

AGENDA ITEM

REPORT TO CABINET

18 NOVEMBER 2021

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET INFORMATION ITEM

Business – Leader of the Council – Councillor Bob Cook
Regeneration and Housing - Lead Cabinet Member – Councillor Nigel Cooke

INCLUSIVE GROWTH REPORT

SUMMARY

This report provides an update on initiatives and development that contribute towards inclusive economic growth led by the Inclusive Growth & Development service area. This includes introducing the Council's new Inclusive Growth Strategy which will replace the current Economic Growth Strategy as one of the Council's key policy documents as outlined in the Council Plan.

REASON FOR PRODUCING THIS REPORT

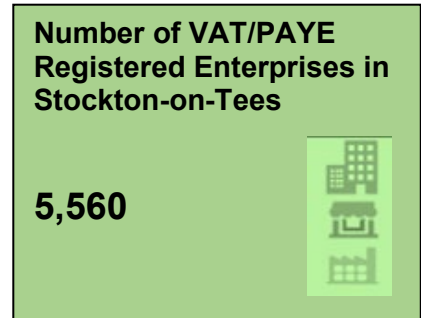
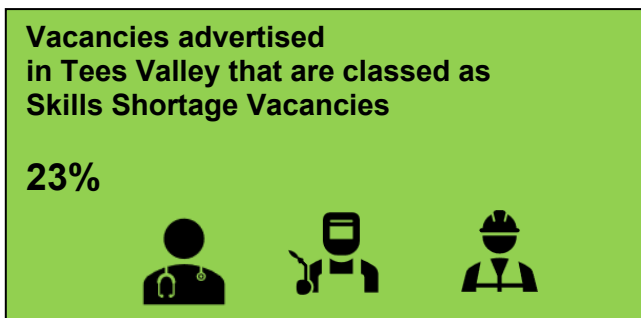
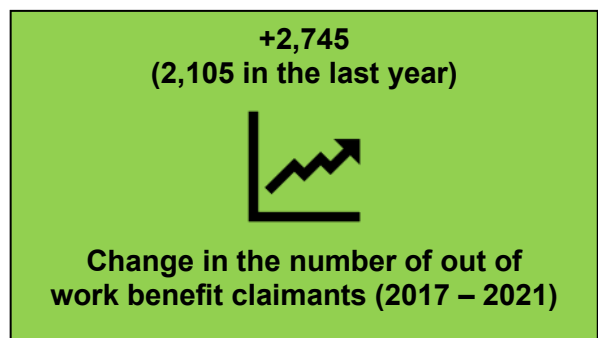
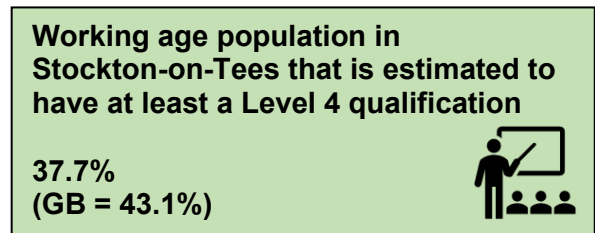
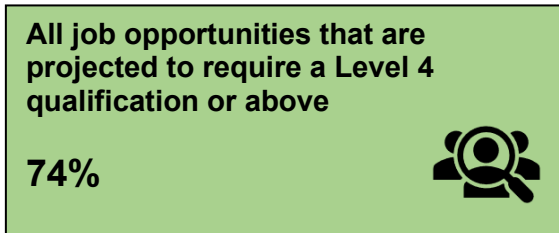
To update Cabinet on the latest economic growth activity and introduce the draft Inclusive Growth Strategy

DETAIL

Background

1. The Council currently has both an Economic Strategy (2017 – 2032) and a more focused Economic Growth Plan both of which are underpinned by an evidence base largely contained within a Local Economic Assessment. These documents set out the Council's ambitions and priorities to achieve Economic Growth, the interventions intended to contribute to growth and measures by which we would measure success.
2. At the time those reports were developed the impact of a global pandemic could never be forecast but it has and will continue to have a major impact on the economy of the Borough and the wider area.
3. Prior to the pandemic the effectiveness of the Economic Strategy and Growth Plan were being reviewed, partly linked to the Peer Review that was undertaken in 2019. The most fundamental aspect of the outcomes of these reviews was a shift in focus from economic growth to inclusive growth – a subtle but very important change. Whilst this Borough has been very successful in achieving economic growth over the past few years – becoming the economic powerhouse of the Tees Valley by providing a third of the region's GVA - the benefits of that growth were not necessarily reaching all people and places across the Borough. The subtle change from economic to inclusive growth will aim to ensure the residents of our Borough benefit from successful economic growth. The pandemic served to crystallise the need to move to a more inclusive strategy. This clearly links to the 'Fairer Stockton-on-Tees Framework' and will feed into the associated action plan.

Current Economic Climate (Key Metrics)



4. The metrics show some key issues to tackle moving forward including the impact of the pandemic on the number of people claiming out of work benefits and the disconnect between the percentage of job opportunities projected to require a Level 4 qualification or above (74%) and the Working age population in Stockton-on-Tees that is estimated to have at least a Level 4 qualification (37.7%).

Approach to Inclusive Growth

5. As alluded to in Paragraph 3, the Council have started developing an Inclusive Growth Strategy for the Borough. Inclusive Growth refers to broad-based growth that enables the widest range of people and places to contribute to economic success, and to benefit from it too. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes and

enabling as many people as possible to contribute and benefit from growth – essentially promoting economic growth that benefits the Borough's residents.

