APPENDIX 2

Staffordshire County Council

Staffordshire Rural Economic Strategy Evidence Base

With pride. With purpose. With you.

TABLE OF CONTENTS

Warwick Economics & Development (WECD)
www.w-ecd.com
2 Snow Hill
Birmingham
B4 6GA
Tel: 0121 231 3425

Warwick Economics & Development Ltd. is registered in England and Wales no. 7531279.
VAT Registration No: 116732721

1. Introduction

Purpose and Context

1.1. This document brings together the existing evidence base to inform the development of a Staffordshire rural economy strategy. For the purposes of this work, Staffordshire includes Stoke-on-Trent. Most of the evidence is 'pre-Covid' although some recent data is included to try to bring out the potential effects of the pandemic and the response to it.

Spatial Definition and Presentation of Data

1.2. The data are presented in two different ways and the definitional difference between the two is important. The difference hinges on how to define 'rural'. Back in 2015, when a similar exercise was carried out, the definition of rural Staffordshire was based on DEFRA's 2011 Rural Urban Classification (RUC 2011) of local authorities[1]. This classified Staffordshire Moorlands as 'Largely Rural' and Stafford, East Staffordshire, South Staffordshire, Cannock Chase, and Lichfield as 'Urban with Significant Rural'. This approach makes a lot of sense in terms of data availability as there are good sources available at Local Authority level but is a relatively crude definition of the rural economy.

1.3. WECD have updated many of the same datasets that were presented in 2015 at Local Authority level but have also gone a step further to look at a more precise, granular definition of the rural economy. At the most basic geographical building block are Output Areas, each of which has a DEFRA classification on the urban-rural scale. In Staffordshire, the spread of classifications is as follows (Table 1):

Table 1: Output Areas in Staffordshire (based on the census of 2011)

Classification	Description	Number
A1	Urban major conurbation	502
C1	Urban city and town	2450
D1	Rural town and fringe	307
E1	Rural village	194
F1	Rural hamlets, isolated dwellings	157

1.4. There is very little data available at the level of Output Areas apart from the census, and 2011 census data is not presented in this report as it is all too dated now to be of much relevance. However, by grouping Output Areas into larger geographies (Lower-layer and Middle-layer Super Output Areas), some data sets start to become available. By looking at the 'average' urban-rural classification across these broader levels of geography, they can also be classified as rural or not. Geographies where the average classification is more rural than 'Urban City and town' are assumed to be rural, and this creates the following composition of the different geographies that can be used (Table 2):

[1] https://www.gov.uk/government/statistics/local-authority-rural-urban-classification

Table 2: Different geographical definitions within Staffordshire, 2019

	Rural	Non rural	Total
Output Areas	658	2952	3610
LSOA	138	549	687
MSOA	46	97	143
LA	6	3	9

Note: Local Authority classifications are based on the reference noted above

Source: DEFRA classifications combined with ONS lookup files

1.5. The main conclusion from this is that the lower level of disaggregation can give a more refined definition of rural, but that this is much smaller than that based on just Local Authorities. Around a fifth of Output Areas are rural according to the above definition and a similar proportion of Lower-layer Super Output Areas. At Middle-layer level, the proportion is a bit higher as there are more areas that average out as being on the rural side of the C1 split in Table 1, while at Local Authority level, rural accounts for much more.

1.6. Table 3 shows how these differences manifest themselves in a key data set, by looking at the level of employment in rural Staffordshire according to the two different definitions. Taking a more refined view of the definition of rural means that rural employment accounts for less than a quarter of Staffordshire employment rather than nearly 60 per cent if just based on Local Authorities.

Table 3: Rural employment in Staffordshire, by alternative definitions, 2019

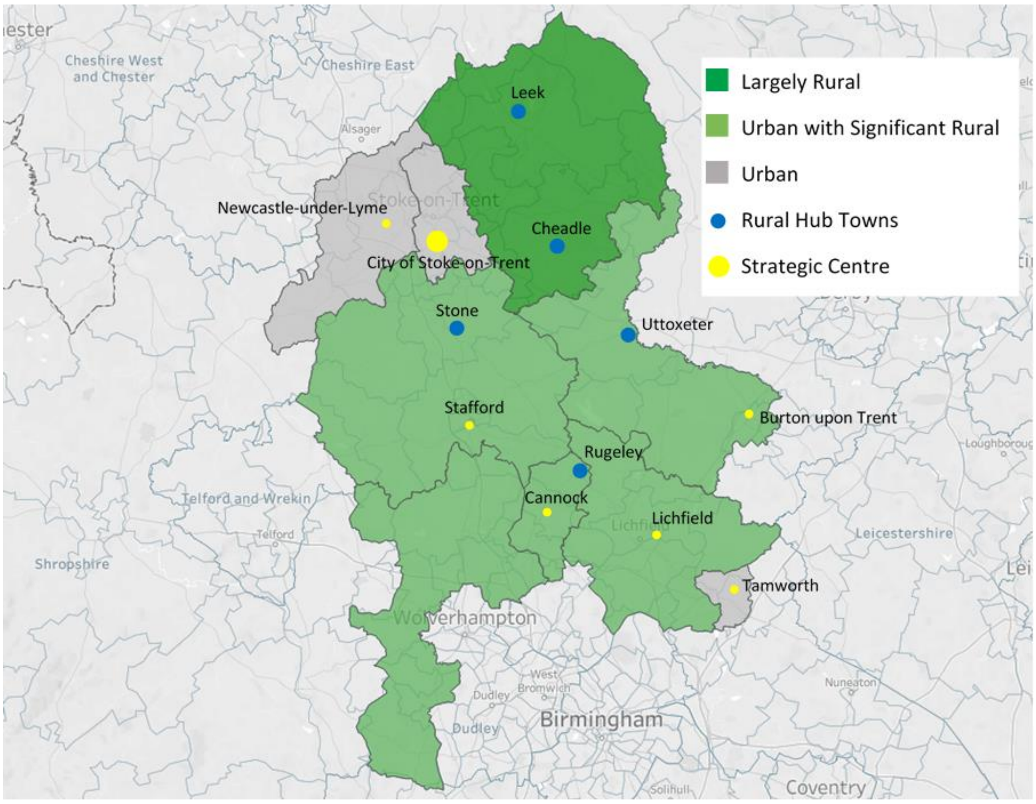
	LSOA basis	LA basis
Rural	110,055	276,975
All Staffs & Stoke	470,000	470,000
% rural	23.4	58.9

Source: BRES, ONS

1.7. The alternative spatial definitions are shown below in Figures 4a and 4b. Our approach has been to use the more granular definition (figure 4b) where good data is available, but to give a comprehensive picture of rural Staffordshire by also using data based on local authority district areas (figure 4a). There are other dimensions that we do not consider here, such as the role of the Rural Hub Towns, but these are considered separately in stand-alone summaries.

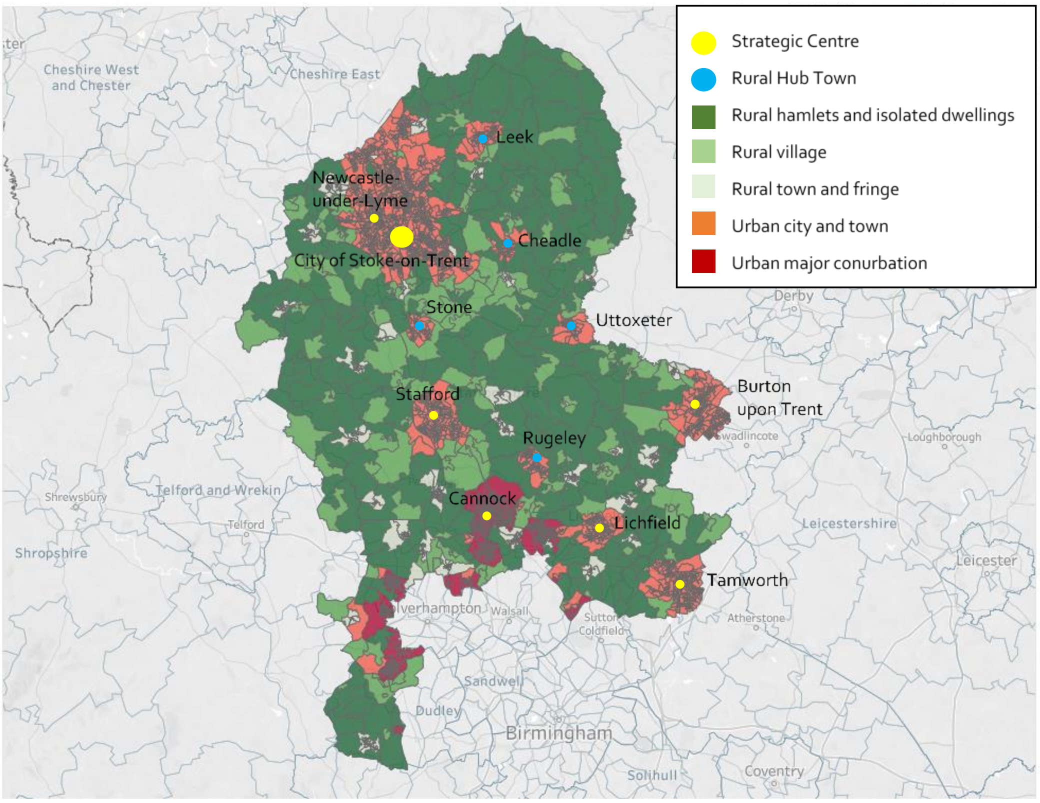
1.8. Further detail on the main data sources used is at Annex A, while tables of all the data used in this document are available separately.

Figure 4a: Rural Staffordshire as defined by local authority districts



Source: DEFRA definitions

Figure 4b: Rural Staffordshire as defined by Lower-layer Super Output Areas



Source: DEFRA definitions

2. Overview and SWOT Analysis

2.1. Approximately 80 per cent of Staffordshire can be considered rural and the county has a rich and diverse rural asset base that plays an important role in the county economy and that of the Stoke-on-Trent city region.

2.2. In 2018, Staffordshire's rural districts (Staffordshire Moorlands, Stafford, East Staffordshire, South Staffordshire, Cannock Chase, and Lichfield) generated £14.3bn of economic output (Gross Value Added, GVA), accounting for 61 per cent of total economic output in Staffordshire (including Stoke-on-Trent). Productivity (GVA per hour worked) is also higher in the rural districts that the Staffordshire average (by just under 2 per cent).

2.3. Rural Staffordshire is home to a large and diverse rural business base extending beyond land-based industries such as farming and forestry, with manufacturing the largest sector of employment, and significant construction and service industries. Nearly 70 per cent of registered businesses in Staffordshire (27 thousand) are located in the rural districts, employing nearly 277 thousand (58.9 per cent of all Staffordshire jobs).

2.4. The rate of jobs growth in rural Staffordshire between 2015 and 2019 was significantly higher than the Staffordshire average (5.7 per cent compared to 3.1 per cent) and above the England average (5 per cent). Jobs growth occurred across most sectors of the rural economy with the strongest rates of growth in the most significant sectors of employment: manufacturing (particularly the manufacture of machinery and equipment), accommodation and food services, and transport and storage. The main sector of future jobs growth across Staffordshire is expected to be in Health and Social work.

2.5. Agriculture continues to be a significant sector of employment, with DEFRA identifying nearly 10 thousand jobs in Staffordshire in 2016 (latest available data), representing nearly a quarter of agricultural employment in the West Midlands which fell by 0.5% between 2016 and 2019.

2.6. The rate of new business formations in the rural districts is slightly higher than the Staffordshire average (2019 data) but significantly lower than the England average. However, business survival rates in Staffordshire, including rural areas, are higher than the England average.

2.7. Population estimates show a higher rate of population growth in rural areas than the Staffordshire average, and an older population profile with a higher proportion, that is growing, aged 65 and above.

2.8. Rural residents are relatively well-qualified with 42 per cent qualified to at least NVQ4 level, an increase since 2015. This is reflected in a relatively senior profile of resident employment and slightly higher than average earnings amongst rural residents. Those working in rural areas tend to earn slightly less than average, and housing affordability (the ratio of median house prices to median earnings) is slightly lower than the Staffordshire average and has worsened in recent years.

2.9. In 2019/20 the resident employment rate in rural districts was higher than the Staffordshire and England averages (80.5 per cent) including a higher rate of self-employment (11.1 per cent). Claimant unemployment has risen sharply since the Covid-19 pandemic emerged and at a higher rate than the Staffordshire and England averages although the rate is slightly lower having risen from a lower base. The sharper rate of increase probably reflects the greater significance of harder-hit sectors to rural employment including hospitality, transport, and manufacturing.

