

Cabinet Meeting on Wednesday 20 April 2022

Staffordshire Means Back to Business Rural Economic Strategy - Draft for Consultation



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

“Almost four-fifths of Staffordshire is rural and output from that area accounts for more than half of the county’s economic activity.

Therefore, it’s vital we recognise and support the diversity of the rural economy and help create the conditions where businesses, communities and residents can prosper.

The way forward must involve working with those concerned and I hope their comments will shape the development of our Rural Economic

Strategy.”

Report Summary:

The Rural Economic Strategy (RES) is central to the county council’s Strategic Plan and is a priority for our new Economic Strategy, which will be presented to the county council’s cabinet in March 2022.

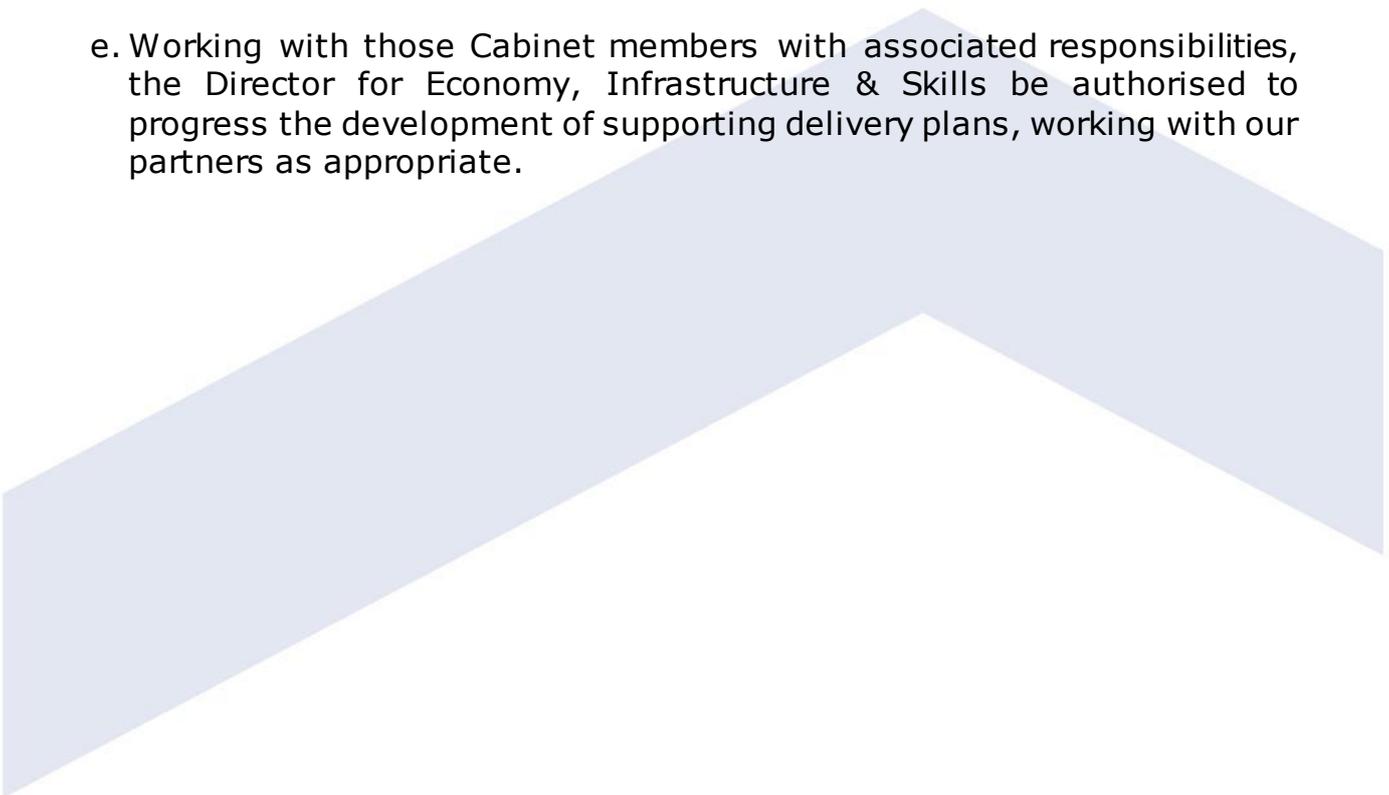
The Economic Strategy outlines the county council’s vision, ambitions, and priorities for the Staffordshire economy over the coming years and its focus are the overarching priorities agreed through the development of our Strategic Plan, namely town centres, start-ups & step-ups, higher skilled & higher paid workforce, the development of investment ready projects and strategic corridors.

