

Dudley Borough Economic Assessment

Summary

March 2011



About the Dudley Borough Economic Assessment

Legal Context

Section 69 (Part 4) of the Local Democracy, Economic Development & Construction Act 2009 requires county councils and unitary district councils to prepare “an assessment of the economic conditions of its area”.

This statutory duty came into force from 1 April 2010.

Evidence Base

The Dudley Borough Economic Assessment provides a detailed understanding of local economic conditions for the Council and its partners to determine key issues and better inform decisions in respect of local priorities for delivery. As the agreed common economic evidence base, the Economic Assessment will assist in targeting of resources to ensure that there is maximum impact on the prosperity of the local area.

The Economic Assessment will be the formal economic evidence base for future strategy and delivery, in particular the Dudley Borough Economic Development Strategy (2011/12-2013/14) and other related strategies including the Dudley Sustainable Community Strategy, the Local Development Framework and the Black Country Economic Assessment.

Approach

The Economic Assessment has been developed by Dudley Council, working with partners to support the analysis work and provide local data and information. The Economic Assessment provides an update of Dudley Borough's current economic situation as well as analysing performance trends. It also compares Dudley Borough's performance against other areas at regional and national levels.

The Economic Assessment is set against the backdrop of the global and national economic situation which continues to have a significant impact on the local economy. However, as the Economic Assessment clearly demonstrates, the borough's economic challenges can be attributed to wider structural, rather than cyclical, circumstances. These weaknesses are increased by the recession rather than created by it.

Local, sub-regional and regional agencies and partnerships have been consulted at the start of the economic assessment process and on the draft document.

Dudley Borough Economic Assessment

The Dudley Borough Economic Assessment provides:

- An economic profile and assessment of the economic competitiveness of Dudley Borough, based around three key themes
 - **Place, Economic Geography and Infrastructure & Physical Environment;**
 - **Business & Enterprise; and**
 - **People & Communities**
- A summary of the key economic challenges that have the greatest impact on the overall economic competitiveness and productivity of Dudley Borough; and
- An economic scorecard of key economic performance indicators to monitor and review progress.

Dudley Borough Economic Development Strategy

The Economic Development Strategy has been reviewed and updated in response to the key challenges set out in the Economic Assessment.

It sets out the overall aims for economic development and the activities to be taken forward in the Borough over the longer term to create the right conditions for increasing competitiveness and securing sustainable economic growth.

Dudley Borough's Economy - Overview

About Dudley Borough

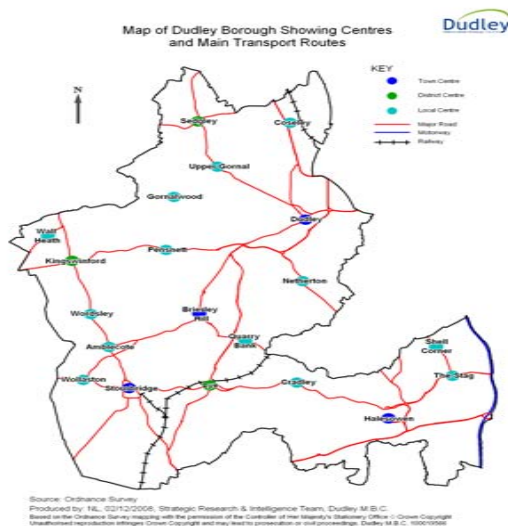
Dudley Borough is a large metropolitan borough (98 square kilometres/38 square miles) located on the western part of the West Midlands conurbation. It lies at the heart of the Black Country, a part of England rich in cultural and economic heritage.

Dudley Borough has a population of 306,600 - the 25th largest authority, in population size, in England and Wales.

Dudley Borough plays an important role in the West Midlands economy, with around 10,500 businesses and a workforce of 117,000.

Dudley Borough has 4 town centres - Dudley, Brierley Hill, Halesowen and Stourbridge.

Brierley Hill is the borough's strategic centre - the nationally known Merry Hill Shopping Centre, the fourth largest centre in the UK, and the Waterfront Business and Leisure complex form part of Brierley Hill town centre.



Key Facts

- | | |
|------------------------|------------------------------|
| ▪ 10,500 businesses | ▪ 306,600 people |
| ▪ 117,000 jobs | ▪ 183,300 working age people |
| ▪ £9bn economy | ▪ 135,500 employed people |
| ▪ 14,500 self employed | ▪ 28,770 people out of work |
| | ▪ £7bn household income |

70% of businesses are satisfied with the local area as a place to do business

Source: Dudley Borough Business Survey (August 2010)

77% of residents are satisfied with their local area as a place to live

Source: Dudley Place Survey (2008/09)

Recent developments

- Venture Way - £27m new road in Brierley Hill
- £26m new health & social care centre in Brierley Hill
- £30m redevelopment of Halesowen town centre including new 73,000 sq ft Asda store
- Burnt Tree Island - £12m road improvement works
- £16m Extra Care Housing schemes in Russells Hall, Dudley & Coseley
- Stourbridge Interchange - redevelopment of Stourbridge bus station



Future plans

- Dudley College expansion - estimated £30m new buildings in Tower Street & Priory Road to create central learning quarter
- Crown Centre, Stourbridge - planning application by Tesco approved including 9,500m² foodstore and 1,500m² mall and food court
- £12m new Stourbridge College Art & Design Centre in Brierley Hill
- £30m redevelopment of Dudley Guest Hospital site into a mix of high quality homes for rent or to buy.
- 3 further Extra Care housing schemes in Brierley Hill, Stourbridge and Halesowen - £24m.



Key Economic Challenges

The Economic Assessment has resulted in identifying a number of key challenges that have the greatest impact on the overall economic competitiveness and productivity of Dudley Borough.

Most of these economic challenges are inter-dependent. For example, there is a clear link between the high proportion of residents with low skills and qualifications and those with below average earnings or excluded from the jobs market. Similarly, the high proportion of residents with low skills levels has a direct impact on productivity which is the capacity of the economy to create wealth. The degree of evidenced child poverty is another direct consequence of these negative factors.

This summary of the Economic Assessment focuses on these challenges and provides a broad overview of the key facts and issues detailed in the full Economic Assessment.

