Prosperous Staffordshire Select Committee - 3rd March 2017

Making the Most of our Universities – Working in Partnership for Economic Growth

Recommendation

- 1. The Select Committee is recommended to consider, discuss and comment upon the proposed policy recommendations contained within the report, prior to their adoption by the County Council. In summary, the recommendations are that Staffordshire County Council (SCC):
 - a. engages with universities in line with the policy position set out in this paper;
 - b. ensures that all activity contributes to the key priority of delivering more high value, high productivity jobs within the area and ensuring that our residents are equipped with the skills required by future growth industries;
 - c. sets out, in writing a clear plan for each local university recognising the individual strengths and contribution of each institution (as set out in the report) and providing clear details regarding proposed action and accountability;
 - d. engages in regular, high level strategic dialogue to ensure the delivery of outcomes;
 - e. works with any university that can benefit the communities and businesses of Staffordshire; and
 - f. considers the potential role of FE Colleges in relation to specific work with universities and whether to develop a similar policy maximise the value of our relationships with the FE sector.

Report of Clir Ben Adams, Cabinet Member for Learning and Skills and Clir Mark Winnington, Cabinet Member for Economic Growth

Summary

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

- 2. The County Council is committed to ensuring that the Staffordshire economy continues to grow and that everyone has access to a good job with good prospects. To deliver this commitment it is critical that Staffordshire residents are equipped with the skills local employers need now and in the future and that it is easy for businesses to start up, innovate and expand.
- 3. SCC has recognised that universities are an essential partner in delivering both these goals, particularly in relation to the higher level skills our area needs and in relation to supporting innovative business growth. Historically, the County Council has worked effectively with local universities, albeit on an ad hoc basis, to deliver

individual projects and activities, many of which have had a positive impact on economic growth. Recently the County Council has started to develop a more focussed approach to working with Keele University through the Keele Deal and with Staffordshire University and Wolverhampton University through improved relationships. Given the extensive potential of universities to the economic growth agenda it is essential that the County Council derives maximum benefit is from its interactions with all universities. The County Council cannot develop ad hoc relationships with universities, it must have a clear policy for engaging with the Higher Education (HE) Sector (set out in this paper) and for each local university a clear plan for how they will contribute to the area's economic growth agenda.

4. As such, this paper sets out: the role universities can play in driving economic growth with reference to the national context and local partnership landscape; a proposed policy position in relation to the County Council's collaboration with the Higher Education sector; and suggested actions as to how to implement this. This paper has previously been discussed, amended and agreed by Senior Leadership Team and Cabinet Members. If agreed, this policy will guide the County Council's interactions and relationships with the sector to ensure we are targeting resources effectively and getting the most benefit for Staffordshire residents and businesses. The Select Committee is being asked to consider, discuss and comment upon this policy position and proposed actions as part of its remit in assisting the Cabinet to develop policy.

Report

Local Context

- 5. Staffordshire County Council has already recognised that universities are an essential partner in delivering economic growth. Recently the County Council has started to develop a more focussed approach to working with both Keele and Wolverhampton Universities.
- 6. The recently completed 'Keele Deal' captures current collaboration and sets out clear priorities for future joint working. The Deal presents a plan for investment by the University and partners, to deliver innovation-led economic growth, identifying shared priorities and setting out detail of both the University's and other partners' specific commitments in order to deliver them.
- 7. Staffordshire University have recently appointed a new Leadership Team including a new Vice Chancellor. Staffordshire County Council are developing a new relationship with the University following the movement of the Beaconside Campus to Stoke-on-Trent. Staffordshire University still have a presence in Stafford and play a key role in growing the local economy.
- 8. Wolverhampton University have recently established an operational presence in Stafford. The County Council and Wolverhampton University have begun meeting regularly to identify opportunities for joint working and have agreed to develop a more formal agreement articulating the purpose of the relationship and providing clarity regarding the commitments being made by each partner.

9. This policy paper reflects the learning from these developing relationships and combines it with emerging national research to set a clear approach for making the most of our universities.

