

Local Members Interest
N/A

Prosperous Overview and Scrutiny Committee - Thursday 13 January 2022

Economic, Renewal and Transformation - Six Monthly Update Recovery

Recommendations

I recommend that the Committee:

- a. Considers the six-monthly update provided on progress made against the Staffordshire Economic Recovery, Renewal & Transformation Strategy.
- b. Considers the interventions already made by the County Council and partner organisations and recommends further interventions to be considered by Cabinet that the Committee believes would help to enable the successful delivery of the Strategy

Report of Cllr Philip White, Deputy Leader and Cabinet Member for Economy and Skills

Summary

What is the Overview and Scrutiny Committee being asked to do and why?

1. The purpose of this report is to provide the Overview and Scrutiny Committee with an opportunity to consider and comment upon progress made in relation to the Economic, Recovery, Renewal & Transformation Strategy. The Strategy has been flexible enough to be able to respond to relevant issues and opportunities as they've arisen. The Council is currently developing our new Economic Strategy to outline how we will support the growth of the local economy in the coming months and years, and which will be brought to the Select Committee to consider and help shape in due course.
2. The successful delivery of the Strategy in achieving the vision and aims that it sets remain dependent on many factors, not least the identification and delivery of appropriate projects and programmes. A range of interventions were made by the County Council, HM Government and other partners to respond to the immediate crisis whilst work has continued to deliver our longer-term ambitions for the Staffordshire

economy, including those projects and programmes outlined within this report.

3. Monitoring the County Council's performance in delivering the Strategy will be vital to ensuring we ultimately achieve its vision and aims. The Overview and Scrutiny Committee has an important role in scrutinising our performance over the duration of the Strategy.

Report

Background

4. Our Economic Recovery, Renewal and Transformation Strategy was agreed by Cabinet and scrutinised by the Prosperous Select Committee in June 2020. The ultimate impacts of the pandemic were always and remain somewhat uncertain, although what is clear is that the delivery of local and national support measures, alongside the vaccine rollout, have been hugely successful in averting the severe economic downturn that had been predicted by many.
5. As we are now in a very different position to what many economic commentators thought we might be, it is now an opportune time to consider the economic priorities for the authority in the coming months and years. Through the ongoing development of the Strategic Plan, four economic priorities have been agreed that will form the basis of a new Economic Strategy for the Council that will be brought to the Select Committee for consideration in early 2022.
6. However, it is recognised that some challenging times remain and that these will likely impact some of the county's businesses and residents. The Council remains committed to helping mitigate these impacts in whatever ways we can.
7. Continuing these updates, this six-monthly report provides a summary of the wealth of work being undertaken by the Council and crucially, its partners, to ensure our economy can continue to thrive as we navigate through the Covid pandemic.
8. A detailed 'live' assessment of the impact of the crisis is being updated frequently and informed the development of our Economic Recovery, Renewal & Transformation Strategy and continues to inform the development of interventions / projects / programmes. 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 pandemic.
 - 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.
9. The five economic themes of **business environment**, **people**, **infrastructure**, **place** and **ideas** that form the integral part of the national and local industrial strategies remain relevant. There are several key issues to consider that cut across all of the 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. Our Strategy is fundamentally based on the principles of achieving sustainable growth and we are also keen to underpin future growth within our businesses, places and through the skills of people with the latest innovations in digital technology and infrastructure such as 5G and other emerging technologies.
10. To effectively respond to the challenges we face, we must be able to see behind the headlines and understand the full picture that can often be so revealing and helpful in terms responding appropriately with pace. To this end, Staffordshire County Council continues to produce an Economic Bulletin that we are currently publishing on a monthly basis to coincide with the release of data on the main Government economic support measure (i.e., Universal Credit, Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme).
11. Overall, the proportion of working age Staffordshire residents on one of these Government support schemes is estimated to be around 9%, lower than the national average of 11% as greater numbers of Staffordshire residents have been able to return to work. This figure, which covers the period up to September 2021, has reduced substantially over recent months as the number of people on furlough has fallen.
12. The claimant count (Universal Credit) in Staffordshire saw a modest reduction in the number of claimants (a reduction of 565) between August and September 2021 to a total of 19,445 claimants with a claimant rate of 3.6% of the working age population. Whilst there have been some announcements of potential redundancies, due to the move

to Universal Credit, claimant count figures now also include those that have had a lower income through Covid-19, including furloughed staff and part time employees, short-term layoffs and self-employed that have paused or ceased operating.

