
TEES VALLEY STRATEGIC ECONOMIC PLAN

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

Responsible Director – Ian Williams, Director of Economic Growth

SUMMARY REPORT

Purpose of the Report

1. To seek members endorsement of the Tees Valley Local Enterprise Partnership's Strategic Economic Plan and Local Growth Fund bid submitted to Government on 31 March 2014

Summary

2. Tees Valley Local Enterprise Partnership submitted the Tees Valley Strategic Economic Plan to Government on 31 March 2014. An executive summary of the Strategic Economic Plan is attached at **Appendix A**. The Strategic Economic Plan is reflective of the economic growth opportunities for Darlington, as expressed in Darlington's Economic Strategy.
3. The Strategic Economic Plan was accompanied by a bid for £62M in capital funding through the Local Growth Fund for 2015/16 and 2016/17, for projects across the Tees Valley.
4. The Strategic Economic Plan presents the Local Enterprise Partnership's proposal to generate economic growth and new jobs in the Tees Valley. To achieve this, the SEP focuses on six priorities:
 - (a) Develop and nurture an innovation culture and positive environment for business growth.
 - (b) Secure the transformation of Tees Valley into a Low Carbon High Value economy.
 - (c) Secure improved skills levels to address future demand in growth sectors and in existing industries.
 - (d) Secure additional capacity on the East Coast Main Line rail route and improve rail services to major northern cities and within the Tees Valley.

- (e) Improve our air, road, port, land and property infrastructure to enable economic growth.
 - (f) Create and retain wealth by establishing the Tees Valley as a preferred location to live in, work and visit.
5. Darlington's excellent transport connectivity, education services and quality of place mean that we are well placed to achieve growth in jobs and economic output, As reported previously Darlington is focusing on key potential growth sectors :
Biologics, Subsea, Advanced Engineering/Manufacturing, Logistics, and Public Sector/Service Sector; on increasing workforce skills and supporting business start-ups and growth within SME's.
 6. The Tees Valley Strategic Economic Plan identifies Central Park as key area of growth, and to facilitate further development at Central Park includes an £11M Local Growth Fund bid (2015/16). A further £16M bid is identified for 2016/17, supporting the delivery of the 'National Horizons Centre'.
 7. The Government response on the Tees Valley SEP and its LGF application is due in July 2014.

Recommendations

8. It is recommended that :-
 - (a) Cabinet endorse the Tees Valley Strategic Economic Plan that was submitted to Government on the 31st March 2014
 - (b) Cabinet endorse the Local Growth Fund bids for 2015/2016 that were submitted by the Tees Valley LEP to advance priority economic development projects in the Tees Valley.

Reasons

9. The recommendations are supported by the following reasons :-
 - (a) The Strategic Economic Plan is a critical framework for delivering more jobs and more businesses across the Tees Valley.
 - (b) The Strategic Economic Plan embraces Darlington's economic strategy and its wider ambitions as set out in the Community Strategy One Darlington: Perfectly Placed.

Ian Williams, Director of Economic Growth

Background Papers

Tees Valley Unlimited Strategic Economic Plan

John Anderson: Extension 2501

S17 Crime and Disorder	There are indirect benefits to reducing crime where places are thriving economically and inequalities are reducing.
Health and Well Being	Creating conditions to generate more businesses and more jobs is a fundamental determinant of general health and well-being of a community.
Carbon Impact	The SEP prioritises the opportunities in the Tees Valley to be a high value but low carbon economy.
Diversity	The SEP seeks to create employment opportunities for all and seeks to provide support and training for those not in work to get work and for those in lower paid work to improve their skills to get better work.
Wards Affected	The plan will impact on all wards.
Groups Affected	The plan will impact on all groups
Budget and Policy Framework	The SEP does not impact upon the Council's Budget or Policy Framework.
Key Decision	The decision is not regarded as a key decision.
Urgent Decision	Not urgent
One Darlington: Perfectly Placed	The SEP is central to delivering the more jobs and more businesses agenda within the Community Strategy ambitions.
Efficiency	Should the Local Growth Fund bids be successful for the Central Park projects then this will trigger a need for some intensive and focused work over the next eighteen months to ensure these projects are delivered.

