

Stoke-on-Trent & Staffordshire

Enterprise Partnership

Local Industrial Strategy Executive Summary

April 2020



Foreword – Recovery and Renewal

Stoke-on-Trent and Staffordshire is a major UK growth opportunity. Stoke-on-Trent and Staffordshire played a unique role as one of the creative workshops of the first Industrial Revolution. We are in the grip of the Covid-19 virus and our immediate focus is on support for those whose livelihoods and business models have been most effected. However, we are determined that support also creates lasting opportunities for the longer term, ensuring that the lasting damage to our communities caused by previous economic shocks does not happen this time.

Today, we look ahead to economic recovery from Covid 19, supporting our communities and businesses. The global economy looks very different than only six months ago, but our strengths provide real opportunities for communities, residents and businesses that have been dramatically effected by recent events.

The global, national and local response to Covid 19 has been both highly networked and deeply local. Technology and distribution systems have been crucial and our local social and natural capital has been equally important. People and firms are using much wider networks to create, to earn and to socialise, but we are also clear about the need to protect and improve our environment and how the choices we make as individuals and businesses can have a positive impact on our surroundings and communities.

For all of our communities and businesses, recovery and future success will mean cherishing this ability to work globally and locally and making sure we invest in ways that benefit our ability to do both.

Stoke-on-Trent and Staffordshire have major advantages in the post Covid 19 global economy. Because the boundaries between traditional industries are continuing to dissolve, with creative & digital skills and techniques increasingly important, the diversity of our business base and the innovation and skills of our communities is a major opportunity. Our digital industry is growing fast and developing into a productive, supportive ecosystem for new and growing firms. We have a mix of different businesses, homegrown giants, start-ups, and fast-growing SMEs. These businesses are taking on and developing local talent, providing highly skilled, highly paid jobs. Our major proposals to ensure full 5g connectivity will ensure Stoke-on-Trent and Staffordshire continues to be at the forefront of digitally connected business.

Our cities, towns and rural areas are fast growing centres of modern manufacturing, making a major contribution to manufacturing employment growth nationally. We will continue to invest in technical and digital skills needed. Businesses here produce the advanced technical components and materials for a range of consumer and business products. Alongside our renowned international large companies, including JCB and JLR, Staffordshire is home to many exciting SMEs including four Queen's Awards winners in 2019. Companies including Semantics 21, Woolcool, Allet, Conversion Rea, Implementra and Addmaster are highly innovative, investing in the future and playing a core part of maintaining UK competitiveness and success as we leave the EU. Companies large and small are trading in a wide range of global markets.

Our location is a major economic driver – we are at the heart of the country, with excellent road and rail connections North, South, East and West, to London, Birmingham, the East Midlands, Manchester and beyond. We are also well connected internally, with strong road and rail networks which support well defined growth corridors and priorities for further transport improvements. Our growth corridors have major commercial development sites, particularly along the M6 and West Coast / High Speed 2 (HS2) route.

This strategy shows how we are going to move through short term recovery to longer term future success, with an ambitious and open approach to business growth and collaboration. We will play a leading role as the UK meets the new challenges of the 21st century, making the transition to a post

carbon, more productive and more inclusive economy. By increasing digital skills, entrepreneurship and the adoption of new technology and techniques, we will develop as a hot spot of business start up and growth, ensuring our businesses are competitive, whatever their sector, and that more of our communities have the practical help and opportunities they need to succeed.

By investing in our natural capital, circular economy, sustainable energy use and renewing our urban centres we will ensure we have a natural and built environment that is biodiverse, healthy and fit for the long term.

We are developing as a national centre of innovation in local energy use. The Stoke-on-Trent District Heating Network is one of only two such geothermal district heating systems in the UK, and will supply the city with cheap, sustainable heating. The Smart Energy Network Demonstrator at Keele University and the HyDeploy programme are sites for researchers to develop commercial propositions for smart energy, assets which will allow this area to lead the national transition to green energy.

Through the creation of this Local Industrial Strategy, we have renewed the role of the Local Enterprise Partnership, bringing together Local Government Leaders, businesses and education providers. People here are proud of their places and committed to helping them grow. Together, we are ambitious for our area and will deliver the actions in this strategy to make our place and our economy thrive.

