



Staffordshire

Means

Back to Business

Our five year strategy
to respond to the Covid-19 crisis

*...and lead Staffordshire's recovery, renewal and transformation
into a thriving, digital, high-value and clean economy*

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Staffordshire
County Council

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Moving to a renewed and
strong economic landscape

Foreword

from the Leader of Staffordshire County Council

Our ambitions for Staffordshire's businesses and people have not changed. We will be one of the highest performing shire counties in the country, creating great jobs and growth.

There's no doubt that coronavirus has had an unprecedented effect on the UK economy and here in Staffordshire, and we anticipate tough times ahead for businesses.

But we are still ambitious for Staffordshire's growth, recovery and renewal. Although the county's economic landscape will be different, our aim remains that Staffordshire will still be on the national and international business map for the benefit of local people and our businesses.

We will still be one of the best performing counties in the country with our businesses highly productive and our residents earning good money through more and better jobs. That has not changed. It's just going to be a different and challenging journey to get there.

In Staffordshire, the recovery and renewal of our economy is already underway - we are better placed to do so than many, and we're eager to get back to business. Our local economy in general remains strong because of its diversity, and the resilience of our businesses. It will continue to be into the future, not least because Staffordshire is still one of the most cost-effective areas of the UK to regrow, renew and thrive.

We continue to be proud that the breadth and depth of skills across Staffordshire continues to improve at a rate far greater than across the country, and we will continue to invest in world-class connectivity, roads and infrastructure, and first-class business support - the practicalities that businesses need to recover and grow - for as long as it takes.

The role of the county council is central to supporting everyone during these changing times. As well as continuing to invest in the conditions all businesses need to thrive, the current situation has also presented us with many opportunities to further develop the Staffordshire economy by supporting the creation of those clean, digital, highly productive businesses that will provide the jobs of the future.

Our ambitious five-year Economic Recovery and Renewal Strategy builds on that to invest and support where it's needed to create long-term stability, growth and jobs for the people of Staffordshire.



Philip Atkins OBE

Our vision for a strong, resilient economy

Our vision: recovery, but also renewal and transformation

Staffordshire is one of the best places in the UK to recover, grow and thrive; with world-class connectivity, one of the fastest-improving skill bases in the country, and low costs. Whilst there's no doubt that COVID-19 has had an unprecedented impact on our economy, we will continue to invest and support these advantages which are the conditions that all businesses need at the same time as supporting transformation into a changed economic landscape: a thriving digital-led, high-value and clean economy.

The county council's vision, as set out in our Strategic Plan, still stands true as we plan for recovery: A county where big ambitions, great

connections and greener living give everyone the opportunity to prosper, be healthy and happy.

Key to this is a continued focus on the economy, so that Staffordshire people are able to access good jobs that raise their living standards, whilst also improving physical and mental health. As we plan for the recovery and renewal of our economy, we must recognise the shift in business models and embrace the digital and climate change opportunities that have arisen to transform our economy to be robust and able to thrive.

Therefore, the vision for this Strategy is:

That the Staffordshire economy recovers, renews and transforms post COVID-19 into a place where clean, productive businesses are created and thrive whilst existing business are supported to fully participate in the new, stronger, more competitive economy; ensuring that everyone in Staffordshire has access to more good jobs and shares the benefits of economic growth.



Over, 9,000 people involved in the £75m+ Strategic Skills Programme have gone into work, education, training or an apprenticeship, or have been upskilled to improve innovation and productivity.



HIGHER
SKILLS
GROWTH

The improvement and growth in skill levels is growing faster across Stoke-on-Trent and Staffordshire compared to nationally, with **40,800** more adults having formal qualifications and **58,500** more adults qualified to degree level or higher in just 5 years.



10,623

LEARNERS supported
by the 6 HUB SITES

The Advanced Manufacturing and Engineering Hub has created a surge in advanced manufacturing, engineering and construction skills. In addition, a further **3,500** people have learnt new employability skills at i54 South Staffordshire alone, one of Europe's premier business parks.

Our aims: mitigation, partnership working, greener, renewal

1. Through our understanding of the potential impacts of COVID-19 on the local economy, we will develop and implement plans to mitigate against these impacts including the use of external and local funding to assist in the immediate response.
2. To develop plans to refresh and reinstate delivery programmes that are aligned to our strategic priorities across the themes of business environment, people, place, infrastructure and ideas.
3. To develop plans for new programmes that will support the recovery, renewal and transformation of the local economy.
4. We will ensure climate change is always at the heart of our thinking and delivery planning.
5. Work with our partners to deliver the strategy, including accessing funding and lobbying for additional powers where necessary.
6. Throughout the delivery of the strategy, continue to maintain confidence and trust of the business community through communications and engagement.

Our County: a strong track record, and one of the best places to recover and thrive in the UK



3,000,000

SKILLED WORKFORCE

3 million skilled people, including 24,300 students, within 1 hour, all benefiting from a multi-million pound skills investment programme



18.5%

COST-COMPETITIVE

Potential salary savings of 18.5% against the national average

Connected, competitive, complementary, collaborative – are the key terms that define our area. Located at the heart of the UK, the vibrant corridors and urban centres of the connected county of Staffordshire form a **growing economic powerhouse**. The COVID-19 crisis has impacted this growth, and we anticipate tough times ahead for some businesses, but we remain confident and ambitious for Staffordshire businesses and our economic landscape.

This Strategy outlines our ambitious and achievable plans as to how we will mitigate the impacts of the crisis and take advantage of opportunities that have arisen to transform the local economy.

Staffordshire boasts a diverse economy with significant strengths in automotive (Jaguar Land Rover, Gestamp), aerospace (Moog), energy (General Electric, ABB), medical technologies, (Cobra Biologics, Biocomposites), construction (JCB, KMF), digital (Risual) and agri-tech to name a few. Cobra Biologics, based at Keele University's Science and Innovation Park, is even a part of the University of Oxford's vaccine group. Our economy is a microcosm of the UK with dominance in service sectors, but **our thriving and growing high-value manufacturing base puts us in a unique position**. Supporting such industries and their supply chains through the crisis and beyond will play an important part in rebalancing our economy, moving away from the low-value, low-wage industries that have formed the backbone of our economy in the recent past.



Whilst the county is home to many world-renowned brands, most of our businesses are small and medium enterprises. They are the lifeblood of our economy; many have diversified during the COVID-19 crisis and many have even diversified to join the fight against the disease. Our SME's are innovative and hard working - a great combination.



Whilst we face challenges, our strengths are numerous, not least our **location at the heart of the country**. Forward thinking and outward looking, we already have plans in place or in development with a number of bordering economies. Through a common purpose and shared resource, we are fully exploiting our unique geography and **world-class connectivity** to maximise growth, particularly through the Midlands Engine, Midlands Connect and Constellation Partnership.

Staffordshire's skills gap is also decreasing. No longer just the place for traditional skills, the rate at which our skill base is improving is one of the fastest in the UK, with a workforce of over 3 million all within an hour. The Skills Strategy has responded to business need for more advanced manufacturing, engineering and digital skills, and our three main universities will allow us to further develop the skills of residents. We have several high performing colleges across all parts of the county, including the Newcastle and Stafford College Group, the first college to achieve a rating of outstanding under the new Ofsted regime.

Staffordshire will be **surrounded by a number of new full-HS2 stations** and benefit from classic-compatible HS2 services. Ensuring the best connectivity possible to these stations throughout the county will provide significant future opportunities for growth with travel to London being possible in under an hour.