MAIN REPORT

Information and Analysis

10. Tees Valley Local Enterprise Partnership submitted the Tees Valley Strategic Economic Plan to Government on 31 March 2014. The plan has resulted from a period of intense work over the last six months across the Tees Valley Local Authorities with the private sector. A draft Strategic Economic Plan was submitted to Government in December 2013 and the Tees Valley Leadership Board considered the final version of the plan at its meeting on the 26 March 2014. An executive summary of the Strategic Economic Plan is attached at **Appendix A**. A full set of relevant documents can be found on the Tees Valley website –

<https://www.teesvalleyunlimited.gov.uk/tees-valley-unlimited/aims-and-ambitions/economic-strategy/strategic-economic-plan.aspx>

11. In developing the Strategic Economic Plan officers were conscious of the need to embed the economic growth opportunities for Darlington, as expressed in

Darlington's Economic Strategy. Those growth sectors and strategic infrastructure needs have been stated in the Strategic Economic Plan.

12. The Strategic Economic Plan was accompanied by a bid for £62M in capital funding through the Local Growth Fund for 2015/16, for projects across the Tees Valley.
13. The Strategic Economic Plan presents the Local Enterprise Partnership's proposal to generate economic growth and new jobs in the Tees Valley. To achieve this, the SEP focuses on six priorities:
 - (a) Develop and nurture an innovation culture and positive environment for business growth.
 - (b) Secure the transformation of Tees Valley into a Low Carbon High Value economy.
 - (c) Secure improved skills levels to address future demand in growth sectors and in existing industries.
 - (d) Secure additional capacity on the East Coast Main Line rail route and improve rail services to major northern cities and within the Tees Valley.
 - (e) Improve our air, road, port, land and property infrastructure to enable economic growth.
 - (f) Create and retain wealth by establishing the Tees Valley as a preferred location to live in, work and visit.
14. Darlington's excellent transport connectivity, education services and quality of place mean that we are well placed to achieve growth in jobs and economic output, As reported previously Darlington is focusing on key potential growth sectors : Biologics, Subsea, Advanced Engineering/Manufacturing, Logistics, and Public Sector/Service Sector; on increasing workforce skills and supporting business start-ups and growth within SME's.
15. The Tees Valley Strategic Economic Plan identifies Central Park as key area of growth, and to facilitate further development at Central Park includes an £11M Local Growth Fund bid (2015/16). This funding will deliver enabling infrastructure (road junction, utility provision and public realm works). A further £16M bid is identified for 2016/17, supporting the delivery of the 'National Horizons Centre'. This will be a single place of expertise, facilities and people to meet the training & innovation of the new 'leading edge' horizon industries, biologics, industrial biotechnology, subsea engineering & digital manufacture & design.
16. The Government response on the Tees Valley SEP and its LGF application is due in July 2014.

Financial Implications

17. There are no financial implications arising directly from the Strategic Economic Plan as a Policy Document.

18. The outcome of the Local Growth Fund bid in relation to Darlington projects will be important in injecting pace into those projects through government funding for critical infrastructure works. Should the bids be successful further detailed reports will be made to Cabinet with regard to those projects, finance and risks.

Legal Implications

19. There are no legal implications arising from the SEP or Local Growth Fund Bid at this stage. Should the bids be successful further detailed reports will be made to Cabinet with regard to those projects, finance and risks.

Corporate Landlord Advice

20. The Local Growth Fund bid for Central Park infrastructure will assist the provision of critical infrastructure and particularly the Yarm Road junction and the completion of the Central Park Spine Road. The provision of this infrastructure through Government resources will further de-risk the site for private sector investment and increase land values.
21. Cabinet has already agreed a framework for the purchase and disposal of land at Central Park and the Council has entered a Joint Venture agreement with the Homes and Community Agency in this respect.

Equalities Considerations

22. The SEP and Darlington's Economic Strategy is at the heart of creating the conditions for the Borough to thrive. These strategies will be the framework for creating the conditions that facilitate the creation of more business and more jobs and a place designed to thrive. The ambition of enabling more people to get jobs and more people to get better jobs is fundamental to addressing inequalities across the borough and the wider Tees Valley.

Consultation

23. The development of the SEP has been subject to extensive consultation with the private and voluntary sectors, mainly through a series of workshops.

Outcome of Consultation

24. The SEP has been endorsed by the private sector and there is firm evidence from business and industry that plan is driven by its requirement to meet its needs.