Stoke-on-Trent
& Staffordshire
Enterprise Partnership

Stoke-on-Trent & Staffordshire

Strategic Economic Plan

April 2018

Please note that this document is compiled to minimise the file-size

April 2018

Stoke-on-Trent & Staffordshire Enterprise Partnership

Final

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Our Strategic Economic Plan Refresh Structure

This document is sets out our Strategic Economic Plan rationale in detail. We intend to produce two other documents, an Executive Summary, and a supporting Delivery Plan. In addition, we will continue to monitor and report on outputs and outcomes annually as well as publishing expenditure.

1. Refresh: Why Now?

1.1 We are refreshing our Strategic Economic Plan (SEP) to ensure it meets the evolving economic and political landscape that is developing in our area. Although our current SEP is only a few years old and many of the economic challenges it sought to address are still relevant, the national agenda and the role of Local Enterprise Partnerships (LEPs) have evolved. The original SEP was written during the first round of Growth Deals and was very focused on maximising Stoke-on-Trent and Staffordshire's draw-down of what were principally transport and education capital resources. Since then, the investment window has widened with more emphasis being put on innovation, sector development and place-making interventions. LEPs have also acquired responsibilities around Enterprise Zones, Growth Hubs and in endorsing ESIF investments. Collaborative opportunities such as the Midlands Engine and Constellation Partnership (formerly the Northern Gateway Development Zone) are here and we have also engaged in joint work with neighbours, around Agri-Tech, innovation and business support activities. Moreover, Brexit will inevitably bring a new perspective to the landscape of opportunities and threats facing business, particularly those involved in exporting and those reliant on migrant labour from the EU.

1.2 This SEP Refresh sets out a framework of priorities which reflects the current pipeline of commitments whilst embracing the wider agenda now in reach. This is most recently underlined by the Industrial Strategy White Paper which invites local partners to set out their priorities against its five foundations of productivity. It addresses how industrial growth can benefit areas of the country such as Stoke-on-Trent & Staffordshire which have clear potential, but which risk getting overlooked in the city-devolution drive that the government is also pushing forward. As discussed throughout the document improving productivity is a key area of focus for the LEP.

1.3 This SEP Refresh builds on the largely successful foundation of the original SEP. It provides a fresh look at the framework in light of the latest evidence and recent achievements and the breadth of the economic and social context.

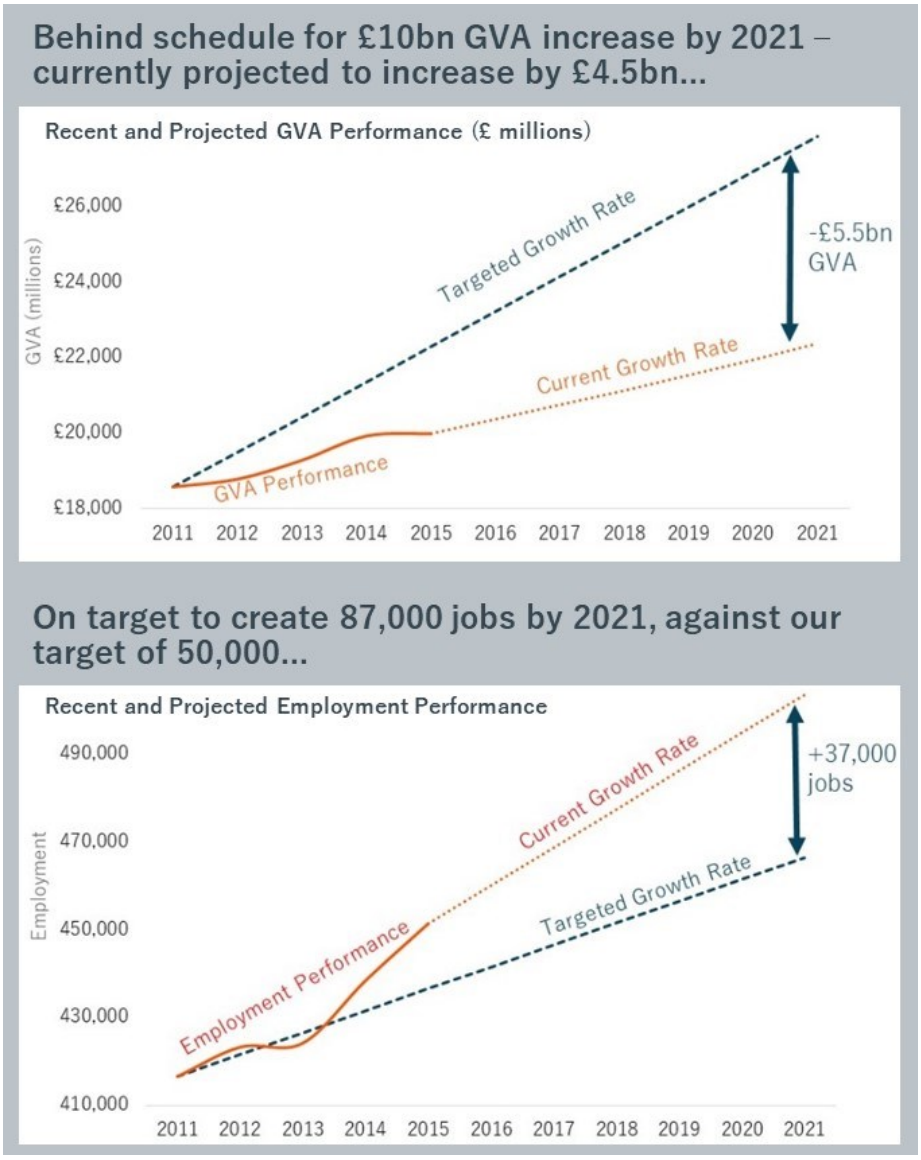
2. Our achievements so far

2.1 Our original SEP detailed our ambitions to drive sustainable rapid growth in Stoke-on-Trent and the development of the peri-urban areas along the County's key transport corridors.

2.2 In our original SEP, we set out ambitious targets to "grow the economy by 50% and generate 50,000 new jobs in the next 10 years". Our performance to date suggests that we are well above our employment growth ambitions, but behind on our economic growth aspirations.

2.3 Stoke-on-Trent and Staffordshire has experienced economic growth of 6% over the last five years, with strong performance between 2013 and 2014. This economic growth is complemented by strong employment growth, with our area having a higher rate of growth than nationally.

Figure 2.1 Recent and Projected GVA & Employment Performance



Helping to secure investment for Stoke-on-Trent and Staffordshire

2.4 We secured over £121m from the Government's **Local Growth Fund** through the last three Growth Deals to support economic growth in the area.

2.5 We have been successful at attracting **European programme investment** into the Stoke-on-Trent and Staffordshire economy. Through the 2014-20 European Structural and Investment Funds (ESIF) we have been allocated €96.5m from the European Regional Development Fund (ERDF), €64.4m from the European Social Fund (ESF) and €3.9m from the European Agricultural Fund for Rural Development (EAFRD).

2.6 Investment of £11.5m has been secured through the **Growing Places Fund,** which is currently being used to fund nine active projects in Stoke-on-Trent and Staffordshire. The first recycled monies are due back in 2017/18.

2.7 The Stoke-on-Trent and Staffordshire **City Deal** was successful in attracting £30.9m of funding. Two key components of the City Deal are to establish the UK's first low-carbon heat network system in Stoke-on-Trent and to develop the Smart Energy Network Demonstrator. This aims to create up to 2,000 jobs, 3,900 apprenticeships and 1,100 traineeships whilst removing 49,000 tonnes of CO_2 per annum over the next 10 years.

2.8 To date, the above programmes have created 1,293 jobs out of a forecast of 15,436. In addition 194 homes have been created out of a forecast total of 5,114. Over 2,800 new businesses have been created.

2.9 Through the **Regional Growth Fund**, we secured £32.9m, which is expected to deliver beyond its target of 356 jobs. To date over 430 jobs have been created or safeguarded.

Table 2.1 Largest Growth Deal 1 and 2 projects

Project name	Total investment
Etruria Valley	£26.7m
Stafford Western Access Route	£24.3m
Advanced Manufacturing & Engineering Skills Hubs	£6.9m
Branston Interchange	£5.1m
Meaford Employment Site	£4.2m
Tamworth Enterprise Quarter	£3.0m
Bericote Four Ashes	£1.9m

Source: SSLEP Annual Report, 2016

2.10 Recently (March 2017), we have secured £23.3m as part of the Growth Deal Three programme. This funding will be used to deliver a programme of transport schemes, and innovation, business and employment support projects, as well as supporting skills capital funding.

2.11 A list of the projects we are funding through this is shown in the following table.

Table 2.2 Growth Deal 3 projects

Project name	GD3 Allocation
Hanley-Bentilee link road	£8.58m
Doxey Road and Stafford Western Access Route	£8.50m
Skills capital equipment fund	£1.76m
Royal Ordnance Factory Featherstone	£1.50m
Sustainable transport package	£1.46m
Smart Innovation Hub	£1.00m
Spode site in Stoke	£0.50m

Source: Growth Deal 3 Statement

Growth in some of our Core Advanced Manufacturing Sectors

2.12 Our core advanced manufacturing sectors have performed well and we have maintained our unique specialisms in Energy Generation, Auto-Aero, Medical Technologies, Agri-Tech and Applied Materials. Strong employment growth has been recorded in our Medical Technologies and Auto-Aero sectors and our Applied Materials sector is one of the most specialised in the whole country.

2.13 To further support the growth of the ceramics sector we have been developing a **Ceramics Sector Deal** with partners to increase investment in the sector and bring together a number of key stakeholders across Stoke-on-Trent and Staffordshire.

Strong support for our Enterprise Zones

2.14 We have been involved in the establishment of two Enterprise Zones which have enabled us to provide a blend of geographical and sectoral offers. The designation of these zones allows the local area to retain 100% of the business rates which are then reinvested to unlock growth.

2.15 One such area is the **Ceramic Valley Enterprise Zone**, comprising six sites totalling 140 hectares of land along the A500 corridor. This aims to become a world class centre for advanced manufacturing and applied materials excellence. The **Ceramic Valley Enterprise Zone** includes the following sites, Chatterley Valley East and West, Highgate/Ravensdale, Eturia Valley, Tunstall Arrow and Cliffe Vale.

2.16 In addition, **i54 South Staffordshire** is now well established. It is located on the boundary between South Staffordshire and Wolverhampton and granted Enterprise Zone Status (within the Black Country Enterprise Zone). It has developed rapidly and is occupied by the new JLR Engine facility, which has already expanded, as well as a number of other advanced manufacturing and professional businesses including Moog, Eurofins and International Security Printers.

Developing our Growth Hub

2.17 The SSLEP established its Business Helpline as one of its business-driven priorities at its inception. This has subsequently expanded, supported by City Deal, EU and Government funding, to act as a gateway to a range of business support services. Many of these services are delivered across more than one LEP area and we aim to make the experience for the customer as seamless as possible, which has resulted in us winning an award from the Federation of Small Businesses. Our Growth Hub will look to provide business support across Stoke-on-Trent and Staffordshire and improve the skills of our local workforce.

Supporting improvements to our skills infrastructure

2.18 It was clear from the outset that skills levels were a major challenge in our area. In particular, weaknesses in engineering and technology skills were holding back the growth of our manufacturing sector, an area of comparative advantage for our LEP. We therefore recognised the importance of developing education and skills across all age groups as being crucial to the future economic prosperity and competitiveness of the area. We have supported a £13m capital investment programme through City Deal and Growth Deal to create six centres of excellence in advanced manufacturing & engineering across the LEP area. The centres will provide specialist facilities to meet employer needs in the sector, increase apprenticeships and help upskill and reskill the workforce. The Education, Skills and Employment Board is targeting improved delivery of skills through apprenticeships, career guidance, employability skills and a world-class skills system. We have developed a Skills Strategy (July 2016) to help develop the partnerships we have with local education providers and ensure that schools, further and higher education providers all work closely with business so that people can access jobs and training.

2.19 Our Apprenticeship Strategy sets out our ambitions to: raise the profile of and promote the value of apprenticeships in Stoke-on-Trent and Staffordshire; develop an Apprenticeship Growth Plan; improve apprenticeship information, advice and guidance; and promote quality of provision.

2.20 We have recently developed a STEM Strategy which provides the opportunity to achieve a joined up and effective education and skills pathway into engineering, science and technology careers and by doing so strengthen the economic position of Stoke-on-Trent and Staffordshire. We will continue to work with universities, colleges, schools and providers to help tackle low productivity, raise aspirations and grow a positive culture of innovation and research within the region.

European Structural Investment Fund

2.21 Stoke-on-Trent and Staffordshire LEP were awarded the allocations identified in the tables below for the 2014 -20 European Structural Investment Fund (ESIF) Programme. The ESIF programme is guided by The Stoke-on-Trent and Staffordshire European Structural and Investment Funds Strategy (ESIF Strategy) which has been developed in tandem with the Stoke-on-Trent and

Staffordshire LEP Strategic Economic Plan (SEP), and mirrors the same five strategic objectives.

Table 2.3 ERDF Investment Themes		
ERDF Priority Axis	**Notional Allocation £m**	**Committed £m**
PA1 – Innovation	21.74	17.68
PA2 – ICT & Broadband	0.41	0
PA3 – Business Support	38.14	30.60
PA4 – Low Carbon	12.96	12.96
PA6 - Environment	3.50	2.11

2.22 The above table identifies how the overall ERDF allocation was broken down into its respective investment themes and demonstrates the amounts which have been awarded to key strategic projects to date, these include;

Innovation - Keele University's Science and Innovation Park Smart Innovation Hub (£11.3m), Staffordshire Business Innovation & Incubation Support (£1.4m) along with cross-LEP programmes such as the European Bioenergy Research Institute Programme.

