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Minister: £348m set aside for region 'will not be London-led'

Business and Enterprise Minister Mark Prisk has promised a fund delivering £348 million of support to the West Midlands will not be London-led after administration was shifted to the capital.

Fears have been sparked about access to the European Regional Development Fund (ERDF) in the West Midlands after it was announced that it would be controlled from London.

Access to the fund was previously co-ordinated by the moribund regional development agency Advantage West Midlands, but the Government is considering how it will be administered in the future.

Mr Prisk, who was joined by European Commission vice-president Antonio Tajan on a visit to the University of Warwick this week, told the *Post*: "We are working to develop the future funding mechanism. The current project runs until 2013 and the big question is how we run it after that.

"We are building up the local enterprise partnerships and setting up where they want to go. The regional development fund is going to be managed centrally and they will work with local partners and we are going to set out how they do that in a month's time.

"This will not be London-led."

Mr Prisk met leaders of the Coventry and Warwickshire local enterprise partnership while in the region.

He said funding would be distributed through a more local model as a result of the move away from regional development agencies.

ERDF money has been key to major regeneration schemes in the region, including Longbridge, i54 and Bilston Urban Village.

He said: "One of our worries was the regional development fund was being run on a regional level and there are different circumstances, for example, in the Coventry and

Warwickshire economy than in Birmingham and the Black Country.

"We want people to form their own enterprise partnerships."

He added: "We are sitting down with the enterprise partnership here which is beginning to form. We have got 31 across the country are we are building these up as we wind down regional development agencies."

Mr Prisk visited the region as part of plans to learn how best to encourage SMEs and promote entrepreneurship and to discuss key bottlenecks at a national and European level.

The visit to Warwick Manufacturing Group (WMG) coincided with the announcement of a new £12 million programme to help Midland SMEs access product and service design technology.

The new International Institute for Product and Service Innovation at WMG is jointly funded by the ERDF and the university in a funding partnership brought together by AWM.

Mr Tajani, who is responsible for industry and entrepreneurship at the European Commission, said: "We have many SMEs in Europe and we want to support them with innovation and through trade links. We want to back competitiveness with strong industrial policies.

"Growth means putting the real economy at the centre of what we do. Without European governance of the economy it is difficult to co-ordinate policy to reduce the public debt."

WMG director and *Post* columnist Lord Kumar Bhattacharyya said: "SMEs are not only a significant part of the economy they are also powerful engines of innovation.

"We need to nurture that innovative spirit and help it flourish to generate many more new products and jobs."