

Report to Cabinet – Wednesday 21 March 2007

Report of the Director of the Urban Environment

Dudley Borough Economic Strategy 2007/08

Purpose of Report

1. To seek Cabinet approval of the Council's Economic Strategy for 2007/08.

Background

2. The document attached summarises the key areas of the Economic Strategy for Dudley Borough, revised for 2007/08, together with supporting diagrams to show the regional, sub-regional and local framework of policies and strategies that provides its context and the strategic partnerships that influence its implementation.
3. The Economic Strategy underpins the 'Regeneration Matters' theme of the Dudley Council Plan, and the 'Creating a Prosperous Borough' theme of the Dudley Community Strategy. The Economic Strategy, together with the Dudley Community Strategy, has provided a highly developed evidence base for informing the Economic Development and Enterprise Block of the Local Area Agreement.
4. The Economic Strategy currently has five Strategic Aims that provide a long term vision for economic regeneration in the borough. The Aims are:
 1. To optimise the opportunities for local people – including the most vulnerable people and those from deprived areas - to obtain local jobs
 2. To support and develop new and existing businesses and to attract inward investment to the Borough
 3. To encourage and support the development of a diverse and dynamic business base that increases the proportion of well paid jobs across the Borough
 4. To improve the economic and environmental infrastructure of Dudley Borough and its town centres
 5. To champion the interests and assets of Dudley Borough, securing additional resources and improving its position regionally, nationally and internationally

The five Strategic aims are underpinned by an action plan with key objectives, actions, milestones and timescales.

5. The Economic Strategy supports the aspirations set out in the 2033 Black Country Study Vision 'Looking Forward: The Black Country in 2033', and its four key objectives, which are:
 1. Reverse the trend of people leaving the Black Country
 2. Raise income levels by ensuring better skills and types of jobs
 3. To attract and retain people with higher level skills (change the socio-economic mix)
 4. Protect and enhance the environment and create a safe, attractive and healthy place to live and work.
6. The Economic Strategy also continues to recognise that successful implementation depends on joint working, strong partnerships, and input of resources from a variety of public and private sector organisations at regional, sub-regional and local level.
7. The Strategy reflects cross directorate working within the Council. Other Directorates, in addition to the Directorate of Urban Environment, have contributed to the Economic Strategy, and will also contribute directly to the implementation of the Strategic Aims. These include the Directorate of Adult, Community and Housing Services and the Directorate of Children's Services.

In addition, external organisations involved in the delivery of the Strategy have been involved in its development, including the Black Country Chamber of Commerce, Business Link and The Prince's Trust.

8. The draft Economic Strategy was issued for consultation in December 2006 through to January 2007, both within the Council and to external organisations and stakeholders. The draft Strategy was presented for consultation to the Economic Development and Regeneration Partnership on 15 January 2007 and to the Select Committee on Regeneration, Culture and Adult Education (Economic Regeneration) Working Group on 23 January 2007.
9. There are a number of activities included within the Economic Strategy that contribute towards achieving the requirement of Section 17 of the Crime and Disorder Act. These include the Dudley Borough Business Crime Partnership initiative which is designed to address crime and disorderly behaviour at business outlets in the Borough and the Dudley and Sandwell Business Parks Network project, which is delivered in partnership with Dudley MBC, Sandwell MBC and Black Country Chamber and Business Link, to assist companies in industrial areas with security and environmental improvements.
10. The implementation of the Economic Strategy will also be reinforced and complemented by the Health Inequalities Strategy for the Borough which addresses issues of poverty, educational attainment, and access to services, including health and employment services.

11. The Economic Strategy will follow the sustainable development principles outlined in the Government strategy, "Securing the Future: Delivering UK Sustainable Development Strategy" published in March 2005.

A sustainability appraisal of the economic strategy was undertaken in January 2007 using the Sustainability Appraisal Toolkit which assessed the impact of the strategy against a series of criteria covering the 3 pillars of sustainability – economic, social and environmental. The appraisal found the strategy to be robust in most areas and also identified some areas for future development and improvement which will be considered by the Economic Development and Regeneration Partnership.

