

Rural Audit – Business & Employment in Solihull MBC

Introduction

This Rural Audit examines the structure of the rural economy within Solihull Metropolitan Borough Council. Until now, information and data has not been collated to give a clear picture of the rural economy within the borough. This audit brings together information from a variety of sources including the Annual Business Inquiry (ABI) and the Census of Agriculture, which have been used to provide data on workplaces and employment for each industrial sector.

The audit also gives a feel for the diversity of the rural economy within Solihull, beyond the traditional agriculture based industry.

The information is presented at ward level for those wards that have been designated as 'Rural'. For the purposes of this report wards which fall into the category are **Blythe, Dorridge, Knowle, Meriden, Hockley Heath and Bickenhill**. However, data is only available from the ABI and Census of Agriculture for the old ward boundaries prior to June 2004. As such, data is presented for the old ward boundaries of Bickenhill, Knowle, Meriden and Packwood. Data provides a breakdown of employment and workplaces by sector in the rural areas.

Key Findings

- There are approximately 2,900 workplaces within rural Solihull,
- These workplaces support a workforce of an estimated 24,000 employees,
- The largest sector in terms of workplace numbers in rural Solihull is Real estate, renting and other business activities accounting for over 50% of all workplaces,
- This sector also accounts for the highest number of employees at just over 25% of the total workforce,
- Traditional farming employs relatively small number on 233 holdings,
- Cattle and Sheep farming account for around 25% of all farms.

Methodology

For the purpose of this Rural Audit the following wards have been deemed as Rural: **Bylthe, Dorridge, Hockley Heath, Meriden, Knowle and Bickenhill**.

The rural ward classification used in this report has been based on the following assumptions:

- For Planning Purposes Planning purposes, Planning Policy Guidance 11 (2004) splits Solihull Borough between Major Urban (North of A45 and built up area which corresponds to Solihull Constituency) and Rural (all Blythe, Dorridge & Hockley Heath, Meriden, Knowle and most of Bickenhill).
- The Office for National Statistics does not designate Wards as Rural or Urban. They do however, define urban areas and those which do not fall into this classification could therefore be deemed to be Rural.

Data for this Audit has primarily been sourced from the June Census of Agriculture (DEFRA) and the Annual Business Enquiry (ABI) 2002. The ABI is a 'workplace' based survey and the data refers to employment in Solihull workplaces, irrespective of where the employees are residents. The ABI provides a picture of the numbers of employees and workplaces, by sector, in each of the rural wards.

In contrast, the annual June Agricultural Census provides data on farm-based agricultural employment which is omitted from the ABI to provide a complete picture of the Rural Economy.

The definition of Rural as defined by Planning Policy Guidance 11, has therefore been adopted. PPG refers to the new ward boundaries. However, the ABI data reports on ward boundaries in existence prior to June 2004. Data provided in this report is therefore restricted to the 'old' ward boundaries and is comprised of the wards of Bickenhill, Knowle, Meriden and Packwood that cover approximately the same geographical areas as the PPG definitions. The June Census of Agriculture reports at a borough-wide level only.

Bickenhill, although largely rural in nature, does include the urban area around the NEC and Airport. These concentrations of businesses may skew the results for the ward giving a false impression of the rural economy in this ward, and this should therefore be viewed with caution.

Data on the number of workplaces within the rural area of the borough has been aggregated from annual estimates of workplaces contained in the ABI, Economic Development's database of businesses and external sources such as yell.com.

Policy Context

In recent months there have been a number of announcements which will effect the way in which rural services are delivered. The key current rural policy is outlined below:

- **Government Rural Strategy 2004**

The Government's Rural Strategy 2004 was published on 21st July this year and contains three main objectives: Economic & Social Regeneration, Social Justice for all and enhancing the value of our countryside. The devolution of decision-making and delivery to regional and local levels is one of the key aspects of the strategy. Government Office's will take a lead role in three main tasks: Development of a Rural Delivery Framework, strengthening engagement in rural delivery through the Rural Affairs Forum and supporting a sub-regional pathfinder project to explore and test new ways of targeting resources.

- **West Midlands Rural Affairs Forum - Regional Delivery Framework**

The Rural Strategy 2004 recognises that beyond national objectives there are different priorities between and within regions. The starting point will be the development of a Regional Delivery Framework led by the Government Office for the West Midlands. The framework is being developed through a series of conferences, facilitated by the West Midlands Rural Affairs Forum, giving key regional stakeholders to opportunity to shape development in their region. A conference was held on 22nd October 2004 which will be local stakeholders first opportunity to influence the regions framework.

