



# **Into Recession: How will Birmingham cope?**

**Dermot Finch,  
Director Centre for Cities**

**23 October 2008**

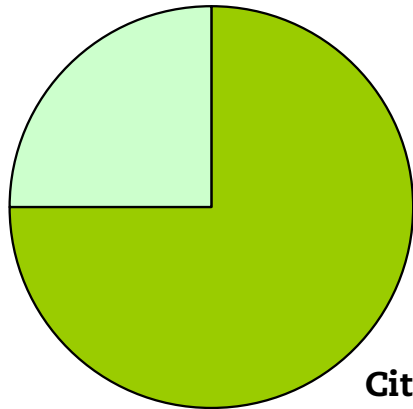


# English City-Regions

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## Population

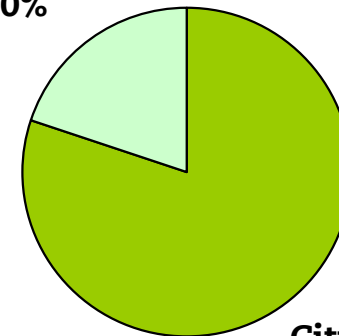
Rest of England  
25%



City-regions  
75%

## Jobs

Rest of England  
20%

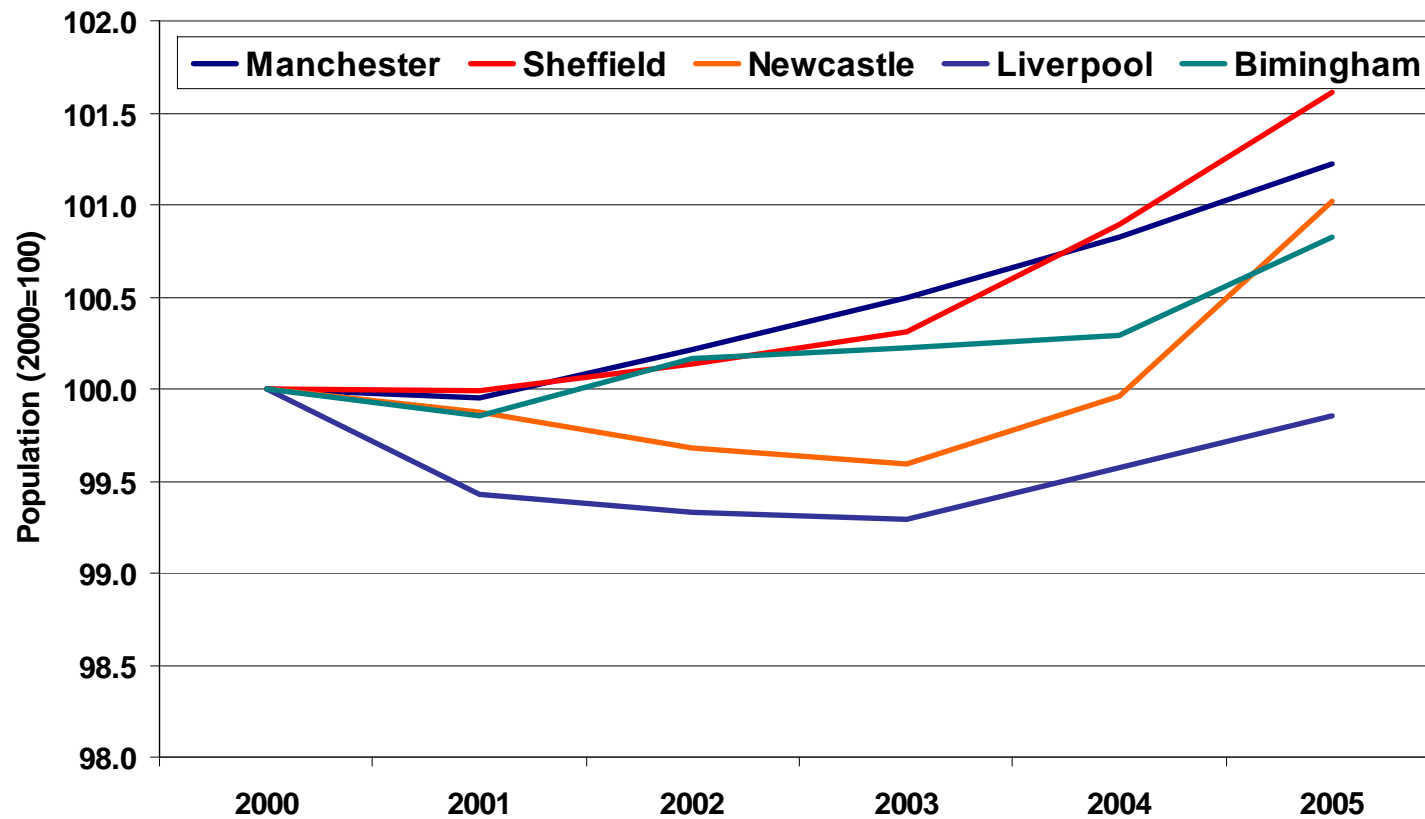