The county town of Stafford and larger towns throughout the county including Burton upon Trent, Uttoxeter, Cannock, Rugeley, Lichfield, Tamworth, Newcastle-under-Lyme, Biddulph, Leek and Cheadle remain the primary hubs of economic activity and where most of our residents live.

The changing nature of retail has presented challenges for almost all town centres, an issue that may be further compounded by the COVID-19 crisis, with work to reshape and repurpose town centres being an increasingly important issue.

Whilst our urban centres are the primary residential and business locations, much of the county is rural and there has been significant development of our rural economy in recent years. Our natural assets such as the Cannock Chase Area of Outstanding Natural Beauty and Peak District National Park, alongside numerous attractions including Alton Towers and Drayton Manor theme parks, has supported sustained growth of our tourism sector. Farming also remains a vital part of the Staffordshire landscape and supports many

local industries, not least the food and drink sector. The brewing industry in Burton upon Trent is one of most historic and notable local assets.

Our track record speaks for itself. Staffordshire delivers regeneration, redevelopment, infrastructure investment and economic growth. We have seen results that have created more, better jobs. Results to inspire trust that Staffordshire County Council and local leaders have developed the right local solution.

That is why we firmly believe our strategy will make a difference - it will support our economy to recover from the public health crisis and then enable it to transform and grow through clean, digital, highly productive industries.



The context of recovery and renewal

The unprecedented nature of the COVID-19 public health crisis and the resulting effects felt around the globe mean that the longer-term impacts are extremely difficult to predict.

Never have we experienced such a wide-scale lockdown of all the major world economies with previous economic downturns primarily only affecting discrete geographies and/or industrial sectors.

Interventions made to help support and minimise the economic impact of the pandemic have also varied, and the ultimate success of these policies will only become evident following the easing of lockdown measures. Within the UK, the government has made several very significant interventions to help to ensure that the economy can get moving again as quickly as possible, primarily through attempts to minimise business closures and job losses.

The Office for Budget Responsibility has predicted that these measures will help to enable a significant recovery of the UK economy towards the end of 2020, although recognising that this is very uncertain and may change. This scenario

would of course be extremely welcome, although it must be considered that there is some likelihood that we will enter a period of longer-term recession whilst differing parts of the UK should be expected to recover at different paces.

The danger of entering a period of recession is that the structural make-up of areas will determine the length and severity of the impact. The sectors that are often hardest hit by recession, namely manufacturing and construction, could be negatively impacted as consumer spending is suppressed. This would suggest that many areas outside of the South East, and particularly the Midlands and the North, could experience the economic impacts for longer. Whilst interventions will have sustained many people's incomes, spending across the economy has fallen. The hope is that they will spend freely once again when it is safe to do so.

As there are a range of scenarios being considered globally and nationally, it is important that this strategy and our associated delivery plans are flexible enough to respond to whichever scenario becomes a reality.

Responding, recovering, renewing and transforming

Despite the uncertainty as to how this will all play out over the medium-to-long term, there is no doubt that there will be a period where we need to **respond** to the immediate crisis and support our economy to **recover**. But in the longer-term there are opportunities that have arisen that we need to grasp to hasten the development of the Staffordshire economy; the most obvious being the positive environmental impacts brought about by the general reduction in travel and

much greater prevalence of home working. But there are a whole range of opportunities considered throughout the strategy. Delivering the strategy and taking full advantage of these opportunities will further enable the Staffordshire economy to **renew** and ultimately **transform** into a place where clean, productive businesses are created and thrive whilst existing business are supported to fully participate in the new economy.





Why a five year plan? Our economic priorities for the next five years

Our Economic Recovery, Renewal & Transformation Strategy sets out our priorities for the next five years through four, non-linear phases:

- **Respond** – support our businesses and residents through the COVID-19 crisis.
- **Recover** – create the conditions to support our businesses and residents to return-to-work as soon as possible.
- **Renew** – continue to progress those priorities that will play an important role in achieving our ambitions to develop the local economy beyond the current crisis.
- **Transform** – utilise the opportunities presented by the current economic conditions by supporting the transformation of the local economy to be digital, clean and higher-value.

These will be flexible in view of:

- The possible need to reinstate lockdown (the 'respond' phase) at some level in response to regional spikes of COVID-19 cases.
- The possible need for the county council to revise the corporate Strategic Plan, Medium-Term Financial Strategy, other wider strategies and transformation programmes, and that our economic partners may need to do the same or at least refresh their approach. The Economic Recovery, Renewal & Transformation Strategy sets out our economic priorities that will form an important part of all our own strategies and enable us to influence and shape the strategies of others.

Our Economic Recovery, Renewal and Transformation Strategy should therefore be seen in the wider context in which we operate.

Our strategy will both support and shape the wider Staffordshire and Stoke-on-Trent Local Resilience Forum Recovery Planning and the Local Enterprise Partnerships plans.

Furthermore, we will feed into and shape wider regional and cross-boundary approaches such as the Constellation Partnership and the Midlands Engine (to name but two).

It is essential the county council has its own Strategy, as we are uniquely placed to support a whole-system approach to recovery, renewal and transformation of our economy, due to our responsibilities for transport, infrastructure, environment, education, skills and health.

Where we are now - Staffordshire's economy, strengths and opportunities

A challenge....

Many economic commentators are currently suggesting that there is likely to be a significant economic downturn as a result of the COVID-19 crisis, the size of which will at least partly depend on the effectiveness and duration of public health measures and ultimately the exit strategy.

In terms of unemployment there are early signs that there is likely to be the sharpest spike on record. Staffordshire is already seeing an increase in the number of people claiming unemployment benefits with more expected due to the prevalence of jobs in high-risk sectors.

It would be expected and hoped that the interventions made will enable at least some of the sectors most immediately affected by the crisis to quickly recover. The hospitality industry for instance should be able to operate from July, alongside government guidelines and if it is safe to do so. Although there must be recognition that it is likely that will enter a sustained period of

recession which will continue to affect jobs, wages and spending. This will undoubtedly include some business closures whilst many other businesses will adapt to survive and thrive.

A longer-term recession has the potential to affect a range of different industries and therefore jobs than those that have been immediately affected. Whilst the Staffordshire economy has continued to restructure in recent years, manufacturing and construction industries remain vulnerable and are a vital part of the local economy accounting for a fifth of all total employment within the county.

However, it remains important to remember that Staffordshire remains a powerful economic entity whilst significant progress has been made in supporting the growth of the local economy in recent years. The county is home to around 875,000 people with the right skills for recovery and a vast array of world-renowned international companies, world-class connectivity and the right conditions for businesses to recover, grow and thrive.





Our strengths and opportunities...

World class connectivity

While we face challenges, our strengths are numerous, not least our location at the heart of the country. Forward thinking and outward looking, we already have plans in place or in development with a number of bordering economies. Through a common purpose and shared resource, we are fully exploiting our unique geography and world-class connectivity to maximise growth, particularly through the Midlands Engine, Midlands Connect and Constellation Partnership.

Our location makes Staffordshire a hugely attractive place to live, work and invest. This has made Staffordshire particularly attractive to the logistics industry which continues to grow and presents significant opportunities for the future as the sector moves towards greater use of technology and cleaner ways to move goods around the country and beyond.

Skills expansion

Staffordshire's skills gap is also decreasing. No longer just the place for traditional skills, the rate at which our skill base is improving is one of the fastest in the UK, with a workforce of over 3 million all within an hour. The Skills Strategy has responded to business need for more advanced manufacturing, engineering and digital skills, and our three main universities will allow us to further develop the skills of residents.