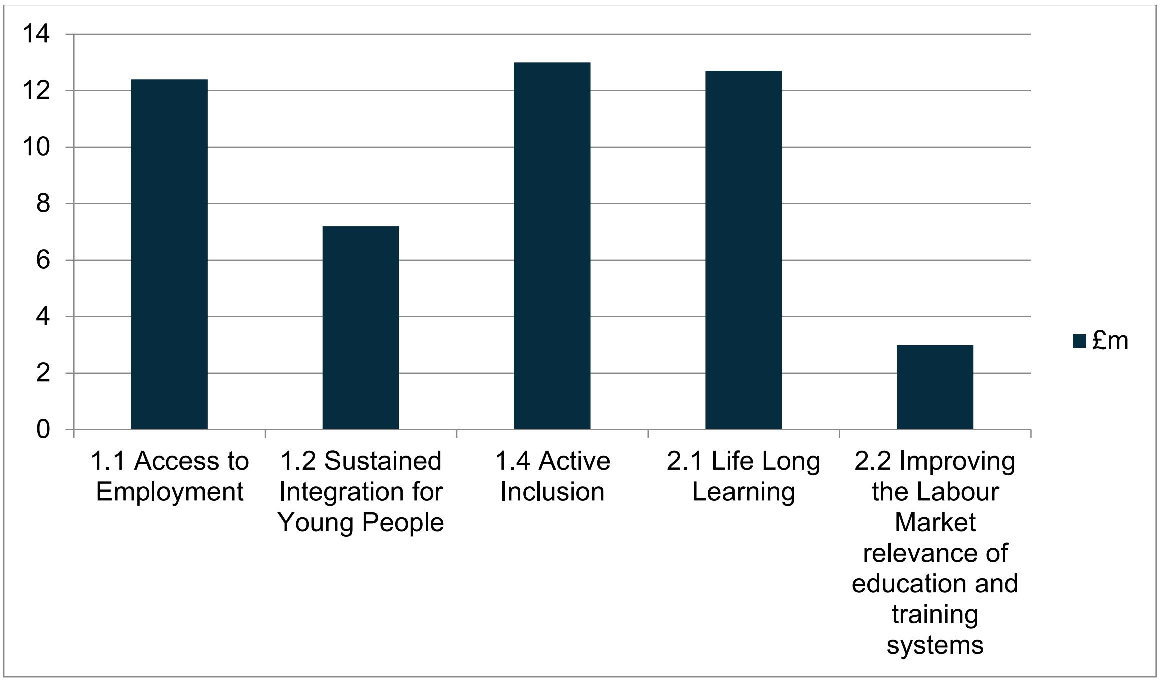
Business Support – Midlands Engine Investment Fund Financial Instrument (£10m), the cross-LEP Business Support Programme (£2.7m), SSLEP's Growth Hub (£1.6m) and Staffordshire University's graduate enterprise programme, Be Inspired (£0.6m).

Low Carbon – Keele University's Smart Energy Network Demonstrator (SEND) (£9.0m) and the County Council's Low Carbon Business Evolution Programme (£0.7m).

2.23 Work continues across all themes to develop and deliver projects which contribute to the LEP's wider objectives and to ensure that the ERDF investment is maximised and not lost to the area.

2.24 £57.2m of European Social Fund monies was allocated to the Stoke and Staffordshire LEP. Of this allocation, 84% has now been committed equating to £48.3m. The allocation is also split across a number of strategic themes, as identified in the following table.

European Social Fund Programme – Summer 2018



2.25 The majority of the ESF Programme is being delivered in partnership with the Department of Work and Pensions, the Skills Funding Agency and Big Lottery, each delivering a range of activity addressing issues of inclusion & worklessness through to upskilling & retraining. The ESF Programme is playing a vital role within the LEP's employment and skills agenda and will continue to do so for the remainder of the ESIF Programme.

2.26 An EAFRD allocation to cover the LEP's rural areas was also secured. Although smaller in scale, it is a valuable resource to aid Staffordshire's more rural areas to grow and diversify. Projects have been invited around the themes of business development, tourism and food processing and run alongside a flourishing LEADER programme, which offers small incentives to key rural projects.

3. Our Vision, Ambition & Objectives: 2017-2030

Vision

"An economic powerhouse driven by the transformation of Stoke-on-Trent into a truly competitive and inspiring Core City and enabling the growth of a thriving economy throughout the connected county of Staffordshire where everyone has the opportunity to access a better job."

A connected area, with a competitive economy, which works collaboratively with local partners to complement their activities.

3.1 Located at the heart of the UK, working together with our neighbours, the emerging Core City of Stoke-on-Trent and the Connected County of Staffordshire form a growing economic powerhouse. Ambitious and achievable, our SEP outlines how we will contribute at pace to the Plan for Britain.

3.2 Since we produced our previous SEP, the economy of Stoke-on-Trent and Staffordshire has changed significantly. The previous SEP was written at a time when the local and national economies were still feeling the effects of the economic downturn and the number of Stoke-on-Trent and Staffordshire residents who were unemployed remained very high. Since then we have been successful in generating a large number of jobs, increasing earnings and reducing unemployment to the point where we have been close to or at full employment for some time.

3.3 However, whilst productivity has been increasing in terms of overall levels of Gross Value Added (GVA), relative levels of GVA continue to lag behind other parts of the country[1] and improving this situation is a key aim of our SEP, given that economic prosperity is fundamental to our local economy and to the quality of life of our residents. A vibrant and diverse economy, offering high-value, high-wage job opportunities and future prospects not only provides a more dynamic business environment, but also puts more money in the pockets of our residents.

Ambition

3.4 Our previous SEP outlined our ambition to grow our economy by 50% and generate 50,000 new jobs over a 10-year period. The strong growth in the number of jobs in the area means that we are easily on track to develop

[1] GVA per hour worked was £26.83 (Staffordshire) and £25.27 (Stoke-on-Trent) in 2016. These equate to 82.5% and 81% of the national average respectively.

50,000 new jobs by 2024. However, generating jobs to enable the previously large unemployed cohort of our residents to get work has meant that the types of jobs created have not yet enabled us to achieve our aim of growing our economy by 50%. We recognise that increasing productivity and supporting the creation of a greater proportion of high-value, high-wage job opportunities, whilst ensuring our residents can take advantage of these opportunities, will be vital to the development of our economy over the coming years. Our previous ambition of 50:50:10 therefore remains a challenging target that we will continue to work towards.

***50:50:10* - Our stated aim is to grow the economy by 50% and generate 50,000 new jobs in the next 10 years.**

3.5 We are confident that our priorities will enable us to achieve this ambition and go a long way to helping to deliver the Government's Industrial Strategy in Stoke-on-Trent and Staffordshire, with close alignment between our priorities and the foundations of the Industrial Strategy. Our priorities will contribute to achieving the aim of driving growth across the whole country, whilst we ensure we are driving growth across Stoke-on-Trent and Staffordshire.

Objectives

3.6 To achieve our ambition, our SEP is built around five interlocking objectives, which tie in which the foundations of the Industrial Strategy. Having tested out our approach our overarching objectives remain the same as in our previous SEP, although our stronger focus on productivity has led us to make a number of changes to our strategic priorities for each objective, as set out in the following sections.

1. **Stoke-on-Trent as a Core City** and **2. A Connected County**

   To be the one of the strongest performing economies in the UK. As a truly Connected County, and through the continued transformation of Stoke-on-Trent into a competitive and inspiring Core City, our ambitious plans will harness the rapid economic growth of the Midlands Engine and in particular the continued growth of nearby conurbations including Manchester and Birmingham.

3. Competitive Urban Centres

   To support our ambitious plans for growth, we will create the right mix of places that are attractive as a destination to live, work and visit, underpinned by the right infrastructure.

4. Sector Growth

   Our traditional industries will be transformed through innovation whilst we will ensure that growth in new higher-value sectors flourishes.

5. Skilled Workforce

   Our future economy will be underpinned by an outstanding skills system that focuses on the skills pathway of individuals as they go through life, enabling individuals to make informed choices about the best route for their learning, career development, re-skilling and upskilling.

Our Key Sectors

3.7 Our Vision, Ambition and Objectives set out how we will develop our economy and will have a direct impact on the future industries and jobs created within Stoke-on-Trent and Staffordshire. We already have a strong set of businesses with growth potential in key sectors, which sit centre-stage in our plans for the future. Our economic growth agenda is based on recognised strengths in key aspects of advanced manufacturing, whilst the diverse nature of our economy means we also continue to have a number of other sector strengths which we will fully exploit.

3.8 Our priority advanced manufacturing sectors are:

- **Energy**: building on the long-standing presence of Alstom, ABB, Siemens Wind Power, General Electric and the sustainable energy programme centred around our City Deal, including Europe's first at scale Smart Energy Network Demonstrator and Stoke-on-Trent's District Heat Network.
- **Auto-Aero**: capitalising on the supply-chain opportunities emerging from global businesses such as JCB, Michelin, Jaguar Land Rover, Moog, and Zytek in our area.
- **Medical Technologies**: in which Keele University and its Science and Innovation Park are internationally recognised leaders.
- **Agri-Tech**: drawing on our agricultural backdrop and Harper Adams University on our border to capitalise on an increased global focus on food security and the agri-plant capacity at JCB.
- **Applied Materials**: building upon our recognised heritage in metals and ceramics in both Stoke-on-Trent and Staffordshire to exploit opportunities in applied uses for polymers, ceramics, glasses and composites.

3.9 Our growth ambitions and targeted sectors will all benefit from a **strong digital economy**, which is highly immersed with other sectors of the economy. This will accelerate the adoption of digital technology across our advanced manufacturing sectors and aid the development of our key sectors. We have seen strong growth locally within this sector in recent years particularly around several key employment sites including Stone Business Park, Stafford Technology Park, Wall Island (Lichfield South) and Dunston Business Village. Continued growth within this sector will not only bring substantial benefits in terms of the creation of high-value, high-wage jobs within the local area, but also supporting existing companies within Stoke-on-Trent and Staffordshire to take full advantage of digital technologies. A thriving economy also needs the digital infrastructure to support beyond general broadband access. Speed and capacity of networks are key challenges as technology and applications move on. The roll out of technologies such as 5G will be critical for the area.

3.10 These sectors each have recognised growth potential and can draw upon knowledge assets to sustain their competitiveness. In addition, they align with the emerging Industrial Strategy, which seeks to develop a strong focus on advanced manufacturing sectors, supported by the development of a more technical skills system. Alongside this focus, we are committed to a diverse economy and supporting business growth across all our sectors, including local hot spots. Our focus on advanced manufacturing is complemented with a longer-term interest in strengthening other key sectors including:

- **The Visitor Economy**: The leisure industry is worth an estimated £1.6 billion to the Staffordshire economy and includes the UK's number 1 short break destination; Alton Towers Resort. This is one the biggest private sector employers in Staffordshire and offers a wide variety of long-term careers as well as fixed-term & summer jobs. In addition, Drayton Manor provides a further anchor destination within the County which attracts day and overnight visitors to Stoke-on-Trent and Staffordshire and combined with Cannock Chase, the National Forest, and the Peak District contribute to the overall visitor appeal and branding of the area. Stoke-on-Trent's tourism offer, including the Potteries Museum and Art Gallery, and the heritage of the ceramics industry also attract people to the area.
- **Business/Professional Services**: national companies including Capita and Bet365 are located within Stoke-on-Trent and Staffordshire and offer the potential for growth both within our urban centres and beyond. There is a continuing need to support their growth within the area to ensure that these services-based businesses continue to sustain and grow their workforce. Proposals for Stoke-on-Trent (which include creating a new central business district with a strong professional services offer), will draw in a growing base of professionals looking to support our indigenous businesses and capitalise on our excellent connectivity from Liverpool, Manchester, Birmingham and London.
- **Construction**: Housing investment and delivery is vital to the economic prosperity of Stoke-on-Trent and Staffordshire and supporting the investment and infrastructure, including HS2, is critical to our long term economic growth. We should ensure our workforce can take advantage of the opportunities presented by this investment. This includes HS2 sensitive sectors (such as accommodation, real estate, architectural and engineering) which are predicted to grow as the investment in the new line occurs. We also recognise and support modern methods of construction and improved skills development to enhance productivity and deliverability.

