INSPIRING WORCESTERSHIRE

SECTOR PROFILE:

CYBER, IT AND DEFENCE SECTOR

WHAT IS THE CYBER, IT AND DEFENCE SECTOR IN WORCESTERSHIRE?

The Cyber, IT and Defence sector is one of Worcestershire's priority sectors and is key to the future growth of Worcestershire's economy. The Midlands Cyber Cluster (located in Malvern,) is the regional Cyber Security Cluster for the West Midlands with responsibility for championing investment and networking within the sector.

Worcestershire was also the location for one of six Government backed 5G testbeds set up to explore the use of 5G technology with a particular focus manufacturing usage. The county even hosted the first UK 5G smart factory trials.

Software development and process automation continue to play a leading role, with the county being home to specialists in sectors including financial systems, communications, safety critical and embedded systems. Worcestershire is also a significant location for specialist defence systems manufacturing, testing and consultancy.

Gross value added (GVA) is an economic productivity metric that measures the contribution of a corporate subsidiary, company, or municipality to an economy, producer, sector, or region
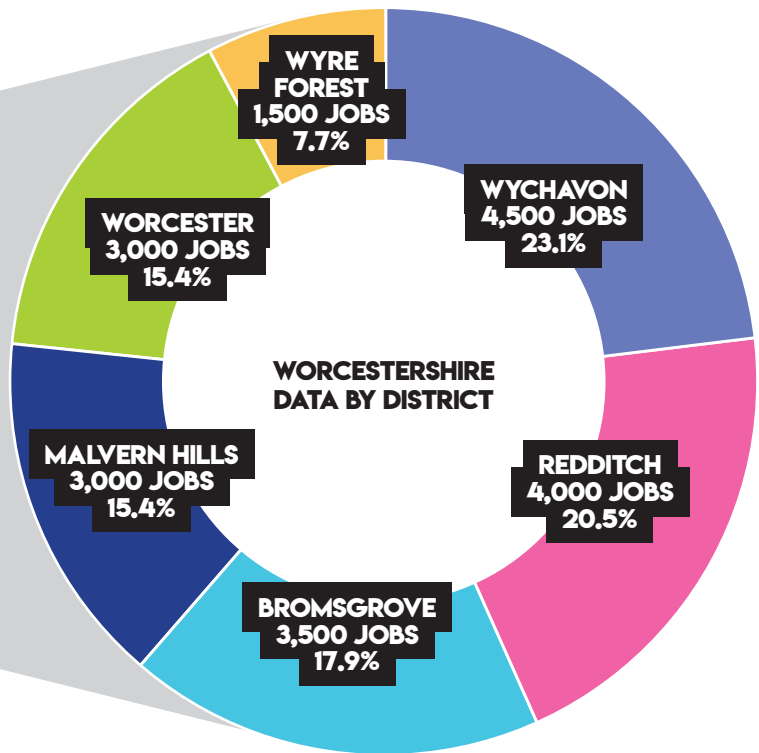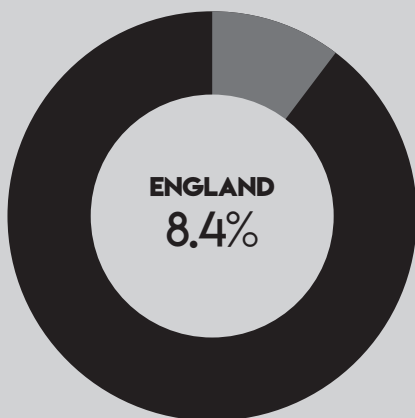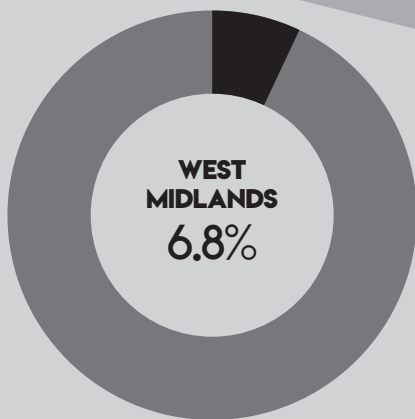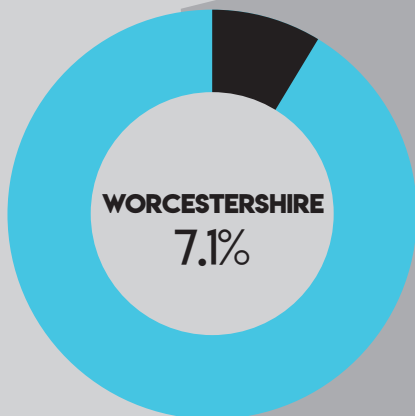
19,000 PEOPLE EMPLOYED
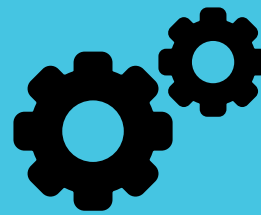
4,440 BUSINESSES

