Review of Economic Regeneration and Development Strategy and Arrangements

for Bromsgrove District, Redditch Borough and Wyre Forest District Councils

conducted by

Inspira Consulting Ltd

Final Report March 2010

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Section 1.0 Executive Summary

Introduction and Scope

This report describes the findings of a review exercise conducted by Inspira Consulting Ltd during autumn and winter 2009/10. The purpose of the review was to make proposals about how the current arrangements used by the three District Councils in North Worcestershire for the planning and delivery of economic development and regeneration activity could be modified to respond to a changing policy, economic and financial landscape.

The report considers both strategy and practical delivery and takes account of the introduction of shared services for Redditch and Bromsgrove in Spring 2010.

The report is in two parts: Sections 1 and 2 summarise the project activity, the key findings and recommendations. Sections 3 to 9 plus appendices provide the detail to support the summary and recommendations.

Background

Worcestershire is a county of many contrasts – urban alongside rural, industry close to visitor attractions, historic and high tech side by side. Its physical features originally gave rise to its communities and its industry - tourism around the beautiful Malvern Hills, market gardening in the flatlands of the south, Kidderminster's carpet industry around the rivers of the north and the metal bashing industries close to the conurbation of Birmingham and Black Country and the industries they supplied.

These communities have been translated into six administrative areas, each controlled by a District Council with Worcestershire County Council as the 'first tier' authority.

Arley Arboretum

For a time, the two adjoining counties of Herefordshire and Worcestershire were united by the Boundary Commission but for the past decade they have stood apart. The 6 Districts of Worcestershire have long maintained independence one from the other but moves have been made in recent years towards increased partnership working and this has led to greater practical collaboration. Recently, the new austerity brought about by the recession and the consequent reductions in the public purse have engendered strengthened relationships and a determined move to investigate how more joint working could improve effectiveness and cost efficiency.

Bewdley Town Centre

North Worcestershire comprises the Districts of Bromsgrove and Wyre Forest and the Borough of Redditch and provides a buffer zone between the conurbation of Birmingham and the Black Country and the county's rural hinterland to the south. Across the area one finds a mixed semi-urban and rural landscape, characterised by market towns and villages with some areas of dense industrialisation.

The character of the former New Town of Redditch is distinctive with its organised layout of housing, roads and industrial estates. Albeit not on a grand scale, all three Districts enjoy very attractive physical assets – forests, lakes, rivers, canals and beautiful scenery all providing the opportunity for great leisure and recreation and, for many inhabitants, a good quality of life.

The purpose of our study was to consider whether a strategic approach to economic development at a North Worcestershire level would bring benefits, whether this should be underpinned by more extensive and formal practical collaboration and, if so, how it might work in practice.

Inspira Consulting, a local regeneration consultancy with strong ties in Worcestershire, has been engaged to lead this piece of work. Inspira brings a particular advantage to the work because we are currently engaged on a parallel project for Worcestershire County Council, which is examining how the County delivers and participates in economic development. We are well-placed, therefore to help join together the District and County dimensions and have done our utmost to ensure that both pieces of work are complementary.

The essential objectives of the North Worcestershire assignment are to answer the following questions:

Q1 Are there enough common elements between the economic base and the economic development needs of the three local authority districts to justify a joint approach to ED strategy in North Worcestershire?

Q2 Is there support for this idea amongst stakeholders and businesses?

Q3 If the answer to Qs 1 and 2 is yes, what would be the key features of a strategy for North Worcestershire? How do we ensure that the distinctiveness and potential of individual communities is not lost?

Q4 If there is sufficient justification for a joint approach, how can the strategy best be delivered? Will this require alteration to the current practical working arrangements? What are the options and what would we recommend?

Our methodology has been built around these four fundamental questions but we have also had to take account of additional factors:

- The shared services work between Redditch and Bromsgrove is a 'done deal'. A single integrated organisational structure will straddle the two organisations and this will include economic development, so a joint ED delivery is inevitable, regardless of how well or badly the strategic rationale hangs together. Wyre Forest can choose whether and how to 'join in' and we should offer a view about feasibility and timing that takes account of Wyre Forest's greater discretion.
- Although a joint strategy is the obvious starting point, the benefits that may be gained from joint working to deliver the strategy are of equal, or possibly, greater importance, so we were sensitive to the fact that, even if the strategic argument were not very strong, we should also explore the practical benefits of working together; of themselves, these might provide sufficient justification – less fragmentation, single voice, more influence, more credibility, better use of resources – all these factors might be sufficient to justify collaboration even if the strategic argument was patchy in places.
- We also needed to test whether the concept of 'North Worcestershire' had any currency with stakeholders. Some years ago, a Training and Enterprise Council (known as Central England Training and Enterprise Council or 'Centec') was established to cover Wyre Forest, Bromsgrove, Redditch and Solihull and then there was an attempt to 'retro fit' the strategic rationale to the choice of boundaries. This caused confusion, lacked credibility and was ultimately unviable as a catchment, so the justification in this case needs to be sound.
- Although it has almost become an end in itself in the UK, restructuring is disruptive, often expensive and difficult to reverse. So it should not be undertaken lightly and the benefits of doing it must clearly justify the short-term disadvantages and potential hiatus.

Economic Regeneration and Development

We have deliberately recognised the difference but also intrinsic connection between 'economic regeneration' and 'economic development'. We define regeneration as pertaining to the redevelopment of physical assets to strengthen the economy, whereas economic development is the services delivered, particularly to businesses, that will help start-up, survival and growth.

As our work progressed, we reached the conclusion that we must promote an approach that combines these two aspects, since they are both implicit to North Worcestershire's needs and should be treated with equal importance. To underline this, we have adopted the term "Economic Regeneration and Development Strategy" (ERDS) to differentiate the new strategy from the existing ones.

Context for the assignment

This work has taken place over the 4 months from November 2009 to February 2010. During this time, the UK has technically moved out of recession but, in practice, economic conditions are recognised to remain extremely fragile and vulnerable with the prospect of a very slow recovery. West Midlands Regional Observatory comments on the prospects for the West Midlands:

"…, economic recovery in the West Midlands is expected to be difficult and protracted. Although headline regional Gross Value Added (GVA) is expected to begin to rise this year, an upturn in employment is not expected until 2012 – and projections show that it could be well into the next decade before the region reaches the peak levels of employment seen in 2008."

The likelihood also exists that unemployment figures will rise once more.

In this scenario, statistical information is less reliable than in more settled times. The most recently available data on economic performance may be 1 – 2 years out of date and the UK today is scarcely recognisable from the economic peak of early 2007. So in absolute terms, the figures have to be treated cautiously. Their real strength for this piece of work is the 'like-for-like' comparisons that can be made between the 3 local authority districts and with the county and West Midlands.

It is also worth remembering that figures related to unemployment often mask developing trends. Anecdotally, we know that many employees have reduced their hours, are using forced short-time working or even extended lay-offs in a bid to avoid redundancy. Many employees have also agreed to pay cuts. The figures do not reveal the reduced circumstances that many people still in work are suffering.

The availability of loan finance for businesses, particularly small businesses, although easing somewhat, is still poor. Political arguments about the right way to restore UK's ailing finances, alongside turbulence on the world economic stage, continue to unsettle the financial markets. What everyone knows for certain is that major public sector cuts are around the corner but it will not be clear where these will hit until after the impending General Election.

The very nature of the economy is also changing – the impact of the internet, the rise of the so-called BRIC (Brazil, Russia, India and China) nations on to the world economic stage, the continuing movement of manufacturing to lower wage economies – these are all having an impact on the local economy and need to be borne in mind for future planning purposes.

Government statistics show that the UK has continued to attract inward investment during the recession and remains an attractive option for those seeking to make business investments in Europe. Now referred to as "Foreign Direct Investment", the figures also reveal that a substantial number of new jobs have been created but the majority of the investments made come from companies being bought and sold e.g. Jaguar Land Rover to the Indian company Tata and Waterford Wedgwood to an American business, critical to maintain employment and supply chains but a very different picture to the influx of new business operations of the 1980s and '90s. West Midlands attracted 117 of these 'projects' in 2008-09, slightly less than half of these involved locations in the shire counties and 7 took place in Worcestershire:

"Therefore, despite record numbers of projects in the region, the number of jobs being created or safeguarded was dramatically down on the last few years as the global economic downturn affects the scale of overseas investments.

That there were more 'New Investments' than any other type of investment is encouraging and shows that FDI is still key for many international businesses.

However, those new investments are now much smaller than previously. In fact, the average number of jobs per investment last year, at just over 50, was the lowest since 1991 and down from over 250 per investment last year."[1]

A trend that also seems likely to continue, whichever political party comes to power, or indeed whether we have a hung parliament post-Election, is the increasing responsibilities that local authorities are being given by central Government. One aspect of this is the requirement by Government and its agencies for Councils to take a much more holistic approach to planning and resource allocation and to demonstrate clear leadership in bringing together other partners. One sees this in the Sub-national Review of Economic Development, in the Audit Commission's approach to CAA, in the Total Place initiative, the HCA's 'single conversation', in the Conservatives' 'localism' agenda and the latter's declared intention to scrap the Business Link service and return its delivery to local authorities.

How we've tackled the assignment

Our detailed methodology is contained in Section 3 of this report. In outline, we have:

- examined the three existing ED strategies of the Districts to establish what is important to each in ED terms and to identify the common elements;
- checked that the strategies are complementary with other sub-regional and regional strategies;
- considered the direction of national ED policy and what might happen post the 2010 General Election;
- carried out extensive consultation with key stakeholders from a range of sub-regional and regional public sector agencies, employer organisations and local businesses of various sizes and sectors;
- from existing data, produced an economic profile of North Worcestershire to inform a new economic and regeneration strategy;
- compiled an outline Economic Regeneration and Development Strategy for North Worcestershire that pulls together the common elements, responds to the view of consultees and doesn't lose important priorities for the individual Districts;
- considered how collaborative working might improve the effectiveness, efficiency and, indeed, likelihood of delivering the strategy, not just at a North Worcestershire level but also in terms of North Worcestershire's role within the county;
- run a viability test to ascertain whether a joint strategy makes sense.

[1] Foreign Direct Investment into the West Midlands" West Midlands Regional Observatory http://wmro.wordpress.com/2009/07/28/inward-investment-record-high-for-the-west-midlands/

Although the strategic justification for joint working is not, in our view, massively strong, it is adequate (more on this later). In our minds, however, the rationale for joint working is easily substantiated by the benefits that accrue from making much better use of the limited resources of each District.

Having concluded from our consultation and research that the concept of a strategy for North Worcestershire is feasible, we then turned to how the strategy could be delivered in practical terms. Accordingly, we:

- Reviewed the service portfolio of each District to see how it matched up with the strategy;
- Researched delivery models used elsewhere;
- Suggested possible operating models,
- Proposed a joint service portfolio that reflected the priorities of the strategy;
- Tested our ideas with the two Chief Executives of the Districts and with members from all three Councils;
- Tested our ideas with stakeholders and staff through a short workshop;
- Offered advice on key roles within an integrated structure;
- Finalised this report to reflect that work.

The concept and profile of North Worcestershire

<u>Concept</u>

From our research we ascertained that 'North Worcestershire' is a recognisable term to local people and to regional stakeholders. Consultees differentiated north and south Worcestershire because of the differing character, nature of the landscape and the business base. North Worcestershire is also used by residential estate agents as a generalised location; it is an identifiable catchment for West Mercia Police (North Worcestershire Division) and for various services within the local National Health Service. It is used by some charities (North Worcestershire DIAL and Headway), leisure facilities e.g. North Worcestershire Golf Club (curiously, this is technically in Northfield) and North Worcestershire Equestrian Centre, and in some tourism settings e.g. the North Worcestershire Path.

It should be borne in mind that this is a broad concept, not necessarily associated with local authority boundaries; however, it provides a good starting point from which a North Worcestershire economic identity could be built. Existing marketing collaboration under the banner of "North East Worcestershire Tourism" already uses "North Worcestershire Tourism" as its web address, so strengthening the identity from that perspective.

<u>Profile</u>

An extensive statistical profile of the three Districts already exists within the County Economic Assessment and through research undertaken by the West Midlands Regional Observatory. We have collated some of the key statistics within Section 4 of this report and have drawn extensively on the full set to reach our conclusions. At the outset, we agreed with the Project Steering Group that there would be value in taking our research in a slightly different direction, so we have analysed emerging economic themes that are relevant to two or more of the Districts that would help to shape an economic and regeneration strategy for North Worcestershire. These can be summarised under four headings:

Theme 1 - healthy and relevant business base

In common with many parts of the UK, the Districts are all characterised by a large proportion of small businesses and a reducing number of larger 'strategic' employers (in terms of jobs provided or local supply chain). VAT registered businesses across the three District total approx 10,000. Around 50% of the county's jobs and businesses in manufacturing, construction and financial services are located in North Worcestershire. Since all these sectors have suffered badly in the recession, over 60% of the county's redundancies between October 2008 and May 2009 occurred in North Worcestershire.

Weavers' Wharf Retail Centre, Kidderminster

Retail, tourism, transport/logistics, property services and the public sector are also all important sectors of the economy.

The balance of business continues to shift from manufacturing to service industries but with a different pace of transition in each of the districts.

All three Districts have a strong heritage of traditional manufacturing skills – carpets in Kidderminster, springs, needles and fishing tackle in Redditch, iron work in Bromsgrove; some of these businesses continue to perform well and the county is home to some famous brand names –Brintons, Sealine, GKN, Halfords, Harris Brush to name just a few - while others are struggling or, in some cases, whole sectors have ceased to exist, largely due to overseas competition.

While Bromsgrove shows high levels of entrepreneurship, exemplified by higher numbers of business start-ups and a lead in financial and business services, Wyre Forest and to some extent Redditch, are more tied to types of manufacturing that are in structural decline e.g. component manufacture and, therefore, have economies more vulnerable to economic shifts and external pressures. Recent press reports have highlighted the worrying reliance of the West Midlands component manufacturers on a single company – Jaguar Land Rover.

With the right support, the low carbon economy may provide some opportunities for the diversification of parts of the manufacturing base e.g. components for electric and hybrid vehicles.

The proximity to the conurbation and the motorway network is an advantage for all but Wyre Forest particularly would benefit significantly from improved road infrastructure.

All three Districts have a good range of assets to attract tourism and the potential to increase and expand this sector. Although the area's tourism profile is overshadowed by Stratford and Birmingham, this can be a benefit, providing opportunities to 'piggy back'.

Theme 2 - sustainable communities and inclusion

North Worcestershire is home to slightly less than 50% of the county's population (county = 557,600) on approximately 25% of the county's landmass. While the population of North Worcestershire is growing, this growth is at a much slower pace than in the South of the county. The growth is linked closely to construction of new dwellings and is mostly in Bromsgrove. The profile of residents shows an ageing population, increasing the requirement for new and expanded local services to meet their needs.

With an increasing emphasis on energy efficiency from both cost and carbon footprint perspectives, there appear to be commercial opportunities in retro-fitting environmentally friendly heat, water and power systems both to business premises and the existing housing stock.

The skills of the local workforce, while higher than the regional average, are below the rest of the county (with the exception of Bromsgrove), acting as a constraint on the competitiveness of the area, so it is very important that ongoing upskilling of the existing workforce becomes an accepted practice for all employers and for their staff. Educational attainment at age 16 is a matter of particular concern in Redditch.

Each District has longstanding pockets of deprivation. Four of these neighbourhoods are included on the national Index of Multiple Deprivation. It is important that regeneration projects should link local people to local jobs and that the skills of those made redundant from traditional industries should be updated to meet the needs of other employers.

Theme 3 - North Worcestershire as a place to live

Both Redditch and Wyre Forest have a higher proportion of dwellings in the lower Council Tax bands A and B and a limited number of properties in the higher brackets. All three Amada UK factory and training centre, Kidderminster

Districts offer a range of higher value properties in attractive locations but these are most extensive in Bromsgrove, where there is a higher average house price. This higher value property is supported by average wages of residents in excess of local pay rates due to high levels of outward commuting. These two factors are mutually dependent, since higher salaries are necessary to pay for higher mortgages.

Business consultees told us that they value North Worcestershire as a good place to live, work and operate their business. Recognising and maintaining the characteristics that attract entrepreneurs and those with higher level skills is an important part of the context for a North Worcestershire Economic and Regeneration Strategy.

Theme 4 - North Worcestershire as a commuter zone

Both Bromsgrove and Wyre Forest exhibit high levels of commuting out of the county to work (excluding the draw of labour from Kidderminster to the Hartlebury Trading Estate). Daily migration of the labour force is a common feature of any area with reasonable transport infrastructure; there is no suggestion that jobs and populations within any one area should exactly match. Nevertheless, mobile populations generally have more discretionary spend and a broader geographic catchment in which to shop and buy services. This reinforces the need to ensure that the local economy is able to provide what they want and so maximise spend from individuals and businesses alike. However the retail offer in parts of the area is limited or tired and not particularly in keeping with the aspiration of the residents, who may therefore travel elsewhere for retail and leisure activity.

Because key features of the area are its links to the national motorway network and the quality of the countryside, local economic development must seek to work in harmony with these strengths and grow the appropriate sectors, while seeking to attract investors (both within the area and externally) who can diversify the business base in a complementary manner. In order to do this, the skills of the local population need to be enhanced, and an entrepreneurial and can-do attitude towards business development opportunities.

In summary, the economy of each of the Districts has strengths and vulnerabilities but the latter are more marked in Wyre Forest and Redditch because of over-reliance on traditional manufacturing and have caused both to be identified by the West Midlands Regional Observatory as locations in the West Midlands worst hit by the recession.

One can identify some common features and issues in the economies of the three Districts, not least due to their inter-dependence on one another as 'neighbours' and also because of connections with the automotive industry.

All have somewhat ailing town centres that require physical regeneration and a creative approach to town centre management to help them thrive in light of competition from major shopping centres in Birmingham, Worcester and Brierley Hill.

In terms of growth potential, the tourism sector demonstrates real opportunity. There are many individual businesses in growth sectors, which should have the potential to expand when the economic upturn comes. The comparative resilience of Bromsgrove is clear on almost every measure. One might argue that this predicates against the case for a North Worcestershire approach but we suggest there is adequate similarity to support the case for much greater collaboration and, indeed, Bromsgrove may be able to provide a good benchmark for North Worcestershire and examples for the transfer of good practice.

Results of consultation – what's good, what needs to change?

Moving to a North Worcestershire approach to economic regeneration and development would affect different stakeholder groups in different ways. We wanted to ensure through the consultation process, therefore, that the proposals were given extensive exposure to make sure everyone's views and opinions were heard.

By taking advantage of the concurrent review that we have undertaken for Worcestershire County Council, we have consulted with over 80 consultees, some one-to-one, some in groups and some through an online survey. We have talked to employers in each of the Districts and a few elsewhere in the county, whose business impacts on the whole county, to employer organisations, to commercial estate agents, to Further and Higher Education, to other local Districts, to the County Council, to politicians, to service providers e.g. Business Link and to the key regional stakeholder/ funding organisations i.e. Government Office and AWM.

Three key elements emerged from consultation:

Strong support for collaboration

The first striking factor has been the consistent positive response to integration of strategy and service: everyone has been in favour and for the same reasons: simplification, improved clarity, better use of resources and improved impact. Consultees see benefits not just at District level but also believe a combined approach for North Worcestershire will help to clarify the priorities of the county. Businesses unanimously called for greater streamlining of local authorities and not just in relation to economic development.

Support for making the services and structures work effectively to deliver the strategy has also been very strong.

A number of stakeholders have referenced the complex arrangements for deciding strategy through the LSP as detrimental to the county's ability to state its case succinctly and would like this initiative for North Worcestershire, alongside the review being conducted by the County Council, to result in simplified decision-making structures, better decisions, improved impact and a consequent strengthening of the county's 'voice'. This desire does not appear to be limited to strategy on economic development.

Infrastructure Improvements

The second important aspect of the response to consultation was the need for infrastructure improvements, particularly roads in Wyre Forest. Businesses and employer organisations stressed the importance of improving access, congestion and travel times both for indigenous businesses and also to improve the area's attraction to inward investors. Despite this, most business owners still believed North Worcestershire was a good and convenient place to live and work.

Improved empathy with businesses

The third issue was the support the local authorities give to business. Whatever the range of services offered to business, one of the main areas is planning. We certainly encountered a few businesses who praised the service they had received from and, indeed, the relationship they had with their local authority but the majority felt regulation had won over economic benefit, the emphasis definitely on "control" rather than "development".

It is only fair to reflect that planning applications can be a 'sticky' issue and, thus the respective interests of the Local Development Framework and economic development need to be balanced. Nevertheless, we encountered sufficient negative expressions, including from some of the commercial estate agents, that we think we should draw attention to the importance of advocating the economic benefits of applications i.e. jobs maintained, new jobs created, supply chain secured etc. alongside formal planning considerations. We know that Economic Development staff already do their best to make this case and think there may be further scope to formally incorporate this information into the consideration of planning applications.

An outline strategy for North Worcestershire

In order to assess the feasibility of a North Worcestershire Strategy, we needed to draw together the common issues for each District that would feature in it. Accordingly, we have prepared an outline strategy, which can form the basis of a more detailed document.

The current strategies of the three Districts demonstrate a number of common elements and all align with the Worcestershire and Regional Economic Strategies (RES). At the time of writing Worcestershire County Council is reviewing its economic strategy. In order to maintain strategic fit, the outline strategy we are proposing is categorised by the same section headings as the RES: Business, People, Place and Voice.

We suggest that the strategy should concentrate on a realistic timeframe, perhaps five years but recognising that some projects will be problematic and will take a long time to achieve e.g. some infrastructure improvements, so mapping a route to a successful conclusion is very important. The action plan should cover the same period but with a focus on the first three years and should be updated annually and reviewed in more detail every three years. In due course, it would improve clarity if the Strategy became an integrated one for housing, transport, economic regeneration and development but we think this should be set as a medium term aim. It is also worth bearing in mind that this should not just be a strategy for the local authorities but for the whole area. Thus periodic consultation with stakeholders and other service deliverers is essential.

The proposed outline strategy creates a balance between infrastructure, economic development and softer regeneration measures. It can be found in **Section 2, T**able **2.1**. It suggests that the **crux of an Economic Regeneration and Development Strategy for North Worcestershire might be:**

- Strong active relationships with existing businesses especially strategic employers
- Advocacy role and empathetic 'can do' planning regime

- Driving forward physical regeneration projects, particularly town centre revitalisation
- Place making and shaping
- Pursuing the idea of an economic landmark for North Worcs.
- Catalysing a plan to link and strengthen North Worcs tourism
- Facilitating discussions with BL, AWM and others on appropriate sector support
- Increasing awareness re business start up
- Opening up public procurement for local businesses
- Catalysing short-term measures to increase town centre trade
- Examining and catalysing opportunities re housing and home improvements
- Playing a leadership role on employability, employment and skills for both adults and young people
- Effective information and signposting services for business
- Active participation in improving the planning and impact of county-wide ED activity

Strategy documents are often plagued by an interminable number of objectives that become overwhelming to deliver; our strong advice is to restrict the strategy to a manageable set of objectives that are all supported by action plans and are deliverable, even if the timescale for success is long. A **prioritised action** plan (see also **Section 2, Table 2.2**) might focus on:

- Business Engagement through visits, a 'red carpet' scheme, networking events, support for planning apps., ED advocacy;
- Support for enterprise, business start up, entrepreneurship (Young Enterprise etc.);
- Strengthening tourism offer – strategy, infrastructure, marketing, accommodation, attractions;
- Promoting opportunities of low carbon technologies, including home improvement market through registration schemes, new housing build and upgrading social housing;
- Place making and shaping;
- Town centres physical redevelopment and revitalisation + maximising economic benefit;
- Creating an economic landmark to revitalise North Worcestershire;
- Creating a route map to transport infrastructure improvements;
- Unify North Worcestershire's priorities and influence;
- Encouraging the expansion of support for the long-term unemployed.

How the strategy is delivered will also need careful consideration, since some parts of it require strong leadership, not just from ED staff but from directors, chief officers and from members. To be really effective, thought also needs to be given to engaging other local authority services outside ED but involved in delivering services to business.

Looking more broadly, direct delivery of every service is not feasible, so recognising when an enabling role is more appropriate will be important. Working with partners to expand and add value to service delivery is essential. All partners appreciate the benefits of collaborative working and, through consultation, we experienced a lot of goodwill towards strengthened joint approaches.

In order to maximise the use of resources, it will be important to determine service priorities and to identify existing services that should no longer be delivered, as well as any new ones that need to be introduced and to be prepared to justify this selection process.

The benefits of collaborative working … and the pitfalls

As described earlier, we suggest there is adequate similarity between the strategic needs of the 3 Districts to develop a strategy at a North Worcestershire level. The case becomes stronger when one factors in the other benefits that accrue from collaboration. At a micro level, these could be removal of duplication of activity, e.g. all three Districts organise enterprise support, all three organise events, all three attend a wide range of meetings, workshops and conferences, all three put a lot of effort into representing economic development within the machinery of local government. A new approach would see resources focused on a few key activities that will really make a difference, a (substantially) smaller proportion devoted to internal matters and a greater external focus.

At the next level, using the collective resources to restructure an integrated team of ERD professionals and ensuring that the team has the right range of skills to deliver the strategy would improve impact.

None of these comments are meant to criticise the current teams, who appear to provide a very professional service with limited means.

