

**REPORT TO CABINET – 15<sup>th</sup> MARCH 2006**

**REPORT OF THE DIRECTOR OF THE URBAN ENVIRONMENT**

**DUDLEY ECONOMIC STRATEGY 2006/07**

**Purpose of Report**

1. To seek Cabinet approval of the Council's Economic Strategy for 2006/07.

**Background**

2. The document attached summarises the key areas of the Economic Strategy for Dudley Borough, revised for 2006/07, together with supporting diagrams to show the regional and sub-regional framework of policy and strategy that provides its context, and with the strategic partnerships that influence its implementation.
3. The Economic Strategy underpins the 'Regeneration Matters' theme of the Council Action Plan, and the 'Creating a Prosperous Borough' theme of the Dudley Community Strategy. The Economic Strategy has five Strategic Aims that provide a 15-20 year vision for economic regeneration in the borough. The Aims are:
  - a) To optimise the opportunity for local people to obtain local jobs
  - b) To support new and existing businesses
  - c) To strengthen and diversify the business base
  - d) To improve the economic and environmental infrastructure in Dudley Borough, and its town centres
  - e) To champion the interests and assets of Dudley borough, securing resources and improving its position regionally, nationally and internationally
4. The five Strategic aims are underpinned by an action plan with key objectives, actions, milestones and timescales.
5. The fifth Aim is new for 2006/07. The Aim has arisen from a recognition that the Borough's success is increasingly dependent upon concerted partnership working across the Black Country, West Midlands and beyond.

6. The Economic Strategy supports the aspirations set out in the 2033 Black Country Study Vision 'Looking Forward: The Black Country in 2033', and its four key objectives – for example, raising income levels.
7. The Economic Strategy also continues to recognise that successful implementation depends on joint working, strong partnerships, and input of resources from a variety of public and private sector organisations at regional, sub-regional and local level.
8. A range of Directorates, in addition to the Directorate of Urban Environment, have contributed to the Economic Strategy, and will also contribute directly to the implementation of the Strategic Aims. These include the Directorate of Adult, Community and Housing Services, and the Directorate of Children's Services.
9. In addition, other organisations involved in the delivery of the Strategy, most notably, Black Country Chamber and Business Link Black Country have been involved in its development.
10. The (draft) Economic Strategy was issued for consultation in December 2005 through to January 2006, both within the Council and to external organisations and stakeholders. The draft Strategy was also presented to the Select Committee for Economic Regeneration on 15 January 2006.

### **Finance**

11. There are no direct financial implications contained within this report.

### **Law**

12. Part 1 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.

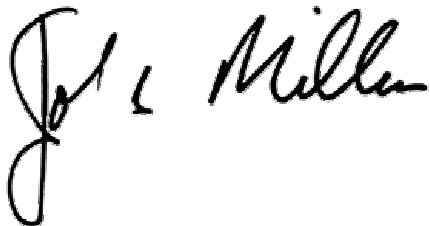
### **Equality Impact**

13. 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 and wards that are recognised as being disadvantaged in economic and social terms.
14. Details of Dudley Council's Equality and Diversity Policy are included in Appendix 3 of the Economic Strategy.

15. A range of internal and external organisations were consulted during the development of the Economic Strategy, including the Directorate of Children's Services, the Directorate of Adult, Community and Housing Services, DOSTI (Dudley's network of community and voluntary organisations), Dudley Community Partnership and The Prince's Trust. The views and contributions of these stakeholders have been incorporated into the final Economic Strategy document.
16. The Prince's Trust runs XL clubs for young people aged 14-16 who are facing difficulties at school, and 12 week programmes for 16-25 year olds to re-engage them and help determine their future options.
17. A key objective within Strategic Aim 1 is to establish a further 11 Children's Centres within the top 30% of Super Output Areas across the borough, in order to enhance the development of children under five years of age, and provide support to their families'.

