MPA Appendix 1B

Analysis/Summary of Strategic Economic Plans for Staffordshire, the Black Country & Greater Birmingham
Stoke & Staffordshire LEP

1. The Stoke on Trent and Staffordshire Local Enterprise Partnership (SSLEP) has produced a Strategic Economic Plan (SS-SEP) Part 1 – Strategy (2014). As such, it is a high level document which leaves implementation and funding to later stages. The SS-SEP has an aspiration to sustainably drive rapid growth in Stoke-on-Trent and its contribution to the county and national economy and the development of the peri-urban areas along the County's key transport corridors that provide a strong, agile and competitive offer locally and nationally. The aim is to grow the economy by 50% generating 50,000 new jobs in the next 10 years (50:50:10).

2. The business growth agenda is based on recognising strengths in key aspects of advanced manufacturing, such as the energy generation, Auto-Aero, medical technology, Agri-tech and applied materials sectors. This support for key sectors is balanced by a longer term additional interest in strengthening tourism and business/professional services. The SS-SEP is built upon a twin-track approach comprising sector-led growth and place-led growth, upon which the five strategic objectives are developed. This will be accomplished through a targeted approach based on enhancing the growth of Stoke on Trent to develop a ‘Core City’ and by improving communication networks such as the ‘Growth Triangle’ made up from the M6/West Coast Main Line (WMCL) Spine, the A5/M6 Toll Enterprise Belt and A38/A50 Eastern Links, and by supporting urban growth in key centres, such as Stafford, Burton, Cannock, Lichfield, Tamworth and Newcastle-under-Lyme, some of which are in the proposed quarry's market area. By leveraging investment, the SEP hopes to achieve ‘rapid, planned growth’ of the Stoke Core City to act as a critical economic driver of the area.

3. The major area of interest for the market of the proposed quarry is the proposals for place-led growth. Local Planning Authorities have been fully engaged in the development of the project pipeline. Based on current Local Plans, around 3,370 homes are proposed to be built across all
local authorities on an annual basis in Stoke-on-Trent & Staffordshire. These housing projections also do not take into account the SS-SEP's substantial growth plans.

4. The SS-SEP has five main objectives, three of which will be relevant to the proposed quarry’s products.
   - **Stoke On Trent as a Core City**: to rapidly grow the heart of the city centre economy
   - **Connected County**: to meet market demand for high quality employment and housing sites which are connected to the transport and communications network
   - **Competitive Urban Centres**: to support the sustained economic prosperity of other important urban centres across Staffordshire
   - **Sector Growth**: to boost the competitiveness of business in vital sectors with growth potential where Stoke & Staffordshire has a distinctive advantage
   - **Skilled Workforce**: to ensure a balanced supply of people with the right skills and know-how needed to drive economic growth

5. Barriers and market failures in **Stoke on Trent** include the challenge of remediating brownfield development sites to a quality expected by investors. Private sector confidence is weak and there is a dearth of interest in investing in property. Connectivity is a particular challenge for Stoke-on-Trent given its multi-centred form. Ease of movement between the centres is a real constraint particularly at peak hours. Accessibility is also a limiting factor for many of its strategic employment and housing sites and will constrain development if not addressed.

6. The priorities and action areas for Stoke on Trent include
   - 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
   - City-wide volume housing growth, around existing town centres and communities
   - Implementing interventions to overcome cost/value challenges in some locations
   - City Centre living, as part of a mixed-use strategy for a modern centre
   - Aspirational housing
   - Specialist housing (e.g. student accommodation)

7. To support economic growth and attract new investment the SS-SEP needs to maximise **connectivity** both to and within the area. Several of the urban areas experience significant congestion during peak travel times and the built-up nature of North Staffordshire makes
sustainable and attractive transport alternatives difficult options. If unchecked, these constraints will get worse as the economy grows, inhibiting the flows of labour, commerce and leisure which underpin inclusive and sustainable economic growth. Connectivity is also a constraining factor at many of the 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 the urban centres.

