

Cabinet Meeting on Wednesday 17 June 2020

Economic Recovery, Renewal and Transformation Strategy



Cllr Philip Atkins, Leader of the Council said,

“There’s no doubt that coronavirus has had unprecedented effect on the UK economy and here in Staffordshire, and we anticipate tough times ahead for businesses.

But we are still ambitious for Staffordshire’s growth, recovery and renewal. Although the county’s economic landscape will be different, our aim remains that Staffordshire will still be on the national and international business map for the benefit of local people and our businesses. We will still be one of the best performing counties in the country with our

businesses highly productive and our residents earning good money through more and better jobs. That has not changed.

The role of the county council is central to supporting everyone during these changing times, and indeed the recovery and renewal of our economy is already underway. As well as continuing to invest in the conditions all businesses needs to thrive, the current situation has also presented us with many opportunities to further develop the Staffordshire economy by supporting the creation of those clean, digital, highly productive businesses that will provide the jobs of the future.

Our ambitious five-year Economic Recovery and Renewal Strategy is a roadmap to regrowth and a renewed economic landscape and includes our approach to supporting new businesses to become established, robust and thrive. Including the refurbishment of previously unused parts of the in-demand Cannock Enterprise Centre, and the expansion of the Silverdale centre to create much needed extra workshop space.”

Report Summary:

The COVID-19 public health crisis has impacted all our lives and the local, national and global economies. It is important that Staffordshire County Council is able to articulate what it wants to achieve for the economy of Staffordshire through the national recovery process. As such our Economic Recovery, Renewal & Transformation Strategy sets out our priorities for the next five years to **respond** to the COVID-19 crisis and subsequently **recover**, **renew** and **transform** the local economy.

Unlike traditional strategies which are written and then reviewed on an annual basis, this document will need to be live and constantly reviewed as we find ourselves in a rapidly changing world. Therefore, this strategy should be considered a living document that guides the County Councils approach to economic recovery, renewal and transformation.

As part of early delivery of the strategy, extensions to the Cannock Chase and Silverdale Enterprise Centres have been reviewed and remain an important part of the future development of the local economy. In support of the response to the crisis and in support of the local recovery, a business start-up scheme has also been developed to enable and support residents at risk of redundancy in starting their own business.

Recommendations

I recommend that:

- a. Cabinet approves the Economic Recovery, Renewal and Transformation Strategy.
- b. The Leader of the Council, Cabinet Member for Economic Growth, and Cabinet Member for Learning and Employment take the Strategy to the next available Prosperous Select Committee for consideration and input.
- c. The Leader of the Council, Cabinet Member for Economic Growth, Cabinet Member for Learning & Employment and Director for Economy, Infrastructure & Skills be authorised to continuously review the Strategy due to changes in economic circumstances.
- d. Working with those Cabinet members with associated responsibilities, the Director for Economy, Infrastructure & Skills be authorised to progress the development of supporting delivery plans, working with our partners as appropriate.
- e. As part of the delivery of the Strategy, Cabinet approves the progression of the extensions to the Cannock Chase and Silverdale Enterprise Centres, including investment of £355,850 from Staffordshire County Council borrowing and £150,000 for the Cannock Chase scheme from the joint County Council and Cannock Chase District Council Pye Green Investment Fund.
- f. Cabinet members communicate the new £0.360m Staffordshire County Council start-up support scheme with their communities and across the county to maximise the benefit of the scheme in supporting people at risk of redundancy to start their own business.

Local Members Interest
N/A

Cabinet – Wednesday 17 June 2020

Economic Recovery, Renewal and Transformation Strategy

Recommendations of the Leader of the Council, Cabinet Member for Economic Growth and Cabinet Member for Learning & Employability

We recommend that:

- a. Cabinet approves the Economic Recovery, Renewal and Transformation Strategy.
- b. The Leader of the Council, Cabinet Member for Economic Growth, and Cabinet Member for Learning and Employment take the Strategy to the next available Prosperous Select Committee for consideration and input.
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Report of the Director for Economy, Infrastructure and Skills

Reasons for Recommendations:

Background

1. Connected; competitive; complementary; collaborative – are the key terms that define our area. Located at the heart of the UK, the vibrant corridors and urban centres of the connected county of Staffordshire form a growing economic powerhouse. The COVID-19 crisis has impacted this growth, but our Economic Recovery, Renewal and Transformation Strategy outlines our ambitious and achievable plans as to how we will mitigate the impacts of the crisis and take

advantage of opportunities that have arisen to transform the local economy. Alongside our outstanding natural assets, unparalleled connectivity, vast cultural and leisure offer and varied housing offer, this will enable us to ensure that we remain amongst the best places to live, work and invest in the country.

