

ECONOMY & RESOURCES SCRUTINY

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INCLUSIVE GROWTH STRATEGY FOR DARLINGTON

Introduction

1. During the past 12 months, work has been underway to develop a new Inclusive Growth Strategy for Darlington, a document that sets out the Council's ambitions for inclusive, sustainable and good quality economic growth across the whole of the Borough. The Plan will set the framework to ensure that Darlington is a great place to live, work and visit.
2. During the development of the strategy, the UK Government announced its intention to publish a new national Industrial Strategy and develop Local Growth Plans for each Mayoral Authority. It is important that the Darlington Strategy is informed by evolving national and local policies, and is designed so that it complements new strategic ambitions.
3. In light of this new emerging national strategy, development of the Inclusive Growth strategy was delayed to ensure new policy ambitions could be understood and where appropriate, accommodated in the new Darlington plan. This also coincided with the announcement of plans for UK Shared Prosperity Funding and Local Growth Plans.

Invest 2035: the UK's modern industrial strategy

4. In October 2024, the government published Invest 2035, a green paper detailing proposals for a modern industrial strategy. The government set out plans to use the strategic power of the state to "support and shape" the UK economy. In addition to driving growth nationally, the government wants the Industrial Strategy to support regional growth, net zero and the UK's economic security and resilience.
5. The green paper indicates the industrial strategy will have three main strands:
 - (a) Sectors: the strategy will target support to eight "growth-driving" sectors, producing specific plans for these sectors (sectoral policies). These are:
 - i. Advanced manufacturing
 - ii. Clean energy industries
 - iii. Creative industries
 - iv. Defence
 - v. Digital and technologies
 - vi. Financial services
 - vii. Life sciences
 - viii. Professional and business services

6. The government says it has chosen these sectors because they represent either current UK strengths – sectors that are more productive and internationally competitive than others – or emerging strengths, where the UK could develop a comparative advantage.
 - (b) Businesses: the strategy will include policies aimed at creating a pro-business environment; these will be both cross-sector (horizontal policies) and targeted at specific sectors. These policy areas include:
 - i. people and skills
 - ii. innovation
 - iii. energy and infrastructure
 - iv. the regulatory environment
 - v. crowding in investment
 - vi. international partnerships and trade
 - (c) Places: the strategy will target places with high-growth potential across the country including city regions, regional clusters and strategic industrial sites (place-based policies). The government is committed to devolving significant powers to mayoral combined authorities across England, giving them the tools they need to grow their sectoral clusters and improve the local business environment through ambitious local growth plans.
7. The green paper received a high level of engagement and has been broadly welcomed as a “positive first step” by stakeholders and commentators. The final industrial strategy is expected in June 2025 (alongside the Spending Review).

Tees Valley Local Growth Plan

8. The Local Growth Plan for the Tees Valley will provide the overarching framework for inclusive growth in the local area. The Tees Valley Local Growth Plan will articulate local growth potential and put in place the programmes and infrastructure needed for the economy to thrive.
9. TVCA has been working collaboratively with the local authorities through a working group, the Business Board and the Ministry of Housing, Communities and Local Government (MHCLG) to co-develop the proposed high-level priorities.
10. The Tees Valley Local Growth Plan will be evidence-based and positively articulate the opportunities for growth, building on delivery to date. The overriding message will be that Tees Valley is opportunity rich, which is supported by the evidence, and therefore the Government will see a strong return on investment.
11. The aim of the Tees Valley Local Growth Plan is:
 - (a) “Securing sustained and inclusive growth to exceed the UK growth rate - building on our success to date, to power a diverse and balanced economy, with job growth and productivity gain that creates opportunities for everyone.”

12. The initial ask of government was for TVCA to identify five high-level priorities to shape the Tees Valley Local Growth Plan.
13. The proposed high-level Tees Valley Local Growth Plan priorities are set out below:
 - (a) Grow our globally competitive modern industrial and technology cluster and enabling advanced manufacturing sector by securing further investment, deepening our innovation expertise and attracting and retaining talent.
 - (b) Accelerate our rapidly growing digital cluster and creative cluster by securing further investment, growing our business base and attracting and retaining talent.
 - (c) Diversify and drive the growth of our everyday economy by increasing business density and developing the skills of our people to get more people into work.
 - (d) Create the environment for growth and accelerate regeneration of our communities making Tees Valley an attractive place to live, work and invest.
 - (e) Accelerate the development of strategic transport, energy, digital and housing infrastructure to maximise the potential of our growth opportunities and create the environment for growth.
14. The proposed priorities have been discussed with government given the ongoing development of the national industrial strategy and there are clear synergies with the eight national growth-driving sectors.
15. In terms of the timeframe, government is currently seeking input from Mayoral Combined Authorities to inform the development of the national industrial strategy. It is understood that the Local Growth Plan itself will need to be submitted to government by Summer 2025.

Next steps

16. Although the final policy documents are to be published, there is a clear steer as to the broad direction of travel in this field. With a defined policy framework in place, work to build the Darlington Inclusive Growth Strategy can re-commence, and work is now underway to develop local aims, ambitions and actions that complement the emerging policy framework at national and local levels, and connect these economic growth ambitions with local Inclusive Growth priorities. When the National Industrial Strategy is published, it will be sense-checked against the work undertaken to ensure strategic fit.
17. Officers are working on a new timetable for the development and production of the Inclusive Growth Strategy and are co-ordinating with the Strategy and Policy Manager to ensure the project plan is deliverable. We will advise Members when the production schedule is available.