
TEES VALLEY UNLIMITED
ECONOMIC AND REGENERATION STATEMENT OF AMBITION

Responsible Cabinet Member - Councillor John Williams, Economy Portfolio

Responsible Director - Richard Alty, Assistant Chief Executive (Regeneration)

SUMMARY REPORT

Purpose of the Report

1. To seek approval of the Tees Valley Unlimited Economic and Regeneration Statement of Ambition as the basis for wider consultation with TVU partners and for developing the Tees Valley Investment Plan.

Summary

2. The Tees Valley Unlimited (TVU) Statement of Ambition sets out a vision for the economy of Tees Valley for the next 15 years, taking forward the work of the Tees Valley Vision (2002) and City Region Business Case (2006). The Statement builds on the achievements of the Tees Valley economy for the last decade, seeks to develop economic assets, tackle barriers to growth and set out our key priorities.
3. To deliver the anticipated outcomes, TVU will prepare a Tees Valley Investment Plan, engage with the private sector and seek to influence national and regional policy to recognise the needs of the Tees Valley.
4. The role of Darlington as the gateway to the Tees Valley City Region remains a crucial factor in delivering the Ambition.
5. The intention is to use the attached summary (**Appendix 1**) to consult with a wide range of TVU partners over the summer to develop a more detailed Statement of Ambition, containing high level policies, and the Tees Valley Investment Plan, to launch at a TVU Conference and for discussion with Government.

Recommendation

6. It is recommended that Cabinet approves the Tees Valley Unlimited Economic and Regeneration Statement of Ambition, as the basis for wider consultation with TVU partners and for developing the Tees Valley Investment Plan.

Reasons

7. The recommendation is supported to continue to influence policy and investment decisions across the Tees Valley, regionally and nationally.

Richard Alty
Assistant Chief Executive (Regeneration)

Background Papers

No background papers were used in the preparation of this report.

S. 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.
Sustainability	The Statement of Ambition acknowledges and reflects the need for sustainable economic growth and development
Diversity	The Statement of Ambition 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 classed as a key decision and has been included within the Forward Plan.
Urgent Decision	This is not an urgent item.
One Darlington: Perfectly Placed	OD:PP has informed the Statement of Ambition and reflects the outcomes and targets re narrowing the gap and improving economic opportunities.
Efficiency	The development of the Statement of Ambition on behalf of the 5 Tees Valley LA's creates efficiencies through joint working.

MAIN REPORT

Information and Analysis

Background

8. The Tees Valley City Region is based around the five local authorities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees.
9. 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.
10. The Draft TVU Statement of Ambition sets out a vision for the economy of the Tees Valley for the next 15 years, taking forward the work of the Tees Valley Vision (2002) and City Region Business Case (2006). The production of the Statement represents the culmination of an inclusive six month programme which involved a number of key stakeholder events identifying the issues and options.

Content

11. The statement recognises the need to build on the achievements of the Tees Valley economy over the last decade, seeks to develop existing economic assets, tackle barriers to growth and set out key priorities. There are two main ambitions:
 - (a) To drive the transition from a high value, high carbon economy to a high value low carbon economy; focused on renewable energy, new technologies, biological feedstocks and the reduction of the carbon footprint of existing industries.
 - (b) To create the conditions for a more diverse and inclusive economy that builds on strengths and allows people to realise their potential.

Ambition 1 – Drive the transition to a high value low carbon economy

12. The key priorities to achieve this ambition are to:

- (a) Facilitate pilot projects, using the existing assets and skill base, to test and scale up new and novel low carbon technologies through innovation such as developing a carbon capture and storage network for existing industries and new users or removing carbon dioxide through anaerobic digestion
 - (b) Building on the Tees Valley Industrial Programme, invest in innovative delivery vehicles to bring forward land for development, upgrade utilities, run steam and heat networks and remove barriers to investment, focused around the spatial area of the North and South Tees.
13. Focussed in large part on the locational, and operational, advantages of the process industries on Teesside, there may nevertheless be spin-off/supply chain impacts which mean Darlington will benefit directly and indirectly from the drive to a low carbon economy.