2. Our response to the crisis is already well underway in Staffordshire with a number of interventions in place with the aim of supporting businesses and individuals. Including, £143m of Government grant being passed through to businesses by our Districts, a new Redundancy and Recruitment Triage Service developed by the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) and delivered by the National Careers Service, a new £0.500m Staffordshire County Council emergency grants scheme to help support our micro-businesses survive the crisis for which there was huge demand, a new £0.360m Staffordshire County Council Start-up support scheme recently launched and delivered by the Chambers of Commerce, delayed rent payments at our Enterprise Centres and the planned progression of extensions to our Enterprise Centres at Cannock Chase and Silverdale. Clearly there will continue to be difficult times ahead and our Strategy sets out how the County Council will continue to **respond** to the immediate crisis and support our economy to **recover**.
3. Whilst there will undoubtedly be a negative impact to the local economy in the short-term at least, our Strategy also recognises that many opportunities have arisen that we need to grasp to hasten the development of the Staffordshire economy, such as the increase in homeworking and positive environmental impacts. Delivering our Strategy and taking full advantage of these opportunities will further enable the Staffordshire economy to **renew** and ultimately **transform** into a place where clean, productive businesses are created and thrive whilst existing business are supported to fully participate in the new economy.

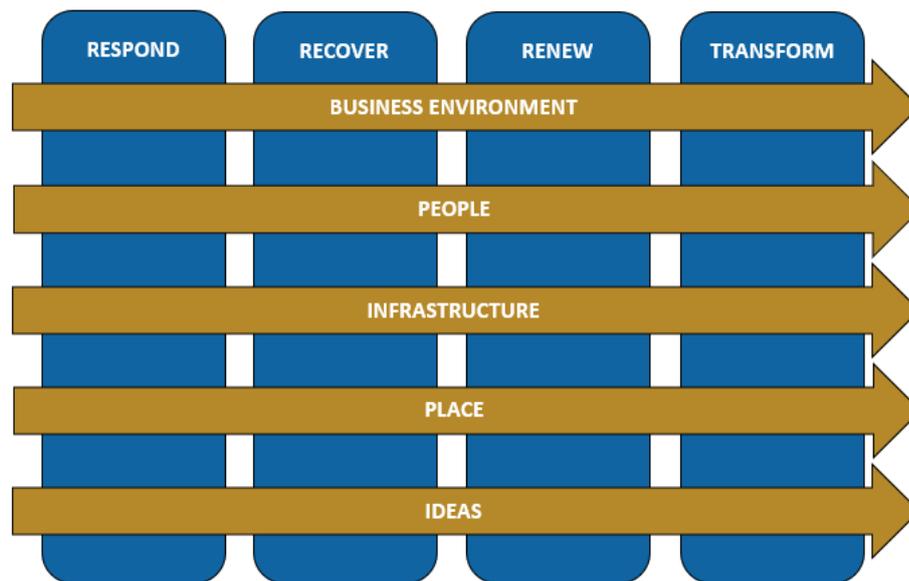
Approach

4. The unprecedented nature of the COVID-19 public health crisis and the resulting effects felt around the globe mean that the longer-term impacts are extremely difficult to predict. Never have we experienced such a wide-scale lockdown of all the major world economies, with previous economic downturns primarily only affecting discrete geographies and/or industrial sectors.
5. Interventions made to help support and minimise the economic impact of the pandemic have also varied, and the ultimate success of these policies will only become evident following the easing of lockdown measures. Within the UK, the Government has made several very significant interventions to help to ensure that the economy can get moving again as quickly as possible, primarily through attempts to minimise business closures and job losses.
6. It is essential the County Council has its own Strategy to complement the national response. We are uniquely placed to support a whole-system approach to recovery, renewal and transformation of our economy, due to our responsibilities for transport, infrastructure, environment, education, skills and health.

