
LEADER AND ECONOMY PORTFOLIO OVERVIEW

Financial Climate

1. Since my last report, there have been a number of significant developments for both the Borough and for the Council.
2. The Council was notified of its grant settlement on 13th December, 2010, and the figures contained within the settlement broadly match those projected in the summer following the Emergency Budget in June. It was highly regrettable that the method of reporting used by the Secretary of State and his department implied a much more positive picture than the reality. This will have given false hope to staff fearful for their jobs. As a result, the Council needs to save in the region of £20m. This year's settlement is much more complex than in previous years as various grants have been merged, some stopped altogether and the methodology used to distribute grants between Councils has also changed.
3. The Council is currently consulting residents on the proposed Medium Term Financial Plan 2011/15 and comments received during this consultation period will be taken into consideration when a final decision is made on the Council's budget by a special meeting of this Council scheduled to be held on 3rd March, 2011. I have been particularly heartened by the creativity and willingness amongst community groups and others, to find new ways to save valued services.

General Updates

4. The revised organisational structure took effect on 1st January, 2010, with the introduction of the three new departments. As a result of the new structure, changes to the Council's Scheme of Delegation were required to be made, and a revised scheme was considered and approved by Council and Cabinet at their meetings in December.
5. Paul Harrison from PricewaterhouseCoopers presented the Annual Audit Letter to Cabinet on 11th January, 2011. The letter was positive in terms of the adequacy of the Council's arrangements for ensuring economy, efficiency and effectiveness in its use of resources, and, PwC issued an unqualified conclusion. It reaffirms the Council's longstanding reputation for efficiency and sound financial management.

Economy

6. Darlington Markets scooped the green award at the Star Radio (North East) Business Awards, and for the third year running, were regional winners at the National Market Traders Federation Green Market Awards. The markets send waste cardboard, wood and paper to local recycling centres; food waste goes to local farms; plastic and polystyrene are given to allotment holders and gardeners; and glass and metal are also recycled.

7. As Members will be aware, the Local Enterprise Partnership (LEP) proposal, submitted by Tees Valley Unlimited (TVU), on behalf of the five Tees Valley Authorities, was chosen as one of the first 24 LEPs announced by the Government in October 2010. Related to the establishment of the LEP is the proposal to fund initiatives in the future through the Regional Growth Fund. TVU is co-ordinating the submission through the LEP and two projects have been submitted from private sector interests in Darlington, namely the Darlington Innovation Centre and the Agriculture and Equine Centre.
8. Cabinet at its meeting held 11th January, 2011, considered the updated Local Development Scheme (LDS) for the period 2011/14 and recommended to Council that it be agreed and formally submitted to the Government Office for the North East. The production of a LDS is a statutory requirement and it sets out details of the planning policy documents that will be prepared by the Council over the next three years for its Local Development Framework (LDF).
9. **Overall Economic Performance** - Figures have recently been released for economic output as measured by Gross Value Added (GVA) for 2008. Darlington's performance has again been relatively positive when compared to the remainder of Tees Valley and the North East. Between 2005 and 2008, Darlington GVA per head increased from £16,164 to £19,266. This improved Darlington's position relative to the national average by 2.5 per cent, with Darlington's average GVA per head reaching 93.8 per cent of the national average. Over the same period, Tees Valley's relative position fell by 0.4 per cent to 76.5 per cent.
10. **Employment and Worklessness** - Darlington's recent performance on worklessness has also been relatively positive when compared to the remainder of Tees Valley and the North East. Between November 2009 and 2010 Darlington's JSA rate fell by 5 per cent to 4.4 per cent. Darlington's rate is now 1.4 per cent below the Tees Valley average and 0.3 per cent below the North East average. Darlington has also moved 0.2 per cent closer to the national average of 3.5 per cent. As at November 2010 Darlington had 2,786 JSA claimants. There remain problems specifically with younger age ranges, with 30.1 per cent of people aged under-25 experiencing worklessness. This is lower than the Tees Valley and North East averages of 30.9 per cent and 31.4 per cent respectively but above the national average of 28.9 per cent.
11. There remain significant differences between the more prosperous and less prosperous areas. The 'unemployment gap' between the average JSA rate of the 5 'best' and 5 'worst' – performing ward was 6.7 per cent. Northgate (10.4 per cent) and Central (9.7 per cent) experience the highest levels of worklessness.
12. **Wage Levels** - The key indicator for measuring wage levels is median weekly full-time earnings. Darlington's median full-time earnings (based on place of residence) increased from £438.40 in 2009 to £454.40. Darlington's wage levels have been below the Tees Valley average; however the recent trend has been for the gap to narrow. Darlington is currently just above the Tees valley and North East averages of £446.50 and £443.10 respectively.
13. A significant feature of the Darlington labour market is the wage levels of females as compared to males. Figures for 2010 indicated that median female weekly wages of £443.60 are above male earnings of £439.20. Darlington's female weekly earnings have for

some time been almost on a par with male earnings. This compares to Tees Valley with a male to female ratio of 1.28:1, the North East 1.21:1 and national of 1.23:1.