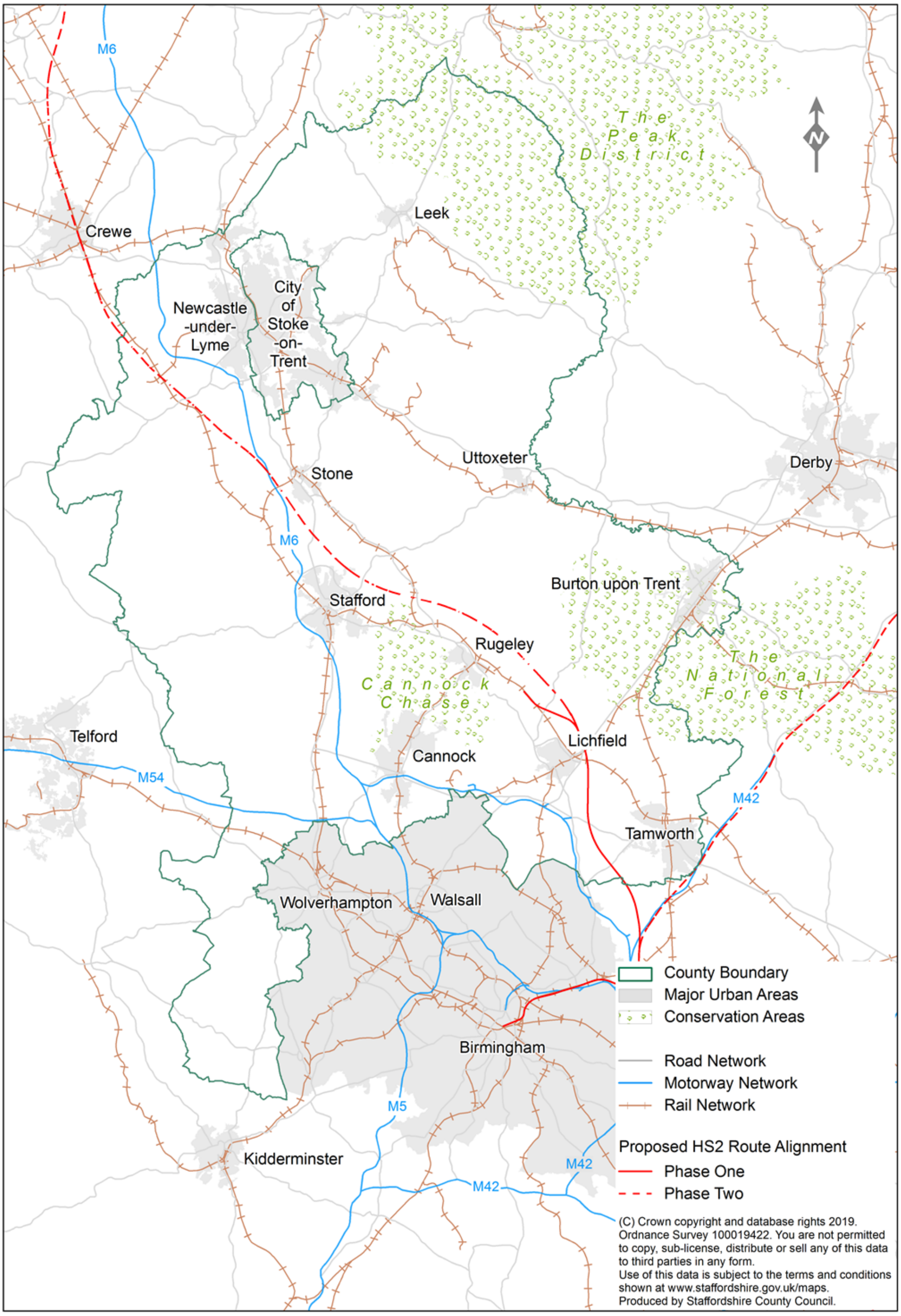
3.11 Whilst not highlighted as a specific key sector in its own right, **creative industries** form a significant part of a number of our key sectors and the local economy as a whole and this has strengthened considerably in recent years. The ceramics industry (part of the applied materials sector) has been experiencing a renaissance and continues to flourish through initiatives such as the Ceramics Sector Deal. In addition, a considerable number of jobs in the digital sector are within computer programming and software development industries. The area is also now home to a number of growing companies within the film and media industries, thanks in part to the areas close proximity to the cluster at Salford (including the BBC) and the skills of graduates from Staffordshire University.

3.12 There is a major opportunity to further develop creative industries across all of our key sectors, as the cultural offer and economy within Stoke-on-Trent and Staffordshire continues to be enhanced and grow through initiatives like: the Factory business support programme, Platform – Moving Image Cluster, projects and events such as the British Ceramics Biennial, Spode Acava Studios, the Great Pottery Throw Down, Creative People and Places, The Homecoming in Newcastle-under-Lyme and of course the work done to support Stoke-on-Trent's bid to be the UK City of Culture in 2021.

3.13 Whilst these sectors will contribute to the development of a more diverse, high-value Stoke-on-Trent and Staffordshire economy, it will also be important to continue to support all our existing businesses.

Our Position at the Heart of the Country

Figure 3.1 Stoke-on-Trent and Staffordshire Connectivity



3.14 Whilst 77% of our residents live and work in the LEP area, the economic geography of Stoke-on-Trent and Staffordshire shows the important linkages beyond our area. The north of the county has strong transport links with the east of Cheshire and it is envisaged that this connectivity will be enhanced due to the growth plans developed by the Constellation Partnership for Cheshire, Stoke-on-Trent, Stafford, Newcastle-under-Lyme and Staffordshire Moorlands. More widely, the area will be surrounded by a number of new full-HS2 stations and benefit from class-compatible HS2 services; ensuring the best connectivity possible to these stations throughout the county will provide significant future opportunities for growth.

3.15 The economic success of Stoke-on-Trent and Staffordshire over recent years is shown by changes in commuting flows between the last two Censuses. Whilst we remain an overall net exporter of labour, this is reducing as more jobs are created within Stoke-on-Trent and Staffordshire leading to more commuting into the area. Between 2001 and 2011 the overall number of people commuting into Stoke-on-Trent and Staffordshire to work increased by over 16,000, compared to an increase in outflows of just 9,500. The attractiveness of the area as a place to live and work is also shown by the fact that self-containment increased by more than 27,500 over the period.

3.16 We are actively engaged as partners in the Midlands Engine, Midlands Connect and the Constellation Partnership, working to maximise future investment in the strategic highways and rail networks and considering wider issues related to economic growth such as innovation and skills. The recently established West Midlands Combined Authority (WMCA) will also have an influence over transport and wider economic issues within the sub-region, and we will continue to work proactively with partners in the metropolitan area, particularly the Mayor and the Combined Authority, as they develop to maximise the benefits of future schemes for the residents of Stoke-on-Trent and Staffordshire.

3.17 Infrastructure delivery is of real strategic importance to the future of Stoke-on-Trent and Staffordshire – and while the connectedness of the county is a key strength this is not necessarily true for all areas. To maximise the potential of HS2, we also need to ensure that appropriate linkages to and from HS2 hubs are supported to maximise the economic footprint of this significant national investment as well as ensuring that areas are not left behind and growth held back by a lack of appropriate infrastructure investment.

3.18 Specifically, in terms of strategic transport interventions, it will be vital for us to continue to work with all the relevant strategic transport authorities who are partners of Midlands Connect, including Transport for the West Midlands as part of the WMCA, and further beyond our area to ensure that future transport investment has the maximum possible benefit for Stoke-on-Trent and Staffordshire.

4. Our Economy

Figure 4.1 Stoke-on-Trent and Staffordshire Economic Snapshot

Figure 4.2 Stoke-on-Trent and Staffordshire Economic Snapshot

Our Strengths, Weaknesses, Opportunities and Threats

4.1 The Stoke-on Trent and Staffordshire Strategic Economic Plan builds on a detailed understanding of the socio-economic context and characteristics of the LEP area, and the implications for economic growth[2].

4.2 A summary of key strengths, weaknesses, opportunities and threats is set out below:

Figure 4.3 Our Strengths, Weaknesses, Opportunities and Threats

[2] This can be found at https://www.stokestaffslep.org.uk/wp-content/uploads/2015/04/Strategy-for-Economic-Growth-Evidence-Review-Key-Issues-Identification.pdf

Strengths

- Stoke-on-Trent and Staffordshire is home to numerous international businesses including General Electric, Coors, JCB, Jaguar Land Rover, Michelin, Moog, Steelite, and Zytek.
- Similarly, the area is home to a buoyant SME sector making a significant contribution to economic growth.
- Inward investment performance has been strong in recent years, with notable recent projects including Jaguar Land Rover and Amazon.
- Local universities activity engaged in working with industry and businesses supporting the development of higher level and graduate skills development, research and innovation.
- Area benefits from location at the heart of the UK, with strong connectivity via road (including the M6, A50, A500, A38, A5) and rail (including the West Coast Mainline).
- Stoke-on-Trent and Staffordshire's physical environment, including historic urban centres and a high quality rural landscape, provides good places to live, work and visit.
- The rural economy has performed strongly in recent years, with growing employment and strong enterprise performance.
- The Stoke-on-Trent and Staffordshire visitor sector has many attractions including Alton Towers, Drayton Manor, the Cannock Chase Area of Outstanding Natural Beauty and the UK's first (and most widely visited) national park; the Peak District.

Weaknesses

- Low levels of economic growth over the past decade.
- Below average productivity levels reflecting the dominance of lower value activities.
- Enterprise and business start-up levels that continue to lag behind the national average.
- Lower than average proportion of residents qualified to higher levels, with skill gaps identified by local employers at higher and basic employability levels.
- Concentrations of worklessness, particularly of people with disabilities, whilst youth unemployment is a challenge in some areas of deprivation.
- Relatively high levels of insecure employment (including zero-hour contracts, underemployment and temporary contract working).
- Pockets across the area that suffer from multiple deprivation issues.
- Internal connectivity constraints, including peak hour congestion in main urban areas.
- Lack of innovation-led growth.

Opportunities

- Strong jobs growth over the last few years with an opportunity to build on this success by creating a greater number of high-value, high-wage employment opportunities.
- A genuine opportunity to develop strengths in sectors that will be vital to driving higher levels of gross value added and productivity.
- Opportunities presented through greater collaboration and partnership working, including the Constellation Partnership, West Midlands Combined Authority and Midlands Engine.
- Opportunity to create a unique local energy offer based upon existing and new assets and investment in emerging technologies and energy supply chain development.
- Opportunities to build a more innovative economy, based upon the numerous local knowledge assets which include our indigenous and surrounding universities, and delivery of the Keele Deal.
- Maximising the potential economic and connectivity opportunities of HS2 across the area, including securing class-compatible HS2 services for Stoke-on-Trent and Stafford and taking advantage of opportunities related to released capacity on the existing network.
- An opportunity to design a more coherent and effective support offer for local businesses, which closely reflects the characteristics of the businesses' base and aspirations for growth.
- Opportunity to build a more inclusive society with employment and skills programmes and projects designed to respond to local need.
- Growth opportunities building on new road investments and enhanced connectivity.

Threats

- Performance of the national economy and Government policies will continue to play a large role in shaping local economic performance and investment.
- Barriers to the delivery of new employment land have the potential to constrain inward investment and business expansion.
- Accessibility and remediation challenges at strategic employment and housing sites constrain business and housing growth.
- Internal connectivity constraints impact upon the quality and vibrancy of our urban and rural/market town areas.
- Potential loss of existing rail services has the potential for some areas to slip behind places with better connectivity.
- Some urban environments affect perceptions of quality of life and constrain our ability to attract and retain higher skilled residents.
- Skills challenges (both at higher and lower levels) have the potential to constrain growth in identified priority sectors and activities.

- Social inclusion challenges within certain communities and groups have the potential to limit the extent to which the benefits of economic growth are shared by all.

Growth Opportunities & Barriers

4.3 The refreshed Strategic Economic Plan builds on the twin-track approach of sector-led growth and place-led growth that was used in the previous Strategic Economic Plan.

Sector-Led Growth

4.4 Our strategy aligns with the government's Industrial Strategy commitment to cultivate world-leading sectors with a competitive advantage. The key sectors which are expected to drive growth in Stoke-on-Trent and Staffordshire are:

- Five Advanced Manufacturing sectors: Applied Materials, Agri-tech, Aero-Auto, Medical Technology and Energy.
- One cross-cutting sector: Digital
- A number of other sector strengths including: Business and Professional Services; Tourism and Leisure and Construction.

These complement those contained in the Midlands Engine Vision for Growth by building on local strengths.

Applied Materials

4.5 Stoke-on-Trent and Staffordshire is the ideal location for developing the applied materials sector. The area is home to leading companies developing and deploying new materials technologies:

- Polymers: Bostik, Fuchs Lubricants, Michelin
- Engineering companies: JCB, Perkins, MG Sanders, Goodwin, and KMF
- Ceramics: Steelite International, Lucideon (and the Applied Materials Research, Innovation and Commercialisation Company [AMRICC]) Wedgwood, Churchill and Johnson's Tiles, Portmeirion and Emma Bridgewater.

4.6 The sector currently employs around 7,400 people and has 10 times the concentration of employment compared to nationally. Around one-in-five jobs nationally in the applied materials sector are in Stoke-on-Trent and Staffordshire.

Agri-Tech

4.7 Agri-tech is a nationally significant sector covering technologies for farming and food production. Stoke-on-Trent and Staffordshire is close to both Harper Adams University and Reaseheath College, as well as having South Staffordshire College's AgriSTEM facilities. The area is also home to several closely associated industrial sectors. Livestock farming in the area around Staffordshire and Shropshire is one key opportunity area for the commercialisation of agri-tech research and development. We also have excellent connectivity to national and international markets and major local employers in related industries such as JCB, Molson Coors Brewing, Muller and Ornua.

4.8 Nearly 8,000 people are employed in the Agri-Tech sector and supply chain in Stoke-on-Trent and Staffordshire, and our area has a higher concentration of activity in the sector compared to nationally. The Agri-Tech West scoping study highlighted the strengths that we have in this sector alongside three other nearby LEPs[3], and this cluster of activity provides opportunities for its development.

Aero-Auto

4.9 We benefit from the large concentration of transport technology firms in the Midlands and North West of England. The supply chains of major manufacturers such as Jaguar Land Rover, Toyota and JCB reach into and across our local economy. These sectors present considerable opportunities for us to grow our advanced-technology-driven manufacturing industries.

4.10 There are around 6,500 people employed in the aero-auto sector in Stoke-on-Trent and Staffordshire, and the sector has experienced strong growth over the last five years (+13%).

Medical Technology

4.11 The Medical Technologies sector is one of the priorities for the Midlands. Despite being relatively small in employment terms, the med-tech sector has seen substantial growth in recent years. The Faculty of Medicine and Health Sciences at Keele University, the University Hospitals of North Midlands and the Keele University Science and Innovation Park continue to attract additional local growth in the med-tech sector.

4.12 We are home to a growing number of leading medical technology and healthcare companies, including TRB Chemedica, Biocomposites, Cobra Biologics and Alliance Medical. Newcastle-under-Lyme has a concentration of employment in the higher value-added med-tech sector that is more than twice that seen nationally, primarily comprising companies involved in the wholesale of pharmaceutical products. We are also home to the Defence Medical Services at Whittington, Lichfield - a military medical training camp where the Defence College of Healthcare Education and Training is located.