13. The claimant count rate is still relatively low in Staffordshire (3.6%) compared to regionally in the West Midlands (6.1%) and nationally (5.1%) at the time of writing. Although unemployment and those claiming benefits has recently declined, there remained a large number of employees furloughed with the county (13,700) at the end September 2021 when the scheme ended. In the coming months it will become clear as to the impact of the furlough scheme ended, including the extent to which people have re-entered the workforce or become unemployed.
14. There is room for optimism, with the Office of Budget Responsibility (OBR) projecting a far swifter recovery of the economy at the Autumn Budget in October than had been estimated previously. The UK economy is now expected to return to pre-Covid levels by early 2022, far sooner than originally expected. Positively, the OBR has also reduced its anticipated unemployment peak rate to a figure of 5.2% compared to a peak of close to 12% that was predicted at the start of the pandemic.
15. We have seen a rapid increase in job vacancies in Staffordshire in recent months, reflective of the increasing demand we are seeing for workers across much of the economy. Staffordshire saw vacancies increase by 18% between September and October 2021, equivalent to over 5,400 more job vacancies.
16. There have been several positive major job creating announcements in recent months including fashion retailer ASOS opening its new £90m fulfilment centre at Fradley near Lichfield which is set to create 2,000 jobs. Pets at Home are developing a new national headquarters at Redhill near Stafford due to open in summer 2022 and forecast to employ 800 people, whilst numerous other employers within the county have been recruiting extensively, particularly in the run up to Christmas.

Ongoing and Completed Interventions

17. We continue to respond to the Covid pandemic through a series of interventions which have been designed to meet the key elements of recovery, renewal and transformation as set out in our Strategy.
18. In the early part of the Covid-19 pandemic, our interventions started immediately with a number of interventions directly undertaken by the County Council with the aim of supporting businesses and individuals. An Emergency Grant Fund providing up to £1,000 for businesses to pay

an outstanding supplier bill and a pack of PPE for those with no choice but to work in close proximity with others, were launched in June 2020 on a short-term basis. More recent developments include:

- a. A three-year Staffordshire and Stoke-on-Trent Business Loans Fund launched in April 2021, as part of the Staffordshire Means Back to Business long term strategy. The Loans Fund sees the County Council working in partnership with Stoke-on-Trent City Council and not-for-profit organisation BCRS Business Loans, who administer the programme for both councils. The total value of the fund is £2 million and loans of between £10,000 and £50,000 are being made available to companies across a range of sectors as they look to overcome the impact of the Covid 19 pandemic.
- b. A partnership with the Federation of Small Business (FSB), County Council and all 8 District and Borough Councils to provide business support to very small employers is the first such scheme of its kind in the UK. This scheme has been jointly funded and administered through the District and Borough Councils providing business support in the form of legal, financial, HR and H&S advice to micro businesses which employ between 1 and 4 people. 215 businesses were able to take advantage of this offer and it was launched on 1st March 2021 and will be operational until March 2022. At the time of writing 196 businesses have met the criteria and have been accepted onto the FSB business support programme
- c. Using part of the investment identified to support the economy and economic development activities from the Medium-Term Financial Strategy, the County Council is working with district and borough councils across Staffordshire to pool investment as part of the £3.47 million Staffordshire Back to Business Grant Scheme. By working in partnership, Staffordshire County Council's investment of £1.4 million is leveraging a further £2.1 million of investment from our district and borough councils into activities which will support apprenticeship and training provision, business start-up support (including for young entrepreneurs) and small business to thrive financial support. In November 2021 the County Council was successful in a Community Renewal Fund bid which will bring a further £726,824 and two new business support schemes into the programme.
- d. Working closely with local authority partners across Staffordshire and Stoke-on-Trent, we are enhancing investment and supporting our visitor economy sector through the Staffordshire Destination Management Partnership (DMP). Using part of the investment in the economy and economic development activities identified through the Medium-Term Financial Strategy and additional public sector

