

Prosperous Overview and Scrutiny Committee - Wednesday 07 June 2023

Staffordshire County Council's Economic Strategy – Delivery Update

Recommendations

I recommend that the Committee:

- a. Considers the update on progress made in the delivery of the County Councils Economic Strategy since its consideration by the Committee in October 2022.
- b. Considers the interventions already made by the County Council and partner organisations and recommends further interventions to be considered by Cabinet that the Committee believes would help to enable the successful delivery of the Economic Strategy.
- c. Invites the Deputy Leader and Cabinet Member for Economy and Skills to bring an update on delivery of the Strategy to this Committee for scrutiny in six months' time.

Local Member Interest:

N/A

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

Summary

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

1. The purpose of this report is to provide the Committee with an opportunity to consider and comment upon progress made in the delivery of our Economic Strategy, and supporting strategies and delivery plans, since it was considered by the Committee in October 2022.
2. The successful delivery of our Economic Strategy in achieving its vision and aims remains dependent on many factors, not least the identification and delivery of appropriate projects and programmes.

3. Monitoring the County Council's performance in delivering the Economic Strategy will be vital to ensuring we ultimately achieve our ambitions. The Committee has an important role in scrutinising our performance over the duration of the strategy, up to 2030.

Report

Background

4. The Committee last considered the delivery of our draft Economic Strategy in October 2022. Since then and following consideration of feedback received from the extensive consultation exercise we undertook, we have finalised and published the Strategy on our website:

- a. [Economic strategy: 2023-2030 - Staffordshire County Council](#)

5. Whilst innovation featured heavily within the draft of the Strategy, the importance of this in achieving our vision for the local economy is now emphasised within the final version. Our more recent work to achieve our ambition for innovation, and all other priorities, within the County is detailed throughout the report.
6. Supporting our rural economy and tourism sectors are key parts of the delivery of our overall Economy Strategy. We have also recently published our Rural Economic Strategy, whilst our Visitor Economy Action Plan, which was prepared in collaboration between local authority and private sector partners that make up our Destination Management Partnership, was unanimously endorsed by the Staffordshire Leaders Board at the beginning of December. This includes several key actions to boost our visitor economy including encouraging more people to work within the sector, addressing emerging skills challenges and supporting the development of the local accommodation offer.
7. The global economic climate, detailed further within the next section, continues to present challenges to the local, national, and regional economies in the short-term. Whilst this should not be underestimated and we will continue to ensure that we support our local businesses and residents where we can, our longer-term focus remains on those priorities set out within the Economic Strategy.
8. Interventions put in place by the County Council, and local and national stakeholders, to support the economy through challenging periods are relatively short-term measures to enable us to continue to work towards the delivery of our Economic Strategy and our vision for the local economy up to 2030. Any such interventions will be set out within the Economic Strategy Delivery Plan (appendix), a live document that aligns

to our Corporate Delivery Plan, which is regularly reviewed and reported to the Committee through these ongoing updates.

Summary economic headlines

9. Global events continue to impact on the economy, primarily the war in Ukraine and the related cost-of-living pressures. To try and keep inflation under control, the Bank of England has continued to increase interest rates over recent months, thereby increasing the cost of borrowing and servicing debt. These global issues are expected to continue to impact the Staffordshire economy for some time, although the national economy is not now expected to enter recession as was initially predicted, whilst inflation is expected to fall throughout the coming year.
10. These issues have the potential to impact our ability to deliver some of our Economic Strategy priorities in the short-term, although some of the priorities will and have come even more strongly into focus. Staffordshire remains in a strong position to remain resilient through challenging times. Unfortunately, we have seen some increases in unemployment over recent months, although these have largely been in-line with national trends, whilst our overall unemployment rates remain significantly below regional and national averages. Demand for labour and skills remains high, with there currently being 1.1 jobs available for every claimant within the county, and therefore our focus continues to be to support those that unfortunately find themselves unemployed, to transition into work.
11. The resilience of the local economy is at least in part due to our continued efforts to support the creation of high-quality jobs within the county, as is detailed throughout the rest of the report. Since 2010, around 42,000 additional new jobs have been created in the county, with many more in the pipeline.

Summary of Recent Activity

Priority: Town Centre / High Street Regeneration

Ambition: By 2030, we will tackle the challenges faced by many of our town centres and strive to create places that we can be proud of.