Dudley Borough - Key Economic Challenges

Place

- ◆ Economy has a large degree of self-containment
- ◆ An ageing population
- ◆ Limited number of high quality employment sites

Business & Enterprise

- ◆ Low growth economy
- ◆ Low level of new business start-ups
- ◆ Over-reliance on public sector employment

People & Communities

- ◆ High levels of long term unemployment
- ◆ Low skills levels
- ◆ Sharp increase in youth unemployment
- ◆ High levels of child poverty

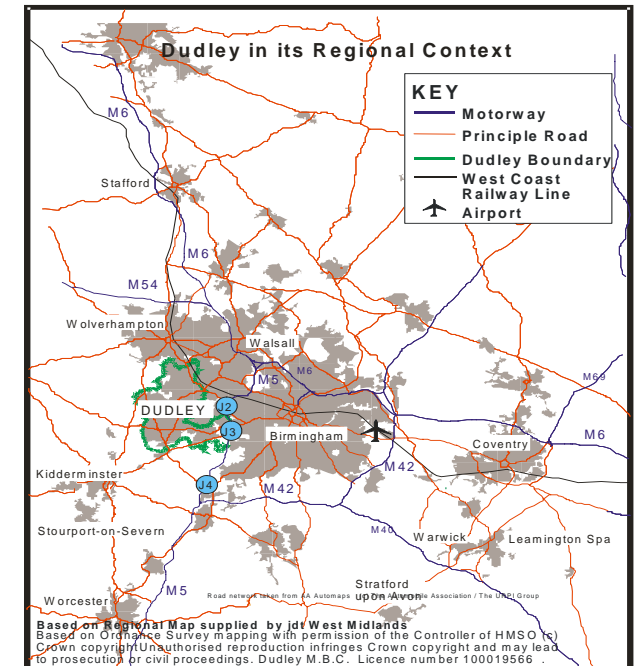
Place: Economy has a large degree of self containment

Economic Geography

- The economy of Dudley Borough is connected in many different ways: through the journeys people make to work, to shop or spend their leisure time, and through the connections between businesses, their supply chains and customers.
- Geographically, **Dudley Borough is located within the West Midlands Region**. The Borough's economy has a large degree of 'self containment' in that the majority of economically active people both live and work in Dudley Borough.
- In terms of key connections, Dudley Borough's strongest link is the Black Country sub region, and particularly Sandwell. There are also strong links between Dudley Borough, South Staffordshire and Wyre Forest (including Kidderminster).

Travel to Work Areas

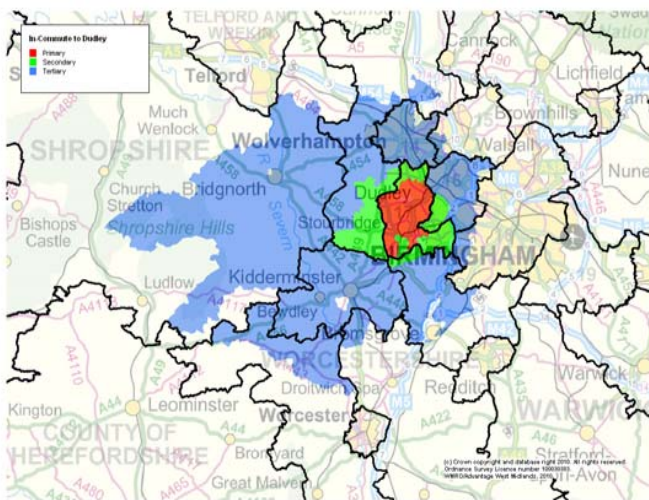
- 70.6% of the borough's resident population also work in the Borough. 17.6% work in neighbouring Sandwell and 6.6% work in Wolverhampton.
- Although the above percentages have changed slightly over the past decade, the overall pattern and distribution of the borough's workforce has remained constant.
- What is changing, is the number of people - many of which are professionals - who live outside the borough, often in South Staffordshire or Worcestershire - and travel into the borough to work.



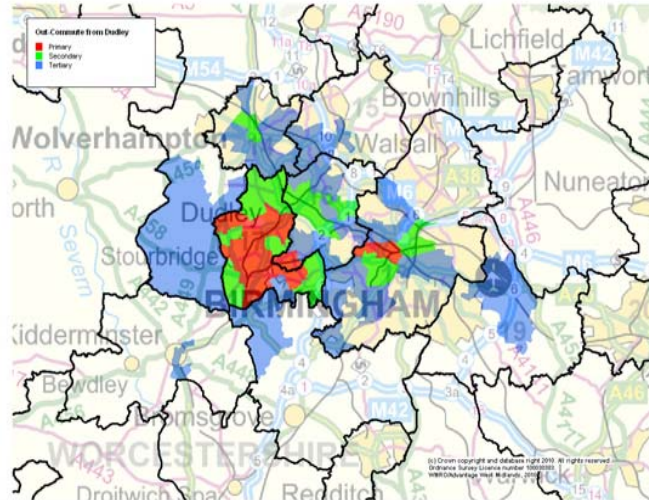
Retail & Leisure

- Birmingham is the largest retail sub-region, with 30% of the West Midlands shopper population choosing the city as their main shopping destination for non-food goods. However, Merry Hill is the second most important retail centre, attracting 12% of the region's shoppers. Merry Hill is 68% contained in terms of the loyalty of its local residential customer base.
- Birmingham City, with its shops, nightlife, cultural and sporting facilities is by far the single biggest magnet for customers within the West Midlands. However, Merry Hill and Kidderminster (combined) provide important (one of ten in total) groupings of leisure sub-regions.

In-Commute to Dudley Borough



Out-Commute from Dudley Borough



Source: WMRO

Place: An ageing population

Key Facts

- There are **306,600 people** living in Dudley Borough making it the 6th largest local authority in the West Midlands region.
- The working age population is 183,300 people, which is 60% of the total population.
- 21.6% of Dudley Borough's population are of Pension Age compared to 20% regionally and 19.3% nationally.
- 91.3% of Dudley Borough's residents are white compared with 86.1% for the West Midlands region. The greatest proportion of non-white people in the Borough are Asian or Asian British (5%) compared with 8.4% for the region.

By 2033....

the population of Dudley Borough is projected to increase to 328,900 people; an increase of 7.1% from 2009.

This is the lowest increase of the Black Country authorities and significantly lower than regional and national projections.

The Borough's working age population is projected to decrease gradually to 177,900. This is an overall decrease of 2.8% compared with a 1.9% increase across the West Midlands region and a 7% increase nationally.