6. Successful inclusive growth should benefit people across the labour market spectrum, including groups that face a particularly large number of barriers to high quality employment. Place-based inclusive growth would also address inequalities in opportunities between different geographies and “communities of need” (e.g., young people, women, ethnic minorities, ex-offenders, migrants and those living with long-term health conditions).
7. The Strategy would largely cover the same topic areas as the Economic Growth Strategy. However, given the recommendations of the Peer Review in 2019, it presents an opportunity to create a more “People” focused approach towards inclusive growth and involve the opinions and actions of a wider variety of services, partners and local communities, towards a shared vision and priorities that dovetail across other Strategies and Plans. We will work with the Tees Valley Combined Authority (TVCA) to complement their emphasis on inclusive growth contained within the Tees Valley Local Industrial Strategy.
8. To ensure an inclusive approach we will need suitable evidence to target areas and population groups across the Borough. This would involve partnership working that would aim to identify the breadth of measures required, which could potentially create economies of scale by reducing resource pressures on other statutory services and create new models of service delivery. This would be very much linked to the ‘Fairer Stockton-on-Tees Framework’ that has been developed.
9. The Strategy will aim to support all types of business across the Borough but there will continue to be a strategic focus on the high value and growth sectors across the Borough and that were defined in the Economic Strategy. These are:
 - i. Energy & Environment,
 - ii. Life Sciences & Biotechnology,
 - iii. Manufacturing & Engineering,
 - iv. Logistics,
 - v. Office Based Services,
 - vi. Digital & Creative Services and
 - vii. Chemical & Process.
10. The proposed Strategy will focus on three key areas of intervention:
 - i. **Business Support** – providing advice, guidance and support that meets the needs of existing businesses to create resilience and facilitate growth,
 - ii. **Employment & Skills** – work with businesses to understand their employment and skills needs both now and in the future, and work with residents to provide the necessary skills to maximise their potential and access those employment opportunities,
 - iii. **Inward Investment & Development** – attract inward investment to the Borough by targeted marketing, providing appropriate land and infrastructure and taking a wholistic view of place development.

The recently formed Inclusive Growth and Development Service have already made progress against these three areas over the past 18 months and the Strategy will build on this work.

Progress to Date

Business Support

11. The Council have continued to support businesses throughout the Covid-19 pandemic through the provision of financial support, advice and guidance. To date the team have used the Additional Restrictions Grant (ARG) funding to support over 1,000 businesses with over £6.3m of grant funding to support them through the pandemic. The rapid turnaround of applications allowed the Council to draw down a “top-up” allocation which will mean businesses can continue to be supported through to March 2022
12. Following formal tender, a local company - Enterprise Made Simple (EMS), were awarded a SBC contract to support Stockton-on-Tees businesses with their recovery from the Covid-19 pandemic via ARG funding. EMS provide business support via 1-2-1 sessions and workshops, supporting businesses to identify strengths, weaknesses, opportunities, skills need etc. This will direct businesses to recover, diversify, adapt and grow their business, ensuring sustainability. Businesses will be allocated a dedicated Business Advisor who will work with businesses across the Borough to provide critical support, advice, guidance and relevant signposting. Where deemed necessary, financial assistance will be available from SBC.
13. The Council regularly record interactions with businesses. Over the last few months, the team have taken the opportunity to review the system used to improve and update the data quality, which will optimise the targeted marketing of business support available. During this exercise businesses have been segmented into sectors to ensure they receive relevant information and GDPR protocol has been completed to ensure businesses can be contacted directly and can individually update their contact preferences. This will allow the team to pass on opportunities directly to relevant businesses. This direct communication is supported by social media to widely promote the different support services available to businesses. Promotion of the Council's support service in addition to curated content is shared on regular basis.
14. Engagements with businesses have continued proactively with a large proportion being intelligence led, i.e. press releases, planning applications, reports etc. This information is recorded daily and reviewed weekly to determine the most effective method of contact based on the source information and content and delegated to the appropriate Officer. Throughout the pandemic officers have responded to numerous property and land enquiries resulting in engagement leading to intelligence gathering around job creation, training needs and investment.
15. Several networking events have been attended by various members of the team and all events are included on an Engagement Calendar. They are pre-planned and then reviewed to ensure they are effective methods of engaging with businesses. In addition, the team have more recently started drop-in sessions at business centres, which will continue and be reviewed going forward.

Employment & Skills

16. The Council has for many years been committed to supporting people to develop skills however there is a need to develop a more strategic, co-ordinated approach to respond to the issues presented by the Covid-19 pandemic. It is anticipated that the pandemic will result in increased levels of unemployment and the loss of several businesses. The effects of the pandemic have already been felt in the Borough with large increases in those claiming Job Seekers Allowance or Universal Credit and redundancies at businesses in several sectors. Whilst higher than average unemployment and a relatively high claimant count are not new issues for this Borough, the scale of these issues will be significantly increased.