Opportunities and challenges

Stoke-on-Trent and Staffordshire is central to the UK's transition to a low carbon, connected and competitive economy. Our local economy is worth £23.6bn and supports 487,000 jobs.¹ Since 2009, employment has increased by 12%.² Stoke-on-Trent and Staffordshire's central location, excellent connectivity and the arrival of HS2 mean there is clear potential to grow further. We are a centre of advanced materials, manufacturing, logistics and energy innovation, and we have fast growing digital and professional services sectors with further potential to grow our specialisms within agri-tech. Stoke-on-Trent and Staffordshire is seeing growing appetite from investors and strong demand for strategic commercial sites and office space. Our economy, businesses and communities have been hit hard by the economic impact of Covid 19. The region took longer than others to recover from the 2009 economic shock and we are determined not to let that happen again.

This strategy sets out the major opportunities that our economy has, the challenges that remain and the actions we need to take to meet them – increasing growth and productivity and equipping our communities with the skills and opportunities they need to succeed.

We have a young, diverse city in Stoke-on-Trent, with strong investor and business interest in a highly competitive city centre office and commercial offer. The cathedral city of Lichfield is also seeing strong demand, driven by both business growth and inward investment. We have successful, historic and attractive towns, which are playing a strong role in the growth of the wider midlands economy. We are an attractive and popular place to live and visit, with large areas of beautiful countryside throughout Staffordshire and some of the UK's leading tourism destinations including Alton Towers Resort and the Peak District National Park. This strategy shows how, as an increasingly popular location, we will deliver the sites we need to pull more businesses into this area, make our city and town centres places of enterprise and the social heart of our communities, and work with our universities, schools and colleges to raise aspirations of all people here, whatever their age.

We have significant communities that are among the most deprived in the country and don't have the access to opportunities and skills that they need. They are likely to be some of the hardest hit by Covid 19 impacts.

Health outcomes are well below where they should be, and whilst the number of jobs here has grown, we have work to do to raise skills levels across the area, helping people to fulfil their potential and prepare the area for the demands of the future economy.

Recent productivity growth has been slow and the gap between our area and the regional and national averages has widened.³ This has a real impact on our communities and residents – the case for levelling up here is strong, our urban centres and market towns need investment. Without tackling these underlying issues with long term and sustained investment and action then we will both limit future growth and limit the benefits for our residents and communities. The global economy is changing fast, and there are long-term challenges – in terms of changing trade conditions and climate change. We are confident that we can help our businesses, residents and places adapt to new opportunities and challenges. This Local Industrial Strategy (LIS) sets out how we will do this.

Our overall ambition is to be a hot spot of enterprise, ambition and business growth, where digital, transport and energy networks drive productivity and inclusion through innovation and inward investment and with a high quality of life.

¹ ONS Balanced gross value added in current basic prices for economic and enterprise regions, 1998 to 2017; ONS Business Register and Employment Survey, 2018.

² ONS Business Register and Employment Survey, 2018.

³ ONS GVA Reference tables; BRES Employment by SIC Sections. Note: GVA per hour is a measure of local economic productivity.

There are major opportunities here:

