

Report of:	Head of Economic Prosperity
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Key Decision:	Yes
Report Track:	Cabinet: 10/12/20

Cabinet
10 December 2020
Jobs and Skills Opportunities in Cannock Chase to Support Economic Recovery

1 Purpose of Report

- 1.1 To set out the current position in relation to the impact of the COVID-19 pandemic on the District's economy, to detail some of the known employment and skills opportunities that will support economic recovery and to detail how the Council will be working to enable and facilitate these opportunities.

2 Recommendation(s)

- 2.1 That Cabinet note the current economic context which has arisen because of the COVID-19 pandemic.
- 2.2 That Cabinet note the pipeline of jobs and skills opportunities outlined in the report and set out at Appendix 1 in detail.
- 2.3 That Cabinet agree that the Economic Prosperity Strategy will be refreshed to take account of the changed economic climate and to re-focus on supporting new jobs and skills opportunities and the aim will be to present this to Cabinet in 2021.

3 Key Issues and Reasons for Recommendations

Key Issues

- 3.1 The COVID-19 pandemic has had a significant impact on our local communities, residents and economy. The UK Economy has moved into a recession and has seen a dramatic change with GDP in the second quarter of 2020 (April to June) shrinking by a record 19.8% and unemployment increasing. However, the economy is starting to recover with the GDP figures for the third quarter of 2020

(July to September) showing growth of 15.5%. However, the UK economy is still 9.7% smaller in Quarter 3 2020 compared with the end of 2019.

- 3.2 The impact upon the District's economy of COVID-19 is one which is an evolving picture. It will take several months to properly analyse and start to evidence the long-term effects such a pandemic has had upon the District. However, some of the key economic indicators reveal that the recession is already taking effect within the District. The unemployment rate in Cannock Chase is at a level not seen since the mid-1990s. However, the extension of the Government's Coronavirus Job Retention Scheme (Furlough) until the end of March 2021 has removed the immediate threat of unemployment spiking significantly over the next couple of months.
- 3.3 The Council has focused its efforts since the start of the pandemic on supporting local businesses through the lockdown and helping them to get back up and running as restrictions were eased.
- 3.4 Going forward, the Council will need to focus on continuing to help businesses and residents whilst supporting the District's economic recovery. The District's economy will continue to experience a high degree of turbulence over the next few months as the COVID-19 pandemic continues and restrictions to everyday life remain in place.
- 3.5 On 5th November 2020, the Government announced a further package of business support measures to help businesses directly affected by the second national lockdown and the Council has been allocated further funding to distribute to local companies. Distribution and payment of business grants will be a key priority for the Council over the next few months.
- 3.6 Whilst the Council's current financial position limits the potential to invest further resources to support the economy, the Council does have an important role as an enabler and facilitator of economic growth. This report sets out several key opportunities that will create new jobs for the local economy, improve the skills of the workforce and restore business confidence. Realisation of these opportunities will at least in the short to medium term mitigate the impact of the recession by helping to create additional job vacancies for local people and enable residents to reskill and upskill to be better placed to fill these jobs.
- 3.7 Officers have started work to refresh the Council's Economic Prosperity Strategy (approved by Cabinet in January 2020) to take account of the changed economic climate and the aim will be to present this to Cabinet for approval sometime during 2021. However, a degree of flexibility will be needed given the economic uncertainty.

Reasons for Recommendations

- 3.8 To detail a set of jobs and skills opportunities to support the economic recovery of the District.

4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) **Promoting Prosperity** – contributing to creating a positive environment in which businesses in the District can thrive; creating employment opportunities and maximising benefits from the McArthurGlen Designer Outlet Cannock. Supporting the delivery of the Economic Prosperity Strategy.