17. Members will be aware from previous reports that the Stockton-on-Tees Employment and Training Hub is currently being developed by the Council to provide much needed support to both businesses and residents and create that strategic, coordinated approach.
18. The support will be centred around a 'hub and spoke' model based on a single point of engagement and referral for our Employment, Education and Skills (EES) provision along with flexible community-based provision at locations where intelligence suggests there is the greatest need. Following discussions with internal groups, neighbouring Authorities and partner organisations it is proposed that physical and virtual 'hub and spoke' services are developed to provide a 'one stop shop' approach for residents of all ages and businesses across the Borough that can link up to and access the wider network of opportunities. This approach would bring together internal colleagues from Economic Development (employability/enterprise), Learning and Skills, Schools and Early Help, Partnership and Planning alongside VCSE organisations (e.g. Catalyst) and the likes of JCP/DWP. It would be complemented by targeted input from colleagues in other Services such as Welfare Support and Public Health.
19. A temporary central hub opened in Wellington Square, Stockton town centre in April of this year providing the "front door" element of the proposed model providing advice, guidance and signposting to support. Officers have also undertaken an options analysis for a more permanent location for the central Hub. The outcome of this work has identified the upper floors of the former H&M unit in Wellington Square as the preferred location for the Hub. Access to the facility would be via the former Goldsmiths unit. The location is extremely accessible being within close proximity to bus services, within walking distance of rail services and with parking facilities adjacent to Wellington Square. The property itself provides ample space to undertake a wide variety of initiatives within the Hub including training, recruitment, interviewing, conferencing and networking. It is anticipated the permanent Hub will be operational in Spring 2022.
20. An important part of this approach is to provide services to communities and in areas that have the greatest demand – referred to as "the spokes" emanating from the Hub. These spokes will be tailored to meet the needs of the particular community and we have started to engage with organisations that are already well established within these communities to add value to their current support and to avoid duplication. Early discussions have also taken place with Catalyst recognising the significant role of the VCSE sector in this regard. It is anticipated that these spokes would include provision of services that deal with all aspects of recovery not just those directly concerned with economic growth such as Health and Wellbeing services.
21. Officers have also held discussions with organisations such as Tees Valley Community Council, Yarm Wellness Centre and Onsite Building Trust. A number of the organisations occupy Council buildings, some of which require improvement and adaptation which will support the organisations in delivering the services in partnership with the Hub. For example, Yarm Youth & Community Centre in Yarm is a building that is centrally located and Yarm Wellness Centre will occupy the building to provide a range of services that will assist with community recovery, such as creative and educational workshops to re-engage members of the community, opportunities for practical training on site and employability support which will be delivered by the Hub. Onsite Building Trust manage a number of community centres across the Borough, including Ragworth, Norton Grange, Grangefield, Hartburn, Thornaby, Billingham and Stillington that are already heavily utilised by external training providers, delivering CV writing and employability training. However, this provision is infrequent and delivered on an ad hoc basis so there is a need for regular provision as part of the spoke offer. Work is ongoing to identify further locations for spokes across the Borough.
22. The physical Hub is supported by a virtual offer that gives us the ability reach a wide, targeted audience instantaneously. The primary focus is on social media at present with a Facebook page launched earlier this year, however, a website will follow shortly. The virtual offer is managed by staff in the physical Hub who have the necessary knowledge to post on the page.

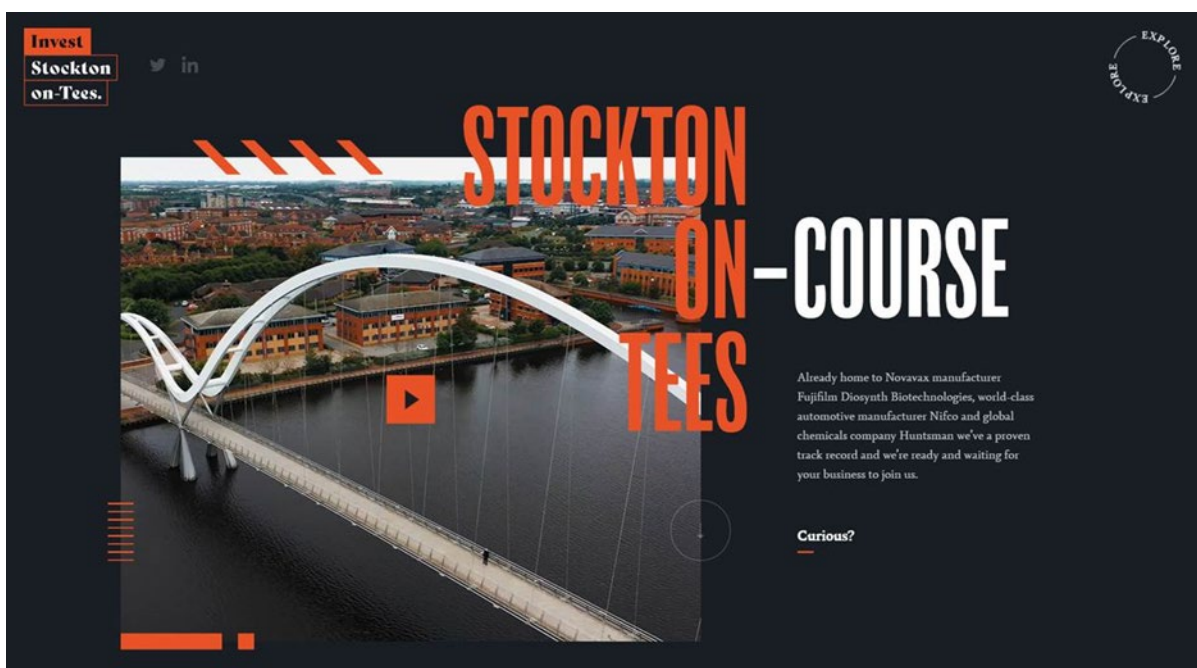
The page creates links with large and medium employers in the area to introduce the Hub, generating content of its own as well as sharing posts from employers in the Borough. The page has three main functions:

- i. Posting job vacancies,
- ii. Sharing service updates for The Hub,
- iii. Dealing with questions and queries.