### **Recommendation**

18. It is proposed that the Cabinet approves the revised Economic Strategy for Dudley Borough for 2006/07 as summarised in Appendix 1 of this report.
19. It is proposed that a full copy of the revised Economic Strategy for Dudley Borough for 2006/07 is placed in the Members' Library for future reference.



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## Economic Strategy for Dudley Borough

### Summary Document

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#### Introduction

The Economic Strategy for Dudley Borough aims to provide a 15-20 year vision and focus for economic regeneration activities in the Borough. It makes a significant contribution to the achievement of the priorities contained within the Dudley Community Strategy, particularly in relation to the 'Creating a Prosperous Borough' priority, and the Council Action Plan, principally the 'Regeneration Matters' theme, and supports other themes such as Environment Matters and Safety Matters.

Key achievements for economic regeneration to date are included in the latest update of the Council Action Plan.

#### Context

##### **Some key facts about Dudley's economy include:**

- A recorded population of 304,500, the highest of the four Black Country Local Authorities
- The lowest unemployment in the Black Country (3.4% - Job Seeker Allowance count)
- A significant restructuring of the industry base with a considerable reduction in manufacturing jobs over recent years, and an increase in service sector employment. The proportion of jobs in the manufacturing sector is still higher, (at 16.8%) than the UK average.
- The lowest average weekly full time earnings in the Black Country (using workplace statistics).
- The highest rate of VAT registered businesses per 10,000 of population in the Black Country in 2005
- A high concentration of micro businesses employing 1 to 10 people (70% of all Dudley businesses).

The 2006/07 Economic Strategy has been developed in response to a number of major issues facing Dudley Borough, including the development of skills of local people to meet the needs of employers, the scarcity of quality land for development, the transportation infrastructure, and the need to develop and maintain a positive image of the Borough to encourage inward investment and promote the Council as a champion for business.

The Economic Strategy has also been developed in the context of the rapidly changing national, regional, sub regional policy and strategy frameworks that impact on the local economy. The Black Country Study will be critical in shaping the future regeneration of Dudley Borough and will provide emerging planning policy for the sub-region. Dudley Council is actively contributing to the study with local partners.

The key strategies affecting economic regeneration within Dudley Borough are shown in Diagram 1.

## Economic Strategy for Dudley Borough

### Summary Document

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#### **Strategic Aims**

The Economic Strategy has 5 strategic aims that provide the 15-20 year vision for economic regeneration in Dudley Borough and are:

1. To optimise the opportunity for local people to obtain local jobs
2. To support new and existing businesses
3. To strengthen and diversify the economic base
4. To improve the economic infrastructure in Dudley Borough
5. To champion the interests and assets of Dudley Borough, securing resources and improving its position regionally, nationally and internationally.

The Strategy therefore recognises that a successful economy, providing well-paid jobs, is essential for the prosperity and quality of life of the Borough's residents.

#### **Strategic Action Plan**

The Strategy is presented as a dynamic action based document that is reviewed and updated annually. Each of the strategic aims is underpinned by a series of objectives, actions, key milestones and timescales.

The aims and objectives of the Economic Strategy seek to address the economic issues facing Dudley Borough. The activities within Strategic Aim 1 focus on targeting disadvantaged and vulnerable groups, to provide them with better prospects of quality training, equipping them with the appropriate skills to meet the needs of local employers. The aim is therefore to support residents into jobs and reduce unemployment in the Borough.

Activities delivered across the other four strategic aims are centred around:

- providing business support in order to improve competitiveness and diversify the economic base
- increasing the availability of quality land and premises
- encouraging business innovation
- implementing major physical infrastructure developments, town centre regeneration and improving the Borough's transport infrastructure
- stimulating inward investment to attract and create higher value added employment opportunities with increased earnings potential for local residents.

Some of the key activities/projects under each aim are summarised below:

#### **Aim 1 - To optimise the opportunity for local people to obtain local jobs**

- Continuation of existing, and development of new services, delivered through Future Skills Dudley and the Lifelong Learning Team, to address training and

## Economic Strategy for Dudley Borough

### Summary Document

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employment needs linked to jobs for Dudley residents, particularly in the Borough's most deprived areas.