City-regions  
80%



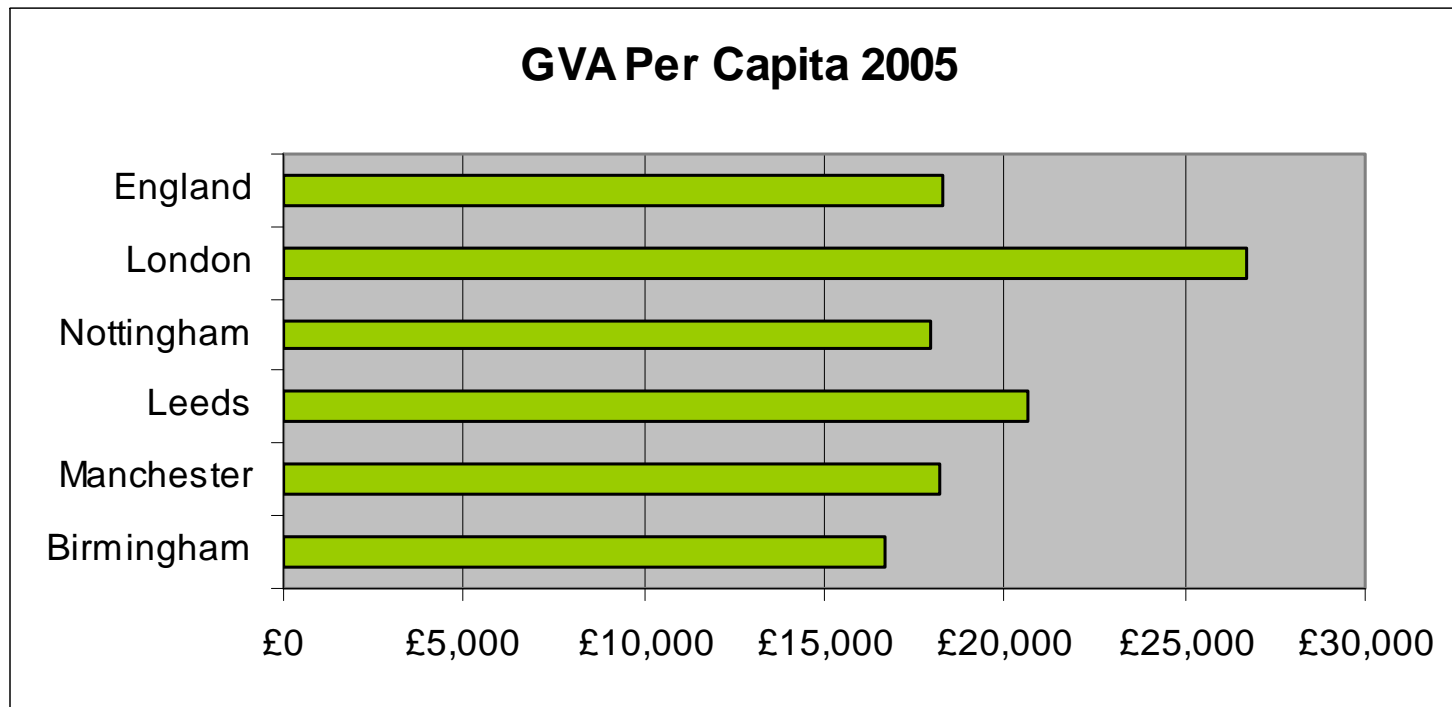
# Population change, 2000-05

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# Output below average



Source: own representation with data from ONS



## Strong growth, but lagging



Growth in GVA pc	1995-2005	2003-2005
<b>London</b>	75.5%	9.9%
<b>Manchester</b>	67.8%	8.3%
<b>Leeds</b>	67.0%	7.1%
<b>England</b>	65.3%	9.0%
