

Stockton on Tees Borough Council

Response to the Regional Economic Strategy Action Plan 2006 – 2011 Consultation Draft October 2006

Introduction

We welcome the opportunity to comment on the proposed action plan for the Regional Economic Strategy (RES). We hope the comments will help structure a robust strategy that will highlight the strategic initiatives that need to be brought forward to realize the objectives of the RES.

F.1.1 Transformational Interventions (Section A)

Business

The overall direction for business support is one of the regionalisation of services and a focus on specific priority sectors and hubs of activity. In this context, there should be more of an emphasis put on the accessibility of those services particularly at a local level and in a way that meets the needs of small businesses.

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 within the Action Plan. 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 to align and support programmes developed through local initiatives, such as LEGI, with regional initiatives.

In terms of the key investments currently listed, more emphasis is needed around encouraging an entrepreneurial culture among young people. For example, school enterprise programmes, like the Middlesbrough Football Club Enterprise Academy, should be more prominently featured.

There is a target set for the reduction of VAT de-registrations but none of the proposals currently included in section A appear to directly contribute to achieving this target. Such initiatives are developed elsewhere in the document but need to be included as part of the transformational interventions.

People

Whilst this section recognises the need to tackle worklessness, develop the workforce and retain graduates, there is not enough emphasis on effectively linking the skills/education and economic development agendas or raising economic participation in deprived communities. If organisations are successful in securing One NorthEast funding, then this should be subject to ensuring local labour is used whenever practicable. Investment will be needed to increase the skills base in chemical industry, to

ensure the workforce in the future. These aspects of this theme are developed in other parts of the Action Plan but do not feature here as key activities.

Place

The focus on investing in the economic hearts of our City Regions and the recognition of the strategic importance of the Stockton Middlesbrough Initiative (SMI) are welcomed. Within the Action Plan Transformational Interventions, SMI is translated into two initiatives – North Shore and Middlehaven. It would be helpful to have greater definitions of SMI within the Action Plan and clarity on appropriate actions. The Action Plan would be improved by more elaboration on the priorities for SMI including the proposed new retail and leisure development in the two town centres and the ongoing transformation of the riverside corridor. The Tees Valley investment list should also refer to Durham Tees Valley Airport (alongside Newcastle Airport) in line with the expansion proposed and include a specific reference to North Tees in relation to land for the chemicals industry.

F.1.2 Leadership, Business, People and Place Themes (Sections B to E)

Leadership

Activities & Gaps in Provision

The proposals in this section are welcomed. As elected bodies, Local Authorities have a key role to play in providing strong leadership and effective partnership working at local, sub-regional and regional levels.

It is important that the new European Operational Programme is aligned with and can help deliver all of the themes within the RES Action Plan and the funds are made available for projects at District level.

Business

Activities & Gaps in Provision

Building a New Enterprise Surge had been high on the agenda for a number of years. The start-up programmes that have operated within Tees Valley have produced many new businesses, and there is an increase in the number of women and BME businesses, but many don't necessarily register for VAT, and as such are not captured within the official statistics. This issue should be addressed alongside support mechanisms to specifically develop businesses towards VAT registration.

A gap in terms of transformational intervention two, Boosting Productivity – Business Solutions in comparison to the Tees Valley City Region Business Case is logistics. This is significant given the importance of Teesport, although it is mentioned as a priority under 'Place', and should be added to the sector priority list.

Fuel cell technology and bio-ethanol developments at Seal Sands, as well as other Renew TV projects should be highlighted under the Promoting Science, Innovation and Design in Business intervention.

It is unclear as to whether investor aftercare, such as the Investor Development Programme, will be an element of the business support delivery.

There is little acknowledgement of the LA role in business support, which is still one of the major sources of enquiries by clients.

Organisation/Sector Contributions

Stockton-on-Tees Borough Council can make a valid and worthwhile contribution in terms of financial assistance, excellent business accommodation and service provision within the more deprived communities. Enterprise support activities are also funded through the Neighbourhood Renewal Fund.

