

# Overview & Scrutiny Committee

## Economic Development update

7<sup>th</sup> December 2017

# Contents

- Redditch – current economic priorities
- Major projects
- Partnerships
- Economic analysis
- Refresh of Action Plan
  
- Questions

# Economic priorities

- Current Economic priorities adopted by Executive committee in September 2015
- Focus on 4 strategic themes
- Action Plan sets out how the Council and the NWEDR service will deliver against its priorities
- Economic Development Theme Group provides business and stakeholder input

# Current economic priorities

## An Enterprising Redditch

- Nurturing existing businesses and helping them to grow
- Encouraging a future generation of entrepreneurs to start up their own business

## A Vibrant Redditch

- Enhancing the retail, leisure and residential offer within Redditch Town and District Centres
- Improving the environment and urban fabric of the area

## A Confident Redditch

- Positively promoting Redditch as a place to live, work, invest and visit and helping to change perceptions of the area
  - Encouraging new inward investment into Redditch

## A Skilled Redditch

- Improving the aspirations of our younger population
- Re-skilling and up-skilling our workforce to meet the future demands of employers
  - Creating a higher wage economy

# Key projects

1. Redditch Gateway
  2. Industrial Estates renewal
  3. Redditch town centre transformation and One Public Estate review
  4. District centres regeneration
  5. Marketing to re-position Redditch and encourage new investment into the Borough
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6. Engineering Centre of Excellence

# Enterprising Redditch

Priorities	What we will do	Update
<p><b>Nurturing existing businesses and helping them to grow</b></p> <p><b>Encouraging a future generation of entrepreneurs to start up their own business</b></p>	<p>Ensure that sufficient land for employment is allocated</p> <p>Provide support for growing businesses</p> <p>Help people to find premises for their business</p> <p>Stimulate entrepreneurial activity</p> <p>Provide information and support to help people to start up a business in Redditch</p>	<p>NWEDR works with Growth Hubs to promote ERDF funded business support programmes aimed at encouraging new businesses to start up and existing businesses to grow/expand</p> <p><i>Data for period Sept 2015 to Sept 2017</i></p> <p>Start up programmes:</p> <ul style="list-style-type: none"> <li>•121 start-ups assisted (pre and post start support)</li> <li>•11 grants awarded to start up companies</li> </ul> <p>Growth Programmes (existing SMEs)</p> <ul style="list-style-type: none"> <li>•48 businesses assisted</li> <li>•41 grants awarded to companies</li> </ul>
	<p>Ensure that businesses have access to superfast broadband</p>	<p>Redditch Business centres – 85% occupancy rate</p>

# Vibrant Redditch

Priorities	What we will do	Update
<p><b>Enhancing the retail, leisure and residential offer within Redditch Town and District Centres</b></p> <p><b>Improving the environment and urban fabric of the area</b></p>	<p>Deliver the Redditch Town Centre strategy</p> <p>Improve the public realm in Redditch Town centre</p> <p>Encourage development of the District Centres</p> <p>Improve directional and gateway signage into Redditch</p>	<p>One Public Estate Place Review for Redditch Town Centre and District Centres (Matchborough and Winyates) has been undertaken.</p> <p>Redditch Town Centre Transformation report (incorporating outcome of OPE review) expected to be presented to Executive committee in early 2018.</p> <p>1<sup>st</sup> phase of Redditch Town Centre Public realm works currently underway.</p> <p>Town Centre Partnership exploring the potential for a Business Improvement District (BID)</p>



# Confident Redditch

Priorities	What we will do	Update
<b>Positively promoting Redditch as a place to live, work, invest and visit</b>	Identify marketing and promotional efforts that help to promote Redditch more effectively	Positive discussions with Kingfisher Shopping Centre regarding joint marketing campaign to re-position Redditch – linked to Town Centre transformation work.
<b>Encouraging new inward investment into Redditch</b>	<p>Promote key employment / inward investment sites</p> <p>Support the development of the Redditch Eastern Gateway</p>	<p>Developing a marketing campaign for Redditch Eastern Gateway to target high value growth sectors.</p> <p>Redditch Eastern Gateway application being presented to Planning committee on 13<sup>th</sup> December.</p> <p>Further employment sites (Velocity 42 at Park Farm Industrial Estate) coming forward in 2018 .</p>



