
ECONOMIC STRATEGY ANNUAL MONITORING REPORT

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

Responsible Director – Richard Alty, Director of Economic Growth

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is:
 - (a) To brief Cabinet on the Economic Strategy Annual Monitoring Report.
 - (b) To seek members approval of the 2014/2015 Economic Strategy Action Plan. A copy of the Monitoring report and action plan document is attached at **Appendix 1.**

Summary

2. Significant opportunities for economic growth are now opening up Darlington, with a recovery in employment levels and growth of new businesses now being seen.
3. The scale and rate of investment now happening at our major regeneration site, Central Park (£50M in commercial and £31M in residential development), in the Town Centre (£30M Cinema complex and DfE Offices) and at Lingfield Point is testament to the confidence investors have in Darlington as a place to do businesses.
4. The Economic Strategy 2012-2026, developed in partnership with business leaders and approved in September 2012, sets out Darlington's Strategy for achieving economic growth.
5. The Strategy contains a commitment to annually review and assess progress against the performance targets. This is the first Annual Monitoring Report for the Economic Strategy 2012-2026.
6. Overall, good progress has been made in the first year of implementing the Economic Strategy across the four themes, a brief outline of which is detailed below:-

- (a) **Place:-** worked with local businesses and key stakeholders to produce a new promotional Darlington DVD, along with a suite of regeneration factsheets to support the recruitment of a number of Darlington Business ambassadors; worked with developers to bring about the development of a new retail and leisure offer within the town centre creating up to 500 new jobs; secured investment in the National Biologics Manufacturing Centre, to be located at Central Park; the first national 'Festival of Thrift' took place at Lingfield Point which attracted over 25,000 visitors to the event over its two days.
 - (b) **People:-** Successfully delivered the Foundation for Jobs initiative across the borough creating 123 new apprenticeships and 125 internships; continued the roll out of the Encouraging Engineering Scheme(13 undergraduate students have now taken part); worked with other Tees Valley authorities and Tees Valley Unlimited to secure £2.7m ESF funding to deliver a Workforce Skills project across the Tees Valley, providing 100% funding for training employees.
 - (c) **Infrastructure:-** Carried out an audit of the boroughs employment sites and premises to identify constraints to development; successfully influenced BT's decision to bring high speed broadband to the borough; commenced delivery of a number of major regeneration schemes including Town Centre (cinema, DfE relocation, multi-storey car park), worked with DfE to retain 400 employees in Darlington.
 - (d) **Business Conditions:-** delivered public procurement events and supported local suppliers in the use of the NEPO e-procurement portal; worked with the sub sea sector to support its development/growth in the borough (including £4M investment in C-State training facility co-located with Teesside University on Central Park); undertaken work to explore the growth potential of the logistics and public sectors in the borough; delivered a comprehensive programme of business support activity including new business start-up advice, delivered a new online vacant sites and premises register to promote available sites and premises to new start, expanding and incoming businesses.
7. The Economic Strategy Action Plan identified ten priority actions that set out to deliver via the four themed headings. This in turn led to 35 sub-actions that would contribute either individually or collectively towards delivering a priority action. Of the 35 sub actions 6 (17%) have been completed in their entirety, 21 are on target (60%), 4 (11.4%) are behind schedule and 4 (11.4%) have been deleted. Progress on delivering the actions is described in more detail in the monitoring report.
 8. Sustainable economic growth is essential to the success and vitality of Darlington and of the quality of life for people living and working in the borough. It is therefore critical that the implementation of the Economic Strategy is given a high priority so that Darlington has more business and more jobs in the future.
 9. An Economic Strategy Action Planning event was held on the 15th November 2013 at the Teesside University Darlington campus. The event was attended by approximately 70 delegates, primarily drawn from the private sector representing a

good cross section of business sectors from the borough (e.g Rockcliffe Hall, Shepherd Construction, Marks & Spencer, Sainsbury's, Harvey & Hugo, HSBC Bank). The event comprised a keynote speaker, launch of the new promotional DVD and workshop sessions to consider how Darlington can grow to the next level. Feedback from the workshops was used to inform/influence the 2014/2015 Action Plan.

10. Key themes that emerged from the Action Planning Event with businesses (as priorities for 2014/15) included:-

- (a) Raising the profile of Darlington, what is happening here and the opportunities, in order to generate growth.
- (b) With Tees Valley Unlimited, focussing on plans for growth of key sectors :
Biologics, Subsea, Advanced Engineering/Manufacturing, Logistics, and Public Sector/Service Sector.
- (c) Skills initiatives, working with TVU.
- (d) SME business growth, again working with TVU
- (e) Infrastructure and site development.

11. A schedule of the Deleted Actions from the 2012/2013 Action Plan is included at the end of this Report.

Recommendation

12. It is recommended that Members endorse the Economic Strategy Annual Monitoring Report and the 2014/2015 Action Plan.

Reason

13. The recommendation is supported as the Action Plan sets out the tasks and targets for the continued delivery of the Economic Growth agenda.