In our view, a very strong argument is the opportunity to clarify and articulate what is important to North Worcestershire in a county and regional context and to be able to lever resources as a result of that improved influence. Regional stakeholders perceive Worcestershire as a county with real potential but one that does not always manage to transform its opportunities into tangible impact. Working with others in the county to change that perception would be a substantial 'win', sending a strong new message about Worcestershire's determination to succeed and to be heard.

We recognise that the case for this depends heavily on a significant culture change, not least amongst politicians, who understandably are used to expressing the case for their District. At its full extent, collaboration means merged budgets and staff, which muddies the lines of traditional local authority accountability, Nevertheless, the shared services agenda means that Redditch and Bromsgrove are already entering this territory on a much broader front than just economic development. Concrete evidence is starting to emerge of the increasing importance with which Council members regard economic development, in the shape of budgets maintained or even increased in some cases. The predominantly positive response we have received from politicians leads us to be optimistic that the challenge can be met.

It would be unrealistic to suggest there are no dangers in collaborative working and, although we believe the positives outweigh the negatives, it would be remiss of us not to mention them:

- Distinctive local issues still matter and must not be ignored if the service functions at a different spatial level;
- In many people's minds, 'regionalisation' of services has come to mean remote services. Although the proposed change is at a sub-regional level, the same message applies: local businesses are the key customers of these services and must be clear about what is available, where to go for help and how to get involved. Parochialism abounds and creating the appearance of a localised service is important but care must be taken to balance geographic and functional needs; the service and staffing structures adopted may well be a trade-off between management efficiency and local profile.
- Currently, there are many pressures to use efficiency measures to cut budgets. Although economies of scale will result, in its merged form, the ERD service would still be comparatively poorly resourced. We strongly advocate that more resources need to flow into ERD to enable it to play a full role in kick-starting the local economy. This is especially important, when many of the area's neighbouring authorities benefit from substantial tranches of external funding e.g. Working Neighbourhoods Fund, a proportion of which is being used to strengthen enterprise and economic development.
- It is critical to strike the right balance between the 'need' and 'opportunity' of the three Districts. One might argue that Wyre Forest and Redditch have far more in common and Bromsgrove has the least to gain from integration, since its performance is by far the strongest; in our view, Bromsgrove is the area of strongest opportunity: it is well placed to benefit from a more focused strategy. Better use of resources e.g. combining the activities of all 3 councils to promote start-ups should bring economies of scale, enabling more resource to flow to front line support. Everyone benefits from catalysing the market but it is reasonable to assume that Bromsgrove, with relatively high numbers of business start-ups, should improve that performance exponentially.
- If it's not bust, don't fix it. There is often a tendency to change everything when restructuring; although well intentioned, it is intensely frustrating to customers of the services, suggesting that the services has actually deteriorated as a result of the changes. We would advise a measured approach so that parts of the service that work well continue to do so and each takes its turn in the review process.

- Establishing fair and transparent procedures for securing and allocating resources and formal lines of accountability for decision-making, for performance and reporting should reduce but not eliminate the danger of criticism about whether a merged service treats each geographic area fairly.

Is a North Worcestershire approach justifiable? (Viability test)

It is difficult to compile a statistical data set that provides evidence for this type of study; necessarily many of the judgements are 'soft' in nature. We decided that the viability test we devised to check whether the approach was feasible needed to be qualitative rather than quantitative. Nevertheless, we still wanted to ensure that it was robust. So we have used some quantitative measures to balance some of the 'softer' judgements. The test consists of a number of factors that either needed to be met automatically or had the potential to be met in the course of developing a new strategy and restructuring the current service. The test is fully detailed in Section 9.

Our conclusions were that there is adequate evidence to justify an integrated strategy and strong evidence to justify the benefits of practical collaborative working, provided a detailed review is conducted of how to use the available resources to achieve real results.

we recommend a single Head of Service for ERD, a senior manager with cross-Districts responsibility. For this person to be successful in advocating the economic case for planning applications, it will be essential for him/her to bring a combination of experience and expertise that creates credibility with both internal planning and development control colleagues and with the private sector.

What operating model options are available and what might work best

From our experience elsewhere and through research we have identified a range of operating models, which are being used to deliver joint approaches to economic development. We have considered these both in light of what is best for North Worcestershire and what might position North Worcestershire best in a new county-wide approach, should the County Council decide to restructure its economic development operating arrangements.

We have concluded that a single integrated team of staff, re-organised to a new team structure and operating within the local authorities would be the best model. We suggest this arrangement should be managed by a single local authority through a Service Level Agreement with the other two with appropriate devolved budgets and clear articulation of the service to be provided and the performance standards expected.

We recommend a single Head of Service for ERD, a senior manager with cross-Districts responsibility. For this person to be successful in advocating the economic case for planning applications, it will be essential for him/her to bring a combination of experience and expertise that creates strong credibility with the private sector while maintaining empathy with both internal planning and development control colleagues.

The operating model would need to incorporate a mechanism for Council members to be briefed to discuss, agree and advocate North Worcestershire policy on ERD.

How should performance be measured and assessed?

We recommend that a clear and simple performance management framework should be established. This needs to take account of the outputs and outcomes necessary to deliver the strategy, the corporate requirements of the local authorities e.g. for CAA purposes and the contribution that the Districts make to the achievement of Local Area Agreement National Indicators, so a balance of local measures and macro indicators is appropriate.

In our recommendations to the County Council, we have suggested that a review of data sets currently used to assess economic performance, with a greater focus on measures that are understood by local businesses, might help to strengthen private sector engagement in the process of delivering economic development.

Our Recommendations in summary

Recommendation 1:

- a shared Economic Development and Regeneration Strategy

Recommendation 2:

- teams of all three District Councils be merged to form a single service for North Worcestershire

Recommendation 3:

-in time, a fully integrated housing, transport, regeneration and economic development strategy for North Worcestershire

Recommendation 4:

- a full, collective role in County structures that shape economic strategy - members equipped and willing to represent the interests of North Worcestershire, not just their own District

What are the steps to get there?

We appreciate that each Council will wish to consider our recommendations carefully and are also aware that Redditch and Bromsgrove need to move quickly to put in place a new structure as part of the shared services agenda. We trust that will result in approval to proceed promptly and strongly advise that a joint implementation plan with a short timescale is developed by the three authorities, which sees the necessary actions taking place concurrently across all three. This will be fair to staff, who will be affected by the changes and will minimise the ‘navel gazing' that often results from restructuring.

In preparation for making the case to each Council, it may be appropriate to prepare a risk analysis with a more internal focus.

Necessarily, the study undertaken will have raised stakeholder expectations. We recommend that stakeholders and businesses should be kept informed of progress and where possible, involved in the process of refining the strategy and delivery mechanisms.

The debate about how the County's influence and impact can be improved needs broader involvement from other agencies in the county and we are very pleased to note that, working with other authorities, North Worcestershire is already championing this debate.

EXECUTIVE SUMMARY ENDS

Section 2.0 An Outline Economic Strategy

2.1 Introduction

This outline strategy has been produced on the basis that the case for a North-Worcestershire approach to economic development has been made effectively in this study exercise.

By 'North Worcestershire' we mean the local authority Districts of Bromsgrove, Redditch and Wyre Forest.

2.2 Key drivers for a refreshed strategy

Interpretation of North Worcestershire's economic profile suggests that key drivers for development of the economy and for economic regeneration are:

- Reducing the vulnerability/improving the resilience of the local economic base
- Strengthening the promotion and use of under-exploited assets
- Protecting jobs
- Reducing unemployment and increasing economic activity
- Creating a good operating environment for businesses to thrive
- Contributing to an improvement in regional productivity
- Keeping spend local (both business to business and residents)

and that planned activities within the strategy must address these issues.

2.3 Benefits of a North Worcestershire Approach

The key issues identified in the outline economic strategy below do not differ significantly from those that might be feature in many economic strategies. The strength that comes from a North Worcestershire approach, however, is one of critical mass and combined application of resources that has the potential to greatly improve impact. A particular example of this is tourism and the visitor economy, where research and consultation feedback show that the true potential of the area is being under-exploited and a District by District approach, even with some collective marketing has failed to catalyse the opportunity that exists.

It is arguable that impact might ratchet up again exponentially if some issues were addressed at the county rather than sub-county level. In practice, some attempts at county-wide initiatives, at least in the field of economic development, have not been totally successful and our view is that this is because there has not been wholehearted commitment to them – hearts and minds have not been won.

A genuine combined approach by 3 Districts would represent a distinct step forward and makes the possibility of cross-county working more realistic.

The councils should not attempt to deliver everything directly themselves. Strengthened partnership working and an enabling role are critical to successful delivery of the strategy. Improved use of collective resources should enable the Councils to take a more strategic role to broker the resources and commitment necessary to bring about change.

2.4 Elements to be included in a North Worcestershire Economic Regeneration and Development Strategy.

Tables 2.1 and 2.2 overleaf detail an outline framework for a North Worcestershire Economic Regeneration and Development Strategy and an indicative service portfolio to support delivery of the strategy. For consistency of approach, this document mirrors the Supporting People, Improving Places, Helping Business and Powerful Voice sections of the Regional and County Economic Strategies.

TABLE 2.1: FRAMEWORK FOR AN INTEGRATED ECONOMIC REGENERATION AND DEVELOPMENT STRATEGY FOR NORTH WORCESTERSHIRE

Helping Business					**Improved impact from collaboration?**	
Issue	**Rationale**	**B**	**R**	**WF**	**Impact**	**Process**
Create a conducive operating environment to help existing businesses to remain and flourish	Existing businesses are the area's most valuable asset. Their wealth creation and employment potential must be retained and supported.	✓	✓	✓	✓	✓
Ensure a supportive approach on site development and planning applications and advocacy		✓	✓	✓	✓	✓
Develop a consistent policy framework and portfolio of services		✓	✓	✓	✓	✓
Improve business engagement through a 'red carpet' approach with strategic employers.		✓	✓	✓	✓	✓
Enterprise and an entrepreneurial culture.						
Build on the entrepreneurial culture of Redditch and Bromsgrove to drive business creation across North Worcs.	Sustainable business start-ups are essential to economic health and will create prosperity and employment.	✓	✓	✓	✓	✓

Strengthening and diversifying the economic base						
Support business sectors with growth potential – tourism, the rural economy, manufacturing in identified sub-sectors, construction, those where opportunities result from low carbon technologies.	Diversification of the economic base and playing to its strengths will reduce exposure to declining sectors and improve future resilience. The tourism industry particularly shows great potential that is under-exploited. Visitor demand appears to outweigh bed spaces for short stays, business tourism demand is increasing as a result of training activities on the planned Bosch relocation site, improvements to Kidderminster station will increase footfall to Severn Valley Railway, ongoing development at West Midlands Safari Park also offer business as well as leisure tourism growth, the tourism assets of Redditch in particular (Arrow Valley Park) are under-exploited.	✓	✓	✓	✓	✓
Introducing collective approaches to open up public procurement	Public sector spend represents a significant element of the local economy. Seeking to retain spend with local companies will improve sustainability and secure employment.	✓	✓	✓	✓	✓
Use site development, town centre regeneration and the attraction of North	The hey day of large scale inward investment is over but specific opportunities still exist	✓	✓	✓	✓	✓

Worcestershire as a good place to live and work to target potential inward investors.	offered by revitalised town centres, by de-centralisation of public sector services, by retail chain expansion and by supply chain development.					
Build understanding within the HE and FE sectors of future needs of industry	To ensure relevance of the HE/FE offer, improve the future skill base	✓	✓	✓	✓	✓
Improving Place					**Improved impact from collaboration?**	
Issue	**Rationale**	**B**	**R**	**WF**	**Impact**	**Process**
Place making and shaping	Developing the distinctive characteristics of the Districts	✓	✓	✓	✓	✓
Improving infrastructure						
Improve road networks to increase accessibility to motorway network	Stimulus to business efficiency, controls and reduces traffic congestion, so reducing environmental impact, improves attraction to inward investors, enhances mobility of workforce.	✓	✓	✓	✓	✓
Improve public transport	Stimulus to business efficiency, aids a reduction in traffic congestion, so reducing environmental impact, enhances mobility of workforce.	✓	✓	✓	✓	✓

Physical Regeneration						
Revitalise town centres – retail offer, physical infrastructure and night time economy	Improved sustainability, more jobs, better retail offer to retain individual disposable income and improve visitor offer.	✓	✓	✓	✓	✓
Investigate the potential for an 'economic landmark', in North Worcs.	The economy of North Worcestershire would benefit from transformational change brought about by a major new employer or initiative e.g. attracting a major public sector agency to de-centralise, by creating a step change in the tourism offer through strategic investments.	✓	✓	✓	✓	✓
Supporting People					**Improved impact from collaboration?**	
Issue	**Rationale**	**B**	**R**	**WF**	**Impact**	**Process**
Local People for Local Jobs	Building the local workforce and minimising unemployment. Work with partners to develop consistent 'employment hub' type approach for company expansions, new employers etc. to ensure local people get the best chance of	✓	✓	✓	✓	✓

	getting jobs.					
Upskilling the workforce	Employer feedback expressed some concerns about recruitment to skilled jobs. Work must take place to ensure businesses have the supply of the skilled staff they need. A North Worcs. approach would facilitate using the collective but distinct respective strengths of the FE Colleges. E.g. Construction skills at NEW College	✓	✓	✓	✓	✓
Skilling the dormant workforce – playing a leadership role to ensure employability and vocational training is in place for those furthest from the job market.	As the country moves out of recession and the jobs market improves, definitive and planned action is required to improve the prosperity and well-being of North Worcestershire's most deprived communities (ties to Local People for Local Jobs above). Whilst the Councils do not have the resources to directly deliver services, they can act as a catalyst.	✓	✓	✓	✓	✓

<table>
<tr><th colspan="5">Powerful Voice</th><th colspan="2">Improved impact from collaboration?</th></tr>
<tr><th>Issue</th><th>Rationale</th><th>B</th><th>R</th><th>WF</th><th>Impact</th><th>Process</th></tr>
<tr><td>Use a collective voice to present a consistent and unified case on behalf of North Worcestershire to strengthen its influence at a sub-regional level and, in turn to strengthen the County’s influence.</td><td rowspan="2">The distinctive requirements of and opportunities presented by North Worcestershire will be more credible and viable when expressed as a coherent collective than individually. This will improve the ability to state North Worcestershire’s case and lever resources.</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Clearly prioritise the few actions (a combination of regeneration and economic development) that will make the most difference to the economic prosperity of North Worcestershire and work consistently towards these. These are likely to include:
- Working closely with companies with growth potential and with strategic employers to ensure the operating environment is conducive, particularly sympathetic planning procedures.
- improved road infrastructure in Wyre Forest
- realising the potential of:</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
</table>

a) the former Sugar factory site in the Stourport Road Corridor b) the Bromsgrove Technology Park - driving and supporting the potential of the tourism industry - working with employers and FE/work-based learning providers to assure a pool of appropriately skilled people - regenerating Kidderminster, Redditch and Bromsgrove town centres						
Use collective influence to help simplify the structure of and re-focus the Worcestershire Partnership so that economy is at the heart of its activities. Carry this through to the work of the Shenstone Group.	Worcestershire's influence and ability to lever resources at regional and national level will be enhanced by improving the impact of the LSP.	✓	✓	✓	✓	✓

TABLE 2.2 - POTENTIAL COMPONENTS OF A NORTH WORCESTERSHIRE ECONOMIC DEVELOPMENT SERVICE PORTFOLIO, ROLE TO BE ADOPTED AND PRIORITY

	ELEMENT OF STRATEGY	SERVICE	Direct Delivery	Influencing/ internal role	Enabling	Impact/ priority
1.1	**Helping business to flourish**	Business Engagement through visits, 'red carpet', networking events, support for planning apps., ED advocacy	X			1
1.2		Developing consistency between District policies and procedures that affect business		X		
1.3		Encouraging a supportive advisory approach from compliance authorities	x	X	X	
1.4		Support for enterprise, business start up, entrepreneurship (Young Ent. etc.)	X		X	1
1.5		Strengthening tourism offer – strategy, infrastructure, marketing, accommodation, attractions	X	X	X	1
1.6		Sector initiatives for concentrations of businesses with growth potential/business diversification inc. cluster development			X	2
1.7		Opening up public procurement	X	X	X	2
1.8		Generic business support			X	

	ELEMENT OF STRATEGY	SERVICE	Direct Delivery	Influencing/ internal role	Enabling	Impact/ priority
1.9		Supply of appropriate business premises including starter/incubation space	X	X	X	
1.10		Promoting opportunities of low carbon technologies, including home improvement market through registration schemes, new housing build and upgrading social housing		X	X	1
1.11		Developmental work on ensuring the service needs of local people are met to encourage disposable income spend in North Worcestershire, both retail offer and future needs of population	X	X	X	2
2.1	**Improving Place**	Town centres physical redevelopment and revitalisation +maximising economic benefit	X	X	X	1
2.2		Strengthening the role and impact of town centre management to create vibrant centres that recognise their role in the local economy	X	X	X	1
2.3		Improving transport infrastructure		X	X	1
2.4		Place making and shaping e.g. Creating an economic landmark to revitalise North Worcestershire	X	X	X	1

	ELEMENT OF STRATEGY	SERVICE	Direct Delivery	Influencing/ internal role	Enabling	Impact/ priority
3.1	**Supporting People**	Prepare to develop employment hubs to link to physical development projects (even single retailers)		**X**	**X**	**2**
3.2		Upskilling the workforce – representing employer concerns and lost opportunities		**X**	**X**	**2**
3.3		Support to move the economically inactive closer to the jobs market		**X**	**X**	**2**
3.4		Ensure young people understand the opportunities offered by the world of work e.g. by supporting the work of the county's Education Business Partnership		**X**	**X**	
3.5		Ensure that the Councils, through their HR policies, demonstrate good practice in providing opportunities for the long-term unemployed e.g. through Future Jobs Fund.	**X**			
		Contribute to improvements in educational attainment rates at 16 e.g. by supporting the work planned in the county's Children and young People's Delivery Plan.				

	ELEMENT OF STRATEGY	SERVICE	Direct Delivery	Influencing/ internal role	Enabling	Impact/ priority
4.1	**Powerful Voice**	Practical work to unify North Worcestershire’s priorities and influence	**X**	**X**		**1**
		Active participation in improving the planning and impact of county-wide ED activity		**X**	**X**	**1**

Section 3.0 Introduction to Full Report

3.1 Purpose and Scope of Review

The current economic climate is driving a new approach within local authorities. While seeking to reduce expenditure, Councils are also looking for more creative solutions that will enable them to maintain and, hopefully, improve the impact of their work, by reshaping their activities, by finding new ways of working.

This does not just mean doing things differently, although that is often productive. It also means re-considering their role, being open to partnership working and sometimes moving away from direct delivery in favour of a new approach that is about making things happen, rather than necessarily having to do everything oneself.

At a time of recession, economic development remains a high priority for many local authorities, who need to balance more effective use of resources with continued activity to support and promote their local economy.

This is the issue facing the three District Councils of North Worcestershire. The introduction of a shared services regime for Redditch and Bromsgrove, with a single management team across both authorities, has created the opportunity to think differently about how economic development is planned and delivered. For a long time, a view has prevailed in the county that the northern districts are different in character from the southern ones and so, against the background of tighter financial control, the idea emerged to test out this theory by working with Wyre Forest (the towns of Kidderminster, Stourport and Bewdley) to ascertain whether there really is sufficient commonality to warrant a combined approach to economic development.

That is the objective of this review exercise, to consider two key issues:

Firstly, to assess the viability of and then build an economic vision and a headline economic development strategy for North Worcestershire, that is well-evidenced, robust and feasible, that takes account of the individual ambitions of Bromsgrove, Redditch and Wyre Forest and combines them with a sense of realism about deliverability. Importantly, the strategy must secure the commitment of key partners and stakeholders;

Secondly, to consider the Districts' current delivery mechanisms for economic development and regeneration and then suggest ways in which the collective resources can be used to achieve greater impact.

We have encapsulated these issues in 4 key questions:

Q1 Are there enough common elements between the economic base and the economic development needs of the three local authority districts to justify a joint approach to ED strategy in North Worcestershire?

Q2 Is there support for this idea amongst stakeholders and businesses?

Q3 If the answer to Qs 1 and 2 is yes, what would be the key features of a strategy for North Worcestershire? How do we ensure that the distinctiveness and *potential of individual communities is not lost?*

Q4 If there is sufficient justification for a joint approach, how can the strategy best be delivered? Will this require alteration to the current practical working arrangements? What are the options and what would we recommend?

Strategy

The new Strategy should draw on the three existing economic development strategies of the three councils, while also taking account of the broader Sustainable Community Strategies (SCS) of the Districts and of the county-wide economic strategy and SCS as well as regional, national and European policies, issues and strategies, including the implications for economic development of the outcome of the General Election.

The strategy should be built on common objectives to guide development and activity but also needs to take account of the distinctive nature and aspirations of each District. Therefore, it will need to articulate those objectives that are common to all three areas, those that are common to only two and those that apply to only one area.

The Economic Development Strategy should be concise, supported by a headline action plan, which articulates what is to be delivered by whom and how. In addition, the strategy and plan should include short, medium and longer term objectives and set out priorities, which recognise current resource levels and the emerging environment.

In order to measure performance, the review exercise would also suggest what success looks like, with some ideas for indicators of impact and key performance measures.

Key factors to be considered include:

- Development of strengths and opportunities in the existing business base, including maximising the economic benefit of key development sites, concentration on growth sectors, expansion of the visitor economy, the potential of the rural economy, the attractive environment of rural North Worcestershire and market towns and the need for vibrant town centres;
- Diversification of the economic base, particularly in Kidderminster and Redditch, to reduce reliance on traditional/manufacturing industry, particularly automotive, minimising the impact of the current (and any future) economic downturn and with an aspiration to move to a high wage economy;
- Housing and population growth: the relevant implications for infrastructure, service provision and meeting the consequent demand for jobs;
- Relevant transport planning;
- Skills implications to enable residents to take advantage of the jobs provided;
- Links across to the regeneration and worklessness agenda;

- The contribution of North Worcestershire to the sub-region and region and what potential accrues from the designation of Kidderminster as a strategic centre.

Delivery

Proposals for delivering the strategy should include a review of the current structures and resources used for economic development, an overview of other operating models, based on practical examples from elsewhere but tailored to suit the North Worcestershire situation, analysis of what might work best and suggestions about how to get there.

It is recognised that whilst Redditch and Bromsgrove are moving swiftly towards their new collaborative model of working across the board, Wyre Forest has chosen to look at the benefits to be accrued from collaboration on economic development in isolation from the rest of the Council's activities. Thus, some sensitivity and differentiation may be required and the options presented will need to take account of the contextual differences.

3.2 Who We Are

This review exercise is being led by Jill Hall of Inspira Consulting Ltd, working in collaboration with trusted associates, economic development specialist Steve Lydon and researcher and statistician Dr Jane Holland.

Inspira is a small independent consultancy run by a group of experienced consultants working together with the vision of helping to improve performance in the public and not-for-profit sectors. We have a strong focus on people and an emphasis on delivery. The company has three directors: Dawn Reeves, Jill Hall and Max Krafchik, each with a proven record in consultancy.

We specialise in economic development, regeneration, employment and skills and we deliver partnership development and facilitation, strategic and business planning, organisational restructure and evaluation services. We have extensive experience of working with local authorities – District, County and Metropolitan Boroughs, Local Strategic Partnerships, business support organisations and with employers and employer organisations. Much of our work takes place in the West Midlands.

3.3 Layout of Report

This report is divided into two key parts: an executive summary and recommendations can be found at the front of the report in Sections One and Two, to enable readers who have insufficient time to study the whole report to digest quickly the key aspects.

The second part of the report (Sections Three – Nine) contains the full detail of the work undertaken: the background to and policy context for the project, our methodology, the results of consultation and research, our analysis of the current position and recommended options for improving current arrangements.

3.4 Definition of Economic Development and Regeneration

The terms *economic regeneration* and *economic development* are often used interchangeably, however, for the purposes of this report we wish to make a distinction between them.

Economic regeneration is the process of gaining economic benefit from the construction of, or improvements to, the buildings, infrastructure or landscape of an area. This would therefore include physical development activities, such as town centre redevelopment, enhancing the physical appearance of an area, renovation of existing buildings in an area or new infrastructure such as roads, business parks etc. and also the jobs, training and procurement opportunities that may arise from these projects.

Economic development is the process of gaining economic benefit by encouraging and supporting the establishment of new businesses and the survival and growth of existing businesses. This would therefore include business advice and information, training, promotion etc.

In practice, economic regeneration and development need to be linked and should certainly not operate as though they were in separate silos but they are different in their nature and often will be delivered in different ways.

3.5 Methodologies Used

Overall Approach

This assignment has a strong element of change management and may well require a shift of culture if real benefits are to accrue. Our experience shows that, however much the proposals we put forward make sense, not just agreement but real buy-in is essential. Because the strategy represents a partnership activity by the three Councils, it is important to ensure agreement and buy-in if each respective authority is to commit to its delivery. We are seeking to achieve this through both informal and formal dialogue, some taking the form of development sessions.

Research and analysis are being used to underpin the key intentions of the strategy recognising there will be a need to balance the benefits of a combined approach with the distinctiveness of individual attributes and opportunities.

