

BROMSGROVE DISTRICT COUNCIL

CABINET

28 APRIL 2010

ECONOMIC DEVELOPMENT PRIORITIES

Responsible Portfolio Holder	Cllr James Duddy
Responsible Director	Executive Director Planning and Regeneration
Non-Key Decision	

1. SUMMARY

- 1.1 The report seeks endorsement of the broader Economic Development Strategy of the District (other than the specific proposals of the Town Centre). It also seeks approval to work in partnership with Redditch Borough Council and Wyre Forest District Council to improve Economic Development activity across the north of the County. A further report will examine a longer term Economic Development Strategy for North Worcestershire .

2. RECOMMENDATION

- 2.1 That the Economic Development Strategy as outlined below be approved for continued implementation.

3. BACKGROUND

Introduction

- 3.1 The Bromsgrove Economic Development Strategy has been successfully refined and implemented for several years. In the current economic climate, and in the light of the Town Centre project it is felt that it is important for members to understand the fundamental drivers of the Bromsgrove District Economy and how this relates to sub-regional, regional and national circumstances and government policies.

Brief History of the Bromsgrove Economy

- 3.2 In medieval times Bromsgrove was a market town surrounded mainly by agriculture. During the 18th and 19th centuries it was famous for nailmaking and Belbroughton became a centre of the scythe industry which was very important before the mechanisation of farming. By the turn of the 20th century the town was moving into engineering and became a major supplier to the motor industry during the heyday of Longbridge from the 1920s onward. Local firms also expanded to supply the other motor manufacturers

both in the UK and overseas. Garringtons Forgings and Rover became the district's biggest employers.

- 3.3 When both Garringtons and Rover failed in the early years of the present century the effect was alarming but short-lived. At one point unemployment climbed from its usual level around 1.5% up to 2.6%, but it soon fell back again. The reason for this was that the economic base had been gradually changing in a way which underpins the relative prosperity which the town and district enjoy today.
- 3.4 Since 1945 but especially from the 1970s onwards, the Bromsgrove district became increasingly attractive as a residential area. The Council's housing policies encouraged this and several new private housing developments attracted workers from the greater Birmingham area for whom it was an easy commute. Many of these workers were in the professional and managerial groups and consequently the district began to acquire an up-market demographic profile with above-average household incomes. Following this, the new business parks in the district became increasingly sought after by small-medium professional or service companies. Again, these highly skilled owner-managers brought prosperity into the district and have begun to reverse the trend of outward commuting to the point where one third of commuter journeys on the A38 Birmingham Road (Worcestershire's busiest commuter route) are coming *in* to Bromsgrove.
- 3.5 Bromsgrove has occasionally been described, somewhat disparagingly, as a dormitory town. Today that term is redundant and irrelevant. Because the skilled labour force is so mobile, almost *any town or village* in the UK within an hour's journey of one of our major conurbations could have a similar commuting profile to Bromsgrove. Furthermore, outward commuters should not be discouraged: they generally earn significantly more than those who live and work in the district. The challenge is to persuade them to spend their disposable income here..

Economic Profile – Employment and Occupations

- 3.7 Bromsgrove was recently described by the Birmingham Post as 'Britain's most hardworking town' . This followed publication of an Office of National Statistics report revealing that 90% of the 'eligible' working population (ie. aged 16 – 65) were actually in work. This compares with Worcestershire at 83.5%, West Midlands at 77.3% and UK at 78.5%. **
- 3.8 Within Worcestershire the Bromsgrove District also has the largest percentage of its workforce in senior managerial, professional or technical occupations, and the highest percentage of self-employed. It also has the highest number of female employees working full time (indicating higher levels of education and achievement among women, since the more familiar pattern is for many women to be in part time employment) and the highest number of people employed in small businesses. Conversely it has the

lowest percentage in unskilled occupations and the lowest levels of claimants of state benefits (except for age-related benefits).