contributions from our district councils, the proposals have already helped our visitor economy emerge from the recent difficult periods, and take advantage of the 'Staycation' opportunities that lie ahead and build a better future for tourism and for the people who work within the industry in Staffordshire. A Visitor Economy Partnership Development Manager has been recently appointed to increase our resource to support the sector and will lead on the development of a new Visitor Economy Strategy. Through enhanced marketing over the summer and autumn periods of 2021 and into 2022 we are highlighting Staffordshire's fantastic visitor offer.

- e. A pilot Start-Up Loans scheme providing new businesses with loans of between £3,000 and £5,000 at no interest and no fees was launched in November 2020. The sum borrowed is to be repaid after 12 months and is open to those who complete the Staffordshire Start up or partner organisation's course. £100,000 has been allocated to the scheme which was launched at the beginning of November. At the time of writing fourteen loans have been approved to date from the Start-Up Loans scheme.
- f. A £0.360m Staffordshire County Council Start-up support scheme for those who are looking to start a business in a priority sector. The targets are 1,000 engagements with pre-start individuals, 300 participants on the course and 200 new businesses established in a year. It is being delivered by the Chambers of Commerce and 308 people have signed up to the scheme as of the 31st October 2021 and 120 businesses have started trading.
- g. A new start-up scheme called Get Started was launched on 1st November 2021. This provides business who have been trading for less than two years with access to the services of a professional marketing agency or an accountant, both of whom have been procured by the County Council. Each package of support costs between £750 and £850 and will be funded via the County and the Community Renewal Fund allocation. To date over 30 applications have been received for this business support programme.
- h. The Countywide Redundancy Task Group has now worked together for 18 months. Set-up in June 2020 to support businesses and individuals across Stoke-on-Trent and Staffordshire, the group has 26 partners who continue to meet fortnightly. Partners work to minimise the impact of Covid-19 on jobs where possible, and support transition to work in growth sectors, plus support the implementation and delivery of the variety of Plan for Jobs initiatives, such as; Kickstart, Restart, Job-Entry Training Support, Sector-based Work Academies. It brings together the County Council, City Council, Districts/Borough Councils,

Government Departments, Chambers of Commerce, FSB and other national agencies and local partners. To date we have logged 76 businesses making a potential 8,205 redundancies, with 56 of these businesses submitting a HR1 (advanced notice of redundancy form) via the Insolvency Service, of which 45 have taken up the local offer of support. Following the conclusion of the Government's Coronavirus Job Retention Scheme (Furlough) on the 30th September, it is to date positive to say there are very few redundancy notification forms (HR1s) for the Staffordshire area, and this reflects the national situation. The few we have received mainly relate to changes in employees' terms and conditions and not potential risk of redundancy. In terms of the wider economy, we continue to see job vacancies increase in Staffordshire, which grew by 18% between September and October equivalent to over 5,400 more job vacancies. This is compared to 10% between August and September. Whilst these opportunities for employment are welcome, the need now is to ensure that there is a strong local labour pool with skilled workers able to fill these roles to encourage business recovery.