£771M GVA GENERATED BY TOP 40 BUSINESSES

WHAT DOES THE CYBER, IT AND DEFENCE SECTOR LOOK LIKE IN WORCESTERSHIRE?

The graph below highlights the number (percentage) of jobs in comparison to the West Midlands and England. The table also highlights the importance of the Cyber, IT and Defence industry throughout the district, and the distribution of individual job roles to find out which district employs the most individuals within the industry.

CYBER, IT AND DEFENCE JOBS AS A % OF TOTAL WORKFORCE

WORCESTERSHIRE
7.1%

WEST MIDLANDS
6.8%

ENGLAND
8.4%

WORCESTERSHIRE DATA BY DISTRICT

WYRE FOREST
1,500 JOBS
7.7%

WYCHAVON
4,500 JOBS
23.1%

WORCESTER
3,000 JOBS
15.4%

REDDITCH
4,000 JOBS
20.5%

MALVERN HILLS
3,000 JOBS
15.4%

BROMSGROVE
3,500 JOBS
17.9%

KEY FACTS:

➤ Currently there are 19,000 people employed in Worcestershire's Cyber, IT and Defence sector and 4,400 businesses within the industry.

➤ Employment has increased by 1,000 jobs (+5.6%) between 2019 and 2020.

➤ The highest proportion of Cyber, IT and defence employment in Worcestershire is in the computer consultancy activities and management consultancy (other than finance) subsectors, with 11.8% and 10.5% respectively.

➤ Two of the top 7 sub-sectors have grown in employment from 2019 to 2020:

    ➤ Other personal services activities (+500 jobs)

    ➤ Manufacture of electronic instruments & appliances for measuring, testing and navigation (+250 jobs)

Worcestershire Top 7 Subsectors by Proportion of Cyber, IT and Defence Jobs 2020 Compared to the West Midlands and England

➤ The top 3 Cyber, IT and Defence subsectors in Worcestershire are: Management consultancy activities, Computer consultancy activities and Other engineering activities.

Worcestershire Cyber, IT and Defence Business Top 10 Subsectors 2021 - Number of Enterprises

Cyber, IT and Defence Sector Businesses by Worcestershire District 2016 & 2021

	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest
2016	965	825	590	610	1,155	520
2021	950	770	510	575	1,135	500