National Context

- 10. The role of universities in supporting economic growth is increasingly being recognised and proactively supported at a national level. In the recently published Green Paper 'Building our Industrial Strategy', it is clear that universities are going to have a key role to play in delivering the current government's aspiration for a stronger economy, where wealth and opportunity are spread across the country and not just in the prosperous South East. The Green Paper identifies ten pillars which help to drive economic growth, and which the government will support, and universities will have a critical role to play in a number of them, in particular:
 - a. supporting the UK to become a more innovative economy, commercialising out world leading science base to drive growth;
 - b. developing skills, particularly technical skills;
 - c. supporting businesses to start and grow; and
 - d. cultivating world leading sectors.
- 11. The Green Paper represents the current Government's early thinking, however, the potential role of universities in supporting economic growth has been identified and highlighted for some time. In 2013 the Local Government Information Unit and UK Universities produced "Higher education institutions and local authorities: collaborating for growth" which summarised the many ways in which universities have the potential to support economic development. This document itself drew on high profile sources including the No Stone Unturned 'Heseltine Review' and Professor Sir Tony Wilson's "A Review of Business-University Collaboration." Although elements of this paper are, inevitably, somewhat out of date now the 'opportunities to drive growth' it identifies remain relevant:
 - a. Delivering skilled employees to meet business demand
 - b. Developing knowledge and commercialising innovation
 - c. Making the best use of public assets across an economic sub-region (e.g. utilising space / developing dis-used land / joint investment with the private sector to provide office and living space)
 - d. Long term financial gain of attracting students to an area.
- 12. In the same year the government commissioned Sir Andrew Witty to undertake a wide ranging review of universities and growth, to which they published their response in March 2014. Although, ultimately, it largely focussed on the role of universities in supporting and delivering innovation (as opposed to the wider role outlined above) it has been a key driver of government policy since its publication.
- 13. In summary, the report was ardent in its message that universities have a critical role to play in supporting economic growth and that they should be supported both financially and structurally by government in pursuit of this 'third mission'. The report delivered a strong message regarding the importance of identifying and focusing on regional / local comparative advantage, and of linking up universities

with local businesses and other partners, with universities taking an active role in Local Enterprise Partnerships (LEPS).¹ The role of universities in supporting small and medium sized enterprises (SMEs), particularly those with the potential for innovation, to prosper and grow was also particularly highlighted – both in terms of its potential impact and the fact it was an area in which universities could improve their performance.

- 14. In April 2015 and March 2016 the Local Government Information Unit published papers regarding 'making the most of your universities'. The first of these builds on the studies above and provides an expanded insight into the impact of universities in an area, highlighting their roles as:
 - a. a major business in their own right (often a larger employer than any private sector business within an area);
 - b. educators not only in HE, but also outreach work with schools and some workforce and adult education;
 - c. a researcher attracting public and business research funding;
 - d. an international asset providing a strong component of the international brand and reputation of a place;
 - e. a leisure and culture provider with recent examples of universities adopting local theatres and museums in light of local government financial pressures; an investor in their own right in the character of a place;
 - f. a promoter of enterprise and innovation providing business access to their knowledge and expertise; and
 - g. a social partner and good neighbour (running transport services that are also open to the public or running student volunteer programmes).
- 15. This paper also reflects the fact that these benefits are not without cost to an area with universities placing pressure on transport and transport infrastructure; and on housing markets and other public services.
- 16. The paper argues that there is much to be gained in putting real effort and energy in to the strategic partnership relationship; it recommends that LA's need to:
 - a. understand the current impact of the university(ies) on the local, civic and subregional geography, which may be enhanced through periodic evidence-based impact studies;
 - b. understand the ambitions and challenges of local HEIs, and how they can help shape and contribute to local vision, goals and priorities;
 - c. engage in regular, high level dialogue with university leadership and senior teams on planning and managing the contribution and mitigating the costs of university growth / development; and
 - d. consider the formal role(s) of universities in local leadership and decision-taking

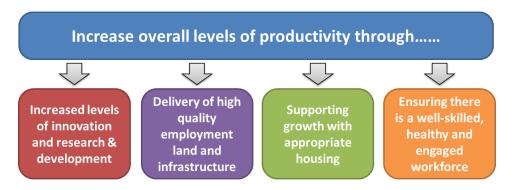
 and also as a potential preferred research partner and resource for the major societal pressures facing an area and the LA.