4.13 The Medical Technology sector is still quite a small sector, accounting for nearly 500 jobs across Stoke-on-Trent and Staffordshire. However, the size of the sector is likely to be much bigger given the wider medical and healthcare ecosystem present in Stoke-on-Trent and Staffordshire.

Energy

4.14 Clean growth is one of the Grand Challenges set out in the Industrial Strategy, with an ambition to lead the world in the development, manufacture

[3] Cheshire & Warrington LEP, The Marches LEP and Worcestershire LEP

and use of low carbon technologies, systems and services. Stoke-on-Trent and Staffordshire has already had considerable success in developing the energy generation sector since our original SEP was published. Several major schemes are currently at the early stages of delivery through the Powerhouse Central programme: we have secured the funding needed for a £52m District Heat Network in Stoke-on-Trent and a £27m Smart Energy Network Demonstrator at Keele University Science and Innovation Park. We have undertaken feasibility work for a heat network supplying local prisons and businesses from a Combined Heat and Power Unit (CHP) utilising waste heat generated by the Four Ashes Energy from Waste facility.

4.15 The Keele University Sustainability Hub continues to act as a focus of research and teaching around sustainability, green-tech and energy generation. The university aims to significantly expand its capacity in energy / renewables research, particularly around wind, solar and geothermal. Keele University has been exploring how the campus can be self-sufficient in terms of energy and is aiming to have reduced its carbon emissions by 34% by 2020.

4.16 Stoke-on-Trent and Staffordshire is home to a strong cluster of companies operating within the sector, including several renowned and international brands such as General Electric, Alstom and Siemens. The sector employs around 3,200 people in our area and accounts for 4% of national employment in Energy.

4.17 Lichfield, South Staffordshire and Stafford have particularly high levels of employment in the manufacturing of power and associated equipment products, as well as power creation and distribution industries. Although employment in this sector has slightly declined in recent years, our area has a concentration of employment nearly three times greater than nationally.

Business and Professional

4.18 The business and professional services sector accounted for over 60,000 jobs in Stoke-on-Trent and Staffordshire in 2015, and was one of the fastest growing sectors of our economy between 2010 and 2015 (growing by 18%). This is a significant sector for the LEP area, and has seen growth over the last five years, particularly due to the activities of head offices in the area, such as Holland and Barrett, Midland Co-operative Society and JCB. We are also home to Mice and Dice, Bet365, Wardell Armstrong and Capita Finance.

4.19 The city of Stoke-on-Trent has headroom to grow its business and professional service sector, as do locations where there are current concentrations of this sector. There is a continuing need to support their growth to ensure that these service based businesses continue to sustain and grow their workforce in Stoke-on-Trent and Staffordshire.

4.20 Our area's strong transport connections from Manchester, Liverpool, Birmingham and London provide an opportunity for firms within this sector to engage in activities occurring within each of these cities. The development of HS2 will further enhance our opportunities with journey times to London of less than an hour.

Visitor Economy

4.21 The area has significant natural assets and major tourism attractions. The visitor economy is worth an estimated £1.6 billion to the Staffordshire economy and includes Alton Towers Resort, Drayton Manor Theme Park, Tamworth Snowdome, the Staffordshire Hoard, Cannock Chase Area of Outstanding Natural Beauty, the National Football Association Centre at St Georges Park, the National Memorial Arboretum, the Mercian Trail, Trentham Gardens, the Potteries Museum and Art Galleries, the World of Wedgwood and the ceramics industry visitor attractions.

4.22 This sector employs over 10% of all employees within Stoke-on-Trent and Staffordshire. Staffordshire Moorlands District has the greatest concentration of employment in this sector (largely due to Alton Towers and the Peak District), followed by Stafford Town and Tamworth. The sector has grown at twice the national employment growth rate over the last five years.

4.23 In addition, an active leisure offer helps to improve health and well-being. The Destination Staffordshire Tourism Review Strategy and Action Plan (2015-18) sets out ambitions to improve and grow Staffordshire's visitor economy for the benefit of all. The sector's priority is to make more consumers aware of Staffordshire as a destination for a short break, so encouraging greater volume of overnight stays, increased revenue and more employment in the industry.

4.24 Sporting activities underpin around 10,000 jobs in Stoke-on-Trent and Staffordshire. The area has around 1,300 sporting facilities, while our many natural assets (including the Peak District, National Forest, Forest of Mercia and the Area of Outstanding Natural Beauty in Cannock Chase) are ideal for sporting activities such as:

- Rowing & water sports – water sports at Chasewater between Cannock and Lichfield.
- Equine sports – numerous horse-riding facilities, the internationally important racecourse at Uttoxeter and one of the best equine centres in the UK at South Staffordshire College's Rodbaston campus.
- Cycling - off-road cycling at Cannock Chase and Stoke on Trent, acting as a regular host city for the Tour of Britain.
- Outdoor pursuits – the Peak District offers extensive walking and climbing opportunities for people of all ages.
- Climbing - The Peak District, and in particular the Staffordshire area of the Peak District, is identified as one of the UK's premier locations for climbing – which is one of the fastest growing sports in UK.
- Athletics– Northwood Stadium is one of the prime outdoor athletics facilities in the UK, which can host large scale athletics events.
- Indoor skiing – the Snowdome in Tamworth attracts people from the East and West Midlands to its indoor ski slope.
- Football – the continued success of Stoke City FC in the Premier League has attracted visitors to the area and helped generate new employment.

- Multi-sport events – these include the UK Corporate Games, and Ironman events.

4.25 In addition to the traditional tourism & leisure, more than 12,000 people are directly employed within the business tourism sector in Stoke-on-Trent and Staffordshire. There is an opportunity to develop the business tourism offer within the area, particularly through the development of new and increased use of existing conferencing facilities. The area’s position between several core cities should make Stoke-on-Trent and Staffordshire attractive to such developments and this will increase significantly as connectivity within the area continues to be improved, including through HS2 and enhancements to the existing rail services.

4.26 The area is also increasingly becoming a retail destination due to developments such as Ventura Park and the proposed Mill Green designer outlet village in Cannock Chase. These developments draw in visitors from a large catchment area and it will be important to take advantage of this to the benefit of the visitor economy through Stoke-on-Tent and Staffordshire.

Construction

4.27 Housing investment and delivery is vital to the economic prosperity of Stoke-on-Trent and Staffordshire. Supporting investment and infrastructure, including HS2, is critical to ensuring that the area really benefits from national investment. The Stoke-on-Trent and Staffordshire area is expected to receive significant housing and transport investment in the future, with substantial housing targets and HS2 investment. The Constellation Partnership is working to identify how the potential from HS2 related development could drive further economic growth in the area, increasing demand for those with construction skills. Outside of the Constellation Partnership area, districts will be planning to meet their own employment and housing needs and those of the wider market areas extending into the urban conurbation.

4.28 The construction sector currently employs around 26,000 employees within Stoke-on-Trent and Staffordshire, and has experienced strong growth over the last five years (+20% compared to +7% nationally). Support to recognise and realise modern methods of construction and improved skills development to enhance productivity and deliverability will be important to ensure that this sector can thrive and contribute to the overall prosperity of the area.

Digital

4.29 Our growth ambitions and targeted sectors will all benefit from a strong digital economy, which is highly immersed in other sectors of the economy. This will accelerate the adoption of digital technology across our advanced manufacturing sectors and aid the development of wider sectors such as health and construction.

4.30 Currently there are around 10,000 people employed within the digital sector in Stoke-on-Trent and Staffordshire. The nature of the sector within the area is shown to be very broad with a great deal of employment in industries relating to manufacturing and sales, whilst consultancy and service activities are currently the biggest industries within the sector.

4.31 There is a strong presence of businesses across Stoke-on-Trent and Staffordshire, with major companies including Bet365, Synectics, LA International, Acute Sales, Avnet, Dimension Data, Amphenol Invotec, Galaxy Connect, Instem, Risual, IMS Health Technology Services, Interactive Web Solutions and Connexica. Sites which already accommodate a large number of digital businesses include Stone Business park, Staffordshire Technology Park and Dunston Business Village.

Place-Led Growth

4.32 Stoke-on-Trent and Staffordshire already offers a rich mix of high quality places to live, work, shop and relax in, with historic centres and attractive rural towns. These places need to continue to develop strategically to ensure that they provide the housing mix needed for growth, offer central locations for growth of business and professional service firms, and provide the quality of life that will help to attract and retain highly skilled workers. Our proposals build on our Local Plans and Local Planning Authorities have been fully engaged in the development of the project pipeline.

4.33 The conurbation in the north of Staffordshire (including Stoke-on-Trent and Newcastle-under-Lyme) and a series of other strategic centres across Staffordshire represent critical hubs for sustainable economic growth and the associated infrastructure to support growth. This ties in with ambitions from the Industrial Strategy to build on the particular strengths of different places, and our recent work on the Ceramics Sector Deal and Stoke-on-Trent's UK City of Culture application has helped to address some of the factors which hold places back.

4.34 The principles of sustainable development have informed many of the choices made in this plan. For instance, the choice of sites in corridors and areas well served by public transport, the strategy to address energy, and the utilisation of previously developed land in many areas. Our natural assets are of great importance locally and nationally and form a major part of our offer to investors.

Transport

4.35 Stoke-on-Trent and large parts of Staffordshire are well connected to the national and international road and rail network, which enables easy access to large economic centres. This has contributed to many of our inward investment successes over recent years and helps secure our prestigious higher value industries:

- The West Coast Main Line runs north-south, providing frequent connections from London, Birmingham, Manchester and Liverpool.
- The M6 Motorway runs through the area and is one of the major arterial roads running along the backbone of the UK.
- Four international airports are within a 1-hour road journey.
- Many of the country's major sea ports are within a four-hour road journey and are increasingly becoming more connected by the rail network.

4.36 However, some challenges remain to ensure that areas with less connectivity are supported through infrastructure investments, so that they can better contribute to the Stoke-on-Trent and Staffordshire economy and benefit from growth.

4.37 The road network is fundamental to Stoke-on-Trent and Staffordshire's transport system. The area has around a fifth of the West Midlands' total traffic flow (in terms of million vehicle miles) and the number of vehicle miles has been steadily increasing in our area, with a 4% increase in total vehicle miles between 2011 and 2015. Yet the vast proportion of the local road network is not affected by serious congestion. Traffic speeds across the area have remained relatively constant over the last five years and, whilst some parts of the network suffer from unreliable journey times especially during peak travel periods, the problem is not a constraining factor in our investment offer. We are focused on alleviating congestion where it is a recurring issue (e.g. M6 junction 15 and the A500/A50), our main towns of Burton upon Trent, Lichfield, Stafford and Tamworth and areas of North Staffordshire. By helping to reduce congestion, we will improve the reliability of journey times, and help to reduce air quality issues caused by standing traffic, which will improve the quality of life for local residents.

4.38 Away from the main routes, local roads are principally used for shorter journeys to key services such as places of work, education establishments and healthcare facilities. As we grow our economy, we need to ensure new developments have sustainable transport connections and we continually improve the quality of the local road network.

4.39 Around 80% of the bus network is provided on a commercial basis by First and Arriva. In 2015/16 there were 32 million bus passenger journeys in Stoke-on-Trent and Staffordshire, a 7% reduction since 2011/12. Although travel speeds are slow, the area is generally well-served by buses. 87% of urban addresses are within 350m of a half hourly or better bus service to a major centre. Nevertheless, we need to continue to improve the overall quality of local bus services on some routes, especially if we are to achieve modal shift towards more sustainable transport options.

4.40 Our freight and logistics industry relies heavily on the strategic transport network. The M6 Motorway accommodates typical HGV flows of some 35,000-40,000 on a weekday and is a key corridor from the south to the north of the country. Significant numbers of HGVs use the A38, A5, M54, A50 and A34. Improvements to the transport network should benefit business in terms of efficiency savings and residents in terms of quality of life. Stoke-on-Trent and Staffordshire is located at the centre of some important regional and national rail routes and has over 100 freight trains operating along the West Coast Mainline (WCML) per day.

4.41 Four of the area's rail stations (Stoke-on-Trent, Stafford, Lichfield and Tamworth) sit on the WCML, offering frequent and fast services from London Euston, Birmingham New Street, Liverpool Lime Street and Manchester Piccadilly. Tamworth and Burton upon Trent lie on the Cross Country Route with half hourly services between Birmingham and Derby. In 2015/16 over 10.9m rail passengers used our 22 local rail stations and since 2011/12 our rail patronage has increased by more than 14%. Nearly 3 million passengers used Stoke-on-Trent station in 2015/16 and 2.2 million used Stafford station.

4.42 HS2 will reach the West Midlands in 2026 and Crewe in 2027. It will result in a shortening of journey times between Stoke-on-Trent/Stafford and London to an hour or less. The work with the Constellation Partnership has developed four key projects: gateway stations at Crewe, Stoke-on-Trent and Stafford and a new settlement at Coldmeece. These have the potential to unlock growth. Chapter 5 discusses the opportunity in more detail.

4.43 Our regional airports (such as Manchester Airport, Liverpool John Lennon, East Midlands Airport and Birmingham Airport) offer national and international transport links.

4.44 The Midlands Connect Strategy (2017) outlines the Midlands vision to become an engine for growth through long-term investment in transport infrastructure. North Staffordshire is identified as one of four strategic economic hubs within the Midlands region. The 'intensive growth corridors' which pass through our area include:

- Birmingham – the Black Country – Staffordshire and the North
- Humber Ports - Lincoln – Nottingham – Derby – Birmingham
- Nottingham – Derby – North Staffordshire

4.45 Early investment priorities within Stoke-on-Trent and Staffordshire for the Midlands Connect Strategy include the development of business cases:

- For enhanced Derby-Stoke-Crewe rail services
- To upgrade the A50 at Uttoxeter
- For the M6 Junction 15 to 16 Smart Motorway scheme and Junction 15 upgrade
- For use of HS2 released capacity and classic compatible services

4.46 Stoke-on-Trent and Staffordshire will also benefit from road and rail improvements outside the LEP area, helping to improve our connectivity to domestic and international markets.