Ambition 2 – Create a more diversified and inclusive economy

14. The key priorities to achieve this ambition are to:

- (a) Continue to support growth in the service and retail sectors, both in our town centres and major regeneration sites, through developing the digital and creative industries, new business development, logistics, the health sector, relocation of government departments, financial and business services and the creation of a property market for office/industrial development which is viable without public sector support.
- (b) Build an improved environment through continued investment in our town centres, major regeneration sites, natural assets and green infrastructure.
- (c) Ensure the housing offer is attractive to people who want to invest and locate in the Tees Valley.
- (d) Ensure residents of the Tees Valley from all backgrounds have the employability and skills to access the new jobs created in the Tees Valley.
- (e) Provide a transport network is fit for purpose for the movement of goods and people by continuing to invest in our public transport network and targeted highway infrastructure improvements, as well as enhancing our links to national and international gateways.
- (f) Improve the coverage and speed of our broadband network.

15. These priorities closely reflect those identified in One Darlington: Perfectly Placed and will strengthen Darlington's role as the gateway to the Tees Valley (and North East).

Delivery

16. The Statement recognises that individual Boroughs will bring their own distinctive advantages to the overall "offer" of the City Region. For Darlington, the market town, mainline connectivity, high quality business accommodation, advanced engineering and logistics capability and the new Teesside University Campus will all contribute to Darlington's "offer".

17. For the Tees Valley, in addition to the industrial base in the North and South Tees area, the economic 'pull' of the City Region will remain the main centres. Investment will continue to be focused in the five main centres including, in Darlington, the area of Darlington Town Centre, Central Park and the Town Centre Fringe.

18. The Statement acknowledges the important links between housing and economic regeneration. As such, there is a need to ensure that housing offer is attractive to people who want to invest and locate in the Tees Valley and that it caters for the spectrum of needs and aspirations, including households identified as being fundamental to Tees Valley's future economy.
19. Key to the growth of the Tees Valley economy is the development of people's skills, knowledge and ability to find work and build the companies of the future. An employability and skills programme will be developed for the Tees Valley, which both meets the needs of the economy and enables people from deprived communities to access the new jobs created in the Tees Valley.
20. Enhanced connectivity within the Tees Valley is equally important to ensure that residents and visitors can access employment, education, health care, retail, leisure and other key opportunities, not just within each community or authority area but across the City Region as a whole.

Outcomes

21. The City Region is underperforming compared to the national average in terms of economic growth, employment, enterprise, earnings and skills. Delivering the priorities set out in the Statement will have a significant impact on the City Region's prosperity. In setting out the ambition therefore, there is a need to set out the outcomes that can realistically be achieved over the next 10 years. These are:
 - (a) Increase gross value added (GVA) per head from its current level of 75% of the national average to 82%;
 - (b) Reduce the gap in the employment numbers with the national average by 60%;
 - (c) Create 1,000 new businesses over the existing trend; and
 - (d) Increase the number of people with higher level skills by 5%.

Progress towards these outcomes will be measured by Tees Valley Unlimited on an annual basis.

Moving Forward

22. Tees Valley Unlimited cannot deliver the Statement of Ambition on its own. It needs to bring together the public sector at local, regional and national levels with the private sector to deliver the strategy. This will be done by:
 - (a) Preparing a Tees Valley Investment Plan (TVIP), which will link the growth of the key economic sectors with the development of the Tees Valley as a place (infrastructure, housing, skills and transport). The TVIP will inform the Single Conversation process which in future will underpin access to public sector funding for regeneration, housing and transport schemes.
 - (b) Engaging with the private sector to deliver the Statement of Ambition, supporting economic activity which operate across administrative boundaries (for example, labour

and housing markets);

- (c) Influencing regional and national policy to recognise the needs of the Tees Valley, secure resources, shape strategy to address the needs of the Tees Valley, and to tackle barriers to investment resulting from the operations of Government and its agencies.
 - (d) Examining new ways of funding our priorities
 - (e) Developing an integrated employment and skills offer; and
 - (f) Working with the voluntary sector to tackle polarisation
23. There is an opportunity to work with a new Government to develop these plans further, ensure that barriers are addressed, and deliver the outcomes for the City Region and the national economy.
24. The intention is to use the attached summary to consult with a wide range of TVU partners over the summer to develop a more detailed Statement of Ambition, containing high level policies, and the Tees Valley Investment Plan, to launch at a TVU Conference and for discussion with Government.

Outcome of Consultation

25. The production of the Statement of Ambition represents the culmination of an inclusive six month programme involving a number of key stakeholder events, across the private, public and Third Sector.
26. Both the Darlington Partnership Board and the Prosperous Theme Group have been consulted.