2.10. Rural broadband coverage is more limited than urban, particularly at higher speeds (</= 100 Mbps). Residential properties tend to have much better levels of connectivity than commercial premises.

2.11. A SWOT analysis informed by the data analysis presented in this report and qualitative sources including insights obtained from stakeholder consultations is summarized in Figure 2.1.

Figure 2.1: Summary SWOT Analysis

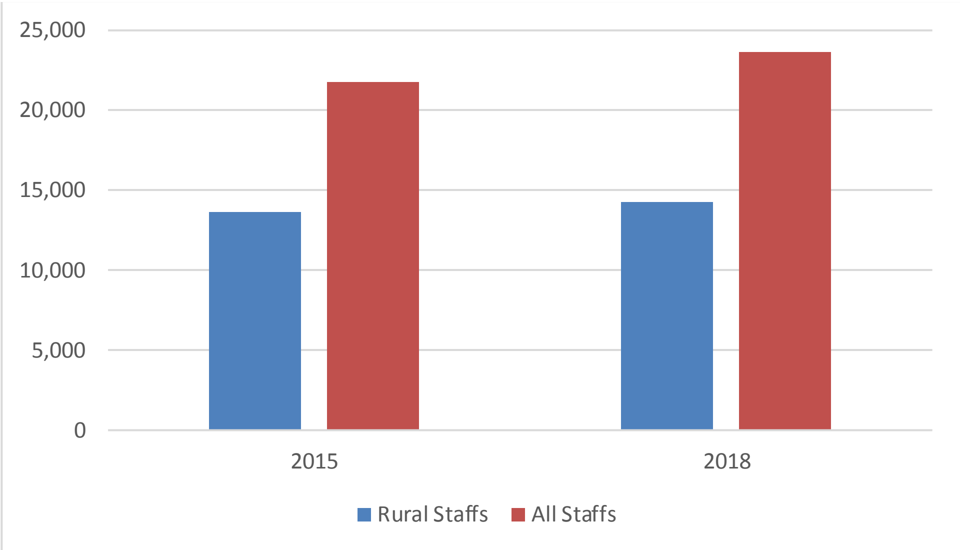
Strengths	**Weaknesses**
• Centrally located in the country between the Birmingham and Manchester conurbations and well-connected by motorway and rail • A diverse rural economy across primary industries, manufacturing, construction, services and visitor economy with high rates of employment growth • Significant farming and food and drink processing (particularly brewing) sectors • A base of large companies including fast growing and global companies • A rich natural resource base, high quality landscapes and heritage assets and large visitor attractions e.g. Alton Towers • A large, highly-qualified, skilled workforce • A strong University (Keele, Staffordshire and nearby Harper Adams) and Further Education base (Staffordshire College and nearby Reaseheath) • A network of five 'Rural Hub Towns' offering employment sites and growth opportunities	• Productivity constraints in agriculture and manufacturing • A limited connection between local food production and consumption • An ageing agricultural workforce and succession issues in farming • Limited levels of new enterprise formation • Gaps in broadband coverage, particularly at higher connection speeds (>/=100Mbps), for commercial and residential properties • Weaknesses in internal transport connections, including public transport • Limited supply of employment sites and premises including food ready units, commercial starter units, flexible office space and 'grow-on' space • Limited accredited tourism accommodation • Seasonal, low paid employment • Issues around housing affordability and access, particularly for younger households
Opportunities	**Threats**
• Investment in agri-tech skills (Agri-STEM Academy at Rodbaston) and investment opportunities in agri-tech • Growing interest food security, ethical and 'local foods' • Growth markets for innovative health technologies and low carbon goods and services including opportunities in micro-energy generation • Increased demand for 'staycations', outdoor leisure and 'green tourism' • Increased demand for rural living and working and for local products and services • Increased community engagement, since the Covid-19 pandemic • Potential for manufacturing supply chain 'near-shoring' investment since EU Exit • HS2 supply chain and connectivity gains • West Midlands Strategic Rail Freight Interchange at M6 J12	• Risk of sustained damage to key sectors including hospitality, non-essential retail, manufacturing and the Rural Hub Towns due to the Covid-19 pandemic • Risks presented by EU Exit to farming and manufacturing supply chains • Ageing and succession issues in farming • Risks of delayed or insufficient adaptation to trends in demand including the needs of a large and growing elderly population, competitiveness pressures, technology developments (including digital and low carbon) and policy changes • Constraints on the supply of employment sites and premises and residential sites limit regeneration opportunities • Limited availability of investment finance and limited investment propositions, including business propositions, limit growth • Further decline of rural services

3. Economic Output and Productivity

Economic Output

3.1. Data are available at district level to enable an estimate of the economic output (Gross Value Added, GVA) of the Staffordshire area, and the rural component of this based on the district-level rural definition. Chart 5 shows this for the latest available data, 2018, and compares to 2015. Rural Staffordshire accounts for £14.3bn representing 61 per cent of all Staffordshire GVA in the latest figures, although between 2015 and 2018, the increase in GVA was proportionally higher for all Staffordshire (8.7 per cent compared to 4.7 per cent for rural Staffordshire, although both were less than the England average of 11.7 per cent).

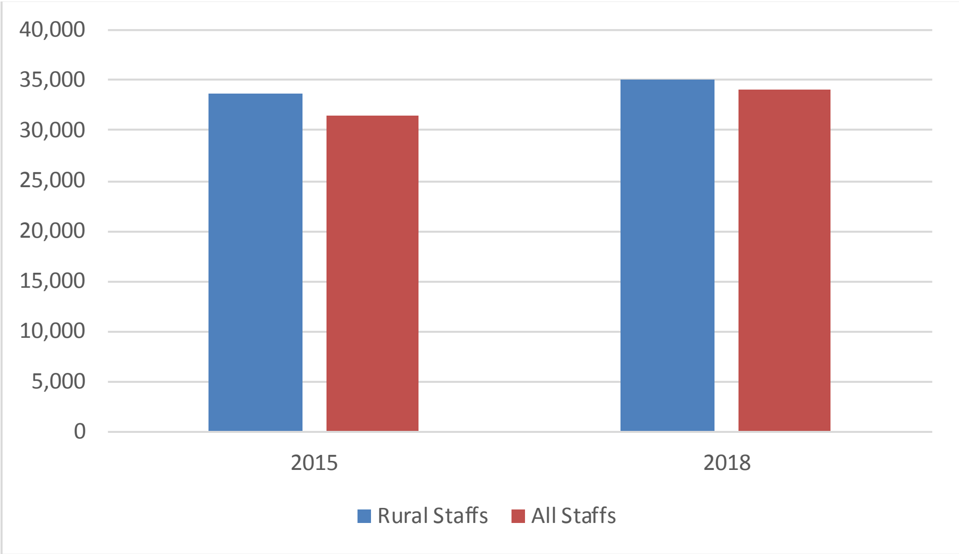
Chart 5: Gross Value Added (£m)



Source: ONS (district-based)

3.2. Another common way of looking at GVA is to use a measure relative to the working age population and Chart 6 shows this. Average GVA on this basis for rural Staffordshire is just over £35 thousand per person, about 3 per cent higher than for all Staffordshire, although the difference has narrowed between 2015 and 2018. GVA per working age resident has risen by 4.3 per cent in rural Staffordshire and by 8.3 per cent in the whole area. By comparison, it rose by just over 10 per cent across England.

Chart 6: Gross Value Added per working age resident (£)

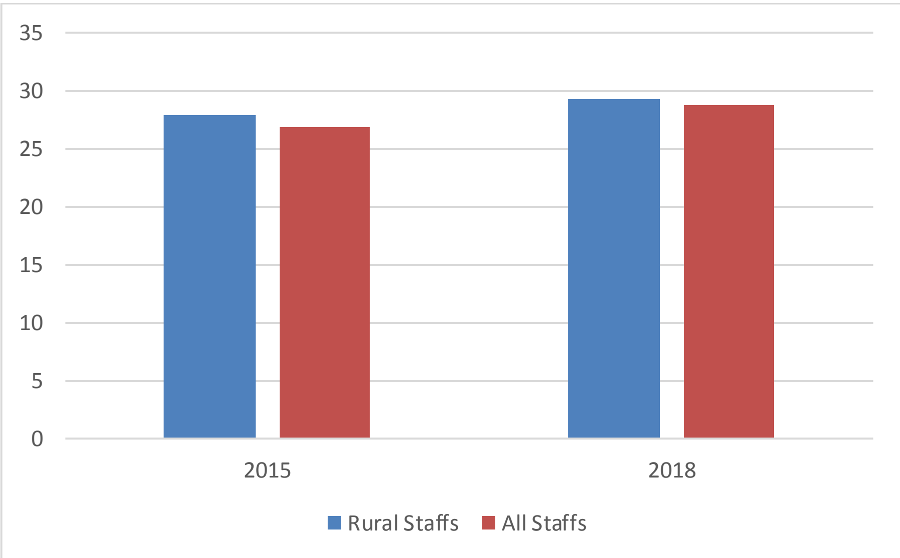


Source: ONS (district-based)

Productivity

3.3. GVA per hour worked, a key measure of productivity, is shown in Chart 7. Productivity per hour worked is slightly higher (just under 2 per cent higher) in rural Staffordshire, although productivity has increased slightly more in all Staffordshire (6.6 per cent compared to 4.6 per cent in rural Local Authorities).

Chart 7: Productivity (£ GVA per hour worked)



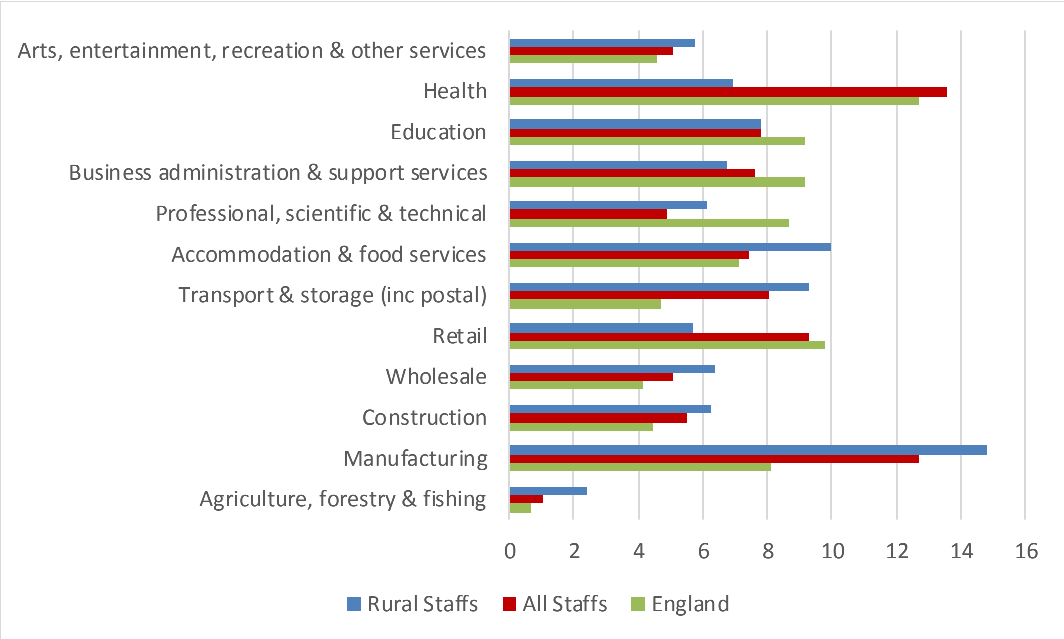
Source: ONS *(district-based)*

4. Sector composition

Sector Profile of Employment

4.1 The jobs profile of rural Staffordshire can be seen compared to all Staffordshire and to England in Chart 8 below. There are 110 thousand jobs in rural Staffordshire (based on the more granular definition of rural Staffordshire - see Table 3). Within these, Manufacturing emerges as an obvious strength, with some 80 per cent more jobs (relative to the total number in each area) than across England as a whole. Pursuing this further in more detailed industrial data shows that the main employing category is the manufacture of machinery and equipment, which will cover the work of JCB, among others. Conversely the proportion of jobs in Health is a lot lower than in all Staffordshire. Other strengths for rural Staffordshire are in Accommodation and food services and in Transport and storage.

