

Local Members Interest

N/A

Prosperous Staffordshire Select Committee – 12th October 2015

The Growth Fund Including the Work of the Education Trust

Recommendations

1. That the Select Committee scrutinises progress in relation to the Stoke-on-Trent and Staffordshire Growth Deal and Education Trust.
2. That the Select Committee comments on and consider aspects for further scrutiny.

Report of Mark Winnington, Cabinet Member for Economy, Environment and Transport and Ben Adams, Cabinet Member for Learning and Skills

Summary

What is the Select Committee being asked to do and why?

This paper has been prepared at the request of the Prosperous Staffordshire Select Committee to provide an update on the progress of the Stoke-on-Trent and Staffordshire Growth Deal. Following discussions on the 29 July at the triangulation meeting it was agreed that this item would also include detail of the Education Trust - previously a separate work programme item to look at the development of the Trust's work and the impact it has made to date.

This paper will be accompanied by a presentation which provides further detail on the progress of specific projects and is designed as a basis on which the Prosperous Staffordshire Select Committee may wish to frame its scrutiny.

Report

Background

3. In March 2014, the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) submitted its Strategic Economic Plan (SEP) which sets out the direction and vision for the economy. The draft SEP was scrutinised by the Prosperous Staffordshire Select Committee in October 2013, with comments incorporated into the development of the final strategy. The SEP covers the period 2014 to 2030 and is built around the vision of :

“An economic powerhouse driven by the transformation of Stoke-on-Trent into a truly competitive and inspiring Core City and by accelerated growth in our County Corridors and urban centres.”

4. There are five central objectives at the heart of the plan:
 - **A Core City** - rapid, planned growth of the conurbation centred on the city of Stoke-on-Trent which would be a critical economic driver of the area spanning parts of Cheshire as well as Staffordshire, including through the development of a strong, competitive city centre brand offering the full mix of city centre uses.
 - **Connected County**: to build on our central location, excellent external connectivity and existing peri-urban sites to deliver the right blend of further employment sites and supporting infrastructure to drive business growth, encourage inward investment and meet our labour market needs.
 - **Competitive Urban Centres**: to significantly enhance growth opportunities from an attractive and thriving city of Stoke-on-Trent city and other towns across Staffordshire where people are eager to live, work and enjoy themselves.
 - **Sector Growth**: ensure globally competitive innovation, investment and enterprise-led expansion in large & small businesses across our priority sectors.
 - **Skilled Workforce**: to develop a modern and flexible skills system which enables all people to up-skill and re-skill to meet the needs of our growth sectors. We will target growth and opportunity. As we boost the competitiveness of our businesses, we are determined to ensure local people also benefit. While we reach for the heights of international competitiveness, we will tackle our pockets of poor educational performance, deprivation, decaying urban centres and unattractive housing.

5. In July 2014, the Stoke-on-Trent and Staffordshire Local Enterprise Partnership was notified of its success in a bid to the Government’s Single Local Growth Fund. The primary beneficiaries of funding were in relation to infrastructure to open up business parks, access improvements, improved local skills provision and projects to support local sustainable transport.

6. This amounted to a total of £82.2¹ million over a period up to 2021. The indicative funding allocations for each of the projects and their contribution the SEP objectives are outlined below:

“Year 1” projects

 - Bericote Four Ashes Employment Site - £1.91m - (Connected County Objective)
 - Lichfield Park Employment Site - £4.0m - (Connected County Objective)
 - Meaford Business Park - £4.2m - (Connected County Objective)

¹ Please note – that this total also includes an allocation of £4.1m of previously allocated Regional Growth Fund money which has been allocated to Chambers of Commerce

“Year 2” projects

- Branston Locks, Burton-on-Trent - £5.09m - (Connected County Objective)
- Advanced Manufacturing Skills Hub Phase 2 - £6.9m (£8.9m including matched funding) – (Skilled Workforce Objective)
- Local Sustainable Transport Package - £5.0m – (Connected County and Competitive Urban Centres Objectives)
- Stafford Western Access Route - £24.3m – (Connected County Objective)
- Etruria Valley, Stoke-on-Trent - £26.7m – (Core City Objective)

7. The July 2014 allocations were followed by a further round of negotiations with Government, and local discussions were focused around identifying opportunities to contribute further to the Stoke-on-Trent and Staffordshire Strategic Economic Plan’s priority around improving the competitiveness of local urban centres. A second indicative growth deal allocation of £15.4 million was announced for the following projects in January 2015:

