

**REDDITCH ECONOMIC THEMES, PRIORITIES AND ACTION PLAN- ANNUAL REPORT AND FUTURE PLANS**

Relevant Portfolio Holder	Cllr Greg Chance - Portfolio Holder for Planning, Regeneration, Economy and Transport
Portfolio Holder Consulted	√
Relevant Head of Service	Dean Piper, Head of Economic Development & Regeneration – North Worcestershire
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Non key decision

**1. SUMMARY OF REPORT**

- 1.1 A new set of economic priorities and aspirations were agreed for Redditch by the Council in September 2015 which articulated the ambitions of the Council and its key partners. The economic priorities were developed in close consultation with members of the Redditch Economic Development Theme Group, which includes a number of business representatives and partner organisations.
- 1.2 It is intended that the economic themes and priorities will help to provide a roadmap for the Council's economic development and regeneration activities and to the operational activities of the North Worcestershire Economic Development and Regeneration (NWEDR) shared service, to which the Council contributes financial resources.
- 1.3 The setting of the new economic priorities and associated action plan is intended to drive the delivery of the Council's strategic purpose to 'Help me run a successful business'.
- 1.4 Since the priorities were adopted by the Executive in September 2015, the Council has made significant progress in delivering against the priorities and action plan, working with the NWEDR shared service but other key partners such as Worcestershire County Council and Local Enterprise Partnerships.

**2. RECOMMENDATION**

**The Executive Committee is requested to RESOLVE that**

- 1) The annual report setting out progress against the delivery of the economic themes, priorities and Action Plan be endorsed;**
- 2) A second annual report is brought back to this committee in 12 months time.**

**3. KEY ISSUES**

**Financial Implications**

- 3.1 There are no direct financial implications arising from this report. Should additional resources be required in the future, any requests will be subject to the Council's normal budget approval process.

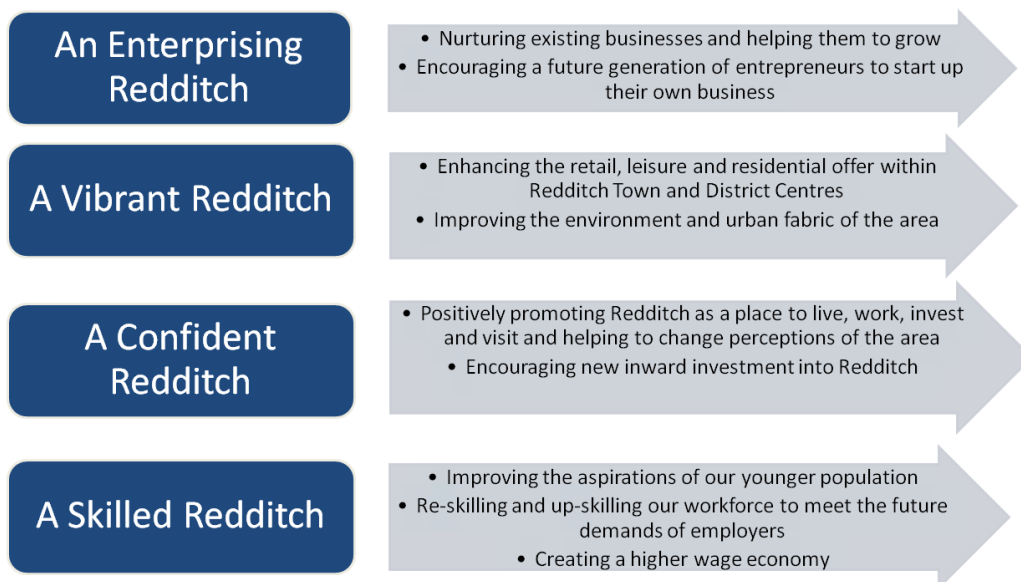
**Legal Implications**

- 3.2 There are no direct legal implications arising from this report.