<b>Nottingham</b>	57.0%	9.5%
<b>Birmingham</b>	<b>56.6%</b>	<b>7.6%</b>

Source: own representation with data from ONS



# Lower skills, more jobless



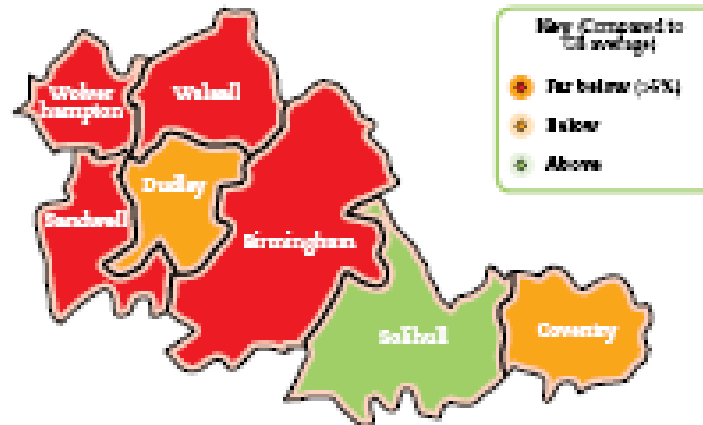
	Highly Skilled 2007	16+ Unemployment 2007
<b>London</b>	52.5%	6.5%
<b>England</b>	43.2%	5.3%
<b>Manchester</b>	41.8%	6.1%
<b>Leeds</b>	41.7%	5.2%
<b>Birmingham</b>	<b>38.2%</b>	<b>7.8%</b>
<b>Nottingham</b>	38.1%	6.2%