We have several high performing colleges across all parts of the county, including the Newcastle and Stafford College Group, the first college to achieve a rating of outstanding under the new Ofsted regime.

Skills

Closing the skills gap

Since 2014, we have seen

45%

growth of people with qualifications

We have a well-established and high-performing skills system with providers that have had to adapt to deliver education and training through other means. Existing programmes and potential flexibilities provide the opportunity to address the recovery in skills, but there is an opportunity to be more transformative and start to deliver programmes that address longer-term skills issues such as digital, leadership and management, business improvement, lean, agile and automation programmes.

Clean Innovation

Innovation within Staffordshire is also on the rise, both within businesses and through our universities. Ongoing innovation projects within the county include the Smart Energy Network Demonstrator, the HyDeploy project to trial injecting hydrogen into the gas network and the Association of Directors of Environment, Economy, Planning and Transport's (ADEPT)- supported SMART transport 'live-lab' project at Keele University, as well as the Digital Kiln project at Staffordshire University.



Continued investment for long-term stability

Our success in creating the conditions to support growth has led to many large-scale investments made by companies indigenous to the county and from beyond. The continued development of employment sites will undoubtedly be important in continuing to support growth within the county.

The county council's Strategic Infrastructure Plan (SIP) highlights the vast amount of housing planned to be delivered in Staffordshire in the coming years, and the amount of infrastructure spending required to support this growth. Whilst any economic downturn will result in a suppression in housing demand, the severe shortage of housing in the country remains an issue and therefore continuing to support housing and associated infrastructure delivery will remain important moving forwards.



Cleaner working and commuting

The shift to a greater prevalence of homeworking has had undoubted positive environmental impacts. If at least a proportion of the increase is sustained, this has the potential to impact future investment decisions, not least related to transport. Staffordshire remains a manufacturing heartland though, with the concentration of manufacturing and supply chain industries unlikely to be able to shift to such new ways of working. After all, we cannot yet build products remotely.

A key finding of the SIP is also that there has been underinvestment in our transport system, particularly roads, and there is therefore a need for investment to ensure what we currently have operates as effectively as possible before even considering the substantial growth in housing and employment planned over the next twenty years

In summary, the Staffordshire economy has clearly been greatly affected by the COVID-19 crisis and is likely to continue to be for some time to come. However, the local economy remains strong and there are huge opportunities that the county is well placed to take advantage of if we make the right interventions and investments in the coming years.

The Strategy and associated delivery plan(s) are underpinned by a live evidence base that is updated weekly when new data, evidence and research is released at a local, regional and national level.

The silver-lining of COVID-19 – Future challenges and further opportunities to consider

Whilst the COVID-19 crisis has undoubtedly had a negative impact on the global economy, the situation has raised several challenges and opportunities that it will be important for us to consider further. Grasping these opportunities will likely go a long way to helping us achieve our vision over the next five years.

- Perhaps most prominently, the COVID-19 crisis has shown many organisations, especially those within office-based sectors, that employees working remotely can and does work. Of course, this change in working patterns was already happening, but the current situation has expedited this change exponentially. This will undoubtedly affect future business investment decisions, but whilst it may seem that this could simply lead to a reduction in the demand for office space, we could actually experience a shift in where there is demand with many companies likely to question the value of spending £50 per square foot upwards for an office in parts of London, for example.
- As we already know within the county council, the shift to greater levels of remote working can have several benefits including for productivity and the work-life balance of employees. This shift is likely to mean the workforce of many organisations, particularly office-based, will be far more dispersed. Many businesses within the county are likely to be less reliant therefore on the local workforce, whilst equally Staffordshire residents may be more likely to work for companies from a far wider geography. This presents issues that will need to be considered through delivery planning across a number of themes including skills and inward investment.
- Increase our digital infrastructure as the demand will be there - The shift for many businesses to operating digitally has happened in a number of weeks rather than years as part of this move to remote working. This presents an opportunity for Staffordshire to speed up its plans for high-quality digital infrastructure across the county.

Care

More widely than office-based sectors, many other industries have been affected by the crisis and will continue to be affected in the future. We have a thriving care market which has never been so revered as a career as it is now. We can support new entrants to the care market to support these essential services for our ageing population at a competitive price.



Logistics transformation

Logistics has been one of our key growth sectors in recent years and whilst the closure of non-essential shops will have affected many logistics companies, the overall impact on the sector should only be relatively short to medium-term. However, how logistics firms operate in the future may change particularly as shopping habits continue to shift online. This sector will also need to respond to the low-carbon agenda, with the granting of planning permission for the Strategic Rail Freight Interchange proposal at Four Ashes, supporting the shift towards moving more freight by rail, with more smaller logistics operations potentially required to serve local markets. Given Staffordshire's location and the prevalence of logistics companies in our county there is a real opportunity to transform the sector as part of recovery.

The 'Grand Challenges'

The 'Grand Challenges' outlined in the national Industrial Strategy remain absolutely, if not more, relevant despite the COVID-19 crisis:

- Artificial Intelligence and data
- Ageing society
- Clean growth
- Future of mobility

Creating the conditions for growth in businesses that will help to address these challenges will go a long way to achieving the vision and aims of our Strategy. The environmental impacts, people travelling more sustainably, the care sector being revered more than it ever has been and many businesses innovating and making far greater use of digital connectivity are just a few of the positives to come from the crisis that are directly related to the 'Grand Challenges'. We need to ensure that we build upon these positives and not simply return to the way things were before.

Exit from the European Union - providing more to our domestic market

Our exit from the European Union was already a key consideration for where businesses choose to locate in the future, but the COVID-19 crisis and its effects on international movements of both people and goods will now also affect future international investment decisions. Being able to supply goods to local markets and source supplies from the same country are substantial opportunities for us to grasp.

Air quality improvements

The lockdown has produced an overall reduction in pollution, primarily due to the decline in transport movements with many choosing to run, walk and cycle. This, and how people are now more socially aware, are the right conditions to continue to develop and support the transition to sustainable methods of travel. Having declared a Climate Emergency prior to the COVID-19 outbreak, the county council welcomes this, and is leading the way in many regards not least those innovation projects.

Simply returning to the way things were before the crisis would therefore be a missed opportunity and, alongside changing business practices and sustainable transport, further measures to continue the shift towards a low carbon, clean economy need to be developed.

Getting people back to work

One of the main challenges that we will face in the coming months and possibly years is the need to support the unemployed to become economically active, in whatever form, once more. We know from the past experiences of economic downturns that there is an opportunity to support more people to start their own business, including as an alternative to re-entering the labour market. The government's Job Retention Scheme means that there will be a proportion of our workforce that are currently furloughed but are at significant risk of being made redundant once that scheme comes to an end.

Town Centres and high streets

The wider impact on Staffordshire as a place remains to be seen, particularly with regards to how town centres recover following the easing of the lockdown measures. As mentioned previously, the closing of non-essential shops has led to a significant increase in online shopping, with retailers such as Amazon having to prioritise deliveries in response to increased demand. Whether this shift in the way people shop will persist will only become clear as we enter the recovery phase, but longer-term impacts on town centres may expediate the need to reconsider and reshape town centres.

These are likely just a few of the issues we will need to consider further moving forwards, with many more likely to come to the fore through the different phases of the Strategy. The priorities set out in section 9 provide a broad framework as to how such issues will be considered, with further detail of specific programmes developed through the delivery plan(s).



