Worcestershire
Local Enterprise Partnership

# 03 – Central Government Updates

*WLEP Board*

07 August 2025

# Areas covered…

- Industrial Strategy launch
- Business Growth Service and Small Business strategy updates
- Spending Review 2025 headlines
- Get Britain Working White Paper
- Skills England
- Changes to Careers Education

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# Invest 2035:
# The UK's Modern Industrial Strategy

# Overview

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- Industrial Strategy White Paper (Released June 2025)
  - A 10-year strategy to drive sustainable economic growth through investment, innovation, and productivity.

- Government Objectives:
  - Long-term growth: Backed by private & public investment
  - Mission-led focus: Targeted outcomes in productivity, net zero, regional prosperity
  - Sector-based plans: Deep dives into priority industries
  - Place-based action: Local funding focus via ‘Strategic Authorities’
  - Narrative shift: From reactive economic policy to strategic industrial planning with delivery mechanisms tied to regions and zones.

# Sector-based plans

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- Plan to boost business investment in eight priority sectors (the “IS-8”)
- Aligns with broader government goals: net zero, regional growth, economic security
- Eight Priority Sectors:
  - Advanced Manufacturing
  - Clean Energy Industries
  - Creative Industries
  - Defence
  - Digital & Technologies
  - Financial Services
  - Life Sciences
  - Professional & Business Services
- Sector plans launched for five currently; the others (Defence, Financial, Life Sciences) to follow
- “Frontier industries” within these eight sectors provide specific focus – e.g., batteries, AI, cyber security, agri-tech

# IS8 Frontier Industries…

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| Advanced Manufacturing | Creative Industries | Clean Energy Industries | Digital and Technologies |
|---|---|---|---|
| • Aerospace<br>• Advanced Materials<br>• Agri-Tech<br>• Automotive<br>• Batteries<br>• Space | • Advertising and Marketing<br>• Film and TV<br>• Video games<br>• Music, Performing and Visual Arts | • Wind<br>• Fusion Energy<br>• Nuclear Fission<br>• Hydrogen<br>• Carbon Capture, Usage and Storage<br>• Heat Pumps | • Artificial Intelligence<br>• Engineering Biology<br>• Advanced Connectivity Technologies<br>• Quantum Technologies<br>• Semiconductors<br>• Cyber Security |
| **Financial Services** | **Defence** | **Life Sciences** | **Professional and Business Services** |
| • FinTech<br>• Insurance and Reinsurance Markets<br>• Sustainable Finance<br>• Capital Markets<br>• Asset Management and Wholesale Service | • Drones and Autonomous Systems<br>• Combat Air<br>• Directed energy weapons<br>• Complex weapons<br>• Maritime capabilities | • Pharmaceuticals<br>• Medical technologies | • Accountancy, Audit, and Tax<br>• Management Consultancy<br>• Legal Services |

# Cross-Cutting Support Mechanisms

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To support growth in the IS-8, the strategy includes systemic reforms:

| Area | Policy Change |
|---|---|
| **Energy & Grid** | Industrial grid access reforms, green levies scrapped for manufacturers |
| **Innovation & R&D** | £86bn R&D envelope, National Data Library, IP reform |
| **Skills & Labour** | Digital, and AI skills funding; also support for apprenticeships |
| **Finance & Investment** | British Business Bank expansion (£25.6bn total), National Wealth Fund (£27.8bn total) |
| **Regulation & Approvals** | Faster planning & permitting in key zones |

# LEP analysis…

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- Vital document for guiding economic development (ED) activities at the local level…
  …but lacks detail on what ought to be delivered locally and regionally to support implementation

- No resources allocated to local ED teams to support businesses to engage in activities referenced in the Industrial Strategy

- Growth, productivity, employment, innovation and trade will serve as likely benchmarks for measuring future success

- IS places importance on strengthening resilience in supply chains, including domestic production – a new Supply Chain Centre will further study IS8 and publish fundings

- Increased focus on MCAs and an ambition to become AI value creators

- The Industrial Strategy encompasses a substantial number of initiatives, and many of these are still to be fully defined. This may lead to further initiatives which are relevant at a local level.

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# Business Growth Service (BGS) and SME Plan – Backing Your Business

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# Business Growth Service – context

- DBT soft launched the national ***Business Growth Service*** in June and on 31 July 2025 published the ***SME Plan – Backing Your Business: Our Plan for Small and Medium Sized Businesses***.

- First time since 2007 that HMG have launched a small business strategy.