5 Report Detail

Economic context

- 5.1 The COVID-19 pandemic has had a significant impact on our local communities, residents and local economy. The UK Economy has moved into a recession and saw a dramatic reduction in GDP in the second quarter of 2020 (April to June) shrinking by a record 19.8%.
- 5.2 Although GDP has recovered since the easing of lockdown restrictions in May, there is a considerable degree of uncertainty as to the shape of the UK economic recovery. The on-going uncertainty created by COVID-19 and re-introduction of national and local restrictions in response to the 'second wave' of COVID-19 means that it is still difficult to predict whether the UK Economy will achieve a 'V-shaped' bounce back or a slower and longer-term recovery. If it is the latter, then there is the potential for longer term structural change and 'scarring' to the economy which could result in higher levels of unemployment.
- 5.3 The impact of COVID-19 upon the District's economy is one which is an evolving picture. It will take several months to properly analyse and start to evidence the long-term effects such a pandemic has had upon the District. However, some of the key economic indicators reveal that the recession is already taking effect within the District.
- 5.4 The unemployment rate (measured as total claimant count) has increased significantly, with the latest data from the Office for National Statistics (ONS) showing that as of October 3,570 residents are now claiming benefits – 5.6% of the working age population. This represents an increase of 1,915 claimants from March 2020. The pandemic has had a disproportionate effect on younger workers, with 22% of total claimants aged between 18 and 24.
- 5.5 The Government's Coronavirus Job Retention Scheme (CJRS) was introduced at the start of the pandemic and was designed to protect jobs by allowing companies to place staff on 'furlough' with the Government continuing to pay 80% of workers wages, up to a maximum of £2,500 per month. Take up of the scheme has been significant with nationally around 9.6 million workers furloughed by 1.2 million businesses since March. In Cannock Chase, there were 17,600 employments in Cannock Chase furloughed at the end of July 2020 – a take up rate of 38% - the highest rate in Staffordshire.

- 5.6 On 5 November 2020, the Chancellor announced that the CJRS scheme would be extended until the end of March 2021. This removes the immediate threat of unemployment spiking through the winter months. However, there is a high degree of uncertainty as to how the economy will fare over the next 12 months and beyond.

Support for businesses

- 5.7 The Council's priority since the onset of the pandemic has been to support businesses in the District, many of which were either required to close or not able to operate fully due to the lockdown restrictions.
- 5.8 To support this priority, the Council has been responsible for distributing the Government grants to small businesses and businesses in the retail, hospitality and leisure sectors. The Council has also allocated and paid out just over £1 million to 139 local businesses through the Local Authority Discretionary Grant Fund.
- 5.9 Linked to the introduction of the Local COVID alert system and second national lockdown, the Council has been allocated additional funding from the Government to distribute to local businesses directly affected by the restrictions and mandatory closures and is currently processing grants to eligible local businesses. In particular, the Council has been allocated £2 million by Government via the Additional Restrictions Grant which is a discretionary fund and Officers are currently developing a policy and criteria to administer this fund.
- 5.10 Local businesses have benefitted from support that was made available by the Government to support the economy, including:
- **the Coronavirus Job Retention Scheme (Furlough);** *as set out at paragraph 5.5 - a large number of local residents are currently furloughed;*
 - **Self-employment Income Support Scheme;** *3,300 claims made to 31st August 2020 – take up rate of 66%;*
 - **Coronavirus Business Interruption Loan Scheme (CBILS) and Bounce Back Loan Scheme (BBLs);** *73 CBILS and 1,338 BBLs offers to businesses in Cannock Chase (as at end of September 2020);*
 - **small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief;** *1,475 small businesses have received funding – 91% of eligible businesses paid (as at end of September 2020);*
 - **grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000;** *120 businesses have been paid £10k grant and 175 businesses have been paid £25k grant (as at end of September 2020);*
 - **the Eat out to Help scheme which offered discounted meals during August to benefit the hospitality industry;** *56 local businesses registered to the scheme – 60,000 discounted meals were claimed.*

Key issues

5.11 Supporting the economic recovery of the District is a key component of the Council's Recovery Strategy approved by Cabinet in October. The key workstreams are as follows:

- (i) To monitor the impact of the COVID-19 pandemic on the local economy and regular review key economic indicators.
- (ii) To review and refresh the Council's Economic Prosperity Strategy to take account of the changed economic conditions and set out a clear Action Plan for the next three years.
- (iii) To support local businesses and signpost to relevant support provided by partners such as Staffordshire County Council, Greater Birmingham & Solihull LEP, Stoke & Staffordshire LEP and Growth Hubs.
- (iv) To work with key partners such as Department for Work and Pensions, Staffordshire County Council, South Staffordshire College, Walsall College to help local people that have been made redundant to get back into work or access training opportunities to upskill/reskill.
- (v) To facilitate the creation of new job and skills opportunities via directly creating job opportunities via affordable housing programmes, apprenticeships, work placements.
- (vi) To review the impact of the pandemic on the District's town centres and regeneration plans for Cannock Town Centre.