Migration

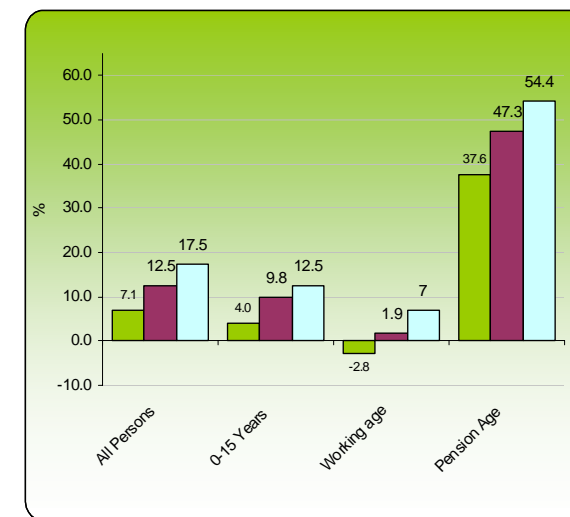
In 2008, the rate of National Insurance Number (NINo) registrations, used to monitor in-migration was equivalent to 0.3% of the resident population, significantly lower than the rate for the Black Country (0.7%), West Midlands (0.8%) and England (1.1%).

In 2008, the international in-migration rate for Dudley Borough was of 2.0 per 1,000 resident population whilst out-migration stood at 1.0 per 1,000 resident.

By 2033....

Dudley Borough's older people will see the most significant increase

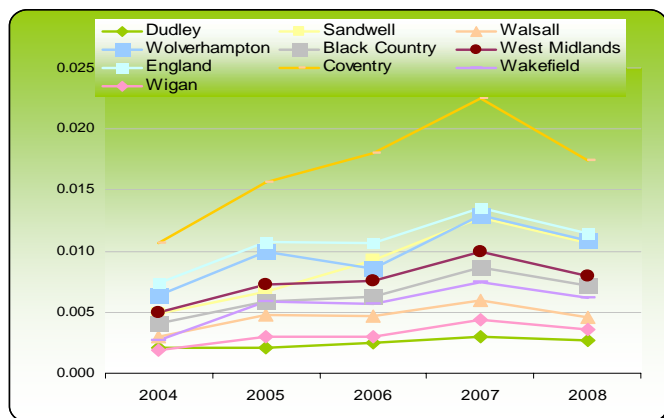
Projected Population Change - 2009 - 2033 (2008 based)



Source: ONS

By 2033, the proportion of Dudley Borough's population who are of pension age is projected to increase by 37.6% and older people will account for 27.6% of Dudley Borough's population, compared with 21.5% in 2009.

(NINo) Allocations per 1,000 resident population - 2004-2008



Summary

Dudley Borough is the largest local authority in the Black Country in terms of population. The proportion of residents who are of pension age is higher than regional and national averages. This age group is projected to see the most significant increase by 2033. However, the overall population is projected to remain largely stable. Unless there is a marked increase in the age at which residents retire, a smaller working population will in future need to take on increased caring and financial responsibility for an ageing population.

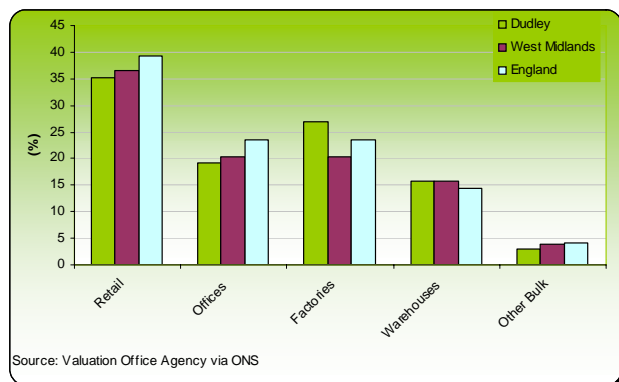
Place: Limited number of high quality employment sites

Key Facts

- Dudley Borough currently has a **total employment land stock of 827 hectares** (2009). The supply of Local Quality Employment Land is 669 hectares.
- There are 8 employment land sites in Dudley Borough contained within the Regional Employment Land Study (RELS) Site Assessments (2010). This compares to 32 sites in Walsall Borough, 24 sites in Sandwell Borough and 22 sites in Wolverhampton.
- The limited number of High-Quality sites in Dudley Borough are located around Pensnett, Peartree Lane, Castlegate and Coombeswood. The Pensnett area is recognised as being some distance from the principal highway network, but is a large area of existing high-quality employment land which provides a 'critical mass' for further high quality employment sites to be developed.

Commercial and Industrial Floorspace

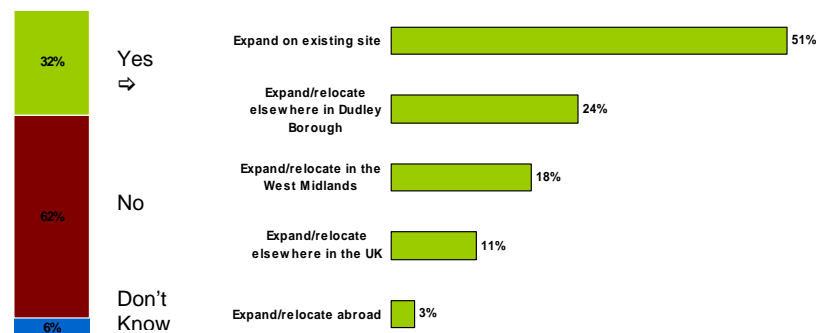
In 2008, retail premises had the highest proportion of commercial and industrial floorspace units in Dudley Borough (35.2%) compared with 36.6% in the West Midlands and 39.2% in England.



The Dudley Borough Business Survey found....

- A third of businesses in Dudley Borough (32%) plan to expand over the next three years. Positively, the majority of these businesses (75%) will do so in Dudley Borough.
- Half (51%) of those who plan to expand will do so on their existing site.
- A quarter of businesses say they will expand or relocate in the Dudley Borough area (24%), and a third will expand elsewhere.

Business Expansion Plans - Next 3 Years



Future Development

A recent study of local employment sites found that the typical Dudley business looking to relocate or expand is in the 20-50,000 sqft size category with 20-100 employees and invariably metal products related, albeit at the higher value added end.

The Council has agreed a provisional list of employment sites it wishes to promote for economic development purposes over the short-term, medium-term and longer-term. With agreement with landowners and/or agents, these sites will be promoted to ensure a balanced portfolio of sites is achieved.

