

**Place Select Committee
Overview Meeting 2018**

12 February 2018

Economic Growth and Development Services

Context

Members are well aware that as a Council we have had to adapt to funding reductions of £52 million over the last five years and that we are still confronted with having to find further savings.

Whilst we acknowledge that we have a strong track record of sound financial management and we have been dealing with these problems successfully for many years, it will not be easy to address the additional loss of government funding of over £20 million by 2019/20. Moving forward, expectations will need to be realistic as many more difficult decisions will need to be made.

The challenge for all Members is to ensure that decisions about the basis on which services will be delivered are within the resources available, taking account of a number of factors such as reduced budget allocation, changing demographics, increasing demand, new national legislation and policy direction. Members are reminded of the four policy principles that support our decision-making:

- **Protecting the vulnerable through targeted intervention**, particularly those people in our communities who are subject to, or at risk of harm, people who are homeless or at risk of becoming homeless and those who are financially excluded or whose circumstances make them vulnerable.
- **Promoting equality of opportunity through targeted intervention**, specifically in relation to tackling health inequalities, meeting the skills gap and improving access to job opportunities, tackling fuel poverty, improving education and training opportunities, access to affordable housing and financial and digital inclusion.
- **Developing strong and healthy communities** through the provision of mainstream and preventive services that are available to all those who choose to access them.
- **Creating economic prosperity** across the Borough

It is within this context that the Select Committee is invited to undertake their overview duties.

Performance Reporting

Performance across the Council Plan has been reported on a six-monthly basis. This was reported to Executive Scrutiny Committee on 12 February 2018, and then forwarded to members of each Select Committee with key issues highlighted by the Chair at their next meeting.

In addition the quarterly update to Cabinet on the Economic Climate has been forwarded to Place Select Committee members with key issues highlighted by the Chair at the next meeting.

Economic Growth and Development Services – Richard McGuckin - Director

Relevant Services include:

- **Highways, Transport and Design Services:** Highway Network and Flood Risk Management, Traffic and Network Safety, Urban Landscape, Design Services and Building Control.
- **Economic Growth:** Strategic Development, Planning Development, Business and Enterprise, Capital Programmes and Projects.
- **Housing Services:** Private Sector Housing, Housing Regeneration and Investment, Homelessness and Housing Solutions.

Council Plan 2018-21

The Council Plan sets out the aims and objectives for all services and is refreshed on an annual basis.

The 2018-19 objectives for the Economic, Regeneration and Transport and Environment and Housing themes are attached at **Appendix 1**.

Emerging Issues - Business

Challenges

- Building economic resilience into Stockton-on-Tees' economy to counter the negative impact that some global economic changes and challenges may have.
- The Borough contains a number of businesses of strategic importance that are energy intensive businesses and thus vulnerable to change in energy costs.
- Low levels of business- led Research, Innovation & Development investment.
- Low number of strategic businesses with national headquarters and associated decision making powers based within the Borough.
- Relatively low numbers of strategic businesses classed as large businesses.
- The majority of the Borough's businesses that make up the area's business base employ less than 10 people.
- High business death rate indicates a challenge in creating sustainable businesses.
- Insufficient jobs being created to meet the needs of the working age population.

Opportunities

- Commercialisation of science and innovation emerging from the region's knowledge base.
- Capitalising on the use of new technologies and their introduction within wider business practices to bring greater productivity.
- Identify and develop an understanding of growth and growing sectors and opportunities from the Government's Industrial Strategies.
- The Localisation of Business Rates 2020.
- Creation of start-up businesses from opportunities created by existing and growing sectors.

Emerging Issues – Place

Challenges

- Lack of high quality or available business accommodation.
- Surplus capacity of commercial premises can reduce the demand for new development.
- Almost half of all vacant office space is located in the Stockton Central Area.
- Vacancy rates in Stockton Town Centre are above national levels.
- Achieve a 5-year housing supply.
- Long-term vacancy rates of commercial premises.
- Limited broadband infrastructure to some strategic employment and residential locations.
- Land-banking by developers
- Mortgage availability.
- Lack of awareness of Tees Valley as a location.
- Viability of speculative commercial development.
- Some locations suffer from low demand housing and imbalance of tenure (i.e. high prevalence of low value private rental housing)
- In some open market locations residential properties in the Borough are less affordable compared with the regional average.
- Both increasing and changing demand for affordable housing.
- Long-term empty residential properties.
- Some brown field, private sector housing development sites have either not commenced or have stalled.
- Absentee private sector residents landlords in Stockton Town Centre.
- Perceptions of the Borough.