5.12 An important part of the Council's approach will be to identify a pipeline of projects and schemes that could create new jobs, housing and skills opportunities to benefit the District and mitigate the impact of the pandemic. The aim should be to as far as possible, ensure that unemployment in the District does not become a feature of the economy for a sustained period and that the economic fallout from COVID-19 does not result in long term structural change. Cabinet should note though that whilst local efforts will help the economy to recover, the District's future success is dependent to a large extent on how well the wider regional economy recovers.

5.13 To support the above aim, there will be a need for the Council to:

- (i) Deliver on existing agreed priorities that provide employment / skills opportunities but also to focus on new schemes that also bring employment, skills and support proposals that will deliver benefits – Temporary jobs (Construction), Permanent jobs, Increase in Learners; Apprenticeships.
- (ii) Prioritise schemes that can deliver new employment and skills opportunities over the next three years.
- (iii) Accept that the wider ambitions contained in the Economic Prosperity Strategy related to 'clean growth' and green jobs may have to be a longer term priority and in the short term there will be a need to focus on a broader range of jobs to address the unemployment challenge.
- (iv) Work closely with key partners to align resources and efforts to support the Council's jobs and skills agenda.

5.14 The over-riding ambition will be for the Council to keep the District's unemployment rate below the regional and national average and to ensure that unemployment for the 18 – 24 age group does not continue to grow.

Employment and skills pipeline

5.15 According to the August data from Staffordshire County Council, there are currently 1,818 unique postings for jobs in Cannock Chase. This is a 14.7% increase in vacancies since July.

5.16 Whilst it is positive that there are job vacancies available now, Officers have worked to develop a list of key projects and schemes that can deliver a pipeline of employment and skills opportunities either within the District or in close proximity to the District i.e. within a 'travel to work' area. In addition, where local companies have announced that they are expanding and creating new jobs have been captured on this list. The list is attached at Appendix 1 and is correct as at 1st December 2020.

5.17 The key employment and skills opportunities directly within the District are as follows:

- (i) McArthurGlen Designer Outlet West Midlands - Circa 800 in Phase 1 Circa 500 in Phase 2. Jobs should be available towards the end of 2020 with opening of the Outlet expected early 2021.
- (ii) Amazon Rugeley – Currently recruiting for 800+ seasonal vacancies.
- (iii) Rugeley Power Station re-development - 89 direct construction jobs per annum during development process (approx. 20 years) and total of 129 jobs pa including supply chain benefits.
- (iv) Expansion of Super Smart Services Ltd – Cannock – 325 jobs to be created as part of their expansion plans between September 2020 & July 2021.
- (v) TES-AMM – provision of ICT Lifecycle services - Taking on the Rapida unit at Kingswood Lakeside and would be looking to create circa 100 jobs over a three-year period.
- (vi) APC Overnight, Kingswood Lakeside growth plans – 100+ Night Warehouse / Night Forklift Drivers. All jobs are based at Kingswood Lakeside and are permanent. Recruitment is underway but they are struggling to fill the vacancies. There are still 50/60 jobs available.
- (vii) Development of new social housing in Rugeley and Chadsmoor – Wharf Road / Aelfgar and Chadsmoor housing development sites will create a number of construction jobs and 199 new homes.
- (viii) Commonwealth Games construction of enhanced mountain biking track will create construction jobs and potentially temporary jobs whilst the games are taking place.