3.8.1 Employment Profile (Industries)

The main categories of employment in the Bromsgrove district are:-

Public Administration, education, health	24.6%
Banking, finance, insurance	21.4%
Distribution, hotels, restaurants	20.4%
Manufacturing	12.3%

3.8.2. Level of employment (employed residents)

Managers, senior officials	19.2%
Professionals	13.4%
Associate professional, technical	14.2%
Admin / secretarial	13.0%
Skilled workers	11.7%

3.9.1 Incomes

From the foregoing data it would come as no surprise that the district has the highest average **household income** at £37,085, which compares with:-

Worcestershire	£34,737
West Midlands	£30,515
England	£34,166

However, there is a marked difference between those who live in Bromsgrove and those who work in Bromsgrove which demonstrates the higher incomes of outward commuters:-

Median gross weekly pay for full-time employees

Residence based 2008 (i.e. people who live in Bromsgrove) £570.00

Workplace based 2008 (i.e. people who work in Bromsgrove) £406.20

This is an annualized difference of £8517.60

Sources: WCC Economic Assessment 07/08, Office of National Statistics, Annual Business Enquiry, Annual Population Survey, Chamber of Commerce. Annual Survey of Hours and Earnings (ASHE)

4. RELEVANT ECONOMIC STRATEGIES

4.1 In setting Bromsgrove's Economic strategy we have had to consider both the regional and county strategies. They are as follows:

4.1.1 Regional Strategy – Advantage West Midlands

This Strategy sets an ambitious vision for the West Midlands:-

'To be a global centre where people and businesses choose to connect.'

The key objectives of the AWM Strategy are:-

- To close the 'productivity gap' between the West Midlands and the national average. Currently the WM underperforms in terms of GVA per head. This is caused by the structure of the economy (ie low-value) and economic exclusion or worklessness.
- To encourage diversification of the economy and development of hi-tech, high value industries.
- To promote innovation – the development of new products
- Thereby to improve the region's competitiveness
- To raise education and skills levels for both technical and managerial workers. Lack of these qualifications being a major obstacle to modernization and growth.

4.1.2 County Strategy – Worcestershire County Council

The Vision is:-

'In ten years time, technology led growth will enliven the whole economy and provide high skilled jobs, good remuneration and improved quality of life for all residents'

The principal objectives of the Worcestershire County Strategy are:-

- Encourage and facilitate knowledge and technology spread to all sectors and parts of the County.
- Promote Business Enterprise and Business growth
- Developing 'clusters' with growth potential
- Improve skill level to match business needs and for emerging technologies. Especially management and leadership skills

- Exploit the potential of key regeneration sites
- Participate in regional and sub-regional economic projects
- Improve support for Rural Businesses especially agriculture.

5. TRANSLATING STRATEGY INTO ACTION

5.1 Both Regional (AWM) and County Strategies are, for the most part, imprecise as to the exact manner in which their aims are to be fulfilled ie what precise actions are to be taken as this needs to be undertaken at a more local level taking into account the needs of the area. Where actions are specified they tend to involve 'engaging' with various groups or bodies, 'seeking to influence', setting up new committees or developing a sub-regional strategy. The purpose of this report is therefore to present for members consideration Bromsgrove Economic Strategy together with the action plan to achieve delivery.

5.2 In developing the Bromsgrove Economic Strategy we have also considered the Council's own vision for the future expressed in the Community Strategy Plan. Economic Development plays a key role in this, not only as an objective in itself but insofar as it contributes to items such as 'well being' and 'stronger communities':

- Communities that are safe and feel safe.
- A better environment – for today and tomorrow.
- **Economic success that is shared by all.**
- Improving health and well being.
- Meeting the needs of children and young people.
- Stronger communities.

6. BROMSGROVE DISTRICT ECONOMIC STRATEGY

6.1 The Bromsgrove Economic Strategy is both a plan for the future and a report on the last 8 years' achievements. Most of the components contained herein are proven programmes which have delivered against specific objectives. All the programmes aim to deliver implementation of Regional and County strategies as well as the Council's policies.

6.2 Inward Investment Marketing

Advertising

Bromsgrove is one of the few authorities which actively promotes inward investment (ie the attraction of new companies) by advertising. Our research revealed that most enquiries come from the greater Birmingham area and we therefore advertise in the Birmingham Post which targets business readers in this catchment area. We have negotiated special rates

for our advertisements to appear in the centre of the share prices page. (Occasionally we advertise in other business publications when there is a relevant editorial feature eg business prospects in Worcestershire).