¹ LEPs are local partnerships, led by the private sector tasked with leading on economic growth within a region. SCC is a member of the Stoke-on-Trent and Staffordshire LEP (SSLEP), with which our local universities are actively engaged.

- 17. The second, more recent, paper builds on this analysis with reference to the significant changes in the wider policy context since 2015 specifically:
 - a. changes to the way universities are funded and regulated;
 - b. changes to funding for research;
 - c. the potential impact and opportunities inherent in devolution; and
 - d. Brexit and the subsequent change in national leadership.
- 18. The central point remains the same, however, that universities have a potentially significant role to play in ensuring economic growth within their local area. However, the changing context brings both opportunities and threats, and areas with established strategic relationships will be best placed to respond to those.

Local Landscape

- 19. In the last year SCC, in partnership with our local District and Borough Council's, has undertaken considerable work assessing the local economy, understanding its strengths and weaknesses and determining which areas it should focus on in order to deliver the best outcomes for Staffordshire's residents. This work will feed into the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) strategy refresh in early 2017.
- 20. Following a period of substantial and sustained growth in the number of jobs in the area, resulting in the lowest number of residents claiming Jobseeker's Allowance on record, attention is now focussed on how we can create more high value, high productivity jobs within the area and on how we can equip residents with the skills required by our future growth industries. This local focus is in keeping with the government's wider, national goal, of increasing productivity, not just employment rates, as set out in the recent Green Paper. Meeting this challenge will require us to address a number of key challenges.



- 21. These ambitions clearly align very closely with the role universities have to play in local economies and it seems evident that we must pursue productive partnerships with universities if we are going to deliver economic growth in the region.
- 22. However, SCC's current engagement with universities locally presents a complex picture. SCCs primary relationships are with what can loosely be described as the three 'local' universities Keele, Staffordshire and Wolverhampton. In some instances SCC has worked directly with these universities on individual projects

(or groups of projects), while in others SCC and one or more of these institutions are members of wider partnerships. The complexity of the funding landscape for projects relating to economic growth generally, and particularly in relation to innovation, research and development adds a further dimension. The wider regional picture provides another consideration, with initiatives such as the Midlands Engine engaged in the skills and innovation agenda particularly, and universities themselves seeking new regional collaborations (e.g. the M6 universities). Set out below is a very brief summary of our current partnership working with our three local universities.

Keele University

- 23. Keele University's main campus is based in Newcastle-under-Lyme, in the north of Staffordshire and it is Stoke-on —Trent and Staffordshire's 'research-led' university (as established by the 2014 independent Research Excellence Framework (REF) assessment). Keele University is responsible locally for the vast majority of: research that is rated as internationally or world-leading; funding allocated by the REF assessment; and external research income from the public and private sector. As such, Keele is a key partner for SCC in delivering increased levels of innovation and research, but also, in the delivery of employment land with a specific focus on innovation driven businesses and our joint working with them should reflect this.
- 24. At the core of SCC's current partnership working with Keele is our investment in elements of the Keele University Science and Business Park (KUSBP), most recently in Incubator 5 (IC5) on the Phase 3 development of the site. The site, which lies adjacent to the University, was established in the mid 1980's and the first four 'innovation centres' provided around 150,000 square foot of modern commercial mixed use development.. IC5 was completed and opened for business on 1 August 2016. The 29,000 square foot facility has been created to provide larger premises to house expanding high technology and professional services companies, it is expected that it will fully occupied within 12-15 months.
- 25. The site has been specifically aimed at the high-tech and professional services sectors, with a particularly strong niche having developed within high value medical technology industries. Evidence suggests that the site has been successful in generating high value-high skilled jobs, filled almost exclusively by local residents.³ There is potential for further development at the site and SCC has recently committed to further investment in Innovation Centre 6 (IC6), which was considered by this Committee at the meeting 15 December 2016. This clearly aligns with our ambitions around innovation and business growth.
- 26. Keele University is also a key partner (along with Stoke-on-Trent City Council, and the SSLEP) in the Stoke-on-Trent and Staffordshire City Deal a significant funding agreement with government in support of economic growth. As part of the

² A partnership between the Midlands research universities— the Universities of Aston, Birmingham, Leicester, Loughborough, Nottingham and Warwick. It has attracted significant funding to deliver an Energy Research Accelerator.