- (ix) Former JCB site in Rugeley – site has been vacated by JCB and subject to site being re-occupied could create new jobs.
 - (x) Available Car, Cannock expansion plans – delivered over 2 phases. 155 additional jobs to be created by end of phase 2 circa end 2023.
 - (xi) Digital Skills Academy– South Staffordshire College (Cannock & Tamworth Campus'). If funding secured forecasted learners is 1,349 across both sites
 - (xii) Engineering Skills Academy – South Staffordshire College - will support 755 learners and 345 apprenticeships.
 - (xiii) Potential new Aldi and Lidl supermarkets in Rugeley – NB both proposals are the subject of current planning applications which are awaiting decisions.
- 5.18 The Council as an employer will have a direct role to play in supporting the local workforce and has a responsibility to engage in Government programmes that have been introduced to help unemployed people to get back into work or training. For example, the Kickstart scheme which provides funding to employers to create job placements for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. Kickstart applications must be for a minimum of 30 job placements. The Council is currently working to explore the potential to host Kickstart placements either via a County wide approach or in partnership with other neighbouring local authorities.
- 5.19 The Council in its role as local planning authority should also explore the potential to secure employment and training opportunities for local people through appropriate policies in the Local Plan and/or via agreements with developers on individual planning applications. The Local Plan Review will consider the precise mechanism for achieving this outcome but the aim will be to agree employment and skills plans with developers when new developments are proposed with the focus on securing work placements for young people, apprenticeships and training for local residents.
- 5.20 It is proposed that Officers continue to update the list and add to it as new schemes are announced. Officers will be pro-active in contacting businesses that are creating new jobs to identify the potential to connect local people with the available vacancies. Work with the FE Colleges will also continue to ensure that training opportunities and Apprenticeships can be promoted to local businesses and specifically targeted at local companies.

Summary / conclusion

- 5.21 The District is facing an unprecedented challenge in dealing with and recovering from the economic recession caused by the COVID-19 pandemic. The recession is highly likely to lead to increased levels of unemployment within the District at a level which has not been seen for decades. A number of key sectors in the District such as retail, leisure and hospitality are particularly vulnerable to the ongoing effects of the pandemic and are likely to be adversely impacted.

- 5.22 The Council is committed to supporting the economic recovery of the District and has identified a pipeline of employment and skills opportunities that will achieve this over the next three years.

6 Implications

6.1 Financial

There are no financial implications arising from the report. The refresh of the Economic Prosperity Strategy will be carried out via existing resources and the review of the Local Plan is contained within existing budgets.

6.2 Legal

There are no legal implications arising from this report.

6.3 Human Resources

No direct implications.

6.4 Section 17 (Crime Prevention)

None.

6.5 Human Rights Act

None.

6.6 Data Protection

None.

6.7 Risk Management

Corporate risk register

6.8 Equality & Diversity

None.

6.9 Best Value

None.

7 Appendices to the Report

Appendix 1: Employment & Skills matrix

Background Papers

CCDC Economic Prosperity Strategy 2020-2030.

Appendix 1

Potential job opportunities across the Cannock Chase District

Name of Company / Project	Potential Number of Jobs	Type of Job	Comments
Amazon, Rugeley	800+	Various seasonal jobs	Currently recruiting for seasonal vacancies at their Rugeley site.
McArthurGlen Designer Outlet West Midlands	Circa 800 in Phase 1 Circa 500 in Phase 2	Marketing / Retail / Guest Experience / Facilities.	Jobs should be available towards the end of 2020 with opening of the Outlet expected early 2021.
Super Smart Service, Kingswood Lakeside	325	Various	As part of their expansion Super Smart Service are looking to create jobs between September 2020 & July 2021.
TES-AMM	100	Various	Taking on the Rapida unit at Kingswood Lakeside.
APC Overnight, Kingswood Lakeside	100+	Night Warehouse / Night Forklift Drivers	All jobs are based at Kingswood Lakeside and are permanent. Recruitment is underway but they are struggling to fill the vacancies. There are still 50/60 jobs available as at 8 October 2020.
ALDI, Rugeley	Potentially 16 FT 30PT (subject to planning)	Retail	ALDI planning application is yet to be determined.
Rugeley Power Station Site	89 direct construction jobs per annum during development process (approx. 20 years) and total of 129 jobs pa including supply chain benefits.	Construction	2,938 FTE jobs for All through school scenario (once whole site is fully constructed / operational – again over 20 year period) 2,857 FTE jobs Primary school scenario
Swim Sports Company Ltd, Lakeside Business Park	15	Various: Lifeguards / coaches / reception etc	Planning permission granted August 2020.
Lidl, Rugeley	40 (subject to planning)	Retail	Planning application submitted but not yet determined.

