

Cabinet Meeting on Wednesday 19 January 2022

Economic Recovery & Growth: Enhancing Delivery



Cllr Philip White Deputy Leader and Cabinet Member for Economy & Skills said,

“It is a County Council priority to support the Staffordshire economy so our communities have increased opportunities through better paid, better skilled jobs. Our role is to attract major investment – ensuring we have the right infrastructure in place for new and existing business, as well as a skilled workforce and an ideal environment to start and nourish new enterprise.

Additional investment will enhance the successful work we have already carried out, particularly as our economy recovers from the pandemic. We remain committed to ensuring there is the right balance between our rural and urban areas and crucially to work in close partnership with our district and borough councils.”

Report Summary:

Cabinet on the 6th January 2021 invested an additional £1m per annum to support local business. This report sets out how this budget has been used over the last 12 months. For future years it details how it will support economic growth and in particular the areas where this money will help expedite the delivery of our economic priorities, as set out in the strategic plan. This investment of £5m over the next five years, and thereafter, demonstrates the importance we place on the citizens of Staffordshire having not only access to jobs, but that they are also good well-paid jobs that recognise the challenges also faced by the environment.

This investment will be put to work to deliver our Corporate Objectives. It will not be used in isolation, but to complement our existing activity working with both the private and public sectors, not least through enhanced two-tier working. Our partners are key to our success, and we remain committed to work with them to maximise the benefit of every pound spent. As in previous years, our strategy is to use Staffordshire County Council investment to leverage external investment into the local economy. Our current economic growth programme unlocks nearly £7 of external funding for every £1 of our investment, and we intend to continue this approach over the next few years.

As set out in the emerging Strategic Plan, our proposed economic priorities are:

- a. Supporting the regeneration and transformation of our town centres
- b. Enabling infrastructure for economic growth through 'ready to fund' projects
- c. Developing and implementing programmes which will make Staffordshire one of the best places to start-up or step up in business
- d. Having a high skilled, better paid workforce
- e. A50/A500 Strategic Investment Corridor, realising opportunities it presents through innovative and sustainable growth
- f. Activities to be underpinned by the drive for Net Zero Carbon

Using the £1m investment to deliver these priorities will enable us to move programmes and projects forward quickly with the sole objective of supporting Staffordshire's business community and its employees and ultimately their families.

Recommendations

I recommend that Cabinet:

- a. Confirm the key priorities for delivery as:
 - i. Supporting the regeneration and transformation of our town centres
 - ii. Enabling infrastructure for economic growth through ready to fund projects
 - iii. Developing and implementing programmes which will make Staffordshire one of the best places to start-up or step up in business
 - iv. Having a high skilled, better paid workforce
 - v. A50/A500 Strategic Investment Corridor, realising opportunities it presents through innovative and sustainable growth
 - vi. Activities to be underpinned by the drive for Net Zero Carbon
- b. Support the use of the £1M p.a, as set out in Table 1 in paragraph 13 of this report.
- c. Delegate to the Director for Economy, Infrastructure and Skills the authority to move resources between activities as required to meet changing requirements (within the budget envelope), in consultation with the Deputy Leader and Cabinet Member for Economy and Skills.

Local Members Interest
N/A

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Recommendations of the Deputy Leader and Cabinet Member for Economy & Skills

I recommend that Cabinet:

- a. Confirm the key priorities for delivery as:
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 - v. A50/A500 Strategic Investment Corridor, realising opportunities it presents through innovative and sustainable growth
 - vi. Activities to be underpinned by the drive for Net Zero Carbon
- b. Support the use of the £1M p.a, as set out in Table 1 in paragraph 13 of this report.
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Report of the Director for Economy, Infrastructure and Skills

Reasons for Recommendations:

1. The Economic Recovery, Renewal and Transformation Strategy published in 2020 set the direction for our support for the local economy. From 21/22 onwards, the Medium-Term Financial Strategy (MTFS) includes an additional £1million per annum to support economic recovery and encourage economic growth. This is a clear illustration of this Council's absolute determination to support our economy, helping jobs growth and ensuring people have the skills to benefit from that growth. Our economy is strong, but it faces challenges. We will work closely with our businesses to address those challenges.