Our advertisements are produced to a highly professional standard by our in-house designer and the advertising space bought directly, not through an agency, by the EDM. (Both these officers have experience of working in advertising.)

This campaign has generated significant awareness of Bromsgrove as an attractive business location. Although enquiries have declined badly in recent months, prior to the recession about one third of enquirers mentioned our advertisements when contacting us.

Forward strategy

- During 2010/11 we shall continue to promote Bromsgrove as a business destination. This will take the form of advertising in relevant business publications, notably the Birmingham Post share prices page.
- We shall participate in appropriate business meetings / conferences organized by Businesslink, Chamber of Commerce, AWM and local organizations.
- These activities fulfil the **WCC strategic aim** 'to Promote Business Enterprise and Business growth'. They also reflect the **AWM strategic aims** of closing the productivity gap and the region's competitiveness. However, it should be remembered that, compared with other parts of the West Midlands, the Bromsgrove district is already very productive economically.

Property Guide

The ED department produces a quarterly Property Guide which aims to capture details of all commercial property available for sale or let. Information is supplied by approximately sixty commercial estate agents and landlords. This publication is dispatched to all enquirers. It is also available on the BDC website.

Rapid response

Upon receiving a telephone enquiry the EDM will offer three options:-

- To send the Property Guide by email and/or post
- To telephone the most likely estate agents/landlords and put them in contact with the enquirer direct.
- Invite the enquirer to a tour of the district taking in the business sites.

This process has sometimes resulted in enquirers hearing from estate agents/landlords within ten minutes of their initial enquiry. The district tour was instrumental in attracting 'Basepoint' to Bromsgrove Technology Park. Until the recession, the level of enquiries was about 2 per week. Bromsgrove's business parks have a high level of occupancy.

Forward strategy

- We shall continue to produce the Property Guide on a quarterly basis and have already increased the size and scoping to capture an increasing number of vacant properties due to the recession.
- We shall redesign the format to modernise the publication's appearance
- This aligns with AWM and WCC strategies especially to promote enterprise and growth.

6.3 Bromsgrove Technology Park

Bromsgrove Economic Development was instrumental in securing the investment for the technology park from Advantage West Midlands when the site became available. The EDM serves on the site steering group and has provided the estate agents with several further leads besides Basepoint. The site was designed for hi-tech businesses within the 'knowledge economy'. It was officially launched in 2006 and is currently about 25% sold. Total marketable area approx 20 acres. This meets targets set for ED. In addition to AWM, Bromsgrove ED co-operates with the Central Technology Belt who have an interest in promoting the Knowledge Economy.

Although there was initially strong interest in the site the recession has taken its toll and there have been no serious enquiries for some months.

Both the developers (PXP – a joint venture between Advantage West Midlands and Laings) and agents (Thomas Lister) are currently pessimistic about inward investment from hi-tech industries. They were not receptive to the EDM's recent proposal for a carefully targeted direct marketing campaign

6.4 Longbridge

There is one major employment site within the Bromsgrove District – the Cofton Centre. This is under development by St Modwen who have built two large industrial units (27,000 sq ft and 47,000 sq ft). Due to the current economic climate it has taken considerable time to dispose of these units, however the larger unit has now been sold and is expected to create around 150 new jobs. ..

Forward Strategy – Technology Park and Longbridge

- We shall seek to persuade our partners to join us in a more pro-active direct marketing approach targeted at hi-tech, knowledge-based companies rather than the general approach which is presently adopted.

- We shall continue collaboration with private sector partners, AWM and the WCC and thus ensuring that our strategy is compatible with regional and sub-regional aims (see above).
- These activities align with AWM strategy of development of hi-tech, high value industries and with all aspects of County strategy, especially exploiting potential of key regeneration sites.

