

# Recent Economic Trends – Stoke & Staffordshire



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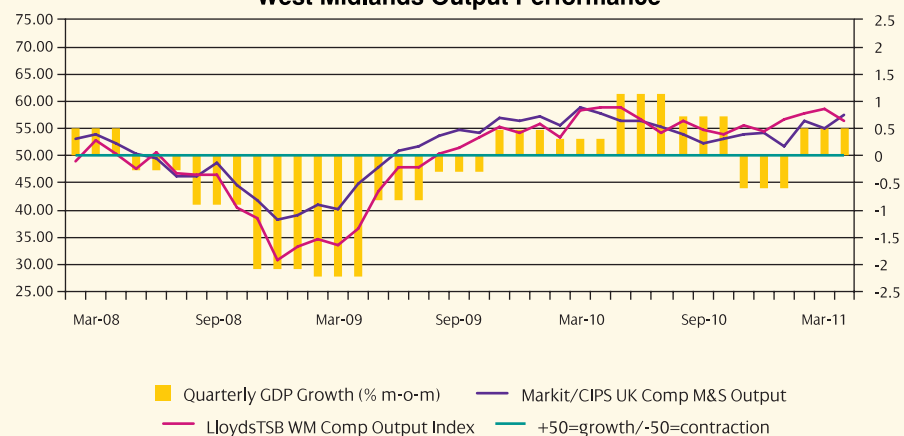
May 2011

Technology Centre, Wolverhampton Science Park, Glaisher Drive, Wolverhampton WV10 9RU

	Land Area (square kilometer)	Population 2009 (‘000)	Employment rates 2007/08 (%)	Median Earnings April 2009 (£pw)	Pupils achieving 5 A-C GCSEs (% incl Maths & Eng)	Active Enterprises (AE) 2008 (‘000)	Business Creation % of AE	Business Demise % of AE
<b>England</b>	130,279	51,810	74.5	496	53.4	2025	11.8	9.5
<b>West Midlands</b>	12,998	5,431	72.4	457.4	54.2	191.5	10.8	9.3
<b>Staffordshire</b>	2620	829	77.3	476.5	54	32.7	9.1	6.9
Cannock Chase	79	95	74.8	450.6	45.3	3.6	11	9.3
East Staffs	387	109	79.5	431.7	52.2	4.2	11.3	8.6
Lichfield	331	98	78	551.7	58.3	4.5	10.1	8
Newcastle	211	124	71.5	447.4	53.2	3.6	10.4	9.8
South Staffs	407	106	77.9	487.7	59.5	4.1	9.7	8.8
Stafford	598	125	81.1	490.4	57.7	4.8	10.2	9.3
Staffs Moorlands	576	95	79.6	472.6	58.3	3.5	9.7	7.7
Tamworth	31	76	76.2	465.1	43.2	2.4	10.8	8.9
<b>Stoke</b>	93	239	69.1	402.4	48.4	6.4	11.3	10.8

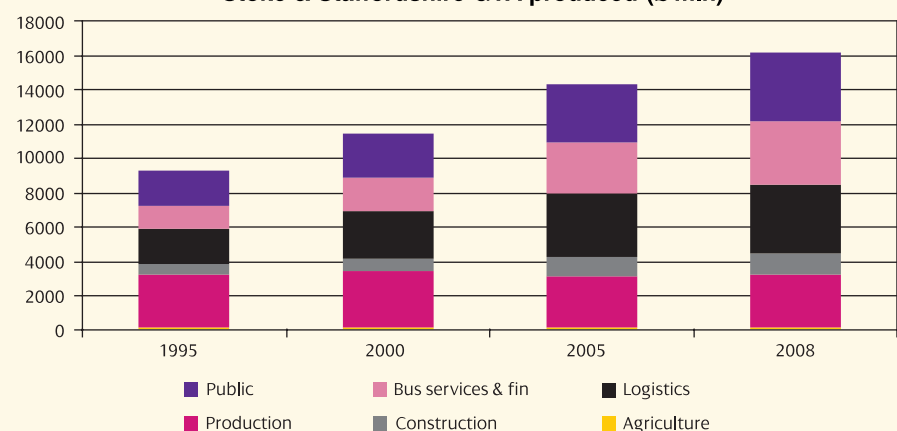
Although WM output performance eased in March, it remains above the long run trend and appears more robust than that being achieved nationally. With industry equivalent to almost a quarter of regional GVA, manufacturing has provided the main impetus for growth, services sector performance continuing to be more subdued. While this is from an admittedly low base, and the recovery both fragile and acutely sensitive to the redirection of fiscal policy, it reflects the underlying dynamism of the local economy. Lack of effective access to working capital appears a major constraint on successfully tapping this latent potential as is the erosion of the skilled labour force during the recession.

