

MIDLANDS ENGINE LEP PROFILES

Stoke-on-Trent and Staffordshire LEP

October 2019



Introduction

This document profiles the Stoke-on-Trent and Staffordshire LEP Local Enterprise Partnership (LEP) area, providing key insight and data across key areas of the economy, namely through the five foundations of productivity outlined in the government’s industrial strategy: Ideas, People, Infrastructure, Business Environment and Places. Benchmarking is provided in the context of the Midlands Engine, allowing comparison between Stoke-on-Trent and other LEP areas within the region.

Stoke-on-Trent and Staffordshire

Stoke-on-Trent and Staffordshire is located in the North of the Midlands Engine. It is the fourth biggest LEP in the Midlands Engine in terms of physical size and population size. It covers 271,676 hectares and has a population of 1,131,052. The largest city is Stoke-on-Trent, which has a population of 249,000. Other important urban areas include Stafford, Cannock, Rugeley, Lichfield, Tamworth, Burton, Uttoxeter and Leek. The LEP also includes rural areas such as Newcastle-under-Lyme and Staffordshire Moorlands. The LEP’s vision is to create 50,000 jobs and increase the size of the economy by 50 per cent by 2021 (LEP website, 2019).

Key advanced manufacturing sectors are: Energy, Auto-Aero, Medical Technologies, Agri-Tech, and Applied Materials



Contents

This LEP profile collates insight within the five foundations of productivity: Ideas, People, Infrastructure, Business Environment and Places.

A section is provided for each of these which can be navigated by the contents table below. A summary of key statistics is presented first, before the full foundation sections begin. Data relating to Stoke-on-Trent and Staffordshire is highlighted in blue in each graph. Infographics at the start of each section present key statistics in the area. The statistics are then contextualised in the graphs and text that follows.



Stoke-on-Trent and Staffordshire Key Statistics 2

Foundations of Productivity 3

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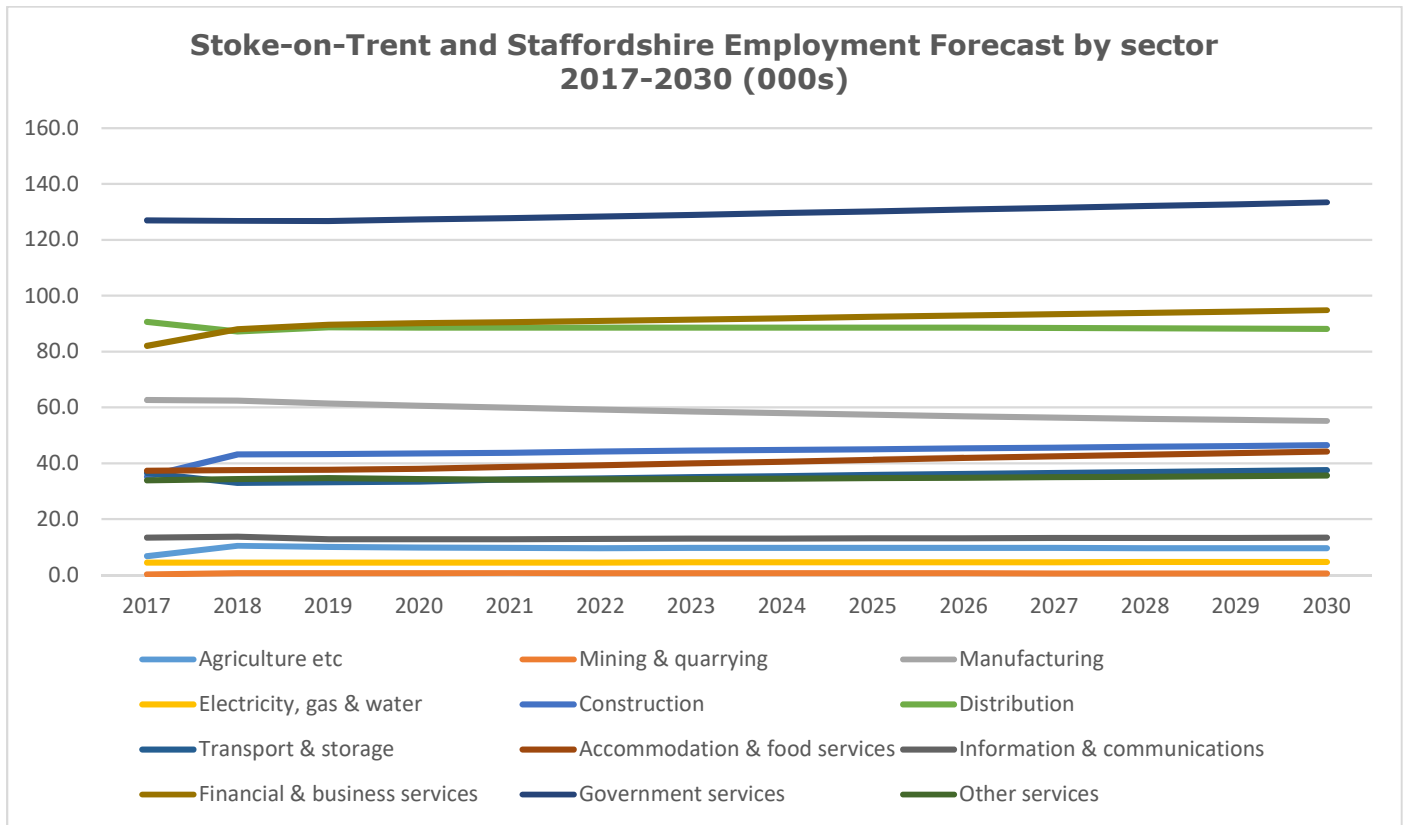
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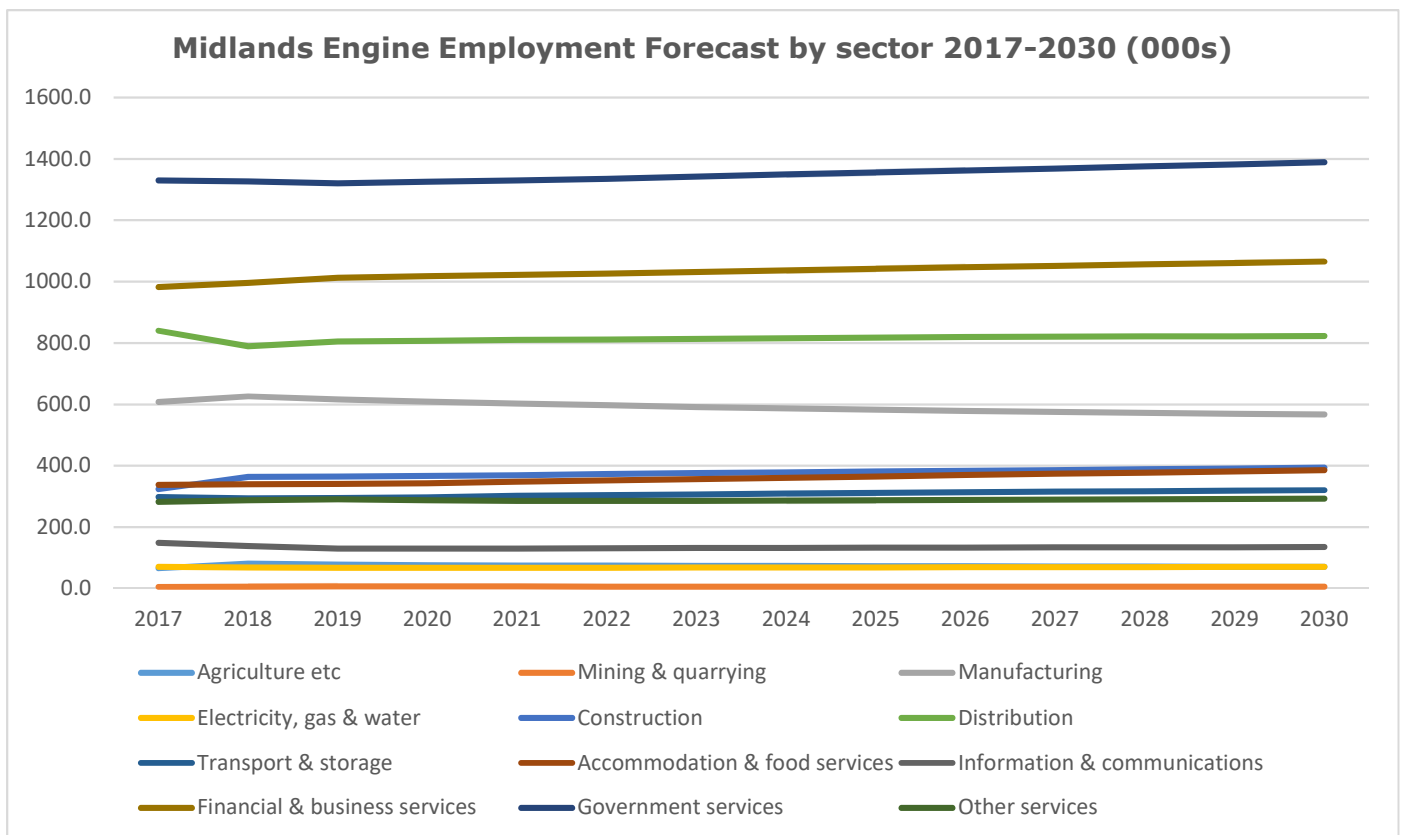
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Stoke-on-Trent and Staffordshire Key Statistics

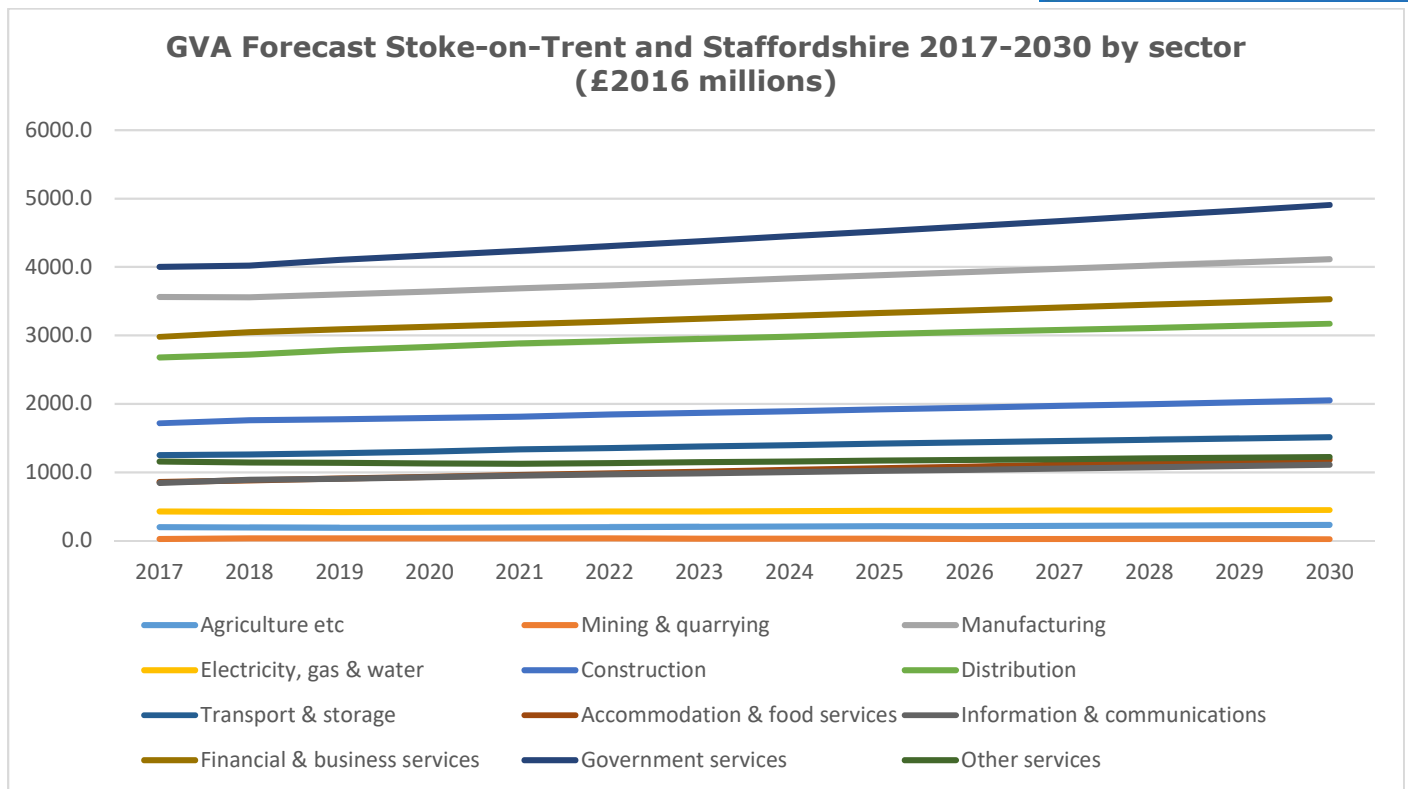




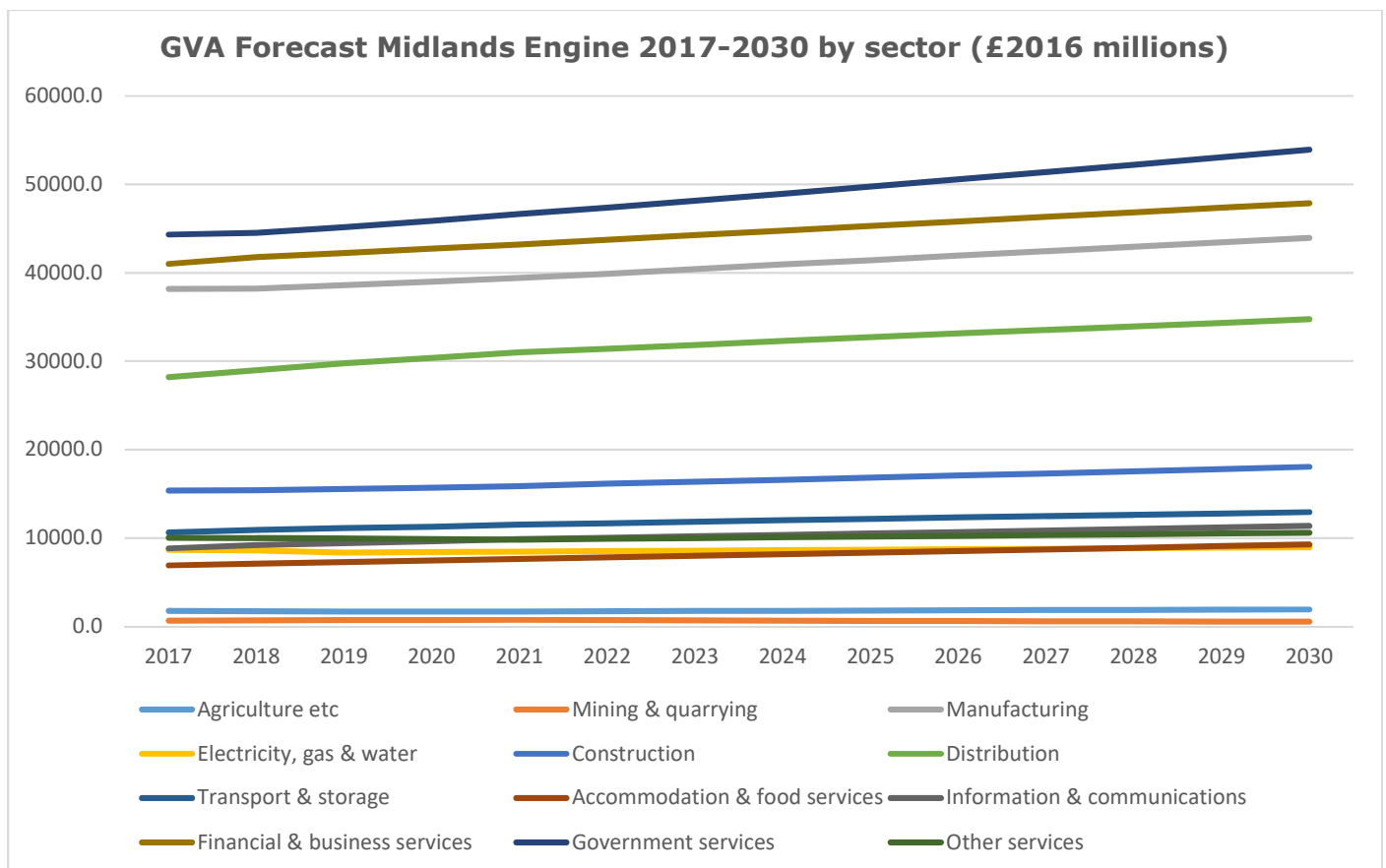
Source: Cambridge Econometrics (2019)



Source: Cambridge Econometrics (2019)



Source: Cambridge Econometrics (2019). Notes: Total GVA includes ownership of dwellings.