³ An economic evaluation of key employment sites developed and supported by Staffordshire County Council, March 2015, pp 33-142

City Deal the university secured a £5m capital grant from government to build a Smart Energy Network to deliver a world class demonstrator facility for smart energy research and development, enabling the testing and evaluation of new and evolving energy technologies, and provide the opportunity to assess their efficiencies, both individually and combined, in terms of energy reduction, cost and CO2 emissions.

- 27. Keele University is represented on the SSLEP board, with which it has signed a specific joint working concordat (which includes Staffordshire University) and is working on the development of an Innovation Council (see further below).
- 28. The County Council and the University have recently agreed the 'Keele Deal', which captures these current collaborations and sets out clear priorities for future joint working. The Deal presents a plan for investment by the University and partners to deliver innovation-led economic growth, identifying shared priorities and setting out detail of both the University's and other partners' specific commitments in order to deliver them. A detailed summary of the Keele Deal is available on the University's website.

Staffordshire University

- 29. Staffordshire University has key teaching and research specialisms in **computing** and digital technologies, arts and creative technologies, engineering, sciences, health, business and law. In keeping with its history the University is 'vocationally inspired' and has a particular focus on delivering higher level vocational learning. The university currently delivers its primary offer from its campus in Stoke-on-Trent, with further delivery from locations around the county (Blackheath Lane, Lichfield etc). Although the University moved its Beaconside Campus to its Stoke City Campus, it remains a key provider of skills for the region. ⁴
- 30. Staffordshire University is also actively engaged in partnership working with SSLEP and Keele University. In partnership with Keele and the wider private sector, it has been working to develop an Innovation Council focused on realising innovation-driven, sustainable economic growth via exploitation of the existing innovation assets and future potential of Stoke-on-Trent and Staffordshire. It has also signed up to a concordat on joint working with Keele and SSLEP which outlines a programme of collaboration around student, social and graduate enterprise, provision of incubation and grow on space for new companies, and support for the LEP in developing investment proposals for new funds to support economic growth via research and development. The concordat also maps each of the universities areas of unique expertise and recognises the expertise of both universities in areas including sustainability, medical technologies and the digital and creative industries.
- 31. Staffordshire University is also a member of the Stoke-on-Trent and Staffordshire Education Trust (see further paragraphs 26-27 below).

⁴ Including in a new University Science Centre, in the development of a new Digital KILN and future plans for a National Centre for Ceramic Education and Research.

Wolverhampton University

- 32. Since early 2014 Wolverhampton University has been actively seeking to expand its presence in Staffordshire, particularly in the southern part of the county. In August 2014 they opened a gateway advisory service in Stafford and have been considering the further development of continued professional development (CPD), and other higher-level, part time, professional courses within Stafford as well as exploring the opportunities for engagement in the wider education marketplace.
- 33. Wolverhampton is developing its relationship with SSLEP and is a member of the Stoke-on-Trent and Staffordshire Education Trust

The Stoke-on-Trent and Staffordshire Education Trust

- 34. Perhaps the most obvious of ways in which universities make a direct contribution to economic growth is through their fundamental role as education providers, teaching individuals the skills and knowledge required to find employment, which in turn enables businesses to survive and grow. However, while universities may have a number of reasons for offering the nature, number and types of courses that they do (demand / history / research strengths), at the heart of SCC strategy on skills is ensuring that local residents are equipped with the 'right' skills i.e. those which will: enable them to find employment within the region and which will support our local businesses to thrive.
- 35. As such, the Stoke-on-Trent and Staffordshire Education Trust has been set up (as a sub-group of the SSLEP) with the core purpose of ensuring that skills provision, as far as possible, matches business need. SCC, Staffordshire and Wolverhampton Universities are all members of the Education Trust, while Keele is engaged in its work through their place on the SSLEP Board.

