

## **Directorate of the Urban Environment (DUE) Scrutiny Committee - 24<sup>th</sup> March 2014**

### **Report of the Director of the Urban Environment - Information Item**

### **Progress Report - Dudley Borough Economic Development Strategy**

#### **Purpose of Report**

1. To provide the DUE Scrutiny Committee with an annual progress report on the Dudley Borough Economic Development Strategy, for the period 2013/14.

#### **Background**

2. The Dudley Borough Economic Development Strategy (2011/12 - 2013/14) was approved by Cabinet on 16<sup>th</sup> March 2011.
3. The Economic Development Strategy is a three-year strategy setting out the overall aims for economic development and the activities to be taken forward to create the right conditions for increasing competitiveness and securing sustainable economic growth. It is developed in response to the key economic challenges set out in the statutory Dudley Borough Economic Assessment.
4. The Dudley Borough Economic Assessment was approved by Cabinet in March 2011. It includes an Economic Scorecard setting out high level performance indicators to monitor the Borough's economic performance.

#### **Dudley Borough's Economic Performance 2013/14 - Headline Findings**

5. The Economic Scorecard is updated annually according to the themes of 'place', 'business and enterprise' and 'people and communities' with the latest data available for each indicator - attached as Appendix 1 to this report.
6. Compared to the previous reporting year, at a Borough level, the following changes are worthy of note:

##### **5%+ improvement in performance**

- Weekly gross earnings for full time employees living in the Borough
- New business registrations (per 10,000 population aged 16+)
- % of people self employed
- New business start-up survival rates at 12 months and 3 years
- Jobseeker Allowance Claimants (JSA) as a % of the working age population
- % of the working age population with no qualifications
- % of the working age population with Level 3 (equivalent to A' Levels) or higher qualifications
- % of the working age population with Level 4 (degree) or higher qualifications

All of the above indicators, with the exception of JSA Claimants as a % of working age population, have seen percentage improvements for Dudley Borough that are above national average improvements. Most notably, the percentage of the working age population with no qualifications has reduced by almost 25% compared with a 9% reduction nationally.

#### **0% up to 5% improvement in performance**

- Weekly gross earnings for full time employees working in the Borough
- Annual gross earnings for full time employees living in the Borough
- Gross Disposable Household Income (GDHI) per head
- Working age employment rate
- % of the working age population claiming out of work benefits
- % of the working age population with Level 2 (equivalent to GCSE grades at A\* to C) or higher qualifications

7. Conversely, compared to the previous year:

#### **5%+ decline in performance**

- % of total manufacturing jobs
- % of JSA claimants claiming for longer than 12 months

#### **0% up to 5% decline in performance**

- UK Competitive Index Score and Rank (\*)
- Average house price (mean) (\*)
- Gross Value Added (GVA) per head
- Annual gross earnings for full-time employees for people who work in the Borough
- Total business stock (small decline of -0.1%)
- Number of full-time jobs
- % achieving 5+ A\* to C GCSE grades including English and Maths

(\*) indicates a decline in performance at both a Dudley, regional (West Midlands) and national (England) level

Employment in manufacturing, almost 15% of the total jobs in the area, remains higher than the national average of 9%. Over the year, there has been a reduction of around 1,500 jobs in the sector.

Over a 5 year period, there has been a decline in Gross Value Added for Dudley Borough of 14% compared to an improvement of almost 5% nationally. In addition, new business registrations have seen a decline of over 20% (compared to 7% decline nationally) and the number of JSA claimants as a percentage of the working age population has increased by almost 60% (compared to 43.5% nationally).

Conversely, over a 5 year period, improvements have been higher than the national average for the percentage of the working age population with Level 3 and Level 4 qualifications or higher and for the percentage of students achieving 5+ A\*-C GCSE grades including English and Maths.

