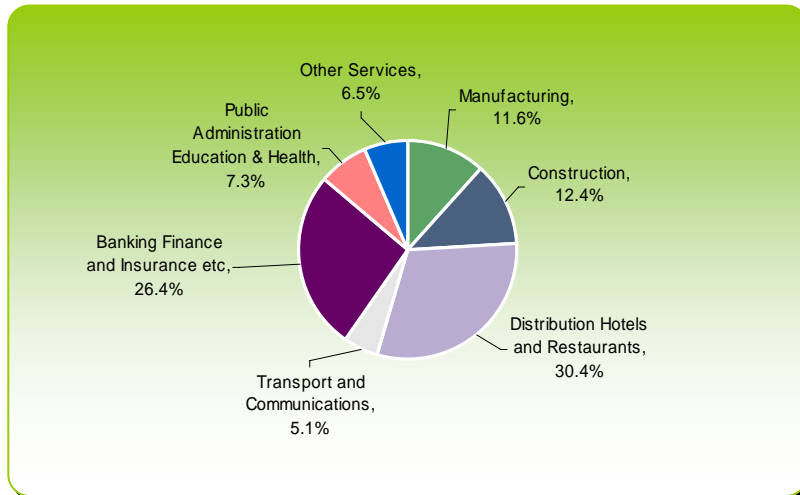


Business Sectors

Business Stock by Industry Sector

- The highest proportion of businesses in Dudley Borough is in the Distribution, Hotels and Restaurants Sector which accounts for 30.4% of all businesses in the area (3,300 businesses). This is followed by the Banking, Finance and insurance sector with 26.4% of businesses operating in this sector (almost 2,900 businesses) and Construction (12.4%).

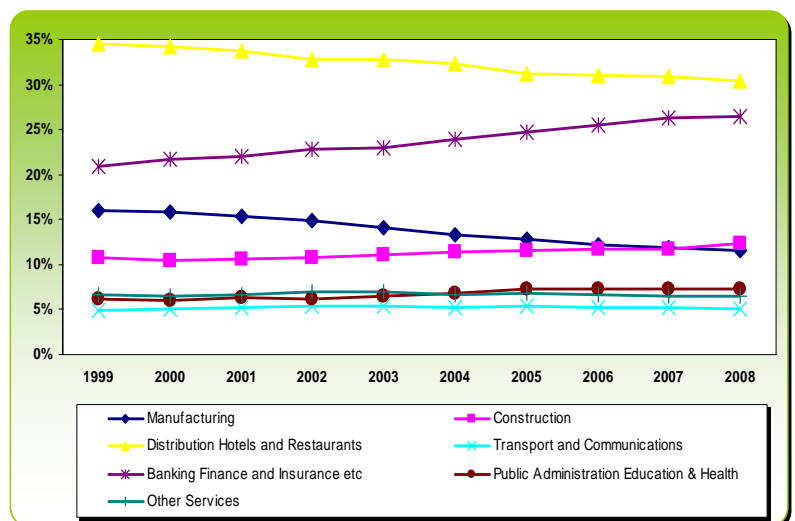
**Businesses by Industry Sector - 2008
Dudley Borough**



Source: ABI, 2008

- The highest proportion of businesses in the West Midlands and nationally is in the Banking, Finance and Insurance sector (30.4% and 34.3% respectively). This is followed by Distribution, Hotels and Restaurants (28.6% and 26.8%).
- Over the ten-year period from 1999 to 2008, the Manufacturing sector has experienced the largest decline in the number of businesses with a 23.3% reduction (nearly 400 businesses). The Distribution, Hotels & Restaurants sector has also seen a slight decrease in the number of businesses (-7%).
- The Banking, Finance and Insurance sector has seen the largest growth in the number of businesses with a 33.6% increase (725 businesses). This is followed by the Public Administration, Education & Health sector which has grown by 25.4% (162 businesses).