2. Of the additional resources made available, £0.840m of this £1m investment in 21/22 has been formally committed. This can be broken down as follows:
 - a. £0.200m has been used to create a Destination Management Partnership (DMP) post and to create a DMP marketing budget. This was approved by SLT and Informal Cabinet in January 2021
 - b. £0.640m has provided the ability to develop and operate the Staffordshire Means Back to Business scheme. This was also approved by Cabinet in January 2021. The scheme has enabled us to work closely with borough/district councils to provide direct and enhanced support to local business and its workforce. To date the Staffordshire Means Business scheme has been able to generate an investment fund of over £6million which includes a successful bid to the Community Renewal Fund (CRF) of £751,000. Since its launch in April 2021, the Programme has already committed over:
 - i. £1.25million in creating over 250 apprenticeships
 - ii. £440k in free training for over 2000 people within 236 businesses
 - iii. £205k in 46 companies 'to Thrive' business growth grants
 - iv. £592k in business start-up support
 - v. Ignite lesson plan delivered to over 7,000 students
3. To build on this, the CRF money, made possible through SCC investment, allows us to target the following outputs:
 - a. Get Started: 50 marketing or finance packages awarded
 - b. The Carbon Literacy Project: 180 individuals x 1-day certified training
 - c. Staffordshire To Thrive Grants: 20 businesses receiving a grant of between £2,000 and £5,000
 - d. Staffordshire 500 Programme: 100 apprentices recruited with businesses receiving a grant of £5,000 per apprentice (Max 3)
 - e. Nil Cost Training Grant: 25 businesses receiving a grant up to £5000
4. As a result of the successful CRF bid, the allocation of £0.64M SCC resources will not be spent in year but it is planned to utilise this in future years as per Table 1 below.

Key Priorities

5. We will be refreshing our Economic Recovery, Renewal and Transformation Strategy in the next few months to reflect the changing impact of Covid on our economy, and the priorities set out in the Strategic Plan. Over the next four years future growth and investment will be driven by the following Business Economy and Skills priorities:

- a. Supporting the regeneration and transformation of our town centres
 - b. Enabling infrastructure for economic growth through ready to fund projects
 - c. Developing and implementing programmes which will make Staffordshire one of the best places to start-up or step up in business
 - d. Having a high skilled, better paid workforce
 - e. A50/A500 Strategic Investment Corridor, realising opportunities it presents through innovative and sustainable growth
 - f. Activities to be underpinned by the drive for Net Zero Carbon
6. These priorities complement the strengths of our County but also look to ensure we are investment ready and compliment, where appropriate, existing, or future national government programmes. Building on existing activity we need to strengthen our capacity to generate new and challenging outputs that take us forward. To deliver these priorities will take extra capacity and investment. Within this context we propose to invest the £1m p/a as follows:

Future Investment Proposals

Staffordshire Means Business

7. With the recent announcement of the success of the County Councils own Community Renewal Fund application (£751,000), this programme value now exceeds £6M, which includes the vitally important contributions from our Districts and Boroughs. Within this context we will:
- a. Continue with the objective of making Staffordshire the best place to start a business, to grow and to employ skilled local people and apprentices
 - b. Continue to develop the visitor economy through the DMP with its associated job opportunities
 - c. Enhance our offer to business as a low carbon sector
 - d. Develop our rural employment base through business start-ups, skills development, and business support

Town Centre Regeneration

8. Through Town Deals, Future High Streets and Levelling Up programmes there is unprecedented levels of public funding (£130M) to support our urban areas. Linked to the private sector funding this will draw in, this is a huge investment and a major opportunity to address many of the problems our town centres are facing. The County Council will work with all our partners to deliver the plans associated with these areas. But we must also recognise that there are many areas that have not benefited

directly from this investment. It is in these areas the County Council will work with partners to ensure they can benefit from investment to support good growth and investment and which ensures the sustainable future of that area. We will:

- a. Enhance capacity to enable SCC to more directly deliver interventions that support the regeneration of our service centres working with our Boroughs/Districts to deliver Town Deal and Future High Street schemes and those that are not the beneficiaries of government funding
- b. Unlocking regeneration schemes that have stalled, working to develop strategies and to masterplan service centres to enable regeneration
- c. Support the delivery of the Levelling Up Fund within successful Districts and Boroughs and generate the County Councils own Levelling Up Fund activity.

