

Stoke-on-Trent and Staffordshire

Renewal and the Local Industrial Strategy

Our Ambition

A region that thrives and succeeds based on a progressive, diverse and inclusive economy led by our innovative and creative mix of digital, energy and advanced manufacturing, making Stoke-on-Trent and Staffordshire the best place to live, learn, work and do business.

Accelerating Recovery

Stoke-on-Trent and Staffordshire is a major UK growth opportunity and central to the UK's economic renewal and transition to a zero-carbon future. The city of Stoke-on-Trent has one of the youngest urban populations in the country and our globally significant manufacturing firms, including JCB and JLR, and major supply chain companies delivered 50% of all recent growth in manufacturing jobs. Along with our rapidly growing digital and business service sector, they will play a major role in the UK's recovery and global success post-Covid and Brexit.

Our location and history have created progressive, collaborative firms and Universities that are leading experts in modern manufacturing, energy use and logistics. Today, we are bringing these strengths of our modern and mature economy together to create new supply chains, technologies and markets, whilst maximising social value and delivering better outcomes for our residents.

We have a major programme to become UK's first fully 5g connected region. New investment is building on our existing innovation centres, including major assets in energy use, materials and modern logistics. We are investing in the digital infrastructure, business to business relationships and networks that will drive the connected factory, supply chain and service sector of the future.

Our economy is worth £21.9bn and supports 487,000 jobs, but our businesses and communities have been hit hard by Covid-19. Over 190,000 jobs are in at-risk sectors and a higher proportion of employees (32%) are potentially accessing support schemes than the national average (25%). 59% of businesses locally report severe impact and this impact is being felt differently across our communities.

Levelling up is a priority within Stoke-on-Trent and Staffordshire. Alongside highly attractive places to live and be successful, wealthy rural areas and market towns, some severely deprived communities have health & wellbeing, education and employment outcomes that are unacceptably low and Covid-19 has exposed inequalities in access to skills and work. Our Town Deals will be key to renewal in many of those areas.

We have concentrations of people employed in sectors that have been most effected by Covid-19 and past recessions. Upskilling, retraining and equipping people with multiple skills for the future economy was a major priority before Covid-19. The forecast employment impacts only reinforce the importance of investing now in skills and retraining. Our young people from more deprived communities are particularly vulnerable and numbers of NEETs in Staffordshire in April 2020 were 45% higher than in April 2019.

The government is investing £23.7m of Getting Building Fund to provide a much-needed boost to our local recovery plans. We are well underway with our immediate priority projects for the next 18 months that will accelerate recovery from Covid-19 and deliver the jobs, skills and infrastructure necessary to drive sustainable and inclusive economic growth

Economic Renewal – A Vision for 2030

We are determined to do more than recover. The business models and working practices of many of our firms and residents have changed dramatically. Many have pivoted successfully to a very different economy and many more have the potential to do so. Our challenge and opportunity are for our firms and public agencies to work together, breaking down barriers and creating resilient businesses with the potential to succeed and new skills and good jobs for residents and communities.

Building on the work of our partnership sub-groups, we have set out ambitious plans for transforming our economy over the next ten years. We will be refining and building on these to secure effective investment and deliver on our ambitions for Stoke-on-Trent and Staffordshire. As part of our investment portfolio, we have already started to build a pipeline of projects in collaboration with our local authorities, education providers and businesses, which are strategically aligned with our Local Industrial Strategy and have identified the gaps that will drive our commissioning strategy.

The following sections set out the opportunities and challenges ahead and show the priorities we have agreed in four major themes – Place, Future Workforce, Growing Business and Innovation.

Opportunities

The UK and Europe’s first 5g connected region for both rural and urban areas

Our digital industry is growing fast into a productive, supportive ecosystem. We have a major proposal for phased delivery of full 5g connectivity across Stoke-on-Trent and Staffordshire, building on our track record of delivering with VX fiber.

Advanced manufacturing and materials

We are a major UK centre of export-focused manufacturing, materials and logistics - home to JCB, JLR, large numbers of supply chain firms and major sites such as i54 and Ceramics Valley. Firms here delivered 50% of all recent net additional UK manufacturing jobs. Covid-19 has accelerated the pace of change in distributed, automated supply chains, presenting huge opportunities for our businesses and residents.

A centre of low carbon, localised smart energy management

We have major UK assets, including the only large scale integrated local heat and power network, Keele University’s Smart Energy Network Demonstrator and HyDeploy, the first project in the UK to inject hydrogen into a natural gas network. Our Low Carbon Business Evolution Programme is helping businesses to de-carbonise and increase productivity through more efficient energy use.

New and renewed sustainable homes and construction

Track record of delivering new homes - tackling poor housing, energy poverty and health outcomes through building 87,000 new homes and renewing existing stock. Prioritising energy efficient, modern methods of construction in building new homes and transforming our construction sector will create green jobs and new businesses.