**Percentage of Businesses by Sector - Dudley Borough
1999-2008**



Source: ABI

**Percentage of Businesses by Industry Sector
1999-2008**

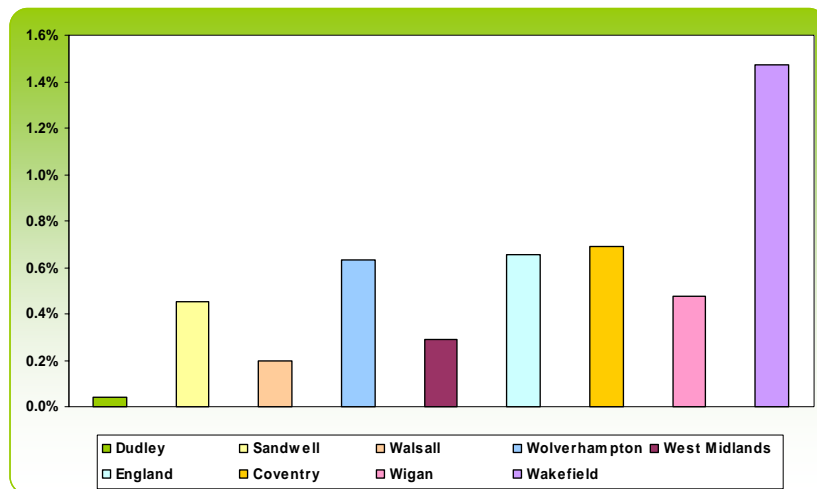
	Dudley Borough										West Midlands	England
	1999	2000	2008	2002	2003	2004	2005	2006	2007	2008	2008	2008
Manufacturing	15.9	15.9	15.3	14.8	14.1	13.4	12.8	12.3	11.9	11.6	8.5	6.4
Construction	10.7	10.5	10.6	10.8	11.0	11.4	11.6	11.7	11.7	12.4	10.4	10.2
Distribution Hotels and Restaurants	34.5	34.2	33.7	32.8	32.8	32.4	31.2	31.0	30.8	30.4	28.6	26.8
Transport and Communications	4.9	5.0	5.3	5.3	5.4	5.2	5.4	5.2	5.2	5.1	4.8	4.2
Banking Finance and Insurance etc	20.9	21.7	22.0	22.8	22.9	23.9	24.8	25.5	26.2	26.4	30.4	34.3
Public Administration Education & Health	6.2	6.1	6.3	6.2	6.5	6.8	7.3	7.3	7.3	7.3	8.8	8.7
Other Services	6.7	6.4	6.6	6.9	7.0	6.7	6.7	6.7	6.5	6.5	7.3	8.3
Total Number of Businesses	10,317	10,375	10,319	10,283	10,369	10,383	10,512	10,673	10,810	10,915	207,049	2,161,305

Source: ABI

Total Employment

- There are currently 117,429 people working in Dudley Borough. Dudley Borough is the second largest local authority area in employment terms in the Black Country and the seventh largest in the WM region, accounting for 5% of regional employment.
- Between 1999 and 2008, there has been a 5.2% reduction in the number of people working in the borough, a total of 6,400 people.
- Increases in total employment were experienced regionally and nationally. The number of people working in the WM region increased by 2% (42,800 people) and in England, there was a 7% increase (nearly 1.5 million people).
- The average annual growth rate for the Borough over this period is 0.04%, compared to 0.3% for the WM region and 0.7% for England.

**Total Employment - Average Annual Growth Rate
1999-2008**



Source: ABI

Total Employment - 1999-2008				
Area	1999	2008	Change	% Change
Dudley	123,800	117,400	-6,400	-5.2%
Sandwell	128,100	127,300	-800	-0.6%
Walsall	106,900	99,400	-7500	-7.0%
Wolverhampton	106,900	103,800	-3100	-2.9%
West Midlands	2,312,600	2,355,400	42,800	1.9%
England	21,590,800	23,073,700	1,482,900	6.9%
Coventry	143,900	141,600	-2,300	-1.6%
Wigan	95,500	98,700	3,200	3.4%
Wakefield	118,100	138,900	20,800	17.6%