- **Rural Renaissance Statement – Advantage West Midlands**

Rural Renaissance sets out AWM's integrated approach to Rural Development, and clearly sets out the agencies role and strategy for implementing the West

Midlands Economic Strategy in the rural West Midlands. It aims to achieve sustainable development in the rural West Midlands, by improving access to opportunity and the number and quality of jobs available within sustainable rural communities. Actions are based around the 4 pillars of the Regional Economic Strategy.

- **CSW Action Plan**

Back in June 2003 the CSW Rural Forum produced a Framework for Rural Action for the Sub-Region to aid the diversification and modernisation of the Rural Economy. The framework provided an overarching view of key issues and challenges facing the rural economy and identified a way forward for Rural Forum partners to respond to these challenges. The action plan clearly sets out the roles and responsibilities of each partner to help these aims become a reality.

Rural Workforce Data

Due to the close proximity of the rural areas of Solihull to the Metropolitan area, the rural economy displays a great deal of diversity.

The June Agricultural Census data provides the most accurate information on the traditional farm-based workplaces. The Census takes place annually, to give a year-on-year picture of the traditional rural based economy within the borough. Information collated includes data on tenure and number of holdings, size and type of farms, and an indication of the potential level of employment within these holdings.

Table 1: Number of Holdings

| Region | Category | Number of Holdings | Total Hectares |
|---------------|-----------------|---------------------------|-----------------------|
| England Total | Owned | 144,269 | 6,147,994 |
| England Total | Rented | 51,315 | 3,189,269 |
| West Midlands | Owned | 18,873 | 675,532 |
| West Midlands | Rented | 6,034 | 296,629 |
| Solihull | Owned | ## | ## |
| Solihull | Rented | 75 | 3,679 |

Source: June Agricultural Census 2003 ## Suppression of Data: to prevent disclosure of information about individual holdings.

According to the June Agricultural Census data Solihull has a very small number of holdings which are owned outright. The exact number has been suppressed to prevent the disclosure of information about individual holdings. However, around 3000 hectares within the borough are rented from the landowner. In total, rural holdings account for just over 7,000 hectares.

Compared with the number of holdings across the West Midlands where there are around 25,000 holdings (rented or owned) this is a very low number.

Table 2: Size of Farms

| Region | Size of Holding (Hectares) | Number of Holdings |
|---------------|-----------------------------------|---------------------------|
| Solihull | 100 or greater | 18 |
| Solihull | 50 to 100 | 23 |

| | | |
|----------|---------------------------------------|---------|
| Solihull | 20 to 50 | 42 |
| Solihull | 5 to 20 | 63 |
| Solihull | Less than 5 | 124 |
| Solihull | Total Area of 233 holdings (Hectares) | 7,457.3 |

Source: June Agricultural Census 2003

Figures regarding the size of holdings indicate that the number and spread of Solihull holdings are in keeping with West Midlands and national trends. The majority of farms (124 holdings) comprise of less than 5 hectares, around 8% of the total land area. Larger holdings in excess of 100 hectares account for around 25% of land area.

Table 3: Farm Types

| Region | Farm Type | Number of Holdings |
|----------|--------------------------|--------------------|
| Solihull | Other | 121 |
| Solihull | Pig & Poultry | 13 |
| Solihull | Horticulture | 14 |
| Solihull | Cattle & Sheep (Lowland) | 64 |
| Solihull | General Cropping | 3 |
| Solihull | Mixed | 16 |
| Solihull | Cereals | 26 |
| Solihull | Dairy | 13 |

Source: June Agricultural Census 2003

Of these 233 holdings there is a great diversity of agricultural activity taking place. The vast majority of farms in the Solihull area keep cattle and sheep with only a very small number specialising in pigs & poultry. A number of holdings may well be involved in more than one specialism. The greatest numbers of holdings are involved in 'other farming activities' for which no detail on activity is provided.

Database of Rural Businesses

Economic Development is in the early stages of developing a comprehensive database detailing all businesses within the Borough. This process began earlier in the year and focused in the first instance on the Business parks within the borough. However, the database specifically identifies a number of rural businesses and gives a flavour of the diversity contained within the rural economy.

Fifty-one rural businesses are identified on the database, which give an indication of the level of diversity apparent in Solihull's rural wards. Many farms and smallholdings have adapted their working practices. Table 4 gives a flavour of the diversification that exists:

Table 4: Business Activity in Rural Solihull

| Business Activity |
|-------------------|
| Bed & Breakfast |
| Boarding Kennels |
| Cattery |
| Dairy Farmers |
| Farms (General) |
| Garden Centres |

| |
|-----------------------|
| Guest Houses |
| Hotels |
| Riding Schools |
| Garden Design Company |
| Fishery |
| Meat Wholesalers |
| Craft Centre |
| Horse Food Supplies |
| Web Design |
| IT Recruitment |

Source: Economic Development Business Database (2004)

In addition, **yell.com** has identified a further 63 farm-based businesses within the rural wards of Solihull which do not appear on the Economic Development Database. These include a number of farms with particular specialisms including dairy and poultry farmers, as well as a number of farm shops. It is the intention of this Audit to continue to bring together a variety of sources to build an accurate database of businesses within the Rural Areas of Solihull.