Source: Cambridge Econometrics (2019). Notes: Total GVA includes ownership of dwellings.



IDEAS



2
UNIVERSITIES



9,814,038€
SECURED
THROUGH
HORIZON
2020



£48,999,532
SECURED
THROUGH
RESEARCH
COUNCILS/
INNOVATE UK



£311/FTE
BUSINESS
ENTERPRISE
SPENDING ON
R&D

The UK's Industrial Strategy stresses the importance of the UK being a global leader in science and research. Key policies include:

- a target to raise total R&D investment to 2.4% of GDP by 2027
- increasing the R&D tax credit rate to 12%
- the creation of the £725 million Industrial Strategy Challenge Fund.

The Stoke-on-Trent and Staffordshire LEP area performs comparatively well against other Midlands Engine LEP areas given the size of its economy in terms of business enterprise spending on R&D and the value of research funding received. This reflects the presence of two universities within the area and in particular, the internationally renowned research conducted at Keele University. Keele University's [Science and Innovation Park](#) plays an important role in supporting collaboration between academia and businesses in the area. Nonetheless, the proportion of firms engaging in radical innovation and design is low. Opportunities to raise R&D and to promote Stoke-on-Trent and Staffordshire's role in science and research exist. These include the establishment of the Smart Energy Network Demonstrator and the Smart Innovation Hub at Keele University.

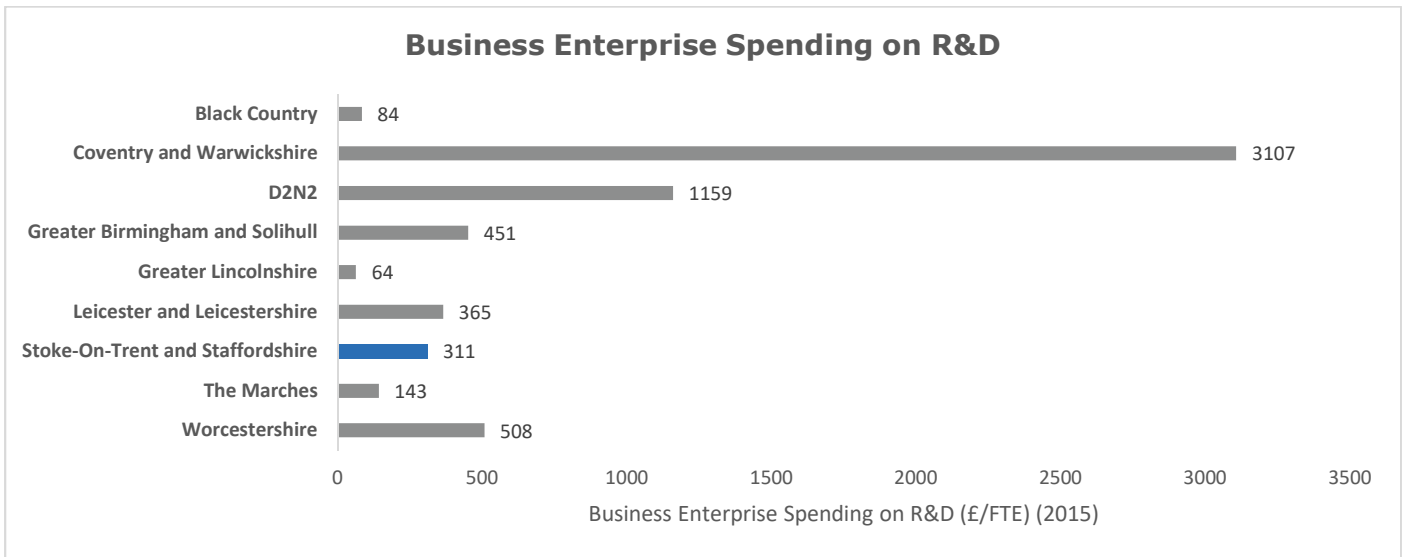


Figure 1 Source: BERD data analysis, Smart Specialisation Hub

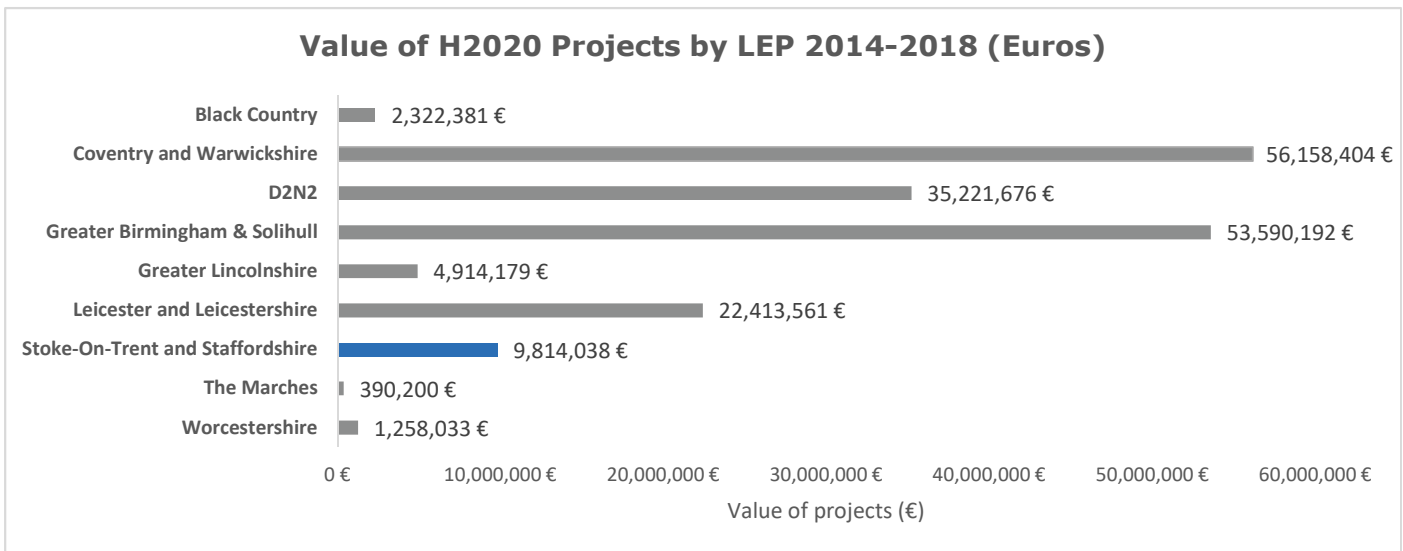


Figure 2 Source: EU Open Data Portal (2018)

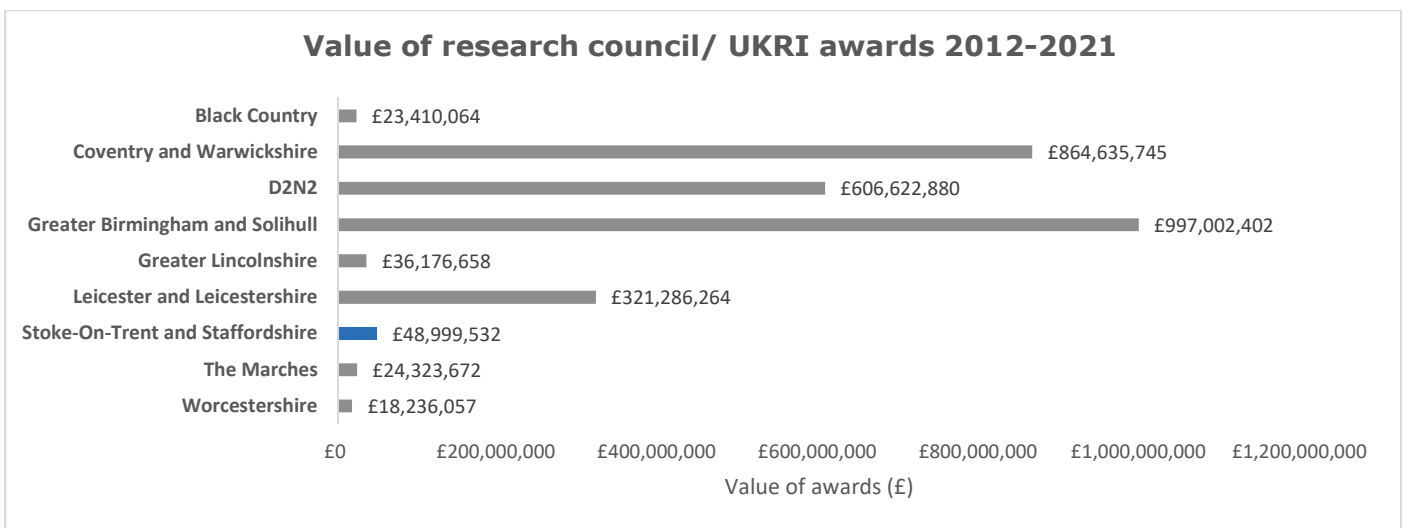


Figure 3 Source: UKRI (2019)

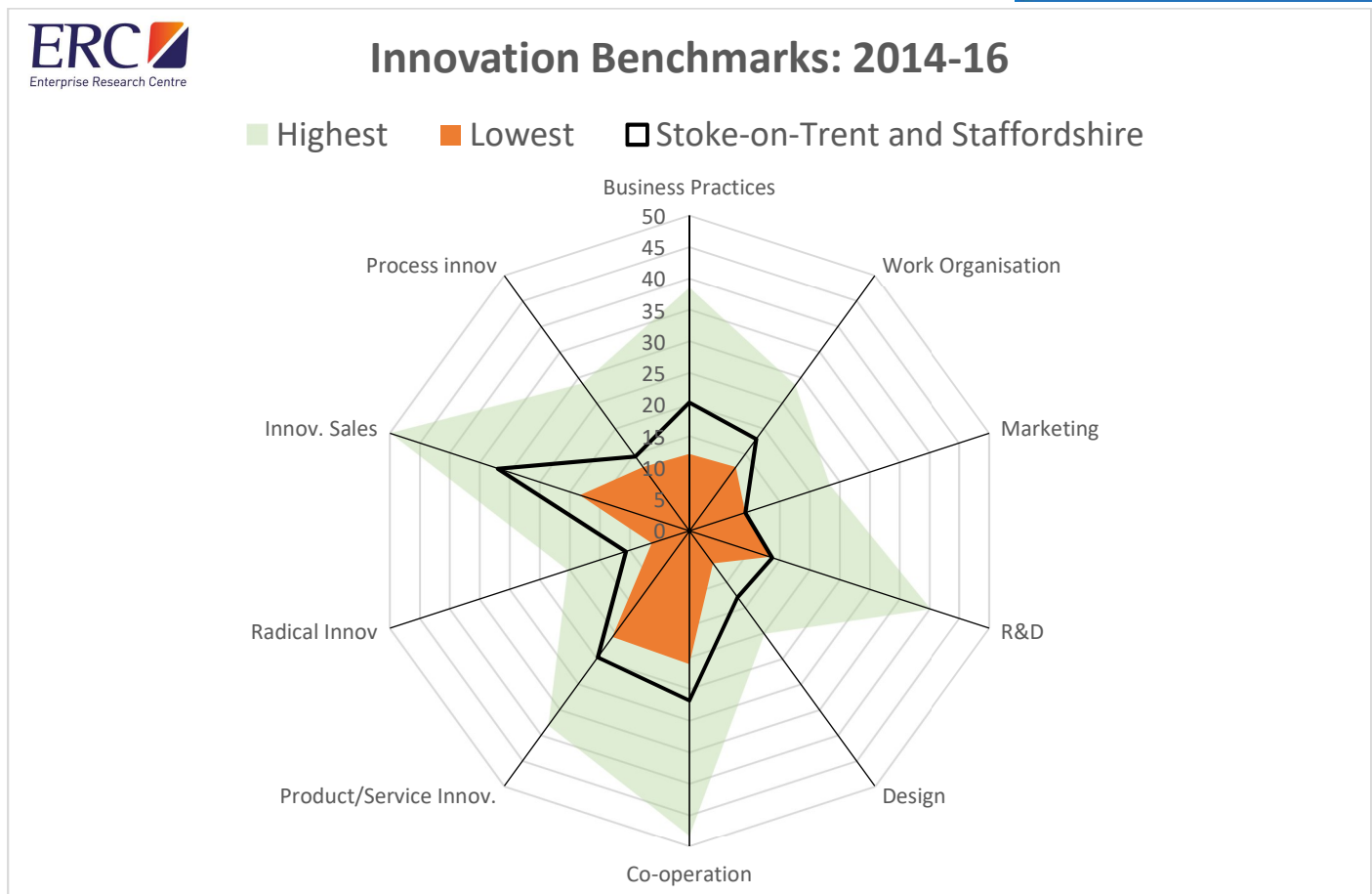


Figure 4 Source: Roper and Bonner (2019)

Charts are derived from the UK Innovation Survey. Details of derivation of data can be found in the [ERC Innovation Benchmarks Report](#). Charts relate to a series of 10 metrics which provide an indication of the proportion of firms in each area engaged in each type of innovation.

Assets

As shown in Figures 2 and 3, the Stoke-on-Trent and Staffordshire LEP area performs comparatively well given the size of its economy in terms of business enterprise spending on R&D and the value of research funding received. In 2015, businesses in the area spent £311 per full-time equivalent post. This is higher than the value of spending on R&D in The Black Country, Greater Lincolnshire, and The Marches. Between 2014 and 2018, Stoke-on-Trent and Staffordshire received the fifth highest value of Horizon 2020 funding of all the Midlands Engine LEPs at over 9 million Euros. It also received the fifth highest value of research council/UKRI awards between 2012 and 2018 at £48,999,532. This undoubtedly reflects the presence of the two universities in the LEP: Keele University and Staffordshire University.

Keele University has a particularly strong reputation for research. It is internationally recognised for the quality of its research into medical technologies. Such research is supported through Keele University’s [Science and Innovation Park](#), a 70-acre site, benefitting from excellent transport links, which currently offers 5 Innovation Centres and more in the pipeline.

Staffordshire University’s Advanced Materials Incubation and Accelerator Centre (SAMIAC) and Staffordshire Advanced Manufacturing Prototyping and Innovation Demonstrator (SAMPID) are flagship facilities in Stoke-on-Trent and Staffordshire that drive research and innovation in manufacturing, materials and digital.

Figure 4 indicates that the Stoke-on-Trent and Staffordshire LEP area performs fairly strongly in terms of new to the market innovation. Roper and Bonner rank the area 12th among LEP areas in England and 4th among LEP areas¹ in the Midlands Engine in terms of the percentage of firms which reported introducing new to the market innovations in the period 2014-2016.

Barriers and potential challenges

Whilst Stoke-on-Trent and Staffordshire can be considered to be performing fairly well in terms of the value of research funding secured and business investment in R&D, Figure 4 shows that the area struggles according to number of measures of innovation. This includes the firms' adoption of new organisational processes (ranked 35th among LEP areas in England and 10th among Midland Engine LEP areas) and marketing innovation (ranked 36th among LEP areas in England and 10th among Midlands Engine LEP areas).