- i. The Stoke-on-Trent and Staffordshire Redundancy and Recruitment Triage service was one of the first in the country to provide a redeployment matching service for individuals at risk, and support to businesses to help their at-risk staff or fill their vacancies if experiencing high demand. Since April 2020 there have been over 12,500 web-hits for the Triage Service (over 7,200 business, 5,300 individuals). The Triage service has supported 2,085 individuals with 38% going direct into a positive outcome. The Triage service continues to be administered by the National Careers Service for the West Midlands. Recent work to refresh the communications for the Triage service has included:
 - i. Use of umbrella 'Now's Your Time' brand to frame messages in an aspiration.
 - ii. Repositioning - An Extension of the offer beyond a matching service to one that you can contact to explore your options, even if not at risk of redundancy – you can now begin a chat to explore your options.
 - iii. Separate messaging for these two target groups – 'Now's the Time to take control of your future' – for those not yet at risk but who should be starting to think about changing careers (they may have been on furlough, for example,) and should contact the service for advice. The 'Now's the Time to get straight back in a job' campaign targets those that are at risk/made redundant and illustrates the matching service element.
 - iv. The brand has been tweaked to the 'Stoke-on-Trent and Staffordshire Triage Service' – in recognition that people do not have

to have been made redundant to contact the service to get help i.e., stop automatic dissociation from the messaging.

- j. A bespoke student start-up programme for young entrepreneurs called 'Ignite' has been developed. The Ignite Programme, delivered by Staffordshire Chambers of Commerce, and funded by Staffordshire County Council with investment from 3 districts, is a new 3-year programme of free advice, workshops mentoring and support for students in year 12/13 looking to set up their own business in Staffordshire. It was launched in January 2021 at Burton and South Derbyshire College, Leek and Buxton College, Newcastle and Stafford College Group, South Staffordshire College, engaging 7,000 students and was launched with Staffordshire School 6th Forms in September 21. The aim of the programme is to make sure that young people in the final year of further education, who aspire to, or may be considering starting up on their own, are provided the support they need to make their new business a success. The scheme helps students to develop entrepreneurial thinking, alongside existing studies and thus open self-employment opportunities upon leaving further education.
- k. The next step in promoting Staffordshire as an excellent place to start a business is the creation of an electronic Start Up Prospectus using the We are Staffordshire branding. Our objective is to showcase Staffordshire as a great place to start a business, providing details of all the schemes and support available, and highlighting some of the fantastic work/life balance opportunities in the County. The intention is that it is an outward looking showcase of all the work the County Council and key partners are doing together such as Staffordshire and Keele Universities, City and District Councils, the Chambers of Commerce and the Prince's Trust to promote business start-ups.
- l. The Skills and Employability team are leading on the delivery of 4 skills projects funded by the SSLEP's Getting Building Fund. The £1.2m Digital Skills Centres by South Staffordshire College, provide digital hubs at Cannock & Tamworth to provide access to high quality skills training supported by state of the art physical and digitally simulated environments in order to develop the skills needed by local and regional employers. The £272k Automation & Robotics Suite by The JCB Academy will create an Automation & Robotics Suite to include a Control and Automation Suite, a cad & visualisation suite and an independent study area. The £350k Creative and Digital Industries project at Stoke-on-Trent College incorporates the completion of the remodelling and refurbishment of the New Library Building to create a collaborative learning space for the development of digital skills and the £165k Construction Industry Digital technologies project at Stoke-

on-Trent College will expand the use of the AR/ VR hubs at its sites to incorporate building information management hardware and software.

- m. In order to enhance further Staffordshire County Councils efforts and resources to assist and develop businesses in the rural economy, the County Council has been working with stakeholders on the creation of a Rural Economic Strategy which includes work to support the 5 rural hub towns. This strategy seeks to recognise and address opportunities and challenges to make a stronger rural economy and it will lead to practical business support programmes.
- n. The extensions to the Enterprise Centres at Cannock Chase and Silverdale designed to increase the number of small industrial units available for businesses are fully operational. An investment shared by the LEP and the County Council has provided £870,000 for these projects. The 9 additional units at Cannock Chase Enterprise Centre were fully occupied within a month of opening and they are once again operating a waiting list. At the time of writing 3 of the 12 units at Silverdale Units have been taken since the extension opened in August, 2 new tenants should be moving in shortly and there are 14 open enquiries who have been sent application packs. Work is now taking place on the potential development of three new Enterprise Centres and another extension. The first of the new sites will be opened in the Shire Hall in Stafford by June 2022.