Wider Landscape

- 36. This report has focussed on SCC's relationships with our 'local' universities, not least because these are the institutions which have the greatest local impact and with whom we already have established relationships and ongoing projects.
- 37. However, universities are national (indeed global) institutions. In terms of skills, many Staffordshire residents will already be seeking their education far beyond the county's borders, while in relation to innovation, partnerships are increasingly being built based on areas of expertise and specialism rather than geography For example, SCC is working with Harper Adams, Aston, Reaseheath (College) and Chester Universities on applications for funding which will significantly increase the institutional capacity, technical expertise and support to businesses in the agritech sector across the Stoke on Trent and Staffordshire and partner LEP areas. It is important that, across the organisation and particularly in relation to the key sectors and industries we have identified as being central our economic growth plans, we are not only alert to, but proactively seek out opportunities for collaboration wherever they may bring benefit, regardless of geography.

- 38. Another aspect of the wider landscape is the linked and complementary role of the Further Education (FE) Colleges. Like universities, FE Colleges have a potentially significant role to play in an area's economic growth, both in relation to skills delivery and as significant businesses and employers in their own right. While the national conversation in relation to the economic impact of FE Colleges may not be as well developed as that in relation to universities, there is developing evidence that they are also an important part of the picture. For example, a paper published in 2015 by a consortium of Colleges and economic modelling specialists (EMSI) posits that:
 - a. Learners receive an average 11.2 per cent return on their investment in terms of higher future earnings.
 - b. Society receives an average 12.6 per cent return on its investment in terms of an expanded tax base and reduced social costs
 - c. The taxpayer receives a 12.3 per cent return on its investment in terms of returns to the exchequer.
- 39. The report goes onto to detail the specific and sizeable contribution of Colleges in various part of the country to their local economy. In light of this, it will be important to ensure that when developing our relationships with universities (as proposed below) SCC is mindful of when projects would be enhanced through the involvement of local colleges and there may also be benefit to developing a similar standard approach to our relationships with FE Colleges as is proposed below for Universities. ⁵

Making the most of Universities

40. So, reflecting on the national evidence and the local picture, how can SCC ensure that it works effectively with universities, locally and more widely, to maximise their contribution to economic growth? With reference to our own agreed priorities, there are a number of 'asks' we might make of our local universities, depending on their individual strengths: ⁶

Develop and enhance their support to innovative SMEs, ensuring that those who would benefit from access to support, research and knowledge are enabled to do so.	Increased levels of innovation and research and development
Consider investing in physical innovation centres whereby targeted support can be provided to start-up businesses operating within the centres.	
Work together to understand the innovation support on offer across the region to ensure consistency, maximise resources and reduce duplication.	

⁶ It should be noted that this list is not exhaustive and different or additional 'asks' may emerge over time and as our relationships with our local universities develop.

⁵ The Economic Impact of Further Education Colleges, 157Group and EMSI, May 2015.

Work together, and in partnership with SCC, to undertake a thorough mapping of research, innovation and research strengths across the area, so that resources can be targeted appropriately, based on local comparative advantage. Participate in the Science and Innovation Audit being conducted across the Midlands Engine area, and more generally in the skills and innovation work streams of the Midlands Engine to ensure that benefits for Staffordshire residents and for the universities themselves are maximised. Work with SCC to identify opportunities for developing Delivery of high quality high quality employment sites, particularly where there is employment land and a case for working in partnership, for example in relation infrastructure to innovation and science parks. Work with SCC, but also the local planning authorities to ensure development planning (particularly in relation to university owned land and/or proposed campus or other expansions) is joined up and effective. Place-shaping and graduate and employee retention should be factors in this type of planning. Work with businesses to understand their needs in terms Ensuring there is a well of work place and sector specific skills, and where skilled, healthy and appropriate work collaboratively to deliver those, both at engaged workforce. undergraduate level and in relation to work place development. Consider their potential role in the delivery of the wider education offer in Staffordshire (Further Education and Schools), and work with SCC and other partners to identify and exploit opportunities to positively impact the wider education landscape. Work with schools and colleges on projects and programmes designed to raise aspiration amongst local young people. Work with SCC and other partners to develop access to higher level apprenticeships. Work with SCC and, in particular Make It Stoke and Staffordshire in order to be effective advocates of Staffordshire as a place for graduates to settle after University. Work with SCC to deliver coordinated, consistent and effective careers advice to local young people, which is well informed about the opportunities available in the

local area.

Work with SCC and other skills providers to develop and

implement education and support for potential or budding entrepreneurs, for example through a local 'Elite' programme or other cohesive offer for our local aspiring business owners.

