2026 Worcestershire Economy report

Delivering economic growth and jobs in the county

Worcestershire
Local Enterprise Partnership

Foreword

Welcome to the 2026 edition of the Worcestershire LEP's Annual Economic Report - created for, and shaped by, our local business community. Your insights, shared throughout the year, continue to be instrumental in guiding our priorities and ensuring this report remains both relevant and valuable.

This year's edition provides a clear, evidence based view of Worcestershire's economic performance, drawing on intelligence from national, regional, and local sources. It benchmarks our position against wider trends and highlights where the county continues to outperform.

Worcestershire enters 2026 in a broadly resilient position. Unemployment remains low, compared to the regional and national averages, supported by long term strategic planning and sustained investment. Whilst we see rises in youth unemployment across the county in our towns, our labour market overall remains strong. Progress against the ambitions set out in the Plan for Growth (2020–2040) continues at pace, with job creation, GVA and housing delivery targets to 2025 all exceeded. Our work to strengthen productivity, skills, and innovation in the County, with programmes such as BetaDen, Catalyse Angel Network, and the Growth Hub providing vital support to businesses at all stages of growth.

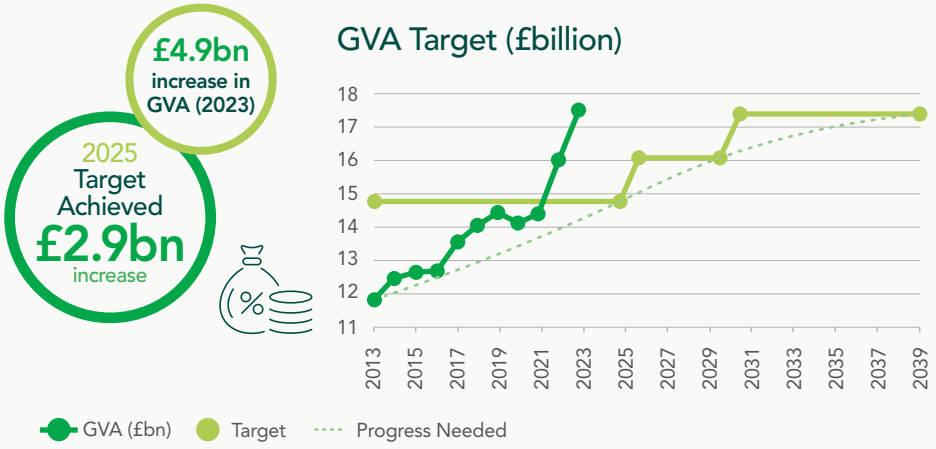
Nationally, the UK economy is expected to see modest GDP growth in 2025/6, however, Worcestershire is well placed to capture economic benefits, with the advantages of locating in the County. Regional priorities in innovation, education and infrastructure continue to reinforce our position within a wider West Midlands. Locally, we anticipate steady, sustainable growth supported by investment in skills, improved connectivity, and a property market that remains resilient and attractive.

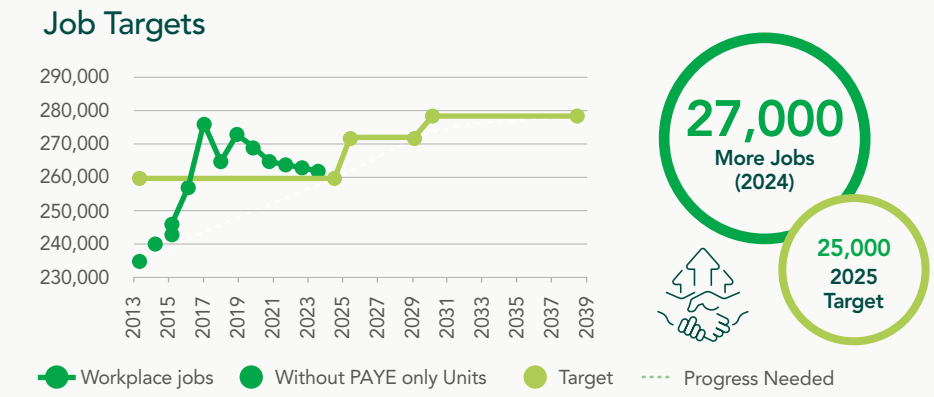
However, challenges remain. With the confirmation from Government that the UK Shared Prosperity Fund (UKSPF) will cease, and the introduction of the Local Growth Fund (LGF) focused solely on Mayoral Combined Authorities, Worcestershire, like many places, now find themselves facing a fundamental question – how do we continue to support enterprise, growth, and productivity when the rules, and the resources have changed?

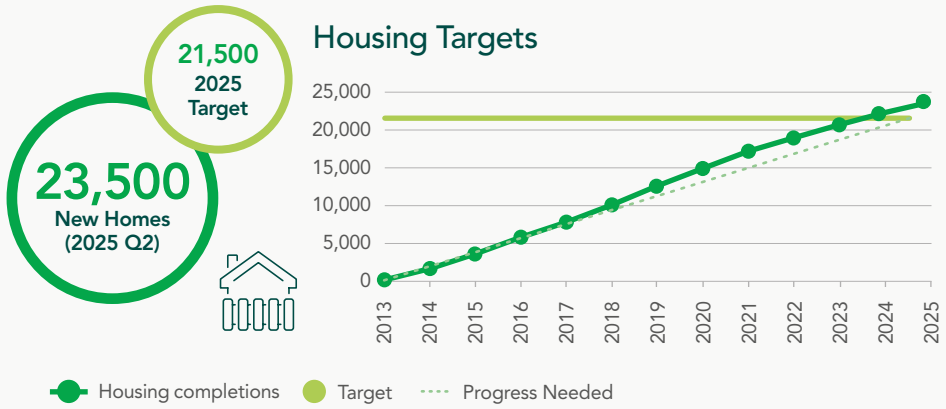
The higher cost of operating a business, skills shortages, global uncertainty and shifting trade relationships continue to influence business confidence. Employers tell us that recruitment pressures persist, and concerns about apprenticeship funding reforms are widely shared. Yet, despite these headwinds, Worcestershire continues to attract new investment, and many established businesses are expanding their operations—underlining the county's long-term appeal.

This year, we are pleased to introduce a new feature showcasing some of Worcestershire's standout companies—from major employers to innovative 'ones to watch'. Their stories highlight the ambition, creativity, and resilience that continue to define our local economy.

Paul Walker, MBE,
Worcestershire LEP Chair







Kidderminster Town Hall

Introduction

This annual report provides an update of the status of the Worcestershire economy. It is informed by the updated evidence base used to develop the county's economic strategy, Worcestershire's Plan for Growth (2020-2040), which was launched in September 2021, and superseded the Strategic Economic Plan (SEP). It monitors progress on the strategic targets set out in the plan, as well as other key performance indicators across the five foundations of productivity:

- Ideas
- Skills
- Infrastructure
- Business Environment
- Place

The impact of the coronavirus pandemic on the Worcestershire economy is now reflected in all of the latest data.

Our Key Sectors

WLEP has identified three opportunity sectors and three cornerstone sectors that are important for the future growth and sustainability of our economy. The cornerstone sectors are central to our local economy and represent large volumes of jobs. They are business administration and professional services; construction; and health and care.

The opportunity sectors have significant potential for high-value growth. They are advanced manufacturing; cyber security, IT and defence; and horti/agricultural technology.

Economy at a glance

Worcestershire's Plan for Growth sets out a long-term framework (to 2040) for supporting economic growth, improving productivity, and ensuring greater social inclusion. The Worcestershire economy is diverse with no single sector or employer dominating, making it more resilient to economic shocks.