12. The Strategy recognises the importance of integrating social regeneration with economic regeneration in addressing the needs of the Borough's most disadvantaged communities. Dudley MBC will be working with key partners and stakeholders to develop initiatives, particularly those focusing on jobs, skills and health, and seek appropriate resources for implementation, in order to improve the quality of life and well being for individuals in the Borough.

Finance

13. The Economic Strategy is likely to have a significant financial impact from the level of the Regional economy to that of individual neighbourhoods within the Borough. More detail of this financial impact is provided in the Resources section of the Strategy document.
14. The Council will work with all relevant Partners and Agencies in seeking the required external financial support for economic regeneration projects within the Economic Strategy which are not currently financed within either the Council's or other organisations' budgets.

Law

15. Section 2 of the Local Government Act 2000 empowers the Council to take action to implement measures it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of the Borough.

Equality Impact

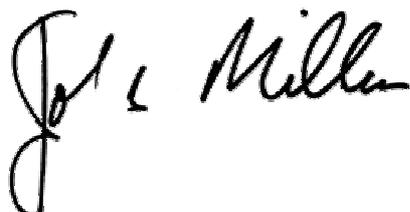
16. The Strategy aims to bring increased prosperity across the Borough. In addition, Strategic Aim 1, optimising opportunities for local people to obtain local jobs, is primarily aimed at residents, including children and young people, and wards that are recognised as being disadvantaged in economic and social terms.

Details of Dudley Council's Equality and Diversity Policy are included in Appendix 4 of the Economic Strategy.

Recommendation

17. It is recommended that:-

- the Cabinet approves the revised Economic Strategy for Dudley Borough for 2007/08 as summarised in Appendix 1 of this report.
- a full copy of the revised Economic Strategy for Dudley Borough for 2007/08 is placed in the Members' Room for future reference.



.....
JOHN B MILLAR
Director of the Urban Environment

Contact Officer: John Woodall
Telephone: 01384 814004
Email: johnwoodall@dudley.gov.uk

List of Background Papers

Economic Strategy for Dudley Borough, 2007/08

DUDLEY BOROUGH ECONOMIC STRATEGY – 2007/08 UPDATE

Summary Document

Introduction

The Economic Strategy for Dudley Borough aims to provide a long term vision and focus for economic regeneration activities in the Borough. It makes a significant contribution to the achievement of the priorities contained within the Dudley Community Strategy, particularly in relation to the 'Creating a Prosperous Borough' priority, and the Council Plan, principally the 'Regeneration Matters' theme, and supports other themes such as Environment Matters and Safety Matters.

Context

Some key facts about Dudley's economy include:

- A recorded population of 305,620, the highest of the four Black Country Local Authorities (2005 mid year estimates)
- The lowest unemployment, by percentage, in the Black Country at 3.7%, 6,778 claimants (Job Seekers Allowance Claimant Count, January 2007)
- A significant restructuring of the industry base with a considerable reduction in manufacturing jobs over recent years, and an increase in service sector employment. The proportion of jobs in the manufacturing sector is still higher (at 16%) than the UK average. (Annual Business Inquiry, 2005)
- Gross Value Added (GVA) per head of population for Dudley & Sandwell is £13,488, the lowest in the West Midlands region (2003)
- The lowest average weekly full time earnings in the Black Country (Annual Survey of Hours & Earnings workplace statistics, 2005)
- The highest rate of VAT registered businesses per 10,000 of population in the Black Country in 2005 (Small Business Service)
- A high concentration of micro businesses employing 1 to 10 people, 78% of all Dudley businesses (Inter-Departmental Business Register)

The 2007/08 Economic Strategy has been developed in response to a number of major economic issues and challenges for the Borough including tackling unemployment and the development of skills of local people, focusing on disadvantaged and vulnerable groups (including residents with disabilities and mental ill health issues, those from black and minority ethnic groups, and long-term unemployed people) to meet the needs of local employers. Other important issues include encouraging enterprise and business innovation and attracting inward investment to create higher value added employment opportunities and raise income levels and improving the Borough's transport infrastructure.