Property

4.47 Stoke-on-Trent and Staffordshire needs to offer a good spread of housing, which caters for the range of types, locations and affordability of current and potential residents. The number of households within the area is predicted to rise over the coming years, and it is vital we stay ahead of demand to ensure we accommodate the new jobs we aim to create.

4.48 Based on current Local Plans, an average of around 3,400 homes are required to be built annually across all local authorities in Stoke-on-Trent and Staffordshire. Housing delivery is likely to be accelerated beyond this current required level due to the growth plans of the Constellation Partnership, unmet housing need of surrounding areas and local plan refreshes, although these issues will need to be considered in the context of many parts of Stoke-on-Trent and Staffordshire already having National Planning Policy Framework-compliant adopted Local Plans.

4.49 Many schemes needed to meet our targets also require some public-sector intervention in order to make them viable and to accelerate delivery where appropriate. Working with Homes England and other agencies will be a key element in achieving this.

4.50 Our 'Breeze Strategy' study on Inward Investment stated that while Stoke-on-Trent and Staffordshire had good key location factors such as access to a suitable workforce, cost effectiveness, colleges / universities / training, proven clusters of business activity and telecoms resilience, the area currently lacks available sites and premises into which businesses could move. We need to tackle this challenge to offer a range of suitable of employment sites and industrial / office facilities. In parallel, we know that Stoke-on-Trent and Staffordshire needs to carve out a stronger identity and higher levels of recognition in inward investment circles.

Education & Skills

4.51 The drive to increase the skills base within Stoke-on-Trent and Staffordshire will help ensure that people are more prepared for entry to the workforce and have the skills required to work. There is currently a mismatch between courses undertaken and business needs. "Last year, across the UK more than 94,000 people completed hair and beauty courses, despite there being just 18,000 new jobs in the sector, but fewer than 40,000 people trained to fill around 72,000 new jobs in the building and engineering trades." (Source: LGA, Hidden Talents)

4.52 Schools are a vital part of our education system and performance varies across Stoke-on-Trent and Staffordshire. Addressing school performance in areas of weakness will not only play a major role in improving the skill levels of our residents in the long-term, but also make the area a more attractive place for people to live and work.

4.53 Our further education institutions and private apprenticeship providers will play a vital role in addressing skills gap issues. If this is to be achieved it will be important to have high quality FE facilities. Currently 15% of our FE estate has been determined to need major repair or be replaced in the short to medium term.

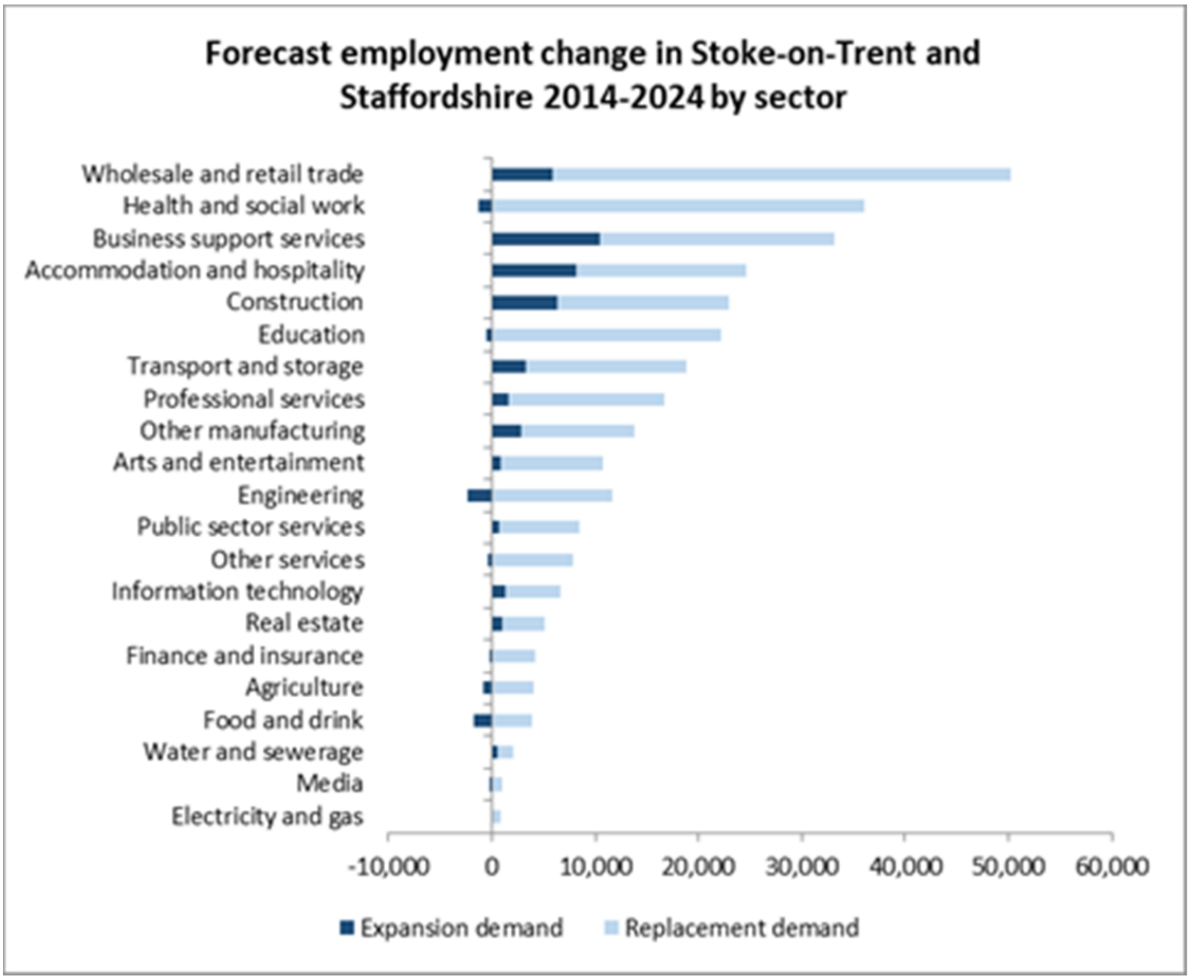
4.54 The need to ensure that young people entering the workforce are well equipped for improving the productivity of our economy remains. This in part requires more job-specific training beyond the classroom. Our sector specialisms in advanced manufacturing mean that vocational training offers the best opportunity to train young people to a high level with good knowledge of industry.

4.55 People already in the workforce also need to receive training to ensure their professional development and ability to adapt to a changing employment market. Newcastle and Stafford Colleges Group and Stoke-on-Trent College both delivered publicly funded training provision to nearly 800 employers in the 2015/16 academic year, with other institutions and commercial providers also delivering a good range of professional courses in Stoke-on-Trent and Staffordshire.

4.56 Our local universities already make a significant contribution to Stoke-on-Trent and Staffordshire and this is far broader than skills development. In the future, our universities will continue to have a vital role across many of our priorities including sector growth, innovation and infrastructure development.

4.57 However, the development of higher level skills (particularly graduate and postgraduate level) is clearly an issue where our universities have a pivotal role in driving forward productivity in the economy. Stoke-on-Trent and Staffordshire also needs an additional 60,000 people employed in the top three occupation groups to match the national average. Local universities will continue to play a major role in helping Stoke-on-Trent and Staffordshire secure the skills it needs to grow. Over 26,000 students study at our two main local universities (around 10,120 students at Keele University and 15,860 at Staffordshire University in 2015/16), primarily at the main campuses but also through a number of other providers such as South Staffordshire College, Stafford College, Newcastle-under-Lyme College and Burton & South Derbyshire College. Whilst these universities have by far the greatest number of students studying Higher Education qualifications within the area, a number of other institutions provide university level courses within the county, including the University of Wolverhampton (at its Regional Learning Centre in Stafford) and the University of Derby (at Buxton and Leek College). It will be critical for our universities to offer courses, including higher and degree apprenticeships, and to continue to work closely with businesses to match the needs of our current and future industries. This includes the need for our universities to work with employers to educate and retain graduates who are equipped with skills for future and emerging roles, which is likely to include the future need for strong digital skills, problem solving skills and research skills to drive innovation, for example.

4.58 The LEP's Education, Skills and Employment Board has a significant role to play, including highlighting potential skills mismatches. There is still more work to be done to ensure that people can access higher education across the whole area.



4.59 We also need to attract people to live and work within Stoke-on-Trent and Staffordshire, playing a major role in increasing the skills levels of the local workforce. Alongside the need for a greater number of graduate jobs to be available within the area, ensuring that there is appropriate housing (including good quality, affordable live-work accommodation), a good cultural offer and a high-quality environment will be important in making this happen.

5. Our Objectives

Stoke-on-Trent as a Core City

Vision

Stoke-on-Trent will rapidly grow into a Core City, harnessing its city centre economy, a spirit of enterprise & innovation, unique indigenous energy and cultural offer to become a net contributor to UK plc. It will form the centrepiece of a powerful UK growth corridor along the M6 and strategic rail routes linking Birmingham and Manchester. We will bring forward a sustainable package of employment, housing and educational sites along a city centre spine which will enhance the scale and quality of our competitive offer to businesses, entrepreneurs, learners and residents.

Need & Opportunity

5.1 Stoke-on-Trent has made significant steps forwards in recent years and has seen its population grow by 10,000 people 2005-2015 (a 4% increase). However, there is room for more accelerated growth, with growth rates of 8% in England & Wales and 5% across the rest of Staffordshire over the same period.

5.2 Recent signs of change are however positive. GVA per head growth for Stoke-on-Trent over the last 10 years has been higher than the West Midlands and England. This bucks a longer term 20-year trend under which Stoke-on-Trent's progress has been slower than the West Midlands and England.

5.3 Stoke-on-Trent was built around six towns and vibrant series of manufacturing businesses, led by the ceramics industry. Today, we need to concentrate development efforts on establishing a core city centre where we can focus investors' and visitors' attention towards housing, attractions, entertainment, shops and work in the heart of a wider conurbation.

5.4 For Stoke-on-Trent to become a Core City, we need a step change in the way we connect to neighbours, investors, customers and collaborators. This is a major component in our work with neighbours such as the Constellation Partnership, which is developing a growth strategy to maximise the opportunity presented by HS2.

5.5 Stoke-on-Trent lags behind competitor large cities on a range of measures. Our retail and office space, and our employment levels, are below those of an average big city. Currently, Stoke-on-Trent city centre has half the number of professional jobs that a city of its size would expect to have and people who live in Stoke-on-Trent look too readily at other places to shop and to work. This causes significant economic leakages. Nevertheless, Stoke-on-Trent was recently rated 10th on private sector job creation out of 64 UK cities[4] and in 2015 had a record year for business start-ups[5].

5.6 Housing growth in Stoke-on-Trent can help to regenerate those parts of the city with a poor residential offer and which have been in decline. According to the Index of Multiple Deprivation, nearly a quarter of lower super output areas in Stoke-on-Trent are in the 20% most deprived in England for the living environment domain. Stoke-on-Trent also has a shortage of the sort of aspirational family and executive housing needed to attract highly skilled people. Perceptions of the city are not helpful in attracting potential workers and investors.

5.7 There are a number of barriers and market failures that help explain the conurbation's relatively poor performance and why we have not successfully replaced lost jobs with higher value employment:

- **Land remediation and land assembly issues**: although many of our sites are in accessible locations, which could support sustainable development, the challenge of remediating contaminated land and developing complex sites has held back market interest.

- **Dispersed focus**: although investment has been made in Stoke-on-Trent over the last 30 years, the city centre has not grown to compensate for the loss of economic activity in the towns of Stoke-on-Trent and has not had the focus of attention it now needs.

- **Shortage of development finance:** the recession has hit the property market badly in Stoke–on-Trent. Private sector confidence is weak and there has been limited interest in more speculative investment.

- **Accessibility:** movement between our centres is a real constraint, particularly at peak hours. Accessibility to and within the city centre by public and private transport (particularly from the national network) needs to be boosted if we are to attract more workers and visitors from outside the city. Accessibility is also a limiting factor for many of our strategic employment and housing sites. Car congestion is having an impact on residents' health.

5.8 Together, Stoke-on-Trent and Newcastle under Lyme have the capacity to grow and become a critical economic driver in Staffordshire and across Cheshire, in part under the Constellation Partnership. The conurbation in the north of Staffordshire is well connected to strategic markets to the North and South. We have two universities and an accessible local labour pool on our doorstep. The City is already a centre for leisure and culture which, with further concentrated attention, could provide the centre-piece of city-led economic growth.

[4] Centre for Cities: "Cities Outlook 2014"

[5] ONS Business Demography 2016

Table 5.1 Our Priorities & Action Areas for Stoke-on-Trent as a Core City	
Priority	Key Areas
Stoke-on-Trent City Centre – a thriving, distinctive and competitive City Centre at the heart of a new Core City	• Enhancing the City Centre's shopping, cultural and leisure offer • Supporting and enhancing commercial activity in the City Centre • Ensuring the City Centre is appealing and attractive • Improving connectivity to and within the City Centre • Encouraging more residential living within, and at the edge of the City Centre • Attract more investment and visitors by improving the image and brand of the City Centre
Housing-led Population Growth - creating an outstanding, high demand housing offer	• City Centre living, as part of a mixed-use strategy for a modern centre • Aspirational and Executive housing • Establishing a new Local Housing Company (Fortior Homes) • Self-build and custom-build housing • A quality student/graduate housing offer • Investing in infrastructure to support volume house building • Developing small scale sites for existing community needs • Development of infill sites

Connected County

Vision

Stoke-on-Trent and Staffordshire is strategically located at the centre of the UK. We will build on our central location and existing linkages to deliver the transport networks, employment sites and supporting infrastructure required to make our area an attractive place to do business, work, live and visit.

