Leading Places
Economic Development
The New Keele Deal

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Where is Keele?
A founding civic responsibility

‘There should be established in North Staffordshire a College where instruction in all branches of liberal education should be given to enable students to qualify for Degrees in arts, science and other subjects and also such technical instruction as would be of immediate service in the professional and commercial life of the area’

Charter of Incorporation for the University College of North Staffordshire, 1949
The Deal Economic Rationale

- Low levels of company innovation, <10% of companies innovation active in 2012 (36th / 39 LEP areas).

- Static levels of patenting and low levels of income/academic FTE from collaborative activities with business (£14,841) within range of £0 to £41,487.

- Very low levels of innovation expenditure relative to turnover (6.5% turnover generated by innovative goods & services, against national range of 3.8-18.9% (33rd/39 LEP areas).

- Low levels of Business Expenditure in R&D (BERD) at £155m per annum (national range of £19m to £1,332m).

- We rank 31st / 39 LEP areas in terms of amount of Innovate UK funding received by organisations
The New Keele Deal
Working together to create jobs and growth

£70m investment will...

- Create at least 700 high value jobs
- Support 1,000 Staffordshire and Stoke-on-Trent businesses
- Inject £0.21 billion into the local area
- Improve local health and care for everyone
- Save around 4,000 tonnes of CO₂ per year

We’ll do this by supporting:

- 460 small and medium businesses to gain competitive advantage through knowledge from research through the business gateway
- 150 businesses to innovate
- 250 businesses to save energy or create green energy products
- 140 medical technology and healthcare businesses to collaborate with academics and the NHS
- Increased student placement opportunities
What Did We Want From Partners?

University Hospitals of North Midlands

Strategic/Delivery Partner in Medical Technology/Healthcare Project

Some of their time

Investment

Advocacy to business base

Investment (from reserves & Business rates)

Some of their time

Advocacy to business base

Recognise value of 2 universities

Some of their time

Investment (through City Deal, Growth Deal and ESIF)

Advocacy to business base

The New Keele Deal

City of Stoke-on-Trent

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire County Council

NEWCASTLE UNDER LYME
What Do Our Partners Normally Want From Us?

- Support their initiatives, e.g., City of Culture
- Collaborate with local businesses
- Encourage students to spend locally
- Use local suppliers

- Provide placements with local businesses
- Employ locally
- Use local suppliers

- Collaborate with Staffordshire University
- Use its world leading research for local benefit
- Pay our business rates (minus Charitable discount)

- Contribute to economic development through being an anchor institution
- Civic leadership
- Employ locally

- Produce skilled graduates
- Collaborate with local businesses
- Encourage students to spend locally

- Develop Science & Innovation Park
- Collaborate with local businesses
- Use local suppliers

- Engage fully with local community
- Engage with private student accommodation providers (student experience vested interest)
Will you work with us?
Knowing About Them – Staffordshire County Council

- £475m a year business.
- Spend 70% of their annual budget on 2% of population.
- In 2017/18 need to save £47m to balance budget.
- Tory led with continuity of Leader & Portfolio Holder
- Progressive authority with development partner
- Make investments to provide long term revenue streams.
- Democratic processes for decision making with associated timescales.
- Not part of Combined Authority and no ambition to be.
- Doing ‘Deals with the Districts’.
- Massive financial reform in business rates, RSG & council tax.
Knowing About Them – Stoke-on-Trent City Council

• £700m a year business.

• In 2017/18 need to save £20m to balance budget and £60m over 3 year period.

• Major structural socio-economic challenges to overcome.

• Don’t see Keele as one of ‘their Universities’ despite being 5 miles up the road and us being the ‘University’ in the University Hospital of North Midlands in the City.
Knowing About Them - Newcastle-under-Lyme Borough Council

• £62m a year business.

• Need to save £2.7m in 2017/18 to balance budget.

• Political and officer stability.

• Part of business rates pool board locally.

• Developing Joint Local Plan with Stoke Council which will effect ability of Keele to expand (two years late so far).

• Significant reform with creation of new civic hub.

• Pro-active business base – Town Business Improvement District (BID).