There has been good progress made against the strategic economic targets around job creation, GVA, and housing delivery, all of which have now been met or have exceeded their 2025 target trajectory.

Economic growth over the Plan for Growth period has been achieved against a challenging backdrop. The coronavirus pandemic resulted in a significant but temporary contraction in economic activity in 2020, followed by a period of recovery and accelerated growth from 2021 onwards. This progress has been enabled by a resilient and diverse economic business base.

Employment growth has similarly reflected this pattern. While labour markets tightened significantly in the post-pandemic period, Worcestershire has continued to support high levels of employment, benefiting from a broad mix of sectors and a strong skills base. However, the county remains a net exporter of labour, with more working residents than workplace jobs, reinforcing the importance of improving local job density, productivity and wage levels as part of the next phase of the Plan for Growth.

Housing delivery has played a critical role in supporting economic performance, helping to accommodate population growth and labour supply. Strong delivery across recent years has contributed positively to the county's economic resilience, although affordability pressures persist in parts of Worcestershire. Aligning future housing growth with infrastructure provision, employment opportunities and sustainable transport will remain central to supporting inclusive growth.

Despite wider national and global pressures, Worcestershire has surpassed its 2015–2025 GVA uplift target, demonstrating sustained expansion across key sectors. Regional productivity, however, remains below the levels of the UK's strongest-performing areas, signalling an ongoing need for productivity-enhancing investments.

Overall, Worcestershire has delivered sustained growth, strong employment performance and forward-looking investment in infrastructure and innovation. Remaining priorities include closing productivity gaps and ensuring that future housing and transport developments continue to support inclusive, sustainable economic expansion.

621,360
Resident population (2024)

£17.5
Billion GVA (2023)

77.6%
Employment rate (Jul 2024 - Jun 2025)

2.9%
Claimant count unemployment rate (Dec 2025)

25,810
Businesses (2025)

262,000
Jobs (2024)

89%
Businesses have 0-9 employees (2025)

2,880
Business births (2024)

115
High growth enterprises (2024)

Business Efficiency and Low Carbon Economy

Alongside economic growth, the Plan for Growth and the Worcestershire Energy Strategy place increasing emphasis on sustainability and the transition to a low-carbon economy. Worcestershire has committed to halving carbon emissions relative to 2005 levels by 2030, doubling the size of the low-carbon economy and significantly increasing renewable energy generation.

Progress towards these objectives has continued. Carbon emissions across the county have fallen substantially since 2005, with recent years showing a renewed downward trend. This places Worcestershire broadly on track to meet its 2030 carbon emissions reduction target. Equally, given the increases in energy costs, businesses have been supported to become more energy efficient, resulting in further investment to reduce the costs on their bottom line.

The low-carbon economy has also demonstrated growth and diversification of businesses within our local economy. The low-carbon sector activity has seen strong growth rates with sustained growth across renewable energy, energy efficiency, waste and resource management, including emerging clean technologies. While further acceleration will be required to fully meet long-term ambitions, current trends indicate that Worcestershire businesses are engaging with this ever-growing market, including diversity to their core product.

Looking Ahead

Taken together, performance against the original 2025 targets provides a strong foundation for the next stage of delivery under the Plan for Growth. The focus now shifts towards sustaining growth, improving productivity, supporting innovation-led businesses and ensuring that economic and environmental objectives are delivered in tandem. Continued collaboration between public, private and education partners will be essential in translating this progress into long-term, inclusive and sustainable outcomes for Worcestershire through to 2030 and beyond.

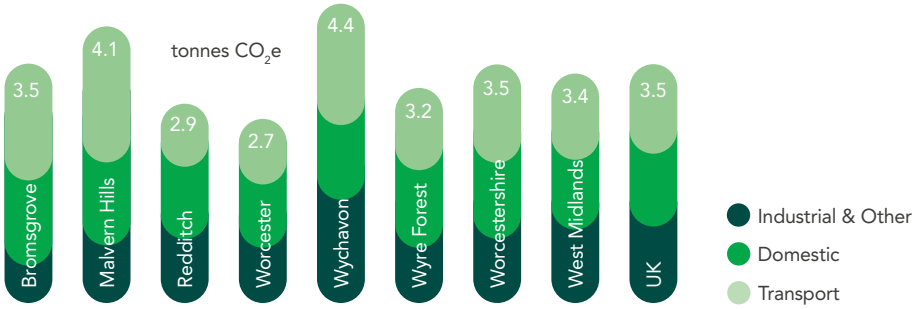
The Plan for Growth (2020-2040) has set further targets to 2040 as follows:

18,500 more jobs

GVA - a further £2.5bn p/a

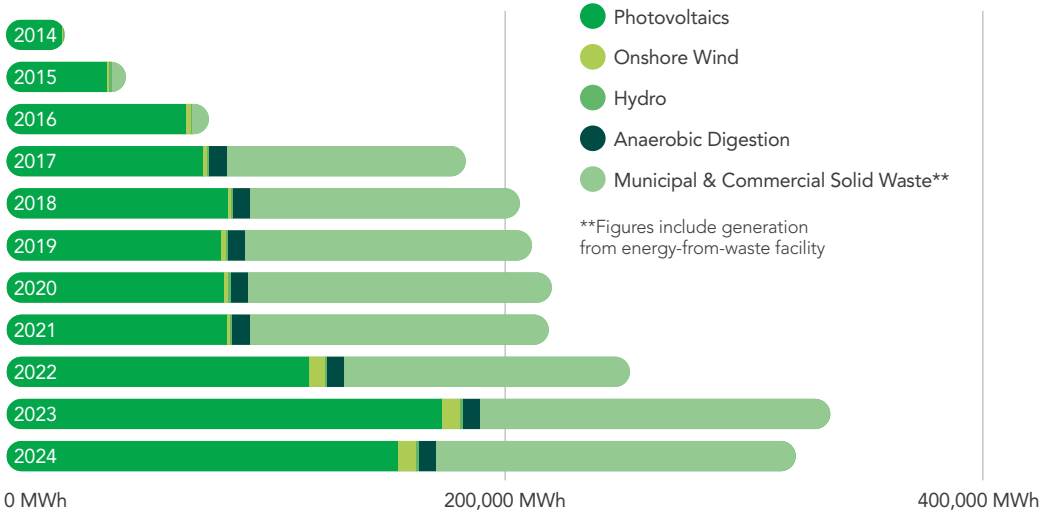
Carbon Emmission Per head (2023)

Per Capita Emmisions (tonnes CO_2e)



Renewable Energy (2014-2024)

Generation By Source** (MWh)



Focus Area: Places

What does the data say?

Although around 86% of the area of Worcestershire is classified as rural, only 7% of the population live in rural areas and 29% of jobs are located in rural areas. Of the opportunity and cornerstone sectors all have a slightly higher-than-average proportion of employment in rural areas, particularly Agri tech (84%) and Cyber, IT & Defence (51%). The only opportunity and cornerstone sector where the proportion of jobs located in rural areas is lower than 40% in 2024 is health at 33%.

The target of 21,500 new housing completions was achieved in Q4 2023 with current data showing cumulative housing completions at 23,530 in Q2 (April to June) 2025. Analysis by district shows that in the year to June 2025, housing completions were highest in Wyre Forest (460) followed by Bromsgrove (290). House prices to earnings ratios are highest in Bromsgrove, Malvern Hills and Wychavon. These three districts have the second, third and fifth highest ratio of house prices to local earnings of all Local Authorities in the West Midlands, meaning they are amongst the least affordable areas to buy property in the region, behind only Stratford-on-Avon. However, the picture is mixed across the county, with housing more affordable than the England average in Wyre Forest, Worcester and Redditch.