Opportunities

Opportunities to raise R&D and to promote Stoke-on-Trent and Staffordshire's role in science and research exist. From September 2019, a new [Smart Innovation Hub at Keele University](#)' Science and Innovation Park will welcome tenants. The centre has received over £11 million in funding from the European Regional Development Fund, the Midlands Engine, Staffordshire County Council and Staffordshire Local Enterprise Partnership. The Hub aims to increase collaboration between new businesses and Keele University's leading academics and students, supporting innovation-led business growth.

The establishment of a £9 million [Smart Energy Network Demonstrator](#) on the Keele University campus will also support Stoke-on-Trent in promoting the Energy sector, one of its key priority sectors. The demonstrator is a European first and will enable the testing and evolution of new and evolving energy technologies in collaboration with local partner companies. The technologies will be assed in terms of energy reduction, cost and CO₂ emissions.

Staffordshire University's £1.5 million Advanced Materials Incubation and Accelerator Centre (SAMIAC) provides a dedicated incubation space and research & innovation support to the ceramics industry and other manufacturing areas, including energy generation, aerospace and automotive sectors. Staffordshire will address new research and innovation opportunities presented in the convergence of digital technologies, advanced materials, energy, manufacturing and other sectors to drive and support innovation-led growth. Innovative incubation companies will benefit from the co-located research, prototyping and innovation laboratory workspace, Staffordshire University's Smart Zone - a £1.3 million facility and Advanced Materials and Manufacturing Academy to stimulate innovation-led growth.

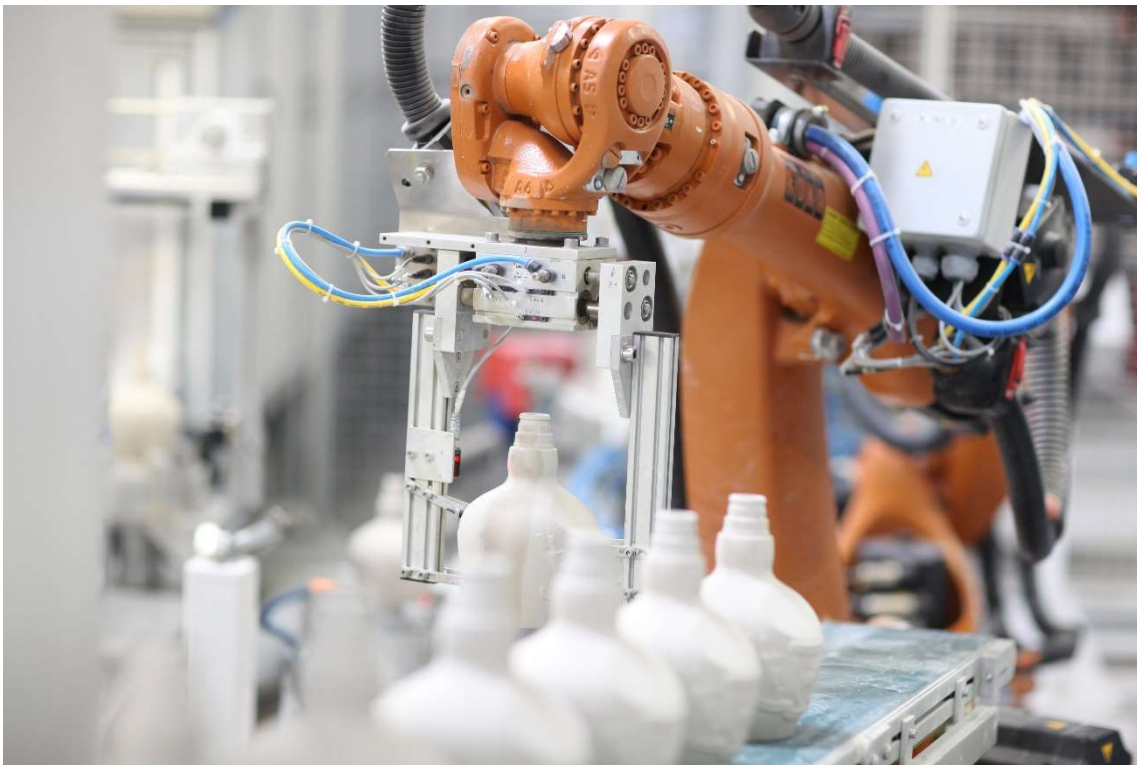
The Staffordshire Advanced Manufacturing Prototyping and Innovation Demonstrator (SAMPID) a £1.7 million project will address innovation opportunities in product design, prototyping and development of new physical products and product components in key Stoke-on-Trent and Staffordshire sectors including advanced manufacturing, materials, logistics, energy and aero-auto.

¹ Based on Midlands Engine 11 LEP geography.

Going Forward

The evidence base for our Local Industrial Strategy has shown that one of the main priorities for Stoke-on-Trent and Staffordshire will be to increase business demand and capacity for innovation, with the right access to ideas and new technologies. The LEP will:

- build on local specialisms to establish the area as a centre of energy innovation and sustainability;
- use the region's manufacturing and logistics base to lead the transformation of these industries;
- make the area a hub for digital skills and creativity;
- collaborate effectively on R&D across institutional boundaries: higher education, local government and business working together.



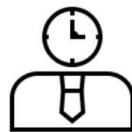
 **PEOPLE**



20.0%
**RESIDENTS STAY
FOR STUDY &
EMPLOYMENT**



£26,305
**AVERAGE
EARNINGS**



**471,000
JOBS**



76.4%
EMPLOYMENT



4.0%
UNEMPLOYMENT



33.4%
**NVQ4 AND
ABOVE (16-64)**

Within the UK’s Industrial Strategy, the People Foundation aims to generate good jobs and greater earning power for all. It focuses on improving skills levels, particularly in science, technology, engineering and maths; narrowing disparities between communities in skills and education and removing barriers faced by workers from underrepresented groups in the labour market.

Figures 5-9 provide an overview of skills levels, earnings power, unemployment and employment rates in Stoke-on-Trent and Staffordshire. They indicate that the LEP area has the third highest employment rate for the working age population of all the Midlands Engine LEP areas. In addition, the unemployment rate is fairly low. However, it faces challenges with regard to low earnings power, a falling number of apprenticeships, fairly low graduate retention and low skills levels. Several recent initiatives provide local opportunities to increase skills levels and support economic growth. These include the Adult Skills Pilot and the establishment of an Advanced Manufacturing and Engineering Hub.

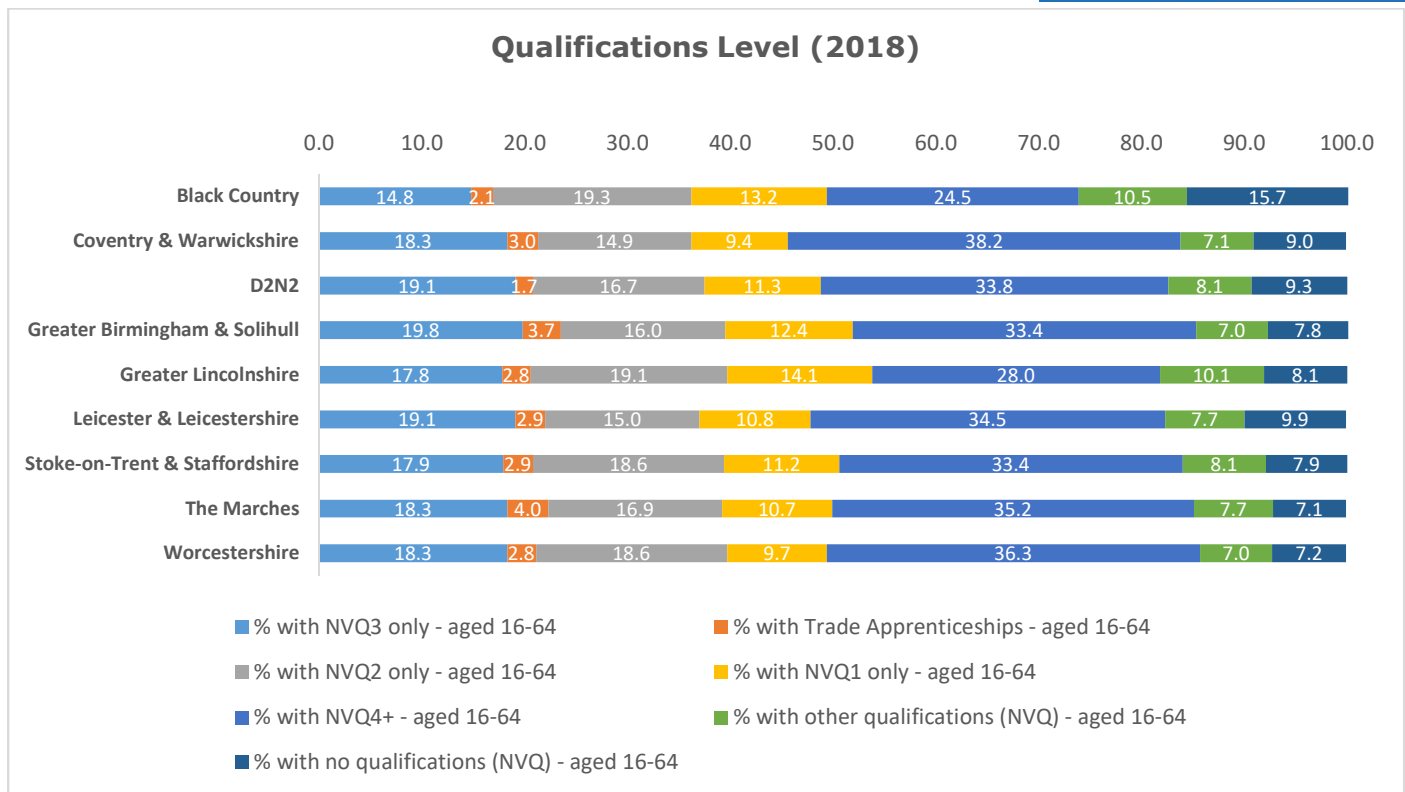


Figure 5 Source: ONS, Annual Population Survey (2019)

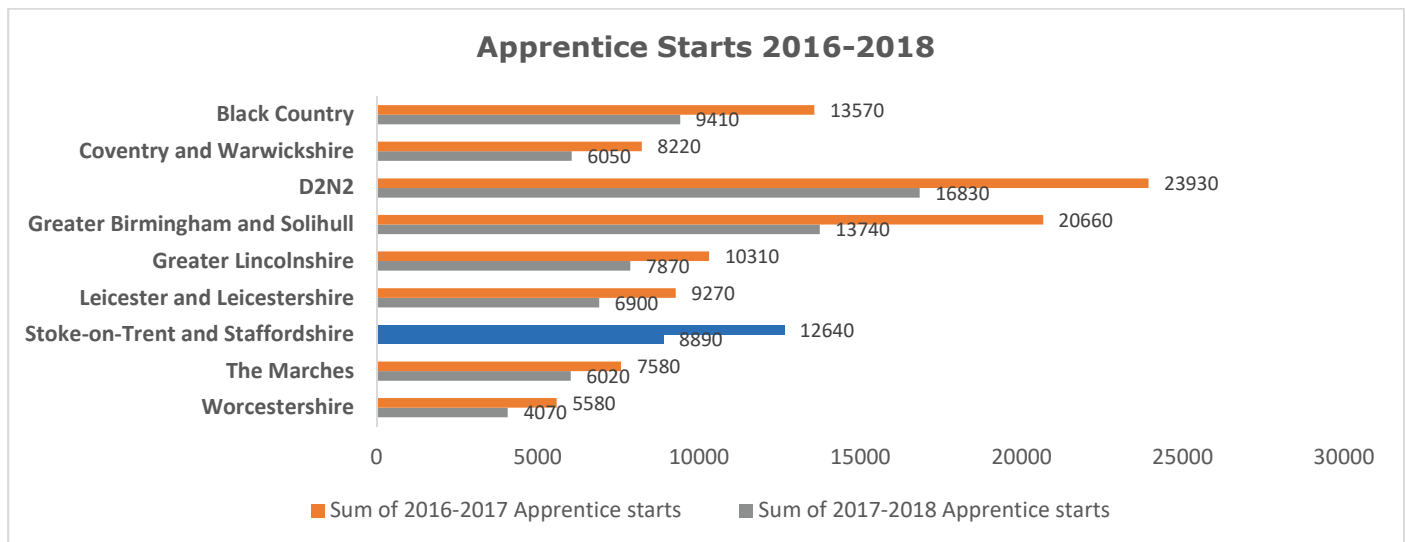


Figure 6 Source: Department for Education (2018)

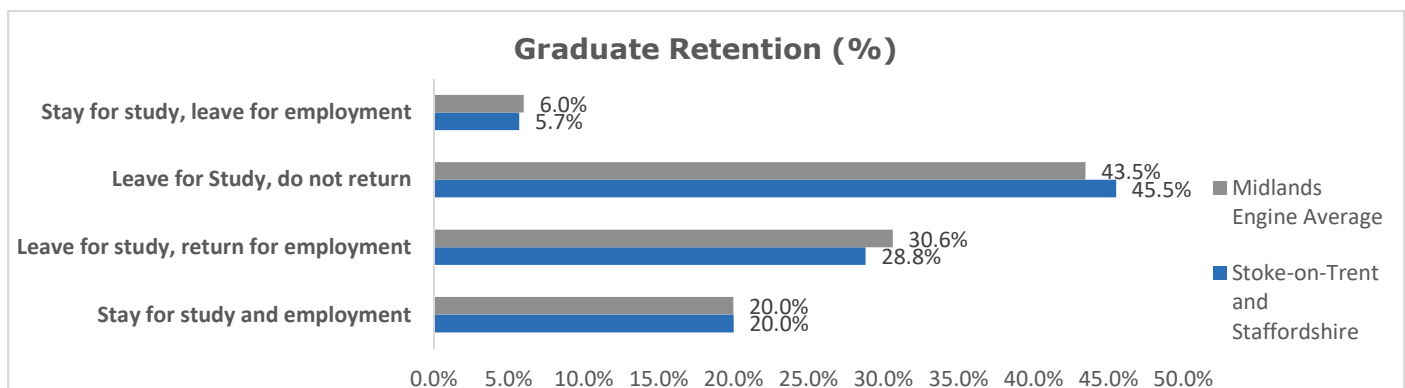


Figure 7 Source: Higher Education Statistics Agency, Destinations of Leavers from Higher Education (2018)

Employment and Unemployment Rates

| LEP | Employment Rate of Working Age Population (%) | Unemployment Rate of Working Age Population (%) |
|---|---|---|
| Black Country | 68.7 | 6.1 |
| Coventry and Warwickshire | 77.0 | 3.3 |
| D2N2 | 73.6 | 4.6 |
| Greater Birmingham and Solihull | 71.0 | 6.0 |
| Greater Lincolnshire | 74.5 | 5.3 |
| Leicester and Leicestershire | 73.4 | 5.0 |
| Stoke-on-Trent and Staffordshire | 76.4 | 4.0 |
| The Marches | 79.4 | 3.1 |
| Worcestershire | 79.4 | 3.3 |
| Midlands Engine (LEP) | 73.9 | 4.8 |

Figure 8 Source: ONS, Annual Population Survey (2018)

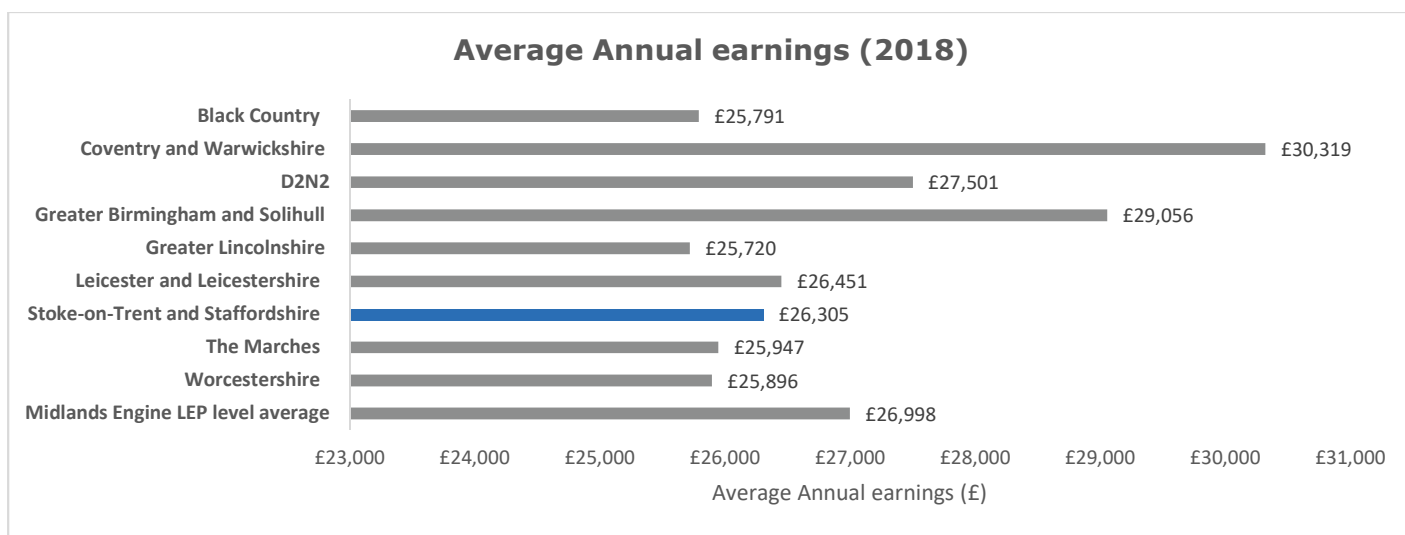


Figure 9 Source: Annual Survey of Hours and Earnings – Workplace Analysis (2018). N.B. data is provisional.

