Local Industrial Strategy

March 2020

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Foreword

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 Industrial Revolution. Today, we are a fast growing centre of modern manufacturing, making a major contribution to manufacturing employment growth nationally. 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 a large number of exciting SMEs including five Queen's Awards winners in 2019 alone. Companies including Semantics 21, Woolcool, Allet, Conversion Rea and Implementra 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 digital industry is growing fast and developing into a productive ecosystem. We have a mix of different businesses, homegrown giants, start-ups, and fast-growing SMEs. These businesses are taking on and training local talent, providing highly skilled, high paid jobs to promising young people of all backgrounds.

The diversity of this business base is a major opportunity – the boundaries between traditional industries are dissolving. Our digital and manufacturing sectors meet in the application of Industry 4.0 and the Internet of Things (IoT) technologies.

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 and excellent and ever-improving digital connectivity. We have major commercial development sites, particularly along the M6 and West Coast / High Speed 2 (HS2) corridor.

This strategy aims to bring these strengths together, with an ambitious and open approach to business growth and collaboration, to play a leading role as the UK meets the challenges of the 21st century, making the transition to a post carbon, more productive and more inclusive economy. By increasing digital skills, resourcefulness, entrepreneurship and the adoption of new technology and techniques, we will develop as a hotspot of business start-up and growth, ensuring our businesses are competitive, whatever their sector, and that all our people can prosper.

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.

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 for businesses, 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.

Unlocking this opportunity means tackling the real challenges that remain. We were hit hard by long term deindustrialisation and the 2008 financial crisis. This has had a long term impact on lives and communities. 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. 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 full 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. And 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 – including changing trade conditions and climate change. Nonetheless, 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.

Through the creation of this LIS 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.

Executive Summary

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 £21.9bn 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.

This strategy sets out the major opportunities that our economy has before it, 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.

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.

Opportunities and challenges

There are major opportunities here:

- **Manufacturing and materials innovation**: Our area has been responsible for half of net national jobs growth in manufacturing since 2010, and with many major companies we will make a significant contribution to the future of manufacturing in the UK.[3] 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.[4] HyDeploy is the first project in the UK to inject hydrogen into a natural gas network.[5] 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.

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[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 Business Register and Employment Survey, 2018.
[4] *Low-carbon network will offer affordable heat alternative*, Stoke-on-Trent City Council, 2019; *Smart Energy Network Demonstrator*, Keele University.
[5] *Hydrogen trial at Keele could dramatically cut UK's carbon emissions*, Keele University, 2019.

- **Extremely well connected with an excellent commercial offer**: We are at the intersection of three major engines of UK growth (the West and East Midlands and the North West), making an important contribution to all three. 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. HS2 will further improve this excellent connectivity, and drive significant growth, particularly in Stafford and Stoke-on-Trent. Lichfield benefits from the A38 and M6 Toll through the district. The rural nature of large parts of the county also offers a highly attractive environment for businesses to locate and has led to the creation of a number of highly successful business parks.

- **A strong and growing visitor economy but one which has capacity to grow and respond to emerging 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. Overall we have lower levels of higher level skills and specific gaps in relation to digital and construction skills.

- **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.

- **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.

Our overall ambition is to be **a hotspot 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**.

Led by the Local Enterprise Partnership and working with local authorities, business leaders and stakeholders from higher education institutions across the area, this strategy establishes how Stoke-on-Trent and Staffordshire will work with Government to deliver.

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. 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:

- Promote business activity and 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.

- 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.

- Protecting and enhance our natural and built environment assets.

- Build on and expand our existing visitor economy strengths to increase spend.

Business environment

We are a good place to start a business, but we need more new businesses, and more and larger scale up firms. Our aim is to grow as a business start-up and growth hotspot, 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 – 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 and funding.

Ideas

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

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. We will:

- Work with national partners to prioritise major strategic schemes, including:

  o Continued investment in the Smart Motorway programme to increase capacity on the M6, including improvements to Junction 15.

  o A link between the M54 and the M6.

  o Addressing congestion issues on the A50 / A500 and A5, including Project B on the A50.

  o Longer term improvements for the A38 corridor.

  o 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.

  o Midlands Rail Hub.

- 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.

We are developing an Implementation Plan which will be published in early 2020. We are working with partners to revitalise our local networks to make this happen. By helping bring together our partners from business, local authorities, higher and further education and the third sector, we are confident we can deliver a step-change in our place and our economy – for the benefit of our businesses and residents as well as the UK economy.

Aims and Approach

This section summarises what our Local Industrial Strategy is designed to achieve and how partners have worked together to developing it.

Approach

1.1   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.

1.2   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.

1.3   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.

Aims

1.4   Our **overall goal** is to be a hotspot of enterprise, ambition and business growth. An economy where digital, transport and energy networks drive inclusion and productivity, through innovation and inward investment, with a high quality of life for all our communities.

1.5   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, with a strong commercial and residential offer and excellent quality of life, and strong rural areas.

- **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.

This approach is summarised in the diagram below:

We want to be a hot spot of enterprise, ambition and business growth, where digital, transport and energy networks drive inclusion and productivity through innovation, inward investment with a high quality of life for all our communities.

Business environment	Ideas	People	Infrastructure	Place
A centre for start-up and growing businesses – with increasing productivity and enterprise levels, with more sustainable energy and resource use.	Increased adoption and absorption by businesses, with expanded existing centres of excellence in logistics, energy use and manufacturing.	Raising 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.	Further improvements to transport, energy and digital networks. The high quality, sustainable housing communities need.	Repurposed and revitalised town and city centres, with a strong commercial and residential offer and excellent quality of life.

The strategy sets out the actions and interventions that we will take to deliver the aims above. They will benefit productivity and growth in all our sectors:

Manufacturing Auto, Aero, Rail	Advanced materials	Med Tech	Business services	Energy	Agri / Food	Business & leisure tourism	Logistics future mobility	Creative, Games, Designer-Makers	Construction

Addressing national Grand Challenges using local expertise: Clean Growth and Future Mobility

Distinctive Strengths

1.6   We are a diverse economy, with strong supply chain and economic links across a wide range of sectors. But there are three distinctive strengths that will be particularly important to our future success:

A leader in 21st century advanced manufacturing and materials

1.7   Stoke-on-Trent and Staffordshire is a major centre of manufacturing, part of the wider Midlands cluster. Nearly 60,000 jobs in Stoke-on-Trent and Staffordshire are in the sector, and the numbers are growing: employment growth in our area has accounted for half of all national manufacturing employment growth between 2009 and 2017.[6]

1.8   Much of this is down to our connectivity: local businesses are an important part of national and global supply chains. Businesses based here are able to trade with places across the country thanks to the motorway network and our central position. JCB, the UK's largest construction equipment manufacturer, is based in the area and exports across the world. JLR assembles engines at the i54 site in South Staffordshire. Many of our smaller manufacturing firms play a vital role in the wider UK automotive supply chain, offering specialist products and services.

1.9   Stoke-on-Trent & Staffordshire, as a global centre of the ceramics industry for over 200 years, has a long and proud manufacturing heritage. The industry is still active here[7] and extremely diverse, encompassing traditional and longstanding tableware and hotelware manufacters, bricks, roof, floor and wall tiles and sanitaryware serving the construction market, refractories and makers of the technical ceramic materials which form a crucial part

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[6] ONS Business Register and Employment Survey, 2018

[7] The ceramics industry employs 8,700 FTEs in Stoke-on-Trent & Staffordshire. Source: *BCC (2017) Ceramics Sector Deal Proposal*

of the automotive, aeronautical, process industry and electronics supply chains. There are also a number of key machinery and materials suppliers for the sector based in the LEP area. The sector is a key exporter, with approximately £250m of exports from the Stoke-on-Trent & Staffordshire each year, especially in tableware/giftware, sanitaryware, refractories and technical ceramics. Other manufacturing sectors with a presence in Stoke-on-Trent and Staffordshire include medical technologies, brewing and chemicals.

1.10 We need to support these companies to be innovative, seeking out new products and processes in order to remain competitive. The manufacturing industry is changing and requires firms to change with it. Long term competition from economies in the Global South and Far East has forced manufacturers to cut costs or innovate to produce higher value goods. There is a particular opportunity in the Advanced Ceramics sector, which is a £24 billion global market, but growing rapidly.[8] The CAGR of the UK advanced ceramics market alone is forecast to grow by 12.8% over the next decade, increasing from £2bn today to £6bn-£10bn by 2030.[9]

1.11 Ever more manufacturing businesses are creating and marketing services as well as products. This process of servitisation helps firms to become more resilient, since they do not rely on one sector, and also to grow, finding new customers in new markets. The increasing role of digital technologies – referred to as Industry 4.0 and the Internet of Things (IoT) – is further changing the operations of manufacturing businesses (as well as businesses in logistics, energy and agricultural sectors amongst others).[10]

1.12 Supporting firms to respond to changing demand with the future of the sector will require us to support skills development at all levels and entrepreneurialism – in existing businesses and new ones. This Local Industrial Strategy sets out a plan to achieve this.

A centre of innovation in energy use and energy security in businesses and communities.

1.13 By 2050, the UK has committed to cutting greenhouse gas emissions to almost zero and to reducing emissions by 80%.[11] This is as much an opportunity as a challenge: as the world economy transitions to clean energy, new and innovative forms of energy production and clean industry will be in high demand. By one estimate, the UK's clean economy could grow at four times the rate of GDP.[12] At the same time energy demand is continuing to rise.

1.14 Working with Government, Stoke-on-Trent and Staffordshire has a distinctive contribution to make, both as a centre of innovative energy use and energy efficiency in businesses and in tackling fuel poverty and long term security of supply for communities.

1.15 In Stoke-on-Trent the public and private sector are collaborating on a green energy network to provide cheap heating to the city's homes. The District Heating Network (DHN), begun in 2014, is beginning to come on-line, and promises to displace 45GWh of heat demand from fossil fuels annually with the integration of low and ultra-low carbon heat sources into a city-wide network.[13] By connecting public buildings and homes it will provide a source of cheap, clean energy to the city's houses, and through this reduce the burden of deprivation on residents. Stoke-on-Trent is using this infrastructure as an opportunity to spread skills and business opportunities among the local population. With the District Heat Academy, Stoke-on-Trent College is providing further education training to meet the project's skills needs, while Hotspot Stoke provides a space from which to build a local supply chain for the

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[8] Data provided by Lucideon

[9] Ibid

[10] *Manufacturing; Digital Transformation*, BDO, 2019.

[11] In 2018, global energy demand and carbon emissions from energy use grew at their fastest rate since 2010/11, *BP Statistical Review of World Energy, 2019.*

[12] HM Government (2017) Clean Growth Strategy

[13] Information provided by St. oke-on-Trent City Council

infrastructure by bringing local suppliers to meet and understand the opportunities arising from the creation of the DHN.

1.16 Our businesses are also leading on energy innovation. The ceramics industry in particular expends huge resources on heat to produce its products: energy costs for brickmakers can encompass one third of total costs.[14] Ibstock Brick for instance have invested £22m in state-of-the-art efficiency measures at Chesterton Brick Factory, cutting costs and producing some of the lowest carbon bricks in the world. Johnson Tiles has made £80m investments in their state-of-the-art energy efficient factory over the last 20 years. It will be important to continue to support local producers to meet the UK's carbon emmission targets while remaining internationally competitive.

1.17 The Smart Energy Network Demonstrator (SEND) at Keele University is a nationally important site for researchers to develop commercial propositions for smart energy and market it to clients, and is an important catalyst to energy innovation.[15] Keele University has invested £15m in a 'living lab' for smart energy network technologies. This includes demonstration infrastructure and a collaborative business / University product development centre, which will allow businesses and academic researchers to collaborate and share expertise to innovate. The University also has permission to run a live trial of blended hydrogen and natural gas on part of the private gas network at the Keele University campus. Named HyDeploy, it will be the first project in the UK to inject hydrogen into a natural gas network, with significant Government investment.

1.18 The Staffordshire Business Environment Network (sben) LCBEP project is supporting 285 SME's with energy efficiency reviews and investing £2m in technology in businesses to reduce carbon and cutting costs on energy. Iron Maidens Commercial Laundry invested £25K in a pre-heating system for wash cycles saving 38 tonnes of carbon annually and significantly reducing running costs and time per cycle.[16]

1.19 Stoke-on-Trent and Staffordshire will continue to build on these strengths, targeting future business support at energy efficiency and investing in further developing networks and centres of excellence that will develop and scale new solutions.

An ideal base for business and professional services

1.20 Stoke-on-Trent and Staffordshire is well placed to become one of the standout centres of business and professional services in the UK. The sector is growing particularly rapidly in the wider West Midlands, with professional and financial services Gross Value Added (GVA) forecast to double to £50 billion by 2030, with growth forecast across all parts of the sector.[17] This is leading for a rapidly increasing demand for talented school leavers and graduates and is driving demand for office space.

1.21 Thanks to our central location and excellent connectivity to the West Midlands and wider economy, Stoke-on-Trent and Staffordshire has a major opportunity to contribute to and benefit from this growth in business services. Professional services firms are able to reach clients across the country quickly and easily from here, and the affordability of land and office space means that the businesses based here find a competitive advantage. We have thriving established firms, including Vodafone, Wardell Armstrong, RSM, Atlanta, LA International, RBS and COWI – and from 2010 to 2018, the number of businesses in the sector here grew by 24%.[18]

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[14] British Ceramic Confederation & Staffordshire Partners (2017) A deal for ceramics
[15] Smart Energy Network Demonstrator, Keele University.
[16] https://www.youtube.com/watch?v=ED30y1JU9Cg
[17] *West Midlands Local Industrial Strategy,* Department for Business, Energy & Industrial Strategy, 2019.
[18] ONS UK Business Counts 2018.

1.22 Professional and business services firms here are serving local as well as national and global markets. As other sectors, including manufacturing and logistics, increasingly move to service-based business models, there are significant opportunities for local business services firms to both support innovation in the wider economy and to benefit from growing local and national markets. They provide the support wider industries need to remain competitive, helping them navigate new digital techniques and processes and streamlining their distribution and logistics systems.

The sections below set out in more detail our priorities for each foundation of productivity and the actions we are going to take to deliver those priorities. It summarises the headline evidence for each. More detail can be found in the accompanying evidence base.

Place

Ambition

2.1 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. At the heart of the country and on the doorstep of two major urban conurbations, with fast and regular connections to London and to the rest of the country, we have a major opportunity to develop as a centre of enterprise and business growth.

2.2 To achieve this, we will bring together the actions set out above, tailoring them to meet the different requirements and opportunities of our places. Our aim is to work together to realise the true future potential of our cities, towns and rural areas, as attractive places to live, work and play, with excellent and affordable public transport, and strong cultural and natural assets. Our places are where the initiatives discussed in the following chapters will happen.

Stoke-on-Trent & Staffordshire: Places and Assets

•	Main towns and cities
•	Other major centres
▲	Higher and further education institutions
1	South Staffordshire College (Lichfield)
2	Staffordshire University Centre of Excellence (Lichfield)
3	South Staffordshire College - Rodbaston
4	Buxton and Leek College
5	Burton and South Derbyshire College
6	Stafford College
7	Cannock Chase Skills and Innovation Hub
8	Newcastle-under-Lyme College
9	South Staffordshire College (Tamworth)
10	New Beacon Group campus
11	Stoke-on-Trent College
12	University of Wolverhampton Burton Campus
13	Staffordshire University Centre of Excellence (Stafford)
14	The University of Keele
15	Staffordshire University

SSLEP boundary
SSLEP districts
National Park / AONB
Railway line
Motorways
A roads
Growth corridors
M6 / West Coast Mainline
M6 Toll / M54
A500/A50
A38

Context: Our area

2.3 Stoke-on-Trent and Staffordshire covers 2,714 sq. kilometres and nine local authority areas. Stoke-on-Trent is our largest urban area and only unitary authority and, with a population of 255,833, is our area's main population centre.[19] Home to a longstanding ceramics industry, a growing number of professional service firms, and Staffordshire University, it is an important growth city for the UK as a whole, and has significant potential to develop further. Stafford Borough, which contains the county town, is the second most populous. Stafford itself sits at the heart of our area and will soon be a stopping point for a HS2 link. Newcastle-under-Lyme is a thriving town which has a strong town centre and benefits from the presence of Keele University.

2.4 Several of our towns grew through manufacturing. Burton-upon-Trent in East Staffordshire still has thriving brewing and manufacturing industries, and, on the border of the East Midlands and close to Birmingham, is an important logistics hub.

2.5 There are historic market towns across the county. Lichfield, our cathedral city, is growing as a tourist destination, while Tamworth is an emerging business centre of importance. Cannock and Rugeley are two former mining towns on the doorstep of the Cannock Chase forest, an area of outstanding natural beauty and an important tourist attraction. These are attractive places and most have important leisure, retail and residential developments due to begin inside the next few years.