The Visitor Economy has contributed £1.05 billion to Worcestershire's economy in 2024–25, underscoring its continued role as a critical driver of growth and employment for the area. During this period, the County welcomed 16.5 million visitors, reflecting the strong appeal of Worcestershire's stunning landscapes, heritage, and leisure offer. Notably, overnight stays now account for 8% of all visits, rising from 1.1 million to 1.3 million over the past three years. This steady upward trend stands in sharp contrast to the national decline of around 10% in overnight stays, highlighting Worcestershire's strengthened competitiveness in attracting longer-stay visitors and higher-value tourism. However, day trips have reduced from 17 million in 2022 to 15.2 million in 2024/25, an 11% decline that aligns with wider national patterns. Recent VisitEngland data indicates a 12% drop in day trip volumes across England compared with 2023, with cost-of-living pressures & changing leisure behaviours being behind the shift.

The Index of Multiple Deprivation (IMD) ranks small areas in England where 1 is the most deprived. Deprivation in Worcestershire areas is generally below average, with only 25% of small areas in Worcestershire in the lowest 4 IMD Deciles, compared to 40% nationally. However, there are pockets of deprivation in urban areas, with some areas of the county in the worst 10% nationally, including parts of Worcester, Redditch, Wyre Forest, and Malvern.

Canal and St Mary's Church Kidderminster

Housing completions (2024-2025)

1,450 ↗ 50

Value of Tourism Economy (2024-2025)

£1,050m ↗ 9%

Ratio house-prices to earnings (2024)

8.19 ↘ -0.56

Claimant count (Dec 2025)

2.9% ↘ 0.3pp

Worcestershire LEP Analysis

The challenges facing the national economy are very similar to those locally experienced. The top issues from the Chamber of Commerce Quarterly Economic Survey identified the barriers to growth linked to global events around rising employment costs, inflation, price rises and increasing input costs. However, the success or otherwise of the Worcestershire economy is not reliant on a single employer or sector, and as such, it tends to be more resilient to macro-economic shocks. Further survey results highlight businesses in Worcestershire remain positive about their mid to long-term prospects, with further growth being forecast.

We now see Government plans for greater housing numbers to be delivered in the county, with District Councils, who are responsible for Local Plan making having to identify larger sites to come forward. These plans include a new town in Worcestershire, currently earmarked as Wychavon town, which will be based around the Worcestershire Parkway railway station. This new town is planned to see 10,000 houses over the next 20 years come forward. Government policy has focused on five missions which include economic growth, and in Worcestershire three local areas, Warndon West in Worcester, Birchen Coppice in Wyre Forest, and Greenlands in Redditch have each been awarded 'Pride in Place' funding over the next 10 years. As a result, Government investment for communities and places is very localised and does not spread through the whole county geography. We have seen the end of UK Shared Prosperity Funding, which highlights a change in the way business and skills support is funded. Worcestershire having seen large capital and regeneration investment as part of the Government's Towns Fund, Future High Streets Fund and Levelling Up fund are now seeing projects coming to fruition in terms of the Shrub Hill Development, Redditch Town centre investment, Bromsgrove Windsor Street and Nailers Yard, alongside The Old Court, Piano Building and Town Hall in Wyre Forest.

All of these capital and revenue projects will continue to support leveraging of private sector investment, which in turn will support delivery of our Plan for Growth (2020-2040). WLEP will continue to use our role and influence to ensure future funding bids are successful in gaining further investment into the county. This will ensure Worcestershire continues to be a great place to live, work and do business.

Focus Area: People

What does the data say?

There are nearly 34,000 more working residents than jobs in Worcestershire, making the county a net exporter of labour. Workplace earnings are lower than resident earnings, particularly in Bromsgrove, Wyre Forest and Worcester, reflecting commuting to higher-wage areas such as the Birmingham conurbation.

Productivity (GVA per hour worked) increased in 2025 but remains below the national average, although the gap has narrowed slightly. Productivity is particularly low in Wyre Forest, ranked the 15th lowest local authority in England, while Bromsgrove ranks 32nd highest out of 362.

Over the past five years, employment growth has been strongest in Health (+4,000 jobs), while Business Administration & Support Services declined by 10,000 jobs (2019–2024), impacting youth entry routes into the labour market.

In Worcestershire, 67% of workers are full-time (35+ hours), below regional and national levels (both 71%). The Claimant Count has fallen slightly overall, though the Youth Claimant Count has risen marginally. Economic inactivity stands at 19.6%, below the regional (22.0%) and national (20.9%) averages.

Careers provision remains strong, with Worcestershire schools achieving an average of 6.38 of the 8 Gatsby Benchmarks, with a further 1.43 benchmarks in progress. However, a national reset of the benchmarks will alter performance reporting from 2026.

Apprenticeship starts rose again in 2024/25 to 3,790 (+110 on 2023/24), with 42% at Advanced level. Higher apprenticeships exceeded the previous year, while Intermediate and Advanced were at 99% and 94% of 2023/24 levels respectively. Growth was seen in key sectors:

- Business, Administration & Law (103%)
- Health, Public Services & Care (109%)
- Construction, Planning & the Built Environment (133%)

Of all starts, 55% were under 25, reinforcing apprenticeships as a key youth employment pathway.

The proportion of Year 12 and 13 young people who are NEET increased slightly in 2025 following a small decrease in 2024.

Workplace Jobs (2024)
262,000 ↘-1,000

Claimant Count Unemployment (2022-2025)
10,765; 2.9% ↘-660; -0.2pp

Economic Inactivity (2017-2025)
69,500; 19.6% ↗8,100; +2.0pp

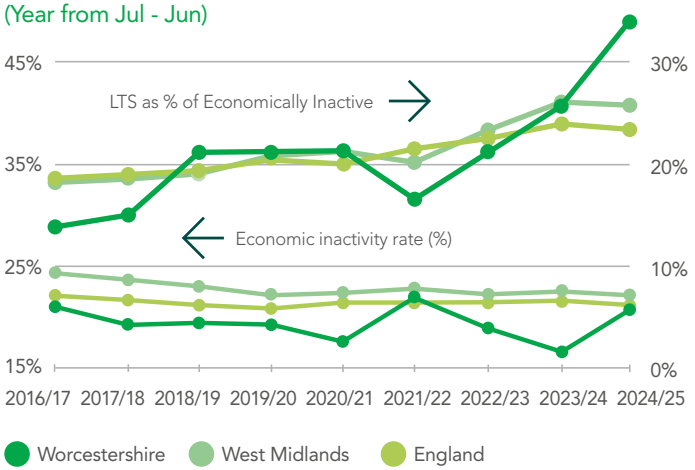
Youth Claimant Count Unemployment (2022-2025)
2,190; 5.4% ↗165;0.4pp

Average Gatsby BM Achieved (2018-2025)
6.38 ↘-0.38

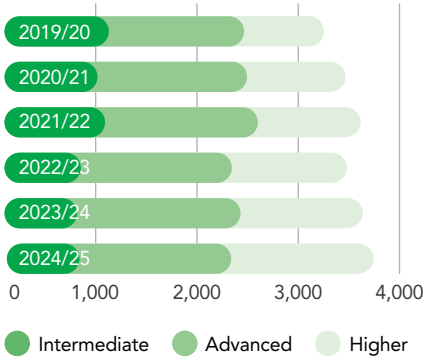
GVA per hour worked (June 2024-June 2025)
£38.40 ↗£1.20

Economic Inactivity & Long Term Sick (LTS)

(Year from Jul - Jun)



Apprenticeship Starts



Average Earnings

Worcestershire LEP Analysis

In 2025, Worcestershire produced its Get Worcestershire Working plan examining structural labour market challenges beneath strong headline employment rates (79–80%). Despite strong employment, economic inactivity is rising among those aged 50–64 (nearly 24%), driven by health conditions, early retirement and limited return-to-work pathways.

