

**EIT Review of
Regeneration and Economic
Development**

**Regeneration and Transport
Select Committee**

Final Report

November 2011

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Councillor Norma Wilburn (Vice-Chair)

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Acknowledgements

The Committee would like to thank:

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Foreword

[To be inserted]

Councillor Maurice Perry
Chair

Councillor Norma Wilburn
Vice-Chair

Original Brief

1. What services are included?

The EIT Review will cover the following elements of Regeneration and Economic Development:

- Economic development;
 - o Employability;
 - o Enterprise.
- Business support;
 - o Inward investment;
 - o Business Centre operations.
- Support for Tees Valley Unlimited (TVU) and the Local Enterprise Partnership (LEP);
- Physical regeneration;
- Town centre development; and
- Strategic role of Tees Achieve;

2. The Thematic Select Committee's overall aim / objectives in doing this work is:

To identify options for future strategy, policy and service provision for regeneration and economic development that will deliver efficiency savings and sustain/improve high quality outcomes for the borough's residents, visitors and businesses.

1.0 Executive Summary

- 1.1 The report presents Cabinet with the outcomes of the Efficiency, Improvement and Transformation (EIT) Review of Regeneration and Economic Development undertaken by the Regeneration and Transport Select Committee during the municipal year 2011-12.
- 1.2 The review formed part of a three year programme of EIT reviews covering all services provided by the Council. The programme aims to ensure that all services are reviewed in a systematic way to ensure that they are provided in the most efficient manner, provide value for money and identify opportunities for service improvements and transformation.
- 1.3 The review encompassed the following areas: economic development, business support, physical regeneration projects, town centre development, strategic role of Tees Achieve, and support for Tees Valley Unlimited. The service works closely with a range of public, private and third sector partner agencies. There is a substantial amount of change in the regional and national context of the service's work; for example reduced funding from the Homes and Communities Agency, and the forthcoming abolition of One North East.
- 1.4 The Committee found that the overall aim of the review should be to streamline and re-focus the Regeneration Service. This will enable it to focus on priority areas, and provide strategic leadership in order to support the economic growth of the Borough. In order to fulfil this role, the Service will need to develop its capacity to undertake higher level economic research and analysis work. This would be a new role for the Council and would necessitate the creation of an economic intelligence function within the Service.
- 1.5 The proposal to re-focus the Service also takes into account the changing policy and economic environment, and the impact of internal re-organisation. The Committee recommend:
- 1. that the future role of the Regeneration and Economic Development Service should primarily be that of strategic leadership in supporting the economic growth of the Borough, and defining the Borough's growth needs based on a sound understanding of its existing and future position.**
- 1.6 A key area of work for the Service and Council as a whole over the previous decade has been the delivery of major physical regeneration projects. These have been undertaken in order to create quality environments in which people want to live, work and visit. The Service has provided a project management role in order to deliver such projects, however a combination of reduced private investment following the economic downturn, and cuts in public capital funding has reduced the number of development opportunities. In order to develop those schemes that do come forward, the Service should retain project management expertise, however as this will require fewer dedicated staff, the Committee recommend:
- 2. that the Regeneration and Economic Development Major Projects Team be reduced to reflect the reduced number of known and potential project opportunities.**

1.7 The Borough's town centres have needed various levels of intervention from the Service. Thornaby is now essentially complete however the Service continues to work with the developers in Billingham in order to drive progress there. By comparison Yarm has a thriving high street and mixed shopping offer, and has needed less direct involvement. Further work in order to develop the new Stockton Town Centre Prospectus was undertaken during the course of the Committee's review; this is intended to build on the existing markets and events programme, and links to the river and historic buildings, in order to create improved public spaces and an expanded retail offer.

1.8 It is proposed that Town Centres will continue to be a priority area for the Service however it will focus on economic development and the creation of a retail and other town centre business specialism within the business engagement section. It is proposed that operational functions including events and markets be performed by other service areas. This would have the benefit of allowing the Service to concentrate on the role of promoting economic development and the Committee recommend:

3. that specific activities within the current town centres management function, such as the operational elements of festivals, events and markets, be performed by other service areas within the Council.

1.9 As part of the development of the strategic leadership role it is recognised that the Service will need to develop better sources of information and economic intelligence in order to improve the evidence base for its work. The Committee found that the current Service Support section provides a range of technical administration and support roles. There is an opportunity to re-define the role of this section in order to provide the higher level support needed by the Service to develop its leadership role. It is proposed that this should include improved research and data analysis capabilities; this will lead to a step-change in the service provided and enable in-house Council access to enhanced economic analysis and intelligence. The Committee recommend:

4. that a higher level, critical thinking and strategic economic intelligence function should be created within the Regeneration and Economic Development Service, building upon and enhancing the data analysis work undertaken at corporate and directorate level, to create an influential evidence base to steer delivery priorities.

1.10 The EIT Review of Events, Arts, and Tourism considered the role of the Service's tourism team. This review provided the opportunity to review the primary role of the tourism function as it relates to the wider proposals for the Service. The focus will increasingly be on encouraging growth and enabling the sector to support itself, and support to improve visitor accommodation. It is proposed that this role is undertaken through the development of a tourism specialism within the wider business engagement team.

1.11 In relation to the location of TIC staff within the Regeneration Service, it is proposed that this is reviewed when consideration is given to the transfer of TIC services into the Borough's Customer Contact Centres (as previously proposed by the Events, Arts and Tourism Review) and other suitable premises (for example, libraries) as appropriate. The Committee recommend:

5. that Tourist Information Centre staff should be retained within Regeneration and Economic Development whilst consideration is given to transfer to the Stockton Customer Contact Centre and other appropriate premises, and the tourism economic and strategic agenda be incorporated into business engagement, with only strategic input into events planning.

- 1.12 The Regeneration Service manages two buildings as part of its day-to-day activity; these are Stockton Business Centre, and the Shambles. The review has considered whether the Regeneration Service should continue to fulfil the property management role for both buildings, as the Service could instead focus on the primary strategic use of the buildings.
- 1.13 The Committee propose that at the current time the most appropriate option for the Business Centre would be to retain management of the Centre within the Service in the short term, and undertake a more detailed evaluation of the options during 2012-13. This would also enable the results of an ongoing evaluation into the feasibility of a Tees Valley business centre management model to be fully considered.
- 1.14 The property management role in relation to the Shambles has taken up considerable officer time and does not fit with the proposed strategic economic role for the Service in future. It is considered that the Land and Property Section would be better placed to fulfil this role. In this scenario the Regeneration Service would still be able to provide support services to the occupying tenants, as with any other business in the Borough. The Committee therefore recommend:

6. a) that a detailed evaluation be undertaken of the operational functions of the Stockton Business Centre;
b) that this evaluation is used to develop options for the future management of the Centre, in conjunction with the Council's review of facilities management;
c) and that prior to a decision on the future management arrangements, the existing Centre management functions become part of the Service's business engagement activities in the short term, and available efficiency savings be implemented;

And:

7. that the Council's Land and Property Services take on the property management functions associated with the Shambles building.

