

Institution: University of Birmingham
Unit of Assessment: UoA 17 – Geography, Environmental Studies and Archaeology
Title of case study: Determining the Geography of the Greater Birmingham and Solihull Local Enterprise Partnership : The E³I Belt and Functioning Economic Geography of the West Midlands
<p>1. Summary of the impact</p> <p>The governance geography adopted for the new Greater Birmingham and Solihull Local Enterprise Partnership (<i>GBSLEP</i>) in 2010 drew significantly on our research which showed that the functioning economic geography of the West Midlands included a distinctive economic growth belt that lies between 20km and 40km of the Birmingham conurbation. The approach taken by policy-makers and business leaders in the area to include this belt within the partnership area, extending it well beyond the core conurbation of Birmingham and Solihull, drew on research by Bryson, Daniels and Taylor. The LEP has continued to use the formulation of the enterprise belt in its subsequent proposals and developments, which cover an area with a population of nearly two million people, supporting 918,000 jobs and a GVA of about £35.5 billion. The influence of the Birmingham research on its approach is clear from the explicit references by the GBSLEP and other agencies to the term E³I, combining ‘economic’, ‘entrepreneurial’, ‘environmental’ and ‘innovation’ drivers of local economic growth, which was coined to describe the belt in the Birmingham research outputs.</p>
<p>2. Underpinning research</p> <p>In 2002, Prof. John Bryson (Professor of Enterprise and Economic Geography) and Prof. Peter Daniels (Professor of Geography to September 2011, then Emeritus) undertook research to identify the geography of business and professional services in the West Midlands (references 1 and 5). This involved an analysis of national datasets, a survey of 200 firms, face-to-face interviews with 12 companies and four focus groups. The research identified, for the first time, the existence of a professional services corridor and an extensive outer arc of business and professional services on the eastern and southern side of Birmingham, intersecting in the Warwick-Coventry area. This was a major finding as it revealed that the geography of business services was not just focused on the city centre, but had an important rural and cathedral cities dimension.</p> <p>In 2006, a detailed investigation of the West Midlands economy was undertaken by Bryson with Prof. Michael Taylor (Professor of Human Geography to September 2011, then Emeritus) that built on the 2002 study (references 2 and 3). The research aimed to identify and explain the functioning relationships within the economic geography of the region and to identify the distinctiveness of the different parts of the region and the links between them. The methodology was based on a detailed theoretically informed analysis of national datasets, informed by a series of in-depth interviews (as detailed above) undertaken between 2001-2006, to identify key drivers and their geography of local economic growth.</p> <p>This analysis identified that the spatial patterning of economic activity in the West Midlands region was shifting away or expanding from Birmingham and the Black Country to a belt that encircles the conurbation. This was an important finding that highlighted, for the first time, the complexity of the region’s evolving functioning economic geography (references 5 & 6). This belt has the following characteristics (references 2 and 6):</p> <ol style="list-style-type: none"> It lies between 20km and 40km from the conurbation and includes Stratford on Avon, Warwick, Lichfield, Cannock, Bridgnorth, and Bromsgrove. Within it there is an important differentiation of activities from centre to centre. It reflects a combination of factors including lifestyle, accessibility, quality of environment, as well as the existence and development of a range of innovative manufacturing and business and professional service activities. The ‘environment’ includes the physical and commercial environment of those places. The belt combines ‘economic’, ‘entrepreneurial’, ‘environmental’ and ‘innovation’ factors, which we labelled the E³I belt. <p>The West Midlands is underperforming in terms of new firm formation. Rates are lowest in the conurbations and highest in the south east of the region and in certain sections of the E³I belt.</p>

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Detailed additional research on the E³I belt included a PhD studentship funded by the then Office of the Deputy Prime Minister and ESRC (05-09) that focused on the southern parts of the belt and an ESRC CASE studentship with the Southern Staffordshire Partnership (2011-2014).

The identification of this belt and the role it plays in the functioning economic geography of the West Midlands was a major finding that was not in keeping with the region's existing regional economic policy. The belt was given a distinctive label (E³I) to ensure that any subsequent policy reference to this study could be tracked (reference 2). Existing economic policy prior to the adoption of the E³I analysis by policy-makers focused policy interventions in the existing major built-up areas and largely ignored the area identified by the E³I analysis as important for innovation and firm and employment creation.