■ 2016   ■ 2021
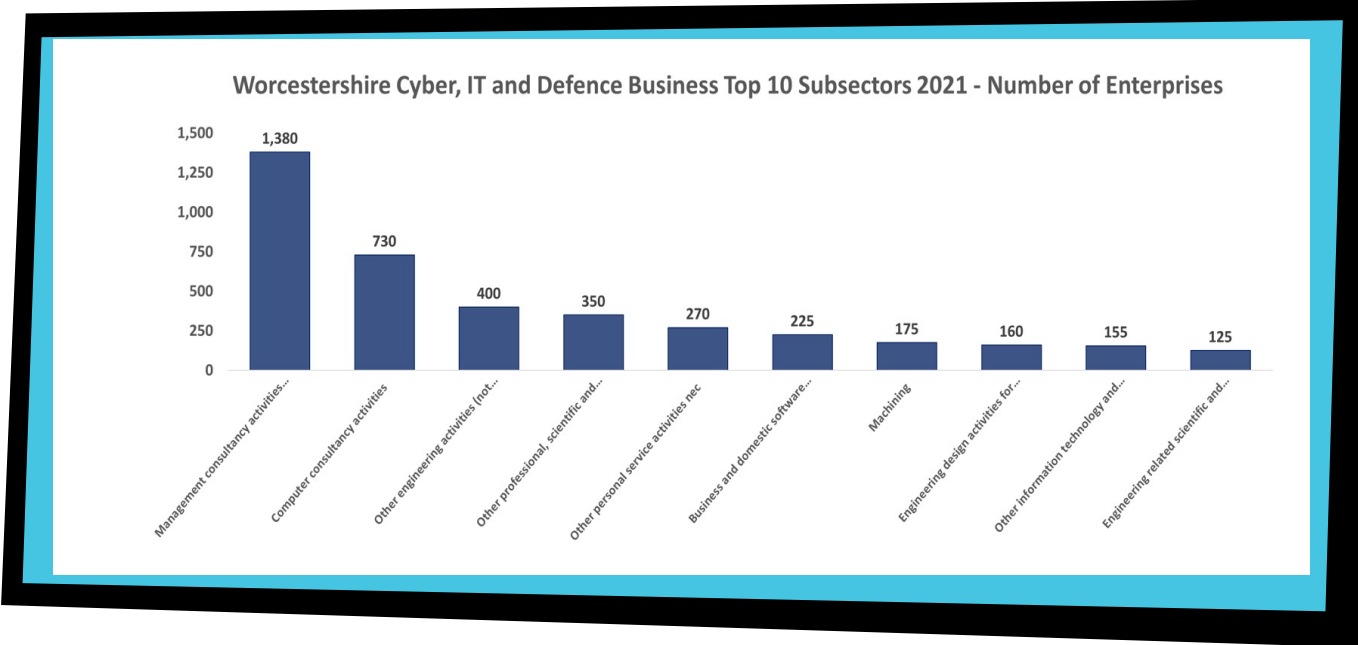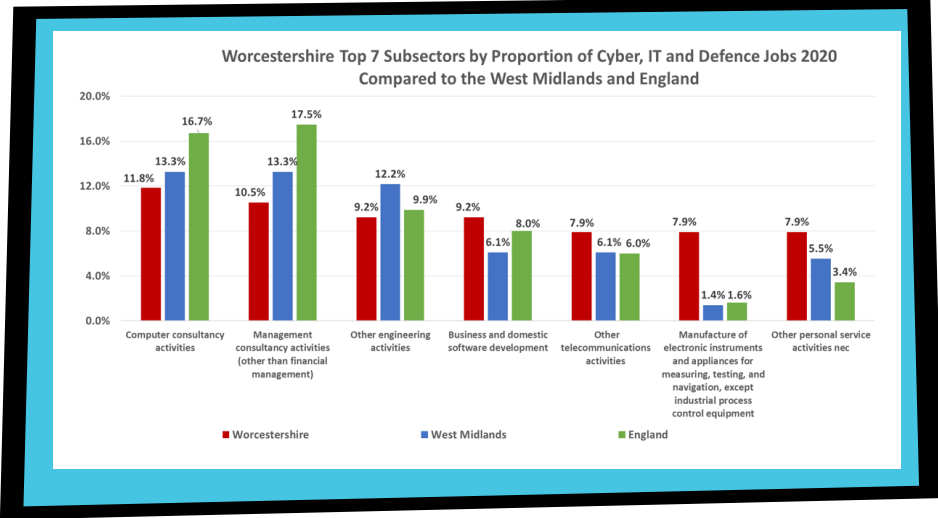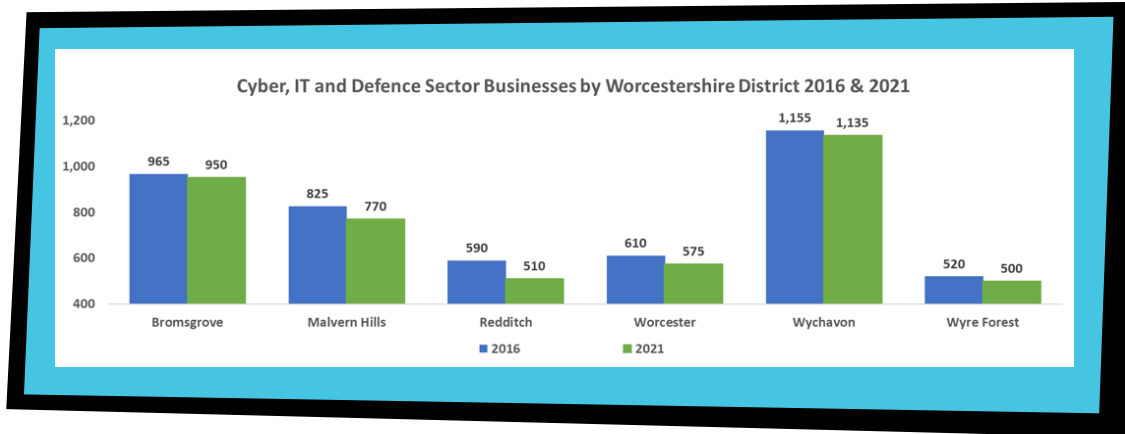
➤ Districts with the strongest growth between 2015 and 2021 are Bromsgrove (6.1%) and Worcester (1.8%).