- **We are extremely well connected with an excellent commercial offer and strong business and HE relationships.** We are at the intersection of three major engines of UK growth (the West Midlands, East Midlands and the North West), making an important contribution to all three and the wider UK economy. Stoke-on-Trent and Staffordshire is a major centre for modern logistics. Professional services are growing here, and excellent connectivity to the rest of the country makes Stoke-on-Trent and Staffordshire the ideal place for businesses in the sector to make their base. Keele and Staffordshire Universities are working extremely closely with local businesses, with, for example, a strong computing science and business focused student population. HS2 will further improve this excellent connectivity, and drive significant growth, particularly in Stafford and Stoke-on-Trent.
- **Our major proposal for the UK and Europe's first 5g connected region for rural and urban areas** will provide a once in a lifetime opportunity to provide both 100% gigabit coverage locally and a national opportunity to create, develop and own future 5g value and supply chains.
- **Manufacturing and materials innovation:** Our area has been responsible for half of net national jobs growth in manufacturing since 2010. Our many major companies, new Advanced Materials and Incubation and Accelerator Centre, and Innovation Demonstrator programmes will make a significant contribution to the future of manufacturing in the UK.⁴ Our firms are global experts in components, assembly and advanced materials. UK manufacturing is changing fast to stay competitive, and our firms and partnerships with HEIs locally and globally will play a major role in the development and adoption of new techniques and business models – in large part through adopting Industry 4.0 and the Internet of Things (IoT) approaches.
- **A centre of energy innovation and low carbon adoption:** Stoke-on-Trent and Staffordshire is at the forefront of the UK's transition to a zero-carbon economy. The Stoke-on-Trent District Heat Network and Keele University's Smart Energy Network Demonstrator are national assets.⁵ HyDeploy is the first project in the UK to inject hydrogen into a natural gas network.⁶ We are prioritising energy efficient, modern methods of construction in building new homes and transforming our construction sector. The Low Carbon Business Evolution Programme (LCBEP) is supporting our businesses to de-carbonise and increase productivity through more efficient energy use and we want to do more. Together with neighbouring Harper Adams University, we are supporting rural businesses in the low carbon transition and in improving productivity and sustainability through new technology.
- **A visitor economy that had been growing strongly prior to lockdown,** with future capacity to grow and respond to trends such as micro-breaks and UK green tourism.

But major challenges remain:

- **Overall productivity is not as high as it could be and workplace-based wage levels have not kept pace with job growth.** Significant recent job growth has occurred in lower productivity, low wage sectors.
- **Skills levels** have increased rapidly, but performance and qualifications at key stage 4 and 5 is still too low. We need higher level skills and have specific gaps in relation to digital, technical and construction skills.

⁴ ONS Business Register and Employment Survey, 2018.

⁵ [Low-carbon network will offer affordable heat alternative](#), Stoke-on-Trent City Council, 2019; [Smart Energy Network Demonstrator](#), Keele University.

⁶ [Hydrogen trial at Keele could dramatically cut UK's carbon emissions](#), Keele University, 2019.

- **We still have fewer businesses than we should**, despite our great location, affordable space and a city with one of the youngest populations in the country.
- **We have some severely deprived communities** with health and wellbeing outcomes that are unacceptably low.
- **Our town centres face challenges**, and will have to adapt fast if they are to attract investment whilst keeping pace with changing demand and consumer behaviour, particularly post Covid 19.
- **We need to support our rural areas** which have opportunities to raise productivity not only in the agriculture & tourism sectors, but also as key locations for some of the fastest growing manufacturing companies in the LEP area. Further investment in infrastructure to unlock business growth and digital connectivity is required to fully enable these areas to flourish.
- **Climate change** is creating long-term pressures on all parts of the world, and Stoke-on-Trent & Staffordshire is no exception. We are clear that we need to work with partners, businesses, and our residents to adapt to these challenges.

Aims and Approach

The Stoke-on-Trent and Staffordshire Local Industrial Strategy has been developed through collaboration and codesign by a wide range of local partners, led by the Local Enterprise Partnership.

Business and local authority leaders, Keele and Staffordshire Universities, and our local colleges have worked together to build and jointly agree this strategy, including a strong evidence base, clear goals and interventions. The actions in this strategy are based on evidence about what works and our collective expertise and experience of living and working in the area, including engagement with businesses and business groups about the challenges and opportunities ahead.

This strategy sets out our overall ambition for Stoke-on-Trent and Staffordshire and the contribution we will make to the future success of the UK. It identifies opportunities and challenges against each of the five foundations of productivity, with actions to tackle each. It shows the future opportunity and contribution of our cities, towns and rural areas.