Our approach has seven key elements, some of which take place chronologically and some of which are iterative throughout the project:

1. **Inception/Scoping Meeting and Regular Steering Group Meetings** – formal agreement of the project scope, methodology, project liaison arrangements and format of report, handover of any relevant documentation and data, agreement of arrangements for consultation with other stakeholders and clarification of

arrangements for consultation and project development with District Councils.

This also included discussion about guiding principles, imperatives or 'out of bounds' issues that should steer our work and arrangements for regular update discussions with Council officers.

A programme of meetings is now in place.

2. Documentation review, policy and evidence base

This work establishes the policy framework for this assignment and assesses the implications of each policy. This includes current and proposed policy and possible changes that may result from a change of Government. In addition, proposed changes to regional strategy formulation e.g. the Regional Integrated Strategy and the impact on ED in Worcestershire.

Review of documentation provided by the three local authorities and of those we think are relevant. For example, Worcestershire's Local Area Agreement, which places responsibilities for delivery on the constituent local authorities. The review of strategy documents enables us to assess the current respective strategies and the opportunities for synergy and so develop a framework for the emergent strategy that can be tested and refined through the consultation process.

We have access to both regional and national research and intelligence databases and use these together with the statistical information you provide to build a profile of North Worcestershire that provides context and evidence against which to set the strategy. We believe the study will benefit from gathering information about approaches adopted elsewhere and experience of delivering these. To this end, we are undertaking desk, internet and telephone research, as well as drawing on our existing client base to benchmark against neighbours and 'competitors'.

We would expect to discuss the resultant strategy framework with you prior to commencing consultation with other stakeholders.

3. Consultation

We have undertaken wide-ranging one-to-one stakeholder consultation, conducted either face-to-face or by telephone interview, to include AWM, GO-WM, Business Link as well as party political perceptions. A range of employers from each District have been included in the consultation with the option of participation in an online survey or, for more significant businesses, a telephone interview with a director.

To give a different angle, the views of commercial estate agents covering the Districts have also been sought.

4. District Council Activities and Resources

One-to-one meetings have been used to gather information from each of the District's ED teams on their current activities, team structure, resources and tie into broader Council planning activities.

5. Development of Strategy and Action Plan

Once we have completed stakeholder interviews and provided there is sufficient support for the principle, we will feed back the extent of support for the proposal and start to develop a headline framework for the strategy.

The framework will be developed into a more detailed document, which would include a vision for North Worcestershire, the economic, policy and spatial context, priority issues and opportunities, what needs to be done and at what level and how you might measure progress.

We seek close client involvement in this work and the plans will be developed and refined iteratively during discussions with the Steering Group to ensure they are appropriate.

6. Options for a new operating model

Alongside the development of strategy, options for a new operating model have been researched and developed, using a combination of experience and good practice from elsewhere and in the knowledge of the existing resources available in each local authority.

7. Testing and Finalising our Proposals

Two workshops were held during February 2010 to test our proposals. The first took place with Chief Executives, Council Members and senior officers; the second involved stakeholder representatives and staff.

Deliverables

The deliverables from the assignment are:

- a series of discussion papers and interim reports that chart the progress of the work;
- steering group meetings throughout the project;
- a stakeholder workshop at which the proposed strategy and operating model can be discussed;
- a detailed final report and strategy document.

Section 4.0 Economic Profile

4.1 Introduction

The Economic Profile is organised into an explanation of the format and source information and then four main themes. These themes are:

Theme 1 – Healthy and relevant business base

Theme 2 – Sustainable communities and inclusion

Theme 3 – North Worcestershire as a place to live

Theme 4 – North Worcestershire as a commuter zone

This format has been chosen in order to better drive the development of priorities for economic development action, rather than to replicate the existing Economic Assessment produced by the County Council and covering all major economic topics but without linkages. This is done in order to add value rather than to repeat existing quality intelligence. Finally there is a section drawing out the strengths and weaknesses of each of the individual areas and North Worcestershire as a whole, and indicating areas where policy or action might enhance the economic prospects of the area.

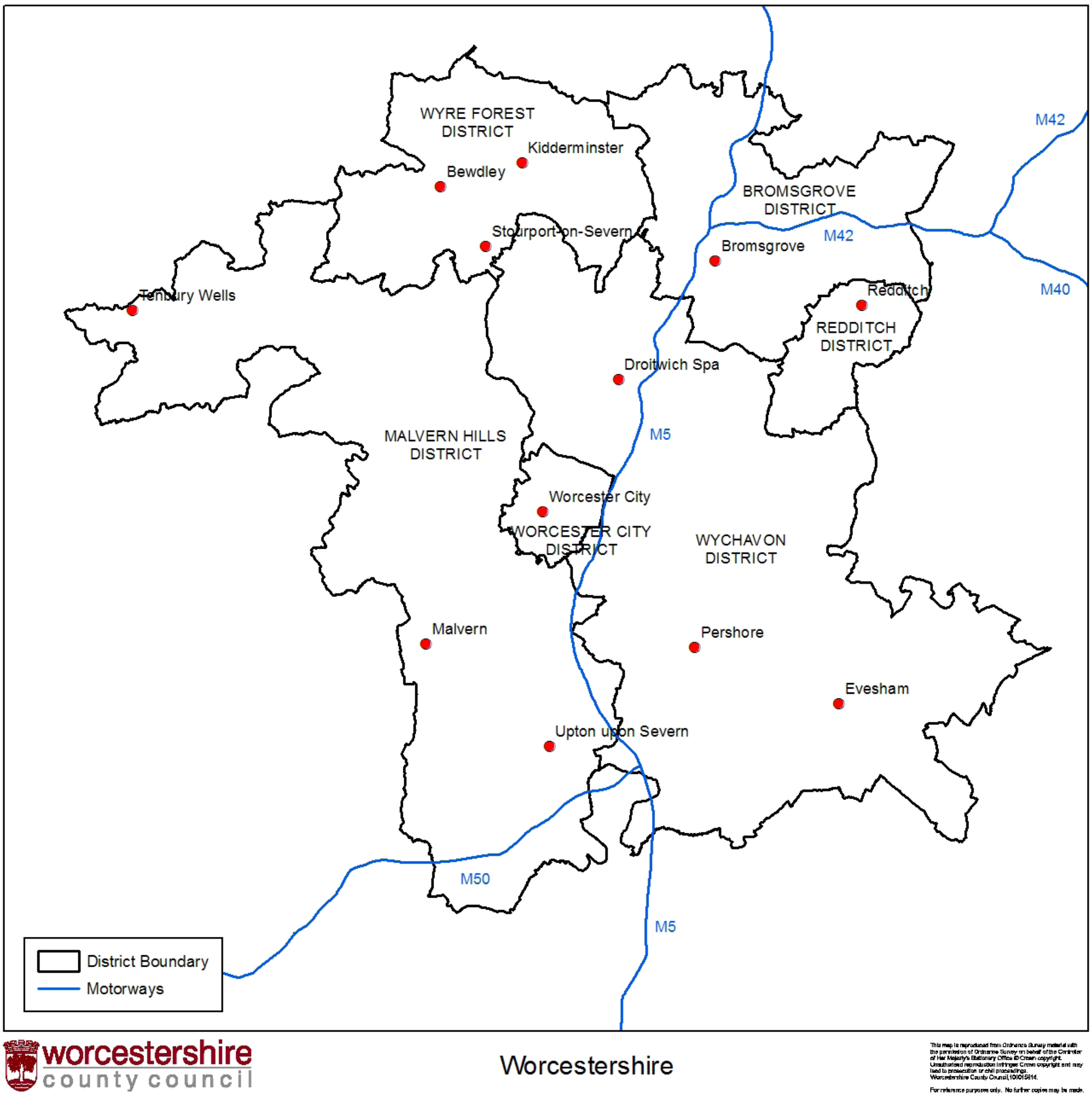
North Worcestershire

North Worcestershire is made up of three local authority areas – Bromsgrove District, Redditch Borough and Wyre Forest District. These three areas form the northern belt of Worcestershire and part of the buffer zone around the Birmingham/Black Country conurbation. The three areas are linked by their geography, their proximity to the conurbation and their mix of rural hinterland (often of high visual quality) and the traditions of their industrial base (Kidderminster and textile manufacture, Redditch and needle and spring making, Bromsgrove and nail making and metal crafts).

The proximity to the conurbation and also some other national and world class heritage sites means that the potential of each area is often overlooked in terms of tourism and leisure opportunities, and each may lose out on economic developments to the advantage of its neighbours; individually, it is difficult for each local authority to make an impression. The access to Northern Worcestershire, and, in particular, its strategic positioning at the heart of the national motorway network, however, offer positive benefits as a choice of location for individuals and businesses alike.

The map[2] overleaf shows Worcestershire along with its constituent local authority Districts and Boroughs.

[2] Map copied from the Worcestershire Childcare Sufficiency Assessment Update 2009



4.2 Overarching documentation

The core documents that have provided intelligence for this economic profile are the County Council Economic Assessment and the West Midlands Regional Observatory Regional Economic Summary. These documents are regularly updated and use the most up-to-date sources of public information but do not disclose data that might be deemed confidential or commercial in confidence (including some ABI data for example). They do not always cover data at the local authority level, partly as it is not always their role to look at such a detailed level and in many instances because the data cannot be broken down below county level.

In addition, data has been sourced from a variety of internet resources including Neighbourhood Statistics, NOMIS, the West Midlands Regional Observatory, Defra, the Learning and Skills Council and University of Warwick Institute for Employment Research, and local authorities have supplied Inspira with copies of reports they have commissioned or received. References are included as footnotes through the text.

4.3 Theme 1 – healthy and relevant business base

This theme looks at the business base in North Worcestershire in terms of its structure by employment and by numbers of units, recession and redundancies, vacancies and growth sectors, entrepreneurship, the cultural sector and low carbon options. Much of the data available on the business base dates from 2007 and therefore before the current economic downturn. Where possible we have highlighted our views on the impact of the downturn and have drawn on expert opinion about the future and how the area will move out of recession.

Business sectors by business mix

The most recent publicly available information on the mix of businesses in North Worcestershire is the stock of VAT registered businesses at the end of 2007. Table 4.1 shows the number of VAT registered businesses in Worcestershire and North Worcestershire and the percentage of Worcestershire businesses that are in the northern part of the county by sector. It can be seen that Agriculture, Forestry and Fishing is highly under-represented in the North, while Manufacturing, Construction, Transport, Storage and Communication, and Financial Intermediation are all over-represented in comparison with the County average.

Table 4.1 – Stock of VAT registered businesses at end 2007

Industrial sector	Worcestershire	North Worcestershire	% North Worcestershire
Agriculture, forestry & fishing	1,885	465	25
Mining, quarrying, energy & water supply	10	0	0
Manufacturing	1,980	990	50
Construction	2,595	1,300	50
Wholesale, retail, repairs	4,485	1,950	43
Hotels & restaurants	1,335	560	42
Transport, storage & communication	825	395	48
Financial intermediation	195	100	51
Real estate, renting & business activities	6,845	3,045	44
Public administration, other social and personal services	1,470	625	43
Education, health & social work	360	155	43
Total	21,985	9,585	44

Source: NOMIS, Crown Copyright Reserved

These figures from 2007 predate the current economic downturn, but do indicate therefore that northern Worcestershire is more likely to have suffered the effects of the downturn more acutely than the southern parts of the county, as the sectors that were primarily hit (construction, financial services and manufacturing) have a greater presence. This is reinforced by analysis undertaken by the West Midlands Regional Observatory[3] for Advantage West Midlands, looking into the vulnerability of individual local authority areas to the recession. Both Redditch and the Wyre Forest were in the quintile most likely to be affected according to a number of indicators including:

- 4 year survival rates of businesses “born” in 2003

[3] AWM-Vulnerable-Areas-for-Web_v1.0_Dataset_KB.xls, West Midlands Regional Observatory (WMRO)

- percentage change in workplace employment
- for Wyre Forest also percentage of workers in vulnerable sectors and percentage of residents commuting to local authorities with high vulnerability
- for Redditch , percentage change in notified vacancies and percentage point change in employment rate of working age residents.

Data from Neighbourhood Statistics[4] and based on employment units registered for VAT or for PAYE shows a figure of 11,940 units as of March 2008 (not all PAYE registered units will be registered for VAT and vice versa – hence the higher number of units). Of these, 3.2% were classified as being in the public sector – a lower proportion than the West Midlands average of 3.9%. Of the remainder, 13.9% were one of a number of sites for a private sector company, 31.9% were a single site private sector organisation with one or less employees, and 50.9% were a single site with more than one employee. Units that were part of a multi-site organisation are under-represented in North Worcestershire; by contrast, units that are a single site with one or less employees are slightly over-represented in comparison with the Region, but close to the England average.

Data supplied to Worcestershire councils by JobcentrePlus[5] shows that from the start of October 2008, and as at May 2009 (but with some forecast figures included), 100 companies had notified redundancies amounting to 5,200 jobs across the whole of Worcestershire. Table 4.2 shows the numbers of companies and jobs involved in these announcements, and it can be seen that the Wyre Forest and Redditch have indeed been more affected than Bromsgrove. Manufacturing was the sector most affected by these redundancy notices.

Table 4.2 – notified redundancies to JobcentrePlus October 08 to May 09

	Worcestershire	Bromsgrove	Redditch	Wyre Forest
Companies	100	8	27	17
Jobs	5,200	540	1,681	1,019

Source: data supplied to Redditch BC by JobcentrePlus

Some of the area’s largest employers (on the basis of the best information available to us[6]) are in the vulnerable sectors – Brintons in Manufacturing, Sealine International in Manufacturing, Britannic Assurance in the Financial Services sector and Co-operative IT in the Financial Services sector (IT support to banking services). Many of the other major employers are in the public sector, and consequently vulnerable to the funding cuts expected from 2010 onwards. This raises a question

[4] Local units by Public/Private status; single/multi site, 2008
[5] JSA stats-Worcestershire-May09 BY TOWN.xls, supplied by Redditch Borough Council
[6] Worcestershire County Economic Assessment 2008-2009/ Chamber of Commerce Herefordshire and Worcestershire 2009

as to how the economy can best be diversified to take advantage of the experience and skills in the area, while at the same time reducing vulnerability to economic shocks that are outside local control.

Business sectors by employment mix

Key employment sectors in North Worcestershire are shown in table 4.3 with employment levels as at 2007 – again it should be noted that these will have changed in the past two years and may not be fully reflective of current employment patterns.

Table 4.3 – workplace based employment in key sectors 2007

Sector	Worcestershire	North Worcestershire	% Worcestershire
Manufacturing	37,800	18,700	49
Construction	9,500	5200	55
Distribution, hotels & restaurants	57,500	26,900	47
Transport & communications	9,300	3600	39
Banking, finance, insurance	44,200	21,700	49
Public admin	60,300	26,500	44
Other services	12,500	5,200	42
Total	236,300	109,000	46

Source: Worcestershire County Economic Assessment 2008-2009, ONS 2008, Annual Business Inquiry

It can be seen that employment in Construction is more concentrated in North Worcestershire and in particular this concentration is based in Bromsgrove. Other concentrations are in Manufacturing and in Banking, finance and insurance. Given the major employers highlighted above, this should not be surprising. Employment in transport and communications and in other services is under-represented, however. In particular, the level of employment in Other Services is a concern as it indicates a limited supply of services to the individual and may mean that such services may need to be sought elsewhere, either in the south of the county or in the adjacent areas of the conurbation and cause wealth to flow out of the area which might support the local economy.

AWM supports a number of priority industrial clusters in the Region[7]. Employment in North Worcestershire in these priority clusters was under-represented in 2007 in Building Technologies and Food and Drink Production. By contrast, employment was slightly over-represented in the areas in Production of High Value Added Consumer Products, Tourism and Leisure (particularly in the Wyre Forest) and Transport Technologies. There is little evidence, however, that AWM has been actively supporting businesses in these clusters, particularly High Value Added Consumer Products and Transport Technologies, in northern Worcestershire and some will have been adversely affected by the economic downturn.

Employment by occupation

The Annual Population Survey gives an indication of employment by occupation for Worcestershire residents irrespective of location of employment and for residents of each of the districts and boroughs within it. As the confidence intervals on individual estimates are large, occupations have been summarised into three major bands as shown in table 4.4. This does reinforce the manufacturing bias in Redditch and the Wyre Forest.

Table 4.4 – broad occupation of residents (% of those working)

Occupation	2007				2008			
	Worcs.	Broms.	Redd.	WF	Worcs.	Broms.	Redd.	WF
Higher order	42	45	40	36	41	46	41	32
Clerical, sales, service	26	27	26	25	26	29	29	30
Skills & unskilled manual	32	28	34	39	32	26	31	38

Source: ONS, Annual Population Survey, Jan-Dec 2007 and 2008, NB figures may not add to 100 due to rounding.

This data shows clearly that Bromsgrove is home to fewer blue collar workers and to more professional and managerial workers. There is no significant difference in the proportion of residents working in clerical, sales and personal service occupations, however there are significant differences in the proportion of skilled and unskilled manual workers living in the Wyre Forest. These differences in the occupations of residents will have knock on impacts on levels of education and skills within the

[7] SORU-2010-Economic-Change_v1.0_Dataset_MS.xls, WMRO

population of each area, their potential for earning, and therefore their potential for spending money and buying property, and also on long term health issues.

Employment Vacancies

JobcentrePlus collects and makes available to ONS the number and nature of vacancies offered through Job Centres. The latest data for October 2009 shows that over half of vacancies are for skilled and unskilled manual staff, while there are few vacancies offered locally for higher order occupations. By contrast, 64% of vacancies are recorded as being in the SIC grouping 71 or Other Business Activities – a feature of the data which makes the industrial classification of vacancies seem doubtful. The broad vacancies by occupation data is shown in table 4.5.

Workplace based employment for skilled and unskilled manual workers was higher in Wyre Forest in 2007 than in Bromsgrove, however it can be seen that numbers of vacancies are significantly higher in Bromsgrove than in the Wyre Forest. As the numbers of vacancies in skilled and unskilled manual occupations are low in the Wyre Forest, it would seem that this data supports the theory that employers in the Wyre Forest have been worse affected by the economic downturn than in other parts of northern Worcestershire.

Table 4.5 – vacancies by occupation October 2009

Occupation	Worcestershire	North Worcestershire	Bromsgrove	Redditch	Wyre Forest
Higher order	627	318	127	128	54
Clerical, sales, service	1,150	528	235	213	174
Skilled & unskilled manual	2,002	1,130	473	271	128
Total	3,779	1,976	835	612	356

Source: NOMIS, Crown Copyright Reserved

Leaving recession

The Institute of Employment Research[8] at Warwick University is undertaking on-going research into the effects of the recession in the West Midlands and forecasting how employment will change in the region in future as the country moves out of recession. Their prognosis is not particularly encouraging particularly with respect to

[8] http://www2.warwick.ac.uk/fac/soc/ier/recession/ most recent update, August 2009.

manufacturing. The combined IER/Cambridge Econometrics forecasts show a further decline in manufacturing employment, though not as pronounced as during the 80s and 90s. They also show an increase in employment in construction and in non-marketed services, including potentially the public sector.

More worryingly, the forecasts imply that while the fall in employment in the current recession will not be as great as in that of the recession of the early 90s, the pre-recession levels of employment are unlikely to be reached by 2020. There will also continue to be a slow decline in the numbers employed in skilled trade occupations (with the exception of skilled construction trades), countered by an increase in employment in higher order occupations, but also in perceived less skilled occupations such as care and personal service occupations. In the West Midlands as a whole, the increase in higher order occupations is forecast to be lower than in the country as a whole, while the increase in care type occupations may well be higher.

The potential of Low Carbon activity

This is becoming a national priority sector through the April 2009 White Paper, and it is therefore worth considering the elements that fit with the industrial structures of northern Worcestershire. There are four key areas where local businesses can either profit by adapting to perceived national priorities or by improving their competitiveness proactively, albeit necessitating business support activity.

1. Improved energy efficiency – particularly for manufacturing businesses
2. Low carbon engines and vehicles – businesses in the motor vehicle supply chain becoming ready to serve this need as it develops
3. Zero carbon homes (new build) – the planned new housing particularly for Bromsgrove gives an opportunity to develop skills in this area as well as promoting the area as a nice and “green” place to live
4. Retrofitting commercial buildings – public sector organisations will need to adhere to stricter standards and would benefit from being able to call on skilled local organisations to support the activity

Relevant Sector Skills Councils[9] are starting to make plans to meet these challenges, mainly through skills development. It is unlikely that thousands of new “green” or “low carbon” jobs will be created to meet these and other needs but more that existing roles will be expanded to include the extra skills required. Similarly, while there will be some low carbon new business start ups, these are likely to be attracted to areas with significant hi-tech presences and clusters, such as University business parks. However existing businesses are also likely to need to divert some capacity to meet demand. Assisting existing businesses to address this would therefore be the better route in northern Worcestershire.

[9] Information received by interview with a representative of Asset Skills

Entrepreneurship

New business starts as measured by the annual growth rate of business stock is above the UK average in Redditch and Bromsgrove but below in Wyre Forest[10], although at a county level there is higher per capita new VAT registrations than the England average. VAT registration rate by local authority is lower than the UK average in Redditch and the Wyre Forest (as well as Worcester) but above in the rest of the county. For 2007, VAT registration rates were about 43 per 10,000 head of population for Bromsgrove, 31 for Redditch and 28 for Wyre Forest. Wyre Forest was also behind Redditch and Bromsgrove in terms of property and business services new starts – considered as a major driver of a local economy by the West Midlands Regional Observatory.

Self-employment rates are particularly low in Redditch, and low in the Wyre Forest. Research has found that business start ups are less likely to occur in areas of high deprivation, as it seems to be driven by a proactive choice to improve working conditions rather than as a reaction to redundancy or difficulty finding a job. The aspiration to become self employed or start a business is therefore a positive choice more suited to those already in employment. A further analysis called Total Entrepreneurial Activity highlighted within the WMRO report on business start up activity shows Wyre Forest to have the lowest possible rate but medium rates in Redditch and Bromsgrove. This tendency is an issue for the District but will need co-ordinated activity to address if regarded as a priority for the health of the local economy.

Culture and Tourism

Worcestershire receives in the region of 10 million visits[11] per year, approximately a tenth of all visits in the West Midlands region. Of these, 8.6m are day visits and 1.3m are staying visits. Staying visitors generate a total of 4 million visitor days, making the total 12.6 million visitor days, amounting to 10% of all visits to the West Midlands region.

The West Midlands is England's second business tourism venue after London with many large conferences and exhibitions held at the NEC, the ICC and Telford International Centre.

Research by Heart of England Tourism shows that:

- Staying visitors are more likely to be empty nesters from higher income groups;
- Day visitors are more likely to be young families with younger children (this group is common in Worcestershire);
- Most day visitors were staying at their destination for between 3 and 5 hours;

[10] Enterprise Report 2: Benchmarking Start up business activity, Version 1.0, December 2009, West Midlands Regional Observatory

[11] Hartlebury Castle and Estate: Future Options Analysis, report for Worcestershire County Council by Inspira Consulting Ltd

- Staying visitors spend more on eating and drinking and day visitors spend more on shopping;
- Staying visitors who visit attractions are more likely to be 45-54 years, travelling as a couple, on holiday, first time visitors and resident in the south east of England;
- Day visitors who visit attractions are more likely to be younger families, travelling with children and repeat visitors.

While North Worcestershire is well served with cultural attractions, particularly the Wyre Forest, the Cultural Audit for the West Midlands missed out significant resources in Redditch and in Bromsgrove, while the area as a whole seems to be overshadowed in policy considerations by Birmingham and Stratford upon Avon.

From the most recent figures published by AWM[12], the cultural sector in North Worcestershire employs some 12,800 individuals, with the split of employment by authority of 38% in Bromsgrove, 38% in the Wyre Forest and 24% in Redditch. Given the cultural and tourism resources in the area and the proximity to significant tourism attractions and the NEC, this level of employment could be seen as a missed opportunity.

The most recent publication[13] on tourism with reliable figures indicates that Worcestershire had 8,009 bed spaces and 3,810 rooms for overnight accommodation as at the end of January 2006, and that this was 9% of the bed spaces and 9% of the rooms available in the West Midlands, while the County accounted for 11% of the staying trips to the West Midlands. This implies a higher level of bed occupancy than the regional average, which is already at regional level, the third highest in the country. This may provide a constraint to visitors staying in the area, if rooms are constantly booked up.

The map and pictures overleaf shows just some of the many tourist attractions in North Worcestershire. The flags on the map denote approx. location and type of attraction:

Green for natural attraction, Gold for visitor attraction, Blue for water related feature, Purple for gardens, Red for transport and Pink for historic attraction. The map illustrates both the range of interest for visitors (and, indeed, for residents) but also the way the attractions spread across the three Districts.