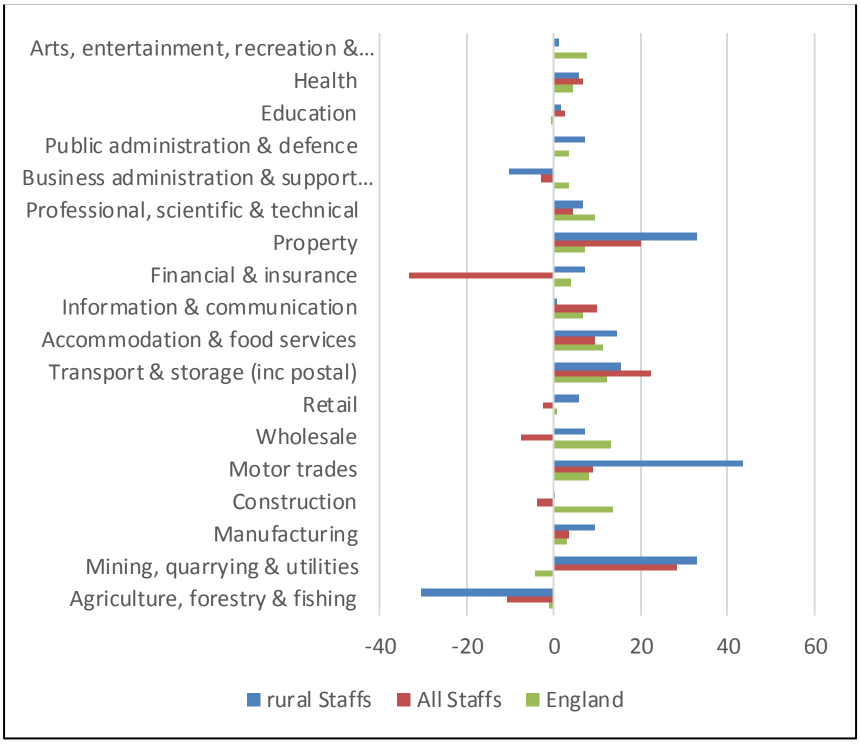
Chart 8: Jobs by sector, 2019 (percentages)



Source: Business Register and Employment Survey, ONS (LSOA based)

4.2 Chart 9 examines how the number of jobs in each sector has changed over time. In this period, there has been a steady increase in employment, such that the majority of bars on the chart are to the right, showing an absolute increase. The largest increases have been in Motor trades (more than 40 per cent), Property, and Mining, quarrying and utilities (both with increases of around a third). Meanwhile the largest fall in employment is Agriculture, fisheries, and food (although this is not completely reliable – see Table 11 and accompanying description below).

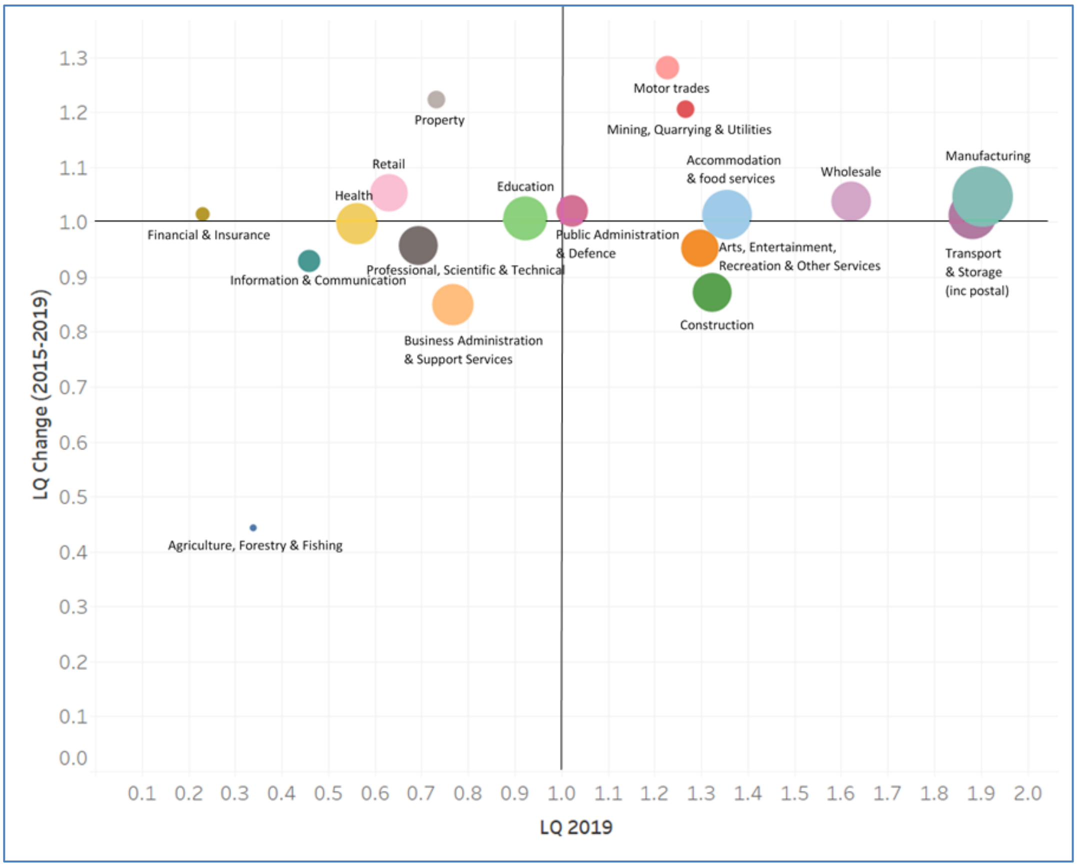
Chart 9: Change in number of jobs by sector between 2015 and 2019 (percentages)



Source: Business Register and Employment Survey, ONS (LSOA based)

4.3 Chart 10 brings together the data on jobs in a standard economic form, of location quotients. The x-axis shows the relative importance of sectors compared to the England average, while the y-axis shows the change in this between 2015 and 2019 (with no change represented as 1) and the size of the bubble is proportional to the number of jobs in that sector. This means that the top right segment is the important group of sectors which are both relatively strong and also growing, including the largest sectors in terms of jobs: Manufacturing, Accommodation and food services and Transport and storage. The top left group of businesses are relatively small sectors in terms of numbers of jobs, but have grown in the last few years, for example Property is also shown growing in Chart 9.

Chart 10: Location quotients for rural Staffordshire



Source: Business Register and Employment Survey, ONS (LSOA based)

4.4 The sources used to present jobs in Agriculture are not robust at low levels of geography and Table 11 instead focusses on jobs in agriculture, using a source designed for that purpose. This is not specifically for rural Staffordshire, even though the jobs would presumably nearly all be in rural areas. Employment surveys covering all industries would be liable to miss some of these jobs, such as casual workers and some part-time partners, directors and spouses, so this can be considered to give a better overview of the jobs in Agriculture in Staffordshire.

Table 11: Employment in agriculture

	Farmers, partners, directors and spouses full time	Farmers, partners, directors and spouses part time	Salaried managers	Regular workers full time	Regular workers part time	Casual workers	Total labour
Staffordshire 2016 (latest data)	2 887	2 534	189	1 119	746	2 482	9 956
West Midlands 2016	12 009	11 279	1 205	5 167	3 145	10 084	42 890
West Midlands 2019	12 543	11 632	1 273	4 797	3 133	9 283	42 660
% change West Midlands 16-19	4.3	3	5.3	-7.7	-0.4	-8.6	-0.5
Absolute change W Midlands 16-19	534	353	68	-370	-12	-801	-230
Staffs as % of W Midlands 2016	24	22.5	15.6	21.7	23.7	24.6	23.2

Source: DEFRA survey of agriculture, 2016

4.5 More detailed insights into the agriculture, manufacturing and logistics sectors is provided in Appendix C.

Sector Projections

4.6 Some estimates have been made available by the County Council for the Stoke-on Trent and Staffordshire Local Enterprise Partnership area, which look at forecasts of which sectors may grow in employment terms over time and it is interesting to compare to the charts above. Table 12 presents these forecasts. Health and Social Work employment growth is likely to figure highly in many areas as the population of older age groups increases and this is the main forecast increase in Staffordshire, with a projected increase of more than 6 thousand jobs between 2017 and 2027.

Table 12: Forecasts of jobs by sector, Stoke and Staffordshire LEP area, 2017-2027 (000s of jobs)

	2007	2012	2017	2022	2027	Growth 2017-27
Health and social work	57	65	75	78	81	6.2
Support services	37	42	38	40	42	3.8
Professional services	22	24	31	33	34	2.4
Accommodation and food	28	27	37	36	39	2.4
Transport and storage	30	31	40	41	43	2.4
Arts and entertainment	13	16	17	17	18	1.6
Construction	39	33	34	34	35	0.9
Information technology	11	9	12	13	13	0.8
Other services	14	14	20	21	20	0.3
Real estate	7	6	6	6	6	0.3
Water and sewage	2	3	3	3	3	0.2
Media	2	2	2	2	2	0
Electricity and gas	1	1	1	1	1	0
Mining and quarrying	1	1	0	0	0	0
Engineering	15	13	12	13	12	-0.1
Public admin and defence	23	21	17	17	17	-0.2
Education	38	44	38	38	38	-0.2
Agriculture	6	9	7	6	6	-0.4
Food, drink and tobacco	8	8	9	8	8	-0.5
Finance and insurance	12	8	9	9	9	-0.6
Wholesale and retail trade	86	89	91	90	89	-1.7
Other manufacturing	46	37	41	38	36	-5
All Industries	**497**	**502**	**540**	**544**	**553**	**12.6**

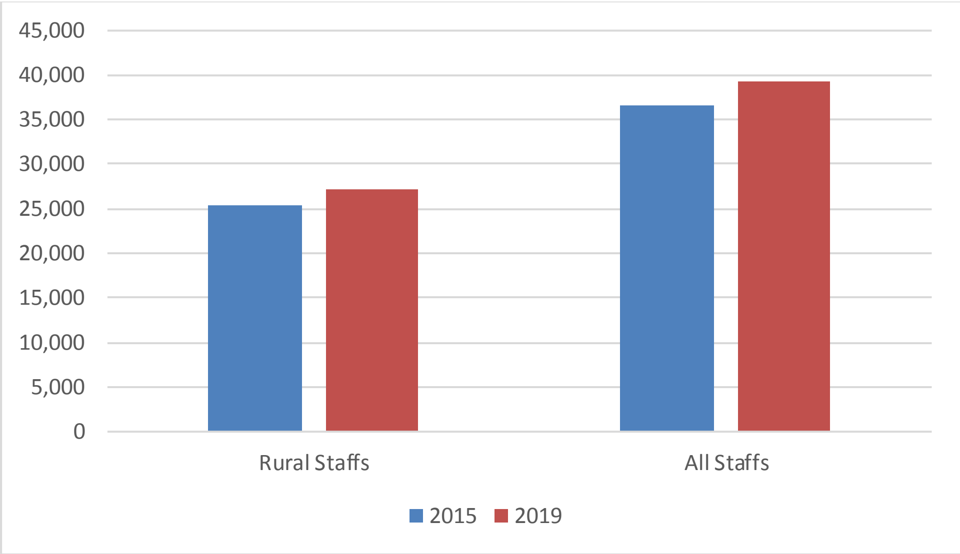
Source: Working futures employment forecasts, 2020

5. Businesses and enterprise

Business Base

5.1 Data on registered businesses is available at district level and Chart 13 below shows how the business population in rural Staffordshire compares to all Staffordshire. Rural districts account for nearly 70 per cent of total registered businesses in Staffordshire (27 thousand out of a total of 39 thousand), which means that on average these businesses have fewer employees given that rural districts account for some 60 per cent of jobs (Table 3). The number of registered businesses increased by around 7 per cent in rural Staffordshire and all Staffordshire.

Chart 13: Number of registered businesses

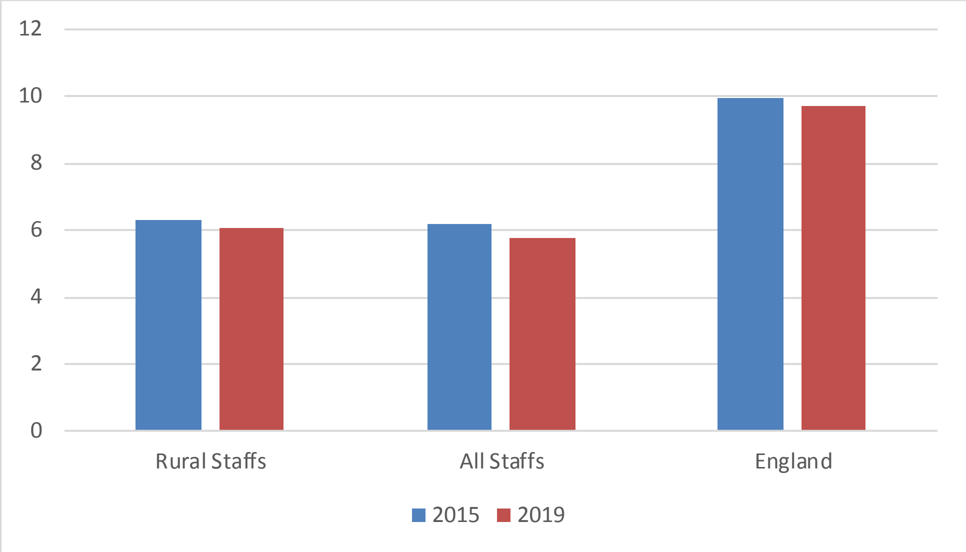


Source: UK Business, ONS *(district-based)*

Business Births and Survival Rates

5.2 The business population changes as new businesses are registered (for VAT and/or PAYE) and as existing businesses close. These, 'births and deaths' are also available at district level and Chart 14 shows the rate of business creation per 1,000 working age population. Rural Staffordshire saw 6.1 business births per thousand working age population, compared to 5.8 in all Staffordshire. The rate of business creation has fallen in all areas in recent years, with the rate for rural and all Staffordshire remaining significantly lower than for England.