- 1.15 The Stockton Middlesbrough initiative (SMi) encompasses a long term vision for the regeneration of the land between Stockton and Middlesbrough town centres. A number of sites are covered by SMi including Tees White Water Course and the wider Barrage Development Site. As with all major projects, progress has been affected by the economic climate. The Committee found that it is not appropriate to maintain the current levels of funding to the project as the ability to deliver projects has reduced in the short term. In order to save on project contribution fees of £85k per annum, the Committee recommend:

8. that Stockton's input of resources into the Stockton Middlesbrough initiative be reduced in line with the deliverability of schemes.

1.16 The Service currently undertakes a range of work to promote local enterprise and entrepreneurship. The Committee agree that the aims of the Service should continue to be to support a culture of enterprise particularly amongst young people, and encourage more people to start a business or become self employed. As the WNF funding for schemes including Enterprise Gateways and Enterprise Culture is due to end in March 2012, consideration has been given to how this work will be delivered in future.

1.17 The Committee found that it would be beneficial to mainstream the work with children and young people in particular; in order to deliver this service, it will be necessary to further develop joint working with Tees Achieve. The Committee note that directly providing a full enterprise coaching service would need an unrealistic increase in funding, but specific enterprise coaching for target groups, including for example lone parents, could also be maintained through core service delivery. The Committee recommend:

9. that the Regeneration and Economic Development Service should encourage and raise awareness of enterprise, mainstream the work with children and young people and support for schools and colleges by delivering it as part of the core Service, and provide an element of enterprise coaching targeted on specific groups, such as lone parents.

1.18 The Committee agree that the continuing objective of the Service in relation to employability should be to ensure that local residents have the skills and support available to access employment, and to adopt a leadership role in order to ensure that local employability provision is co-ordinated to best effect. This will for example involve aligning the work of Tees Achieve with the wider employability needs of the local economy, using support provided by the proposed economic intelligence unit to achieve this. The Committee recommend:

10. that the Regeneration Service should provide strategic leadership (in partnership with Tees Valley Unlimited) on employment and skills, and better utilise the resources and knowledge within Tees Achieve in understanding and meeting the employment and skills needs of the local economy.

1.19 The Committee found that the Council will need to further develop its close working relationship with Tees Valley Unlimited following its restructure, and the creation of the Tees Valley Local Economic Partnership. TVU is now more focussed on strategic leadership of the sub-region, and delivery increasingly takes place through partner agencies including local authorities. In recognition of the implications of TVU's redefined role, the Committee recommend:

11. that the Regeneration Service should increase its capacity to enable closer working with TVU to ensure the delivery of the TVU Business Plan and Statement of Ambition, and to ensure the success of the Local Enterprise Partnership.

1.20 The Committee found that the business engagement function should continue to focus on increasing job creation, through inward investment and support to start-up and growing businesses, but should do this increasingly within the context of supporting priority sectors. For the Borough these include: retail and

town centres; tourism and leisure; digital and creative, low carbon and renewable energy; chemicals; engineering and manufacturing.

- 1.21 The Service currently allocates a budget for grants to small start up businesses to assist with set up costs, and it is proposed that the budget be developed into a business loan scheme. Further criteria for the operation and recovery of the loan will need to be developed but the Committee consider that this would be a positive move and ensure that businesses place a higher value on the funding provided by the local authority. The Committee recommend that:

12. the business engagement service increases its capacity to focus support on new and existing businesses based on sectoral growth opportunities, and develop an effective business loans scheme to replace the existing business grants scheme.

- 1.22 Taken together, the overall financial impact of these recommendations will be to achieve efficiency savings of approximately £210,000 per annum from 2012-13; this is compared to the core revenue budget for 2011-12 of £1.273m.

2.0 Introduction

- 2.1 The report presents Cabinet with the outcomes of the Efficiency, Improvement and Transformation (EIT) Review of Regeneration and Economic Development undertaken by the Committee during the municipal years 2011-12.
- 2.2 The review formed part of a three year programme of EIT reviews covering all services provided by the Council. The programme aims to ensure that all services are reviewed in a systematic way to ensure that they are provided in the most efficient manner, provide value for money and identify opportunities for service improvements and transformation.
- 2.3 The topic was identified for review as part of the EIT programme and was included in the Select Committee work programme by Executive Scrutiny Committee on 8 February 2011.
- 2.4 The Regeneration and Economic Development Service is situated within Development and Neighbourhood Services. Elements of the service have been previously reviewed as part of other EIT reviews, including the Events, Arts and Tourism (EAT), and Administration Reviews. The EAT review made recommendations to delete a vacant post from the tourism team, and to ensure that future consideration was given to providing tourist information services from the Customer Service Centres when established. The role of tourism was therefore covered by this review in terms of how it related to the business engagement agenda, rather than the operational aspects.
- 2.5 The Service is also the Council's main link with the work of Tees Valley Unlimited (TVU). TVU has been subject to a full review that reported in March 2011 and this resulted in the organisation being reduced to one third of its previous size. TVU is now funded solely by the Tees Valley Local Authorities as all other sources of funding have ceased. A further reduction in Council funding for TVU of 15% has been agreed for 2012-13 in line with pre-agreed targets. This has been agreed separately and is outside the scope of this review. Following these developments, the provision of additional support to the work of TVU in order to ensure the success of the Local Economic Partnership is however covered by this review.
- 2.6 Staff within the Regeneration Service have been kept fully up to date with the review's progress, which has been supported by a Project Board chaired by the Corporate Director of Development and Neighbourhood Services. The team was formally consulted on the recommendations following the Committee meeting of 24 October.

3.0 Background

- 3.1 The Committee received a detailed baseline report in order to outline the scope of the service in its current form. The full report is attached at **Appendix 1**. The review encompassed the following areas economic development, business support, physical regeneration projects, town centre development, strategic role of Tees Achieve, and support for Tees Valley Unlimited.
- 3.2 Overall the service exists to:
- provide support to encourage and increase entrepreneurial activity in the borough;
 - work directly to support, sustain and grow local businesses;
 - engage with partners to promote skills training and financial assistance packages;
 - develop existing growth sectors; and
 - attract inward investment into the borough;

 - support employability of residents by increasing their training and employability potential;
 - assist people by removing existing barriers towards sustainable employment routes; and
 - work with local employers to address issues relating to their employment skills needs and opportunities;