- Launch introduces the new BGS brand under which will be the core business support services provided centrally by DBT and locally through the Growth Hubs – both integrated with the new digital offer (the BGS website).

- Focus will be on providing businesses with a more cohesive, joined-up route to support to help them start up, scale and grow. Key to this will be improving the online support offer as well as promoting the in-person support available, with a focus on local provision.

- Close collaboration between DBT and the Growth Hubs is required to ensure a seamless join-up – a toolkit has been provided to GHs to ensure consistency of messaging, tone, values etc.

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## Support network

### Your local Growth Hub

Backed by the government, this is your local access point for advice and support from the public and private sectors. It's free to use and staffed by experts who understand business needs.

Learn more about Growth Hubs

### Worcestershire Growth Hub

**Website** worcestershiregrowthhub.co.uk

**Email** info@worcestershiregrowthhub.co.uk

WORCESTERSHIRE GROWTH HUB

www.worcestershiregrowthhub.co.uk info@worcestershiregrowthhub.co.uk 01905 677888

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# The Business Growth Service will launch with a core set of services from DBT and will expand gradually

| Enhanced Business Support Channels | Growth Hubs | Integrating DBT Services | Business Academy | A New Unified Access Point |
|---|---|---|---|---|
| The Business Support Service will be integrated into the BGS, offering telephone, and webchat support (alongside email and social media channels) to assist businesses in real-time. | A new partnership delivery model for Growth Hubs, with the opportunity to co-brand with the BGS, to ensure consistent and aligned support across regions, while setting up longer term workstreams for continuous improvement. | Help to Grow Management and Essentials and DBT's export support will be unified under the BGS umbrella streamlining the support ecosystem. | Launch the Business Academy programme (delivered through Export Academy Platform). Providing webinars to support businesses through key growth stages. | The new website (business.gov.uk) will consolidate information on government support, providing a single destination for businesses to find the resources they need. |

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# The Business Growth Service achieve its vision in phases

Ongoing Improvements based on SME insight

## Current Position

- Business.gov.uk, a new website providing simplified access to support
- Business Academy announced building out from the Fuel your Business Growth series
- Working with Growth Hubs to develop a new partnership delivery model.
- Business Support Service integrated into business.gov.uk
- Launch of SME Voices: to ensure we embed the views of business into the ongoing development of BGS

## Aug – Dec 2025

- Integrating initial AI into business.gov.uk
- **Video on Demand functionality developed for Business Academy** .
- Integrating DBT's export and domestic support under a BGS brand
- Increased personalisation and improved user content.
- **All Growth Hubs co-branded with BGS.**
- Developing common data standards and shared outcomes with partners

## Jan – June 2026

- **Introducing improved account functionality for business.gov.uk users**
- Improved self-serve content integrated into business.gov.uk covering key business growth stages
- First stage of data sharing between BGS and Growth Hubs
- Phase 1 of **integrating wider government support services for SMEs.**
- **Finalise new partnership delivery model** with Growth Hub partners, including data sharing principles

## December 2026

- Ongoing improvements to the digital offer including improving data sharing and new self-serve offers
- **Developing approach to integrating additional non-Gov support offers into the BGS.**
- BAU governance, monitoring & evaluation and continuous improvement/innovation in place

**The BGS and Growth Hub Task & Finish Groups will play a key role in co-designing the future of BGS,** helping develop the branding, data sharing approach and customer journeys across the service.

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# Business Growth Service will launch on 31st July as part of the government's Backing your business: Plan for SMEs

- We are launching the Business Growth Service as part of our new SME Plan – Backing Your Business: Our Plan for Small and Medium Sized Businesses. It will set out how the government will back entrepreneurs and businesses with support and help boost productivity across the country.
- **The launch will take place on Thursday, 31st July via a publication on GOV.UK and a ministerial visit to SMEs**. This will be complimented by a series of activities throughout the week, via press, social media, stakeholder engagement, covering different aspects of the strategy for e.g., late payments, supporting high streets etc.
- We have started engaging key stakeholders, such as BBB, Growth Hubs, Trade Associations, Business Rep. Organisations to help promote and amplify BGS post launch.
- **A toolkit and FAQs has been developed to help you promote the Business Growth Service through your channels. We will share this, along with a summary of the strategy with you at launch**.

