
OVERVIEW OF ECONOMY AND REGENERATION PORTFOLIO

1. Since the last meeting of Council, the following are the main areas of work undertaken under the Economy and Regeneration Portfolio.

Business Central - Progress

2. Business Central has been opened officially to celebrate funders (Homes and Community Agency (HCA) and the EU Regional Development Fund (ERDF)) input of £6.6m on 25 September 2015. Operationally the building has been open for business since 1 May 2015.
3. An occupation rate of 33 per cent and 20 tenants has been achieved on 1 November 2015. ERDF targets for job creation have been already overachieved (15 jobs created/target ten). Business Central is thriving as a business networking space with numerous business to business and business intermediary events being held there. Business Central has raised its profile under businesses in Darlington and remains very attractive for Small Medium Enterprises (SMEs) for Grade A business space (*uptake of occupation rate to up to 50 per cent expected by Quarter 1 2016*).

Residential Development at Blackwell

4. Following Cabinet's approval of the allocation of land for residential development and approval to sell the land in question, Officers have started work on Planning and Design Briefs to guide the future development of the sites. Once drafted, the Briefs will be consulted on with local residents in the spring.

New Darlington Local Plan

5. Following the publication of the objective assessment of housing need (OAN) in October a report detailing the housing needs findings and implications for local plan preparation was presented to Cabinet Meeting on 3 November 2015. At this meeting Members resolved to stop work on the Making and Growing Places Development Plan Document.
6. Work is now underway to prepare a timetable for a new local plan for Darlington with an increased 20 year lifespan. This plan will include strategic policies as well as site allocations. The Planning Policy Team is looking at ways to streamline its own procedures and nationally the Government is looking at how the regulations, guidance and policy can be changed to speed up plan making. A report detailing a timetable for the new local plan will be reported to Cabinet in the spring.

7. At the same meeting Officers will report on interim policy arrangements which will be used to determine applications alongside the national planning policy presumption in favour of sustainable development.
8. A key early stage on the new local plan is early engagement with stakeholders and a half day event aimed at housebuilders, land owners and land agents to brief attendees on Darlington's current position and the Council's ambitions for the future. This event was held on 14 January 2016 at Business Central.

Planning Applications

9. Significant applications have been determined in the Borough for housing which have included sites at Harrowgate Hill and Woodburn Nursery and a potential development at Middleton St George. These sites will comprise approximately 750 new dwellings.
10. Long term negotiations relating to developments at West Park, Durham Tees Valley Airport and Great Burdon are also ongoing.

Economy Update

11. Economic data released in December shows that Darlington's gross value added (GVA) has grown by 8.9 per cent in 2014, this is 5th highest percentage growth nationally of 228 areas analysed; the top four are all London boroughs.
12. Darlington's GVA per head is now £23,745 increasing by £1,939 pp/ph from 2013 data, and in 2014 Darlington businesses added £2,502M to national economy.
13. Other key recently updated statistics show that:
 - (a) Darlington's employment rate is 72.2 per cent - above the North East Average (68.9 per cent) but below national (77.5 per cent);
 - (b) Unemployment is at seven per cent , nationally this is 5.7 per cent;
 - (c) Darlington currently has 4,805 businesses including sole traders – increasing by 137 businesses since May;
 - (d) Darlington's business survival rate by third year is 59.7per cent - this is fourth highest of twelve North East authorities and has increased 1.8 per cent since last year;
 - (e) The 2014 figure for Darlington young people not in employment, education or training (NEET) was 6.9 per cent, the 14th highest figure nationally. This equates to 250 young people in the Borough;
 - (f) Darlington employees have the highest average full time weekly salary of all twelve authorities of £518: this has risen since last year by £39 pp/pw. However latest data also estimates 23per cent of Darlington employees are

paid below the 2013 living wage (£7.65p/h); and

- (g) Darlington's residents' average weekly full time salary is ranked sixth out of twelve north east authorities £484, this has risen since last year by £4.90 pp/pw, this is second lowest of all Tees Valley authorities with only Middlesbrough being below us.
14. The closure of the Sahaviriya Steel Industries UK (SSI) Steel Plant in Redcar will have a huge economic impact to the Tees Valley area with over 900 businesses identified as sitting within the SSI supply chain. The Council has worked with the SSI taskforce to identify the scale of the impact within Darlington. Twenty one Darlington residents being made directly redundant and three businesses are within the supply chain list. Support is being offered for all those affected to ensure they have an opportunity to access the SSI taskforce stimulus fund.
15. To support the Tees Valley Economy, the Government has pledged £50M to support former employees and the supply chain as well as wider funds to support other business activity. Grants available include funding towards salary costs to take on an ex SSI worker, capital grants to support growth and small revenue grants to pay for specialist support. All information on the schemes is available at: <https://www.teesvalleyunlimited.gov.uk/tees-valley-unlimited/ssi-task-force-funding-available.aspx>.
16. The Council's Business in Darlington team is working in partnership with Job Centre Plus to run a jobs and employment event at the end of January. There will be the opportunity for local people to apply for jobs in Darlington including at the Feethams Leisure development.
17. The Red Hall employability project came to an end in December. Funded through a £25,000 grant from County Durham Community Foundation the project has supported 132 unemployed people between the ages of 17 to 59 years, outcomes being:
- (a) 34 have secured employment with a further three in the pipeline;
 - (b) 83 are undertaking training;
 - (c) Ten have secured work experience or are volunteering;
 - (d) Ten Apprenticeships;
 - (e) Five Full time Education; and
 - (f) Five Traineeships