5.9 Our vision for a Connected County is underpinned by eight priority objectives and supports a number of the Government's Industrial Strategy ambitions including infrastructure upgrades, creating prosperous communities across the UK and clean growth.

- **Infrastructure Investment** - Develop the infrastructure needed so that the growth planned for Stoke-on-Trent and Staffordshire can be accommodated with respect to natural resources and energy supply, ensuring that there is rebalancing for growth to take place across the entire area.
- **Transport Improvements** - Support and deliver improvements / upgrades to the strategic and local transport network, alongside the provision of appropriate sustainable transport options to improve access to markets, labour and jobs. This includes maximising the local economic benefits of major infrastructure schemes already identified and prioritised through Midlands Connect, Highways England and Network Rail investment strategies. This will be particularly required within areas where there are significant levels of growth proposed, including within the Constellation Partnership area and along key transport corridors.
- **HS2** – Maximise the benefits of HS2. Two stations in our area, Stoke-on-Trent and Stafford, should see "Classic Compatible" services, which make use of the HS2 network and masterplans for these stations are currently being developed through the Constellation Partnership. In addition, stations at Birmingham Interchange, Crewe Hub, and East Midlands Hub provide opportunities to access the network. It is critical for the success of our economy that the cities and towns of the area benefit from improved connections, as a consequence of the capacity released by HS2. This could include the development of new stations in key locations to take advantage of freed-up capacity on the existing lines. It is also critical that stations not benefitting from HS2 (such as Tamworth and Lichfield) do not suffer a worsening of their current services to London.
- **Employment Sites** - Continue to deliver, and enable the delivery of, employment sites across Stoke-on-Trent and Staffordshire, giving consideration to the portfolio to maximise suitability for a range of business types and sectors that are we are aiming to develop, grow and attract (link to the Sector Growth priority). The Enterprise Zones provide an opportunity to deliver this objective in parts of the county,

although alternative delivery mechanisms and funding opportunities are likely to be required for other sites.

- **Premises** - Ensure that we have premises ready and available, across all use classes, so that we can take advantage of future inward investment opportunities. This will include targeted interventions in areas and on sites, including upgrading existing premises, which are not currently viable but are prioritised for employment use for other reasons (e.g. their redevelopment will involve the regeneration of derelict and/or contaminated land).
- **Housing** - Housing delivery will support a number of our priorities, including the development of an appropriately skilled workforce to meet current and future business needs, whilst also creating attractive and sustainable places where people want to live, work and visit. We will therefore support the delivery of housing across Stoke-on-Trent and Staffordshire and, in particular, we will work to ensure that any barriers to housing delivery are addressed, including the need for infrastructure investment.
- **Digital connectivity** will be vital to our future economy and we will ensure that this is a key asset to our overall infrastructure offer. We will therefore continue to improve broadband speed and availability across Stoke-on-Trent and Staffordshire. Mobile 5G connectivity and other emerging technologies also provide key opportunities for the future that we will work to take full advantage of.
- **Energy** - Exploit our unique opportunities to develop a more secure and sustainable local energy offer through investment in low carbon and non-conventional energy infrastructure.

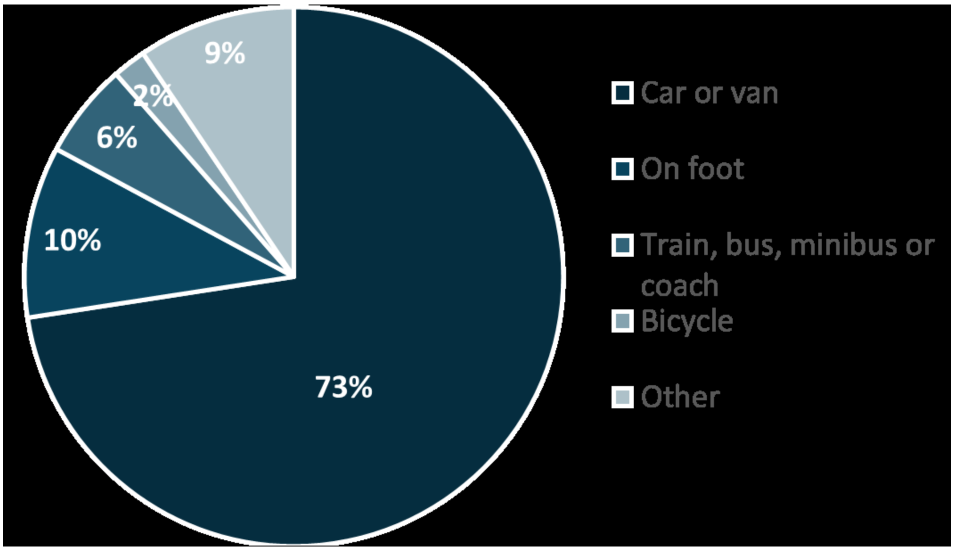
Need and Opportunity

5.10 Strong infrastructure underpins the growth ambitions of our LEP area. Transport connectivity will play a critical role in supporting economic flows and in unlocking investment in the necessary employment, housing and leisure developments. Coordinated investment in associated digital and energy infrastructure also underpins our approach to developing a truly connected economy.

Transport Connectivity

5.11 Fast, reliable, frequent and connected transport networks are fundamentally important to the economic growth and competitiveness of the Stoke-on-Trent and Staffordshire LEP area. Strategic linkages shape the economic opportunities facing our businesses and local linkages influence labour, residential and leisure flows, particularly in our urban areas.

Stoke-on-Trent and Staffordshire Modal Split



5.12 Our central location and external rail, road and aviation connections are among our area's key strengths. We are located close to Birmingham, Manchester, a number of other major cities and three of the UK's major airports. The connectivity triangle of the M6/WCML Spine, the A5/M6 Toll Enterprise Belt and A38/A50 Eastern Links connections already play a vital role and have the potential to match the M4 as a nationally significant corridor of prosperity, connecting the South East and North West regions.

5.13 To support economic growth and attract new investment, we need to maximise connectivity both to and within the area. There are a number of connectivity challenges which constrain our growth ambitions:

- **Constraints on movement:** efficient transport systems are critical for supporting the activities of our business base, promoting our area to investors, linking labour markets to employment centres and delivering high quality places. Several of our urban areas experience significant congestion during peak travel times. For instance, the development structure of North Staffordshire makes sustainable and attractive transport alternatives difficult options. Elsewhere, the congestion and constraints in the West Midlands impact on movements outside. If unchecked, these constraints will get worse as our economy grows, inhibiting the flows of labour, commerce and leisure which underpin inclusive and sustainable economic growth.
- **Constraints on development and growth potential**: connectivity is a constraining factor for some of our strategic investment opportunities. Addressing these limitations will help to support existing employment areas, open up priority employment and housing sites, and improve the quality of our urban centres.

5.14 Our response to these challenges is multi-modal. The table below provides an indication of the types of intervention and the role we expect them to have in addressing our key economic challenges:

Table 5.2 Outline of Transport Interventions

	Objective					
	Maintain and enhance strategic connectivity	Efficient and resilient transport networks	Unlocking strategic employment growth	Unlock strategic housing growth	Supporting urban growth potential	Supporting regeneration and social inclusion
City and town centre integrated transport packages		☐	☐	☐	☐	☐
City Centre access from strategic transport routes		☐	☐	☐	☐	☐
Behaviour change interventions			☐		☐	☐
Public transport interchange and corridors		☐	☐	☐	☐	☐
Highway pinch point schemes and site access junctions	☐	☐	☐	☐		
Strategic network improvements (national rail and road schemes)	☐	☐	☐		☐	
Major highway schemes (new offline capacity)	☐	☐	☐	☐		

5.15 The movement of people and goods does not stop at administrative boundaries. We understand the importance of facilitating an efficient, coherent and cohesive national network and have been actively engaged with our neighbouring LEPs and local transport authorities through Midlands Connect on these issues. Connections to ports and airports are critical for the success of our key sectors. In particular, we have been working with partners through the Midlands Connect partnership to develop a set of strategic transport investment priorities that will support growth across the Midlands.

Employment Sites

5.16 Analysis of our market demonstrates that our area faces a challenge to deliver the right volume and mix of employment sites. A large proportion of our land that is currently allocated in local plans is not genuinely available, because the critical upfront investment needed to unlock sites has not been made. Evidence from Breeze Strategy and others suggests that constraining factors include:

- Remediation: an issue across our area, but particularly so for brownfield sites
- Transport constraints: both in terms of opening up physical site access and ensuring connectivity to labour markets
- Wider infrastructure: connectivity to appropriate (and future facing) digital and energy infrastructure

5.17 Consequently, a number of our priority sites have been delayed for over ten years. This has important implications:

- Inward investment: potential investors are put off by the delays and costs required to bring sites forward, especially given strong competition from neighbouring areas. Our supply of immediately available sites in parts of Stoke-on-Trent and Staffordshire is increasingly under pressure.
- Existing businesses: despite considerable opportunities for growth, the shortage of suitable land is acting as a brake on the expansion of local businesses.

5.18 Investment in remediation and infrastructure (particularly transport, digital connectivity and energy infrastructure), will play a crucial role in supporting sustainable economic growth more generally. Without it the supply chain opportunities that exist will potentially be lost to both the SSLEP area and the UK as a whole.

Digital Connectivity

5.19 Fast and reliable digital connectivity will play an important role in future economic growth. Superfast broadband connectivity in Stoke-on-Trent is already good with nearly 99% coverage and Staffordshire is currently benefitting from the Superfast Staffordshire programme which aimed for 95% of premises and homes to have access to superfast broadband (24 Mbps+) by the end of 2018. The latest data shows that superfast broadband coverage in Stoke-on-Trent and Staffordshire stands at 95.8%, compared to 76% in 2014.

5.20 We must turn our sights to the next competitive milestone, ultrafast broadband. Bandwidth demand is expected to increase exponentially in the future and an increasing number of business products and processes require faster internet access than is generally affordable to SMEs. Businesses across our area should be accessing that sort of service over the plan period to maintain and enhance the competitiveness of our economy. A precursor of future developments will be the significant expansion of local fibre networks. Currently only 1% of the local network is full fibre.

5.21 It will also be important to address the remaining not-spots, mainly in rural parts of the LEP area. Making sure that all parts have access to fast broadband speeds will help animate our future economic growth. Our priority is not just about new infrastructure, but also about driving up reliability, bringing down costs (via competition) and driving take-up.

Energy Infrastructure

5.22 Delivering affordable energy and clean growth is a key national priority. Although energy costs on average account for 3% of UK business expenditure, the impact is uneven. There are 15 sectors in the economy – including steel, chemicals, glassmaking and ceramics – where energy costs represent more than 10% of total business expenditure. Ceramics is particularly strong in our area across a range of applications.

5.23 Because of the area's history and geology, it has a unique opportunity to develop a more secure and sustainable local energy offer which benefits residents, businesses and institutions alike. We have long been associated with generating power; this is reflected in some of the energy companies operating locally, which includes General Electric, Alstom, ABB and Siemens Wind Power. We also have many high-energy consumption industries (notably ceramics).

5.24 Energy price volatility and supply insecurity hamper local business development. We need to work locally to maximise the potential of local resources and improve efficiency in energy use. An example is the Smart Energy Network Demonstrator (SEND) at Keele University, where we are working alongside academics and businesses to create Europe's first 'at scale' SEND – a living laboratory where new energy-efficient technologies can be researched, developed and tested in a real-world environment.

5.25 A subsequent piece of work is developing a more detailed energy strategy, supported by BEIS, and action plan for the area, which will build on the work done to date.

Priorities & Action Areas

Table 5.3 Our Priorities & Action Areas for Competitive Connectivity

Priority	Key Areas
Transport Connections – *Develop our strategic rail, road and air transport connectivity to ensure that our area remains at the heart of a connected economy nationally and our local networks function more efficiently*	• Supporting the development and implementation of the Midlands Connect Strategy[6] • Maximising the benefits of HS2 and released capacity • Rail Industry's Long Term Planning process • Rail links to Manchester Airport, and connections to Birmingham Airport, and East Midlands Airport • Maximising the benefits of rail investment e.g. Chase Line Electrification, by supporting higher speeds and other associated improvements • Supporting rail linkages on west/east corridor including Crewe, Stoke, Blythe Bridge and the Derby corridor • Supporting the introduction of "Smart Motorways" on all of the M6 • Working with the HE to secure a pilot for 'Smart Trunk Roads' on the A50/ A500, A38(T) • M54/M6/M6 Toll Link Road • Highway pinch point schemes, including A50(T) Growth Corridor, Uttoxeter • Delivery of the LTB Priority Schemes – Stafford Western Access Improvements, Etruria Valley Link Road, Lichfield Southern Bypass • City Centre access from strategic transport routes • Investing in local sustainable transport networks

[6] https://www.midlandsconnect.uk/publications

Priority	Key Areas
Strategic Employment Sites –*enabling a portfolio of high quality and investment-ready sites across the area, underpinned by strong transport, digital and energy infrastructure*	**Priority Strategic Employment Sites:** *Ceramic Valley Enterprise Zone Sites*:- Highgate and Ravensdale (Tunstall), Chatterley Valley West, Chatterley Valley East, Tunstall Arrow, Cliffe Vale *I54 Enterprise Zone* *Growth Deal Implementation:*- Bericote Four Ashes (South Staffordshire), Meaford (Stone), Branston Locks (Burton), Lichfield Park (Lichfield), ROF Featherstone (South Staffordshire), Keele Science and Innovation Park. *Potential Future Opportunities:*- Cornhill – Leek, Business park extensions (Redhill and Stone), [7]Rugeley Power Station, Kingswood Lakeside (Cannock Chase), Fenton (Stoke-on-Trent), Stoke Town, Blythe Vale (Blythe Bridge), Fenton Manor Quarry Site (Stoke-on-Trent), Stafford Gateway, Land South of A5 (Tamworth) **Enabling transport enhancements across these sites to include** – major highways schemes, highway pinch point schemes, town centre integrated transport packages / LSTF initiative and bus connectivity schemes.
Digital Connectivity – *deliver a fast and reliable connection for all parts of the LEP area, with a focus on securing the roll out of ultrafast broadband*	• Securing ultra-fast broadband and ensuring completion of superfast broadband provision • Driving forward uptake of digital services by SMEs
Sustainable Energy Infrastructure – *developing a more secure and sustainable local energy offer through investment in low carbon and non-conventional energy infrastructure*	• Maximising the benefits of the Keele University Smart Energy Network Demonstrator • City wide District Heat Network • Non-conventional energy including geothermal, anaerobic digestion, biomass, heat recovery, power storage, combined heat and power (CHP) and domestic-scale micro-renewables and smart grids. • Develop a local energy strategy and action plan

[7] Based on GD3 review

Competitive Urban Centres

Vision

We will secure economic growth in our town centres by encouraging sustainable economic development, which meets local needs, achieves balanced communities and attracts new people to invest, live, work in and enjoy our urban centres.