The RES’s priorities closely reflect the aims and objectives of the Economic Strategy and will provide a specific rural focus for Staffordshire’s economy, the challenges it faces and the opportunities it presents for growth and prosperity. It also links with other county-wide strategies including the LEP’s Strategic Economic Plan; the Stoke and Staffordshire Skills Strategy, the county council’s Climate Change Strategy, and other thematic strategies and improvement plans such as transportation and connectivity.

The timescale for the RES Strategy is 2022 to 2030 to align with Government's missions for Levelling Up the UK, as set out in the recently released Levelling Up White Paper (LUWP).

Our proposal is to undertake a 4-week public consultation to provide the opportunity for partners, local stakeholders, residents, and businesses to help shape the Strategy. A final designed version will be published following any necessary changes being made and agreed with the Deputy Leader and Cabinet Member for Economy & Skills and Director for Economy, Infrastructure & Skills.

Recommendations

- a. Cabinet approves the Consultation Draft of the Rural Economic Strategy.
 - b. Cabinet agrees to conduct a 4-week public consultation, seeking views from stakeholders, businesses, and residents on the draft Rural Economic Strategy.
 - c. The Deputy Leader and Cabinet Member for Economy & Skills take the draft Rural Economic Strategy to the next available Prosperous Overview & Scrutiny Committee for consideration and input.
 - d. The Deputy Leader and Cabinet Member for Economy & Skills and Director for Economy, Infrastructure & Skills be authorised to agree changes and finalise the Rural Economic Strategy based on feedback received from the public consultation, Prosperous Overview & Scrutiny Committee and in response to Government policy announcements including the Levelling Up White Paper.
 - e. 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.
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Local Members Interest
N/A

Cabinet – Wednesday 20 April 2022

Staffordshire Means Back to Business Rural Economic Strategy - Draft for Consultation

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

I recommend that:

- a. Cabinet approves the Consultation Draft of the Rural Economic Strategy.
- b. Cabinet agrees to conduct a 4-week public consultation, seeking views from stakeholders, businesses, and residents on the draft Rural Economic Strategy.
- c. The Deputy Leader and Cabinet Member for Economy & Skills take the draft Rural Economic Strategy to the next available Prosperous Overview & Scrutiny Committee for consideration and input.
- d. The Deputy Leader and Cabinet Member for Economy & Skills and Director for Economy, Infrastructure & Skills be authorised to agree changes and finalise the Rural Economic Strategy based on feedback received from the public consultation, Prosperous Overview & Scrutiny Committee and in response to Government policy announcements including the Levelling Up White Paper.
- e. 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.

Report of the Director for Economy, Infrastructure and Skills

Reasons for Recommendations:

Background and context to the Staffordshire Rural Economic Strategy

1. The Rural Economic Strategy is a basis for considering the opportunities and challenges facing the county's rural areas, businesses and communities and provides a focus for ensuring future priority

interventions by the county council and its partners are acknowledged and supported. This sits alongside the county council's main Economic Strategy which covers the whole of Staffordshire and includes priorities for the recovery and economic growth of key towns and urban areas.