The Economic Strategy has also been developed in the context of the rapidly changing national, regional and sub regional policies and strategies that impact on the local economy. For example, Dudley MBC has actively contributed to the Black Country Study, which was submitted at the end of May 2006 to the Secretary of State as the Draft Revision to the Regional Spatial Strategy, and will be critical in shaping the future regeneration of Dudley Borough and will provide emerging planning policy for the sub-region.

Over the past 18 months, the metropolitan authorities of Dudley, Birmingham, Coventry, Sandwell, Solihull, Telford, Walsall and Wolverhampton have been working together on a 'City Region' agenda, which is intended to ensure that strategic policies for spatial planning, economic development, skills and employment, transport, regeneration, housing, the reduction of carbon emissions and quality of life are effectively co-ordinated and mutually supportive. Recent examples of City Region working include the City Strategy, a City Region-wide (Department for Work and Pensions funded) initiative to find innovative ways of tackling deep-seated worklessness, and co-ordinating measures to reduce carbon emissions, through transport and technological improvements.

At a local level, Dudley's Economic Strategy, together with Dudley Community Strategy, has provided a highly developed evidence-base for informing the Economic Development and Enterprise Block of the Local Area Agreement.

The Strategy also recognises the importance of integrating social regeneration with economic regeneration in addressing the needs of the Borough's most disadvantaged communities. Dudley MBC will be working with key partners and stakeholders to develop initiatives, particularly those focusing on jobs, skills and health, and seek appropriate resources for implementation in order to improve the quality of life and well being for individuals in the Borough.

The implementation of the Economic Strategy will also be reinforced and complemented by the Health Inequalities Strategy for the Borough which addresses issues of poverty, educational attainment, and access to services, including health and employment services.

The key strategies affecting economic regeneration within Dudley Borough are shown in Diagram 1.

Strategic Aims

The Economic Strategy currently has 5 strategic aims that provide the long term vision for economic regeneration in Dudley Borough and are:

1. To optimise the opportunities for local people – including the most vulnerable people and those from deprived areas - to obtain local jobs
2. To support and develop new and existing businesses and to attract inward investment to the Borough
3. To encourage and support the development of a diverse and dynamic business base that increases the proportion of well paid jobs across the Borough
4. To improve the economic and environmental infrastructure of Dudley Borough and its town centres
5. To champion the interests and assets of Dudley Borough, securing additional resources and improving its position regionally, nationally and internationally

The Strategy therefore recognises that a successful economy, providing well-paid jobs, is essential for the prosperity and quality of life of the Borough's residents.

Strategic Action Plan

The Strategy is presented as a dynamic action based document that is reviewed and updated annually. Each of the strategic aims is underpinned by a series of objectives, actions, key milestones and timescales.

The aims and objectives of the Economic Strategy seek to address the economic issues facing Dudley Borough. The activities within Strategic Aim 1 focus on targeting disadvantaged and vulnerable groups, to provide them with better prospects of quality training and equipping them with the appropriate skills to meet the needs of local employers. The aim is therefore to support residents into jobs and reduce unemployment in the Borough.

Activities delivered across the other four strategic aims are centred around:

- providing business support in order to improve competitiveness and diversify the economic base
- increasing the availability of quality land and premises
- encouraging business innovation
- implementing major physical infrastructure developments, town centre regeneration and improving the Borough's transport infrastructure
- stimulating inward investment to attract and create higher value added employment opportunities with increased earnings potential for local residents.

