

## LOCAL ENTERPRISE PARTNERSHIPS

### COMPARISON OF BIRMINGHAM & SOLIHULL AND COVENTRY & WARWICKSHIRE

#### Industrial Structure

The industrial structures of neither Birmingham & Solihull nor Coventry & Warwickshire reflect Redditch's industrial structure. However, East Staffordshire (which is part of the Birmingham & Solihull LEP) does have a significant manufacturing base with 20.9% of employment in the district being in manufacturing.

The area with the highest percentage of employment in the public sector is Birmingham, where 32% of jobs are in the public administration, education & health sector. Coventry also has high levels (29%). This is significant as one of the main objectives of the Regional Growth Fund (which will be an important source of funding for LEPs) is to support in particular those areas that are currently dependant on the public sector.

#### Employee Jobs by Industry

Sector	Redditch	B'ham & Solihull	Cov &W'shire
Manufacturing	25.1%	11.1%	12.3%
Construction	3.3%	4.5%	4.5%
Distribution, hotels & restaurants	25.4%	22.3%	23.6%
Transport & Communications	4.7%	5.7%	7.3%
Finance, IT & Other Business Activities	14.9%	22.7%	21.7%
Public Admin, Education & Health	22.5%	28.5%	24.2%
Other	3.8%	4.3%	4.7%

#### Educational Attainment

All districts in each of the LEPs have higher educational attainment rates than Redditch except North Warwickshire, although Tamworth was less than 1 percentage point higher than Redditch.

Percentage of young people attaining 5 A\* - C (including Maths & English) in 2008

Redditch	39%
Birmingham	47.7%
Solihull	54.4%
Tamworth	39.8%
Lichfield	57%
East Staffordshire	51%

Nuneaton & Bedworth	42%
Rugby	56.4%
Coventry	47.8%
Stratford upon Avon	61.6%
Warwick	53.8%
North Warwickshire	38.1%

## **BUSINESS AFFINITY WITH LOCATIONS**

### **Business Membership of Chambers of Commerce**

106 businesses in Redditch are members of a Chamber of Commerce. The breakdown of which Chamber they are members of is below:

Herefordshire & Worcestershire	63
Birmingham & Solihull	44
Coventry & Warwickshire	1
Black Country	1

(NB some businesses are in more than one Chamber)

### **Business' Ranked Preference for Each LEP**

	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>3<sup>rd</sup></b>
Worcestershire	11	6	5
Birmingham & Solihull	9	6	7
Coventry & Warwickshire	3	9	10

### **Travel to Work Patterns**

13.8% of Redditch's residents work in locations in the Birmingham & Solihull LEP. 9.4% of residents work in locations in the Coventry & Warwickshire LEP.

## **PROPOSED LEP ACTIVITIES**

The proposal for a Birmingham & Solihull LEP identifies broadly the same priorities as the Coventry & Warwickshire LEP proposal, ie Access to Finance; Support for business creation and growth; Inward Investment; Sector leadership; skills development; and exploitation of the areas' knowledge assets. The Birmingham & Solihull proposal also includes details of how these will be achieved, proposing the rolling out of existing programmes across the whole of the LEP area.

Proposals on how both of the LEP's activities will be financed are very similar. Both proposals request the transfer of AWM owned assets in the area to the

LEP; retention of some business rates revenue; regional growth fund; and EU structural funds.

The Birmingham & Solihull proposal makes a commitment that over time all parts of the LEP will “receive its share of the benefits of our collective success”; a commitment which is not in the Coventry & Warwickshire proposal.

## **PLANNING CONSIDERATIONS**

The Coventry & Warwickshire proposal is too light on details to be able to assess the planning implications.

The Birmingham & Solihull proposal has much more detail. The proposal includes a “Quick Win” to establish a planning strategy in year 1. This timescale meets our needs. There is also an emphasis on the need to develop access to super fast broadband – an infrastructure type that needs to be developed in the Borough. Birmingham is important in the Borough’s travel to work area and functional and infrastructure links are needed up towards the M42. Working with the Birmingham & Solihull LEP will be essential for infrastructure planning. The size of the partnership suggests that it will have a “Powerful Voice” and will be in a good position to bid for funds from the Regional Growth Fund. However, the proposal suggests that priority has already been given to projects and infrastructure in Birmingham.

The proposal indicates that the partnership is looking to progress innovative planning ideas such as a relaxed area wide development policy. Membership of the Birmingham & Solihull partnership would allow us to access this expertise and resource. We have strong educational links with Birmingham and much of AWM’s activities around the skills agenda have been led by the city. This is likely to continue beyond AWM’s demise.

Planning and infrastructure could be undermined if Redditch Borough Council and Bromsgrove District Council are working to different planning strategies at LEP level. It may therefore be advantageous to Redditch to make the same decision as Bromsgrove and join the Birmingham & Solihull LEP.

### **The Worcestershire Bid**

The proposal for a Worcestershire LEP was not agreed by BIS in October. The reasons given were that the proposal did not have sufficient private sector backing and that there was insufficient evidence that Worcestershire represented a natural economic geography. Despite this, businesses have joined together, under the auspices of the Chamber of Commerce, Federation of Small Businesses and Institute of Directors to form a business board. This board is driving through a resubmission to BIS.

A representative of BIS is meeting with the business board today (2 December 2010) to review an addendum to the original submission which

contains further supporting evidence. The substance of the proposal, in terms of what the LEP will do, has not changed.

BIS have indicated that they would like to see the revised submission and provide a response (ie yes or no) by the Christmas recess.

### **Conclusion**

In terms of economic profile there is little similarity between Redditch and Birmingham & Solihull or Coventry & Warwickshire. Businesses and residents seem to have stronger links with Birmingham & Solihull than Coventry & Warwickshire. The proposals for what each LEP will do are very similar although the Birmingham & Solihull proposal includes much more detail including how they will achieve their ambitions. Birmingham & Solihull LEP does make a commitment to share the benefits across all areas of the partnership, thus going some way to address the main concern regarding joining a Birmingham & Solihull LEP, ie the danger of being overlooked.

On balance, I would suggest that the best option is to join Birmingham & Solihull LEP and to consider joining the Worcestershire LEP should it be agreed.

### **Recommendation**

The Committee is asked to recommend that the Full Council approve that Redditch Borough forms part of both the Worcestershire LEP (if successful) and Birmingham and Solihull LEP in order to ensure that the business and economic interests of the businesses and residents within Redditch Borough can be properly and adequately represented.