Assets

Stoke-on-Trent and Staffordshire has the third highest employment rate for the working age population of all The Midlands Engine LEPs (at 76.4% compared to the Midlands Engine average of 73.9%). Unemployment is also fairly low at 4% compared to the Midlands Engine LEP average of 4.8%. The area also performs fairly well in terms of the number of apprenticeship starts – with the fourth highest rate in the Midlands Engine. 12,640 people began apprenticeships in the area in 2017-2018, whilst 8,890 apprentices commenced in the area in 2017-2018.

Stoke-on-Trent and Staffordshire LEP continues to work with the three national Opt-in Organisations for the delivery of European Social Fund skills programmes (National Lottery Community Fund, DWP and ESFA). The contracts continue to deliver the range of provision as set out in the ESF Programme Delivery Plan. There is a range of learning, employability and business support offers tailored towards residents and businesses. As at the end of September 2019, 19,987 people have started on the programme and 9,254 have either progressed into work, education, training, apprenticeships, or been upskilled to improve skill levels and productivity.

The Adult Skills Pilot aimed to improve alignment of learner demand and employer need through increased local control of the Skills Funding Agency's Adult Skills Budget. It delivered £20 million of skills and investment training delivered by Further Education Colleges and aimed to successfully shift students towards courses relevant to growth sectors in Stoke-on-Trent and Staffordshire.

Barriers and Challenges

Figures 5-9 indicates several challenges in Stoke-on-Trent and Staffordshire LEP area with regard to the earnings power, the number of apprenticeships, graduate retention and skills levels. Average annual earnings in the area in 2018 were £26,305, the fifth lowest in the Midlands Engine, and below the Midlands Engine average of £26,998. Whilst Stoke-on-Trent and Staffordshire is in line with the Midlands Engine average in terms of the proportion of students who stay for study and employment, a higher proportion of students than average leave for study and do not return, and a lower proportion than average leave for study but return for employment. This suggests that many graduates do not perceive the area as offering broad career opportunities, and contributes to a skills drain in the area.

Figure 5 reveals that Stoke-on-Trent and Staffordshire has a lower proportion of highly skilled residents than other areas. 33.4% of residents aged 16-64 have an NVQ4+ qualification compared to 34.5% in Leicester and Leicestershire, 36.3% in Worcestershire, and 38.2% in Coventry and Warwickshire. Skills gaps in the area have been identified by employers at lower and higher levels. Indeed, Stoke-on-Trent and Staffordshire LEP acknowledges in their [2018 Strategic Economic Plan \(SEP\)](#) that "*Productivity, wages and skills levels are too low in Stoke-on-Trent and Staffordshire*", emphasising that to create economic growth and GVA uplift, businesses and employees need stronger incentives to develop their skills. It is also important to improve the quality of jobs available. The SEP underlines how the area suffers from relatively high levels of insecure employment such as zero-hour contracts, underemployment and temporary contract working.

Opportunities

Several recent initiatives in Stoke-on-Trent and Staffordshire LEP area provide local opportunities to increase skills levels and support economic growth. An [Advanced Manufacturing and Engineering Hub](#) has been established with £12 million of investment from the City Deal and the Growth Deal. The Advanced Manufacturing and Engineering Hub provides world-class vocational environments with state of the art facilities in local communities supported by strong links to key employers, providers, schools and colleges. Run from several sites across the LEP area, support includes:

- specialist provision in automotive and hybrid technologies in Newcastle-under-Lyme delivered by Martec Training;
- renewable pneumatics and hydraulics in Stoke-on-Trent delivered by Stoke-on-Trent College ;
- construction, electrical installation, motor vehicle and engineering provision delivered in Tamworth by South Staffordshire College;
- an AgriSTEM Academy at South Staffordshire College's Rodbaston campus, Penkridge, specialising in advanced manufacturing & engineering and agricultural technology sectors;
- a Science and Technology Centre at Stafford College specialising in advanced manufacturing and design;
- an Advanced Apprenticeship Academy at the JCB Academy in Rocester specialising in advanced engineering.

The Hub aims to provide growth in sector specific traineeships and apprenticeships, support upskilling of the population in order to improve productivity levels, upskill and retrain those looking for work, provide specialist facilities and training to meet employer needs, promote careers within the Advanced Manufacturing sector and use the facilities and training as a progression route. [Key targets include](#)

contributing to: 3,900 additional apprenticeships, 1,100 traineeships, and 9,000 people not in employment, education or training receiving employability skills training by March 2024.

The LEP-funded Skills Equipment Fund (SEF) projects sit alongside the Advanced Manufacturing and Engineering Hub. This allows local employers and training institutions to submit bids to secure funding for state of the art equipment and minor adaptations to accommodate the equipment, to enable the delivery of high quality and high-level training programmes to support the growth in Stoke-on-Trent and Staffordshire's priority economic sectors. Seven projects have been secured with a total value of £5m. The specialist equipment purchased is targeted to support the growth of over 900 apprentices. Grants have been awarded to the following organisations:

- Newcastle & Stafford College's Group – Advanced Manufacturing, Mechanical Electrical Centres, Hybrid Construction Technology Project
- Staffordshire University – Apprenticeship Digital Skills Portal, Clinical Simulation Lab, Digital Shed
- Stoke-on Trent College – Technical Curriculum Development Project, Academy of Technology & digital skills
- Perkins Engines Stafford - Manufacturing Excellence Centre
- South Staffordshire College - Cannock Engineering Academy

The forthcoming opening of a [Skills Hub in Staffordshire](#) is also likely to support growth ambitions within the area by improving engagement with employers, improving their understanding of and engagement with the skills system. The [£40 million Centre](#) is due to open on the Staffordshire University campus in August 2029. It will act as a single access point supporting employers on all skills issues, offering a brokerage and support service and providing labour market intelligence to inform skills commissioning and careers guidance. Joining up support provided by FE colleges, universities, local partners and other stakeholders is vital in widening employer engagement in the skills system.

Work has started on creating Staffordshire University's new exciting £42m Catalyst Building, which will house the Apprenticeships & Digital Skills Hub, a new Library together with social learning spaces and a restaurant and café. Set to open in 2021, the Catalyst Building will act as a study base for 6,500 new apprenticeships by 2030. The cutting-edge facilities will support students to study flexible degrees that meet their needs and those of employers. The University plans to be the catalyst in transforming lives and prospects and helping students secure highly skilled jobs.

The Catalyst building is the first in a number of ambitious projects that form part of its exciting Masterplan to transform Staffordshire University into a leading digitally connected institution. Amongst its plans for delivery in 2021, are new £5m state of the art teaching and simulation facilities at its Health and Nursing Centre of Excellence in Stafford and a new £3m Nursery and Forest School on Campus. The five-year masterplan also includes new digitally enabled teaching facilities to deliver engineering, design, advanced materials and technologies, ceramics and creative arts as well as a potential Sports and Well-being hub and new Student Village. Also planned are accelerator / incubator units that will enable new business enterprises to link with the university in a range area of research.

Going Forward

Stoke-on-Trent and Staffordshire's Local Industrial Strategy will aim to raise ambition and ensure everyone has access to skills and higher-wage opportunities. The LEP will continue its success of rising skills levels, through:

- enabling new pathways and progression routes;
- attracting people that want to start a business, commute less or grow their existing business;
- provision that is more actively linked to business and the workforce, including retraining;

- better information for students of all ages;
- helping businesses to understand their role in developing people;
- breaking down barriers for local people to access good jobs.

The LEP has recently established its Skills Advisory Panel, bringing together local employers and skills providers to understand and address key local labour market challenges. This move is designed to help colleges, universities and other providers deliver the skills required by employers, now and in the future, to help the LEP deliver on the People foundation of Stoke-on-Trent and Staffordshire's Local Industrial Strategy.



 **INFRASTRUCTURE**



**498,390
DWELLINGS**



**UNDER 45
MINS FROM
MANCHESTER
INTERNATIONAL
AIRPORT**



**6.00
HOUSE PRICE
TO INCOME
RATIO**



**46%
SUPERFAST
BROADBAND**

The Industrial Strategy recognises that having modern and accessible infrastructure throughout the UK is essential to future growth and prosperity. It stresses the importance of large scale, long-term investment in transport, housing and digital networks for long-term productivity, through increasing the earning power of Britain’s people, communities and businesses.

The strategy aims to improve access to full-fibre broadband, develop new 5G networks, improve the usage of 5G technologies, create a new high-speed rail network better connecting residents to jobs, regenerate stations and airports, upgrade the road network and improve individual’s lives through better quality housing and the promotion of clean, affordable energy.

Stoke-on-Trent and Staffordshire benefits from good quality road and rail infrastructure. Whilst the arterial routes into/out of our area generally do not suffer from serious congestion and there are regular connections to Manchester in the North and Birmingham and London in the South via the West-Coast mainline train, local A roads around and between the area’s cities and towns are congested, especially if there are closures on the M6.

The area also has a lower house price to income ratio than the Midlands Engine average. Key challenges include the presence of a few congestion hotspots and relatively poor broadband connectivity. The arrival of HS2 is likely to considerably increase the connectivity of the area, bringing wider opportunities for growth.

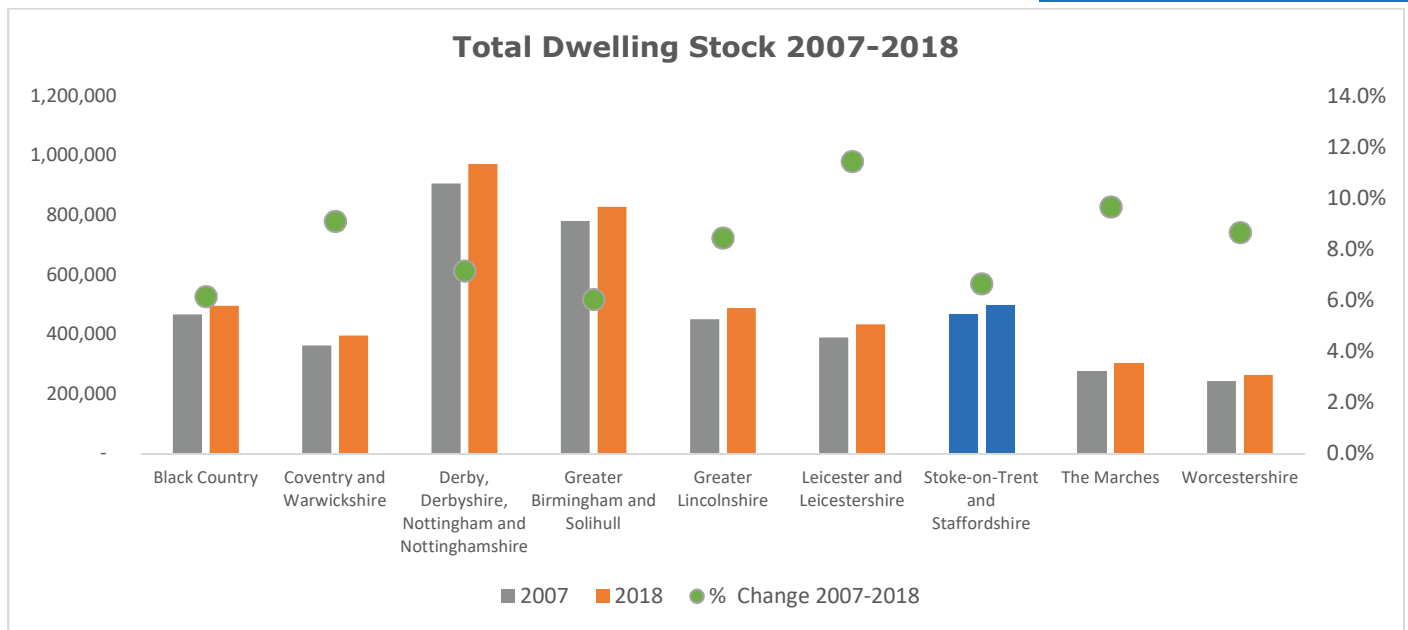


Figure 10 Source: Ministry of Housing, Communities & Local Government (2018)

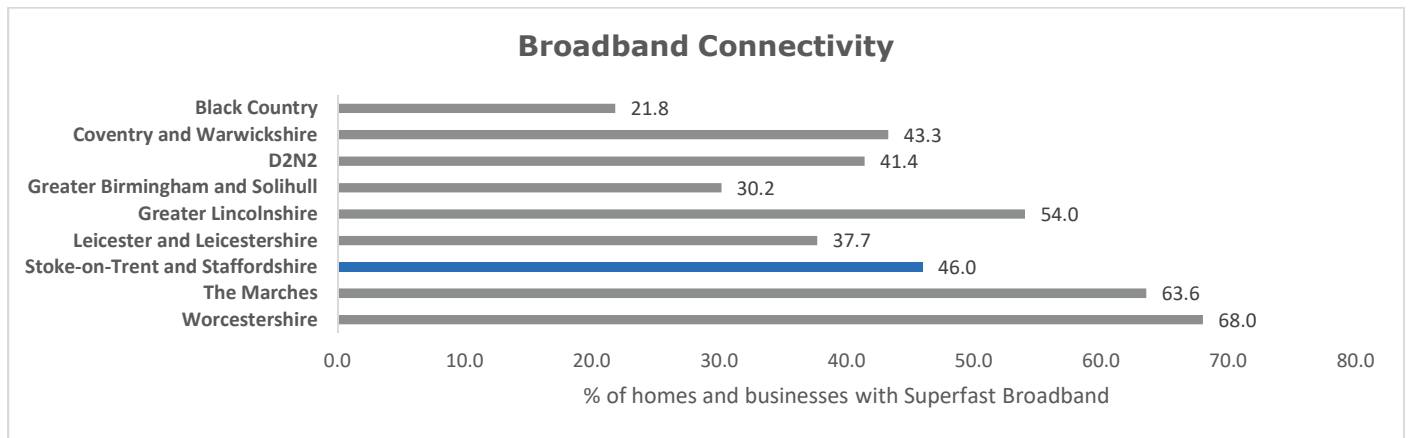


Figure 11 Source: OFCOM, Connected Nations (2018)