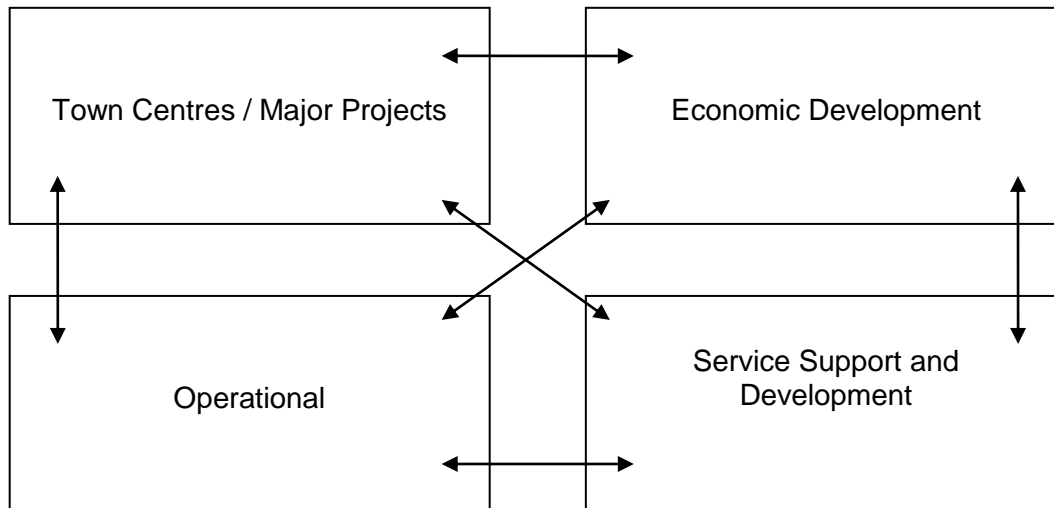
 - deliver the borough's major place-shaping regeneration projects; and
 - work with private and public sector partners to develop and bring forward key strategic development sites for existing and future investors;

 - promote and market the borough as a prime visitor destination, focusing on improving the quality of visitor experiences and developing the Borough's tourism product.
- 3.3 These aims are outlined in a number of plans, for example the Enterprise Strategy, and the Core Strategy, and they ultimately underpin the Economic Regeneration and Transport, Environment and Housing, and Culture and Leisure themes of the Sustainable Community Strategy.
- 3.4 In order to deliver on this vision the service works closely with a range of public, private and third sector partner agencies including the Chamber of Commerce, Business Link, Catalyst, Job Centre Plus, and One North East (ONE), in addition to Tees Valley Unlimited. The service monitors a number of contracts with third sector organisations in order to undertake enterprise and employability work (these are detailed in Section 4).
- 3.5 There is a substantial amount of change in the regional and national context of the service's work; for example reduced funding from the Homes and Communities Agency (HCA) for capital projects, and the forthcoming abolition of ONE, which has been the region's Regional Development Agency.
- 3.6 The HCA is now concentrating on support to local housing and community investment, providing an enabling role and utilising its public sector land assets. There has been a cut in funding of approximately 70%.

- 3.7 The restructure of TVU has affected its ability to deliver on key projects. For example, TVU does no longer have the delivery team that was responsible for the Northshore project. This has meant that discussions have been necessary between ONE, the HCA, and the regeneration service in order to arrange for the continued delivery of the project.
- 3.8 Future service delivery will increasingly take place in the context of the Tees Valley Local Economic Partnership (LEP). LEPs are public-private partnerships designed to lead on economic development at a sub-regional level, following the abolition of RDAs. The Tees Valley LEP is supported by the streamlined TVU, and an Enterprise Zone has been approved for the Tees Valley area. A number of sites have been identified to receive benefits of business rate relief, or capital allowance enhancement.
- 3.9 In order to deliver the services covered by this review, the section has a team of 35.68 full time equivalent staff (made up of 38 individuals; 33 are full time, and 5 are part time). Of these 5 posts were funded by external sources during the period of the review. These contracts ended or are due to end between July 2011 and March 2012.
- 3.10 A full breakdown of the financial picture for the service is included at **Appendix 2**. A overall net revenue budget for 2011-12 is £1,273,921.

4.0 Evidence

- 4.1 The Committee found that in order to deliver on its objectives the Regeneration and Economic Development Service works on a wide variety of projects and with a range of internal and external partners. The current areas of work can be broadly grouped together and the following diagram provides a high level view of these, whilst also showing the cross-cutting nature of the service's work:



Concept (Existing Operating Model)

- 4.2 The Operational function includes activities such as the management of Stockton Business Centre and the Shambles in Stockton High Street. Major Projects includes North Shore, Billingham House, and the Northern Gateway. The review committed to examine all the roles currently provided by the Service in order to ensure that it remains fit for purpose.
- 4.3 The Service operates in a changing policy and funding environment, but also the continued economic challenges facing the Borough and country as a whole. Improving employability and enterprise, and encouraging town centre development, will remain key tasks for the Service. However it is important to recognise the positive developments in the local economy. For example, during the course of the review the Committee was pleased to note the Nifco development in Eaglescliffe, and the continued growth of Tees Alliance Group at Haverton Hill. The Service therefore also has an important role to play in encouraging inward investment in conjunction with TVU, and the development of new sectors such as renewables.
- 4.4 It was noted that alongside the changing economic context, the Service is inevitably linked to internal re-organisation and changing roles. For example, the Administration and Communication reviews have led to increased specialisation with regard to administrative tasks and marketing through the creation of dedicated teams which will allow service areas including Regeneration to focus on their primary roles.
- 4.5 At an early stage, the Committee found that the overall aim of the review should be to streamline and re-focus the Regeneration Service in order that it should

focus on priority areas, and provide strategic leadership in order to support the economic growth of the Borough. The Committee therefore recommend:

1. that the future role of the Regeneration and Economic Development Service should primarily be that of strategic leadership in supporting the economic growth of the Borough, and defining the Borough's growth needs based on a sound understanding of its existing and future position.

- 4.6 The following recommendations are therefore intended to underpin and support this leadership role.
- 4.7 A key area of work for the Service and Council as a whole over the previous decade has been the delivery of major physical regeneration projects. These have been undertaken in order to create quality environments in which people want to live, work and visit. The Service has provided a project management role in order to deliver such projects, many of which have been substantially completed including Billingham Forum, and the Tees White Water Course.
- 4.8 Projects are dependent on securing external sources of public and private funding. Previous sources of funding included ONE, Sport England, and the Homes and Communities Agency. A combination of reduced private investment following the economic downturn, and cuts in public capital funding has reduced the number of development opportunities. This has affected schemes including Northshore, and the Stockton Middlesbrough initiative, however during the course of the review Members were pleased to note the progress of the first housing developments within Northshore.
- 4.9 It should be noted that several schemes continue to progress including Billingham House, and others including Stockton Town Centre and the Central Area are being developed. However, ongoing projects should be reviewed in order to determine how the Service will be involved in each; whether this is providing a direct lead role on specific projects, or by contributing to the wider project team. New projects may also come forward; recent developments have included the Government's announcement in relation to the 'Growing Places Fund' which will provide money for infrastructure projects to enable delivery of jobs and housing, and work will take place to investigate options following the decision in relation to the Integrated Health Centre in Billingham.
- 4.10 It had been considered that responsibility for delivery of some major projects could be transferred to another section of the Council, however it is recognised that the Service retains project management expertise and some schemes require developmental work before on site work begins. This work will however require fewer dedicated staff and the Committee recommend:

2. that the Regeneration and Economic Development Major Projects Team be reduced to reflect the reduced number of known and potential project opportunities.

- 4.11 The Borough's town centres have needed various levels of intervention from the Service. The need to regenerate Thornaby and Billingham town centres led to the negotiation of Development Agreements with major developers. Thornaby is now essentially complete however the Service continues to work with the developers in Billingham in order to drive progress there. By comparison Yarm has a thriving high street and mixed shopping offer, and therefore needed little involvement.