Source: own representation with data from Nomis



## Birmingham - Employment Rate

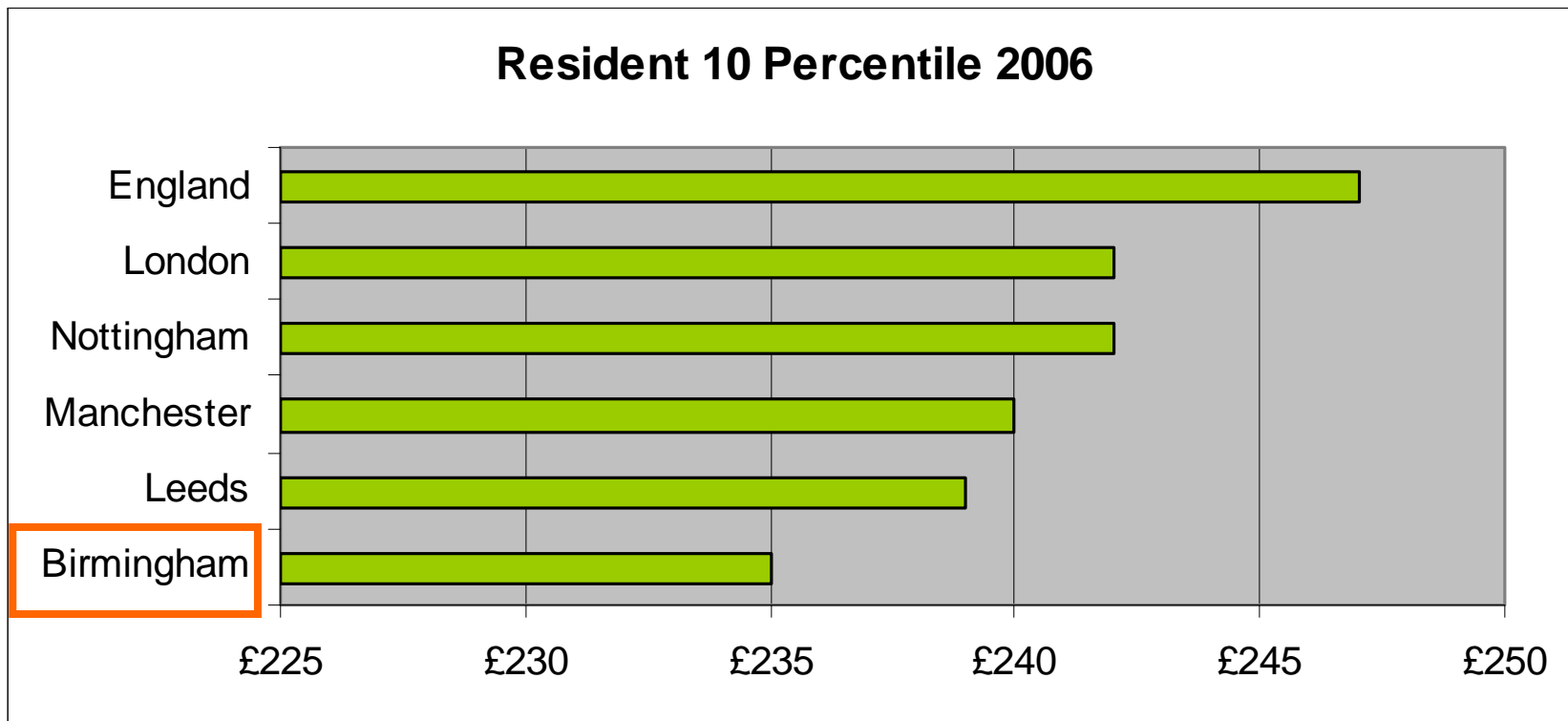
Solihull	78.5%
Dudley	73.8%
Coventry	72.1%
Wolverhampton	68.7%
Sandwell	66.3%
Walsall	65.9%
<b>Birmingham</b>	<b>63.0%</b>



Local authorities within West Midlands  
Metropolitan County Source: NOMIS,  
Annual Population Survey 2005.



# The Bottom 10%

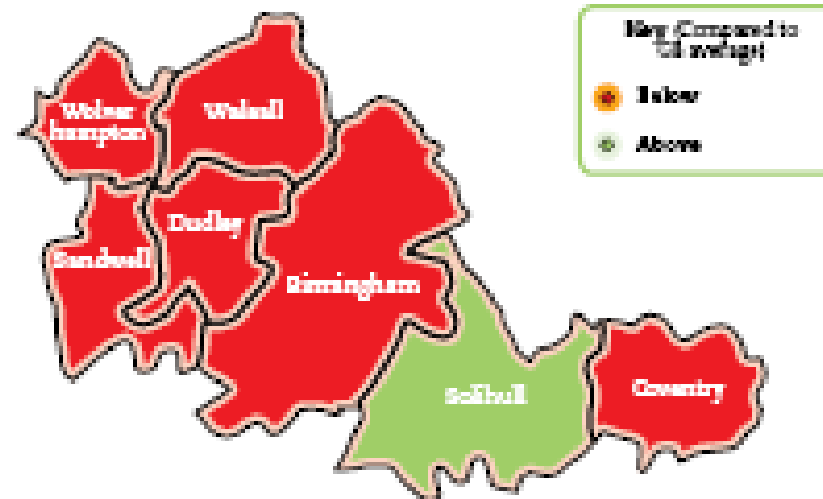


Source: own representation with data from Nomis



## Birmingham - Wages

Solihull	609.0
Birmingham	483.9
Coventry	471.2
Dudley	462.8
Walsall	435.2
Wolverhampton	435.0
Sandwell	410.8



Local authorities - as above. Source: NOMIS, Annual Survey of Hours and Earnings (ASHE - unparished), 2008.