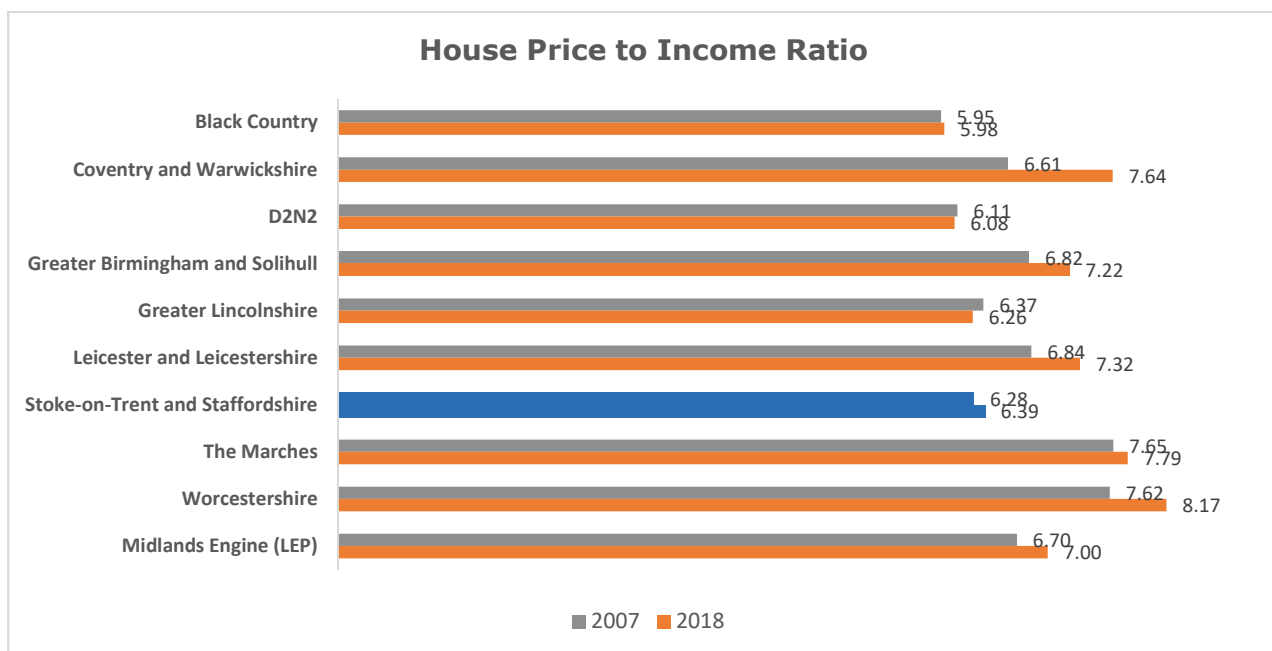


Figure 12 Source: ONS (2018)

Assets

Stoke-on-Trent and large parts of Staffordshire benefit from [good connections to national and international road, rail, and air networks](#), providing easy access to important economic centres and contributing to the value of inward investment over recent years. Key assets include:

- Four stations served by the West Coast Main Line, which runs north-south, and provides frequent connections to London, Birmingham, Manchester and Liverpool.
- The M6 Motorway which runs through the area is one of the main arterial roads in the UK.
- The presence of four international airports within a 1-hour road journey.
- Many of the UK's major sea ports are located within a four-hour road journey and are becoming increasingly connected to the rail network.
- 87% of urban addresses are located within 350m of a half hourly or more frequent bus service to a major centre.

Whilst the number of vehicle miles has been increasing in Stoke-on-Trent and Staffordshire – increasing by 4% between 2011 and 2015 – arterial routes into/out of our area generally do not suffer from serious congestion. Investors locating near motorway junctions or some A roads are likely to have few issues with congestion.

The area also benefits from a fairly low house price to income ratio. Figure 12 shows that Stoke-on-Trent and Staffordshire had a house price to income ratio of 6.24 in 2017. By contrast, the ratio was 6.79 in the Midlands Engine LEP area and as high as 7.59 in Worcestershire and 7.84 in the Marches. This could be an important factor in attracting new residents to the area, particularly if high quality jobs can be created.

Barriers and Challenges

Whilst major arterial routes into and out of the area do not suffer from high levels of congestions, several congestion hotspots exist (in particular, local A roads around and between the area's cities and towns), limiting internal connectivity and creating issues for local commuters. These include peak hour congestion around M6 junction 15, A500/A50, and in areas of Burton upon Trent, Lichfield, Stafford, Tamworth and North Staffordshire.

In addition, the continued uncertainty over the future of HS2, particularly Phase 2 north of Birmingham, limits connectivity in the area and threatens proposed wider investment in Stoke-on-Trent and Staffordshire.

A key challenge is broadband connectivity. As shown in Figure 11, broadband connectivity in Stoke-on-Trent and Staffordshire LEP area is quite poor. Only 46% of the area has superfast broadband connectivity compared to 64.6% of the Marches, and 68% of Worcestershire.

Opportunities

As part of the roll out of HS2, gateway stations will be constructed at Crewe, Stoke-on-Trent and Stafford and a new settlement will be created at Coldmece. Further stations at Birmingham Interchange, Crewe Hub and East Midlands Hub will provide additional access to the network. The arrival of HS2 in the area will significantly shorten journey times between Stoke-on-Trent/Stafford and London, reducing the journey to an hour or less. This provides significant potential to unlock growth, particularly in terms of increasing demand for residents with construction skills. [Stoke-on-Trent and Staffordshire LEP](#) suggest it may be necessary "to create further stations to take advantage of freed-up capacity on the existing lines". In conjunction with the investment in HS2, Stoke-on-Trent and Staffordshire is likely to receive significant investment in housing.



Tunstall Arrow Development Site

Going Forward

Through the Local Industrial Strategy, the LEP aims to ensure that Stoke-on-Trent and Staffordshire's physical and digital networks are future ready and accessible. The LEP intends to focus on:

- high quality housing for all;
- improving digital connectivity and 5G roll-out to revolutionise a diverse range of sectors including manufacturing, logistics and agriculture;
- unlocking the potential of our urban areas, through improving the built environment and tackling congestion;
- capitalising on the HS2 opportunity through a good number of stopping services, drawing more of our towns into growth.



BUSINESS ENVIRONMENT



40,110
BUSINESSES



-720
BUSINESS BIRTHS



-14.4%
BUSINESS BIRTHS



**6.9% OF JOBS IN
BUSINESS
ADMINISTRATION
& SUPPORT
SERVICES**



**5.5% OF JOBS
IN PROFESSIONAL,
SCIENTIFIC &
TECHNICAL
SECTOR**

The Business Environment Foundation of the Industrial Strategy aims to support the UK to be the best place to start and grow a business. The key challenge identified in the strategy is how to ensure all businesses adopt best practice from the UK's most productive businesses. It aims to address how, on average, managers in the UK are less proficient than managers are in other competitor countries. Overall, the strategy aims to drive productivity in all businesses regardless of size through increasing collaboration, improving skills levels and improving access to good and well-paid employment. Key policies include:

- The launch and rollout of partnerships between government and industry to increase sector productivity through Sector Deals in the life sciences, construction, artificial intelligence and automotive sectors.
- Over £20 billion in investment in innovative and high potential businesses including the establishment of the £2.5 billion Investment Fund.
- The commissioning of a review into what actions may be most effective in raising productivity among SMEs.

Figures 13-16 provide an indication of the strengths and weaknesses of the business environment in Stoke-on-Trent and Staffordshire. Key messages include that the area performs well on business survival rates, very well for start-ups, and well for scaling businesses compared to other LEP areas in the Midlands Engine and the area has a high proportion of construction, wholesale, arts and agriculture jobs. Challenges though include that the proportion of business births in the area has recently declined and there is a low number of business births compared to the population size. The high increase in the number of jobs in the area over the last decade as well as plans for increased collaboration between stakeholders provide opportunities to increase the number of high-value, high-wage employment opportunities.

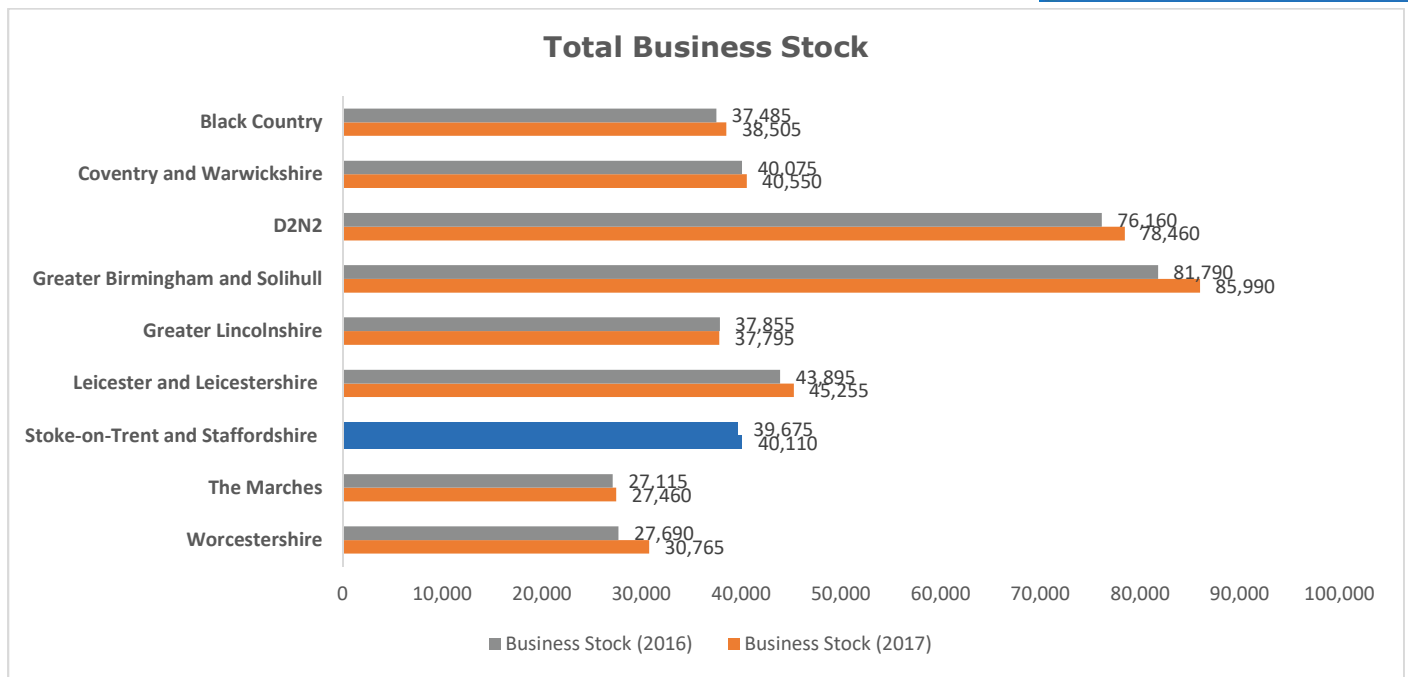


Figure 13 Source: ONS Business Demography (2018)

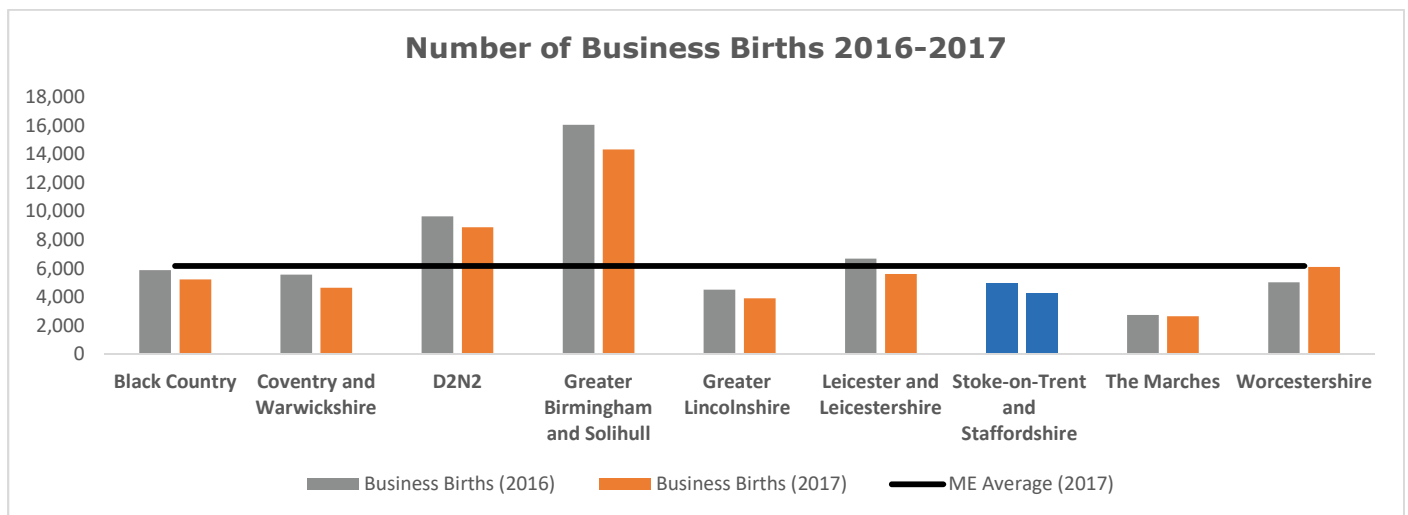


Figure 14 Source: ONS Business Demography (2018)

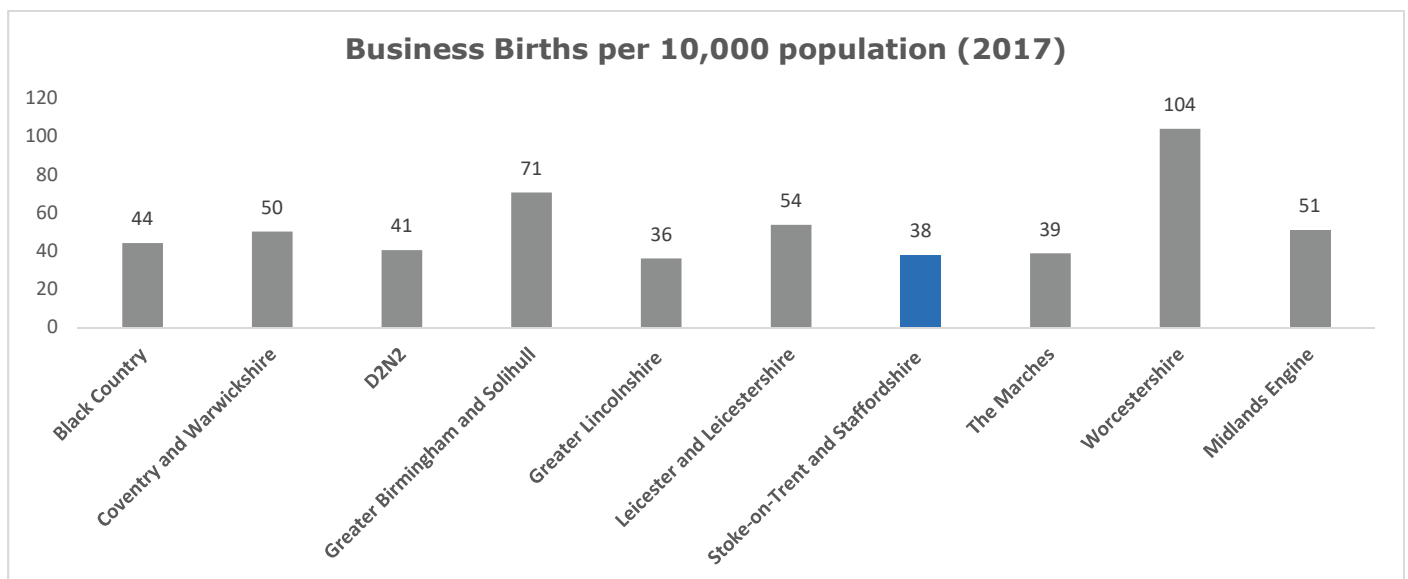


Figure 15 Source: ONS Business Demography (2018)