2.6 We have large areas of rural land which host agriculture and the visitor economy, and which are also home to important manufacturing firms. The Staffordshire Moorlands and South Staffordshire have important strategic logistics and manufacturing sites, as well as strong and growth focused visitor economies: the award-winning new electric JCB mini-excavator is manufactured in Cheadle in Staffordshire Moorlands.

2.7 We are strongly connected to other parts of the Midlands and the North West, with good train links to London. In part these links are and will remain about inward and outward commuting. But our supply chain and value chain links are more important. Firms based here are important parts of the national logistics system, the Midlands manufacturing cluster and global supply chains for automotive, aero and agri-tech sectors. They trade and export globally. As powertrains shift to low carbon propulsion and components require lighter, more efficient materials, our firms will continue to be at the forefront of a much wider UK and regional drive for competitiveness and success.

2.8 These local business strengths and our excellent location mean that commuting is not simply about residents accessing jobs elsewhere. Many people commute into our towns and cities. The most recent data shows that overall, 70% of residents living within the area work there, while 30% commute out.[20] Of the 119,600 commuting out of Stoke-on-Trent and Staffordshire for work, 18,200 travel to Birmingham, comprising 15% of the total who leave the area. 12% commute to Wolverhampton and 11% commute to Cheshire East.[21] At the same time, 75,000 residents from outside Stoke-on-Trent and Staffordshire commute into the area for work. The largest proportion of these commute from Cheshire East and South Derbyshire, each making up around 11% of the total number of inward commuters respectively.[22]

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[19] Source: ONS Population estimates - local authority based by single year of age
[20] ONS Census (2011)
[21] ONS Census (2011)
[22] ONS Census (2011)

2.9   Our inter and intra region connectivity will continue to be vital for our success. The growing numbers of innovative and dynamic SMEs that are starting up across the area are outward looking and engaged in their place and with their peers, and require support to take advantage of local opportunities and explore partnerships.

Priorities and Interventions

2.10   As set out in the next chapter, we will develop an Implementation Plan for our Local Industrial Strategy which will detail how we will deliver these proposed initiatives. Nonetheless, it is important to recognise that we will deliver the proposals discussed in the last few chapters differently in different parts of our area. In particular:

- Concentrating small flexible business space in centres where there is demand and supporting rural space of a different type (likely light industrial space) where this is appropriate – and prioritising brownfield development for this. Even outside of major settlements, there has been demand for small business premises and desk space in smaller towns, places such as Leek, Biddulph and Cheadle.

- Siting our new innovation facilities to best support existing clusters of major businesses, existing research and HE strengths, and extending the reach of existing facilities across the area.

- Delivering our business offer in ways that match the local business strengths of key areas, tailoring support for the specific business environment of each place.

- Delivering our strategic housing and employment sites where the infrastructure network best supports these, in coordination with regional and national transport developments.

- Ensuring that our broadband measures include supporting broadband in rural areas and industrial sites at the borders of settlements, as well as in urban centres.

2.11   Furthermore, there are a range of things that we will do to improve our places and help them support our aim of increased business productivity:

- **Protecting and Enhancing our natural assets**: Stoke-on-Trent and Staffordshire has large areas of countryside and many natural assets. Cannock Chase Forest between Rugeley and Cannock is an Area of Outstanding Natural Beauty, a destination for hikers and mountain bikers, it will host the Commonwealth Games mountain biking competition in 2022. Large parts of the Staffordshire Moorlands fall within the Peak District National Park, which attracts over 13 million visitors a year, rising to 40.45 million across the area, with tourism accounting for £2.15 billion of the Peak District's economy.[23]

- **Protect and enhance our built assets**: the character and appeal of our towns as places to live, work and play, is inextricably linked to the quality of 'place'. Support for conversion of historic buildings for new uses and projects which enhance the quality of the built environment needs to be recognised as vital for attracting high skilled future generations, visitor spend, as well as providing a quality environment which adds to the wellbeing and pride of local residents in their own communities.

- **Building on our existing visitor economy strengths**: With the Alton Towers Resort, Drayton Manor Theme Park, National Memorial Arboretum, the Potteries in Stoke-on-

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[23] Global Tourism Solutions (UK) Ltd, using the STEAM (Scarborough Tourism Economic Activity Monitor) model used by the tourism industry to measure annual economic performance. It includes Derbyshire and the city of Derby.

Trent, World of Wedgwood, Trentham Gardens, Tamworth Castle, and more, the area is a popular destination. Staffordshire attracts nearly 30 million annual visits a year, over 1.5 million of which are overnight stays. This is an important plank of the local economy, as tourists and day visitors are a vital addition to our places, increasing footfall to businesses and adding to the vibrancy of our places. To develop the visitor economy further, we must draw our natural and built assets and tourist attractions together into one package for the whole of Staffordshire, encouraging overnight stays and drawing people into our town centres.

- **Promoting business activity in our city and town centres**: Nationally, retail is changing at a fast pace, which is having an important impact on the role and vitality of local centres. Currently, online retail accounts for approximately 20% of UK retail expenditure and this proportion is growing steadily.[24] This transition is clear to see in towns across Stoke-on-Trent and Staffordshire. In our town and city centres, there are fewer retailers than there were and some now suffer from low levels of footfall and empty units.

  Tackling this challenge is not straightforward and requires a creative approach. We need to reimagine the role our town centres play in our economies. Though physical retail is declining, the demand for city centre living and working is developing. Small businesses and entrepreneurs value flexible arrangements, where they can interact with their peers, grow quickly and adapt space to their own uses. Using town centre space owned by local authorities as business incubation space, encouraging events and improving the public realm will all help to make our centres thrive again. There are active Business Improvement Districts across the area well-placed to coordinate the response of town centres to changing retail and the night-time economy.

- **Improving public transport and accessibility within our major towns and cities**: While accessibility to neighbouring places and the rest of the country is excellent, our places are currently constrained by limited public transport. Congestion and poor accessibility and reliability impinges on productivity. A dramatic improvement in transport accessibility, and particularly public transport accessibility, is required to address this. For example, Stoke-on-Trent has ambitious plans to improve public transport connections, including a much-improved gateway site at the railway station, while Burton-upon-Trent plans important infrastructure to bridge the Trent which will relieve pressure on the road network. Cannock Chase District Council is working to improve connectivity between the new development at the former Rugeley Power Station site and the town centre. Supporting these projects and others in our other centres – including enhanced cycle routes and pedestrian options to support a broader modal shift - is important to ensuring our places can reach their potential.

- **Tackling persistent deprivation and joblessness in our urban areas**: In many of our towns and cities there are persistent problems with poverty and unemployment, a legacy of deindustrialisation in the 1980s and the collapse of the mining industry. Addressing this is difficult and requires committed activity from civic leaders, businesses and our education providers to raise aspiration across our area among people of all ages and to address issues with educational attainment and progression to further and higher education. People in Stoke-on-Trent and Staffordshire are proud of their places and their heritage, but require support to access education and job activities and to reach their full potential.

- **Our response must be place-based** to be successful, understanding the conditions which hold people back in particular places and why poverty and deprivation is endemic

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[24] ONS Retail Sales Index.

in particular areas. We should build on existing work, such as that of the Stoke-on-Trent Hardship Commission, to identify our challenges and propose interventions.

Our economic corridors

2.12 Because the Stoke-on-Trent and Staffordshire economy is diverse, with strong future growth in both manufacturing and services (including mobility and logistics) being clear about where we are focusing different kinds of development and growth is crucial to delivery of the Local Industrial Strategy. We have identified four economic corridors – clusters of activity within the area – each of which requires a tailored approach. They are:

- 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

The M6 / West Coast Main Line Corridor

2.13 Running from north to south through Stoke-on-Trent and Staffordshire, this corridor connects the urban centres of Stoke-on-Trent and Stafford to large urban economies outside of the region. The rail line and the motorway provide fast connections from both places to London, Birmingham and Manchester, making them important hubs for business and professional services, as well as digital and cultural businesses. HS2 in Stafford will reduce journey times to London from 80 minutes to just 53 minutes, and represents a significant opportunity for the town.

2.14 The concentration of business and professional service firms in both Stoke-on-Trent and Stafford, and Stoke-on-Trent's cultural and heritage offer, provides an opportunity to develop as a business destination of choice. The challenge now is to stimulate more business activity in Stafford town centre and Stoke-on-Trent city centre, turning both into thriving business locations. This will help to revitalise high street retail and the experience economies in both places, and will make it easier to attract and retain skilled people in our area.

2.15 There is an opportunity in this corridor to develop an advanced materials campus for the area: a centre of unique expertise and facilities to help innovation rapidly come to the market through scale up and pilot line capability, as well as be an attractor for inward investment to relocate to the region with higher skilled jobs.

Opportunity: Improve the centres of Stoke-on-Trent and Stafford to attract professional and business services firms, and digital firms, building on current strong connectivity and the future opportunity from HS2. Support the development of proposals around an advanced materials campus.

The M6 Toll / M54 Corridor in South Staffordshire

2.16 The large industrial sites and developments along the M6 Toll and M54 in South Staffordshire form a corridor connecting the area to Wolverhampton and the wider West Midlands industrial economy. This is an area with a concentrated presence of advanced manufacturing, automotive and engineering firms which play a role in national and international supply chains. i54, an advanced manufacturing site at Junction 2 of the M54 connects South Staffordshire and Wolverhampton, is occupied by firms such as JLR, Moog and Eurofins, and is one of the UK's most important inward investment successes of the past

decade. The nearby Gestamp West Midlands factory at Four Ashes adds to this concentration of high-value firms.

2.17 With the ROF Featherstone site – a 25-hectare site being prepared for development on a former ordnance factory between junctions 1 and 2 of the M54 – focusing on advanced manufacturing, this concentration will increase, tapping into a workforce of 550,000 within a 30 minute drive-time.

> **Opportunity**: Develop the infrastructure needed to support key sites and secure large-scale inward investment opportunities in advanced manufacturing and logistics.

The A38 Corridor

2.18 The corridor along the A38 connects East Staffordshire and Lichfield to Birmingham and the East Midlands. Along the corridor is extensive manufacturing, brewing and logistics sites, particularly at Burton-on-Trent, which is the centre of operations for Unilever, Molson Coors and Marstons in the UK. These sites manufacture and distribute food and beverage products to the rest of the country. Further along the A38 within Lichfield District is the important key development sites of Fradley Park and Liberty Park, containing warehouse, industrial, offices and business support facilities.

2.19 The Palletforce SuperHub, a 620,000 sq ft, £50 million development, places Burton-on-Trent at the centre of the UK logistics industry. Able to handle over 30,000 pallets a night, it is a major link in the national logistics chain. Firms of all sizes within Burton and the wider borough form the supply chain for these large businesses, and the concentration of activity draws in workers from across Staffordshire and the wider East Midlands. Burton and East Staffordshire possess a number of important sites which could be developed and create high value jobs, though there are currently challenges caused by congestion on the road network. Selected by Government as one of 100 pioneer towns to bid for Town Deal funding, Burton-on-Trent has a clear opportunity to support further development.

> **Opportunity**: Invest in the transport infrastructure and sites development needed to create manufacturing and logistics employment at scale.

The A500 / A50 corridor

2.20 The A500 runs through Stoke-on-Trent and Newcastle-under-Lyme, forming the largest urban conurbation in the Stoke-on-Trent and Staffordshire area. This is an advanced and varied economy, encompassing large parts of the area's manufacturing base, with businesses such as KMF, Michelin and Lucideon producing high-value products to a variety of markets, and Wedgwood and Portmeirion producing luxury and commercial ceramics.

2.21 Festival Park on the A500 is home to Bet365, Wardell Armstrong and Vodafone, among others, and combined with Atlanta in Burslem and Trentham Lakes constitute a significant concentration of business and professional services. The Staffordshire University campus near Stoke-on-Trent train station has emerged as a hub for digital and creative businesses in recent years: supported by the Platform, Stoke-on-Trent & Staffordshire's Moving Image Cluster. Homegrown companies include Carse and Waterman, a leading animation, VFX and video marketing studio, which works with national and international clients and brings major industry leaders into the city, while Reels in Motion provides a wide variety of advanced video production services to its clients. Cobra Biologics, based at the Keele University Science Park is a world leader in pharmaceuticals.

2.22 The A500 extends through to Crewe in the West and also provides a link to HS2. Moving east, the A50 runs through to Uttoxeter and near to Rocester and Burton-on-Trent, and beyond to Toyota, Rolls Royce and East Midlands airport. The JCB plants in Uttoxeter, Rocester and Cheadle manufacture construction and agricultural equipment, over 75% of which is sold to export markets. The Project B road improvement project for the A50 will help to ease congestion and improve the operation of producers such as JCB, while East Staffordshire is working to develop plans for an extra river crossing over the Trent to reduce pressure on roads within the town itself. Improvements will also unlock the regional strategic site identified at Blythe Bridge adjacent to the A50.

> **Opportunity**: A strong conurbation with a mixed economy of manufacturing, digital and professional services. Can be enhanced with the right investment in the city centre. JCB is a major British manufacturing asset and can be supported with the right investment.

Our rural areas

2.23 Our rural areas are home to some of our biggest companies. As well as JCB, major rural businesses include Ornua Foods, Florette, Knighton Foods, National Veterinary Services, John Pointon & Sons, and Rumenco.

2.24 Many of the economic challenges and opportunities highlighted in the course of developing the LIS are felt most acutely in our rural areas, which are often most affected by connectivity challenges, difficulties accessing business networks and peer support, but are also extremely attractive places to live and work and are in high demand for people who live and work within and outside Staffordshire.

- **Enhancing natural assets**: We are aware that there is lots of new thinking around how best to support and enhance natural capital – which is abundant in our area. We will look to best practice exemplars in other areas to consider how we best protect the natural environment in a way which creates sustainable economic opportunities.

- **Enhancing built assets:** We need to look to learn from and replicate similar exemplars for the built environment, particularly for heritage buildings and historic town centres. Finding new uses for old buildings, including former mill buildings which add character to our town centres, not only helps preserve the quality of place, but also offer opportunities for town centre living and work.

- **Making it easier to develop business space, sensitive to the need to protect the natural environment**: One of the challenges reported by stakeholders is the need to support rural businesses to build light industrial space where this would help their business expand. This can be challenging under existing planning rules, and more support is required where such development is not harmful to the natural environment. However, previous interventions in the conversion of redundant farm buildings to house business start-ups – led by local authorities - have been successful.

- **Enhancing broadband and mobile connectivity**: Broadband and mobile connectivity (internet and phone) are major challenges in rural areas and make it difficult to work remotely, run a business, or even for emergency services to function effectively in these areas. Our digital white space proposal (see Infrastructure chapter) is aimed at tackling this challenge.

- **Supporting the take-up of new technologies in the agricultural sector**: Our agricultural businesses are eager to embrace innovation. There are many opportunities associated with new, digitally-enabled agricultural technologies. We will help companies

in this area to explore these opportunities to boost productivity.

- **Supporting the adoption of new energy technologies**: Rural areas are often most affected by issues of energy poverty and lack of connectivity to the national energy networks. At the same time, rural businesses often have some of the most immediate opportunities to benefit from new energy technologies – including solar and wind generation, and anaerobic digestion. We will support the uptake of new energy technologies in rural areas to address the challenges and opportunities here.

Our cities and towns

2.25 We are working closely with our local authorities to understand and respond to the kinds of place challenges described above. We are clear that the exact mix of challenges and opportunities varies greatly by place. The following sections set out the key priorities of our local places and local partners.

Stoke-on-Trent

2.26 Stoke-on-Trent is a UK centre of modern manufacturing, with a fast growing, high value digital services sector, supported by its young population, excellent connectivity and strong commercial space offer. The home of the UK ceramics sector, Stoke-on-Trent is now increasingly supplying the advanced materials and ceramics components for electric vehicles and batteries, as well as aerospace and medical technologies.

2.27 Stoke-on-Trent is seeing growing investor interest, but it was hit hard by past deindustrialisation and the more recent 2007/08 recession. Many of its communities are among the most deprived in the country. But its youth, diversity, vibrant cultural assets and connectivity create huge potential, and long term investment is underway to increase skills levels, increase jobs and tackle low wages. Working with Government through the Transforming Cities Fund, the City Council are investing in connectivity and linkages between the town centres that make up the city. The link between Stoke-on-Trent rail station and the City Centre is a major priority. Using public investment to unlock larger scale private capital will see substantial growth in the office market and the business and professional services sector in the years ahead.

2.28 The City will be a UK leader in energy use and innovation, having developed one of only two District Heat Networks in the UK following its City Deal agreed with Government in 2014. This project will be a national exemplar for municipal energy generation and distribution, tackling fuel poverty and domestic energy usage alongside being a test bed for business innovation in reducing energy use in advanced manufacturing and ceramics, where energy can equate to as much as a third of the cost base for some firms.

2.29 Stoke-on-Trent has excellent and growing partnerships with Staffordshire and Keele University, which will further drive local business innovation and excellence. For example, Staffordshire University has co-ordinated the development of the Staffordshire Advanced Materials Incubation and Accelerator Centre (SAMIAC) proposal for the Advanced Materials industry.