Further Regeneration Initiatives

- 19. The County Council is working with partners to deliver a number of projects across Staffordshire which will be integral in transforming the economy in a post Covid context.
- 20. Across Staffordshire County Council is working in close partnership with district and borough councils through several key town centre initiatives designed to re-ignite and reinvigorate our centres and high streets. These include projects accessing funding through the Future High Streets Fund (Newcastle-under-Lyme, Stafford, Tamworth), Town Funds (Burton-upon-Trent, Kidsgrove and Newcastle-under-Lyme).
- 21. More recently, Cannock town centre has been a successful recipient of £20m from round 1 of the Government's Levelling Up Fund. The funding will be used to develop a new cultural hub for the town centre, including a new cinema, enhanced theatre, workspaces, and education space aimed at entrepreneurs. The County Council worked closely with Cannock Chase Council to secure the funding and is excited to see the proposals come to fruition.

22. In Newcastle-under-Lyme the County Council is proposing to invest in the Chatterley Valley West employment site which is expected to see some 1,700 jobs and additional Gross Value Added output of some £67m per annum once fully built out. The County Council is working with Newcastle-under-Lyme Council and developers Harworth Group through viability gap funding to unlock the site which has been undeveloped for more than 20 years. Alongside SCC's investment of £3.5m, some £3.68m has been allocated from the Kidsgrove Town Deal.
23. In Stafford town centre, work continues to progress on the development of the Eastgate Regeneration Programme with demolition of the former Stafford Magistrate Court and adjoining Probation Building completed in November 2021. The cleared site, along with further underused land and buildings within the County Council's ownership will be regenerated to create a thriving town centre quarter which bridges the area between the Riverside retail development and the retail core. Soft Market testing with potential developers is informing a preferred direction for the scheme.

The UK Community Renewal Fund

24. Staffordshire County Council has secured £1.5m UK Community Renewal Funding to deliver 3 projects in Newcastle-under-Lyme and surrounding districts. The successful projects are Staffordshire County Council, Staffordshire Means Back to Business £736,824, Newcastle-under-Lyme Borough Council, Carbon Reduction & Sustainable Energy Creation Programme, £215,000 and Staffordshire University, Innovation and Productivity Pathfinder project, £527,828.
25. The UK Community Renewal Fund aims to support people in communities most in need across the UK to pilot programmes and new approaches to prepare for the UK Shared Prosperity Fund. It invests in skills, community and place local business and supporting people into employment.

Link to Strategic Plan

26. The Strategy primarily relates to the 'access to more good jobs and share the benefits of economic growth' Strategic Plan priority and all the associated priorities. However, there are aspects of the Strategy that cut-across all the Strategic Plan priorities with increased prosperity in the County having the potential to have positive impacts on resident's health, safety and happiness.

Link to Other Overview and Scrutiny Activity

27. There have been regular updates to the Prosperous Overview and Scrutiny Committee over the past 18 months. There is a plan to bring a

draft of the emerging Economic Strategy (which will set out the Council's ambitions for the months and years to come) to the Committee in due course.

Community Impact

28. The impact of the COVID-19 crisis has the potential to affect some demographic groups and locations more than others, although this is a situation that evolves rapidly and with some uncertainty. Inclusive growth is a theme that cuts across all the strategy and the aim is therefore for all residents to benefit from its delivery. A 'live' evidence base is being updated regularly to monitor the impact and a strategic priority within the Strategy is to support affected groups, allowing the County Council to respond accordingly.

List of Background Documents/Appendices:

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