8. The area currently faces a significant challenge to deliver the right volume and mix of employment sites. In 2011, around 840 hectares of employment land was available locally, with the vast majority (over 80%) already granted planning permission. However, a large proportion of this land is not genuinely available because the critical upfront investment needed to unlock sites has not been made. Constraining factors include the need for remediation of brownfield land, the need to open up physical site access and ensuring connectivity to markets, and the need for wider infrastructure.

9. The priority urban centres are Newcastle-under-Lyme, Stafford and Cannock, (all of which are in the quarry market area) plus Burton-on-Trent, Lichfield, and Tamworth. Future projections suggest there could be an additional 31,000 households in the Stoke-on-Trent & Staffordshire LEP area over the next ten years. The LEP are eager that this growth is accommodated in attractive urban centres alongside Stoke-on Trent which are well-connected to employment opportunities.

10. Key action points include 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, and city and town living/student housing.

Black Country LEP
11. The Black Country LEP’s Strategic Economic Plan (BC-SEP) was also published in 2014. The Black Country’s GVA is worth £17.2 Bn a year with the opportunity to grow by an additional £7.8 Bn. The SEP aims to transform the Black Country’s infrastructure and environment by

- Increasing the housing stock by a minimum of 47,569 new homes;
- Delivering an additional 937ha of employment land from a baseline of 634ha;
- Developing a sustainable, low carbon economy;
- Providing greatly enhanced movement of goods and people between the four centres, Birmingham and national and global markets;
12. The SEP contains 12 strategic programmes to transform the Black Country. Where relevant to infrastructure these are as follows.

**PL1. Expanding the Availability of High Quality Employment Land and delivering a portfolio of strategic mixed use development opportunities.**

The shortage of high quality employment sites and premises is a significant constraint on growth in the Black Country, particularly in high value manufacturing. The high level of remedial costs, fragmented land owners and unrealistic landowner expectations means that the market is not responding to the demand for sites. There is evidence of companies taking on sub-standard space, hindering their productivity and capacity to grow. There is also evidence of companies locating elsewhere because of a lack of suitable sites and premises.

There are a large number of sites and premises in the Black Country that the market alone is not able to bring into use, or upgrade. Intervention is needed in order to enable growth which is currently constrained by lack of high quality site and facilities availability across the Black Country. The focus is on supporting improvements that create a doubled dividend of sustainable growth i.e. an increase in sustainable living, work and business accommodation and facilities management, as well as increasing SME competiveness, and creating new forms of enterprise e.g. social enterprise, mutual and co-operatives.

Our approved Core Strategy sets out a clear growth network of 4 centres and 16 corridors. Exploiting our growth corridors - We will support the functioning and development of local growth clusters in our growth corridors, in particular to better exploit innovation and supply chain opportunities. Our aim is to grow GVA in these corridors from £9bn to £19bn and create an additional 40,000 jobs on top of a jobs base of 244,000.

We will implement targeted programmes to ensure a continuous supply of competitive sites and buildings for business growth and enhance the quality of strategically important business locations. Our aim is to create and/or transform 1,500 ha of high quality employment land to meet the needs of our expanding and new companies.

**PL2. Connecting our Goods, Services and Employees to work and to International Markets**

We will implement a programme of interventions to significantly improve the Black Country’s connectivity, support the provision and improvement of employment sites, support the growth of our centres and contribute to our longer term connectivity vision, including Hs2. The effectiveness of the local transport infrastructure is an important element in maintaining international competitiveness in our growth sectors.
The Black Country Core Strategy focuses growth (housing, employment land, offices, retail uses) on an integrated network of Corridors and Strategic Centres. This maximises use of existing transport network but is also dependent on the significant further transport investment to greatly enhance interconnectivity not only in the Black Country but also with Birmingham.

The delivery of sustainable housing growth - and indeed sustainable economic growth - in the Black Country as well as Birmingham is dependent upon investment in the urban infrastructure to create a quality of environment that is competitive with the best European cities. At the very least this will require implementation of a multi-modal integrated transport network which provides fast and reliable connections between all of the Centres of the conurbation with each other - as well as to Birmingham City Centre - to the Airport and HS2).