6.5 Bromsgrove Business Start-up Programme

Over the last 9 years Bromsgrove Economic Development has assisted approximately 300 new businesses with a training programme and a £500 start-up grant. Follow up research reveals that there is at least 75% survival rate (after 18 months), a good rate for new, often inexperienced entrepreneurs. Three of these businesses now have turnovers of more than £1 million and several others have six figure turnovers. We estimate that these businesses have created approximately 750 jobs which is more than the number of Bromsgrove residents employed at either Rover or United Engineering Forgings at the time of their closure.

In 2007 the Council was given the Federation of Small Businesses Local Authority Award for this work. The programme is also a good example of partnership working with North East Worcestershire College who provide the training with funding from the EU via Businesslink. In 2009/10 the programme was be extended to Redditch BC. It was also adopted and part-funded by WCC as the model for business start-up programmes across the County. This will continue during 2010/11. (We also received a request from Malvern Hills DC to advise them on its introduction).

The Business Start-up Programme has consistently met or exceeded its targets – currently 30 new starts per annum. Economic Development hosts an annual ‘Business Showcase’ in the Council chamber at which around 25 businesses can exhibit. We award prizes for achievements in various categories. The event is always well attended; it provides a useful networking opportunity for small businesses, an opportunity for councillors to meet them, and an excellent PR exercise for BDC.

Forward Strategy

- The Business Start-up Programme is a programme ‘for all seasons’ in that it is difficult to envisage any circumstances when we would not want to run it. It is aligned to and continues to reflect AWM, County and BDC strategies but it transcends current strategies in its universal application and long term success.
- The target for 09/10 is was initially 30 new starts which carried a budget of £15,000. Following the Leader’s ‘Recession Actions’ meeting we

augmented this by virements from other budgets and obtained further funding from WCC. This enabled us to achieve a record 50 new starts for 09/10.

- Dependent on funding we shall seek to maintain activity at the higher level during 10/11

6.6 'Young Enterprise'

The EDM serves on the local board of 'Young Enterprise' which aims to encourage young people to consider a career in industry and commerce. Competitions are held between school teams who create and run companies assuming the roles of Managing Director, Finance Director, Sales Director etc. The 2009 area final was held at Redditch Town Hall sponsored by Elonex Computers and Bromsgrove Economic Development. The 2010 finals will be held at Bromsgrove South High School sponsored by Oakland International, Dominos Pizza and Bumble Hole Eggs.

6.7 Town Centre activities and promotions

The Council is currently engaged in a wide ranging project to redevelop Bromsgrove Town Centre. This is contained within separate proposals: a steering group meets regularly to progress the project. Prior to that BDC/ED has developed a range of activities to stimulate business in the town centre.

6.7.1 Retailers' meetings

Economic Development organise quarterly town centre meetings to which all retailers and market traders are invited. These meetings discuss a range of topics affecting town centre trading including parking charges, Town Centre re-development, promotional ideas, markets and other events.

6.7.2 Bromsgrove High Street Market(formerly within Market Hall)

The Market Hall, like many indoor markets in other towns, had been in decline for several years and the Council made the decision to close the building at the end of February 2009. The Market re-opened in the High Street on March 7th 2009. It has been widely welcomed by traders, shopkeepers and the general public. Traders are quite emphatic that their business has improved. There is anecdotal evidence of footfall increase and increased customer presence in shops. The High street Market rental income was forecast at £50,000 for the first 12 months; we actually achieved £80,000

Forward strategy

- The High Street market has, in a short time, become the principal footfall generating activity run by the Council. We therefore intend to build it up further and refine and improve it continually. It will continue for the foreseeable future. We shall only accept good quality traders with a high standard of goods and presentation.
- During the first financial year of operation it was proposed that stall rents would be reviewed after 6 months. Following that review in October, rents were raised by 3-4% in November 2010
- The Market Hall site will be redeveloped hopefully with a major retailer.

6.7.3 Bromsgrove Farmers' Market

Starting in October 2000 in the High Street, this monthly event has been highly successful and very popular with local shoppers. A good range of produce is offered and it is regarded by farmers as one of the leading FMs in the Midlands. Bromsgrove Farmers' Market has received positive reports in the Sunday Times, the Observer and the Birmingham Post besides featuring on television and local radio. Over the years, several other authorities have sought our advice on running a successful FM and farmers have been known to refer to using the 'Bromsgrove Model' when a new one is proposed in another town.