- 4.12 The aim for Stockton Town Centre is to build on the strengths of the existing markets and events programme, links to the river and historic buildings, in order to create improved public spaces and an expanded retail offer. Further work in order to develop the new Stockton Town Centre Prospectus was undertaken during the course of the Committee's review. This will see investment totalling £20m through the development of a range of projects including improvements to the public realm, and refurbishment of the Globe Theatre. The Service has led on the development of the Prospectus and this is now being taken forward in a range of projects.
- 4.13 The Committee found that, particularly within Stockton Town Centre, the Service also undertakes various town centre management functions including close working with businesses, and operational elements of events and markets.
- 4.12 It is proposed that Town Centres will continue to be a priority area for the Service however it will focus on the economic development aspects and the creation of a retail specialism within the business engagement section (see recommendation 12 also). Within the context of Stockton Town Centre, a Programme Board has been established in order to take forward associated projects. The involvement of the Service will continue in specific projects but this will also make use of other skills including Technical Services.
- 4.13 It is proposed that the town centre management functions including events and markets be performed by other service areas. The precise location of these functions is yet to be determined but this will need to recognise the existence of existing, dedicated teams undertaking events, markets, and marketing work. By re-allocating budgets it will also be possible to create a £20k annual budget for the promotion of town centre events and markets.
- 4.14 This would have the benefit of allowing the Service to concentrate on the role of promoting economic development. The Service will continue to have strategic role in these functions, for example by identifying the type of markets that would most improve the retail offer. The Committee recommend:

3. that specific activities within the current town centres management function, such as the operational elements of festivals, events and markets, be performed by other service areas within the Council.

- 4.15 As part of the development of the strategic leadership role it is recognised that the Service will need to develop better sources of information and economic intelligence in order to improve the evidence base for its work.
- 4.16 The Committee found that the current Service Support section provides a range of technical administration and support roles. These include performance monitoring, data gathering, and general service related administration. The Administration EIT Review has led to a separation of the more basic administration tasks and there is an opportunity to re-define the role of the section in order to provide the necessary higher level support needed by the Service to develop its leadership role. It is proposed that this should include improved research and data analysis capabilities; this will lead to a step-change in the service provided and enable in-house Council access to enhanced economic analysis and intelligence.

4.17 This will provide the Service with an influential evidence-led position when working with stakeholders, and will enable the Service to deliver targeted interventions based on improved understanding of the local economic situation. Close partnerships with TVU and the local universities will further improve the range of data and research available to the Council. Technical and project related support will continue to be undertaken by this section, whilst also recognising the role of the Department's Performance and Business Services team.

4.18 It is proposed to take forward the option of transforming the Service Support section into this new role, rather than the creation of an intelligence function in addition to the Service Support section. The Committee recommend:

4. that a higher level, critical thinking and strategic economic intelligence function should be created within the Regeneration and Economic Development Service, building upon and enhancing the data analysis work undertaken at corporate and directorate level, to create an influential evidence base to steer delivery priorities.

4.19 As outlined in the introduction, the EIT Review of Events, Arts, and Tourism considered the role of the Service's tourism team. This review provided the opportunity to review the primary role of the tourism function as it relates to the wider proposals for the Service.

4.20 Visit Tees Valley (vTv) was the sub-regional tourism agency and this has been wound up, in a similar manner to the other bodies previously associated with TVU. At the time it was recognised that following the end of sub-regional activity and the reduction in direct support provided to the sector, it would be necessary for local tourism businesses to operate their own networks and play an increasing role in their marketing.

4.21 The Committee's review therefore provided the opportunity to re-focus Stockton Council's support for tourism in terms of treating tourism as another business sector. The focus will increasingly be on encouraging growth and enabling the sector to support itself, and support to improve visitor accommodation. There will need to be continued monitoring of the visitor economy, including regular updates on the level of visits to the area. It is proposed that this role is taken through the development of a tourism specialism within the wider business engagement team.

4.22 In terms of current operational support to tourism, as well undertaking the wider promotion of Stockton's events, the Service provides the Visitor Experience Team for all of the Borough's major events. Involvement in the delivery of events in future will be to provide strategic input at the planning stage. Stockton also has a Tourist Information Centre (TIC) located in the Shambles on the High Street. In relation to the location of TIC staff within the Regeneration Service, it is proposed that this is reviewed when consideration is given to the transfer of TIC services into the Borough's Customer Contact Centres (as previously proposed by the Events, Arts and Tourism Review) and other suitable venues as appropriate, for example libraries. The Committee recommend:

5. that Tourist Information Centre staff should be retained within Regeneration and Economic Development whilst consideration is given to transfer to the Stockton Customer Contact Centre and other appropriate premises, and the tourism economic and strategic agenda

be incorporated into business engagement, with only strategic input into events planning.

- 4.23 The Regeneration Service manages two buildings as part of its day-to-day activity; these are Stockton Business Centre, and the Shambles. The Business Centre is designed to offer space for start-up businesses together with associated conference, ICT, meeting space and reception support. One hundred units are available, and the Centre provides these on an easy in-out /28 day clause basis; during the review the Centre was 80% occupied. Over the previous five years, over 108 businesses have been assisted through the Centre, with a number of them moving to larger premises across the Tees Valley.
- 4.24 The Service provides both a support and advice service to the business tenants, and also the landlord and property maintenance function for the building (nb. reception and administration services have now been centralised following the Administration Review.)
- 4.25 It is recognised that there will need to be an increased focus on ensuring that the Centre fulfils its primary role of supporting new businesses and enabling them to move to new premises once established.
- 4.26 The review has considered whether the Regeneration Service should continue to fulfil the property management role for both buildings, as the Service could instead focus on the primary strategic use of the buildings. Various options have therefore been considered for the future management of the Business Centre including transfer to Land and Property, offering the Centre to the open market, and adoption of a Tees Valley management model with similar centres elsewhere.
- 4.27 The Committee propose that at the current time the most appropriate option would be to retain management of the Centre within the Service in the short term, and undertake a more detailed evaluation of the options during 2012-13. This would enable the results of an ongoing evaluation into the feasibility of a Tees Valley management model to be fully considered. This is due to report in December 2011, and will be considered as part of the wider review of Council facility management.
- 4.28 In order to achieve the necessary savings in the short term, it is proposed to review the on-site staffing levels, with support being provided from the revised business engagement team, and implement shared IT support with Tees Achieve to save approximately £10k during 2012-13. The Committee recommend:
- 6. a) that a detailed evaluation be undertaken of the operational functions of the Stockton Business Centre;**
 - b) that this evaluation is used to develop options for the future management of the Centre, in conjunction with the Council's review of facilities management;**
 - c) and that prior to a decision on the future management arrangements, the existing Centre management functions become part of the Service's business engagement activities in the short term, and available efficiency savings be implemented;**

- 4.29 The Shambles provided a high street location for start-up retail businesses, and also hosts the Tourist Information Centre, public toilets and market staff accommodation. There are nine units ranging from 12 to 30 sq.m.
- 4.30 The property management role in relation to the Shambles has taken up considerable officer time and does not fit with the proposed strategic economic role for the Service in future. The Land and Property Section would be better placed to fulfil this role. In this scenario the Regeneration Service would still be able to provide support services to the occupying tenants, as with any other business in the Borough.
- 4.31 By releasing the property management function in relation to the Shambles, this would allow Regeneration to better concentrate on its core business. The Committee recommend:

7. that the Council's Land and Property Services take on the property management functions associated with the Shambles building.