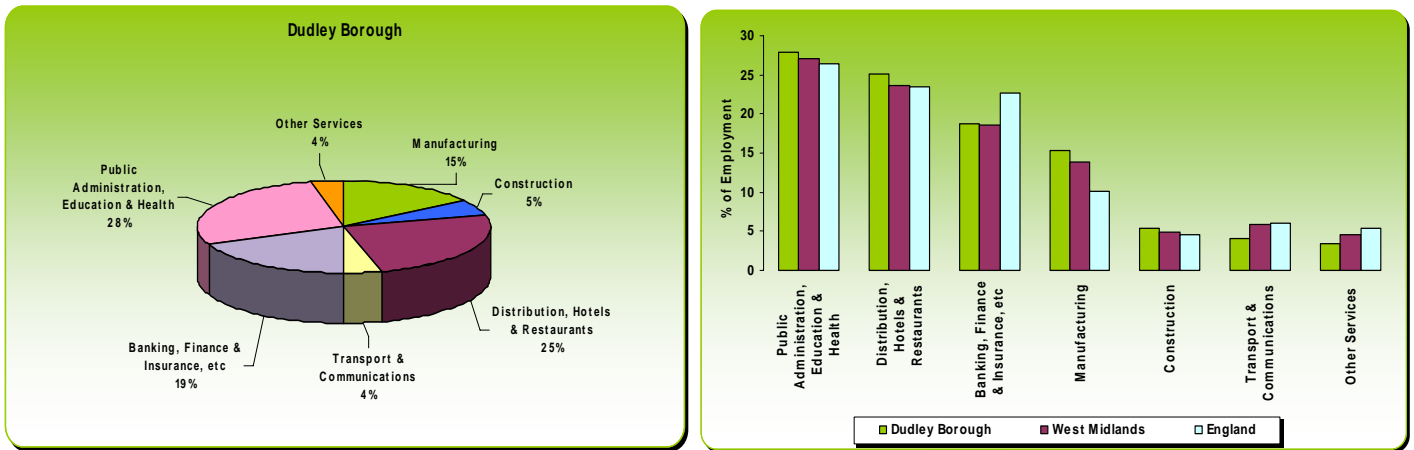
Source: ABI

- In 2008, 77,400 people were working full time in Dudley Borough, 65.9% of the total workforce, compared to 69.4% regionally and 69% in England. Sandwell has the highest proportion of its workforce working full time (74.4%).
- Dudley Borough has the largest amount of people working part time in the comparison group with 34% of the total workforce (34,000 people), compared to 31% both regionally and nationally.

Employment by Industry Sector

- The make-up of local economy in terms of industry sectors play a key role in determining the levels of productivity and earnings in the area. The industrial structure of Dudley Borough's economy has changed significantly. Traditionally, Dudley Borough's economy has been heavily dependent on manufacturing, however, the service sector now accounts for 79% of total employment.
- In 2008, the Public Administration, Education and Health sector accounted for the highest proportion of employment in Dudley Borough (27.8%). Regionally and nationally, the highest proportion of employment is in the Public Administration, Education and Health sector (27.0% and 26.4% respectively).
- The second largest sector in employment terms in Dudley Borough is Distribution, Hotels and Restaurants, providing 25.1% of total employment compared to 23.6% regionally and 23.5% nationally. Employment in the Banking, Finance and Insurance sector accounts for 18.7% of employment in Dudley Borough compared to 22.7% for England.