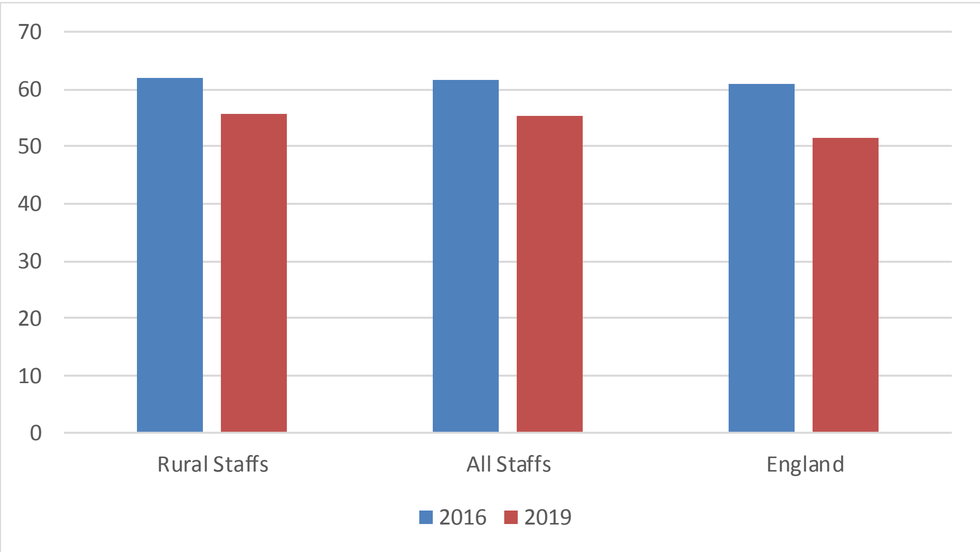
Chart 14: Business births per 1,000 working age population (percentages)



Source: Business Demography, ONS (district-based)

5.3 Chart 15 looks at the other side of the equation, business deaths. There are various ways of measuring this, but a common method is to look at the survival rate over a fixed period: the proportion of businesses that are still active, some years after being born. Chart 15 shows the 3-year survival rates for the same geographies. In rural Staffordshire, 56 per cent of businesses born in 2016 were still active in 2019, slightly higher than for all Staffordshire (55 per cent) and higher than for England (52 per cent). Survival rates fell in all three geographies between the 2013 cohort of businesses and the 2016 cohort, with the fall being greater across England as a whole.

Chart 15: 3-year business survival rates (percentages)



Source: Business Demography, ONS (district-based)

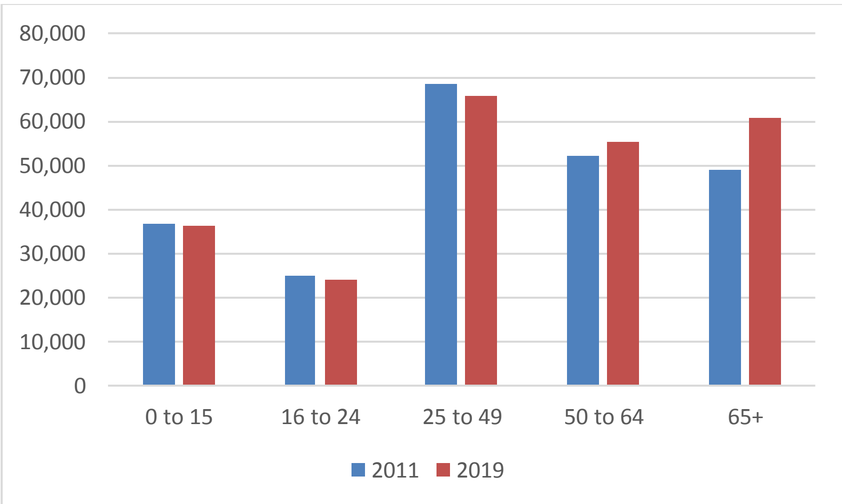
6. People: population, employment, skills

6.1. This section brings together a range of data about the individuals in Staffordshire and rural Staffordshire. One important distinction to make is that all the above data is about economic activity that happens in Staffordshire whereas this section is to do with the people who live in Staffordshire. The match between these two concepts is not perfect as some people from outside Staffordshire will commute in and generate economic activity inside Staffordshire, while conversely, some people who live in Staffordshire will commute out and generate economic activity elsewhere. The only source of data that can truly disentangle these effects is the census, but 2011 data is too old to help to interpret recent data.

Population

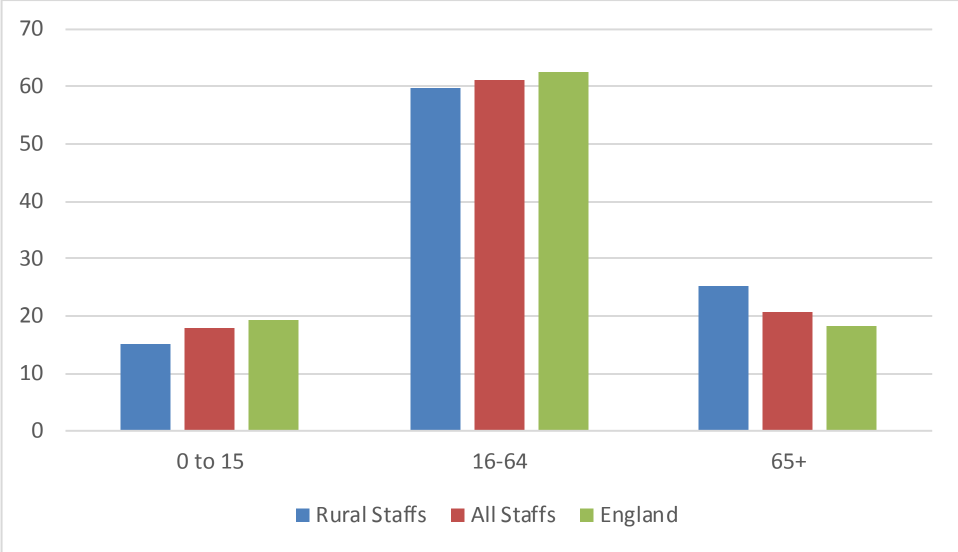
6.2. Chart 16 shows the population of rural Staffordshire on the more granular definition based on LSOAs and shows how this has changed since the census in 2011, according to the most recent estimates. This shows a rural Staffordshire population of just under a quarter of a million in 2019, up by nearly 5 per cent from 2011, compared to a population of 1.1 million for all Staffordshire in 2019, an increase of 3.4 per cent since 2011. The increase in the proportion of people in the oldest categories is quite large and is potentially quite significant for forward planning purposes. Similarly Chart 17 looks at how the current population in rural Staffordshire compares to all Staffordshire and to England. This shows that the population profile in rural Staffordshire is relatively older than in the comparison areas, as well as having aged relatively quickly as shown by Chart 16.

Chart 16: Population profile of rural Staffordshire



Source: ONS, census and population projections (LSOA based)

Chart 17: Population profiles, 2019 (percentages)

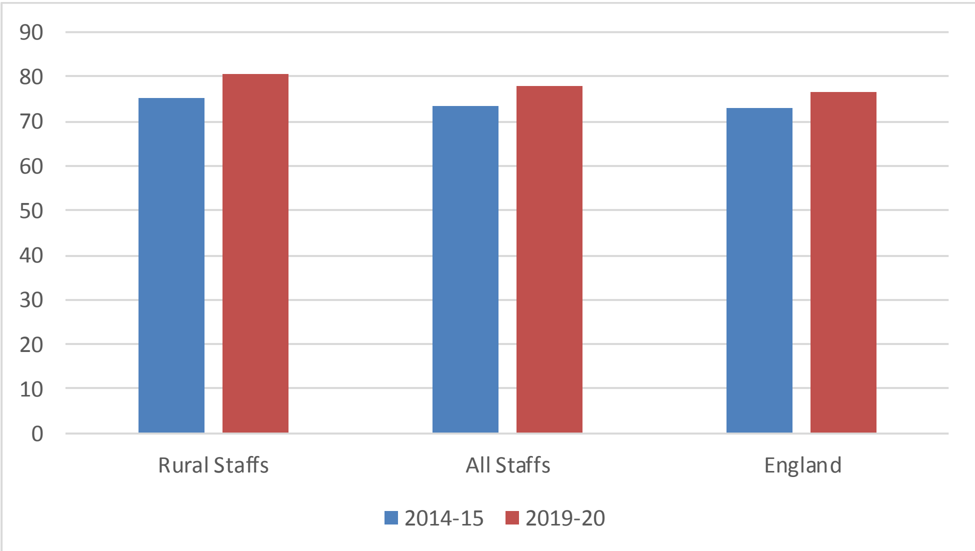


Source: ONS, population projections, 2019 (LSOA based)

Employment and Self-Employment

6.3. Of those of working age, the employment rate is the proportion that are working, so excludes those who are unemployed or inactive. Chart 18, using the district-based definition of rural Staffordshire, shows that the employment rate for rural Staffordshire stands at 80.5 per cent, higher than for all Staffordshire and higher than the England average (77.9 and 76.5 per cent respectively). The rise between 2015 and 2019 is also greatest for rural Staffordshire, rising by more than 5 percentage points compared with 4 for the whole of Staffordshire and 3 for the England average.

Chart 18: Employment rate 2014-15 and 2019-20 (percent)

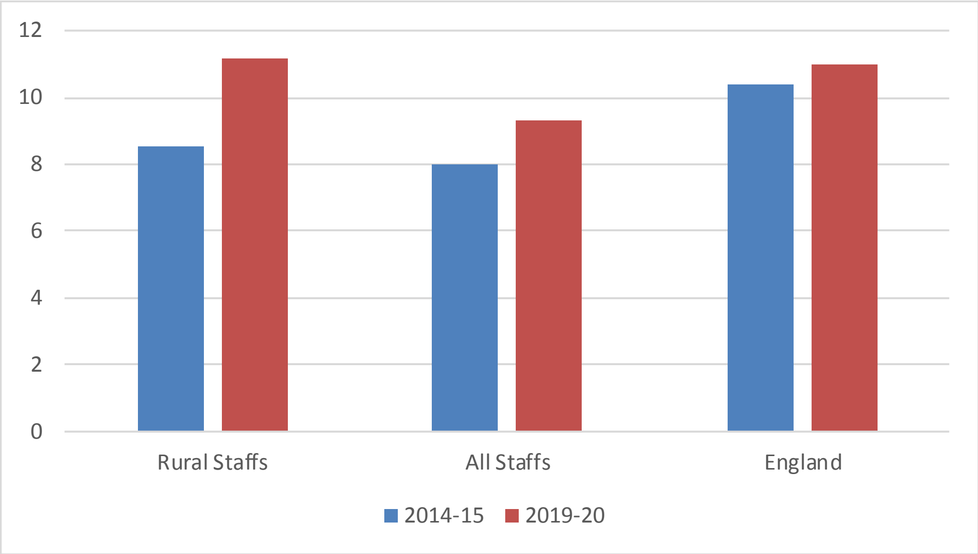


Source: Annual Population Survey, ONS (district-based)

6.4. Of those who are employed, the numbers of self-employed have increased between 2014-15 and 2019-20, as has the case across England. Chart 19 shows that rural Staffordshire has a higher rate of self-employment than both Staffordshire all and the average across England at

11.1 per cent compared to 9.3 per cent and 11.0 per cent, respectively. As with the employment rate, the increase has also been greatest across rural Staffordshire, increasing from 8.5 per cent in 2014-15 to 11.1 per cent in 2019-20.