Youth unemployment stands at 5.1%, with 624 young people NEET (May 2025). Barriers include skills gaps, transport access and employer reluctance to recruit entry-level roles amid minimum wage and National Insurance increases affecting SMEs.

Qualification disparities within Worcestershire are significant, with 44% of residents who are economically inactive with no qualifications. When employers face persistent recruitment challenges, with vacancy pressures intensifying since 2023, employers' desire candidates who can add immediate value. This highlights a lack of future workforce planning but also a need for deeper integration between employment, health and skills systems to support these residents.

In response, Worcestershire prioritises a whole-system, partnership-driven approach through Get Worcestershire Working. This strategy brings together district councils, the NHS, the Department for Work and Pensions, Worcestershire Growth Hub, colleges, community organisations and employers to deliver a single countywide plan focused on strengthening employment outcomes and job quality. Over the past year, delivery has included targeted support for disadvantaged groups, integrated employment and health services, and deeper employer engagement to improve recruitment and workforce development.

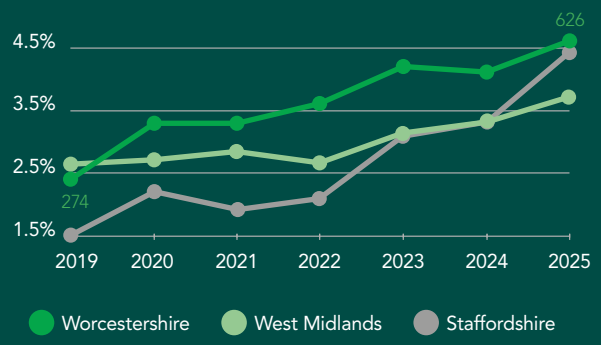
A core ambition of Get Worcestershire Working is to embed employment as a health outcome, recognising the link between good work and wellbeing, and to support residents with health conditions or disabilities through integrated support pathways. Worcestershire is also simplifying access through a "no wrong door" approach, enabling residents to navigate employment, health and skills support more easily.

The county is strengthening progression pathways for young people by expanding work experience, industry placements, and exposure to priority sectors aligned with the Government's Youth Guarantee. Workforce development is being supported through curriculum reform and improved labour market intelligence, helping FE and skills providers respond to emerging needs. Programmes such as Careers Worcs continue to raise awareness of local opportunities, strengthen employer engagement, and build a sustainable talent pipeline.

From Autumn 2025, Worcestershire has expanded tailored support through Connect to Work, focusing on residents facing the greatest barriers to employment, including long-term health conditions. This complements the regional rollout of WorkWell, which has helped hundreds of employed residents return to work through clinically and non-clinically supported pathways. Both programmes emphasise early intervention to support , health-aligned employment support and employer focused guidance on inclusive, sustainable workforce practices.

Together, these efforts place Worcestershire on a long-term path toward achieving its 80% employment ambition, reducing inactivity and enabling residents and employers to thrive in a connected, inclusive labour market.

Year 12 & 13 Residents NEET (June)

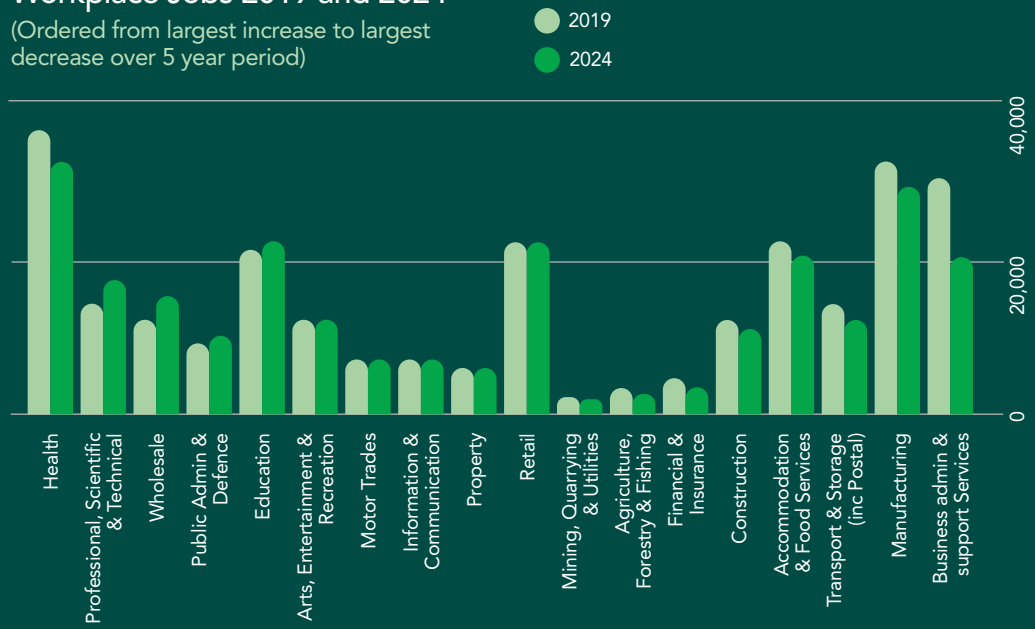


Usual Hours Worked

12 Months to June 2025

Workplace Jobs 2019 and 2024

(Ordered from largest increase to largest decrease over 5 year period)



Focus Area: Business Environment

What does the data say?

The total number of enterprises in Worcestershire fell by 0.7% in 2025 to 25,810, continuing a three-year decline from 28,745 in 2022. In comparison, enterprise numbers increased by 0.4% in the West Midlands, while England recorded no change.

The largest sectoral decreases in 2025 were in:

- Business administration & support services (-150 enterprises)
- Retail (-45)
- Manufacturing (-40)

Sectors showing growth included:

- Property (+35)
- Professional, scientific & technical (+30)
- Arts, entertainment & recreation (+30)
- Motor trades (+20)

Business births increased by 285 in 2024, while business deaths decreased by 950. Malvern Hills was the only district to record fewer business births than in 2023, while all districts saw fewer business deaths year-on-year. Business deaths remain notably higher than the county average in Bromsgrove and Wychavon, potentially reflecting management companies registering multiple businesses at the same address.

Micro-enterprises dominate the business base: 89% of businesses employ fewer than 10 staff, and 78% have fewer than 5 employees.

High-growth enterprises (10+ employees with average employment growth of 20%+ per year over three years) remain steady at 115 in both 2023 and 2025, representing 4.2% of enterprises. This matches the West Midlands rate but is below the UK average of 5.0%. Changes were limited to Bromsgrove (+5) and Wychavon (-5). Redditch has the highest proportion of high-growth firms (4.8%), and Wychavon the lowest (3.7%).

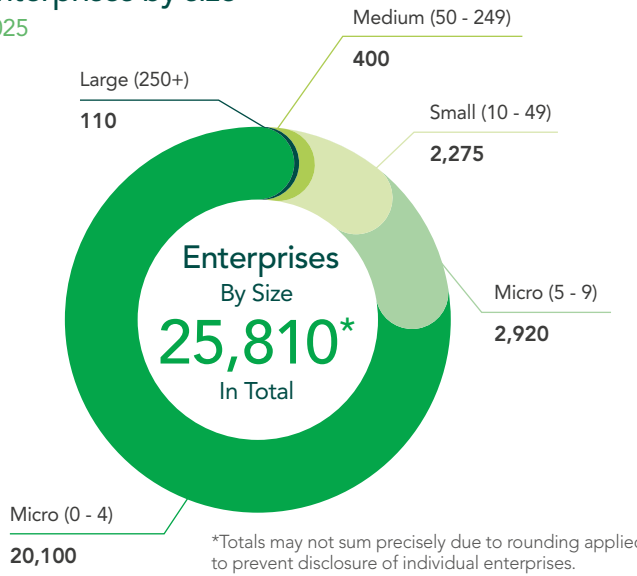
Office vacancy rates decreased in Malvern Hills, Redditch and Worcester in 2025 with Malvern Hills showing the largest decrease, down to 2.1% from 8.0% in 2024. Industrial premises vacancy rates saw growth between 0.1% and 3.0% in 2025 with the largest increases in Malvern Hills, Bromsgrove and Wychavon.