People

Activities & Gaps in Provision

Under the “Transform the skills and learning market to better respond to Regional need”, it would be beneficial to have some reference to local needs which can be translated into local action. The reference under D.1.16 to “winning” sustainable employment would be better phrased along the lines of providing opportunities for all.

It is not only Local Authorities that can incorporate local labour clauses in contracts (reference D.2.4) and not only through the use of planning powers. All Public bodies are able to influence wider community benefits as part of contracts. This can include Development and Planning Agreements, procurement, Private Finance Initiatives (PFI) and Public Private Partnerships (PPP). As such, the onus should be with all public sector bodies to consider this as a condition of funding.

There should be reference to the homeless and those who are recovering from substance/alcohol addictions, and the list should include customer service skills across customer facing sectors. The North East Construction Employment Integrator project should also be mentioned.

Organisation/Sector Contributions

Local Authorities have a key role to play in helping to deliver many aspects of the People theme. Through joint working with Schools, Youth Services and local businesses, LAs are well placed to contribute to raising the aspirations and attainment of young people and better linking the skills and economic development agendas. Stockton Borough Council is already involved in reducing worklessness and raising economic participation in deprived communities in partnership with Job Centre Plus, the Primary Care Trust and the Voluntary & Community Sector through Neighbourhood

Renewal Funds and an LPSA initiative. All Public bodies are able to influence wider community benefits as part of contracts and as major employers.

Place

Activities & Gaps in Provision

The Stockton Middlesbrough Initiative (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.

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 greater definitions of SMI within the Action Plan and clarity on appropriate actions.

Reference should be made to the implementation of the shared tourism e-business platform DESTI-NE as a foundation for all product and customer databases, all networked websites and electronic newsletters.

There is no mention of delivery of the Area Tourism Partnership's Business, Marketing and Communication Plans and Strategies in partnership with the 5 Local Authority Tourism Sections and Private Sector partners.

Promoting, Enhancing and Protecting our Natural, Heritage and Cultural Assets, should make reference to Preston Hall and Park Development Plans in line with other named regional developments.

Capitalise on cultural, natural and heritage assets to drive economic growth – Recognition to be given to the importance to residents and visitors of local built and natural environment, which is specific in enabling improvements to the built environment of economic centres to bring vacant properties into use, maximising their competitiveness within the City Region.

Organisation/Sector Contributions

Stockton Council has recognised the need to invest in the revitalisation of Stockton Town Centre, building on the economic driver of North Shore. Cabinet has approved an Action Plan for the regeneration of Stockton Town Centre, both through physical development projects and improved management. This will be backed up through substantial resources from the Council's capital programme over the period of the RES

supporting both Single Programme and Private Sector investment, as well as European funding.

Stockton-on-Tees Borough Council is actively contributing to all of the actions required for the creation of sustainable communities. The Council has an active role in transforming the housing offer for the labour market through its involvement with Tees Valley Living and the Councils' seat on the Regional Housing Board.

SBC invests its land assets and this is matched with funding from private house builders to deliver mixed sustainable communities at Mandale, Hardwick and Parkfield.

Level of Resources

Within the Action Plan, One NorthEast has indicated their resource commitment to delivering the RES. To enable greater planning by the delivery organisations we would like to have more clarity on this commitment to enable these organisations to allocate their own resources, and where there is a need to secure additional funds. This is particularly the case in terms of the Place agenda, where some projects may fall under this heading or potentially sit within the Business theme.

The Council has agreed a draft 25 year Action Plan for revitalising Stockton Town Centre and this will be followed by significant resources to enable implementation.

SMI has been created to join up initiatives delivered through other agencies in the core area of the Tees Valley. Stockton Council in partnership with Tees Valley Regeneration, One Northeast, English Partnerships, University of Durham, British Waterways Board and the Private Sector will be responsible for delivering a number of important strategic projects for the benefit of the Tees Valley.