# Skilled Redditch

Priorities	What we will do	Update
<p><b>Improving the aspirations of our younger population</b></p> <p><b>Re-skilling and up-skilling our workforce to meet the future demands of employers</b></p> <p><b>Creating a higher wage economy</b></p>	<p>Encourage investment in skills, workforce development and Apprenticeships</p> <p>Ensure that Redditch's skills needs are reflected in the plans of the Local Enterprise Partnerships</p> <p>Encourage high value employment into Redditch through the</p>	<p>£1.5m new Engineering Centre of Excellence run by Midland Group Training opened in early 2017 – will train 200 new Apprentices over the next 3 years</p> <p>Launch of Opening Doors to Business initiative in Redditch involving local secondary schools and businesses</p> <p>3,950 Apprenticeship starts in Redditch between April 2013 and April 2017</p> <p>Earnings data (average weekly pay full time worker)</p> <p>By residence £437 (WM - £507)</p>
	<p>availability of land and the supply of skilled labour</p>	<p>By workplace £469 (WM - £509)</p> <p>.</p>

# Partnership working

- Redditch is a member of two Local Enterprise Partnerships – Worcestershire LEP and Greater Birmingham & Solihull LEP
- Redditch is also a non-constituent member of the West Midlands Combined Authority (WMCA)
- Partnership arrangements help to support delivery of Redditch's economic aspirations....the Council / NWEDR is working hard to maximise resources / funding from the LEPs and the WMCA
- Some successes already i.e. Engineering Centre of Excellence - £750k of funding secured from LEPs

# Review of Economic Priorities

- Prof Brendan Nevin commissioned by NWEDR in August 2017 to undertake a high level analysis of the Redditch economy and to develop a new 'economic narrative'
- The commission also explores the relationship with the West Midlands Combined Authority and potential role that Redditch can play in delivering the WMCA Strategic Economic Plan
- The above will play into a refresh of the Redditch Economic Priorities

# Redditch: Summary of recent Economic performance

- Highly resilient workforce
- Performance over the last fifteen years very similar to Birmingham
- Different economic cycles to much of the rest of the West Midlands region
- Manufacturing employment 21.1% compared to 8.3% for GB
- Wages for residents have fallen and are the lowest of the 30 West Midlands Local Authorities- Higher paid jobs taken by inward commuters
- Recent Employment growth focused on low productivity and wages

# Resident/Work Place Income and House Prices

	Earnings by residence 2016 £	Earnings by work place 2016 £
Bromsgrove	592.10	494.80
Redditch	436.40	468.80
Worcestershire	522.30	489.60
Warwickshire	565.40	546.20
Solihull	616.70	586.80
Birmingham	497.40	544.30
West Midlands	n/a	510.20
Great Britain	541.00	540.20

# Key issues

- Sluggish economic performance during a time of national economic growth
  - Continued reliance on lower value lower paid jobs
  - Lower than average skills attainment
  - Pockets of deprivation and low aspiration
  - Lack of readily available land and good quality premises
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- Town centre offer needs refreshing
  - Perception of Redditch

# WMCA SEP targets to 2030

- 500,000 additional jobs
- 1.9 million homes
- Travel to London 38 minutes
- GVA 5% above the national average
- Eliminate the £3.9bn Public Spending Gap

# The Repositioning of the West Midlands Economy – What Might it mean for Redditch?

- In terms of GVA, Employment and wages the Regional Economy is already southward facing with growth nodes at:
  - Birmingham City Centre
  - Airport
  - M40 Corridor
  - A38
- Changes expected over the next decade are likely to reinforce these areas of growth substantially
- Redditch needs to be able to respond



# WMCA Investment Projects which will have direct and indirect impacts on Redditch

- HS2/Curzon Street development- £1.4bn development
  - Smithfield development
  - Snow Hill- the biggest speculative office development outside London
  - The Airport Hub at Solihull- 1300 HA with £900m investment already secured
  - Birmingham Life Sciences Park (A38)
  - MIRA Technology Park Warwick
  - Redditch Eastern Gateway and Bromsgrove Enterprise Park
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- Longbridge regeneration – just under 500 acres

# Future focus?

- Supporting delivery of WMCA SEP
- Improving Productivity and Growth *within Redditch* focusing on:
  - Existing Business to improve productivity and employment
  - Provide support to growing business to find the right sites and premises
  - Attract Inward Investment building on the growth corridor to the south of Birmingham city centre

# Next steps

- Refresh the Economic Priorities Action Plan incorporating the new Economic Narrative
- Further input from Economic Development Theme Group
- WMCA – ‘A Redditch Deal’?
- Report to be brought to the Executive committee early in 2018

# Questions