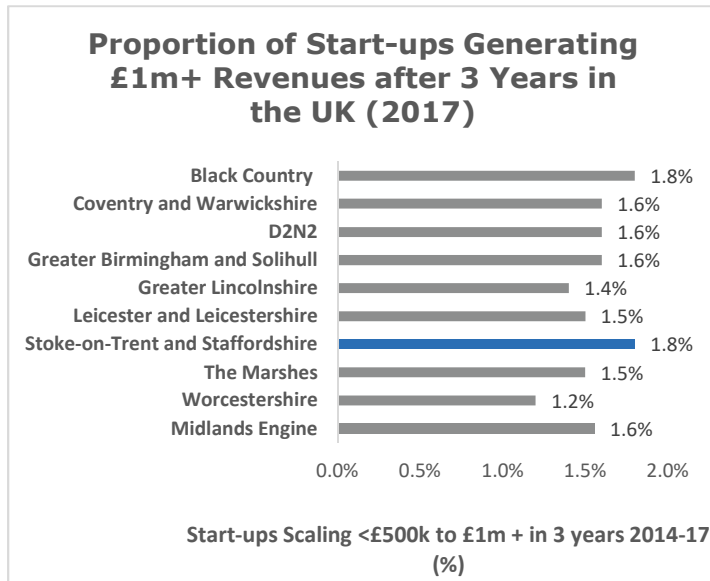


Figure 16 Source: Enterprise Research Centre UK Local Growth Dashboard, 2018

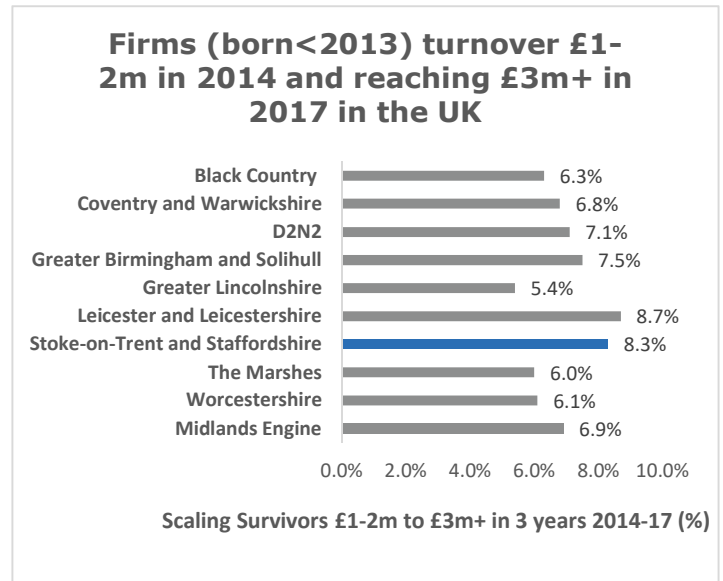


Figure 17 Source: Enterprise Research Centre UK Local Growth Dashboard, 2018

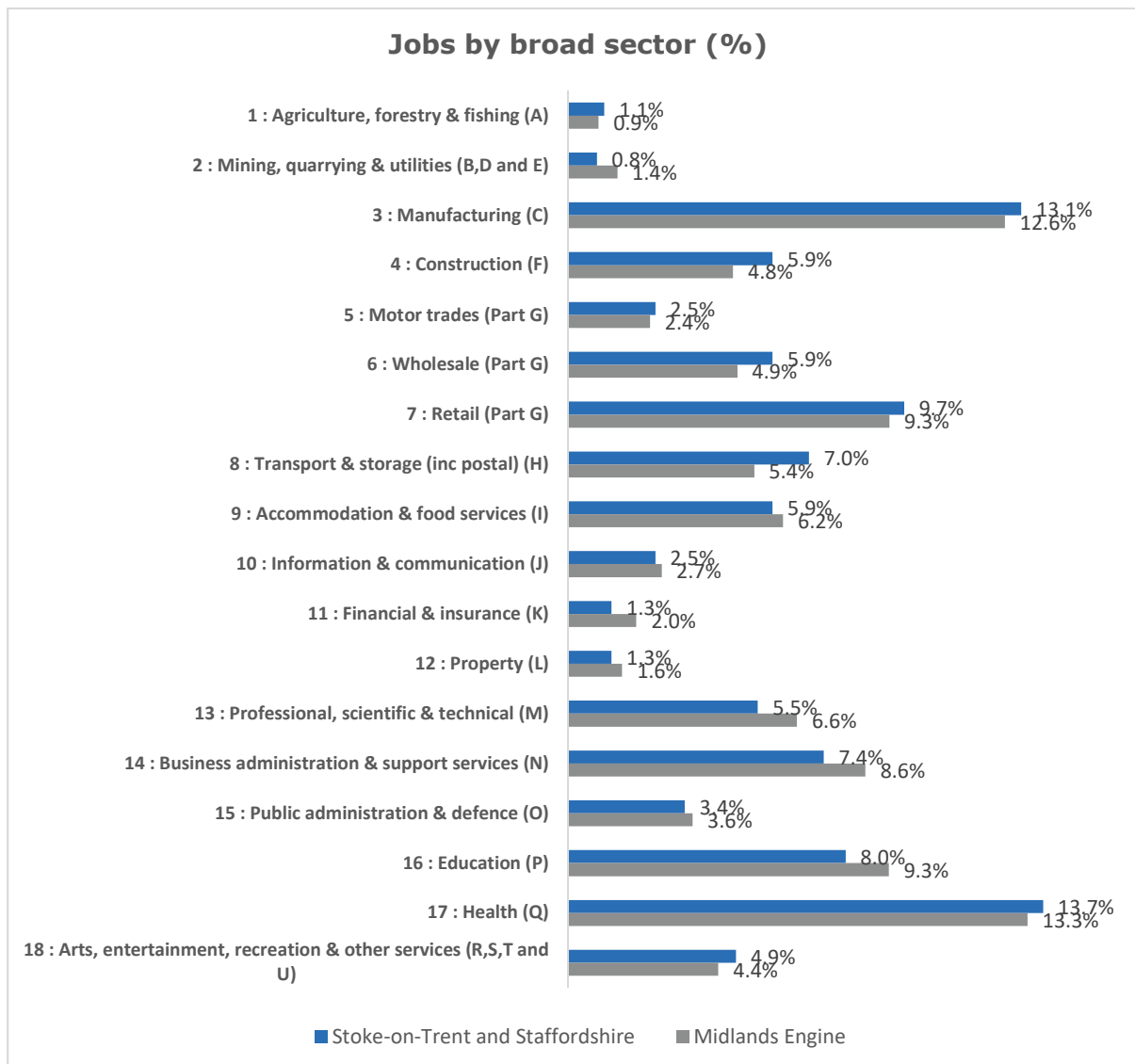


Figure 18 Source: Business Register and Employment Survey (2018)

Assets

The business base and environment in Stoke-on-Trent and Staffordshire LEP area features several assets. Overall the number of jobs in the area increased by over 4% between 2009 and 2017. Furthermore, as indicated in Figure 16, the area has a buoyant SME sector. The proportion of start-ups generating £1 million+ revenues after three years of operating in the area in 2017 was 1.8%. This is the joint highest proportion in all LEPs in the Midlands Engine, and above the Midlands Engine average of 1.6%. The area also performs well in terms of company scaling. As shown, in Figure 17, the proportion of firms born before 2013 and who had a turnover of £1 million to £2 million in 2014, and who had reached a turnover of £3 million + in 2017, was 8.3%. This is the third highest proportion in the Midlands Engine LEPs and above the Midlands Engine average of 6.9%.

The area also contributes to the Midlands Engine in terms of the number of jobs in the construction, wholesale, agriculture and arts, entertainment, recreation and other services jobs. As shown in Figure 18, the number of jobs in each of these sectors in Stoke-on-Trent and Staffordshire is above the Midlands Engine average.

Further strengths of the area identified in the [Stoke-on-Trent and Staffordshire 2018 Strategic Economic Plan](#) include that the area is home to numerous international businesses (such as JCB, Jaguar Land Rover and Michelin), the role that local universities play in actively supporting economic growth (as discussed under the Ideas Foundation) and the strong rural economy.

Barriers and Challenges

The business base in Stoke-on-Trent and Staffordshire LEP area suffers from a low number of business births per 10,000 of the population. As shown in Figure 15, the area has 38 business births per 10,000 of the population. By contrast, the Midlands Engine average is 51 and the figure reaches as high as 104 in Worcestershire. However, it should be caveated that much of the increase in business births in Worcestershire and Greater Birmingham and Solihull is likely to be related to a management company in Bromsgrove registering large numbers of businesses at a single address, this error will be corrected in the next data from ONS. Given that Worcestershire LEP area has the smallest population in the Midlands Engine, the impact of this company on the overall number of business births per 10,000 of the population is likely to be high.

It is also of concern that, as indicated in Figure 14, the number of business births fell by over 14% between 2016 and 2017. This underlines challenges in the business environment in the area.

In addition, the [Stoke-on-Trent and Staffordshire 2018 Strategic Economic Plan \(SEP\)](#) identifies that the area is constrained by low levels of GVA growth over the past decade, below average productivity which reflect the dominance of lower value activities and a lack of innovation-led growth.

Opportunities

The strong growth in jobs over the last decade indicates that opportunities exist to continue this success through creating a greater number of high-value, high-wage employment opportunities. The SEP emphasises how the area appears well-placed to build on its assets and investment in emerging technologies and energy supply chain development.

The participation of the LEP in collaborations such as the Constellation Partnership (between Cheshire and Warrington LEP, Cheshire East Council, Cheshire West and Chester Council, Newcastle-under-Lyme Borough Council, Stafford Borough Council, Staffordshire County Council, Staffordshire Moorlands District

Council, Stoke-on-Trent City Council and Stoke-on-Trent and Staffordshire LEP) and the West Midlands Combined Authority offer opportunities to better position the area to attract investment.

Going Forward

Stoke-on-Trent and Staffordshire's Local Industrial Strategy has been designed to raise the sights of the area as a well-known place to set up and grow a successful business. The LEP envisages that the improved offer will enable:

- increased levels of enterprise and new businesses starts;
- potential for entrepreneurship as a career choice;
- town centres as hubs of new business and enterprise;
- increased numbers of high growth businesses in all sectors;
- improved investment in innovation and levels of digital awareness / skills;
- raised productivity in our key growth areas: advanced materials, aero-auto, energy, business and professional services
- clean growth through promoting sustainable energy and resources.





PLACE



**81.2%
URBAN
POPULATION**



**19/38
LEP AREAS IMD
AVERAGE
RANK**



**1.3 MILLION
VISITOR TRIPS**



**3.2 MILLION
VISITOR
NIGHTS**

The Place Foundation within the Industrial Strategy aims to create prosperous communities across the UK, as competitive cities, towns and rural areas are crucial to shaping the UK’s economic future. It acknowledges that whilst the UK has world-leading businesses across the UK, greater disparities in regional productivity exist than in other European countries, shaping people’s pay, work opportunities and life chances.

Key policies introduced to support delivery of the Place Foundation include:

- The requirement for Local Enterprise Partnerships and Mayoral Combined Authorities to agree Local Industrial Strategies, which build on local strengths to deliver on economic opportunities.
- Establishing the Transforming Cities fund providing £1.7 billion to support intra-city transport projects driving productivity by improving connections within city-regions.
- The piloting of a £42 million Teacher Development Premium to test the benefits of a £1000 budget supporting the professional development of teachers working in areas that are struggling.

The Foundation connects to the other Foundations in terms of improved skills, better-connected infrastructure, strengthened cultural assets and identification of suitable land for housing growth across the country.

Residents in most parts of Stoke-on-Trent and Staffordshire benefit from a high quality physical environment. The area is also home to a number of important visitor attractions. Nonetheless, pockets of deprivation can be identified in Stoke-on-Trent and Staffordshire.

RURAL POPULATION

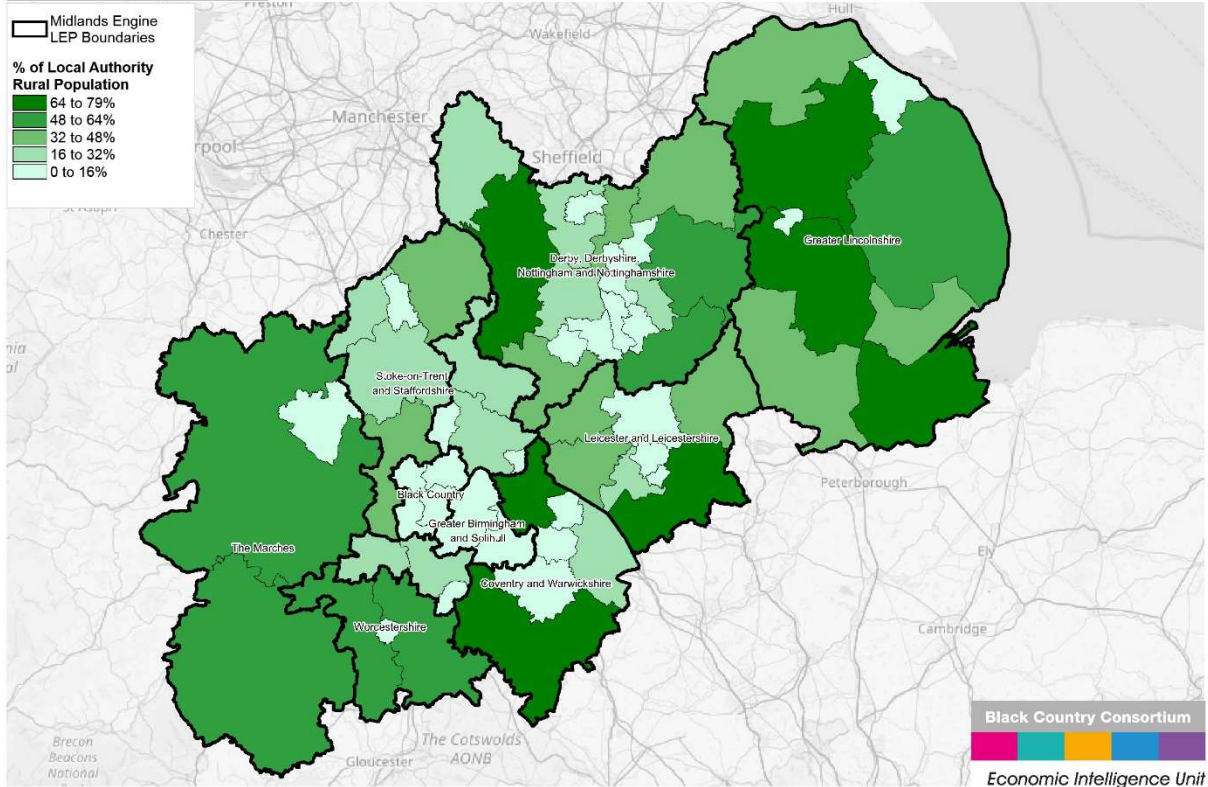


Figure 19
Source: Huggins et al (2019)

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INDICES OF MULTIPLE DEPRIVATION