12. Significant activity continues to be progressed on the regeneration of town and local centres across the county. This primarily relates to the delivery of Government programmes including Future High Streets Fund, Town Deals, and the Levelling Up Fund. We were successful in our bid

for round two of the Levelling Up Fund (further details are set out in paragraph 29), whilst Staffordshire Moorlands District Council were successful in securing £17.1 million to redevelop Leek town centre, including substantial investment in the Nicholson Institute, home to Leek's library, museum and art gallery. Together with Cannock Chase District Council's success in round one, this means that the Staffordshire local authorities have secured over £57 million for the county from the Levelling Up Fund alone.

13. Much of this funding is being directed through our District / Borough Council partners, but the County Council has a significant role to play, and we are fully engaged with and supporting the development of business cases and delivery of multiple projects across Staffordshire. Rural Hub Towns are being discussed through the Rural Economic Strategy work to ensure the smaller centres receive support to help them thrive. A project with Keele University students has highlighted areas for potential development linked to the SWOT analysis already in place.
14. The County Council continues to invest in high-quality business premises to support businesses to start, grow and invest within the county. We opened Shire Hall last summer following an extensive £2 million refurbishment of the building and the development has already proved hugely successful and is now home to 15 companies across a range of sectors, with only a few of the units now remaining. Shire Hall is an important part of the County Council and Borough Councils plans for the regeneration of Stafford, and as town centres continue to move away from retail, this is exactly the type of development that will ensure that our centres thrive and support our residents in starting a business within the county.
15. Work is well advanced to procure a Development Partner who will work with the County Council to design and deliver the Eastgate Regeneration scheme which will play a key role in the transformation of Stafford town centre through a residential led, mixed used development focused on vacant and underused buildings and land in the County Council's ownership. The opportunity, which is a direct opportunity for the County Council to deliver town centre regeneration, was launched at the UKREiF property exhibition in mid-May. Potential developers will be assessed and short listed to enter a further procurement stage during summer and autumn, with the aim to formally appoint the Development Partner by the end of 2023.

Higher skilled, higher paid workforce

Ambition: By 2030, we will address the low levels of skills across some parts of the county and support more of our residents to gain

the high-level skills needed to take advantage of many better paid job opportunities.

16. To support the delivery of our overarching Economic Strategy, we are currently developing a new Employment and Skills Strategy for Staffordshire with the support and input from our skills providers and partners. This will be used to guide future employment and skills work programmes, to support external funding bids, to enable effective communication of Staffordshire's shared employment and skills goals, and to inform the development of other relevant skills plans and actions as appropriate. The Employment and Skills Strategy will be brought to the Committee for consideration and input later in the year.
17. We continue to support our skills providers in the development of their facilities, and there are more than 20 skills related capital projects currently in the pipeline across Staffordshire. Work is ongoing on the £16m Institute of Technology which is scheduled to open in 2024. St. Modwen Logistics, one of the UK's leading logistics developers and managers, is the latest partner to join the Newcastle and Stafford Colleges Group led consortium of education providers and employers from across the Midlands to form the IoT. This will bring together key industry, education and research providers within the county to aid partnership working and widen participation in Science, Technology, Engineering and Mathematics subjects. St. Modwen Logistics will provide further opportunities for learners to develop skills in the specialisms of the built environment and sustainability.
18. To support our continued ambition for more people to start a business within the county (as detailed in the next section), we have recently commissioned a study, to be delivered by the Growth Company, to capture the current landscape of education and skills, programmes and training courses that promote enterprise and entrepreneurial skills, to identify any gaps in provision and to make any recommendations for change. The aim is to ensure the provision available to Staffordshire residents and businesses is comprehensive, transparent, and easy to navigate to assist individuals and businesses who wish to improve their enterprise and entrepreneurial skills, to start a business or grow a business to the next level.
19. The Ignite programme is one of our current business start-up and entrepreneurial skills programmes, delivered by the Staffordshire Chambers of Commerce, which supports young people in the final year of further education who have the aspiration to start their own business. The programme is constructed around an intensive workshop, alongside an online learning portal, to provide general employability skills and the skills needed to start a business, with support from Staffordshire

Chambers enterprise advisers. Areas covered include business planning, marketing, networking, cashflow forecasting and selling. The programme is in its third year and to date 13,500 students have been supported on the programme.