5.26 Our vision for Competitive Urban Centres is underpinned by one overarching priority. In light of the changing role of many city and town centres, we will work with local partners to identify the regeneration priorities of each centre and how they contribute to our economy and delivering a high quality of life for residents. Where appropriate, we will help to re-purpose our centres by facilitating new and different employment opportunities, an improved cultural offer, local services, leisure facilities and housing.

Need and Opportunity

5.27 The economic fortune of our centres is currently varied, with substantial levels of development in a number of centres whilst others continue to struggle. Despite strong recent growth in rural parts of Staffordshire, our centres continue to be home to the greatest proportion of people and jobs. Whilst the role of our centres is changing, they continue to be important employment, service, retail and leisure hubs and contribute significantly to the quality of life available in the local area. Our population is expected to increase by 3% over the next ten years, while among those aged 65 and over it will increase by 20%. Although our centres continue to be hubs of economic activity, we must sustain and evolve their offer to meet the changing needs of our growing and ageing population and to match our wider growth objectives for the LEP economy. They also act as service centres for a wider rural economy.

5.28 Beyond the Stoke-on-Trent and Newcastle-under-Lyme conurbation in the north of Staffordshire, we have a number of other centres across Staffordshire (see Table 5.4) where growth will be focused and where competitiveness needs to be maintained. Five challenges are key to their ongoing success:

- **Reducing amounts of vacant retail space:** partly due to internet-driven changes in shopping habits, but also because of the difficulty some of these historic centres have adjusting to modern retailing patterns, alongside stiff out-of-centre retail competition. Harnessing our heritage assets offers a niche opportunity in a number of locations attracting visitors and customers as well as safeguarding the built environment.

- **Challenges in re-orientating the retail offer**: introducing new uses for buildings without public intervention is often difficult due to land ownership issues and, when it does happen, can all too easily lead to lower value activities which detract from our desire for attractive and vibrant places with a mixed offer.

- **Stiff neighbouring competition**: many of these centres are within the economic sphere of influence of large conurbations such as Greater Birmingham and Greater Manchester. The connectivity benefits for work, shopping and leisure create a challenge for these centres and it is important that these centres define their own distinctive selling point to remain and improve their competitiveness.

- **Housing affordability**: particularly around South Staffordshire and Lichfield where house prices are considerably higher, affordability is the key issue. The development of more affordable housing to retain young people and key workers is likely to be important in these areas. This helps to keep communities together, but can also address skill gaps by ensuring that a full spectrum of skills is available to local employers.

- **Connectivity**: within each of these centres, there are opportunities to build on sustainable transport initiatives which improve access as well as the health of residents. Recent projects across the LEP area have been successful in building multi-modal networks and these represent an opportunity for the future in the delivery programme.

Priorities and Action Areas

Table 5.4 Our Priorities & Action Areas for Competitive Urban Centres

Priority	Key Areas
Strategic Centres – *growth of these strategic centres to be key hubs for services, employment and leisure:* *Newcastle-under-Lyme* *Stafford* *Burton-on-Trent* *Lichfield* *Cannock* *Tamworth*	• Enhanced transport links, including sustainable transport investments linking strategic transport routes and residents to key centres • Public realm and network investment • Pump prime investment to bring forward office and retail schemes • Schemes to both promote and enhance the culture and leisure offer • City and town living/student housing • Education facilities • Heritage led regeneration

Sector Growth

Vision

We will support globally competitive innovation, investment and enterprise–led expansion in businesses across our priority sectors.

5.29 Our priority businesses have been identified by focusing on sectors where there are greatest growth prospects in high-value jobs and where Stoke-on-Trent and Staffordshire has a distinctive competitive advantage (as outlined in Section 3).

5.30 Our sector ambitions will be driven forward by our priorities outlined in other objectives of the SEP. However, we have identified a number of critical priorities which must be addressed for these businesses to start, survive and prosper and will help to deliver Government's Industrial Strategy ambitions of creating the world's most innovative economy:

- Support initiatives which enable entrepreneurs to have **access to the support and commercial states** that can foster a greater number of business start-ups, with the ultimate aim of developing start-ups that go on to become employers. Alongside the issues affecting businesses, we will need to address more specific issues such as the lack of equity funding and creating an entrepreneurial culture and skills through the education system.
- **Enable people to start their own business** and develop the leadership, management and other skills necessary to ensure local businesses have the greatest opportunities to innovate and grow (link to the Skilled Workforce objective).
- **Promote our area as a location for inward investment**, and supporting businesses to trade, not just internationally but also across and within the Stoke-on-Trent and Staffordshire area by helping to identify opportunities to build their customer base.
- **Build on the findings within the Midlands Science and Innovation Audit** to ensure that we take full advantage of, and develop, the strengths that have been identified, all of which are relevant to Stoke-on-Trent and Staffordshire. It will also be important to mitigate any negative impacts incurred by the loss of EU funding for innovation due to Brexit.
- Encourage a **greater level of innovation** amongst our local businesses and support stronger links between businesses and relevant research institutions, whilst targeting support at already innovative companies with the potential to grow.
- **Develop employment sites and premises** that support the creation and investment of innovative businesses (link to the Connected County objective).
- Consideration needs to be given as to how the Brexit arrangements will affect the business support offer in Stoke-on-Trent and Staffordshire.

Specifically, we need to **ensure that the local business support offer is as effective as possible**, building upon the Growth Hub model, and particularly supporting indigenous companies and businesses within the sectors we wish to develop. This will include engagement with key businesses and ensuring that Stoke-on-Trent and Staffordshire is seen as an attractive place for business.

- Continue to **support and deliver business finance schemes** (grant and loan), particularly where this is supporting companies to grow within our key sectors.
- **Procurement** has been identified nationally as a vehicle for driving innovation and creating UK supply chains. Local public sector procurement can be used to drive innovation, but there is more that can be done.

Need & Opportunity

Enterprise

5.31 Stoke-on-Trent and Staffordshire is underperforming in terms of enterprise. We lag far behind the national average in terms of business start-ups. In 2015, there were 4,585 new businesses created across Stoke-on-Trent and Staffordshire. This represents 42 business start-ups per 10,000 resident population in Staffordshire and only 37 in Stoke-on-Trent compared to an average of 63 per 10,000 across England. Start-up performance can play an important role in job creation, innovation and stronger supply chains.

Inward Investment and Trade

5.32 We are determined to strengthen existing supply chains and put in place the right conditions for new investment by ensuring we offer employment sites, a skilled workforce and high-quality infrastructure.

5.33 It is estimated that around one-fifth of all jobs in the LEP area are in export-intensive businesses. We must work with local businesses to drive up their commitment to overseas trade, if we are to drive the economy forward and secure a positive post-Brexit outcome.

Innovation

5.34 Levels of innovation in Stoke-on-Trent and Staffordshire are comparatively low. Around 6% of our workforce is employed in science, research, engineering and technology professions and our business R&D expenditure per person employed ranks us 23rd out of 38 LEPs. Our SMEs should make better use of local and national innovation services and assets to stimulate growth and develop higher value products, especially in our priority growth sectors. We need a deeper understanding of the needs of key larger companies and to better harness knowledge assets found in the rest of the UK to drive up local R&D-led innovation.

5.35 We are committed to working with Midlands Innovation to build on the Midlands Science and Innovation Audit. We are focused on exploring how Catapult-type facilities can ensure technology is commercialised within our area, and that we maintain and grow our high value jobs. We will also work with local businesses and the universities to develop new assets and locations for science and innovation growth.

Business Support & Finance

5.36 The business support offer in Stoke-on-Trent and Staffordshire has strengthened considerably in recent years, with our Growth Hub and Business Helpline providing a strong contact point for SMEs seeking help. Our Growth Hub will continue to provide leadership, mentoring and support by simplifying access and increasing take up of local and national services.

5.37 Although our core focus is on the priority sectors, our scope will embrace complementary sectors and work with universities, Chambers of Commerce, social enterprises, practitioners and colleges both within our area, in adjacent areas, nationally, and internationally.

5.38 Alongside focusing on preparing for Brexit, access to finance and investment readiness continue to be key themes in our suite of priorities. We will continue to support and deliver business finance schemes (grant and loan), particularly where this is supporting companies to grow within our key sectors and securing their competitive growth.

Priorities & Action Areas

Table 5.5 Our Priorities & Action Areas for Sector Growth

Priority	Key Areas
Enterprise – *promoting and supporting enterprise and new business creation*	• Early stage support and mentoring • Enterprise networks • Social enterprise support programme • Enterprise and incubation centres
Inward Investment and Trade – *promoting our area as a location for inward investment and supporting existing businesses to increase their exports*	• International trade support for SMEs • Inward investment support service • Create a stronger perception of the LEP area amongst potential investors. • Midlands Engine Investment Hub

Priority	Key Areas
Innovation – *support businesses to undertake more R&D and innovation and to commercialise the outcomes of this*	• Applied Materials Research, Innovation and Commercialisation Centre • Centre of Excellence in Energy Security and Renewable Energy • Innovation infrastructure • Investment readiness • Innovation networks • Collaborative research and knowledge transfer partnerships • Innovation vouchers and commercialisation support • Mercia Centre for Innovation Leadership • Business Bridge • Keele Science and Innovation Park Smart Innovation Hub • Keele Research and Innovation Support Programme
Business Support – *support businesses to develop and grow, particularly in priority sectors*	• Growth Hub • Skills Hub • Local programmes e.g. access to finance, mentoring, manufacturing, exporting, skills, marketing, start-ups • Cross-LEP programmes e.g. Green Bridge • Bespoke priority sector development interventions
Access to Finance – *improve access to finance for businesses with ambition to grow*	• Midlands Engine Investment Fund • Growing Places Fund • A strategy to help local companies access funding

Skilled Workforce

Vision

We will develop a modern and flexible skills offer which enables people to up-skill and re-skill, so we can match the growing needs of Stoke-on-Trent and Staffordshire's priority sectors and ensure local people benefit from the jobs being created.

5.39 Our Education Trust Skills Strategy (2016-20)[8] sets out strong ambitions over the next five years to:

- Support our target for job creation (50,000 jobs in the next ten years)
- Create 80,000 apprenticeship starts, especially in key identified growth sectors and increasing the proportion of higher and advanced level apprenticeships
- Raise aspirations and focus on local opportunities for growth and prosperity in key local growth sectors.

5.40 The Stoke-on-Trent & Staffordshire Education Trust has three key priority areas to improve the skills of our workforce.

- Effective world class skills system to meet business skill needs and maximise local employment
- Apprenticeships - linked to Levy and 3 million national target trajectory (2020)
- Careers and employability framework – create an all-age co-ordinated offer

Need and Opportunity

World Class Skills System

5.41 Productivity, wages and skills levels are too low in Stoke-on-Trent and Staffordshire, although unemployment is low. We need to give our businesses and employees stronger incentives to develop their skills, if we are to secure economic growth and GVA uplift.

5.42 Because of the Post-16 Area Review, we want to see increased specialisation of high quality provision in our colleges so they can provide the technical skills at Levels 3, 4 and 5.

5.43 The LEP has already secured influence and investment to help improve the skills system, particularly through the City Deal and Growth Deal. Future rounds of funding will be critical in helping to support a functioning skills system. Projects already completed include:

[8] https://www.stokestaffslep.org.uk/wp-content/uploads/2015/04/82528-ET-SKILLS-STRATEGY-JULY-2016.pdf

- **Adult Skills Pilot**: £20m of skills and training investment delivered by FE Colleges is successfully shifting more students towards courses relevant to our growth sectors.
- **Advanced Manufacturing and Engineering Hub** and spoke model has secured £12 million investment from the City Deal and the Growth Deal.

5.44 We will therefore take advantage of the opportunities brought through deals with government, devolution and post-16 Area Reviews to create a skills system with key technical specialisms that take advantage of digital technologies to:

- provide employer-led technical skills programmes
- develop programmes aimed at engaging and equipping individuals through education and training
- provide intermediate employment opportunities and training.

5.45 We will establish a business-led steering group to oversee the Area Review, its implementation, including any further investment deals and draw up Outcome Agreements for skills with providers.

5.46 Employer engagement and ownership of skills is critical to our growth ambitions. We will therefore create a Staffordshire Skills Hub which will provide clear access for employers on all skills issues, offering a brokerage and support service and be a key source of labour market intelligence to inform skills commissioning and careers guidance. It will do this by:

- providing a single access point for skills support and advice in Staffordshire
- ensuring a joined-up skills system working with FE Colleges, universities, providers, local partners and stakeholders to widen participation and engage employers to enhance business performance
- co-ordinating all skills initiatives in the local area and ensuring close alignment to the Growth Hub, Apprenticeship Hub and Careers and Employability Framework and expanding the Staffordshire Apprenticeship Ladder.