[12] SORU-2010_Culture_v1.0_Dataset_MS.xls, WMRO

[13] West Midlands Region Tourism and Leisure Cluster Overview, Tourism West Midlands and Heart of England Tourism Board, July 2006

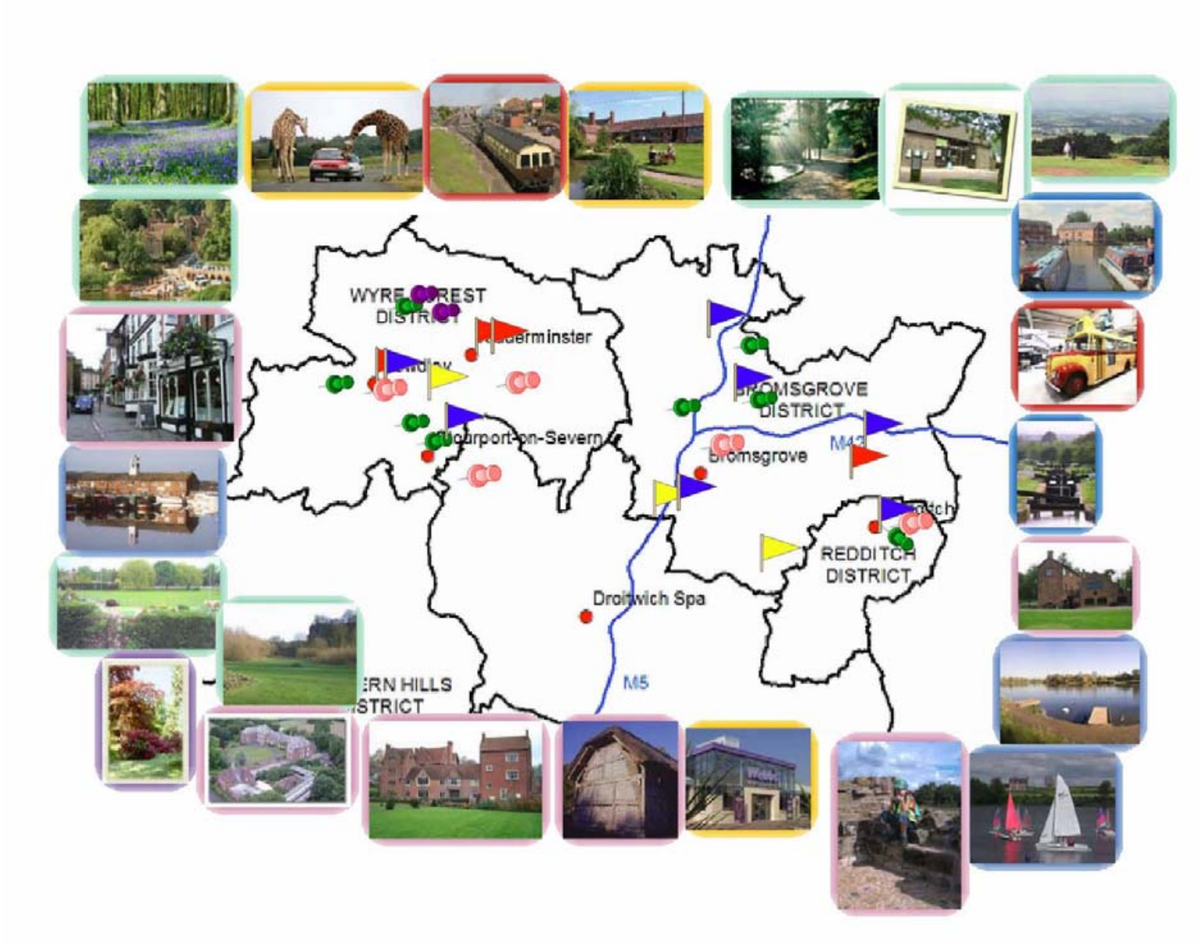


Figure x.x Some of North Worcestershire's tourism attractions

4.4 Theme 2 – sustainable communities and inclusion

While Theme 1 dealt with the business population of Northern Worcestershire and its characteristics, Theme 2 deals with the human population and its characteristics, including numbers and growth, economic activity, and skills. This human capital gives the area its most important resource but it will need to embrace and adapt to any economic change that comes either through force majeure as with the economic slowdown or through positive interventions such as an economic strategy.

<u>Population and population change</u>

The 2008 mid-year estimates[14] give a population for North Worcestershire[15] of 271,400 individuals of which 92,800 are resident in Bromsgrove, 79,900 are resident in Redditch and 98,700 are resident in the Wyre Forest. The population mix by age is 17.1% aged 14 and under, 11.7% aged 15 to 24, 33% aged 25 to 49, 21% aged 50 to 64 and 17.3% aged 65 and over. Since 2005 and according to the estimates, Bromsgrove has seen its population grow by 1,800 individuals, while Redditch and the Wyre Forest have both only experienced growth of 700 individuals. Bromsgrove

[14] Office for National Statistics
[15] The total population for Worcestershire as a whole is estimated at 557,600 individuals

has seen a significant decline in the numbers of residents in the 30 to 34 age bracket, but has seen significant increases in the numbers aged 60 to 64 and 85 and over. Wyre Forest has seen a decline in the number of residents aged 30 to 39 but an increase in residents aged 65 to 74. Redditch has seen an increase in the number of residents aged 60 to 69.

The increasing numbers of residents aged 50 and over will have an impact on the services and businesses required locally and will also have an influence on the nature of the labour force available to local employers.

Life expectancy data (life expectancy at birth)[16] is available for the districts, and against a national male life expectancy at birth age of 78 and a female life expectancy at birth age of 82, the figure for males in Bromsgrove is significantly higher at 79.5, while all other figures are not significantly different to the national average and therefore slightly higher than in the West Midlands region as a whole.

All three districts within North Worcestershire have a lower rate than the national for conceptions among those aged under 18, but the greatest difference is in Bromsgrove where the rate is nearly half the national rate. However among live births, the proportion of babies born with a low birth weight is higher than the national average in both Redditch and the Wyre Forest. The infant mortality rate is higher in all districts than the national average but below the regional average in Bromsgrove.

Employment data

The Annual Population Survey[17] January to December 2008 found the activity rate characteristics described in table 4.6. It should be noted that this data is collected by sample survey and is therefore subject to statistical variance, particularly at local authority level, it is however currently the best estimate available, as the Census of Population is now rather outdated. Economic activity rates are higher than the county average in Bromsgrove and lower in Redditch and Wyre Forest. Self-employment rates are higher in Bromsgrove as well.

[16] Neighbourhood Statistics, Key Figures for Health and Care, January 2010
[17] Office for National Statistics, NOMIS

Table 4.6 – economic status of resident working age population (percentage)

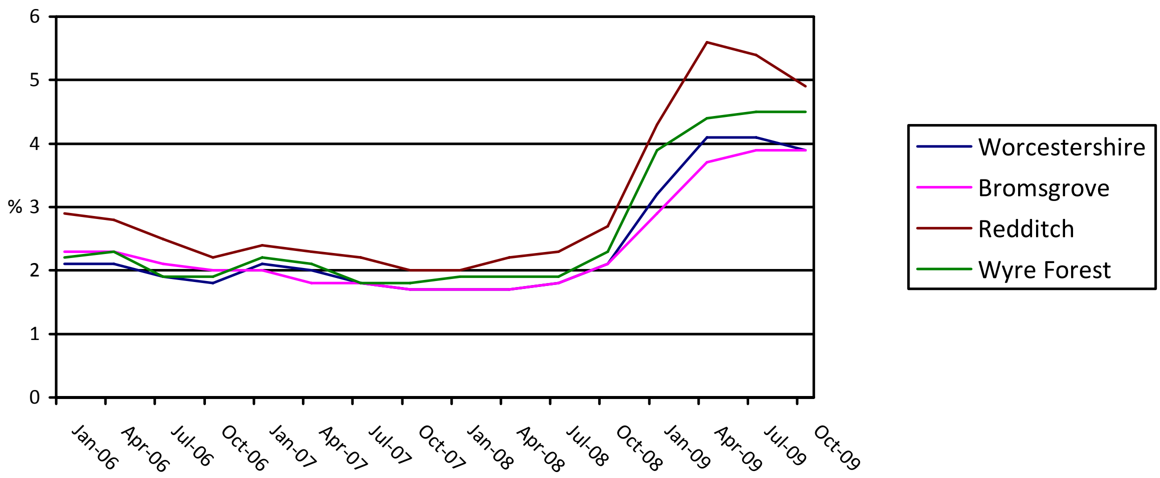
	Worcestershire	Bromsgrove	Redditch	Wyre Forest
Economic activity rate	82	88	78	80
Employment rate	78	84	71	76
% employees	68	70	65	65
% self-employed	10	14	6	10
% economically inactive	18	13	22	20

Source: ONS, Annual Population Survey, Jan – Dec 2008.

Unemployment data

Graph 4.1 shows how Claimant Count Unemployment has evolved since the start of 2006 in Worcestershire and in each of the North Worcestershire districts. While unemployment rates have been highest in Redditch, the rates in Wyre Forest have not yet started to reduce from their peak.

Graph 4.1 – Claimant count unemployment rates January 2006 to October 2009



Source: NOMIS, Crown Copyright Reserved

The lack of decline in the unemployment rate in the Wyre Forest could be linked to the comparatively lower level of vacancies being notified to JobcentrePlus in the district (see Theme 1), particularly as residents in the Wyre Forest are less likely to travel more than 10 kilometres to work (see later analysis). The lack of reduction in unemployment rates in Wyre Forest therefore will be despite the numbers of vacancies announced in Bromsgrove, which might be too far to travel, particularly given the quality of the road and public transport links to Bromsgrove.

Skills data

The Annual Population Survey January to December 2008 gives the best estimate of qualifications in the workforce currently available. Table 4.7 shows the proportions of residents qualified to particular levels for Worcestershire as a whole and for the three areas in the north.

Table 4.7 - % working age population and level of qualification

	Worcestershire	Bromsgrove	Redditch	Wyre Forest
% with NVQ4 or higher	27	27	21	21
% with NVQ3 or higher	46	44	41	39
% with NVQ2 or higher	67	67	65	62
% with NVQ1 or higher	80	80	79	78
% with other qualifications	8	9	6	4
% with no qualifications	13	12	15	18

Source: ONS, Annual Population Survey, January – December 2008

The qualifications profile for Bromsgrove is very similar to that of the county as a whole; however the profiles for Redditch and particularly Wyre Forest show a lower qualified working age population. This will have an implication on the ability of local businesses to recruit qualified staff locally, and also influence decisions on locating in the North of the county as opposed to the south of the county where qualification rates are better. There is a danger that parts of North Worcestershire could become trapped in a low skills, low wage economy due to this feature of the human capital of the area.

Training provision

The two FE Colleges in northern Worcestershire are both high performing providers, with good or higher Ofsted gradings. In the most recent LSC success ratings data[18], the benchmark success rate for all levels and all ages in General FE Colleges was 80%.

[18] Nat-benchmarkingdata0708ssa-aug09.zip, Learning and Skills Council

Table 4.8 shows a range of success rates at the two colleges, looking at all level qualifications, the (LSC) priorities of level 2 and level 3 qualifications and some key Sector Subject Areas for employment and business aspiration in the area. Kidderminster College does not offer Construction training.

Table 4.8 – success rates at Kidderminster and North East Worcestershire College, 2007/08

	Kidderminster College	North East Worcestershire College
All level qualifications	79	88
Level 2 qualifications	72	89
Level 3 qualifications	83	76
Construction, Planning & Built Environment	n/a	89
Science and Maths	89	71
Engineering & Manufacturing Technology	86	86

Source: Learning and Skills Council

Kidderminster College was most recently inspected in March 2009 and was rated Grade 2 or good in most areas although ICT and Hair and Beauty therapy were only graded satisfactory. The report also noted the high and increasingly good success rates of the College. In order to improve, the report stated that the college needed to address low success rates for adults on long level 2 courses and a few short courses and should also look at the inconsistency in the quality of target-setting for individual learners. The College also needed to address the development of the learner voice, showed insufficient promotion of equality and diversity through the curriculum and insufficient promotion of literacy and numeracy skills for adults on vocational courses.[19]

North East Worcestershire College was last inspected by Ofsted in May 2006, so will be due for re-inspection in all probability in the next 12 months. The college gained overall an Outstanding grade, has LSIS Beacon status, a Centre of Vocational Excellence in Business Administration and a Customer Service Excellence Award.

In the last Ofsted report, the areas for improvement[20] that were identified were:

[19] http://www.kidderminstershuttle.co.uk/news/local/4440603.Kidderminster_College_rated__good__by_Ofsted/

[20] http://www.ofsted.gov.uk/oxedu_reports/download/(id)/85205/(as)/130713_284860.pdf

- success rates in work-based learning
- the achievement of key skills qualifications
- lateness in some classes.

NEETs

The latest figures on NEETs[21] from the Learning and Skills Council (with a census date of November 2008) show that Worcestershire as a whole has a NEETs rate for 16 to 18 year olds of 5.0%, while North Worcestershire has a rate of 5.1%. The figure for Bromsgrove is very low at 2.6%, while that for Redditch is marginally over the county average at 5.3%; however the Wyre Forest has the highest rate in the county at 7.2%.

Benefits data

Both Bromsgrove and Redditch have a below average rate of people of a working age receiving incapacity benefits[22], while Wyre Forest is at the national level. The most recent data on homelessness for the three districts (April 04 to March 05) shows that at that time there were 735 households accepted as being homeless, of which nearly half were in Redditch.

In Worcestershire overall, as at May 2009, there were 44,830 individuals of working age claiming some form of benefit[23], of which 23,470 or 52.3% lived in the north of the County. This contrasts with the fact that north Worcestershire has 49% of the county working age population but reinforces the impression that the northern part of the county is less prosperous than the south. The numbers receiving benefits in Bromsgrove are less in proportion to the numbers resident in the district, while they are over represented in Redditch and Wyre Forest. This further illustrates the comparative difference in prosperity of the districts, with Bromsgrove more affluent than either of its neighbours.

Deprivation data

Worcestershire as a whole does not stand out in the Index of Multiple Deprivation[24], and the North Worcestershire area does not contain many Lower Level Super Output Areas (LSOAs) which figure in the worst 10% in the country. However, Redditch and Wyre Forest both have two LSOAs in the 10% most deprived in England, and looking at relevant individual indicators, both Redditch and Wyre Forest have two LSOAs in the worst 10% nationally for income (Bromsgrove has none) and three each in the worst 10% nationally in the employment domain (again Bromsgrove has none). This generally good performance makes the area more attractive, while at the same time, restricts access to funding to relieve deprivation. This is a challenge as parts of the Oldington and Foley Park and Broadwaters wards in Kidderminster as well as parts of

[21] Not in Education, Employment or Training
[22] Neighbourhood Statistics, Key Figures for Health and Care, January 2010
[23] Office for National Statistics/NOMIS
[24] Indices of Deprivation 2007, West Midlands Local Authorities v2.1, WMRO, December 2007

Redditch have significant needs and finding funding for this has been a challenge for many years.

Within the context of Worcestershire, the populations of Redditch and the Wyre Forest are less prosperous and less well qualified than the rest of the county, while Bromsgrove is either better than the county average or at that level. It should be borne in mind however that Worcestershire is more prosperous and the population better qualified than in the West Midlands as a whole and particularly the conurbation. The challenge is to draw closer to the rest of the county and help North Worcestershire benefit from the reputation of the county as a whole.

4.5 Theme 3 – North Worcestershire as a place to live

This theme looks at North Worcestershire as a place to live including the housing stock and its cost, and how that can be afforded by the local population, the projected changes to the housing stock and other elements that characterise the quality of life in the area.

Housing

North Worcestershire contains 48% of the County's dwellings[25], but the mix by Council Tax Banding is very different in Northern Worcestershire to the county average, as can be seen from table 4.9 below. While Bromsgrove has a relatively low proportion of dwellings in Bands A and B, both Redditch and Wyre Forest have higher proportions than the county average, although not as high as the West Midlands average. By contrast Bromsgrove has a higher proportion of dwellings in bands G and H than the county average. The implications for Bromsgrove are that residents generally have to be relatively high wage earners in order to be able to purchase and service higher value properties than in the rest of northern Worcestershire.

[25] Worcestershire County Economic Assessment 2008-2009

Table 4.9 – % dwellings by Council Tax Band

	% dwellings Bands A&B	% dwellings Bands G&H	Mean house price 2007	Median house price 2007
Bromsgrove	27	7	£237,600	£203,800
Redditch	54	1	£169,900	£147,800
Wyre Forest	49	3	£182,800	£155,000
Worcestershire	41	5	£213,500	£179,000
West Midlands	57	3	£175,500	£147,000

Source: County Economic Assessment 2008/09.

The mean and median house prices[26] in 2007 (and therefore before the economic downturn and the consequent impact on house prices) show that property in Bromsgrove is more expensive than in the rest of northern Worcestershire and than the Worcestershire average, and substantially higher than the West Midlands average. The difference between the mean and median house prices show that average prices are skewed by a proportion of higher priced homes – this difference is relatively high in the Wyre Forest, demonstrating that despite some lower value housing stock in Kidderminster, the district as a whole has an affluent element as well.

Recent assessments of housing sales show that while house prices fell from 2007 to 2008 by nearly 5% in the Wyre Forest, the fall in prices in Bromsgrove was much less at just 0.5%, however across the whole area, the number of house sales fell by around 50%.

<u>New housing</u>

The plans for new housing in Worcestershire show a requirement in the county between 2006 and 2026 of 36,600, two thirds of which development will be in the southern districts of the county. That leaves a requirement for new dwellings of 12,100 in northern Worcestershire. The formal plans are for 4,000 new dwellings in Bromsgrove, 7,000 in and around Redditch and 4000 in the Wyre Forest. The Redditch figure includes 4,000 of the proposed housing to be built in parts of Bromsgrove or Stratford upon Avon districts that are very close to Redditch town. Never the less, it is clear that the majority of housing growth and therefore planned population growth is targeted at the south of the county. In the past 20 years, population growth in Redditch and the Wyre Forest has been well below the county

[26] It should be remembered that the mean is the arithmetic average of a range of numbers, while the median is the middle value in an ordered set of numbers. The mean can be influenced by a series of outlying values (in this instance a number of very highly priced houses).

average while population growth in Bromsgrove has been at the same level as the county average.

Wages

Related to house prices and new housing development is the ability to pay for property. The *residence based* mean weekly gross pay in 2008 for Worcestershire was £454[27] – slightly higher than the West Midlands figure of £450. The figure for Bromsgrove was significantly higher at £570, while those for Redditch and Wyre Forest were significantly lower at £411.2 and £405 respectively. These figures do reflect the residence based employment mix in the individual areas and also the qualifications of residents, as there is a known causal link between level of qualification, quality of occupation and wages. Thus the residents of Bromsgrove have higher level qualifications, enabling them to take up higher order occupations which bring in higher wages and therefore enable them to buy more expensive property.

However the industrial mix in Bromsgrove is not so substantially different and filled with higher order occupations as to explain the residence based weekly gross average wage. This is reflected by the *workplace based* weekly gross average wage (i.e. the gross average wage paid by employers in each of the districts of northern Worcestershire). For the county as a whole, that figure is £419.9; while for Bromsgrove, Redditch and Wyre Forest, the figures are respectively £406.2, £411.6 and £399.4. The main difference is for Bromsgrove – a full £160 per week, while there is no significant difference in Redditch.

Crime data

According to Home Office statistics published in October 2009[28], there were 16,903 reported crimes in North Worcestershire between April 2008 and March 2009, of which a quarter were in Bromsgrove, a third in Redditch and two fifths in the Wyre Forest. The rate of reported crimes per 1,000 population shows that the highest reported crime rate was in the Wyre Forest and the lowest rate in Bromsgrove, with an overall rate of 62.3 reported crimes per 1,000 population. The profile of reported crimes in North Worcestershire and in each of the districts is broadly similar to that at regional and national level, although in Bromsgrove there are proportionately fewer cases of violence against a person and more theft from a motor vehicle. Evidence from the consultative survey of businesses shows that organisations in Redditch seem to have a high awareness of crime even though it is not the part of the area with the highest level of reported crime.

[27] This is the average weekly wage for people living in an area before tax and NI deductions.
[28] Neighbourhood Statistics, Notification of Offences Recorded by the Police, January 2010

Support sectors

Overall, the Childcare Sufficiency Assessment[29] shows that Worcestershire as a whole is well supplied with generally good quality childcare provision, and that therefore in many areas, childcare is meeting the needs of the majority of families. Qualitative research undertaken as part of the assessment shows that parents would like a greater supply of childcare places for those aged 0 to 4 years of age, and more before and after school clubs and holiday clubs catering for the 5 and over age group. In Bromsgrove and Wyre Forest the key factors influencing choice of childcare provider was the proximity to home, opening hours and affordability, while in Redditch, proximity to home and affordability were also key, but recommendations from other users were more important than opening hours.

The estimated demand for places, based on a demand rate of 65% for childcare for the 0 to 14 year old age group, the requirement in Bromsgrove is for 10,375 places, in Redditch for 9,657 places and in the Wyre Forest for 10,375 places. Consultation for the Sufficiency Assessment showed that in the Wyre Forest, there was a strong need for childcare places that were available before 8am in the morning while in Redditch, there was a need for childcare places to fit in with shift patterns. The majority of childcare providers follow opening hours that are relevant to normal office working hours, while sustainability of childcare places is an issue in areas where there is a significant level of disadvantage.

Rurality

The most recent classification of local authority areas to a spectrum of rural to urban living places by Defra[30] places Bromsgrove and the Wyre Forest in the Significant Rural category and Redditch in the Other Urban category. These classifications are based on the proportion of residents who live in a town or village as opposed to more sparse rural population. Considering the proximity to the conurbation, this classification highlights the more rural and thus, by many perceptions, more appealing residential nature of North Worcestershire compared to the conurbation, while all three districts are also perceived to have relatively good access to the conurbation to be able to take advantage of its facilities.

Rubbish and recycling

The most recent figures available from Defra on household recycling and composting (2005[31]) show that Bromsgrove had a significantly higher rate than the county (36% as opposed to 30%) while both Redditch and Wyre Forest were significantly lower at 17% and 24% respectively.

The conclusion of this theme therefore is that Bromsgrove in particular, but also parts of the Wyre Forest are considered to be particularly desirable places to live,

[29] Worcestershire Childcare Sufficiency Assessment, Update 2009, Research and intelligence Unit and Worcestershire Early Years and Childcare Service
[30] Defra Classification of Local Authorities in England, April 2009
[31] SORU-2010-Environment-and-Natural-Resources_v1.0_Dataset_NW.xls, WMRO

and draw in those who can afford higher mortgages and who desire a more rural aspect to their domestic arrangements. However each of the three districts has its own benefits and advantages.

4.6 Theme 4 – North Worcestershire as a commuter zone

This section brings together the evidence from the previous themes to develop an overall identity for North Worcestershire that may help to define the thrust of an economic strategy. Extra evidence is demonstrated looking at job density in the area and the gaps in intelligence are identified that will need to be filled in order to be able to identify more clearly where positive actions and interventions need to be made.

Job density

The most recent figures available for job density are for 2006[32], but show that no part of northern Worcestershire has a ratio of 1 – i.e. that there are the same number of jobs as of resident working age adults. Redditch is the nearest with a ratio of 0.95, while the figures for Bromsgrove and Wyre Forest are 0.77 and 0.66 respectively. The balance is therefore made up of adults who are workless and those who are commuting to work out of the area.

In fact the latest figures reported in the County Economic Assessment show that northern Worcestershire is a significant exporter of labour. Of the net outward flows of workers from Worcestershire (in total, 32,900 commuting out to work), 72% or 23,600 are from northern Worcestershire. The biggest outward flows are from Bromsgrove (9,500) and Wyre Forest (10,500). The distances travelled to work however show that those living in the Wyre Forest do not travel far to work and are therefore unlikely to be travelling to highly paid or high level jobs – 83% of workers from the Wyre Forest travel 10 kilometres or less to work. By contrast, workers from Bromsgrove are likely to travel further, with 73% travelling 10 kilometres or less to work.

It is worth considering the locations and therefore the likely quality and nature of jobs within 10 kilometres of Bromsgrove and the Wyre Forest. For Bromsgrove, parts of Birmingham are within reach, whereas for the Wyre Forest, the nearest town is Stourbridge.

Although within the county boundaries, the number of jobs based on major industrial estates in and around Hartlebury on the fringes of Wyre Forest but across the District boundary into Wychavon should also be noted.

[32] Worcestershire County Economic Assessment 2008-2009

Wages

In this context, it is also worth referring back to Theme 3 above and the wages data presented by residence and by workplace. That analysis showed clearly a significant difference in the average weekly wages in Bromsgrove by residence and by workplace and linked to the average house price in Bromsgrove, clearly showed that in order to service a mortgage on a property in Bromsgrove, it was likely that the home owner would work elsewhere. While not so pronounced, there was a small similar effect in the Wyre Forest.

The employer consultation brought out the advantages of North Worcestershire as a pleasant place to live, if not always well publicised in this way, therefore a key aspect of North Worcestershire is that it is a relatively pleasant place to live, even if employment is elsewhere.

Transport

Train routes through North Worcestershire all draw the user north to Birmingham and the conurbation, facilitating commuting into the centre of Birmingham without having to drive and pay for parking, but also for shopping and entertainment. The stated improvements to Bromsgrove station[33], due to re-open in December 2011, appear to concentrate on improvements for residents travelling away from the town, rather than visitors travelling to it. By contrast, planned improvements for Kidderminster station[34] identify the adjacency of Severn Valley Railway and the numbers of tourist visitors coming to SVR via the rail link as a reason for improvements.

While the current business stock might not be able to provide jobs for all North Worcestershire residents, effort is needed to ensure that spend on retail and a significant proportion of entertainment is kept within the area, to help to fuel local businesses and services.