Lichfield

2.30 Lichfield City is a vibrant cathedral city with a historic environment containing a strong visitor economy through its heritage and cultural assets. It provides excellent transport services for residents and businesses with direct rail links to London Euston and Birmingham New Street in 95 minutes and 35 minutes respectively, and road links on to the A38 and A5. Lichfield continues to attract a growing population of residents and businesses and ongoing housing development surrounding the city centre adds pressure to the transport infrastructure, mitigated through the Lichfield Southern Bypass. There is ongoing

development on key commercial sites surrounding the settlement, such as Fradley Park, Liberty Park and Lichfield South Business Park.

2.31   A city centre masterplanning exercise is currently being undertaken intended to set out the future development potential of the urban centre of Lichfield, meeting the needs of the city's growing and changing population. This includes the Birmingham Road site, a large redevelopment site which will be the new gateway for the city, situated directly across from City Station.

2.32   Burntwood is the second largest settlement within Lichfield district which functions as one of the areas key employment locations containing an increasing proportion of residents. Although it is rich in green infrastructure and adjacent to the M6 Toll it lacks essential physical infrastructure, with no rail connections or bus hub and a poor unattractive centre. The development of a focal town centre which offers services and facilities that meets residents, businesses and visitors' needs is essential. An improved centre shall be created adjoining Sankeys Corner with increased retail, commercial and residential development.

Stafford

2.33   Stafford is a historic county town with a busy high street, quality independent and national retailers, Victoria Park, and varied leisure, food and drink businesses. Central to the UK's motorway networks, and with easy access to local A-Roads, Stafford is highly connected. Today an hour and twenty minutes from London by train, the opening of a High-Speed integrated station through HS2 will reduce journey times to just 53 minutes. This will drive regionally-significant housing and commercial growth over the next 30 years.

2.34   Stafford is ringed by business parks and industrial estates home to fast growing local businesses. Staffordshire Technology Park hosts homegrown digital and technology businesses which provide 2,000 highly skilled jobs to local people and which attract international clients. Redhill is a major industrial site to the north of the town which hosts large manufacturing and energy companies, while Beacon Business Park is a strategic site, with a varied offer. Stafford College will be regenerated and modernised, with buildings on Earl Street and Broad Street to be demolished to make way for a modern skills and innovation centre.

2.35   There is growing demand and opportunity to bring more business investment into the town centre itself, and HS2 provides the opportunity to encourage more businesses, particularly those with clients in London, to work from the town centre, helping to maintain footfall levels and meet the challenges of the retail industry head on. Delivering the Stafford Station Gateway – a major development which will provide a new business and commercial district adjacent on the 28-ha site next to the station – is an important part of this as it is set to include new office space. The emerging Stafford Town Centre Strategic Framework that is looking to develop a cohesive masterplan for the whole of the town centre. The proposed Meecebrook Garden Settlement development near Swynnerton is also a priority as it has the potential to deliver at least 10,000 new homes and 200ha of employment land.

Cannock

2.36   Cannock is a retail centre and a leisure hub for the surrounding area, with an opportunity to develop a stronger enterprise offer with the right investment in small business space. Development of the central carpark into a leisure complex with a cinema will help to preserve the town centre's hub status, boost footfall and benefit the town's large independent retail sector. The McArthurGlen Designer Outlet West Midlands represents a £160m investment into Cannock and is set to open in 2020, increasing visitor numbers to the area. The surrounding area has opportunities for logistics development and there is demand for medium-sized premises to support expansion of local businesses.

Rugeley

2.37 Rugeley is set to undergo significant change, with the decommissioning of the power station in 2016 opening up a major mixed-use site to be developed by Engie. It has the potential to become a major new residential area and sustainable transport hub. Improving the Market Hall building as the gateway to the town is an important local priority, as is improving local public realm and strengthening the visitor economy offer.

Burton-upon-Trent

2.38 Burton has a strong manufacturing and logistics offer and an attractive, well-performing town centre. In order to maximise its potential, Burton needs additional improvements to the road and rail networks servicing the Borough to address congestion and future-proof the local network. Burton Railway Station has recently seen investment as have the two bridges in Burton. There is potential to redevelop the Washlands to attract more visitors to the town, building a cultural quarter around this and the National Brewery Centre to help to create an identity for the town that acknowledges and builds on its history and heritage.

2.39 There are active regeneration projects in the town centre that will deliver improved public realm spaces to create a real sense of place, including an increase to the amount of town centre living in Burton. There is an opportunity to turn Burton into a university town by bringing a provider of higher education to the area so that students of all ages can access the education they need to advance their own skills, and support the skills needs of local businesses. The Government has awarded Burton Town Deal status which will help achieve some of these objectives.

Newcastle-under-Lyme

2.40 Newcastle-under-Lyme has a vibrant town centre and a strong professional services offer. At Keele Science Park, the town has a nationally significant life sciences and advanced technology cluster. The town has a key growth opportunity associated with the expansion of Keele Science Park alongside housing development. The priority is to promote the densification of the town centre by encouraging more businesses to locate in the urban centre and creating an attractive environment so that residents choose to live locally. Through a dedicated transport corridor, the Council aims to ensure the integration of the town centre and the University to instil more of a university town feel. Strengthening the town centre and boosting local employment opportunities will make it easier to retain talented young graduates. Newcastle-under-Lyme is preparing a Town Deal which will help address and maximise the above opportunities.

Tamworth

2.41 Tamworth is growing as a centre of business start-up and investment. Its excellent connectivity to Birmingham city centre and Lichfield, combined with competitive values and commercial offer mean Tamworth has an excellent opportunity to attract both businesses and residents to the town centre. This is particularly the case given the rapid and significant population and business services growth forecast for the wider region. Demand for space is growing and new business numbers grew by nearly 20% in the five-year period 2013-2018. The town centre is an attractive place to live and work, and property prices are competitive.

2.42 Priorities are to reinvigorate the town centre through active management and experimentation – short term tenancies, pop-ups, markets, etc. – building on existing strengths such as the heritage offer of Tamworth Castle alongside new office space and incubator space, alongside increased residential development in the town centre. The hyper local enterprise support programme set out in this strategy will be important to Tamworth, linking people with opportunities, premises and seed funding. Further redevelopment of the historic quarter surrounding the castle to attract more visitors will require better connection

between the town's tourist assets and the town centre. This will act to increase footfall further and improve the vibrancy of the town centre as business and residential development.

Staffordshire Moorlands

2.43 Staffordshire Moorlands, including the market town of Leek, the former mining town of Biddulph, and Cheadle – which is home to two JCB factories - are an important part of rural economy which makes up Stoke & Staffordshire LEP area.

2.44 Priorities are to support housing and business growth in identified areas; increase the 'reach' of innovation and enterprise programmes so that all businesses can benefit from these opportunities and support local enterprise growth. Bringing forward new sites such as Cornhill (Leek), Wharf Road & Tunstall road (Biddulph) for mixed use are vital to support local business growth and job retention. These new sites, along with existing activity require improvements to the road network, particularly around Cheadle where connections to the A50 will be important for growth.

2.45 The quality and enhancement of the natural and built heritage, and support for the growth of our visitor economy alongside enterprise continues to be a major opportunity for the Moorlands. Implementation of the Cheadle masterplan is key to finding new uses for former public estate and generate new footfall and will bring purpose and vibrancy to the town centre.
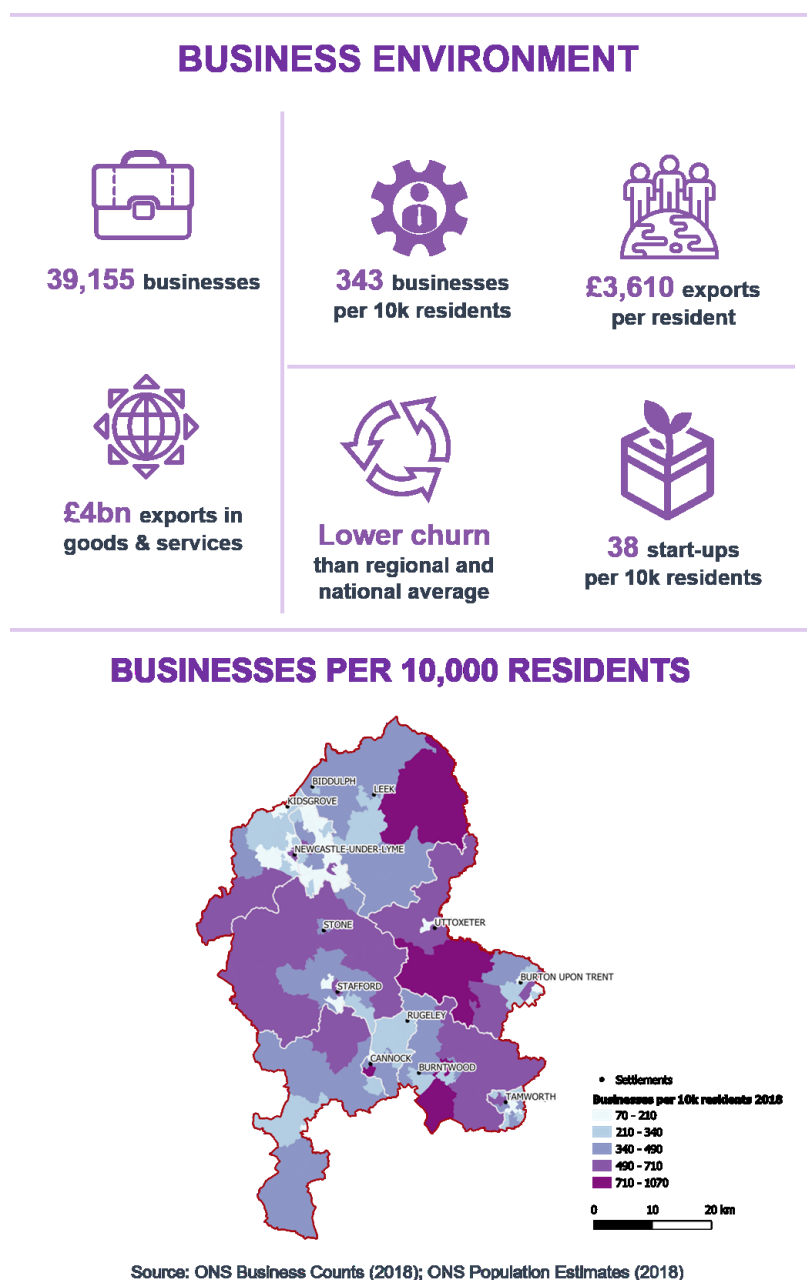
Uttoxeter

2.46 Uttoxeter is an important local centre with strong economic links to the JCB plant nearby, and Alton Towers, as well as JCB's headquarters in Rocester. The rail station is an important asset, but more regular services are needed to support economic activity.

Business Environment

Ambition

3.1   Our aim is to grow as a business start-up and growth hotspot, with Stoke-on-Trent & Staffordshire being a place of choice for people wanting to start, grow or locate their business. We want more new and scale-up businesses, with increasing productivity and sustainable energy and resource use across all our sectors.

Context: Our business base

BUSINESS ENVIRONMENT

39,155 businesses

343 businesses per 10k residents

£3,610 exports per resident

£4bn exports in goods & services

Lower churn than regional and national average

38 start-ups per 10k residents

BUSINESSES PER 10,000 RESIDENTS

Settlements

Businesses per 10k residents 2018
- 70 - 210
- 210 - 340
- 340 - 490
- 490 - 710
- 710 - 1070

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

3.2   Our area is home to 39,155 businesses.[25] 155 of these are large businesses employing more than 250 people.[26] A large number of multinational firms are located in our area, including: JLR, Molson Coors, Amazon, Engie, General Electric, Michelin, FedEx, Unilever and Vodafone. In JCB, we are home to one of the UK's leading indigenous manufacturing exporters, and through Bet365 we are home to a company pushing the boundaries of digital consumer technology. We are also home to a vast number of SMEs, many of which are engaged in highly innovative activities.

3.3   But there are still fewer businesses here than there could be. With 343 businesses per 10,000 residents, business density in Stoke-on-Trent and Staffordshire is some way below the West Midlands (360) and England (414) averages.[27]

3.4   Stoke-on-Trent and Staffordshire has a higher number of businesses per 10,000 residents in manufacturing (25) – higher than England (21) and in line with the West Midlands (25).[28] Our area has a lower business density in sectors such as the professional scientific and technical trades, finance and insurance, and information and communication.[29]

3.5   In part, the low overall business density reflects the fact that whilst business 'death' (closure) rates are low, so are the number of business 'births' (start-ups). Our area recorded 38 start-up businesses per 10,000 residents – less than the West Midlands (53) and England (61).[30] Stoke-on-Trent and Staffordshire has the 7th highest three-year survival rate of all LEPs. The rate of surviving start-ups reaching £3m turnover is also one of the highest, and the proportion of scale-ups is also high indicating that while dynamism might be lower than desired there are a high proportion of high-quality businesses emerging.[31]

3.6   We have an overarching productivity challenge. Productivity is lower than the national and regional averages and productivity per hour has grown more slowly than both the regional and national averages since 2009. At a broad sector level, our productivity per worker is lower than the national equivalent in every sector but one. For example, for finance and insurance, GVA per job is £64,769 in Stoke-on-Trent and Staffordshire compared to £123,954 across England, whilst manufacturing has a GVA per job of £59,025 and England £71,369.[32]

Priorities and Interventions

Delivering the accommodation our small and growing businesses need

3.7   Engagement with businesses and stakeholders has identified a lack of suitable accommodation for small and growing businesses. This is particularly acute for small businesses looking to make the leap to professional premises for the first time, and for growing services companies. Our town deals present an opportunity to address these issues in Burton-upon-Trent, Kidsgrove, and Newcastle-under-Lyme – however, our other towns and cities will also need similar investment in most cases.

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[25] ONS UK Business Counts - enterprises by industry and employment size band, 2019.
[26] ONS UK Business Counts - enterprises by industry and employment size band, 2019.
[27] ONS UK Business Counts - enterprises by industry and employment size band, 2018.
[28] ONS UK Business Counts - enterprises by industry and employment size band, 2018.
[29] ONS UK Business Counts - enterprises by industry and employment size band, 2018.
[30] Business Demography 2018: Count of Births of New Enterprises; ONS Population Estimates.
[31] Employer Demography: Counts of Births, Deaths and Active for 2018. (The business and employer demography data recently got updated with the latest being 2018's data).
[32] ONS GVA Reference tables; BRES Employment by SIC Sections. Note: GVA per hour is a measure of local economic productivity.

Case Study: The Tamworth Enterprise Centre

The Tamworth Enterprise Centre is fully occupied, hosting a range of service companies that are growing and benefit from the support the Centre offers. The success of the Centre has prompted a range of commercial operators to enter the market, with the Centre referring businesses to these operators. There is likely to be similar 'supressed demand' in other areas where targeted public sector action could unlock subsequent investment from serviced office operators. More evidence is required to build the case for investment – public and private.

3.8 Our engagement with rural businesses and stakeholders has identified constraints on planning and development in rural areas which is preventing some businesses from expanding. This is compounded by output-driven public infrastructure funding which makes public funding to unlock employment sites difficult to access. One of the examples provided was from a company making electronic circuitry for the aerospace industry that needed to build a light industrial building near their existing rural premises. It is vital that we support the quality of our natural environment whilst also ensuring that rural areas have the business grow on and incubation space needed.

Intervention: We will create more flexible small business and grow on space in key centres and in identified employment sites in rural areas

3.9 We will encourage the development of flexible small business space in our cities, towns and rural areas. This space should be high quality and aspirational in design. This will help provide a place for companies to start up and grow. In many cases this will be serviced office space, though in some cases small industrial units may be more important. In some cases public investment may be necessary where smaller businesses don't want to build their own units (even when public funding is available), but in other cases there will be commercial operator interest where there is evidence of demand.

3.10 There are likely to be opportunities to repurpose some existing town centre retail space which will complement efforts around redefining the retail core of places as well as boosting demand for the remaining retail and leisure offer. We will support development of appropriate small business and light industrial space in rural areas.

Outcome: This will help us to attract, retain and grow small businesses in our centres, tapping into the higher skilled population that lives locally but commutes outside the area to work.

Delivering the strategic employment sites we need for inward investment and expansion

3.11 The 2015 West Midlands Strategic Employment Sites Study[33] identified growing long term demand for strategic employment sites in the West Midlands but a lack of available sites. More detailed work is currently underway on the detailed scale and nature of sites required and potential locations but work already carried out shows that there remains an acute shortage of strategic employment sites[34] for industrial and logistics uses.[35] Currently only 11

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[33] The study covered the following areas: The Black Country Local Enterprise Partnership (BCLEP), Coventry & Warwickshire Local Enterprise Partnership (CWLEP), Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) and Stoke-on-Trent & Staffordshire area

[34] Strategic employment sites are defined as being over 25ha in size and able to attract nationally or internationally mobile business activity.

[35] Note: this assessment is based on historic take-up, which may be suppressed due to lack of site availability.

sites across the study area have greater than 25ha of remaining capacity, totalling circa 430ha, which represents at best only a few years of potential supply.