Opportunities

- Re-occupation, re-development or alternative uses of vacant floor space in Stockton Town Centre.
- Re-use of brownfield land and conversion/re-development of commercial floor space for residential use.
- Productive use of vacant commercial floor space to attract private sector investment.
- Major exporting and logistics networks.
- Indirect benefits of high-speed rail programmes for investment and connectivity.
- Enterprise Zone sites.
- Address the land-banking by developers.

Overview Report

- Deliver viable commercial premises.
- Lower than national average house prices.
- Brown field site development opportunities.
- Tees Valley Land Commission.
- Maximising the use of the natural assets in the Borough.
- Work with developers to secure infrastructure for new development partners for affordable housing.
- Profile our key transport projects.
- Introduction of new legislation to tackle rogue landlords.
- Implementation of a Targeted Action approach to the older housing stock areas in central Stockton and the Victoria ward.

Emerging Issues - People

Challenges

- Claimant unemployment affecting some age groups more than others Long-term unemployment is more prevalent for those aged over 50.
- Claimant Count JSA of 18-24 year olds remains high.
- Areas of high deprivation and low skills.
- Top barrier to growth expressed by businesses is in getting the skills they need.
- Ageing population and a fall in the working age population
- Skills shortage vacancies almost three times more people claiming sickness benefits compared to Jobseeker's Allowance/Universal Credit.
- Lower number of residents qualified to NVQ Level 4 compared to nationally.
- Higher number of residents have no qualifications than nationally.
- Create more employment opportunities.
- Those with work limiting disabilities and health conditions face considerable barriers to securing employment.
- Level of real wages has declined since the recession.
- BME employment rate lower than the White employment rate (national).
- Children from low income households are less likely to achieve in many aspects of their lives including reaching their academic potential and therefore securing employment as adults.
- More of our children live in poverty, compared to nationally, although some wards are significantly higher.
- Future funding of supported housing for vulnerable (homeless) households
- Impact of new Welfare Reforms on vulnerable residents.
- Limited housing options for those under 35years of age.

Opportunities

- High rate of economic activity Residents with no qualifications reducing cost competitive and skilled workforce.
- Replacement and new jobs required within the workforce.
- Introduction of the Apprenticeship Levy.
- Residents with Level 4 qualifications is increasing
- European Structural Investment Fund Opportunities: Inclusive Labour Markets and Skills for Growth.
- Targeted Recruitment & Training as part of the Social Value Act and through Planning and Development Agreements.

Overview Report

- Introduction of the National Careers Strategy.
- Implementation of the DWP Work and Health Programme.
- Job opportunities due to replacement demand in the workforce.
- Establishment of the Tees Valley Careers & Enterprise Company.
- Development of advanced and higher level apprenticeships.
- Implementation of the Government's BME 2020 plan.
- Devolution of Employment & Skills funding to the Combined Authority.
- Scaling up the 'Troubled Families Programme' and an expansion of parenting provision.
- Providing opportunities for independent living.
- Working with registered housing providers to address the needs of vulnerable residents.
- Implementation of a triage approach to prevent and tackle homelessness (positive response to the Homelessness Reduction Act)
- Provision of additional funding to provide Disabled Facilities Grants to support the boroughs residents live independently, at home, for as long as is possible

Potential Areas for In-Depth Review

Members are reminded that topics are being sought for the Scrutiny Work Programme 2018-19. Using the information provided as part of the performance updates and this Overview meeting, the Committee is invited to identify potential topics for review within this theme.

Potential topics will be considered at Executive Scrutiny Committee on 27 March.

Some potential topics for review are as follows:

- Overview of the Disabled Facilities Service (this would need to include Adult Social Care who deliver the front end) and Building Services (who deliver some of the contracted works).
- Overview of how the service has responded to the Homelessness Reduction Act (during Quarter 4 at earliest).

Appendix 1

Council Plan 2018-21 – Economic Regeneration and Transport

Our vision is of an economically prosperous borough that is dynamic, exciting and inviting with infrastructure to support the development of business start-ups, business growth, new jobs and skills.

Key Objectives and Activities

Objective:

Have a successful business base where existing companies have experienced sustainable growth and new businesses have been created and attracted.