2. In order to enhance further Staffordshire County Council's efforts and resources to develop our economy in the broadest sense and with 79% of its areas being deemed as rural, the Council commissioned and has been working with Warwick Economics and Development (WECD) to undertake an assessment of its rural economy.
3. The work has included the development of a draft rural economic strategy (Appendix 1), a new rural economic evidence base (Appendix 2), a project implementation plan (Appendix 3) to provide future direction for economic intervention opportunities, and a profile of the five rural hub towns (Appendix 4).
4. Staffordshire's rural area for the purpose of the RES and evidence base have been defined by Lower Super Output areas based on DEFRA's 2015 urban/rural classification and also includes the urban areas associated with the 5 rural hub towns of Leek, Cheadle, Uttoxeter, Stone and Rugeley.
5. The 2015 evidence base reported that Staffordshire's rural districts accounted for 58% (£9bn) of Staffordshire's total economic output (measured by Gross Value Added, GVA) and employed 288,000 people (58% across Staffordshire as a whole). As a consequence, there is a need to update and better understand the needs and requirements of our rural businesses post COVID 19 to highlight short- and long-term intervention methods to help kick start local economic activity and so facilitate growth.
6. A supporting document to the Staffordshire Local Economic Assessment – 'Understanding the economy of rural Staffordshire' – was produced in 2009 along with several internal discussion papers on the local rural economy. This was updated when Staffordshire County Council commissioned a rural economic evidence base study in 2015 on behalf of the Staffordshire Rural Forum.
7. Economic conditions for rural businesses in Staffordshire, not least the impact of the current COVID-19 pandemic, now mean that the evidence base needs updating in order to inform a new Rural Economic Strategy and Implementation Plan to address the challenges businesses face now and in the future.

8. In addition, Defra updated its urban-rural classification and published a list of 'Hub Towns', which in Staffordshire includes, Leek, Cheadle, Stone, Uttoxeter and Rugeley and have been identified as 'substantial local concentrations of households and business, the location of which enables them to provide services to rural communities. Profiles of market towns in Staffordshire (internal Staffordshire County Council documents) were produced in the mid to late 2000's and it is timely to review and update this activity with a focus to understand the latest economic position of these important communities (Appendix 4). Findings from this data refresh will be used to identify appropriate projects and interventions to include the economic prospects of each of the rural hub towns.
9. There is currently limited local evidence available to confirm the profile of businesses in Staffordshire's rural area with a subsequent lack of understanding of rural business needs. This means that it is difficult to tailor appropriate support to respond to this. The proposed strategy and draft implementation plan seek to address this.
10. In addition to the county council's own economic strategy, policies, plans and programmes, the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (LEP) has produced its Strategic Economic Plan (SEP) and more recently a Local Industrial Strategy (LIS). Whilst the LIS has somewhat been superseded by events it still provides a useful reference point indicating growth sectors and is built around a series of key sectors which are expected to drive growth across the LEP area. This includes Agri-tech, which has been identified as one of five key advanced manufacturing sectors. Tourism and Leisure has also been identified within the SEP as being of importance to the county's economic growth. Both sectors are likely to have significance for the economy in Staffordshire's rural areas. Alongside the SEP & LIS, European Structural Funds (ERDF, ESF and EAFRD incl. LEADER) have played a key part in supporting economic growth since the 1980s. Some of this funding (EAFRD and LEADER) has been aimed specifically for rural areas whilst ERDF and ESF covers the whole of the LEP area and remains in place until June 2023.
11. The RES will also be closely aligned to the government's emerging Levelling Up agenda and ensure that future programmes and funding are appropriate and available to Staffordshire's rural businesses and economic opportunities and challenges.
12. It is intended that the updated rural evidence base, strategy and project implementation plan on Staffordshire's rural economy will also be instrumental in developing projects in support of economic recovery, renewal and transformation across the county.