20. A great deal of skills related activity also continues to be progressed aligned to local capital projects. Many of the regeneration projects being progressed across the county, such as the town centre programmes and large-scale site developments including West Midlands Interchange, include an element of funding for skills programmes secured from the development to upskill and increase local employment opportunities, enabling residents to benefit from investment in their communities.
21. The Community Learning Service delivers provision that supports and develops individuals and groups for whom formal learning may have been a barrier in the past and works with them to build confidence and to realise their true potential. For the most disadvantaged learners this includes 'first steps' learning opportunities as a way of increasing participation for people who are least likely to engage in adult learning and to prepare learners for a more formal course of learning. The service received a 'good' Ofsted grade following a recent inspection that took place between 31st January and 2nd February 2023. Inspectors reported that leaders successfully work with a range of subcontractors to shape the curriculum, ensure that planning takes account of relevant local council priorities and that learners gain significant benefits from their courses. As a result, leaders positively support the focus for economic prosperity across the communities in which they work.
22. The Council have received £4.2m over three years to deliver the national Multiply programme, consisting of targeted adult numeracy interventions delivered at local level to adults aged 19 plus who have not previously obtained a Level 2 or equivalent numeracy qualification. The programme aims to boost people's ability to use maths in their daily life, at home and work to enable them to achieve a formal qualification that can open doors for them, such as into a job or progression to further study. Delivery will be across all parts of the county and consist of some outreach tasters, with the majority of provision being non-accredited short courses with clear progression routes onto accredited Functional Skills and/or GCSE maths available at local colleges and/or independent training providers.

Supporting start-up and step-up businesses

Ambition: By 2030, we will create the conditions to allow more people to start and grow their business within Staffordshire, thereby addressing our relatively low levels of business start-ups across large parts of the county.

23. We have delivered and continue to deliver many business support programmes and created high-quality start-up space across the county over recent years to support and encourage people to start and grow a business. We have now supported 548 individuals through the Staffordshire Start Up Mentoring Programme, commissioned through the Staffordshire Chamber of Commerce since June 2020. 253 of those who successfully complete the course have decided that self-employment is for them and have started their own business. Get Started and Grow has supported more than 160 business owners who have been trading up to 5 years with professional services support in marketing, finance or digital marketing. The programme has expanded this year to include Human Resources and Legal Services as an option for the businesses and the County Council will continue to procure established Staffordshire businesses to provide this support.
24. A series of peer-to-peer Networks has been launched for new businesses who want to take the next steps in their journey to success. The facilitated sessions take a group of 6 to 8 people who successfully completed the Start Up Mentoring Programme and supports them in working through difficulties they may be facing to help find solutions together.
25. My Own Boss supports entrepreneurs who are struggling to launch their new business and provides up to 6 hours of bespoke coaching to look at barriers to trading. To date 72 people have been approved to participate in this scheme.
26. The most recent information released by the Office for National Statistics show our efforts are bearing fruit. In 2021, a thousand more businesses were born in Staffordshire than the previous year. Our business birth rate has therefore improved substantially and is now, for the first-time ever, in-line with the national average. Businesses born within Staffordshire are also remain far more likely to survive compared to the national average. This is a huge positive for the county and is an area that will remain a strong focus for us in the coming months and years.

Innovation

Ambition: Build upon our existing strengths and future opportunities to increase innovation activity throughout the county, both within our businesses and innovation institutions.

27. From a relatively low base, innovation activity within the county has increased substantially in recent years and particularly within our universities. This includes the delivery of many innovation projects,

including the Smart Energy Network Demonstrator Feedback and HyDeploy project to trial injecting hydrogen into the gas network to name just a couple. Feedback received through the consultation on our Economic Strategy strengthened the view that supporting further increases in innovation activity will be essential if we are to achieve our ambitions for the Staffordshire economy, and whilst innovation already featured heavily, this importance is now recognised through innovation identified as a standalone priority within the final Strategy.

28. We are of course not starting from scratch and work is ongoing on a number of further innovation projects within the county, including as part of the A50 / A500 corridor (further details set out in paragraphs 33 to 36). Through our placemaking role, we have been hugely successful in supporting innovate companies to start and invest within Staffordshire, as evidenced by the huge success of Keele University Science and Innovation Park. We therefore also continue to consider how we can support and deliver appropriate premises for innovative companies across the county, as we have done most recently at Shire Hall.
29. Companies throughout the county continue to innovate and create the technologies of the future, with one of our local SMEs, CocoonFMS based in Lichfield, recently being successful in securing £129,000 from the first round of the Freight Innovation Fund in partnership with the major logistics employer Simarco. This will help to create a digital calculator to provide automated management of port costs and shipping expenses, providing more accurate invoice information to users, reducing delays and improving the planning of deliveries. This highlights the innovation that is already happening with the county and the type of activity that we want to continue to support.

Developing Investment Ready Projects

Ambition: By 2030, we will play our part in supporting the substantial planned growth within the county through the development of investment ready projects and securing funding for our infrastructure and services.