Name of Company / Project	Potential Number of Jobs	Type of Job	Comments
Available Car, Watling Street / Wolverhampton Road	155 FTE	Pos. Sales / vehicle maintenance	<p>Planning approved May 2020. Phase 1 not anticipated to create many jobs (start on site early 2021).</p> <p>Phase 2 which is the majority of the site will create up to 155 FTEs (additional). Also hoped that they can increase apprentices from 5 to 8 at this point. Phase 2 was due for completion by end 2022 but Gestamp are delayed by about 6 months due to COVID-19so may be 2023.</p> <p>Available Car are keen to press on with Phase 1 now.</p>
Horizon Crematorium, Heath Hayes	6	Various	Recruitment due to begin around December 2020.
Cannock Chase Enterprise Centre, Walkers Rise	27	End users	It is hoped that once extension is completed it will create approx. 27 end user jobs.
Former JCB site Rugeley			Site currently being marketed – if re-occupied could create new jobs – JCB previously employed c150 people on this site.
Commonwealth Games enhanced mountain bike trail		Construction	Temporary jobs to construct the improved mountain bike trail ahead of the Games in 2022.
Jessup / The Wrekin Housing Trust, Wharf Road Housing Site		Construction	79 new homes to be built, forecasting handover approx. Sept 2022.
Aelfgar Housing Site		Construction	60 new homes expected to be completed in Spring 2023.
Chadsmoor Housing Site		Construction	60 new homes expected to be complete in Winter 2023.

Name of Company / Project	Potential Number of Jobs	Type of Job	Comments
Digital Skills Academy, South Staffordshire College	1,349 Learners expected 2020-2023 across Cannock and Tamworth Campus'		Number of projected learners for both Cannock & Tamworth Campus. Bidding for funding to get this project off the ground.
Engineering Academy, South Staffordshire College	755 Learners and 345 apprenticeships expected by 2024/25		

Key Travel to work opportunities

Name of Company / Project	Potential Number of Jobs	Comments
i54 Western Extension	1,700+	Should create 1700+ jobs when fully occupied. Site is currently being prepared and marketed.
i54	300+	Remaining plot.
Former Royal Ordnance Factory site, Featherstone	2,500	Expected to deliver up to 2,500 jobs when fully occupied.
West Midlands Interchange	8,500	Strategic rail freight interchange recently approved by Secretary of State at Gailey / Four Ashes at J12 of M6 that could deliver up to 8,500 jobs over next 15 years.
Birmingham 2022 Apprenticeships	30+	Apprenticeship scheme launched placements - 12 - 18 months. 8 live at present with a further 7 to go live shortly. Still finalising total number of apprenticeships they will employ but hoping to be in excess of 30.
Birmingham Commonwealth Games 2022	1000+	Over the next three years recruiting over 1,000 people to deliver the Commonwealth Games 2022, providing important employment and economic benefits to the city and region and a once-in-a-lifetime opportunity for job seekers and professionals at all levels.
Prime Point 14, Stafford	190 - 370	143,536 sqft (B2/B8)
Pets at Home HQ and DC	500 initially (800 - 1,200 jobs over next 10 years)	33 acre site

Potential CCDC Work Opportunities

Job Opportunities Cannock Chase

- 1 Amazon UK
- 2 West Midlands Designer Outlet
- 3 Super Smart Service
- 4 APC Overnight
- 5 Rugeley Power Station Development
- 6 Horizon Crematorium Heath Hayes
- 7 Cannock Chase Enterprise Centre
- 8 Commonwealth Games - Biking
- 9 Jessup - Wharf Road Housing Development
- 10 Aelfgar Housing Development
- 11 CCDC - Kickstart Involvement
- 12 South Staffordshire College - Engineering and Digital Academies
- 13 AvailableCar Cannock - Approved Planning Application
- 14 Aldi Planning Application
- 15 Lidl Planning Application
- 16 Chadsmoor Housing Development
- 17 Swim Sports Company LTD