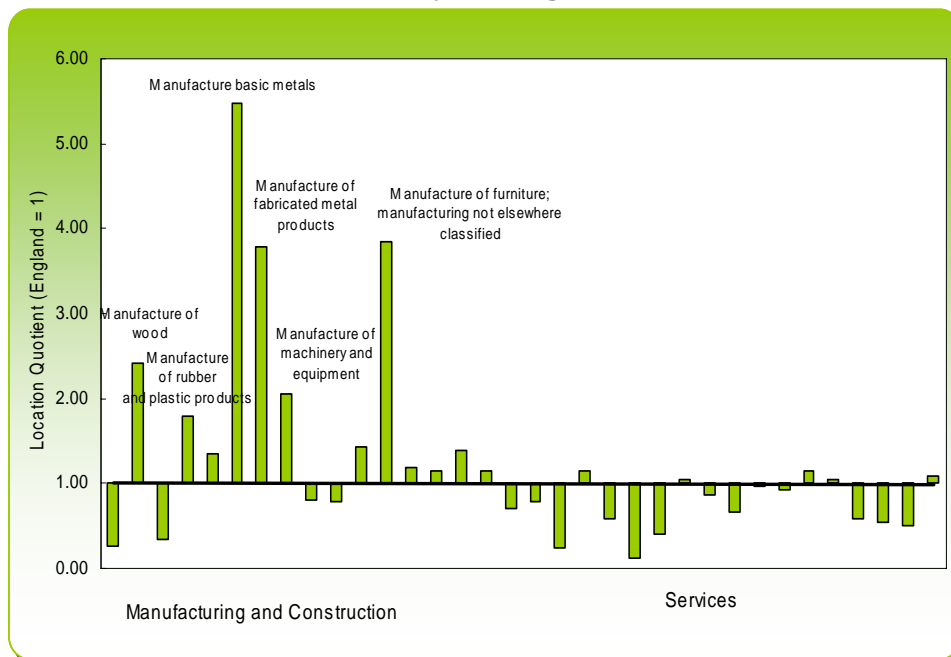
Employment by Industry Sector, 2008



Source: ABI

- Traditionally, Dudley Borough's economy has been heavily dependent on manufacturing and employment in the sector is still significant. In 2008, 15.3% of employment (18,000 jobs) was in this sector compared to 13.8% for the WM region and 10.1% for England.
- Increased productivity in manufacturing is driven by relatively high technology manufacturing. Whilst there are some strong specialisms in the manufacturing sector, in particular in metals as well as furniture, employment in the manufacturing sector in Dudley Borough is in lower technology manufacturing with lower representation in higher value activities and services.

Manufacturing & Service Employment Dudley Borough - 2008

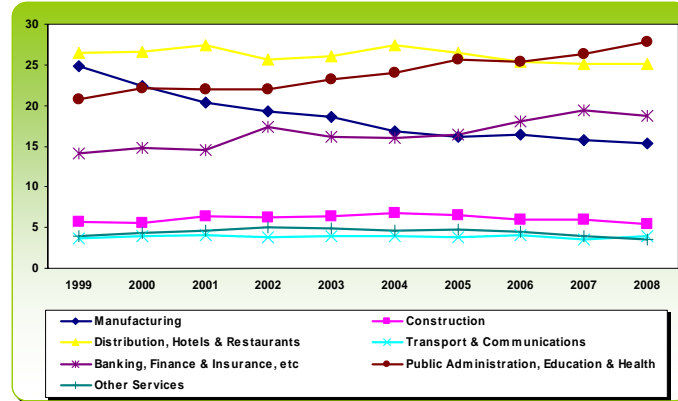


Source: ABI

- Between 2007 and 2008, the highest increase in jobs was in the Public Administration, Education and Health sector (1,800 jobs), increasing the share of total employment in this sector from 26.3% to 27.8%. Increases were also seen in the Transport & Communications sector (600 jobs) and Distribution, Hotels & Restaurants (100 jobs).
- All other industry sectors experienced reductions in the number of jobs with the highest decreases in the Construction sector and the Banking, Finance and Insurance sector, with both sectors losing 700 jobs.

- Over the longer term, the greatest change in the local economy has been the sharp decline in employment in the Manufacturing sector. Over the ten-year period from 1999 to 2008, the sector has seen a loss of 12,700 jobs (41% decrease), reducing the share of total employment from almost 25% in 1999 to 15.3% in 2008. This compares to a 39% reduction in the sector for the WM region and 31% for England.

Employment by Industry Sector - Dudley Borough - 1999-2008



Source: ABI

- There were also job losses in Distribution, Hotels and Restaurants (3,000 jobs), Other Services (700 jobs) and Construction (600 jobs). The Public Administration, Education and Health and the Banking, Finance & Insurance sectors experienced the largest growth in jobs.
- The Public Administration, Education and Health Sector experienced an increase of 7,000 jobs increasing its share of total employment from 20.8% in 1999 to 27.8% whilst nationally jobs in this sector increased by almost 21%, with the share of employment rising from 23.4% to 26.4%. The Banking, Finance & Insurance sector increased by 4,500 jobs, from 14% to almost 19% of employment. Nationally, this sector increased by 23%, from 19.7% of total employment to 22.7%.
- Over this period, the highest average annual growth rate was in the Construction sector at 6%, although this sector saw a large increase in employment in the late 90's. This is followed by the Public Administration, Education & Health sector which has grown, on average, at 3% each year. The average annual growth rate for the Manufacturing sector over this period was -4%.