Summary

Dudley Borough is a highly urbanised and densely populated area. Ongoing urbanisation and industrialisation, have characterised the development of the area for at least two centuries. The resulting pressures on both undeveloped and previously developed land mean that there are relatively few large sites available for business development and inward investment. In addition, there are relatively few modern, high-quality existing office and industrial facilities. New developments, for example at Castle Hill and Brierley Hill, should begin to address this situation, complementing existing facilities such as The Waterfront at Brierley Hill as well as focusing activity on effective marketing to local and international investors.

Business & Enterprise: Low growth economy

Key Facts

- Dudley Borough has **10,510 businesses**. 64.2% of businesses have 0-4 employees.
- Fewer than 10% of businesses have a turnover of over £1m per year.
- Dudley & Sandwell's economy was worth almost £9bn in **2008**, the fourth largest economy in the West Midlands region.
- The service sector in Dudley Borough accounts for almost 80% of total employment. In 2008, the Public Administration, Education and Health sector accounted for the highest proportion of employment in Dudley Borough. Overall, there was a net reduction of 6.6

The Dudley Borough Business Survey found....

- A fifth of businesses in Dudley Borough (22%) have introduced a new product or process innovation over the past year, with the majority of businesses reporting that they have not done so.
- 7% of businesses cover European and worldwide markets. The majority of businesses report that they do not have any plans to consider exporting in the future.
- 67% of businesses know not much or nothing at all about the opportunities presented by the development of a low carbon economy.

Poor productivity levels

- Whilst Dudley & Sandwell (combined) account for 9.5% of the WM region's Gross Value Added (GVA), the average annual growth rate between 1999-2008 (2.5%) is the second lowest in the region and below the average growth for England (5.0%).
- Over this period, Dudley's & Sandwell's contribution to regional GVA is steadily reducing.

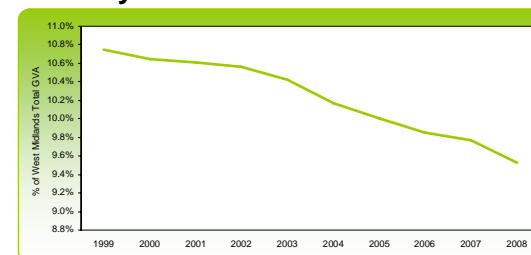
Lack of high growth sectors

- In employment terms, Dudley Borough's economy is dominated by two sectors - public services and retail and distribution together account for 53% of total jobs.
- The manufacturing sector remains important, but over the period 1999-2008 has seen a decline in its share of employment from 25% to 15%, a loss of 12,700 jobs.
- Despite a small presence in ICT, financial and professional services and the creative industries, Dudley Borough is significantly under-represented in high growth, knowledge intensive sectors. 37% of total employment is in knowledge intensive industries compared to 44% for England.

Low average earnings

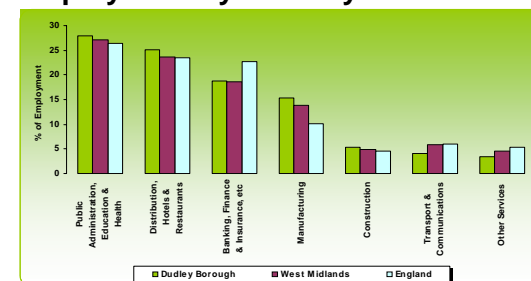
- Average full time weekly earnings for people working in Dudley Borough were £408.90 in 2010 - the lowest in the WM metropolitan area and well below regional and national average earnings. The gap with regional and national earnings is widening.
- Residents working full time earn on average £453.20 weekly. However, residents' earnings are also below regional and national levels.

Contribution to West Midlands GVA Dudley & Sandwell - 1999 - 2008



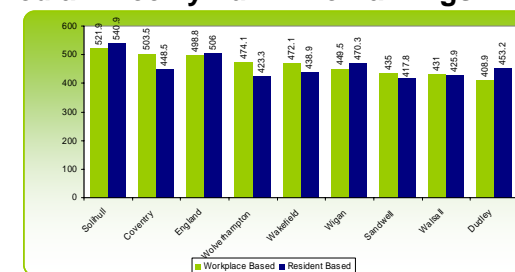
Source: ONS

Employment by Industry Sector - 2008



Source: ABI

Median Weekly Full Time Earnings - 2010



Source: ASHE

Summary

Poor productivity levels are a feature of an economy with a lack of dynamism and reflected in below average rates of pay. There is a clear link between the low average earnings for the borough, low skills levels and the industry sectors that make up the local economy. A large percentage of employment is within the retail and distribution sectors which traditionally provide low salary levels. The squeeze in public sector jobs, and pay, and similar pay pressures in the private sector, will frustrate any short-term closing of the gap with the regional and national picture. A key threat, given the prospects across the range of business sectors, is where future jobs are to be generated. A key priority will be to position Dudley Borough so that businesses are encouraged to innovate and to ensure that new, high-value businesses are attracted to invest in the borough.

Business & Enterprise: Low level of new business start-ups

Key Facts

- In 2009, there were **965 new business start-ups** in Dudley Borough, a rate of 39 new business start-ups per 10,000 population, compared to 50 start-ups per 10,000 population nationally.
- 1,130 new enterprises ceased trading in Dudley Borough in 2009, a rate of 45.4 per 10,000 population compared to 58.9 for England.
- Overall, in 2009, there was a net reduction of 6.6 business start-ups per 10,000 population.
- 93.2% of new businesses in Dudley Borough survive for one year, compared to 93.7% regionally and 92.1% nationally.
- The three year survival rate for new businesses is 63.7%, compared to 66.6% regionally and 66.2% nationally.

Self employment below the national average

- 7.1% of the working age population in Dudley Borough are self employed (14,500 people). This compares to 8.2% in the West Midlands and 9.2% in England.
- Of those who are self employed in the Borough, 21.9% are females - lower than the West Midlands region (26.2%) and England (29.1%).
- Between 2004 and 2009, the rate of self employment in Dudley Borough decreased by 0.3 percentage points, compared to increases of 0.4 percentage points in the West Midlands region and 0.2 percentage points in England.

