

## REDDITCH BOROUGH COUNCIL

EXECUTIVE COMMITTEE

14<sup>th</sup> JANUARY 2020

### NORTH WORCESTERSHIRE ECONOMIC GROWTH STRATEGY

Relevant Portfolio Holder	Cllr Mathew Dormer – Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ostap Paparega, Head of North Worcestershire Economic Development and Regeneration (NWedR)
Ward(s) affected	All
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	

#### **1. PURPOSE OF REPORT**

- 1.1 This report provides a summary of the North Worcestershire Economic Growth Strategy 2019-2024 and outlines its four pillars of growth, strategic priorities and supporting projects and interventions.

#### **2. RECOMMENDATION**

**The Executive Committee is recommended to AGREE:**

- 2.1 The report and its strategic priorities and interventions.

#### **3. BACKGROUND**

- 3.1 Since 2011, Redditch BC has relied on the Worcestershire Local Enterprise Partnership and Greater Birmingham and Solihull LEP Strategic Economic Plans (SEPs) as its key economic strategy documents. This was considered appropriate at the time, as the Local Enterprise Partnerships (LEPs) had been set up to deliver local economic growth.
- 3.2 Since then, a series of political, economic, social, technological and legislative changes have taken place that would require a more specific place based strategy capable of responding to these challenges and embracing the growth opportunities arising from them.
- 3.3 Perhaps one of the most significant developments was the launch of the government's Industrial Strategy in 2017 followed by the request that all Local Enterprise Partnerships should develop their own Local Industrial Strategies.
- 3.4 In 2017 the government announced the creation of a UK Shared Prosperity Fund to replace the EU funding programmes in the UK after the UK had left the European Union and its intention to distribute the fund through LEPs on the basis of their Local Industrial Strategies. Although the Industrial Strategy promised consultation on the UK Shared Prosperity Fund by the end of 2018, this consultation is still awaited: the new fund is due to be fully operational for grants to be awarded from 1 January 2021 and time is now beginning to run short for the Government to consult adequately prior to the fund being opened for applications during 2020.
- 3.5 Also, in 2017 the government published its national review of Local Enterprise Partnerships – 'Strengthening Local Enterprise Partnerships'. One of the review's key outcomes was a request that LEPs come forward with 'proposals which best reflect real functional economic

areas, remove overlaps and, where appropriate, propose wider changes such as mergers.’ This request has a direct impact on Redditch BC, as it and the other two North Worcestershire local authorities – Bromsgrove DC and Wyre Forest DC – are members of two LEPs, Greater Birmingham & Solihull and Worcestershire respectively.

## **4 KEY ISSUES**

- 4.1 The North Worcestershire Economic Strategy is attached in Appendix 1. It is intended to cover a five year period 2019-2024 and sets out some of the key economic indicators across the North Worcestershire geography as well as the attributes that make the area attractive for businesses and visitors supporting local economic growth.
- 4.2 The strategy is built on four pillars of economic growth – talent, infrastructure, technology and creativity – as these are common to all three North Worcestershire partners. The strategy then goes on to set out what the key growth priorities and interventions are and these reflect the collective geography’s potential as well as the individual identity that each of the partner district and borough has.
- 4.3 Taking a North Worcestershire wide approach, which covers the districts of Bromsgrove and Wyre Forest and the borough of Redditch, the strategy recognises the North Worcestershire functional economic geography and the principle that ‘the whole is greater than the sum of its parts.’
- 4.5 A North Worcestershire strategy provides stronger evidence of the North’s combined strengths and opportunities to generate economic growth. It also offers a coherent narrative that demonstrates alignment with the Local Industrial Strategies and provides the evidence base for investments from the UK Shared Prosperity Fund.
- 4.6 Key data**
- 4.6.1 North Worcestershire’s GVA falls behind the average GVA for England, West Midlands Combined Authority (WMCA), WMCA Tri-Sep geography, GBSLEP and WLEP.
- 4.6.2 Business survival rates across North Worcestershire are above the England average for every year. Compared to the West Midlands Metropolitan County rates are also far higher and this gap increases over time from 1.9% higher after one year in business to 3.6% higher after five. Survival rates are also higher than the Worcestershire average after year one, however from years two to five businesses in other districts in the county outperform those of North Worcestershire.
- 4.6.3 North Worcestershire’s job market is dominated by Manufacturing, Wholesale and Retail Trade; Repair of Motor vehicles, Transportation and Storage, Admin and Support and the Health and Social Work sectors with each utilizing over 10% of the workforce. Compared to the West Midlands and Great Britain average, the Transportation and Storage, Construction and Admin and Support sectors provide a higher percentage of jobs in the area.
- 4.6.4 Both resident and workplace earnings in all three districts, apart from Bromsgrove residents, fall below the UK median. In addition there is a large disparity between the resident and workplace earnings in Bromsgrove, indicating that people are emigrating out of the district for higher paid work. The same can be said of Wyre Forest although the difference is less pronounced. Both Redditch and Wyre Forest fall behind South Worcestershire on both fronts.

