

Redditch: Growth, Infrastructure and Integration Challenges and Opportunities

**Discussion Paper Produced for
Redditch Borough Council**



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1. Introduction

This Discussion Paper was commissioned by North Worcestershire Economic Development & Regeneration (NWEDR) to provide a high level analysis of the Redditch economy and an assessment of the opportunities provided by the West Midlands Combined Authority (WMCA) to drive local growth while identifying the contribution that Redditch can make to the ambitions and targets contained within the WMCA Strategic Economic Plan (SEP). The commission has coincided with a period rapidly changing public policy as all tiers of UK Government have adjusted to meet the challenges posed by the aftermath of the financial crash in 2008. Nationally the economy has struggled to adjust with productivity stalled and earnings projected to decline for eight of the ten years to 2018. Locally parts of the West Midlands including Redditch and nearby Birmingham and Bromsgrove also experienced a recession earlier in the new Century with high levels of sterling impacting on manufacturing employment, a situation exacerbated by the closure of the Longbridge plant in 2005. This has meant that recovery from the 2008 recession has taken longer in these areas as they have had to absorb multiple shocks to the local economic system prior to 2010.

The patterns of economic change have however, been far from uniform in the WMCA area over the last two decades, and one of the focuses of this paper is to identify how the economic geography of the sub region has shifted and how Redditch is positioned in relation to the new economy which is emerging. Aligned with these geographic shifts, the public policy framework has been transformed to address the issue of low productivity, regional imbalances in economic performance and the challenges of competitiveness posed by the UK exit from the EU post 2019. The challenges of renewal and competitiveness so evident at the national level are mirrored at the local level in Redditch. The District is located in the top 10 areas in the country for concentrations of manufacturing industry, and this reflects its history in providing new industrial space for a rapidly expanding West Midlands in the 1960s when it was designated as a New Town. The Investment in the town is now five decades old and much of the offer to business, consumers and investors needs to be modernised to meet the aspirations that both Central Government and the WMCA has for the West Midlands.

The remainder of this paper explores the following: The public policy framework for growth and the ambitions of the WMCA: The recent performance of the local economy in Redditch and the policy interventions which are currently being deployed to improve performance; The repositioning of the West Midlands economy and its changing geography, and finally; A summary of interventions which can be developed in partnership with the WMCA which can address legacy issues and add value to the ambitions of the SEP while increasing prosperity for businesses and residents in Redditch. These proposals were informed by a round table discussion with public and private sector representatives and Elected Members in Redditch during September 2017.

2. Growth, Public Policy and Complexity

Over the last two Parliaments the UK government shifted to an unambiguous pro-growth agenda which was supported by a £23bn National Productivity Fund designed to support a national industrial strategy and place based growth nodes. The need to renew the nation's infrastructure has also been recognised by the current government who included in their 2017 manifesto a commitment to increasing net capital investment over the duration of this Parliament from 1.7% of GDP to 3%, the highest level since the 1970s. The aspiration to increase capital expenditure to support productivity growth and economic performance has now been confirmed in the Autumn Statement 2017 which has programmed a rise in net investment to just under 2.5% of GDP by 2020/21. Additionally a new Industrial Strategy has been published supported by an enhanced National Productivity Fund which will invest £31bn by 2022/23. The WMCA is one of the key delivery mechanisms which is tasked with delivering the aspirations of the national strategy in the West Midlands, and this is reflected in the approval of a second Devolution Deal which was also announced in the Autumn Statement which devolves further powers to shape the skills and training agenda as well as providing resources for major transport infrastructure.

While national policy initiatives to stimulate growth have regularly been reviewed and updated in recent years and provided new opportunities to invest in local growth, the shift to creating local delivery frameworks has added a level of complexity for local authorities and their public sector partners. New economic development agencies and spending programmes have proliferated to reflect the urgency felt at the national level to see the growth in employment, housing and productivity delivered. Examples of this complexity are evident in the creation of Local Economic Partnerships, Combined Authorities and supra regional initiatives such as the Midlands Engine which all have overlapping boundaries, and complex and sometimes confusing governance arrangements and accountabilities. This expansion of overlapping agencies and partnership structure requires clear thinking on behalf of a local authority such as Redditch Borough Council about how to focus its partnership activity and the appropriate spatial level to develop interventions when resources are finite and capacity constrained by national fiscal policy.

The West Midlands Combined Authority

The establishment of the WMCA has established a policy framework for sub regional economic growth which is based on the functional economic geography of the heart of the West Midlands region. It has taken into account labour market flows and economic and business linkages in determining its spatial boundary. The WMCA is legally constituted with a governance framework which draws its leadership from an Elected Mayor, Constituent Members (largely drawn from the old West Midlands County Council urban areas) and Non Constituent Members such as Redditch which are located in the hinterland of the large conurbations.

The WMCA has the main interface with Central Government in negotiating Devolution Deals which provide some additional resources to stimulate growth as well as devolved budgets and powers which can be shaped more effectively to fit local circumstances to secure better outcomes for skills, training, employment, land remediation, housing and transport investment. The first Devolution Deal for the West Midlands was agreed in 2015 and a second deal has followed in the autumn of 2017. The development of the capacity of the WMCA is accelerating with resources being made available in the second deal to enhance the delivery of land for housing and to support the development of the Mayor's Office. The Co-ordinating role which the WMCA is expected to fulfil across its economic geography is captured in the SEP which sets out how its ambitions and strategy will impact upon localities and business sectors. The spatial and sectoral impact of the SEP is based on the aspirations of the WMEP to add additional outputs and outcomes to the aggregated plans of the LEPs and local authorities. This has been modelled by Oxford Economic Forecasting and illustrates the potential for each area to contribute to the SEP

The WMCA has set out an ambitious agenda in the SEP and its targets to 2030 include:

- 500,000 additional jobs;
- 1.9 million homes;
- GVA 5% above the national average
- Closing the annual £3.9bn gap between the tax revenues generated by the sub region and the HM Treasury contribution to services and welfare payments.