Activities:

Enterprise

- Work in partnership with Primary and Secondary Schools to design and deliver enterprise opportunities in the school curriculum.
- Encourage and support the next generation of young entrepreneurs to start and build new business ventures, highlighting self-employment as an alternative route-way to success.
- Provide a package of support to new and existing retail businesses to improve the sustainability and diversity of the Stockton Town Centre offer.
- Support business collaboration and networking within the Borough and the wider Tees Valley.
- Provide support for new and existing businesses through the provision of information and assistance to access sources of advice, guidance and financial support.
- Work with partners to provide the quality and types of business support services and information that facilitates the growth of the Stockton-on-Tees economy.
- Promote and encourage pupil uptake of business qualifications at GCSE, A Level and BTEC.

Productivity

- Support our existing strategic and key businesses to develop, grow and consolidate their continued successful trading within Stockton-on-Tees and ensure they remain satisfied with Stockton-on-Tees as a business location of choice.
- Promote and improve access to public and private sector contract opportunities for Stockton-on-Tees businesses.
- Work with partners to increase the number of Stockton -on-Tees' businesses expanding or exporting, and support those that already export to increase their presence in key international markets.
- Support the activities of innovation support providers including assisting businesses in the Borough to make the most of digital technologies to improve productivity.

Jobs

- Proactively engage with and develop strong working relationships with growing and growth potential businesses to support and secure job opportunities.
- Identify sector growth opportunities within the Stockton-on-Tees and wider Tees Valley economy to support the development of new and existing enterprises.
- Effectively promote Stockton-on-Tees as a place to invest, trade and visit, highlighting its distinguishing pull factors within the Tees Valley.
- Work with strategic partners to influence and attract inward investment opportunities to Stockton-on-Tees.

Objective:

Provide sufficient sites and premises in vibrant, connected and distinctive places that businesses are attracted to and people choose to live, work, play and visit.

Activities:

Strategic Employment Locations

- Ensure the Local Plan continues to include sufficient available sites to meet the growth aspirations of existing businesses, and that these opportunities remain attractive to new businesses to secure inward investment.
- Guide high-quality development and inform a positive approach to secure enabling infrastructure funding whilst encouraging private sector investment.
- Encourage the re-occupation or re-use of vacant commercial premises at prime locations by public sector anchor institutions and private businesses.
- Work in partnership with the Tees Valley Combined Authority to utilise the economic place based assets and strengths of the Borough to support growth in priority sectors.
- Work in partnership with the North Shore Development Company to complete the next phases of the North Shore and wider site.
- Development of proposals for major redevelopment schemes with private sector backing at the Southern gateway to Stockton Town Centre.
- Work with land-owners to identify a portfolio of development-ready commercial sites to be promoted to prospective businesses and tenants.

Town Centres

- Work in partnership with Heritage Lottery and Ambassador Theatre Group to complete the refurbishment of the Globe Theatre.
- Continue to work with Heritage Lottery Fund to secure phase 2 approval of the North High Street Townscape Heritage Project.
- Target key vacant premises across Stockton Town Centre and, where possible, work with owners to facilitate re-occupation or re-use of these premises.
- Review and understand the flexibility and capacity of Stockton Town Centre units to develop a supply at the right scale and format for move-on growth businesses and potential occupiers.
- Support the activities of Stockton Town Centre Business Improvement District.
- Identify the growth potential of diversifying uses across Stockton Town Centre.
- Deliver Hampton by Hilton Hotel and facilitate opportunities to improve the public realm associated with its connectivity to Stockton Town Centre.
- Support, develop and market a broad programme of specialist markets, events and festivals.

Transport and Infrastructure

- Ensure the Local Transport Plan supports and facilitates interventions to complement the Council's emerging Local Plan.
- Work with Tees Valley Combined Authority and partners to develop and deliver key strategic transport ambitions including:
 - New River Tees Crossing
 - A66 East/West Growth Corridor
 - Enhancement of the rail network and improved services through franchising
 - Influence Tees Valley Bus Network to improve accessibility
 - Support the master plan development of Durham Tees Valley Airport
- In partnership with Tees Valley Combined Authority explore opportunities to deliver further broadband upgrades via the Government's Full Fibre Challenge Fund.

- Work to secure and maximise funding from Tees Valley Combined Authority's Investment Plan resources to support and enhance growth opportunities within the Borough.
- Maximise opportunities for external funding to develop and maintain key transport assets.
- Management and development of key assets to improve resilience and maintain a safe and accessible transport network.

Objective:

Ensure that people have the opportunity to learn/train and gain the appropriate level of skills to maximise the employment opportunities available in the economy.