International trade data (2023) shows 60 fewer Worcestershire businesses exporting to the EU and 25 more exporting to non-EU markets compared to 2022. The United States remains the largest source of foreign-owned parent companies, followed by Germany, Luxembourg, Ireland and the Netherlands.

In 2024/25, the Worcestershire Growth Hub supported 1,486 businesses and generated over 4,000 referrals into support programmes. During the UKSPF period, the Growth Hub supported the creation of 216 new jobs.

Enterprises by size

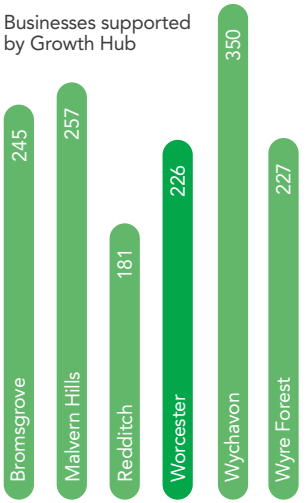
2025



*Totals may not sum precisely due to rounding applied to prevent disclosure of individual enterprises.

Business Engagement

2024/25



Businesses Supported (2024-2025)
1,486 ↗ 359

High Growth Enterprises (2023-2025)
115 → 0

Enterprises (2025)
25,810 ↘ -195

Business Births (2024)
2,880 ↗ 285

Business Deaths** (2024)
2,890 ↘ -950

**Data has been adjusted to exclude business births and deaths at postcodes with more than 500 businesses, likely to indicate a management company and that businesses are not physically located at this address.

Worcestershire LEP Analysis

The continued decline in enterprise numbers reflects a challenging business environment, despite stable high-growth activity. Business confidence remains cautious, with rising costs and tax uncertainty encouraging consolidation rather than expansion.

Recruitment and retention remain ongoing challenges. Employers report skills gaps, particularly in engineering, alongside concerns around workforce motivation. However, businesses investing in structured recruitment, wellbeing and progression pathways report stronger retention and morale.

Concerns are growing around future support beyond April 2026, particularly with the planned cessation of UKSPF funding in March 2026. Changes to HMRC's Making Tax Digital (MTD) requirements are also creating anxiety, particularly among sole traders unaware that the £50,000 turnover threshold includes additional income streams such as rental income.

Despite uncertainty, the Growth Hub remains a trusted entry point for advice, particularly for micro and sole-trader businesses navigating regulatory change. Increasingly, support is focused on strengthening financial resilience and preparing businesses for future funding opportunities.

Skills Boost Worcestershire has delivered over 2,840 courses to 2,240+ residents, supporting 600+ local businesses to upskill and reskill staff over the last two years.

Apprenticeships continue to be a popular referral route, offering a cost-effective method of recruitment and workforce development.

There are also positive growth stories. Several foreign-owned businesses have invested in capital expansion and job creation locally. Over the past three years, the Growth Hub has supported the creation of 216 new jobs, while BetaDen continues to help entrepreneurs commercialise innovation. The LEP has also established Catalyse Angel Network to attract private capital into local scale-ups.

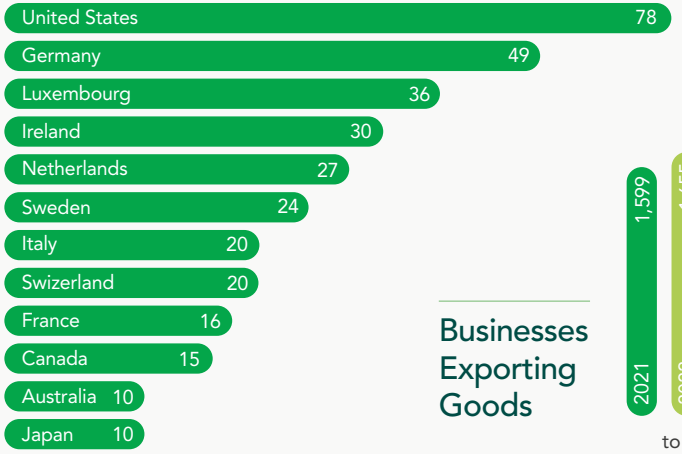
Central government has confirmed Growth Hub funding for the next three years. However, with UKSPF ending in March 2026 and the new Local Growth Fund focused on Mayoral Combined Authorities, Worcestershire faces an important strategic question: how to sustain enterprise and productivity growth as funding structures and resources evolve.

High Growth Enterprises

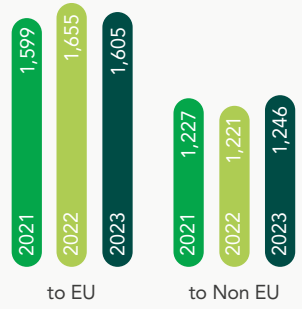
Number of Enterprises

Foreign Owned Businesses

(Top 11 Countries)



Businesses Exporting Goods



Focus Area: Ideas

What does the data say?

The value of Innovate UK grants awarded to Worcestershire companies fluctuates significantly year to year. Over the past five years, Worcestershire businesses have secured 0.1% of total funding, below their 1.0% share of the national business base. Most grants have been awarded to Responsive projects, followed by Manufacturing, Materials & Mobility and Ageing, Society, Health & Nutrition sectors.

Latest data (2022/23) shows that since 2019/20, R&D tax credit claims have fallen by 38%, while qualifying R&D expenditure decreased by just 8%, increasing average expenditure per claim.

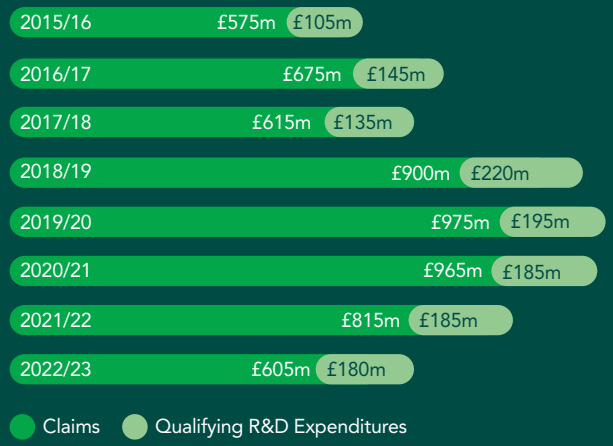
The proportion of Worcestershire businesses undertaking innovation (50.7%) remains well above the England average (37.1%), exceeded only by Stoke-on-Trent & Staffordshire among comparator areas.

Science, research, engineering and technology professionals now account for 10.4% of employment (APS July 2024–June 2025) — up 1.7 percentage points since 2022/23 and slightly above the UK average of 10.3%.

Since 2019/20, Worcestershire businesses have secured over £1.4 million in Innovate UK Knowledge Transfer Partnerships, with West Midlands universities accounting for over 50% of award value.