Policy context

Following the general election in December 2019, the current government planned to progress several important Bills through Parliament that are related to the wider economic agenda. Clearly there is a degree of uncertainty as to how and when these will indeed now progress but what remains clear is that many of the national priorities prior to crisis will remain priorities afterwards, although with potentially differing levels of importance and focus. This section considers some of the most significant national policy agendas and what these may mean in the context of COVID-19 and beyond.

Levelling-up

The government's levelling-up agenda is both a response to support received in the general election from areas that have failed to fully experience the benefits of economic growth in recent years and a recognition that there has been underinvestment in areas outside of the South East from successive governments.

Our Strategic Infrastructure Plan shows that there is evidence of underinvestment in Staffordshire whilst forthcoming changes to the Treasury Green Book appraisal process and planned substantial increases in public sector investment mean Staffordshire is well placed to fully implement the government's levelling-up agenda.

Clearly there is a possibility that levels of planned spending may change in response to the vast level of investment made to support the economy through the crisis. However, whilst this is currently uncertain, areas such as Staffordshire may be more susceptible to being adversely affected by a prolonged economic downturn.

It also seems highly likely that there could be a strong correlation between such areas and primarily areas outside of the South East that it seemed would be the focus of the government's levelling-up agenda. There is a strong argument therefore for this to still progress although likely with a greater focus on economic recovery.

Devolution

The devolution of powers and funding has been a major national policy agenda for many years. Much of this stems from Lord Heseltine's No Stone Unturned report, a review into supporting economic growth across the country. So far, the primary beneficiaries of devolution have been those areas that have a Mayoral Combined Authority, with the devolved powers and funding differing somewhat for each area.

The government has committed to producing a Devolution White Paper this year. It is expected that the paper will bring some consistency to what powers and funding can and will be devolved whilst also setting out the governance model(s) that will be required, thereby enabling all parts of the country to benefit from devolution. It can be argued that the COVID-19 crisis has clearly shown the need to expedite greater levels of devolution, with many local organisations playing vital roles in supporting their residents and businesses. There is also a link to the 'levelling-up' agenda and how associated funding and powers can be devolved to areas. One of the major outputs of this strategy is a piece of work by an external body considering options of a Staffordshire model of devolution.



The Industrial Strategy

The government's Industrial Strategy sets out a long-term plan to boost the productivity and earning power of people throughout the UK whilst providing the framework for Local Industrial strategies. Local industrial strategies, led by Mayoral Combined Authorities or Local Enterprise Partnerships, set out how local areas will deliver the priorities set out within the national Industrial Strategy, thereby having a strong focus on increased levels of productivity. They intend to promote the coordination of local and national economic policy and funding streams and establish new ways of working between national and local government, and the public and private sectors.

The primary focus on productivity will need to change in the short to medium-term at least given the need to support the national and local economy to recover from the downturn. Ensuring that people can return-to-work as soon as possible, thereby limiting longer-term implications, will therefore be a top priority. However, the issue of relatively poor levels of productivity within the UK remains a major issue and improving productivity levels, linked to the levelling-up agenda, will be one of the main priorities in the longer-term. The opportunities presented through the crisis may enable the creation of many more high-value, clean jobs, an issue that needs to be considered at both the national and local level.

The Housing Strategy

Government published its Housing White Paper for tackling problems in the housing market at the beginning of 2017. This recognises that if more new housing is to be built, at a faster rate, it will have to be accompanied by investment in new infrastructure. The housing strategy also recognises the importance of strategic planning for long-term growth.

Government has already committed to new investment in housing, industry and infrastructure in Staffordshire through various funding programmes, primarily delivered through Homes England. The sheer scale of the housing challenge and the amount and type of housing being built in recent years not meeting what the country requires means that housebuilding will remain a major priority moving forwards, although the demand for housing is likely to be suppressed in the short-term.





National Infrastructure Strategy

The National Infrastructure Commission published the first-ever National Infrastructure Assessment for the UK in July 2018, making recommendations for how the identified infrastructure needs and priorities of the country should be addressed. The assessment takes a long-term view, up to 2050 for most infrastructure themes, and is an important consideration as to what and how infrastructure may need to change in the future, such as the rollout of gigabit-capable digital connectivity and the move towards electric and autonomous vehicles.

It is expected that Government will respond to the National Infrastructure Assessment through the National Infrastructure Strategy this year and this will clearly be vital to future priorities and funding.

The Fair Funding Review

The Fair Funding Review was begun in early 2016 and will affect how funding is allocated and redistributed between local authorities. There has been a clear recognition that the way local authorities are funded is no longer sensible, particularly relative to the significant decreases in funding directed from central government to local authorities over the last decade.

A particularly important aspect of the review has been how the retention of business rates can play its part in future local government funding, with a clear desire for a greater proportion of business rates to be retained locally, thereby incentivising growth. Several pilots have taken place as to how this may operate, one of which the county council was part of.

Also relevant is New Homes Bonus, a payment made to local authorities based on the number of houses built in the area, incentivising housing growth. Due to the split between upper and lower-tier authorities, New Homes Bonus has been of particular importance to the funding of District

/ Borough Councils in recent years. It is expected that New Homes Bonus will be reviewed as part of the 2020 Comprehensive Spending Review.

All these issues are clearly vital to the funding available to the county council and many of our partners in the coming years, whilst devolution also clearly has the potential to be important to the future funding mix. We will therefore need to continue to lobby for increased levels of funding for local government, including the county council, if we are to be able to continue to deliver high-quality services for our residents and businesses and support the development of the local economy, as detailed within this strategy.

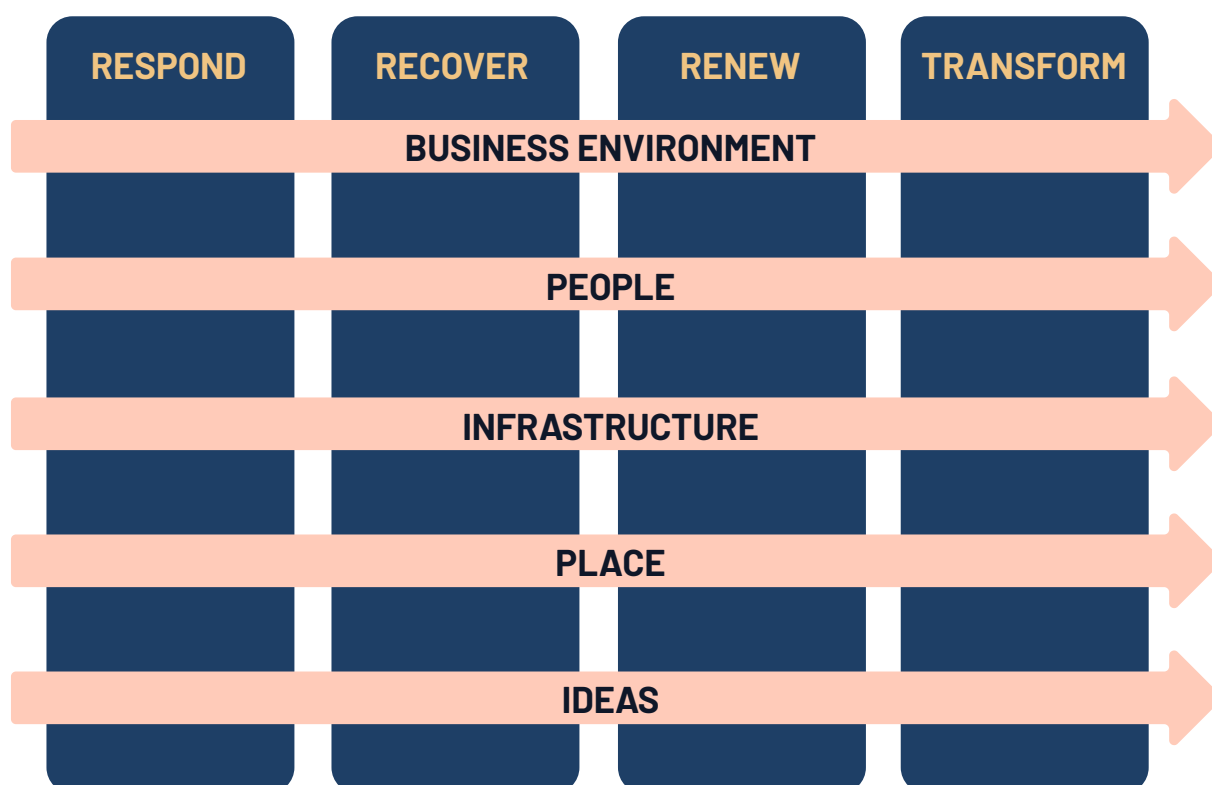
Exit from the European Union (EU)

