

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

18 APRIL 2013

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Transport – Lead Cabinet Member – Cllr Smith

(STOCKTON) LOCAL ECONOMIC ASSESSMENT

1. Summary

This report provides a progress update regarding the Local Economic Assessment (LEA).

2. Recommendations

It is recommended that Cabinet

1. authorise the continued research associated with, and development of the LEA
2. authorise the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Regeneration and Transport to agree and approve the final LEA

3. Reasons for the Recommendations/Decision(s)

To evaluate, present and evidence the economic conditions prevalent within Stockton and provide an improved understanding of the local economic situation(s) and how an inter-connected set of factors influence each other, from which we can develop services and targeted interventions.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or

- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code).

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(STOCKTON) LOCAL ECONOMIC ASSESSMENT

SUMMARY

This report provides a progress update regarding the Local Economic Assessment (LEA).

RECOMMENDATION

It is recommended that Cabinet

1. authorise the continued research associated with, and development of the LEA
2. authorise the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Regeneration and Transport to agree and approve the final LEA

DETAIL

Introduction and background

1. The ambition of Stockton Borough Council is to 'create a Borough that is more confident, more vibrant and more successful than ever before: a place where people prosper and grow, where they feel happy, safe and healthy...'
2. In order to realise this vision we must support the economic growth of our Borough, working in partnership to respond to changes in the economy, to strengthen our knowledge and skills base, to promote a more entrepreneurial culture and to strengthen key industrial clusters, ensuring we are well placed to lead and respond to economic recovery.
3. In supporting our economy we must first define the Borough's economic needs based on a sound understanding of its existing and future position. We have started this assessment process by building upon research and data analysis work already undertaken through existing strategies and plans and culminating in this Local Economic Assessment (LEA).
4. The aim of the LEA is to evaluate, present and evidence the economic conditions prevalent within Stockton and provide an improved understanding of the local economic situation(s) and how an inter-connected set of factors influence each other, from which we can develop services and targeted interventions.
5. This assessment is, therefore, being developed to dovetail with the Tees Valley Economic Assessment that examines economic drivers which impact across Tees Valley Local Authority boundaries, whilst ensuring that local patterns and issues are examined in much greater detail.

The Assessment

6. This is the Council's first LEA and is being developed as a baseline of Stockton's economy by using quantifiable data, that is valid and robust, the majority of which is either available through government data or collated through local partners. Alongside this we are using qualitative information that can more readily be sourced. Care is being taken to ensure that data used can be updated for future revisions of the assessment. Where gaps in information or research are apparent these are being identified.
7. Data in respect to this is being determined to ward and neighbourhood level, where possible, to ensure that the local economy is fully investigated. It is recognised, however, that the Borough does not represent a sealed economy and that there are strong ties to the Tees Valley, North East, UK and European economies, and as the current economic conditions indicate, the wider global economy.
8. In compiling the LEA we are taking key (primary) questions and breaking them down further, split over three areas of 'business, people, and place' – three sides of a triangle supporting our 'economy,' where a complete picture is created only when looking at all sides together.
9. It is intended that the LEA will become a 'live' working document, updated annually, and used to inform policy, strategy and delivery priorities. Where possible, the LEA timetable would align to others, for example the Local Development Framework Authority Monitoring Report, Employment Land Review, Housing Strategy, Strategic Housing Land Availability Assessment (SHLAA), Tees Valley Unlimited Business Plan and the local Third Sector Strategy, to streamline the gathering of data and to build upon the critical intelligence gathered across the Council and by partners.

Key Findings

10. To date, the LEA findings do not, in isolation, provide the answers to all of the key questions posed but are instead the start of a baseline assessment of Stockton's current position, and will help us to formulate an action plan; developing services and targeted interventions across the Borough.
11. Key findings include:
 - a. A growth in our manufacturing and distribution sector since the recession started in 2008
 - b. An increase in the number of start-up businesses demonstrated by a greater number of businesses less than two years old and two–three years old than nationally
 - c. A good spread sizing of businesses across the Borough
 - d. Above average vehicle speeds with the North East having the quickest journey times in the country (useful when considered alongside the growing distribution and logistics sector)
 - e. A growing use of 'enabling' technologies
 - f. A growth in the number of Stockton residents employed in senior, technical and professional occupations
 - g. A good level of qualification attainment with levels one and two exceeding national figures and level 3, regional figures. GCSE attainment has also increased by just under one third since 2005
 - h. An increase in the number of school leavers progressing to Further Education (FE) and encouragingly, enrolments to FE in Science, Technology, Engineering and Maths (STEM) subjects continues to rise
 - i. Despite a regional reduction in university application rates (2012), an increased number of applications to Durham University

- j. A slightly higher than national average (over 77%) of our working age population is economically active.
12. Whilst the LEA starts to form the baseline of our economy, Census 2011 data has been 'drip fed' over the past six months and we have not yet been able to interrogate it sufficiently, in some cases, to evaluate across variations in data nor establish why variations occur, i.e. why certain conditions are prevalent, or if there are specific trends apparent. This work is ongoing and the Census data will be added as made available (as intelligence).
 13. Census data aside, it is becoming increasingly obvious that we do not have access to a sufficient range of information / data sources to form a true and sufficiently detailed picture of the economy of our Borough, and one of the main considerations must therefore be given to resourcing qualitative data.
 14. The known changes coming forward during 2013/2014 as part of the Welfare Reform also need to be understood in greater depth, in terms of their impact on families/individuals and Stockton's economy as a whole.
 15. In October 2012 a report commissioned by the Council, published by the Institute of Local Governance (ILG), considered the impact that Welfare Reform will have on Stockton's economy and local communities. These initial findings were based on the limited level of intelligence available at the time and were used to inform short term policy changes to manage the short and longer term transition arrangements. This intelligence now needs to be built upon to include hard data and softer intelligence around behaviour changes; to inform the broader impact anticipated as a result of the benefit changes.
 16. Data and intelligence will be gathered from a number of sources from April 2013 going forward, to monitor the impact on a number of levels as detailed below. This intelligence gathering is happening at a local, Tees Valley and Regional level with measures in place to monitor the short, medium and long term impact on both the residents and the economy.
 - a. certain groups in the population, e.g. disabled people, households
 - b. LSOA, Ward and Borough levels
 - c. those that have already been affected by the recession
 - d. people's reduced spending power as a result of having less disposable income
 - e. impact on businesses
 - f. the potential for a reduced number of jobs in the labour market
 - g. both statutory and non statutory services
 - h. community and voluntary sector services
 - i. future policy implications
 - j. impact on Partner organisations

FINANCIAL IMPLICATIONS

17. There are no financial implication to the LEA and this accompanying report.

LEGAL IMPLICATIONS

18. There are no legal implications to this report or the LEA.

RISK ASSESSMENT

19. There are no risk implications to this report or the LEA. Any 'project' specific risks would be assessed and placed on the Councils Corporate Risk Register as appropriate.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

20. The LEA contributes to all of the core and supporting Sustainable Community Strategy themes with particular contribution to the Economic Regeneration and Transport (core) theme. The LEA acts and a wider determinant to other 'need assessments and strategies.'

EQUALITY IMPACT ASSESSMENT

21. This report itself is not subject to an Equality Impact Assessment (EIA) as it reflects the current position as opposed to a policy change.

CONSULTATION INCLUDING WARD/COUNCILLORS

22. Relevant portfolio holder and appropriate officers.

Name of Contact Officer: Richard Poundford
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Background Papers - None

Ward(s) and Ward Councillors - All

Property - None