



An Economic Development Strategy for Solihull 2008-2011



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1. Introduction

1.1 Solihull's Economy

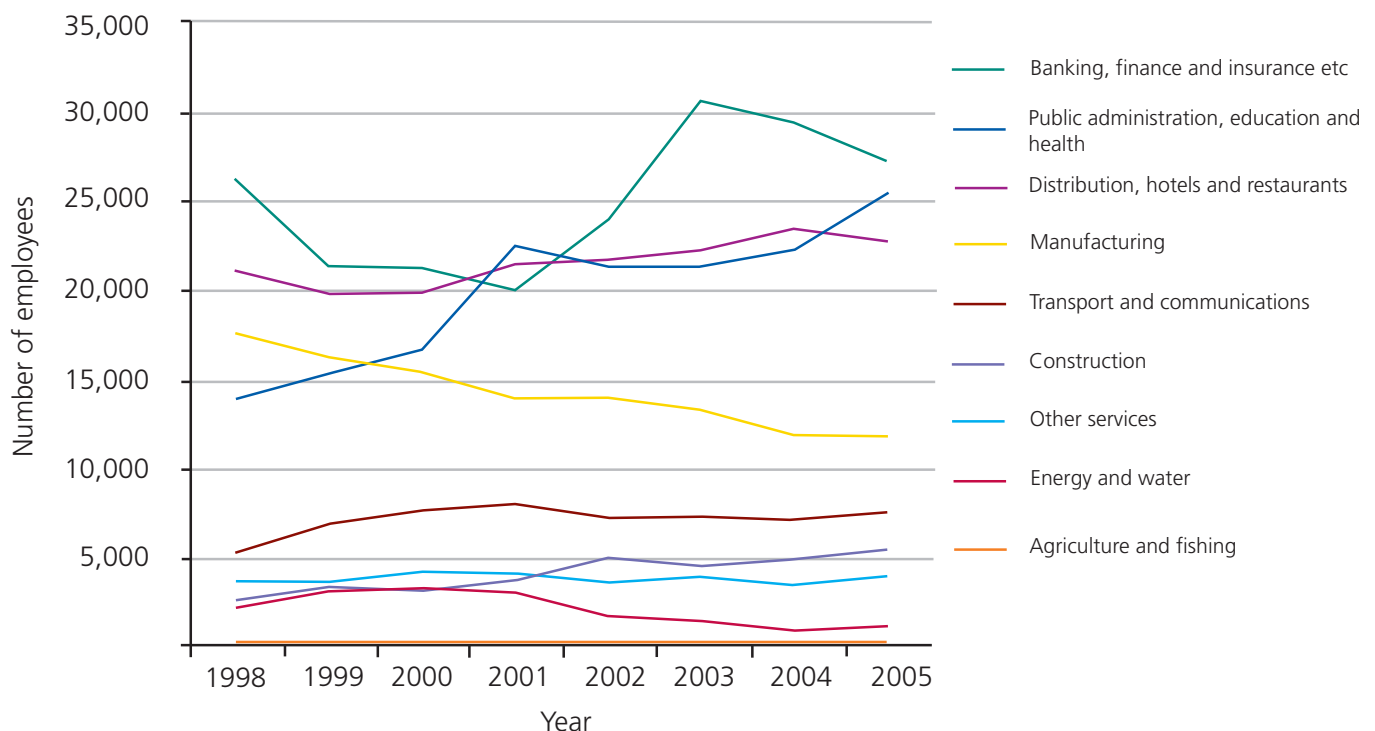
Solihull has experienced the strongest economic growth of any local authority area in the UK over the last decade – over a third higher than UK average growth¹.

This growth is reflected in a strong representation of high value-added sectors including business and professional services (see Figure One), information and communications technology and high technology manufacturing sectors.

Solihull has been particularly successful in attracting investment in:

- Business and professional services (28% growth in businesses and employment since 2000, representing the highest percentage of total local employment in the West Midlands²);
- Computer and related services (89% employment growth compared to 32% nationally);
- Construction (70% employment growth since 2000);
- Public administration, education and health (52% employment growth since 2000);
- Wholesale, retail, hotels and restaurants (14% employment growth since 2000); and
- Transport and communications (44% employment growth between 1998 and 2000).

Figure One Number of Solihull Employees by Industrial Category



¹ Gross Value Added (GVA) per Head +117% compared to a UK average of +70% (1995-2005), ONS

² Over 40% of all businesses and 26% of total employment, ABI 2005

Solihull also has particular strengths in business tourism as the location for the National Exhibition Centre (NEC) and Birmingham International Airport.

