

## **Prosperous Overview and Scrutiny Committee - Wednesday 13 December 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 June 2023.
- 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 June 2023.
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 Economic Strategy in June 2023 and work has been ongoing on numerous programmes and schemes since then. Our Rural Economic Strategy and Visitor Economy Action Plan, prepared in collaboration between local authority and private sector partners that make up our Destination Management Partnership, both support the delivery of our overall Economic Strategy.
5. Our draft Employment and Skills Strategy has been produced with extensive support and input from our skills providers and partners and was considered by the Committee in September 2023. Comments received from the Committee will be considered within the final version of the Strategy which 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 delivery of our overall Economic Strategy and all supporting strategies and plans are considered throughout the report and will be within all future updates.
6. 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. 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**

7. Global events continue to impact the local and national economies, particularly in respect of inflation and associated cost-of-living pressures. More recently the rate of inflation has fallen substantially which is clearly

welcome, although this remains high compared to the level seen in recent history.

8. Recently released figures on disposable household income showed that Staffordshire is outperforming regional and national averages, with disposable income per head increasing by 4.4% in Staffordshire compared to 4% and 3.7% across the West Midlands Region and UK respectively. This is clearly very positive support and highlights the continued importance of supporting Staffordshire residents in being able to take advantage of higher paid employment opportunities.
9. Global and national macroeconomic 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, whilst Amazon have also decided to leave its site in Rugeley and consolidate its operations at a new facility in Sutton Coldfield. It however must be stressed that this is not in any way a reflection of the local economy or our business environment but is purely an operational decision by the company.
10. However, local increases in unemployment 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. We have continued to see the impacts of changing shopping habits on the high street in recent months with the closure of Wilko stores across

the country, including several in Staffordshire. As with our response to the Amazon relocation, we convened a taskforce comprised of senior representatives of the County Council, Borough and District Councils, Department for Work & Pensions and the National Careers Service to exchange information and consider our support offer, including the deployment of our Jobs & Careers Service. Positively, we know that there are substantial numbers of jobs being advertised within the county, and we continue to support people who unfortunately find themselves out of work in finding a suitable employment opportunity.

13. This of course highlights the continued importance of our efforts to support the regeneration of our high streets and 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. 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.
14. Following the launch of the County Council's supporting Rural Economic Strategy in March 2023 a steering group has been established to work with key partners, including the District and Boroughs Councils, on interventions around the five overarching priorities, including the regeneration of the rural hub towns.
15. Work is continuing 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 UKREiiF property exhibition in mid-May. Procurement for a development partner for the scheme is underway and now at the competitive dialogue stage. Two remaining bidders, who have vast levels of experience in town centre regeneration projects are expected to submit their final tenders before Christmas 2023. These will be fully assessed and a recommendation made to Cabinet in early 2024 next year. Given the challenging market conditions associated with such regeneration projects at present, all opportunities to enhance the longer term viability of the scheme are being investigated.

## **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. A great deal of skills related activity also continues to be progressed aligned to local capital projects e.g., NSCG £28m Skills Innovation Centre, £20m Stoke-on-Trent & Staffordshire Institute of Technology. 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.
17. Construction of the West Midlands Interchange development has now commenced, with the first phase of the project comprising major infrastructure works. A key aspect of the project will be supporting our residents to take advantage of employment opportunities through both the construction and operational phases. We were successful in securing a significant amount of funding through the formal planning obligations for the development of the site (i.e. the section 106 agreement), to be used for employment and skills programmes and two dedicated Employment Brokers, working within our Jobs & Careers Service. One Employment Broker has been recruited to date and is working closely with the contractors and partner agencies.
18. More widely our Jobs and Careers Service has continued to grow and receive referrals from residents across the county either via the website, word of mouth or via one of the many events the Employment Brokers have attended. A key focus in recent months has been results day for both GCSE and A-Level students, promoting the support the team can offer with advice and signposting. Our Employment Brokers have been supporting people across the county, whether they have received their grades in order to follow their favoured path, or maybe need some advice on where to turn next and consider other avenues such as employment, apprenticeships or alternative training.
19. The Council's Community Learning Service receives approx. £1.6m annually from the Education and Skills Funding Agency to provide learning opportunities to adults that support people to gain the skills they need so that they can progress in the world of work, and that support the independence and wellbeing of families and communities. The Community Learning strategy 2023-27 outlines our priorities and our

curriculum offer consisting of: wellbeing & independence, community and family progression, English, maths & digital and STEM & vocational courses. The service was last inspected by Ofsted in February 2023 and is judged to be a good provider of adult education. In 2022-23 we delivered 300 courses across Staffordshire in over 50 venues and online. We engaged 1,855 adults who made 2,942 enrolments which is an 8% increase on the previous year. Provision is targeted with 59% of learners not having a full level 2 qualification (GCSE grade A\*-C) and 43% residing in targeted wards. From the overall enrolment figure, 17% of people were unemployed and looking for work. At the end of the course, 60% of these reported intending to continue with their learning.