**Service / Operational Implications**

**Background**

- 3.3 In September 2015, the Council adopted a new set of economic themes and priorities to drive the Council's economic agenda going forward. The economic themes and priorities were developed in close consultation with the Redditch Economic Development Theme Group (EDTG) which is comprised of Council and business representatives. The economic themes and priorities that were agreed by the Council were as follows:



- 3.4 A copy of the Action Plan to support the delivery of these themes and priorities is attached at Appendix 1.
- 3.5 It was agreed by the Executive committee that the overall management and monitoring of the Action Plan would be delegated to the Head of Economic

Development & Regeneration – North Worcestershire and that an annual report would be produced setting out progress against delivery of the themes and priorities.

- 3.6 This report summarises the key achievements of the Council in delivering its economic plan since it was agreed in September 2015. It also provides a high level summary of the current economic climate in Redditch and some of the key challenges and opportunities.

**Progress report**

**(i) General context**

- 3.7 Since the Council adopted its new set of Economic Priorities last year, the UK has undergone a period of significant change, with the UK's decision to leave the EU resulting in a change of Government and subsequent revisions to UK Government economic policy and a downgrading of the UK's economic growth forecasts.
- 3.8 In his Autumn Statement (on 23<sup>rd</sup> November), the Chancellor re-affirmed the Government's position that it had revised its plans to no longer eliminate the budget deficit by 2020 and that it would aim to return to budget to surplus during the life of the next parliament. Furthermore, the Office for Budget Responsibility (OBR) revised down its UK economic growth projections for 2017.
- 3.9 The effect of 'Brexit' ultimately has created a number of risks and uncertainties for the UK economy with the lack of clarity on the UK's future relationship with the EU and global trade relationships presenting the most obvious risk. Underlying factors such as the effect of inflation, interest rates and the value of sterling are also driving economic uncertainty in the short to medium term.
- 3.10 The Chancellor did announce a package of measures to act as a stimulus for the UK economy, including £1.8bn to be distributed to the Local Enterprise Partnerships (LEPs) through the Local Growth Fund; an Investment Fund for the Northern Powerhouse and Midlands Engine, a new £23bn National Productivity Fund and further funding to accelerate the rate of house building. Further devolution of Government funding to Combined Authorities is also expected in due course, with the West Midlands Combined Authority (of which the Council is a non-constituent member) well positioned to negotiate for further funding and powers to be devolved from Whitehall to local decision makers.
- 3.11 The continued challenging financial position for local authorities is also driving the need for the Council to adopt a positive economic development agenda. The phasing out of Revenue Support Grant, reform of Business Rates with the move towards Councils keeping 100% of business rates that it generates from 2020, means that it will be even more important that the Council focuses on investing in activities to support economic growth. One of the Council's strategic purposes is

to 'help me to run a successful business' and delivery of the Council's agreed economic priorities are central in achieving this.

- 3.12 Against the backdrop of Brexit and considerable uncertainty for the UK economy, the Redditch economy has proved to be relatively robust. The latest data released by the Office for National Statistics (ONS) shows that between 2010 and 2015, 3,400 new jobs were created in the private sector in Redditch – an increase of 11.4% from 2014. Unemployment also remains low in Redditch, with the area having an unemployment rate in October 2016 of just 1.6%, which is well below the rate for the Greater Birmingham and Solihull LEP area of 3.3%. The manufacturing industry continues to be strong in Redditch, supporting over 8,000 jobs and a cluster of high-value manufacturing companies with expertise in automotive, aerospace and engineering are located in Redditch.
- 3.13 The data does suggest though that Redditch continues to suffer from lower than average skills attainment levels and that its resident workforce continues to lag behind in wages. In terms of skills, data from the ONS shows that 25.3% of the resident working age population are qualified to NVQ4 level; compared to a national rate of 37.1% and that 10.9% of the working age population do not have a qualification; which is above the national rate of 8.6%. Earnings by residence in 2016 for Redditch stood at £436.40 per week (for a full time worker) which is £71 lower than the West Midlands figure. Furthermore, earnings by workplace in Redditch continue to lag behind the regional rate; with on average a full time Redditch worker earning £42 per week less than the regional rate.
- 3.14 There is also increasing evidence from local businesses and commercial property agents, that existing businesses within Redditch and prospective inward investors are struggling to identify appropriate sites and premises to support their growth plans. The arrival of the Redditch Eastern Gateway will no doubt satisfy a lot of latent demand for employment land, however in the short term there is a need to review the availability of good quality employment land in Redditch for B1/B2/B8 purposes.

