

Meeting of the Cabinet – 20th March 2024

Report of the Director of Regeneration and Enterprise

Dudley Borough Economic Regeneration Strategy

Purpose of report

1. The purpose of this report is to present Cabinet with the proposed Dudley Borough 'Economic Regeneration Strategy', for approval as the agreed and final Strategy.

Recommendation(s)

2. It is recommended that:
 - Cabinet approves the Dudley Borough 'Economic Regeneration Strategy'.
 - Cabinet endorses the Director of Regeneration and Enterprise, in consultation with the Cabinet Member for Communities and Economic Delivery, to implement the Strategy.
 - Cabinet endorses the Director of Regeneration and Enterprise, in consultation with the Cabinet Member for Communities and Economic Delivery, to progress the procurement of a Development Partner, to support regeneration project delivery across the Borough, and to report back to Cabinet on progress at key decision points. Final appointment will be subject to a Cabinet report.

Background

3. In June 2023, the Council appointed SQW to prepare an 'Economic Regeneration Strategy' for the Borough, following a competitive tender exercise. The Strategy is required to address a corporate priority

highlighted in the internal Regeneration and Enterprise audit and to underpin future funding bids to Government, The West Midlands Combined Authority, and other sources to maximise external funding opportunities. It also addresses a key recommendation from the recent LGA Peer Review, setting out the strategic priorities for regeneration and economic growth in the Borough and highlighting future delivery and governance requirements. The Strategy will align to the Council Plan, supporting key priorities to secure economic growth and maximise income opportunities through Council tax and business rates.

4. SQW has been liaising closely with a core officer team within the Regeneration and Enterprise Directorate and has undertaken the following:
 - A detailed econometric analysis, baselining and preparation of a Key Issues Paper, highlighting the Boroughs key challenges and the themes that should form the focus of the Strategy.
 - A workshop with the Council core team in early October 2023 to discuss the above and agree the evolving Strategy.
 - A series of stakeholder consultations across different Council departments and with members, and with external bodies/ individuals.
 - Four themed workshops with internal/external parties in late October 2023.
 - A workshop with the 'Dudley Business Champions' and the 'Education and Skills' Boards on the 22nd November 2023.
 - A workshop with the Council core team on the 6th December to discuss the draft Strategy and the Action Plan.
5. A draft Strategy and Action Plan was submitted by SQW on 22nd December 2023 and comments on that draft were provided to SQW on 15th January 2024. A further workshop was held with SQW on 25th January 2024, to discuss the comments and the projects/interventions proposed in the Action Plan. Following that workshop, SQW has produced the final Strategy and Action Plan.

Key issues

6. Following its baseline assessment of Dudley's economy, a review of the strategic context and scoping consultations, SQW identified six 'emerging issues' as being important to the Borough's short-to-medium term prospects. Four of these issues are 'thematic':

- Structural economic change - how the Borough manages this ongoing process, supporting a balance between maximising the potential of Dudley's historic capabilities in the manufacturing sector and supporting the growth of a diverse, broad-based economy.
- Raising aspirations and increasing workforce skills - at all levels, realising the benefits and building out from substantial recent (and forthcoming) investment in further and higher education and the links through to schools and community development.
- The changing roles of the town centres - how the Borough should reflect and respond to these changes, and the relationships between them.
- Its location within one of Europe's largest city-region economies - how the Borough can make the most of this, through understanding the relationship between Dudley, the rest of the West Midlands and its wider 'functional economic area'.

7. The other two issues related specifically to major investment opportunities:

- How the Borough can make the case for, and secure, the Metro Extension to Brierley Hill (and ultimately through to Stourbridge Junction).
- How the Borough can make the most of its Enterprise Zone and future Levelling Up Growth Zone designations.

8. These emerging issues formed the basis of the next stages of work, which explored them in greater detail, with further consultations, workshops and analysis, to prepare the Strategy and the Action Plan.

The Strategy

9. The new Economic Regeneration Strategy is informed by evidence and has been developed in consultation with stakeholders. It sets out an ambitious 'route map' for the borough over the next ten years – to shape a more prosperous, more equitable and more sustainable economy in which businesses and communities thrive.
10. The Strategy sets out a Vision that “by 2033, the borough of Dudley will be recognised nationally for its thriving local economy. With specialisms in advanced manufacturing, it will be a focus for innovation, particularly in respect of the net zero transition, and it will also have a growing profile in 'new economy' sectors. It will be far better connected and it will function as

a hub for business – both those formed locally and those that have relocated to the borough. It will be playing a full role in driving the West Midlands as a whole forward. It will be an aspirational place in which individuals, families, communities and businesses thrive.”