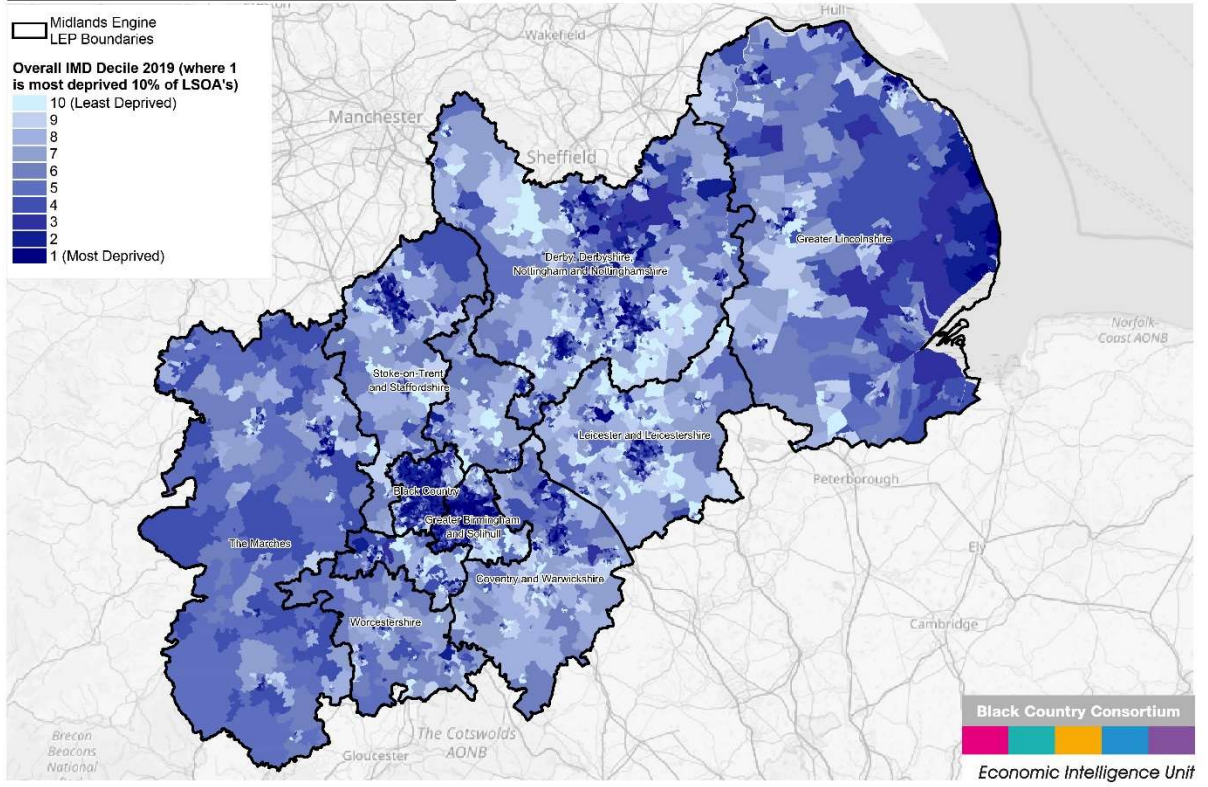


Figure 20
Source: Gov.uk (2011)

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UK COMPETITIVENESS INDEX

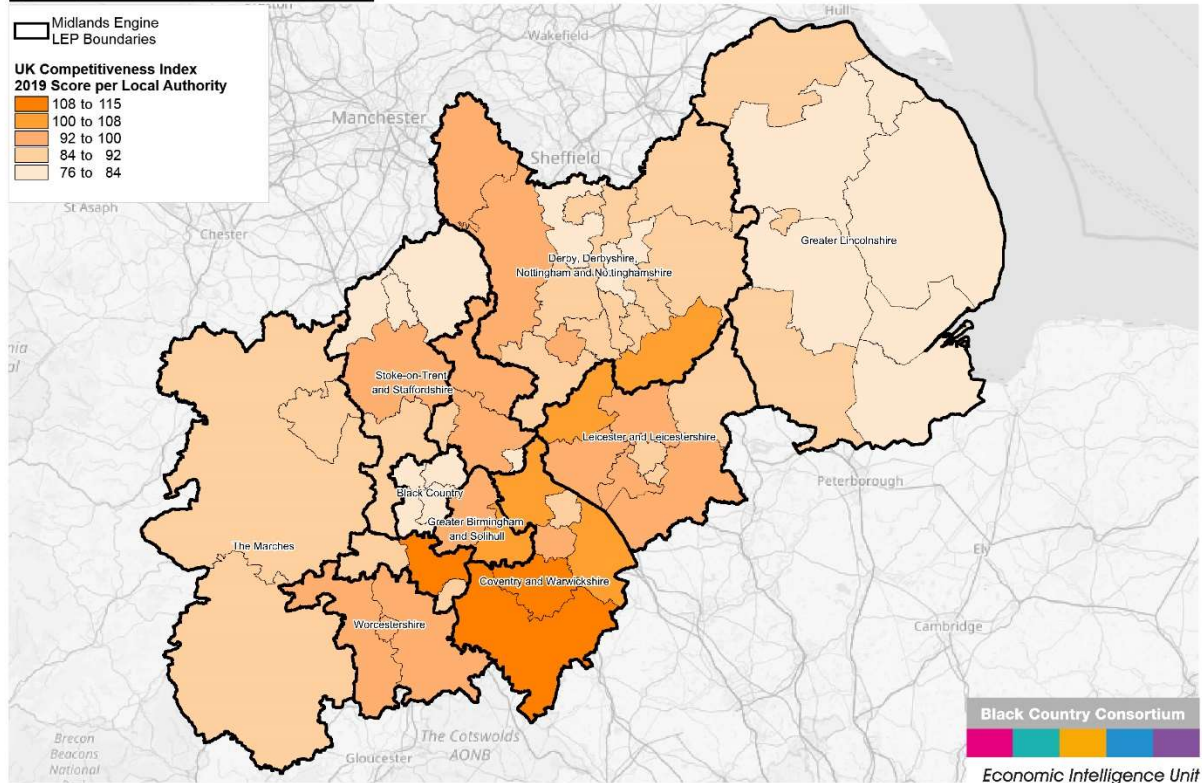


Figure 21
Consumer Data Research Centre (2017)

The UKCI benchmarks the competitiveness of the UK’s localities based on an integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - PHYSICAL ENVIRONMENT

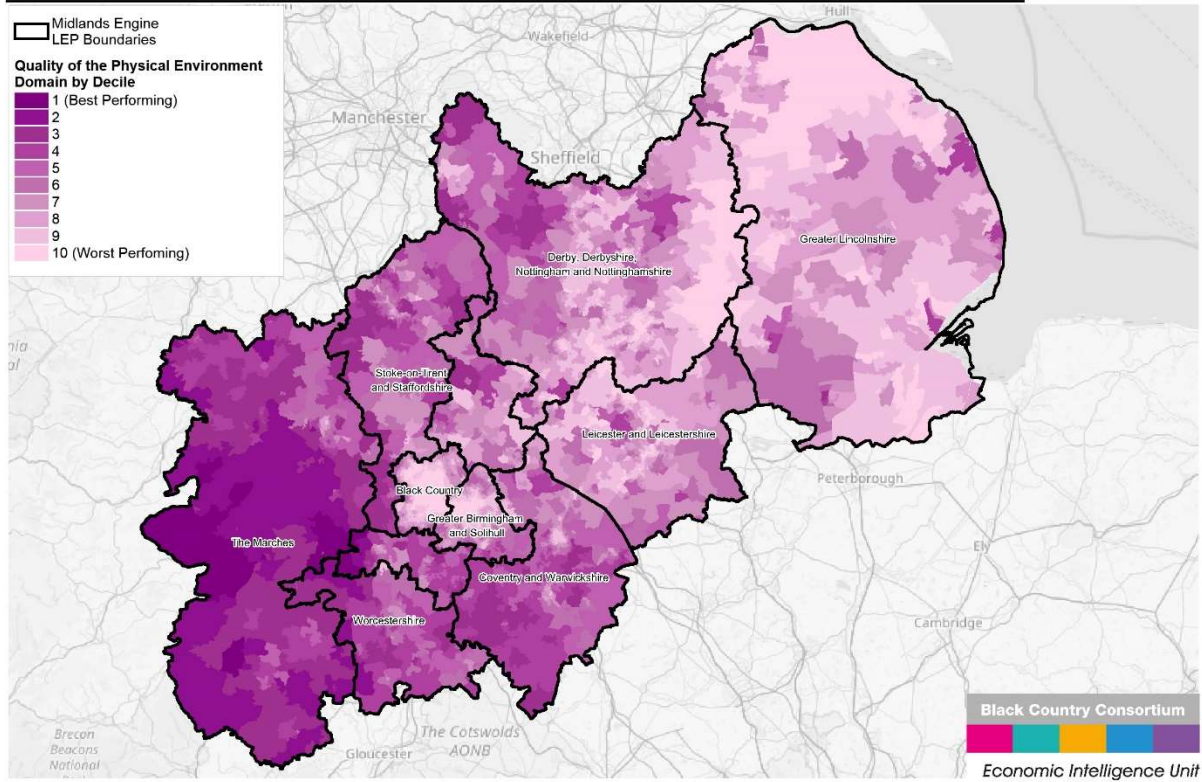


Figure 22
Source: Gov.uk (2015)

The Index of ‘Access to Health Assets and Hazards’) measures how ‘healthy’ neighbourhoods are. The domain of physical environment relates to the presence of green space and three air pollutants.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - HEALTH SERVICES

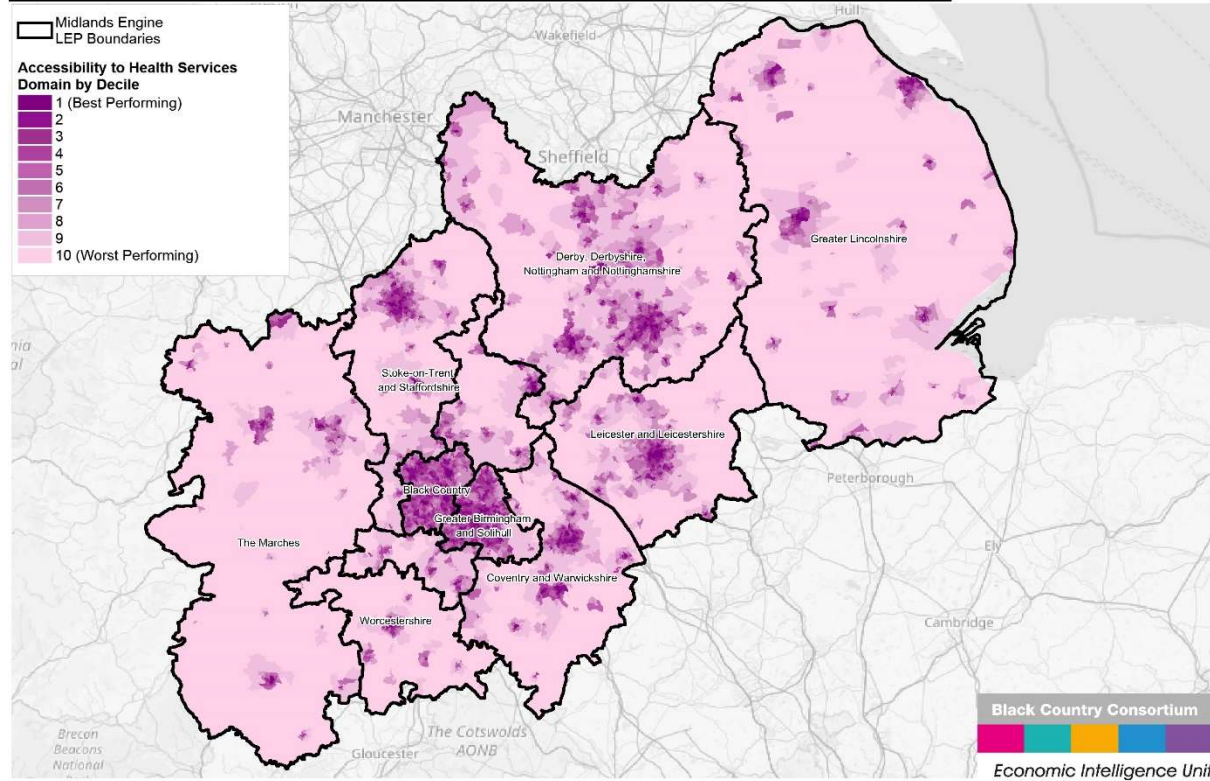


Figure 23
Source: Gov.uk (2015)

The domain of Health services relates to access to GPs, hospitals, pharmacies, dentists and leisure services.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS - RETAIL ENVIRONMENT

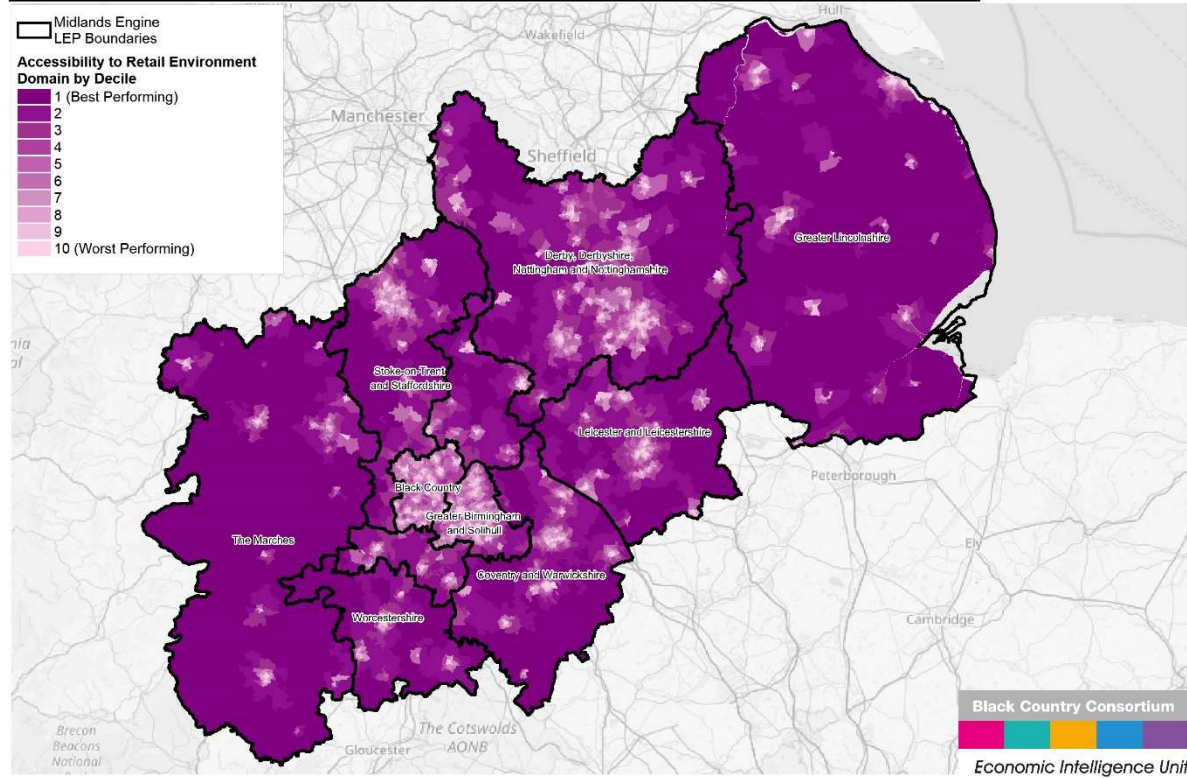


Figure 24
Source: Gov.uk (2015)

The domain of accessibility for Retail Environment relates to specifically access to fast food outlets, pubs, off-licences, tobacconists and gambling outlets. A healthy area perspective better / more access would equate to worse score.