Skills Offer for Businesses

Skills Hub

5.47 Our offer to businesses for skills support will be through the Skills Hub. This will provide businesses with access to skills support brokerage for employers for training and workforce development.

5.48 The Skills Hub provides the one-stop-shop for businesses to access skills support through the Growth Hub and will sign post to the wider skills offer.

5.49 The Skills Hub will directly engage employers and identify and addresses their skills needs through a brokerage model aligned to the Growth Hub through a £3.1m ESF investment including £1m bespoke training fund.

Strategic Forum

5.50 We will reenergise the Education Trust, now renamed the Education, Skills and Employment Group (ESEG), and create a new strategic forum for Skills. This Forum will be business led and be charged with ensuring the vision and strategy for skills is delivered and supports economic growth

5.51 The outcome of the Post-16 Area Review recommended the creation of a Strategic Forum to progress and provide oversight of the implementation of the review's recommendations. This Forum will have a broader remit as the ESEG.

5.52 The proposed remit of the ESEG is to set the overall vision and strategy for education, employment and skills in the LEP area and ensure its delivery supports economic growth.

Skills Infrastructure

5.53 Skills Capital Investment – We have already invested to improve the supply of technical skills to LEP priority sectors

5.54 There is an Advanced Manufacturing and Engineering investment programme through the City Deal (£3m) & Growth Deal across six facilities. This will provide specialist facilities to meet employer needs in the sector, increase apprenticeships and help upskill and reskill the workforce. 3,600 learners and over 75 employers have already benefited by the investment and over the next 10 years the programme will contribute £116million to the economy and benefit over 1,000 businesses.

5.55 We will also create a Skills Equipment Fund – to increase the supply and take-up of STEM skills that are so important to local industry. The creation of a £3.5m fund will upgrade and increase the range of equipment for teaching and training STEM skills and increase number of STEM learners by 3,500 over the next 3 years

5.56 ESF Programme on Skills, Employment & Social Inclusion has two Priority themes

- P1: Inclusive Labour Markets –increase labour market participation, improving social inclusion & mobility
- P2: Skills for Growth – improve employer engagement in skills & improve workforce skills in the economy

5.57 Through the European Social Investment Fund, we have a contracted programme for over 18,600 residents and 3,000 SMEs, with an investment of £37m through opt-in co-financing partners, which is beginning to improve skills supply in the area and move more people into jobs.

Apprenticeships

5.58 High quality apprenticeships are the gold standard in vocational training, and provide an opportunity to work, earn and learn from school up to degree level. They enable people in employment, especially young people, to develop technical knowledge and competencies. Apprenticeships are particularly important in our priority advanced manufacturing sectors, as a mechanism to bring young people into ageing workforces and for driving forward the upskilling that is vital to their future competitive success. We are determined to ensure local businesses make the most of the new opportunities through the levy, the voucher system and the introduction of standards to provide more and better opportunities for employers to engage in apprenticeships.

5.59 The government's intention to increase the number of apprenticeships in the UK to three million (a 64% uplift on current levels) translates into ambitious targets to increase the apprenticeships in Stoke-on-Trent and Staffordshire from 11,500 to over 18,000 in five years' time. Too many young people are leaving school with low GCSE grades and poor employability skills, which means they are not apprenticeship-ready or simply lack of awareness of apprenticeships as a career path. At the same time, employers are struggling to fill apprenticeship vacancies. Currently, there are over 1,400 apprenticeship vacancies and 1,700 young people not in education or employment in the LEP area.

5.60 We will create an Apprenticeship Hub, as part of the Skills Hub, to help deliver our ambitions and work closely with the Ladder for Staffordshire and Apprentice Ambassador Networks to:

- raise the prestige and promote the value of apprenticeships
- improve apprenticeship information, advice and guidance
- develop clear progression pathways
- establish a private sector-led apprenticeship network that promotes quality and development the capacity of provision locally.

5.61 We will be developing an Apprenticeship Hub Growth Plan, which will support businesses to address their workforce development needs, grow the number of apprenticeships in the area and model the potential impact locally around the Apprenticeships Levy.

Apprenticeship Offer to Business

5.62 Our Growth Hub provides a single point of contact for employers for apprenticeships. **Apprenticeship Ladder for Staffordshire** provides a quality assured referral route for employers recruiting apprentices. Ladder initiative evolved from London to Black Country - patron HRH Duke of York and backed by Express & Star and latterly Trinity Mirror Group.

5.63 The Ladder brand provides guaranteed media coverage to businesses recruiting apprentices and raises the profile of apprenticeships with local employers. It generated over £300k of media coverage in first year, has recruited more than 250 apprentices and is supported by more than 200 employers.

Apprenticeship Growth

5.64 Recognition Awards and Apprenticeship Graduation Ceremonies will help to raise the profile and esteem of Apprenticeships, promoting them to a wider audience.

5.65 The Business Ambassador Network of more than 40 businesses will continue to help encourage employers to engage in apprenticeships.

5.66 The Young Apprenticeship Ambassadors network of 23 will continue to promote apprenticeship routes to young people and in schools, helping to raise awareness of the opportunities available.

Career Education, Guidance and Employability

5.67 Career guidance is increasingly vital to assist individuals of all ages, at any point throughout their lives, to make educational, training and occupational choices and inspire people to make informed longer term decisions about the skills and experience they need to achieve their career goals.

5.68 The LEP has set an ambitious target to grow employment at a time when skills gaps and shortages are becoming more acute. In addition to our employability challenge, too many of our residents are caught in a low-skill precarious employment cycle, where people churn between unemployment and low paid work. The challenge for these people to progress up through the labour market becomes harder without the relevant skills needed by local employers.

5.69 We have already developed a set of activities and a development plan that is helping to improve career guidance. This includes Locality Projects, Have-a-Go Events, Bright Futures, Co-commissioning with the National Careers Service, and events group and working with the recently formed Careers and Enterprise Company (CEC).

Careers offer to schools

5.70 **Locality Project** - aims to improve Careers Education, Information, Advice and Guidance (CEIAG) in schools and strengthen employer links with schools. It provides CEIAG policy coordination and brokerage support to schools along with employers and providers. This is backed by a Careers, Enterprise & Employment Framework for schools and SLA with employers. The project coordinates provider offers (including CEC, Young Enterprise, STEM Ambassadors, National Careers Service (NCS) Inspiration Coordinator and Job Centre Plus Employment Advisers) enabling schools to deliver their plan.

5.71 The project was originally piloted in four areas and is being rolled out with CEC support and engages around 4,000 young people annually working with over 40 secondary schools and 45 employers.

Careers offer to young people and adults

5.72 The National Careers Service aims to support the progression of young people and adults to education, employment and training. The NCS is 'co-commissioned' to ensure its strategic fit with priority groups and local levels of need. This provides CEIAG support to 9,000 adult residents annually backed by digital and online support.

5.73 Our ambition is to create 50,000 jobs starts in the next five years backed up with an All Age Career Guidance and Employability Framework, which will:

- Set a single standard for career guidance, to enable young people and adults to make informed choices regarding career pathways and choices throughout their career.

- Establish a virtual career guidance hub that provides real time access to job and course opportunities and provides online help for those most in need.
- Roll out the Locality Projects to all schools in the area as part of a wider STEM programme.
- Establish a network to promote quality and develop co-ordinated career guidance activities, backed by an annual programme of events, competitions, jobs and career fairs.

Priorities and Action Areas

Table 5.6 Our Priorities & Action Areas for Skilled Workforce

Priority	Key Areas
Priority Area 1 Apprenticeships	• Create 80,000 apprenticeship starts in the next five years • Create an **Apprenticeship Hub** which brings together the initiatives we already have and raise the prestige and promote the value of apprenticeships; improve apprenticeship information advice and guidance; develop clear progression pathways; and establish a private sector-led apprenticeship network. • Develop an Apprenticeship Hub Growth Plan which ensures that we have the right facilities and infrastructure to support such a hub. This would create an appropriate opportunity to incorporate a successful LEP and employer partner support Catalyst bid for a hub at Staffordshire University.
Priority Area 2 Career Education, Guidance and Employability	• Create an **All Age Career Guidance and Employability Framework** to support delivery of our 50,000 job target • Set a single standard for careers guidance in Stoke-on-Trent & Staffordshire • Establish a virtual career guidance hub • Roll out the Locality Projects • Establish a network to promote quality and develop the capacity for career guidance activities backed by an annual programme of events, competitions, jobs and career fairs.
Priority Area 3 World Class Skills System	Projects already under way include: • Adult Skills Pilot • Advanced Manufacturing and Engineering Hub We have ambitions to establish a business-led steering group to oversee the Area Review. Will aim to create a skills system with key technical specialisms to: • Provide employer-led technical skills programmes • Develop programmes aimed at engaging and equipping individuals through education and training • Provide intermediate employment opportunities and training We will create a **Staffordshire Skills Hub**, which will provide clear access for employers on all skills issues, offering a brokerage and support service and be a key source of labour market intelligence to inform skills commissioning and careers guidance.

6. Our Approach

Our Partnership

6.1 Our area's success in delivering its economic ambitions depends upon the support of our partners and our ability to maximise the opportunities of a diverse area.

6.2 In preparing the refreshed SEP, we engaged with a wide cross section of partners through a programme of consultation on the draft document. In developing our thinking, we have drawn on discussions with businesses, developers, local authorities, government agencies, universities, colleges, housing partners, social enterprises and others.

Working with other LEPs

6.3 We have worked collaboratively nationally, regionally, and locally with other LEPs to maximise the benefits of investment to our economies. Examples are referred to throughout the document.

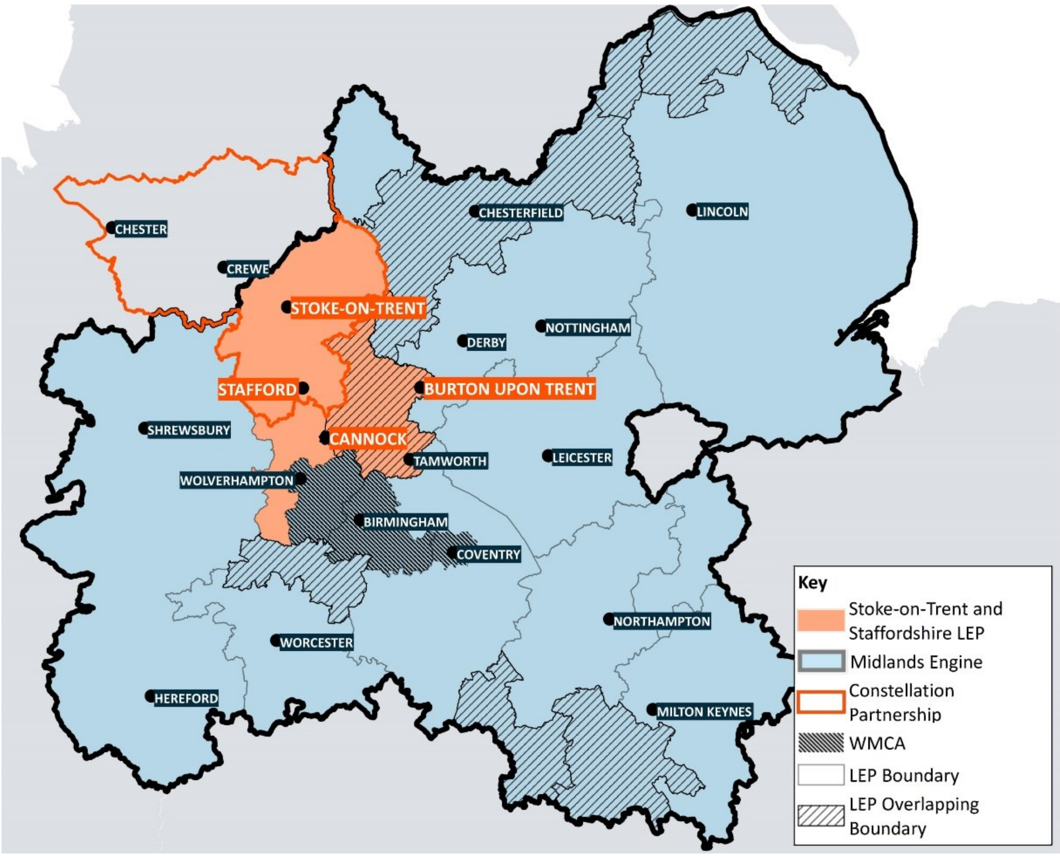


Table 6.1 Summary of Cross-LEP Delivery Plans

Strategic Investment Area	LEP Collaboration
Agri-Tech West	Cheshire and Warrington LEP Marches LEP Worcestershire LEP
Midlands Engine and Midlands Connect	D2N2 LEP Greater Birmingham and Solihull LEP Black Country LEP Marches LEP Coventry and Warwickshire LEP South East Midlands LEP Leicester and Leicestershire LEP Greater Lincolnshire LEP Worcestershire LEP
West Midlands LEP Programmes	Greater Birmingham and Solihull LEP Black Country LEP Marches LEP Coventry and Warwickshire LEP Worcestershire LEP
Constellation Partnership	Cheshire and Warrington LEP

Working with our Strategic Partners

6.4 Our partnership is supported by our business, education and local authority sectors. We utilise the flexibility of our partnership to manage and cultivate relationships with a wide range of organisations. For instance, Staffordshire Chambers of Commerce have been commissioned to provide our Growth Hub and Business Helpline and we collaborate with them on events and a range of activities. We also work with other business and education organisations including the Federation of Small Businesses (FSB), Colleges and Universities.

6.5 We also work actively with a wide range of government departments and agencies both bilaterally and through wider partnerships such as the Midlands Engine.

6.6 We will continue to work with our strategic partners to deliver the economic ambitions that we have for Stoke-on-Trent and Staffordshire.