It is clear that in order to remain competitive and support the growth in our key sectors, our infrastructure must be able to provide quick, efficient and reliable movement of products and people to the road and rail network. As such, investment in the following priorities is required to support future business connectivity and competitiveness.

Motorway Connectivity – providing capacity and improving reliability of journey time to the motorway network. Specifically improving access at J10 of the M6, and J1&2 of the M5, for the 98 strategic companies within 2 miles of those junctions, which turn over £4.5bn annually and provide 30,462 jobs.

Maximising the Benefits of HS2 – investment in key rail projects will allow the Black Country to see the benefits of 3,300 new jobs created and £180m a year boost to the economy, released capacity, improvements to freight services and direct connectivity to the HS2 stations predominantly through Wolverhampton Interchange and the Snow Hill Line.

Unlocking Key Growth Areas – providing the key infrastructure required to unlock housing and employment sites will help ensure that we have a pipeline of high quality sites available to the market. The programme of small scale investment for the next two years will support the development of approx 1500 housing units, 10 ha of employment land and can enable over 1200 jobs to be created in the Black Country.

Sustainability and Innovation – making the most efficient use of local transport networks by targeting short trips, which can be undertaken by active modes, will reduce localised congestion. This will provide more efficient access to the strategic transport network which in turn supports regional export growth and International competitiveness as well as social
inclusion by reducing severance and more effectively connecting local communities with employment and other services. Through careful and innovative planning and targeted investment, the Black Country’s canals, rivers and green infrastructure can be improved in conjunction with sustainable transport links to improve the connectivity and quality of the

**PL3. Housing**

Acceleration of the housing market to support economic growth. The objective of this programme is to provide an improved housing offer (comprising an attractive mix of housing for sale and rent, including social housing) in our growth network, including residential development in our strategic centres.

The Black Country Strategy is focussed on a re-balance of our population as well as growing levels of accommodation for more people residing in the area – this means attracting and retaining a greater proportion of higher income households with the skills to drive a knowledge-led economy. We need to create a greater variety of quality housing environments and broaden our housing offer by including a variety of house types at a range of price points to meet the needs of a mixed market. We want to encourage the inclusion of alternative tenures such as Mutual Home Ownership, Market Rent and other alternatives to meet the housing needs of younger people.

The Black Country approach has been to assess employment land needs and housing land opportunities. We have identified capacity for the majority of our housing need through the recycling of 1,100ha of redundant/poor quality employment land while protecting high quality employment land and identifying locations for creation of further high quality employment land. We have identified housing capacity to accommodate additional dwellings through transfer of poor quality employment land that will not contribute to the BC’s economic sustainability.

Our aim from 2006 to 2026 is to build a minimum additional 63,000 net new homes, we have already built 22,000.

**Greater Birmingham & Solihull LEP**

13. In the Greater Birmingham Economy (GBE) area exports are up 30% since 2011 (compared to a UK increase of 2%). GBE is the top UK LEP area for new jobs arising from foreign direct investment in 2013. It has the fastest private sector job growth 2010-2012. And it has the highest rate of business start-ups outside London in 2013.
14. Greater Birmingham is well positioned to deliver growth; the area contains a young and diverse population of 2m people and is one of the most connected locations in the UK by road, rail and air. Furthermore, there is a world class higher education and further education offer with 79,000 student population in the area’s universities and over 200,000 further education learners. However, there are a number of challenges that need to be addressed. These include a fragmented business support, a shortfall of housing and employment land, a transport network that is near capacity, with weak connectivity in places. The arrival of HS2 provides unparalleled opportunities to transform the area, with catalytic effects for the wider region and UK. In addition, the area’s sector strengths provide a real opportunity to deliver growth and strengthen and diversify the economy through increasing exports and building an international reputation as a world leader in these fields.