The economic modelling which underpins these targets attributes the following potential contribution from Redditch to the SEP aspirations:

- 8,000 additional jobs
- A 1.3bn increase in Gross Value Added- the standard measurement of productivity

To make this contribution to the overall prosperity of the sub region the Redditch economy will need to engineer a step change in growth and productivity. As the section below will illustrate the district has experienced two back to back recessions since the turn of the century, and while it has experienced strong employment growth in recent years the evidence suggests that the per capita GVA and earnings arising from that growth are relatively low.

3. Redditch: A Summary of Recent Economic Performance and Local Policy Responses

The local economy has been characterised historically by a resilient workforce which has been willing to cross local authority boundaries to find employment. The employment rate for Redditch residents has as a result of this mobility been above the regional average for most of the 21st Century despite the local economy struggling to maintain employment levels during this time. In March 2017 the employment rate in Redditch was 73% compared to 71.4% for the region. This gap having reduced from 77.2% and 71.6% respectively in 2004

reflecting the economic downturn experienced locally and its impacts on the Redditch workforce.

The Local Economy has historically had a large manufacturing base which at 21.1% of employment is 2.5 the national rate (8.3% for Great Britain). This characteristic was also shared by Birmingham which unlike other Core Cities entered the 21st Century with nearly a fifth of employment in Manufacturing. This reliance on manufacturing meant that both Birmingham and Redditch had a different economic cycle from most of the rest of the West Midlands which relied more heavily on service based employment. As a result Birmingham and Redditch both entered recession in 2004/5 before the national crash of 2008. The Longitudinal analysis of employment change for both localities therefore looks impressive compared to other areas such as Warwickshire over the same period which has experienced 20 years of unbroken employment growth.

Table 1 shows that earnings for residents of the town are depressed and in fact are the lowest of the 30 local authorities in the West Midlands. This despite the fact that 17,600 residents flow out to adjacent areas such as Birmingham, Bromsgrove, Stratford and Solihull where earnings are considerably higher. Table 2 sets out the employment levels in Redditch and the surrounding localities between 2000 and 2015. Redditch was the only area to lose employment over this period (-4.5%) however Worcestershire as a whole has experienced modest growth with no growth in Bromsgrove which was also impacted by the Longbridge closure. Conversely high rates of employment growth can be seen in Solihull, Stratford and Warwickshire more generally and this is reflected in high earnings and GVA. Redditch therefore sits on a spatial fault line that separates areas of high employment growth from areas which have stagnated during the 21st Century. The southward facing nature of the West Midlands economy in terms of income and growth is illustrated in Map 1 which shows Housing Affordability Ratios, with the least affordable housing being shown in a corridor which joins up with the South East of England. In reality this map illustrates the concentrations of high earnings and wealth in the south of the region which are supported by internal employment growth as well as patterns of migration and travel to work

At a micro level the legacy of employment loss and low earnings in Redditch and its exclusion from growth nearby has been reflected in areas of multiple deprivation in the New Town. Maps 1 and 2 show the concentration of Social Housing and concentrations of those residents claiming DWP workless benefits. These maps show a close correlation between concentrations of social housing and the six neighbourhoods which were located in the worst 20% nationally for concentrations of workless residents.

Redditch Borough Council have with local partners developed policy responses to start to address the issues raised although it is recognised that to deliver a prosperous local economy will require a more systemic approach (see Figure 1). The current economic priorities focus on encouraging business growth, enterprise, inward investment and town centre regeneration. Initiatives which are in development or underway include:

- Development of the Redditch Gateway employment site. The scale and ambition of this intervention is illustrated in Figure 2;
- The Employment Support Pilot initiative which is being developed under the auspices of the WMCA;
- Development of an Engineering Centre of Excellence;
- Place based review of the Town Centre, with proposals to foster mixed use developments and drive transformation of the public estate;
- Repositioning Redditch through a strategic marketing commission;
- Delivery of 6,400 dwellings through the local plan and potentially supported by a municipal housing company
- Active procurement of economic development resources through the Greater Birmingham and Solihull and Worcestershire LEPs

4. Looking Forward: Redditch and the New Economy of the West Midlands

Economic geography changes constantly as employment sectors transform, society evolves, and new consumer preferences emerge. Additionally the competitiveness of localities is impacted by national and international trends and national and local public policy initiatives. A stable state for local economies has never existed in the modern era and the major question policy makers need to ask is “what changes are likely to happen in the short to medium and how extensive will they be?” It is rare for horizon scanning to be totally accurate however it is possible to identify the major factors which are likely to drive change over a reasonable timescale (say ten years). As highlighted earlier the West Midlands economy has already evolved into a southward facing region in respect of economic prosperity, with high levels of employment being located in growth nodes in and around Birmingham City Centre, the A38 corridor, Birmingham Airport and M40 corridor. Investment plans expected to mature over the next decade will have the impact of substantially reinforcing these relatively recent historic trends in development. The two driving forces behind this consolidation and enhancement of growth are the recovery of the Birmingham economy and the planned public/private sector partnerships being developed by the West Midlands Combined Authority (WMCA). Each of these driving forces are set out below.