Activities:

Skills

- Increase overall skill levels by improving access to appropriate learning and training through European funded programmes and mainstream budgets.
- Promote and encourage people to undertake higher level/degree apprenticeships that exist and those currently being developed.
- Reduce the number of people with no or low level qualifications, including the unemployed and those people with English as a second language.
- Encourage employers to invest in workforce skills development through the provision of funding and training support.
- Continue to support businesses and their workforce in any redundancy situation by accessing appropriate funding to up-skill staff.
- Work collaboratively to improve Careers, Education, Information, Advice and Guidance (CEIAG) in schools with the Tees Valley Combined Authority.
- An improved education curriculum offer provides appropriate learning opportunities for pupils to gain relevant qualifications/experience.
- Promote and encourage pupil work experience and mentoring in businesses in the Tees Valley growth sectors.
- Work with key further and higher education partners to facilitate pathways into employment and support to young enterprises.

Employment

- Secure further increases in the employment rate by reducing inactivity in the labour market.
- Provide support to people who are disadvantaged/furthest away from the labour market who wish to improve their employment prospects.
- Develop high quality vocational routes into work, particularly for young people, such as, sector led apprenticeship route ways.
- Further develop the Targeted Recruitment and Training approach to maximise training and employment opportunities through the use of social and community benefit clauses in public sector procurement and through Planning and Development Agreements.

Inequality, Deprivation and Poverty

- Provide a more intensive and distinct level of support for those furthest from the labour market, such as, supported employment programmes for those people with Learning Disabilities, or Looked After Children.
- Increase participation in the labour market by creating a range of flexible jobs to enable under-represented groups and those furthest from the labour market to access employment.

Council Plan 2018-21 – Environment and Housing

Our vision is to make the borough a better place to live and a more attractive place to do business with clean streets, carefully tended parks and open spaces, affordable and desirable housing.

Key Objectives and Activities

Objective:

Provide sufficient sites and premises in vibrant, connected and distinctive places that businesses are attracted to and people choose to live, work, play and visit.

Activities:

Environment

- Work with the Tees Valley Combined Authority to develop low carbon initiatives that support those sectors and businesses that are most affected by environmental regulation.
- Ensure the principles of sustainable development are embedded in the Local Plan, and underpin future economic growth.
- Manage and maintain parks, open spaces and other green infrastructure to a high standard.
- Protect and enhance the local distinctiveness, heritage and biodiversity of the natural and built environments.
- Work with partners, commercial organisations, and the wider community to reduce Borough-wide CO₂ emissions.
- Take account of predicted changes to the future climate, and the potential impact to Council services and local environment, implement appropriate schemes, adaptation measures and ensure business continuity.
- Deliver new and improved green infrastructure to enhance quality of place, promote health and wellbeing, and contribute to sustainable development.
- Explore opportunities for district heat and power networks through capture of process heat to improve the financial sustainability of business and reduce carbon emissions.
- Harness the opportunities to improve access and use of commercial and leisure uses on the River Tees.

Housing

- Ensure the emerging Local Plan meets the requirements of an Examination in Public and its subsequent Adoption ensures it provides sufficient available sites to meet the Borough's housing requirements.
- Work with private sector partners and key government agencies to facilitate sustainable housing growth in the key locations at west Stockton and Wynyard.
- Explore options for the most efficient way for the Council to deliver and work with partners to accelerate opportunities for housing growth on appropriate Council-owned land.
- To deliver housing-led regeneration and renewal schemes at Norton Park, West End Gardens and Victoria.
- Maximise inward investment opportunities for the provision of affordable housing through the Tees Valley Combined Authority housing delivery plan.
- Work with private-sector housing developers and land-owners to consider options to bring forward stalled brownfield housing sites.
- Work with the Tees Valley Combined Authority and other public and private sector partners to explore aspirations for the long-term redevelopment of Tees Marshalling Yards.
- Work with the Tees Valley Land Commission and public sector partners to bring forward

development sites that meet economic growth priorities.

- Effective engagement with key registered providers (including Thirteen) to maximise affordable housing opportunities in the Borough.
- To deliver a targeted action approach in central Stockton, Mandale and Victoria, and older housing areas to facilitate improvements in housing stock and supporting services, which will include exploring selective licensing of the private rented sector.
- Maximise all powers available to drive up standards, conditions and management in the private rented stock across the Borough.

Inequality, Deprivation and Poverty

- Support the delivery of 'A Brighter Borough for All' tackling poverty strategy with the key aims of:
 - Ensuring every child receives the best start in life;
 - Maximising household income;
 - Maximising access to support for vulnerable groups
- Continue to deliver a proactive homelessness prevention service to ensure we have discharged the Authority's responsibilities in order with the Authority's Homelessness Reduction Act 2017.