

**Meeting of the Cabinet - 17<sup>th</sup> March 2010**

**Report of the Director of the Urban Environment**

**Dudley Borough Economic Strategy 2010/11**

**Purpose of Report**

1. To seek Cabinet approval to the Dudley Borough Economic Strategy for 2010/11.

**Background**

2. The Economic Strategy provides a long-term vision and delivery plan for economic regeneration activities in Dudley Borough. It is developed by Dudley Council on behalf of the Economic Development and Regeneration Partnership (EDRP), which is a thematic partnership within the Dudley Community Partnership (DCP) structure.
3. A copy of the 2010/11 Economic Strategy is available for inspection in the Members' Room and on CMIS.
4. The Dudley Borough Economic Strategy provides the delivery plan for the 'Jobs and Prosperity' theme of both the Sustainable Community Strategy (2010-2013) and the Council Plan (2010-2011).
5. The purpose of the Economic Strategy is to respond to the economic challenges for the local economy. It aims to ensure that economic regeneration is focussed on the agreed priorities for the borough in order to create the right conditions for increasing competitiveness and growth and meet the national objectives for achieving sustainable economic growth.
6. The impact of the economic recession has further increased the economic challenges for the borough, which include raising skills levels, increasing the rate of new business creations and increasing levels of earnings. In addition, the number of people claiming key out of work benefits has increased by almost 5,000 people (20.6%), from 23,810 people in May 2007 to 28,710 in May 2009. The largest increase has been in the number of people claiming Job Seekers Allowance, from 5,830 people to 10,300 people over the same period, which is evidence of the loss of jobs in the borough.
7. The overall vision for the Sustainable Community Strategy (SCS) is Strong Communities which are sustainable, inclusive and connected communities across Dudley Borough. The 2020 outcome for the Jobs & Prosperity theme of the SCS is: "Businesses thrive and invest, and people are skilled for now and in the future"
8. The Economic Strategy is based on four Strategic Aims;

1. 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
  2. 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. To improve the economic and environmental infrastructure of Dudley Borough and its Town Centres
  4. To champion the interests and assets of Dudley Borough, securing additional resources and improving its position regionally, nationally and internationally
9. The Economic Strategy is reviewed and updated annually to ensure that it reflects new developments that are planned and/or underway and to respond to the changing framework of regeneration policies and strategies at national, regional, sub-regional and local level, some of which are summarised in paragraphs 10 to 12.
10. 'Transforming places changing lives - taking forward the regeneration framework', was published by the Department for Communities and Local Government in May 2009. It sets out three priority outcomes which have been agreed across Government as the standard against which all future regeneration activity will be judged. These are:
- Improving economic performance and tackling worklessness, particularly in the most deprived areas
  - Creating the right conditions for business growth which could include investment in infrastructure, land use and a better public realm
  - Creating sustainable places where people want to live and can work and businesses want to invest.
11. The Local Democracy, Economic Development and Construction Act 2009 requires County Councils and Unitary District Councils to prepare an assessment of the economic conditions of their area - a Local Economic Assessment (LEA). The Dudley Borough LEA will become the formal economic evidence base for the Economic Strategy from 2011/12 onwards as well as being the evidence base for the Sustainable Community Strategy, Local Development Framework and other local strategies around, for example, housing and transport.
12. The Black Country Joint Core Strategy has been prepared to address the social, economic and environmental challenges facing the sub-region. The Core Strategy has been designed to provide the basis for creation of new high quality employment areas which will enable the region to compete for much needed inward investment as the economy moves out of recession. It will also guide the delivery of 63,000 new homes across the Black Country between now and 2026 supported by new shops, offices, leisure, transport and environmental improvements. Adoption of the Core Strategy is anticipated in March 2011.
13. The Economic Strategy includes the joint working and partnership activities delivered in the borough and the input of resources from a variety of public and private sector organisations at regional, sub-regional and local level.
14. Key external organisations involved in the development and delivery of the Economic Strategy include Business Link, Jobcentre Plus, Further Education

Colleges, Dudley Primary Care Trust, The Prince's Trust and Black Country Chamber of Commerce.

