
ECONOMIC STRATEGY ANNUAL MONITORING REPORT

SUMMARY REPORT

Purpose of the Report

1. To brief Scrutiny on the Economic Strategy Annual Monitoring Report and seek members views. A copy of the document is attached at **Appendix 1**.

Summary

2. 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.
3. 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.
4. 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; 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; 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.
 - (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 CPI to bring the National Biologics Manufacturing Centre to Central Park and DfE to retain their 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; 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.
5. The Economic Strategy Action Plan identified ten priority actions that we 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.
 6. Consultations on the Medium Term Financial Plan explain that accelerating economic growth is one of the three key conditions to secure the future of the Borough and the Council. 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.
 7. 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 Rockliffe 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 will now be used to inform/influence the draft Action Plan.
 8. The 2013/2014 Action Plan is being updated to reflect work completed/delivered from the 2012/2013 Action Plan.
 9. Key themes, emerging 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.

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

Recommendation

11. It is recommended that :-

- (a) Members endorse the Economic Strategy Annual Monitoring Report for consideration by Cabinet.

Richard Alty, Director of Place

Background Papers

Darlington Economic Strategy 2012-2026

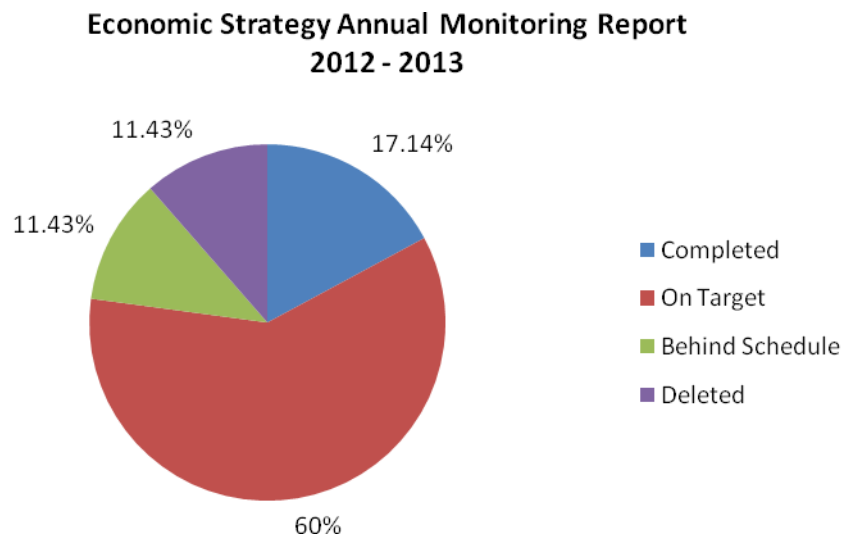
Sue White: Extn 2626

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	Yes
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 everyone has access to employment.
Efficiency	No implications

MAIN REPORT

Information and Analysis

12. 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.
13. 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.
14. The Economic Strategy is composed around four key themes:-
 - (a) Place
 - (b) People
 - (c) Infrastructure
 - (d) Business Conditions
15. The Economic Strategy Action Plan identified ten priority actions that we 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. Diagram 1 refers below:



16. The Economic Strategy 2012 – 2026 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

17. 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?

18. 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 (Appendix 1) 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?

19. 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?

20. The past 12 months has seen substantial progress in attracting investment and business growth in Darlington. It is too early to be certain if this trend will continue, however planned development at Central Park, 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?

21. 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

22. 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 2013/2014 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

23. 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 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.

- (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.