**West Midlands Output Performance**



The combination of Stoke and Staffordshire provides just over 1.5% of national GVA, with local growth in nominal GVA more pronounced in the public and services sector over the past 15 years, equivalent to almost 73% of all local output. Production is close to the national and WM proportions at 19%. The latest data available at this level of analysis is for 2008, the full impact of the recession is not recorded. However, the evident contraction in the construction sector has probably been reflected in the performance of this sector at a local level. Given Stoke and Staffordshire's combined population of a little over 1 million, population density is moderate and would rank as a middle level Scottish local authority.

**Stoke & Staffordshire GVA produced (£ mln)**



**Data sources:** ONS, Eurostat, OECD, Markit, Industrial Communities Alliance & Forrest Research.  
**Disclaimer:** while every effort has been made to ensure accuracy, BCRS presents the data above for indicative use only.

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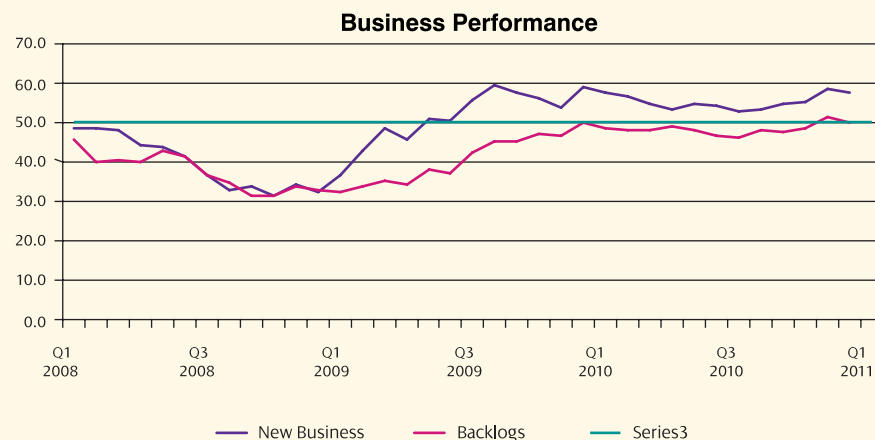


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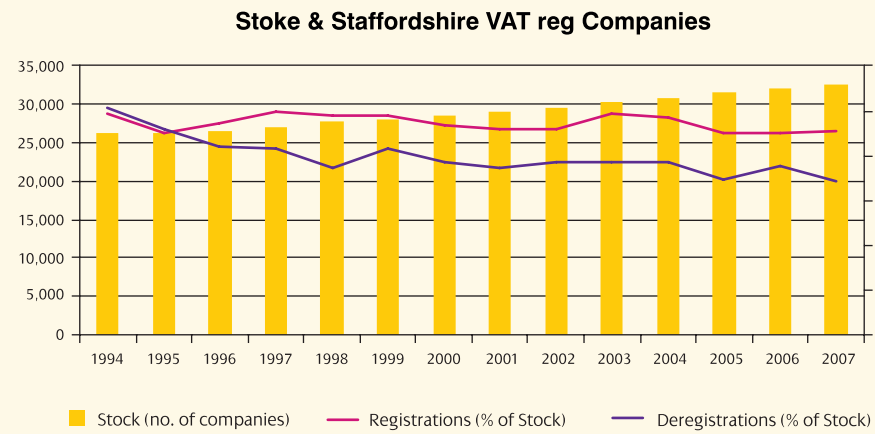
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Although business activity slowed in March, according to the latest PMI data, on a regional level, West Midlands business performance has improved markedly from the depths of the recent recession. Both new business and production backlogs performed strongly in the final quarter of 2010 and the start of 2011. Having peaked at the turn of the year, new business growth eased to a three month –low in March, attributed to some overstocking by customers, but also renewed concerns over the vibrancy of growth over the course of the year. Similarly, volumes of work-in-hand eased, with easing capacity constraints enabling companies to clear backlogs.



Data on the extent of the recession on company survival rates in both Stoke and Staffordshire are not yet readily available, however the business attrition rate anecdotally was profound. Bringing these skills back into the productive economy will be vital if the knowledge county is to recover its capacity and potential for innovation. With a range of small scale producers and traditional craft industries feeding into globally-competitive producers, such as JCB, the economic structure of Stoke and Staffordshire in many ways mirrors that of the more dynamic sub-regional economies of the Rhine, Catalonia and Northern Italy. Adoption of kurzarbeit-style, counter-cyclical re-skilling programmes, prevalent in Germany, would have limited redundancies and given the local economy a more robust capacity-base with which to respond to revived global demand.



With much of the skill-base locked in vocational occupations, there is much debate on the qualifications-level and the international competitiveness, particularly, of the manufacturing sector. However, in terms of academic performance, both Staffordshire and Stoke perform respectably when compared to the English average. In terms of achievement (measured as the proportion of pupils achieving 5 A-C grade GCSEs, including Mathematics and English) and class sizes, Staffordshire performs well with Stoke narrowing the gap.