Facilities

While no data has been made available on tourism, entertainment and retail usage in the area, a brief resume of the key retail attractions in each district helps to identify where action may need to be taken in order to retain spend locally in order to create local wealth.

Bromsgrove town centre is dominated by a small number of retail outlets and an Asda, while there is a large Morrisons on the edge of town. Given the profile of houses in Bromsgrove and the qualifications of the working age population and average wages of residents, it may be that a perceived high-end supermarket might cater more closely to local needs and there is now a proposal for a branch of Sainsbury's. This retail offer, despite being complemented by a strong farmer's

[33] http://worcestershire.whub.org.uk/cms/transport-and-streets/transport/rail/bromsgrove-station.aspx

[34] http://www.worcestershire.gov.uk/cms/pdf/trains-newsletter-jan2007.pdf

market, implies that residents will travel to undertake most of their shopping needs to Redditch (Tesco Extra, Kingfisher Centre, B&Q Warehouse), Droitwich (Waitrose), Dudley (the Merry Hill Centre), Solihull (Touchwood Court including John Lewis) or Birmingham (Selfridges, the Bull Ring). Also given the level of outward commuting to work, residents may shop where they work before returning home.

Redditch town centre is dominated by the Kingfisher Centre with a good range of shops and while there are some empty units, demand by national chains is significant[35]. It also has a large number of dispersed centres for local shopping and larger stores. It scores well in the national Management Horizons 2008 ranking for quality of shopping provision, although Kidderminster scores slightly more highly. With easy access to the M42, Solihull is also within easy reach and Touchwood Court has a significant range of premium stores.

Kidderminster town centre itself has a range of retail outlets, although the feel is somewhat tired. Weavers Wharf is a prestige development off the town centre with M&S and Debenhams, while the Crossley Retail Park is a prime bulky goods retail park[36] with a number of national stores including Staples and Currys. In 2004, local politicians estimated that 60% of retail spend by Wyre Forest residents was outside the district and have aimed to reduce this through an improved retail offer. In addition proposals to improve public transport links to the Black Country and Merry Hill were opposed by the local authority in order to keep spend local[37]

Given the current business mix and the human capital of the area, it is likely that North Worcestershire will continue to supply employees to coterminous areas including Stourbridge, Dudley, and Birmingham, thus making North Worcestershire a commuter zone for the conurbation as well as an employment zone in its own right.

Some of the industrial sectors in Redditch and the Wyre Forest in particular have been hard hit by a series of events outside the area – first the Longbridge closure and then the global economic downturn – and local stakeholders will need to find a way to diversify and grow the local economy in a way that will enhance the local economy and build on its strengths.

In order to benefit from the income being brought into the area by its residents who are not employed in the area, it is important that those residents are able to source their requirements locally and easily. This includes support services like childcare, education and health support, leisure requirements including entertainment, and retail options.

[35] Redditch Borough Council, Town Centre and Retail Study, September 2008, White Young Green Planning.
[36] http://www.hpfour.com/casestudies-kidderminster-crossley-park.html
[37] Regional Spatial Strategy Draft Phase 1 Revision The Black Country – Statement on Behalf of Worcestershire and Herefordshire Authorities

4.7 Implications for strategy and delivery

4.7.1 Strengths and Weaknesses

The key features of the area, expressed as strengths and weaknesses, can be found in Table 4.10 below.

Table 4.10 - strengths and weaknesses by area

Strengths	Weaknesses
North Worcestershire Access to national motorway network Proximity to conurbation Good place to live, work and operate a business Strong tourism offer Strong manufacturing heritage has translated into some strong successful brands Childcare provision availability Access to private schools A good proportion of the population have reasonable levels of disposable income Lower cost of commercial property and lower wage rates than conurbation	North Worcestershire Lack of identity Strength of transport infrastructure isn't consistent Does not have proportionate influence with decision-makers Strong potential tourism offer inadequately structured and marketed Ineligibility for regeneration funds has perpetuated existence of pockets of deep seated deprived communities Services for local people are inadequate e.g. retail offer and encourage spend outside the area.

<u>Bromsgrove</u> Access to motorway network Quality of rural environment Housing Entrepreneurship Qualifications levels in the resident population Good performance on key indicators (unemployment, skills, new businesses etc.) in comparison with county and West Midlands Reasonable range of commercial property	<u>Bromsgrove</u> Retail offer of the high street is largely aimed at less wealthy residents Parts of town centre in need of physical improvements Doesn't capitalise on some opportunities e.g. services offered to private school parent visitors, proactive marketing of the Bromsgrove Technology Park
<u>Redditch</u> Quality of rural hinterland Transport links, particularly road and rail Proximity to key attractions in the West Midlands Retail offer Reasonable range of commercial property North East Worcs. College has beacon status NEW College Higher education centre in Redditch Council owned business centres have stimulated entrepreneurship	<u>Redditch</u> Fear of crime Perceived lack of quality leisure facilities Business mix means vulnerable to economic downturn Poor educational attainment amongst young people Below average skills levels in the workforce Constrained by tight geographic catchment

Wyre Forest Quality of local rural environment Local and regional attractions including Severn Valley Railway and the West Midlands Safari Park Affordable housing Market towns regeneration Good mix of national and independent retailers Kidderminster 'Rewyre' initiative to generate town centre Excellent rail links to Birmingham	Wyre Forest Road links Kidderminster town centre in need of physical redevelopment Visual impact of part of town centres Business mix means vulnerable to economic downturn Apparent lack of entrepreneurship Poor qualifications levels in the resident workforce Poor range of commercial property No development on former Sugar factory site sends negative messages Availability of modern floor space, especially office space

Section 5.0 National/Regional Policy Context

Introduction

An area's resilience to economic recession and, indeed, its long-term economic success is affected both by factors that are within its control and ones that are clearly outside its control. In short, there is no clear strategy that fits all areas and guarantees success. However, there are key lessons to be learnt from both home and abroad. For example, latest thinking from the USA (George A. Erickcek and Brad R. Watts Employment Research July 2009) indicates that the more successful economic development measures are found in communities that share the following attributes:

a) *A stable and well-respected economic development staff*. Longevity matters in building trust and partnerships in a local community. Economic development requires risk-taking by private investors, which can only be undertaken in an atmosphere of trust.

b) *Focus.* Identified projects should be focused on tapping into the local area's strengths and potential.

c) *Support from private investment*. Private investors can respond more quickly than public agencies and can build more effective partnerships.

d) *A local area strategy*. A local area approach can overcome barriers caused by fragmented interest groups or competing geographical concerns.

It can be argued, therefore, that the contribution of well organised and committed economic development staff really can make a difference.

5.1 National Policy Context and Drivers

After a decade of local authorities playing a reduced role in the delivery of economic development, UK Government policy is now clearly focused on reinvigorating the role of Councils, paired with an intent, in some degree, to hold them to account for the work they do in this field. This is being manifested through the strengthening of Local Area Agreements, through more focus on economic development and regeneration via the Comprehensive Area Assessment inspections undertaken by the Audit Commission and is expected to gain more emphasis through the introduction of 'Total Place', the successor to

5.1.1 Sub-National Review (SNR)

– The key actions drawn from the SNR are as follows-

- streamlines the regional tier, introducing integrated strategies and giving the regional development agencies (RDAs) lead responsibility for regional planning;

The SNR elevates the importance of both business-led RDAs and democratically mandated local authorities to achieve improved economic outcomes. It demands a strong and deep partnership to be built to ensure complementary regional and local economic, housing, planning, transport and low carbon priorities. Regions will have the opportunity to develop their own mechanisms for achieving this. Having considered responses to the consultation on how it should be achieved, the Government will bring forward legislation that will give RDAs responsibility for regional planning alongside regional sustainable economic growth, within a new regional strategy. This wider strategic role will mean significant change to what RDAs do, how they operate and how they work with local authorities in their region.

As the SNR made clear, economic development should be carried out at the most appropriate level. RDAs will become more strategic bodies in line with devolved decision-making principles. RDAs will continue to deliver and manage services that are best implemented at the regional level, working with a range of delivery agents and working closely with the private sector. Those services include business support, co-coordinating inward investment, support for innovation and responding to economic shocks.

The Government’s expectation is that, as capacity increases, RDAs will delegate an increasing amount of their funding to those best placed to deliver economic improvements (local authorities, sub-regions and other delivery bodies), within the framework of the regional strategy.

- strengthens the local authority role in economic development, including a new statutory duty to assess local economic conditions;

Local authorities need to play a stronger role in delivering economic development in their area, building on their power to promote well-being.

There is now a focused statutory economic assessment duty for upper tier and unitary local authorities. The results of this assessment would contribute to the analytical underpinning of sustainable community strategies, local development frameworks, local and multi-area agreement targets and the regional strategy.

The assessment will provide an improved shared economic evidence base, enhancing local authority capability and capacity on economic development issues and ensuring more effective prioritisation of economic development and regeneration interventions. It would also help local authorities to contribute to the development of the regional strategy. The new duty is likely to result in additional costs to local authorities, which will be assessed and met in line with the Government's new burdens principles.

- supports collaboration by local authorities across economic areas

The SNR set out the advantages of economic development decision-making at a sub-regional level. The Government has introduced multi-area agreements (MAAs) to enable local authorities to improve economic prosperity by working across administrative boundaries. The Government is committed to legislate to allow development of formal legal status for collaborative arrangements.

Any new arrangements should adhere to four fundamental principles they should:

- not be based on collaboration between elected members of existing local authorities;
- not include any additional council tax precept;
- not impose additional net costs on local authorities;
- and they should provide transparent accountability for residents.

The Government believes that the focus for new sub-regional arrangements should be economic development. However, the Government is prepared to consider a wider range of functions and does not wish to be prescriptive about these nor the functional economic areas that might be covered, believing that interested partners should develop proposals to reflect their local priorities and circumstances.

5.1.2 Business Support Simplification

The Government's intention to make business support more understandable and easier to access for businesses and more cost effective for the tax payer has resulted in the so-called Business Support Simplification Scheme. The 2006 Budget announced that some 3,000 public sector-supported schemes identified nationally would be reduced to 100 or less by 2010. The Pre-Budget Report 2007 announced that Business Link would become the primary access route for individuals and businesses seeking support.

This followed quickly on the heels of the regionalisation of the Business Link service in 2007, which removed the network of sub-regional BL offices in favour of a single hub within the West Midlands conurbation. The focus of the service provided by Business Link also shifted from being a delivery agent for business support to provision of a diagnostic and brokerage service with a network of specialist and consultancy organisations available to supply follow-on in-depth advice to the business, based on the initial diagnosis.

The Regional Development Agencies were given increasing responsibilities for directing and managing the delivery of business support within the new national framework.

In March 2008 the government published Simple Support, Better Business: business support in 2010, its vision for streamlined support, which forms part of its Enterprise Strategy. This sets out the intention to create a framework for business support services (see Appendix 3), into which all government-funded services should fit, now known as 'Solutions for Business'. Local authorities have a strengthened role as partners in the provision of the services. RDAs can decide how much money to put into each area of service and it is recognised that there may be some regional variation of the portfolio as needs dictate. Theoretically, private and third sector services are unaffected by these changes but most will recognise the advantage of aligning their services within the new framework.

The 'Business Solutions' framework also advocates predictive 'customer journeys' for businesses i.e. the likely stages that each customer will move through for different types of engagement and support. The purpose of this is to ensure that service delivery is as seamless as possible.

In October 2008, the government announced information about the services to be included in the framework, known as Solutions for Business products. This details 30 categories of business support product[38]. March 2010 has been set as the date by which all non-compliant support schemes will be closed or scheduled to close.

5.1.3 Total Place and Place Shaping

Total Place', is an ambitious and challenging programme that, in bringing together elements of central government and local agencies within a place, aims to achieve three things:

1. To create service transformations that can improve the experience of local residents and deliver better value

2. To deliver early efficiencies to validate the work

3. To develop a body of knowledge about how more effective cross-agency working delivers the above

This work weaves together two complementary strands. A 'counting' process that will map money flowing through the place (from central and local bodies) and make links between services, to identify where public money can be spent more effectively. This forms part of Sir Michael Bichard's work on the Operational Efficiency Programme looking at the scope for efficiency savings in the public sector.

This is grounded alongside the 'culture' process (that looks at 'the way we do things round here') and how that helps or hinders what is trying to be achieved. To support and guide this work a variety of tools and methodologies will be available through the Leadership Centre. Each place will focus on a key theme that is particularly important locally for example vulnerable families, adult social care, unemployment or crime.

There is no doubt that within the current economic climate we will all face an uncompromising financial regime. This unique project allows organisations the opportunity to shape and develop the landscape going forward and working creatively, deliver better experiences for the people that live there.

The 'place shaping' agenda was borne out of the concept of 'place making', which began to be used by architects in the 1970s as a reference to using the physical realm to give attractive and individual character to towns and cities. Place shaping refers to the influence of the key public agencies is creating conducive places for people to live, work and play and is now well embedded as a concept in Local Area Agreements (the Story of Place) and should be central to the development of strategies and plans.

[38] See Appendix x

5.1.4 New Industry, New Jobs

The Government's discussion paper, "New Industry, New Jobs" was published in April 2009 and sets out a vision for the UK economy. The purpose of the document was to promote a debate on how the British Government should be "actively working to ensure our people and businesses are equipped to compete and win in the global economy emerging from this downturn". This was quickly followed by a range of detailed strategies and research reports, which tackle specific issues identified in the paper and resources for some parts of the strategy were identified in the 2009 Budget Statement. Appendix 2 of this report contains further detail on its content.

The Department of Business, Innovation and Skills website states:

"New Industry, New Jobs sets out how we will equip Britain to succeed in what will be a radically transformed global economy over the next decade.

We will see big changes taking place, from the transition to a low carbon economy, to the development of new technologies, changes in the global workforce, and further advances in countries like India and China.

We need to make sure that our people have the skills and business has the backing to take part in the new industries that will emerge, and that we are leading the way in developing and implementing the technology that will define the way people do business in coming years.

New Industry, New Jobs outlines a programme of 40 initial commitments that will keep Britain ahead of the game as we emerge from the downturn and towards our successful economic future, including:

- *Rolling out **high speed broadband** to give access to virtually all of Britain's homes and businesses*
- *Investing and laying the foundations in exciting but pre-commercial technologies like **wave and tidal energy, and electric vehicles***
- *Adapting **Britain's energy grid** to link homes and businesses to the new forms of power generation*
- *Continuing to protect and **raise investment in science and research** in the years ahead*
- ***Spearheading innovation** in areas where there are business opportunities for future growth*
- *Anticipating future growth in the economy in areas like low carbon or bioscience and **ensuring British people have the skills to take part***
- *Intervening, where necessary, to ensure start-ups and **young businesses have access to the finance** they need to grow*

- *Helping UK companies, especially small and medium sized businesses to* ***break into new export markets."***

5.2 Regional Strategy

5.2.1 Regional Economic Strategy

The revised Regional Economic Strategy "Connecting to Success" was published in November 2007 and sets an ambitious vision for the region:

"To be a global centre where people and business choose to connect"

To achieve the vision the Regional Economic Strategy identifies three main strategic components of the economy:

- **Business** refers to the contribution that 'businesses' (a term used its widest sense and including social enterprises and not-for-profit organisations) make to the productivity and growth of the regional economy, and to the demand for employment of the region's workforce.
- **Place** focuses on the role of place in both attracting and enabling economic growth (i.e. high-quality locations and environments which encourage businesses and highly skilled workforce); but also in dissuading or constraining economic activity (poor-quality environments can limit investment, reduce aspirations and lead to negative stereotyping)
- **People** refers to the contribution of the region's population and their skills to sustainable growth and increased productivity of the West Midlands economy; and to ensuring that everyone has the opportunity to develop their full potential.

The above three objectives are underpinned by a fourth component:

- **Powerful Voice**. The West Midlands' prosperity and growth requires articulate and convincing advocacy of its needs, challenges and priorities. With a strong voice and a compelling evidence base, the region can attract increased investment, stimulate greater levels of ambition and animate support for its economic vision.

A significant change in the revised Strategy is a spatial focus with the following spatial priorities identified:

Primary:

- Areas of market failure and disadvantage (Regeneration Zones including the Rural Regeneration Zone)
- Concentrations of knowledge assets (including the Central Technology Belt)
- Birmingham

Secondary (more limited investment)

* Growth Points and strategic centres (including Worcester)
* Towns undergoing economic restructuring (including Kidderminster and Redditch)
* Market towns as a focus for rural regeneration

5.2.2 Regional Spatial Strategy

The West Midlands Regional Spatial Strategy (RSS) is part of the national planning system and provides a long term land use and transport planning framework for the Region. The framework guides the preparation of local authority development plans and local transport plans and determines (amongst other things) the scale and distribution of housing and economic development across the Region, investment priorities for transport and sets out policies for enhancing the environment.

The RSS is currently being revised in three Phases:

- **Phase One** - Black Country Study.
- **Phase Two** - Launched in November 2005 and will cover housing figures, centres, employment land, transport and waste.
- **Phase Three** - Phase Three of the RSS Revision will be looking at critical rural services, culture/recreational provision, various regionally significant environmental issues and the provision of a frame work for Gypsy and Traveller sites. Preparatory work for Phase Three is underway and a Draft Project Plan was launched in autumn 2007.

The consultation on the Phase 2 Preferred Option ended in December 2008. The proposals will be subject to an Examination in Public, which took place during spring/summer 2009

5.2.3 Delivering the Regional Economic Strategy in Worcestershire

In the table below, the Strategic Objectives of the Worcestershire Economic Strategy are aligned with the objectives of Regional Economic Strategy (RES), to show how the Worcestershire Economic Strategy will enable sub-regional delivery of the RES and enable Worcestershire's economy to be an economic driver for the region. We have used this analysis overleaf to describe the key elements of each of the District's strategies and how these compare with the county and regional strategies. It should be noted that the County's current strategy was drafted prior to the recession and is currently being updated.

Worcestershire Strategic Objectives	RES Strategic Objectives
Business	**Business**
Promoting technology-led growth benefiting all sectors and parts of the County	Seizing market opportunities
	Improving competitiveness
	Harnessing knowledge
Place	**Place**
Supporting the sustainable development of the County through infrastructure development, and establishing Worcester as an accessible West Midlands Growth Point	Increasing Birmingham's Competitiveness Improving infrastructure Sustainable communities
People	**People**
	Sustainable living
Removing barriers to employment and improving skills	Raising ambitions and aspirations
	Achieving full potential & opportunities for all
Powerful Voice	**Powerful Voice**
Ensuring that Worcestershire's economic interests are effectively represented at all levels	Improving the evidence base for policy. Engaging UK and International decision makers. Position the West Midlands as a global centre where people and businesses choose to connect

5.3 Worcestershire Economic Delivery Plan

In order to address the 'action gap' between strategy and delivery identified through process mapping, to enable delegation of delivery to the sub region (under the Sub National Review) and to secure partner investment in activities to deliver against objectives, the County Council has developed an Economic Delivery Plan. The Plan has the following features and is monitored, reviewed and updated on three yearly bases by Worcestershire Economic and Transport Theme Group of Worcestershire Partnership.:

- Three year rolling timescale (revised and rolled forward annually)
- Identifying a limited number of priority activities and projects to deliver sub regional objectives
- Identifying and developing Local Area Agreement outcomes
- Providing a basis for monitoring, review and evaluation

5.4 District Economic Strategies

Strategic Objectives

The table below places the 3 Districts strategic objectives alongside those of the Regional Economic Strategy and Worcestershire Economic Strategy:

Regional Economic Strategy	Worcestershire Economic Strategy	Redditch Economic Strategy	Wyre Forest	Bromsgrove
Business Seizing market opportunities Improving competitiveness Harnessing knowledge	**Business** Promoting technology-led growth benefiting all sectors and parts of the County	**Business** Encourage businesses to seize market opportunities, improve competitiveness and harness knowledge.	**Business** To develop a vibrant and sustainable economy, by attracting and retaining high growth and niche businesses into the District	**Business** Inward Investment Business Start-up Programme
People Sustainable living Raising ambitions and aspirations Achieving full potential	**People** Removing barriers to employment and improving skills	**People** Raise economic aspirations and encourage residents to obtain the skills needed to realise those aspirations.	**People** To improve the skill base of the population To ensure access to economic benefits	**People** . Increase access to services and facilities by public transport, walking and cycling.

Regional Economic Strategy	Worcestershire Economic Strategy	Redditch Economic Strategy	Wyre Forest	Bromsgrove
& opportunities for all				
Place Increasing Birmingham's competitiveness Improving infrastructure Sustainable communities	**Place** Supporting the sustainable development of the County through infrastructure development (especially transport) and establishing Worcester as an accessible West Midlands Growth Point.[39]	**Place** Optimise the benefits for the Borough of being located adjacent to the economic powerhouse of Birmingham City. Ensure appropriate infrastructure is in place to create a thriving business environment. Deliver the economic aspirations today without significantly affecting the aspirations of future generations.	**Place** To develop the economic infrastructure	**Place** Increase promotion of the town centre and improve retail and leisure offer in the town centre Open new Bromsgrove Train Station
Powerful Voice Improving the evidence	**Powerful Voice** Ensuring that	**Powerful Voice** Ensure that Redditch's	**Powerful Voice** Ensuring Wyre	**Powerful Voice** BDC/RBC/WFDC to

[39] This strategic objective will be amended when a decision is made as to whether Redditch will be designated as a Settlement of Significant Development in the Regional Spatial Strategy.

Regional Economic Strategy	Worcestershire Economic Strategy	Redditch Economic Strategy	Wyre Forest	Bromsgrove
base for policy Engaging UK and International decision makers Position the West Midlands as a global centre where people and businesses choose to connect	Worcestershire's economic interests are effectively represented at all levels	economic interests are effectively represented at all levels.	Forest plays a strategic role in providing a focus for retail, leisure, business and commercial development**.**	work together to develop an economic development strategy. Investigate regional bodies and attend meetings on a frequent basis of those relevant bodies. Discuss an economic protocol with Birmingham to promote sustainable economic communities.

There is much synergy between the 3 strategies, which all broadly look to support activities in the areas of business support, tourism, land promotion and assembly, raising skill levels and targeting specific geographic areas. The Councils have differing levels of expertise, in different aspects of their strategy and the volume of activity depends primarily on staff resources i.e. .the more staff resource you have, the more you can do.

5.5 An Outline Economic Strategy for North Worcestershire

In order to develop a framework for an Economic Strategy for North Worcestershire, we have utilised the above comparison of the detail of the three current District Economic Strategies and then factored in the findings of the economic profiling exercise detailed in Section 4. We have tried to take account of the fact that the recession has occurred since both the District Strategies and much (but by no means all) of the published data used was produced prior to the recession. To balance this, we have introduced other research that has focused specifically on the impact of the recession.

We have also taken account of national policy and reviewed the wider geographic strategic context so that our proposals are appropriate to both the regional and county 'direction of travel' for the economy albeit noting that the County strategy is currently being updated.

The final contributory element has been the very valuable feedback received as a result of consultation with businesses and stakeholders, which has been cross-referenced to inform the Strategy.

The result of these various exercises is an outline Economic Strategy for North Worcestershire, which can be found in Section 2, Table 2.1 of this report, immediately after the Executive Summary.

Section 6.0 Economic Development Structures, Resources, Service Delivery

6.1 Staffing

Staffing of the three Economic Development teams can be summarised as follows. This demonstrates clearly the differing resources invested respectively in economic development. Dedicated ED staff are shown in bold print.

District	ERD	Planning and DC	T.C. Man	Mkts	Tourism	Bus Centres	Other
Bromsgrove							
Economic Development and Town Centre Manager (also responsible for Tourism)	x	x	x	x	x		x
Economic Development Administrator	x		x	x	x		
Market Superintendent				x			
Market Operative (permanent)				x			
Market Operative (agency)				x			
Senior Projects Manager focused on physical regeneration of Bromsgrove Town Centre (shared post with Worcs. CC)	x						
Redditch							
P/t Economic Development Officer	x	x					x
1 F/t and 1 P/t Economic Development Assistants (fixed term)	x						
1 Business Centre Manager						x	

District	ERD	Planning and DC	T.C. Man	Mkts	Tourism	Bus Centres	Other
3 Business Centre receptionists						x	
3 Business Centre Caretakers						x	
Development Plans Team			x	x			
Wyre Forest							
Policy and Regeneration Manager (incs. responsibilities for planning policy and DMT)	x	x	x	x	x		x
Economic Development & Tourism Manager	x				x		
Regeneration Officer	x	x					
Economic Prosperity Officer	x						
Town Centre Manager (3 yr fixed term from March 2008)			x				
Tourist Information Centre Manager and Assistant (plus seasonal assistance)					x		
N.B. Markets related posts exist but are out-sourced to external providers							

6.2 Service Portfolio

We have compared the service portfolios of the 3 local authorities and with reference to the four key planks of the Regional Economic Strategy, which have been adopted within the framework for an emergent North Worcestershire strategy.