Claims for R&D Tax Credits

& Qualifying R&D Expenditure*



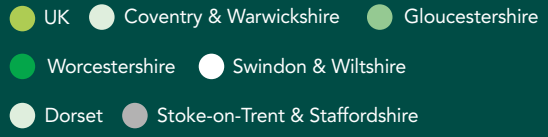
*Companies have 24 months from the end of their accounting period to make a claim for tax credits. Partial data for 2022/23 has been uplifted to give a full year estimate.

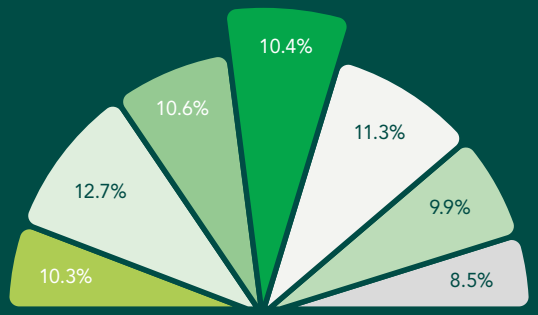
Number of Innovate UK Grants

By Sector (2020/21 - 2024/25)

% In Employment

In Science, Research, Engineering & Tech. (Jul 2024 - Jun 2025)





Worcestershire LEP Analysis

The LEP has continued to collaborate with local partners and stakeholders with the aim of enhancing Worcestershire's innovation ecosystem. Our renewed focus on three critical areas – talent development, funding capability, and innovation enablers – has resulted in several significant achievements over the last 12 months.

Talent Development

Following the expansion of BetaDen's Incubation programme, alongside its Acceleration offer, more than 70 early-stage innovators have been supported through tailored mentoring and peer learning over the last 18 months.

In 2025, the LEP supported delivery of the Primary STEM Challenge, inspiring over 3,500 pupils across Worcestershire. More than 83 schools participated in the finals, hosted by Yamazaki Mazak and Kidderminster College, reinforcing strong employer-education links.

The LEP and Careers Hub also delivered Generation STEM, engaging over 100 female students from middle and secondary schools. Through interactive workshops and exposure to women working in engineering, manufacturing, technology and research, the programme promoted career pathways within Worcestershire's growing STEM sectors.

Creating more Enablers

To improve access to external funding and innovation support, the Growth Hub launched a dedicated Innovation & Growth Support Area on its website, creating a single access point for coaching, scale-up programmes and skills support from local, regional and national providers.

Collaboration across the innovation ecosystem was further strengthened through the inaugural Worcestershire Tech Fest (Jan–Feb 2025), delivered jointly by the LEP, Growth Hub, BetaDen and Midlands Cyber. Spanning 10 events over two weeks, the festival attracted 500+ attendees and showcased strengths in AI, cyber security, digital adoption, IP and finance.

Following strong feedback, a second Tech Fest was delivered in February 2026, featuring an expanded programme including an AI conference, manufacturing showcase and pitch practice events, further raising the profile of Worcestershire's tech and innovation assets.

In addition, the LEP established a Women in Tech & Innovation Community, now with 60 members, launching its strategy at Tech Fest 2026 to support women in the sector and inspire future participation.

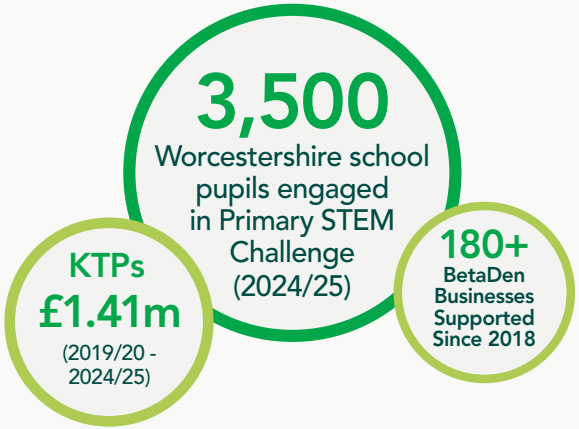
Strengthening Funding Capability

In partnership with the County Council, over 40 local businesses secured match-funded grants through the Innovation, Elevate and Enterprising Worcestershire schemes, supporting R&D, expansion and job creation over the past year.

In November 2025, WLEP launched the region's first Angel Network, Catalyse Angel Network, with support from the British Business Bank. Within three months, Catalyse built a network of 30+ investor members. At its first pitching event, all five presenting businesses received investor interest, resulting in £20k committed to one business, £40k secured by another, and two further companies progressing through due diligence, with one introduced to Venture Capital discussions.

Interest continues to grow, with 20+ businesses applying for the March 2026 pitching round and plans for quarterly sessions over the next 12 months.

Finally, the LEP Innovation Board, Executive Team and stakeholders collaborated on a competitive UKRI funding bid, submitted in February 2026 following five months of development. If successful, this would unlock significant further investment to strengthen Worcestershire's innovation ecosystem.



R&D Tax Credits (2022-2023)
£180m ↘ £5m

Innovate UK Grants Awarded (2024-2025)
£1.29m ↘ -£452K

Science, English & Tech Professionals (2024-2025)
10.4% ↗ 1.3pp

Over 500
delegates attended inaugural **Worcestershire Tech Fest in 2025**

Focus Area: Infrastructure

What does the data say?

Recent growth in renewable electricity generation in Worcestershire has been driven mainly by increasing photovoltaic capacity and energy from waste. However, 2024 data shows a 4% reduction in total renewables generation, with both photovoltaics and onshore wind operating at lower capacity than in 2023. Some generation sources (including sewage gas, landfill gas and plant biomass) have been suppressed in published datasets since 2019 for commercial confidentiality, and are therefore excluded from longer-term comparisons.

The latest available data for carbon emissions per head (2023) indicates that Worcestershire remains broadly in line with regional and national levels, with emissions decreasing again in 2023 and remaining below pre-pandemic levels. Rural districts continue to record higher emissions per head, largely due to higher transport-related emissions. Wychavon records the highest emissions across sectors, while Bromsgrove has the lowest industrial emissions and Worcester the lowest domestic and transport emissions per head.

Transport usage has continued to recover following the pandemic. Local bus journeys per head fell sharply from 16.2 in 2019/20 to 4.5 in 2020/21, but have since increased to 13.2 in 2024/25, although Worcestershire remains one of the lowest comparator areas. Traffic volumes have also increased, with total vehicle miles exceeding pre-pandemic levels in 2023 and continuing to rise in 2024. Rail passenger numbers increased again in 2024/25, reaching 95% of pre-pandemic levels, with particularly strong growth at Worcestershire Parkway and Hartlebury.

Digital connectivity continues to improve through sustained public and private sector investment. Worcestershire has made further progress towards the target of 90% gigabit-capable broadband coverage by 2027, with 87% of premises able to access gigabit-capable speeds as of December 2025, up 3 percentage points on the previous year. While overall gigabit access compares favourably with national and regional levels, coverage varies by district, with Malvern Hills and Wychavon lower than the county average.

Only 0.4% of premises continue to experience very slow broadband speeds (below 10 Mbps download / 1.2 Mbps upload), below the England average of 1.0%, although the highest shares are in Malvern Hills and Wychavon. Mobile coverage is also improving, with widespread availability of 4G and growing access to 5G, though the most rural districts still record lower confidence in very high-quality 5G coverage compared with urban areas such as Worcester.

Worcestershire Parkway Rail Station

Worcestershire LEP Analysis

There has been significant investment into Worcestershire's strategic transport network over the last eight years with key new assets delivered by the partnership, to improve the strategic connectivity of the county. The Southern Link Road (A4440) and dualling of Carrington Bridge at the south of Worcester city has helped to relieve congestion and improve access to and from the motorway network with the west of the county.