Percentage of Employment by Industry Sector 1999-2008

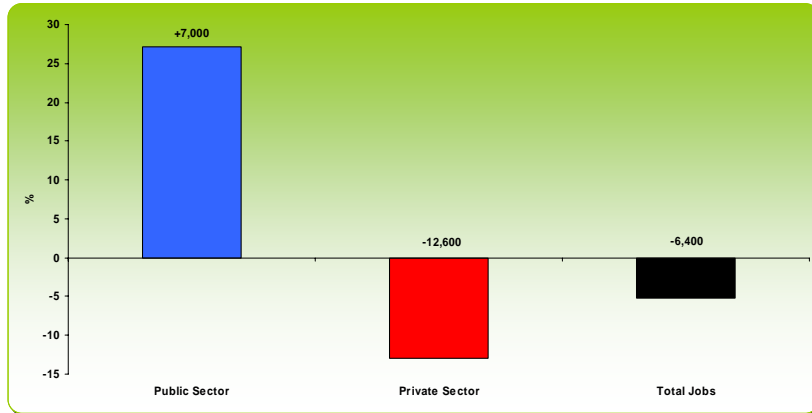
	Dudley Borough										West Midlands	England
	1999	2000	2008	2002	2003	2004	2005	2006	2007	2008	2008	2008
Manufacturing	24.8	22.4	20.4	19.3	18.6	16.8	16.1	16.4	15.7	15.3	13.8	10.1
Construction	5.7	5.5	6.4	6.2	6.4	6.8	6.5	6	6	5.4	4.9	4.6
Distribution Hotels and Restaurants	26.5	26.6	27.4	25.6	26	27.4	26.5	25.4	25.1	25.1	23.6	23.5
Transport and Communications	3.6	3.9	4.1	3.8	4	3.9	3.8	4.1	3.5	4	5.8	6.0
Banking Finance and Insurance etc	14.1	14.8	14.5	17.4	16.2	16	16.4	18	19.4	18.7	18.6	22.7
Public Administration Education & Health	20.8	22.1	22	22	23.2	24	25.6	25.4	26.3	27.8	27	26.4
Other Services	3.9	4.3	4.6	5	4.9	4.6	4.8	4.5	4	3.5	4.6	5.3
Total Employment	123800	123900	1,2100	125700	122300	119200	123200	118000	117400	117400	2355350	23073714

Source: ABI

Public and Private Sector Employment

- As illustrated in the chart below, private sector jobs in Dudley Borough have contracted over the ten-year period from 1999 to 2008, whilst there has been major growth in public sector jobs.

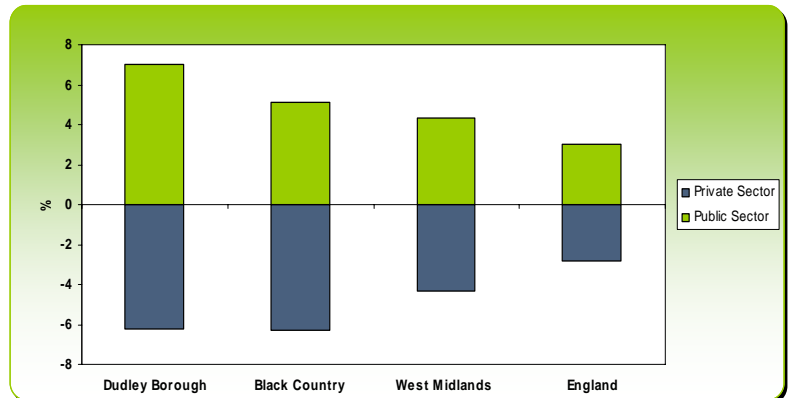
**Public & Private Sector Jobs Growth - Dudley Borough
1999-2008**



Source: ABI

- Whilst all areas have seen an increase in the proportion of employment accounted for by the public sector, the change is higher in Dudley Borough than the Black Country, West Midlands and England and the reduction in private sector employment is more significant in Dudley Borough and the Black Country. The West Midlands region is the only region in the country to see the private sector shrink over this period.