A Strong Recovery in the Birmingham Economy

During the first decade of the Century the Birmingham economy under performed in comparison to most major UK cities. As noted earlier this underperformance was related to its relatively large manufacturing base which was still intact as the new millennium emerged. The city was therefore experiencing a different economic cycle to some of the comparator cities which had already shifted to economies which were almost entirely service dominated. Subsequently Birmingham City Council has engaged with extensive redevelopment and regeneration which can be seen within and adjacent to the Redditch boundaries at Longbridge, in East Side and within the city centre itself. The last few years

have seen an increase in foreign direct investment, confidence is improving and since the end of the recession in 2009 employment had increased by nearly 12% from its lowest level by 2015.

The city is therefore recovering from its second phase of deindustrialisation, but in doing so it is decoupling further from its historic economic linkages with the Black Country and reinforcing its labour market and connections with transport infra structure to the south.

The Strategic Economic Plan for the City Region

The WMCA has set a number of highly ambitious targets for the City Region over the period to 2030 which include creating 500,000 additional jobs, reducing the travel time between Birmingham to London to 38 minutes and eliminating the £3.9bn annual spending gap between tax receipts and public expenditure. A close examination of the Strategic Economic Plan (SEP) and Investment Prospectus (WMCA 2016a and b) illustrates that growth in the south of the region will have a disproportionate impact in achieving these objectives. An analysis of the major proposed investment project shows:

- 13 of the proposed investment schemes are residential led- however ten of these are located on sites to the north of Birmingham city centre, this reliance on housing investment reflecting the relative weakness of the economy in these areas;
- Of the 29 employment led schemes, 20 are in Birmingham City centre, the Corridor from the City to the airport, Worcestershire and Warwickshire.

The scale of some of these proposals are significant at a national level and the schemes which will have either a direct or indirect impact on Redditch include:

- The HS2/Curzon Street development which will generate significant employment but also provide an enhanced link to London which will be around 30-40 minutes from Redditch station;
- The Smithfield development and extension to the City Centre;
- The Snow Hill development – the largest speculative development outside London;
- The Birmingham Life Science Park which reinforces the High Technology offer of the A38 Corridor;
- The airport hub at Solihull has in the long term, 1,300 HA of land available for development, and £900 million of investment has been secured for the first phase of the project;

- The MIRA Science Park in Warwickshire- This Enterprise Zone which is linked to Warwick Science Park is delivering a high technology park which is focused on developing and supporting the automotive industry;
- Redditch Gateway- the development of high quality business space which will support 2,500 jobs supported by a £100 million of investment;
- Although not a WMCA investment project the £1bn regeneration of the Longbridge the 500 acre site is also of a scale which makes it nationally significant.

Summary

The economic corridor which is located adjacent to Redditch is set to capture billions of pounds of public and private sector investment in economic development and infrastructure improvements over the next fifteen years. This scale of economic development will reinforce the shift in the importance of the south of the West Midlands and confirm a two tier regional economy in spatial terms with the city centre forming the northern boundary of the majority of fast track locations. The new era of growth in the south of the West Midlands will pose a number of questions in relation to the future role which Redditch will play within it. There are a number of barriers to integration which public policy interventions will need to overcome in Redditch. While the District has been highly attractive to investors in housing and has over achieved on its housing targets by 75% over a twenty year period, this has not been reflected in employment related investment. For example there was no growth in net office space (zero) in the period 2002-2012, which placed Redditch in the 18th place in terms of performance out of 19 local authorities in the WMCA.

The modernisation of the Districts commercial infrastructure is essential if the area is not to become a drag on the aspirations of the SEP. The large site release plans set out in the SEP occupy a corridor from Rugeley through North Warwickshire and follows the motorway network south. If Redditch is not integrated into the offer being made by site release, adjacent large economic development projects and the overall growth of the southern area within the WMCA, there is a danger of the displacement of existing activity within Redditch as growing firms seek to move. There is however the alternative scenario where the area does benefit from the overarching strategy of the WMCA is fully integrated into policies and programmes and adds value to growth nodes in Birmingham, Solihull and Warwickshire and enhances the delivery of the SEP. This is explored further below.

5. Enhanced Growth, Infrastructure Renewal and Economic Integration: developing a Strategic Approach with the WMCA

The WMCA is still an organisation in early stages of development. It is therefore investing heavily in developing partnerships based upon the existing infrastructure provided by local government and the three LEPs to deliver growth. The first Devolution Deal which predated the mayoral election provided an *additional* £36.5 m of resources annually for 30 years but also critically devolved some key existing responsibilities and budgets to the Mayor's office. These include the 19+ adult's skills budget from 2018/19 and the Transport budget for the Combined Authority. This means that even at this early stage of development the Combined Authority is delivering additional resource and delivery capacity. The first round of devolution resources have generally supported pre-existing spatially determined priorities and to a large extent the initial recommendations announced through the Land Commission have confirmed this through a retrospective overlay of Action Zones to target land reclamation resources to bring forward brown field land for housing and employment use.

The second round of devolution discussions and the subsequent agreement and resource distribution which will follow, should allow for a progressive development of thinking about how to grow a sub-regional economy characterised by complex linkages in trade and labour markets. This will provide new opportunities for the nonmetropolitan localities to forge policies and programmes which support the ambitions of the SEP and the locality. Forging new partnerships often needs an initial focus to scope the opportunities and challenges involved, and these are set out below. It is also evident from this review that opportunities flowing from a greater integration for Redditch into the delivery of the SEP and public policy in the West Midlands are substantial. If this integration produces a successful partnership with the WMCA it will also raise the potential to mitigate the impacts inherent to many of the challenges highlighted below.