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UK Cities in the Global Economy:  
September 2008

## UK Cities in the Global Economy

**Hannah Brown**

### Executive Summary

Every UK city is affected by globalisation, which shapes the economy in which businesses and individuals compete. Globalisation drives structural change – helping to explain the decline of heavy manufacturing in Birmingham, and the growth of London as one of the world’s pre-eminent financial services centres. It also influences long-term population falls we have seen in Northern cities like Liverpool, and population growth in Cambridge.

Globalisation makes cities and city-regions more important as hubs of economic activity. But globalisation also means that some places, like London and Manchester, will be more important than others, Carlisle or Southend, in driving UK growth. Cities – and local leaders – need to consider policy interventions that help their economies adjust to global realities, and be more realistic about their economic role.

Overall, globalisation benefits the UK economy. But it produces winners and losers. Some cities will do better than others as a result of globalisation, while some individuals will be less well off. Government needs to be more honest about this, not just focusing on net benefits at the national level. Policy interventions should not – and cannot – aim to reverse globalisation trends, but instead should focus on supporting those who may lose out in the transition to a more competitive economy.

The current downturn risks exacerbating adverse effects, and encourage short-termism. But policy needs a longer-term focus – implementing measures that facilitate sustainable job creation, increase prosperity, grow competitive and innovative businesses<sup>1</sup>, stimulate skills development, and ensure inclusive growth.

1. Centre for Cities will be publishing research on supporting innovation-led growth in cities in Autumn 2008.



## Innovation, science and the city

**Chris Webber**

### Executive summary

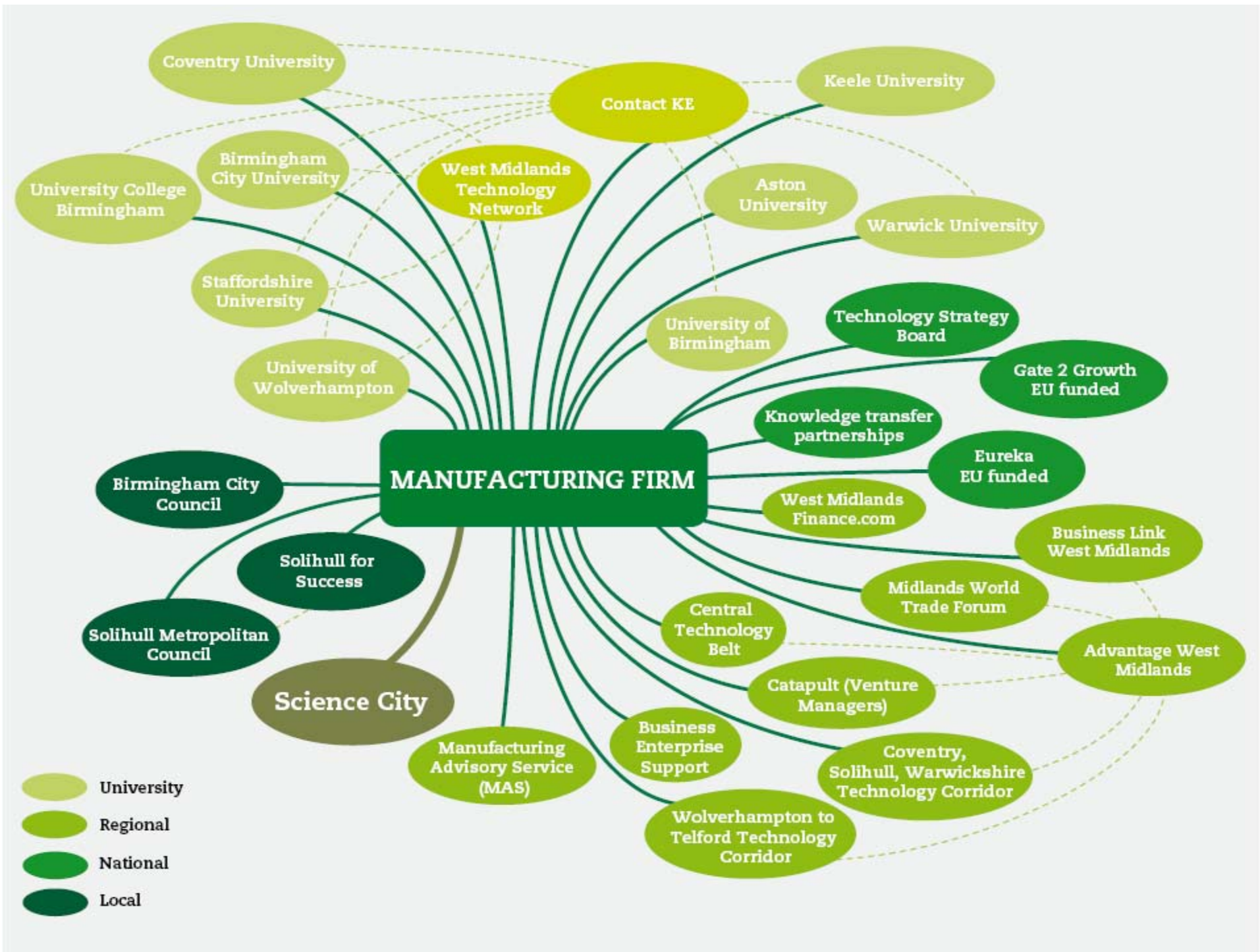
Innovation is a key driver of economic growth, and over the past ten years policy makers at all levels of government have strengthened efforts to increase rates of innovation in the UK. Research funding has been increased; more investment has gone into science parks; partnerships between the public sector, universities and businesses have been improved; and a wide range of technology transfer and business support policies have been introduced.