The ABI Workplace Analysis gives a more accurate picture of the number of workplaces within the rural wards. This data is based on the old ward boundaries and provides information on the number of workplaces across all sectors. It does not replicate data on traditional farming business as detailed in the June Agricultural Census.

Table 5: Rural Workplaces by SIC Section

| Workplace by SIC Section | Number | Percentage % |
|--|---------------|---------------------|
| Agriculture, hunting and forestry | 10 | 0.39 |
| Mining and Quarrying | # 1 | # |
| Manufacturing | 132 | 5.2 |
| Electricity, gas and water | # 3 | # |
| Construction | 216 | 8.5 |
| Wholesale / retail trade, repair etc | 456 | 18 |
| Hotels and Restaurants | 131 | 5.2 |
| Transport, Storage and Communication | 166 | 6.6 |
| Financial Intermediation | 52 | 2 |
| Real Estate, renting, Business Activities | 1003 | 39.7 |
| Public Admin / Defence; Social Security | #7 | # |
| Education | 55 | 2.2 |
| Health and Social Work | 77 | 3 |
| Other Community, Social / personal service | 217 | 8.9 |
| Total Rural Workplaces | 2526 | 100 |

Source: ABI Workplace Analysis, 2002. These figures exclude farm holdings as reported by the Census of Agriculture. # Suppressed Data.

Real estate, renting and other business activities along with Wholesale /Retail trade and repair account for over half of all workplaces (57.7%) within rural Solihull. Construction workplaces also make up around 10% of rural workplaces. This is not dissimilar to the sectoral breakdown found in the urban areas of the borough.

The top five industrial sectors in terms of workplace numbers include Real estate, renting and other business activities, Wholesale / retail trade and repairs, Manufacturing, Construction and Transport, Storage & Communication.

In terms of size of workplaces, there are a disproportionate number of workplaces in rural areas employing less than 10 employees (87 %). In contrast, just 0.8 % of employees are employed in workplaces with over 200 employees. The majority of the larger workplaces are located within Bickenhill, which includes the NEC and Airport workplace data. This may also account for the higher number of Transport, Storage & Communication workplaces found in the rural wards.

Proximity to the urban areas of Solihull, Coventry and Birmingham means the rural areas of Solihull are to a certain degree dependent on the wider urban economy. Not only are many of the rural businesses directly supporting urban business via a supply chain, they may also be offering distinct niche markets.

However, in certain instances they may be disadvantaged by this proximity. For example, many holdings have found it difficult to compete with the higher wage rates on offer in urban areas for positions requiring a similar skill set. Tractors and ForkLift Truck drivers require almost identical skills for which an individual can earn a great deal more taking up the latter option within an urban area. More increasingly rural businesses are finding themselves priced out of the market due to their proximity to urban areas.

In some instances this proximity may be beneficial. For example, there is an additional pool of labour from which to draw and distances in terms of supply chains are reduced. There is also potential to join up activity in certain areas for mutual benefit. For example, there is scope to develop the supply of local produce to schools throughout the borough and in particular this might be beneficial to link with regeneration activity in the north of the borough. The authority's new Food Strategy written, in conjunction with the local PCT, identifies the potential for more markets in the north of the borough. An ideal solution to exploit urban / rural interdependencies would be to use local producers to source such activity.

Non –Traditional Economic Activity in the Rural Areas

Whilst the June Agricultural Census builds up a clear picture of the agricultural mix within the borough, to build up a more accurate picture it important to not look at this data in isolation. By using data from the ABI employee and workplace data it is possible to build up a more rounded view of the rural economy within the borough.

Rural Employment by SIC Section

According to the ABI employee analysis 2002 there were 23,978 employees (full time & part time) spread across some 2526 workplaces in rural Solihull.

At the highest level UK Standard Industrial Classification (SIC) breaks the economy down into 15 sections. For the rural workplaces, employment is broken down as follows:

Table 6: Rural Employment by SIC Section

| Employment SIC Section | Number of Employees | Percentage % |
|-----------------------------------|----------------------------|---------------------|
| Agriculture, hunting and forestry | 28 | 0.1 |
| Mining and quarrying | #13 | # |
| Manufacturing | 1520 | 6.3 |

| | | |
|--|---------------|------------|
| Electricity, gas and water supply | #9 | # |
| Construction | 1146 | 4.78 |
| Wholesale/retail trade and repair | 2557 | 10.7 |
| Hotels and Restaurants | 3238 | 13.5 |
| Transport, Storage & communication | 4964 | 20.7 |
| Financial Intermediation | 727 | 3 |
| Real estate, renting, business activities | 6210 | 25.9 |
| Public admin / defence | # 79 | # |
| Education | 1383 | 5.8 |
| Health & social work | 972 | 4 |
| Other Community, social / personal service | 1027 | 4.3 |
| Total Employees | 23,978 | 100 |

Source: ABI Employee Analysis, 2002. # Suppressed Data. These figures exclude employment data from the June Agricultural Census Data.