Inward Investment & Development

23. Despite the global pandemic businesses have continued to invest in the Borough and inward investment enquires have remained at pre-pandemic levels. The Borough has a strong industrial past and is already home to major international companies such as Nifco, Fujifilm, Huntsman and KP Snacks. However, promoting our key sites and attracting investment across our key and emerging sectors which include Chemicals & Process, Environment & Energy, Advanced Engineering and Science Research, Development & Biotechnology remains a key objective for the Borough.
24. To support this aim, the Council have been working on the production of an investment brand and associated place marketing campaign. Following some detailed work including liaison with local business leaders the “Invest Stockton-on-Tees” brand underwent a “soft launch” in July of this year. An example of the brand in use is shown in Figure 1 below:

Figure 1: Invest Stockton-on-Tees Branding



25. The Invest Stockton-on-Tees microsite (www.investstocktonontees.co.uk) has the function for businesses to send direct enquiries and engagements are made reactively via this method. Businesses are also able to sign-up to our newsletter mailing list. This information is then added to the central database so that they are included in any future communications
26. The Council recently launched a new interactive map on our website (<https://www.stockton.gov.uk/our-council/land-and-property-owned-by-the-council/>) which identifies all land and buildings in the Council's ownership and leased-in as well as showing all adopted highway/footpaths in the Borough. Whilst its primary aim is to be the first point of contact for public enquiries around land ownership it provides a very useful tool for inward

investors and agents. The web page also provides service contact details should the enquirer have a specific query.

27. To support inward investment and secure a strategically important employment site, the Council completed the acquisition of 64 acres of undeveloped land at Durham Lane Industrial Park in June 2021 using part of the Council's Indigenous Growth Fund allocation from TVCA. This direct intervention not only safeguards the future of the Park, but it will enable the Council to stimulate growth and to realise additional economic value as a result of job generation and social value embedded in our approach to procurement. The Council are seeking to work with the private sector, delivery partners, and key stakeholders to open up opportunities for the delivery of modern fit-for purpose premises focussed towards a mixed use development of general industrial/storage or distribution space and land use to attract inward investment and to support the growth of existing established businesses within the Borough, potentially creating up to 1000 jobs dependant on the nature of the development proposed and the percentage take up across the site, allowing the Borough to continue to be a major contributor to the region's economy. The acquisition of this strategic employment site compliments the Council's previous acquisition of vacant employment land at Belasis Business Park, again allowing the Council to take a proactive approach to safeguarding growth opportunities for inward investment.
28. To support a broader approach to placemaking and growth at Durham Lane, the Council are working with colleagues in Community Services, the TVCA and existing business to coordinate the delivery of important road infrastructure and a new station access including a car park and footbridge at Eaglescliffe Station. We are working on our marketing plans to promote our Business Park across the Borough.

Large-scale Investments

29. FUJILFILM Diosynth Biotechnologies, a world leader in biotechnology development and manufacturing, has officially launched its new Billingham BioCampus. This Phase 1 completion includes a 42,000 sq.ft purpose-built office accommodation and visitor centre, with land also made ready for subsequent construction phases, expected to include additional research and development laboratories and new manufacturing facilities. This multimillion-pound development has included road infrastructure improvements allowing the firm to expand into land to the north of B1275 Belasis Avenue which was formerly the Billingham House site. The company is one of the largest employers in Tees Valley and has built on its global reputation most recently by the critical role it played in the fight against Coronavirus by producing 60 million Novavax vaccines at its Billingham facility. The company employs over 950 staff; with 150 of these being recruited to over the past year and attracting highly qualified specialists from other areas of the country.
30. The recent announcement of a 2m sq.ft logistics facility at Wynyard Business Park in response to growing national demand will create up to 1,500 permanent jobs; 1,000 of these would be full-time during the construction programme and would support an additional 1,240 indirect full time jobs per annum during the same period benefiting the wider economy. It is the intention that recruitment will be targeted towards local people. In addition to the investment into the building of the facility over £5m of funding has been secured to improve the nearby road infrastructure.
31. Wilton Universal Group specialises in designing, manufacturing, coating and loading out large, complicated structures for the Offshore Oil & Gas, Subsea, Marine, Decommissioning and Offshore Wind Industries. The company has confirmed the multi-million acquisition of a manufacturing facility spanning 58 acres adjacent to its current Stockton-on-Tees base at Haverton Hill. It will create a combined 112-acre site on the banks of the River Tees, which will boost its capacity and capabilities for the renewable energy, defence, and logistics sectors. The site also contains land for further expansion or to welcome other companies who would benefit from its riverside location, which is within the Freeport Sub Customs Zone. Protium, the

UK's leading green hydrogen energy company, has secured a location on the site, marking the area's largest announced green hydrogen project to date. The project will be completed by 2026, subject to planning and engineering works – creating jobs during the construction programme and sustained employment during its operation.

