

Stoke-on-Trent & Staffordshire Partnership Board
Strategic Economic Plan Refresh Discussion – 10th November 2016

In the light of recent Government policy announcements particularly the future development of an Industrial Strategy we would like to use the meeting as a more interactive workshop. This we hope will inform an update and refresh of the Strategic Economic Plan and consider the core themes related to improving productivity to help us contribute to the national debate on an Industrial Strategy.

Supporting Information - Infrastructure / Place

Key Issues

- Whilst our strategic location at the heart of country is one of our key assets, continuing to invest in strategic and local road and rail improvements will be vital to ensuring growth can be accommodated within our area to enhance levels of connectivity and accessibility.
- HS2 presents significant opportunities for growth and it will be important to maximise the benefits across the area including through connections to the Hub stations (stations on the HS2 line and those with High Speed services on the existing network), whilst also taking full-advantage of released capacity on the existing network.
- Housing plays a vital role in making an area an attractive place to live and work, whilst there is currently a lack of demand for aspirational (larger family homes) in our larger urban areas and a need for affordable homes in some more rural areas. In the year prior to the last Census (2011), Stoke-on-Trent and Staffordshire had a net loss of economically active young adults due to migration to other areas; housing growth, across all tenures, is likely to play a role in attracting and retaining a skilled workforce within the area.
- The delivery of jobs and having suitable housing available will increase the attractiveness of the area as a place to live and work. An increase in the number and quality of jobs has the potential to increase local expenditure on goods and services which, in turn, will help to strengthen the purpose and function of our town centres. However, many people may not choose to move to the area, or indeed stay, unless there is an acceptable overall quality of life available. Therefore services, such as schools and health services, and infrastructure, including sustainable transport options, need to be high-quality.
- Broadband contributes not only to the quality of life for residents, but is vitally important for businesses to thrive and grow by enabling improved service delivery. Parts of the area continue to have low availability and speed, whilst we need to ensure new developments have appropriate provision.

Questions

- Are there any road and / or rail improvements that would have a significant positive benefit on the economy of Stoke-on-Trent and Staffordshire?
- Is broadband provision currently a barrier to growth in parts of the county and how can we further improve speed, availability and take-up within the business community?
- How can we maximise the economic benefits of HS2?
- What more can we do to facilitate and accelerate delivery of the right houses in the right locations, and improve choice within our housing offer?
- Are there any initiatives to promote, or issues to address, that would have a positive contribution to local quality of life?
- What is the role for our town centres in the future, given the changing retail and leisure offer?

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Supporting Information - Sites / Premises

Key Issues

- Our employment site developments have been very successful in generating new and securing existing jobs within Stoke-on-Trent and Staffordshire. It will therefore be important for Local Authorities to find ways of continuing to directly deliver sites across the area as well as enabling the delivery of the same by the private sector and other strategic partners.
- However, consideration may need to be given to the portfolio of sites and whether they are suitable for the types of businesses we are looking to develop and attract. In particular, our ability to influence and restrict the type of businesses that have located on employment sites has been dependent on ourselves or local partners directly developing and / or owning sites and premises, which invariably can have adverse financial implications (i.e. by way of forgone or reduced capital receipts / rental income).
- A lack of premises that are ready for businesses (existing and new) to move in to has been an issue in the past, although progress has been made in this regard in recent years with speculative building having resumed after the economic downturn. Having premises of various sizes and in different locations ready and available, across all use classes / tenures, will be vital if we are to take advantage of future inward investment opportunities.

Questions

- In light of continued public sector funding pressures, how can we continue to invest in employment site developments and premises?
- Are our current employment sites suitable for the types of businesses we are looking to attract and develop? If not, what do we need to do differently?
- How can we influence the types of industries and jobs that ultimately end up on our employment site developments and within our premises? And what can or might we do to promote clustering of target sectors?
- Do we currently have a suitable and sufficiently flexible portfolio of readily-available premises to:-
 - take advantage of business start-up opportunities?
 - enable indigenous businesses to grow (a ladder of accommodation to step-up)?
 - attract inward investment into Stoke-on-Trent and Staffordshire?

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Supporting Information - Skills

Key Issues

- Securing a well-qualified and adaptable workforce with the skills sets appropriate to the needs of existing business sectors in Stoke-on-Trent and Staffordshire, as well as those in which we have aspirations for growth, will be vital to our economic prosperity in the short, medium and longer-term. The area's current education and skills performance tends to vary by locality, with only Lichfield, South Staffordshire and Stafford currently having a proportion of residents with a degree level qualification above the national average. Developing higher-level skills will be important in attracting and developing a greater number of highly-paid jobs within the area.
- The nature and location of provision of relevant courses may need to be considered, with a current lack of higher education provision in many parts of the county potentially affecting our ability to attract and retain people with higher level skills. Whilst our young people going to study at universities outside of the county, and particularly at high-performing universities, should be viewed positively, attracting these people back to the county is likely to bring substantial benefits and is related to the availability of good-quality jobs, housing, quality of life, etc.
- Lifelong learning will be vital to developing a highly-skilled, flexible workforce. This of course begins at school and improving school performance and addressing underperformance will be imperative. However, the vast majority of the workforce has already left the education system, and therefore upskilling and reskilling will be important in developing a greater level of skills in the short-to-medium-term.
- Careers advice will play an important role in ensuring people make 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 businesses, whilst leadership, management and the skills necessary to run a business will ensure that local businesses have the greatest opportunities to innovate and grow.
- The UK Employer Skills Survey consistently highlights issues of hard-to-fill vacancies and skills gaps in Stoke-on-Trent and Staffordshire. Whilst formal and job specific skills are perceived to be difficult to obtain, so are more generic employability skills. A variety of approaches may be required to address skills shortages such as further development of apprenticeships and other vocational training education provision, whilst working with providers to develop a more reactive skills system will prove beneficial in meeting employer skills gaps in the short-term.
- Whilst unemployment is at record low levels, around 60,000 residents still claim an out-of-work benefit. There are a range of factors as to why worklessness is high in certain areas such as generational factors, skills issues, poor levels of aspiration, medical conditions, lack of childcare,