The United Kingdom left the EU on 31st January. We are currently within the transition period, during which negotiations over our future relationship with the EU are taking place and will conclude at the end of the year. These negotiations are on several matters that could have implications for the local and national economy, but of most importance to our businesses will be trade and immigration.

Those businesses that rely on trading with countries within the EU, both for imports and exports, and those reliant on EU workers will be affected by these negotiations. The COVID-19 crisis will have also affected the ability of businesses to trade and source labour from the EU given border restrictions that have been in place, and continue to be in place, although the true impact of this will not be known until all businesses begin to operate fully once more. This does present opportunities, although there are also risks and our future relationship with the EU will be an important determinant of the future dynamics of the local and national economies.

What we'll do

Our strategic priorities that will achieve our overall vision and aims in response to the Covid-19 crisis and possible prolonged economic downturn will be guided by **Respond, Recover, Renew and Transform**. These phases of the strategy will be non-linear.



There are several issues that will be considered that cut across all the five themes including the:

- need to meet carbon-neutral targets.
- supporting inclusive growth to ensure all our residents benefit from the development of the local economy including within urban and rural areas.
- communicating and engaging effectively with our businesses and residents, thereby creating a strong Staffordshire identity.

What we'll do – the Business Environment

Respond – support our businesses to survive through the crisis and continue to operate if appropriate, including supporting those businesses struggling with cashflow but remain viable in the medium to long-term.

Recover – support those businesses affected by the crisis to recover at the earliest opportunity.

Sub-priorities

- Continue to support those businesses with cashflow issues but remain viable.
- Support businesses to diversify into new areas where the market they were previously operating within has changed.
- Consider how we may support those businesses that rely on overseas trade if the crisis continues to adversely impact imports and exports.
- Support people to start their own business with a focus on the unemployed and those people currently furloughed but at risk of becoming unemployed.

Transform – support and deliver schemes where these are supporting companies to start-up, invest and thrive within those clean, high-value and transformational sectors that will form a vital part of the future Staffordshire economy including sites, premises and finance schemes.

Renew – continue to support people to start their own business and enable existing businesses to invest within the county and thrive.

Sub-priorities

- Ensure that we have suitable sites and premises ready and available so that we can take advantage of future business investment opportunities, which includes the expansion and refurbishment of some Enterprise Centres.e.
- Following the withdrawal from the EU, continue to consider and shape the forthcoming Shared Prosperity Fund to deliver an effective business support service in Staffordshire.
- As international markets begin to open-up once more, support all our businesses to trade by helping them to identify opportunities to build their customer base.
- Consider the types of business premises that we are encouraging and directly developing in Staffordshire in order to ensure that developments are having a positive impact on local government finances and providing a revenue stream to fund other schemes.



What we'll do - People

Respond – ensure that residents are aware of and able to access appropriate support schemes through the crisis.

Sub-priorities

- Support rapid-retraining programmes to support people to find employment in those sectors that have grown during the crisis.
- Work proactively with our skills providers to ensure they continue to operate digitally where possible through the crisis.

Recover – support and deliver employment support schemes to ensure people that are made redundant can return to work as quickly as possible.

Sub-priorities

- Ensure that support is provided to those socio-economic groups most impacted by the downturn including through equipping people with skills for key sectors, of particular importance for young people who are most likely to suffer in the long-term.
- Work with our skills providers to return to operating and delivering education and training courses at the earliest possible opportunity, including consideration of what training opportunities may be required to assist our businesses in their recovery.

Renew – ensure that residents within Staffordshire have the skills to meet the needs of our existing and future businesses.

Sub-priorities

- Retain and attract skilled workers, including graduates, by ensuring that Staffordshire is an attractive place to live and work.

- Encourage a greater level of lifelong learning and support people to upskill and reskill throughout their working lives.
- Develop an effective local careers advice service that supports people in making good career choices throughout their lives, not only in terms of meeting the needs of existing and future employers but also encouraging people to start their own business and develop the leadership, management and other skills necessary to ensure local businesses have the greatest opportunities to innovate and grow.
- Develop further vocational education and training provision within Staffordshire to support our key sectors that require more technical skills. This will include maximising the benefits of the apprenticeship levy by encouraging a greater number of higher-level apprenticeship opportunities within the county, enabling larger employers to take greater ownership of their future skills requirements.
- Address any issues that are either discouraging or stopping residents from entering employment, which depending on the area can include generational factors, health issues, poor educational attainment, a lack of appropriate and affordable childcare, a lack of affordable housing in areas where there are good employment opportunities, etc.

Transform – work with local and surrounding skills providers to develop the skills amongst our population that will meet the needs of the clean, high-value and transformational businesses we are aiming to develop and attract.



What we'll do - Infrastructure

Respond – continue to maintain our transport system to ensure that essential business and workers are still able to move freely around the county.

Sub-priorities

- Support our public transport operators to access available funding opportunities to remain operational.
- Work with our digital infrastructure providers to ensure all organisations and residents can continue to operate digitally where possible.

Recover – ensure that infrastructure within Staffordshire can support businesses and residents in returning to work at the earliest opportunity.