3.12 Stoke-on-Trent and Staffordshire have a number of major locations that align with Planning Policy Guidance[36] and the clear requirement for strategic sites facilities serving regional markets to have excellent access to strategic transport networks. These are:

- Stoke-on-Trent and North Staffordshire – broadly covering the A500, A50 to Blythe Bridge and M6 corridor from junctions 14 to 16.

- Black Country and South Staffordshire – broadly covering the M6 corridor from junctions 10A to 16 and the M54 within Staffordshire.

- Lichfield and Cannock – direct access to the A38, A5 and M6 Toll.

3.13 There is a range of further evidence which demonstrates the underlying demand for large-scale strategic employment sites within the area. As well as the continued development of sites such as the Ceramics Valley Enterprise Zone (CVEZ), i54 South Staffordshire, Kingswood Lakeside and Redhill, recent years have seen large scale logistics investments within the area from Amazon, FedEx and Screwfix to name a few.[37] Fradley Park continues to grow, being an attractive location for logistic companies to locate as it is adjacent to the A38. Between 2009 and 2017, over 4,000 new logistics jobs were added in Stoke-on-Trent & Staffordshire.[38]

3.14 There also continues to be a steady stream of investment enquiries from firms with similar requirements, reflecting the continued strength of our strategic position at the heart of the UK road and rail network.[39] There is therefore an opportunity for further strategic employment sites to be identified, particularly within the key market locations referenced in the strategic sites study, and delivered – which will require the LEP and local partners to invest in land assembly and supporting infrastructure.

Intervention: Deliver the strategic employment sites we need to grow

3.15 We will identify and deliver the strategic employment sites we need over the next 10 years. We will to work with local partners to pump prime sites through investments in supporting infrastructure. This initiative links to our work on Infrastructure, particularly the creation of new strategic transport links to support the development of new houses and employment space. Developing large commercial sites will have implications for utilities provision and may also provide opportunities for innovative energy projects.

> **Outcome**: Allow us to attract firms to our area and enable local firms to grow and expand – particularly in terms of manufacturing logistics, energy and professional services. Will lead to significant increases in employment in higher value sectors within our area.

Intervention: a new inward investment campaign

3.16 We will develop a new targeted inward investment campaign which will aim to:

- Attract high value occupiers.

- Support local firms to grow into more modern / larger premises.

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[36] *National Planning Policy Framework*, Ministry of Housing, Communities & Local Government, 2018.
[37] Information provided by Make It Stoke-on-Trent and Staffordshire.
[38] ONS Business Register and Employment Survey, 2018.
[39] Information provided by Make It Stoke-on-Trent and Staffordshire.

3.17 We will target this campaign at firms in the business services, energy, manufacturing and logistics sectors. We recognise that demand is especially strong from the logistics sector and will seek a balance of sectoral uses. The Ceramics Valley Enterprise Zone (CVEZ) has a strong delivery record, and can support inward investment in the advanced materials sector.

> **Outcome**: Attract higher value firms to our area and support local firms to expand.

A location of choice for start-up and high growth businesses

3.18 We have 38% fewer start-ups per head than the national average.[40] We are fortunate to have a very strong graduate start up environment led by Staffordshire University which recorded 295 active graduate start-ups in 2018, the 9th highest of any university in England. At the same time, we also have challenges with graduate retention with our universities reporting that many graduates leave the area after they complete their courses.

3.19 We need to encourage more of our talented graduates to stay in our area after graduation by providing greater opportunities to start-up a business and gain quality graduate employment. This is an important strand of our approach around 'People' and skills and referenced in section four. There is also a strong link to our ambitions around making our key centres more attractive places in order to encourage this change.

3.20 Equally important is increasing the number of high growth firms.[41] Firstly, we know that high growth firms create disproportionately more employment and economic output than similar firms. Secondly, we have to target our resources where these will best meet our core ambition of raising productivity and growth.

3.21 What is clear from our engagement with local firms is that too many of our successful indigenous firms do not have concrete plans for growth. This sometimes reflects the challenges of hiring the right people or finding financing or accommodation. But it also sometimes reflects a lack of appreciation of the opportunity. We want to help our successful local firms to consciously plan for and achieve this.

3.22 Increasing exports is a priority. Despite our strengths in manufacturing, our exports per head of population are just over half the UK average at £2,850 per head compared to £5,200 per head across the UK.[42] In services, exports per head of population, at £789 per person in 2016, are far lower than the figure for Great Britain of £3,938. Boosting the prevalence of exporting amongst our firms will be important to ensure continued productivity growth.

Intervention: A new high growth business support programme

3.23 We will implement a high growth business support programme. This will build on and link to our Growth Hub and Make It Stoke-on-Trent and Staffordshire Teams as well as the Chambers' networks and the Universities' business networks, as well as local authority run programmes such as the Staffordshire Business and Environment Network, to ensure effective targeting. The programme will consist of the following:

- Mentoring and leadership development.

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[40] Employer Demography: Counts of Births, Deaths and Active for 2017.

[41] For example *Nesta (2013) The Vital 6%* identifies that half of employment growth is driven by 6% of businesses that are 'high growth'. Research carried out on behalf of the Scale-Up Institute finds that 'high growth small firms' make up 1% of businesses but account for 20% of jobs growth (see: *Octopus (2018) High Growth Small Business Report 2018*).

[42] HMRC Growth Hub Data – Exports (2015)

- Technology demonstrators and support utilising digital technology (e.g. Industry 4.0 / Internet of Things (IoT)).

- Export support for firms, including links to export finance / letters of credit.

- Helping firms to find the right kind of start-up and grow-on space.

- Networking (see below), including links to HE and large suppliers.

3.24 This will be a targeted and segmented offer which will look to support firms of different sizes and sectors across the area – but where the common denominator is demonstrable ambition and the ability to achieve growth. We will identify suitable firms through our existing and new networks and available data on high performers. We will draw on delivery best practice by examining the lessons from existing mentoring programmes, the Manufacturing Growth programme, Be the Business and the previous Growth Accelerator programme.[43] We will also look to encourage relevant private sector programmes such as Vistage and the Goldman Sachs 10,000 Small Businesses programme where possible.

3.25 There is a strong link between this activity and the work of technology demonstrators as described in the Ideas section. Helping businesses to grow will involve helping them to be more innovative and invest in new products and new methods of production.

> **Outcome**: Ambitious firms will be supported to grow with a tailored package of support that meets their needs.

Intervention: Support peer-to-peer business networks and leadership groups, with a particular focus on energy, agri-tech, manufacturing, digital and logistics

3.26 Our engagement has highlighted that many otherwise successful businesses do not always have strong links with other businesses that could help them navigate the challenges of growing a business. There is value (and demand locally) in establishing peer-to-peer support to provide a forum for businesses to work together to share knowledge, experience and expertise.

3.27 Through our Growth Hub and the local Chambers, we are fortunate to have expertise in providing this kind of support and some existing networks. We want to take this much further by expanding the number of strong networks, so that companies across many different sectors have these opportunities to network and share information. We are particularly keen to ensure that businesses in the energy, agri-tech, manufacturing, digital and logistics sectors are supported by this programme as there will be particular benefits here.

> **Outcome**: Improved networking for local businesses will help share expertise and learning, and help improve supply chain and knowledge linkages. It will help the LEP and partners understand the needs of the sector more effectively on a real-time basis.

Intervention: Locally delivered enterprise support in our cities and towns

3.28 We want to create a culture of ambitious business and entrepreneurialism. We will build on the successes of our universities in promoting graduate start-ups and placements in the following ways:

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[43] Be the Business Programme, 2015; GrowthAccelerator for small businesses, 2012.

- Use local HE and FE courses to encourage entrepreneurship, and raise the profile at schools of entrepreneurship as a life choice.

- Locally-delivered enterprise (including social enterprise) support schemes – linking up college leavers, premises, mentors.

- Support partnerships between education providers and businesses to create high-value jobs in Industry 4.0 / Internet of Things (IoT) professions – e.g.: engineering, robotics and data.

- Creating and promoting business space (as discussed above) and incubation space to support entrepreneurship.

3.29 In this way we will aim to retain a greater proportion of graduates in our area, and help build a stronger sense of / visibility of enterprise in our key places. Both our universities have been awarded University Enterprise Zone status which will complement this initiative.

3.30 This initiative links to our work around People, as we are looking to boost entrepreneurial skills and attitudes, and to promote more inclusive growth in deprived areas. It also links to our work around Place, as it will help redefine the narrative as to how our towns are performing and the level of ambition and opportunities in our centres.

> **Outcome**: Build on the entrepreneurship programmes we have to create clusters of start-ups and young growth companies – making it easier to support these firms and attract finance. Improve perceptions of our areas by creating a visible area of dynamic business.

Case Study: be inspired at Staffordshire University (biSU)

Leading enterprise interventions that breed creativity, innovation and increased opportunities for future success.

The University has supported start-up activity since 2001 but the biSU Programme started on 1st January 2016 and has secured ERDF funding to 31st March 2023. biSU was specifically designed to create sustainable new Graduate businesses within Staffordshire through a 12-month programme of training, mentoring, IAG, networking and springboard funding.

The physical location of Staffordshire University allows us, via projects such as biSU, to provide an extraordinary contribution to the county. Stoke-on-Trent in particular, is an area of significant challenge for attainment, prosperity and aspirations therefore the University plays an important role in the development of the city.

Since 2016 biSU have worked with over 500 students and 185 business start-up individuals with clear benefits to county and businesses through:

- Driving economic growth/increases productivity/improves Quality of Life (Average GVA is £1'800'927).

- Providing return on investment is £2.41 for every £1 spent.

- 9/10 of biSU start-ups sustain that business (exceeding the UK average by 20%).

- Increasing Entrepreneurial Spirit and Enterprise Skills in student population (Student Exp./ Top 50 in League Table)..

- Creating New Student/Graduate businesses (Innovation/Employability)

- Creating 'Graduate Level' Jobs (Financial Stability).

- Keeping our enterprising Graduate's ('Graduate Talent') in the Region.

- Providing self-employment as a genuine career option for our Graduates.

Our strengths: Attracting Inward Investment

In recent years, Stoke-on-Trent and Staffordshire has developed rapidly as a favoured location for strategic sites for the manufacturing and logistics and distribution industries. Between 2009 and 2017, over 4,000 new logistics jobs were added in Stoke-on-Trent & Staffordshire, and there are a steady stream of investment enquiries from firms with similar requirements, reflecting the continued strength of our strategic position at the heart of the UK road and rail network.

With excellent connections in every direction, firms from around the world have invested in Stoke-on-Trent and Staffordshire as a base from which to distribute their products across the whole country. Many companies choose to open factories or offices here, attracted by the accessibility and the potential to combine production with distribution.

With four airports within less than an hour's drive and ports to the South and South East accessible within four hours, strategic developments have sprung up across the area in recent years. Screwfix and Amazon have major distribution centres on our patch. The Palletforce Depot in Burton-upon-Trent is the UK's largest pallet distribution centre and expanded in 2014 thanks to 25% business growth in one year alone, and both Gap and TK Maxx distribute their products from the area.

Alongside warehouse development, we have had investment in high-tech industrial space and modern office space. The i54 site in South Staffordshire is one such site, in a prime location adjacent to the West Midlands conurbation, it hosts Jaguar Land Rover. The company can tap into the manufacturing expertise of companies in the automotive supply chain in Staffordshire and Greater Birmingham to manufacture its vehicles. Gestamp, one of Europe's leading manufacturer of metal parts for the automotive industry, has opened a 550,000 square foot unit at Four Ashes in South Staffordshire.

Homegrown companies are also active developers of strategic sites here. We are the birthplace of JCB, one of the world's largest digger manufacturers, which releases a new shipment from the factory in Rocester every five minutes. The company continues to expand in the area, providing skilled work and training opportunities to local people. In 2014, it opened a global 383,000 sq. ft. distribution centre in Chatterley Valley.

Over the last few years, several major sites have opened and are now thriving. To fulfil their potential, we have to ensure that these new sites are properly served with the infrastructure they need, and we need to encourage high value uses.

We will continue to develop these sites but renew our focus on creating skilled jobs in high value industries which raise the earnings power and job satisfaction of local people. The logistics industry is changing, with a greater emphasis placed on smart management through data analysis, automation and robotics, and we must use the sites we have to push the boundaries of innovation and provide training opportunities to local people. We will be strategic with our allocation of sites, understanding where we can attract employers and investors with the potential to add skilled jobs and advanced industries to our area.

A growing and diverse digital sector

Stoke-on-Trent and Staffordshire is a complex and growing digital ecosystem, encompassing home grown technology giants, dynamic medium sized businesses, research focused universities and entrepreneurs. Since 2010, the number of digital technology businesses has grown by 32.8% in Stoke-on-Trent & Staffordshire, a far faster rate than the growth rate of businesses overall. Between 2009 and 2017, the number of jobs in digital sectors grew by 1,000, but evidence from jobs vacancies data suggests even stronger growth in digital occupations and demand for digital skills.

Stoke-on-Trent and Staffordshire's strength has been the quality of the companies which have grown and the complexity of the ecosystem. There are firms of all sizes here, which interact and maintain a healthy turnover of staff between businesses, helping to keep talented, skilled people in the area. Thanks to the area's connectivity and the affordability of business space and labour, businesses here can serve clients across the country.

Bet365, founded in Stoke-on-Trent, has grown to become one of the gambling industry's giants through constant innovation. Pioneers of one of the first online betting sites, the company has focused on developing its own bespoke software, introducing real-time betting and other customer-facing innovations. Through this it has maintained the ability to react to changing technologies and the market, and in turn acts to train local people for roles as software engineers, mathematicians, data scientists and product managers.

Across Staffordshire, there are examples of medium sized digital firms which have grown at a fast pace to establish themselves as important and dynamic features of the business landscape. Businesses such as Risual and Parker software have developed quickly, building vital digital infrastructure, expertise and management systems to professional service firms.

The creative side of the digital industry is one of our local strengths. Carse and Waterman, an animation studio which was started in Staffordshire University's incubation space by graduates in 2009, has completed animation work for Santander, AT&T and the United Nations. They are active in promoting the development of the industry in Stoke-on-Trent, combining with the sixth form college on the Stoke-on-Trent VFX Day, where 200 students from schools and colleges across the city could take part in workshops, talks and meet some of world's biggest animation studios.

This growth is supported by the activity of local universities, which are pushing the boundaries of research in the digital sector and providing training which students need to get jobs in the digital sector. Staffordshire University offers courses focused on all aspects of digital expertise, and there are nearly 4,000 undergraduates studying on its computing, AI and robotics, and new E-sports courses, focusing on business development in the fast-growing industry. It will be accompanied by a Microsoft Digital Skills outreach programme. Staffordshire University is collaborating with a wide range of public and private sector partners to create 6,500 apprenticeships over the next decade, offering training in digital skills and linking this to the needs of local businesses.

Keele University is currently developing its seventh Innovation Centre (IC7), with the aim of bringing together the expertise of leading UK researchers in its School of Computing and Maths working in Big Data analytics, software engineering, AI, machine learning, robotics and human-computer interaction with businesses working in these areas.

And, because of the concentration of manufacturing firms in the area, digital companies are exploring the potential of smart factories. Companies such as Visdata are able to provide local manufacturers with real time information on how their factory floors are running, helping to improve efficiency and cutting costs. Stoke-on-Trent and Staffordshire's attractiveness as a base location for logistics means that there is a market to develop this further.

We need to build on these foundations to develop further as one of the UK's digital powerhouses.

Ideas

Ambition

4.1 With a distinctive business and HE combination of manufacturing, logistics and energy expertise, together with its highly connected cities and towns, Stoke-on-Trent and Staffordshire is where the UK can test and implement the technologies and approaches that are transforming how goods and components can be made and moved; using energy more efficiently, reducing emissions and increasing productivity through automation. As part of the wider Midlands Engine we have a major opportunity to increase UK R&D investment in creating the low energy and connected economy of the future, together with its automated supply and delivery chains.

4.2 Our aim is to grow our expertise in these related fields of business innovation and excellence. At the same time, we want to increase demand and capacity for innovation across our whole business base, helping firms of all sectors scale and grow through innovation. Alongside private sector research such as Lucideon, this will make the most of our universities and their excellent and growing links with local businesses, and the partnerships that our business have with neighbouring centres of excellence, including Harper Adams world-leading work on automated agriculture and Wolverhampton University's expertise in Brownfield remediation and construction.

Context: Increasing demand and capacity for innovation and R&D.

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**

4.3 Stoke-on-Trent and Staffordshire has highly innovative institutions and businesses. Companies such as Bet365 and Lucideon are investing heavily in new approaches to services and manufacturing.