etc. Encouraging and supporting people to get a job can bring substantial benefits, not only in terms of increasing productivity but also reducing the demand on public services.

Questions

- To what extent do you believe the skills of our workforce currently meet business need, and if you believe there are skills gaps, how can these be addressed?
- What is the role of business in future skills development?
- Why do we currently lag behind other areas in terms of residents having higher level skills, and how can this be addressed?
- Are there issues related to education and skills provision within the area, particularly in regard to the location and availability of courses / training?
- To what extent do you believe that the lack of higher education facilities in parts of the county negatively impacts on levels of innovation?
- What do you think of the current careers advice offer and how may this be improved?
- How can we encourage and support a greater degree of upskilling and reskilling amongst our workforce?
- How can we help to address unemployment and economic activity amongst our residents, thereby improving productivity and addressing skills shortages? What role can businesses play in addressing this issue?

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Supporting Information - Innovation

Key Issues

- Innovation is the successful exploitation of new ideas. New ideas can take the form of new technologies, new products or new corporate structures and ways of working, all of which can be drivers of productivity within firms.
- At a regional level, the number of patent applications filed within the West Midlands is relatively low in comparison to other English Regions, although the proportion of patents actually granted is the highest of all regions.
- At a more local level it is believed that there are large variances in levels of innovation. Although it cannot be said with any great certainty, this is likely to be due to a variety of reasons including the presence of major employers engaged in innovation activities. A number of companies within the UK top 20 companies in terms of patents granted in 2015 have a presence in Stoke-on-Trent and Staffordshire, including Jaguar Land Rover, General Electric and Siemens.
- It will be important to build upon our existing science and innovation base, and this is likely to include strengthened links between business and research institutions, including universities. It will also be important to consider how our sites and premises are supporting the development of innovative businesses, such as through science parks where businesses and the university co-exist and co-operate.
- The Midlands Science and Innovation Audit (SIA) is currently being progressed and will assess the relative innovation strengths within the wider Midlands, as well as Stoke-on-Trent and Staffordshire. It will be vital that we take account of the findings of the SIA and ensure that they are acted upon. This may include gaps in science and innovation activities that we can look to address within the area, including activities and initiatives to improve employable skills.

Questions

- How can we encourage greater levels innovation within Stoke-on-Trent and Staffordshire?
- How can universities (local and beyond our borders) contribute to increased levels of innovation, including through stronger links with businesses?
- How can our sites and premises support the development of innovative businesses?
- Do you believe that there any specific gaps in science and innovation activities that need to be addressed within Stoke-on-Trent and Staffordshire, and if so, how might they be tackled?

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Supporting Information – Business Intelligence / Support

Key Issues

- Supporting businesses to start-up, survive and thrive is an important part of the economic growth agenda. It has proven difficult in the past to specifically foster start-ups with growth potential, but clearly the more new businesses started in the area, the greater the chance that a number of these businesses will be successful. Despite experiencing a significant increase in start-ups in recent years, we continue to lag behind regional and national averages in start-up levels, whilst there are substantial variations across the area with the north of Stoke-on-Trent and Staffordshire historically experiencing particularly low levels of start-ups.
- There are a range of issues that are likely to affect the number of start-ups in Stoke-on-Trent and Staffordshire, many of which will be similar to the economy as a whole such as having suitable premises available, high-quality infrastructure, skills of residents, housing availability and the attractiveness of the area as a place to live and work. However, a number of other more specific issues may need to be considered including the lack of equity funding, national labour policy acting as a disincentive to starting a business and creating an entrepreneurial culture amongst our younger population.
- Increasing levels of trade is an important aspect of supporting businesses to grow, while the West Midlands Region has experienced very large increases in goods exports in recent years and far greater than any other part of the UK. Regardless of the implications of Brexit, it will be important to continue to support businesses to export internationally. However, at a local level it will also be important to ensure that businesses are able to operate outside of Stoke-on-Trent and Staffordshire. A business selling goods and services beyond Stoke-on-Trent and Staffordshire generates more wealth in the local area, including all of the positive benefits that this brings. There may also be a role for providing intelligence to businesses to support them in identifying opportunities to build their customer base.

Questions

- How can we help to develop a greater number of business start-ups within Stoke-on-Trent and Staffordshire, and improve the rates of survival?
- What specific actions are required to enable more inward investment into Stoke-on-Trent and Staffordshire (i.e. what do we need to do that is different to the existing approach)?
- How can we encourage and support our indigenous businesses to develop and grow?
- How can we encourage local businesses to trade, not just internationally but also outside of Stoke-on-Trent and Staffordshire to other parts of the UK?
- Are there any gaps in the current business support offer?

- What can we do to engage businesses throughout Stoke-on-Trent and Staffordshire to ensure our business support functions are meeting their needs?