**(ii) Progress against Economic Themes**

**3.15 An Enterprising Redditch**

The focus continues to be on supporting and nurturing existing businesses within Redditch and helping them to grow and invest further locally. The Council also retains its aspiration to support budding entrepreneurs and to help them realise their ambitions to run a successful business.

The latest data from ONS shows that in 2015 405 new businesses were set up in Redditch. Pleasingly, new businesses that have been set up in Redditch are doing well; the 12 month survival rate for those businesses that were formed in 2014 stands at 92.4%.

Figures from NWEDR show that since September 2015; the service (via the business start-up programmes it is involved in or directly funds) has helped to advise 58 new businesses and 7 of those new businesses have benefitted from grant assistance.

Some notable examples of companies from within Redditch that are leading the way in terms of achieving their growth include Gymshark, a fitness apparel manufacturer and online retailer that were set up in 2012 and have grown into one of the fastest growing brands in fitness; recently coming top of the Sunday Times 'Fast Track 100' which recognises the top 100 companies in the UK with the fastest growing sales.

Furthermore, Avon Logistics recently announced that they would be expanding their operation in Redditch by moving into the new 50,000 sqft 'Acanthus' industrial unit; investing £3.5m and creating 10 new jobs, whilst retaining their existing 80,000 sqft head office unit on Heming Road.

The Council is also continuing to support new and existing businesses through the provision of flexible workspace at its Greenlands Business Centre, Heming Road Enterprise Centre and Rubicon Centre. Presently, 61 businesses are operating from the centres and occupancy levels at the 3 centres have grown steadily over the last 12 months to the current rate of 86%.

Over the last 12 months, the Council working with its LEP and Growth Hub partners has launched a number of European funded business support schemes aimed at helping new businesses and growing existing companies. The NWEDR team works with the Growth Hubs to promote these schemes to eligible Redditch based businesses and reports progress against delivery of the schemes to the EDTG on a quarterly basis.

### **3.16 A Vibrant Redditch**

The Council continues to focus on the delivery of the Redditch Town Centre Strategy which is aimed at securing the future of the town centre by creating new opportunities for retail, residential, leisure and commercial development and by improving the environment and public realm. In April 2016, the Council approved an investment package designed to significantly enhance the public realm of the town centre, starting in January 2017 with Alcester Street. The initial investment will total £850k, with the Council contributing £350k and Worcestershire County Council contributing £500k. Further enhancements will be planned for other areas of the town centre including the area to the south of St Stephens Church,

Church Green East & West, Unicorn Hill, Bates Hill and a section of Prospect Hill.

These improvements will complement the extensive refurbishment work already carried out inside the Kingfisher Centre and act as a 'draw' between the Kingfisher and the rest of the Town Centre and also as a draw between the town centre and the surrounding areas and districts.

The Council is also working with other public sector partners such as the NHS, Police, Fire and Homes & Communities Agency to look at opportunities to regenerate and transform the town centre, by initiating a 'Place Review' led by the Place Partnership. It is envisaged that the Place Review will help the public sector deliver more integrated and customer focused services and to create economic growth by enabling released land and property to stimulate regeneration opportunities. The Place Partnership is currently in the process of completing the Place Review with a view to bringing forward outline feasibility work and recommendations in early 2017.

The Council continues to monitor the situation in relation to prominent vacant sites in Redditch Town Centre such as the Edward Street gateway site and Church Road area (including land owned by the HCA and NHS) and continues to work pro-actively with relevant land owners to progress development proposals. Both sites are also being considered as part of the above Place Review.