Business

Service	Comments	B	R	WF
Enterprise Support and Business Start Up	Advice and minor grant support for start up businesses. Involvement in Young Enterprise Specific sectoral support	x	x	x
	Enterprise centres with starter units and meeting facilities		x	
Commercial Property Search Service		x	x	x
Signpost and Promote Partner Services	Business Link, MAS and Skills services such as Train to Gain	x	x	x
Business Directory and On Line Business to Business	Paper and/or virtual			x
Town Centre Manager Services		x	x	x
Engagement of senior business leaders	Engagement of commercial and civic leaders			x
Tourism Industry Support	Operate TICs, Some direct some via Destination Worcestershire	x	x	x
Targeted support	Including empty shop grants, top up to partner services e.g. MAS, business booster grant	x	x	x
Inward investment, Aftercare, and Promotion	Sites, existing premises, areas and whole district	x	x	x

Service	Comments	B	R	WF
Think Local	Procurement, tendering and business to business activity	x	x	x
"Business Friendly"	The District works with local business, supportive not overbearing with high standards of customer care	x	x	x

Place

Service	Comments	B	R	WF
Place making	Working towards the economic aspects of a 'good place to live and work' and influencing the physical realm			
Land development and assembly	With partners including developers, businesses, public bodies e.g. AWM, HCA and interest groups	x	x	x
Local Development Framework	All residents and businesses	x	x	x
Development of "special" vehicles and news way of working for land development	Agreeing a priority list of local employment land sites and having knowledge of what needs to be done to develop them			x
Support for community and leisure facilities	Museums, community meeting places	x	x	x
Planning and development team support	One team approach regeneration/economic development with other internal teams	x	x	x
Signage and interpretation schemes		x	x	x

Service	Comments	B	R	WF
Bespoke support for specific areas	E.g.: town centres, markets, technology parks, visitor attractions	x	x	x
Environmental improvements and advice	Specific schemes and awareness raising		x	x

People

Service	Comments	B	R	WF
Targeting the long term unemployed to support them into training/work	Working with Training Providers, Colleges, JCP etc	x	x	x
Raising aspirations and achievements	EBL activities, Connexions, Districts taking on apprentices, HE etc	x	x	x
Employability services	Targeted on areas of need and/or geography e.g. the NEET group, specific deprived areas	x	x	x
Raising skill levels	Signposting to services such as Train to Gain, using the procurement activity of the District to stimulate training and employment		x	x

Powerful Voice

Service	Comments	B	R	WF
Promoting investment and ambition	Ambassadors, leading politicians and directors		x	x
Specific Formal Agreements	E.g. with AWM, HCA etc			x
Lobbying, county and regional engagement	Attending fora, raising awareness	x	x	x
Bidding for and administering external funds	E.g. Future Jobs Funds, ESF etc		x	x
Involvement with local Neighbourhood and Partnership groups		x	x	x
Strategy and Service development and monitoring		x	x	x
Data Analysis of Key Trends and Statistics				

Section 7.0 Consultation and Research

This section of the report describes our findings from service users and stakeholders, including a broad range of business consultees.

Consultation and information-gathering has taken place by three methods: one-to-one interviews conducted face-to-face and over the phone, group discussions with the ED staff of the local authorities and with some stakeholders and an on-line survey of businesses. In total, over 80 consultees have contributed their views. A separate telephone snapshot survey of commercial premises agents was conducted to gain their perspective on the concept and 'saleability' of North Worcestershire and their perceptions of the area's current strengths and weaknesses.

We have used standard topic guides to facilitate discussions with a cross-section of public sector organisations at regional and local level, with employer organisations and individual employers. Full details of those consulted can be found in Appendix 1 to this document.

It should be noted that this review is taking place in parallel with a review of Economic Development for Worcestershire County Council. By undertaking the two assignments concurrently, it has been possible to widen the consultation exercise for both but this also means that feedback may reflect consultees' experience of both levels of local government. Where relevant to the interests of North Worcestershire, we have included reference to wider feedback on the county perspective.

7.1 Partner and Stakeholder Perceptions

We asked consultees for their experience of working with the North Worcestershire Districts, what had worked well in relation to economic development and what worked less well and how they would change it. Understandably, those outside the public sector find it more difficult to distinguish between the different layers of local government (and, indeed, most can't see the point of two-tier working), so some reflections relate to two-tier working and include perceptions of the County Council.

We also asked business consultees and their representatives for their views on how well the councils (and their partners) engage with employers on economic regeneration matters generally, and for their individual experiences of specific dealings with the local authority.

In addition, we sought information from businesses on how they found the operating environment in North Worcestershire, why they were based there, what they liked and disliked about it.

The feedback messages below are drawn predominantly from one-to-one discussions. Findings from the online survey and from commercial agents are dealt with separately later in this section.

7.2 Consultation/Research Headlines

- Consultees were universally supportive of the concept of an integrated strategic approach and improved collaborative working across North Worcestershire. Many thought this should extend county-wide. In a mature relationship, consultees believed this collaboration should translate into a limited number of key priorities that would further the overall economic prosperity of North Worcestershire, regardless of location.
- Agreeing a few manageable priorities and shifting the focus from strategy and structure to implementation and from activity to impact were common themes.
- Consultees felt that current fragmented resources to deliver ED across North Worcestershire would be better deployed and would achieve more impact if organised collectively. Many thought this should extend county-wide.
- Consultees recognised the distinctive nature of North Worcestershire (in comparison with the south of the County) but this view did not extend to North Worcestershire as an inward investment location i.e. businesses focus on the individual towns not the broader area.
- North Worcestershire has strong natural assets which are under-exploited, particularly for leisure and tourism.
- There is great potential for further development of the tourism industry but more effort needs to be focused on bringing these opportunities to fruition and joining up the respective assets of the three Districts (and the rest of the county).
- Transformational change is needed to address inherent structural decline and deprivation. Wyre Forest's Re-Wyre is seen as one such project albeit ambitious and with deliverability yet to be proven.
- Within the councils' sphere of influence, road infrastructure is the single biggest inhibitor to competitive growth, especially in Wyre Forest, and less of an issue in Redditch.

7.3 Consultation Key Messages

Feedback 1: Relationships with stakeholders are constructive

Most stakeholder consultees, whether regional or local, described working relationships with the councils on economic development as constructive. We did not encounter any negative feedback and some consultees were complimentary about the relationship they enjoyed and the economic development work that the Councils undertake.

Feedback 2: Relationships with business consultees are mixed and point to the need for a more sympathetic approach on planning and a better balance between consideration of the economic benefit of proposals and regulatory planning

considerations.

Feedback from the private sector on their relationships with and experience of the District Councils fell into two camps:

Strategic employers were generally complimentary about the one-to-one support (mostly planning related) they have received from the Councils. As one would expect, a few larger employers are very engaged with the process of economic development, understand what is trying to be achieved and are generally supportive.

A number of businesses were less complimentary and in a couple of cases, completely disillusioned, however, about their experience of dealing with District Councils' Planning Departments. Most were complimentary about the response they had received from ED staff but disenchanted about the formal planning response and see consideration of the economic benefit of their plans to the area in terms of sustainability of jobs and wealth creation as subjugated to regulatory planning requirements. Some see the planning framework as a convenient excuse for stopping development with the emphasis in Development Control clearly on the second word, not the first.

It is not our place, nor are we equipped to make judgements about individual cases. In addition, consultees views are non attributable and so we will not make references to individuals. Nevertheless, we were surprised by the anecdotal evidence presented to us in some instances.

Feedback 3: Infrastructure Improvements would greatly help the business operating environment and should assist with inward investment

Nearly all business consultees raised road infrastructure and traffic congestion as inhibitors to their competitiveness. This was particularly true of Wyre Forest-based organisations. Some of these concerns related to congestion on major routes, some was connected with accessibility to the motorway network and some was about access to key development sites.

Some business consultees referred to the need to improve one or more of the key town centres across the catchment both to improve the likelihood of disposable income being spent within North Worcestershire and to enhance the tourism and visitor offer of the towns.

Feedback 4: Current structures predicate against maximising impact

Two-tier working already 'muddies the water' about who is responsible for what in relation to economic development. Businesses are generally bemused by two-tier local authority working and expressed the view that, for economic development purposes (and in some cases much more extensively), local authorities should streamline current arrangements, e.g. for strategic planning, inward investment/relocation services, planning applications etc.

Stakeholder consultees see the number of Strategic Partnerships in the County and the localisation of the strategic agenda as potentially damaging to the county's interests, albeit it provides a clearer focus for action at a District (or town) level. The County LSP is seen as large and unwieldy and is not seen as having a clear grip on the economic objectives of the Sustainable Community Strategy.

MPs we spoke with were generally unclear about the County's key economic drivers and objectives and suggested more could be done to properly inform them, so that they could represent the County's interests more effectively; other consultees referred to a county of "opportunity" but one that did not "punch its weight". There is a clear opportunity here to use the County's MPs much more effectively as advocates on behalf of the County, particularly on economic issues.

We encountered conflicting views about the County's Destination Marketing Partnership. It is outside the scope of this review to comment on the efficacy of the County's tourism marketing arrangements. What is noteworthy, however, is that Worcestershire's arrangements appear to be in a state of flux and that fragmentation, unless it represents a deliberate market segmentation strategy that addresses all the differing aspects of the County's diverse tourism offer, is unlikely to improve the county's competitive position.

Feedback 5: Strategic alliances and collaborative working across boundaries are seen as more effective and the principle should be extended

All consultees from whatever sector were unanimously complimentary about efforts to work across boundaries and made a plea for more super-district and/or sub-regional working. This review was welcomed and we heard only support for efforts to streamline both strategic planning and service delivery.

Several consultees cited joint working on the South Worcestershire Joint Core Strategy by the three south Worcestershire District Councils as an example of good practice.

Feedback 6: Clarification and prioritisation of strategic objectives would assist focus and impact

Other than the stock objectives one finds in most economic strategies, most consultees were unable to cite the objectives of the Districts' respective economic strategies and made a plea for improved clarity and prioritisation. This criticism applied equally to the County-wide strategy. Some consultees suggested that the County Council could be more effective in articulating the key drivers and objectives of its economic strategy and, by so doing, could catalyse more concerted action to represent the county's interests and make planned progress towards achieving its aims.

Feedback 7: Dilution of effort caused by split resourcing should be addressed

Most consultees referred to the duplication caused by multiple deliverers of economic development services. If aggregated, the combined resources of the county would be substantial but segmentation of staff by District Council areas greatly dilutes the effort and impact and potential of the service. The initiative of the three northern Districts to address poor use of resources was welcomed.

Feedback 8: North Worcestershire has under-exploited assets and opportunities that should be pursued

This was a common message about the county at large (which one consultee described as "a county of opportunity that does not fully punch its weight") as well as North Worcestershire. Expression of this view ranged from a kind of resigned sadness to frustration to optimism.

Feedback 9: the need for a transformational project in North Worcestershire

Some consultees pointed to the need for particular concentration on a 'landmark' physical development project in Wyre Forest to help to reverse its fortunes and create general extensive employment. There was recognition that this would not arise from traditional inward investment, more likely from physical site redevelopment coupled to retail development, the tourism industry or relocation of a public sector agency or funded institution to Wyre Forest.

7.4. E-survey consultation

Each local authority shared a list of company contacts with Inspira, some of which included e-mail contact details. Where there was an e-mail address, the company was contacted, offered the opportunity to take part in the consultation and was given a link to an anonymous e-survey. The survey was open for completion between the 10th November and the 22nd November. In addition, Redditch Borough Council sent a similar invitation to 92 companies on a database they hold, but were not able to share with Inspira. Inspira sent the e-survey link to 87 e-mail addresses, and the survey collected 41 responses; this gives a response rate of 23% overall, which is reasonable if not exceptional for a "cold" survey of this nature.

The following key findings arise from the survey:

- There were 41 responses but only 33 completed the questionnaire
- Half of respondents were from Redditch, a third from Wyre Forest, with the remainder from out of the area or Bromsgrove – some findings were particular to different locales, and these are noted with the main findings
- Nearly two thirds of respondents from businesses in the services sector, with a further 20% from manufacturing and 15% from public services – again some sectors had particular views which will be highlighted
- Opinion on the physical business environment was generally good to excellent, with the exception of access to the business by public transport,

which was seen as a particular issue in Redditch and the Wyre Forest, for public sector organisations and for service sector companies.

- One in five respondents was concerned about the quality of the immediate surroundings particularly in the Wyre Forest and among manufacturing companies.
- Area specific issues were business security and crime in Redditch and the quality of current premises and road access in the Wyre Forest.
- Areas that respondents felt needed particular urgent attention included the ability to expand at the respondent's site, the quality of the immediate surroundings and access by public transport.
- There were specific comments concerning the quality of the physical environment on the Stourport Road, as well as other aspects of the physical environment from Wyre Forest respondents.
- Other aspects of the business environment were generally rated OK to good, with the notable exception of broadband speeds, which some respondents regarded as a key issue. While this was across all parts of the area, respondents from Bromsgrove were particularly keen on seeing improvements, particularly as they were aware of the potential for hi-speed links in Birmingham.
- Respondents in all areas thought that availability of funding and grants needed urgent improvement. In Bromsgrove, Redditch and in the services sector there were concerns about the quality of the potential local customer base. Businesses in Redditch and the Wyre Forest wanted to see improvements in business support services and business networking services.
- There were specific comments on broadband speeds not being adequate in Bromsgrove and the need for free recycling services in Redditch.
- The existing workforce was generally rated as good, apart from in Bromsgrove. But opinions on the ability to recruit locally were poor in Wyre Forest while service sector companies were concerned about the skills of the local population.
- There was some feeling that training provision (Wyre Forest) and training access support (Bromsgrove and Redditch) could be improved.
- When asked about priorities for any economic strategy, the key priorities overall were business support to existing businesses, road access (most top priority ratings), education and skills, crime reduction and inward investment.
- The priorities for Bromsgrove were business support and business premises; for Redditch they were crime reduction, business support, and education and skills; while for Wyre Forest they were roads, education and skills, inward investment, and business support.
- Barriers to future growth were dominated by the regional and national economy, but the workforce, transport and the global economy were also

seen as likely barriers. In the comments section transport was particularly highlighted as was one council (Redditch).

- Views on council services were that they were generally good or OK, where they had been used – there were no excellent ratings at all. Those areas that were perceived to need most improvement were roads (Wyre Forest) and planning (Bromsgrove).
- The expectations of local authorities were that they should use local or very local suppliers more, and also help broker purchasing solutions from local businesses. This was particularly the case in Redditch but also in the Wyre Forest and among service sector companies. In Redditch, it was felt there should be some sort of business recycling service.
- Businesses that responded to what they liked about the area mostly commented on the location – close to Birmingham and the wider conurbation but not part of it, and access to the motorway network. There were also a number of positive comments about the quality of the rural areas and of the workforce, and of the area as a place to live as well as work.
- By area, this could be characterised for Bromsgrove as access to motorways and central location, for Redditch, the quality of roads and the skills of the workforce, and for Wyre Forest the countryside, the central location and the affordability of the area.

7.5 Consultation with Commercial Agents

Review of Perceptions regarding Land, Premises and Local Authority Attitudes to Business Engagement in North Worcestershire

The brief was to consider the relative strengths and weaknesses of existing employment land by seeking the views of local and regional Chartered Surveyors, also to undertake a temperature check of public sector and private sector engagement.

Between 6th and 11th November 2009, 11 Chartered Surveyors were contacted asking if they would be prepared to assist in a telephone survey, estimated to take between 15 and 20 minutes in connection with a commission placed by the three North Worcestershire Councils Bromsgrove, Redditch and Wyre Forest. A series of questions were developed to stimulate specific responses which could then lead to more open dialogue regarding potential business needs.

Six surveys were completed.

N.B. HEALTH WARNING: Views are presented below as they were expressed by consultees. In some cases, there may be factual inaccuracies in consultees' views but we still think it important to understand what people think, not least so that misconceptions can be addressed.

Overview of Responses

The present economic climate is affecting the supply and demand for business premises, never the less there are clear indications that many of the issues raised by the agents/surveyors were not just related to the present time.

There is complete agreement that North Worcestershire is not considered as a location. Some flexibility might exist between locating to Bromsgrove or Redditch but not within or to Wyre Forest. The North Worcestershire Area is viewed as a collection of individual locations and generally businesses know where they wish to be, substantially because of the labour supply together with ease of access for employees and suppliers alike.

On the plus side both Bromsgrove and Redditch have good transport links to the motorways at the M5 and M42 and are able to offer an alternative to South Birmingham with a reasonable choice of office and industrial space. Premises values are generally lower than within Birmingham, which helps balance out company incurred relocation costs and the ease of access for the labour market makes travel to work time acceptable. Wyre Forest and Kidderminster in particular, has no connectivity with Birmingham and demand for premises is almost completely generated from within its own area. None of those surveyors contacted could remember an expression of interest for Wyre Forest from outside of its area, a situation not helped by a poor supply of premises and inadequate road infrastructure. A comment that no supply will ensure no demand was frequently used, however all agreed that without a significantly better road system the area was not going to improve. The perceived lack of any development activity on the former Sugar Beet factory, vacant since February 2002 was often cited as proof of the depth of Kidderminster’s problems. Had the site held any potential developer interest, which would have been high during the 2003-2006/7 period, schemes would have proliferated?

Road infrastructure deficiencies across the area are considered to be blocks to a thriving economy. The road link between junction 5 M5 and junction 1 M42 needs to be made into dual carriageway. All distributor roads around junction 5 M5 need upgrading, extensive congestion already exists and any increases in economic activity and residential developments will place even greater strain on the existing system.

Retail

In retail terms Redditch was considered to have the best offer although the Kingfisher Centre lacked freshness and there is a strong feeling that the multi-storey car parks are intimidating and expensive.

Bromsgrove lacked the choice that it once enjoyed and is additionally hampered by restrictive planning constraints that would otherwise have brought forward private investments. Despite a large residential population few shop locally, destination locations for shopping are considered to be Solihull, Merry Hill, Birmingham, Worcester, Stratford or Cheltenham.

Kidderminster is rapidly becoming a dormitory town. The centre has been dramatically altered, parking is almost none existent and footfall has been swept up by the supermarkets- leaving the old centre with very poor shops and a declining demand. Weavers Wharf has good parking and is an attractive destination however the voids left in the town centre following relocation by retailers such as M&S has had a detrimental effect in that has polarised the locations. The result is considered to be not that dissimilar to what happened to Dudley town centre when Merry Hill opened. Initial hopes for the Kidderminster Town Centre have proved to be unfounded.

Office Space

Bromsgrove has the best available office space together with the best grade A potential at Buntsford Hill, Bromsgrove Council taking space there has helped to raise to profile and interest in the area.

Redditch has very limited office space and none that could be considered grade A. At the present time and without significant pre-lets it is unlikely to see that position change.

Kidderminster has only mediocre office space and rental values have stagnated over the last few years and are presently dropping.

Industrial premises

Redditch has a good spread of industrial space, primarily leasehold which the current market is favouring, this is an historic situation and could be seen as a potential weakness when the economy picks up.

Bromsgrove also has a good spread of industrial space from very good at Buntsford Hill to good value for money at Sherwood Road and Harris and Saxon Business Parks. Unfortunately a decision in July 2007 to open sluices on the canal resulted in the entire Metal and Ores site being flooded including parts of Harris Business Park. As a result of this single action there have been no subsequent disposals at the Metal and Ores site.

Kidderminster is typified by an over supply of older low grade premises, however Hoo Farm is the exception. This area has a very good ratio of operational land and car parking facilities and the road infrastructure within the immediate area is fit for purpose. Rental levels are higher at Hoo Farm, compared to elsewhere within the Wyre Forest area, and are viewed as expensive. That said occupation levels are holding up reasonably well and subject to land availability the location could be ready for further developments when the economy improves.

Local Authority Business Engagement

The difficulty identified most relates to interaction with Planners. Agents and the private sector businesses do not understand why pre-planning application conversations cannot take place *(N.B. this is a misconception, as Redditch does encourage pre-application discussions).* It is viewed as unhelpful when seeking guidance upon a change of use to find that the only positive comment from a planning officer is that you must make a formal planning application. However anecdotal evidence suggests that there are many occasions when officers will not even speak!

Communication is considered to be poor, little by way of information comes from any of the Councils and a previous (and recent) attempt by some authorities to seek the views of the local agents and surveyors seems to have been less than successful. When specifically asked about engagement with the councils none of the surveyors mentioned either regeneration or economic development departments, except in other areas. Most had no idea if there was an economic development team or not. One individual said “I think I should know but I don’t think it would make any difference to my work”. Another more positively made reference to InStaffs (UK) Ltd who issue regular emails to agents and worked hard at maintaining communications.

Leisure, Education and Housing

Collaborative working on these topics was viewed as beneficial. Bewdley and Stourport are substantially a leisure economy and probably will remain so unless new river bridges are constructed.

North Worcestershire has much to offer and much that is not publicised sufficiently; Avoncroft Museum was mentioned as an excellent educational location, a good conference venue and a splendid wedding destination. All three attributes have the ability to connect with a wide cross section of the population and not necessarily from the immediate area. In isolation North Worcestershire is considered to have insufficient critical mass and for leisure promotion to significantly impact on the economy, it should be a County wide approach to destination.

The availability of good and varied housing is important to employers who wish to retain their workforce as is the availability of good schools. A joined up approach to County wide housing issues and strategy was seen as important. Examples of residential migration to Hagley to be within the right catchment area was mentioned often, as was the excellent value for money the Kidderminster housing market offered; as long as you did not mind a Kidderminster post code.

Conclusions

Road infrastructure improvements are needed to unlock new and existing land potential to the west of the M5 and between the M42 and M5 to fully exploit existing sites, if implemented the private sector would be likely to pick up development/re-development initiatives.

Examination of the Environment Agency flood management strategy so as to identify presently blighted locations and develop solutions.

Existing rail links are viewed as adequate and better connections to the London and the South East are unlikely to aid the area, businesses needing this connectivity would be looking for a location further east.

A meaningful engagement based on trust needs to be established between the public sector and the private business sector together with a facility where each authority welcomes discussion on all planning issues.

7.6 Stakeholder Event

Feedback from stakeholders was predominantly positive. A separate report detailing the feedback has been produced and supplied to ED Managers.

Section 8.0 Models Used Elsewhere

In order to determine what might be the most appropriate operating model for an integrated North Worcestershire Economic Regeneration and Development Service, we have researched structures used elsewhere. This section details examples that operate in other parts of the UK.

Section 9 contains our conclusions on operating models and our recommendation for North Worcestershire.

8.1 Coventry, Solihull and Warwickshire Partnership

According to its website:

"Coventry, Solihull and Warwickshire Partnership (CSWP Ltd.) is a partnership for local economic regeneration and economic development and unites all sectors of the area's economy with the common aim of working together and moving in the same direction in order to support the following core objectives:

- *To support economic development and regeneration and development across the sub-region*
- *Demonstrate project delivery*
- *Give people a strong voice in their future prosperity*
- *The partnership includes private, public, education and voluntary agencies working together for the growth of the community."*

Coventry, Solihull and Warwickshire Partnership (CSWP) is a company limited by guarantee. It is a membership organisation encompassing all of Coventry, Solihull and Warwickshire's local authorities, the Learning & Skills Council, the two Universities, Colleges, private businesses, community and voluntary organisations, Advantage West Midlands, the Health Sector and Coventry and Warwickshire Chamber and Business Link.

It is led by a Board of 15 voting directors. Board members are drawn from partner organisations and represent key local institutions. The Board is supported by Personnel and Finance Committees, the Strategic Management Group and various task and finish groups. These groups provide the partners with the opportunity to work together to develop and implement the policy of the partnership.

CSWP is funded through annual contributions from the City, County and Solihull Councils and the Coventry and Warwickshire Chamber of Commerce, from membership income and from management fees derived from contracts. Members also contribute services in kind.

Alongside its economic development responsibilities, the Partnership runs the Connexions service for Coventry and Warwickshire. Reportedly, this service has a good reputation and partner organisations are keen to keep the link between employment for young people and economic regeneration.

Recently, its focus has shifted to become an increasingly strategic organisation with a clear remit to deliver Warwickshire's requirement for an integrated sub-regional strategy.

The organisation may also be asked to assume responsibility for the county's Destination Marketing service.

8.2 Northampton

A merger of five organisations - Northamptonshire Enterprise Limited (NEL) has been formed to create a synchronised approach to:

- Economic Development
- Inward Investment
- Tourism for Northamptonshire.
- NEL's main objective is to grow further prosperity for all who come to live in, work in, study or visit the county.

Northamptonshire Enterprise supports the growth of new and existing businesses and the creation of new jobs by managing investment of more than £10 million a year into Northamptonshire's economy.

Investment is focused on areas of greatest need and greatest potential, so that communities and stakeholders can gain from and contribute to Northamptonshire's success. Key objectives of the organisation include:

1. ***Invigorating Northamptonshire's Economy***
   - supporting areas in Northamptonshire in need of renewal, and addressing the need for job creation, business space and community inclusion.
2. ***Developing People***
   - improving access to skills and jobs, and tackling labour and skills shortages. Removing barriers to employment and helping to ensure Northamptonshire's economy has the diverse, well-skilled workforce it needs to compete and grow.
3. ***Enabling Business***
   - strengthening business competitiveness, and raising the profile of key business sectors to attract further investment. Encouraging a culture of innovation and entrepreneurial activity.
4. ***Marketing & Promoting Northamptonshire***
   Working to present a powerful, consistent and relevant image of Northamptonshire as a vibrant place to live, study, visit and do business.

Northamptonshire Enterprise has four external facing operating divisions, focused on achieving our key objectives:

1. **Economic Strategy & Policy**: This directorate drives the economic development work of Northamptonshire Enterprise by working with partners to agree policy and direction in the context of the issues, opportunities and challenges

for the local economy, to help ensure economic renewal and inclusion.