30. Substantial levels of growth continue to be planned for and delivered throughout the county with several of our District / Borough partners currently in the process of refreshing their Local Plans, whilst many large-scale schemes are also in development. We continue to work proactively with our partners in support of the planned growth of the county and ensuring continued investment in our infrastructure, including our transport system and schools.

31. In January we were notified that we had been successful in our bid for £20 million of Levelling Up Funding. This will be used to improve a number of major roads around the county, reduce journey times, put greener, cleaner buses on main roads, improve walking and cycling routes and, as part of the delivery of our Strategic Infrastructure Plan, support the growth in jobs and housing planned to be delivered in the county.
32. Through our Economic Growth Programme, we continue to develop and create the conditions for economic growth across Staffordshire, including supporting the development of employment sites. i54 South Staffordshire is one of our flagship employment sites and work to develop two plots in preparation for new occupiers at the site is underway. One of these plots is on the existing site, with the other being on the Western Extension, which will support the creation of a further 1,000 jobs when fully occupied. i54 remains an outstanding example of what we can achieve, including when working with our District and Borough and surrounding authority partners.
33. Excellent progress is also being made at the Chatterley Valley West site in Newcastle-under-Lyme where the first development plots are nearing completion. Highway access works are due to commence in May and a detailed planning application for the first 75,000 square foot speculative unit is currently being considered.
34. Elsewhere, at the Branston Locks site in Burton upon Trent, around 300 houses have now been built, alongside the completion of the first phase of industrial units, two of which are occupied by Werner ladders and Syncreon logistics.

Strategic Corridors

Ambition: By 2030, we will ensure we do not miss the substantial opportunities afforded by our location in the centre of the country by developing our key strategic A50 / A500 and A38 corridors, including securing increased investment in innovation activities.

35. The strategic corridors that exist across the county present some of our greatest opportunities to support the creation of more highly paid, innovative, high-tech jobs within the county. In particular, the A50 / A500 corridor presents some of our greatest opportunities for growth, connecting many major towns and cities, universities, large-scale Original Equipment Manufacturers and numerous other economic institutions across a 90km stretch through the heart of England.

36. Improving connectivity and congestion across the corridor has been the primary focus in recent years, but wider opportunities for supporting growth are gaining more and more traction. This is especially true with regards to the technologies being developed by the world-renowned companies present in the area, with the corridor set to become a national hub for the manufacture of hydrogen engines for vehicles from cars to aeroplanes.
37. Recently the Government granted permission for JCB's hydrogen-powered backhoe loaders to be used on UK roads and they will soon be working on construction sites across the country. JCB's hydrogen project has already led to the creation of 150 new jobs with the promise of hundreds of more to come.
38. We are now driving forward plans to consider how the County Council and our partners can best support our businesses and institutions to further increase innovation activities, improve connectivity and ultimately support growth in highly paid jobs. We have commissioned Deloitte, who already have a track record of working with many of the businesses across the corridor, to undertake an initial piece of work to engage with the largest employers to understand their views of what will be required to support continued growth, increased levels of innovation and greater productivity. This has highlighted several potential areas which warrant further exploration, all related to the green economy and decarbonisation agenda, with further work now underway to develop an investment proposition that will enable us, with stakeholders from across the corridor, to have discussion with partners and Government as to how we can fully realise the benefits of the opportunities across the corridor.

Link to Strategic Plan

39. The Strategy primarily relates to the 'support Staffordshire's economy to grow, generating more and better-paid jobs' Strategic Plan priority and all the associated priorities. However, there are aspects of the Strategy that cut-across all the Strategic Plan priorities with increased prosperity in the County having the potential to have positive impacts on resident's health, safety, and happiness.

Link to Other Overview and Scrutiny Activity

40. The delivery of the Economic Strategy was last considered by the Committee in October 2022. Prior to this, the Committee had considered the delivery of our previous Economic Recovery, Renewal and Transformation Strategy on at least a bi-annual basis.

Community Impact

41. Following measures implemented in response to the pandemic, economic events continue to have the potential to affect some demographic groups and locations more than others, although this is a situation that evolves rapidly and with some uncertainty. However, a key aim of the delivery of the Strategy is to ensure all residents can gain high-value, better-paid employment. We continue to produce the Economic Bulletin monthly, providing a 'live' evidence base to monitor the state of the local economy and allowing the County Council to respond accordingly.

List of Background Documents/Appendices:

Appendix 1 – Economic Strategy Delivery Plan 2023/24

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