
TEES VALLEY UNLIMITED BUSINESS PLAN

**Responsible Cabinet Member - Councillor Chris McEwan,
Economy and Regeneration Portfolio**

Responsible Director - Richard Alty, Director of Place

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to highlight the content, and seek Members endorsement of, the Tees Valley Unlimited Business Plan. The Document is available in full and as a summary at http://www.teesvalleyunlimited.gov.uk/business_plan.html.

Summary

2. The Tees Valley Unlimited (TVU) Statement of Ambition sets out an economic vision for the Tees Valley for the next 15 years, focussed on two key Ambitions. The TVU Business Plan considers how the partnership will work towards achieving these ambitions, identifying four-year Objectives and shorter term Priority Actions
3. The five key Objectives will help in achieving the ambitions by creating the right environment to maximise growth and economic success. The steps for delivery and milestones identified in the Business Plan will be reviewed and updated on a quarterly basis to ensure the plan stays live.
4. It is important that the emerging Darlington Economic Strategy reflects the Statement of Ambition and the Business Plan, as well as influencing further iterations of those documents as the Darlington Strategy will identify detailed investment opportunities and delivery initiatives.

Recommendation

5. It is recommended that Members endorse the Tees Valley Unlimited Business Plan.

Reasons

6. The recommendation is supported in order to support the objectives and priority actions for driving forward the delivery of the Tees Valley Statement of Ambition.

**Richard Alty
Director of Place**

Background Papers

Tees Valley Unlimited Economic and Regeneration Statement of Ambition

Steve Petch : Extension 2627

S17 Crime and Disorder	NA
Health and Well Being	The future state of the Tees Valley economy will have direct and indirect implications for the health and well being of the people who live and work there
Carbon Impact	The Business Plan acknowledges and reflects the need for sustainable economic growth and development
Diversity	The Business Plan seeks to improve the economic opportunities across the whole community
Wards Affected	All
Groups Affected	All
Budget and Policy Framework	The issues contained within this report do not represent a change in the Council's policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	The Business Plan accords with OD: PP and reflects the outcomes and targets re narrowing the gap and improving economic opportunities.
Efficiency	The development of the Business Plan on behalf of the 5 Tees Valley LA's creates efficiencies through joint working.

MAIN REPORT

Information and Analysis

Background

7. The Tees Valley City Region is based around the five local authorities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees.
8. Tees Valley Unlimited (TVU) is a partnership between the five Tees Valley Local Authorities, regional regeneration agencies and business leaders, established to help drive forward the future development of the Tees Valley economy.
9. The TVU Statement of Ambition (SoA), which sets out a vision for the economy of the Tees Valley for the next 15 years, is deliberately high level and visionary, and focused on two key ambitions:
 - (a) Ambition 1 – to drive the transition to a high value, low carbon economy.
 - (b) Ambition 2 – to create a more diversified and inclusive economy
10. The TVU Business Plan considers how the partnership will work towards achieving these ambitions, identifying four-year Objectives and shorter term (12-18 months) Priority Actions.

Content

11. The five key Objectives, set out below, will help in achieving the ambitions by creating the right environment to maximise growth and economic success. The Priority Actions for delivery and milestones identified in the Business Plan will be reviewed and updated on a quarterly basis to ensure the plan stays live. In summarising the Priority Actions below, the main implications for Darlington are highlighted, where appropriate, *in italics*.

OBJECTIVE 1: DEVELOP INFRASTRUCTURE AND PLACE TO ENABLE ECONOMIC DEVELOPMENT:

12. **Action 1 – Establish and implement an Enterprise Zone (EZ) for the Tees Valley.** With EZ status, each site will benefit from key incentives – either Enhanced Capital Allowances (ECA) or Business Rate Relief (BRR) and a streamlined planning process through Local Development Orders.

Part of Central Park has been included as a Tees Valley funded BRR site within the wider Tees Valley EZ. The intention is to provide the opportunity for growth of the emerging digital sector, helping to diversify employment and create more skilled jobs.

13. **Action 2 - Prepare and implement a Tees Valley Local Enterprise Partnership Infrastructure Framework.** The Framework will set out the key infrastructure requirements (around energy, utilities, transport, flood risk, broadband and green infrastructure) to deliver the economic vision for the Tees Valley.

Officers from this council will contribute to the development of the Framework, which will be complemented by work already completed as part of the recently adopted Local Development Framework Core Strategy Local Infrastructure Plan.

14. **Action 3 – Prepare and implement a revised Area Action Plan (AAP) including Tees Valley Metro (TVM) and Tees Valley Bus Network Improvements (TVBNI) to enhance our strategic connectivity.** There is a clear need to improve both the external and internal connectivity of the Tees Valley. It is important that transport solutions remain aligned to the changing economic situation, so development proposals will continually be reviewed and transport schemes developed and amended accordingly.

Darlington has a strong record, through implementation of its Local Transport Plan and Local Motion initiative, of contributing to the sustainable management of the town's transport network and that of the wider Tees Valley. Darlington will benefit from the priority transport projects, including bus prioritisation investment under the TVBNI and elements of the TVM (improved access to Bank Top Station) already designed. The Business Plan will also seek to increase passenger numbers and freight carried through Durham Tees Valley Airport by producing a long term business plan to achieve this.

15. **Action 4 - Prepare and implement a revised Tees Valley wide Regeneration & Housing Strategy.** The Strategy will explore how more profitable sites can be linked with less profitable ones to bring about development, how resources can be unlocked by collaboration with developers (including Registered Providers), and how the economy can be boosted by the provision of differing tenure to help attract and retain higher skilled workers.