➤ The largest proportion of Worcestershire's Cyber, IT and Defence businesses are micro businesses employing 0-9 people (93.6%).

TOP 10 WORCESTERSHIRE CYBER, IT AND DEFENCE SECTOR EMPLOYERS

1.
QINETIQ LIMITED
Engineering related scientific and technical consulting activities

2.
OPEN G I
Limited Business and domestic software development

3.
AT&T ISTEL
Other telecommunications activities

4.
SOUTHCO MANUFACTURING LIMITED
Manufacture of locks and hinges

5.
VERSION 1 SOLUTIONS LIMITED
Information technology consultancy activities

6.
METTIS AEROSPACE LIMITED
Forging, pressing, stamping and roll-forming of metal; powder metallurgy

7
MORGAN TECHNICAL CERAMICS LIMITED
Manufacture of other ceramic products

8.
OGL COMPUTER SERVICES GROUP LIMITE
Other information technology service activities

9.
SWISSLOG (UK) LTD.
Other specialised construction activities n.e.c. motorcycles

10.
MORTGAGE BRAIN HOLDINGS LIMITED
Business and domestic software development

MADE IN WORCS

> **Version 1 Solutions** are a specialist provider of IT services and solutions to the public and private sectors. The company also has its own Innovation Labs which develops solutions through technologies such as artificial intelligence (AI), chatbots, blockchain, robotic process automation, augmented & virtual reality, and the Internet of Things (IOT).

> Redditch is the location for the UK division of **Swisslog**. This is a global player in logistic automation, which provides warehouse automation encompassing automated storage & retrieval systems, transport & conveyor systems, picking & palletizing as well as software solutions.

> Established in 1978 with 120+ employees, **Foster + Freeman** is a leading player in the forensic science equipment manufacturing sector. Key specialism of the business includes fingerprint evidence, light sources, document examination and trace evidence.

> QinetiQ was formed in 2001 when the MOD split the **Defence Evaluation and Research Agency (DERA)**. This company provides test and evaluation services for military & civil platforms, systems, weapons, and components for the MOD under a long-term partnering agreement, based in Malvern.

> **Airband Community Internet** is a specialist, independent internet service provider covering parts of the Midlands, South-West, North Wales, Oxfordshire, and South Wales. Airband specialises in connecting homes, businesses, and industry in rural areas to high-speed broadband technology.

> With a product range including components for landing gear, airframe, engines and emergency power systems, Redditch based **Mettis Aerospace** specialises in the aerospace and defence sectors. Additional product specialisms include propeller hubs & blades, **missile fins, transmission casing and road wheels.**

FUTURE OPPORTUNITIES

> The West Midlands has been indicated by the **DCMS** as the country's fastest growing tech sector. With average tech sector growth of 7.6% per annum between 2014 and 2019, the region has the potential to create and extra 52,000 tech jobs and add £2.7bn to the economy by 2025.

> Hard to reach homes and businesses in Worcestershire will benefit from the national **£5bn Project Gigabit** which will extend the reach of gigabit broadband services from November 2022.

> The cyber security sector continues to provide opportunities for growth both within Worcestershire and the UK as well as potential for increasing exports. Data for 2019 shows that UK cyber security exports were valued at £3.9bn (2018: £2.1bn), taking a leading share (55%) of total UK security exports.

> In addition, the undergraduate **CyberFirst** Bursary programme continues to attract students seeking future careers in the cyber security sector.

> The challenge for Worcestershire is to continue to attract, retain and grow evolving tech-based businesses through programmes and initiatives such as the **BetaDen Accelerator**, the **5G Testbed** and the expansion of the **Malvern Hills Science Park**.