Currently the A38 route through Bromsgrove is being enhanced with a series of junction improvements, signalling and capacity enhancements including active travel corridors. The scheme should be completed by the end of 2026.

In addition to these successes, we continue to strive for more. The A46 remains a key priority for investment to remove constraints to economic growth around Evesham and to support delivery of the South Worcestershire Local Development Plan.

From a rail perspective, the Worcestershire Parkway railway station saw improvements to the timetable include a twice hourly service to Birmingham and the cross-country service adding services to Bristol, Edinburgh, also a regular bus service from the west of the County means better public transport access to the station. Usage of the station continues to grow, with patronage over 13 years ahead of the projected forecast. Engagement with the rail industry, central government and stakeholders continues to be a key focus for Worcestershire, as we seek further improvements to the number and frequency of rail services stopping and calling at all our rail stations in Worcestershire.

Indeed, key priorities identified by partners and key stakeholders for the county include delivering on Worcestershire's rail strategy to improve strategic connectivity and encompasses the North Cotswold Rail scheme to improve frequency and speed of rail connections to Oxford and London and improving access to the National Rail network within the county through increasing car parking capacity at key stations.

Fundamental to achieving the economic vision is the access to better and more reliable fixed and mobile digital connectivity. A digitally connected county will streamline the delivery of services, but will also ensure the county remains an attractive and productive place to live, work and invest.

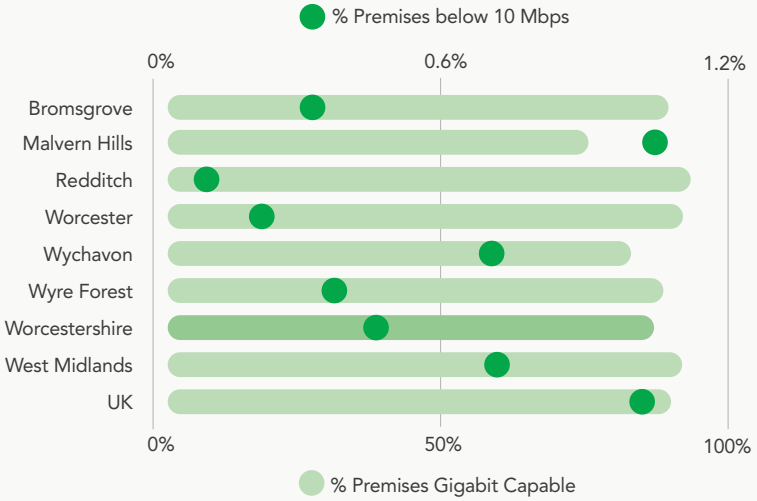
Currently, we are focused on working with the private sector investors and public sector scheme of project gigabit to ensure all premises have gigabit speeds of broadband. This enables trials and innovative individual projects through our work with communities to improve their connectivity and make a case for one of the mobile and broadband operators to invest. Examples such as Network on Wheels, identifying where indoor boosters can improve coverage and usage in Broadway Tower.

Rail Station Entries & Exits (2019-2025)
8.8m ↗ 0.9m

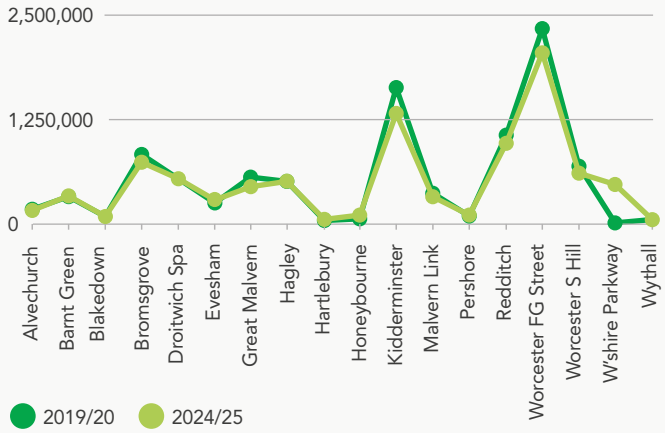
Gigabit Capable Premises (2025)
86.7% ↗ 3.1pp

5G Data Traffic (2019-2024)
1,900TB ↗ 1,020TB

Broadband Coverage



Passenger Entries and Exits By Rail Station



Top 20 Businesses in Worcestershire (by turnover)

Understanding the businesses that drive regional prosperity is essential for assessing the strength and resilience of the local economy. This list highlights 20 of the county's highest turnover companies, offering insight into some of the organisations making significant contributions to employment, investment, and growth. While not exhaustive, this snapshot helps illustrate the breadth and dynamism of the wider business community and the collective role it plays in shaping the county's future development.

No.	Company	Description	District	Sector
1	Phoenix Group Management Services Limited	Part of Phoenix Group, one of the UK's largest long-term savings and retirement businesses, providing life insurance, pensions and asset management services.	Bromsgrove	Financial and insurance activities
2	Halfords Group PLC	National retailer and motoring services provider specialising in automotive products, bicycles, e-bikes, servicing, MOT testing and repair through its retail and garage networks.	Redditch	Professional, scientific and technical activities
3	Victoria P.L.C.	International designer, manufacturer and distributor of innovative flooring products, including carpet, ceramic tiles and luxury vinyl flooring.	Wychavon	Manufacturing
4	Unimetals Recycling (UK) Limited	Metal recycling and processing company specialising in the collection, treatment and export of ferrous and non-ferrous scrap materials.	Wychavon	Water supply, sewerage, waste management and remediation activities
5	Sanctuary Housing Association	One of the UK's leading housing and care providers, delivering social housing, supported living, care services and property development.	Worcester	Social Housing / Housing Association
6	Selco Trade Centres Limited	Builders' merchant supplying trade professionals with construction materials, timber, plumbing and building products through a national branch network.	Bromsgrove	Wholesale and retail trade / repair of motor vehicles and motorcycles
7	Westbridge Food Group Limited	International food trading and distribution company supplying poultry, meat and added-value food products to major UK retailers and food service providers.	Malvern Hills	Wholesale and retail trade / repair of motor vehicles and motorcycles
8	Bosch Thermotechnology Ltd	Manufacturer of domestic and commercial heating systems, including boilers, heat pumps and renewable heating technologies under brands such as Worcester Bosch.	Worcester	Manufacturing
9	Yamazaki Mazak U.K. Limited	Manufacturer of advanced CNC machine tools and automation systems, operating a major European production and technology centre in Worcester.	Worcester	Manufacturing
10	Strategic Workforce Solutions Group Limited	Workforce management and recruitment services provider delivering staffing, compliance and labour solutions across multiple sectors.	Bromsgrove	Administrative and support service activities
11	Lexon (UK) Limited	Pharmaceutical wholesaler and distribution business supplying medicines, healthcare products and services to independent pharmacies across the UK.	Redditch	Wholesale and retail trade / repair of motor vehicles and motorcycles
12	Steer Automotive Group Limited	Automotive repair and accident management specialist operating a network of vehicle bodyshops and repair centres nationwide.	Worcester	Wholesale and retail trade / repair of motor vehicles and motorcycles
13	Karndean Holdings Limited	Designer and manufacturer of luxury vinyl flooring products supplying residential and commercial markets globally.	Wychavon	Wholesale and retail trade / repair of motor vehicles and motorcycles
14	Nutrius UK Topco Limited	Food manufacturing and supply group specialising in prepared foods and private-label products for UK retailers and food service markets.	Bromsgrove	Financial and insurance activities
15	Menzies Distribution Solutions Limited	Logistics and distribution company providing time-critical delivery services across retail, healthcare and parcel networks throughout the UK.	Wychavon	Transportation and storage
16	Cathedral Motor Company Limited	Automotive retail group operating franchised car dealerships and vehicle servicing operations.	Bromsgrove	Wholesale and retail trade / repair of motor vehicles and motorcycles
17	Freeman Junior Holdings Limited/Startin Group	Family-owned automotive retail group operating franchised dealerships, vehicle servicing and parts distribution across the Midlands.	Redditch	Financial and insurance activities
18	Primafruit Limited	Fresh produce supplier sourcing, packing and distributing fruit to major retailers and wholesale markets.	Wychavon	Wholesale and retail trade / repair of motor vehicles and motorcycles
19	F.W. Thorpe Public Limited Company	Designer and manufacturer of professional lighting systems for commercial, industrial and public-sector applications.	Redditch	Manufacturing
20	Duferco UK Limited	Steel trading and distribution company supplying a wide range of steel products to construction and manufacturing sectors.	Bromsgrove	Wholesale and retail trade / repair of motor vehicles and motorcycles

