

Regeneration, Culture and Adult Education Scrutiny Committee - 6th March 2013

Report of the Director of the Urban Environment

Progress Report - Dudley Borough Economic Development Strategy

Purpose of Report

1. To provide the Regeneration, Culture and Adult Education Scrutiny Committee with an annual progress report on the Dudley Borough Economic Development Strategy, for the period 2012/13.

Background

2. The Dudley Borough Economic Development Strategy (2011/12 - 2013/14) was approved by Cabinet on 16th 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 2012/13 - Headline Findings

5. This report provides an annual update of the Economic Scorecard and a summary of the headline findings.
6. The Economic Scorecard has been updated according to the themes of 'business and enterprise' and 'people and communities' with the latest data available for each indicator - attached as Appendix 1 to this report.
7. Compared to the previous reporting year, at a Borough level the following changes are worthy of note:

5%+ improvement in performance

- % of total manufacturing jobs (this compares favourably when compared with regional data which shows a decline)
- % of people self employed
- % of the working age population with no qualifications
- % of the working age population with Level 4 (degree) or higher qualifications

0% up to 5% improvement in performance

- Gross Value Added (GVA) per head
- Annual gross earnings for full time employees living in the Borough
- Total number of businesses
- Gross disposable household income per head
- Working age employment rate (this is contrary to both the regional and national performance which have both shown a decline in performance)
- % of the working age population with Level 2 (equivalent to GCSE grades at A* to C) or higher qualifications
- % of the working age population with Level 3 (equivalent to A' Levels) or higher qualifications
- % achieving 5+ A* to C GCSE grades including English and Maths

8. Conversely, compared to the previous year:

5%+ decline in performance

- New business start-up survival rates after 12 months*
- New business start-ups survival rates after 3 years*

0% up to 5% decline in performance

- Weekly and annual gross earnings for full-time employees for people who work in the Borough
- Number of full-time jobs*
- New business registrations per 10,000 population (started by those aged 16+)
- % of working age population claiming out of work benefits*
- % of Job Seekers Allowance Claimants claiming for more than 1 year*
- Job Seekers Allowance Claimants as a % of the working age population

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

Economic Development Strategy

9. The Economic Development Strategy sets out the strategic aims and three year plan for economic development activities for Dudley Borough. Currently, Officers are 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 an effective marketing tool for the Borough.

10. 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.

11. Some of the key projects to be taken forward, or developed, include:

- Redevelopment of Dudley Market Place
- New build Dudley College development
- Castle Hill regeneration scheme
- Dudley Townscape Heritage Initiative
- Crown Centre development in Stourbridge
- Local Investment Plan (LIP) schemes including North Priory, Extra Care Housing and Local Authority New Build.
- Dudley Business First
- Dudley Business Loan Fund
- Apprenticeship Programme
- Community First/Community Innovation & Enterprise Fund
- Engagement with Black Country Local Enterprise Partnership (LEP)

External Funding - Economic Regeneration Projects

12. From 2003/04 to 2012/13, over £65m of external funding has been secured to support the delivery of economic regeneration projects in the Borough.
13. Provisional external funding at Black Country level amounts to £21.3m, including Regional Growth Fund 3, Black Country Property Investment Programme, Black Country GOLD and 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.
14. Project-specific funding includes £4.5m for Castle Hill, £2.4m for Townscape Heritage Initiative and £500,000 for the Dudley Business Loan Fund as well as outline approval for £2.6m funding for the Dudley Town Centre Public Realm and Ambassador project.

Finance

15. 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

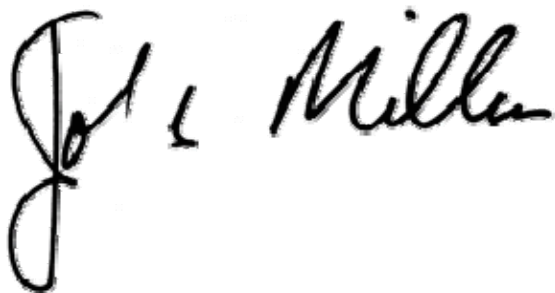
16. The Council may do anything which is incidental to or conducive to or which facilitates the discharge of its functions under section 111 of the Local Government Act 1972.

Equality Impact

17. 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.

Recommendation

18. It is recommended that the Regeneration, Culture and Adult Education 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 delivering the Dudley Borough Economic Development Strategy in 2013/14; and
 - provides recommendations on the process for developing the next Economic Development Strategy, to commence April 2014.



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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

| Indicator | Latest Performance | | | Latest Data (Year) |
|---|--------------------|-----------|------------|--------------------|
| | Dudley | W Mids | England | |
| Business & Enterprise | | | | |
| Gross Value Added (GVA) per Head (£) | £14,075 | £17,486 | £21,349 | 2011 |
| Weekly Gross Earnings for Full Time Employees - Workplace (£) | £411.50 | £469.20 | £512.10 | 2012 |
| Annual Gross Earnings for Full Time Employees - Workplace (£) | £22,224 | £24,600 | £26,800 | 2012 |
| Weekly Gross Earnings for Full Time Employees - Residents (£) | £454.80 | £469.30 | £512.70 | 2012 |
| Annual Gross Earnings for Full Time Employees - Residents (£) | £23,933 | £24,617 | £26,804 | 2012 |
| Total Business Stock | 10,345 | 208,975 | 2,218,215 | 2012 |
| Number of Full Time Jobs | 112,000 | 2,304,000 | 23,059,000 | 2011 |
| % of Total Jobs in Manufacturing | 16.0 | 12.0 | 9.0 | 2011 |
| New Business Registrations per 10,000 population (16+) | 35.9 | 43.3 | 54.0 | 2011 |
| % Self Employed | 7.4 | 8.3 | 9.4 | Jan-Dec11 |
| New Business Start-Ups Survival Rates - 12 months (%) | 86.1 | 87.1 | 86.8 | 2011 |
| New Business Start-Ups Survival Rates - 3 years (%) | 57.5 | 58.6 | 57.9 | 2011 |
| People & Communities | | | | |
| Population Size | 313,300 | 5,608,700 | 53,107,200 | 2011 |
| Working Age Population | 195,200 | 3,561,100 | 34,347,400 | 2011 |
| Gross Disposable Household Income (GDHI) per head (£) | £12,234 | £13,989 | £15,938 | 2010 |
| Working Age Employment Rate | 71.5 | 67.2 | 70.2 | Jan-Dec11 |
| % of Working Age Population Claiming Out of Work Benefits | 14.0 | 13.9 | 12.1 | Feb-12 |
| Job Seekers Allowance Claimants as % of working age | 5.3 | 4.6 | 3.7 | Aug-12 |

| | | | | |
|---|------|------|------|-----------|
| population | | | | |
| % of Job Seekers Allowance Claimants Claiming for 1 year + | 33.7 | 29.6 | 27.2 | Aug-12 |
| % of Working Age Population with No Qualifications | 11.9 | 14 | 10.4 | Jan-Dec11 |
| % of Working Age Population with Level 2 (equivalent to GCSE grades at A* to C) or higher | 65.7 | 64.3 | 69.5 | Jan-Dec11 |
| % of Working Age Population with Level 3 (equivalent to A' Levels) or higher | 45.1 | 45.9 | 52.4 | Jan-Dec11 |
| % of Working Age Population with Level 4 or higher | 24.4 | 26.3 | 32.7 | Jan-Dec11 |
| % achieving 5+ A* to C GCSE inc. Eng & Maths | 57.7 | 57.0 | 58.3 | 2011 |