Be open to, and explore, opportunities to work in partnership with SCC to deliver the local leisure and cultural offer in Staffordshire.

- 41. Many of these 'asks' require a reciprocal 'give' from SCC. In some instances this is implicit in the notion of 'working' together, however, there are some specific 'offers' SCC can make to universities in return for their support in delivering economic growth. In particular, SCC can recognise that these institutions are businesses in their own right and consider all the tools at its disposal to assist them achieve their business growth plans, as would be the case for any employer within the region. Specifically, these include:
 - a. providing support in identifying land and property (both publically and privately owned) appropriate for any of the activities outlined above:
 - b. specifically identifying land and buildings owned by the Local Authority that could potentially be used to deliver the activities outlined above;
 - c. providing support in finding potential sources of funding for economic regeneration projects, and assisting in developing funding applications;
 - d. direct investment in specific projects, although any direct investment would be based on a business case and would need to make financial sense to SCC;
 - e. providing technical support and expertise, for example in relation to planning and infrastructure development;
 - f. facilitating relationships between universities and other key partners in economic regeneration, for example: FE Colleges, other local authorities; regional and national bodies; or local schools; and
 - g. any other support requested by universities and within the County Council's ability to provide.

Conclusions / Recommendations for future working

- 42. The case for local government / university collaboration is compelling. SCCs own assessment of the actions needed to deliver long term prosperity for the region clearly require university support for delivery.
- 43. There is significant alignment between our own assessed priorities for economic growth and the national view on the specific areas in which universities have a role to play. However, in order to achieve maximum benefit from our partnerships with universities is it important that activity is tightly focussed on delivering our specified priorities. Reflecting on this, it is recommended that the County Council review all current and future activity to ensure that it contributes to our key priority of delivering more high value, high productivity jobs within the area and ensuring that our residents are equipped with the skills required by our future growth industries.

- 44. There is already an extensive amount of collaboration ongoing; however, the partnership landscape is complex which does have the potential to lead to duplication, lack of accountability and ultimately a failure to deliver. As such, it is recommended that the County Council set out, in writing, a clear plan for each local university recognising the individual strengths and contribution of each institution and the specific economic goals of SCC, e.g. sector specialisms (e.g. digital, agri-tech, med-tech) innovation and research, or vocational skills delivery. These plans should articulate our shared ambition and priorities; and include clear details of the actions that each partner will take in pursuit of objectives, with clear lines of accountability. These should, where appropriate, capture details of any work being undertaken under the umbrella of the LEP (e.g. the Education Trust), and complement any other concordat or 'deal' documents between the universities and the LEP. These agreements should also clearly demonstrate alignment of activity to key priorities, and will draw on the suggested 'asks' set out above.
- 45. Agreeing on shared ambitions, priorities and actions is only the first step. It will then be important to ensure that the plans are delivered. As such, and in line with the LGiU's recommendation that local authorities and universities' 'engage in regular, high level dialogue' it is recommended that the appropriate senior officers and politicians meet frequently to maintain strategic oversight of the plans. More regular, operational, officer led meetings will provide the detailed project management.
- 46. This report has focussed on our relationships with our local universities, not least because these are the institutions which have the greatest local impact and with whom we already have established relationships and ongoing projects. However, universities are national (indeed global) institutions. As such, it is also recommended that SCC should be open to, and seek out, opportunities for collaboration whenever there is evidence that the work could contribute to the delivery of our ambitions regardless of geography.
- 47. Furthermore, it should be noted that FE Colleges have a potentially similar and significant role to play in support thing the authority achieve its local growth ambitions. As such, it is recommended that SCC ensure that consideration is given to the potential role of FE Colleges in relation to specific work with universities and that it should consider developing a similar policy to set out a framework which will enable us to maximise the value of our relationships with the FE sector.

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Appendices/Background papers

• Keele Deal Summary

- An economic evaluation of key employment sites developed and supported by Staffordshire County Council, Economic Development and Planning Policy team, March 2015.
- The Economic Impact of Further Education Colleges, 157Group and EMSI, May 2015.
- Higher education institutions and local authorities: collaborating for growth, the Local Government Information Unit and UK Universities, 2013
- Encouraging a British invention revolution: Sir Andrew Witty's review of universities and growth, October 2013