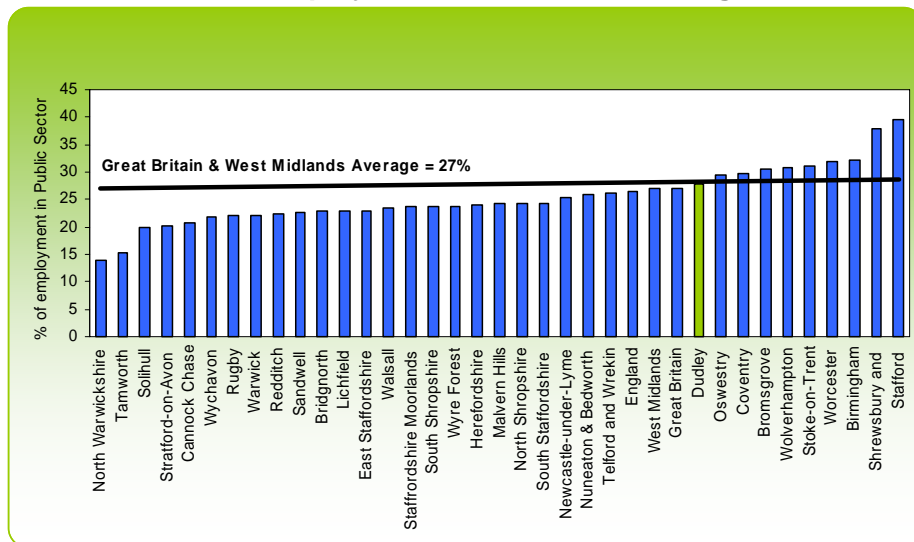
**Public & Private Sector Employment Change
1999-2008**



Source: ABI

- Looking forward, Dudley Borough is one of the areas in the West Midlands region that is showing signs of vulnerability due to future public sector jobs losses as a consequence of the economic recession.

Public Sector Employment - West Midlands Region - 2008

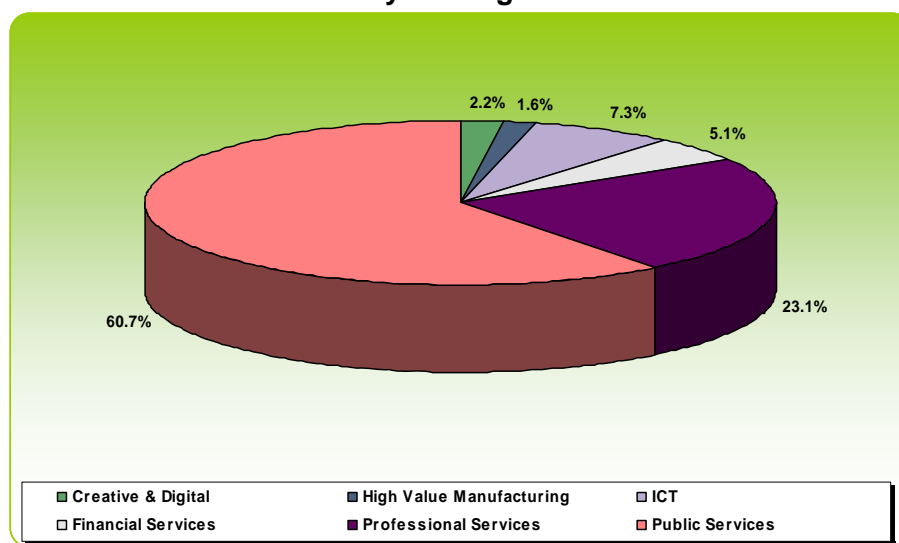


Source: ABI

Knowledge Intensive Sectors

- Dudley Borough currently has a lower proportion of businesses in knowledge intensive sectors than regional and national averages. These sectors are the fastest growing, most innovative areas of the local economy and employ the most highly qualified, and highly paid, people.
- In 2008, 37% of total employment was in knowledge intensive sectors, compared to 39.6% for the West Midlands and 43.5% for England.
- The six knowledge intensive industry sectors¹ are Creative & Digital, High Value Manufacturing, ICT, Financial Services, Professional and Public Services.
- Public Services accounts for the highest amount of employment, with over 60% of the total employment in knowledge intensive sectors.