- Delivery of The Prince's Trust programmes, aimed at young people at risk of exclusion, and promoting self-employment as an option.
- Working with partners in Neighbourhood Renewal on Basic Skills development.
- Support for the development of Children's Centres across the Borough to create new childcare places to support people into work.
- Delivery of NVQ Level 2 and Level 3 programmes to increase the skills of the social and health care workforce.

#### **Aim 2 - To support new and existing businesses**

- Provide support to start-up businesses through the Prince's Trust Business Programme.
- Management and support of Lye Business Centre to provide managed workspace to local businesses.
- Support the creation and sustainability of viable social enterprises in partnership with Black Country Housing Group.
- Develop the Single Business Account to improve access by businesses to the Council's statutory and non-statutory services.
- Continue to develop the Dudley and Sandwell Business Parks Network, which engages companies to address the problems associated with poor infrastructure and environment.

#### **Aim 3 - To strengthen and diversify the economic base**

- Provision of an integrated business support programme - to improve the competitiveness of Small and Medium sized Enterprises [SMEs] through modernisation and improvement of processes
- Deliver the 'Manufacturing Challenge' programme, improving business systems, controls and effectiveness
- Promotion of innovation and knowledge transfer between Higher Education Institutions and SMEs
- Improve and promote support for the creation of new enterprises – particularly encouraging under-represented groups into enterprise creation.
- Build the capacity of SMEs for business growth in key areas including innovation, knowledge transfer and management capability.
- Deliver specific programmes and initiatives to help companies to modernise and improve their processes and diversify into new markets
- To assist companies to increase the use of ICT
- To promote and encourage the formation of social enterprises

#### **Aim 4 - To improve the economic infrastructure in Dudley Borough**

- Development of the Castle Hill Site for mixed use, and Yorks Park for business use.
- Development and implementation of town centre master plans for Dudley, Brierley Hill, Stourbridge and Halesowen

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- Implementation of projects within the Dudley Action Plan for Tourism
- Implementation of a number of schemes to improve transport infrastructure and traffic management within the Borough – such as the Brierley Hill Sustainable Access Network

### **Aim 5 – To champion the interests and assets of Dudley Borough**

- To fully engage in the Black Country Study, securing the desired outcomes for Dudley Borough
- Attract additional external funding to support Dudley's strategy – e.g. from the Regeneration Zone/AWM
- Support Dudley's proposals into the Black Country's Living Landmarks submission
- Ensure Dudley's engagement, and secure its interests, in terms of City Region developments

#### Delivery

The Strategy continues to recognise that successful implementation depends on joint working and resource input from a wide range of local, sub-regional and regional agencies to deliver interlinked services to local communities and businesses. It also engages the Black Country Chamber, and Business Link Black Country (now two separate organisations) as strategic partners in the delivery of the third strategic aim, "To strengthen and diversify the economic base" as well as supporting the delivery of strategic aim 2, "To support new and existing businesses".