2. **Programme Management:** This department commissions and monitors performance of projects from public and private sector providers to meet the objectives identified under the Northamptonshire Economic Strategy.

3. **Investment Promotion**: Invest Northamptonshire promotes Northamptonshire as the first choice location for business to invest. It offers a One Stop Shop of services designed to make the process of relocating or growing business as smooth as possible.

4. **Destination Management:** Explore Northamptonshire delivers tourism marketing activity for the county to UK and Overseas visitors. Additional services include quality and training events to improve the visitor experience, and significant programmes of investment to drive development of the Northamptonshire tourism offer, creating a first choice destination for target markets.

The Economic Strategy & Policy directorate drives the economic development work of Northamptonshire Enterprise, ensuring that county-wide objectives are met for business competitiveness, skills, socio-economic inclusion and prosperity for the population of Northamptonshire.

NEL works with key partners on a local, regional and national basis, to develop and deliver strategy across a wide arena of economic priorities. Its key roles are to:

- Identify key current and emerging economic development issues, opportunities and challenges
- Develop policy responses to these issues and influence the policies, plans and programmes of external organisations to ensure that mutual priorities are achieved.
- Provide leadership to partners in Northamptonshire to share knowledge and drive joined up strategic response to the economic challenges and opportunities.
- Align Northamptonshire's objectives with those of regional and national initiatives, maximising opportunities and benefits for Northamptonshire.
- Identify, secure and allocate resources, internally & externally, to enable the implementation of projects for inward investment, tourism, and the wider economic agenda.
- Stimulate the creation of additional commercial developments in the county through the Fit for Market scheme, by working with developers.

NEL operates an Economic Development Stakeholder Forum for key partners at a strategic or senior operational level to share intelligence, best practice, and consult on countywide economic development plans.

Its staff regularly consult with partners to reflect local views and co-ordinate responses to regional, national and European policy initiatives, ensuring that Northamptonshire's voice is heard.

Task and finish groups are used to address specific areas of need and ensure wide input to a strategy development, drawing participants from a wide range of public, private and 3rd sector organisations.

NEL is the lead body for the Local Area Agreement economic block in Northamptonshire.

The team sits on various regional fora including the East Midlands Development Agency theme groups dealing with new policy development for raising productivity, ensuring sustainability, and achieving equality. They champion Northamptonshire's needs to make sure they are recognised in regional policy.

They also represent Northamptonshire at various levels including the Economy & Skills board for the Milton Keynes South Midlands growth area, championing the interests of Northamptonshire in the context of the Government's growth agenda.

They also seek to facilitate understanding of the European policy & International policy agendas that could impact on Northamptonshire, and help partners realise opportunities.

Invest Northamptonshire is the county's investment promotion agency, created in 2004 to establish Northamptonshire as the first choice location for business to invest. Its goal is to help business to grow, create new jobs and support a thriving local economy at a time of major population growth in our area; at least 141,000 new jobs are planned to be created here by 2031.

The dedicated team offers support and guidance to businesses with a need to relocate to or grow their existing base of operations in Northamptonshire. The following key growth sectors have been identified:

- Financial Services
- High Performance Engineering & Motor Sport
- Food & Drink
- Environmental Technologies
- Construction
- Contact Centres

A One Stop Shop of services is designed to make the process of relocating or growing a business as smooth as possible:

- Investment Enquiry Service that supports business needs in terms of confidential help and advice for staff training & recruitment, supplier linkages, securing finance and matching requirements to a database of available business premises in Northamptonshire.
- Investor Development Service provides confidential support to key UK and foreign-owned major companies to retain investment in the county by helping to expand operations within Northamptonshire.
- Industry Support raises awareness with key public sector partners, helping to ensure that the Northamptonshire infrastructure and skills base is fit to

deliver to the needs of business both today and tomorrow.

- Northamptonshire Ambassadors promote Northamptonshire through a hand picked network of senior leaders drawn from both the public and private sectors.
- Stimulate the creation of additional commercial developments in the county through the Fit for Market scheme, by working with developers.

Explore Northamptonshire is the Destination Management agency formed in 2004 to promote Northamptonshire as a first choice destination for tourists and visitors. Its main objective is to co-ordinate and deliver the marketing activity of the county, promoting Northamptonshire to UK and overseas leisure and business tourism markets.

Almost 20 million visitors come to Northamptonshire each year, spending some £760 million into the local economy, and supporting over 13,000 jobs. Through product development work the aim is to build on this strength and grow tourism into a £1billion industry for the county.

In partnership with Local Authorities, the Private Sector and the East Midlands Development Agency, they strive to increase the economic force of tourism in the region. Core objectives are to:

- Substantially increase the value of leisure and business tourism by increasing overnight stays in Northamptonshire.
- Provide visitors with a first rate experience by working with the tourism industry to improve quality standards.
- Drive development of the Northamptonshire tourism offer to create a first choice destination for target markets.

8.3 Transforming Telford

Transforming Telford is the economic development company for Telford and Wrekin, established by the District Council together with its partners Advantage West Midlands, The Homes and Communities Agency, and the private sector. It is responsible for stimulating economic growth to support population growth and create a strong and sustainable community. It lists its services as

- Inward Investment Services
- Business and Leisure Tourism Services
- Investor Development Services
- Economic Policy Development

Help for companies considering Telford as a business location includes:

- assistance to define location, expansion or investment requirements
- provision of research to support location decision
- information on available commercial sites and properties
- help to arrange personal tours or site visits
- introductions to local intermediaries and advisers
- details about grants and financial assistance that may be available

Help for companies already located in Telford includes:

- practical engagement with local strategic companies to support reinvestment
- advising employers on expansion and relocation options
- constructive support for companies facing structural change or closure
- provision of support to business networks
- encouraging growth of high value reinvestment

Telford and Wrekin Council have conducted a review of the current operation and have decided to move the work of Transforming Telford back into the main Council system. In its review it was recognised that Transforming Telford had two main areas of activity:

- Major infrastructure projects including two employment sites and the redevelopment of the town centre
- Traditional economic development including tourism, information, business networks and maintaining contact with the top 100 companies in the district.

Deciding to take the services of Transforming Telford back in house, the Council believed that this gave them greater control. The outsourced service formulated an annual business plan and the Council therefore had the opportunity to input into that and to approve it. However, during the rest of the year there was little opportunity for direct influence or control.

Bringing the service in house also removes the duplication in overheads between the two organisations with each having to pay for administration, finance, IT services etc. Furthermore, many of the staff of Transforming Telford spent much of their time working with colleagues in District Council departments in order to bring projects to fruition. Incorporating them in one organisation and possibly locating them in the same building will add to the smooth running and efficiency of the process. The new structure will take effect from the beginning of the new financial year in 2010.

8.4 Cambridgeshire Horizons

Cambridgeshire Horizons was established in 2004. The Horizons team project manages the delivery of the growth strategy for Cambridgeshire, which equates to at least 73,300 new homes, 50,000 new jobs and over £4 billion worth of new infrastructure by 2021. The Horizons Board, comprising a cross-section of partner representatives and independent figures from different sectors, supported by the Joint Strategic Growth Implementation Committee (JSGIC), is the key body through which Horizons' key objectives are agreed. Horizons is a company limited by guarantee and, as a partnership organisation, does not have statutory planning powers, which are the preserve of the democratically elected local authorities.

Horizons' five core objectives are to:

1. Coordinate development and infrastructure implementation.
2. Overcome barriers to sustainable development.
3. Secure and manage funding for infrastructure.
4. Ensure developments employ high quality sustainable design.
5. Communicate the wider benefits of the planned development to the wider community.

Significant numbers of new homes, to rent and to buy, are needed to meet pressing local demand and to address affordability. These will give more people the opportunity to live where they choose to, close to friends, family, and workplaces, supported by appropriate facilities and services. Horizons project manages major development sites across the county that have been identified in the Regional Spatial Strategy. It also supports the development of supporting services and facilities, which will benefit both new and existing communities.

The Government has prioritised Cambridgeshire as one of the key areas in need of additional investment to support growth, and as such the county is receiving funding to provide quality new homes and supporting infrastructure, in conjunction with continued economic growth.

This funding supports much of the work that Horizons' project manages, including the delivery of:

- Over 73,300 new homes across the county, including affordable housing, by 2021
- Environmentally sustainable developments with space to play and relax
- Enhanced access to the countryside
- Integrated communities with good schools and healthcare provision
- New arts, leisure and community facilities
- Improved transport and utilities infrastructure

On a day-to-day basis a large part of Horizons' work is to bring together relevant agencies, statutory bodies and developers to ensure that effective delivery mechanisms are in place and that these projects are integrated into the phasing of the development programme. Two forums, one with developers, and one for sustainable infrastructure, have been established and close working relationships have been developed with other sectors such as education and housing to ensure that a coordinated approach is taken not only within developments, but across the county as a whole. The 2008-11 Business Plan sets out how the team is approaching this significant task.

Cambridgeshire Horizons' Board comprises a cross-section of representatives of local authorities, employers and regional bodies.

8.5 Gloucestershire First

Gloucestershire First is the countywide, multi-sector partnership established to develop and support the economic well-being of the County. It is an enabling organization, under which partners in the field of economic development share and co-ordinate their strategies and contribute to an overall economic plan for the County.

This ensures that the interests of Gloucestershire are properly and effectively taken into account in partners' wider considerations and that the county plays a full role within the South West Region. Additionally, the partnership provides a vehicle for agreed programmes of common interest to be handled in a cost-effective and efficient manner.

The partnership was inaugurated in 2001 and is one of seven Strategic Economic Partnerships of the South West of England Regional Development Agency. Executive services for the partnership are provided by the Gloucestershire Development Agency.

The partnership is funded by a number of partner organisations - the County Council, District Councils, the South West Regional Development Agency, the Learning & Skills Council Gloucestershire, Business Link Gloucestershire and private sector sponsorship.

The Partnership has recently produced an Integrated Economic Strategy for Gloucestershire. The Strategy forms the backbone of Gloucestershire's Economic work over the coming years and is now being actively considered by all Local Authorities and will be fully endorsed shortly. Work is now starting on developing the Delivery Plan for the Strategy and it is hoped that this will be finalised in the early Spring of 2010.

8.6 North East Derbyshire

Chesterfield Borough and North East Derbyshire District Councils have worked in partnership since the 1990s. They have joined with Bolsover District to produce a joint economic strategy and formed the LSP.

http://www.ne-derbyshire.gov.uk/business/econ-dev-strategy

Section 9.0 Key Conclusions, Viability Test and Recommendations

The purpose of this section of the report is to draw together all the evidence we have collated into some key conclusions and recommendations. It includes the detail and results of the viability test we have conducted and then goes on to look at possible operating structures and suggests the steps that would enable the Councils to move towards implementation of the recommendations.

9.1 Key Findings and Conclusions

We have grouped our findings into 4 key conclusions. These form the basis of the evidence used for the viability test and then are translated into our recommendations.

Key Conclusion 1

There is adequate evidence to justify the development of a North Worcestershire Economic Regeneration and Development strategy

To satisfy this conclusion we identified that the following factors needed to be proved:

- Similarity between the existing strategies
- Common economic features that would benefit from collaboration (whether or not they currently appear in the existing strategies)
- Credibility of the concept of a 'North Worcestershire approach'
- Strong stakeholder and business support for greater integration

Evidence: there is existing similarity between the economic strategies of the three Districts

The broad thrust of the respective economic strategies is not dissimilar. Physical regeneration as a route to improved economic prosperity, encouragement to inward investors, revitalisation of town centres, support for existing businesses and promotion of an entrepreneurial culture are common elements. This is unsurprising but also reassures one that the fundamental planks of economic regeneration and development are common to all and provide a sound foundation from which to build.

As an aside, the way each current strategy is presented is very different – some very short, some much more detailed. We suggest that the format of a new strategy document should reflect the priorities – clear, succinct and manageable. The strategy should be supported by a more detailed delivery plan that defines actions, tasks, timescale, lead organisation, officer responsibility, milestones, outputs and outcomes.

Evidence: There are some common economic features that would benefit from collaborative development

The economic nature of the three Districts shows similarities and differences. All have a strong basis in manufacturing but over time, Bromsgrove has broken away from this historic position to present a more diversified economic base. Its geographic position may explain its comparatively robust nature by almost any measure one cares to choose: as a major commuter zone; it is more strongly driven by the conurbation; its residents are more mobile, more are employed, more are better qualified and so on. Yet, as in Kidderminster and to a lesser extent in Redditch, its town centre badly needs revitalisation and the services and retail mix that one might expect in a more prosperous location.

Redditch and Kidderminster are united by their economic vulnerability caused by over reliance on traditional manufacturing sectors and below average skills qualifications of residents but not by geography.

Each District demonstrates the attributes that one expects of areas that are close to but not part of a conurbation e.g. strong commuter zone, good range of housing etc.

Tourism and the visitor economy present a particularly strong case for greater collaboration. The natural assets of all three Districts offer great potential and appear under-exploited. Creating greater synergy between and cohesive marketing for the various visitor attractions would increase visitor numbers, both day visits and short breaks.

Transport connections between Redditch/Bromsgrove and Wyre Forest are not particularly good, for instance the three are not joined by rail.

Therefore, it would be untrue to say that the Districts are identical in character and will benefit from collaboration by translating a completely common approach across all three because that is simply not the case. Nevertheless, we concluded that there is adequate evidence to make the case for collaboration when this is combined with other factors, for instance, the spread of strengths and weaknesses offers some opportunity for sharing good practice e.g. Bromsgrove strong performance on business start-up, Wyre Forest's initiative in kick-starting the Rewyre project to regenerate Kidderminster town centre.

Section 4 of this report provides a full analysis of North Worcestershire's economic profile, together with the challenges and opportunities it presents.

Evidence: Credibility of the concept of a 'North Worcestershire approach'

We took the views of commercial property agents and set these alongside the views of other consultees about North Worcestershire as an entity. We factored in the examples we have found of "North Worcestershire" as a term in common usage.

Public sector stakeholders recognise North Worcestershire as distinct in nature from the south of the County and believe benefits will accrue in focus, impact and influence from a simplified approach. We have concluded that a primary driver for pursuing a North Worcestershire approach is that it has some resonance in the minds of regional agencies and funders and signals collaboration between Districts, which has tactical significance when promoting the area's needs.

Business consultees recognised the concept as a term for the collective three northern local authority districts and strongly advocated the benefits of simplifying the layers of local government and streamlining all aspects of the way local authorities operate.

Although residential property agents regularly refer to "North Worcestershire", commercial property agents were very clear in their view that North Worcestershire does not exist as a concept in the minds of potential inward investors – who reportedly only think in terms of the respective towns. Where accessibility is a major issue, Wyre Forest will always be less attractive than Bromsgrove until road infrastructure is improved, so, in their view, it would be implausible to attempt to convince the market otherwise.

We found numerous examples of the term "North Worcestershire" in common usage. Google identified 412,000 references to north Worcestershire (comparison: Redditch 1.1 million, Bromsgrove and Kidderminster 800K each, Wyre Forest 231K). General usage of the term appears to categorise into four types:

1) A sub-division of a public body, 2) a service to the public (sometimes a charity) which operates in the form of a single body across all three Districts, 3) small businesses that see their catchment as all three Districts and 4) tourism/leisure facilities and activities. The last two are particularly interesting – businesses, because they see the area as a geographic catchment and as a manageable one to service and in which to trade:

*"High quality cleaning services for homes in Redditch, Bromsgrove and **North Worcestershire.**" (domestic cleaning service)*

*"Estate agent services covering South Staffordshire and **North Worcestershire**."*

– leisure facilities, because they again recognise the catchment and the attractions it offers but the reference is often to the rural attributes and seems to be regarded as favourable in selling the attraction, not least as a way of differentiating it from the conurbation:

*"a beautiful stately country house set in an estate of around 132 acres in picturesque **north Worcestershire** countryside. **..."** (a wedding venue)*

*"Little Bean Farm and stables is set in the heart of the **North Worcestershire** countryside." (livery stables)*

*"Welcome to the village of CLENT in the **north of the county of Worcestershire**, G.B." (Clent village website)*

On balance we have concluded that the concept of 'North Worcestershire' is well established. We understand the point of view of commercial estate agents, particularly for local business relocations but think there may still be some mileage in the term for those inward investors who do not know the area at all.

Evidence: There is wide-spread stakeholder support for greater integration of strategy and delivery

The consultation exercise now numbers over 80 individual consultees, the majority external to the Councils themselves. All external consultees have welcomed the move to greater integration. Most business consultees welcome the shared services approach of Redditch and Bromsgrove and have expressly commented that they are in favour of even greater local authority integration across the county, not just North Worcestershire.

All stakeholders think that streamlining the approach should improve impact and help to achieve the wider county’s potential, which is thought generally to be under-exploited.

Section 7 of the report summarises the findings of the various consultation exercises.

Key Conclusion 2

There is strong evidence to justify collaborative working across the 3 District Councils in relation to economic regeneration and development

To satisfy this conclusion we identified that the following factors needed to be proved:

- Improved resource usage
- Improved impact
- Complementary team skills with opportunity for sharing good practice

Evidence: Improved resource usage

The shared services agenda in Redditch and Bromsgrove means that closer practical collaboration between those two Councils is already taking place. Even if this had not been the case, we would have proposed that this would be beneficial for the planning and delivery of economic regeneration and development. Although Wyre Forest is not involved in the shared services project, we think the case for collaboration on economic development and regeneration activities across all three authorities remains strong.

The respective teams differ in size but each is small in number and the scope of each is necessarily limited by its capacity; budgets are limited and the teams are used to ‘achieving a lot with a little’, so releasing budget tied up in duplication could make a big difference. (N.B. for the purposes of this exercise we assume that individual budgets for ERD as a minimum will remain intact when pooled.)

A large proportion of activity is duplicated at the service level and then simply applied in different geographic locations e.g. enterprise activity, business networking, front line enquiries, property enquiries etc. This offers good potential for improved efficiency and effectiveness in the way resources are deployed albeit that geographic coverage also needs to be maintained.

When merged, care needs to be taken to ensure that customers do not feel that the service is more distant or less responsive. In this regard, it will be important to communicate clearly the new arrangements and service portfolio, so managing customers' expectations. If the approach is approved, we advocate a common timetable for all three authorities to eliminate uncertainty amongst the staff, to send a strong message to stakeholders and customers to minimise the disruption caused by restructuring.

We talk more about our consideration of possible operating models for the integrated team later in this section.

Evidence: Improved impact

Although it is entirely possible to have a North Worcestershire economic strategy without collaboration, we believe its chances of delivery will be greatly enhanced by a more collaborative approach that focuses resources clearly on the strategic priorities and gains capacity from better use of resources.

We encountered universal approval for the concept of improved use of scarce and fragmented economic development resources i.e. for integration of the local authority's ED teams. Many consultees pointed to "activity" rather than "impact", duplication of activities, confusion about who delivers what as reasons to streamline delivery. In consultees' minds, collaborative working should embrace local authority policies and procedures as well as practical delivery. Again, business consultees would like to see this extended across the county.

We think it is worth making a point about deliverability. To achieve the full potential of a North Worcestershire strategy and to give full voice to North Worcestershire's needs, its priorities will need to be promoted at every opportunity, sometimes to the immediate or at least perceived detriment of individual Districts. Members as well as officers will need to engage and work for the area as opposed to their district. It will be important to test this concept with members and to ensure that this is feasible if the plans are to be fully successful.

Evidence: Complementary team skills with opportunity for sharing good practice

Each team has a slightly different focus within a broadly common agenda and complementary skills have developed that would benefit the wider area: e.g. Wyre Forest appears strong on physical regeneration, Bromsgrove appears strong on business engagement, Redditch appears strong on partnership working and project management.

A new organisational structure should focus primarily on the skills needed to deliver the strategy and we believe many of those skills already exist in the combined staff resource.

One area that needs careful consideration is the extent to which the strategy will be achieved by the leadership of the Councils and by 'enabling' activities. Our perception is that the Councils have necessarily (due to lack of resource) adopted a 'hands off' approach to areas such as worklessness and business support. We have acknowledged in the outline Economic Strategy that the Councils do not have the resources to deliver directly on all agendas, so suggest that, where appropriate, the team should play an increased partnership role to influence planning and delivery by third parties. For example, in consultation Business Link suggested they were keen to move to increasingly tailored service provision in recognition that 'one size does not fit all'. Given scarce resources, however, it will be essential to ensure that this element of work is confined to those areas where the team can really make a difference.

Key Conclusion 3

A more integrated approach to strategy at the sub-county level would be beneficial to the development of strategy at the county level

To satisfy this conclusion we identified that the following factors needed to be proved:

- Local authorities have an increasing leadership role to play in the development of strategy
- Agreement of stakeholders that a North Worcestershire approach would benefit county strategies
- Strategies restricted to a District level cannot always have the necessary impact on the priorities of those Districts

Evidence: Local authorities have an increasing leadership role to play in the development of strategy that demands working across boundaries

The current direction of national policy is to place increasing responsibility on local authorities to lead and manage both strategic planning and the provision of services at a local level. In some cases, this means that services delivered by 'quangos' will once more become the responsibility of councils. Some, such as the economic assessment are directly related to economic development. Others, such as the 14 – 19 agenda with employment and training guarantees, are closely related. This appears to be a trend that is unlikely to change in the foreseeable future, regardless of political complexion, not least because external agencies with diminished accountability and perceived highly paid senior staff are definitely out of vogue in the current straitened times.

The 'place shaping' agenda requires clear leadership from local authorities to make sure that the development of the particular character and attributes of their local area are translated into strategies and plans.

Increasing accountability for these additional responsibilities is being built into auditing processes such as Comprehensive Area Assessment and the connections that need to be made at the local level between economic development, regeneration, infrastructure and deprivation are an increasingly significant element of the audit process. Total Place will demand a 'whole system' approach to ERD with strong local authority leadership.

Evidence: Agreement of stakeholders that a North Worcestershire approach would benefit county strategies

All consultees told us that they felt there was scope to improve the strategic planning process and that county level planning would be aided by a simplified approach at the sub-county level (see also Conclusion 1 above).

Evidence: Strategies restricted to a District level cannot have the necessary impact on the priorities of those Districts

Infrastructure:

To mirror the Regional Integrated Strategy, other two tier authorities are moving towards a completely integrated sub-regional strategy that encompasses physical infrastructure, housing, transport, economy and regeneration. This has the benefit of joining up different strategic drivers and solutions but, at a pragmatic level, also supports the 'Total Place' concept, fits with the Sub-National Review and positions the top tier authority to make the case to the region and to central government for funding. This may be particularly useful if some of the regional infrastructure disappears under a Conservative Government.

At present much of the planning of physical infrastructure appears fragmented. The moves by the districts in the South of the County to work together to produce the South Worcestershire Joint Core Strategy have been widely welcomed in our consultation for the County review; in our view, it would be beneficial to replicate this approach across the county with the same collaborative process also linking in all the other key policy areas. Overlap exists between each area of Council activity: housing, transport, employment, environment, regeneration are all linked and a more integrated process should help staff at all levels to work collaboratively.

A more collaborative approach could be assisted by sharing information from partners in the Worcestershire Partnership so that collective intelligence could help to inform decision-making.

Integration of infrastructure and economic planning should also help to create an improved balance when local authorities are weighing the formal planning considerations and the economic benefit of individual applications made by businesses; a few employer consultees have reported very positive experiences of the planning process but a greater number have expressed frustration with the process and feel that economic considerations i.e. helping their companies to thrive and grow, comes a poor second to the planning regulatory framework. From a very limited sample, larger companies seemed to have enjoyed a better experience. This may be partly due to their greater experience of working with the public authorities and a capacity to buy-in planning expertise but also recognition by local authorities of the importance of larger or 'strategic' employers.. In the latter case, many local authorities have been proactive in deliberately strengthening their relationships with these businesses and various activities have taken place in North Worcestershire to this end.

The split of experience between larger and smaller businesses also suggests that there may be a difference in the way smaller businesses are treated. We have only anecdotal evidence for this; we simply observe that small businesses are the backbone of the North Worcestershire economy and it is important for public agencies to ensure that, particularly if the businesses are less experienced in the working of the public sector, they are treated empathetically and that the employment and growth potential that they offer is valued equally.

Climate change:

Just as the planning function will have to take much more account of climate change and its impact, including consideration of water conservation and energy usage, so the Economic Regeneration and Development function will need to promote this element of sustainability in its policies and work. Climate change is already producing varied patterns of rainfall in the County and levels in the water table have differed considerably over recent years. Interruptions or even uncertainty in supply will not only cause problems for domestic consumers but will also have a huge impact on the economy and could affect decisions on future investment. Demand from both industry and domestic consumers is increasing and the number of extra homes planned for the County will add further strain[40].

In future, water conservation and management considerations will have to be integral to infrastructure planning and will often require cross-boundary solutions and agreements.

Key Conclusion 4

An important element of North Worcestershire's strategy must not just be what it does but should also include the way it works with other stakeholders to achieve its objectives.

[40] *"The water supply for an increased number of households is problematic with the current supply already under strain. Consumers will need to reduce their water consumption; supply will need to be more efficient with less loss to leakages and more innovative solutions such as rainwater capture for non-drinking uses will need to increase,"*

WMRO in "The West Midlands Changing Population November 2009" (page 29).