In the coming months, we will host **a series of regional roadshows** to promote the Business Growth Service, as well as launch a new **SME Voices Panel** to shape its future development. **We would welcome the opportunity to work closely with Growth Hubs on this.**

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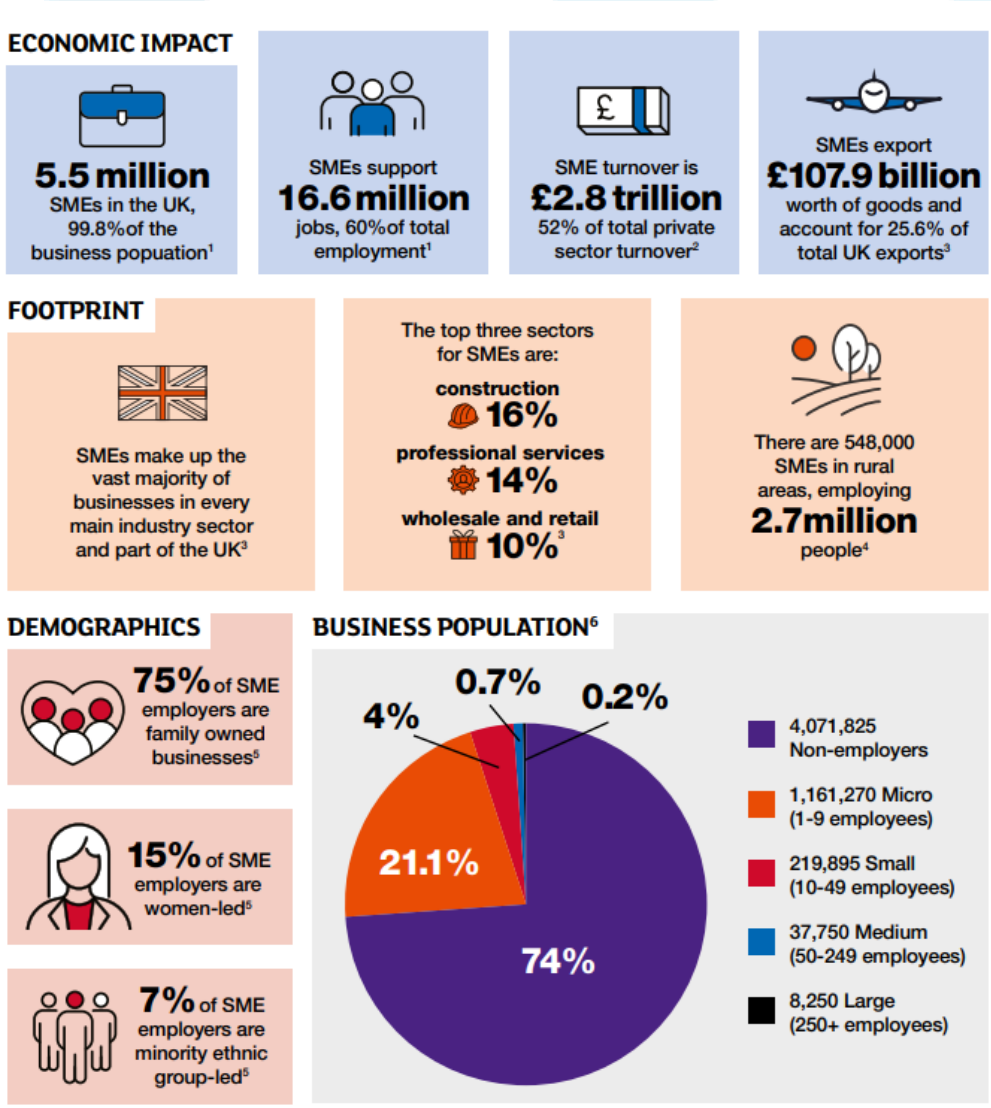
# UK's Small and Medium-sized business landscape

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# Impact on WGH…

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- WGH principle has been to maximise input and engagement during the consultation and implementation stages – coordinated local business and regional key stakeholder BGS & SBS consultation meetings
- Leading on the Customer Journey Task & Finish group for the BGS (West Mids GH cluster)
- Completed data sharing agreement for easier, detailed referral sharing
- Implemented monthly meetings with National Business Support Service account manager
- Working with DBT/WeAreUmi to update WGH's offerings on the BGS website
- WGH will leverage learning and insights from the West Midlands Growth Hub Cluster to augment the service correctly going forward
- Host regular meetings with DBT Export team, Chamber of Commerce and local Growth Hubs
- Future GH funding for 2026/27+ to be confirmed – talk of multi-year funding settlement

A network partner of the Business Growth Service

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# Get Britain Working White Paper

# Headlines…

**Economic Inactivity**

- Seen a significant rise in recent years, therefore the White Paper set out to address key UK labour market challenges.
- The focus of the reform is to empower local areas to deliver joined up employment, health and skills support to achieve an economic activity rate of 80%.