Next Steps

32. To further increase brand awareness as part of the 'inward investment strategy' advertisement and marketing activities will be increasing beyond our current activities and social media. Whilst this will be undertaken in a phased manner it is likely to include marketing and attendance at trade magazines and events as well as advertisement within locations frequented our target audience. As brand awareness it is the intention to develop the current microsite into a fully functioning invest website which will be designed to showcase why Stockton-on-Tees is the obvious choice to locate a business and the support we can offer.
33. To continue to be able to support businesses beyond the pandemic and to encourage growth, further funding has been allocated as part of the Council's Indigenous Growth Fund (IGF) to be launched at the end of 2021. Targeted at small and medium enterprises in key employment locations and priority sectors, will be able to apply for the fund to help them grow their business or implement innovative ways of working to enhance sustainability and productivity. Grants will be available in conjunction with projects that create new jobs. Jobs should provide local people with long-term prospects, including sustainable employment that allows access to learning and coherent pathways with progression pathways (linking to Local Skills Plans).
34. The Employment and Training Hub is continuing to grow, and its recent move to a larger temporary unit in Wellington Square will allow for engagement with more partners, along the roll out of on-site training delivery. Work will begin shortly on the permanent home for the Hub, also in Wellington Square, with development works expected to be completed by Spring 2022.
35. The Hub's virtual offer will be developed to include a microsite allowing residents and businesses to access a self-serve portal to register with the Hub, upload CV's and job adverts as well as providing up-to-the-minute information on job and training opportunities. The microsite will be integrated with a Client Relationship Management (CRM) System which will be accessible by all Hub partners and other Tees Valley Local Authorities, to ensure a holistic approach to the employment and training offer across the sub-region.
36. A Hub Manager and two Recruitment Coordinators have now been appointed and will begin work on raising awareness of the Hub amongst residents and businesses. The team will also continue to drive the role of the Labour Market Intelligence (LMI) Group to focus on identifying any skills gaps and working with industry leaders to develop solutions. With 'Routes to Work' funding ending in March 2022, the Hub also has a role to work with partners to develop a new approach to ensure those eligible individuals are still supported.

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INCLUSIVE GROWTH STRATEGY 2021 – 2036

FOREWORD

INSERT – CLLR COOKE

The Inclusive Growth Strategy is a long-term approach to enable the fair distribution of economic growth across the Borough that creates accessible opportunities for all residents.

We want more residents to be in work by enabling them to access the job opportunities available and being created by local businesses.

Inclusive growth refers to broad-based growth that enables the widest range of people and places to contribute to economic success, and to benefit from it too. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes and enabling as many people as possible to contribute and benefit from growth.

This approach would socially benefit people across the labour market spectrum, including groups that face a particularly large number of barriers to benefit from high quality employment with the long-term prospects that local people can access. Place-based inclusive growth would also look to address inequalities in opportunities between different geographies and “communities of need”, e.g. young people, women, ethnic minorities, ex-offenders, migrants and those living with long-term health conditions.

Our focus will be framed around themes similarly to that of the previous Economic Growth Strategy 2017-2032 – Business, People and Place - and this Strategy now replaces that. However, we are presented with a real opportunity to create a stronger “people” focused approach towards inclusive growth and involve the opinions and actions of a wider variety of Services, partners and local communities towards a shared vision and priorities that dovetail across a variety of strategies and plans. We will work with the TVCA to complement their emphasis on inclusive growth and inequalities contained within the Tees Valley Local Industrial Strategy.

The Strategy will directly link to the ‘Fairer Stockton Framework’, which aims to narrow inequalities gaps across the Borough. Access to high quality employment is identified as a key priority within that Framework.

To ensure an inclusive approach we will access suitable evidence to strengthen targeted support to areas and population groups across the Borough. This would involve partnership working that would aim to identify the breadth of measures required, which could potentially create economies of scale by reducing resource pressures on other statutory services and create new models of service delivery.

In summary, we have defined inclusive growth as:

“Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all”

EXECUTIVE SUMMARY

Supporting economic development and inclusive growth are key priorities for Stockton-on-Tees Borough Council.

Following the immediate and ongoing impact of the Covid-19 pandemic on the economy that has created higher levels of unemployment, numbers of benefit claimants, and impacted businesses across the Borough, there are still things that we will not know the full impact of until national support schemes come to an end.

Encouragingly though, we have been seeing the number of vacancies advertised locally increasing and they are higher now than this time in 2020. As could be expected though there is now more competition for those jobs, and for those people that were already further away from accessing them we need to provide the right support relevant to their individual needs through our proactive creation of an Employment and Training Hub that will target its services to those that need it most and work with employers to meet their recruitment and training needs.

It will become more important for us to know the jobs of the future within such a changing environment to ensure that the right careers education, information, advice and guidance is provided to our young people and that school curriculum can be developed to align with the needs of the local economy, and for many young people to be making the right choice, first time. Businesses will require more higher-level skills, and this is predicted to increase over the next 10 years. Young people will need access to clear and relevant information so that their aspirations meet those of businesses and enable them to secure the jobs that will be available locally be that from further education, higher education, or apprenticeship routeways.

During the current time we are working in partnership to provide the capacity to businesses to develop their existing and future workforce plans and training needs, which will inform the employment and skills requirements needed in the future. We will strategically lead on the direction of Education, Employment and Skills provision and delivery so that it meets the needs of Stockton-on-Tees' residents and businesses and will work in partnership to harness the significant economic opportunities available across the region over the coming years.

Covid-19 has had a detrimental impact on our business community with some sectors more than others being negatively impacted by national lockdowns. Continuing to support our local businesses to sustain and grow remains a key priority; from our work in shaping the business support infrastructure and funding landscape to meeting their current and ongoing needs via business diagnostics, available premises, and recovery and resilience packages of support.

As a large procurer of goods and services we will be developing our approach to make it easier for local businesses to access those opportunities and to develop further how we can measure the social value impact of what we spend locally. We have many businesses operating within the Borough, and we aim to develop the supply chains infrastructure locally so that businesses can find what they are looking for with ease and for them to profile their businesses to wider audiences and to access new markets.

We are continuing to invest in regenerating and repurposing local town centres and strategic development sites and raising the profile of the investment opportunities available locally through brand development, an inward investment website and sector relevant approaches to our communications and engagement activity. We will be working closely with land-owners, developers and intermediaries in this market to bring forward development that is of a high-quality design and provides opportunities for local people.

We will continue to work proactively with our partners and stakeholders to enable the residents of the Borough to realise their full potential and benefit from economic growth.