To satisfy this conclusion we identified that the following factors needed to be proved:

- Current arrangements appear ineffective
- Stakeholders deem current arrangements to be dysfunctional
- Stakeholders see a material role for North Worcestershire in improving arrangements
- New arrangements have improved capacity to deliver impact .

Evidence: Current arrangements appear ineffective

It was not part of the scope of this exercise to review broader partnership arrangements. Nevertheless, we received extensive feedback about the confusion currently created by the complexity, for example, of the sub-structure of the county LSP. Inspira has previously undertaken work in relation to the functioning of the economic aspects of the LSP and made recommendations for improvement. The Partnership currently includes two decision-making bodies relating to economy: the Economic Partnership and the Economy and Transport Theme Group. In practice, no-one has been able to ably describe the difference between these two and the existence of two such bodies appear to have stifled effective decision-making.

We think it is imperative that this situation should be clarified and rectified: the prosperity of the local economy is a key driver for many other issues and, in our view, should sit at the heart of the work of the LSP.

Evidence: Stakeholders deem current arrangements to be dysfunctional see a material role for North Worcestershire in improving arrangements

Many consultees expressed a similar view: current economic development arrangements within the county partnership structures should be simplified. The fact of this review taking place acknowledges that there may be ways to improve effectiveness and this was welcomed by consultees.

These concerns are already being considered by the County Council in relation to the partnership structures it manages.

We think it is important not to lose sight of the thrust of much consultative feedback that streamlining and collaboration should extend to the county level. These views are informing the parallel assignment Inspira is conducting for the County Council.

In concluding that there is justification for improved collaboration at the sub-county level, we are mindful that this would also improve North Worcestershire's position and influence in relation to any subsequent changes at the Worcestershire-wide level and that these matters are being actively debated at the time of writing.

Funders have made it clear that they want to work in areas that can offer clarity of direction, commitment, detail on how to get there and a safe pair of hands. In order to improve the County's influence, it is important that the Districts demonstrate these attributes at a sub-county level. From a District perspective, we think it is important to commit to playing a full and active role in helping to reshape and deliver an improved structure, not for bureaucratic reasons but as a means to more effectively stating the county's case and improving impact.

A desire was clearly expressed by many stakeholders and funders to see an integrated and simplified approach to strategy that will more clearly state the key priorities of the area, will enable resources to be mustered around them and by improving credibility, will also enhance the Councils' influence and consequent likelihood of levering resources.

Evidence: New arrangements have improved capacity to deliver impact.

This means that there must be appropriate arrangements in place to decide North Worcestershire strategy at a North Worcestershire level, not just for officers but also to engage members so that their representation of the area's interests is consistent. The new operating model can be constructed in such a way as to facilitate cross-Districts debate, decision-making and prioritisation so that everyone has full commitment to the North Worcestershire standpoint.

9.2 Testing the viability of a North Worcestershire approach to economic regeneration and development

Part of the pre-requirement for development of a North Worcestershire strategy is to satisfy a viability test. Necessarily, the judgement about whether the strategy is 'a good thing to do' will be partially qualitative but we have compiled a set of criteria that we suggest should be satisfied if full development of the strategy is to proceed.

These criteria include a combination of internal and external factors, are pitched at a reasonably high level and are manageable in number.

Each criterion has been allocated a number of marks, which total 100. We started with an allocation of 10 to each of the 7 criteria and then allocated the remaining 30 to give weighting to criteria that are particularly important. We are not suggesting that this exercise has been particularly scientific but it helps to weigh the evidence using a different set of measures.

In order to demonstrate strong compliance with the criteria, we have set a 'pass mark' of 80 marks i.e. 80%.

9.2.1 Criteria to Test Viability of Approach

Criterion	Marks Available
1. The production of an integrated strategy for the three Districts should be supported by a strong majority (over 75%) of key stakeholders;	20
2. The production of an integrated strategy should be supported by a strong majority (over 75%) of businesses;	15
3. An integrated strategy must have the potential to be more than the sum of its parts i.e. it should add value to the existing individual strategies;	10
4. The priorities that form the basis of the strategy must be realistic and deliverable at the North Worcestershire level with the potential to achieve more through collaboration than would be possible individually;	20
5. Distinctive priorities that are critical to only one or two Districts should not be lost in the process of agreeing an integrated strategy;	15
6. An integrated strategy must demonstrate 'fit' with relevant strategies at different spatial levels e.g. Worcestershire and West Midlands.	10
7. Priorities that may not meet wider criteria but are "politically" precious should be given due consideration.	10
Total	**100**

9.2.2 Application of the Criteria

Because some of the criteria necessarily require a reflection on the strategy to assess whether they have been fulfilled, we have applied the criteria in two stages:

Stage 1: those criteria relating to the acceptability to stakeholders of the concept – prior to development of the strategy – Nos. 1 and 2 above;

Stage 2: those criteria relating to the 'compliance' of the strategy with key requirements – to be applied once an outline strategy has been prepared but prior to detailed development – Nos. 3 – 7 inc. above.

If the case is proven, translation of the strategy into action will be key. Once approved in principle, a delivery plan must be developed to support the strategy. The integrated strategy should be clear on how its performance on priorities will be measured, time-scaled and evaluated. Where appropriate, the contribution it can make to delivery of the county Local Area Agreement should also be assessed, particularly where District commitments to delivery are ongoing.

9.2.3 Have the viability criteria been satisfied?

The table overleaf summarises our findings against each of the agreed criteria:

REF.	VIABILITY CRITERION	ASSESSMENT	POINTS AWARDED
1	The production of an integrated strategy for the three Districts should be supported by a strong majority (over 75%) of key external stakeholders;	All stakeholders support the concept of an integrated strategy. No concerns were expressed.	**20/20**
2	The production of an integrated strategy should be supported by a strong majority (over 75%) of businesses;	All business consultees support the concept of an integrated strategy and were keen to other measures to simplify and clarify local authority plans, services and structures. No concerns were expressed.	**15/15**
3	An integrated strategy must have the potential to be more than the sum of its parts i.e. it should add value to the existing individual strategies;	A North Worcestershire strategy enables wider-reaching objectives to be set e.g. aspirations for the development and marketing of the tourism offer. A cross-Districts approach to infrastructure improvements adds coherence and focus. Issues that it was not easy to tackle at a District level can now be addressed e.g. contributing to Worcestershire's influence and 'voice'.	**8/10**
4	The priorities that form the basis of the strategy must be realistic and deliverable at the North Worcestershire level with the potential to achieve more through collaboration than would be possible individually;	By following through with merged services and structures, more resources will be released by removal of duplication to support front line services, so improving capacity to deliver the strategy. Discussions with regional service delivery partners e.g. Business Link can be more coherent, so improving the relevance of service delivery. A combination of a clearer focus on priorities and more resources for front line delivery will improve the scope and professionalism of the services. The teams have complementary skills, so sharing experience and good practice and giving team members a greater opportunity to play to their strengths will improve the customer offer. Nevertheless, at existing funding levels, resources will be spread thinly. Local focus must not be a victim of aggregation.	**18/20**

REF.	VIABILITY CRITERION	ASSESSMENT	POINTS AWARDED
5	Distinctive priorities that are critical to only one or two Districts should not be lost in the process of agreeing an integrated strategy;	There is a firm commitment to serving the individual as well as collective needs of the Districts. In consultation, politicians were supportive of the concept of advocating North Worcestershire's needs and also prioritising actions that will make the most improvements for everyone, even if that action takes place in only one District. To ensure the requirements of each are fully considered, arrangements should be built into the operating model and Service Level Agreement to ensure cross-District involvement in decision-making about key priorities. The shared services arrangements in Redditch and Bromsgrove reduce the likelihood of important but localised issues being overlooked.	**12/15**
6	An integrated strategy must demonstrate 'fit' with relevant strategies at different spatial levels e.g. Worcestershire and West Midlands.	Existing strategies already fit well with the county and West Midlands Economic Strategies. The new outline strategy builds on these and the detailed strategy to be produced will align well with different spatial levels. In time, embracing transport and housing within the North Worcestershire strategy has the potential to strengthen coherence and fit.	**10/10**
7	Priorities that may not meet wider criteria but are "politically" precious should be given due consideration.	None has emerged to date. The measures outlined at No. 5 above will ensure such issues can be raised and debated. At whatever level, finite resources mean there will always be a process of prioritisation.	**7/10**
TOTAL POINTS AWARDED			**90/100**

9.3 Recommendations

Having presented the justification for adopting a North Worcestershire approach to ED, our recommendations for the key principles and actions that should be embraced are summarised as follows:

Recommendation 1	***The three District Councils jointly develop a shared, realistic and deliverable Economic Regeneration and Development Strategy based on the Outline Strategy and Service Portfolio in this document, with a clear and finite set of priorities and supported by a delivery plan.***
Recommendation 2	***The Economic Regeneration and Development (ERD) teams of all three District Councils be merged to form a single service for North Worcestershire with a strong outward-facing, business-like character that has responsibility for delivering the emergent North Worcestershire Economic Strategy. As well as providing an appropriate range of economic regeneration and development services, the new ERD team will have a clear remit to advocate their objectives to help shape and influence the statutory planning framework, to actively build close working relationships with the private sector and to seek out the opportunities, including those presented by physical development and housing growth, that will pragmatically help to deliver the strategy.*** ***The team should be managed by one local authority through a Service Level Agreement with the other two authorities, that existing ED budgets should be combined and a single, appropriately skilled and broadly experienced Head of Service should manage the team to strengthen impact and improve value for money.***
Recommendation 3	***A 'second phase' objective should be for the combined North Worcestershire strategy to connect into the broader regeneration framework around infrastructure, housing and transportation, becoming an integrated strategy for economic regeneration, development, housing and transportation. It must seek to make the case for economic benefit (or disbenefit) of these aspects and should be capable of translation into a county setting.***
Recommendation 4	***The Districts must play a full collective role in County structures that shape economic strategy and must ensure members are able to represent the interests of the North Worcestershire area when appropriate.***

9.4 Options Analysis for Operating Models

A particular objective of this review was to consider the options for alternative operating models that deliver economic planning and ED services. Even though our consultation suggested some commitment to maintaining local authority spending on economic development, it is inevitable that budgets will come under pressure and, in any case, it is appropriate to consider effectiveness and value for money.

In practice, our research has revealed that structural improvements could reduce duplication and improve impact. Many other areas around the country have re-organised their economic development activities and resources into integrated teams with a clear set of objectives. Some of these are detailed in Section 8 of this report. It should be borne in mind that these examples generally demonstrate working at a first tier level and so don't always translate well at a county level. Nevertheless, they provide some interesting models and are worthy of consideration because of the parallel ED review being undertaken on behalf of the County Council.

Below we outline delivery models that have been considered. In the North Worcestershire context, the important considerations are: -being able to move quickly towards an integrated structure for Redditch and Bromsgrove

- including an option for Wyre Forest to move to an integrated structure from 'Day One' (whenever that may be)

- including an option for Wyre Forest to come on board at a later date

- taking account of the county review that may open up opportunities for further integration.

In order to assess the merits of each model, we have applied 3 simple criteria:

- does it improve effectiveness and value for money?
- does it improve impact?
- Are there over-riding disadvantages?

In order to connect this assessment with the emergent economic strategy, we have adopted the same measures to assess whether key activities in the Economic Strategy would benefit from a North Worcestershire approach. This can be seen in Table 2.1 of this document.

Whichever model is adopted, careful consideration will need to be given to how this integrates with other relevant departments of the Councils, particularly planning, although where these activities are already integrated, it may not present a problem.

Option 1 Maintain the Current Structure – rejected

This option retains the status quo, with the Districts each maintaining their current teams and focusing on District priorities but under the umbrella of the North Worcestershire strategy.

Advantages	Disadvantages
Local control	Unequal service North Worcestershire wide (because of different size teams)
Local delivery	Lack of co-ordination
District level focus	Lack economies of scale
ED expenditure linked to local resources and focused within District boundaries	Not maximising ED skills use

Option 2

Total integration of the three District Teams creation of a North Worcestershire ERD Team – recommended

In this model, an organisational structure would be designed for a single team to cover all three districts. As form should follow function, it would play to the key priorities of the emergent Economic Regeneration and Development Strategy and would mirror the Strategy by incorporating both economic development and economic regeneration activities.

This model could include a single Head of Service across the three Districts with responsibility for driving the strategic process and managing the services of the Department and a team of staff each with responsibility to deliver an aspect of the service but with the flexibility to turn their hands to other duties (as is the talent of most ED officers!). The team might largely sit together but some officers would also have a geographic responsibility and some of the team could be locally deployed to ensure that on the ground contacts and day to day service were not lost.

A commitment to integrated strategies needs to be translated into practical delivery, for example into the skill sets of key staff. In the recommendation below, we recommend a single Head of Service for ERD, a senior manager with cross-Districts responsibility. For this person to be successful in advocating the economic case for planning applications, it will be essential for him/her to bring a combination of experience and expertise that creates strong credibility with the private sector while maintaining empathy with both internal planning and development control colleagues.

A viable management approach might be the use of a Service Level Agreement to pool budgets and secondment of staff to one or other authority.

Advantages	Disadvantages
Improved management	Perceived 'distance' from Districts not leading
Focuses strategy and delivery clearly at the N. Worcs. level	
Improved use of resources and economies of scale	District Budget spend might not align with area where used.
Maximises ED skills use	Perceived loss of control.
Could align well with any changes at county level	

Option 3 Arms Length Company –rejected

We think the Department is too small at a sub-county level to warrant the establishment of an arms-length company, since the associated costs and disruption would make it uneconomic and ineffective in the short term. Although some arms length arrangements have been successful, we have witnessed serious tensions in other authorities where physical development projects are partially outsourced. These difficulties of clashing cultures only serve to stifle and delay activity.

Advantages	Disadvantages
Focuses strategy and delivery clearly at the N. Worcs. level	Poor value for money, particularly at the outset
Improved use of resources and economies of scale	Vulnerable to budget cuts.
Maximises ED skills use	Can bring employment law complications.
Could align with any changes at county level	Perceived loss of control.
	Effectiveness can be reduced through culture clash

Option 4 North Worcestershire focus – informal partnership approach – rejected

In this model, the 3 Districts take responsibility for the delivery of different aspects of the ERD agenda across North Worcestershire through a Memorandum of Understanding. Work responsibilities would be split 2 ways, since it seems appropriate to view Redditch/Bromsgrove as one entity for this purpose.

In our view, the key disadvantage of an informal partnership approach to ERD, lies in the lack of accountability. This is particularly relevant to the effective delivery of physical regeneration projects, which has proved difficult to achieve in other areas without a firm responsibility.

The current arrangements for delivering economic development at a county level lie with an informal partnership. This model has been much criticised during consultation. Part of the dissatisfaction seems to stem from the separation that is created in officers' minds: there is lots of goodwill but, understandably, the 'day job' in the individual Districts will always be their first priority.

Advantages	Disadvantages
Improved management	Perceived 'distance' from Districts not leading
Focuses strategy and delivery clearly at the N. Worcs. level	District Budget spend might not align with area where used.
Improved use of resources and economies of scale	Perceived loss of control.
Maximises ED skills use	Lack of accountability
Could align well with any changes at county level	

N.B. At the time of writing, the County Council's review of economic development arrangements is running slightly behind North Worcestershire's. We have tried to ensure that the recommendations for both broadly dovetail. Since the County's decisions on any changes are yet to be taken, our recommendation attempts to propose a solution that is right for North Worcestershire and would not create any undue obstacles, if greater integration of service at the county level was considered.

9.5 Next Steps

When this report has been fully considered, we suggest the following steps to lead to implementation:

- Approval of the recommendations by each of the Councils, including agreement to pool budgets;
- Formal notification of restructuring to staff
- Secondment of staff project team to assist with implementation;
- Decision by senior officers on which Council will host the service;
- Development of a Service Level Agreement document to encapsulate the key arrangements and expectations (on all sides) for operating the service;
- Design of an organisation structure and job descriptions for the merged service;
- Selection of Head of Service ;
- Development of project plan including geographic distribution of staff and outline agreements with service delivery partners;
- Development of detailed strategy and service portfolio;
- Agreement about arrangements for merged reporting and decision-making by members;
- Agreement about representation of North Worcestershire at sub-regional and regional bodies;
- Selection of staff to posts;
- Design of service standards and performance management framework

and importantly

Ongoing communication about progress to businesses and stakeholders.

We suggest that the service should be fully 'open for business' by 1st April 2011.

REPORT ENDS

Appendices

Appendix 1 - Full List of Consultees

NAME	ORGANISATION
Mark Pearce	Advantage West Midlands
Peter Burford	Bomers Developments
Peter Michael and ED team	Bromsgrove District Council
Chris Edwards	Bromsgrove School
Alan White	Central Technology Belt
Mike Ashton, CEO	Chamber of Commerce Herefordshire and Worcestershire
	Various Commercial Estate Agents
Ray Brookes	Community Housing Group
Roger Dowthwaite	Coventry, Solihull and Warwickshire Partnership
Angela Smith, Regional Organiser	Federation of Small Businesses
Nigel Gaulty, Stuart Downing	Government Office West Midlands
Mike Ashton	Herefordshire and Worcestershire Chamber of Commerce
Nicola Marshall	Housing and Communities Agency
Darrel Fleming	Kelbec Civils, Redditch
Ben Reid	Midland Counties Co-op
Mark Moore	Morgan Thermal Ceramics, Stourport
Chris Morland	Morland Consultancy
Peter Luff MP	MP for Mid Worcestershire
Jacqui Smith MP	MP for Redditch
Dr Richard Taylor	MP for Wyre Forest

NAME	ORGANISATION
Tricia Burton	NEW College
Dean Attwell	Oakland International, Beoley
Ruth Bamford, Georgina Harris and ED team	Redditch Borough Council
Kevin Dicks, Joint CEO	Redditch Borough and Bromsgrove District Councils
Tim Mayneord	Regal Garage, Bromsgrove
Nick Vincent	Three Counties Agricultural Society
Jackie Robinson	Town Centre Manager & Savills Management Resources
Howard Bellaby	Vulco Springs, Redditch
Peter Davenport, Shires Partnership Manager for City Region	West Midlands Regional Partnership
Ivan Knezovic, MD	West Midlands Safari Park
Ken Harrison and ED team	Wyre Forest District Council
Richard Soper, MD	Worcester Bosch
Dr Tim Maxwell	Worcester University
Glyn West/Geoff Palmer	Worcestershire County Council
Cllr. Simon Geraghty, Portfolio Holder, Economic Regeneration	Worcestershire County Council
Ian Miller and Mike Parker	Wyre Forest District Council
Ken Harrison and ED team	Wyre Forest District Council

Appendix 2

HM Government

"New Industry, New Jobs" April 2009

A strategic vision for Britain's recovery

1.1 Following the banking crisis, the ensuing credit crunch and economic downturn, Britain has taken exceptional, active measures to limit the impact and to contain the damage to our economy. Now it is time to work on the action needed to prepare for the upturn and beyond so that we invest properly in the future.

1.2 At the outset, the decision to adopt an active strategy was neither simple nor easy, and it has involved additional Government borrowing. The need to get Britain back to its normal rate of growth as soon as possible is therefore vital in order to rebalance public finances. How we do this by removing the barriers holding British businesses back and building on our undoubted strengths is the subject of this paper.

1.3 The active policies implemented by the Government to date have proved to be essential. Over the last nine months, the banking system has been saved and stabilised, and Britain has won international approval for its action. Without intervention in the financial sector, the rest of our economy risked collapse. We have also worked to protect those who are most vulnerable to the recession's impact: raising pensions and child benefits, helping homeowners in mortgage difficulties and those who, through no fault of their own, have lost their jobs. We have maintained investment in the UK's infrastructure and public services, vital for families and for businesses.

1.4 Underlying these decisions is a core judgment that despite the tough times, it is better to keep investing in growth and jobs so as to speed recovery and build the manufacturing and services we need for the future.

1.5 We have also chosen to act internationally, because no country can successfully fight back against such a global crisis on its own. Britain is totally connected to, and dependent on, the rest of the world's economy for exports, investment and jobs. Getting the world economy growing again is vital for growth at home.

1.6 That is why Britain has led international action to combat the financial crisis and its impact. The London G20 Summit, organised and hosted by the Government, was a landmark international gathering. It took a range of decisions that will have consequences both for the duration of the recession and the longer term financial and trading health of the global economy.

1.7 The initial results of some of these active policy steps are now becoming evident. Although this will take time, the financial system is on its way back to functioning properly, supporting the housing and business sectors. Where possible, viable businesses damaged through no fault of their own have been helped through the downturn to avoid damage to their skill base and other strengths.

1.8 We now need to focus on the resources our businesses and people need to prepare for the upturn, because their success is the basis for everything else we want to achieve.

1.9 Britain's economy will look different in coming years. Both consumer and Government spending will be more constrained than over the last decade. There will be an even greater concentration on value for money through reform and efficiency savings in the public sector, which is likely to involve the private sector more, rather than less, in service delivery. We will be depending more than ever on higher value goods and services to drive exports and growth.

1.10 The world's economy is set to double in size and a number of trends in the global economy will present significant new opportunities for British businesses: growing populations and rising prosperity in other parts of the world; new technologies; the transition to low carbon and the green revolution; changes in the age profiles of different societies; and the spread of international supply chains.

1.11 British businesses, and the British economy as a whole, have fundamental strengths that position us well to capitalise on these dramatic changes. But others will be doing the same so we have to keep ahead of the game. That is why continued investment to raise the performance of British businesses and people is now needed to help them seize these market opportunities.

1.12 But the Government also has to do more to help equip high potential British firms. We need to take a range of actions. We must improve the skills of our people and adapt them to the specialist demands of a modern economy; strengthen our capabilities in research and development; innovate further in science and technology, and industrialise this innovation in commercially successful ways. These actions are the bridges to our economic future.

1.13 That is why the Government has decided to strengthen its own industrial policies and the way it supports Britain's economic renewal and future growth. Our policy must not only offset the damage being done by the downturn, but make sure we are in a stronger position to take advantage of the opportunities that will come as the global economy returns to growth.

1.14 We need to start seeing industrial policy and our competitive strengths in a wider, strategic way. What Government does – or does not do – when it taxes, regulates, buys goods and services or acts in any of a range of ways shapes the conditions in which British businesses and their employees develop and capitalise on their competitive advantages. This means making Britain's economic and industrial renewal the remit not just of the Department for Business, but of *all* Government departments.

1.15 As the Director General of the CBI Richard Lambert has argued, what we need from the Government is "a vision of the kind of economy we want to have in ten years time and what it's going to take to get from here to there".[1]

1.16 Critical to this will be ensuring that British science and technology are at the heart of the revolutions in industrial production that will define the 21st century. In promising areas like advanced engineering, electronics and biosciences, British companies already hold strong advantages, as they do in many parts of the services sector. But those strengths must be reinforced and Government needs to play a greater role in fostering them. This paper sets out the approach we will take.

1.17 It is important to stress that the last thing the Government wants to do is revive old theories or to invent a new ideology in managing the economy. This is not about Government seeking to override market forces or ignore market signals. It is about the Government matching the influence it exercises in the economy to the strategic needs of business.

1.18 In most respects, the Government's business support will build directly on what we are doing already, but become more targeted on specific tools and measures that have worked well. In some cases, new policies or instruments will need to be developed in consultation with business. In doing so, the Government will only act where there is a genuine opportunity to make a difference, and where, in acting, its actions will make a genuine long-term impact.

1.19 This is a moment to re-establish a sense of optimism about the future. Of course the current recession is painful, but this should not lead us to ignore Britain's strengths and immense potential. Britain's overall business environment – a commitment to free trade, regulatory transparency and a fair tax system that rewards enterprise – is recognised to be amongst the best in the world. Britain remains one of the world's largest economic and industrial powers. Despite great competitive challenges we remain the world's sixth largest manufacturer and we need to maintain that position.

1.20 Britain's product markets are open and competitive. We have a strong, flexible labour market, with increasingly high skills at all levels and policies, such as effective childcare provision, that encourage women, parents, older workers and those with disabilities to be economically active. There should be no doubt we have the skills, resources and knowledge base to retain and strengthen our competitive position. We need not be pessimistic about our economic future, so long as we are active in preparing for it.

1.21 This paper frames a national discussion which the Budget will take forward and which the Government will follow with further detailed statements of policy in the coming weeks and months. Over the course of 2009 these will build into a picture of how we can now pull together to come through more strongly and secure Britain's future economic success.

More information can be found at:

http://www.bis.gov.uk/policies/new-industry-new-jobs-timeline

1 Richard Lambert's speech at CBI North West annual dinner http://www.cbi.org.uk/pdf/20090401-rl-speech-nw-annual-dinner.pdf

Appendix 3 – Solutions for Business Product Range

- Maximising Foreign Direct Investment
- Accessing International Markets
- Developing your International Trade Potential
- Train to Gain
- Business Collaboration Networks
- Business Premises
- Starting a Business
- Intensive Start-up Support
- Starting a High Growth Business
- Manufacturing Advisory Service
- Designing Demand
- Innovation Advice and Guidance
- Enterprise Finance Guarantee
- Small Loans for Business
- Understanding Finance for Business
- Finance for Business
- Improving your Resource Efficiency
- Collaborative R&D
- Networking for Innovation
- Knowledge Transfer Partnerships
- Low carbon Energy Demonstration
- Rural Development programme for England business support
- Grant for Research and Development
- Automotive Assistance programme
- Trade Credit Insurance Top-up Scheme