3. References to the research

1. Daniels P.W. and Bryson J.R. (2005) 'Sustaining Business and Professional Services in a Second City Region: The Case of Birmingham, UK, *The Service Industries Journal*, 25, 4: 505-524 (DOI: 10.1080/02642060500092220).
2. Bryson, J.R. and Taylor, P. (2006), *The Functioning Economic Geography of the West Midlands Region*, Advantage West Midlands, West Midlands Regional Observatory, 84 pages: http://webarchive.nationalarchives.gov.uk/http://www.advantagewm.co.uk/wmes/articles/Images/Project%203%20-%20Functioning%20Economic%20Geography%20Report_tcm15-8761.pdf
3. Bryson, J.R. and Taylor, P. (2006), *The Functioning Economic Geography of the West Midlands Region: Summary Report*, West Midlands Regional Observatory, 19 pages, available at: http://webarchive.nationalarchives.gov.uk/http://www.advantagewm.co.uk/wmes/articles/Images/project-3---functioning-economic-geography---summary_tcm15-7249.pdf
4. Bryson, J. (2007) 'Lone Eagles and High Flyers: Rural-based Business and Professional Service Firms and Information Communication Technology' in Rusten, G. & Skerratt, S. (Ed.) *Information and Communication Technologies in Rural Society*, Routledge, London: 36-60
5. Bryson, J.R., Taylor, M. and Daniels, P.W. (2008), 'Commercializing 'Creative' Expertise: Business and Professional Services and Regional Economic Development in the West Midlands, UK', *Politics and Policy*: 36: 2, 306-328 (DOI: 10.1111/j.1747-1346.2008.00107.x)
6. Taylor, M. and Bryson, J.R. (2012), "West Midlands (UK) regional planning (1999-2012), functioning economic geography and the E³I belt", in Stimson, R. and Haynes, K. (Eds), *Studies in Applied Geography and Spatial Analysis*, Edward Elgar: Cheltenham

Research funding:

1. 2002, Specialist *Professional Services in Birmingham and the West Midlands* (Bryson & Daniels, GEES, University of Birmingham), funded by Birmingham Forward and the RDA, £28,171.
2. 2005-10, *Business and Professional Services and Sustainable Communities in the West Midlands Arc*, PhD studentship funded by the Office of the Deputy Prime Minister and ESRC.
3. 2006, *Functioning Economic Geography of the West Midlands*, funded by the West Midlands regional Observatory, £20,545
4. 2011-1014 - *The E³I Belt and the Functioning Geography of Southern Staffordshire*, ESRC CASE studentship, £63,000

4. Details of the impact

The identification of the E³I belt generated initially considerable controversy amongst regional policy makers because it challenged the approach taken in existing strategies. However, it was subsequently directly used in 2010 to determine the geography of the new Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). This meant that the boundaries for this LEP drawn by local policy makers and business leaders included a broader area encompassing the E³I belt in addition to the Birmingham and Solihull conurbation. Subsequent economic development activities by the GBSLEP have continued to use this formulation. Without these findings, the close economic relationship of the wider area to the core conurbation was unlikely to have been recognised in 2010 and the GBSLEP would not have subsequently achieved the benefits of its greater scale. The branding of this belt as E³I in the research papers has been followed by the continued use of the term by the GBSLEP and other agencies in the region, helping to evidence the influence of these findings on regional economic development in a partnership area with a population of nearly two million people, 918,000 jobs and a GVA of about £35.5 billion.

Initial reception to E³I

When the results of the research were first issued in 2006, two organisations were responsible for economic development in the West Midlands. One was the Regional Assembly which was responsible for the Regional Spatial Strategy and, at this time, their focus was on ensuring development was confined to established built-up areas. The existence of the E³I belt challenged this approach. The other, Advantage West Midlands (AWM), was responsible for regional economic strategy, but the politics related to the Regional Assembly meant that AWM did not refer to the E³I belt in its strategies. The E³I research stimulated an on-going debate between AWM, the Regional Assembly, Birmingham City Council, Worcestershire, Warwickshire, Shropshire and Staffordshire councils between 2008 and 2010. The concept of the belt and the identification of the functioning economic geography of the region influenced all economic development strategies during this period and continues to do so through 2013. The E³I analysis determined the partners that were incorporated into the LEP. LEP policies must include actions that embrace the economic geography of the partner organisations and this reflects the functioning geography identified in the E³I analysis (see selected references in section 5: D & E).

In March 2010, Business Voice West Midlands, which represents 20 business organisations in the region, quoted extensively from the E³I research in a submission to a Parliamentary Committee's review of housing and economic development in the West Midlands. This submission argued that the existence of the E³I belt had been confirmed by "... by work undertaken by the West Midlands Regional Assembly". It stated that: "*During 2003–04, the amount of (employment land) completions within the Major Urban Areas (MUAs) declined while the number of completions outside of the hierarchy increased. The MUAs, therefore, did not act as the main focus for development, contrary to the policy objectives of the RSS*" (source A, p. 48). This is important, as although the Regional Assembly found the identification of the E³I belt challenging, they eventually came to appreciate the significance of the research.

Defining the GBSLEP area to include the E³I belt

The importance of identifying the relationship between the belt and the core conurbation grew following changes to the governance of sub-national economic development after the May 2010 general election. In June 2010, the new coalition government invited businesses and councils to come together to form Local Enterprise Partnerships (LEPs) as replacement for the regional development agencies. The government wanted the geographical areas to be covered by these partnerships to reflect natural economic areas rather than simply replicate previous regional structures or local administrative boundaries. The Local Growth White Paper, published in October 2010, set out the roles that LEPs could play depending on their local priorities.