Chart 19: Self-employment rates 2014-15 and 2019-20 (percentages)



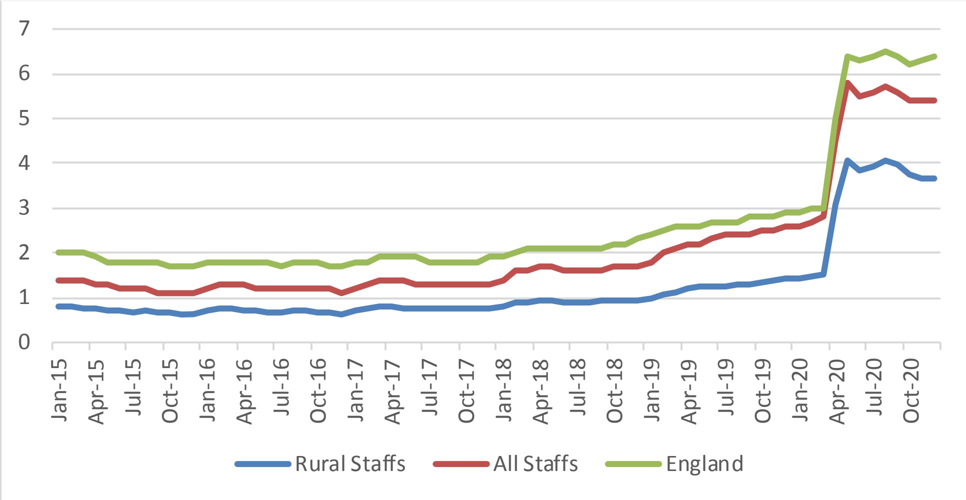
Source: Annual Population Survey, ONS (district-based)

Claimant Unemployment

6.5. A further labour market category to cover is claimant unemployment. Because a detailed data series is published regularly, this also has the advantage of showing recent data, affected by the pandemic, in this case up to the end of 2020.

6.6. Chart 20 shows the series of claimant count rates for rural Staffordshire as well as for all Staffordshire, based on the LSOA definition of rural Staffordshire. After being flat for the first 3 years of the series, the rate climbs slightly between 2018 and early 2020 before rising quickly as the effects of the pandemic hit around April 2020. Throughout the series, the claimant count rate is slightly lower in rural Staffordshire although because of this, the proportional increase through the pandemic is higher.

Chart 20: Claimant Count in rural and all Staffordshire, 2015-2020 (rate per 100 working age population)

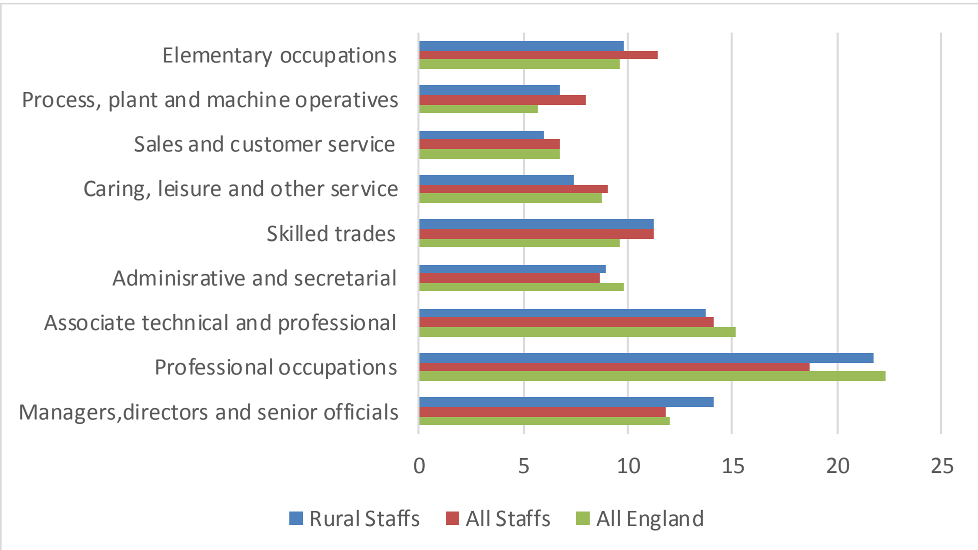


Source: DWP, NOMIS (ONS) *(LSOA based)*

Occupational Profile of Employment

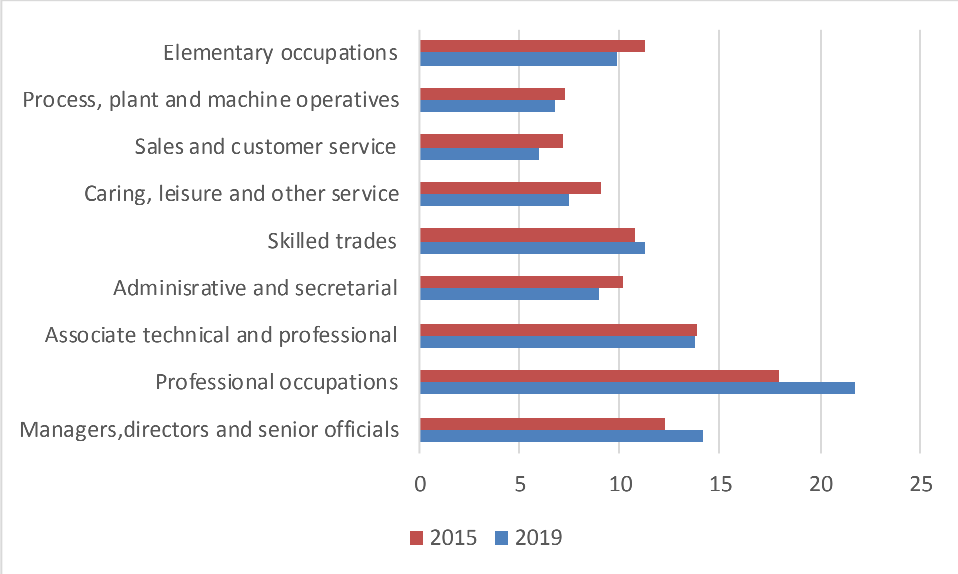
6.7. Data were presented earlier on the sectoral split of jobs in rural Staffordshire. It is also possible to look at the types of job carried out by rural residents, using Standard Occupational Classifications. This data is available at district level (as is also the case for charts 22-27) and, as described above is for jobs held by those who live in rural Staffordshire. Chart 21 shows that rural Staffordshire residents have a relatively senior profile of employment – with a higher proportion employed in senior roles and a smaller proportion in elementary and manual type roles. Chart 22 then shows the changes over the last few years, highlighting an increase in the proportion of residents employed in senior roles and a decrease in the proportion employed in more routine jobs.

Chart 21: Standard Occupational Classification of Employment, 2019-20 (percentages)



Source: Annual Population Survey, 2019 – 20 (district-based)

Chart 22: Changes in occupational profile in rural Staffordshire (percentages)



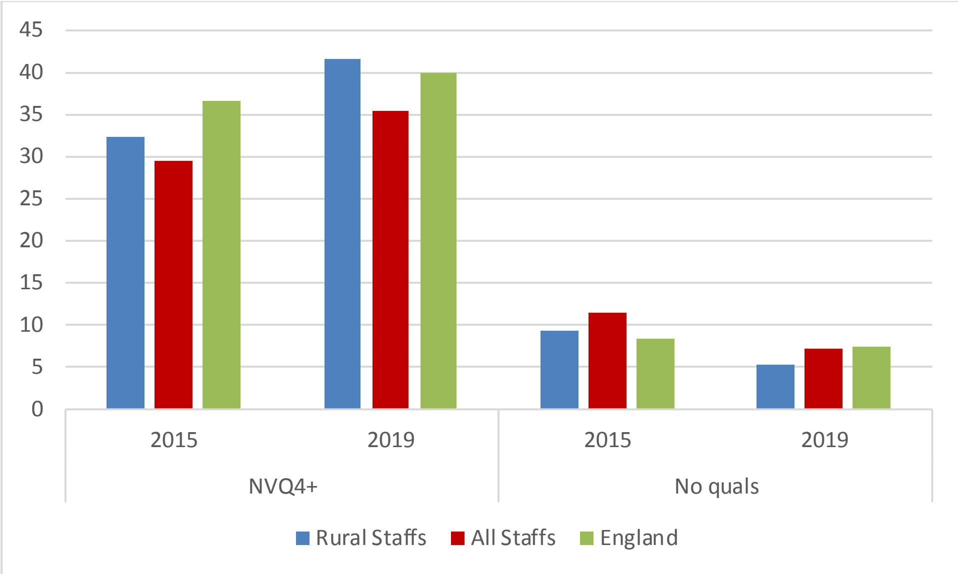
Source: Annual Population Survey, 2019 – 20 (district-based)

Working Age Qualification Levels

6.8. Part of the reason for the profile of jobs seen above can be explained by looking at levels of qualifications. Chart 23 looks at the top and bottom parts of the distribution of qualifications – the proportions qualified to at least Level 4 and those with no NVQ equivalent qualifications. Residents of rural Staffordshire are relatively well qualified, with higher proportions at the top of the qualifications' distribution and lower proportions at the bottom end, compared to either all Staffordshire or the England average. 42 percent of rural Staffordshire residents are qualified to at least NVQ4, compared to 35.5 and 40 per cent respectively for all Staffordshire and England).

6.9. In all cases, the proportions qualified to L4+ has risen between 2015 and 2019, while the proportion with no qualifications has fallen. The largest rise in L4+ was in rural Staffordshire, while the improvements for the whole of Staffordshire were larger than for the England average.

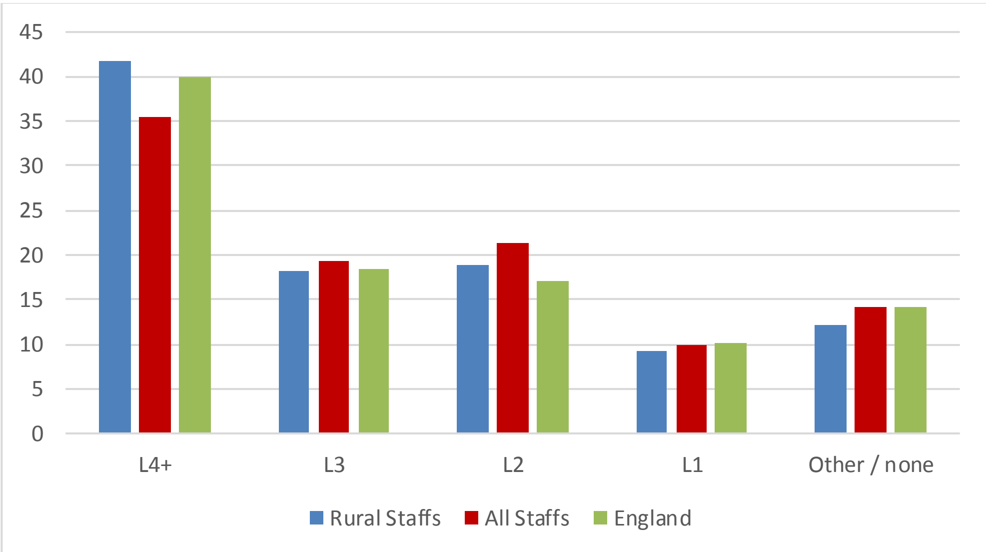
Chart 23: Highest qualification of the working age population (percentages)



Source: Annual Population Survey, ONS (district-based)

6.10. Chart 24 looks at a broader distribution of qualifications for Staffordshire and for England. As above, the working age population across rural Staffordshire is better qualified than all Staffordshire, and England while all Staffordshire lags both rural Staffordshire and England.

Chart 24: Highest level of qualification amongst working age residents, 2019 (percentages)



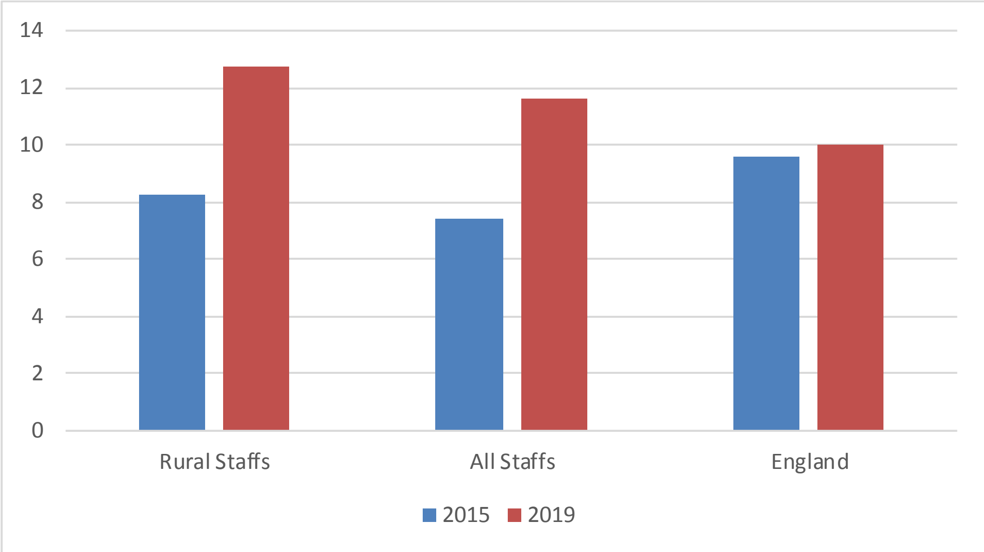
Source: Annual Population Survey, ONS (district-based)

Participation in Job-Related Training

6.11. As well as formal qualifications, job-related training can be an important part of employment and Chart 25 shows the results of a question about job-related training over the 4 weeks prior to the Annual Population Survey questionnaire. In 2019, nearly 13 per cent of rural Staffordshire residents had undertaken job related training in the previous 4 weeks, compared to less than 12 per cent for all Staffordshire and 10 per cent across England.

