

Local Members Interest

N/A

Prosperous Staffordshire Select Committee – 1st June 2015

The Economy of Staffordshire

Recommendations

1. That the Select Committee note the progress and performance of the Staffordshire Economy as set out in the attached presentation.
2. That the Select Committee comment on and give recommendations to the approach set out in the report, and considers aspects for further scrutiny.

Report of Mark Winnington, Cabinet Member for Economy, Environment and Transport

Summary

Staffordshire's economy has experienced significant changes over the past 4 years.

The County Council continues to work hard to improve the economy through its own work, and working in partnership to meet the aims of our priority outcome – ***“that Staffordshire's people are able to access more good jobs and the benefits of economic growth”***

Progress has been on the whole positive, nevertheless, there is still work to do. Our ambitious Economic Growth Programme is underpinned by our understanding of the Staffordshire economy, which we enable the most efficient use of collective resources, and narrowing of the gap between the best performing and lower performing parts of the local economy.

Background

1. In common with many parts of Britain, Staffordshire's economy has changed substantially over recent years. The recent economic restructuring of Staffordshire has been significantly exacerbated by the recession of the late 2000's which has led to a fundamental shift away from public sector employment growth and a renewed focus on strengthening employment in the private sector.
2. Although Staffordshire had maintained a strong manufacturing base, part of this base was characterised by a reliance on sectors which were particularly vulnerable to the recession, as well as a dominance of public sector employment in several locations. Additionally, because of Staffordshire's close ties with surrounding areas which were also vulnerable to the recession (such as Stoke-on-Trent, Walsall and Wolverhampton) Staffordshire experienced a rapid increase in Job Seekers Allowance (JSA) claimants, peaking at 20,555 claimants in April 2009 (3.8% of the working age population).

3. Since April 2009, there have been general improvements to JSA and other benefit claimant rates, with JSA claimant rates in Staffordshire at 5,579 (1.0%) in March 2015. The decrease in JSA claimants has happened much more quickly than for the West Midlands Region and Great Britain as a whole.
4. The improving economic position of Staffordshire has been achieved in parallel with a targeted approach by Staffordshire County Council to focus on improving the area's economic prosperity, with the view that improved economic outcomes will underpin and lead to improved health and wellbeing, people feeling safer and happier, and improvements to the education and skills base of the population.
5. In refining the County Council's approach and way of working, Cabinet agreed the following vision for Staffordshire:

“A connected Staffordshire where everyone has the opportunity to prosper, be healthy and happy”

6. In addition, the County Council agreed three priority population outcomes, that the people of Staffordshire will be able to:
 - Access more good jobs and the benefits of economic growth
 - Be healthier, happier and more independent
 - Feel safer, happier and more supported
7. In working to create the right conditions for growth, the County Council has therefore focused on prosperity as its number one priority and looked for opportunities to improve prosperity wherever possible.
8. In partnership we have been successful in winning external funding through the Government's City Deal and Growth Deal, which alongside employment sites identified in the Strategic Economic Plan for Stoke-on-Trent will have the potential to create around 27,000 jobs in the area.
9. In order to gain a better understanding of the Staffordshire economy, and in particular, the extent to which the area is benefiting from more and better jobs, in-depth analysis was undertaken and presented to Informal Cabinet to update on progress against the “Right for Business” elements of the Staffordshire County Council Business Plan.
10. A presentation summarising progress against delivering ‘more and better jobs’ was given to Informal Cabinet on 4th February 2015, and a copy of this is attached as Appendix 1.
11. In summary the presentation highlights several key performance areas:

Creating more jobs in Staffordshire – the total number of jobs in Staffordshire has now recovered to pre-recession levels (from a low of 365,000 jobs in 2011 to 374,000 employee jobs in 2013)

JSA rates – have declined from a peak of 20,555 claimants in April 2009 (3.8%) to a current rate of 1.0% (March 2015). Although claimant rates vary by geographical area, all of Staffordshire's districts record a rate below the national average for JSA claimants.

Successful employment sites – Staffordshire is home to a number of successful employment sites which have been a factor in driving economic growth. Keele Business Park is a good example where of the 900 jobs on the site, every job is held by a resident of Staffordshire or Stoke-on-Trent.

A balanced economy – the growth of private sector employment in Staffordshire between 2011 and 2013 has been more rapid than the Great Britain average. The decrease in public sector employment in this period (-8,700 jobs) is compared to a growth in private sector employment (+13,100 jobs)

Changing employment – Manufacturing, Health and Retail are the dominant sectors in Staffordshire's economic base accounting for almost 106,000 jobs between them in 2013. Since 2011 the strongest employment growth has been experienced in the wholesale, business administration and support services and retail sectors. Although the share of employment in the top three occupation classifications is below England averages, the increase in Staffordshire between 2011 and 2013 has been more rapid than for England.

Better jobs – Wage levels in Staffordshire have increased between 2008 and 2014, although they remain below the national average.

Alignment to wellbeing agenda – there is strong evidence to suggest that a move towards prevention and early intervention is fundamental to reducing the demands for more resource intensive health and care services. Improved prosperity, including tackling unemployment and underemployment, alongside our work in making Staffordshire a Great Place to Live will all be important elements in making Staffordshire's people healthier, more independent and happier within their communities.

12. The performance set out in the presentation and above has been achieved against a context of economic recovery following the recession. Staffordshire County Council has strong ambitions to continue the momentum of economic growth into the future through the ambitious Economic Growth Programme which

captures Capital regeneration, The City and Growth Deals, the emerging European Funding Programme and other job creation activities.

13. The total value of the Economic Growth Programme up to 2020 amounts to approximately £720m, and will create around 24,000 jobs. The results of the programme are already starting to be felt with recent investment commitments at Redhill Business Park, and the construction of the IC 5 Business Centre at Keele due to break ground in May 2015. Through our successful bid into the Government's Single Local Growth Fund, during 2015/16 we will also see the delivery of infrastructure to open up employment sites at Bericote Four Ashes, Lichfield Park and Meaford, which between them should create around 4,400 jobs.

Conclusion

14. The improving nature of Staffordshire's economy is an ongoing story, and the performance information included in this report is now showing the results of hard work over recent years, and our commitment to improving the prosperity of Staffordshire. It is important that we continue to monitor the performance of the economy, and the views of the Prosperous Staffordshire Select Committee are welcomed in helping to shape future performance reporting, leading to improved economic conditions for the future.

Appendix:

Appendix 1 – Presentation – “Right for Business – More and Better Jobs”

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