20. The Council received £4.2m 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. In year one of the programme, delivery commenced in Q4 and achieved a total of 426 enrolments. Evaluation identified good skill development and progression destinations for learners. In Year two we have been successful in establishing new partnerships to broaden our reach and raise awareness of the programme. To date our delivery providers report 646 enrolments and 162 outreach participants. The programme offer is being further developed with the introduction of more engaging outreach provision with clear progression pathways and planning is well underway for a January relaunch and roadshow in May coinciding with National Numeracy Week.

### **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.***

21. We have delivered and continue to deliver many business support programmes and created high-quality start-up space across the county such as the Shire Hall Business Centre, which is now over 85% occupied, to support and encourage people to start and grow a business. We have now supported 598 individuals through the Staffordshire Start Up Mentoring Programme, commissioned through the Staffordshire Chamber of Commerce since June 2020. 279 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 194 business owners who have been trading up to five years with professional services support in marketing, accountancy, digital marketing, legal or human resources consultancy. The County Council will continue to procure established Staffordshire businesses to provide this valuable support to start-up and step-up businesses.

22. A series of peer-to-peer networks were launched in the summer of 2023 for new businesses who wanted to take the next steps in their journey to success. The facilitated sessions took groups of six to eight people who successfully completed the Start Up Mentoring Programme and supported them in working through difficulties they may be facing to help find solutions together. These were very successful with 93% of participants stating that the sessions were relevant to their business and 91% satisfied or very satisfied with the programme. Therefore a new series of six peer to peer networks are currently being commissioned to start in the next two months.
23. My Own Boss supports entrepreneurs who are struggling to launch their new business and provides up to six hours of bespoke coaching to look at barriers to trading. To date 130 people have been approved to participate in this scheme.
24. The Growth Hub has been an important part of the local business support offer for several years, being the first point of contact for people seeking advice to start and/or grow a business. Growth Hubs are nationally funded and led by Local Enterprise Partnerships (LEPs), but Government has this year made the decision to cease funding the LEPs after this financial year with responsibility for their functions to be integrated into local democratic institutions. Work is ongoing on the transfer of functions to the County Council and Stoke-on-Trent City Council, including consideration of the future of the Growth Hub and how we want this to operate from 2024/25 onwards. Whilst this is dependent on Government funding which is expected to be confirmed in the coming months, this presents an opportunity for us to ensure the Growth Hub is providing a high-quality, effective service within Staffordshire.

## **Innovation**

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

25. 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, with a particular strength in energy and green technologies.

26. As an alternative to fossil fuels, hydrogen is quickly becoming an increasingly important part of meeting our future climate change targets, particularly within many of the industries that are highly prevalent within Staffordshire. Many major businesses are developing hydrogen technologies as a key component of their future operations, including JCB and the development of its hydrogen engine. The HyDeploy project at Keele University trialled injecting hydrogen into the gas network, and this is likely to play an important role in creating early demand for hydrogen and providing assurances to prospective suppliers.
27. Recognising the importance of hydrogen, we are actively engaging with the Hydrogen Valley programme which is being delivered by Cadent and National Gas Transmission. The aim of the programme is to establish the hydrogen economy, attract investment and explore how infrastructure can secure long-term, low-cost hydrogen across the middle of England.
28. The Keele University Science & Innovation Park is one of the county's flagship employment sites and has led to creation of a vast number of high-skilled, high-paid jobs in the area. However, this is Staffordshire's only science park and in comparison to many areas of a similar scale and nature, it could be argued that we currently have an underrepresentation of these types of development. Working through the Staffordshire Leaders Board and in partnership with our District and Borough Council's, we are therefore undertaking a study to consider the opportunities and feasibility for the development of another science park within the county. We are currently in the process of procuring a consultant to complete the work which is expected to be finalised over the next few months.

## **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.***

29. Substantial levels of growth continue to be planned for and delivered throughout the county 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.
30. The upgrade of the A38 Branston Interchange, being delivered through our successful £20m bid from round two of the Levelling Up Fund, is a



key project in providing residents of Burton with safer, easier access to and from the A38. Legal Agreements with the developer of the nearby Branston Locks scheme (who are part funding the scheme), the Department for Transport and National Highways are substantively complete and we are expecting works on improving the junction to commence in early 2024. The Levelling Up Fund is also paying for the upgrade of several major roads in Cannock and Stafford and the purchase of a new fleet of low emission buses to improve our public transport network.