Sub-priorities

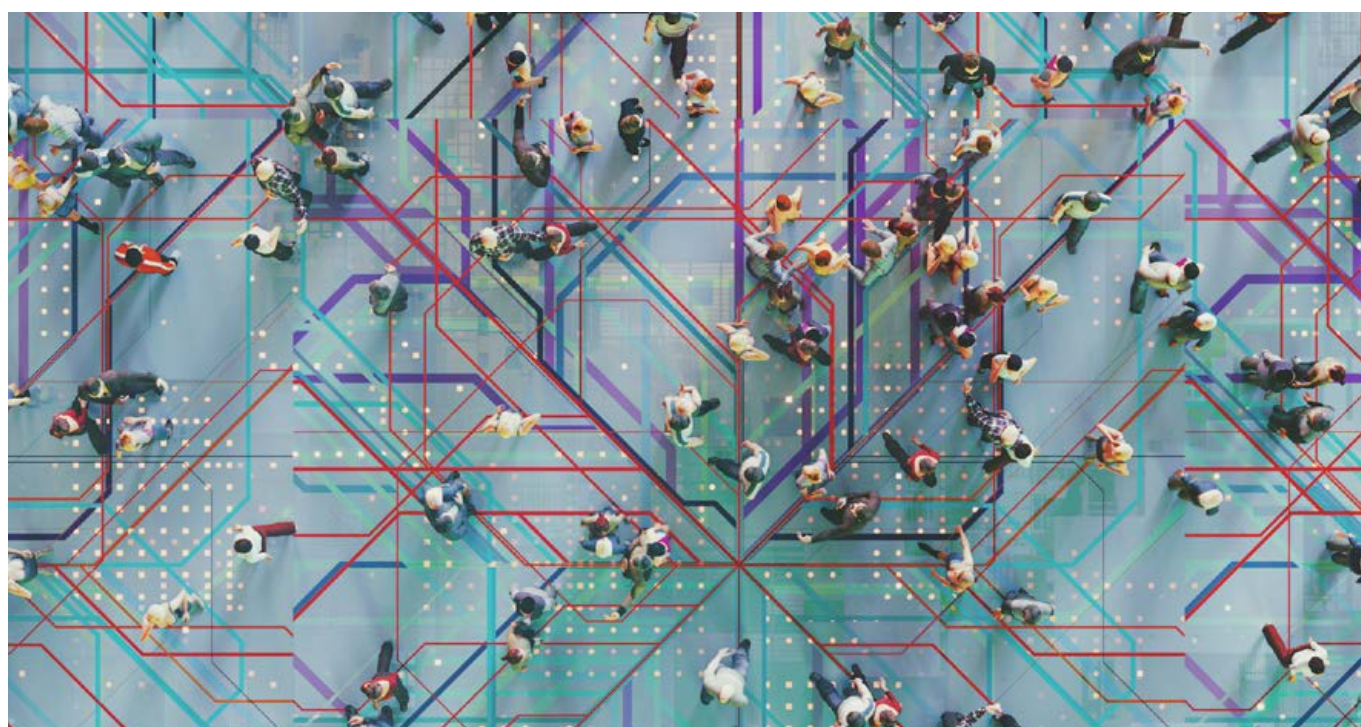
- Work with public transport operators in returning appropriate levels of service through the recovery.
- Further enable and support residents and workers in being able to travel by sustainable transport methods, particularly walking and cycling, given the increases in these activities seen during the crisis.

Renew – reconsider infrastructure projects in response to the downturn and continue to promote, deliver and support the delivery of projects as appropriate.

Sub-priorities

- Ensure that the substantial levels of growth planned for Staffordshire can be accommodated without being detrimental to levels of accessibility and connectivity.
- Continue to support and work to maximise the local economic benefits of major infrastructure schemes such as HS2, the A50(T) North Midlands Manufacturing Growth Corridor and M54-M6 Toll Link Road.
- Continue to improve broadband speed and availability across Staffordshire, ensuring that new housing and employment developments have access to gigabit-capable broadband whilst also considering how we maximise the benefits of improved digital connectivity, including the use of 5G and other emerging technologies.

Transform – deliver those infrastructure projects that will support the growth of those clean, high-value and transformational sectors that will form a vital part of the local economy in the future, with a particular focus on digital connectivity given the significant shift in businesses / working practices through the crisis and the inward investment opportunities this presents.



What we'll do - Place

Respond – support those places that are most adversely impacted by the crisis due to their industrial structure by proactively sign-posting to appropriate schemes.

Recover – consider how positive environmental impacts can be at least partly maintained through the recovery whilst also ensuring we prioritise the recovery of those areas most impacted by the downturn.

Renew – continue to ensure that Staffordshire is an attractive place to live, work, invest and visit.

Sub-priorities

- Address the issues related to the balance of housing in Staffordshire, including a lack of aspirational homes within parts of the county and a need for smaller affordable housing in rural areas to attract and retain a younger population, whilst also allowing older residents the opportunity to downsize and free-up family housing.

- Continue to progress those aspirational, transformational projects that will form a vital part of the county's future including those schemes developed through the Constellation Partnership such as Stafford Gateway.

- Continue to support our District / Borough Council partners in their efforts to revitalise and reshape their town centres.

Transform – consider the long-term vision for Staffordshire as a place, including the changing role of many town centres and how we continue to protect and support the development of our cultural and environmental assets and rural areas.



What we'll do - Innovation

Respond – support those businesses and organisations that are innovating and taking advantage of new markets and opportunities presented by the crisis.

Recover – support those businesses and organisations involved in innovation activities and projects affected by the crisis to begin operating at the earliest opportunity given their importance to the future local economy.

Renew – continue to support and deliver those innovation projects that will continue to be vital to Staffordshire moving forwards.

Sub-priorities

- Take full advantage of and build upon the innovation strengths that we already have within Staffordshire. This could include the development of Catapult-type centres relevant to our key sectors.

- Encourage a greater level of innovation amongst our local businesses and support stronger links between businesses and relevant research institutions.

Transform – develop those innovation assets, employment sites and premises that will support the creation and investment of clean, high-value and transformational businesses. This may include the development of further science parks where businesses and the university co-exist and co-operate.

Sub-priorities

- Support our businesses to diversify into new, innovative markets, particularly where the crisis has had a negative impact on the business's viability.



How we'll do it

Achieving our mission and objectives will require the delivery of projects and programmes aligned to our strategic priorities. These projects and programmes will evolve throughout the delivery of the strategy. They are therefore set out in the strategy's supporting delivery plan which will be reviewed on a regular basis, including against performance of the delivery plan in achieving the strategy's vision and aims. This section sets out the overarching strategic principles for the delivery plan, including brief consideration of some of the activity already taking place in response to the COVID-19 crisis.

What we're already doing

We've moved at speed to make a difference at the time when people and businesses most needed it.

At a local level we have so far:



Offered the Emergency Grant Scheme for micro-businesses

The £500,000 fund has made a considerable difference to micro-businesses across Staffordshire not eligible for other grants or support and was closed due to demand in just five days.

The National Careers Service (NCS) are leading this work with the employers and individuals in scope. For people at risk of redundancy or already redundant/ laid off, NCS carry out a telephone skills analysis and give whatever support is needed. This includes signposting businesses and individuals to other support provision offered via a range of partners. NCS match people to the vacancies that they have been notified of and the ones they have obtained for themselves.

Redundancy & Recruitment Triage service

The County Council and City Council, on behalf of SSLEP, have created a triage service to help those made jobless, as a result of the COVID-19 crisis, back into employment,

including many in Apprenticeship roles. The National Careers Service (NCS) are leading this work with the employers and individuals in scope.

For people at risk of redundancy or already redundant/ laid off, NCS carry out a telephone skills analysis and give whatever support is needed. This includes signposting businesses and individuals to other support provision offered via a range of partners. NCS match people to the vacancies that they have been notified of and the ones they have obtained for themselves.



Start-up support scheme

A £0.36m business start-up scheme has been developed to enable and support residents at risk of redundancy in starting their own business, enabling residents to remain economically active and hopefully create successful businesses that go on to become employers.

Delayed rent payments

For those businesses that the county council is their tenant, we have agreed to delay rent payments to support these businesses through these difficult times and help with their cashflow.



What we'll continue to do - laying the conditions for growth

Prior to and during the COVID-19 crisis, a range of activities have continued to progress. Many, if not all, of these will remain vital to achieving our ambitions for the Staffordshire economy over the next 5 years as they lay the conditions for growth and develop long-term stability. However, through the development of the delivery plan all activities, existing and new, will need the following considered against principles:

1. **Delivery of the Economic Recovery, Renewal & Transformation**
2. **Alignment to one or more of the strategic priorities**
3. **Outputs**
4. **Deliverability**
5. **Funding**
6. **Risk**

In the development of the delivery plan and the consideration of existing and new schemes, it will also be important to consider what needs to stop, what needs to continue, what needs to start and where there may be gaps in interventions against the strategic priorities that need to be filled, across all phases of the strategy.