OUR MISSION (WHAT WE AIM TO ACHIEVE)

VISION: *Stockton-on-Tees will be a place where all residents can realise their full potential and benefit from economic growth. We will tackle employability and skills issues to eradicate inequality gaps in the long term; by targeting services towards those with the greatest needs.*

OBJECTIVES

- Existing businesses and new investors will benefit from the skills and entrepreneurialism available within the labour market; to become more productive, highly innovative and creating new and better jobs as a result
- Alongside partners, we will work to support local supply chains to link opportunities and develop jobs in the local economy
- Areas across the Borough will be regenerated, and town centres will continue to be repurposed as centres for local communities with an enhanced range of experiences
- Recognise how important a successful economy and employment is to the health of the Borough

OUTCOMES

- Existing businesses are surviving and growing
- People are accessing more and better jobs and apprenticeships
- New businesses and investment are being attracted into the Borough
- The inequalities gaps across the Borough are being reduced

KEY SECTORS

- Energy and Environment
- Life Sciences and Biotechnology
- Manufacturing and Engineering
- Logistics
- Office Based Services
- Digital and Creative Services
- Chemicals and Process.

THE STRATEGY AND ITS PRIORITIES ARE BUILT ON AND WILL BE DELIVERED ACROSS THREE PILLARS:

1. Business Support
2. Inward Investment and Development
3. Employment and Skills

PARTNERSHIP WORKING:

We will work with a range of partners to both support delivery of this Strategy and to influence them to align their priorities. These will include amongst others:


- DWP
- TVCA
- Other Local Authorities
- Major Business and Business Representative Organisations
- Education Providers

STOCKTON-ON-TEES: ECONOMY, PLACE AND POPULATION

POPULATION OF STOCKTON-ON-TEES



197,400

(MID-2021 ESTIMATE)



121,100

Working Age Population in Stockton-on-Tees



91,700


In Employment
(74.3% of those aged 16-64)

(GB = 74.4%)


25,600

Economically Inactive
(21.5% of those aged 16-64)

(GB = 21.6%)



+2,745
(2,105 in the last year)




Change in the number of out of work benefit claimants (2017 – 2021)

MEDIAN WEEKLY WAGE OF A STOCKTON-ON-TEES RESIDENT (2020)

£558.60
(UK = £587.10)




101,000 JOBS WILL NEED FILLING IN TEES VALLEY BY 2027*



MADE UP OF **6,000** NEW JOBS AND **95,000** REPLACEMENT DEMAND

*Pre-Covid-19


All job opportunities that are projected to require a Level 4 qualification or above



74%

Working age population in Stockton-on-Tees that is estimated to have at least a Level 4 qualification

37.7%
(GB = 43.1%)



53% of all replacement jobs are projected to require Level 3 or below

31% projected to require Level 2 or lower



Vacancies advertised in Tees Valley that are classed as Skills Shortage Vacancies

23%



PROPORTION OF 16-17 YEAR OLDS KNOWN TO BE IN EDUCATION, EMPLOYMENT OR TRAINING

91.9%



ECONOMIC OUTPUT PER HOUR WORKED

£34.4

(UK = £35.2)



Allocated land for business and industrial growth

**500 Hectares
(1,200 Acres)**



NUMBER OF VAT/PAYE REGISTERED ENTERPRISES IN STOCKTON-ON-TEES (2020)

5,560



JOBS IN A STOCKTON-ON-TEES WORKPLACE

85,000



ONE YEAR SURVIVAL RATE OF STOCKTON-ON-TEES ENTERPRISES BORN IN 2019

91.7%

(UK = 89.1%)



LOCAL CONTEXT - ECONOMY, PLACE AND POPULATION

1. Stockton-on-Tees has a large and active working age population, but with an ageing workforce it will be contributing towards potential skills shortages and gaps that employers cannot fill, particularly in our key sectors. There remain some issues in relation to the number of people accessing out of work benefits that need to be addressed; with more than 1 in 5 residents of working age that are economically inactive. This position has been worsened by Covid-19, so we need to dedicate resource and priority to this work to engage them in activity towards employment and training.
2. The business population in Stockton-on-Tees remains strong; with over 5,500 businesses and more than 90% of them employing less than 10 people. These businesses provide 86,700 jobs in the Stockton-on-Tees' economy; with the largest numbers being in the Manufacturing and Health sectors, and strengths in other high-value sectors that have a higher prevalence locally than nationally such as Life Sciences and Biotechnology, Energy and Environment, and Chemicals and Process.
3. Some Stockton-on-Tees' businesses, however, are finding it difficult to recruit people with the right skills; with almost 1 in every 4 jobs advertised being classed as a "skills shortage vacancy" and over 1 in every 3 jobs advertised being classed as a "hard to fill" vacancy - this is impacting some sectors more than others such as those that recruit skilled trades occupations. We aim to support businesses of all sizes with their recruitment and training activities through the Employment and Training Hub to ensure that there remain enough accessible and high-quality jobs for our working age population.
4. Most residents can access good jobs that provide security and sustained employment at a pay level that affords them the opportunity to live good quality and healthy lives; with an average weekly wage of £465.90 per week this is not much lower than national averages. Unfortunately, this is not the case for all and some residents remain in low paid and unsustainable work and as a result find it difficult to upskill or retrain to be able to access higher value jobs and subsequently improve their quality of life. However, there will still be a high demand for intermediate and lower-level skills, requiring a Level 3 or below qualification, particularly in relation to where the replacement demand jobs will be needed across the economy.
5. The development of an Employment and Training Hub will provide a centralised, single point of access for both businesses and residents, with the addition of community-based support to ensure that skills programmes are linked directly to specific job opportunities and enable supported recruitment practices to take place. The E&T Hub will target its services towards those furthest from the labour market and in most need of support as a priority as well as those looking to upskill and change their career path; signposting and facilitating referrals to support individual needs and co-ordinating this activity across Services where it makes sense to do so for the individual.
6. It is predicted that many of the future high-level skills and roles needed by 2027 will be met by those currently in employment so we need to work with businesses to accelerate the take-up of in-work training and workforce planning.