- 4.32 The Stockton Middlesbrough initiative (SMi) encompasses a long term vision for the regeneration of the land between Stockton and Middlesbrough town centres. A number of sites are covered by SMi including Tees White Water Course and the wider Barrage Development Site. Phase 1 of the cycleway has been completed, and plans have been drawn up for the Tees Yard area, and a Portrack Relief Road. The project is delivered by two jointly funded posts hosted by Middlesbrough Council, and additional officer support provided at both local authorities. As with all major projects, progress has been affected by the economic climate.
- 4.33 The Committee found that it is not appropriate to maintain the current levels of funding to the project as the ability to deliver projects and availability of funding has reduced in the short term. Part-delivered schemes should be completed and an overview should be maintained of other schemes where plans exist; these can then be delivered should funding become available. In order to save on project contribution fees of £85k per annum, the Committee recommend:

8. that Stockton's input of resources into the Stockton Middlesbrough initiative be reduced in line with the deliverability of schemes.

- 4.34 The Service currently undertakes a range of work to promote local enterprise and entrepreneurship. The Service supports events and campaigns such as Stockton Enterprise Week and 'If We Can You Can'.
- 4.35 The Council has received substantial funding as part of the Working Neighbourhoods Fund (WNF). Within Stockton this has been known as the 'Communities Fund' and the service monitors a number of contracts awarded using this money which is due to end in March 2012. Some of this work supports enterprise including:
- Enterprise Gateways - delivered by Five Lamps to provide enterprise coaching to individuals interested in setting up a business (this is also supported by EU funds);
 - Enterprise Culture - the service works closely with colleagues in Children, Education and Social Care in order to deliver this project that seeks to raise awareness of, and promote, enterprise opportunities with

the Borough's 14-19 year old population (this is also supported by EU funds);

- 4.36 The Committee agree that the aims of the Service should continue to be to support a culture of enterprise particularly amongst young people, and encourage more people to start a business or become self employed. As the WNF funding is due to end in March 2012, consideration has been given to how these aims will be achieved in future.
- 4.37 The Interim Evaluation of the Communities Fund projects highlighted the positive work that is being undertaken and found that it should be continued where possible. The Committee found that it would be beneficial to mainstream the work with children and young people in particular; through this, support has been provided to teachers to develop related educational activities. Continuation would allow an 'enterprise culture' to become more firmly embedded, and it is proposed to deliver this through the core activities of the Service. It is also proposed to create a fund £10k to support this activity and this will be contained within the overall budget reduction of the Service.
- 4.38 In order to deliver this service, it will be necessary to further develop joint working with Tees Achieve, and its current services including Family Learning, and Information, Advice and Guidance. The Service could also work with the 14-19 Partnership in order to target specific groups of young people, and seek other sources of external funding.
- 4.39 Specific enterprise coaching for target groups, including for example lone parents, could also be maintained through core service delivery. The Committee note that a full coaching service provided directly by the Regeneration Service would need an unrealistic increase in funding. This would also potentially duplicate a coaching service that is being developed through North East Enterprise Agencies Ltd using ERDF funding, and will operate in Stockton. The Committee recommend:

9. that the Regeneration and Economic Development Service should encourage and raise awareness of enterprise, mainstream the work with children and young people and support for schools and colleges by delivering it as part of the core Service, and provide an element of enterprise coaching targeted on specific groups, such as lone parents.

- 4.40 The Committee found that the Service contributes to improving employability in a number of ways, including:
- the Service provides advice and guidance on employability issues, co-ordination of funding opportunities and initiatives (for example the Future Jobs Fund), and leading on targeted recruitment and training opportunities within the Council;
 - Tees Achieve delivers apprenticeships and a number of learning and training courses;
 - employability support contracts funded by the Communities Fund.
- 4.41 The Communities Fund funded support is provided through contracts with three organisations: Five Lamps, Know How North East, and New College Durham. These provide employability support in those areas of the Borough with the

highest benefit dependency ratio. In line with the other WNF schemes this funding ends in March 2012.

4.42 The Committee agree that the continuing objective of the Service should be to ensure that local residents have the skills and support available to access employment, and to adopt a leadership role in order to ensure that local employability provision is co-ordinated to best effect, in partnership with Tees Valley Unlimited. The Council will also have a role in influencing local delivery of the Work Programme.

4.43 The links with Tees Achieve should be aligned with the wider employability needs of the local economy. Support provided by the proposed economic intelligence unit will be utilised to achieve this, for example through increased understanding of employer needs, and addressing gaps in learning provision. Further work with the 14-19 Partnership will enable the service to support curriculum development, and progression into employment by young people.

4.44 The Committee recommend:

10. that the Regeneration Service should provide strategic leadership (in partnership with Tees Valley Unlimited) on employment and skills, and better utilise the resources and knowledge within Tees Achieve in understanding and meeting the employment and skills needs of the local economy.

4.45 The Committee found that the Council will need to further develop its close working relationship with Tees Valley Unlimited in order to ensure that it meets its objectives for Stockton and the sub-region. TVU's primary role is to undertake the work of the Tees Valley Local Economic Partnership to deliver on its aims, and add value to the work done at a local level.

4.46 Following the restructure of TVU and the adoption of the LEP, a number of implications for the Service have been identified, primarily in relation to:

- continuation of business investment role, including inward investment;
- significant reduction in physical regeneration capacity;
- significant reduction in tourism capacity;
- increased role in employability and skills;
- investment and finance.

4.47 TVU's focus is now on leadership and strategy rather than delivery, and the overall objectives are summarised by the overarching Statement of Ambition which has two key priorities:

- drive the transition to a high value, low carbon economy;
- create a more diversified and inclusive economy.

4.48 Its new Business Plan was considered in draft during the course of the review and was due to be finalised in October, and increasingly delivery will take place through partners, mostly local authorities.

4.49 The Service will seek to provide ongoing support at strategic and local level, and ensure that there is no duplication of roles. An example of this is the Regional Growth Fund. At a local level Regeneration seeks to liaise with business and ensure all have the opportunity to input into the process, whilst

TVU will seek to co-ordinate and prioritise bids on behalf of the whole sub-region, prior to submission to Government.

- 4.50 In recognition of the implications of TVU's redefined role, the Committee recommend:

11. that the Regeneration Service should increase its capacity to enable closer working with TVU to ensure the delivery of the TVU Business Plan and Statement of Ambition, and to ensure the success of the Local Enterprise Partnership.