31. Last month we learnt of the successful bid for £20m of Levelling Up Funding for parts of the Stafford Station Gateway project, with the funding announced through a site visit from the Secretary of State for Levelling Up, Housing and Communities. Staffordshire County Council is a key partner in the future development around the station area, working alongside Stafford Borough Council and London & Continental Railways, to deliver the masterplan for the regeneration of the area. Together we will be working on the delivery of this funding as part of the wider scheme over the coming months and years.
32. Our Chatterley Valley West scheme will unlock a 43-hectare employment site which will generate around 1,700 jobs, Gross Value-Added of £67 million per annum and £60 million of private sector investment once complete. However, we need to acknowledge the localised difficulties that the delivery of these schemes sometimes creates and the closure of Peacock Hay Road for longer than was expected has caused difficulties for local road users. This was due to the developer's contractor, Buckingham Group, going into administration with an urgent solution needing to be found. Whilst these situations are sometimes unavoidable, it is worth reemphasising that when they do arise, the County Council will always act as quickly as possible to find a solution. Offsite highways works recommenced on the 13<sup>th</sup> November, following the appointment of our strategic infrastructure partner Amey, to undertake these works. The site developer, Harworth Group has also appointed a replacement earthworks contractor to recommence plot preparation and servicing works.

### **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.***

33. In October we heard the announcement that phases 2a and 2b of HS2 have been cancelled, with the funding to be reinvested in the Network

North programme. The County Council has always objected in principle to the impact that HS2 would have had on our rural communities and landscape, whilst working to ensure that we get the best deal for Staffordshire in terms of mitigation, compensation for residents, economic benefits and improved connectivity.

34. Whilst the full details are still emerging, the Network North announcement includes reference to improvements to the A50 / 500 corridor within Staffordshire, potentially cutting congestion for the 90,000 drivers who use the road each day and ensuring smoother journeys for drivers and freight. The plan also references future investment in upgrading J15 of the M6 in Newcastle-under-Lyme, improvements to the A5 between Hinckley and Tamworth, the reopening of the Leek to Stoke-on-Trent railway line and the opening of the Ivanhoe Line between Burton and Leicester to passenger services (currently limited to freight).
35. The Network North plan therefore has the potential to provide significant further investment in Staffordshire's key transport corridors across the county. 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. Senior politicians of local authorities across the corridor recently met, with unanimous support to lobby for further investment along the route. The development of this investment programme will centre around decarbonisation and energy use including the use of hydrogen (as detailed in paragraphs 25 and 26), increased levels of innovation and the development of green skills. Collectively with our partners from across the corridor we are now progressing a public affairs programme to raise awareness of the opportunities presented by the A50 / A500 project with Government, whilst continuing to look to take advantage of specific funding programmes and investment opportunities within the corridor as and when they arise.

### **Supporting themes**

***Delivery of those supporting strategies and delivery plans that provide greater focus on specific issues as appropriate and will play a key role in the delivery of the overall Economic Strategy.***

36. The visitor economy is one of Staffordshire's key strengths and we continue to support the development of this vital part of the county's economy. Our outstanding attractions, hotels and restaurants already make the county a hugely attractive place to visit and stay, although we continue our efforts to promote the county and develop and enhance

what we already have. Our efforts to strengthen our local visitor economy have been recognised by the announcement of accredited 'Local Visitor Economy Partnership' status for Staffordshire and Stoke-on-Trent, an official body which in time will supersede the area's current 'Destination Management Partnership'.

37. Our successful activities include the promotion of our visitor attractions and supporting businesses. Earlier in the year, three of our visitor economy businesses collected awards at the National VisitEngland Awards for Excellence, most notably the National Memorial Arboretum won Gold for Business Events Venue of the Year. The Duncombe Arms and Trentham Gardens also received bronze awards for Pub of the Year and Unsung Hero respectively.
38. The National Memorial Arboretum has also recently been named the Best UK Attraction at the 2023 Group Leisure & Travel Awards for the third consecutive year. These awards recognise the best providers, attractions and destinations for groups, with the winners voted for by readers of Group Leisure & Travel magazine. In gaining the Best UK Attraction award, the Arboretum triumphed over impressive competition from other major visitor destinations, including Windsor Castle, Longleat and Buckingham Palace.

### **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 June 2023.

### **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

## **Contact Details**

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