Opportunities

There are several significant opportunities presented by closer working with the WMCA, and these are summarised below:

- *Economic Development post Brexit:* Within the next three years a new framework to support economic development in the United Kingdom will need to be developed. Post 2020/21 European Structural Funds and the soft loans from the European Investment Bank will no longer be available to stimulate growth in sub regions which contain significant disadvantage. Additionally it is possible that direct State Investment in industry will be permissible if State Aid regulations are no longer applied. The Government will therefore be under pressure to design a new framework for growth relatively quickly and therefore being a member of the WMCA will allow greater influence in the coming policy debate as the Government is unlikely to have the capacity to fully consult with more than 300 local authorities individually;

- *Infrastructure Investment:* Major infrastructure investment crosses local authority borders and therefore participation in a sub-regional body will potentially allow more access to existing budgets. However it is likely that existing budgets will increase with the Conservative Manifesto being committed to an increase in net capital spending from 1.7% of GDP to 3%. This again is almost certainly Brexit related and should be seen as push to break the cycle of low productivity and improve international competitiveness;
- *Better Local Policy Making and Delivery-* The opportunities to secure influence and or control over devolved budgets can lead to better quality delivery, and the added ability to co-ordinate policy around transport , land release and economic development and should improve outcomes for Redditch over time;
- *Additional Resources and Linkages to Economic Opportunity:* These are covered in the main body of the paper, and the impact could be highly significant over the next 20 years;
- *Access to Shared Intelligence and Shared Officer Capacity:* Both of these benefits have a significant value in a time of austerity, and also where there is no sign of restrictions on revenue funding being lifted in the foreseeable future

Challenges

The challenges for a non-constituent member can be summarised in the following points:

- *Displacement-* Given the extent of economic activity occurring around Redditch there is a possibility that existing economic activity in the district is displaced to adjacent areas which have benefitted from differential levels of public sector investment in land, premises and transport infra structure. The mitigation in relation this negative outcome, is to be fully integrated with the spatial and economic development plans of the sub region. It would of course not be a successful growth strategy if an unintended outcome of the WMCA strategy was to damage productivity and employment in a Non Constituent Member areas as this will undermine the targets in the SEP;
- *The Growth Model for Redditch:* As noted above there are choices to be made around the type of economic growth model deployed and its relationship with housing provision and these are discussed below in the last section of the report;
- *Autonomy and Bidding for Central Government Resources:* This issue is the flip side of being able to bid at scale for devolved resources through the WMCA structures. If devolved resources are not secured at any meaningful level for Non Constituent

Members then effectively the share of expenditure that they may have been expected to achieve independently is being allocated elsewhere;

- *Developing the Role of Non Constituent Members in the development and delivery of the SEP:* The geography of the WMCA has been designed around a functional economic geography which takes in to account employment and labour market linkages. The design of the WMCA geography has therefore taken account of interdependencies which cut across municipal boundaries. Redditch is therefore recognised as an integral part of the SEP economy and it is in the interests of all members to ensure it prospers and contributes to growth targets to 2030.
- *New Ways Of Working and New Priorities:* - In its early stages the WMCA has been focused on the development of the SEP, its staffing structure and managing a governance structure which the Land Commission has referred to as “not fit for purpose”. These challenges are being managed at the same time as funding via the first Devolution Deal is being programmed and delivered, and new bids for resources are being formulated. In time this period of rapid change will settle down and the new geography will develop new priorities and new methods of working- There is considerable opportunity for the Non Constituent Members to influence thinking during this evolutionary phase. The aims and objectives of the WMCA SEP cannot be achieved without approaches to skills, productivity and infrastructure which service the needs of an integrated economy in a manner which does not recognise local authority boundaries and relies increasingly on the movement of goods and labour across the economic geography for prosperity. The role of the Non Constituent Members like Redditch will therefore need to be translated from the theory embraced by economic modelling into practical and deliverable policy and investment priorities.

6. The Redditch Offer to the WMCA: A Ten Point Action Plan

The Redditch District has an offer to make the WMCA which supports its strategic objectives to increase employment, productivity and reduce public sector costs while increasing the tax take in the sub region. This could be delivered through exploring ten key actives set out with their rational below:

1. *Cooperation and synergy:* The focus of economic growth, higher wages and productivity lies to the south of Birmingham City Centre and flows into Warwickshire and Worcestershire. This will be intensified by the development of a number of large projects over the next few years. The impact of these strategic projects will be amplified through cooperation and the provision of a highly skilled and mobile Redditch workforce that can service the new economy. A good illustration of how this can be achieved is through transport improvements which for example could benefit from the provision of express services from Redditch to Birmingham at peak periods.

Rationale: This point stresses the benefits to having an integrated approach to economic development which links up large infrastructure and development projects with the local labour force and businesses. If those links are effectively made then the multiplier impacts of public and private sector investment are amplified in terms of retained expenditure, employment and local growth for employers

2. *Labour Market Issues, Skills and Training*: The prosperity of the WMCA is dependent upon the skills base which flows across local authority boundaries and into the big employment centres growing in the conurbation and the southern corridor. The approach to upskilling the work force should therefore take into account commuting patterns and resource allocation should reflect the potential of the residents of Redditch to help achieve the ambitions contained in the SEP

Rationale: This policy issue extends the point above to note that it isn't just big SEP initiatives which will ensure prosperity for the future, the substantial stock of existing businesses in the area will continue to be the main drivers of growth, and ensuring that there is a skilled and highly productive labour force across the WMCA area is vital to their success. That labour force increasingly flows across local authority boundaries.

3. *Improving Productivity and Employment Growth in Redditch*: Round table discussions have highlighted the need for a layered approach to business in the district which takes account of their starting position and their growth requirements. This approach to business support should encompass bespoke measures to-
 - Focus on existing businesses which are characterised by average or below average levels of productivity;
 - Provide support to businesses who wish to expand either within the district or its immediate vicinity;
 - Attract Inward investment and capitalise on the growth in the southern corridor.