WLEP's 20 Worcestershire Businesses to Watch in 2026

The Worcestershire Businesses to Watch list shines a spotlight on an alternative selection of businesses that are also making a meaningful impact on the county's economy and showing strong potential for future growth. It isn't a league table or a comprehensive directory of high performing firms; rather, it's a curated snapshot that showcases the innovation, ambition and economic opportunity emerging across Worcestershire at this moment in time, and demonstrates the diversity and vibrancy of the local business base.

The list has been shaped using a blend of publicly available data, local economic insight and partner intelligence. This includes ONS business and employment data, Worcestershire Growth Hub engagement records, award and accreditation information, participation in innovation programmes, and sector insights from local business networks. Inclusion, or absence, should not be taken as a judgement of overall performance or strategic importance. Instead, businesses were identified through a structured, non-scoring review of both economic indicators and qualitative factors that reflect activity at the point of compilation.

Business	Description	District
Growth, export and high-potential SMEs		
DRPG	Award-winning creative communications and events agency with a growing national and international client base; Business of the Year at the 2024 Chamber Awards, recognised for sustainability leadership.	Wychavon
OOSC Clothing	Fast-growing sustainable apparel brand and King's Awards for Enterprise 2024 (International Trade) winner, exporting Worcestershire-designed products globally.	Wychavon
Slicker Recycling	Circular economy business specialising in sustainable waste-oil recycling, strong export activity and King's Awards for Enterprise 2024 recognition.	Wyre Forest
OLPRO	Outdoor leisure and camping equipment brand combining e-commerce growth with product innovation; winner of Excellence in Innovation at the Chamber Awards.	Malvern Hills
OBEX Protection	Manufacturer of specialised surface protection films, tapes, EPDM membranes and sealing products for industrial and construction use, serving UK and international markets.	Malvern Hills
Innovation, technology and scale-ups (BetaDen & wider ecosystem)		
Utelize	Telecommunications provider for businesses, creator of an award-winning eSIM and mobile network, recently securing multi-million-pound investment from London-based BGF.	Malvern Hills
Scalably	An e-commerce integration platform that utilises artificial intelligence to handle marketplace onboarding. Scalably were founded in 2021 and have experienced rapid growth since then.	Malvern Hills
Optimec Systems	Advanced optical metrology business serving global ophthalmic manufacturers, with strong export growth and specialist manufacturing capability.	Malvern Hills
Treadcheck	Automated tyre inspection technology for HGV fleets, improving safety, compliance and operational efficiency.	Redditch
DMA Technologies	Online conferencing and virtual exhibition platform supporting hybrid events and digital engagement for businesses and organisations.	Worcester City
Zone Manager	Redditch-based logistics and delivery management software optimising site access, fleet efficiency and congestion reduction.	Redditch
Garland Surgical	An exciting, innovative med-tech company whose current focus is on extending the lifespan of total hip replacements. International patents secured.	Malvern Hills
FarX	Using their internationally patented proprietary technology in human/computer interaction to safeguard delivery of secure online services.	Malvern Hills
Visitor economy, food & drink and place-based businesses		
Attwell Farm Park	Award-winning family attraction, named Large Visitor Attraction of the Year by Visit Worcestershire, growing from 30,000 visitors in 2017 to 250,000 in 2025.	Bromsgrove
Stanbrook Abbey Hotel	Independent luxury hotel and events venue with growing business tourism and conferencing activity; multiple Visit Worcestershire awards.	Malvern Hills
Hogarths Stone Manor Hotel	North Worcestershire hospitality venue for corporate and leisure events, known for accessibility and ongoing staff development investment.	Wyre Forest
Piston Distillery (Piston Gin)	Award-winning craft distillery producing premium small-batch spirits for UK and export markets, building brand recognition through innovation and global awards.	Worcester City
Hopley's Family Camping	Long-standing independent rural tourism family-run business combining camping, events and local food experiences, with continued expansion of its offer.	Wyre Forest
Avoncroft Museum	Wyre Forest heritage attraction and Small Visitor Attraction of the Year winner, focused on immersive experiences and culture-led development partnerships.	Bromsgrove
Wagtail Retreat	Luxury vineyard cabin and rural tourism business, winner of New Tourism Business of the Year 2024/25, recently adding a jewellery experience led by a 7th-generation jeweller.	Malvern Hills

Worcestershire Apprenticeships Awards

Stourport Basins

Malvern Hills Science Park

Conclusion

This Worcestershire Economy Report 2026 provides a snapshot of the county's economic performance, drawing together the latest available data, local intelligence and partner insight to inform understanding of where Worcestershire is today and where it is heading. It reflects both the progress made against the ambitions set out in the Plan for Growth and the challenges that continue to shape the local economic landscape.

The evidence presented throughout this report demonstrates that Worcestershire has entered the next phase of its long-term economic strategy from a position of relative strength. Employment, housing delivery and economic output have all performed well against the original targets set to 2025, despite significant disruption from the pandemic and ongoing global economic uncertainty. The county's diverse economic base, with no single sector or employer dominating, continues to underpin its resilience and capacity to adapt to change.

At the same time, the report highlights several persistent and emerging challenges that will require sustained focus over the coming years. These include productivity and wage levels that remain below national averages, skills shortages across key sectors, rising youth unemployment pressures on housing affordability in parts of the county, and the need to accelerate investment in innovation and infrastructure. Addressing these issues will be central to unlocking higher-value growth and ensuring that economic success is shared across Worcestershire's communities and places.

Looking ahead, delivery of the Plan for Growth will increasingly focus on building on existing strengths while responding proactively to these challenges. This includes supporting businesses to innovate and scale, developing a future-fit workforce, tackling inactivity levels particularly due to ill-health, improving strategic connectivity and infrastructure, and embedding sustainable objectives across economic activity. Continued collaboration between local authorities, businesses, education providers, Government and other partners will be critical to achieving these ambitions. Against this backdrop is Government policy which is driving local government reorganisation and devolution. Although the timescales remain uncertain after 2028 when local government reorganisation is due for implementation, the challenge between now and then is to fund current levels of business support, skills support, and maintain private sector investment in the county.

The Worcestershire Growth Hub will continue to monitor a wide range of economic indicators, to ensuring that this report remains a practical and accessible resource for businesses, policymakers, partners and residents, supporting informed discussion and decision-making about the county's economic future.

We welcome engagement with the findings set out in this report. If you would like to discuss any of the information presented, explore specific datasets in more detail, or suggest additional areas of analysis for future editions, please get in touch with us at enquiries@wlep.co.uk.

Piano Building
Kidderminster

Worcestershire
Local Enterprise Partnership

Worcestershire Local Enterprise Partnership

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WORCESTERSHIRE
GROWTH HUB

worcestershire
county council