Richard Alty
Director of Economic Growth

Background Papers

Darlington Economic Strategy 2012-2026

Sue White: Extn 2626

S17 Crime and Disorder	There is a positive link between the economic wellbeing of a population and the reduction in crime and disorder.
Health and Well Being	It is acknowledged that good health and wellbeing are linked to economic productivity
Carbon Impact	N/A
Diversity	No implications
Wards Affected	All
Groups Affected	All
Budget and Policy Framework	Some of the Priority Actions will have budgetary implications
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	The new Priority Actions support the vision and outcomes of the Darlington Partnership by seeking to make sure that more people have access to employment in line with the perfectly placed priority.
Efficiency	No implications

MAIN REPORT

Information and Analysis

12. Darlington has many advantages for businesses, excellent transport links, good quality residential areas, high achieving schools and colleges and relatively low land and premises costs.

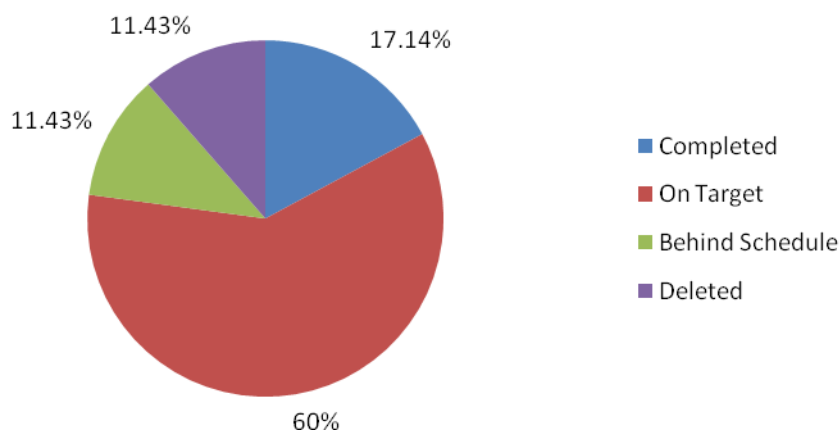
13. The scale and rate of investment now happening is testament to the confidence investors have in Darlington as a place to do businesses. Developments taking place and opportunities opening up include:
 - (a) Central Park, one of the largest brownfield sites in Europe next to a railway station, already has new buildings for Darlington College and Teesside University, an international subsea training centre (C-STATE), with the first phase of housing now on site, and a Business Incubator and the National Biologics Manufacturing Centre (NBMC) to be built in 2014. Total investment agreed in the last 12 months £80M+.
 - (b) The NBMC will bring world class work on moving research towards production, with huge opportunities for spin-offs and sector growth.
 - (c) Darlington companies in the subsea engineering sector also have world class reach, and bring opportunities to grow that sector too, for example the C-State is provides a world class training facility attracting companies from around the globe.
 - (d) In the town centre, a cinema, hotel and leisure complex will be built in 2014/15, together with a new riverside landscape, and a multi-storey car park which will free other sites for development.
 - (e) The new public sector hub being built in the town centre, with shared office space between DfE and the Council sets up opportunities for further public sector innovation and accommodation.

14. The Economic Strategy 2012 - 2026 was approved in September 2012 and contains a commitment to annually review and assess progress against the targets. This is the first Annual Monitoring Report for the Economic Strategy 2012-2026.
15. Darlington's Economic Strategy and annual Action Plans are the means by which Darlington will make the case to focus financial support made available through the Tees Valley Local Enterprise Partnership, Government Departments and other funding mechanisms on our priority schemes/programmes/projects designed to facilitate economic growth. From 2014 each LEP will be required to submit to Government their Strategic Economic Plans, these plans will be built on a robust evidence base, value for money and partnerships for delivery. Darlington has a key role in achieving the Tees Valley Strategic Economic Plan target of achieving a net growth of 25,000 jobs and £1bn increase in GVA over the next 10 years.
16. The Economic Strategy is composed around four key themes:-
- (a) Place
 - (b) People
 - (c) Infrastructure
 - (d) Business Conditions
17. It contains fifteen clear objectives (set out in the table below) to be achieved within the fourteen years covered by the Strategy, delivered through a rolling Action Plan:-

Theme	Objectives
Place	<ol style="list-style-type: none"> 1. Profile of the borough is raised throughout the region, UK and the world 2. Reduce migration to other employment, retail, leisure or cultural centres
People	<ol style="list-style-type: none"> 3. Close the gap between skills needs and skills availability 4. Reduce levels of worklessness/young people not in education, employment and training 5. Skilled local workforce able to meet business needs 6. Reduce levels of JSA claimants
Infrastructure	<ol style="list-style-type: none"> 7. Business and employment growth is supported 8. Key sectors (existing and emerging) are supported for growth 9. Darlington remains a viable and competitive location for business
Business Conditions	<ol style="list-style-type: none"> 10. Retain growth businesses in the borough 11. Attract new businesses to the borough 12. Business support services more closely aligned to business needs 13. % decrease in business failure rates by 3rd birthday 14. % increase in GVA per filled job and high growth businesses in the borough 15. More opportunities for local businesses to tender for local opportunities

18. These objectives will be achieved by ten priority actions, which in turn led to 35 sub-actions that would contribute either individually or collectively towards delivering a priority action.
19. Of the 35 sub actions 6 (17%) have been completed in their entirety, 21 are on target (60%), 4 (11.4%) are behind schedule and 4 (11.4%) have been deleted. Diagram 1 refers below:

Economic Strategy Annual Monitoring Report 2012 - 2013



20. The Annual Monitoring Report describes the first year's progress on implementing the Action Plan with reference to the four themed areas and their associated objectives.

