

**WYRE FOREST DISTRICT COUNCIL**

**CABINET MEETING**  
**21<sup>ST</sup> SEPTEMBER 2010**

**Worcestershire Local Economic Assessment**

<b>OPEN</b>	
<b>SUSTAINABLE COMMUNITY STRATEGY THEME:</b>	Shared Prosperity
<b>CORPORATE PLAN AIM:</b>	Promoting Economic Prosperity
<b>CABINET MEMBER:</b>	Councillor S J M Clee
<b>RESPONSIBLE OFFICER:</b>	Director of Planning & Regulatory Services
<b>CONTACT OFFICER:</b>	Ken Harrison - Ext 2557 ken.harrison@wyreforestdc.gov.uk
<b>APPENDICES:</b>	Appendix 1 – Worcestershire Local Economic Assessment 2010-2011: Key Issues Consultation <i>The appendix to this report has been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

**1. PURPOSE OF REPORT**

- 1.1 For Cabinet to agree a response to consultation from Worcestershire County Council on the Worcestershire Local Economic Assessment.

**2. RECOMMENDATION**

**The Cabinet is asked to DECIDE that:**

- 2.1 The response set out at paragraph 4.2 of this report be submitted to Worcestershire County Council as the District Council's response to consultation on the Local Economic Assessment.**

**3. BACKGROUND**

- 3.1 These are rapidly changing times within economic regeneration with the anticipated emergence of Local Enterprise Partnerships (LEP's) set to replace Regional Development Agencies and regeneration funding anticipated to be targeted through a new Regional Growth Fund to be channelled through the resultant LEP's. These processes and associated consultations are framed in the context of Local Economic Assessment which gauges the health of local economies and will identify key issues.
- 3.2 The Local Democracy, Economic Development and Construction (LDED) Act 2009 places a new statutory duty on all upper tier and unitary authorities to prepare an assessment of the economic conditions of their area from the 1st April 2010. Worcestershire County Council is responsible for developing the Local Economic

Assessment (LEA) for the county and the Districts are under an obligation to co-operate in the development of the LEA.

- 3.3 The LEA will provide local authorities and partners with a comprehensive picture of local economic conditions and priorities. This will strengthen their ability to develop policies in all service areas which have the potential to impact positively upon the local economy and to support and encourage business growth, contributing to the delivery of sustainable economic development and regeneration.
- 3.4 The closing date for submission of responses is 27<sup>th</sup> September 2010.

#### **4. KEY ISSUES**

- 4.1 The consultation document set out at Appendix 1 to this report has been prepared by Worcestershire County Council's Research and Intelligence team and provides a good resume of the key issues that are likely to affect the Worcestershire economy in the months and years ahead. These are identified as:
- Legislative Changes
  - Reduction in public sector funding
  - Skills and education
  - Worklessness
  - Business growth and support
  - Demographic change and sustainable communities
  - Deprivation and inequalities
  - Environment and sustainability
  - Infrastructure
- 4.2 The document asks three critical questions of stakeholders and these are set out below together with a suggested response from Wyre Forest District Council.

***Q.1 What does your service/organisation/business consider to be the main barriers to growth in the Worcestershire economy?***

Suggested response:

- Outside perception & positioning of Worcestershire – There is a lack of critical mass and dynamic momentum in the economy of Worcestershire in comparison with stronger neighbours and in particular the Metropolitan area and Warwickshire. Therefore, the profile of Worcestershire and the scale of opportunity presented by the County can often appear understated despite having a reasonable level of population. It is unclear whether there is a clear identity and vision for the County outside the sub-region. The County plays on the fact that it is not urban and yet it contains pockets of acute urban deprivation and brownfield land recycling opportunities. It portrays itself as rural but has a population of 550,000 and three strategic urban centres (Worcester, Redditch and Kidderminster) in addition to market towns. There is a need for the County to interact more strongly with external partners to be outward looking in order to understand its economic role both now and in the future. In the north of the County there are strong links with Birmingham and the Black Country which need to be enhanced.

- Prioritisation – Beyond the growth of Worcester City, there has been a tendency to avoid spatial prioritisation within the County in favour of making sure that all districts are covered.
- Transport and communications infrastructure in certain parts of the County are found wanting and this acts as a major disincentive to existing and prospective businesses and investors. In Kidderminster, for example, there has been no significant infrastructure development for a number of decades. Indeed the recent down grading (de-dualling) of the main links (A456 and A449) between the town and the M5 has been greeted with dismay by the local business community who see a bad situation getting worse. Not all areas of the County have access to the latest Broadband width infrastructure.
- The quality of the urban environment in towns such as Kidderminster is generally poor and often perceived to be unattractive. This is not widely recognised within the Worcestershire sub-region but can act as a major constraint to economic growth.
- Social Deprivation - certain parts of the County have below average incomes and there are acute pockets of worklessness, low educational attainment and skills which generate low aspirations and ambitions. This is something which businesses find frustrating with the local workforce and can lead to problems of crime and anti-social behaviour within the business environment. There are problems with long term and youth unemployment which also need to be addressed. These issues of social and economic deprivation are particularly noticeable within Kidderminster where Oldington and Foley Park and Horsefair, Broadwaters and Greenhill are amongst the County's areas of highest need.
- There is growing competition from more advantageous locations within the sub-region, UK and abroad that are business and investor friendly. A number of strategic businesses seem unsettled and find their existing location frustrating and more the result of history than modern design. This makes the County vulnerable to potential switches and reflects the challenges facing the County in attracting future inward investment. Internationally, the UK business environment has been hindered by a growth in red tape and unwieldy legislative framework.
- Funding and investment for business development in the County is a further concern with the major investment banks lying outside the County in Birmingham or Cheltenham. This could be a major constraint on growth.
- Uncertainty over housing growth in the County could affect investment decisions in service sector jobs such as retail and may also hinder the release employment land for new business.