4.4 In both Keele University and Staffordshire University, we have strong and engaged institutions that are continuing to invest in innovation. Keele University's Science and Innovation Park hosts 60 businesses, including a nationally significant life sciences cluster, creating a productive environment for collaboration between researchers from the university and different organisations. Awarded University Enterprise Zone status in September 2019, Keele will use public investment to harness the emergence of the university as a national research and development facility for innovation and at scale demonstration of smart digital technologies in the energy, transport and biomedical technology sectors.[44]

Case Study: Advanced Manufacturing and Engineering Hub

Deindustrialisation and the transition to advanced industries in both the service and manufacturing sectors has increased demand for skills in digital technologies, advanced engineering and the sciences, while businesses increasingly value general technical competency and analytical ability. The challenge is enabling people of all ages to develop the skills they need as the economy changes, and to retrain where necessary.

Stoke-on-Trent and Staffordshire is working to meet this challenge. With the Advanced Manufacturing and Engineering Hub, a network of colleges, private training providers and sector bodies across the area links businesses to skills providers to ensure provision is designed and delivered in ways that maximise the impact on individuals and businesses. The NSCG Science and Technology Centre is also focussed on developing the STEM curriculum locally.

The Hub provides world-class vocational environments in the manufacturing and engineering sector. Stoke-on-Trent College has engineering and automotive specialisms,. South Staffordshire College's Rodbaston Campus delivers advanced manufacturing and engineering training to the agriculture sector.

4.5 Staffordshire University is one of the biggest digital skills ecosystems in the UK higher education sector. The University has partnerships with leading organisations around the globe, built up over 50 years. These include Google, Amazon, Cisco, Microsoft, Epic Games, BBC, BT, NHS, Vodafone, MoD and Sony. The University recently secured £750k of income to establish the Staffordshire Digital Innovation Partnerships with the LEP and to support knowledge exchange between academia and industry in digital innovations. It is already working with 36 local and regional businesses to develop business innovations in AI, data analytics, IoT, virtual reality (VR) and augmented reality (AR) through student placements. Staffordshire University has been awarded University Enterprise Zone status which will host a specialist centre for advanced materials (SAMIAC – see below)[45] which will support and engage with companies across the area.[46]

4.6 Despite these strengths, the level of innovation and investment in R&D in the wider economy remains low. Stoke-on-Trent and Staffordshire ranks 29th out of 38 LEPs for overall business R&D expenditure and 23rd for business R&D expenditure per employee.[47] Over the period 2015/16 and 2016/17 businesses in our area claimed just 3.4% of R&D tax credit cited expenditure for the total West Midlands amount (despite making up 17.3% of

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[44] Information provided by Keele University.
[45] Information provided by Staffordshire University.
[46] Information provided by Staffordshire University.
[47] Source: BIS (2015) Mapping Local Comparative Advantages in Innovation

the total West Midlands business base).[48] BEIS figures show that 13.8% of our firms are undertaking R&D compared to 21% in England. Patent activity is also significantly below the regional and national averages, although available data suggests this gap may be closing.[49]

4.7 Research by UKRI and the Federation of Small Businesses shows that many small businesses are put off R&D by its perceived cost.[50] Engagement with our business base suggests that whilst needs vary between type of firm and sector there are distinctive common challenges. These include:

- New technologies, particularly digital technology, being outside the expertise of the firm's management or employees – and not being able to access the skills required to make the most of new technologies.

- Lack of understanding of the commercial potential of new technologies.

- Lack of financing available to support investment and under-use of options such as R&D tax credits.

4.8 Increasing demand and capacity is therefore as important as ensuring the supply of new ideas and technology. Connecting our firms and entrepreneurs up to the global and local assets and centres of excellent research that can help will only work if those firms are able to respond effectively. For example, funds will need to be flexible, and targeted to firms of different sizes – for instance: seed funding for smaller, innovative firms that lack the capacity to invest in innovation.

Priorities and Interventions

Increasing investment in R&D across all our sectors

4.9 Our engagement with businesses shows that many need further support to make the technology transition, improve productivity and remain competitive. Typical reasons include lack of existing skills within the firm, lack of awareness of the benefits, lack of capacity within businesses to undergo the transformation, and issues accessing capital. Our SMEs, either further down supply chains or in sectors where business models have not involved investment in new technology are particularly in need of support.

4.10 While we can achieve this through increasing and bolstering the support for innovation we offer, low levels of innovation is not only a supply side problem. We have to increase business demand for innovation, but our engagement reveals that new technologies, particularly digital technology, are outside the expertise of many managers or employees, while there is a lack of understanding of the commercial potential of new technologies.

Intervention: We will further invest in our knowledge transfer programme and diffusion networks, focusing on SMEs and on supply chain firms in manufacturing, advanced materials, energy, agri-tech and logistics.

4.11 Knowledge transfer programmes, including but not limited to knowledge transfer partnerships (KTPs) are seen by businesses themselves as having been successful in our area. Businesses were clear that they have helped get access to the skills they need to be innovative. Both Staffordshire and Keele Universities have strong track records in translating

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[48] HMRC (2019) Research and Development Tax Credits Statistics.
[49] Source: OECD (2018) Patents by regions
[50] *2.4% R&D target: how to maximise the impact of R&D investment*, UKRI, 2019; *Spotlight On Innovation How Government Can Unlock Small Business Productivity*, FSB, 2018.

research excellence into commercial applications. We will work to increase business demand for and capacity to access these services. We will focus both on SMEs with the capacity to grow in all sectors and supply chain firms in those sectors where we have distinctive strengths: manufacturing, advanced materials, energy, agri-tech and logistics.

4.12 As an example, Keele University's KTP with Keeling and Walker – a producer of speciality materials for applications in ceramics, polymers, electrical contacts and infrared functional devices – helped develop nano-sized inorganic materials that can be used in a range of applications, including thermal barrier films for windows, laser marking and welding for plastics.[51]

4.13 Staffordshire University is working with 36 local and regional businesses, e.g. Woolcool– Automated Stock Systems, Dr AirBrake–IoT telematics/tracking (Haulage Industry) and Nemesis Now, over three years to develop business innovations in AI, data analytics, IoT, virtual and augmented realities through student placements. The University organised and hosted Ukie student conference, Kaspersky student conference and other national and international conferences in networks, cybersecurity, AI and serious games.[52]

Intervention: We will 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.

4.14 We are committed to using public procurement and contracting to stimulate local innovation alongside greater social value outcomes, to directly address public sector and place challenges. Drawing on best practice, particularly the Small Business Research Initiative (SBRI), and our existing work on social value, we will enhance new and existing businesses networks to connect companies with opportunities in the local area. We will explore a **Stoke-on-Trent and Staffordshire Innovative Procurement Strategy** and Charter which all public bodies would sign up to and we will explore new digital platforms to link local firms up with opportunities to solve public sector challenges.

> **Outcome**: Increased dissemination of new ideas and skills into our local business base, helping firms stay competitive and improve productivity, whilst also tackling local challenges.

Increasing take up and investment in productivity-enhancing technologies

4.15 There is strong evidence[53] that networks and physical locations that bring expertise together play an important role in helping firms commercialise and test new ideas.[54] Engagement with local businesses has reiterated the need for demonstrator facilities and networks of champions locally, that can act as trusted sources of advice and expertise for local firms who are keen to innovate and grow.

4.16 We will ensure that the interventions in this section can be accessed through a single point of contact, to ensure that our offer to businesses is clear and easy to navigate.

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[51] Information received from Keele University.

[52] Information received from Staffordshire University.

[53] *The Current and Future Role of Technology and Innovation Centres in the UK*; Dr Hermann Hauser, 2010; *Review of the Catapult network*, Dr Hermann Hauser, 2014; *UK SBS PS17086 Catapult Network Review*, Ernst & Young, 2017.

[54] *The Current and Future Role of Technology and Innovation Centres in the UK*; Dr Hermann Hauser, 2010; *Review of the Catapult network*, Dr Hermann Hauser, 2014; *UK SBS PS17086 Catapult Network Review*, Ernst & Young, 2017.

Intervention: Establish a programme of technology demonstration and hands-on innovation support, particularly to businesses focusing on energy, circular economy, low carbon transition and manufacturing.

4.17 We will work with local partners to create a truly area-wide innovation support service that builds on and scales up the work of the Universities, sben, and the Business Innovation Centre. We will also continue to support the Supply Chain Development Programme.

4.18 This innovation support service will include a programme of hands-on digital and green audits that helps firms identify concrete opportunities to better utilise new technologies in their businesses. This will prepare them for the significant challenges of digitization and climate change, which promise to significantly transform working practices, and be available to all businesses. It will also help companies identify and utilise circular economy methods that are appropriate for their businesses. Where available, they will tap into national funding schemes.

Intervention: Ensure we have the right assets to support local innovation

4.19 Working with businesses and local partners, we have identified particular needs for innovation facilities in terms of Advanced Materials and commercialisation of innovation, including support for smaller firms.

4.20 Within the Advanced Materials sector we have a unique combination of assets:

- Lucideon/AMRICC and advanced ceramics research and technical expertise.

- National Advanced Sintering Centre (NASC) including 10 partner universities.

- Staffordshire University.

- Availability of the Ceramic Valley Enterprise Zone (CVEZ) strategic sites for inward investment.

4.21 For Advanced Materials, there is a longstanding need for support which has been promoted locally over the last few years and is now being taken forward with the **Staffordshire Advanced Materials Incubation and Accelerator Centre (SAMIAC) facility** – as part of Staffordshire University's UEZ. This will capitalise on the convergence of digital technologies, advanced materials, energy, manufacturing and other sectors to drive and tackle the latest innovation challenges, offering incubation space for small businesses and testing facilities for small product runs, a leadership programme and support services. SAMIAC is an important intervention, but there is a pressing need for innovation facilities for commercialisation of Advanced Materials projects, including pilot line capability. We will work with local industry stakeholders to progress existing plans to support the sector.

4.22 There are likely to be further opportunities to create innovation assets that support the development of our priority sectors including advanced manufacturing and agri-tech. We are also exploring with investors the opportunity of creating a new business-led logistics innovation hub, as a new centre of excellence and R&D in this aspect of the future of mobility. There is a clear opportunity to transform the logistics sectors into one of our most productive and clean sectors in the next 10 years through the use of transformative technologies. Stoke-on-Trent and Staffordshire has a number of transport corridors that are highly attractive to the logistics industry and there is therefore an opportunity to consider the development of a new innovation centre to bring together site developers, logistics operators, the LEP, local authorities, universities and Government to raise productivity, reduce environmental impacts and continue to create jobs within this sector.

4.23 At Keele University, the new **Innovation Centre 7** will develop a purpose-built facility to support start-up, incubation and grow-on space for innovative SMEs, with a particular focus

on artificial intelligence, machine learning and big data. This will help with broader innovation and commercialisation needs in our area, focusing on energy, carbon reduction and manufacturing, utilising the networks that we are building. The IC7 support programme will consist of:

- Support to SMEs to develop focused growth acceleration strategies and update or introduce new business models which will drive their business performance.

- Advice and support to SMEs to enter, establish and expand in new domestic and international markets.

- Advice and support to SMEs to become investment ready.

- Provision of advice, consultancy, mentoring and peer-to-peer support to indigenous

Outcome: Faster adoption of new technologies and experimentation with different processes. Improved awareness and engagement in new clean growth and digital opportunities, which will improve competitiveness and productivity.

businesses.

Supporting small businesses to be innovative

Keele University's Mercia Centre for Innovation Leadership (MCIL) coaches local business leaders in innovation-intensive sectors, including: medical technology, healthcare, environment and energy. Delivered on location at Keele University, MCIL's overarching aim is to catalyse a new ecosystem of innovative business leaders, who will be well-placed to establish Stoke-on-Trent & Staffordshire as a prime location for high value industries. MCIL takes participating businesses on a series of guided mentoring sessions, each two days long, which demonstrate the core components of a business journey towards innovation, with the ultimate aims of helping these businesses bring new products or services to the market. In turn, this should increase the number of jobs in participating businesses and contribute to the creation of a new ecosystem of innovative and growing businesses in Stoke-on-Trent and Staffordshire. This also provides a model for helping companies grow through mentoring.

Alongside MCIL, Keele University's Research and Innovation Support Programme (KRISP) enhances the ability of local firms to access the university's innovation assets and facilities. KRISP is led by Keele University to help address the shortage of innovation support across Stoke-on-Trent and Staffordshire, providing businesses on the programme with advisors and interns paid to support the companies. Businesses are given access to grants to match with their own investment, with the aim of increasing the level of experimentation and growth in local businesses.

The Staffordshire Business Innovation Centre offers tailored advice to local businesses, walking them through grant and loan funding applications and providing specialist innovation support. It provides knowledge dissemination on issues such as R&D tax credits through its programme of innovation workshops. Highlighted as one of the most cost-effective Business Innovation Centres within the European Business Network, the BIC provides an excellent service to the area and is at the forefront of improving productivity at the level of individual businesses.
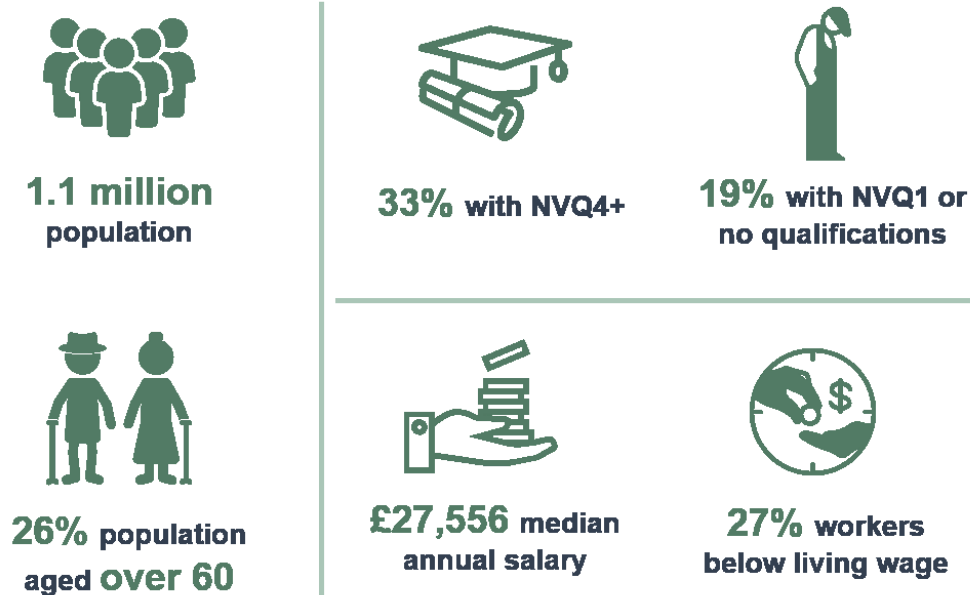
People

Ambition

5.1   We want Stoke-on-Trent and Staffordshire to be a place in which all our residents can thrive and benefit from growth. No one in Stoke-on-Trent and Staffordshire should have their horizons limited. Decent wages and the opportunity to progress and learn new skills should be accessible to everyone at all stages of life. We will ensure that experienced workers can retrain and add new skills. We want to retain more of the many skilled people who come here to learn, and to attract new people into the area to work. With many historically male-dominated industries that are now changing fast, we have a significant opportunity to tackle the gender pay gap[55] and ensure our businesses are benefiting from the widest potential labour market. Our infrastructure and housing ambitions also require a significant increase in sustainable construction skills.

5.2   This will help ensure our businesses have access to the skills and talent they need to grow. We are aiming to ensure that students have accurate and timely information about the skills that are needed in the economy, and have the opportunity to gain entrepreneurship skills and experience. It will also help ensure that businesses are working with our providers to develop pathways into work and progression in work, particularly in sectors where young women are underrepresented, and ensure that our skills system keeps up with changes in technology.
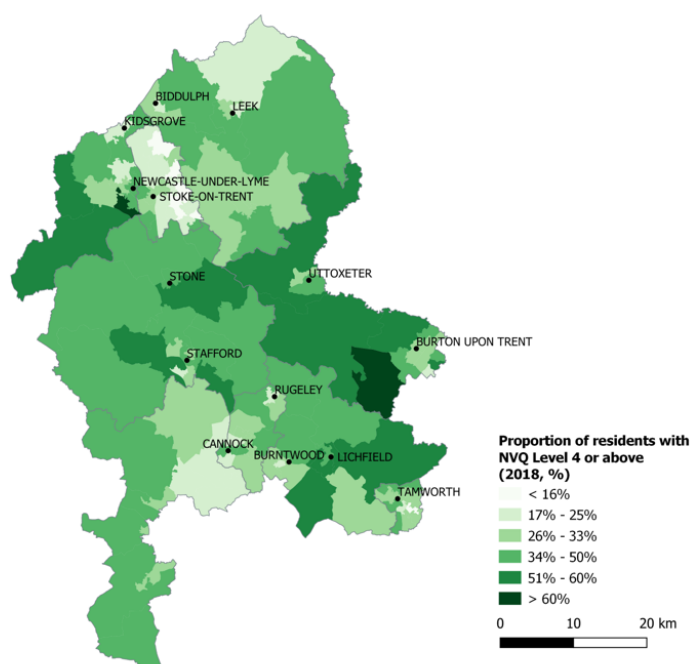
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[55] On average - men working full time in Stoke & Staffs earn 25.8% more than women (working full time) as of 2019. Equivalent gap for UK is 22.8%. For WM (region) it is 24.9%. ONS (2019) Annual Survey of Hours & Earnings (ASHE)

Context: Raising skills and aspirations

PEOPLE

1.1 million
population

33% with NVQ4+

19% with NVQ1 or
no qualifications

26% population
aged **over 60**

£27,556 median
annual salary

27% workers
below living wage

SHARE OF POPULATION WITH NVQ4+ QUALIFICATIONS

Proportion of residents with NVQ Level 4 or above (2018, %)

- < 16%
- 17% - 25%
- 26% - 33%
- 34% - 50%
- 51% - 60%
- > 60%

0   10   20 km

Source: Metro Dynamics Model of ONS Census and Population Estimates

5.3   Stoke-on-Trent and Staffordshire continues to face a problem with performance of local schools, with both Stoke-on-Trent and Staffordshire performing comparatively poorly for KS4 (A8) attainment and continuing to lag behind the averages of similar authorities. This has a knock-on effect into FE progression, where compared to national the area has higher

Level 2 (GCSE) participation in FE and lower Level 3 (A Level). This is likely a reflection of KS4 underperformance hindering school leavers' ability to achieve higher level skills in FE.