15. The Economic Strategy also reflects cross directorate working within the Council. Other Directorates, in addition to the Directorate of the Urban Environment, contribute to the update of the Economic Strategy, and will also contribute directly to delivering economic regeneration activities. These include the Directorate of Adult, Community and Housing Services and the Directorate of Children's Services.
16. The 2010/11 Economic Strategy is focused on the key regeneration projects and initiatives to be taken forward for each of the four strategic aims.
17. For 2010/11 onwards, the regeneration of the Borough's town centres remains an important priority; with New Heritage Regeneration Limited established to lead on this activity to drive forward the investment and development opportunities initially in Dudley and Brierley Hill.
18. There will also be a stronger focus on attracting inward investment to the borough as well as developing support to local businesses. Furthermore, in response to the Audit Commission's inspection of the Council on worklessness in 2009, progress will continue to develop a worklessness framework to ensure that the Council's resources and activities are sufficiently co-ordinated to address the worklessness issues in the borough.
19. In addition, other economic regeneration activities that will be taken forward from 2010/11 onwards include:
  - Through Future Skills Dudley (FSD), delivery of the Flexible New Deal contract, funded through the Department for Work and Pensions (DWP) for people who have been unemployed for 12 months, to improve skills and get more people into sustained employment.
  - Delivery of the Future Jobs Fund initiative to provide training opportunities for 18-24 year olds who have been unemployed for between 6-12 months and for unemployed people aged 25 plus from unemployment 'hot spots' in the borough.
  - Delivery of the Workwise project to help workless residents living in the Black Country to overcome transport barriers to finding and staying in employment.
  - Continuing work with the Birmingham and Black Country City Region Partnership to develop the Multi Area Agreement (MAA) for Employment and Skills.
  - Delivery of planned developments in Dudley town centre in line with the Dudley Area Development Framework (ADF), led by New Heritage Regeneration Limited.
  - Progressing the Castle Hill project to create new access and visitor arrangements to benefit existing visitor attractions and open up additional land for the attraction of new investment.
  - Delivery of the Dudley Townscape Heritage Initiative (THI) to restore, maintain and conserve key buildings of historic interest and bring vacant floor space back into use as well as enhancing the town's appearance and image.
  - Finalising the Brierley Hill Area Action Plan for adoption in March 2011.
  - Developing the 'New Heart for Brierley Hill' project which will involve the acquisition of commercial properties, upgrading Brierley Hill High Street environment, a community service centre and Northern and Southern Gateway improvements.
  - Taking forward public realm improvements in Halesowen town centre.
  - Developing Area Action Plans for Stourbridge & Halesowen town centres.

- Further development of plans for the South Black Country Enterprise and Innovation Centre.
- Implementing regeneration plans for agreed priority district and local centres including the completion of the library public realm scheme in Lye, development of an opportunity site for Shell Corner, carrying out the developers brief for Foredraft Street in Cradley and identification of resources for priority schemes in Quarry Bank and Pensnett.
- Producing action plans within the Development Strategy Development Plan document for Wordsley and Netherton local centres.
- Commencing the North Priory housing development for 314 new properties ranging from two bedroom apartments or bungalows and a mix of two, three and four bedroom houses.
- Completing Extra Care Housing Schemes in Russells Hall, Dudley and White House Street, Coseley to provide 132 and 70 apartments respectively and to increase the care of older people in the borough.
- Continuing to implement major junction improvements to the A461/A4123 Burnt Tree Island junction, in conjunction with Sandwell MBC.
- Implementing the Ripples through Time project to enhance Wrens Nest National Nature Reserve, with funding secured through the Heritage Lottery Fund (HLF).
- Developing projects for funding from the European Regional Development Fund through the Sustainable Urban Development funding package.
- Delivery of targets for the Wealthy Communities theme of the Dudley Next Generation Local Area Agreement, in respect of worklessness, child poverty, earning levels, new business registrations and skills at levels two and four.

## **Finance**

20. The Economic Strategy is likely to have a significant financial impact ranging from the level of the regional economy to that of individual neighbourhoods within the Borough. Resources are identified against the key regeneration projects and initiatives within the Economic Strategy, where possible.

21. 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. However, the impact of recession is likely to be significant and will provide a major challenge to business, public bodies and the voluntary sector, as well as to families and individuals within the Borough.

## **Law**

22. 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.

23. Section 69 of the Local Democracy, Economic Development and Construction Act 2009 places a statutory duty on principal local authorities in England to prepare an assessment of the economic conditions of its area. The statutory duty is to come into force on 1<sup>st</sup> April 2010.

## **Equality Impact**

24. 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 areas and communities that are recognised as being disadvantaged in economic and social terms.

## **Recommendation**

25. It is recommended that:-

- the Cabinet approves the revised Dudley Borough Economic Strategy for 2010/11.



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**John Millar**  
**Director of the Urban Environment**

Contact Officer: Lynne Avery  
Telephone: 01384 814143  
Email: lynne.avery:@dudley.gov.uk

## **List of Background Papers**

2010/11 Dudley Borough Economic Strategy