Some of the key activities/projects under each aim are summarised below:

Aim 1 - To optimise the opportunities for local people – including the most vulnerable people and those from deprived areas - to obtain local jobs

- Continuation of existing, and development of new services, delivered through Future Skills Dudley and the Adult & Community Learning Team, to address training and employment needs linked to jobs for Dudley residents, particularly in the Borough's most deprived areas.
- Delivery of The Prince's Trust programmes, aimed at young people at risk of exclusion, and promoting self-employment as an option.
- Working with partners in Neighbourhood Renewal on Basic Skills development.
- Support for the development of Children's Centres across the Borough to create new childcare places to support people into work.
- Delivery of NVQ Level 2 and Level 3 programmes to increase the skills of the social and health care workforce.
- Provision of learning programmes in local communities through the Family Learning Network.

Aim 2 - To support and develop new and existing businesses and to attract inward investment to the Borough

- Provide support to start-up businesses through The Prince's Trust Business Programme.
- Management and support of Lye Business Centre to provide managed workspace to local businesses.
- Support the creation and sustainability of viable social enterprises in partnership with Black Country Housing Group.

- Develop the Single Business Account to improve access by businesses to the Council's statutory and non-statutory services.
- Continued delivery of the Dudley and Sandwell Business Parks Network, which engages companies to address the problems associated with poor infrastructure and environment.
- Develop relationships with the Dudley companies identified on the Black Country 'FTSE 150' companies list.

Aim 3 - To encourage and support the development of a diverse and dynamic business base that increases the proportion of well paid jobs across the Borough

From April 2007 there will be a new transformational model for delivery of business support in the West Midlands to better meet the needs of businesses and to tackle key economic challenges. The Business Link for the West Midlands will be delivered by a single region-wide service which will provide a single service for all business and training support enquiries and deliver a significant increase in the number of companies receiving in-depth support.

The Economic Strategy will be updated with details of specific business support programmes that can be accessed by Dudley companies when the West Midlands Business Link Delivery Plan is available – expected February 2007.

Aim 4 - To improve the economic and environmental infrastructure of Dudley Borough and its town centres

- Development of the Castle Hill Site for mixed use and support for the proposed development of the Glasshouse Project by the Ruskin Mill Educational Trust.
- Development and implementation of town centre master plans for Dudley, Brierley Hill, Stourbridge and Halesowen.
- Development and implementation of regeneration plans for the borough's district and local centres.
- Implementation of projects within the Dudley Action Plan for Tourism.
- Development of the Seven Sisters Visitor Experience project as well as developing the geotourism potential for the Borough.
- Implementation of a number of schemes to improve transport infrastructure and traffic management within the Borough – such as the Brierley Hill Sustainable Access Network.

Aim 5 – To champion the interests and assets of Dudley Borough, securing additional resources and improving its position regionally, nationally and internationally

- To fully engage in the delivery of the Black Country Study.
- Attract additional external funding to support the implementation of the economic strategy - e.g. from the Regeneration Zone/Advantage West Midlands
- To support Dudley's proposals into the Black Country as Urban Park Submission to the Living Landmarks the People's Millions Programme of the BIG Lottery Fund.
- Ensure Dudley's engagement, and secure its interests, in terms of City Region developments

Delivery

The Strategy continues to recognise that successful implementation depends on joint working, strong partnerships and input of resources from a variety of public and private sector organisations at regional, sub-regional and local level to deliver interlinked services to local communities and businesses. The key partnerships and agencies influencing the implementation of the economic strategy are shown in Diagram 2.

The Economic Regeneration Division within the Council's Directorate of the Urban Environment provides an integrated delivery approach to economic regeneration. The Economic Strategy also recognises the impact of other Council activities on the regeneration agenda including the role of the Directorate of Adult, Community & Housing Services in developing the social and health care sector and in developing the skills of the borough's residents. Similarly, the Strategy recognises the key role of the Directorate of Children's Services, in the vital area of education, as well as, for example, in the creation of Children's Centres, that will provide quality childcare and learning provision.