Town Centre

18. The Feethams Cinema and Leisure development is due for completion in March, with businesses planning to open over the period March to May 2016.

19. The new 650 space Multi Storey car park has opened. Vehicle access to the car park is from Beaumont Street and pedestrians will have two entrances, one nearer to the Cinema development and the other close to the Beaumont Street junction with Houndgate. From here it is a short walk to the main Town Centre shopping areas via Chancery Lane.

Red Hall Masterplan

20. The Red Hall Masterplan has been drafted and was discussed at a special Joint Scrutiny Committee held at Red Hall Community Centre on 26 November 2015. Considered alongside the Neighbourhood Renewal Strategy the masterplan was well received in principle with some recommendations made to further refine the plan. Officers are now considering these detailed issues with a view to revising the proposals in some areas, working with the community and local Members.

21. A tour undertaken of Red Hall prior to the Scrutiny Committee included a visit to the new build Council housing on redundant green spaces, the newly installed external wall insulation and the site of the new park on the site of the demolished courts. Overall the image of Red Hall has been improved with significant benefits secured for residents in terms of amenity and living conditions.

Broadband Rollout Update

22. Phase 1 of the Superfast Broadband - cabinet installation programme in Darlington funded by Broadband Delivery UK (BDUK), Department for Culture, Media and Sport and Darlington Borough Council and delivered by the Digital Durham Programme via BT Openreach has been completed. £320k (£160k BDUK/£160k DBC) has delivered 17 cabinets in the Town Centre and around Central Park and six Rural Cabinets. All 23 cabinets allow small medium enterprises (SMEs) and residents in 2400 premises access to Superfast speeds of up to 25mb/sec for Broadband Services of their choice. The Digital Durham programme Phase 1 has through 'gain share' allocated ca £90k back to the Darlington Borough Council territory which will be re-invested to support rural villages in Darlington.

Housing Strategy Monitoring Report

23. The Housing Strategy Monitoring Report was considered by Place Scrutiny Committee on 17 December 2015 and by Adults and Housing Scrutiny Committee on 12 January 2016. Overall, good progress has been made in the first three years of implementing the five year Housing Strategy. 55 per cent of milestones have been achieved, a further 27 per cent are on schedule and only seven per cent are behind schedule. Ten milestones (11 per cent) have been deleted as they are no longer appropriate.

24. In terms of the Strategy's six Objectives, we have:-

- (a) Increased the supply and choice of housing – particularly in relation to affordable homes;

- (b) Improved the sustainability of housing - £3.5m has been allocated to energy efficiency measures within the 5 year Investment Plan, another £3.5m to be spent at Red Hall on external cladding, double glazing and composite doors and further investment will be made in the Borough via the Warm Up North energy efficiency scheme;
- (c) Improved conditions in the private sector - by removing 309 Category 1 hazards;
- (d) Invested in the regeneration of key locations – by almost completing Cockerton Regeneration, by making good progress at Central Park and making a start at Red Hall;
- (e) Provided good quality and timely advice to prevent crisis and ensure access to appropriate housing – all the milestones have been completed; and
- (f) Provided effective support and opportunities for vulnerable groups – by supporting approximately 3,000 people through the Lifeline Service, by improving housing options for people with learning difficulties and by adopting a Preventing Homelessness Strategy which, when reviewed by a Government sponsored Peer Review, was found to be one of the best performers in England.

Progress Rail – Production Facility at Faverdale

25. A full planning application was submitted to the Council on 5 November 2015 for the erection of a manufacturing factory building, incorporating offices, car parking and external yard access. The formal decision date is due by 10 February 2016.

Flooding and Resilience

26. Darlington has been fortunate over December and early January in that whilst a number of flood alerts have been issued the main rivers in Darlington have not flooded. Should such flooding occur the Council and its Local Resilience Forum partners are trained and have plans and resources in place to act quickly to mitigate the impact of any flooding. Residents and business operators in flood risk areas are encouraged to sign up to the Environment Agency flood alert system to receive the earliest possible warning of the risk of flooding.

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Economy and Regeneration Portfolio