## **Economic Development Strategy**

8. The Economic Development Strategy sets out the strategic aims and three year plan for economic development activities for Dudley Borough.
9. The three strategic aims are as follows:
  1. Place: To improve and champion the economic infrastructure and assets of Dudley Borough and secure additional resources to improve its competitiveness.
  2. Business & Enterprise: To encourage the development of a dynamic and diverse business base and job opportunities through support to new and existing businesses in the Borough.
  3. People & Communities: To optimise the opportunities for local people - including the most vulnerable people and those from deprived areas - to develop and improve their skills and obtain jobs.
10. The current Economic Development Strategy is approved for a three year period ending in March 2014. Currently, Officers are looking at the opportunities to bring the work for the next Economic Development Strategy in line with the Development Strategy Document. It is intended to demonstrate, through the Economic Development Strategy, how the Development Strategy will support economic growth, in addition to the potential for joining up and strengthening the consultation processes for both of these documents. This proposal is to be taken forward in discussion with the Cabinet Member for Regeneration on how best to refresh the forthcoming Economic Development Strategy in order to maximise its use as a delivery plan for the Development Strategy as well as being an effective marketing tool for the Borough.

## **External Funding - Economic Regeneration Projects**

11. From 2003/04 to 2013/14, around £70m of external funding has been secured to support the delivery of economic regeneration projects in the Borough.
12. Secured external funding at the Black Country level amounts to £21.3m, including Regional Growth Fund 3, Black Country Property Investment Programme, Black Country GOLD (Growth Opportunities: Local Delivery) and European Regional Development Fund (ERDF) Technical Assistance. It is estimated that around 25% of this funding could potentially benefit Dudley Borough (approximately £5.3m) up to the end of 2015.
13. Project-specific funding includes £4.5m for Castle Hill, £2.4m for Townscape Heritage Initiative, £500,000 for the Dudley Business Loan Fund, £2.6m funding for the Dudley Town Centre Marketplace and £1.8m for Priory Park.

## **Finance**

14. The Council will work with all relevant partners and agencies in seeking the required external financial support for economic regeneration projects and activities within the Economic Development Strategy which are not currently financed within either the Council's or other organisations' budgets. However, the impact of national and global economic issues will continue to provide a major challenge to business, public bodies and the voluntary sector, as well as to families and individuals within the Borough.

## **Law**

15. The Council may do anything which is incidental to or conducive to or which facilitates the discharge of its functions under section 111 of the Local Government Act 1972.

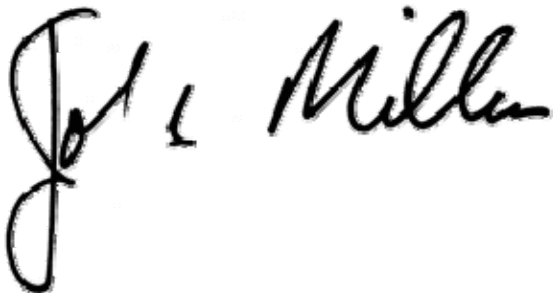
## **Equality Impact**

16. The Economic Development Strategy aims to bring increased prosperity across the Borough. In addition, Strategic Aim 3 - People & Communities: Optimising opportunities for local people to develop and improve their skills and obtain jobs - is primarily aimed at residents, including children and young people, and areas and communities that are recognised as being disadvantaged in economic and social terms. With reference to the Equality Action Plan for 2014/2015 (reported as an information item at the Committee) a number of actions have been agreed to improve the consultation process in line with the Economic Development Strategy Equality Impact Initial Assessment.

## **Recommendation**

17. It is recommended that the DUE Scrutiny Committee:-

- notes the contents of the report and provides further comments on any particular areas that it considers need to be taken into account in developing the Dudley Borough Economic Development Strategy from April 2014 onwards.



