

# CABINET AGENDA



**Monday 11<sup>th</sup> September, 2006**

**at 9:00 a.m.**

**in Committee Room B**

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hargreaves, Hill, Jackson, Payne, Tumilty and R Waller

**1. APOLOGIES FOR ABSENCE**

**2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

**3. MINUTES**

- 3.1 To receive the Record of Decision in respect of the meeting held on 29<sup>th</sup> August 2006 (previously circulated)

**4. BUDGET AND POLICY FRAMEWORK**

- 4.1 Community Strategy and Neighbourhood Renewal Strategy Review 2006 – *Head of Community Strategy*

**5. KEY DECISIONS**

No items

**6. OTHER ITEMS REQUIRING DECISION**

- 6.1 Proposed Selection Criteria – Dealing with Non-Mandatory Scrutiny Topic Referrals from the Authority's Regulatory Panels and Other Committees – *Assistant Chief Executive*
- 6.2 Analysis of Performance Indicators 2005/06 – *Assistant Chief Executive*
- 6.3 North Eastern Sea Fisheries Committee – Replacement Fisheries Patrol Vessel – *Chief Financial Officer*
- 6.4 Tees Valley City Region Business Case – *Director of Regeneration and Planning Services*

**7. ITEMS FOR DISCUSSION / INFORMATION**

No items

**8 REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items

**EXEMPT ITEMS**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985

**9. KEY DECISION**

No items

**10. OTHER ITEMS REQUIRING DECISION**

- 10.1 Phoenix Centre, Central Estate, Hartlepool – *Director of Neighbourhood Service*  
(Para 3)

# CABINET REPORT

11<sup>th</sup> September 2006



**Report of:** The Head of Community Strategy

**Subject:** COMMUNITY STRATEGY & NEIGHBOURHOOD  
RENEWAL STRATEGY REVIEW 2006

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## SUMMARY

### 1. PURPOSE OF REPORT

To agree the revised Community Strategy, *Hartlepool's Ambition*, (**Appendix 1**) as a consultation draft.

### 2. SUMMARY OF CONTENTS

The revised Community Strategy will, following adoption in April 2007, provide a new strategic framework for Hartlepool. The Strategy also incorporates a revised Neighbourhood Renewal Strategy and Sustainable Development (Local Agenda 21) Strategy. The Strategy recommends modifications to the existing Neighbourhood Renewal Strategy boundary (**Appendix 2**, Map 1).

### 3. RELEVANCE TO CABINET

The Community Strategy and the Local Agenda 21 Strategy form part of the policy framework.

### 4. TYPE OF DECISION

Budget and Policy Framework.

**5. DECISION MAKING ROUTE*****1<sup>st</sup> Consultation Draft:***

Hartlepool Partnership	5 <sup>th</sup> September 2006
Cabinet	11 <sup>th</sup> September 2006
Scrutiny Co-ordinating Committee	15 <sup>th</sup> September 2006

***2<sup>nd</sup> Draft:***

Hartlepool Partnership	19 <sup>th</sup> January 2007
Cabinet	22 <sup>nd</sup> January 2007
Scrutiny Co-ordinating Committee	9 <sup>th</sup> February 2007

***Final Draft:***

Cabinet	19 <sup>th</sup> March 2007
Hartlepool Partnership	23 <sup>rd</sup> March 2007
Council	19 <sup>th</sup> April 2007

**6. DECISIONS REQUIRED**

To agree the revised Community Strategy (Appendix 1) as a consultation draft.

**Report of:** The Head of Community Strategy

**Subject:** COMMUNITY STRATEGY & NEIGHBOURHOOD  
RENEWAL STRATEGY REVIEW 2006

---

**1. PURPOSE OF REPORT**

1. To agree the revised Community Strategy, *Hartlepool's Ambition*, (**Appendix 1**) as a consultation draft.

**2. BACKGROUND**

1. Part 1 of the Local Government Act 2000 places on principal Local Authorities a duty to prepare Community Strategies for promoting or improving the economic, social and environmental well-being of their areas, and contributing to the achievement of sustainable development in the UK.
2. Government guidance issued in December 2000 stated that Community Strategies should meet four objectives. They must:
  - Allow local communities (based upon geography and/or interest) to articulate their aspirations, needs and priorities;
  - Co-ordinate the actions of the Council, and of the public, private, voluntary and community organisations that operate locally;
  - Focus and shape existing and future activity of those organisations so that they effectively meet community needs and aspirations; and
  - Contribute to the achievement of sustainable development both locally and more widely, with local goals and priorities relating, where appropriate, to regional, national and even global aims.
3. It also stated that a Community Strategy must have four key components:
  - A long-term vision for the area focusing on the outcomes that are to be achieved;
  - An action plan identifying shorter-term priorities and activities that will contribute to the achievement of long-term outcomes;
  - A shared commitment to implement the action plan and proposals for doing so;
  - Arrangements for monitoring the implementation plan, for periodically reviewing the Community Strategy and for reporting progress to local communities.

