

**DUDLEY METROPOLITAN BOROUGH COUNCIL**

**SELECT COMMITTEE ON ECONOMIC REGENERATION – 11<sup>TH</sup> APRIL 2005**

**REPORT OF THE DIRECTOR OF THE URBAN ENVIRONMENT**

**RECOMMENDATION OF THE ECONOMIC REGENERATION WORKING GROUP CONCERNING INNOVATION CENTRES**

**1.0. PURPOSE OF REPORT**

- 1.1. To set out the findings of the Select Committee on Economic Regeneration [Economic Regeneration] Working Group with regard to Innovation Centres.
- 1.2. This report also puts forward a number of recommendations to be considered by the Cabinet Member arising from the Working Group's investigations.

**2.0. BACKGROUND**

- 2.1. The work of the Economic Regeneration Working Group has evolved from the consideration of the soundness of the revised 2004/05 Economic Strategy for Dudley Borough and its four Strategic Aims, namely:

- [i] To optimise the opportunity for local people to obtain local jobs.
- [ii] To support new and existing businesses.
- [iii] To strengthen and diversify the economic base.
- [iv] To improve the economic infrastructure in Dudley borough.

- 2.2. The Select Committee has tested, scrutinised and endorsed the Strategy and its four aims. This process included an examination of current work within the Authority with respect to creating the conditions for business growth and success and job creation, specifically the model for Future Skills Dudley and the Business Support Unit. Consideration was made of the role of civic leaders in creating dynamism in the economy. The Working Group visited the Brierley Hill Regeneration Partnership and toured the developments at Merry Hill and Brierley Hill town centre. They also considered the implications and impact of the Visitor Economy Strategy with respect to Economic Strategy. Key issues around the diversification of the manufacturing base and the emerging concept of new technology centres was examined. The Working Group also considered the changes to borough-wide infrastructure that might be required to ensure the Economic Strategy outcomes.

- 2.3. The process was supported by the testimony of expert witnesses from Council officers, Advantage West Midlands and commercial business development organisations.
- 2.4. Some time was also spent in considering the findings of the sub-regional Black Country Study and the 30 year vision for the Black Country. The conclusions from the Black Country Study reinforced the conclusions that the Working Group had drawn from various evidence and discussions. Dudley now has the lowest average earnings in the Black Country/West Midlands. This has a stalling effect across a number of areas. The economy in Dudley has reached a stage of development, where in order to go forward, there is a need to stimulate the number of 'added value' jobs and entrepreneurial activity that will bring in higher skills and higher incomes.

***Working Group's Considerations:***

- 2.5. The responsibility for the diversification of the local economy has previously been seen as the mainstream job of other organisations in the past. The Working Group considered whether the Council should have an active role or remain as strategic policy body that provides direction for other organisations.
- 2.6. The Working Group tackled the question of how to raise added value and bring higher incomes into the economy by considering potential and existing models. One of the most successful of these seems to be by instigating the provision of a catalyst in the economy through an Innovation or Technology Centre. These can stimulate innovation via encouraging the development of new business, services, products or processes and provide support for new market entry entrepreneurs as well as existing companies.
- 2.7. Research and investigation of a number of existing innovation type centres was undertaken by the Working Group. Visits were made to Lye Business Centre, Coventry University Technology & Techno Centre and the University of Warwick Science Park. Presentations were made on the Steinbeis Europa Zentrum model and the Black Country Innovation Study. Oxford Innovation, a company that has evolved from the Oxford Trust, an independent charitable foundation, gave an evening's presentation about their work to the Committee. Individual members also investigated and reported on Staffordshire Business Innovation Centre, Shotton Enterprise Centres, SPARK at Wolverhampton Science Park and Barnsley Business Innovation Centre.
- 2.8. The Working Group considered the comparative success factors, such as the extent of the involvement of Higher Education Partners, business sponsorship, specialisation and location, as well as the actual services each provider offered, including business financing.
- 2.9. The view about the preferred model was left open by the Working Group as it was felt a bespoke centre that catered to Dudley's set of circumstances would be needed.

## **Conclusions:**

- 2.10. It was clear that Local Authorities have played a major role in this area, even with those Innovation Centres that might be deemed to be independent. This is a route that the Working Group concluded that Dudley MBC should follow.
- 2.11. The next steps would be to put serious resource and research into what model and services would support Dudley's economic objectives.
- 2.12. The Working Group recognises that funding is an issue, but feels that the first step is to quantify the needs that would drive the right model for Dudley. Funding sources can be considered and determined once there is a clear outline of any project.

## **3.0 PROPOSAL**

- 3.1. The Select Committee for Economic Regeneration proposes to the Cabinet Member for Economic Regeneration that a project be set up to define the scope and needs of an Innovation Centre for Dudley. This will include, by implication, the resources for officer time and research and feasibility costs.
- 3.2. The objective of the project will be to present to the Cabinet Member recommendations on the feasibility of setting up an Innovation Centre, which will provide the catalyst for diversification of, and added value to, the Dudley economy. This may be a virtual facility or otherwise, with a view to servicing Dudley, and could include participation in any Black Country wide arrangements.
- 3.3. The project may include funding possibilities and explore a range of options.

## **4.0 FINANCE**

- 4.1. No specific funding for this project is included in the Council's budget for 2005/06. The funding needed would have to be met from existing resources and/or from budgets set aside for assessing the feasibility of initiatives/projects leading to income generation in the borough.

## **5.0 LAW**

- 5.1. Section 2 of the Local Government Act 2000 enables the Council to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of the borough.

**6.0 EQUAL OPPORTUNITIES**

6.1. These proposals comply with the Council's policy on Equal Opportunities.

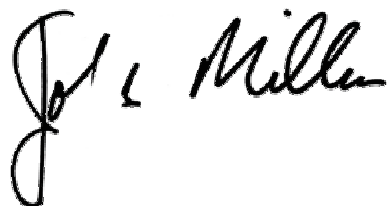
**7.0 RECOMMENDATION**

7.1. That the proposals set out in Section 3 above be considered and approved.

**8.0. BACKGROUND PAPERS**

8.1. Minutes of the Select Committee for Economic Regeneration and Working Group.

Miscellaneous documentation received from expert witnesses and institutions and organisations visited.



.....  
**JOHN B MILLAR, Director of the Urban Environment**

Contact Officer: John Woodall, Ext 4004