Decrease in new business start-ups and an increase in enterprise closures

- In 2009, there were 135 less new business start-ups in Dudley Borough than in 2008. This represents a 12.4% decrease in the business start-up rate, compared to 18% for the West Midlands region and 14% for England.
- Between 2004 and 2009, Dudley Borough saw a decline in business start-ups of 20%, compared to 13% for the West Midlands region and 20% for England. Dudley Borough has consistently underperformed over this period compared to regional and national new business start-up rates.
- 2009 saw a record number of businesses close nationally. Equally, the number of new enterprises that ceased trading in Dudley Borough (1,130) was the highest since 2004.

Proportion of Business Start-Ups per 10,000 Resident Population aged 16+ - 2004-2009

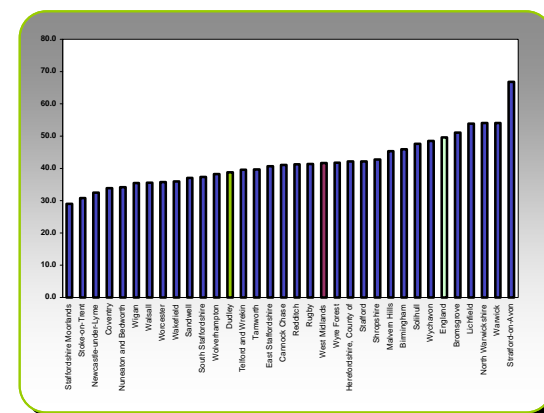


Source: Business Demography, ONS

Low level of business start-ups compared to West Midlands region

- Of the 30 upper and lower tier local authorities in West Midlands region, Dudley had the 10th smallest number of new start-ups per 10,000 population, demonstrating the low levels of enterprise in the borough, in comparison to the wider region.
- There appears to be a link between the start-up "hotspots" in the region, where performance is above the regional and national averages, and the quality of sites and the wider location offer including for example housing.

Proportion of Business Start-Ups per 10,000 Resident Population aged 16+ West Midlands Region - 2009



Source: Business Demography 2009, ONS

Summary

The evident lack of an enterprise culture increases the weaknesses and lack of dynamism in the local economy. Year on year, fewer new businesses are started in Dudley Borough than in other parts of the region or country. 2009 saw a record number of new enterprises cease trading nationally and this was mirrored in Dudley Borough. In addition, the current survival rate of new businesses would need to improve. The one-year survival rate of new businesses has seen a decrease from 93.8% in 2008 to 93.2% in 2008. In addition, three year survival rates have declined from 2008 and are now below regional and national rates.

Business & Enterprise: Over-reliance on public sector employment

Key Facts

- Currently, **117,429 people work in Dudley Borough.**
- In 2008, the Public Administration, Education and Health sector in Dudley Borough employed 32,700 people. This accounted for the highest proportion of employment in Dudley Borough - 27.8% compared to 26.4%.
- The health and social work sector is the largest sector with almost 14,400 employees.
- Education has slightly over 12,600 employees and public administration employs 5,600 people.
- 7.3% of businesses in the borough are in Public Administration, Education and Health sector.
- 23.6% of total GVA in Dudley & Sandwell is contributed by Public Administration, Health, Education & Other Services compared to 22.8% nationally.

Summary

Almost 28% of employment in Dudley Borough is in the public sector, principally in the local council and NHS trust, but also the Primary Care Trust, police, and fire service.

This percentage will decrease over the next four years, as a direct consequence of planned reductions in public sector expenditure.

A key challenge is that the private sector in Dudley Borough is sufficiently dynamic to create the volume of new, high quality jobs that will engage residents and replace public sector demand.

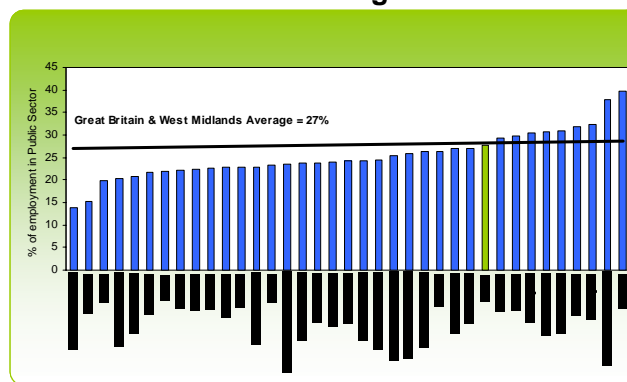
Long term growth in public sector employment

- Between 1999 and 2008, the Public Administration, Education and Health Sector in Dudley Borough saw the largest increase in employment.
- The sector increased by 7,000 jobs, taking the share of total employment from 20.8% to 27.8%.
- Over this period, the sector has grown, on average, by 3% each year.

Future vulnerability

Looking forward, Dudley Borough is one of the areas in the West Midlands region that is showing signs of vulnerability due to future public sector jobs losses.

Public Sector Employment West Midlands Region - 2008

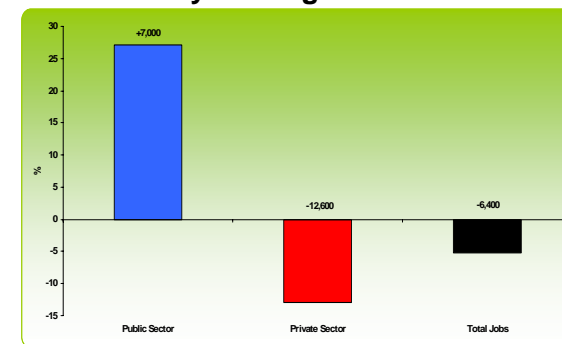


Source: ABI

Jobs in the private sector have reduced

- There has been a reduction of 12,600 jobs in the private sector in Dudley Borough over the period 1999-2008.

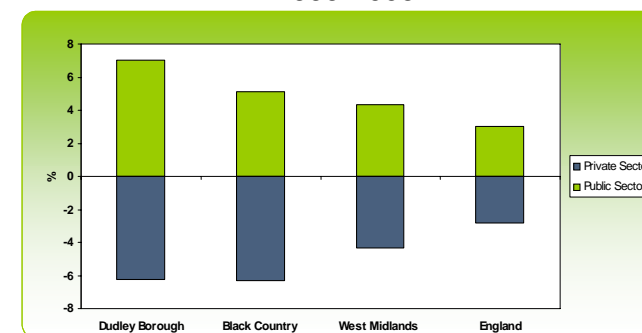
Public & Private Sector Jobs Growth Dudley Borough - 1999-2008



Source: ABI

- Whilst change reflects the national picture, the percentage change in public sector employment is higher in Dudley Borough than the Black Country, West Midlands and England. The reduction in private sector employment is more significant in Dudley Borough and the Black Country.