Developing Infrastructure Proposals Through Ready to Fund Projects

9. The County Council has been successful in delivering significant infrastructure projects and strategic employment sites over recent years. These include i54 Extension, Stafford Western Access Route and Lichfield Southern Bypass. We now need to refocus resources and activity to create the next generation of infrastructure schemes that are fully costed and ready to go, to benefit from national programmes and potential funding. We will:

- a. Develop Infrastructure led growth opportunities through working with our Districts and Boroughs to ensure the right local plans with a costed pipeline of infrastructure projects that are funding bid ready.

Job Brokerage

10. Investing in our economy and supporting infrastructure must have running in parallel investment in the skills of our communities to ensure that they are well placed to benefit from that investment. This in turn allows them to compete for jobs in Staffordshire, but also further afield. We will:

- a. Pilot a job brokerage platform for employers to provide direct linkage to good and better jobs, apprenticeships, and training for skilled and higher skilled opportunities to the Staffordshire workforce
- b. Take advantage of strategic employment developments e.g., HS2, WMRFI and make better linkages with economic development to maximise the benefits of better jobs for Staffordshire residents.

11. The Job Brokerage Service will provide:

- a. Recruitment Support: Providing employers with a local recruitment service to suit their needs and in return seeking to add value through job matching and securing, for example, an interview guarantee for clients who are work ready.
- b. Employer Engagement: provide support to SME sector which comprises most employers but are less likely to engage in employment and skills activities.
- c. Client Engagement: Reaching out to unemployed clients and including those who are not frequent JCP clients and are furthest from the jobs market.
- d. Intervention: Ensuring clients have pre-employment support by linking with the existing local provider network to access bespoke training and support, responding to client and employer needs.
- e. Screening and Matching: Working closely with local employers and the key organisations such as Jobcentre Plus, National Careers Service, Further Education/Higher Education and other referral agencies to identify appropriate clients and agree the support required to give them an opportunity to secure sustainable employment.
- f. Aftercare: Ensuring that businesses who recruit have access to further opportunities for workforce development by signposting to other offers of support such as Skills Support for the Workforce, the Skills Hub and other locally funded provision.
- g. Alignment: Working alongside and adding value to local initiatives, like the Make-It Investment Team and key County Council Services such as leaving care, adult disabilities and youth offending in order to secure better outcomes for residents and to build resilient families.

A50/A500 Strategic Investment Corridor

12. Staffordshire is packed with opportunity and we need to make sure we are well placed to maximise that opportunity and the benefits it derives for our communities. Our location and infrastructure make us well placed for business not least along the A50/A500 corridor. This is home to world class manufacturing in Staffordshire, including JCB, but also out of our administrative area, and which has connectivity through the corridor e.g. Rolls Royce in Derby. We need to articulate, with the respective local authorities along the route (from Nottinghamshire to East Cheshire) and the Midlands Engine, the opportunities this creates not only in terms of sites and premises, but also innovation through green energy and digital. We will:

- a. Develop Staffordshire proposals through close collaboration with our Districts and Boroughs, to support the development of a strategic

corridor. This to be multifaceted around energy, infrastructure, manufacturing, skills, homes and digital connectivity

- b. Provide a leadership role working with all other impacted parties to articulate a compelling investment case along the entire length of the corridor

Funding Requirements

13. The table below sets out how we plan to use the additional £1m over the next 4 years. The funding will be utilised to both increase capacity within the service area and provide direct or indirect support to the programmes of work.