4. The Hartlepool Partnership, the town's Local Strategic Partnership, and the Council agreed a draft Community Strategy in April 2001 and adopted a final version in April 2002. Hartlepool's Community Strategy set out a timetable for review in five years. In line with this agreement, the Community Strategy Review 2006 was launched on 5th May 2006 and a new Community Strategy will be in place in April 2007.

### **3. GOVERNMENT CONSULTATION ON REVISED GUIDANCE 2005**

1. In December 2005 Government launched a consultation paper on the role of Local Strategic Partnerships and Sustainable Community Strategies. In it the Government set out its commitment to reshaping Community Strategies as Sustainable Community Strategies. This builds on recommendations from the Egan Review – Skills for Sustainable Communities, ODPM, 2004 to re-emphasise the need for local leaders to take a more cross-disciplinary and integrated approach to social, economic and environmental issues. The paper establishes the components of a Sustainable Community Strategy as:
  - Active, inclusive and safe
  - Well-run
  - Environmentally sensitive
  - Well designed and built
  - Well connected
  - Thriving
  - Well served and
  - Fair for everyone
2. Following the central government reorganisation in May 2006 and the creation of the Department for Communities and Local Government the timetable for publication of the response to the consultation exercise is unclear. It is anticipated that further policy guidance on Community Strategies will be published alongside the Local Government white paper scheduled for Autumn 2006.

### **4. NEIGHBOURHOOD RENEWAL STRATEGY REVIEW 2006**

1. Although the current Neighbourhood Renewal Strategy is part of the Community Strategy it is published as a separate 70 page document. The Neighbourhood Renewal Strategy sets out the intention to prepare Neighbourhood Action Plans (NAPs) in the Borough's priority Neighbourhoods and provides a policy framework for this development.
2. As these NAPs are now in place they provide a more detailed policy framework for improvements in the disadvantaged neighbourhoods than was available in 2002. As a result the first consultation draft includes Neighbourhood Renewal objectives alongside Community Strategy objectives in one document.

3. The Neighbourhood Renewal Strategy also sets out the boundaries of the disadvantaged neighbourhoods – and these have been reconsidered as part of the review. Neighbourhood Renewal is about narrowing the gap between conditions in the disadvantaged communities and the rest of the town. It is therefore important that the Neighbourhood Renewal Area is kept as tightly defined as possible and is based upon the statistical level of disadvantage.
4. All Members were contacted and asked to highlight any areas that they thought may warrant inclusion within the revised Neighbourhood Renewal Strategy. It is recommended that the disadvantaged part of Throston ward is included in a revised NRS as for three of the key indicators, employment, health and community safety, the area is within the 10% most deprived areas in the country (IMD2004). It is also recommended to include Bright Street and Wilson Street in the Dyke House/Stranton/Grange NRS neighbourhood and include the 'I' and 'M' Blocks in the Owton NRS neighbourhood. (Appendix 2).

## 5. SUSTAINABLE DEVELOPMENT & LOCAL AGENDA 21

1. Hartlepool Borough Council agreed its Local Sustainable Development Strategy in January 2001. The Strategy aimed to:

*“achieve improvements in the quality of our lives without causing irreversible damage to the environment or preventing our children from being able to enjoy the benefits we have today”.*

2. In 2005 the Government published *Securing the Future - UK Government sustainable development strategy*, updating the 1999 Strategy. The new Strategy outlines a pivotal role for local authorities and their partners, through Local Strategic Partnerships, in delivering sustainable communities. The Strategy states that:

*Making the vision of sustainable communities a reality at the local level means sending the right signals to local Government about the importance of sustainable development, supporting strong local leadership and developing the right skills and knowledge. Government will work with its partners to develop toolkits and other materials to support Local Strategic Partnerships (LSPs) in developing and delivering Sustainable Community Strategies which help deliver sustainable development in the UK.*

3. In response to this guidance, the revised Community Strategy, *Hartlepool's Ambition*, incorporates a revised local Sustainable Development Strategy.