***Q.2 What does your service/organisation/business consider to be the main opportunities that could be exploited in Worcestershire during the recovery?***

- Brownfield land availability in Kidderminster offering regeneration opportunities for housing and economic growth and with statutory Local Development Framework Core Strategy providing certainty for developers and investors. A mixed portfolio of sites including the Longbridge site and the largest site west of Birmingham at the former British Sugar site in Kidderminster. The regeneration

of Kidderminster is further supported through the Kidderminster ReWyre Initiative. This type of initiative offers potential scope for a pilot project(s) under the government 'Big Society' and 'Localism' agendas.

- The Local Development Framework process involves the development of an extensive evidence base including the Employment Land Review and market appraisals that provides useful economic indicators for the future.
- Relatively low wages, low house prices and low cost of land and commercial property within Kidderminster and Wyre Forest could attract new businesses to start-up in the area.
- Supporting local strategic businesses in key sectors including construction (Thomas Vale), recycling (Lawrences), manufacturing (Worcester Bosch, Sealine, Beakbane, Titan) and tourism (SVR and Safari Park) including planning and access to markets through procurement etc. Also identifying and working with growth businesses to understand scope for continued growth.
- Quality environment offering great setting for growth in tourism but also offering a great environment as a place to live and enjoy leisure pursuits. The area also benefits from its proximity to the conurbation and as such provides access to jobs, higher order services, markets and suppliers.
- A complementary network of strong town centres offering jobs in retail and the service sector with a focus on Worcester, Redditch and Kidderminster as the three strategic centres.
- A strong SME economy with evidence of growth in people eager to start their own businesses seen in the success of Business Start-up Grants. This could be further nurtured through local control of Business Link services in the future and improvements in public sector procurement practices.
- Regional Growth Fund – Initiatives such as the proposed Worcestershire LEP and ReWyre will help to provide a stronger voice locally to help priorities and secure funding that can be targeted to areas of greatest opportunity e.g. the regeneration of Kidderminster.
- Finally, there is a need to improve links between businesses and education providers (schools and universities) for work related skills, relevant vocational training that links skills with local economies and career related events.
- There is a need to differentiate the Worcestershire offer from other areas in order to focus on priorities and on the unique opportunities within the County rather than simply using phrases like 'high technology', 'knowledge' or 'green collar' there may be a need to be more locally specific to identify which particular sub-sectors and why.
- The County needs to get the message out that the area is open for business and investment and there is a coherent programme designed to create business friendly environment.

***Q.3 What does your service/organisation/business consider are the key issues which should be reflected in the Local Economic Assessment?***

- All of the above.
- A business survey would also be helpful in order to home in some of the key issues, but from Wyre Forest Business Leaders meeting levels of accessibility to the motorway network are often sighted as a major concern by businesses.
- There is also a need to consider cross-boundary relationships particularly with Birmingham and the Black Country in the north but also with the surrounding Shires. This will necessarily include travel to work data.
- New business and SME start-ups and the scope for growth in the short to medium term. Including consideration of number of employees and turnover.
- Sectoral analysis and projections looking forward. It will also be important for the LEA to drill down below County level in order to pick up the very clear variations in the economic environment of the 6 districts within the County.

**5. FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications arising from the consultation. Any costs associated with the compilation of evidence can be met from existing budgets.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 There are no legal or policy implications arising from this report.

**7. EQUALITY IMPACT NEEDS ASSESSMENT**

- 7.1 As this is a Worcestershire County Council consultation there is no need for an assessment to be undertaken by Wyre Forest District Council.

**8. RISK MANAGEMENT**

- 8.1 There are no direct risk management implications arising for the Council from this report. The key risk is for the Council to make sure that it provides a coherent and consistent approach towards the various emerging initiatives.

**9. CONCLUSION**

- 9.1 The early consultation on the LEA being undertaken by Worcestershire County Council is to be welcomed. There are numerous matters that could usefully be incorporated to aid the economic regeneration of Wyre Forest District and North Worcestershire. These are set out above and it is hoped they will be endorsed by the ReWyre Board and supported by Redditch Borough Council and Bromsgrove District Council as part of North Worcestershire.

**10. CONSULTEES**

- 10.1 ReWyre Board  
10.2 Head of Planning and Regeneration at Redditch and Bromsgrove

**11. BACKGROUND PAPERS**

- 11.1 None.