14. **Business and Enterprise** - The rate of business start –ups in Darlington has also increased. Latest ONS figures indicate that between 2007 and 2008 the number of VAT / PAYE businesses per 10,000 population increased from 359 to 365. Darlington’s rate remains significantly above the Tees Valley average of 290 and North East average of 300. Darlington remains significantly below the national average of 467 per 10,000 population. In 2009/10, Darlington experienced a significant increase in levels of self-employment. ONS figures indicated an increase from 9.5 per cent in 2008/09 to 13 per cent in 2009/10. This compare to the Tees Valley rate of 8.5 per cent and North East rate of 8.7 per cent. Darlington is currently above the national rate by 0.2 per cent.
15. Community Sport in Darlington has been given a major boost with the signing of a deal between Darlington Rugby Club and this Council. The agreement will see the Council land next to Darlington Rugby Club’s ground at Blackwell Meadows, on the outskirts of the town, transformed to provide two state of the art sports pitches. The new pitches will be used by Darlington College students and will also be available for sports clubs in the local community to hire when not being used by the college or the rugby club. Darlington Rugby Club is leasing the pitches off the Council and will manage them on the local authority’s behalf.
16. Blackwell Meadows also provides an exciting opportunity to develop further sports and leisure facilities as a centre for sporting excellence. Discussions have commenced with Darlington Rugby Club with the aim of realising the vision set out in the emerging Core Strategy.

Planning

17. Progress continues on the preparation of the Local Development Framework (LDF). The Core Strategy, which sets out the strategic planning vision, objectives and policy proposals for the period up to 2026 will be considered at a public examination this week. The independent inspectors report is anticipated in March and it is expected that the Plan will be adopted in July. The next key stage in the LDF is the Accommodating Growth Development Plan, which includes site specific allocations for delivering the Core Strategy policies. An Issues and Options paper has been out for consultation and the results will help inform the Preferred Options later this year.
18. The first Pre Application Member Meeting took place on the 19th January 2011 and heard presentations on revised Wind Farm proposals at Moorhouse Farm.
19. Work on the Town Centre Fringe Project is ongoing. Key issues that have come out of the public consultation exercise include access across the ring road and along the river corridor, the need to create economic opportunities and linkages to Central Park to the east. The Masterplan design process continues into 2011 with a view to further public consultation following the local elections in May.
20. Recent announcements regarding the Council's support of the Arts Centre and Civic Theatre have been incorporated into the emerging thinking regarding the cultural quarter that is to form part of the masterplan. A recent Officer and partner visit to Lincoln

explored the various cultural activities and their relationship with Lincoln University and the City Council.

21. Single Programme funding will continue to support the development of the masterplan into quarter two of 2011.
22. The Development Section has recently Gone Live with its electronic management of planning applications. This has made it possible to view and send in comments on planning application documents online adding to the convenience of using this service.

Town Centre

23. I chaired the meeting of the Town Centre Board held on 30th November, 2010, at which Members gave an overview of current trading within the Town Centre which had been affected by the poor weather in November. A verbal report was also given on the planning appeal that had been submitted by Sainsbury's Supermarkets Ltd., in respect of this Council's decision to refuse planning permission for alternations to its store, the inquiry for which was scheduled to be held on 1st to 3rd March, 2011. Reports were also considered on the introduction of the Darlington Town Centre Heritage Trail; the Town Centre Events and Christmas Markets programmes; and an update from the Town Centre Manager on current Town Centre initiatives.
24. I was pleased to attend the inaugural Darlington Retail Awards Ceremony on Wednesday, 15th December, 2010, to celebrate and honour Darlington's retail sector. A total of 115 entries were received across eleven categories and 35 entries were shortlisted. Darlington Town Centre Traders Association linked up with this Council, the Cornmill Shopping Centre and The Northern Echo to host the event. The awards celebrated everything about the retail sector in the town including leisure, food and fashion. Businesses from across a range of sectors were also eligible for the awards. The awards were launched in June. The categories and their winners are:
 - (a) Hairdresser of the Year, Diva;
 - (b) Independent Retailer of the Year, Bliss Gifts;
 - (c) Service Provider of the Year, Shopwatch;
 - (d) Fashion Retailer of the Year, Leggs;
 - (e) Customer Service Experience of the Year, Yorkshire Linen Company;
 - (f) National Retailer of the Year, Next;
 - (g) Retail Person of the Year, Claire Dawson, Specsavers Optician;
 - (h) Hospitality of the Year, House of Fraser (2nd Floor Restaurant);
 - (i) Homeware Supplier of the Year, Cooks & Kitchens;
 - (j) Market Stall of the Year, Julie's HMD Floristry; and
 - (k) the final award of the night was for the best young retailer and was called 'Shooting Star' the winner of which was Hannah Dent Noble of Leggs.