- 4.51 The Service provides a range of support through its business engagement function. This includes generic advice and support (including help with accommodation), monthly e-bulletins, and Stockton Business Forum. This is primarily provided to small and medium sized business in response to enquiries and proactive engagement. The Service liaises closely with TVU in relation to large scale inward investment.
- 4.52 The Over the Threshold project provides support to small growing businesses in order to help them overcome barriers to growth. This is funded through the WNF and EU funding and external funding therefore ends in March 2012 as with related projects outlined above.
- 4.53 The Service needs to respond to the changes in other sources of support, including the ending of ONE and the transformation of Business Link into a web-based advice system. The Committee found that the Service should continue to focus on increasing job creation, through inward investment and support to start-up and growing businesses, but should do this increasingly within the context of supporting priority sectors. For the Borough these include: retail and town centres; tourism and leisure; digital and creative, low carbon and renewable energy; chemicals; engineering and manufacturing. The improved ability to access and analyse local economic data as proposed by recommendation 4 will enable this prioritisation.
- 4.54 Small businesses would in future be supported through focussing on specific areas such as procurement, local supply chain development, and social enterprise. The Committee consider it would not be appropriate to mainstream all advice and intensive support services that are currently externally funded, as this would limit the Service's ability to deliver on its overall aims, and the Committee did not support the withdrawal of all business support activity. Increased specialisation will enable the Service to achieve a greater impact and provide more focus to its work.
- 4.55 The Service currently allocates a budget for grants to small start up businesses to assist with set up costs. This is supported by the Communities Fund. In line with other schemes this funding will end in March 2012, and it is proposed that the remaining budget of £40k be developed into a business loan scheme. Further criteria for the operation and recovery of the loan will need to be developed but the Committee consider that this would be a positive move and ensure that businesses place a higher value on the funding provided by the local authority.
- 4.56 The Committee recommend that:

12. the business engagement service increases its capacity to focus support on new and existing businesses based on sectoral growth

opportunities, and develop an effective business loans scheme to replace the existing business grants scheme.

- 4.57 Taken together, the overall financial impact of these recommendations will be to achieve efficiency savings of approximately £210,000 per annum from 2012-13; this is compared to the core revenue budget for 2011-12 of £1.273m. These savings include reductions in staffing costs, the £85k reduction in support given to the Stockton Middlesbrough initiative, and the proposed usage of the specific budgets outlined above.
- 4.58 In order to deliver on the recommendations, the Committee note that there will need to be a staff restructure of the Service covering both the reduction in the number of posts, and the proposed new specialisms and responsibilities. It is also recognised that there will need to be an element of staff training to enable the team to effectively undertake some of the new roles. The Committee note that the final composition of the new staff structure, and the number of posts within it, is delegated to the Head of Service. Members have requested that this information be provided to the Committee once finalised, as part of the established monitoring procedures.
- 4.59 The recommendations have been subject to the Equality Impact Assessment (EIA) process and these have been judged to have an overall score of 80 (ie. positive impact). The recommendations are intended to improve the service and positively impact on the local economy and population as whole, and recommendation 9 seeks to target the promotion of enterprise amongst young people and other target groups including lone parents. The full EIA is available on request.

5.0 Conclusion

- 5.1 The Committee has considered the majority of functions provided by the Council's Regeneration and Economic Development Service. It is clear that the Service has an important role to play in improving employability and supporting the growth of business sectors that will underpin economic recovery.
- 5.2 In order to achieve the savings that will be required in order for the Service to contribute to the Council's Medium Term Financial Plan the Committee has made a number of recommendations. A number of these will be achieved through reductions in project budgets that reflect the reduced workload in some areas, especially physical regeneration schemes. However due to the nature of the Service's core budget and its focus on staffing costs, the Committee regrets that savings through a reduction in the number of posts within the Service is unavoidable.
- 5.3 Alongside the necessary savings the Committee has made a number of recommendations in order to ensure that the Service will be able to focus on its core role. Several operational and facility management functions will be more appropriately performed by the relevant dedicated teams elsewhere in the Council's structure, enterprise and employability work will continue to be taken forward, and the increased specialisation within business engagement will enable an increased focus on priority areas.
- 5.4 Critical to the development of its strategic leadership role, will be the ability of the Service to undertake higher level analysis of the economic needs of the Borough. In order to do this, the Service will need to increase its capabilities in relation to research and data analysis, namely through the development of an economic intelligence function. This will be a step-change in the Council's ability to identify priorities for its strategy for economic development.
- 5.5 It will continue to be important for the Service to work in partnership with external organisations including TVU in order to successfully implement many of the service improvements that have been identified. The review has made a number of recommendations that will lead to a more effective Regeneration and Economic Development Service in the future.

Appendices

Appendix 1

Regeneration and Economic Development Baseline Document

Service Baseline / Initial Challenge	Guidance	Information
Description of Current Service Baseline	Who provides the service?	The Council's regeneration service is provided in-house through the Regeneration and Economic Development (R&ED) division, part of the Development and Neighbourhood Services (DNS) service grouping.
	How was the service formed and why does it exist?	<p>The service has been in place for many years, under various structures and management arrangements. The R&ED service encompasses the following services:</p> <ul style="list-style-type: none"> - economic development; <ul style="list-style-type: none"> o employability; o enterprise. - business support; <ul style="list-style-type: none"> o inward investment; o business centre operations. - support for Tees Valley Unlimited (TVU) and the Local Enterprise Partnership (LEP); - physical regeneration; - town centre development; and the - strategic role of Tees Achieve; <p>The service exists to:</p> <ul style="list-style-type: none"> • provide support to encourage and increase entrepreneurial activity in the borough; • work directly to support, sustain and grow local businesses; • engage with partners to promote skills training and financial assistance packages;

Service Baseline / Initial Challenge	Guidance	Information
		<ul style="list-style-type: none"> • develop existing growth sectors; and • attract inward investment into the borough; • support employability of residents by increasing their training and employability potential; • assist people by removing existing barriers towards sustainable employment routes; and • work with local employers to address issues relating to their employment skills needs and opportunities; • deliver the borough’s major place-shaping regeneration projects; and • work with private and public sector partners to develop and bring forward key strategic development sites for existing and future investors; • promote and market the borough as a prime visitor destination, focusing on improving the quality of visitor experiences and developing the borough’s tourism product. <p>In 2007, the service was restructured under pastoral management and project management arrangements. This restructure was designed to utilise staff resources more effectively, allocating staff to different projects across the spectrum of service activities, and to be flexible and responsive to changing priorities and provide opportunities for staff to widen their skills base.</p>
	How is the service provided?	The staffing structure supports a variety of work from strategy and policy development through to direct delivery of projects. The work of the service is carried out against the ever-changing context of the national, sub-regional, regional and local economic regeneration agenda.