Rationale: Notwithstanding that a skilled and mobile labour force is necessary for higher growth, place and their fixed assets are also important. The WMCA cannot achieve its high growth objectives if some districts lapse into decline. Redditch needs to up its game in relation to productivity and employment growth and requires an approach which is customised to growing firms, inward investors as well as those which are coasting and could enhance performance with assistance.

4. *Local and Sub Regional Procurement* : Given the scale of public and private investment Redditch should explore with the WMCA if a local procurement strategy can be developed to enable the benefits of large scale development to stimulate local supply chains.

Rationale: This is a relatively simple point which highlights that if connections are made between the supply chain and SEP investment the multiplier impact will be greater on employment and incomes.

5. *Town Centre Development*- The current proposals to renew the retail, leisure and housing offer in the town centre should be developed further with an aim of capturing the expenditure and employment multiplier impacts of local growth and preventing its leakage out with the WMCA area.

Rationale: The rationale to improve the offer is succinctly described above; however it is also worth noting that because of the obsolescence of the original infrastructure of the new towns nationally, many are in the process of redeveloping their principle shopping centres, Telford, Corby and Stevenage being recent examples where significant redevelopment has taken place.

6. *Attracting and Retaining Young Graduates*: Capitalising on the proximity of world class universities in Birmingham and Warwick, Redditch should build on its already affordable housing offer and align this with town centre renewal and potentially express train service to Birmingham to attract the young and skilled. This in the long term will have benefits which go beyond the impact of increased consumer expenditure and will stimulate business start-ups and innovation;

Rationale: The objectives of this intervention is to support innovation in the local economy and the renewal of the town centre offer. This task has a backdrop of a relatively low level of residents who are trained to degree level (NVQ 4) of 29.8% compared to regional figure of 31.3% and GB level of 38.2%. To achieve levels of graduate employment closer to the national average will require a medium and long term multifaceted approach encompassing housing, skills and training and economic policy.

7. *Housing Growth*: The potential for housing growth to stimulate consumer driven employment opportunities has been noted and will be explored further. However as the Redditch and Bromsgrove response to the Land Commission noted, the Statutory Planning Frameworks have been updated to facilitate anticipated growth and that will take some time to deliver before it becomes apparent that the housing numbers need to be revisited. However, Redditch Borough Council could sequence a review of its potential for accommodating further housing growth following the delivery of an employment and skills based growth agenda as set out here in this paper. All Local authorities in the WMCA area have housing existing housing targets which have been difficult to achieve given the slow recovery of house building from the financial crash in 2008. Assisting with discussions with Central Government to lift the HRA cap on borrowing would make a contribution to boosting the local supply of housing needed to support the economy in the short term if successful.

Rationale: it is important to note two different points here 1) there will be a two stage approach to assessing the need for *Further* growth in Population which may arise from greater economic prosperity. While 2) the lift on the HRA cap helps deliver existing targets and adds delivery capacity for the future. These points combined should also be seen in the context of the local authority considering the establishment of a local housing company to stimulate new housing supply.

8. *Exploration of the potential for an Enterprise Zone:* Being a mature New Town Redditch has a relatively large stock of premises which are between 40 and 50 years old. The area is vulnerable to losing existing businesses because of this historic legacy of development built in the 1960s and 1970s which will become progressively obsolete. The Borough will find its support for the WMCA growth ambitions frustrated if the land and premises offer is not re-engineered over the next decade to complement developments nearby. One mechanism to achieve an uplift in the renewal of commercial premises could be an Enterprise Zone which could provide the tools to reinvigorate the local land and property market. Local partners should explore in collaboration with the WMCA the potential for an Enterprise Zone to contribute to local Growth and the ambitions of the SEP.

Rationale: WMCA could facilitate the sharing of best practice from the case making, assessment of economic potential and delivery vehicles established in the Wolverhampton and Birmingham EZs. This would support Redditch in thinking through its own approach to these issues and to assess if this is an option worth pursuing with Central Government through the WMCA.

9. *Partnerships-*The Land Commission has noted that the proliferation of partnerships and agencies with overlapping boundaries has made the economic development landscape more difficult to navigate. In an era of constrained capacity and resources it may be necessary for Redditch to be highly focused on those partnerships which will deliver most for residents and the local economy. The clearest economic and labour market links currently exist with Bromsgrove, Birmingham, Warwickshire and Solihull.

Rationale: This highlights the need for careful analysis and need to underpin strategic partnerships so that precious staff, revenue and political energy provide inputs into partnerships based on their ability to deliver the Redditch agenda.

10. *Public Service Reform-* The concentrations of deprivation in some of the neighbourhoods in Redditch lend themselves to interventions to improve life chances and reduce public sector costs. The Local Authority and other partners locally should work with the WMCA to identify pilot projects which can contribute to the development of the overall programme.

Rationale: This would be focused upon areas of high deprivation and benefit dependency, and address skills, employment and complex needs. With the aim to secure less reliance on benefits going forward, while building the resilience of individuals and communities to cope with change.

7. Conclusion: A Redditch Deal

To engineer a step change in the trajectory of the local economy it is important that proposals are developed in a coherent and planned way which deploys resources in a targeted way. It is proposed here that these proposals should be incorporated into *A Redditch Deal* which would form the basis of a shared agreement with the WMCA. The offer to the WMCA should be ambitious and demonstrate the potential of Redditch to assist with the development and delivery of the SEP; this could be set out in a Memorandum of Understanding (MoU) and strategy which can rapidly be turned into a Delivery Plan as the details of the second Devolution Deal become clearer.