15. Greater Birmingham and Solihull is a major economy of national significance with an annual Gross Value Added (GVA) of £36.5bn, 848,000 jobs and 63,000 businesses. The area is home to one of the largest professional and financial centres outside of London, burgeoning creative and cultural industries and the location of choice for world leading companies such as Cadbury, Deutsche Bank, Jaguar Land Rover and JCB.

16. However, the SEP recognises that growth is being constrained by inadequate housing growth. The scale of long-term growth could be up to 50% higher than the levels of provision in existing development plans (with a potential gap of over 40,000 homes by 2033). Another major constraint is weak connectivity across the LEP – some arterial road and rail connections are over capacity and suffer from congestion and this is forecast to worsen and there is a lack of connectivity to major economic opportunity areas, particularly outside the core.

17. The challenges and areas of growth potential that when addressed will unlock the local economy and deliver jobs. The area’s strategic location provides excellent connectivity. However, the network is at capacity in some places and congestion stifles growth opportunities. Further, connectivity outside of the core is weak. The arrival of HS2 provides additional opportunities to invest in both physical and digital infrastructure. However a coherent package is needed to ensure that the benefits for the area are maximised for people living, working and visiting the area. The area also faces a shortfall of housing and employment land. However there are a host of sites that with the right intervention provide significant development opportunities. These include those in the UK Central, Enterprise Belt, and the Economic Zones. A series of opportunities for housing and business will be unlocked through the City Deal Assets Accelerator.

18. The LEP’s analysis led in 2013 to the Strategy for Growth which had ambitious targets as follows,

- A net increase of at least 100,000 private sector jobs between 2011 and 2020
A net increase of at least £8.25bn GVA between 2011 and 2020
A decrease in unemployment across the LEP to fall in line with at least the national average by 2020
An increase in GVA per-head across the LEP to meet the national average by 2020, and exceed the national average by 2025
An increase in the percentage of the working-age population with NVQ3+ to be above the Core City LEP average by 2020, and out-perform the national average by 2025

19. To this Growth Strategy the SEP has added an additional
- 50,000 private sector jobs (on top of the 100,000 already committed to)
- 14,315 new houses
- 1.7m m2 of commercial space
- £2.3bn GVA over ten years
- £1,100m private sector leverage

20. Much of this growth is intended to be delivered on the back of various programmes. Four major programmes are mentioned of which two – enhancing the regional hub and UK central and the enterprise belt involve substantial construction activity.

21. Enhancing the regional economic hub involves clustering around delivering sites in the core and maximising connectivity between the existing and new infrastructure, and improving connectivity between the hub and the wider LEP area and beyond. The Enterprise Belt, between 20 and 40km from the edge of Birmingham, spans southern Staffordshire and north Worcestershire (see Map 4). Southern Staffordshire contains significant development opportunities with potential to create 23,000 jobs in the next few years and in north Worcestershire key development sites include the former British Sugar site in Kidderminster and Redditch Eastern Gateway which have the potential to create 2,100 jobs. This programme also includes interventions needed in the wider Birmingham area (i.e. those outside of the Regional Economic Hub) that have significant growth potential.

22. There is a very high growth in demand for commercial space in the M42 corridor, mirroring the current trend in the Thames valley. There is weak connectivity across the area and to major opportunity areas. For example, in Southern Staffordshire there are capacity constraints on the A5 and the A38 that will act as barriers to further growth and investment, and in north Worcestershire, Kidderminster’s growth potential has been hindered through poor connectivity to the wider Birmingham conurbation and the strategic motorway network. GBSLEP faces a significant housing shortfall. The scale of long-term growth could be up to 50% higher than the levels of provision in
existing development plans (with a potential gap of over 40,000 homes). This shortfall will be exacerbated by the growth plan the LEP has developed for the area and a continuing growth in population. There are also constraints around the supply of employment land which is commercially developable. On the basis of current projections, Birmingham’s supply will run out in 2023, making it even more important that land is recycled to maximise opportunities elsewhere in Greater Birmingham.