Public & Private Sector Employment Change 1999-2008



Source: ABI

People & Communities: High levels of long term unemployment

Key Facts

- **132,100 people in Dudley Borough are in employment** - an employment rate of 68.2%.
- In February 2010, 28,770 people were claiming out of work benefits, 14.9% of the borough's working age population.
- 45,900 people in Dudley Borough are economically inactive, 23.7% of working age residents. This is lower than the rate for the West Midlands (24.6%) and slightly higher than the England rate (23.1%).
- Significantly, 31.9% of all out of work benefit claimants have been claiming for longer than 5 years.

Concentrations of unemployment

- In August 2010, 9,474 people in Dudley Borough were in receipt of Jobseekers Allowance (JSA); 4.9% of the Borough's population, higher than regional and national averages.
- A quarter of the wards in the Borough had a JSA rate higher than 6%. 3 wards had a rate above 7% - Brierley Hill Ward (7.6%), Netherton, Woodside & St Andrews Ward (7.2%) and St Thomas's Ward, which had the highest rate in the Borough (8.3%).
- However, some neighbourhoods have much higher levels of unemployment. An area within the Belle Vale ward had a JSA rate of 16%. The ward itself had an overall JSA rate of 5.7% with no other part of the ward having a rate above 6.8%.

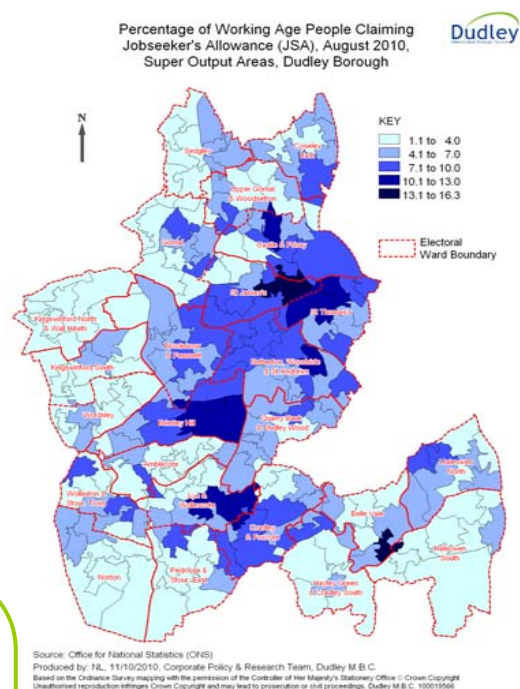
Summary

Unemployment remains a key challenge for the borough. Long-term unemployment may be regarded partly as a cause, partly a consequence, of weaknesses in the structure of the local economy and low skill levels.

There are links between unemployment levels across the Borough and other socio-economic factors including crime, health and skill levels. Engagement with partners and providers also highlighted the many complex issues facing people out of work including drug and alcohol dependency, debt, housing, childcare and low self esteem, with mental health issues becoming an ever increasing issue.

Unemployment is higher than the national rate

- 14.9% of the borough's working age population are claiming out of work benefits. This is above the regional (14.5%) and national average (12.5%)
- The number of claimants increased by 24% between 2005 and 2010.



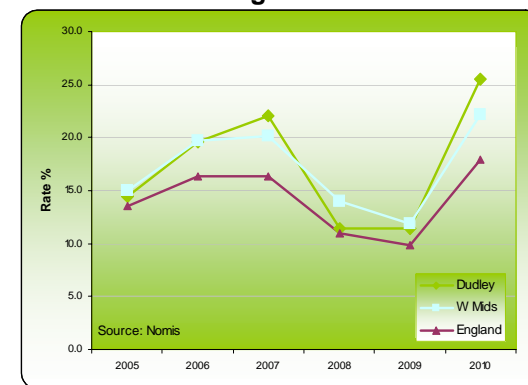
Decline in employment

- Dudley Borough's employment rate is 68.2%, equal to the rate for the West Midlands and 2.7% lower than the rate for England (70.9%).
- From 2005 to 2009, the working age employment rate in Dudley Borough has decreased 75% to 68.2%.

Long term unemployment

- In August 2010, 2,415 people in the Borough had been claiming Job Seekers Allowance (JSA) for longer than 12 months.
- This represents 25.5% of all JSA claimants; higher than the Black Country, West Midlands and England averages.
- The Borough has the second highest proportion of JSA claimants claiming for over 12 months in the West Midlands region.

Proportion of JSA Claimants claiming for longer than 12 months - August 2005 to August 2010



- The number of people claiming JSA for longer than 12 months has increased by 11.1 percentage points from 14.4% in 2005.
- This increase from 2005 to 2009 is sharper in Dudley Borough than regionally (7.1 percentage points) and nationally (4.3 percentage points).

People & Communities: Low skills levels

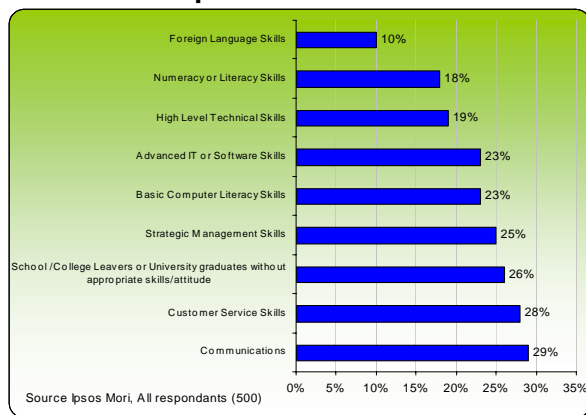
Key Facts

- Almost **33,000 people in Dudley Borough have no formal qualifications** - 17% of the working age population.
- 112,100 people are qualified to at least Level 2 - 60.5% of working age people.
- 42,300 people are qualified to at least Level 4 (degree level or above) - 21.8% of the Borough's working age population.
- The number of Level 1 qualifications in literacy rose from 990 in 2006/7 to 1,726 in 2008/09.
- The number of Entry Level qualifications in numeracy rose from 200 in 2006/07 to 826 in 2008/09.

Skills Gaps - the Dudley Borough Business Survey found....

- Communication skills were felt to be in greatest deficit (29%).
- Customer service skills (28%), school/college leavers without appropriate skills (26%) and strategic/management skills (25%) were also identified as important skills gaps.