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## **List of Background Papers**

Dudley Borough Economic Assessment (March 2011)

Dudley Borough Economic Development Strategy - 2011/12 - 2013/14

**Appendix 1**  
**Dudley Borough Economic Scorecard**  
**March 2014**

| Indicator  | Latest Performance |           |            | Latest Data (Year) |
|--|--------------------|-----------|------------|--------------------|
|  | Dudley             | W Mids    | England    |                    |
| <b>Place &amp; Physical Environment</b>                              |                    |           |            |                    |
| % Lower Super Output Areas (LSOAs) in 10% most deprived in England   | 9                  | 16        | n/a        | 2010               |
| % Lower Super Output Areas (LSOAs) in 20% most deprived in England   | 23                 | 28        | n/a        | 2010               |
| UK Competitiveness Index - Score                                     | 84.2               | 91.9      | n/a        | 2013               |
| UK Competitiveness Index - Rank (out of 379)                         | 346                | 240       | n/a        | 2013               |
| Average House Price (Mean) (£)                                       | 145,121            | n/a       | 236,685    | 2011               |
| <b>Business &amp; Enterprise</b>                                     |                    |           |            |                    |
| Gross Value Added (GVA) per Head (£)                                 | 12,608             | 17,429    | 21,937     | 2012               |
| Weekly Gross Earnings for Full Time Employees - Workplace (£)        | 413.7              | 484.6     | 520.5      | 2013               |
| Annual Gross Earnings for Full Time Employees - Workplace (£)        | 21,562             | 25,341    | 27,376     | 2013               |
| Weekly Gross Earnings for Full Time Employees - Residents (£)        | 479.1              | 483.0     | 520.7      | 2013               |
| Annual Gross Earnings for Full Time Employees - Residents (£)        | 24,455             | 25,359    | 27,375     | 2013               |
| Total Business Stock   | 10,355             | 209,800   | 2,234,345  | 2013               |
| Number of Full Time Jobs   | 106,600            | 2,318,300 | 23,225,400 | 2012               |
| % of Total Jobs in Manufacturing                                     | 14.8               | 12.0      | 9.0        | 2012               |
| New Business Registrations per 10,000 population (16+)               | 37.8               | 43.3      | 55.3       | 2012               |
| % Self Employed  | 8.1                | 8.7       | 9.8        | Jan-Dec 12         |
| New Business Start-Ups Survival Rates - 12 months (%)                | 93.4               | 92.5      | 93.1       | 2012               |
| New Business Start-Ups Survival Rates - 3 years (%)                  | 61.7               | 56.8      | 59.7       | 2012               |
| <b>People &amp; Communities</b>                                      |                    |           |            |                    |
| Population Size  | 313,600            | 5,642,600 | 53,493,700 | 2012               |
| Working Age Population (16-64)                                       | 193,900            | 3,557,500 | 34,307,000 | 2012               |
| Gross Disposable Household Income (GDHI) per head (£)                | 12,612             | 14,362    | 16,251     | 2011               |
| Working Age Employment Rate  | 71.9               | 68.3      | 70.9       | Jan-Dec 12         |
| % of Working Age Population Claiming Out of Work Benefits            | 13.3               | 12.7      | 11.3       | Feb-13             |
| Job Seekers Allowance (JSA) Claimants as % of working age population | 4.9                | 4.1       | 3.3        | Aug-13             |
| % of JSA Claimants Claiming for 1 year +                             | 36.6               | 32.3      | 30.2       | Aug-13             |
| % of Working Age Population with No Qualifications                   | 9.0                | 13.6      | 9.5        | Jan-Dec 12         |
| % of Working Age Population with Level 2 or higher                   | 68.7               | 66.6      | 71.8       | Jan-Dec 12         |
| % of Working Age Population with Level 3 or higher                   | 47.7               | 48.4      | 54.9       | Jan-Dec 12         |
| % of Working Age Population with Level 4 or higher                   | 25.8               | 27.8      | 34.2       | Jan-Dec 12         |
| % achieving 5+ A* to C GCSE inc. Eng & Maths                         | 57.9               | 58.8      | 58.8       | 2012               |