6.12. For both rural Staffordshire and all Staffordshire, the amount of job-related training has increased by much more than for England overall. While in 2015, job-related training was more common across England, by 2019 it was much more common in rural Staffordshire.

Chart 25: Proportions undertaking job related training in previous 4 weeks

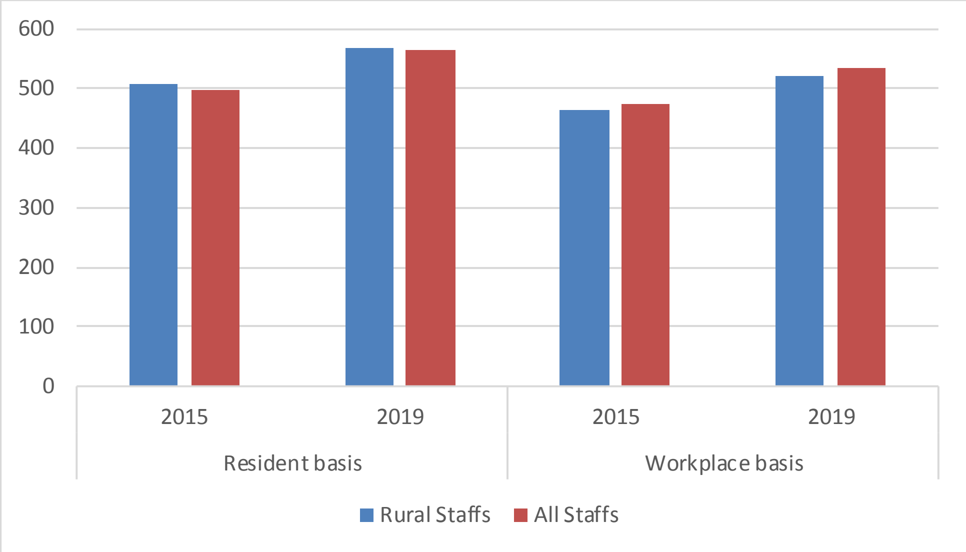


Source: Annual Population Survey, ONS (district-based)

Earnings

6.13. Another way of looking at jobs is to examine earnings from those jobs. Chart 26 shows how full time median gross weekly earnings have changed for rural Staffordshire between 2015 and 2019 and, again, compares to all Staffordshire. For this source of data, earnings in an area can either be based on all those who live in the area, or all those who work in the area and commuting patterns mean that these can be quite different at times. While residents in rural areas earn slightly more than residents across all Staffordshire (£569 compared to £565), those working in rural areas tend to earn slightly less (£522 compared to £535). The increases between 2015 and 2019 have been very similar at 12-13 per cent in all cases. This is a slightly higher increase than for England overall (11 per cent) although the England figure for average earnings is significantly higher, skewed by London.

Chart 26: Full time gross median weekly average earnings (£)



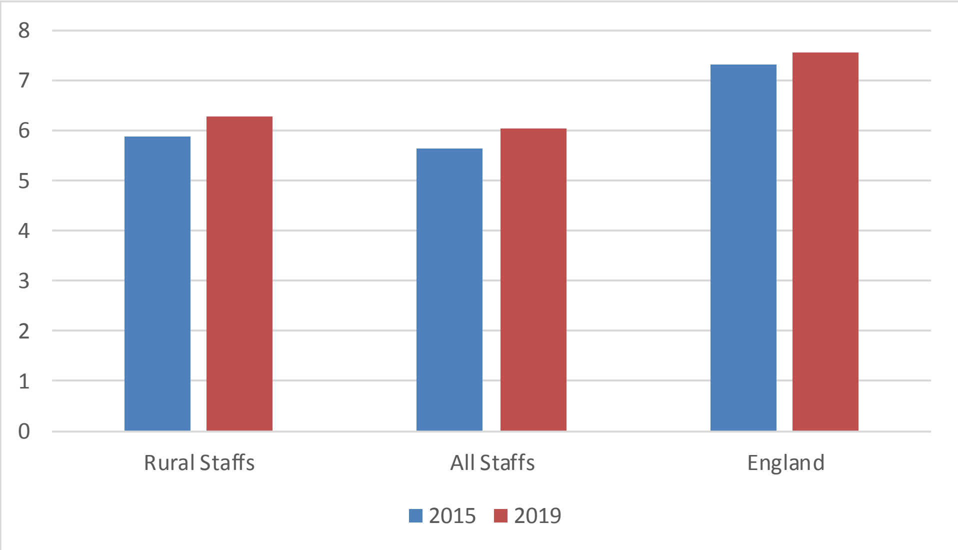
Source: Annual Survey of Hours and Earnings, ONS (district-based)

7. Place: housing, broadband and deprivation

Housing Affordability

7.1. Following on from Chart 26, which shows average earnings, it is possible to combine this with information on house prices to derive a measure of housing affordability, by taking the ratio of median house prices to median earnings. Chart 27 shows how this has changed between 2015 and 2019 for the three comparison areas. A higher figure means that housing is less affordable. Housing is slightly less affordable in rural Staffordshire than in wider Staffordshire (6.3 compared to 6.1), although more so than in England overall (as with wages, housing affordability in England tends to be skewed by very high house prices around London). Between 2015 and 2019, affordability has decreased in all areas, with decreases in rural Staffordshire and all Staffordshire larger than those in England as a whole.

Chart 27: Housing affordability in 2015 and 2019, ratio of house prices to average earnings



Source: Annual Survey of Hours and Earnings; house price statistics, ONS (district-based)

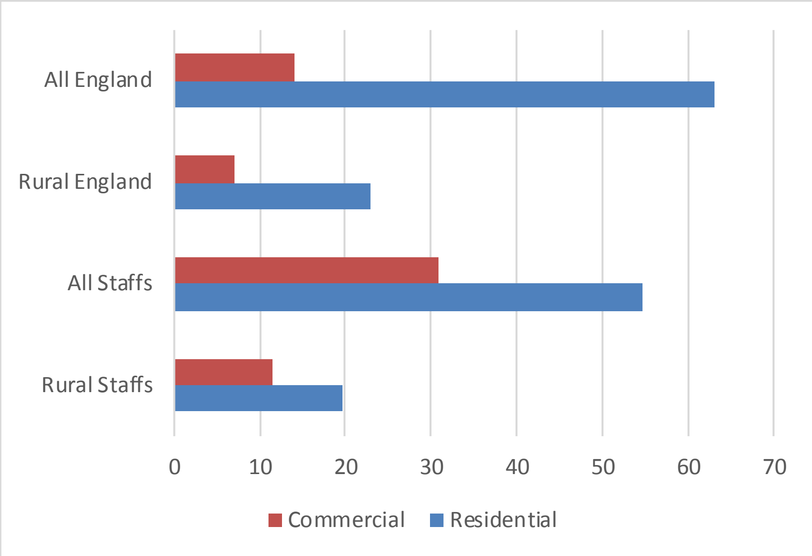
Broadband Coverage

7.2. A reliable internet connection is an important aspect of life, both for work and leisure, and has in the past been a concern for rural areas in particular, where coverage tends to be less reliable.

7.3. Chart 28 shows the proportion of premises, separately for residential and commercial, for which fixed broadband coverage of at least 100 Megabits per second is available. This is a relatively high threshold, but at lower levels such as 10 Mbs or 30 Mbs, coverage tends to be consistently high (as it is with availability of 4G mobile coverage), so this higher threshold allows for greater distinction between geographies.

7.4. The definition of rural Staffordshire in this case is different from anything else in this report, based on Ofcom classifications. The two main conclusions from the data are that residential premises tend to have much better connectivity than commercial premises (many of which may not need a high level of connectivity) and that rural areas do have lower connectivity than other areas.

Chart 28: Fixed broadband coverage at 100 Megabits per second, 2020 (percentages)



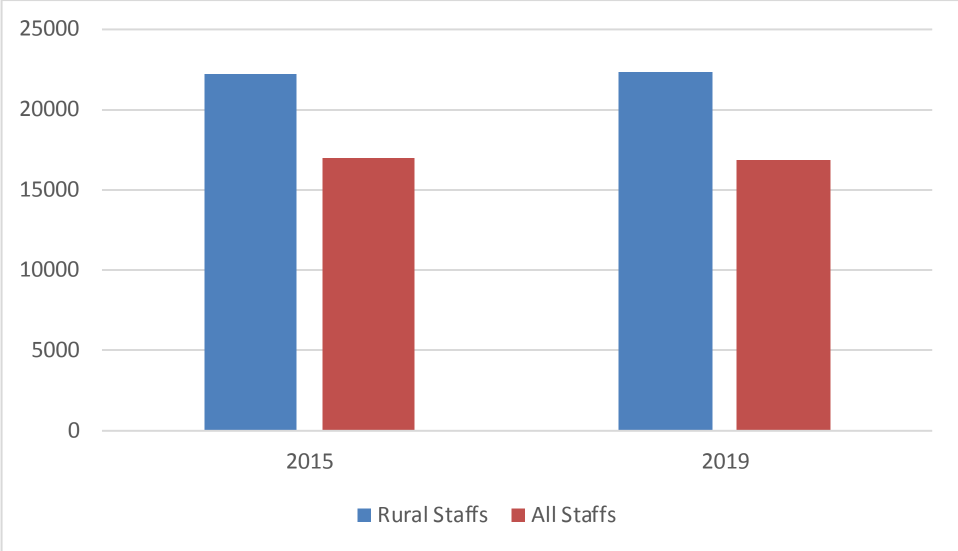
Source: Connected Nations, Ofcom, 2020 (Ofcom definition of rural)

Deprivation

7.5. Very detailed data has been assembled by Government to enable analysis of deprivation by detailed geographies. For every LSOA, data is compiled according to seven 'sub-domains': income, employment, education, health, crime, barriers to housing and services and, finally, living environment. Each of these is ranked from 1 (most deprived) to 32844 (least deprived) and LSOAs can be combined to create average rankings for areas such as rural Staffordshire. The sub-domains are also combined, by a weighted average, into an overall score for deprivation.

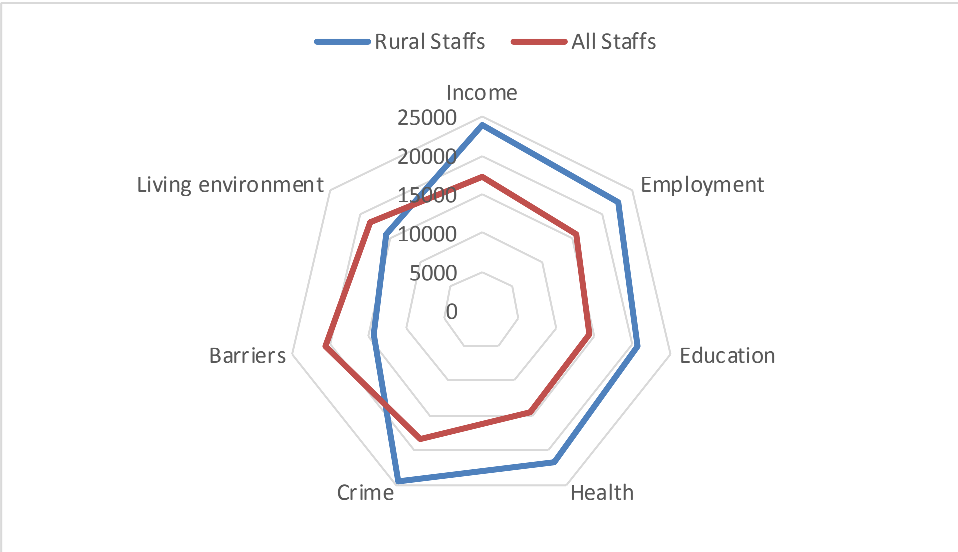
7.6. Chart 29 presents the headline IMD score for both 2015 and 2019, while Chart 30 shows the sub-domain data in such a way that a larger area means less deprivation. Rural Staffordshire is less deprived overall (Chart 29) and consistently less deprived across the sub-domains (Chart 30), except for Barriers to Housing and Services and Living environment.