The further expansion of Birmingham International Airport and the NEC, increased production at Land Rover, the enlargement of Birmingham Business Park, the successful launch of Blythe Valley Park, the completion of the Touchwood retail and leisure complex in Solihull town centre, success in the office market and of a myriad of small businesses all serve to exemplify Solihull's growing economic importance within the West Midlands.

In fact, Solihull has the most productive local economy in the region – at the heart of the region's main economic growth pole which encompasses Birmingham, Solihull, Coventry and Warwickshire.

1.2 Key Assets

Key to Solihull's success is its strong investment offer - including:

- high quality employment sites and business premises - both in Solihull Town Centre and in out-of-centre locations - with strong national and international transport connectivity - including Birmingham and Blythe Valley Business Parks;
- access to a highly qualified workforce – both locally resident and in a wide travel-to-work area facilitated by good road and rail transport links; and
- attractive 'quality of life assets' including a quality environment, high quality housing, good schools and college, and attractive retail, leisure and other facilities.

Solihull's strategic assets have played a key role in the Borough's economic growth and the regional economy:

- Birmingham International Airport is the country's second largest regional airport with over £9m passengers a year, supporting about 6,500 jobs on site and an estimated 10,500 jobs across the region³;
- The NEC is currently estimated to bring approximately £674m visitor and business spend into the region and support around 22,000 jobs⁴;
- Land Rover's Solihull site directly employs nearly 8,000 people (7.5% of all jobs) and supports an estimated 19,330 jobs across the region;
- The number of jobs on Birmingham Business and Blythe Valley Business Parks is estimated at over 7,000 and nearly 2,000 respectively; and
- Solihull Town Centre supports over 18,000 jobs.



NEC: main entrance



Birmingham International Airport

³ Full Time Equivalent;
Birmingham International Airport (2007)

⁴ ECOTEC 2007

1.3 Future Prospects

Solihull's assets offer a strong basis for continued success in attracting growth sector investment, particularly in service sectors, including business and professional services - which are forecast to experience continued growth at the regional level.

Forecast continued growth in passenger numbers at Birmingham International Airport, to 27.2 million passengers per annum by 2030, and the Airport Company's proposals for airport expansion would increase the Airport's employment and regional economic contribution by a large amount.

However, a forecast continued decline in manufacturing, particularly automotive manufacturing, represents a potential threat to manufacturing employment in Solihull, which currently accounts for 11% of total local employment.

1.4 Key Challenges

There are key challenges which need to be responded to if Solihull is to achieve sustainable economic development in future – in particular:

- Increasing competitiveness in the global economy – both for manufacturing and service sector investment – including growth in India and China;
- The unequal spread of economic opportunity in Solihull – in particular the major wealth differential between the affluent south and the north of the Borough where many neighbourhoods are within the 10% most deprived nationally⁵ and over a quarter of the working age population claims a workless benefit⁶;
- The need to respond to the threat of climate change and ensure that future development in Solihull is within environmental limits – ensuring that carbon emissions are reduced; and
- Increasing pressure for new housing development to accommodate growing household numbers, particularly within the region's Major Urban Areas (which include Solihull).

⁵ Index of Multiple Deprivation, 2004

⁶ DWP Working Age Data November 2006



Touchwood shopping centre



Chelmsley Wood Town Centre

2. Strategy purpose and delivery

2.1 Strategy Purpose

The Economic Development Strategy provides a framework for partners from all sectors – public, private, voluntary and community - to respond to the economic challenges facing Solihull.

The Strategy will contribute to the delivery of the vision of the 'Sustainable Community Strategy' for Solihull 2008-2018 'One Borough: An equal chance for all':

"Solihull in 2018: where everyone has an equal chance to be healthier, happier, safer and more prosperous."

In particular, the Strategy provides a framework for:

- ensuring the competitiveness of Solihull and its businesses in the global economy;
- widening economic opportunity to all of Solihull's residents; and
- ensuring sustainable forms of economic activity (production and consumption) which reduce carbon emissions.

2.2 Delivering the Strategy

The Strategy has been developed by and is owned by Solihull's Local Strategic Partnership ('the Solihull Partnership'), and particularly the Partnership's 'Prosperous Communities Strategic Group' which includes:

- Solihull Metropolitan Borough Council;
- The North Solihull Partnership Limited;
- Advantage West Midlands;
- Private sector representatives, including Birmingham & Solihull Chamber of Commerce;
- The Learning and Skills Council;
- Solihull College;
- Jobcentre Plus;
- Key housing partners; and
- Solihull's voluntary and community sector consortium (SUSTAiN).