**Key Commitments**

- Extra NHS appointments to scale up the contribution of the NHS to improve employment outcomes.
- Looking at health needs and service to support individuals back in employment ( 8 trailblaziers)
- Youth Guarantee to ensure every young person has the access to training and employment.
- Local areas will write their local Get Britain Working plan to create local links between health, skills support and employment support.
- Connect to Work plan – Back into Work support programme
- A new jobs and careers service focused on engagement, employment and earnings.
- An independent review into the role of employers in promoting healthy and inclusive workplaces.
- A health and disability Green paper in Spring 2025.

# Commitment locally…

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**A single system across government departments**

- Identify how a joined-up system across jobs, careers service, local support and health systems, with clear routeways and referral points for users could improve to outcomes of moving / keeping people in work.

**Accountability and Governance**

- Government to support local areas to create suitable accountability frameworks, where these are not in place, and underpin relationships with Central Government.
- Agree outcomes and how different partners should be held to account.

**Better Use of Data**

- Improve data to understand local population needs and design future programmes.
- Better tracking and evidence base
- Data sharing agreements in place between Central and Local government to identify barriers to improved outcomes.

**What does this mean for Worcestershire ?**

- Connect to Work with Launch in Autumn 2025, which will work with 2000 people over 5 years to support them to re-engage with the workplace.
- Local 'Get Worcestershire Working Plan' to be submitted in September 2025 to outline the pathway to a single system on health, employment support and skills and training to increase and maintain the economical activity % of the population.

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# Skills England:
# A Future Fit Skills System

# Headlines…

**Skills England:**

- Skills Challenges: several challenges that limit economic growth and opportunities, including a fragmented skills landscape, skills mismatches, and local disparities

- High-Demand Jobs: highlights occupations that are in high demand and projects their growth in the future. Key sectors include digital technologies, green workforce, life sciences, and construction

- Unified Skills Assessment: Skills England aims to provide a unified assessment of national skills needs, ensuring that qualifications and training programs are aligned with these needs

- Local Skills Systems: emphasizes the importance of local skills systems that meet regional needs while forming a coherent national network

- Future Megatrends: future megatrends, such as technological advancements and the transition to a green economy, will impact the UK labour market. The focus of the reform is to empower local areas to deliver joined up employment, health and skills support to achieve an economic activity rate of 80%.

- Expansion of Apprenticeships: the need to expand apprenticeship programs across various sectors, particularly in high-demand areas like digital technologies, green industries, and construction

# Headlines…

**Skills England:**

- Flexible Apprenticeships: Suggests providing additional support and resources to help SMEs participate in apprenticeship programs and proposes the introduction of foundation apprenticeships as a pathway for young people and those with limited work experience to gain essential skills and work readiness.

- Quality and Accessibility: Stresses the importance of ensuring that apprenticeships are of high quality and accessible to a diverse range of individuals, including those from underrepresented groups

- Employer Engagement: Encourages stronger collaboration between employers and training providers to design apprenticeship programs that: meet the specific needs of businesses and industries

- Funding and Support: There is a focus on increasing funding and support for apprenticeships to make them a viable and attractive option for both employers and apprentices.

# Growth and Skills Offer locally…

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- A wider more **flexible** skills offer to enable employers to access a broader range of high-quality training offers**.**
- Skills England will play a crucial role in determining which **training will be eligible for the expanded levy.**
- Employers will be encouraged to invest in apprenticeships and training to address skills shortages.
- Apprenticeships will remain **central to the skills offer** continuing to provide support a high skill high productively workforce
- Apprenticeships will provide genuine progression **opportunities, prioritising quality and rigour.**

**What does this mean for Worcestershire?**

- Introduction of foundation apprenticeships over 2026/27 – however questions remain on deliverability
- Impact on current apprenticeships programme – young people entry level in workforce, existing workforce higher skills.
- Capability of Worcestershire training providers to respond to local needs given funding, curriculum changes

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# Careers and Enterprise Company

# Objectives for Careers for young people…

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Our ambition is to ensure young people in education receive the support they need to make informed choices about their learning, training and employment opportunities.  This will break down the barriers to opportunity for young people, helping them to progress to good jobs, driving growth and productivity.