## 6. HARTLEPOOL'S AMBITION

1. The revised Community Strategy builds on the 2002 Strategy and sets out a revised policy framework for Hartlepool. Key revisions include:

- The Strategy now incorporates the previously separately published Neighbourhood Renewal Strategy (2002) and the Sustainable Development Strategy (2001);
- Housing and Environment are established as Priority Aims in their own right and as a result the number of priority aims has increased from 7 to 8;
- Changes to the Neighbourhood Renewal Strategy boundary, including the addition of the disadvantaged part of Throston ward as detailed in Appendix Map 1 attached;
- Following over 1100 responses to the consultation, and a series of Theme Partnership workshops, the vision has been revised along with many of the Priority Aims and Objectives.

## 7. NEXT STEPS

1. Consultation on this first revision of the community strategy runs until the 17th November 2006. The consultation draft sets out a number of specific questions. These are repeated in paragraph 7.3. Members are requested to respond to them all, to some and not others, or to write about other issues that have not been covered. Responses to this consultation should be received by the head of community strategy no later than 17th November 2006.
2. Further copies of the strategy are available by telephoning 284147 alternatively, the consultation paper can be read online at: [www.hartlepoolpartnership.co.uk](http://www.hartlepoolpartnership.co.uk) by following the review 2006 link.
3. Consultation questions
  1. Is the draft Strategy about right?
  2. What would you like to see changed?
  3. Does the Vision capture Hartlepool's ambition?
  4. Do you agree with the Priority Aims and related Objectives?
  5. Is there anything you would like to add to the Priority Aims?
  6. How could consultation on the Community Strategy and Neighbourhood Renewal Strategy be improved in future?
4. During the Consultation period, a number of appraisals of the draft Strategy will be carried out. These will highlight practical ways to enhance the positive aspects of the Strategy and to remove or minimise any negative impacts. These include:
  - The Integrated Regional Framework for the North East
  - Health Impact Assessment
  - Section 17
  - Rural Proofing
  - Diversity Impact AssessmentMore details on these individual assessments is contained in the Community Strategy.



## 8. RECOMMENDATIONS

1. Cabinet is requested to agree the revised Community Strategy, *Hartlepool's Ambition*, (Appendix 1) as a consultation draft.



hartlepoolpartnership

# Hartlepool's Ambition

**Community Strategy & Neighbourhood Renewal Strategy**

**1<sup>st</sup> Consultation Draft  
Consultation Period:**

**September 2006 – 17<sup>th</sup> November 2006**

**Cabinet  
11<sup>th</sup> September 2006**

***review  
2006***

**Text extracts can be made available in Braille, talking tapes and large print, on request. If you would like information in another language or format, please ask us.**

إذا أردت المعلومات بلغة أخرى أو بطريقة أخرى، نرجو أن تطلب ذلك منا.  
(Arabic)

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।  
(Bengali)

ئەگەر زانیاریت بە زمانیکی که یا بە فۆرمیکی که دەوی تکایه داوامان لی بکه  
(Kurdish)

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔  
(Urdu)

यदि आपको सूचना किसी अन्य भाषा या अन्य रूप में चाहिये तो कृपया हमसे कहे  
(Hindi)

Jeżeli chciałoby Państwo uzyskać informacje w innym języku lub w innym formacie,  
prosimy dać nam znać.  
(Polish)

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。  
(Cantonese)

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## Foreword

**Iain Wright MP. Chair of the Hartlepool Partnership**



This year marks the 200th anniversary of the birth of the founder of West Hartlepool, Ralph Ward Jackson. Ward Jackson had the ambition to create in the Victorian era a modern economic and commercial infrastructure; within twenty years the area of land between the Headland and Seaton Carew had been transformed from sand dunes to the fourth largest port in the country. Ambition had created wealth, prosperity and, from that, first-class public amenities.

In 2002 the Hartlepool Partnership drew up a Community Strategy for our town, following extensive consultation. This set out a vision that Hartlepool would be a prosperous, caring, confident and outward-looking community, in an attractive environment, in order to realise its potential. It also established seven priority aims to improve the economic, social and environmental well-being of the town.

The Community Strategy produced at that time has played a significant role in helping to improve Hartlepool. The Marina continues to prosper and be seen locally, regionally, nationally and internationally as a world-class facility. Educational achievement has been rising rapidly, so that children in Hartlepool for the first time exceed the national average in qualifications. More young people are going to university than ever before. Unemployment has fallen over the five years and more people are in work, helping to provide additional prosperity for themselves and their families.

But the town still faces real challenges, both locally and as part of the wider global economy. As a town the proportion of people who are older is getting larger, and this places added pressure on such services as the NHS, social care and housing. The number of people of working age is getting smaller, and those with the highest skills are leaving the town to take advantage of the opportunities available throughout the world. Life expectancy of people in Hartlepool, although improved in the last five years, remains markedly below the national average.

The pace of globalisation – the interconnectivity and free movement of trade, people, capital and information, will occur at a faster rate than ever before in the years to 2020.