But the emergence of innovation as a specialist policy area has also generated risks around policy prioritisation and problems on organisational fragmentation and policy coordination. This report highlights these issues and explains how they can be addressed to improve policy effectiveness.

Supporting innovation is about more than specialist partnerships or business support initiatives. Policy makers also need to understand and deal with the wider barriers to innovation in their economies. Delivering on an economy's transport, housing and planning needs must be seen as a key part of the innovation agenda. City-regions that fail to deliver the right infrastructure for growth risk stifling or choking off innovation in their economies.

Some good progress has been made on city and regional innovation policies, especially on the improvement of university-business links. But the organisational structures around business and innovation support have become too fragmented. This is confusing businesses and making policy coordination more difficult.

The introduction of Science Cities reflects national government's desire to increase rates of innovation. However, the value added of Science Cities has varied between participating cities and across policy areas. In some cities - such as Newcastle and Birmingham - the initiative has had a valuable catalytic effect, strengthening partnerships and sparking new activity. In others, particularly in Manchester, it has been more of an awkward add-on to what was already in place.





## Worklessness: A city approach

**Dave Simmonds** and **Paul Bivand\***

### Executive Summary

Worklessness - all those without a job either actively or not actively seeking work - is one of the biggest challenges facing our cities. Having a lower proportion of the working age population available and appropriately skilled for work can frustrate employer demand, impact the local economy, and divert funds away from other city initiatives. These economic impacts, as well as the implications for social exclusion and equality, make reducing worklessness one of the top priorities for both national and local government.

The Centre for Cities commissioned the Centre for Economic and Social Inclusion to explore the prevalence of worklessness in cities, critically review previous and current initiatives and approaches, and to consider how best to move forward and empower cities to tackle the issue.

### Key Points

- Worklessness is concentrated in our cities - they contain 59% of Great Britain's population, but have 68% of benefit claimants and 64% of the workless.
- Within urban areas, there are 121 Local Authorities with heavy concentrations of worklessness - areas in need of a more tailored approach.
- National approaches to worklessness, such as the New Deals, have largely failed to move those furthest away from the labour market into work, and have had lower success rates in cities.
- The localisation of initiatives to tackle worklessness - giving cities more direct

\* Dave Simmonds is Chief Executive, and Paul Bivand is Head of Analysis and Statistics, at the Centre for Economic and Social Inclusion.



## Key questions

- **Why is the city under-performing?**
- **Impact of recession?**
- **How robust are FBS and property sectors?**
- **Will Big City Plan go forward OK?**
- **Big issues = housing, jobs, transport**



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