

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

4TH JANUARY 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

REGENERATION AND TRANSPORT, COUNCILLOR R. COOK

CONSULTATION – REGIONAL ECONOMIC STRATEGY ACTION PLAN, 2006-2011

1. Summary

This report sets out the Council's response to the Regional Economic Strategy Action Plan. It highlights broad support for the content and areas where greater clarity would be beneficial in how the document relates to Stockton. The comments need to be submitted by January 30th 2007.

This report outlines the actions that have been identified and includes a response giving support to those that impact on Stockton, and indicates where further support would be expected.

2. Recommendations

1. That Cabinet endorse the proposed response to the RES Action Plan Consultation Draft as given in Appendix 1.

3. Reasons for the Recommendations/Decision

This recommendation had been put forward as the proposed priorities, structure and allocation of funding through the development of the Action Plan will have ramifications for the Council's opportunity for securing funding support from the Regional Development Agency, One NorthEast.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive

functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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SUMMARY

This report sets out the Council's response to the Regional Economic Strategy Action Plan. It highlights broad support for the content and areas where greater clarity would be beneficial in how the document relates to Stockton. The comments need to be submitted by 30th January 2007.

This report outlines the actions that have been identified and includes a response giving support to those that impact on Stockton, and indicates where further support for the borough's regeneration priorities would be expected.

RECOMMENDATIONS

It is recommended that Cabinet:-

1. Endorse the proposed response to the RES Action Plan Consultation Draft as given in Appendix 1.

DETAIL

1. *Leading the Way: the Regional Economic Strategy 2006-2016* (the RES) which was approved by the Department of Trade and Industry and finalised during October 2006 sets out proposals to deliver sustainable, inclusive economic growth. One NorthEast has now prepared a draft Action Plan as a basis for further discussions with regional partners on the priority actions to deliver the Strategy. Each section describes the main activities proposed for the five years starting April 2006, and identifies the responsible lead and other partners.
2. The basis of the action plan is a set of regionally significant projects and policy areas that contribute to the themes of people, place and business to deliver sustainable, inclusive economic growth for the region. In light of further contributions from partners, the draft Action Plan will be enhanced and refined between November 2006 and February 2007. The proposed response from the Council to the Action Plan is included in Appendix 1.
3. The draft Action Plan provides broad, preliminary indications of the scale of resources that One NorthEast and partners are planning to invest to help deliver the new Regional Economic Strategy.

4. The Plan details the preferred growth scenario, and the six transformational interventions under the themes of Business, People and Place, and collective regional leadership.
5. The interventions under each theme are: -

Business:

Building a new enterprise surge;
Boosting productivity;
Promoting science, innovation and design in business

People

Skills: Enhancing the capability of the workforce;
Economic Inclusion: Increasing the size of the workforce

Place

Investing in the economic hearts of our city regions

KEY ISSUES

6. The priority issue that needs to be raised with One North East as part of this consultation process is in relation to the Stockton Middlesbrough Initiative. Members will recall that SMI is an initiative led by Stockton and Middlesbrough Council to help transform the economy and environment at the heart of Tees Valley bringing real benefits to the local community and the City Region as a whole. This requires creating a city-scale environment which capitalises on the opportunities presented by two vibrant town centres and an outstanding riverside setting.
7. Within the Action Plan Transformational Interventions SMI is translated into two initiatives – North Shore and Middlehaven. The fact that SMI is a transformational Intervention is welcomed, however it would be helpful to have a specific reference to the town centres as hubs for commercial, leisure and hospitality activity. It needs to be highlighted with One North East that SMI comprises:
 - a commitment to partnership between SBC and MBC – integrating staff resources, where appropriate, to address delivery gaps and add value via joint working;
 - a mechanism for transforming perceptions of the heart of the Tees Valley City Region and building civic pride amongst the local community;
 - a initiative to push forward proposals for regeneration of the town centres and transformation of the riverside corridor between them;
 - a commitment to working alongside regeneration partners to complement and add value to their work.
8. Other areas that should be highlighted within the Action Plan include accommodation at Wilton for the chemical industry, as North Tees will require investment to keep the economy competitive. Furthermore, investment will be needed to increase the skills base in this area, to ensure the workforce within the chemical industry for the future.
9. Access to enterprise support programmes in the more deprived communities needs to be improved as an integral part of tackling worklessness. If the new business creation target is to be achieved then this area of work needs to be given a higher priority. Whilst it is recognised that Local Authorities are already involved in this work and so are well placed to take a lead role, the Action Plan needs align and support programmes such as LEGI with regional initiatives, and link directly with the Tees Valley Investment Strategy, which details projects requiring One NorthEast support over a rolling ten year period.

10. The Action Plan would be improved by reference to Durham Tees Valley Airport (alongside Newcastle Airport) in the Tees Valley investment list, in line with the expansion proposed.
11. There are pressures on the Single Programme, with caps placed by One NorthEast. Current projections are anticipated to be 25% lower than expected. This equates to an approximate £50,000,000 reduction for the delivery of the Tees Valley projects. By raising the profile of priority projects, opportunities for securing alternative funding sources, such as European and mainstream government programmes are improved.
12. The proposed consultation response to the RES Action Plan Consultation Draft is attached as Appendix 1.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

13. There are no direct financial or legal implications arising from this report. The priorities for the regeneration of Stockton-on-Tees need to be highlighted in the Action Plan including an indication of the finances likely to be required. Contributions from applicants own resources are expected alongside any Single Programme funding, with a greater inclusion of projects within the RES Action Plan allowing for an improved allocation of capital within the medium term financial plan.

RISK ASSESSMENT

14. This consultation gives Stockton-on-Tees an important opportunity to influence how Regional Development Agency sets out the priorities for action and funding in the region for the next five years. The risk would arise if we fail to respond to the consultation as this could result in Stockton's priorities for economic regeneration not being recognised at a regional level.

COMMUNITY STRATEGY IMPLICATIONS

15. The RES Action Plan has direct relevance to four of the six Improvement Plans of the Community Strategy: Environment, Community Safety and Well-Being, Economic Regeneration and Transport, and Arts and Culture.

CONSULTATION INCLUDING WARD/COUNCILLORS

16. In consultation with the Tees Valley Joint Strategy Unit, Tees Valley Regeneration, Stockton Renaissance and Cabinet members.
17. Over the formal consultation period for the RES Action Plan (November 2006 to February 2007), One NorthEast will be engaging with a wide range of partners around both the Transformational Interventions and their detailed contributions to the Business, People and Place themes of the RES Action Plan. An initial response to the draft in line with the key questions asked has been prepared in consultation with the Joint Strategy Unit and Tees Valley Regeneration, and is included in Appendix 1.
18. Contributions from partners have to be submitted by 30th January 2007 and will be used to enhance and refine the Action Plan, with the publication of a final version proposed February 2007.
19. Discussions with partners will follow concerning the appropriate arrangements that will be necessary to ensure effective management of delivery and implementation for all the agreed activities.

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Background Papers: Leading the Way: Regional Economic Strategy Action Plan, 2006-2011, Consultation Draft, October 2006. Members Library/ www.onenortheast.co.uk

Ward(s) and Ward Councillors: All

Property

Any investment as a result of the Action Plan will have a consequential impact on the Councils Property portfolio and Asset Management Plan, particularly in terms of Stockton Town Centre and Riverside sites redevelopment, proposals detailed in the cabinet report dated 30th November 2006.