The Strategy aligns with other local, sub-regional and regional strategies which will be key to its delivery - particularly:

- **Solihull's Local Development Framework (LDF)** which will provide the spatial strategy for delivering the Sustainable Community Strategy (SCS) – including its economic objectives;
- **Solihull's Housing Strategy** which sets out a vision for how the housing sector can contribute to sustainable communities in Solihull;
- The **West Midlands Local Transport Plan (LTP)**;
- The **North Solihull Strategic Framework** for the comprehensive regeneration of the 'North Solihull' wards of Chelmsley Wood, Kingshurst & Fordbridge and Smith's Wood;

- The **West Midlands Economic Strategy** ‘*Connecting to Success*’ – and three of its key delivery vehicles: the West Midlands Cluster programme, the Coventry, Solihull Warwickshire High Technology Corridor and the East Birmingham, North Solihull Regeneration Zone;
- The **Regional Spatial Strategy (RSS)** which provides the spatial policy framework for delivering sustainable development in the West Midlands according to two central principles of ‘Urban Renaissance’ and ‘Rural Renaissance’;
- The **Birmingham, Coventry and Black Country City Region** ‘Framework for Action’, which seeks to achieve greater prosperity, business success and population growth including a ‘City Strategy’ for employment and skills; and
- The **Birmingham/Solihull ‘Eastern Corridor’** for Housing Market Restructuring which sets out the scope for housing growth across the area which is designated as a ‘New Growth Point’ bringing enhanced Government funding for housing market restructuring, including support for Regenerating North Solihull, where future housing growth in Solihull will be concentrated.

The Strategy is accompanied by an Action Plan including key actions agreed by partners (Annex One). This will be reviewed on an annual basis.

A performance management framework for measuring progress against the Strategy objectives – including key economic ‘health-check’ indicators – will be implemented by ‘the Solihull Partnership’.

2.3 Sustainable Development

Sustainable development encompasses both social equity and environmental objectives and the Economic Development Strategy will seek to promote sustainable forms of economic activity.

Social equity will be pursued in particular by seeking to widen access to economic activity in order to close the gap of economic inequality facing Solihull’s residents – particularly those living in the ‘North Solihull’ wards of Chelmsley Wood, Kingshurst & Fordbridge and Smith’s Wood.

A key mechanism for this will be the North Solihull Regeneration programme which pursues a vision of: *..“a Solihull where there is no gap of inequality and where everyone has equality of access to education, health, employment, housing and other services.” (Solihull MBC)*

Environmental objectives will focus on promoting environmentally sustainable forms of economic activity – both production and consumption - which reduce carbon emissions.

Key mechanisms for achieving sustainable development in Solihull include:

- Solihull’s Sustainability and Climate Change Action Plans;
- Solihull’s Local Development Framework which will align with the Regional Spatial Strategy; and
- The ‘Primary Design Code’ for the ‘North Solihull’ Regeneration programme.

3. The Strategy

3.1 The Vision

“Solihull’s economy continues to grow and prosper – being globally-competitive, entrepreneurial, innovative and highly-skilled; significantly reducing the gap of inequality facing some residents; and increasingly based on environmentally-sustainable forms of economic activity (both production and consumption)”.

3.2 Headline Priorities

Six headline priorities can be identified which are key to the sustainable economic development of Solihull and ensuring sustainable communities in Solihull:

- 1 To close the gap of inequality facing some of Solihull’s residents – particularly residents of the ‘North Solihull’ wards of Chelmsley Wood, Kingshurst and Fordbridge and Smith’s Wood;
- 2 To ensure Solihull’s continued competitiveness as an investment location – including by safeguarding key assets including high quality employment sites and business premises, a highly qualified workforce and quality of life assets;
- 3 To ensure the continued success of Solihull’s strategic economic assets: Birmingham International Airport, the NEC, Land Rover, Birmingham and Blythe Valley Business Parks and Solihull Town Centre;
- 4 To develop local enterprise and ensure the competitiveness of Solihull businesses in a global market place;
- 5 To ensure a skilled, qualified and entrepreneurial workforce; and
- 6 To promote environmentally sustainable forms of economic activity (production and consumption) which reduce carbon emissions.