5.4   The importance of attainment in schools cannot be underestimated. Not least its impact on the education and skills system within Stoke-on-Trent and Staffordshire as a whole, with many of our young people having to catch-up and gain skills that they should have acquired at school. Whilst we have seen improvement in Higher Education (HE) participation in recent years, there are inequalities across our localities which are at least partly attributable to the underperformance earlier in the skills system.

5.5   Lower achievement of higher skill levels is hindering economic growth and raising levels of productivity which in turn is limiting wage growth and prosperity in Stoke-on-Trent and Staffordshire. It is therefore vital that school underperformance and low educational attainment is addressed to help ensure that more young people have the knowledge and skills they require to access more opportunities and reach their aspirations.

5.6   Since 2004, the proportion of working-age residents with higher level (NVQ4+) skills has increased from 20.4% to 33.4%.[56] But employment overall has grown more slowly than many other areas and Stoke-on-Trent & Staffordshire still has a lower proportion of working-age residents with higher level skills: just 33.4% compared to 39.2% nationally.[57] We also have a greater proportion of residents with lower level skills (NVQ1 or lower) at 19.1% compared to 18.4% nationally, although we have seen significant success in reducing the number of adults with no qualifications since 2014.[58] Lower skill levels are reflected in lower median wages, which are 12% below the UK average for workers in Stoke-on-Trent & Staffordshire.[59]

5.7   These figures contain very important local differences. Skills, employment and wages remain highly varied across the area – Stafford and Lichfield have a more highly skilled population than average, whilst Stoke-on-Trent, Cannock and Tamworth have a lower proportion of the population with high level skills. As well as highly desirable and wealthy towns and villages we also have some of the most deprived wards in the country. Stoke-on-Trent, Cannock and Rugeley in particular have communities deeply affected by the process of deindustrialisation. These inequalities are deep rooted. Attainment at key stage 4 and 5 is below where it should be particularly in our more deprived communities. Every local authority apart from East Staffordshire and Stoke-on-Trent also has higher wages amongst residents than workers – an indication that many of our most skilled residents commute to higher paid jobs elsewhere.

5.8   Continuing to ensure we develop new skills is also vital for future productivity growth. Labour Market Intelligence data on vacancies shows that 52% of advertised positions are for managerial, professional or associate professional level occupations.[60] Without the right number of skilled workers, our businesses will struggle to achieve their growth potential. For our residents, low skills often mean limited opportunities for progression and / or precarious employment. 27.4% of jobs in Stoke-on-Trent & Staffordshire pay below the national living wage, compared to 22.9% nationally.[61]

5.9   The local economy needs skills to remain competitive and local businesses need people with these skills to transform. Local jobs vacancies data shows that a number of specialist digital

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[56] ONS Annual Population Survey 2018,

[57] ONS Annual Population Survey 2018,

[58] ONS Annual Population Survey 2018,

[59]Annual survey of hours and earnings – workplace analysis, full-time workers median pay (2018)

[60] Labour Insight Jobs (Burning Glass Technologies).

[61] ONS Annual Survey of Hours and Earnings (ASHE) - Estimates of the number and proportion of employee jobs with hourly pay below the national living wage, by local authority, (2018)

skills in programming and analysis are in high demand, as are broader digital skills requirements. Manufacturing firms report challenges acquiring specific specialist skills and hiring apprentices. This chimes with wider analysis on the UK manufacturing sector which suggests there are skills challenges that are exacerbated by the ageing workforce and the need to transition to Industry 4.0 / Internet of Things (IoT). The energy, construction, professional services and logistics sectors locally are all seeking new skills and looking to recruit.

5.10   At the same time, many of our residents are working in sectors which are exposed to technological changes, including automation. We need to ensure that our residents are best placed to benefit from and adapt to these changes. This will help build resilience in our economy and avoid large increases in unemployment and economic inactivity, while helping those in work to achieve more secure employment.

5.11   Our universities have a vital role to play in attracting skilled people to the area. Over 22,000 people attend our universities at any one time. But there are challenges to retaining graduates in the area. Our businesses also report challenges attracting people to come and live and work in the area.

5.12   Health outcomes vary significantly across Stoke and Staffordshire. We have communities in Stoke on Trent that have significantly lower than average healthy life expectancy and higher than average levels of infant mortality and childhood obesity. We have aligned our local industrial strategy and STP five year delivery plan – recognising the deep connection between health and economic outcomes and improving both for our communities.

Priorities and Interventions

5.13   We have identified seven major priorities. Our Skills Advisory Panel (SAP) will further strengthen our evidence base and influence how our interventions are developed:

- Ensuring that our young people understand and can experience local opportunities.

- Ensuring our skills base continues to evolve to reflect changing business demand in our sectors, and making provision future-proof.

- Support local residents to progress and retrain at all ages, enabling higher wages and increasing participation.

- Improving health outcomes, particularly in our most deprived communities.

- Attracting and retaining highly skilled people.

- Ensuring that we have the right learning infrastructure in place, including the need to upgrade outdated facilities and equipment.

- Consider how we are able to support improved performance of our skills system, with a strong focus on schools given the knock-on effect that this is having on our young people on their later lives.

Case Study: Skills Equipment Fund

The LEP funded Skills Equipment Fund allowed local employers and training institutions to submit bids to secure funding to purchase state of the art equipment to enable the delivery of high quality and high-level training programmes to support the growth in Stoke-on-Trent and Staffordshire's priority economic sectors. Capital grants were awarded to 7 projects including South Staffordshire College's Cannock Engineering Academy, Stoke-on-Trent College's Heat Academy, Staffordshire University's Clinical Simulation Unit and Perkins Engines Stafford's, Manufacturing Excellence Centre. The Round 1 projects have supported an increase of over 1,000 apprentices to date.

5.14   Our actions to drive business scale-up, improving the provision of employment sites and space, and increasing investment will support the creation of more, higher skilled jobs and firms. Our investment in infrastructure, town centres, our natural and built assets and high quality housing will help us retain and attract highly skilled people and families looking for a great place to live and work. These are set out in the relevant sections of this strategy.

5.15   In parallel we need to ensure that residents have access to the skills that will enable them to take these opportunities, and to continue to retrain over the course of their lives. This will include the development of appropriate learning infrastructure to support our growth sectors and may include new Centres of Excellence for logistics, digital, modern methods of construction and agri-tech.

5.16   Our area offers an array of high skilled jobs with good employment prospects in many sectors: manufacturing, energy, digital, logistics and professional services. But feedback from businesses, local authorities and skills providers, as well as Careers & Enterprise Company, suggests that many of our young people do not understand these opportunities or expect to gain employment in these sectors. This is not unique to our area – at a national level we know that there are significant mismatches between what young people choose to study and the number and quality of jobs available in the economy – but the excellent opportunities here mean that it can and should be addressed.

5.17   Many of our businesses are clear that they do not need higher education per se, but in fact see the benefit of recruiting motivated school leavers. This is particularly true in digital and manufacturing sectors where there is value to firms in recruiting to the specific needs of the firm. We have an important FE provider base, including Newcastle and Stafford College Group which is the 2nd highest performing college in the UK and the first to get outstanding under the new Ofsted regime. The evidence shows that we have more to do to strengthen the links between providers of all kinds and local businesses and learners, so the route through learning to local economic opportunities is clear and visible.

Intervention: We will develop new pathways into employment and progression, including new curriculum modules. These will be developed by businesses and providers working together, focused on specific requirements and communities to meet local skills needs.

5.18   We will work to bring together providers and employers, through our recently established Skills Hub, with targets to engage with 2,160 firms over the next three years. Partnerships with colleges and private skills providers will be central to this programme. Through Training Needs Analysis and Operational Needs Analysis, the Business Skills Advisors at the Skills Hub will provide sector focused, personalised and tailored support, including identification of skills gaps to better position businesses to grow, diversify, adopt new technologies and create more jobs. The aim is to focus and support businesses that are not already engaged in skills development.

5.19   Our new sector groups will support the work of the Skills Hub, ensuring that intelligence

from our sectors informing the development of targeted partnerships between colleges and businesses. We will work proactively with groups of SME businesses identify demand for skills and vocational education provision. We will also support and encourage larger firms to become more actively engaged. Many already do so: for example, the Denise Coates Foundation has co-funded with Stoke-on-Trent City Council a Maths Excellence Partnership, which aims to recruit and retain maths teachers, to improve maths teaching in the area, and to raise attainment in maths.

5.20   We will also work with local partners to use social value legislation more effectively when procuring public contracts, to lead to the social and employment outcomes we want for local residents.

Case Study: JCB Academy and Apprenticeship Engineering Centre

The JCB Academy, established in 2010, is a specialist school and college with a focus on engineering skills. Sponsored by JCB, and supported by other key businesses including Toyota and Rolls-Royce, the company develops the academy's unique curriculum and learning techniques to provide students with the skills needed in advanced manufacturing in the area.

The Academy has experienced significant growth. It supported 699 students in 2018/19, nearly double the 363 learners supported in 2012/13. Over the last 3 years, the JCB Academy has supported 875 apprentices with a 47% increase in participation between 2016/17 and 2018/19.

Case Study: District Heat Network Academy

The District Heat Network is an exciting and innovative project that will not only see the development of network of sustainable, low carbon and low cost heat energy to Stoke-on-Trent businesses and residents

Stoke on Trent College has been identified as a key provider of the training that will be required over the coming decades to meet the skills needs of such a large infrastructure project. The College is already working in collaboration with Stoke-on-Trent City Council and other key participants in this project, such as Nordic Heat, LOGSTOR and the Swedish Energy Agency, who have expertise in delivering geothermal heating systems across Europe.

The college which is the only accredited training provider for LOGSTOR outside of Denmark, is ideally placed to support the skills requirements of the District Heat Network project, having class-leading engineering and construction facilities at its Burslem campus and a dedicated workforce of staff covering classroom and workshop training as well as apprentice training through its Skills Training Academy.

5.21   Apprenticeships will continue to be a strong focus of these business / provider partnerships locally. We will continue to explore new ways of maximising the impact of the apprenticeship levy across the LEP area. We will also build on the wide delivery offer from our training providers, colleges and universities for Apprenticeship Standards from level 2 through to level 7, and work with employers to ensure that the Apprenticeship Standards delivered are appropriate to the demands of the labour market.

5.22   Alongside our colleges, Staffordshire University currently delivers across 19 apprenticeships standards which align to regional and national priorities in upskilling in priority areas such as digital, manufacturing, management and leadership and health and social care. The aim is to create 6,500 apprenticeships over the next decade. Staffordshire University has developed strong partnerships with national and local employers including NHS and local UHNM, BT, Capula, Virgin, Siemens, Bentley, Merlin, Churchill China, Leoni Wiring and KMF. We will

further strengthen this approach and want to work with Government to achieve the local flexibilities needed to ensure we can continue to build on local successes in working with industry and learners.

Intervention: New flexible provision for digital skills and retraining at all ages

5.23 The global economy is undergoing major shifts – including automation, digitisation, and climate change (and the need to increase sustainability). We will support retraining initiatives to ensure that residents have the opportunity to benefit from new industries and occupations. We will work with providers to create additional opportunities targeted at and accessible to the different requirements of specific groups of people, such as mothers returning to work, older workers and sectors such as construction, logistics and engineering where young women are underrepresented, building on successful local pilots.

Intervention: Work with Government to improve the targeting and effectiveness of the apprenticeship levy and on-going capital investment and funding

5.24 In order to make a meaningful difference we need stronger local partnership and leadership of this agenda, building on initial progress through the Staffordshire Partnership for Skills and Enterprise, with the right funding and capacity to ensure that different partners – schools, colleges, independent training providers (ITPs), businesses, universities, and the public sector – are all working towards a common goal. We are keen to work with Government to discuss how to improve the targeting and effectiveness of the apprenticeship levy as well as on-going capital investment.

> **Outcome**: More progression for local people, enabling them to earn higher wages and have more secure employment. A more resilient economy with a workforce better suited to adapting to economic changes.

Intervention: Build and expand on the support given to school leaders in working with businesses and young people

5.25 We will work with partners to undertake a high-profile campaign targeting schools, parents and young people: 'My Future Here'. The aim will be to improve school understanding of the needs of the workplace, to drive up performance and to publicise the many and varied opportunities for young people locally in this area, improving social mobility and raising ambition. This will include promoting opportunities to work in agri-business, with increasing technical skills requirements. More broadly, we want to ensure that young people are exposed to the ideas and skills needed to be entrepreneurs, and that they gain the confidence to make this choice.

5.26 The Careers & Enterprise Company (CEC) which operates across most of Stoke-on-Trent and Staffordshire is committed to working in partnership with local schools and local businesses to ensure that each of the young people at secondary school or college in Stoke-on-Trent has four or more experiences of the world of work. We will expand its remit to cover the whole of Staffordshire, increasing the opportunity for local companies to engage with schools and colleges and expand the opportunities for young people to work locally. We will work with local partners and Government to seek additional funding to extend the programme.

5.27 We will expand the support given to include all secondary schools, colleges and provision within Stoke-on-Trent and Staffordshire to ensure that all children and young people understand the opportunities and pathways available to them and that they are more readily prepared for the world of work.

5.28 We will also continue to work with, and support educational establishments to build

meaningful relationships with local employers and work towards the 8 Gatsby Benchmarks; (the eight Gatsby Benchmarks are the foundation of the Careers Strategy, a statutory requirement for secondary schools and colleges), to ensure high-quality career guidance in schools and colleges so that young people can make well-informed decisions on their future.

5.29 It is also planned to roll out delivery of the Stoke-on-Trent primary project (piloted with 35 primary schools) to all primary and junior schools. The project, which focuses on curriculum based employer engagement, aims to open up new possibilities of learning and connect children of a primary learning stage with the world of work and careers whilst also increasing community engagement, aspirations and social inclusion.

Outcome: This will help ensure that young people benefit from the opportunities in local industries and that businesses benefit from talented local people.

Case Study – Universities that are deeply embedded in the local community and labour market

Staffordshire University offers courses focused on all aspects of digital expertise, and there are nearly 4,000 undergraduates studying on its computing, AI and robotics and new e-sports management courses, focusing on business development in the fast-growing industries. Computer science (including games technology) at Staffordshire University is ranked 8th for teaching quality and 10th for student experience in the Times Good University subject league table. The University's flagship games courses are voted Number 1 in UK by the video game industry (alphr.com) and shortlisted for TIGA Games Industry awards for the best Educational Institution 2019. The University is an Amazon Web Services (AWS) Academy member institution, among the first to offer the AWS certified curriculum to students. Building on existing successes, the University has extended curriculum of new courses in AI, robotics and big data analytics.

Keele University has some of the highest rates of student satisfaction in the country and excellent rates of graduate employability. Teaching in engineering, life sciences and medicine at Keele are very well respected nationally. With its apprenticeship programme Keele offers young people and professionals opportunities to acquire or improve their skills. The university currently has apprenticeship programmes in nursing and for advanced clinicians and will soon begin a data scientist programme.

Case Study – Employers working with schools, linking careers to the curriculum

Seddon is the Enterprise Advisor for Haywood Academy in Stoke-on-Trent. Suring initial meetings to determine how they could support the school, the maths department asked if they could develop support for their year 11 students around scenario-based questions. Seddon approached their Trainee Quantity Surveyor, and asked him to develop some lessons based around his role. Four lessons, using real life examples from the job role, such as measuring for pricing and calculating wastage were developed.

The Seddon employee delivered each lesson twice to classes of 30 students, which was well received by the pupils. It was also a chance for the employee to develop his skills and knowledge and he subsequently was awarded Employee of the Month for this work. The impact on the students was significant. 66% of the students increased their attainment in subsequent mock exams, therefore securing higher predicted grades. 83% of the students said that they now had a better understanding of career opportunities available that require good maths skills, and 97% of the students said that the project helped them to understand how to apply maths skills to real life problems.