- Rugeley Town Centre Improvements - £1.30m – (Competitive Urban Centres Objective)
- Lichfield Friarsgate - £2.69m - (Competitive Urban Centres Objective)
- Leek Mill Heritage Quarter - £0.8m - (Competitive Urban Centres Objective)
- Tamworth Enterprise Quarter - £2.90m - (Competitive Urban Centres Objective)
- Stoke-on-Trent City Centre Access Improvements - £7.71m (Core City Objective)

8. Progress against the delivery of these projects has been positive to date, and a high level overview of progress of the projects will be provided as part of the presentation. The delivery of the Stoke-on-Trent and Staffordshire Growth Deal is managed by the City Deal and Growth Deal Programme Management Board in accordance with the SSLEP’s agreed Accountability and Assurance framework. A copy of this framework is available from the SSLEP.

9. The City Deal and Growth Deal Programme Management Board is chaired by Richard Cotterell, Vice Chair of the SSLEP and General Director of Caterpillar’s UK operations. The Board meets on a bi-monthly basis and reports on the progress and performance of the Growth Deal by exception to the SSLEP Executive. The Board also makes recommendations to the SSLEP Executive over the drawing down and release of Growth Deal allocations based on the content of Business Cases submitted by the Senior Responsible Owners of relevant candidate projects.

10. The City Deal and Growth Deal Programme Management Board receive project progress information from Staffordshire County Council. Within Staffordshire County Council, projects are governed on a project by project basis which each have a project team and appropriate project management arrangements. Project progress is reported on a monthly basis through the Economic Growth Programme Board, chaired by the Director of Place and reported to the Senior Leadership Team and Informal Cabinet as part of the transformation programme.

11. The Government has reaffirmed its commitment to devolving regeneration funding to the local level through the Local Growth Deal, and has intimated that there will be a further round of requests for funding through the Local Growth Deal during Autumn/Winter 2015.
12. It is widely acknowledged that there is a direct correlation between skills, productivity and employment. The development of education and skills amongst all age groups will be crucial for the successful future economic prosperity and competitiveness of Stoke-on-Trent & Staffordshire, with direct impacts linking secure employment to higher living standards and improved health and wellbeing amongst other positive outcomes for individuals and communities. Securing a well-qualified and adaptable workforce with the skills sets appropriate to the needs of existing business sectors, as well as those in which we have aspirations for economic growth, should be fundamental priorities for our economic development in the short, medium and longer-term.
13. The LEP's Education Trust and the work it drives is a crucial part of realising this aspiration. The Education Trust brings together all organisations which have a commitment to raising education and training achievement, employability, and aspirations amongst young people and adults in the sub-region. Through the Education Trust's Skills Draft Skills Strategy (see appendix 2) we are setting the strategy for the future skills system backed by an investment of almost £70 million to support delivery.
14. Through the Education Trust we have been able to secure greater influence and resources for investment in skills delivery which includes:
 - a. the creation of an Advanced Manufacturing and Engineering Hub with an initial investment of £3million and a further investment of £8.9million.
 - b. improved alignment of Adult Skills through the Skills Pilot giving the LEP greater influence over the £20million budget and the opportunity to redistribute 5% of this.
 - c. range of initiatives to promote and grow Apprenticeships.
 - d. £55 million of European investment in skills to help more people get into work, grow apprenticeships and provide businesses with the skills they need.
15. Whilst there has been growth in apprenticeships and skill levels accompanied by more young people in education, employment and training and reductions in worklessness there remain significant skills and productivity challenges (to be covered in presentation referred to at appendix 1). Employers are still reporting skills shortages and hard to fill vacancies, particularly in our key growth sectors, such as manufacturing and engineering.

Conclusion

16. Staffordshire's economy continues to improve, with claimant unemployment now at 0.8%, well below the national and regional levels at their lowest levels in the

last decade. This local economic success story is set to continue, as partners work together to realise the key priorities of the Strategic Economic Plan for Stoke-on-Trent and Staffordshire, assisted by the range of infrastructure, transport, town centre and skills developments through the Local Growth Deal and the work of the Education Trust.

Appendices:

Appendix A – Presentation – “The Growth Fund and Education Trust” – to be presented for discussion at Select Committee meeting

Appendix B – Draft Education Trust Skills Strategy

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