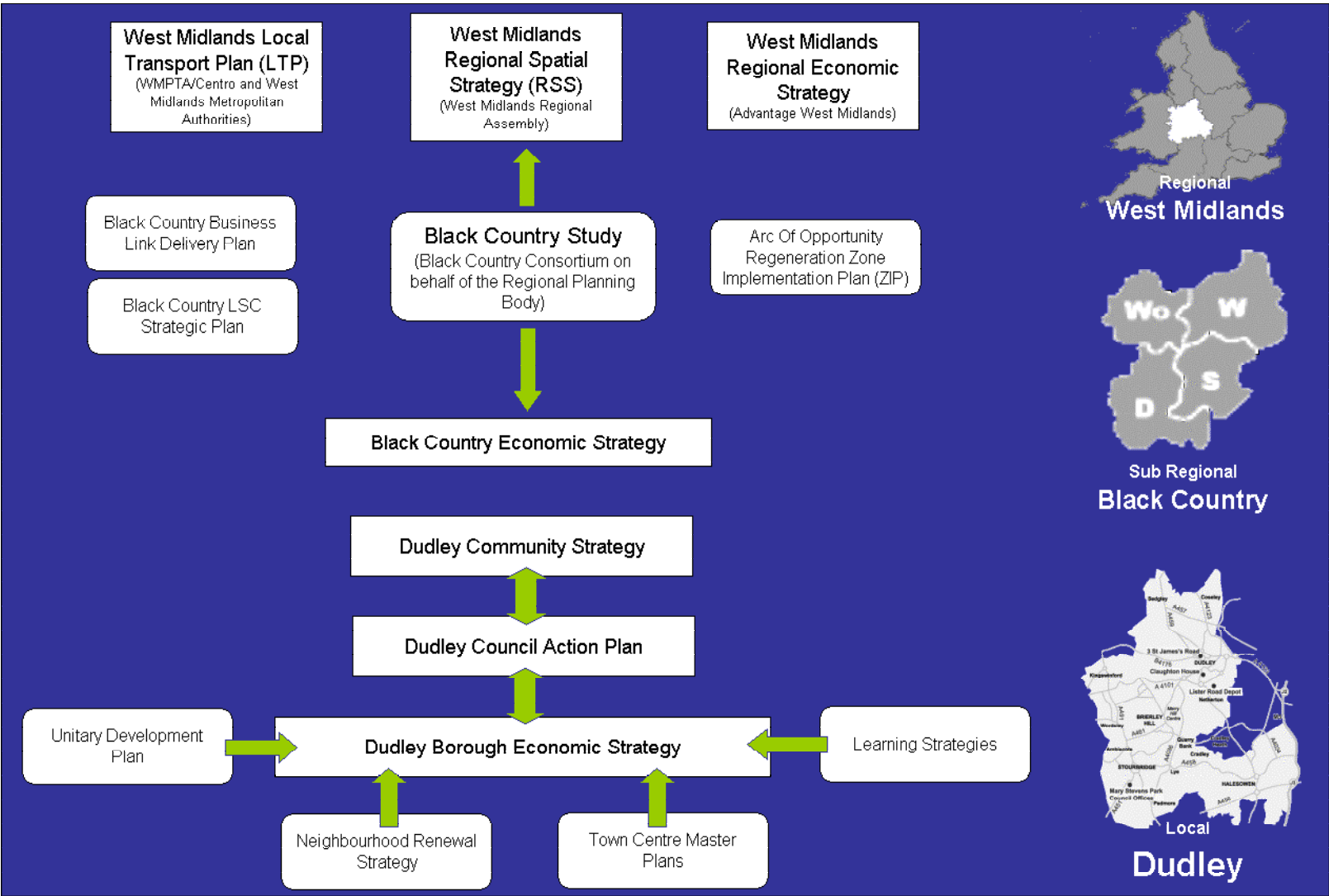
The key partnerships and agencies influencing the implementation of the economic strategy are shown in Diagram 2.

The Council continues to develop a more integrated approach to Economic Regeneration through the work of Resources and Partnerships, Engineering & Transportation, Traffic and Road Safety, Design and Projects, and Economic Well-being sections within the Economic Regeneration Division in the Directorate of the Urban Environment. The Economic Strategy also recognises the impact of other Council activities on the regeneration agenda including the role of the Directorate of Adult, Community and Housing Services, and the Directorate of Children's Services, in developing the social and health care sector and in developing the skills of the Borough's residents.

The Dudley Community Partnership's Economic Development and Regeneration Partnership provides the mechanism for deploying and monitoring the delivery of the Economic Strategy, through its action plan and performance management framework.

Diagram 1

## Dudley Borough Economic Strategy Strategic Context





## Diagram 2

### Key Partnerships and Agencies Influencing Economic Strategy Implementation