Infrastructure

Ambition

6.1 We want Stoke-on-Trent and Staffordshire to have the infrastructure that will support our projected major growth in housing and employment sites over the next twenty years and ensure that environmental impacts are minimised. This will require support to strengthen transport links, enhance the quality and quantity of our housing supply, secure next generation digital connectivity, and ensure that our energy infrastructure will support the growth we need.

6.2 Nonetheless, our infrastructure network requires investment. The Staffordshire and Stoke-on-Trent Strategic Infrastructure Plan (SIP) identifies a total funding need between 2018 and 2038 of £4.1bn. Of this, £1.1bn is secured and £759m is expected, leaving a funding gap over the period of £2.3bn, or 56% of total funding required.[62]

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[62] Strategic Infrastructure Plan, Staffordshire County Council, 2019.

Priorities and Interventions

INFRASTRUCTURE

25.6% growth in house prices between 2011-2018

Decreasing vacancy rates for commercial property since 2013

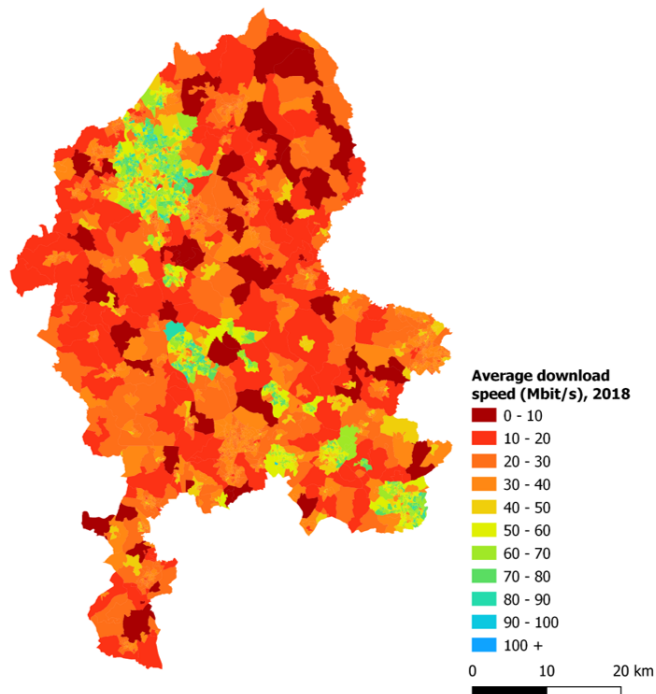**67% home ownership rate** higher than regional and national averages of **63%**

48% increase in rail station entries and exits between 2010-2018

18.2% growth in industrial market rent per sq. foot between 2013-2019

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

Average download speed (Mbit/s), 2018
- 0 - 10
- 10 - 20
- 20 - 30
- 30 - 40
- 40 - 50
- 50 - 60
- 60 - 70
- 70 - 80
- 80 - 90
- 90 - 100
- 100 +

0   10   20 km

Source: Ofcom 2018

Building on our infrastructure advantage

6.3   Our area sits at the heart of the UK's road and rail network. We benefit from the presence of the M6 and the M6 Toll running north to south through our area, as well as the M54 to the south and a number of major A-roads. Nearly every part of Great Britain lies within a four-hour drive of our area, and the quality of our road network is reflected in the huge demand for logistics space locally. Usage on the strategic road network nationally is expected to grow by between 32% and 66% by 2050.[63] Given our high volume of manufacturing and logistics traffic, as well as our central location within England, it is likely that we will experience a proportionately higher increase in traffic.

6.4   We also benefit from superb rail links. The West Coast Mainline means we are 1 hour and 18 minutes from London Euston, 30 minutes from Birmingham New Street, and 39 minutes from Manchester Piccadilly. Indeed, from Stafford to London Euston the journey time is comparable to travelling to Euston from the outer reaches of the London Underground network. Added to this, through the Cross Country Route we have access to all major cities by train. Other lines – the Cross City Line, the Chase Line, the Crewe to Derby Line and the Shrewsbury Line – provide important commuting connections to other parts of the Midlands and neighbouring urban centres.

6.5   At the same time, a number of challenges facing Staffordshire's rail network are outlined within the Staffordshire Rail Strategy. These include:

- Cost, frequency and reliability issues throughout the area.

- The single line section of track to the north of Stoke-on-Trent between Alsager and Crewe limits the frequency of services between Crewe and Stoke-on-Trent and presents a significant challenge in the context of HS2. Capacity issues also limit service improvements to/from the North.

- The frequency of services between Crewe and Derby and lack of direct connections on some lines and to the East Midlands.

- Access to Manchester Airport is poor with no direct services and access to Birmingham Airport varies across Staffordshire.

- All stations in Staffordshire are currently classified by Network Rail as category C or below which is widely recognised as falling short of average satisfaction levels. A lack of investment by Network Rail means many stations have become increasingly dependent upon the National Stations Improvement Programme (NSIP) and Access for All Funding to deliver improvements, such as the currently progressing redevelopment of Cannock Rail Station.

- Some larger towns with populations circa 20,000 (including Leek & Biddulph) have no rail services at all.

Intervention: Work with national partners to prioritise major strategic schemes

6.6   Our priorities for the Strategic Road Network are:

- **Continued investment in the Smart Motorway programme** to increase capacity on the M6. The current gaps include M6 J15-J16 (North Staffordshire) which have been identified by Midlands Connect as a priority for the second national Road Investment Strategy (RIS2).

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[63] Strategic Infrastructure Plan, Staffordshire County Council, 2019.

- **A link between the M54 and the M6**, which was identified in the 2014 Road Investment Strategy (RIS) to relieve congestion on the A460, A449 and A5. The preferred option was announced in 2018 which includes a dual carriageway link between M54 J1 and M6 J11 and associated improvements.

- **Addressing congestion issues on the A50 / A500 and A5, including Project B on the A50**. Studies by Midlands Connect have already begun to consider how congestion issues can be addressed and growth supported along these key corridors.

- **In the longer term, improvements are also to be considered for the A38 corridor**.

6.7 The case for investment and opportunities are being explored including through the Major Road Network programme. This will lead to preferred investment priorities along these routes which will likely need to be delivered to fully realise the growth potential of Staffordshire & Stoke-on-Trent.

6.8 Our main priorities for the strategic rail network are:

- Delivering the **Handsacre Link**, which is a vital part of the High Speed Two (HS2) scheme for Stoke-on-Trent and Staffordshire, as it enables services to pass through our area when Phase 1 is operational and provides services at Stafford and Stoke-on-Trent rail stations. There is a need to take full advantage of these services and released capacity on the existing rail lines, considered through the Constellation Partnership[64] Growth Strategy. We need to ensure that the quality of the existing non-HS2 rail service is maintained or enhanced.

- Deliver the **Midlands Rail Hub** to transform east-west rail connections across the Midlands by enabling six million more rail journeys each year, and creating space for up to 24 extra passenger trains an hour and reducing journey times.

- There is the opportunity to deliver a number of **new rail stations** within our area in the coming years, supporting growth and improved sustainable transport options. This includes the Brinsford Station which would provide new rail connections to the identified Growth Zone around Junction 2 of the M54 and a new station to serve the proposed Meecebrook Garden Settlement in Stafford Borough.

Investing in local transport links

6.9 Whilst our strategic road and rail links are strong, there are some important local transport bottlenecks and improvements that need to be addressed. Significant congestion issues exist along a number of major and principal local routes through Stoke-on-Trent, namely the A34, A50, A52 & A53, with some localised congestion in other urban centres in Staffordshire, such as the A38 connecting with Birmingham and the south.

6.10 Public transport accessibility is variable across the area and will be important to ensuring that local residents can benefit from links to key employment areas and training provision. We will work with local authority partners and commercial providers on these issues.

6.11 There are also connectivity issues between rail stations and their surrounding areas including poor accessibility via sustainable transport options – with lack of adequate bus services being a particular challenge. In particular, there is poor accessibility to Stoke-on-Trent station which is separated from the city centre by the rail line and ring road. Investment from the Transforming Cities Fund will be used to address these issues. Some

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[64] The Constellation Partnership consists of the Stoke-on-Trent & Staffordshire LEP, the Cheshire & Warrington LEP, 7 local authorities and wider stakeholders.

stations suffer from a lack of capacity, poor-quality parking facilities and poor reliability of services.

6.12 We also need to consider the opportunities presented by growth in the visitor economy and how local transport links can work to support conversion of access to key visitor destinations and the rural areas by accessible transport and deliver 'green growth' for the tourism sector.

Intervention: Invest in priority local transport schemes

6.13 We will work with local partners to address and invest in local transport priorities. Many of these reflect the need to manage congestion associated with peak time travel demand, which is high in and around many of our urban centres. We will work with local partners to consider how public transport utilisation could be improved through a range of demand and supply side measures to address congestion and increase connectivity for residents and workers. Supporting improved walking and cycle links and behavioural change to decrease car usage will be an important element in many places.

6.14 There are also significant challenges around air quality (with implications for public health) which manufacturing and logistics growth might exacerbate if we don't invest in ways of mitigating vehicle emissions. We will therefore explore the potential of investing in greater electric vehicle charging infrastructure and ensuring that the energy network is able to support electric vehicle charging at home through proactive planning.

> **Outcome**: Unlock key sites, improve connectivity and air quality, and help local residents access work.

Building the next generation of digital connectivity

6.15 Across Stoke-on-Trent & Staffordshire superfast broadband (24Mbps+) coverage is over 96%.[65] Although connectivity is good in some areas, many businesses report challenges accessing broadband at the speeds they require, particularly those businesses based in rural areas or industrial estates on the urban fringe. Ensuring that our rural businesses and those in market towns have access to the internet connectivity they need is very important for supporting the adoption of new technologies and raising productivity – including in agriculture. It is also important for the delivery of services, for example, it will be increasingly important in order to deliver effective healthcare to rural areas with ageing populations.

6.16 We need to build on innovative projects. Stoke-on-Trent City Council is set to launch a new high-speed 1GBps (gigabit-per-second) full-fibre broadband network, building on a successful pilot Fibre-to-the-Premise (FTTP) network at Etruria Valley. The £32m Superfast Staffordshire project, a partnership between Staffordshire County Council, BDUK and BT Openreach, has provided superfast broadband (over 24Mbps) access to 80,000 homes and businesses across our area.

6.17 The Government's Future Telecoms Infrastructure Review highlights the aim to ensure that 15 million premises across the UK are connected to full fibre by 2025, with coverage across all parts of the country by 2033, whilst there is a clear political will to make this happen even more quickly. Universal full-fibre coverage will be vital to ensuring places are not left behind, with many parts of the county also continuing to suffer from poor mobile phone reception. We know we need to move faster to ensure that our area doesn't fall behind in the period before delivery of full-fibre. For this reason, we need to consider other innovative

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[65] Figure from Superfast Staffordshire project with Openreach (BT).

solutions. Lichfield has been unveiled as one of the newest locations to benefit in the future from the 'full fibre' rollout.

Intervention: Roll out next generation digital connectivity

6.18   We want to be a pioneer area for digital connectivity. We will support the roll out of 5G connectivity by supporting pilot projects in manufacturing, energy and logistics sectors. To ensure that areas are not left behind and receive a good-quality broadband connection as soon as possible as we work towards delivering a gigabit capable service for every premise, we will consider and support the implementation of a range of other programmes and technologies such as the Universal Service Obligation. We will also look to utilise 'digital white space' in appropriate areas to deliver high speed broadband to rural areas years ahead of the roll-out of fibre. Using this method, we can deliver rural broadband quickly and affordably, eradicating 'not-spots' by 2025. This will allow rural places to compete with urban areas with high quality broadband – including in services sectors.

> **Outcome**: Support the growth and development of digitally enabled sectors and businesses.

Lead the transition to a more sustainable energy infrastructure

6.19   Our new housing and employment areas will require a range of underpinning infrastructure. Our Energy Strategy has identified a number of challenges around the energy and utility supply in certain areas. We have some significant opportunities in terms of energy infrastructure, relating in particular to SEND at Keele, and the District Heat Network in Stoke-on-Trent. Upgrading our energy infrastructure will be important to ensure reliability of supply and to reduce cost to businesses and residents. It will also be important to make the transition to a more sustainable energy network that supports electric vehicles and lower carbon emissions.

Intervention: Be a national leader in energy innovation

6.20   We have all the attributes to be a national leader in energy innovation (see 'Our Strengths: A national energy innovation leader'). We will:

- Use the District Heat Network project in Stoke-on-Trent to develop a national exemplar for municipal heat. Develop this in a phased way that starts with the public sector and then moves on to heating residential premises and drawing heat from commercial premises. Unlock specific opportunities e.g. geothermal and heat from waste, to develop the network.

- Use the SEND project at Keele University to test and help commercialise renewable energy projects that can be scaled up.

- Use the SBEN:LCBEP project as an exemplar of businesses adoption of energy efficiency and carbon reduction practices increasing economic and climate resilience for businesses.

- Use innovative schemes to help address fuel poverty and increase local energy sustainability, building on the Consumer Energy Scheme which has provided free solar panels to residents in social housing in Stoke-on-Trent.

- Build on and encourage the work of leading businesses. JLR's state-of-the art Engine Manufacturing Centre at i54 South Staffordshire has one of the UK's largest rooftop solar panel arrays. More than 21,000 photovoltaic panels have been installed, with a capacity of 6.3MW. It is estimated that the system will generate more than 30% of the Engine Manufacturing Centre's energy requirements, equivalent to the energy needed

to power more than 1,600 homes.[66]

> **Outcome**: Generate employment in the energy sector, deliver an exemplar sustainable project (DHN) and increase economic resilience for businesses and residents.

Need to improve housing affordability, sustainability and quality

6.21 Housing is an important factor in ensuring that we are able to attract and retain skilled workers to our area. Our area benefits from relatively affordable housing, with an affordability ratio of 7 times median wages compared to the national average of 8, but affordability varies between places and is worse than the national average in some parts of our area.[67] The role of wider housing markets, including the Greater Birmingham Housing Market Area, is an important factor in our area.

6.22 The SIP identifies that average housing delivery is planned to be 4,339 dwellings per year – delivering housing growth of circa 86,800 homes by 2038 – which entails nearly doubling the current levels of delivery (2,310 dwellings per annum). This will create challenges and opportunities for our local construction sector and supply chains.

6.23 Our area has some significant specific opportunities, particularly the proposed Meecebrook development near Swynnerton which has the potential to deliver a minimum of 10,000 homes as well as 200ha of new employment land.

6.24 Some of the other planned and proposed housing developments include:

- Strategic Development Allocations in the east, west and north of Stafford and the proposed Stafford Gateway development adjacent to the rail station.

- Branston Locks in Burton upon Trent.

- Arkall Farm, north of Tamworth in Lichfield District.

- Tamworth Golf Course.

- Rugeley Power Station in Cannock Chase and Lichfield.

- Growth of the three towns in Staffordshire Moorlands and continued development of Blythe Vale.

- University Growth Corridor adjacent to Keele University and part of the continued development of the Science and Innovation Park.

6.25 It is also important to note that the Constellation Partnership has an ambition to deliver 100,000 new homes by 2040, which will be a major driver of local housing markets.

Intervention: Deliver the high quality, safe, and sustainable housing we need to grow supported by strong utilities and social infrastructure

6.26 Local planning authorities and other partners will work together to deliver 86,800 new homes to 2038. We will help to support this growth by investing in infrastructure to unlock specific sites, using a revolving fund (see below) to pump prime this investment. We will push for high sustainability (high energy efficiency with energy generation where

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[66] Jaguar Land Rover (2014)

[67] House Price Statistics for Small Areas: Median Price between 2011 and 2018 (data for year ending Sep). ONS, Annual Survey of Hours and Earnings (ASHE). The housing affordability ratio is the ratio of median house price to median gross annual workplace-based earnings.

appropriate, using sustainable materials) and safety standards to ensure that new homes contribute to improved affordability without compromising the safety of residents. We will work with local partners to use the local planning process to deliver the mix of high-quality housing that businesses need, including homes for key workers and homes for young professionals.

6.27 Delivering this level of housing offers opportunities for innovation and raising skills. Nationally there is a shortage of construction skills and we will work to bring local firms and providers together to increase skills and link local people to these new opportunities. Local authorities are committed to working to use public procurement and planning guidance to incentivise the use of off-site construction which has the benefit of raising productivity and speeding up delivery.

6.28 There is a range of utility infrastructure that is needed to support sustainable housing development: energy (electricity and gas), water, drainage, flood defences etc. as well as wider social, education and health infrastructure. It is vital that new housing developments have the requisite infrastructure to support a high quality of life, and it is important to timely delivery that this infrastructure be put in place in a planned way prior to development.

6.29 As well as supporting high quality new build, we will also support the regeneration of existing housing and housing estates, particularly in deprived areas in order to improve inclusivity and wellbeing in these communities.

> **Outcome**: Support the attraction and retention of skilled people. Provide better, more affordable housing for key workers. Ensure the regeneration of housing in areas of need.