Business Engagement

25. Lingfield Point played host to a special festive shopping fair, '*All I Want for Christmas*' on the evening of 23rd November, which showcased more than 60 local businesses. In excess of 500 people attended the fair, which took place in Meadow, the large business

accommodation space at Lingfield Point.

26. A joint initiative between Lingfield Point and Darlington Borough Council's Business Engagement Team, the event also raised more than £300 for charity. Among the visitors was The Mayor of Darlington, Councillor Bryan Thistlethwaite. Money raised on the night through entry donation was presented to the Mayor's chosen charities, Diabetes UK (Darlington branch), CLIC Sargent (Caring for Children with Cancer) and the RNLI (Royal National Lifeboat Institute).
27. Images from the event can be accessed via Darlington Borough Council's Flickr stream: <http://www.flickr.com/photos/darlingtonboroughcouncil/sets/72157625339582135/>
28. In July 2009 and February 2010, the Borough Council and eVOLution (representing the Third and Voluntary sectors) submitted a bid to secure funding from the Government's Future Jobs Fund on behalf of 13 Darlington organisations. This initiative aimed to address the problem of high levels of unemployment by creating new jobs for 18-24 year olds and older people living in unemployment 'hot spots'. These successful bids created 96 job opportunities that are now all filled by young people.
29. '*Beat the Blues*' was held on 25th January, 2011, and offered advice and guidance to both SMEs and employees relating to overall business support, and health & wellbeing, and enabled them to access some services there and then, including some basic health checks. Advisers from local support organisations were present to discuss issues on the day, in addition to contact details being taken from employers / employees with enquiries that could not be dealt with on the day or required further assistance at a later date.
30. The event was facilitated by the Business Engagement Team and the Tees Valley In-Work Support Project. Areas covered included advice and information covering: Smoking Cessation; Stroke checks; Cholesterol checks; Blood pressure checks; Weight Management advice and information helping people to identify the possible early stage signs of Breast and Testicular Cancer.
31. Budding local entrepreneurs should find that more help is at hand thanks to the introduction of a new Business Buddy scheme through Darlington Council's Enterprise Coaching project. Business Buddies will see new-start businesses in Darlington being paired up with established local entrepreneurs who can provide support and advice - whether it be over the telephone, via e-mail or over a quick coffee.
32. The buddies will operate alongside the work of the Enterprise Coach, providing an additional resource to new start businesses in Darlington. It is hoped that there will be a bank of buddies created who can be drawn upon, dependent on the nature of the business and the skills and experiences of the buddy.
33. Enterprise coaching seeks to identify, encourage and support people with entrepreneurial talent to help them achieve their goals. The Enterprise Coach works with individuals to consider their skills and aspirations, with the aim of raising awareness of enterprise as a viable means of employment.
34. The project is funded through the European Regional Development Fund (ERDF) resources, matched with British American Tobacco (BAT) Legacy monies, and is part of a

collaborative project in partnership with Redcar and Cleveland Borough Council, scheduled to run until March 2013.

35. *'Selling Made Simple'* a half day morning sales development workshop was held on Tuesday, 18th January, with the aim of assisting small to medium sized service and manufacturing businesses to find new customers and to enter new markets. This session took the form of a 3 hour interactive workshop packed with practical tried and tested hints and tips to help local businesses generate more sales. The workshop focussed on helping businesses to:
 - (a) target the right people;
 - (b) understand why and how people buy;
 - (c) sell a product or service;
 - (d) ask for the order;
 - (e) understand how to overcome objections and win the sale;
 - (f) make the most of every sales opportunity;
 - (g) develop questioning techniques, and
 - (h) use networks to win business
36. *Selling Made Simple* is specifically designed to give businesses the confidence to sell in an increasingly challenging environment. The workshop was delivered by Gordon Hanna from TEDCO's MintFresh sales team.
37. The Growth Project Logistics supports all kinds of companies from all sectors within the region to implement best practice or technology supply chain solutions. Funded through the European Regional Development Fund (2007-2013) and One North East's Single Programme – the project offers fully funded consultancy to organisations within the region.
38. All businesses have a 'supply chain' and 'logistics' operation – the managing of goods and services in bound and the delivery of goods and services to customers, so the project is applicable to all Darlington business. As well as the fully funded FREE consultancy, the project has the option for companies to visit the demonstrator sites where Snorkel, Wessington Cryogenics and Cottam Brush can demonstrate examples of best practice and technology in action.
39. Organisations can also go to the project Awareness events, with a Darlington specific event currently being developed in collaboration with the Business Engagement Team, coming up soon. For more information please visit: www.growthlogistics2.co.uk.

John Williams
Leader and Economy Portfolio