The Economic Development and Regeneration Partnership (EDRP) is a formally recognised partnership within the Dudley Community Partnership structure with responsibility for sustaining the delivery of successful economic regeneration throughout the Borough against the five strategic aims of the Dudley Borough Economic Strategy. Its membership includes key external agencies and organisations including JobCentre Plus, the Learning & Skills Council, Business Link and local Colleges, as well as the local authority's Economic Regeneration Division. Through a mixture of membership and external consultation, local employers and businesses are involved and consulted with to ensure that their views are reflected. The Economic Strategy is, in effect, the EDRP's Business Plan, setting out the agreed issues and activities that will drive the agreed strategy.

Resources

The Strategy acknowledges the important role of regional and sub regional agencies such as Advantage West Midlands, Government Office for the West Midlands, Black Country Learning and Skills Council and Jobcentre Plus, which have core funding to support and stimulate economic development within the borough.

Key funds have already been obtained from competitive external sources, in particular the European Structural Funds, Advantage West Midlands and the Department of Transport.

A prerequisite for implementing the strategy's action plan is to work with existing and new partners thereby optimising the opportunities to gain additional resources from external agencies and ensure that within Dudley MBC both human and financial resources are maximised. Where relevant delivery will also depend on the approval of bid submissions for external funding.

Since April 2003, the Economic Regeneration Division has secured almost £31 million of external funding to support regeneration projects with a total value of over £64 million. Schemes requesting a further £11m of AWM funding have been identified in the Regeneration Zone Implementation Plan for 2007-2010 for which appropriate applications will need to be submitted.

Key Achievements

Some key achievements that have resulted from the implementation of the economic strategy during 2006/07 include:

- 170 people accessing employment through Jobs Plus in Brierley Hill (since June 2003)
- 57 jobs achieved through the local jobs brokerage programme (Adult & Community Learning Team)
- Savoy Centre officially opened – 23 residents have entered employment
- 1795 adults have participated in family learning programmes through the Family Learning Network
- 6 Children's Centres operational in the borough
- 76 new business start-ups supported in the Black Country through the Prince's Trust
- Business support provided to over 1900 businesses and over 1000 individuals in the borough receiving new business start-up support through Business Link Black Country
- Cavendish Quarter opportunity site selected by English Partnerships for National Brownfield Land Pilot Study (£4.53m)
- Final government approval for the Brierley Hill Sustainable Access Network (£20.32m)
- £5.35m AWM funding approved for Castle Hill development
- Halesowen town centre – clearance of CPO process with guaranteed start date