Our overall ambition is to be **a hot spot of enterprise, ambition and business growth, where digital, transport and energy networks drive productivity and inclusion through innovation, inward investment and with a high quality of life.**

Based on the findings of our detailed evidence research and engagement with partners, we have also agreed five aims, reflecting what needs to happen to develop different aspects of the economy:

- **Place:** Repurposed and revitalised town and city centres and highly successful rural areas, with a strong commercial and residential offer and excellent quality of life.
- **Ideas:** Increased adoption and absorption by businesses of new techniques and technologies, with expanded existing centres of excellence in logistics, energy use and manufacturing.
- **Business Environment:** A centre for start-up and growing businesses, with increasing productivity and enterprise levels, with more sustainable energy and resource use by firms.
- **People:** Rising wages, skills levels and ambition. A place where providers and industry collaborate and residents get the training and digital skills needed to fulfil their ambitions.
- **Infrastructure:** Further improvements to the transport, energy and digital networks, with the high quality, sustainable housing our communities need.



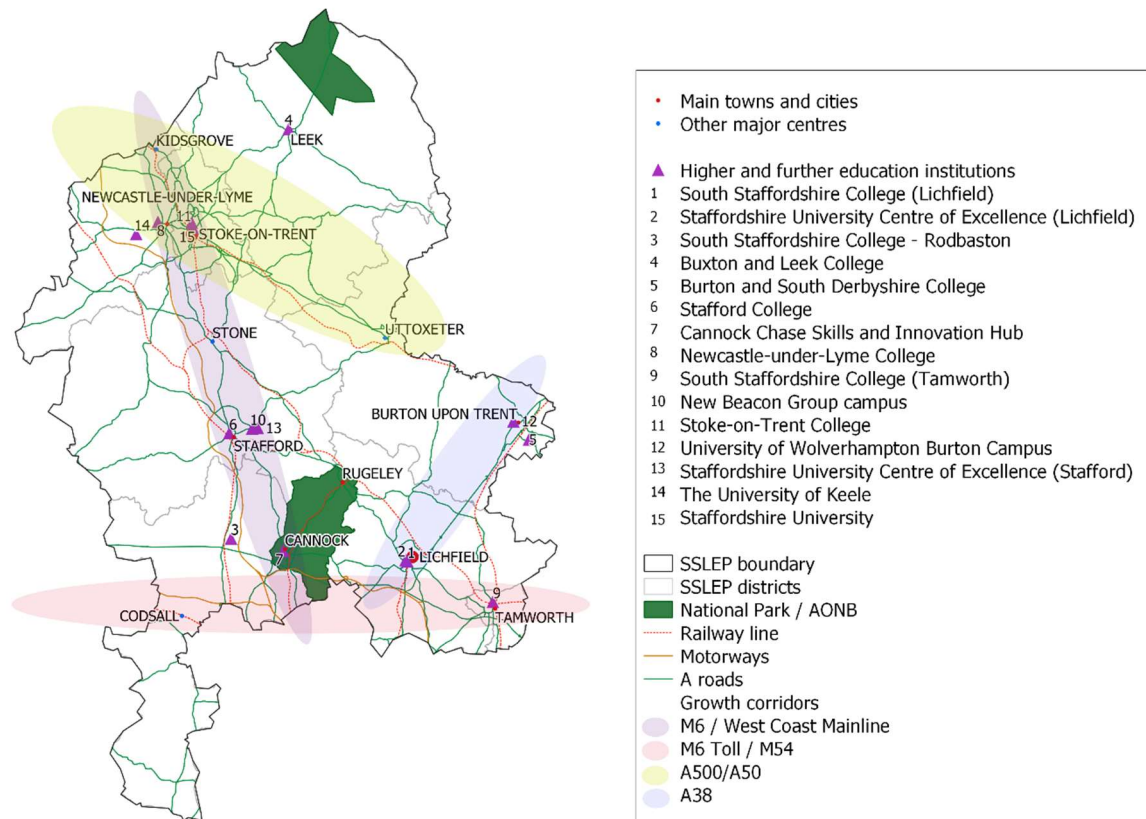
To achieve its priorities and take the opportunities available, Stoke-on-Trent and Staffordshire will take the following actions:

Place

This strategy will support our towns, city centres and rural areas to flourish and succeed – with a revitalised / repurposed commercial offer, high quality housing, a growing visitor economy and excellent quality of life. Stoke-on-Trent and Staffordshire is a diverse place. We have urban centres, manufacturing towns, historic market towns, large areas of rural land and areas of outstanding natural beauty including the Peak District National Park. We have also agreed the growth corridors that maximise the benefits of our connectivity to national and global markets:

- The M6/West Coast Main Line corridor
- The M6 Toll / M54 corridor South Staffordshire
- The A38 Lichfield – Burton-upon-Trent corridor
- The A500 / A50 Corridor.