Redditch continues to benefit from an active Town Centre Partnership (RTCP) and has a Board of Directors comprised of local business owners and stakeholders who meet monthly to drive the various projects forward. For the first time since its inception in 2010, all positions on the Board were filled at the 2016 AGM.

Over the past 12 months, the Partnership has been working on plans for an incubator unit to support entrepreneurs looking to start up a new retail venture. The Board has also been exploring the potential for a Business Improvement District in Redditch and are in the process of having some initial feasibility work carried out.

In July, following an application submitted by RTCP, Redditch was selected for the Business in the Community's Healthy High Streets programme. The scheme aims to increase footfall by ten per cent, reduce the number of vacant properties by 20 per cent and stimulate the creation of new jobs in 100 towns over three years. RTCP are working alongside some of the biggest high street retailers and helping to deliver the programme locally.

The RTCP have also been involved in a number of town centre events over the past year, including the town's biggest Christmas Lights Switch On, which was organised in partnership with the Council and the Kingfisher Shopping Centre and deemed to be a great success.

In February 2016, responsibility for managing Redditch market was formally transferred from NWEDR to an external operator EG Skett & Co. Since then, new market stalls have been paid for and installed by Sketts and new traders have been brought onto the market to meet the Council's aspiration to achieve a more quality offer. Sketts remain committed to maintaining and improving the current 5 day market and are looking into opportunities to run more speciality and themed markets during 2017.

District Centres Place Review - Feasibility studies for the redevelopment of the District Centres at Matchborough and Winyates have been commissioned as part of the Place Review. An internal workshop was held with Council officers and members to consider some of the key issues and opportunities identified from an initial site analysis. This has been followed by a series of consultation events at both centres to gauge public perception of the current state of the District Centres. Using feedback from these events, Urban Design consultants have been instructed to prepare some initial concept designs as a basis for further feasibility work and with a view to identifying potential development options for consideration by early spring.

### **3.17 A Confident Redditch**

The Council is committed to continuing to work with NWEDR and its partners to effectively promote and market Redditch as a place to do business and invest. The EDTG is playing a key role in driving this work forward having raised on numerous occasions the issue that Redditch suffers from a negative perception and more needs to be done to effectively re-position Redditch. Despite this, Redditch has at its disposal a number of enviable assets and is home to some blue chip companies such as GKN, Lear Automotive and Mettis Aerospace (to name but a few) that are driving the economic growth of the area.

The Council has worked with the EDTG and students from Heart of Worcestershire College to initiate some marketing materials that showcase the best of what the area has to offer and to encourage people to 'take another look at Redditch'. Furthermore, the Council is working with the Place Partnership (via the Place Review) and the owners of Kingfisher Shopping Centre to further intensify our efforts to market Redditch positively and change external perceptions. The Council is also continuing to push Redditch through partnerships such as the LEPs and West Midlands Combined Authority; the latter in particular has already borne some fruits with the Redditch Eastern Gateway

site promoted via the 'Midlands Pitchbook' investment prospectus which will be showcased at the MIPIM event in Cannes early next year.

NWEDR has also launched a 'Business Ambassadors' initiative aimed at encouraging local businesses to work with the team to help promote North Worcestershire and to provide mentoring support to new businesses. The initiative has already proved to be of interest to the local business community, with 24 business leaders agreeing to become an Ambassador.

In relation to the Redditch Eastern Gateway site, the Council and the NWEDR team continue to work pro-actively with the site developer (Stoford Developments) to promote the site. A high level Project Board comprised of Council / NWEDR representatives, Worcestershire County Council, Warwickshire County Council, HCA and Stratford-upon-Avon District Council meet on a monthly basis to drive the project forward, with a planning application expected to be submitted by Stoford's in early 2017. Worcestershire LEP has already agreed to provide £1.8m of funds from its Growing Places Fund to fund the required highways infrastructure.