The rural employment figures above include employee numbers for Birmingham International Airport and the NEC. This might therefore enhance employee numbers above the true picture for the rural wards and should therefore be viewed as indicative rather than definitive.

The structure of rural employment does not differ too much from employment generally in the borough. Male employees make up approximately 53% of the workforce with fulltime employees making up 70 % of the workforce.

Self – Employment

Although the ABI provides a measure of employee numbers it does not give an indication of the numbers of self-employed people. The Census 2001 gives an indication of the number of people who are self-employed in rural areas. This is based on the resident's own assessment of their employment status.

Table 7: Self-Employment Levels

| Ward | Number Self-Employed | % of Borough Employment |
|------------|----------------------|-------------------------|
| Bickenhill | 831 | 7.3 |
| Knowle | 806 | 7.1 |
| Meriden | 1061 | 9.4 |
| Packwood | 1238 | 10.9 |

Source: Census 2001, ward level data.

Anecdotal evidence often suggests that self-employment is higher in rural than urban wards. The trend above, however, is actually lower than the level of self-employment borough wide that accounts for 12% of those aged 16-74 who are economically active.

The June Agricultural Census also gives a flavour of the number of employees by occupation within the borough's agricultural based workforce. Low numbers in some occupations have been suppressed to protect information on individuals. Casual labour accounts for the majority of the workforce along with full-time male employees. Information on the number if farmers themselves has been suppressed.

Table 8: Labour Composition

| Employment Category | Number of Employees | |
|-------------------------|---------------------|---------|
| | Solihull | England |
| Farmers – Full Time | ## | 100,468 |
| Farmers – Part Time | ## | 118,655 |
| Managers – Full Time | 6 | 8,877 |
| Managers – Part Time | 0 | 2,685 |
| Employees (Male – FT) | 38 | 44,635 |
| Employees (Male – PT) | 20 | 12,843 |
| Employees (Female – FT) | 8 | 8,001 |
| Employees (Female – PT) | 19 | 13,320 |
| Casual Labour | 46 | 44,933 |
| Total Labour | ## | 354,381 |

Source June Agricultural Census 2003

Investment Activity within the Rural Economy

Inward Investment activity is often considered an indication of buoyancy within the economy. Across Solihull as a whole there has been considerable inward investment activity over the last 2 years, with over 300 Companies enquiring about property within the area during 2003-2004. This has been accompanied by a number indigenous businesses expanding their operations or relocating within the borough.

For the Agriculture, Hunting and Forestry sector just 1.8% of enquiries for Quarter 1 2004 /2005 have been from this sector.

Funding Opportunities for assistance

There are a number of organisations who can currently offer support to rural businesses. These include Business Link, Defra, the Countryside agency, Royal Agricultural Society for England and many others.

Summaries of the kinds of support available to Solihull businesses are outlined below:

- **Farm Business Advice Service (FBAS)** – provides up to three days of a qualified farm business advisor's time. The service, provided through Business Link, is free of charge and can help with ideas for additional income and ways to move a rural business forward.
- **CSW Rural Forum** - Solihull MBC is a key partner of the Rural Forum for Coventry, Solihull and Warwickshire. The forum aims to raise the profile of rural issues across Coventry, Warwickshire & Solihull through a programme of events and activities.
- The **Stimulating Rural Enterprise Programme** operating across Coventry, Solihull and Warwickshire is another opportunity for local rural businesses to benefit from funding. The project is funded by Defra under the England Rural Development Programme (ERDP) and aims to increase the number, range and quality of Rural Enterprise Scheme applications received to give a real boost to our local rural economy.
- DEFRA also offer a variety of support service for traditional farming business that may wish to support current activity or diversify.

Further Research

The following additional research is recommended as an outcome of this audit:

- Further and more detailed analysis of the workforce composition below the high-level sector breakdowns.
- Build a comprehensive database of traditional and non-traditional agricultural based businesses to enable pro-active engagement with these businesses to aid the dissemination of funding opportunities and other support mechanisms such as events and seminars.
- A comprehensive survey of current rural businesses to ascertain their views on the area and to help identify business support issues.
- Potential to develop tailored Business Support Services for Solihull Rural Businesses.
- Gain a greater understanding of the 'Human' element in the Rural area i.e. identify any social exclusion issues.