Skills Gaps in Current Workforce



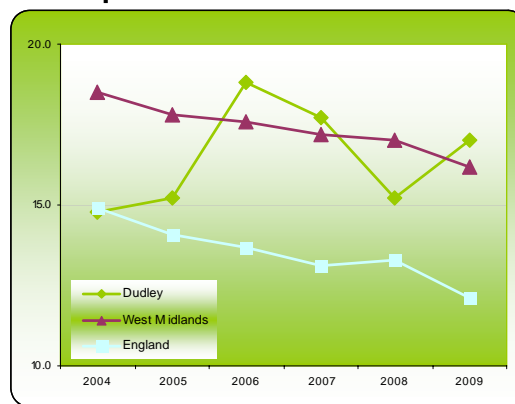
Educational attainment is improving

- In 2010, 56.4% of pupils in Dudley Borough achieved 5 or more A*-C GCSE grades including English and Maths, up from 48.8% in 2009. Encouragingly, performance has improved year on year over the last seven years.

Low skills levels

- 17% of the working age population (33,000 people) in Dudley Borough do not have any formal qualifications. This compares to 16.2% for the West Midlands and 12.1% for England.
- The proportion of people in Dudley Borough with no qualifications has increased from 14.8% in 2004.

Proportion of working age people with no qualifications - 2004-2009

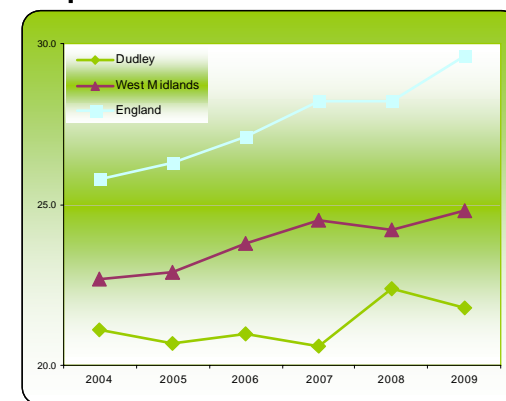


Source: APS

Higher level skills below regional and national averages

- 21.8% of the Borough's working age population (42,000 people) are qualified to at least Level 4 (degree level or above).
- This is well below regional (24.8%) and national averages (30%).
- The gap between Dudley Borough's performance and regional and national performance is increasing. Between 2004 and 2009, the gap between the Borough and England grew from 4.7 percentage points to 7.6 percentage points whilst the gap with the West Midlands grew from 1.6 percentage points in 2004 to 3 percentage points in 2009.

Proportion of working age people qualified to Level 4 - 2004-2009



Source: APS

Summary

Low skill levels are a fundamental weakness of the local economy. There is a well-established link between skill levels (and qualifications), earnings and productivity. The dominance of low wage sectors in the area is reflected in the low level of higher skills which is well below the national average. Continued development of high level skills is essential in building a competitive, knowledge driven economy.

People & Communities: Sharp increase in youth unemployment

Key Facts

- 15,700 people in Dudley Borough are aged 16 to 19 - 5.1% of the Borough's population.
- 17,500 people are aged 20 to 24 - 5.7% of the total population.
- In 2009, 13,081 people in the Borough aged 16-18 were not in education, employment or training (NEET) - 4.9% of 16-18 year olds.
- In August 2009, there were **3,265 people aged 18-24 claiming JSA** - almost 30% of total JSA claimants.

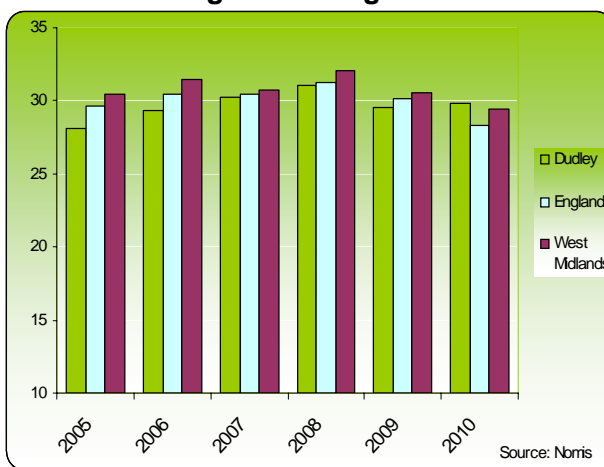
Young people not in education, employment or training

- In 2009, 13,081 people in the Borough aged 16-18 were not in education, employment or training (NEET), equating to 4.9% of 16-18 year olds. This is lower than the Black Country and West Midlands region.
- Between 2006 and 2009, the number of NEETs in Dudley Borough known to Connexions decreased by 23.8%.
- However, the lead between the Borough and the West Midlands decreased from 2.5 percentage points in 2006 to 1.7 percentage points in 2009.

Youth unemployment higher than regional and national averages....

- In August 2010, the percentage of JSA claimants aged 18-24 in Dudley Borough was 29.9% (3,265 people).
- This is a higher rate than both the West Midlands region (29.5%) and England (28.4%).
- Between 2005 and 2010, the percentage of aged 18-24 JSA claimants aged 18-24 has increased from 28.1% to 29.9%.

Proportion of JSA Claimants Aged 18-24
Aug 2005 - Aug 2010



....and also long term youth unemployment

- In August 2010, 18.9% of claimants in the Borough had been claiming for between 6 and 12 months.
- Over a quarter of all claimants (25.5%) aged 18-24 in the Borough had been claiming JSA for longer than a year, higher than regional (22.2%) and national averages (18%).

Graduate Retention

- In a study undertaken by the West Midlands Regional Observatory (WMRO) in 2008, 60% of graduates surveyed stayed in the region.
- Of the remaining 40%, most left for London (12%) and the South East (8%), mainly for higher value added private sector industries and significantly higher salaries.

Higher Education Entry

- In 2007/08, 1,175 people in the Borough aged 18-19 entered higher education, 27.0% of all entrants from the Black Country. This number has increased slightly from 1,155 people in 2005/06.

Summary

Already high before the recession, unemployment among the 18-24 year old age group has increased significantly in recent times. Unemployment among this group now accounts for 30% of all JSA-based local unemployment.

This presents a significant risk since this group of young citizens would normally be expected to be playing a significant role in the local economy both now and in the future. This sharp increase in unemployment in this age group has significant implications for the borough's future economic potential and wealth creating capacity.