Chart 29: Indices of Multiple Deprivation



Source: MHCLG (LSOA based)

Chart 30: Indices of Multiple Deprivation sub-domains, 2019



Source: MHCLG (LSOA based)

APPENDIX A: Data Sources

The geographical data used comes from a mixture of DEFRA classifications, at Output Area and at Local Authority areas. Smaller areas can be aggregated together by using ONS lookup files.

Data on GVA comes from ONS and this can be combined with data on population (see below for source) to give per capita data. GVA per hour is also ONS.

The ONS NOMIS service provides a lot of the data: everything on jobs and from the Annual Population Survey, population estimates, claimant count data and average earnings data, while housing affordability combined average earnings and house price data.

Jobs in Agriculture come from DEFRAs Survey of Agriculture while forecasts of jobs by sector were supplied by Staffordshire County Council

Data on businesses comes from two sources at ONS, UK Business and Business Demography.

Broadband coverage comes from an interactive web report published by Ofcom.

Indices of Multiple Deprivation are available from MHCLG.

APPENDIX B: Data Tables

This section presents all the data from this report that is not already in tabular form.

Chart 6: GVA per working age resident (£)

	2015	2018
Rural Staffs	33666	35102
All Staffs	31405	34023

Source: ONS, sub regional GVA, population estimates

Rural Staffordshire defined by Local Authority district areas

Chart 7: Productivity - GVA per hour worked

	2015	2018
Rural Staffs	28	29.3
All Staffs	26.9	28.7

Source: ONS

Rural Staffordshire defined by Local Authority district areas

Chart 8: Jobs by sector, 2019 (percentages)

	Agriculture, forestry & fishing	Manufacturing	Construction	Wholesale	Retail	Transport & storage (inc postal)	Accommodation & food services	Professional, scientific & technical	Business administration & support services	Education	Health	Arts, entertainment, recreation & other services
England	0.6	8.1	4.5	4.1	9.8	4.7	7.1	8.7	9.1	9.2	12.7	4.6
All Staffs	1	12.7	5.5	5.1	9.3	8	7.4	4.9	7.6	7.8	13.6	5.1
Rural Staffs	2.4	14.8	6.3	6.4	5.7	9.3	10	6.1	6.8	7.8	6.9	5.8

Source: ONS, Business Register Employment Survey

Rural Staffordshire defined by Lower-layer Super Output Areas

Chart 9: Change in number of jobs by sector between 2015 and 2019 (percentages)

	Agriculture, forestry & fishing	Mining, quarrying & utilities	Manufacturing	Construction	Motor trades	Wholesale	Retail	Transport & storage (inc postal)	Accommodation & food services	Information & communication	Financial & insurance	Property	Professional, scientific & technical	Business administration & support services	Public administration & defence	Education	Health	Arts, entertainment, recreation & other services
England	-1.2	-4.3	3	13.7	8.3	13.2	0.8	12.3	11.3	6.6	3.9	7.1	9.6	3.7	3.4	-0.5	4.5	7.9
All Staffs	-10.8	28.6	3.4	-3.7	9.1	-7.7	-2.2	22.6	9.4	10	-33.3	20	4.5	-2.7	0	2.8	6.7	0
Rural Staffs	-30.5	33.2	9.6	0.4	43.3	7.4	5.8	15.6	14.6	0.7	7.1	33.2	6.8	-10.4	7.3	1.7	5.9	1.3

Source: ONS, Business Register Employment Survey

Rural Staffordshire defined by Lower-layer Super Output Areas

Chart 10: Location quotient and change in quotient between 2015 and 2019 for rural Staffordshire																		
	Agriculture, forestry & fishing	Mining, quarrying & utilities	Manufacturing	Construction	Motor trades	Wholesale	Retail	Transport & storage (inc postal)	Accommodation & food services	Information & communication	Financial & insurance	Property	Professional, scientific & technical	Business administration & support services	Public administration & defence	Education	Health	Arts, entertainment, recreation & other services
LQ 2019	0.34	1.27	1.9	1.32	1.23	1.62	0.63	1.88	1.36	0.46	0.23	0.73	0.69	0.77	1.02	0.92	0.56	1.3
Change	0.44	1.2	1.05	0.87	1.28	1.04	1.05	1.01	1.01	0.93	1.01	1.22	0.96	0.85	1.02	1.01	1	0.95
Size	0.2	1.44	15.13	6.4	2.3	6.5	5.82	9.49	10.19	2.06	0.82	1.29	6.29	6.92	4.13	8.01	7.11	5.9

Source: Business Register Employment Survey, ONS and WECD calculations

Rural Staffordshire defined by Lower-layer Super Output Areas

Chart 13: Registered business population		
	2015	2019
Rural Staffs	25400	27110
All Staffs	36600	39245

Source: UK Business, ONS

Rural Staffordshire defined by Local Authority district areas

Chart 14: Business births per 1000 working age residents		
	2015	2019
Rural Staffs	6.3	6.1
All Staffs	6.2	5.8
England	9.9	9.7

Source: ONS, Business demography

Rural Staffordshire defined by Local Authority district areas

Chart 15: 3 year business survival rates (percentages)		
	2016	2019
Rural Staffs	62	55.6
All Staffs	61.4	55.3
England	60.9	51.5

Source: ONS, Business demography

Rural Staffordshire defined by Local Authority district areas

Chart 16: Population profile of rural Staffordshire						
	All Ages	Aged 0 to 15	Aged 16 to 24	Aged 25 to 49	Aged 50 to 64	Aged 65+
2011	231104	36748	25152	68287	51962	48955
2019	242556	36415	24164	65672	55353	60952
Source: ONS population projections						
Rural Staffordshire defined by Lower-layer Super Output Areas						

Chart 17: Population profiles, 2019 (percentages)			
	0 to 15	16-64	65+
Rural Staffs	15.0	59.9	25.1
All Staffs	18.0	61.2	20.8
England	19.2	62.4	18.4
Source: ONS population projections			
Rural Staffordshire defined by Lower-layer Super Output Areas			

Chart 18: Employment rate (percentages)		
	2014-15	2019-20
Rural Staffs	75.4	80.5
Staffs	73.6	77.9
England	73.2	76.5
Source: Annual Population Survey, ONS		
Rural Staffordshire defined by Local Authority district areas		

Chart 19: Self employment rates (percentages)		
	2014-15	2019-20
Rural Staffs	8.5	11.1
Staffs	8	9.3
England	10.4	11
Source: Annual Population Survey, ONS		
Rural Staffordshire defined by Local Authority district areas		

Chart 20: Claimant count rate, 2015-2020 (percentage of working age population)			
	Rural Staff	All Staffs	England
Jan-15	0.8	1.6	2.0
Feb-15	0.8	1.7	2.0
Mar-15	0.8	1.6	2.0
Apr-15	0.8	1.6	1.9
May-15	0.7	1.6	1.8
Jun-15	0.7	1.5	1.8
Jul-15	0.7	1.5	1.8
Aug-15	0.7	1.4	1.8
Sep-15	0.7	1.4	1.8
Oct-15	0.7	1.2	1.7
Nov-15	0.6	1.2	1.7
Dec-15	0.6	1.2	1.7
Jan-16	0.7	1.4	1.8
Feb-16	0.7	1.5	1.8
Mar-16	0.7	1.5	1.8
Apr-16	0.7	1.5	1.8
May-16	0.7	1.4	1.8
Jun-16	0.7	1.4	1.8
Jul-16	0.7	1.4	1.7
Aug-16	0.7	1.4	1.8
Sep-16	0.7	1.4	1.8
Oct-16	0.7	1.4	1.8
Nov-16	0.7	1.4	1.7
Dec-16	0.6	1.3	1.7
Jan-17	0.7	1.4	1.8
Feb-17	0.7	1.6	1.8
Mar-17	0.8	1.6	1.9
Apr-17	0.8	1.7	1.9
May-17	0.8	1.6	1.9
Jun-17	0.8	1.6	1.9
Jul-17	0.8	1.6	1.8
Aug-17	0.8	1.6	1.8
Sep-17	0.8	1.5	1.8
Oct-17	0.7	1.5	1.8
Nov-17	0.7	1.5	1.8
Dec-17	0.8	1.6	1.9
Jan-18	0.8	1.7	1.9
Feb-18	0.9	1.8	2.0
Mar-18	0.9	1.9	2.1
Apr-18	0.9	1.9	2.1
May-18	0.9	1.9	2.1
Jun-18	0.9	1.9	2.1
Jul-18	0.9	1.8	2.1
Aug-18	0.9	1.8	2.1
Sep-18	0.9	1.9	2.1
Oct-18	1.0	2	2.2
Nov-18	0.9	2	2.2
Dec-18	1.0	2.1	2.3
Jan-19	1.0	2.2	2.4
Feb-19	1.1	2.4	2.5
Mar-19	1.1	2.5	2.6
Apr-19	1.2	2.6	2.6
May-19	1.2	2.6	2.6
Jun-19	1.2	2.7	2.7
Jul-19	1.3	2.8	2.7
Aug-19	1.3	2.8	2.7
Sep-19	1.3	2.8	2.8
Oct-19	1.3	2.8	2.8
Nov-19	1.4	2.9	2.8
Dec-19	1.4	2.9	2.9
Jan-20	1.4	3	2.9
Feb-20	1.5	3.1	3.0
Mar-20	1.5	3.2	3.0
Apr-20	3.1	4.9	5.0
May-20	4.0	6.1	6.4
Jun-20	3.8	5.9	6.3
Jul-20	3.9	6	6.4
Aug-20	4.1	6.1	6.5
Sep-20	4.0	6.1	6.6
Oct-20	3.8	5.9	6.3
Nov-20	3.7	5.4	6.3
Dec-20	3.7	5.4	6.4

Source: DWP, NOMIS

Rural Staffordshire defined by Lower-layer Super Output Areas

Chart 21: Occupational profile, 2019-20 (percentages)									
	Managers,directors and senior officials	Professional occupations	Associate technical and professional	Adminisrative and secretarial	Skilled trades	Caring, leisure and other service	Sales and customer service	Process, plant and machine operatives	Elementary occupations
All England	12	22.3	15.2	9.8	9.6	8.8	6.8	5.7	9.6
Staffordshire	11.9	18.7	14.1	8.6	11.3	9.1	6.7	8	11.5
Rural Staffs	14.1	21.8	13.7	9	11.3	7.5	6	6.8	9.8
Source: Annual Population Survey, ONS									
Rural Staffordshire defined by Local Authority district areas									

Chart 22: Occupational profile in rural Staffordshire, 2015 and 2019 (percentages)									
	Managers,directors and senior officials	Professional occupations	Associate technical and professional	Adminisrative and secretarial	Skilled trades	Caring, leisure and other service	Sales and customer service	Process, plant and machine operatives	Elementary occupations
2019	14.1	21.8	13.7	9.0	11.3	7.5	6.0	6.8	9.8
2015	12.3	17.9	13.9	10.2	10.8	9.1	7.2	7.3	11.3
Source: Annual Population Survey, ONS									
Rural Staffordshire defined by Local Authority district areas									

Chart 23: Highest level of qualification amongst working age residents (percentages)				
	NVQ4+		No quals	
	2015	2019	2015	2019
Staffordshire	29.6	35.5	11.5	7.3
Rural Staffs	32.4	41.6	9.2	5.3
England	36.7	40	8.4	7.5
Source: Annual Population Survey, ONS				
Rural Staffordshire defined by Local Authority district areas				

Chart 24: Highest level of qualification amongst working age residents, 2019 (percentages)					
	L4+	L3	L2	L1	Other / none
Rural Staffs	41.6	18.2	18.9	9.2	12.2
All Staffs	35.5	19.2	21.3	9.8	14.2
England	40	18.5	17.2	10.1	14.2
Source: Annual Population Survey, ONS					
Rural Staffordshire defined by Local Authority district areas					

Chart 25: Proportion of workforce engaged in work related training (percentages)		
	2015	2019
Rural Staffs	8.3	12.8
All Staffs	7.5	11.7
England	9.6	10

Source: Annual Population Survey, ONS

Rural Staffordshire defined by Local Authority district areas

Chart 26: Full time gross median average weekly earnings, 2015 and 2019 (£)				
	Resident basis		Workplace basis	
	2015	2019	2015	2019
Rural Staffs	507	569	465	522
All Staffs	500	565	476	535

Source: Annual Survey of Hours and Earnings, ONS

Rural Staffordshire defined by Local Authority district areas

Chart 27: Housing affordability (ratio of median house prices to median earnings)		
	2015	2019
Rural Staffs	5.9	6.3
Staffs	5.7	6.1
England	7.3	7.6

Source: Annual Survey of Hours and Earnings, house price statistics, ONS

Rural Staffordshire defined by Local Authority district areas

Chart 28: Fixed broadband coverage at at least 100 Mb/s, 2020		
	Residential	Commercial
Rural Staffs	19.8	11.5
All Staffs	54.8	30.8
Rural England	23	7
All England	63	14

Source: Connected nations, 2020

Rural areas according to Ofcom definition

Chart 29: Indices of Multiple Deprivation, mean ranking of LSOAs (higher = less deprived)		
	2015	2019
Rural Staffs	22271	22312
All Staffs	17045	16890
Source: MHCLG		
Rural Staffordshire defined by Lower-layer Super Output Areas		

Chart 30: Indices of Multiple Deprivation sub-domains, 2019 (higher = less deprived)							
	Income	Employment	Education	Health	Crime	Barriers	Living environment
Rural Staffs	23902	22525	20645	21833	24426	14214	15680
All Staffs	17227	15722	14279	14412	18374	20599	18184
Source: MHCLG							
Rural Staffordshire defined by Lower-layer Super Output Areas							

APPENDIX C: Sector Insights

Agriculture

Staffordshire has around 190,000 hectares of land on 3,300 agricultural holdings[2] with almost 117,000 (62%) of that being grassland suitable mainly for livestock grazing and growing of hay and silage for animal feed. The livestock sector output in Staffordshire was £300m in 2019, nearly three times the output of its crops at £113m. The sector spent £292m with suppliers.