It is important that thinking is both bold and deliverable and that timescales are clearly thought through. This process has the potential to develop a new long term vision for Redditch which modernises its economy, form and function for a new era of growth in the West Midlands economy. The locality will of course need to adjust its resources to help deliver this vision but it will also need to rely on support from the Devolution Deals negotiated by the WMCA to focus on:

- Improvements in skills, productivity and land supply;
- Renewal of the Commercial, Retail , and Cultural offer of the town;
- Advocacy and support to negotiate with Central Government for access to initiatives such as Enterprise Zone status and case making to lift the HRA cap;
- Engagement with Public Service Reform agenda;
- Assisting with greater labour market integration and uplifting productivity through transport improvements and innovation.

Figure 1: Current Economic Priorities

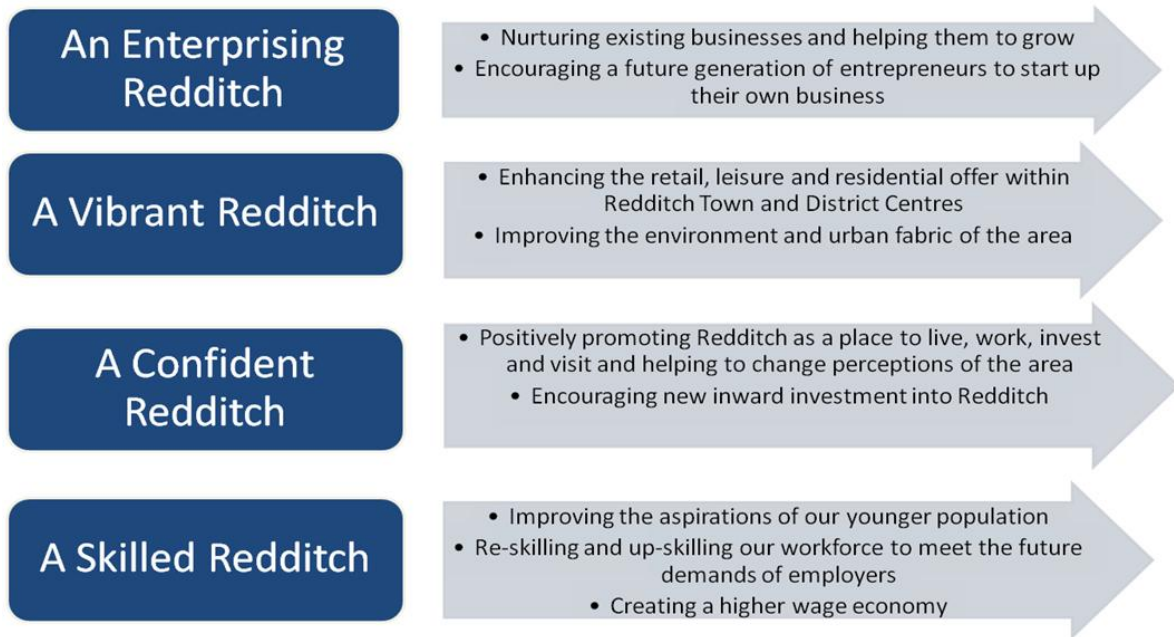


Figure 2: Redditch Gateway

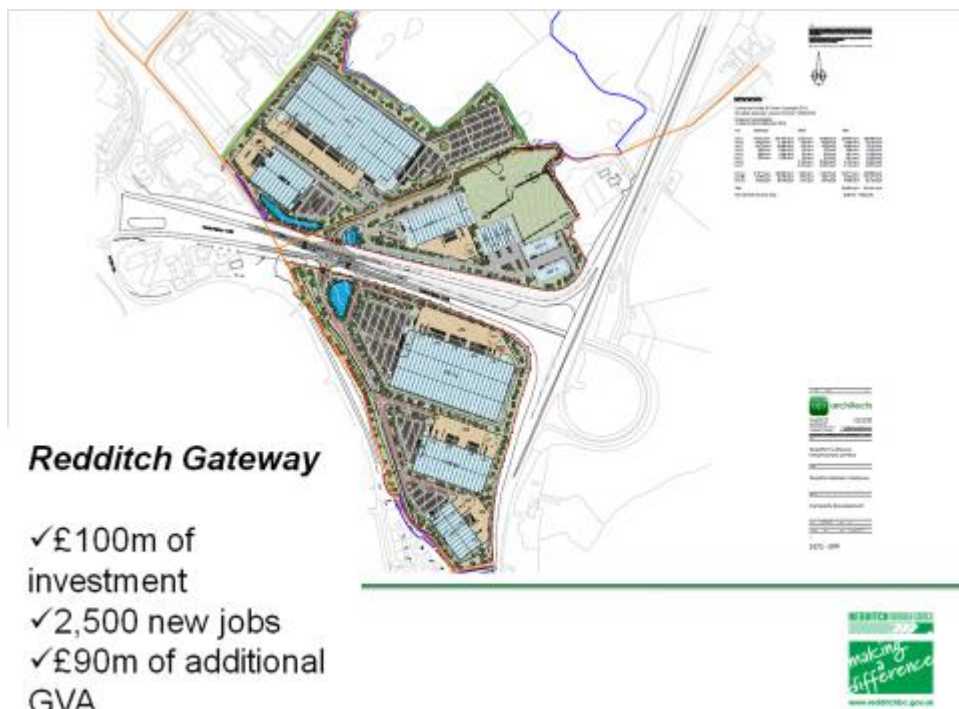


Table 1 Earnings in Redditch and Comparator Areas 2016

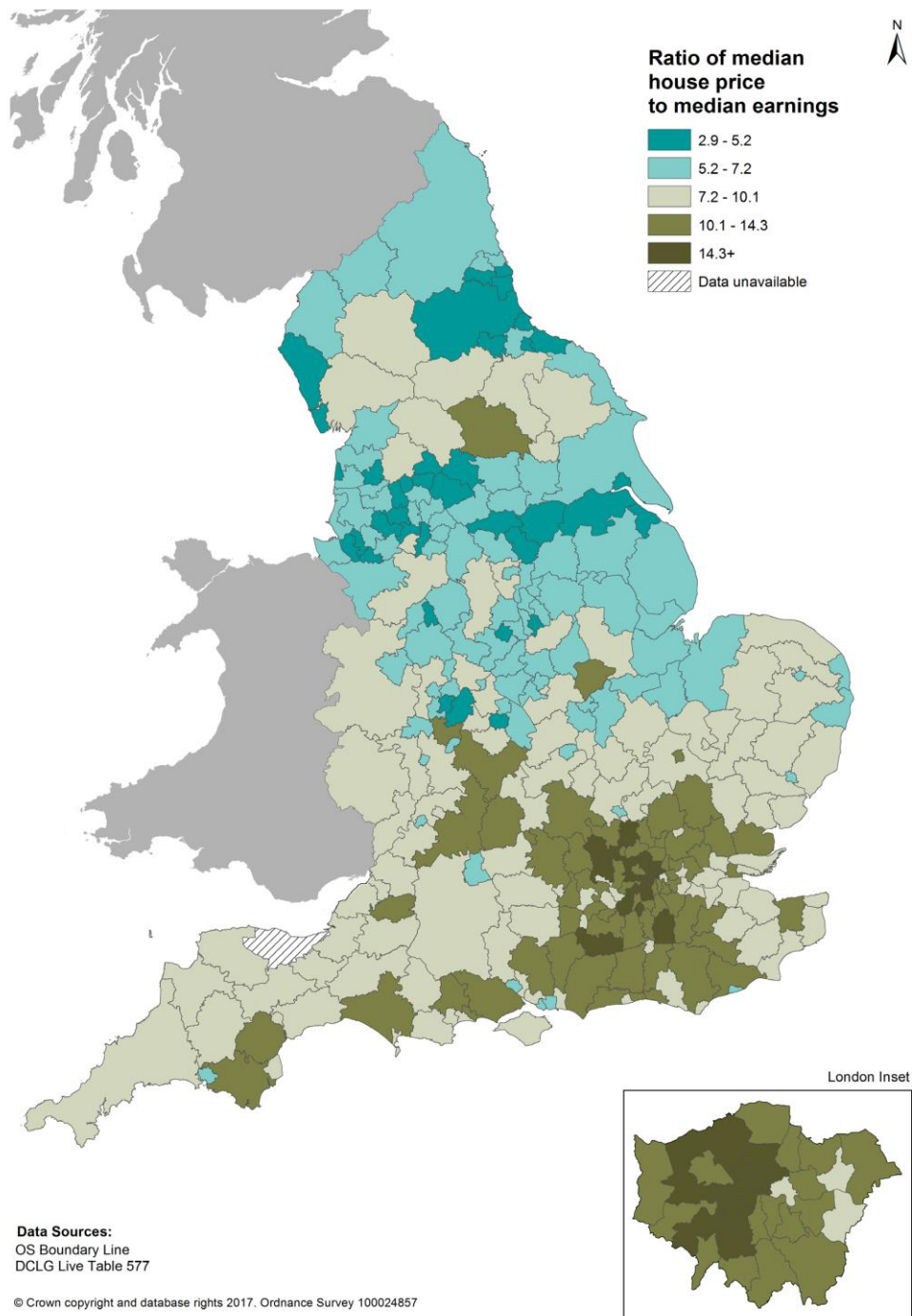
	Earnings by residence 2016 £	Earnings by work place 2016 £
Bromsgrove	592.10	494.80
Redditch	436.40	468.80
Worcestershire	522.30	489.60
Warwickshire	565.40	546.20
Solihull	616.70	586.80
Birmingham	497.40	544.30
West Midlands	n/a	510.20
Great Britain	541.00	540.20