Stoke-on-Trent & Staffordshire: Places and Assets



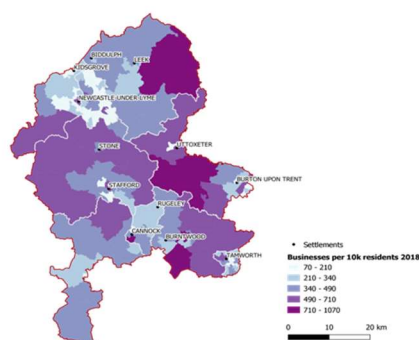
We will work with a wide range of stakeholders – including businesses, local authorities, landowners and developers, anchor institutions, community and voluntary groups, public transport providers and environmental and nature groups – in order to improve our places through the following interventions:

- Strengthen our inward investment offer and promotion, actively targeting potential investors with the strong commercial premises offer in our town and city centres and rural areas, reflecting growing demand for office space and high quality commercial units.
- Further developing and enhancing our culture offer.
- Improve public transport and accessibility within our town and city centres and rural areas.
- Tackle persistent deprivation and joblessness, by better linking up skills provision with specific business opportunities locally.
- Protect and enhance our natural and built environment assets including our excellent leisure offer.
- Build on and expand our existing visitor economy strengths to increase spend.

Business environment



BUSINESSES PER 10,000 RESIDENTS



Source: ONS Business Counts (2018); ONS Population Estimates (2018)

Stoke-on-Trent and Staffordshire is a good place to start a business, but we need more new businesses and more & larger scale-up firms. Our aim is to grow as a business start-up and growth hot spot, increasing business dynamism and scale up, with increasing productivity and sustainable energy and resource use across all our sectors. We will build on the existing business support system, attracting new and supporting the growth of existing supply chain firms – working with existing providers, businesses, local authorities, anchor institutions, DIT, developers and landowners – in order to:

- Create more flexible small business space in key centres and in rural areas.
- Deliver the strategic employment sites we need to grow.
- Deliver a new inward investment campaign.
- Establish a new high growth business support programme: a range of support to help ambitious firms grow.
- Support new peer-to-peer business networks and leadership groups.
- Create locally delivered enterprise support in our cities and towns – linking people with advice, opportunities and potential premises & funding.

Ideas

IDEAS



23th out of 38
LEPs for R&D
spend per FTE



29th out of 38
LEPs for business
R&D spend



£422 R&D
spend per FTE



£170m R&D tax
credit equal to **3.4%**
of West Midlands total



£93.7m
of innovation
funding from
2012-21



298 university
spinouts with
turnover of **£6.9m**

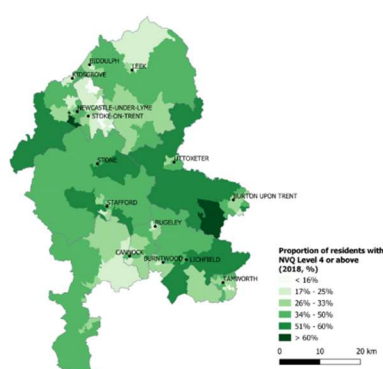
We will act to increase business demand and capacity to absorb and adopt new techniques and technologies. We will support increasing R&D, particularly in our existing and emerging centres of excellence – as leaders in logistics, energy use and manufacturing. We will work with businesses, universities and national and regional innovation programmes and agencies to:

- Further invest in our knowledge transfer programme and diffusion networks, focusing on manufacturing, advanced materials, energy, agri-tech and logistics.
- Use public procurement and anchor institution direct and indirect spending to drive local innovation, connecting our major institutions to the networks of SMEs that can provide new solutions.
- Establish a programme of technology demonstration and hands-on innovation support, particularly to businesses focusing on energy, circular economy, low carbon transition and manufacturing.
- Build on the exciting and new assets we need to drive diffusion and innovation.