### **3.18 A Skilled Redditch**

As stated earlier in the report, addressing the skills agenda remains one of the top priorities for the Council. A significant milestone was achieved in 2016 with the announcement that a new £1.5m Engineering Centre of Excellence was to open in Redditch run by private training provider Midland Group. The development has been made possible due to the award of funding from both the GBSLEP and Worcestershire LEP and the effort of the Council in identifying this project as a major priority for the area and finding an appropriate solution. The Centre is expected to be fully operational by April 2017 and will train up to 200 Engineering Apprentices over the next four years, directly addressing concerns from some of our local companies that there is a shortage of skilled engineers in the area. The Council is also continuing to work with the University of Birmingham to promote post graduate placement opportunities to local companies and plans to expand this offer during 2017.

Furthermore, the Redditch area is also benefitting from support provided by Heartbeat UK, a local design and manufacturing company that have launched their own training academy providing experience in manufacturing, engineering, carpentry and joinery trades to young people aged 16 to 24; Heartbeat UK have recently secured a match funded grant from Worcestershire LEP to expand their current provision.



Funding has also been secured from the European Social Fund (ESF) and Big Lottery Fund for a new programme called by 'Building Better Opportunities' run by the Fusion partnership (a consortium of registered housing providers). The Programme will offer support (via job coaches) for long term unemployment and those furthest away from the labour market; it is expected that the programme will support 360 people up to 2018. The Council in its capacity as a housing provider is fully engaged in this programme and helping to refer appropriate people for support.

The Redditch area has generally performed well on Apprenticeships over the last 12 months with provisional data from the Skills Funding Agency showing that 1,040 new Apprenticeships started during 2015/16. More work needs to be done to promote the benefits of Apprenticeships to local companies and in particular effort will need to be made to engage with large companies in our area that will be affected by the new Apprenticeships Levy.

The Council also continues to have a pro-active relationship with Heart of Worcestershire College. The College is continuing to re-focus its curriculum towards areas of need such as manufacturing, engineering and digital skills and the Council is committed to working with the College to undertake a 'local skills audit' in 2017 seeking the views of local businesses in priority sectors; to inform the curriculum for the 2017 / 18 academic year and beyond.

**(iii) Future Plans**

The Council has already made significant progress in delivering against its Economic Priorities and Action Plan and has worked pro-actively with partners to progress its ambitions. There are significant opportunities available to further support economic growth to the Council through its continued investment in the NWEDR service, partnership working with Worcestershire Council, membership of the West Midlands Combined Authority (WMCA) and membership of the GBS and Worcestershire LEPS. During 2017, the Council expects to specifically progress the following key priorities:

1. Redditch Eastern Gateway – planning application to be submitted and highways infrastructure work to commence; preparing the site to be ready for development in 2018
2. Redditch Town Centre –
  - a. completion of the Place Review including specific recommendations for the Council and its public sector partners to better utilise the public sector land estate and drive the regeneration of the town centre

- b. Commencement of the first phase of the Town Centre Public Realm package, focusing on Alcester Street and the Market Place
3. Major marketing campaign to positively promote Redditch to an external evidence and address existing negative perceptions, working in partnership with private and public sector partners, including the LEPs, owners of the Kingfisher Shopping Centre and WMCA
4. Further develop partnership arrangements with the University of Birmingham to offer their services to local companies and potentially to establish a local presence
5. Work with Midland Group Training to deliver the Engineering Centre of Excellence and ensure that it addresses the needs of local engineering and manufacturing companies
6. Work with learning providers and schools to continue to invest in and promote Apprenticeships to local businesses and young people
7. We will conduct a review of our economic priorities taking into account the latest economic trends, analysis and data and consult with the Economic Development Theme Group

**Customer / Equalities and Diversity Implications**

- 3.19 It is anticipated that delivery of the Economic plan will have positive benefits to disadvantaged local residents by assisting them to access employment and training opportunities.

**4. RISK MANAGEMENT**

- 4.1 Risks associated with the delivery of the individual activities within the Action Plan will be managed on a project by project basis.

**5. APPENDICES**

Appendix 1: Redditch Economic Themes, Priorities and Action Plan

**6. BACKGROUND PAPERS**

Redditch Economic Themes, Priorities and Action Plan – Report to Executive Committee 8<sup>th</sup> September 2015

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