different actions, we will make headway in relation to our Vision and Overarching Priorities. This is summarised in the table below.

Table 5: Achieving our Vision through the BUSINESS ENVIRONMENT Foundation

Overarching Priority	How these actions will contribute
Enhancing productivity within Berkshire's enterprises	<ul style="list-style-type: none"> • ...by working through our Growth Hub to introduce more small businesses to the potential of the Scale Up Berkshire and the opportunities linked to Funding Escalator (BUSINESS ENVIRONMENT Action A) • ...by using our public estate well (recognising the need for employment space) (BUSINESS ENVIRONMENT Action E) • ...by improving appropriate and affordable employment provision (BUSINESS ENVIRONMENT Action D)
Supporting ecosystems which are maturing and evolving, and which extend beyond Berkshire	<ul style="list-style-type: none"> • ...by examining the provision of employment space in respect of anchor institutions (BUSINESS ENVIRONMENT Action D)
Encouraging international trade, collaborations and investments.	<ul style="list-style-type: none"> • ...by promoting export support to our smaller businesses (BUSINESS ENVIRONMENT Action B) • ...by developing measures to support our international business activities (BUSINESS ENVIRONMENT Action C)
Building vibrant places and a supportive infrastructure	<ul style="list-style-type: none"> • ...by promoting our places to international (business and visitor) audiences (BUSINESS ENVIRONMENT Action C)
Making Berkshire an inclusive area where aspirations can be realised	<ul style="list-style-type: none"> • ...by improving the provision of appropriate and affordable employment space (BUSINESS ENVIRONMENT Action D)
Ensuring that economic growth contributes positively to Berkshire's environmental performance, recognising the need to respond to the climate crisis	

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12: PLACE

Berkshire's places are among its key economic assets. Its towns need to function as economic and cultural hubs while its rural areas must be recognised for the wide-ranging roles they play in environmental, economic and social terms.

Across the piece there is a need for growth which is clean environmentally and inclusive both socially and in economic terms. These themes will be reflected in the next iteration of the Spatial Economic Narrative which will help to inform Local Plans.

What Berkshire will do

...with local partners

A: Supporting the role of Berkshire's town centres as economic and cultural hubs

DCMS research shows that culture makes places better to live in, work in and visit, and encourages businesses (including overseas businesses) to invest. A strong cultural offer makes a place distinctive and attracts high skilled workers. This in turn attracts firms and boosts employment opportunities.

Culture is also beneficial for social inclusion and it can help generate a sense of belonging. In Berkshire, the retention of talented individuals is hard, particularly given the attraction London presents for aspirational and ambitious young people; culture should be playing a key role in this context.

We would like to see our towns playing a key role in this context, including through the conversion of underused spaces into cultural venues or affordable spaces for early stage (including creative) businesses. We will build on key initiatives like the Adelphi in Slough, Reading Gaol and Easthampstead Works in Bracknell. Berkshire's town centres – both major ones, and within smaller market towns – are undergoing major changes as the retail sector is restructured and the role of High Streets develops. They need to function as economic and cultural hubs.

⇒ We will establish a TVB Place Making Board that will help to enable our towns to function as vibrant employment and cultural/tourism hubs; and support the development of the cultural sector more broadly.

⇒ We will work with local authorities to develop alternative strategies for Berkshire's High Streets, positioning them as places for enterprise, innovation and culture in a broader sense.

B: Harnessing the local benefits of national infrastructure

We need to plan for future long-term sustainable development. We have particular opportunities over the next few years:

- In relation to *Crossrail*, we need to emphasise the importance of areas around Crossrail stations as zones for future enterprise.
- In relation to *Heathrow Airport*, we need to work with major infrastructure promoters (including Heathrow Airport Limited (HAL), lead contractors and any delivery vehicle(s) established to take forward Heathrow expansion and other major schemes) to establish a mechanism to capture wider regional and local benefits, and mitigate environmental risks.

Making the most of these opportunities will go beyond the land use planning process, and will need to encompass workforce skills planning, access to supply chain links, etc. There are several examples of how infrastructures have been used to create benefits for the local and regional community (e.g. through supplier engagement, training and local workforce schemes set up for key developments). Berkshire will need to be exemplary in these terms.