People



SHARE OF POPULATION WITH NVQ4+ QUALIFICATIONS



Source: Metro Dynamics Model of ONS Census and Population Estimates

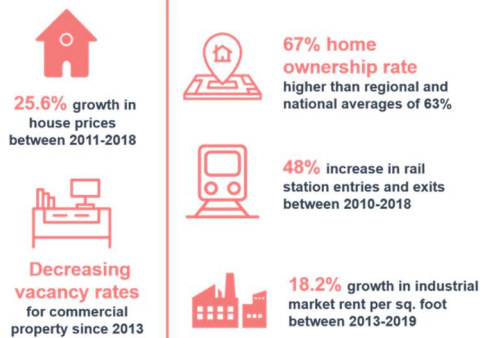
We will invest in our people and communities, increasing skills and fostering ambition, as a place where providers and industry collaborate and people and firms get the retraining and technical & digital skills needed. We will work with a range of local stakeholders – including businesses, universities, colleges, independent training providers and schools – in order to:

- Ensure greater collaboration between skills providers and businesses to meet market need.
- Create new flexible provision for digital skills and retraining at all ages.
- Develop improved pathways for the changing skills our economy needs and develop new curriculum modules based on specific partnerships between businesses and local providers.
- Work with Government to improve the targeting and effectiveness of the apprenticeship levy and on-going capital investment and funding
- Expand and build upon the facilitation and support given to school leaders and businesses, in the design and delivery of the careers and employability curriculum, including the provision of high quality careers and employment information, advice and guidance.

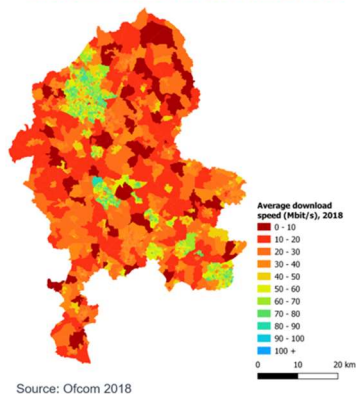
Infrastructure

Our aim is to work with Government to maximise the impact of local energy networks and digital connectivity, secure further transport improvements, including HS2, and develop as a centre for logistics innovation, making a major contribution to the future of mobility.

INFRASTRUCTURE



AVERAGE BROADBAND DOWNLOAD SPEEDS (MBIT/S) IN STOKE AND STAFFORDSHIRE, 2018



We will:

- Work with national partners to prioritise major strategic schemes, including:
 - The UK and Europe's first fully 5g connected urban and rural area, and a national asset for the UK.
 - Continued investment in the Smart Motorway programme to increase capacity on the M6 including improvements to Junction 15.
 - A link between the M54 and the M6.
 - Addressing congestion issues on the A50 / A500 and A5, including Project B on the A50.
 - Longer term improvements for the A38 corridor.
 - Maximising the benefit from HS2, including delivering the Handsacre rail link, which is a vital part of HS2 and ensures Stoke-on-Trent and Staffordshire can fully benefit from the scheme.
 - Midlands Rail Hub – upgrading the network and transforming east-west travel.
- Invest in priority local transport schemes and those which unlock land for housing and business growth.
- Secure investment and then roll out next generation digital connectivity.
- Deliver the high quality, sustainable housing we need to grow supported by strong utilities and social infrastructure, transforming our construction sector and creating new highly skilled jobs in modern methods of design and construction.

Implementation

- 1.1 Partners are working collaboratively to develop an Implementation Plan which will bring together our immediate support for Covid 19 economic impacts with the longer term investment needed to achieve the objectives and priorities described in this Local Industrial Strategy. The Implementation Plan will identify the timing, responsibilities, investments and outcomes for each of our priorities.

Working with Government

- 1.2 Government has a major role to play in ensuring the recovery and renewal of our economy and long term success. As well as the immediate funding needed to support businesses now, particular investment is needed to deliver the objectives set out in this strategy and to build local capacity within the LEP and partners to ensure that we can deliver.
- 1.3 As identified above, Government's role is especially important in terms of infrastructure funding and the regulatory environment. We are keen to work with Government to provide more detail to discuss how our current plans could be accelerated through the provision of additional funding.