Service Baseline / Initial Challenge	Guidance	Information
		<p>The service works with partners to deliver services. Internal partnerships include those with Technical Services, Housing, Finance, Planning, Land and Property, Events, Culture and Leisure, Children, Education and Social Care and Corporate Communications.</p> <p>External partners include Tees Valley Unlimited (TVU), Homes and Communities Agency (HCA), Business Link, Jobcentre Plus, English Heritage and One North East (ONE).</p> <p>R&ED identifies potential development opportunities and works with investors to prepare a development agreement. R&ED work with partners to secure the development and deliver it.</p> <p>Generally, TVU focus on the major companies through Strategic Account Management and major inward investment, with R&ED dealing with SME's (small to medium enterprises) and business start-ups within the borough.</p>
	<p>What influences impact on the service? (political, social economical, technological?)</p>	<p>Economic, political and social factors all impact significantly on the service, including:</p> <ul style="list-style-type: none"> • changing market sectors; • environmental concerns; • changing demand for skills; • economic climate; and • exchange rate impact on overseas investment.
	<p>How does the service perform?</p>	<p>The service's performance is monitored on a quarterly basis as part of the Council's performance management framework, with key success criteria, actions and risks challenged and monitored for progress against target and plan. A summary report is prepared for discussion at the service's performance clinic, attended by the full R&ED management team.</p>

Service Baseline / Initial Challenge	Guidance	Information
		<p>Key elements of the service's performance feature as part of the quarterly performance report to the Corporate Management Team (CMT), Cabinet and Executive Scrutiny Select Committee.</p> <p>The service performs at a generally high level, with the majority of key targets and actions achieved.</p>
	<p>What does inspection tell us about this service?</p>	<p>There have been no full Audit Commission inspections of the regeneration service, although the Audit Commission carried out an inspection of Jobs and Skills provision across the Tees Valley authorities in 2010. This inspection found the authority to be providing a "fair service with promising prospects for improvement".</p> <p>Ofsted carried out a full inspection of the Council's adult education service in 2008, with an overall judgement of "satisfactory", although capacity to improve was deemed to be "inadequate". A monitoring visit of Tees Achieve was undertaken by Ofsted in 2010 which showed "significant progress" or "reasonable progress" in all criteria examined.</p>
	<p>Are there any limitations or barriers affecting the delivery of the service?</p>	<p>With the recent approval as a Local Enterprise Partnership and organisational restructuring the changes to Tees Valley Unlimited (TVU) will have a number of implications for the regeneration service. Five areas have been identified that are of particular relevance:</p> <ul style="list-style-type: none"> • Continuation of business investment role, including inward investment; • Significant reduction in physical regeneration capacity; • Significant reduction in tourism capacity; • Increased role in employability and skills; and • Investment and finance. <p>Following the restructure, TVU has lost its delivery team that was</p>

Service Baseline / Initial Challenge	Guidance	Information
		<p>responsible for the Northshore project. Homes and Communities Agency (HCA), ONE and Regeneration are currently putting revised arrangements in place for the continued delivery of this project.</p> <p>The capacity for tourism within TVU has reduced significantly with the wind up of Visit Tees Valley.</p> <p>HCA core business is now to support local priorities through investment in new housing and communities, providing enabling support to local partners, utilising its public sector land assets and, from April 2012, the economic regulation of registered housing providers. There is an estimated funding cut of around 70%.</p> <p>Other significant barriers include the impending closure of One North East, and the move towards a web-based Business Link service, which significantly reduces available funding streams and sources of business support.</p>
	<p>If the service is outsourced or provided by a third party, how are service standards monitored?</p>	<p>The Communities Fund contract is provided directly through three contractors and the regeneration services work in partnership with many internal and external partners. Service standards are monitored through several methods, including project and contract compliance meetings, partnership healthchecks and audits.</p>
	<p>Could the service be provided through a different mechanism?</p>	<p>Yes, there are a number of different mechanisms and models available to provide the regeneration service.</p>
<p>Customer Baseline</p>	<p>Who are the customers what are their needs now?</p>	<p>Customers are current and future residents, businesses and visitors, with many different needs including additional skills, employment opportunities and effectively developed town centres and other infrastructure.</p>
	<p>How are service users consulted and how do their</p>	<p>Service users are consulted through a number of mechanisms, tailored to the individual project or issue. An analysis of recent consultation</p>

Service Baseline / Initial Challenge	Guidance	Information
	views shape delivery?	exercises will be included as part of the information provided to the Regeneration and Transport Select Committee.
	How satisfied are the customers?	<p>Satisfaction surveys have been carried out on several projects, services and issues, with generally high levels of satisfaction reported.</p> <p>National Indicator 5 – satisfaction with the area, showed Stockton at 77.8%, against a North East average of 73.4% when last undertaken in 2008. Stockton had the second highest rating in the Tees Valley (behind Darlington), but this was below the average for England as a whole.</p>
	How do you communicate with your users?	Communication with customers is undertaken through a number of mechanisms, tailored to the individual project or issue, such as through business events, open days, press releases, business flyers and consultation events.
	How are these services promoted/marketed?	There is a limited amount of promotion/marketing of regeneration services, tied-in with the communication methods listed above.
	What do Viewpoint Surveys/ internal audit reports tell us about the service?	Recent Internal Audit reports on Stockton Town Centre Management, the Communities Fund, Business Centre, Tees Achieve and the Economic Regeneration and Transport Partnership have generally found a sound control environment, but have identified some improvement recommendations which have been implemented.
Customer Challenge	Are there customers who could use the service but don't?	Yes - a large potential customer base exists of businesses and individuals that are not currently engaged with the service.
	Are there customers using the service who shouldn't be?	No.
	Who are the customers of the future and what are their needs?	Future residents, businesses and visitors.
	What is likely to impact on demand for these services in the future?	It is mainly economic factors that are likely to impact on demand for the services in future.

Service Baseline / Initial Challenge	Guidance	Information
	What do complaints/compliments tell you about these services?	Details of complaints and commendations are reported quarterly as part of the Council's performance management framework. The limited number of complaints received relate to Tees Achieve as the most visible front-line service, with positive feedback also tending to relate to that service area.
Aims & Objectives Baseline	Is the service required by statute?	No.
	Is there a statutory level of service?	No.
	Is the service responsive or proactive or a mixture?	Service is both proactive and responsive.
Challenge	Is the service needed?	Although there is no statutory requirement for the service there is a clear local priority to minimise the effects of the economic downturn and support growth in the local economy. The service responds to the changing economic agenda, supports enterprise and business, improves employability; tackles worklessness and regenerates the borough.
	What would happen if the service was not provided either in whole or part?	Although there is no statutory requirement to provide these services, there would clearly be some negative impacts on the local economy, population and physical environment if the service was not provided in whole or part. These negative impacts range from the loss of inward investments to reductions in the skills levels of the population, increased worklessness and reduced levels of enterprise.
	How would the service react to new pressures?	The service has a history of reacting positively to new pressures, with the project management approach should provide flexibility and capacity for dealing with additional and new demands.
	What capacity would be required to deal with additional/new demands?	The service must have sufficient capacity to deal with a reasonable level of additional or new demand.