Diagram 1

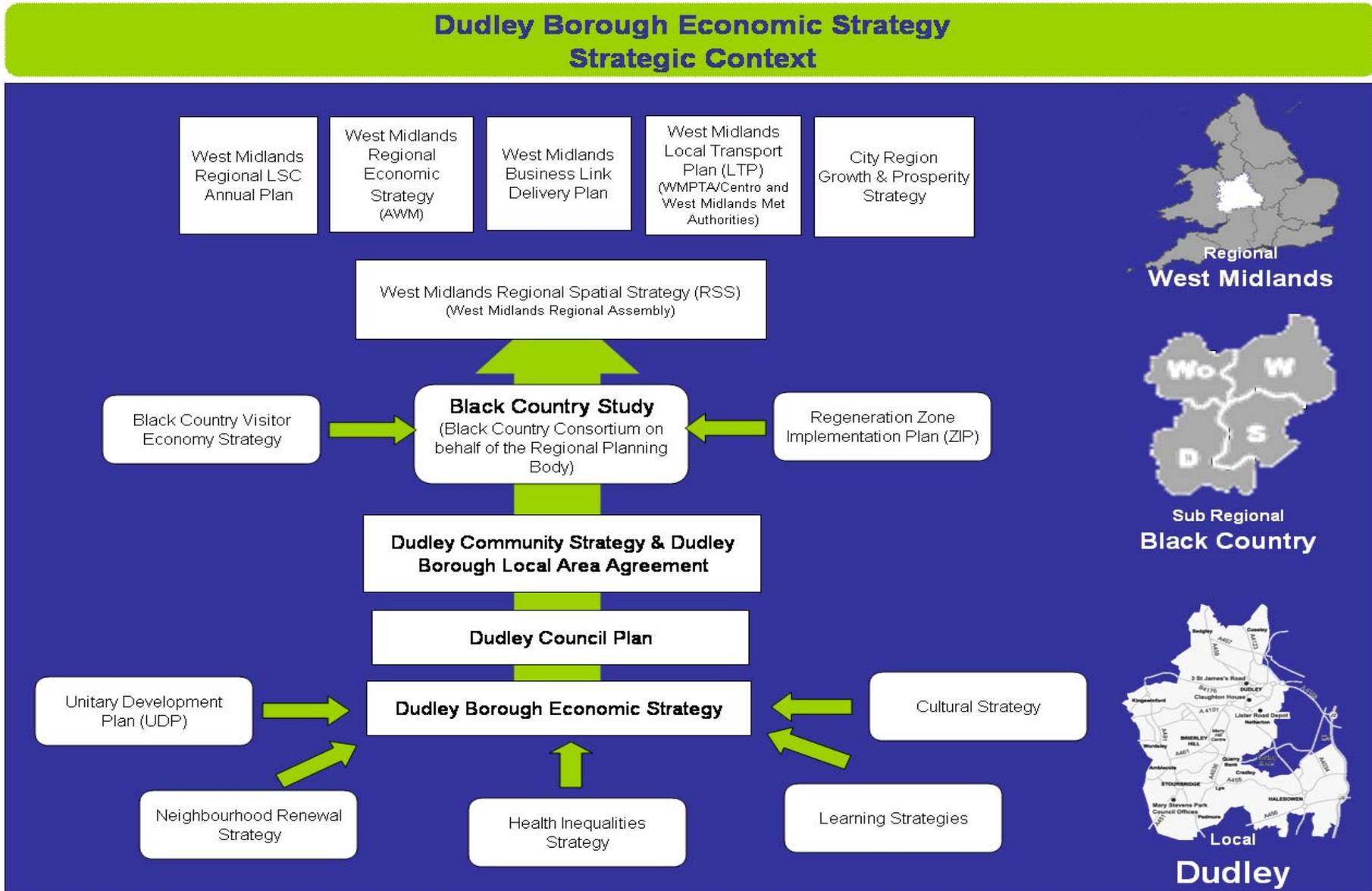


Diagram 2

Key Partnerships and Agencies Influencing Economic Strategy Implementation

Partnerships	Agencies		
<i>Strategic Partnerships</i>	<i>Regional Agencies & Organisations (West Midlands)</i>	<i>Sub-Regional Agencies & Organisations (Black Country)</i>	<i>Local Agencies & Organisations (Dudley)</i>
Black Country Consortium	Advantage West Midlands	Black Country Chamber of Commerce	Beacon & Castle Primary Care Trust
Regeneration Zone Board	CENTRO	Black Country Investment	Dudley College
Dudley Community Partnership	Government Office for West Midlands	Black Country Learning & Skills Council	Halesowen College
Dudley Economic Development & Regeneration Partnership	The Prince's Trust	Black Country Connexions	Stourbridge College
Safe & Sound Partnership	West Midlands Local Government Association	Black Country Tourism	Dudley Council for Voluntary Services
Health & Well Being Partnership	West Midlands Regional Assembly	Federation of Small Businesses	Centre for Equality & Diversity
Dudley Learning Partnership	Tourism West Midlands	Groundwork Black Country	Dudley South Primary Care Trust
Brierley Hill Regeneration Partnership	Heart of England Tourism	Jobcentre Plus	
	West Midlands Business Link	University of Wolverhampton	
		Black Country Housing Group	
		Black Country Re-Investment Society	