**Employment in Knowledge Intensive Sectors
Dudley Borough - 2008**



Source: ABI

Employment in Knowledge Intensive Sectors - 2008

Area	Employment	% of Total Employment
Dudley	43,528	36.8
Sandwell	33,768	26.5
Walsall	34,789	35.0
Wolverhampton	42,971	41.4
Black Country	155,056	34.6
West Midlands	932,412	39.6
England	10,028,238	43.5

Source: ABI

- Knowledge workers are defined as people working in professional, managerial, scientific and technical occupations. The percentage of knowledge workers in the employed population is used as a benchmark indicator of the knowledge-intensity of residential communities. From July 2009 to June 2010, the percentage of knowledge workers in Dudley Borough was 42% compared to 44.2% for England. 18% of workers are engaged Managerial and Senior Official occupations, 10.6% in Professional occupations and 13.4% in Associate Professional and Technical occupations.

¹ OECD/Eurostat definition

Visitor Economy

- The visitor economy is a key focus for development and expansion in Dudley Borough, given the area's unique heritage offer and its natural and cultural environment.
- Dudley Borough is home to a number of prominent visitor destinations including the Black Country Living Museum, Dudley Zoo & Castle, Dudley Canal Trust & Limestone Mines and the Stourbridge Glass Quarter.
- Visitor figures for attractions in Dudley Borough in 2010 are set out below.

Visitor figures for attractions in Dudley Borough - 2010	
Visitor Attraction	Visitor Numbers
Dudley Zoological Gardens	195,345
Black Country Living Museum	307,268
Dudley Canal Tunnel and Limestone Mines	82,885
Dudley Museum and Art Gallery	26,763
Himley Hall (excludes Park and events)	12,808
Broadfield House Glass Museum	14,789
Red House Glass Cone	33,570

Note: All visitor figures have been provided in good faith by the individual visitor attractions.

- The Tourism Economic Impact Assessment² undertaken for Dudley Borough in 2009, found that:
 - Approximately 4.5million trips were made to Dudley Borough, comprising around 4.3million day trips and 0.2million overnight visits. The total number of trips has increased from 4.3million in 2008.
 - Dudley Borough's visitor economy is estimated to be worth £225million, compared with £223million in 2008. On average, about £19million is spend in the local economy each month.
 - The majority of visitor expenditure is by day visitors (87% of total expenditure).

Visitor Economy - Trips & Expenditure Dudley Borough			
	Total	Day Visitors	Overnight Visitors
Trips made to Dudley Borough	4,508,000	4,266,000	242,000
Visitor Expenditure	£224, 810,000	£196,317,000	£28,493,000

Source: Dudley Tourism Economic Impact Assessment, 2009

- The sectors of the local tourism economy receiving the majority of all tourism spend are retail (£90m/38%), catering (£77m/33%) and attraction/entertainment (£24m/10%).
- The £225million spent by visitors directly results in increased turnover in those establishments benefiting from visitor patronage and therefore supports jobs and incomes in those establishments.

² The key volume and value results for Dudley Borough within the assessment are derived from various sources including regional and borough breakdowns from national level data (United Kingdom Tourism Survey and International Passenger Survey) as well as jobs and income information from national surveys.

- The total business turnover generated in Dudley Borough is estimated to be £305million (including any additional business income arising from induced effects arising from employee spending).
- It is estimated that, from the tourism spend of £225million, a total of 6,108 jobs in Dudley Borough are supported, although these jobs are not all provided to local residents. Approximately 4,812 direct tourism related jobs are supported with an additional 1,296 non-tourism jobs dependent upon multiplier spend from tourism. The number of jobs supported by the visitor economy has risen by nearly 2,000 from 2004.

Low Carbon Economy

- “Opportunities in the Low Carbon Economy, Dudley”, produced by Atkins in May 2010, provides information on the opportunities for the local economy for the development of a low carbon economy. This report followed a high-level review of the opportunities and barriers to the growth of a low carbon economy across the WM region.
- The West Midlands report identifies eight key sectors as providing low carbon opportunities in the region, as follows: Construction; Environmental Goods and Services; Farming, Food & Drink; Manufacture of Metals, Fabricated Metal Products and Electrical Equipment; Manufacture of Motor Vehicles and Transport; Manufacture of Non-Metallic Mineral Goods; Public Services and Transport, Storage and Communication.