7. Throughout the Strategy there is a focus on enabling the growth of a clean and green economy in Staffordshire. Amongst all the economic challenges businesses and communities will face through recovery, accelerating our plans to transform to a clean economy with a strong green sector will support our climate change ambitions as a County.
8. The Strategy recognises that whilst there will be significant challenges in the short-term, the crisis has also presented many opportunities that we need to grasp. We have a well-established and high-performing skills system with providers that have had to adapt to deliver education and training through other means. Existing programmes and potential flexibilities provide the opportunity to address the recovery in skills, but there is an opportunity to be more transformative and start to deliver programmes that address longer-term skills issues such as digital, leadership and management, business improvement, lean, agile and automation programmes.
9. We have a thriving care market which has never been so revered as a career as it is now. This presents opportunities to further strengthen the local care market for the benefit of our residents, whilst also ensuring that care leavers can fully partake in and benefit from our local economy.
10. But we cannot deliver this strategy without working closely with our partners in the SSLEP. Our Districts and Boroughs have played a key role in ensuring the Governments various business grants have reached our local businesses in a timely manner and they will play a lead role in recovering and renewing our town centres. The LEP will play an important leadership role in bringing together public and private sector partners to ensure our plans are aligned across the whole of Staffordshire and Stoke-on-Trent; we will also work closely with Stoke-on-Trent City Council to ensure our boundaries do not stop individuals and businesses getting the support they need. We will also work closely with businesses from across a range of sectors to ensure they are supported in developing and delivering their own recovery plans to get the local economy growing again.
11. The success of the economic support measures in helping to mitigate the crisis, and how the global economy recovers will determine the impact on the Staffordshire economy. As there are a range of scenarios being considered globally and nationally it is important that our Strategy and associated delivery plan(s) are flexible enough to respond to whichever scenario becomes a reality.
12. A detailed 'live' assessment of the impact of the crisis is being updated frequently and has informed the development of our Economic Recovery, Renewal & Transformation Strategy. The Strategy sets out our priorities for the next five years through four non-linear phases:
 - a. **Respond** – support our businesses and residents through the COVID-19 crisis.
 - b. **Recover** – create the conditions to support our businesses and residents to return-to-work as soon as possible.
 - c. **Renew** – continue to progress those priorities that will play an important role in achieving our ambitions to develop the local economy beyond the current crisis.

d. **Transform** – utilise the opportunities presented by the current economic conditions by supporting the transformation of the local economy to be digital, clean and higher-value.

13. The five economic themes of **business environment**, **people**, **infrastructure**, **place** and **ideas** that form the integral part of our Strategic Plan and the national and local industrial strategies remain relevant, but the strategic priorities aligned to these themes have been reconsidered in response to the COVID-19 crisis and possible prolonged economic downturn. The Strategy therefore sets out our revised strategic priorities for each of these themes across the four non-linear phases as set out in the framework below.



14. There are several issues that will be considered that cut across all the five themes including the need to meet carbon-neutral targets, supporting inclusive growth to ensure all our residents benefit from the development of the local economy including within urban and rural areas and communicating and engaging effectively with our businesses and residents, thereby creating a strong Staffordshire identity.

15. We are now developing a supporting delivery plan(s) to outline those specific programmes to deliver the strategy. A range of activities are already underway to respond to the crisis. Our Enterprise Centres have been particularly successful in recent years in supporting business investment, start-ups and thereby creating jobs. The County Council was already progressing plans to extend the centres within Cannock and Silverdale and considering the COVID-19 crisis, these projects have been examined to ensure that they remain viable, sustainable and effective. It is believed that this type of unit will remain in demand in the long-term and the projects will therefore continue to be desirable.

16. The monthly licences and supportive atmosphere of the centres helps start-ups and fledgling businesses learn how to operate their business in a safe place where business support is readily available. Existing businesses are assisted

through difficult times in working out a plan of action and given time to recover. The centres will therefore play a vital role in the economic recovery of the county.