Working with local firms, the Leaders of Birmingham and Solihull councils with East Staffordshire, Lichfield and Tamworth councils responded to this invitation to develop a LEP; subsequently North Worcestershire joined the partnership. The area of this LEP was defined by the 2006 Birmingham research and the identification of the E³I belt. The successful submission to the Secretaries of State to establish the Greater Birmingham and Solihull LEP noted that the new LEP would: "**Capitalise on the attributes of the E³I belt.** This covers an area 20-40km outside of the conurbation, and combines factors including lifestyle, accessibility, quality of environment, as well as a range of innovative manufacturing and business and professional service activities. It provides a major potential growth area" (source B).

Greater Birmingham and Solihull LEP and the E³I

The GBSLEP has continued to make use of the E³I concept in its strategic proposals since 2010.

The proposal made to government by the GBSLEP in 2011 for an enterprise zone explicitly referred to the Birmingham research. This said that the GBSLEP growth strategy brought together "*the Core City of Birmingham and the economically related Belt around it comprising Solihull, southern Staffordshire and northern Worcestershire*". Phase 1 of the strategy was an Enterprise Zone in Birmingham city centre; Phase 2 was an "*Enterprise Belt comprising the M42 growth corridor in Solihull and the E³I Belt in southern Staffordshire and northern Worcestershire, which a study by the University of Birmingham has shown to have the potential for substantial*

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business growth that complements that of Birmingham and Solihull” (source C, pp1-2, emphasis added). This was the only research finding specifically referred to in the submission.

The GBSLEP’s successful *City Deal* proposal (July 2012) noted that:

“The Southern Staffordshire and Northern Worcestershire part of our LEP includes the E³ belt. Situated 20-40 km outside the urban conurbation, this zone has been identified by academics as an area with significant potential for sustainable, knowledge-based economic growth. The area has strengths ranging from advanced manufacturing to leisure tourism – and builds upon the nationally significant features that the area possesses. Our Strategy for Growth, based on the three components of ‘Business, People and Place’, is focused on maximising the economic potential of our strategic assets” (source D).

The size of the GBSLEP has enabled this organisation to attract the attention of Whitehall and to work with government on policies that will transform their relationship with the LEPs. One indication of this development is the *Greater Birmingham Project* (Jan-April 2013) led by Lord Heseltine, working with a Whitehall team, the GBSLEP and Bryson. This project reported to the Chancellor of the Exchequer on 17 March 2013 and led to the creation of a single economic pot to support local economic growth. The report on this project continues to show the Enterprise Belt as a crucial element in the way the partnership area is conceptualised (see for instance source E, p. 15).

Reach: The research impacted on economic development across the West Midlands and in particular Birmingham, Solihull and the counties of Warwickshire, Worcestershire, Staffordshire and Shropshire. It played a critical role in economic planning undertaken by these counties, AWM, the RA and since 2010 the GBSLEP.

Significance: The 2006 research was path breaking as it developed an approach for identifying the functioning economic geography of a regional economy. Without this research both AWM and more importantly the GBSLEP would have been unable to develop a governance structure, administrative area and set of policies that were more closely aligned to the functioning economic geography of the West Midlands.

5. Sources to corroborate the impact

- A. House of Commons, (2010), *Planning for the Future: Housing and Economic Development in the West Midlands* Second Report of Session 2009–2010, House of Commons West Midlands Regional Committee HC 421
- B. Greater Birmingham and Solihull Local Enterprise Partnership (2010) *Creating a Globally Competitive Knowledge Economy – The Local Enterprise Partnership for Birmingham and Solihull with East Staffordshire, Lichfield and Tamworth*, Outline submission to the Secretaries of State to establish a Local Enterprise Partnership, Birmingham, available at <http://www.wmcouncils.org.uk/media/upload/Economy%20&%20Skills/Birmingham,%20Solihull,%20Lichfield,%20Tamworth%20&%20East%20Staffs%20LEP.pdf>
- C. Greater Birmingham and Solihull Local Enterprise Partnership (2011), *Expression of Interest to Establish an Enterprise Zone, Greater Birmingham and Solihull Local Enterprise Partnership: Birmingham* available at <http://www.solihull.gov.uk/akssolihull/images/att30605.pdf>
- D. Greater Birmingham and Solihull Local Enterprise Partnership (2012), *Greater Birmingham A city region powered by technological innovation: The Local Enterprise Partnership’s City Deal Proposal*, Greater Birmingham and Solihull Local Enterprise Partnership: Birmingham, available at <http://centrefenterprise.com/wp-content/uploads/2011/04/11City-Deal-document.pdf>
- E. Greater Birmingham and Solihull Local Enterprise Partnership (March 2013), *The Greater Birmingham Project: The Path To Local Growth* available at http://centrefenterprise.com/wp-content/uploads/2013/03/GBSLEP-Report-version_complete.pdf