Service Baseline / Initial Challenge	Guidance	Information
Aims & Objectives Challenge	Who provides a similar service to this using a different delivery mechanism e.g. external partnerships, shared services etc?	There are a number of service delivery models in place amongst local authorities, most having some element of partnership working (internal and external).
Relevance / Context Baseline / Challenge	How does the service fit with the overall aims of the Council?	The service delivers development priorities from the Sustainable Community Strategy and Council Plan under the themes of Economic Regeneration and Transport, Environment and Housing, Culture and Leisure.
	How does the service contribute to key policy areas?	Amongst the policy areas that the service contributes to are Core Strategy, Regeneration Development Plan Document (not adopted yet), Enterprise Strategy, Tourism and Visitor Economy Strategy, Stockton Central Area Action Plan, River Tees Users Strategy and Heritage Strategy.
	What policies, plans and strategies impact on the service e.g. statutory, policy, function, other services?	As above – there are no direct statutory duties.
	Are there any political judgements/decisions involved in determining the level of service?	Possibly - the level of service provided has clear links to the economic wellbeing of the borough, so that can be seen to have a political dimension.
Financial/Resource Considerations Baseline	What are the costs of the service?	The operating budget for R&ED during 2011/12 is provided [see Appendix 2]. These amounts exclude Tourism budgets which were previously included under the Events, Arts and Tourism EIT Review and efficiency savings already made through other related EIT Reviews (including Administration and Facilities Management) and contributions to Tees Valley Unlimited (TVU), where efficiency savings have already been made as part of the Extended Management Team (EMT) exercise.

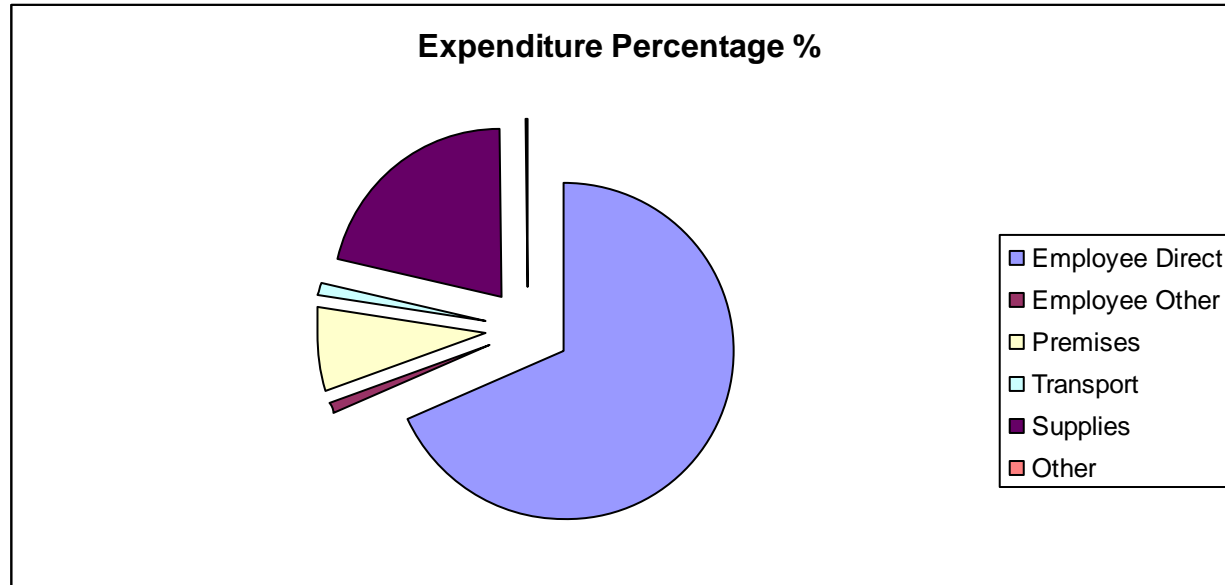
Service Baseline / Initial Challenge	Guidance	Information
	Capital and revenue costs	A full financial statement will be provided of capital, revenue and contract costs as part of the detailed information relating to the service provided as part of the EIT Review.
	How have Gershon efficiency savings impacted on the service and how is the service planning to meet future Gershon efficiency targets?	Gershon efficiency savings are no longer relevant, given the reductions in subsidy and grant support from central Government and the impact this has had on the Council's Medium Term Financial Plan (MTFP).
	How will the current financial climate affect the service?	The current financial climate will have major implications for the service. There are significant funding reductions for the service factored into the Council's MTFP from 2012-13 onwards. The EIT Review must find the necessary efficiency savings to meet the requirements of the MTFP.
Financial/Resource Considerations Challenge	How can you demonstrate that the service is cost effective overall?	Value for money can be difficult to demonstrate on these services, with, for example, the Jobs and Skills Inspection in 2010 finding limited evidence to support claims of positive VFM. There is limited process or cost benchmarking data available to provide clear comparisons with other local authorities or alternative service providers, although VFM was a strong focus of the evaluation of the work undertaken under the Communities Fund.
	Do external contracts offer value for money?	Value for money is more easily determined on external contracts, particularly where contracts have been awarded following a tendering process, which will have VFM as a key selection criterion and through the evaluation of those contracts/services.
Service Drivers	What do we need to change and why?	There is a clear requirement to make efficiency savings to contribute to the Council's MTFP, whilst ensuring that the service remains able to meet current and future levels of demand.
	What are the main drivers of change?	There have been significant changes to regional and sub-regional partnership arrangements. Physical regeneration projects are increasingly difficult to deliver with less public sector capital funding

Service Baseline / Initial Challenge	Guidance	Information
		<p>available and difficult market conditions. Significant budget pressures impact on the ability to fund services at current levels. The recent approval as a Local Enterprise Partnership and organisational restructuring the changes to Tees Valley Unlimited will have a number of implications for the regeneration service.</p>

Appendix 2 Regeneration and Economic Development Financial Breakdown 2011-12

Summary of 2011-12 Revenue Budget:

Employees Direct	1,153,808
Employee Other	17,743
Premises	131,208
Transport	22,415
Supplies and Services	359,666
Payments to Other Bodies	2,414
Gross Expenditure	1,687,254
Income	(413,333)
Net Expenditure	1,273,921



The following table provides a breakdown of the summary budget figures, including detail on Supplies and Services:

Service Area	Employee Direct	Employee Other	Premises	Transport	Supplies	Other	Gross Expenditure	Income	Net Expenditure
Business Grants	0	0	0	0	57,500	0	57,500	0	57,500
Shambles	0	0	18,382	0	996	0	19,378	(14,500)	4,878
Town Centre Management	78,936	441	0	1,555	616	0	81,548	0	81,548
Stockton Business Centre (1)	94,495	4,294	112,826	726	87,033	2,414	301,788	(347,889)	(46,101)
Feasibility & Support Fund	0	0	0	0	59,617	0	59,617	0	59,617
Subscriptions	0	0	0	0	29,775	0	29,775	0	29,775
Regeneration Team	980,377	13,008		20,134	39,129	0	1,052,648	(50,944)	1,001,704
SMI Project	0	0	0	0	85,000	0	85,000	0	85,000
Total Expenditure	1,153,808	17,743	131,208	22,415	359,666	2,414	1,687,254	(413,333)	1,273,921

Expenditure Percentage	68.4%	1.1%	7.8%	1.3%	21.3%	0.1%	100%
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Externally Funded Posts	Funding Source	Annual Value	Contract End
Project Officer	Billingham Integrated Health Funding	29,327	September 2011
Project Officer	WNF - Enterprise Culture	30,696	July 2012
Project Officer	SHIP / THI	40,853	November 2011
Employability Co-ordinator	WNF - Employability Co-ordinator	36,326	March 2012 (possible 6 month extension)
Employability Apprentice	WNF - Employability Co-ordinator	4,954	July 2011