7. Driven largely by replacement demand, 100,000 jobs were projected in the region between 2017 and 2027, implying an average annual rate of 10,000 jobs. 6% of the 100,000 job opportunities in the region over that time were projected to be new job opportunities. The remaining 94% were forecast to be replacement jobs from those who will leave the workforce. There is an increasing need for higher level skills; with around three quarters (74%) of all job opportunities projected to require a Level 4 (HE below degree level) qualification or above. This rise is due to an increase in jobs projected to require a level 6 (first degree) qualification, with 43% of all jobs and 63% of all new jobs projected to require at least a level 6 qualification (up from 32% and 52% in the 2014-2024 projections). However, there will still be a need for intermediate and lower-level skills, particularly in replacement jobs, with over half (53%) of all replacement job opportunities projected to require a level 3 or below qualification, with 31% projected to require a level 2 or lower.¹
8. It is vitally important that the young people in Stockton-on-Tees have access to the most relevant Careers Education, Information, Advice and Guidance (CEIAG) that reflects the most up-to-date labour market information (LMI) to dovetail through to the curriculum development within Schools. We will lead on providing the right LMI information at the right time so that young people are making choices based on knowledge of the businesses and sectors thriving in the local economy, the respective skills and qualifications they require, and for many to make the right choice, first time so that they will be able to obtain employment opportunities locally.
9. There are a range of place-based regeneration activities planned over the next 15 years and beyond; from marketing and profiling strategic development sites across the Borough, repurposing our town centres as centres for local communities, to feasibility studies and master planning at key development locations. We recognise that in shaping and designing the built environment we can positively impact on the character of a place, people's quality of life and its sustainability through healthy activities and experiences. We will be working in partnership to deliver the 'Healthy Places' agenda to reduce health inequalities and meet a variety of needs across the Borough.
10. By implementing a joined-up place-based approach rather than focusing on an individual problem or issue should enable us to work towards reducing inequalities in health and wellbeing. We will be working with 'Healthy Streets' to develop a tool that will enable us to monitor the impact of delivering projects from a pipeline of sustainable placemaking interventions.

TACKLING INEQUALITIES

11. Evidence suggests that there exist wide ranging inequalities across the Borough with a complex series of causes that is widening the inequalities gaps for individuals, "communities of need", and geographies. The priorities presented by this Strategy will provide residents with the opportunity to take control of their future employment and earning potential through upskilling towards new, better, and sustainable jobs, which will have a profound impact on individuals and their families.

¹ Source: TVCA Skills Report 2021 - Note that Working Futures projections indicate a possible future, based on past patterns of behaviours and performance - they should not be regarded as precise forecasts. They are indicative of general trends and orders of magnitude, providing a systematic benchmark view across the whole economy and labour market but are not intended to be prescriptive. These forecasts pre-date the COVID-19 pandemic.

12. The services that we will deliver from the Employment and Training Hub will be taken to areas of the Borough where there is the greatest need identified and we will work with the existing network of agencies and community groups involved in supporting people into employment and training.
13. As a Local Authority we recognise the value of our spending power to the local economy, and we have already set in place our aspirations to consider the economic, social, and environmental wellbeing in the procurement of our services or contracts in our 'Social Value Policy'. We will go beyond this to develop in partnership a 'Public Sector Procurement Charter' and broaden the use of the Social Value Calculator for added benefit in the delivery of our services. This in turn will make clear connections to our efforts to reduce inequalities across the Borough through action on the social determinants of health, for example by improving employment.
14. By us working with the regional body for public sector procurement (NEPO) we will promote procurement opportunities to local businesses and develop approaches that relate to local wealth building and employment and training.

THE CASE FOR AN INCLUSIVE GROWTH APPROACH

15. It is generally considered that 'trickle down' economics has not worked historically, and targeted policies and interventions are required to improve the distribution of economic benefits. Clear and accessible definitions of what more inclusive local economies might look like will help to increase the understanding of the aims of the Inclusive Growth Strategy to level up both across geographic areas and within "communities of need".
16. This Strategy will ensure that whilst sustaining and building our economy that all our residents can participate in and benefit from Stockton's economic growth, which prior to Covid-19 showed strong growth and high economic performance. Despite this, issues around long-term unemployment, economic inactivity and in work poverty have prevailed, and there remains large numbers of residents claiming out of work benefits.
17. Our Inclusive Growth Strategy will be grounded in evidence about our understanding of Stockton-on-Tees, its economy and the challenges people are facing; not least the short, medium and long-term effects of Covid-19 that are yet to be fully known. We may have to explore the development of innovative datasets or a suite of measures to evaluate interventions and success as they relate to "communities of need", e.g. young people, women, ethnic minorities, ex-offenders, migrants and those living with long-term health conditions.
18. According to the Index of Multiple Deprivation (IMD) 2019 Stockton-on-Tees is the 73rd (out of 317) most deprived Local Authority in England. Furthermore, some parts of the Borough are amongst the most deprived in England. There is a need for us to engage and consult with "communities of need and interest" to develop informed solutions based on what they perceive inclusive economic growth to mean for them.
19. This approach will require a long-term, sustained effort and our understanding of the scale of the impact of our interventions will require high quality and very local data. We may choose to identify measures of inclusion and wellbeing to accompany measures of economic growth, or supplement existing measures of economic growth with information around population groups and "communities of need". There is great potential to work across Services and with partners to share evidence and evaluation analysis to ensure that the Inclusive Growth Strategy reflects the existing situation and addresses local need.