11. The Strategy seeks to achieve the following outcomes for the Borough:
 - new businesses are formed and existing businesses grow – including in new sectors.
 - inward investors choose to locate.
 - local people develop new skills and can ‘pivot’ as new opportunities come to the area.
 - town centres are vibrant and sustainable, and attractive both to local people and visitors.
 - the quality of the natural and built environment (including heritage assets) are recognised at the heart of the visitor economy and more generally.
 - communities and businesses are connected by a high quality transport infrastructure across the borough.
 - significant progress is being made towards net zero carbon.
 - everyone can reach their potential.
12. To progress this, the Strategy sets out four key themes and a cross-cutting priority that should underpin actions and investment.

Theme 1: Unlocking enterprise and innovation

13. To reposition Dudley as a borough of enterprise and innovation at the heart of the West Midlands. This means creating new opportunities for businesses to start up, grow and invest, creating well-paid, sustainable jobs in both established industrial strengths and across a diverse, broad-based economy. The strategy proposes action in four priority areas:
 - creating space for business growth.
 - increasing productivity and innovation in Dudley’s manufacturing ‘core’.
 - developing a wider environment for innovation across the economy.
 - building stronger networks of support.

Theme 2: Investing in people and building skills for tomorrow

14. Over recent years, there have been major changes across the labour market in the borough – in part because of economic restructuring. Residents are more highly qualified than they were previously, but employers can recruit neither the skills nor the number of people that they

need in order to grow. The strategy proposes action in several priority areas:

- Strengthen links between employers, schools and providers to equip people for changing jobs.
- Support local people to access skills, training and education opportunities, especially those currently furthest away from the labour market.
- Leverage new investment coming into the borough to deliver skills and training opportunities for local people.
- Develop and actively promote Dudley's new and evolving higher education offer.

Theme 3: Creating a vibrant creative and cultural environment, and supporting the Visitor Economy

15. Dudley has substantial assets linked to heritage, culture and the visitor economy. These need to be seen as a key economic driver in their own right. More could be done with these assets – not least in giving them scale and visibility. A series of priorities have been defined in response.
- Develop a stronger 'package' across different visitor economy attractions within the borough, helping to increase visitor numbers, dwell time and spend.
 - Promote Dudley as a cultural and creative borough.
 - Deliver more cultural events, particularly in the town centres, helping to change perceptions of the borough.
 - Explore the feasibility of new sport and/or cultural infrastructures within the borough.

Theme 4: Reinventing town centres across the borough.

16. The town centres across the borough – principally Brierley Hill, Dudley, Stourbridge, Lye and Halesowen – are at the heart of the local economy. They differ from each other, but all face challenges, not least in the context of profound change across the retail sector. The town centres need to redefine their economic purposes, and the priorities to achieving that include:
- Advancing a new economic vision for Dudley town centre through a Long-Term Town Plan.
 - Supporting partnership working in town centres across the borough to deliver change.
 - Developing Business Improvement Districts.
 - Promoting cultural and creativity across the borough's town centres.

- Working with developers to forge constructive working relationships across the borough in respect of town centre regeneration and delivery of investment into the Levelling Up Growth Zone.

Cross-Cutting Priority – Maximising the impact of Metro and driving investment in future connectivity

17. The Borough also needs to advance a major transformational connectivity opportunity – to maximise the economic impact of the first phases of Metro Extension. It also needs to make the case for subsequent investment in later phases of Metro and in other connectivity improvements - substantially enhancing Dudley’s connectivity, linking up key town centres and major developments and aligned with the Levelling Up Growth Zone. Over the coming decade, the Borough needs to maximise the impact of this new asset – recognising that this is the first stage of a journey towards a better connected Borough, not the end of the story. The priority is to continue to advance a compelling economic case for investment in the network, including:
 - Maximising the benefits of the first phases of the Metro extension.
 - Making the case for future phases of the Metro.
 - Championing sustained efforts to improve connectivity.
18. The themes and the priority areas for action set out in the Strategy provide the framework for determining corporate priorities and responding robustly to the internal audit and the LGA Peer Review. Key to this however is how the Council delivers the interventions necessary to achieve the outcomes required. SQW identify that:

“Delivering the ERS means action ‘at scale and pace’: in ensuring that there is strategic delivery capacity for transformational change and in ensuring that people and businesses see tangible progress and opportunity in the shorter term.”
19. SQW identify that the need now is for ‘something different and appropriate to the borough of Dudley’s metropolitan scale and ambition’. Delivering change means action on three fronts:
 - ensuring that there is strategic capacity in place for long-term change and planning, marshalling a wide range of resources.
 - in the short-to-medium term, ensuring that the whole Council works together to deliver the more ‘incremental’ changes that show visible progress on the ground.
 - ensuring that local communities and businesses benefit throughout the regeneration process.

20. Progress will depend on focused and dedicated delivery resources, aligned to securing the priorities in the Economic Regeneration Strategy, alongside a strong working relationship with the West Midlands Combined Authority and the private sector.

The Action Plan and next steps

21. The Action Plan sets out the schedule of interventions that need to be progressed to deliver the strategic themes. It has been prepared as two documents:
 - A detailed spreadsheet that the Director of Regeneration and Enterprise will use as a working document, to be updated as required, likely on an annual basis.
 - An executive summary, in table format which forms an Appendix to the attached Strategy document.
22. Following consideration of this report by Cabinet, the next step is for the Director of Regeneration and Enterprise to develop the Action Plan into a schedule of agreed work programmes, highlighting those required in the short term (0-12 months), the medium term (2-3 years) and the longer term. This will need to include resource requirement – revenue and capital – together with proposals for internal governance and monitoring, to enable delivery in a robust and controlled environment.
23. Informal discussions have recently been held with several Development Companies, to understand the benefits of the Council entering into a commercial arrangement with a delivery partner. This would be a Borough wide arrangement and would enable the Council to build a relationship with a partner that would take a long-term view to investment and development within the Borough – supporting the Council to efficiently deliver its regeneration objectives. Given the recommendations made by SQW, a soft-market test exercise as a prelude to a competitive tender/dialogue process is proposed, to commence the process of identifying a long term delivery partner.

Finance

24. At this stage, no financial approvals are required from Cabinet. When the Strategy has been agreed and adopted, the Director of Regeneration and Enterprise will undertake the above next steps and, in consultation with the Cabinet Member, advise Cabinet on financial implications.

Law

25. Section 111 of the Local Government Act 1972 provides the Council with power to do anything which is calculated to facilitate or is conducive or incidental to, the discharge of any of their functions. Pursuant to Section 1 of the Localism Act 2011 a local authority has a general power of competence to do anything that individuals generally may do.

Risk Management

26. The corporate risk register identifies that the lack of an Economic Regeneration Strategy is a key risk to the Council. The completion of this work addresses that risk. When the strategy progresses to delivery, the corporate risk register will need to set progress targets and determine risk on the basis of available resources and timescales.

Equality Impact

27. The Council's Equality and Diversity policies will be applied throughout the implementation of the Strategy, including the identification of any specific equality impacts. Where required equality impact assessments/statements will be prepared.

Human Resources/Organisational Development

28. Resource will be brought in to contribute to the delivery of the Strategy. This will be progressed in partnership with Council policy.

Commercial/Procurement

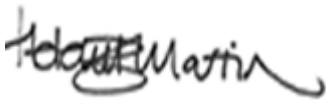
29. Any contracts or commercial agreements needed to deliver the actions and interventions set out in the Action Plan will be let in accordance with Contract Standing Orders.

Environment/Climate Change

30. The Economic Regeneration Strategy highlights net zero as a key priority and interventions to deliver the Strategy will need to highlight the benefits that will support achievement of net zero.

Council Priorities and Projects

31. Facilitating the Economic Regeneration of the Borough is a key priority of the Council. This Strategy will contribute to that aim by setting out the priorities for intervention and governance.



Helen Martin, Director of Regeneration & Enterprise

Report Author: Mark Reynolds
Telephone: 07946 382107
Email: mark.reynolds@dudley.gov.uk

Appendices

Appendix 1 – Dudley Economic Regeneration Strategy (March 2024)
(Available online at the link below:-

<https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6638/Committee/468/Default.aspx>

Paper copies can be provided for Elected Members upon request)