Forward strategy: Ongoing

6.7.4. Christmas Market

This annual event was introduced in 2004 and occurs on a Sunday in mid-December. It was well-attended and it coincided with the 'free parking' concession which is given for the pre-Christmas weekends. However, since we are now running 3 markets per week it has been decided to incorporate this event into the nearest pre-Christmas event. Economic Development also provides support for Rubery events.

Forward strategy: Ongoing

6.7.5 High Street – footfall generators

Economic development works in collaboration with Culture and Community Services to organise other events in the High street – notably the St. George's Day attractions, the Summer Holiday Children's Entertainments and the Court Leet.

Forward strategy: Ongoing

6.7.6. High Street Commercial Promotions

During the last 2 years ED has arranged several commercial promotions in the High Street for companies like npower, Legal Consultancy, Suzuki, and Sky TV. This is an income generating initiative. We charge £50 per day for this service which requires minimal administration.

Forward strategy: Ongoing

7. WORCESTERSHIRE ECONOMIC PARTNERSHIP (WEP)

WEP is a sub-group of the Worcestershire Partnership. It consists of all the Economic Development Managers from the County and Districts and meets each month to discuss strategic and operational items particularly in connection with the Local Area Agreement.

7.1 Local Area Agreement

A principal component of the Local Area Agreement is development of the Knowledge Economy in which Bromsgrove ED plays a key role with the marketing of Bromsgrove Technology Park.

7.2 Facing the Recession or 'Credit Crunch'

A meeting took place at County Hall on December 2008 to co-ordinate the work of various organizations – eg Local Authorities, Chamber of Commerce, AWM, Jobcentres, Police – in establishing a strategy to overcome the recession. This began implementation during 2009 and will continue during 2010. (this will be supported by BDC's own response to the economic downturn)

7.3 Worklessness

This has become a serious problem throughout the UK in the last ten years. Via the Worcestershire Partnership and the Local Area Agreement we shall be exploring ways in which we can contribute to plans currently in preparation by AWM. AWM are making about £12.5 million available regionally over three years, starting in 09/10. The intention is to focus funds and programmes on those people who are the most disadvantaged. AWM are adamant that this funding is for people who are disabled or with health conditions, lone parents, ethnic minorities, older people and people with low or no qualifications. .

The programme is not intended for anyone who is made redundant due to the current economic issues. This is very much aimed at those people who are steeped in worklessness to the second or even third generation.

8. NORTH WORCESTERSHIRE STRATEGIC PARTNERSHIP

8.1 Joint working is already proceeding with Redditch (see above). Members of the three north Worcestershire Councils are expected to approve a shared Economic Development service for Bromsgrove, Redditch and Wyre Forest.

9. FINANCIAL IMPLICATIONS

9.1 Budgetary provision already exists for most of the programme.

10. LEGAL IMPLICATIONS

10.1 None apparent

11. COUNCIL OBJECTIVES

11.1 Contributes to Regeneration

12. RISK MANAGEMENT

12.1 Risks are contained and monitored within Risk Register

13. CUSTOMER IMPLICATIONS

13.1 Surveys to be carried out to assess customer satisfaction

14. EQUALITIES AND DIVERSITY IMPLICATIONS

14.1 Equalities Assessment completed. Economic Development attends E&D meetings to assess requirements

15. VALUE FOR MONEY IMPLICATIONS

15.1

16. OTHER IMPLICATIONS

Procurement Issues: None directly related to the report
Personnel Implications: None directly related to the report
Governance/Performance Management: None apparent
Community Safety including Section 17 of Crime and Disorder Act 1998: Not relevant
Policy: Economic Development is covered by existing policies.