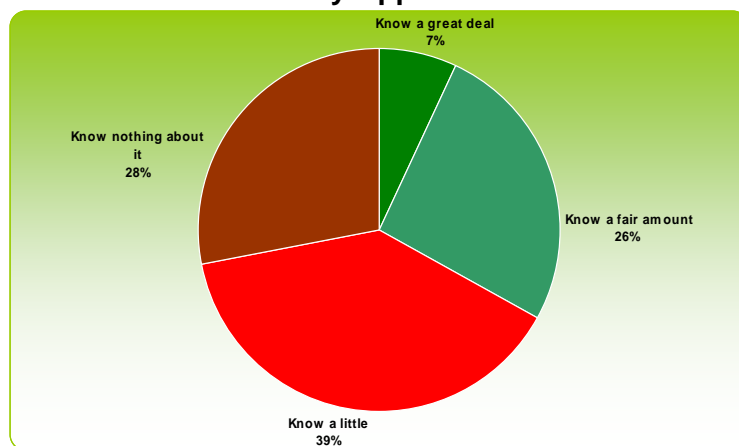
Low Carbon Development Opportunities in Dudley Borough

- Opportunities identified in the report that are considered to have the potential to create jobs include the following:
 - Construction: renovation of low carbon housing stock, the provision of low carbon services for the sector and the off-site construction of buildings.
 - Manufacture of materials and fabricated metal products: production of equipment for low carbon energy or transport systems and competitive advantage via efficiency improvements.
 - Transport, Storage and Communications: development/use of alternative fuels and associated infrastructure.
 - Environmental goods and services: continued growth of metal waste and scrap sector and development of low carbon community energy projects/schemes.
- Low carbon procurement, the provision of low carbon education and planning to support the low carbon economy development were all considered to be important public sector opportunities.
- Barriers to the development of the low carbon economy in Dudley Borough were seen to include access to land, limited joint working between business and research and lack of skills.

Awareness of Low Carbon Economy Development Opportunities

- Results of the Dudley Borough Business Survey (August 2010) show that awareness of opportunities presented by the development of a low carbon economy is relatively low among businesses in Dudley Borough.
- A third of businesses in Dudley Borough (33%) report that they know a great deal or a fair amount of the opportunities of a sustainable economy with 67% of businesses stating that they know not much or nothing at all.

Dudley Borough - Business Awareness of Sustainable Economy Opportunities



Source: Ipsos MORI, Dudley Borough Business Survey, August 2010

- Businesses who have been trading for less than five years and those businesses who plan to expand in the next three years are most likely to be aware of these opportunities indicating that, positively, businesses who are looking to grow, recognise the need to do so in a sustainable way.
- In line with the low awareness, over half (55%) of businesses in Dudley Borough are not working on the skills required for a sustainable economy. However, 41% of businesses are at the planning stage in establishing the skills required.
- Given the low awareness of businesses of the opportunities of a sustainable economy and the limited number of clusters in the area, further work will be required to increase awareness and take forward the development of a low carbon economy to maximise opportunities and support the future development of businesses in the Borough.

Future Sector Development

- The Dudley Borough Business Survey found that the vast majority of businesses in Dudley Borough are not considering developing into other sectors in the next three to five years (81%). Among the minority (14%) that are considering development away from their sector, the most commonly cited potential sectors were advanced manufacturing and business and professional services (cited by 18% and 17% of businesses).
- Increasing earnings and employment in higher value sectors is crucial in improving the future prosperity of the area. Given Dudley Borough's high reliance on public sector, retail and distribution and other 'vulnerable' low-pay, low skill service sectors, it will be vital to determine key sectors which have the potential to add value and increase productivity levels and the share of the knowledge economy market, around which future development and support can be focused and targeted. However, this can only be done this by ensuring that local people have the range of high level skills demanded by knowledge businesses.
- The development of the low carbon economy in specific sectors also presents a future opportunity and, again, there may be skills requirements to support this development.
- Sector profiles will be developed for all sectors of Dudley Borough's economy. Further work will also be undertaken to define future priority sectors, initially focussing on advanced manufacturing; business services; construction/building technologies; environmental technologies; night time visitor economy; interior and lifestyle and retail.
- In addition, it is also vital for the Borough to continue to develop and support the health and social care sector, focussing on developing numerous markets and a strong and diverse social enterprise and voluntary sector within the Borough, that will be required to cope with the demographic changes forecast over the next 15 to 20 years and to provide personalisation and choice for Dudley citizens around health and social care.