Staffordshire's agricultural and horticultural production is very diverse, and the vast bulk is commodity output for further processing. Latest data show 220,000 cattle with the dairy herd being twice the size of the beef herd; 280,000 sheep, 60,000 pigs (for breeding and fattening) and 1.8m poultry, 70% of these being for chicken meat.

In terms of arable crops, wheat accounted for 26,000 ha, followed by barley (winter and spring) at 11,000 ha and oilseed rape at 7,200. There is a further 13,000 ha of arable crops plus nearly 1,400 ha of high value fruit and vegetables, the largest segments being fruit followed by vegetables and salads. Farm woodland accounts for 7,000ha.

There are nearly 10,000 workers on Staffordshire's farms including part time and casual workers. Over half of these are farm business owners and their spouses. In total, nearly 3,300 workers (one third) are part time.

Much of Staffordshire's commodity produce is processed on the edges of the county or within adjacent areas. Most of the major dairy buyers are active in the Staffordshire milk field. For example, milk may be processed at Mueller's Market Drayton or Telford plant. Ornua Foods, based in Leek cuts and packs hard cheese produced in the UK and the Republic of Ireland. Meat may be processed at plants in the Midlands or ABP Shrewsbury with limited processing within Staffordshire (mainly small scale). Potatoes are processed at McCains in Wombourne. Soft fruit is generally sold via producer organisations into supermarket supply chains e.g. Berryworld. And Staffordshire is home to several salad producers.

Looking to the future, there is a continuing need to improve productivity and support succession of family farms with new entrants. The presence of Harper Adams and Reaseheath provides a wide range of training to the sector. Improving productivity will rely on a range of techniques including genetic improvement through breeding (animals and crops plus the use of Genetic prediction in animals), the application of digital and data e.g. electronic recording, development of specialist apps for a range of purposes plus the application of technology e.g. robotic milking, controlled irrigation and scheduling to name but two. Agricultural diversification can provide a source of additional income but typically only about 5% of that of agriculture based on experience across the UK. Some farm businesses will be able to expand into added value processing, direct sale to consumers etc. But the focus needs to be on developing production in line with market trends. This requires a mix of

[2] The latest detailed agricultural statistics at the Staffordshire level are for 2016 as they are not produced annually.

training and skills, entrepreneurialism, capital investment (both in individual businesses and by the public sector e.g. broadband, utilities, transport, starter units), a supportive planning system and exposure to the latest consumer trends. With Amazon's move into the UK grocery sector, there will be stronger competition and a need to adapt quickly. This combined with Brexit, potential for cheaper food imports and an increasing focus on localism means that the sector is at a critical point in its development.

Manufacturing

Manufacturing is the most significant sector to Staffordshire's rural economy in terms of employment contribution – accounting for over 15 per cent of rural employment.

The most significant manufacturing sub-sector is the manufacture of machinery and equipment, accounting for nearly a third of manufacturing employment (29.7 per cent). Other significant sub-sectors are the manufacture of motor vehicles, fabricated metal products, food production and mineral products.

Figure 1: Manufacturing Employment in Rural Staffordshire by Sub-Sector

	Jobs	%
10 : Manufacture of food products	1,645	10.7%
11 : Manufacture of beverages	200	1.3%
13 : Manufacture of textiles	300	2.0%
14 : Manufacture of wearing apparel	10	0.1%
16 : Manufacture of wood and of products of wood and cork…	415	2.7%
17 : Manufacture of paper and paper products	20	0.1%
18 : Printing and reproduction of recorded media	225	1.5%
20 : Manufacture of chemicals and chemical products	370	2.4%
21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations	110	0.7%
22 : Manufacture of rubber and plastic products	640	4.2%
23 : Manufacture of other non-metallic mineral products	1,590	10.4%
24 : Manufacture of basic metals	605	3.9%
25 : Manufacture of fabricated metal products, except machinery and equipment	1,840	12.0%
26 : Manufacture of computer, electronic and optical products	270	1.8%
27 : Manufacture of electrical equipment	110	0.7%
28 : Manufacture of machinery and equipment n.e.c.	4,555	29.7%
29 : Manufacture of motor vehicles, trailers and semi-trailers	1,860	12.1%
30 : Manufacture of other transport equipment	180	1.2%
31 : Manufacture of furniture	210	1.4%
32 : Other manufacturing	205	1.3%
	15,360	100.0%

Source: ONS Business Register of Employment Survey (BRES)

Rural Staffordshire is the location for a number of Staffordshire's largest and growing manufacturing firms across a range of sub-sectors including food processing companies Ornua Foods and Florette, Prince Minerals, Roltech Engineering and JCB.

Staffordshire's Advanced Manufacturing & Engineering Hub for skills development includes sites at Stafford College's Rodbaston Campus (AgriSTEM Academy), Penkridge (Advanced Manufacturing & Engineering and Agri-Tech) and the JCB Academy at Rocester (Advanced Engineering Academy). Manufacturing productivity, measured in terms of GVA per job, ranges from 110% the England average in Staffordshire Moorlands to 70% in Cannock and East Staffordshire (LIS evidence).

Supporting manufacturing firms to remain competitive through innovation, adoption of new technologies including digital technologies, and support for skills development is a priority of the Local Industrial Strategy.

EU Exit threatens to cause significant disruption to manufacturing supply chains but with potential new investment opportunities arising from supply chain re/on or near-shoring.

Visitor Economy

Staffordshire is an attractive county with a large proportion of England and Wales' population within a short drive time[3]. Its rurality, the presence of two major theme parks (Alton Towers and Drayton Manor) plus other assets such as the Cannock Chase Area of Outstanding Natural Beauty, the nearby Peak District, Canal network, National Memorial Arboretum, Trentham Monkey Forest and Trentham Gardens, pottery heritage and so on are what create its tourist draw. Much of its visitation is people from the UK rather than abroad and the focus is on short trips. Many of the visitors come because of the countryside as well as the draw of the theme parks.

Staffordshire's accommodation offer includes hotels, pub accommodation, guest houses and B&Bs, holiday cottages, holiday lodge parks, holiday parks, touring caravan and camping sites, glamping sites, group and youth accommodation, spa resorts, and wedding venues with accommodation. There are also 13 canal boat holiday hire companies at 12 marinas across the area.

There are an estimated 677 establishments with 27,000 beds in the commercial sector. On top of this a further 600 beds are offered through private accommodation such as AirBnb. The total annual capacity is 27,600 beds with just over 10m bed nights not including canal boats.

The economic impact of the sector is estimated annually with the latest data for 2018 estimating 27m trips, direct visitor spend of £1.34bn and 32,000 direct and indirect jobs supported. Prior to COVID-19 the sector was growing by around 3% even though the number of trips fell between 2017 and 2018.

Hotels are concentrated in the main urban centres with a dominance of budget provision at 3 star level and little 4 star provision. Budget performance is strong but the 3 and 4 star hotel performance is weak. This is related to a range of factors including variable quality, lack of corporate demand and strong price-driven leisure business driven by the theme parks. There is little 4 star and branded 3 star provision and little development in the past 5 years. Despite this, demand is strong for

[3] Information in this report is drawn from the Staffordshire Accommodation Strategy by Hotel Solutions and Economic Impact of Tourism Staffordshire 2018 by The Research Solution.

boutique, luxury, and 4-start B&Bs with shortages of accommodation throughout peak season. Other serviced accommodation is small scale and of variable quality while high quality pub accommodation trades well.

To grow the sector, the aim is to attract more visitors to stay longer and spend more. To do so, improving the quality and range of accommodation is key. There is potential as follows:

- Existing businesses - to upgrade their quality, get 'on-trend' expand provision at peak times and to develop extra facilities such as spas, function space and leisure facilities that will attract new markets and extend the season.
- New serviced accommodation – there is demand for budget hotels, other types of accommodation and full service 3 and 4-star hotels, though public subsidy may be required given the level of returns.
- Non-serviced accommodation – to grow in rural areas and near major attractions especially in peak season, but with potential to have a weather-proof offer for out of season. Opportunities such as the creation of French-style 'Aires' for motorhomes and camping could be considered.

There is a need to raise awareness of the opportunities, prioritise hotel sites, back existing successful businesses with expansion plans and grow interest amongst asset owners, developers, and other stakeholders. There may be a need for financial support for viability of some developments as well as supporting existing businesses to invest. There is also potential to develop more guided activities such as mountain biking, walking and other sustainable outdoor activities.

Logistics

During the last decade there has been strong growth in online retail, coupled with associated parcel delivery, logistics and warehousing. In areas of low warehouse vacancy, rents have increased by almost 100% in five years as businesses rush to acquire units to improve supply chain efficiency.[4]

Staffordshire has a particularly strong logistics, transport, and storage sector, thanks to its location at the heart of England and its excellent connectivity by road (M6, M6 Toll, M54) and rail (West Coast Mainline). For example, between 2009 and 2017, the number of jobs in the logistics sector in the SSLEP area grew by 19.9% (approximately 6,700 new jobs), almost double the England average of 10.8%.[5] Moreover, the transport and storage sector accounts for 32,000 jobs in the SSLEP area, higher than the national and regional average.[6] This large logistics presence in Staffordshire is perhaps why wholesale retailers (in particular, vegetables and fruit, and cosmetics) are also large employers in the county, and higher than national and regional averages.[7] The logistics sector in Staffordshire is particularly strong around Rugeley (also a rural hub town), Tamworth, Stafford, and Stoke-on-Trent.[8]

[4] Savills, Rural Logistics (November 2020), p.2.
[5] SSLEP, LIS Evidence Base (September 2019), p.3, p.21, p.29.
[6] SSLEP, LIS Evidence Base (September 2019), p.24.
[7] SSLEP, LIS Evidence Base (September 2019), p.29
[8] SSLEP, LIS Evidence Base (September 2019), p.38.

The impact of Covid has accelerated two trends: the growth in online retail and associated delivery/logistics, and increased demand for homes in rural locations as preferences shift from convenience of urban life towards green space and space to work from home.[9] For example, 91 local authorities have seen parcel deliveries increase by more than 100% over the past year, with some experiencing a 500% increase.[10]

However, rural areas present a challenge to logistics sector growth in due to their sparse populations, meaning delivery routes are less efficient. There is therefore a need for rural logistics space to service the added demand, with Savills calculating that an additional 24.6 million square feet of warehouse space will be needed in rural areas by 2025.[11]

Whilst land is needed for additional warehouse capacity, current rural industrial estates may not be suitable. This presents a diversification opportunity for landowners who can deliver new buildings in appropriate locations, or re-purpose existing buildings that are no longer required for agricultural purposes.[12] So, logistics and warehousing is a further potential diversification opportunity for agricultural businesses, sitting alongside office space, tourism accommodation, and food services.

This is particularly relevant for post-Covid economic recovery, with SSLEP recognising logistics and distribution as a locally important growth sector,[13] and noting the impact of Covid on hospitality businesses, which may affect farm diversification enterprises, for example, tourist accommodation.

[9] Savills, Rural Logistics (November 2020), p.3.
[10] Savills, Rural Logistics (November 2020), p.4.
[11] Savills, Rural Logistics (November 2020), p.4.
[12] Savills, Rural Logistics (November 2020), p.5.
[13] Staffordshire County Council, Back to Business: Covid-19 Economic Recovery and Renewal Strategy (2020), p.11.