Are our "Place" objectives being achieved?

21. Good progress has been made across all sub-actions, though in terms of the headline objectives it is too early to measure the impact of the activity that has been undertaken to date. The Action Plan has been updated to ensure that we continue to work towards achieving our objectives under this theme, and to include a number of performance measurements to be used to assess progress.

Are our "People" objectives being achieved?

22. As is the case for the Place strategy theme it is too early to assess whether the actions within the strategy are having a significant impact on achieving the intended objectives, though recent trends on employment rate, JSA claimants and the number of people qualified to NVQ 4 are all showing a slight improvement between 2012 – 2013.

Are our "Infrastructure" objectives being achieved?

23. The past 12 months has seen substantial progress in attracting investment (circa £100m) and business growth in Darlington. It is too early to be certain if this trend will continue, however planned development at Central Park (including the £38m new National Biologics Manufacturing Centre), renewed levels of interest in housing development and indications that investment in transport infrastructure, particularly rail that may be forthcoming, all point towards a positive outlook for business growth.

Are our “Infrastructure” objectives being achieved?

24. As per the three other themes it is too soon to measure the degree to which the business objectives are being met. Recent data on the number of VAT or PAYE registered enterprises shows that Darlington experienced a net increase of 95 businesses (3.8% increase) in the period 2011 – 2012, this is set against a period of four years of decline, during which time the borough experienced a net loss of 125 businesses, 2008 – 2011. The most recent figures (2011) on GVA per hour worked and on GVA per head shows that this is still declining, though the rate of decline 2010 – 2011 had slowed considerably.

Conclusions

25. Overall, good progress has been made in the first year of implementing the Economic Strategy. It is important to note that in some instances there is a significant time lag for publication of some of the economic data which we use to measure progress, with sub national data released more slowly/less frequently, and therefore it is difficult to measure the success of a particular intervention so immediately. Nonetheless we are confident that a positive difference is being made which will be built on through the revised 2014/2015 Action Plan.

Deleted Economic Strategy Actions

Theme	Action	Reason
People	Better integration between business and industry bodies into careers events	Has been captured within a number of actions within the People theme
Business Conditions	Development of public procurement case studies	Case studies already available on the NEPO portal
Business Conditions	Refine Tees Valley Sector Action Plans	Has been captured within an action to explore other opportunities i.e. logistics and public sector

26. The Annual Monitoring Report was presented at Place Scrutiny on the 12th December 2013.
27. The updated action plan has been amended to reflect Members comments on the importance of working to ensure that the benefits of economic growth are realised across all sectors of the community with an emphasis on narrowing the gap in household income levels between the wealthiest and most deprived wards. Objectives aimed at ‘narrowing the gap’ under the People theme are:
- (a) Remove barriers preventing people from participating in the workforce, and provide access to basic skills training and progression to work for those people who need support to enable them to participate in the labour market.

- (b) Maximise the opportunities to link residents to employment opportunities (within/outside the borough).
28. An Economic Strategy Action Planning event was held on Friday 15 November 2013 at Teesside University Darlington Campus, attracting around 70 delegates, the majority of which were from the private sector. The primary purpose of the event was to feedback to delegates on progress arising out of the Economic Strategy over the last twelve months and to highlight the opportunities arising out of the decision to locate the new National Biologics Manufacturing Centre in Darlington. Workshops then considered how encouraging investment and economic growth in Darlington 'could be taken to the next level'. The key findings arising out of these workshops are detailed below:-
- (a) Raising the profile of Darlington, what is happening here and the opportunities in order to generate growth; associating Darlington with other high profile events such as the Festival of Thrift, Senior Open Golf Tournament etc;
 - (b) With Tees Valley Unlimited, focussing on plans for growth of key sectors: Biologics, Subsea, Advanced Engineering/Manufacturing, Logistics, and Public Sector/Service Sector.
 - (c) Skills initiatives, such as Foundation for Jobs/Encouraging Engineering Scheme as well as working with TVU to deliver the Tees Valley Skills Hub and explore the potential to develop an Apprenticeship Training Agency (ATA) to encourage the uptake in apprenticeships/provide a route for fast tracking gifted apprenticeships through the management ranks..
 - (d) SME business growth, again working with TVU – targeting support at SMEs with high growth potential, encouraging growth in target sectors and customers, attracting investment and employment opportunities.
29. Further detail is provided in the 2014/2015 Action Plan, which has been developed to reflect these priorities.