## **4.7 The Four Pillars of Growth**

### **4.7.1 Talent**

The workforce in North Worcestershire is relatively well skilled in relation to the rest of the West Midlands. However, compared to the rest of GB, education levels are similar apart from NVQ4+ where the districts fall behind. Within the geography, Redditch fares the poorest with only 21% of the population gaining NVQ4+ qualifications compared to 38.6% across GB. Wyre Forest also falls behind here at 30.7%, whereas Bromsgrove pulls North Worcestershire's average statistics up with 45% of 16-64 year olds gaining a NVQ4+ qualification.

### **4.7.2 Infrastructure**

There is an overall need for a 'North Worcestershire Infrastructure' package that captures improved intra North Worcestershire connectivity and improved inter Worcestershire connectivity for North Worcestershire as well as significant interventions to address the severe lack of supply of employment land in the north of the county.

There is a severe shortage of top quality employment space in some parts of the geography, which is undoubtedly one of the biggest barriers to growth and future prosperity across North Worcestershire. This factor not only pushes up rents but also prevents investment and business relocation into the area.

### **4.7.3 Technology**

Digital connectivity across the North Worcestershire is currently good, with over 95% of district households and businesses having access to superfast broadband. The coverage of ultrafast broadband (100mbps+) is especially good in Redditch, with Wyre Forest and Bromsgrove both failing below the English and West Midlands average in this category. Access to ultrafast broadband, as an enabling technology, is critical to business attraction, so improving the two districts' ultrafast broadband coverage must be an immediate priority.

### **4.7.4 Creativity**

The creative industries in North Worcestershire have achieved significant growth in the past few years with Bromsgrove recording the fastest growth in creative industries jobs (25%) in the Greater Birmingham and Solihull LEP area (Greater Birmingham Creative Economy Mapping 2017). Combining expert music industry knowledge and experience with conventional training and education, Kidderminster College-based MAS Records, an award winning innovative non-profit music development programme has expanded since its 2001 launch to 16 centres nationally.

North Worcestershire has heritage of national and international significance and this is reflected in the RSA Heritage Index that shows the area performing well compared to the national average score of the 325 districts. Wyre Forest comes out ahead on most indicators, but most importantly the level of potential growth for all districts is high and the positive impact on the visitor economy significant.

## **4.8 Strategic priorities**

This strategy outlines the key growth priorities in North Worcestershire under three main categories: places, businesses and people. These are underpinned by the four pillars of growth – talent, infrastructure, technology, culture – as described above.

The data analysis shows that North Worcestershire has key strengths and competitive advantages to build on and realise its growth opportunities on the one hand, but is facing

significant challenges and barriers in achieving its potential growth on the other hand. To strengthen its economic competitiveness and attraction to business investment, which would bring new employment and growth, the North Worcestershire economy needs to be supported by a range of targeted interventions that address these challenges and create the conditions for future growth.

The strategy identifies the growth priorities and supporting interventions that, if materialised, have the potential to bring about significant economic, social and environmental benefits to North Worcestershire's residents, businesses and local communities.

Cumulatively, these interventions have the opportunity to deliver over 1,000 new homes, 500 new jobs, 500,000 sq ft of employment floorspace and £500m Gross Development Value (GDV).

#### 4.8.1 Strategic priority – Places (town centres, premises and connectivity)

The investments in places will focus on strengthening the vibrancy and viability of our town centres, infrastructure that unlocks land for residential and employment development, estate regeneration, bringing unused / underutilised buildings back into commercial use and connecting people with jobs.