Funding the strategy

A vast amount of funding has been allocated to respond to the immediate crisis, including £38 million of funding to help towards the county council's efforts to manage the pandemic.

In future phases of the strategy, many of the projects and programmes that we will deliver and support to deliver could either be entirely funded by the private sector or locally using existing funding sources. Where public sector funding is required, we will ensure investment is prioritised to deliver those projects that ensure the greatest impact in achieving our vision and aims.

In the longer-term, funding to deliver the strategy is more uncertain and will be dependent on several factors. We have an opportunity to explore different approaches to funding growth as a county council as well as influencing how the government progresses its various policy agendas including 'Fair-Funding' for local government, 'levelling-up', devolution and the Shared Prosperity Fund. We will continue to work with our partners, including government, to shape and access funding to deliver the strategy as appropriate.



Working with our partners to get the job done

Working with our partners is critical to getting the job done:

Government

The county council works directly with many government departments. In recent years this has included the Department for Business, Energy and Industrial Strategy on several skills projects, the Ministry of Housing, Communities and Local Government and particularly Homes England on housing schemes including the proposal for a new garden settlement in Stafford Borough, the Department for Transport on a number of major road schemes, the Department for Digital, Culture, Media and Sport on the delivery of the superfast broadband project and the Department for Environment, Food and Rural Affairs on a number of funding schemes for rural areas and businesses.

Whilst devolution should provide greater autonomy for local areas and this is something we will support, it will be clearly be vital for us to continue to work closely with government to deliver our vision and aims through the crisis and beyond.

What we'll continue to do - laying the conditions for growth Cont...

Midlands Engine

The Midlands Engine partnership brings together public sector partners and businesses to complement the activity of local and combined authorities, LEAs, universities, businesses and others.

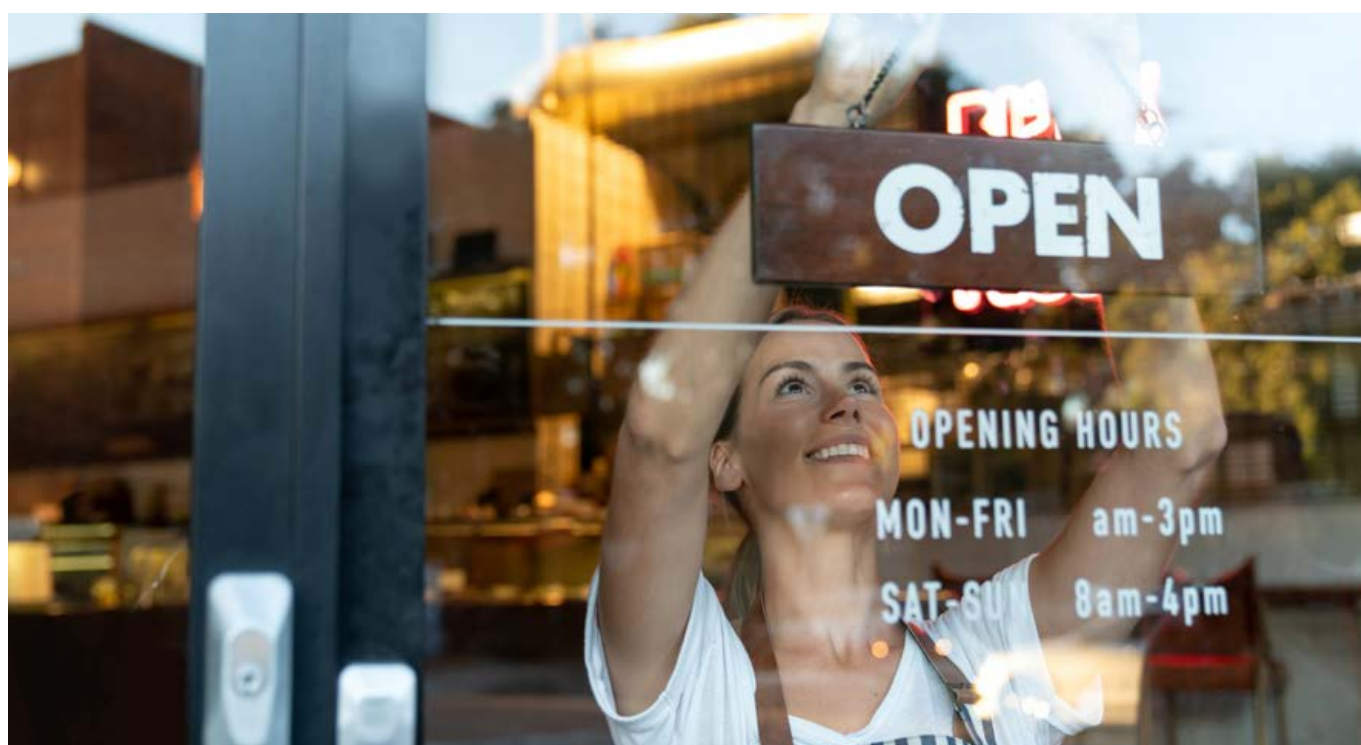
The Midlands Engine Strategy sets out a collective ambition for economic growth and prosperity across the East and West Midlands. It aligns with the national Industrial Strategy and highlights how the region can build upon existing business sectors and areas of opportunity. It highlights many of our key industries, universities and employment areas as places of national and global significance.

The Midlands Engine priorities are all vital to the future economic growth of the Midlands and Staffordshire and we will continue to proactively engage in the Midlands Engine to support investment in the area. Partners within the Midlands Engine are currently considering priorities in response to the COVID-19 crisis with emerging themes including:

- Access to finance and cashflow
- Skills and labour supply (including furloughing)
- New business models including digitisation
- Social distancing and implications for coming out of lockdown

- Trade agreements
- Consumer behaviour – persistence of changing consumption and mobility patterns
- Supply chain readiness and pinch points
- Rural and urban economies e.g. food supply, processing and consumers
- Consequences of reported inflexibilities and gaps in coverage of current government business support measures
- Productivity and logistical consequences of the large-scale switch to remote working and e-commerce which, depending on persistence, may have implications for long term land-use and transportation policy and planning
- Long term health and well-being consequences of enforced isolation (health, education, psychological)
- Vulnerability of the young to employment effects and concerns about potential long term 'scarring' impacts on labour market participation and career progression

These themes clearly align closely to many of our own priorities and we will continue to engage with the Midlands Engine to shape the regional response to the current crisis as appropriate.



Midlands Connect

Midlands Connect researches, develops and recommends transport projects which will provide the biggest possible economic and social benefits for the Midlands and the rest of the UK. Through Midlands Connect we are considering the wider future requirements for investment in the strategic road and rail network. We view this as being a key mechanism for the development of connectivity improvements, particularly investments by Highways England and National Rail.

The partnership is currently conducting a range of studies in to how we can alleviate congestion and support growth across several strategic transport corridors that are within or affect Staffordshire, particularly the A50/A500 corridor and connectivity to the west of the West Midlands conurbation. We are actively engaged in these studies and future transport investment will remain vital to supporting the future growth of Staffordshire.