Table 1

Current forecast: £1m MTF Economic recovery:

	21/22	22/23	23/24	24/25	25/26	
	£	£	£	£	£	
Approved:						
DMP staffing	200,000	65,000	65,000	35,000		
Staffordshire Means Back to Business	640,000	160,000				
Community Renewal Fund grant	(594,000)	(157,000)				
Total approved	246,000	68,000	65,000	35,000	0	
Future use proposals:						
Increased capacity for Staffordshire Means B2B and Town Centres	160,000	250,000	250,000	250,000	250,000	
Staffordshire Means Back to Business		250,000	250,000	250,000	250,000	
Skills Brokerage team		328,000	328,000			
Ready to go Projects		156,000	165,000	211,000	246,000	
Strategic Corridors team		97,000	97,000	97,000	97,000	
Additional Capacity		45,000	45,000	45,000	45,000	
Debt charges				212,000	212,000	
Total proposed but not yet approved	160,000	1,126,000	1,135,000	1,065,000	1,100,000	
Total approved and proposed use of the £1m	406,000	1,194,000	1,200,000	1,100,000	1,100,000	
Surplus / (deficit)	594,000	(194,000)	(200,000)	(100,000)	(100,000)	Total
						0

14. The table above requires flexibility. We will actively seek out external funding opportunities and if successful, we would seek to reallocate money to one of the other budget lines, particularly into Staffordshire Means Back to Business. It also requires flexibility over years so that underspend against available resources in one year can be invested in future years.

15. Future year forecasts could also be utilised to cover debt charges for a capital investment, and this is currently reflected in 24/25 and 25/26.

16. This is a significant financial investment by the County Council. Each work stream has been proposed to deliver our key Corporate Priorities. They will develop their own key performance indicators as part of delivery activity or through individual business cases where capital investment is proposed. The additional resources will also deliver the following early outputs which in turn will propose further outputs and activities:

- a. Develop a Rural Economic Strategy together with a SMART Action Plan (Spring 2022)
- b. Deliver a new Destination Management Plan in conjunction with the DMP, Districts and Boroughs (Autumn 2022)
- c. To have identified and have costed up in sufficient detail a minimum of 10 infrastructure projects suitable for funding applications (Summer 2022). These will aim to:
 - i. Provide access to new or potential sites for development (particularly commercial/industrial or enterprise zones) to unlock wider benefits for our economy
 - ii. Create more capacity for sustainable journeys
 - iii. Enable more reliable journey times, in particular for freight
 - iv. Support the delivery of access to land for housing
 - v. Connect communities with workplaces
 - vi. Introduce sustainable transport options, such as cycle paths & footpaths
 - vii. Link low-income areas with employment areas, city centres or areas with amenities
 - viii. Promote energy efficiency & reduction of carbon emissions

17. Much of this investment will be about working with partners both public and private. It will aim to support the private sector to grow and employ more people, paying them higher salaries. Core objectives aligned to this investment are:

- a. To enable the building and/or development of commercial property in a sustainable and inclusive manner, in both urban and agreed rural areas
- b. Improve productivity across Staffordshire
- c. Embrace energy efficiency including the reduction of carbon emissions and embracing clean/renewable energy production

18. It will aim to create sustainable employment that provides;

- a. career progression,
- b. training and apprenticeship schemes
- c. higher than living wage

19. Finally, the proposal is to also support the business community to:

- a. Create a more robust supply chain network
- b. Nurture entrepreneurial talent
- c. Support good business ideas, start-ups and scale ups
- d. Stimulate and enable innovation
- e. Assist collaboration between Further Education/Higher Education and business

Legal Implications

20. The resources made available are revenue. This means they will be subject to respective procedures and legal requirements, set out in the Councils Financial Regulations, to ensure they are spent in a correct and lawful manner. The activity will also be subject to Scrutiny and Audit.

21. The primary risk centres on the lack of suitably qualified applicants to posts; mitigated through a dynamic recruitment process and ensuring high visibility for the vacancies. There will be an emphasis on getting the right person so, if necessary, time will be taken.

22. Grant activity through supporting start-up businesses will be based on existing procedures with close liaison with Legal and Finance teams to ensure effective monitoring and probity of grant payments.

23. All other risks, both financial and reputational will be managed and considered through Service and Departmental risk monitoring activity.

Resource and Value for Money Implications

24. The financial breakdown and detail of the £1m in the MTFS to support economic recovery and encourage economic growth is included in the 'funding requirements' section above.

25. The £1m is being used to support a range of future investment proposals. The spend and usage will be regularly reviewed as part of the usual budget monitoring processes and external funding opportunities investigated.

List of Background Documents/Appendices:

Economic Recovery, Renewal and Transformation Strategy published in 2020

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