3.3 Strategic Objectives

The headline priorities have informed the identification of a number of strategic objectives. These are grouped into three components: Business, People and Place – which have a key contribution to make to Solihull’s sustainable development:

- ‘Business’ - which is at the heart of Solihull’s economy – particularly as regards delivering goods and services, generating employment and bringing investment into Solihull. The role of public, private, voluntary and community sector organizations also need to be considered;
- ‘People’ - as consumers (resident and visiting), entrepreneurs, employees and ‘citizens’;
- ‘Place’ – in terms of how Solihull responds as a Borough to economic opportunities and challenges – providing infrastructure, housing, environment and facilities to businesses, residents and visitors.

3.3.1 'Business' Objectives

Key 'Business' challenges are:

- A limited number of businesses in 'North Solihull' (11.1 businesses per 1000 adult population compared to 44 in the rest of the Borough⁷) which contributes to a weak local economy including a limited number of local employment opportunities in what is an area of very high worklessness;
- Low levels of business innovation across the West Midlands⁸;
- Employer recruitment barriers (47% of vacancies compared to a regional average of 36%) (although skills shortages as a cause of recruitment difficulties are the lowest in the region)⁹;
- Increased demand for higher level skills in the region (with a forecast shortfall in the sub-region by 2015 and net export of 1000 graduates per annum¹⁰); and
- The need to encourage more sustainable 'business' practices amongst existing and new businesses.

Strategy objectives as regards 'Business' are:

- 1 To close the enterprise gap between 'North Solihull' and the rest of the Borough;
- 2 To increase business start-up rates locally – particularly in 'North Solihull' – and achieve high survival rates for new starts;
- 3 To increase the proportion of local businesses experiencing growth;
- 4 To decrease the percentage of local employer vacancies due to recruitment barriers;
- 5 To increase the number of local 'businesses' engaging in workforce development – including as regards management and leadership;
- 6 To increase the number of local 'businesses' engaging in Corporate Social Responsibility – including increasing the rate of take-up of environmental support measures; and
- 7 To support the continued development of Birmingham International Airport¹¹ and the NEC - subject to environmental safeguards and ensuring maximum regeneration benefits for 'North Solihull'.

⁷ Annual Business Inquiry (2005) and ONS Mid-Year Population Estimates (2002)

⁸ West Midlands Economic Strategy Review

⁹ National Employer Skill Survey, 2005

¹⁰ Birmingham Solihull Economic Review 2005/06

¹¹ According to Solihull MBC's agreed position on expansion (Balanced Package)

Target business sectors:

The strategy will seek to build on Solihull's existing strengths in:

- Business and professional services
- Information and communications technologies
- Construction
- Retail, hotels and catering
- Business tourism
- Transport and communications

The strategy will also target industries – or clusters - which currently have limited representation in Solihull but which offer opportunities for development including:

- Building technologies - including the provision of manufactured built environments – with opportunities to build on Solihull's existing strengths in construction and manufacturing;
- Medical technologies - an embryonic regional cluster primarily focused around the design and manufacture of medical devices and products;
- Creative industries – encompassing a wide range of activities including the use of tools and functions of interactive media to bring new digital content products and services to market – with opportunities to build on Solihull's existing strengths in ICT; and
- Environmental technologies – the environmental sector in the West Midlands has the potential to grow by 5% per annum (6% nationally)¹².



Trade fair at the NEC

3.3.2 'People' Objectives

Key 'people' challenges are:

- The inequality that affects residents of 'North Solihull' (Chelmsley Wood, Kingshurst & Fordbridge and Smith's Wood wards) – as indicated by:
 - Average life expectancy being seven years lower than the average for the rest of Solihull;
 - High levels of 'worklessness' - with over a quarter of the working age population claiming a workless benefit of whom more than half claim Incapacity Benefit¹³;
 - Low qualification levels with nearly 46% of the working age population lacking any formal qualification at the time of the last Census (2001);
 - An over-representation of residents living in social rented housing; and
 - Financial exclusion.
- Other pockets of deprivation that exist in Solihull – mainly along the Birmingham border in Lyndon, Olton, Elmdon and Shirley wards¹⁴;
- Non-participation in education, employment and training amongst young people (NEETs) – 8.5% of 16-18 year olds in Solihull compared to a West Midlands average of 8.9% and an England average of 7.5%¹⁵;
- The critical importance of higher level skills and qualifications in the global economy; and
- To encourage more sustainable forms of consumption and lifestyles.