Centrally located, well connected major development sites

Major mixed use and commercial development sites are shovel ready in city and town centres and our growth corridors. Our location is a major economic driver – at the heart of the country, with excellent road and rail connections, including to 4 major airports, including Britain’s only 24/7 freight hub.

Civic Universities anchored in local communities

Keele and Staffordshire Universities are renowned for nurturing local talent through digital provision and working with local businesses. Keele University's Science and Innovation Park hosts 60 businesses, including a nationally significant life sciences cluster. Staffordshire University is working with 36 local and regional businesses to develop business innovations in AI, data analytics, IoT, virtual and augmented reality.

Challenges

Productivity

Overall productivity is low and wage levels have not kept pace with job growth. Significant recent job growth has occurred in lower productivity, low wage sectors. 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.

Deprived communities

Alongside highly attractive places to live and be successful, wealthy rural areas and market towns, we have communities that are among the most deprived in the country and don't have the access to opportunities and skills that they need. Health & wellbeing, education and employment outcomes are unacceptably low.

Climate change

With energy intensive industries, large scale logistics and a large agricultural sector alongside major environmental assets, Stoke-on-Trent and Staffordshire faces major challenges in adapting to climate change and the transition to a zero-carbon economy. The strengths we have in energy use & management, modern logistics and advanced manufacturing give us a real opportunity, but we must continue to invest to help businesses to evolve.

Inequalities in access to skills and jobs with lower demand for higher skilled work

Employment overall has grown more slowly than in many other areas and Stoke-on-Trent & Staffordshire still has a lower proportion of working-age residents with higher level skills. We also have a greater proportion of residents with lower level skills, although we have made real progress in recent years. Median wages are 12% below the UK average. Skills, employment and wages remain highly varied across the area – with higher skills levels in Stafford and Lichfield whilst Stoke-on-Trent, Cannock and Tamworth have a lower proportion of the population with high level skills.

Priority Actions

The following sections set out priorities for action under each theme / policy area of our Local Industrial Strategy.

Place - the best places to live, learn, work and do business

This plan will support our towns, city centres and rural areas to recover, flourish and succeed – with a revitalised/repurposed commercial offer, high quality housing, a resurgent visitor economy and excellent quality of life. We will work together with businesses, local authorities, environmental and nature groups, landowners and developers, anchor institutions, community and voluntary groups and public transport providers to improve our places in the following ways:

5G Connected Region

- Flagship proposal to create the UK and Europe's first 5G connected region for urban and rural places - this increased connectivity will be fundamental to the connected and

creative industries, modern manufacturing, new markets and supply chains that are emerging, accelerated by the Covid-19 economic shock.

- Innovation-led growth and raising productivity, skills and employment prospects
- Integrated innovation and digital infrastructure ecosystem, from which our place-based interventions for Future Workforce, Growing Business and Innovation can be launched

Levelling Up

- Addressing those UK regional inequalities that are mirrored at a local level between places in our own area
- Investing in places where populations live, work and do business, revitalising our town and city centres to respond to and drive the transformation of retail, leisure and new ways of working

Infrastructure and Housing

- Maximising the impact of our Town Deals and Future High Street Fund applications and working with other areas to secure additional Government investment for brownfield remediation. We will deliver a major programme of green infrastructure, new homes and housing retrofit through green construction and the wellbeing of our residents at its core
- Nationally significant growth corridors and sites - Midlands Connect, local authorities and LEPs are working with Government to deliver major road, rail and energy network improvement, including East/West rail connectivity and our major growth corridors

Wellbeing

- Continuing to invest to ensure all our residents have access to high quality and abundant green space, through designing biodiversity into new development as well as protecting and enhancing our national parks and AONB

Growing Businesses – *accelerating business evolution*

Our businesses have been hit hard by Covid-19, with over 190,000 jobs in at-risk sectors and a higher proportion of employees (32%) are potentially accessing support schemes than the national average (25%).

We are home to 39,155 businesses and many multinational firms including: JLR, Molson Coors, Amazon, Engie, General Electric, Michelin, FedEx, Unilever and Vodafone. In JCB, we have 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.

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. 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.

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.

Space and Accommodation

- Investing in the specialised spaces that our new and growing creative, manufacturing and digital firms need, combined with the wraparound support services and networks that are proven to drive business decisions that lead to growth. We will both react to and influence the changing market for business space as we repurpose and renew our towns, cities and rural business accommodation

Innovative Start-Ups

- Investing to stimulate growth in new enterprises that provide solutions to the problems identified by business and are innovating for the future
- Working with our Growth Hub, as partners in our innovation ecosystem, to expand our offer of support to boost entrepreneurialism

Evolving Businesses

- Supporting businesses that want to grow, with plans already in place for 600 new businesses, we will increase this by a further 600 and provide targeted support to 5,000 more over the next 3 years. With our Chambers of Commerce and Growth Hub, we will develop a maturity model for local companies and invest in a segmented offer of business support through digital, technological and zero-carbon solutions

Staffordshire for Business

- A strategic, inward investment campaign, in collaboration with 'Make It' and our Chambers of Commerce, to improve our marketing of the area as a great place to live, work and do business
- Working with Government we have responded quickly to the immediate challenges facing businesses from Covid-19. As the economy reopens, we will implement a major programme of support for local businesses to restart and adapt. We will also re-energise events and investment in arts, culture and tourism in our towns and city centres and rural visitor assets

Resilient and Innovative Businesses

- We need a new supply chain programme, connecting and shortening supply chains for manufacturing of all kinds, improving resilience, lowering carbon use and championing local supply. As servitisation increases at a faster rate post-Covid, we will create new networks, extending opportunities for our service firms into new global markets.