⇒ We will work closely with neighbouring LEPs, our six unitary authorities and major delivery partners to ensure that communities and businesses across Berkshire benefit from the

growth opportunities linked to nationally significant infrastructure.

C: Advocate for inclusive growth through the provision of affordable housing

Housing in Berkshire is very expensive, and for those on medium or low incomes, it is unaffordable. The cost of housing (both to rent and to buy) is a major cause of socio-economic exclusion.

⇒ We will work with local authorities across Berkshire to continue to explore appropriate solutions, recognising the need to plan for sustainable communities across Berkshire.

How this will contribute to our Vision and Overarching Priorities

In delivering these different actions, we will make headway in relation to our Vision and Overarching Priorities. This is summarised in the table below.

Table 6: Achieving our Vision through the PLACE foundation

Overarching Priority	How these actions will contribute
Enhancing productivity within Berkshire’s enterprises	
Supporting ecosystems which are maturing and evolving, and which extend beyond Berkshire	
Encouraging international trade, collaborations and investments.	<ul style="list-style-type: none"> • ...by harnessing the full benefits linked to activities at Heathrow Airport (PLACE Action B)
Building vibrant places and a supportive infrastructure	<ul style="list-style-type: none"> • ...by establishing a Place Making Board (PLACE Action A) • ...by supporting the role of Berkshire’s towns as cultural and economic hubs (PLACE Action A)
Making Berkshire an inclusive area where aspirations can be realised	<ul style="list-style-type: none"> • ...by advocating for the provision of more affordable housing (PLACE Action C)
Ensuring that economic growth contributes positively to Berkshire’s environmental performance, recognising the need to respond to the climate crisis	<ul style="list-style-type: none"> • ...by establishing a Place Making Board (PLACE Action A)

13: Delivery commitments and alliances

The agenda set out in this document is an enormous one. Thames Valley Berkshire LEP will oversee its delivery, but substantive progress will depend on the collective muscle of partners across and beyond Berkshire, and from the private and public sectors alike.

We are committed to working with the other southern LEPs to drive forward the high-level agenda set out in Chapter 3.

We are also committed to an on-going dialogue with central government, not least to advance the joint initiatives across the five Foundations that we have co-designed and presented in preceding chapters.

In addition:

- Alliances will need to be forged and sustained to deliver the BLIS which extend beyond the boundaries of Berkshire: they will be driven by relevant functional footprints, and spatially, they may vary from one intervention to the next. These alliances will include regional arrangements where appropriate – e.g. Transport for the South East (TfSE),

partnerships linked to Heathrow Airport, and Innovation South.

- National relationships will also be needed – and Berkshire will offer to be a national trailblazer in relation to parts of its BLIS. For these, we would expect close relationships with relevant parts of central government (e.g. with DIT in relation to inward investment and Heathrow Airport).
- The unitary authorities will play a key role – particularly in relation to infrastructure. Implementation plans will be important here.
- Grant funding will need to feature, but in a minor and targeted way only (e.g. Shared Prosperity Fund). More generally, there will be a need to commit to potential funding mechanisms that are self-sustaining – including for infrastructure and other investments that have traditionally been funded through the public purse.
- There will be a mix of short- and long-term priorities and interventions. Amongst the former, there should be some that are “ready to go”, should relevant bidding opportunities emerge.

The detail of these delivery arrangements will be articulated further within our forthcoming Implementation Plan.

14: Monitoring and evaluation

The government is committed to devolution where there is a strong evidence-base, robust governance and delivery track-record in place. Robust evaluation is an essential element of demonstrating the effective use of existing public funding.

Progress in delivering the BLIS will be monitored in two ways. First, there will be a set actions for the LEP; these will be measured and

reported on as part of the LEP's Annual Delivery Plan. Second, there will be a set of wider economic indicators, focusing on the key themes of the BLIS (productivity, inclusive growth, etc.) and highlighting changing circumstances in Berkshire compared to those elsewhere. These will provide an indication of the progress of the BLIS overall.

TVB LEP will examine opportunities to embed evaluation into programmes and policies. The LEP will also continue to assess the latest evidence on "what works" for interventions, in collaboration with independent experts.

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