17. The overall cost of the two schemes is £877,000, with £371,150 funded by the SSLEP from the Local Growth Fund, £150,000 from the joint County Council / Cannock Chase District Council Pye Green Investment Fund and £355,850 through County Council borrowing. It is anticipated that SCC borrowing costs will be recovered by the 13th year of operation of the schemes and whilst the COVID-19 crisis has led to some uncertainty regarding economic conditions, start-up space and high-quality workspace is going to be vital whilst business support schemes such as the new start-up support scheme should drive up the demand for such office space. Timescales for the project are tight with works needing to begin as soon as possible to enable the drawdown of funding from the LEP by the required deadline of 31st March 2021. The outputs of the schemes comprise 21 additional industrial units and 45 new jobs at a cost per job of £19,500 (further detail provided in appendix 2).
18. We know from the last recession that as people are unfortunately made redundant, there is often an increase in people starting their own business. This is of course welcome and to be supported, with the benefit of people starting their own business not only meaning that they are economically active, but there is also the potential for these new businesses to go and be successful and employ others. Alongside the continued support through the enterprise centres, it is therefore also important we continue to provide high-quality business support for start-ups including through the new £0.360m start-up support scheme. This £0.360m has been requested to be reserved from the COVID-19 funding the County Council has received from central government.
19. We will need to continue to review and refresh our existing activities against the priorities of the Economic Recovery, Renewal and Transformation Strategy whilst new programmes will need to be developed where there are gaps.

Purpose

20. Whilst the COVID-19 crisis has undoubtedly had a negative impact on the global economy, the situation has raised several challenges and opportunities that it will be important for us to consider further. Our Strategy therefore outlines how we will grasp the opportunities that will likely go a long way to helping us achieve our renewed vision over the next five years.
21. Our Economic Recovery, Renewal and Transformation Strategy should also be seen in the wider context in which we operate. Our Strategy will both support and shape the wider recovery planning through both the Staffordshire and Stoke-on-Trent Local Resilience Forum and the Local Enterprise Partnerships. Furthermore, we will feed into and shape wider regional and cross-boundary approaches such as the Constellation Partnership and the Midlands Engine (to name but two).
22. The development of this strategy will not only ensure our interventions are targeted on the right priorities, it will also allow us to influence/shape the approach

taken by LEPs, the Midlands Engine, Government and other relevant bodies. The strategy will aid with securing funding and powers to deliver the strategy, including through the various Government policy agendas such as devolution, 'levelling-up' and the Shared Prosperity Fund.

Governance

23. A governance model has been created within the County Council to ensure effective decision-making and delivery through the immediate crisis. Included within the governance model is an 'Economic Recovery Cell' which has the responsibility of delivering this Strategy through both the 'respond' and 'recovery' phase. Through the 'recovery' phase and beyond, the County Council will utilise existing governance arrangements (including reporting to Cabinet Members and Cabinet), alongside a Corporate Recovery Group, to manage and monitor the delivery of this strategy and supporting delivery plan(s).
24. It will clearly be vital to ensure that the County Council continues to work proactively with all partner organisations in the delivery of the Strategy. To complement the work we do with the LEP we will bring together a business advisory board to help shape our thinking through a 'Star Chamber' with a limited number of representatives from major businesses from key sectors across Staffordshire. The 'Star Chamber' will help to shape the delivery plan(s) and drive forward the delivery of the strategy.
25. The Council will need to continue to work closely with the District / Borough Councils and Stoke-on-Trent City Council. The Council will also continue to ensure that there is political engagement in the delivery of the Strategy throughout its duration through the Staffordshire Leaders & Chief Executives Group. The delivery of joint programmes will be managed through existing and new locality working arrangements, as appropriate.

Legal Implications

26. At this stage in the development of the Strategy there are no specific legal implications to consider. With regards to the extensions to the Enterprise Centres, contractual arrangements pursuant to the delivery of the projects is delegated to the Director for Economy, Infrastructure and Skills and the Director of Corporate Services.

Resource and Value for Money Implications

27. There are no financial implications identified within the Strategy. Resource will be needed to deliver the Strategy, and this will therefore be considered as a part of the development of the associated delivery plan(s). In this regard and as part of the early delivery of the strategy, borrowing of £355,850 is required to deliver the extensions to the Cannock Chase and Silverdale Enterprise Centres with an expectation that the payback period will be within 15 years.

List of Background Documents/Appendices:

Appendix 1 – Economic Recovery, Renewal and Transformation Strategy
Appendix 2 – Cannock Chase and Silverdale Enterprise Centre Extensions –
Business Case Summary Information

Community Impact Assessment – Summary Document

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