Future workforce – creating satisfying work and a pipeline of opportunity

The Government has moved quickly to protect jobs since during the Covid-19 shock. As the employment protection scheme unwinds, with some job losses already before the extension of the furlough scheme, most forecasts predict an ongoing reduction in employment. With a young population in Stoke-on-Trent and concentrations of vulnerable sectors (over a third of our businesses and over 190,000 jobs) we have already seen unemployment rise faster here than across the country, although the full impacts are not yet known. We have put in place an effective triage system and redundancy task force to help people at risk of unemployment, including support to start new businesses, but we cannot let a generation of young people struggle to enter the labour market, or large numbers of older workers face unemployment as happened in previous recessions.

In addition to our rapid response measures to protect our economy, we have ambitious plans for our residents and businesses to **"Start Anywhere, Go Anywhere"** - supporting them to achieve their aspirations whatever their starting point, through a comprehensive future workforce programme, including the following:

Future Skills for Progression

- Responding to industry 4.0, we are developing the digital infrastructure and the digital skills to drive the technology of tomorrow. We recognise the need for our businesses to be able to adapt and re-position and for our workforce to be able to move across sectors and transfer their skills
- Using our evidence on local skills gaps that constrain our ability to deliver on the LIS priorities, we will invest in skills for the future and the jobs of tomorrow, with lifelong learning provision that supports individuals and businesses to upskill, multi-skill and reskill.

Future Education

- Fit for purpose, connected education and training, bringing together employers and industry with schools, colleges, universities and training providers. Offering an aligned curriculum, tailored courses, on and off the job learning and training, from short bite-size courses through to higher-level qualifications, to meet the emerging needs of our progressive economy and ensuring that everyone has access to lifelong learning

Future Advice and Guidance for Satisfying Work

- Our schools and colleges tell us that the LEP needs to intervene to demystify the world of employment and ensure that all our young people can access satisfying work and that they are able to understand the breadth of opportunities available to them. The skills required today continue to change and we need to build communication channels to enable advisors and teachers to understand the world of work and its current and future needs and demands. There are many high-quality opportunities with our local employers, but there are multiple sources of information, the provision of advice is inconsistent across our area and the information can be difficult to access
- We will increase opportunities for meaningful work experience that is beneficial for the employer and the young person. In collaboration with businesses and education providers, we will develop a LEP-accredited kitemark for high-quality work placements leading to good job opportunities, including apprenticeships and internships.

Future Jobs and Recovery

- We have identified the need to bring together in one place a comprehensive directory of the provision and pathways available to our residents of all ages seeking training, development and career progression and for our businesses to showcase their offer. Using our local skills and employment partnerships and building on the work of the Chambers of Commerce's Skills Hub, we will provide easy to access help and guidance and will support this through the development of an app as an information resource. We will work with business and industry to increase job opportunities, increase the demand for high skilled jobs and to increase the earnings of workers.

Innovation - world class innovation and adaptive, resilient businesses

Innovation and r&d levels are a major factor in local economic success and will be crucial to post-Covid recovery and renewal. Stoke-on-Trent and Staffordshire has highly innovative firms, but one of the lowest levels of private sector research & development (r&d) in the country and our firms have secured less Government support for innovation than neighbouring regions. Overall levels of business innovation and growth are not as high as they should be.

Our aim is to create the eco-system and support networks that will drive up r&d, increasing business demand and absorptive capacity for new approaches. By working together and sharing the national and global expertise and relationships that exist here we can make a rapid difference to recovery through helping our businesses take the decisions they need to innovate and change. This will improve productivity whilst delivering a major contribution to the UK's zero-carbon transition goals and improve our overall resource efficiency and sustainability.

Innovation Leadership

- Levelling up research and innovation with a partnership innovation lead to champion and drive changes through a programme of place-focused, coordinated activities

Innovation Hub

- Not another large expensive new build, but a "node" to connect other centres of innovation, incorporating physical meeting points and virtual/digital components as a focus for collaboration and networking

Innovation Factory

- Maker spaces that combine proof of concept areas with training for innovation and demonstrator venues for school, college and SME visitors to stimulate entrepreneurship skills and start up support

Innovation Challenge Fund

- A nationally funded, locally managed scheme of grants and financial support for commercialisation of r&d and increased absorption of innovation by local businesses to improve productivity and enable growth