The proposed Regeneration and Housing Strategy will include details on the development and implementation of priority sub-regional regeneration schemes. For Darlington this will relate to Central Park and the Town Centre Fringe (incorporating Feethams) already clear development priorities in the Local development Framework, and both the subject of ongoing masterplanning exercises. The Councils emerging Economic and Housing Strategies will help to influence, and inform, the Tees Valley Strategy.

OBJECTIVE 2: SUPPORT SECTOR DEVELOPMENT AND ENTERPRISE:

16. **Action 5 - Develop, promote and support greater competitiveness during the transition to the low carbon economy by ensuring the best use of energy, waste and bio resources.** The use of energy, waste and bio-resources as a method to decarbonise industry has huge potential, but TVU needs to influence government policies to ensure this potential is recognised. Working with partners TVU will proactively lead a national framework which will create the right environment for waste and bio-based industries to flourish.

Although generally more relevant to the major process industries on Teesside, nevertheless some projects will directly impact on Darlington. Work will start to develop the Tees Valley Local Authority waste disposal contract for post 2020 evaluating the alternative uses for waste and the economic value of the proposed methods. Also, work will progress the use of waste industrial heat in district heating schemes to reduce energy costs. Initial feasibility work identified Darlington as a potential location for such schemes for example, within the Town Centre Fringe.

17. **Action 6 – Identify and work with potential inward investment and existing strategic companies to attract new capital investment and jobs in key sectors into the Tees Valley.** TVU will continue to support inward investors through its thorough understanding of the economic structures of the sub-region, supply chain, asset base and demographics. It will also lead on business engagement with the top 100 companies that have a strategic impact on the Tees Valley economy through their sector, size, supply chain or potential for expansion. Sectoral research will inform support for inward investment and preparing marketing materials.

The Council's Business Engagement Team will continue to play an important role in working with, and supporting, companies already in Darlington or wishing to set up here. For example, the team is involved in identifying potential supply chain spinoffs from the planned Hitachi development at Newton Aycliffe.

18. **Action 7 – Develop and implement action plans for the digital, advanced manufacturing, health and logistics sectors to maximise existing and future economic opportunities.** Growth in these sectors is seen as strategically important at a local and national level, offering significant medium and long term growth for the UK manufacturing and service sector bases. Sector development plans will be developed for each of the following key sectors focussed on creating sustainable growth by identifying the challenges and opportunities to enhance supply chain development, skills, productivity, investment, innovation and technology transfer.

Work on the emerging Darlington Economic Strategy is currently focussed on Sector analysis by specially selected Enquiry Groups formed from individuals working within each sector. The proposed sector groupings, chosen from the evidence contained in the Local Economic Assessment, include the sectors identified by TVU and are:

- (a) *Engineering (Advanced) and Renewables*
- (b) **Manufacturing**
- (c) **Digital/Media**
- (d) *Creative/Cultural/Leisure*
- (e) *Financial/Business Services/Telecommunications*
- (f) *Construction*
- (g) **Health & Social Care (including Telecare)**
- (h) *Education*
- (i) *Retail*
- (j) **Logistics/Transport and Distribution**

The findings of the Enquiry Groups will inform the TVU work and identify potential local opportunities to exploit these growing sectors. The digital sector will benefit from the EZ at Central Park.

19. **Action 8 – Influence business support providers to deliver support and access to their services that meets local needs to encourage the growth of new and existing businesses.** Without appropriate support mechanisms in place to support enterprise, entrepreneurship and business formation, business survival and growth will continue to fall well below the national average. TVU will work with delivery providers to identify the needs and gaps in current provision of support.

Although, Darlington's recent record of business formation has been relatively strong compared with the rest of the Tees Valley, business survival rates have been disappointing. It is important therefore that the Darlington benefits from the work of TVU with delivery providers.

OBJECTIVE 3: DEVELOP THE WORKFORCE WITHIN THE TEES VALLEY:

20. **Action 9 - Secure a learning and skills provision to meet the needs of current and future employers.** A key challenge for the Tees Valley is to ensure its workforce is capable of taking advantage of new economic opportunities as they emerge. TVU will work with learning and skills providers to ensure the provision on offer in the Tees Valley, will provide both adults and young people with the skills they need.

With its high quality education offer at secondary, Further and Higher level, Darlington is in a strong position to work with and understand the emerging skill needs across the Borough. Officers are working with schools and local businesses to get a clearer picture of those needs with a view to ensuring future demand can be met by local young people and adults.

OBJECTIVE 4: PROMOTE THE TEES VALLEY:

21. **Action 10 – Develop and implement a marketing and communications plan to promote the Tees Valley as a location for business and enterprise and to raise awareness of the role of Tees Valley Unlimited.** Strong messages and materials (including a new website and social media) that convey the Tees Valley Offer will be developed and aimed at target sectors where Tees Valley attributes and capabilities are particularly attractive.

Darlington, as the gateway to the Tees Valley, will have a key role in promoting the area for economic growth. The Economic Strategy will identify potential growth sectors in Darlington, and enable the targeted approach referred to above.

OBJECTIVE 5: SECURE INVESTMENT TO MEET THE ECONOMIC DEVELOPMENT NEEDS OF THE TEES VALLEY

22. **Action 11 – Identify, develop and access appropriate investment to unlock and attract economic activity in the Tees Valley.** Securing the investment needed to achieve the Priority Actions poses a significant risk to the delivery of the Business Plan. The TVU Investment Board will be established to manage the Business plan.

The Darlington Economic Strategy will influence and inform investment decisions and contribute to identifying potential funding sources and delivery mechanisms...

Consultation

23. A wide range of stakeholders from the private, public, civic, voluntary and community sectors have been involved in the development of the Business Plan