20. We may find that developing an 'inclusive growth tool' would help assess projects and interventions for their contribution towards inclusive growth and enable a dialogue about where projects could be modified to improve outcomes. Our priorities will be clearly articulated with priority activities developed around the three pillars of inclusive growth.
21. If the economic challenges of COVID-19 are not to create further inequality, any such activities must be accompanied by effective measures to make sure that jobs and training are widely accessible, in particular to "communities of need" whose risk of exclusion has been increased during the pandemic.
22. New skills demand from businesses may emerge rapidly or in response to external factors and need, for example the developing "green economy" and transition towards a net zero economy leading to changes in job roles and practices. This may require a pace of change to provide the opportunities to train and learn new skills, and of access to these, especially for people who have suffered greater and further hardship during the Covid-19 lockdown period.
23. The quality of jobs in the labour market is a core element of a more inclusive economy and we will aim to influence this through our procurement of goods and services, and by working in partnership with local businesses across different sectors when they are creating jobs and developing their workforce plans to consider approaches that bring forward good quality jobs at a variety of skills levels to enable a broad cross-sector of residents to access those opportunities. Alongside this, we will work in partnership with Public Health to develop the workplace health agenda.
24. Stockton-on-Tees is located at the heart of the Tees Valley region and at the centre of one of the most significant integrated industrial economies in the world. This has helped shape the nature of the sectors that we see today in manufacturing and engineering and chemicals and process, which continue to thrive. We are keen to support these sectors alongside our other growing sectors in life sciences and biotechnology, energy and environment, logistics and digital and creative services. We will support the achievement of our net zero ambitions through industrial decarbonisation and clean energy production and to gain a greater understanding of what the "green economy" could look like in Stockton-on-Tees.
25. The area is highly competitive and provides international gateways for the movement of goods in and out of the country and is a key hub for the domestic freight market. We will continue to work with TVCA to ensure that local businesses can benefit from capital project opportunities through the supply chain and that investment plans will meet their future needs.
26. Investor confidence in the area remains strong, with internationally recognised companies continuing to invest in the area, along with SMEs and micro businesses.
27. The Borough already has specialist sites at two locations to support the chemical and process sector, and the emerging industries of hydrogen and energy will create even greater opportunities for businesses to locate here along with supply chain businesses.

28. There is a wide range of skilled people in the local workforce that have the transferrable skills to accommodate business location and growth. It is vitally important that we raise the profile of the Stockton-on-Tees' area to both investors and developers and as such we are developing an inward investment branding campaign to market the key development locations in the Borough.
29. These plans will profile the variety of locations that can meet the diverse needs of businesses - be that near to population groups, in close proximity to the national transport or pipeline networks, at traditional industrial estates, in Grade A or newly built bespoke commercial premises. We understand what is important to businesses and as such will create the right environment and an ease of transition to locate here that is relevant to each sector's requirements.
30. Our aspirations for the local area have remained visionary and forward looking and we will continue to work proactively with investors and developers to create the right conditions to make this happen. We will need to identify and secure funding as part of bringing forward a Commercial Investment Plan for Stockton-on-Tees so that where we may need to intervene in the market to deliver economic growth there are sufficient funds to do so.
31. The relationships that we continue to build with developers and intermediaries as stakeholders in 'place' development will be key to our continued success. We will consider how our local assets can leverage the greatest benefit to the economic success of Stockton-on-Tees.
32. The quality and sustainability of the built environment remains a priority for us and the provision of advice and guidance in this regard will continue to ensure the quality standards we have set.

PRIORITIES FOR INCLUSIVE GROWTH

PILLAR 1: BUSINESS SUPPORT

- Provide access to business support that meets the needs of businesses as part of a joined up regional approach
- Develop a business recovery and resilience offer as part of a joined up regional approach
- Facilitate referrals to business support providers
- Shape and influence business support services as part of a joined up regional approach
- Create opportunities through a Communications and Engagement Plan
- Work in partnership to develop public sector procurement opportunities
- Increase the supply chain opportunities available to businesses

PILLAR 2: INWARD INVESTMENT AND DEVELOPMENT

- Place branding campaign
- Develop marketing plans for strategic development locations in partnership with land / property owners and intermediaries
- Develop a Place Assets Strategy and secure external funding
- Develop sector relevant approaches
- Develop Feasibility Studies / Development Briefs and undertake Sites Master Planning at key development locations
- Work with landowners / developers at strategic development and housing locations to bring employment land and housing forward
- Continue to develop and enhance relationships with developers and intermediaries as stakeholders in Place development
- Work in partnership to deliver the 'Healthy Places' agenda to reduce health inequalities and meet a variety of needs across the Borough
- Provide Place making advice and guidance
- Support the work of the Town Centres Development Team

PILLAR 3: EMPLOYMENT AND SKILLS

- Provide the strategic direction for Education, Employment and Skills provision and delivery
- Develop an Employment and Training Hub – short, medium, long term options
- Match supply of / demand for employment and skills in the labour market and strengthening CEIAG in Schools to reflect up-to-date Labour Market Information (LMI)
- Build on existing work to develop the social value from commissioning and contracts
- Working with communities to target Services to those most in need to access new and better jobs