• Key advocates of the University.
Knowing About Them – Stoke & Staffordshire LEP

- One of 38 across the land.
- Long term strategic influence/decision making powers over £0.5bn of ‘devolved’ funding – 1 City Deal, 3 Growth Deals + ESIF
- One of a number of LEP’s with overlapping geographies.
- Ever expanding remit of responsibility - forthcoming review of their role (likely to be strengthened).
- Identified priority sectors and currently refreshing Strategic Economic Plan.
- Astute to the need for investment across all parts of the LEP geography.
- Certainty of core team funding would provide element of longevity.
Knowing About Them – University Hospital of North Midlands

• £740m a year business (but doesn’t see itself as such) with significant economic development role.

• Placed into Financial Special Measures by the NHS Improvement in March 2017.

• Staffordshire and Stoke-on-Trent’s health deficit amounts to £157m (2015/16). If nothing is done to change the health & care system, the recurring deficit in 2020/21 forecast to be £244m.

• Customer base an ageing population in an area with significant socio-economic challenges - between 2014 and 2019 the number of people aged 85 years and over will rise by 22%.

• Sustainability and Transformation Plan (STP)/Partnership.

• Every day in Staffordshire over 800 patients admitted to hospital, (330 unplanned & c. 60 readmitted within 30 days of discharge).
So - asking in this context:
And in this context:
A Signed Deal

- Plenty of iteration on the deal document itself not least because the LEP didn’t want to pre-empt any decisions.
- Local partners were ready to sign in September 2016.
- Big splash ministerial launch torpedoed by Brexit (say’s a remainiac).
- Local launch in January 2017.
- Governance Group of partners established to hold us to account.
- Need to permeate Keele Deal below Chief Executive/Leader/Chair level within partners organisations.
- Need to work geographically across the patch.
How’s it going?

- **Smart Energy Network Demonstrator (SEND) (£15m)** - creating Europe’s first ‘at scale’ demonstrator - a living laboratory where new energy-efficient technologies can be researched, developed and tested in a real world environment. Siemens appointed to implement the demonstrator alongside two business support programmes supporting Staffordshire businesses transition to a low carbon economy and develop new products, processes and services.

- **Mercia Centre for Innovation Leadership (MCIL) (£1.3m)** - a prestigious innovation leadership programme addressing distinctive organisational and leadership challenges for innovation-led, knowledge-intensive businesses across Staffordshire. To date over 45 Staffordshire businesses have been supported and over 20 higher value added jobs created.

- **Keele Research and Innovation Support Programme (KRISP) (£2.6m)** - The project brings together a consultancy team comprising an Innovation Advisor, a Business Engagement Manager and graduate consultants to work on SME-led research and innovation collaborations. To date the project has supported over 85 Staffordshire businesses.
How’s it going?

- **Business Bridge – (£1m)** - a partnership between Keele University and University Hospitals of North Midlands NHS Trust, the Business Bridge programme enables Staffordshire businesses to benefit from the expert advice, collaborative working and specialist facilities available from both organisations. To date the project has/is supporting over 20 Staffordshire businesses in the healthcare/medical technology/life sciences sector.

- **Keele Science and Innovation Park Smart Innovation Hub (£21m)** - A cornerstone of the Keele Deal is the Smart Innovation Hub. The hub will be an iconic, BREEAM excellent building, designed by RIBA and Stirling prize winning architects BDP, on a key strategic employment site, comprising a business hub, commercial incubation (Innovation Centre Six) and academic facilities (a New Management School).
How’s it going?

Businesses Supported

- £42m of contracted activity underway.
- £17m flagship capital investment commenced construction.
- Over 130 companies supported so far with 23 jobs created.
- Strategic added value demonstrated by securing additional investment to be deployed in LEP area – OfGEM, Santander, Medical Research Council Fund.

Jobs Created

- Geographically targeted interventions.
- Moving away from low hanging fruits and frequent flyers.
Challenges along the way

- Aren’t universities just big schools?
- Poor understanding of innovation and our role
- Mistrust of a big and autonomous partner
- Civic leadership role challenge to the status quo
- Evidence based approaches in political world
The next steps

- A Cultural Keele Deal?
- A Heath Keele Deal?
- A Social inclusion Keele Deal?
- Innovation Centre 6
- Move Management School to the Science Park
- New facilities for University-Business engagement
- Midlands Engine for Growth