Strategy objectives as regards 'people' are:

- 1 To close the gap in worklessness rates between 'North Solihull' and the rest of Solihull and amongst priority groups;
- 2 To close the qualifications gap between 'North Solihull' and the rest of Solihull (including 'Skills for Life' (literacy and numeracy) and NVQ Levels 2 and 3);
- 3 To ensure that young people (16-18 year olds) are participating in education, employment or training;
- 4 To promote the economic inclusion of disadvantaged residents in north Solihull and elsewhere in the Borough;
- 5 To increase the proportion of Solihull residents achieving NVQ3+ and 4+ qualifications – including leadership, management and entrepreneurship qualifications and retention of graduates;
- 6 To increase levels of sustainable travel – including public transport usage.

¹² GHK (2004) The Environmental Economy of East Birmingham and North Solihull Regeneration Zone

¹³ DWP Working Age Data, November 2006 (Jobseekers Allowance, Income Support or Incapacity Benefit)

Priority groups targeted by Solihull's Access to Employment Group (AEG) are:

- Incapacity Benefit claimants;
- Ex-offenders; and
- Lone parents

Other priority groups identified by the AEG are:

- Young people
- Income Support claimants for reasons of incapacity

Other priority groups identified as being particularly affected by worklessness and low skills in the City Region (including Solihull) are:

- BME communities
- Economic migrants and refugees
- Older people (50+)
- Young unemployed people; and
- Offenders



Solihull Central Library



Kingshurst Primary School

¹⁴ Index of Multiple Deprivation (IMD) 2004

¹⁵ Connexions, November 2006

3.3.3 'Place' Objectives

Key 'place challenges' are:

- The concentration of disadvantage that exists in 'North Solihull' (Chelmsley Wood, Kingshurst and Fordbridge and Smith's Wood wards) – with very high levels of worklessness and concentrations of multiple deprivation;
- To ensure that Solihull's key investment sites - particularly Birmingham and Blythe Valley Business Parks – can continue to make a key contribution to the economic success of Solihull and the wider economy in a sustainable way;
- To explore the capacity of Solihull Town Centre to accommodate additional economic development (particularly office development);
- Constraints on Solihull's employment land supply – particularly in 'North Solihull' and for a range of business uses (including 'general business');
- To realize the economic potential of Shirley and Chelmsley Wood Town Centres;
- Rising congestion on transport networks – particularly road;
- Housing affordability issues - particularly in the south of urban Solihull and rural Solihull - and a lack of housing quality and choice in the 'North Solihull' regeneration area; and
- To safeguard those 'quality of life assets' which are key to Solihull's economic success and well-being – including Solihull's environmental quality and recreational and leisure facilities.



Birmingham Business Park

Strategy objectives as regards 'place' are:

- 1 To deliver the comprehensive regeneration of 'North Solihull' – thereby closing the gap of equality facing the area's residents and achieving housing growth objectives;
- 2 To maintain/increase annual investment levels into Solihull – to achieve high occupancy levels on Solihull's business parks and increase investment levels into 'North Solihull';
- 3 To explore the capacity of Solihull Town Centre to accommodate further growth, deliver the regeneration of Shirley Town Centre and support the redevelopment of Chelmsley Wood Town Centre;
- 4 To safeguard and address challenges to Solihull's strong transport connectivity (international, national and local) – particularly as regards Solihull's strategic centres and other key employment sites;
- 5 To increase sustainable transport access particularly between housing and employment areas, including 'North Solihull', thereby increasing a modal shift away from car travel;
- 6 To safeguard Solihull's employment land and premises in accordance with UDP Policy E9 and support measures which create economic development opportunities in appropriate locations – including in 'North Solihull'
- 7 To ensure balanced local housing markets which offer an increased supply of housing including affordable housing – particularly in the south of urban Solihull and rural Solihull - and increased quality and choice in the 'North Solihull' housing market;
- 8 To conserve and enhance Solihull's environmental and residential quality - including improving 'liveability' standards in 'North Solihull'; and
- 9 To develop Solihull's leisure and cultural offer – including addressing gaps in 'North Solihull'.

3.3.4 'A Powerful Voice' for Solihull

Delivery of economic development priorities for Solihull will also depend on representing the Solihull's interests at the international, national, regional and sub-regional level. This will need to include marketing activity to promote Solihull as an investment location (the *Solihull for Success* campaign) as well as representing Solihull on key fora.

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