Stoke-on-Trent & Staffordshire

Enterprise Partnership

Stoke-on-Trent and Staffordshire Local Enterprise Partnership

The Stoke-on-Trent and Staffordshire Local Enterprise Partnership (LEP) brings businesses and local authorities together to drive economic growth, create jobs and raise skills levels. Since its inception, the county council has secured a significant amount of investment through the LEP for many projects across the county including several roads, employment sites, housing and business premises projects. The LEP also has responsibility for the Stoke-on-Trent and Staffordshire Growth Hub which provides support services for our local businesses. It will clearly be vital to continue to work with the LEP to secure investment into Staffordshire moving forwards.

LEPs will have a role in bringing together partners to consider wider strategic economic recovery priorities across their geographies. The county council will therefore continue to work with the Stoke-on-Trent and Staffordshire LEP and all our adjacent LEPs to ensure that the priorities across the wider sub-region benefit Staffordshire, and vice versa.

In addition to the LEP, the county council also proactively works with our business representative organisations, particularly the Staffordshire

Chambers of Commerce and Federation for Small Businesses. These organisations have a vital role in having direct contact and working with our business community.

Staffordshire's District / Borough Councils

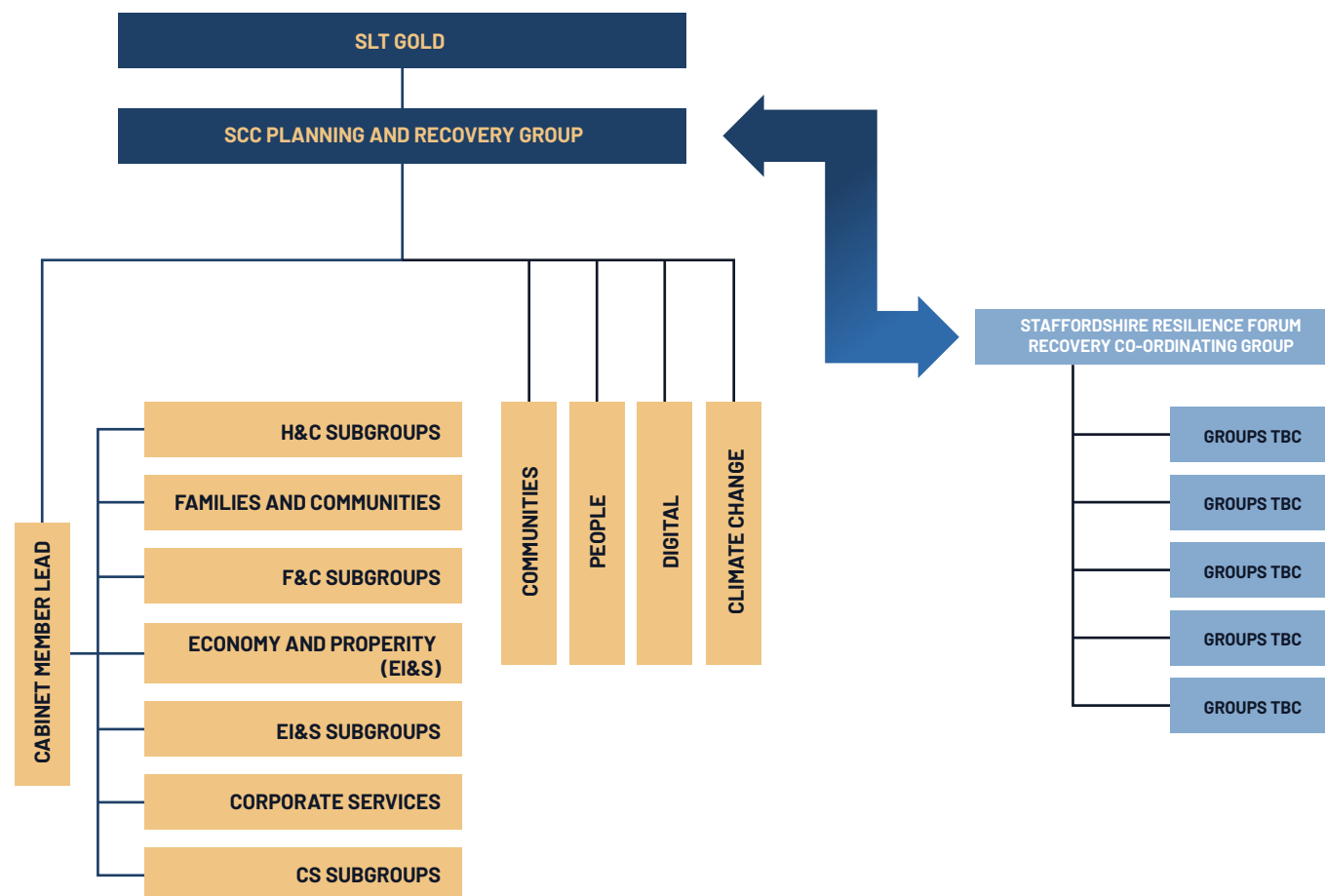
Staffordshire County Council has a strong track record of working proactively with the Staffordshire district / borough councils, including on many programmes that have had a substantial positive impact on the local economy. We need to work closely with our district / borough councils as many, if not all, of our economic programmes require a multi-disciplinary approach with the county and district / borough councils having different but complementary relevant responsibilities. This includes the Districts / Boroughs role as Local Planning Authorities.

This Strategy recognises the importance of Staffordshire as a place to the future recovery, renewal and transformation of the local economy and alongside planning policy responsibilities, the districts / boroughs work and responsibilities to reshape town centres, in tandem with the county council's roles particularly regarding infrastructure delivery, will play a vital role in achieving the aims of the strategy.



Governance

A governance model has been created within the county council to ensure effective decision-making and delivery through the immediate crisis, as set out below.



Included within the governance model is an 'Economic Recovery Cell' which has the responsibility of delivering this strategy through the 'respond' phase. Once we move into the 'recovery' phase and beyond, the county council's usual governance models will manage and monitor the delivery of this strategy and supporting delivery plan(s), including scrutiny by the Prosperous Staffordshire Select Committee

It will clearly be vital to ensure that we continue to work proactively with all our partners in the delivery of the strategy. We will need to continue to work closely with our district / borough councils and Stoke-on-Trent City Council; through the Staffordshire Chief Executive Officers Group we will establish a steering group of officers with relevant responsibilities from the all of the local authorities to consider and drive forward the delivery of this Strategy and those of the districts / boroughs / city. We will also continue to ensure

that there is political engagement in the delivery of the strategy throughout its duration through the Staffordshire Leaders & Chief Executives Group. The delivery of joint programmes will be managed through existing and new locality working arrangements, as appropriate.

To complement the work we do with the LEP we will bring together a business advisory board to help shape our thinking through a 'Star Chamber' with a limited number of representatives from major businesses from key sectors across Staffordshire. The 'Star Chamber' will help to shape the delivery plan(s) and drive forward the delivery of the strategy.

Performance Monitoring

Detailed performance metrics will be dependent upon the specific interventions made and are therefore set out within the supporting delivery plans. There are however several metrics that are important in monitoring our performance through the immediate crisis, including:

- Growth Hub support metrics
- Redundancy and recruitment triage service metrics
- Regular performance metrics to understand state of local economy including:
 - Job losses by district and sector
 - Claimants
 - Job vacancies
- Regular performance metrics to understand state of learning and training including:
 - People not in employment, education or training (NEET)
 - Learning and training provider failures
 - Learner declines
 - Apprentices furloughed / made redundant
- Regular performance metrics to understand the state of transport including:
 - Passenger and provider declines

Staffordshire

Means

Back to Business

www.staffordshire.gov.uk

Moving to a renewed and
strong economic landscape