What we need from Government

6.30 Our area will see significant growth in housing and employment over the next twenty years. To enable this growth, we need support from Government to establish a revolving investment fund to pump prime infrastructure investment, and to support local manufacturers (including in the advanced materials sector) to provide the materials and housing we need. This includes effective flood defences to support new and existing housing.

6.31 We also need greater certainty from Government on the direction of policy. This is especially the case in terms of HS2. We are clear that this is immensely important to our area and we would urge Government to confirm that this is going ahead as currently planned. Government also has an important role to play in providing the regulatory environment that enables the shift to smart, decentralised energy networks and the implementation of innovative technologies, such as the potential use of digital white space, to create affordable rural broadband networks.

Implementation

7.1 We will develop an Implementation Plan in early 2020 which will set out how we will 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 – providing the detail needed to move forward. The Implementation Plan will also explain how we will collaborate and share expertise to ensure our LIS is successful.

7.2 At the heart of our implementation efforts will be the development of a reinvigorated network of sector and thematic groups. These will be the key links that bring together our businesses; local authorities; universities, colleges and training providers; other public sector partners; and the Voluntary, Community & Social Enterprise (VCSE) sector. They will help us agree ways of working and how to address issues such as business support and skills needs. We have already begun the process of developing and renewing these networks.

7.3 Our Implementation Plan will build on our work to date on improving networks, governance and delivery. We published a Delivery Plan in May 2019 which set out our work over the coming year. We have also acted to develop and strengthen our governance mechanisms to ensure that they support delivery:

- We have revised the LEP Operating Model to ensure compliance with the new National Local Growth Assurance Framework – including developing our own LEP Assurance Framework.

- We have undertaken a review of LEP Resources, Staffing Structure & Board Membership, ensuring that the secretariat function and Board representation is future fit to deliver the Local Industrial Strategy.

7.4 Business engagement is at the core of what we do, and how we will deliver the LIS. We prioritise business engagement through a range of face-to-face meetings and through a structured programme using print and social media. LEP Board Directors work closely with the Staffordshire Chambers of Commerce and other key business networks, through a set of regular 'Network of Networks' meetings and other engagement events to discuss current business issues and opportunities.

7.5 Business engagement also includes our Annual Conference, typically attended by more than 200 delegates and featuring high-level business and Ministerial speakers, plus regular business consultations and focus groups, selected on sectoral or geographical grounds.

Working with regional partners

7.6 Our businesses and residents do not pay attention to administrative boundaries, and we are very aware that our area plays a vital role within the wider regional and national economy. In pursuing our economic growth priorities, we work through a number of collaborative initiatives with different regional partners:

7.7 Our Board Chair meets quarterly with the Chairs of the other **West Midlands LEPs** (Black Country, Greater Birmingham & Solihull, The Marches, Worcestershire, and Coventry & Warwickshire) to plan and progress shared opportunities and joint working. Our secretariats also meet quarterly, supporting and progressing the shared work programme, including reflecting the aims of the West Midlands LIS and our own LIS. This forum, chaired by the Black Country LEP Chairman, enables formal and coordinated responses to government

consultations collaborative approaches to transport, access to finance and business supply chain services.

7.8   We work closely with regional partners as part of the **Midlands Engine & Midlands Connect** to promote the region as a distinctive investment location. The County Council Leader currently represents our area on the Midlands Engine Executive Board and the LEP Chair represents Stoke-on-Trent & Staffordshire on the ME International Trade & Investment Group. Both sit on the Midlands Connect Strategic Board. We have taken a lead on the promotion of the Advanced Materials Sector for the Midlands Engine.

7.9   We are part of the **Constellation Partnership** which is working to realise a coherent investment market, through the investment in High Speed Rail 2 connectivity. The partners, who include the Cheshire & Warrington LEP, 7 local authorities and wider stakeholders are focused upon delivering a 10-year plan sets out the ambition to deliver on 100,000 new homes and 120,000 jobs by 2040.

7.10   We have partnered with three LEPs (Cheshire & Warrington, The Marches, and Worcestershire); with Harper Adams, Keele and Chester Universities and South Staffordshire, Reaseheath and Pershore Colleges to research shared opportunities within agricultural and engineering technologies for the food and drink sectors. This led to the formation of the **Agri-Tech West** partnership which focuses upon supporting SMEs within food and drink production and processing supply chain to increase productivity and improve sustainability through innovation and investment.

7.11   In preparing our Implementation Plan, we will look to leverage and utilise these relationships where possible to maximise the impact for our area and support others pursuing similar aims.

Working with Government

7.12   Government has a major role to play in ensuring the success of our LIS. In particular, we are keen to secure funding to support our objectives, and to build local capacity within the LEP and partners to ensure that we can deliver. Clarity on funding and policy objectives will be important to ensure that our LIS helps support national objectives.

7.13   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 colleagues to provide more detail to discuss how our current plans could be accelerated through the provision of additional funding.

Annex: Logic Chains

Business Environment

Evidence	• Nationally flexible office space has nearly doubled in the past five years, but mostly in large cities. • Locally, where business spaces been established spaces been filled and success prompted private operators to enter the market – strong demand but priming needed • Growth in small professional services businesses since 2010. • 319 active graduate spin-outs over the past year. • Reports from rural stakeholders suggest challenges in getting planning permission for light industrial units.	• Shortage of strategic space - no more than two year supply across the region. • Make-It team reporting steady uptake of sites and there have been a number of prominent recent investments (JLR, Amazon, FedEx, Screwfix, etc.). • SSLEP area has a big role to play in strategic space provision due to existing identified sites and strong transport links - e.g. RailFreight Interchange.		• Overarching productivity challenge. GVA per hour 21.9% lower for the economy as a whole compared to the UK average. All broad sectors have lower GVA per worker than the national (England) equivalent. • lower density of businesses (343 per 10,000 residents) than the national average (414) • lower start-up rate (38 start-ups per 10,000 residents compared to 61 nationally). • We have a high level of graduate spin-outs and we need to help more of these firms to grow. • National research demonstrates that high growth firms and scale ups drive a disproportionate level of employment growth. • Firm level intelligence locally shows that firms that are growing rapidly have a range of needs that the founders of those companies might struggle to address.		
Challenge	Lack of suitable accommodation for small and growing businesses	Wider Strategic Employment Sites shortage		Start-up rates are low and firms face challenges growing. Not all firms are interested in growing and those that are often face challenges.		
Rationale	Ensure that we have the employment space to attract and retain small businesses	Ensure that we have the strategic employment sites we need to grow.		Provide greater support for start-ups, spin-outs and growth firms – support targeted at those firms with the potential to grow		
Intervention	We will create more flexible small business and grow on space in key centres and in identified employment sites in rural areas	Deliver the strategic employment sites we need to grow – focusing on **high value uses and our growth corridors** Implement an agreed strategic approach to employment land	**New inward investment campaign** – attract high value occupiers and support local firms to grow into modern premises, focusing on business services, energy, manufacturing, and logistics.	A new high growth targeted and segmented business support programme: a range of support to help *ambitious* firms grow in *all* sectors	Support peer-to-peer business networks and leadership groups, with a particular focus on energy, agri-tech, manufacturing, digital and logistics, linking ambitious businesses with each other and supporting innovation and collaboration on skills and workforce development	Locally delivered enterprise support scheme, to link people to premises, advice and markets – delivered in our towns and cities
Outcome	Help us to attract, retain and grow small businesses in our centres, tapping into the higher skilled population that lives locally but commutes outside the area to work.	Allow us to attract firms to our area and enable local firms to grow and expand – particularly in terms of manufacturing logistics, energy and professional services. Will increase employment in higher value sectors within our area.	Attract higher value firms to our area and support local firms to expand.	Ambitious firms will be supported to grow with a tailored package of support that meets their needs.	Improved networking for local businesses will help share expertise and learning, and help improve supply chain and knowledge linkages. It will help the LEP and partners understand the needs of the sector more effectively on a real-time basis.	Build on the entrepreneurship programmes we have to create clusters of start-ups and young growth companies - making it easier to support these firms and attract finance. Also improving perceptions of our areas by creating a visible area of dynamic business.
Impact	A business start up and growth hot spot – with increasing productivity and enterprise levels, and sustainable energy and resource use					

Ideas

Evidence	• Investment through the R&D tax credit programme for businesses in our area is 3.4% of the West Midlands total despite our area accounting for 17.3% of the West Midlands business base (and despite strong life sciences cluster at Keele Science Park). • R&D per FTE is £422, ranked 29th of 38 LEP areas. • Research by UKRI suggests that SMEs are often put off by the risks and costs associated with R&D investment. • Some highly innovative businesses, and many firms are innovating, but lower levels of reported innovation and new process adoption than majority of rest of UK (ESRC 2019)	• The Productivity Commission has found challenges associated with SMEs investing in making business changes. • Engagement with local businesses suggests that barriers to investing in new technologies (cost, uncertainty of outcomes, lack of technical knowledge, etc.)	• National research indicates that the role of innovation centres is important to act as a focal point and centre of support for innovation in particular technologies and industries. • Our own existing assets are important poles of technology research and diffusion. • There is local demand for centres in: advanced materials, advanced manufacturing, AI/digital, logistics AI.
Challenge to address	Investment in R&D is too low, in part because some businesses do not see R&D as part of their business plan (so 'supply' interventions must be matched by interventions to boost 'demand' for innovating / innovation support)	Underinvestment in productivity-enhancing technologies.	Gaps in the provision of innovation assets locally.
Rationale	Encourage our companies to invest more in R&D	Support companies to adopt new technologies	Ensure we have the right innovation assets
Intervention	Further invest in our knowledge transfer programme, diffusion networks – and work to increase the demand from businesses for these services. Focus 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 / grow the innovation assets we need: SAMIAC, IC7, Logistics Innovation Hub, advanced manufacturing centre of excellence.
Outcome	Increased dissemination of new ideas and skills into our local business base, helping firms stay competitive and improve productivity, whilst also tackling local challenges.	Faster adoption of new technologies and experimentation with different processes. Improved awareness and engagement in new clean growth and digital opportunities, which will improve competitiveness and productivity.	
Impact	Increased business demand and capacity to absorb and adopt innovation. Grow our centres of excellence, and as leaders in logistics, energy use and manufacturing help take the lead in creating the low energy and connected economy of the future		

People

Evidence	There are big variations across the area, but on aggregate: • We have a lower proportion of people with higher level (NVQ4+) skills - 33.4% compared to 39.2% locally. Stafford has a very highly skilled population, SoT and Tamworth have a low % of higher level skills, other districts close to the average. • The difference between the median wage of people who work locally (£26,305) and people who live locally (£27,556) suggests that some of our higher skilled workers commute elsewhere to work. • Evidence from our universities suggests that a low proportion of graduates stay in the area following graduation. • We also have challenges in terms of school performance/attainment levels. So attraction and retention of skilled people is essential. • Jobs vacancies data points to a number of specialist digital skills that are needed (e.g. SQL, C##, and other programming skills) as well as broader digital skills requirements. • Manufacturing firms report challenges acquiring specific specialist skills and hiring apprentices. This chimes with wider analysis on the UK manufacturing sector which suggests there are skills challenges that are exacerbated by the ageing workforce and the need to transition to Industry 4.0. • Other skills challenges are reported in the energy, construction, professional services and logistics sectors - mirroring broader national findings, but made more acute in our area due to challenges attracting people to the area and the lower prevalence of high level skills.			• Our area offers an array of high skilled jobs with good employment prospects: in sectors such as manufacturing, energy, digital, logistics, and professional services. • Feedback from stakeholders - businesses, local authorities, and local skills providers, as well as the Careers & Enterprise Company - suggests that many of our young people don't understand these opportunities or expect to gain employment in these sectors. • National level reports on the same issue reinforce the message that young people do not always understand the opportunities available to them.	• Median workplace wages are 12% lower in our area than the national average. • We have a higher proportion of the workforce earning below the living wage compared to the national average (27.4% locally compared to 22.9% nationally). • Many of our residents are working in sectors which are exposed to technological changes through automation. • We need to ensure that residents are able to develop and thrive in this changing environment, and adapt to the new opportunities that will arise.
Challenge to address	Skill levels are still too low - related to challenges in attracting and retaining skilled people. Retention is a particular challenge in healthcare / the public sector. Our businesses report persistent skills challenges relating to recruiting people with specific technical skills			Many of our young people do not recognise local opportunities in our key sectors	Lack of skills is reflected in low wages. Employees are exposed to risks from automation.
Rationale	To ensure our area is seen as a great place to live and work so we can attract and retain skilled people. Ensure that local skills provision reflects local demand and is future-proofed			To ensure that young people, parents and schools understand and are receptive to the opportunities associated with local sectors.	Ensure local residents are better able to earn more and progress in work.
Intervention	-Develop new pathways into employment and progression, including new curriculum modules. These will be developed by businesses and providers working together, focused on specific requirements and communities to meet local skills needs.	New flexible provision for digital skills and retraining at all ages — targeted at specific cohorts (returning mothers, older workers)	Work with Government to improve the targeting and effectiveness of the apprenticeship levy and on-going capital investment and funding	Build and expand on the support given to school leaders in working with businesses and young people.	Supporting improved pathways for the skills our economy needs — in digital, manufacturing, engineering, construction, logistics
Outcome	A stronger labour market which will help local firms to grow, will ensure more start-ups, and will make the area more attractive for external investment.	More progression for local people, enabling them to earn higher wages and have more secure employment. A more resilient economy with a workforce better suited to adapting to economic changes.		Will help ensure that young people benefit from the opportunities in local industries and that businesses benefit from talented local people.	More progression for local people enabling them to earn higher wages and have more secure employment. A more resilient economy with a workforce better suited to adapting to economic changes.
Impact	Raising wages, skills and ambition - a place where providers and industry collaborate and people and firms get the retraining and technical skills needed, opening traditionally male-dominated industries to women and tackling unequal pay				

Infrastructure (road, rail, energy, digital, housing)

Evidence	• Strong road and rail connectivity to Manchester / Liverpool, Birmingham and other Midlands cities. • Nearly all of the UK is within a four-hour drive time of our area. • Rail connectivity to London is good and will improve with HS2. But rail and road usage are increasing (rail usage up by 31.3% compared to 28.5% nationally) and infrastructure is needed to support new strategic sites.	• Many of our key towns suffer from localised traffic congestion (often due to links to/overspill from the national network). • There are also air quality issues as well. • Stakeholders suggest that public transport within places and to key employment centres is sometimes not as effective as it could be – increasing the reliance on cars and acting as a barrier to residents accessing employment opportunities.	• Engagement with stakeholders suggests poor broadband connectivity outside key centres and in rural areas. • Mobile phone connectivity can also be a challenge.	• Globally the energy sector is undergoing a transformation – in terms of the technologies of generation, distribution and storage. • Many of our industries are energy intensive and experienced challenges in the winter of 2011 when gas prices rose dramatically. • The DHN project will require significant amounts of skilled labour and materials to implement, as well as ongoing maintenance. • Development of sites dependent upon effective utility provision.	• Across our whole area, median house prices are 7 times median wages, which is better than the national average (8 times wages). But some areas are worse off (e.g. South Staffordshire house prices are nearly 9 times median wages), and affordability is worsening (house prices up from approx. 6 times national average in 2011). • Businesses we have engaged report challenges associated with housing for employees at all levels – quality and location.
Challenge	Increasing usage is eroding our infrastructure advantage.	Congestion and poor public transport. Public transport under	Poor broadband and mobile connectivity in some, particulalry rural, areas.	Energy technologies are changing, and places and businesses that do not adapt will be at a disadvantage.	Housing affordability is decreasing and there are challenges with the quality of housing availability. Future-proofed utilities are essential for delivery of housing and employment sites.
Rationale	Ensure we have the transport infrastructure we need to support growth	Effective transport systems in our local places	Fast broadband that supports business growth across our area	Adapt to changing energy technologies and support our businesses to do the same.	Affordable and sustainable housing
Intervention	Work with national partners to prioritise major strategic schemes: and unlock key employment and housing sites e.g. Rugeley, Keele and Stoke sustainable transport Hubs Take the HS2 opportunity	Invest in agreed priority local transport schemes.	Roll out next generation digital connectivity and continue to prioritise rural connectivity.	Develop assets as a national leader in energy innovation: build on and deliver the opportunities of the DHN, SEND, and build on local business sustainability and energy poverty programmes.	Deliver the high quality, safe, and sustainable housing we need to grow supported by strong utilities and social infrastructure, driving innovation in construction sector. Deliver our target of 86,800 homes as set out in the SIP.
Outcome	Unlock key sites, improve connectivity and help local residents access work.		Support the growth and development of digitally enabled sectors and businesses.	sector, deliver an exemplar sustainable project (DHN), and increase economic resilience for businesses and residents.	Support the attraction and retention of skilled people. Provide better, more affordable housing for key workers.
Impact	Build the infrastructure that will support our projected growth in housing and employment sites and ensure that environmental impacts are minimised. Support and investment to enhance quantity and quality of housing, to maximise the impact of local energy networks and digital connectivity, and fund further transport improvements				