INDEX OF ACCESS TO HEALTH ASSETS AND HAZARDS

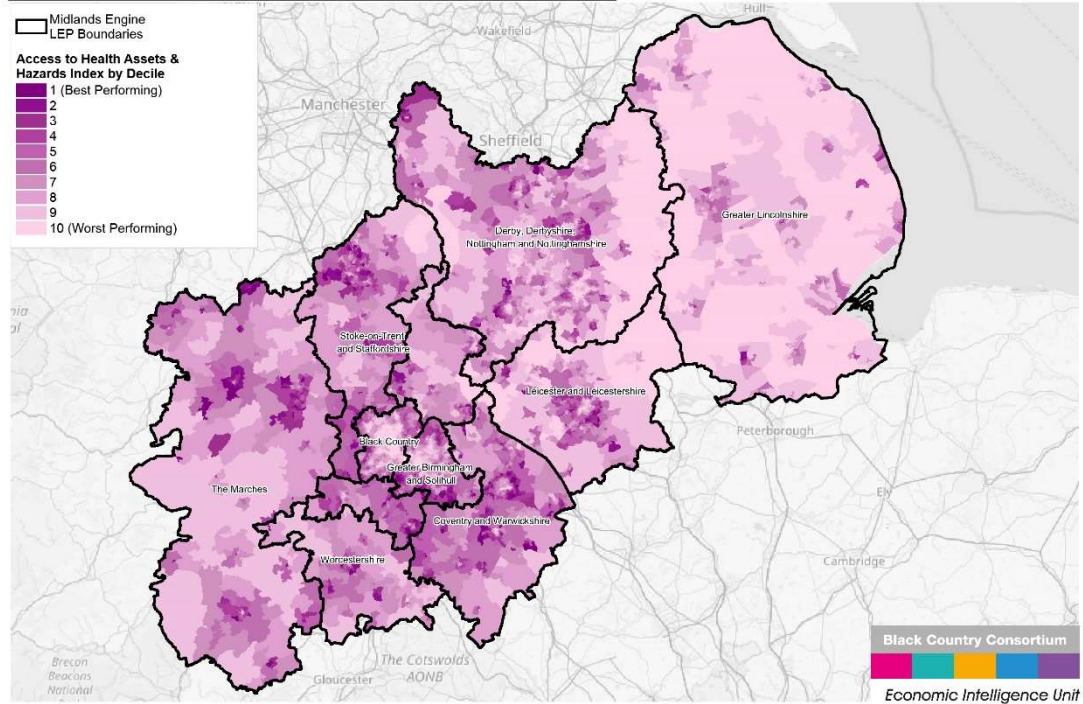


Figure 25
Source: Gov.uk (2015)

This graph shows the overall multi-dimensional index score for each area in the Access to Health Assets and Hazards Index, combining the indicators under the three different domains of accessibility shown above: retail environment, health services and physical environment.

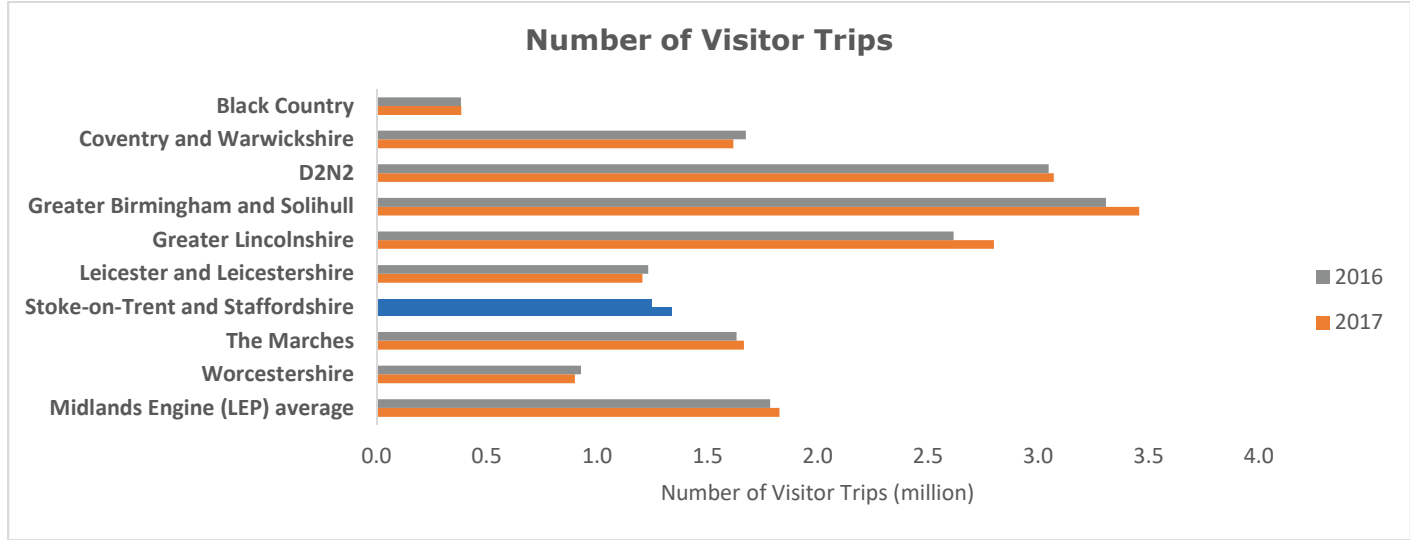


Figure 26 Source: Visit Britain: Great Britain Tourism Survey (2018)

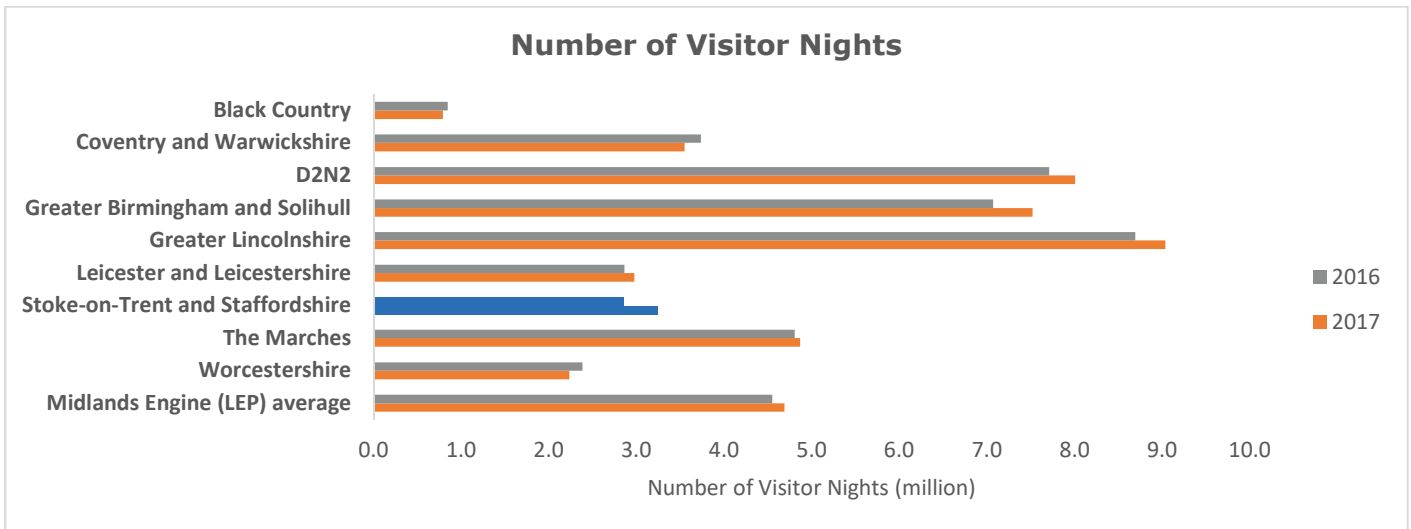


Figure 27 Source: Visit Britain: Great Britain Tourism Survey (2018)

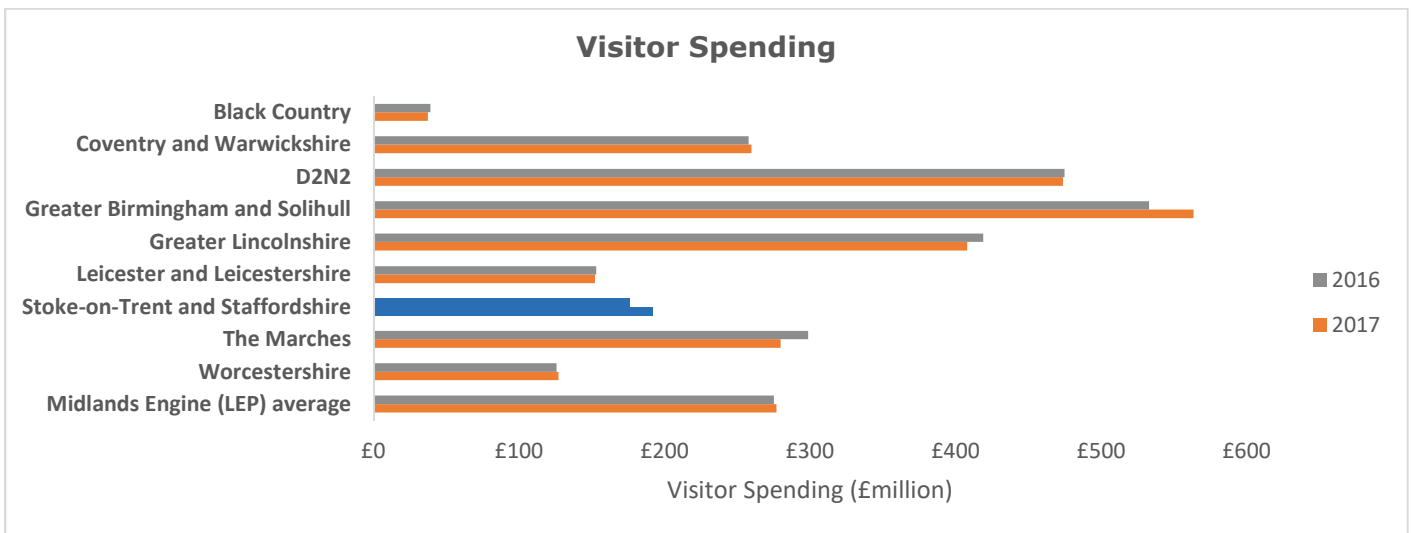


Figure 28 Source: Visit Britain: Great Britain Tourism Survey (2018)

Number of dwellings started and completed 2018-2019

| | Dwellings started | | | | Dwellings completed | | | |
|----------------------------------|--------------------|----------------------|-----------------|--------------|---------------------|----------------------|-----------------|--------------|
| | Private Enterprise | Housing Associations | Local Authority | All | Private Enterprise | Housing Associations | Local Authority | All |
| Black Country | 1,600 | 180 | 260 | 2,040 | 1,770 | 170 | 250 | 2,190 |
| Coventry and Warwickshire | 2,710 | 1,010 | 0 | 3,720 | 3,250 | 910 | 0 | 4,160 |
| D2N2 | 4,920 | 620 | 30 | 5,570 | 5,040 | 710 | 70 | 5,810 |
| Greater Birmingham and Solihull | 4,000 | 790 | 90 | 4,880 | 3,410 | 910 | 20 | 4,340 |
| Greater Lincolnshire | 3,070 | 340 | 10 | 3,420 | 2,740 | 510 | 40 | 3,290 |
| Leicester and Leicestershire | 2,540 | 560 | 0 | 3,140 | 2,770 | 700 | 0 | 3,440 |
| Stoke-on-Trent and Staffordshire | 2,850 | 440 | 10 | 3,300 | 3,060 | 650 | 10 | 3,710 |
| The Marches | 2,470 | 330 | 40 | 2,840 | 2,190 | 610 | 100 | 2,900 |
| Worcestershire | 1,850 | 630 | 0 | 2,470 | 1,680 | 640 | 0 | 2,320 |

Figure 29 Source: Gov.uk (2019)

Assets

Stoke-on-Trent and Staffordshire is a diverse place with urban centres, manufacturing towns, historic market towns, and large areas of rural land. The largest urban areas are the city of Stoke-on-Trent and the county town of Stafford. The City is a thriving base for many professional and business services whilst retaining its strong industrial and creative heritage as home to the UK ceramics industry. Stafford is an historic county town with a busy high street, quality independent and national retailers, quaint cobbled side streets, an art gallery, Victorian park and a wide variety leisure, food and drink businesses. Residents in Stoke-on-Trent and Staffordshire benefit from a high quality physical environment. The area includes historic urban centres as well as high quality rural landscapes, particularly in the East and West. The high quality physical environment across most parts of the LEP area is illustrated in Figure 22.

Stoke-on-Trent and Staffordshire has large areas of countryside and many natural assets. Cannock Chase is an Area of Outstanding Natural Beauty, a destination for hikers and mountain bikers and will host the Commonwealth Games mountain biking competition in 2022. Large parts of the Staffordshire Moorlands fall within the Peak District national park, one of the most popular national parks in the UK which attracts over 13 million visitors a year. The Staffordshire County Showground is a major events venue and Lichfield cathedral city hosts a festivals’ programme.

Important visitor attractions include Alton Towers the UK’s number one short break destination, Drayton Manor, the National Forest and the National Memorial Arboretum. The Staffordshire County Showground is a major events venue and Lichfield cathedral city hosts a festivals’ programme. The National Brewery Centre, Churnet Valley Railway and the World of Wedgwood are all located in Staffordshire reflecting the area’s history and craftsmanship.

Barriers and Challenges

As shown in Figure 20, pockets of Stoke-on-Trent and Staffordshire, particularly in the North of the area suffer from issues of multiple deprivation. Figure 21 also shows how the area performs fairly poorly in the UK Competitiveness Index, ranking sixth of the nine Midlands Engine LEPs in the Index. There are clear disparities in the competitiveness of different areas within the LEP.

The Stoke-on-Trent and Staffordshire 2018 Strategic Economic Plan reveals that the existence of some urban environments within the area affect perceptions of quality of life and constrain the area's ability to attract and retain higher skilled residents.

Whilst the number of visitor trips to and visit nights spent in Stoke-on-Trent and Staffordshire as well as the value of visitor spending is increasing, as shown in Figures 27-29 the visitor economy remains small compared to in other Midlands Engine LEPs.

Opportunities

The arrival of HS2 and the construction of gateway stations at Crewe, Stoke-on-Trent and Stafford offers opportunities to boost the number of tourists visiting the area and contribute to the wider economy.

A £160 million new shopping village is also being constructed on Mill Green in Cannock Chase. The [McArthurGlen Designer Outlet](#) is due to open in Autumn 2020 and is set to create 1,000 jobs. Nearby, Rugeley is set to undergo significant change, with the decommissioning of the power station in 2016 opening up a major mixed-use site to be developed.

The relocation of Burton Rugby Club will enable the creation of a multi-sports hub and further the potential of the local area, known as the Washlands, to create a regional tourism attraction. Other opportunities for the area include the creation of a cultural quarter around the National Brewery Centre, building on Burton-on-Trent's history and heritage.

In South Staffordshire, the i54 is home to Jaguar Land Rover and other high value occupiers and a western expansion to the site has been approved. Current priorities are ROF Featherstone to accommodate 3,100 new jobs by 2025, and the West Midlands Rail Freight Interchange, which could accommodate up to 8,000 new jobs.

Stafford's priority is to deliver the Stafford Gateway, a new major development which will provide a new business and commercial district adjacent to the station. Set to include 750,000 square feet of office space, it will leverage the connectivity of Stafford to the economic benefit of the town.

Going Forward

Stoke-on-Trent and Staffordshire is a well-connected and diverse area with strong rural and urban heritage offering a high-quality of life. Through our Local Industrial Strategy, we are aiming to change the story of our place and unlock the potential of modern, vibrant cities and towns. Our place-based narrative will demonstrate our commitment to:

- successful towns, centres of employment and high quality of life;
- increased activity in our town centres drawing in people and businesses;
- build on the strengths which exist in our visitor economy to become a place that people will visit for extended breaks.



Rugeley Brook

Local Authority Areas

| |
|-------------------------|
| Cannock Chase |
| East Staffordshire |
| Lichfield |
| Newcastle-under-Lyme |
| South Staffordshire |
| Stafford |
| Staffordshire Moorlands |

Local authorities in orange indicate that they are in two LEPs.

Prepared on behalf of the Midlands Engine by:



UNIVERSITY OF BIRMINGHAM

BIRMINGHAM BUSINESS SCHOOL



Economic Intelligence Unit



NOTTINGHAM BUSINESS SCHOOL
NOTTINGHAM TRENT UNIVERSITY



Stoke-on-Trent & Staffordshire
Enterprise Partnership