Source NOMIS 2017

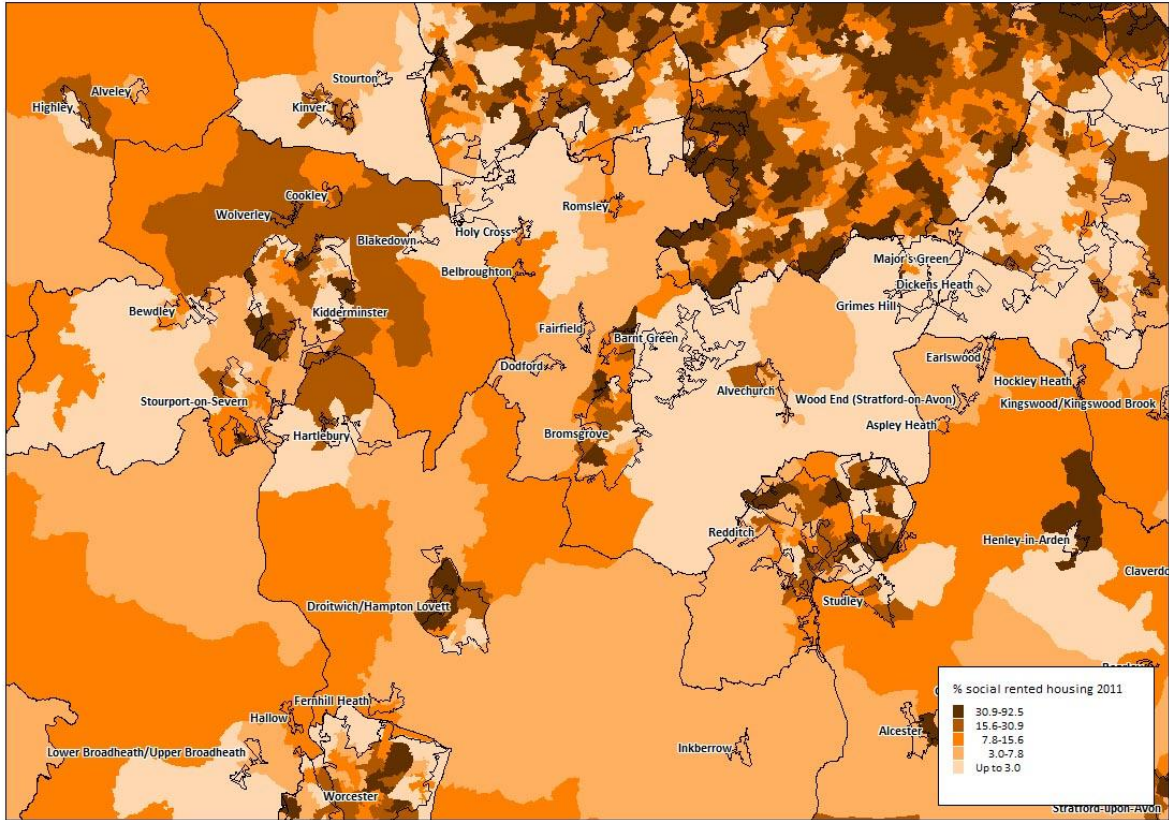
Table 2 Employment Change 2000-2015

	2000	2015	+/-	% Change
Redditch	44,000	42,000	-2,000	- 4.5
Bromsgrove	41,000	41,000	0	0
Worcestershire	265,000	274,000	+11,000	3.4
Birmingham	524,000	560,000	+36,000	6.9
Solihull	103,000	121,000	+18,000	14.6
Stratford	58,000	78,000	+20,000	34.8
Warwickshire	249,000	320,000	+71,000	28.5

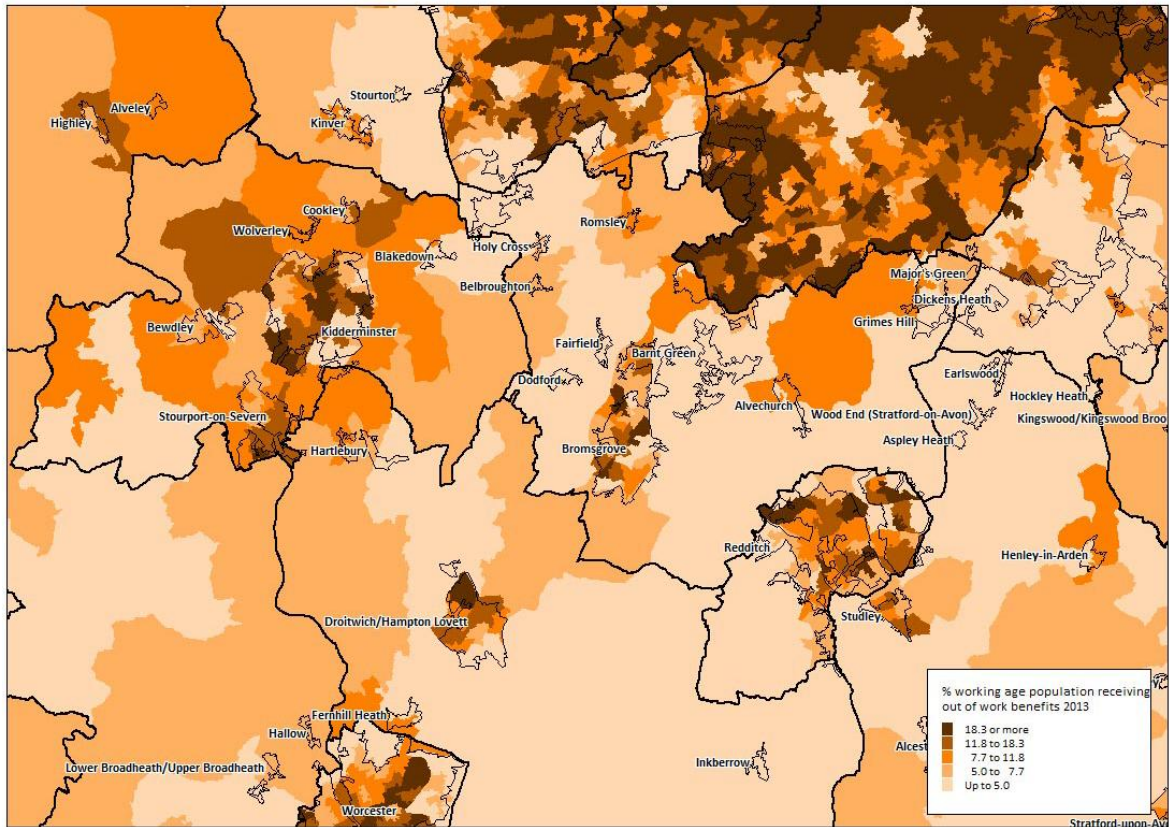
Source NOMIS 2017



Map 1 Housing Affordability: Prices and Incomes



Map 2 Concentrations of Social Housing in Redditch



Map 3 Concentrations of Worklessness in Redditch

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The Information in Tables 1 and 2 were sourced from the NOMIS data base in August and September 2017

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