Strategy Overview

13. The recovery of the Staffordshire economy is being supported by the county council in many ways including the £6m **Staffordshire Means Back to Business programme** which continues to deliver on a programme of targeted interventions aimed at assisting the Staffordshire economy's recovery and growth. These interventions utilise the county council's own resources already committed, together with government funding issued to County and District Councils through partnership working. Together this significant resource is being successfully used to address the specific needs of Staffordshire businesses and residents as part of the ongoing economic recovery from the COVID-19 pandemic. This important work is underlined by the county council's Strategic Plan, Economic Strategy and service/team plans as well as the latest Cabinet priorities to support Staffordshire's economic growth and prosperity.
14. The development of the RES and its implementation plan is entirely consistent with the new priorities for the county Council and its Economic Strategy, including supporting high streets and town centres, supporting businesses and developing a strong pipeline of future capital and revenue-based projects and programmes.
15. Staffordshire is a rural county with approximately 80 per cent of its land area considered rural and it has a rich and diverse asset-base that plays an important role in the county economy and that of the Stoke-on-Trent city region. Rural districts accounted for 61 per cent of Staffordshire's economic output (Gross Value Added, GVA) in 2018.
16. Staffordshire's central location and accessibility make it a popular business location. The rural business base is large and diverse, with 27,000 registered businesses accounting for 70 per cent of all registered businesses in Stoke and Staffordshire. Rural businesses operate across a diverse range of sectors, beyond land-based industries including farming, forestry and tourism; manufacturing is the largest sector in employment terms.
17. Staffordshire does however face challenges typical of rural areas, including peripherality and isolation in some parts, with relatively weak broadband and mobile phone connections, and significant gaps in some locations. Housing affordability and accessibility are relatively limited, with particular implications for younger and elderly residents.
18. The new Rural Economic Strategy is being developed to help address the challenges and opportunities facing the rural economy. The strategy complements other county-wide strategies including the Stoke and

Staffordshire Skills Strategy, the county council's Climate Change Strategy, and the LEP's Energy Strategy.

19. The RES seeks to build on the strength in diversity of Staffordshire's rural economy, whilst reflecting the role of agriculture and other key sectors of the rural economy and the significance of Staffordshire's rural assets to its visitor economy.
20. The RES is needed to support rural businesses, people and places (including the Rural Hub Towns) to identify and meet these specific opportunities and challenges and to become more productive and competitive. The RES and its implementation plan are consistent with the new priorities for the County Council and its Economic Strategy, including supporting high streets and town centres, supporting businesses and developing a strong pipeline of future capital and revenue-based projects and programmes to deliver growth.
21. The RES offers a framework for policy choices and investment decisions. Its delivery will depend on wide stakeholder commitment and collaboration across the public, private, academic, voluntary and community and third sectors, building on the foundations already established through Staffordshire's LEADER programme over the last 12 years.

Rural Economic Priorities

22. The proposed Rural Economic Strategy and Implementation Plan is an emerging workstream being developed by the county council which supports economic recovery and growth and seeks to align with the range of programmes and initiatives being delivered through Staffordshire Means Back to Business. The draft RES has been prepared with the support of external experts and has engaged with key stakeholders including District Councils, FE/HE providers, Stoke on Trent and Staffordshire Local Enterprise Partnership, Chamber of Commerce, FSB, NFU, DEFRA and Women in Rural Enterprise. The Implementation Plan will be aligned to the County Council's Economic Strategy and Strategic Infrastructure Plan and will include a pipeline of new projects and initiatives that will need a lot of development, through to adapting existing projects, to ensure that the substantial levels of growth planned are sustainable, and can be accommodated, without being detrimental to accessibility, connectivity and service delivery.
23. The RES is focused on five strategic priorities that reflect the diversity of Staffordshire's rural economy, the continued significance of farming and of the visitor economy, the role and potential of the Rural Hub Towns, and the connectivity and access challenges that constrain the rural

economy, particularly in more isolated areas. The strategy also provides a more up to date understanding of Staffordshire's rural economy, including the five rural hub towns, by examining business profiles and identifying barriers and opportunities in relation to economic growth and will form a key component of Staffordshire's strategy for economic recovery, renewal, and transformation. The implementation plan is an ongoing collection of project and programme ideas, or expressions of interest, from key stakeholders and partners, that demonstrate a strong alignment to the five strategic themes of the strategy:

- a. Stimulate enterprise and innovation to increase productivity, competitiveness and resilience across all sectors of the rural economy, including in overseas markets, to enable high-quality high-wage job retention and growth, and to enable the transition to net-zero carbon emissions.
 - b. Support sustainable intensification (SI) in agriculture whereby agricultural productivity is enhanced, whilst also creating environmental and social benefits through productivity investments and business support for improved viability, diversification, carbon reduction and succession.
 - c. Recover and grow the visitor economy, including 'green tourism', by supporting tourism businesses and developing an on-trend visitor offer, including a high-quality accommodation offer, drawing on Staffordshire's rich countryside and heritage assets.
 - d. Improve rural digital connectivity and access to opportunities for rural businesses, workers, residents and visitors, and develop digital and low-carbon energy infrastructure.
 - e. Support the regeneration of the five Rural Hub Towns (Leek, Cheadle, Stone, Uttoxeter and Rugeley) to unlock investment opportunities, develop their visitor offers, and improve their resilience via high-quality place management. It is proposed that bespoke rural hub town support programmes, that reflect specific economic opportunities and challenges in each of the rural town, are developed in collaboration with key stakeholders to bring forward key projects and initiatives that achieve economic resilience and growth. Although any investment by the county council will be subject to a detailed business plan.
24. Already the development of the draft RES has informed the launch of the next phase of the Staffordshire Business Loan scheme (a joint initiative between Staffordshire County Council and lender BCRS), by providing a focus of businesses in rural areas to access development finance and a County Farms Improvement Grant scheme as part of the wider proposals for the County Farms estate.

Strategy consultation and stakeholder engagement

25. For the Rural Economic Strategy to have relevance and an impact, stakeholders and key partners as well as the county council need to bring forward proposals that align with strategy themes and priorities that deliver outcomes for the rural economy. Early indications through the attendance of 35 key stakeholders at the workshop held in October 2021 has resulted in 27 potential project/activity expressions of interest being received. This is a sign of partners being willing to commit and engage with the Rural Economic Strategy and the development of a proposed implementation plan. A summary of key stakeholders who have contributed to the development of the RES (and submitted potential schemes to be included in the implementation plan) is attached as Appendix 5.

Timescale

September 2020	Draft strategy preparation
October 2020	Warwick Economic Development Commissioned to develop a new rural economic strategy
April 2021	Draft strategy finalised
May 2021	Commission stakeholder engagement to consult on proposed implementation plan
October 2021	Stakeholder engagement workshop
December 2021	Stakeholder input to rural implementation plan
January - March 2022	Draft implementation plan development
March - May 2022	SCC, SLT and cabinet reporting and decision
July-Sept	Establish Rural Economic Forum and launch Rural Economic Strategy

Legal Implications

26. At this stage in the development of the Strategy there are no specific legal implications to consider.

Resource and Value for Money Implications

27. **County Council Resources issues** – apart from the ongoing commitment of the county council to support the existing salary costs of the Rural Programme Manager and Support Officer posts (in the Funding, Business and Enterprise team in EI&S), a significant majority of financial resources to deliver the Rural Economic Strategy and Implementation Plan are expected to come from stakeholders own resources and bidding to government funding opportunities (i.e. UK Shared Prosperity Fund). Some financial commitment to the county council's own proposals could

be required, however this will be subject to the standard business case procedures.

Climate Change Implications

28. Climate Change and its impact on our rural landscape is an important consideration for the RES when delivering economic activity around all its themes and priorities. All intervention activity should seek to support Staffordshire's economy becoming net zero by 2050 in line with both local and national climate change policies and strategies. Supporting climate change is a key priority for the council and further details around how this will be achieved are set out in our Climate Change Action Plan

List of Background Documents/Appendices:

Appendix 1 - Rural Economic Strategy

Appendix 2 - Rural Evidence Base

Appendix 3 - Rural Implementation Plan (confidential)

Appendix 4 - Key rural hub town profiles

Appendix 5 – Stakeholder Workshop list of attendees

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