People & Communities: High levels of child poverty

Key Facts

- In 2008, **14,830 children in Dudley Borough were classified as living in poverty.**
- Dudley Borough is the 100th most deprived local authority area in England (out of 354 local authorities).
- 11,330 children were living in households in receipt of Jobseekers Allowance or Income Support.
- The Child Well-Being Index 2009 ranked Dudley Borough 228th out of 354 local authorities (354 being the worst) with regards to child well-being.

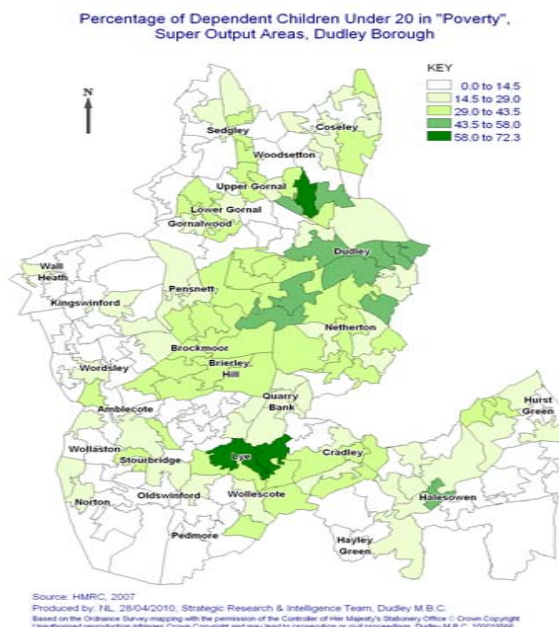
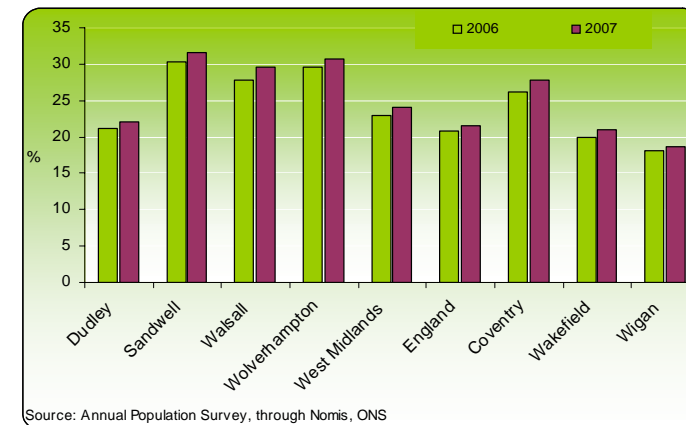
Concentrations of child poverty

- Detailed analysis of neighbourhoods within the borough highlights the concentrations of child poverty in the area.
- This pattern is commonly seen within the Borough, where some of the most deprived areas are - Castle & Priory ward, areas around Dudley Town Centre, St Thomas's ward, Sledmere & Tansley, Woodside, Lye & Stambermill and Halesowen West.
- In one area, almost three quarters of children (72%) have been identified as living in poverty by this measure.

High level of child poverty

- In 2007, 14,830 children in Dudley Borough were classified as living in poverty, 22.1% of the Borough's children.
- This is slightly higher than the national rate of children in poverty - 21%.
- The proportion of children in poverty is slightly higher in the West Midlands (23.3%).

Proportion of Children in Poverty 2006 & 2007



Infant mortality

- Deprivation is a key factor associated with infant mortality.
- Dudley Borough's infant mortality rate (2006-2008) of 5.3 per 1,000 live births - higher than the England rate (4.7) but lower than the rate for the West Midlands (6.1).
- Dudley Borough has the lowest infant mortality rate of the 4 Black Country authorities.

Summary

The Child Poverty Needs Assessment identifies almost 15,000 children, or one in four children under 16 years of age, as living in poverty. Income deprivation is a key factor in this poverty. A significant proportion of these children and young people live in households where no-one works. The highest levels of child poverty are clustered in a relatively small concentration of deprived wards. For example, 72% of children in Castle & Priory ward are classified as living in poverty. Tackling child poverty is crucially dependent upon providing effective, targeted support to families experiencing long-term work and skills deprivation.

Monitoring & Review

The economic assessment will be reported to the Council's Cabinet in March 2011.

The economic assessment will be fully reviewed and revised in 2014 in line with the timescales for updating the Dudley Borough Economic Development Strategy.

Economic Scorecard

An economic scorecard has been developed to set out key economic indicators to enable regular review and monitoring of the borough's economic performance.

Business & Enterprise

- GVA per filled job - % of UK average
- Median Earnings - Workplace - Weekly/Annual
- Median Earnings - Residence - Weekly/Annual
- Total Business Stock
- Number of Full Time Jobs
- % of Total Jobs in Manufacturing/% of Total Jobs in Service Sector
- New Business Start-Ups
- Business Closures
- Self Employment - % of working age population
- New Business Start-Ups Survival Rates - 12 months/3 years

People & Communities

- Population Size
- Working Age Population
- Gross Disposable Household Income
- Working Age Employment Rate
- % of Working Age Population Claiming Out of Work Benefits
- JSA Claimants - % of working age population/% Claiming for 1 year +
- % of Working Age Population with No Qualifications/Level 2 or higher/Level 3 or higher/Level 4 or higher
- % achieving 5+ A* to C GCSE inc. Eng & Maths

Policy Documents

Local Democracy, Economic Development and Construction Act 2009 - <http://services.parliament.uk/bills/2008-09/localdemocracyeconomicdevelopmentandconstruction.html>

Local Growth White Paper - Local Growth: realising every place's potential - <http://www.bis.gov.uk/assets/biscore/regional/docs/lcm7961-local-growth-white-paper.pdf>

Investing in Skills for Economic Growth - November 2010 - <http://www.bis.gov.uk/news/topstories/2010/Nov/skills-for-sustainable-growth>

Universal Credit: Welfare that Works - November 2010 - <http://www.dwp.gov.uk/docs/universal-credit-full-document.pdf>

Web Links

Dudley Metropolitan Borough Council - Economic Information & Research - <http://www.dudley.gov.uk/business/regeneration/economic-information--research>

Dudley Borough Business Survey - <http://www.dudley.gov.uk/business/regeneration/economic-information--research/dudley-borough-business-survey>

Dudley Community Partnership - <http://www.dudleylsp.org/>

Black Country Observatory - www.the-blackcountry.com/understand

West Midlands Regional Observatory - <http://www.wmro.org>

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