**Key Commitments of the future offer**

- Provide Strategic leadership on the careers agenda:  co-ordinated national through local hubs to drive continuous improvement in careers education for young people.

- Support educational establishments to deliver high quality careers programmes and drive continuations improvement in line with the Gatsby  benchmarks. – including primary, secondary, colleges, special schools, independent training providers and other settings.

- Deliver enhanced support  to young people whose needs are not otherwise sufficiently met. Support to overcome barriers which limit their opportunities.

# Changes to Careers Education…

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**Vision for Work Experience**

Ambition to deliver two weeks' worth of work experience for every young person- with a focus on multiple, targeted and variable workplace experiences, totalling 10 days – not just two weekly expereinces.

- Expect work experience to be pivotal in improving work readiness and employability
- Experiences should be aspirational and inspirational, employer-led, first hand and active.
- Expecting this to be broken down into a weeks' worth in year 7-9 and a further weeks' worth in year 10 or 11.

**What Does this mean for Worcestershire ?**

- Push nationally to increase the level of quality careers education
- Employer engagement in creating enough experience in workplace - particularly with Y7 – 10. Given SME structure of employers in the County.
- Funding to scale up the level of work Worcestershire has been delivering given expectations and short term nature, include volume of funding to achieve the task.

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# Spending Review 2025

# Headlines…

**Growth Mission Fund**

- Invest £240m of capital from 2026/27 to 2029/30 in projects that enable local job creation and economic regeneration
- Further details on the fund, criteria and selection process to be set out later in Summer 2025

**Local Funding**

- 25 trailblazer neighbourhoods will receive up to £20m over the next decade – the focus on communities funding
- 1 neighbourhood selected in Worcestershire (Warndon West, Worcester)
- MHCLG to set out further details

**Industrial Strategy**

- Several headline announcements included – full details to be set out within IS8 sector plans
- Some already allocated e.g. £2.5bn to enable Small Modular Reactor – Rolls Royce selected as preferred partner
- Some with potential for local agencies to pitch e.g. Local Innovation Partnerships Fund, led by UKRI, will have £500m to spend on initiatives that build innovation in clusters. Some funding is pre-allocated to MCAs. Remainder will be allocated through competition for clusters in all other parts of UK to bid for support to grow their innovation ecosystems

**Revenue funding**

- No announcements included in Spending Review 2025 re: UKSPF beyond March 2026
- Business Board Network (BBN) and local lobbying activity

# Conclusions (1/2)…

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**Taking advantage of IS initiatives**

- IS initiatives are not always earmarked for involvement of local agencies.

- However, it's clear that those areas with best understanding of their local businesses can participate to a greater extent and reap the benefits of the growth which can then arise

- Funding examples:
  - ***Local Innovation Partnerships Fund***, led by UKRI, will have £500m to spend on initiatives that build innovation in clusters. Some of the funding is pre-allocated to MCAs. Support to grow innovation ecosystems.
  - ***Catalyst Pilot***, led by UK Tech Group, £40k opportunities to support start-ups and innovation

- WLEP are monitoring funding opportunities, particularly in relation to three core areas of Plan for Growth:
  - Business support
  - Innovation
  - Skills

# Conclusions (2/2)…

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**Directly supporting businesses and the importance of local business intelligence**

- Business engagement activity can help ensure local businesses secure more funding and supply chain opps, expanding the number of local companies actively involved in IS initiatives, which in turn will lead to greater economic growth.

- Delivering effective account management in conjunction with a broader local investment strategy is, therefore, the key takeaway for local areas from this strategy.

- ***British Business Bank Cluster Champions*** will ensure that proactive work is in place to provide funding to businesses in the IS8 across 10 City Regions (in Greater Manchester, West Yorkshire, the West Midlands, Liverpool City Region, South Yorkshire, North East, West of England, Glasgow City Region, Cardiff City Region, and Belfast City Region).
    - However, a detailed local knowledge of individual businesses can help ensure that the funding is targeted effectively, and a locally based account management programme (WGH) is a valuable conduit in providing the maximum success in securing the financing

- ***The Connections Accelerator Service*** aims to ensure that new projects with the potential to create high-quality jobs and deliver significant economic value are quickly connected to the power grid. The government recognises the importance of collaborating with Local Authorities (LA) on this initiative. However, only those LAs aware of the opportunities being considered by their businesses can most effectively influence the process

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# Worcestershire 2040 Vision:

"A **connected, creative, dynamic economy** for all."

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