

INCLUSIVE GROWTH STRATEGY 2022 – 2027

FOREWORD

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 inspiring and 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 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. The Strategy is one of the Council's core strategies and it will directly link to the 'Fairer Stockton Framework', which aims to narrow inequalities gaps across the Borough. Access to better quality and higher value employment is identified as a key priority within that Framework and this strategy will have a strong focus on increasing skills and training to support people into work

Our focus will be framed around the themes of Business, People and Place and 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 Tees Valley Combined Authority to complement their emphasis on inclusive growth and inequalities contained within the Tees Valley Local Industrial Strategy.

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”

Councillor Nigel Cooke
Cabinet Member for Regeneration and Housing

EXECUTIVE SUMMARY

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

The Covid-19 pandemic has clearly impacted on the economy with higher levels of unemployment and economic inactivity; with some age groups affected more than others increasing numbers of benefit claimants. It has impacted businesses across the Borough and there are still things that we will not know the full impact of until national support schemes come to an end.

Attracting investment and creating jobs has and will continue to be a focus of the council and is a key priority for the Tees Valley Combined Authority (TVCA). There will be opportunities for our residents in existing and new sectors and the strategy will focus supporting residents to access those opportunities.

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 education and skills curriculum can be developed to align with the needs of the local economy. We want to encourage young people to be aspirational in their career choices and for more of them 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 know that there is a current disparity between the level of qualifications and skills required and those gained by our residents, and this will be a key area of focus. 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 businesses of all sizes operating successfully within Stockton-on-Tees and we are keen to attract more to increase our business base. 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 explore new markets both within and outside Stockton-on-Tees.

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, is widely recognised, 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.

INTRODUCTION & LOCAL CONTEXT - ECONOMY, PLACE AND POPULATION

1. 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 making up around a third of the entire Tees Valley economy. 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 alongside other growing sectors like life sciences and biotechnology, energy and environment, logistics and digital and creative services. 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.
2. The Borough already has specialist sites at two locations to support the chemical and process sector, and the emerging industries of hydrogen and energy production will create even greater opportunities for businesses to locate here along with their required supply chain.
3. The business population in the Borough remains strong; with over 5,500 VAT registered 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. In addition, Stockton boasts many small businesses and self-employed people that also make an important contribution to the local economy.
4. Stockton-on-Tees has a large and active working age population, a wide a large a varied skill set with much of the local workforce having the transferrable skills to accommodate new business growth. However, with an ageing workforce there may be 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, training and skills development.
5. The Borough has a strong track record of attracting inward investment and investor confidence in the area remains strong, with internationally recognised companies continuing to invest in the area, along with SMEs and micro businesses. Recent multi-million-pound investments from global companies like Fujifilm Diosynth Biotechnologies have been supported by a range of place-based regeneration activities planned over the next few years and beyond. 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.
6. It is generally considered 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".
7. This Strategy will ensure that whilst sustaining and building our economy that all our residents can access, participate in and benefit from Stockton's economic growth, which prior to Covid-19 showed strong growth and high economic performance.

CHALLENGES AND OPPORTUNITIES

8. 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 with evidence suggesting that there exist wide ranging inequalities across the Borough with a complex series of causes that are exasperating those inequalities. There is a need for us to engage and consult with “communities of need” and “communities of interest” to develop informed solutions based on what they perceive inclusive economic growth to meaningfully be for them. However, a key part of facilitating inclusive growth will be to increase employment opportunities through growth in existing businesses, attracting inward investment and providing resilience by continuing to diversify the economy.
9. Driven largely by replacement demand, more than 100,000 jobs were projected in the region between 2017 and 2027, implying an average annual rate of 10,000 jobs. 6% of those job opportunities in the region over that time were projected to be new jobs. The remaining 94% were forecast to be replacement jobs from those who would leave the workforce by 2027. 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. It is also 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 by building capacity within the business and developing diagnostic processes.
10. Some Stockton-on-Tees’ businesses 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 to ensure that there remain enough accessible jobs for our working age population.
11. 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 the education and skills system. We will lead on providing the right LMI information at the right time so that young people are being aspirational in 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.

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 continued economic growth. We will increase jobs and improve skills to reduce inequality gaps in the long term and focus on those with the greatest needs. We will continue to promote the benefits of the Borough as a place for businesses to invest, prosper and grow.*

AIMS

12. Alongside our vision, we have four broad aims for this strategy, these are described below. An associated Action Plan will be developed separately.
13. As well as the vision and specific aims, there is an important over-arching objective that this strategy will contribute to narrowing the equalities gaps across the Borough as set out in the 'A Fairer Stockton-on-Tees Framework'

Aim 1: Support businesses to survive and grow	Aim 2: New businesses and investment are being attracted to the Borough creating new jobs
Aim 3: All residents have access to training linked to skills gaps and job opportunities	Aim 4: Deliver interventions that facilitate inclusive growth

AIM 1: SUPPORT BUSINESSES TO SURVIVE AND GROW

14. Providing advice, guidance and support to existing businesses and those wishing to start a business is a core element of our inclusive growth approach. The council is a key part of the local business community, and we will work with local businesses to understand needs, challenges and opportunities, and help identify packages of support.
15. We will continue to put our own package of direct support in place, particularly for “start-up” businesses and SME companies wishing to grow and expand in the Borough.
16. 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.

AIM 2: NEW BUSINESSES AND INVESTMENT ARE BEING ATTRACTED TO THE BOROUGH CREATING NEW JOBS

17. 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 profile the key development opportunities in the Borough.
18. 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 and business.
19. 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.

AIM 3: ALL RESIDENTS HAVE ACCESS TO TRAINING LINKED TO SKILLS GAPS AND JOB OPPORTUNITIES

20. 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.
21. 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 net zero will lead to changes in job roles and business practices. This may require a pace of change to provide the opportunities to learn new skills for those already in work, and especially for people who have suffered greater and further hardship during the Covid-19 lockdown period to upskill and access those new "green" jobs.
22. 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.
23. The Services that we will deliver from the Employment and Training Hub will be taken to areas of the Borough where the greatest need has been identified and we will work with the existing network of agencies and community and voluntary sector groups involved in raising aspirations and supporting people into employment and training. This will include targeted support and interventions for those furthest away from the labour market.

AIM 4: DELIVER INTERVENTIONS THAT FACILITATE INCLUSIVE GROWTH

24. The quality and sustainability of the built environment remains a priority for the Council and the provision of advice and guidance in this regard will continue to ensure the quality standards we have set.
25. There are a range of place-based regeneration activities planned over the next few 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 and infrastructure improvements at key development locations.
26. 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.

PARTNERSHIP WORKING

27. Delivering true inclusive growth is not something that can be achieved by the Council alone. We will need to work with a variety of partners to achieve the vision and aims as well as support the delivery of the Action Plan. These will include amongst others:
 - DWP
 - TVCA
 - Other Local Authorities
 - VCSE Organisations
 - Government Departments
 - Major Business and Business Representative Organisations
 - Education, Skills and Training Providers
28. In addition, the issues tackled as part of this strategy will have a huge impact on the work of other areas of the Council and their own strategies and plans. We will, therefore, continue to work with colleagues from across the Council as well as the Tees Valley Combined Authority and our neighbouring authorities to align interventions where appropriate.