Environmental : None

12. OTHERS TO BE CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director - Partnerships and Projects	Yes
Executive Director - Services	
Assistant Chief Executive	
Head of Service (P & E)	Yes
Head of Financial Services	
Head of Legal, Equalities & Democratic Services	
Head of Organisational Development & HR	
Corporate Procurement Team	

13. WARDS AFFECTED

All wards

14. APPENDICES

Appendix 1: Economic Development Action schedule

15. BACKGROUND PAPERS

None

CONTACT OFFICER

Name: Peter Michael, Economic Development Manager
E Mail: p.michael@bromsgrove.gov.uk
Tel: (01527) 881327

PROJECT SCHEDULE – and Main budget items

PROGRAMME	DESCRIPTION	OBJECTIVE	BUDGET
Inward Investment Marketing	Advertisements in Birmingham Post Business share prices page and animated advertisement in BP online site. Occasional advertisements in other publications especially with regeneration features.	Create awareness of Bromsgrove as business destination within most frequent catchment area. Ongoing throughout year Fulfil both AWM and WCC objectives	£ 10,205
Bromsgrove Industrial & Commercial Property Guide	Quarterly publication produced in-house	Aims to capture all available ind/comm. Properties in district. Distributed in response to adverts. Also on BDC website. Compatible with AWM and WCC objectives	Internal costs only + officer time
Bromsgrove Technology Park	20 acre park aimed at hi-tech businesses.	To advance Knowledge Economy – aligns with national, regional and sub-regional objectives. ED's role to work with developer and encourage targeted marketing	Promotion by developer (PXP)
Cofton Centre – Longbridge	New 35 acre business park	Create employment for lesser skilled workers to replace jobs lost by Rover closure. Part of the Longbridge regeneration project, compatible with regional and local strategies. ED's role to work with developer and encourage promotion.	Promotion by developer – St Modwen

PROGRAMME	DESCRIPTION	OBJECTIVE	BUDGET
Business Start-up Programme	Training and grants for new business starts. Run in partnership with Businesslink, NEW College and other trainers.	To stimulate local economy. To assist those unemployed or facing redundancy. To create 40* new businesses per year with a 75% survival rate after 18 months. (*original target 30, raised to 40 following Recession measures)	£15,000 from BDC Further £5,000 anticipated from WCC
Business Booster Programme	Match-funded grant (max £1,000) to assist a few young, growing businesses. Typically used for IT hardware or software, to refurbish premises or for training.	To help local businesses grow faster set against specific criteria. To assist 3 such businesses per year	£5,500
Rural Diversification grant	Initiated during Foot & Mouth epidemic	To assist farms (principally) to diversify and become less dependent on agriculture. To assist 3 or 4 such businesses	£3,500
Young Enterprise	Competition within schools to introduce students to the concept of running a business	To increase students awareness of commerce and foster a positive attitude towards the free market economy	£2,000 sponsorship plus officer commitment to serve on Strategic Board
Town Centre retailers' meetings	Quarterly meetings with shopkeepers.	To maintain good relations To seek ways to promote trade in the town centre.	Officer time

PROGRAMME	DESCRIPTION	OBJECTIVE	BUDGET
Bromsgrove High street Market	General market 3 days per week in town centre. 15 – 20 stalls	Town centre regeneration. To create more footfall in the town centre. To create revenue for BDC (forecast at £80,000 pa.)	£45,000 based on 'official' income forecast of £60,000 (actual income 09/10 was £78,500)
Bromsgrove Farmers' Market	Monthly on second Saturday. This has been running since October 2000 and is well established and popular high street event.	Town centre regeneration Assist rural economy	Income generating Est £3,500
High street commercial Promotions	Businesses pay a £50 per day charge to carry out promotions in the high street eg Suzuki, npower, The Legal Consultancy	Commercial promotion. Generates some income for the council	Income generating. Est £1,000 Some officer time.
North Worcestershire Economic Partnership	Joint working on BSUP with Redditch. Shared Services subject to feasibility study	Improve efficiency. Reduce costs.	TBA
Bromsgrove Business Exhibition	Business day to be held in Bromsgrove in October 2010. Jointly organised by Bromsgrove Economic Development, Chamber of Commerce and NEW College	To provide advice and networking facilities to local businesses (Broms & Redd) Topics such as IT, Tax, Finance Planning, Banking etc	Approx £2,500 from Bromsgrove ED. Balance of funding from other sponsors