Our strategic priorities are:

- Unlocking strategic employment land to facilitate business growth and attract investment to North Worcestershire
- Accelerating development through the use of Local Development Orders (LDOs), enterprise zones and other delivery mechanisms
- Working with strategic partners to identify key 'growth corridors' to accelerate development of employment land, particularly
- Delivering major town centre projects that will bring more residential, employment and leisure uses to counterbalance the significant retail decline and address the significant structural challenges faced by our town centres
- Improving coverage for ultrafast internet (>100mbps), especially in Bromsgrove and Wyre Forest
- Creating the conditions for 5G roll-out in Bromsgrove, Kidderminster and Redditch

#### 4.8.2 Strategic priority – Businesses (retention, expansion, relocation)

Our priorities will focus on retaining the existing business base, supporting local businesses to expand and encourage new business formation and relocation to the area by:

- Providing a comprehensive package of business support – including business grants and regulatory advice - to ensure business retention and expansion
- Developing incubator / innovation space to encourage investment and growth in new and emerging technologies
- Working with key partners to attract investment in the area
- Encouraging investment in knowledge intensive sectors
- Encouraging investment in the creative industries sector

#### 4.8.3 Strategic priority – People (skills, apprenticeships, careers)

A talented, skilled, knowledgeable and competent workforce is key to a successful economy. Despite North Worcestershire's workforce achieving qualifications above the West Midlands average, more needs to be done to ensure that the workforce is equipped

with the relevant skills and knowledge to capitalise on the new employment opportunities that existing and emerging technologies will bring about.

Our key priorities are to:

- Reduce the mismatch between employers' skills needs (demand) and skills provision by education and training providers (supply)
- Motivate and inspire people to develop skills for the high growth key sectors and emerging technologies
- Use partnership and collaboration to tackle skills shortages and gaps that are barriers to long terms business growth and productivity
- Promote the wide spectrum of careers available in North Worcestershire to inspire the careers choices our young people make

4.9 The strategy lists the key projects and interventions proposed to be delivered against its priorities. The list will evolve as new development, investment and funding opportunities arise.

4.10 Stakeholders (partners, funders, supporters)

Our ability to deliver this ambitious growth programme is heavily dependent on the collaboration with and support of our key partners, funders and supporters, as illustrated below. We are grateful for all their support provided so far and will continue to foster deeper and closer working relationships with them to deliver the interventions needed to enable our places, businesses and people to develop, grow and prosper.

## **5. FINANCIAL IMPLICATIONS**

5.1 To deliver the projects and interventions in the strategy will require significant resources, both in terms of capacity and funding. NWedR service monitors all external funding programmes available on an on-going basis and submits bids accordingly. One key source of funding will be the Towns Fund, as Redditch BC has been selected to access up to £25m through a Town Deal to be agreed with government in 2020-21.

## **6. LEGAL AND POLICY IMPLICATIONS**

6.1 There are no legal implications. The strategy is aligned with Redditch BC's key policies.

## **7. EQUALITY IMPACT NEEDS ASSESSMENT**

7.1

## **8 RISK MANAGEMENT**

8.1 There are development and investment risks associated with the delivery of the key interventions identified in the strategy. A risk register will be prepared for each of these interventions as and when they are considered for implementation.

## **9. CONCLUSION**

9.1 This report provides a summary of the North Worcestershire Economic Growth Strategy 2019-2024 and outlines its four pillars of growth, strategic priorities and supporting projects and interventions.

9.2 The strategy identifies the growth priorities and supporting interventions that, if materialised, have the potential to bring about significant economic, social and environmental benefits to North Worcestershire's residents, businesses and local communities.

9.3 Cumulatively, these interventions have the opportunity to deliver over 1,000 new homes, 500 new jobs, 500,000 sq ft of employment floorspace and £500m Gross Development Value (GDV).

## **10. CONSULTEES**

10.1 Greater Birmingham and Solihull Local Enterprise Partnership, Worcestershire Local Enterprise Partnership and Worcestershire County Council.

## **11. APPENDICIES**

11.1 North Worcestershire Economic Growth Strategy