Globalisation means those people with the highest skills will be wanted throughout the world and, given the improvements in technology and communication, can be located anywhere in the world.

The challenge for cities and regions in the next fifteen years will be to ensure that the infrastructure and environment of their particular area – their sense of place – are conducive to creating a modern, creative and innovative place to live, work and relax. As the global economy is forecast to grow by 80 per cent by 2020, the rewards for adapting to these changes will be large. The greatest benefits of globalisation will accrue to those cities, regions and countries that can access and adopt new technologies. The manner in which those technologies can be integrated and applied will be crucial to an area's prospects for prosperity.

I believe we can adapt Ward Jackson's vision and ambition to allow Hartlepool to prosper in the 21st century. My vision for the town is that Hartlepool by 2020 is seen throughout the world as a symbol for ambition, high skills and enterprise in a diverse range of industries, from modern manufacturing, to computer-design companies, to tourist attractions. By 2020, I want the life expectancy of Hartlepool's citizens to at least match the national average. And I want crime and anti-social behaviour, which blight the lives of decent residents, to be eliminated as much as possible.

The town's organisations can intervene and shape their plans to address the long-term challenges. But the vision for the town will be better and more informed with your involvement.

This is only a first draft of the Community Strategy; I thank all those who have contributed so far, and would like to see a further healthy and vigorous debate in the next few months as to what sort of town we would like Hartlepool to be in 2020. Hartlepool ambition allowed us to be world-class in the era of Ward Jackson – I believe we need to demonstrate this ambition again to develop, grow and prosper in the world of 2020.

A handwritten signature in black ink, appearing to read 'Ian Wright', written in a cursive style.

August 2006

Preface  
Mayor Stuart Drummond

To be inserted

A handwritten signature in blue ink, appearing to read "Drummond", with a stylized, cursive script.

August 2006



## Introduction

### ***Hartlepool's Ambition***

2006 marks the 200th Anniversary of the birth of Ralph Ward Jackson. The founder of West Hartlepool lived in Greatham Village and was the man responsible for establishing the layout of the town and erecting the first public buildings. He improved education and welfare facilities for local residents and developed the town's railways and docks. In the early 1800s his vision and aspiration brought key individuals together to work in partnership to expand the town.

During 2006, the Hartlepool Partnership has worked to prepare this Community Strategy. The Partnership brings together all the town's partnerships delivering local services to improve the quality of life for people in Hartlepool.

### ***Community Strategy 2006***

This updated Community Strategy builds on the 2002 Strategy and provides a revised policy framework for Hartlepool. It describes a long-term vision – Hartlepool's ambition and aspirations for the future:

*Hartlepool will be a thriving, respectful, inclusive, healthy, ambitious and outward-looking community, in an attractive and safe environment, where everyone is able to realise their potential.*

The Vision is further articulated through priority aims and associated objectives grouped into eight themes:

1. Jobs and the Economy
2. Lifelong Learning & Skills
3. Health & Care
4. Community Safety
5. Environment
6. Housing
7. Culture & Leisure
8. Strengthening Communities

Housing and Environment are established as Themes in their own right acknowledging the increased drive to bring about Housing Market Renewal and the importance residents place on the quality of their local environment.

In 2002 a Neighbourhood Renewal Strategy was published alongside the Community Strategy. This identified 7 priority neighbourhoods where regeneration activities would be targeted and mainstream resources directed to accelerate improvements in quality of life.

The 2002 Neighbourhood Renewal Strategy set out Terms of Reference for Neighbourhood Action Plans (NAPs) to be developed for the 7 priority neighbourhoods. These NAPs are now place and set out a detailed understanding of residents' priorities together with an analysis of current trends.

This updated Community Strategy incorporates and updates the 2002 Neighbourhood Renewal Strategy.

### ***The Evidence Base***

The Strategy is backed by rigorous evidence based analysis and underpinned by a rich understanding of local priorities and concerns. This clearly establishes key areas for improvement within the Jobs & the Economy, Community Safety and Health & Care Themes. Further information on the town's performance, and background reports can be found on the Hartlepool Partnership's website [www.hartlepoolpartnership.co.uk](http://www.hartlepoolpartnership.co.uk)

### ***Hartlepool in Context***

Hartlepool is located on the North East coast within the Tees Valley sub region. It is a compact town, which is linked to the rest of the region and country by road, rail and sea. The A19 passes through the western rural part of the Borough and the A1 (M) is close by. Trains travel along the east coast connecting Hartlepool to Newcastle, the rest of the Tees Valley, York and London. Hartlepool also has a significant port facility and a world-class marina.

Approximately 90,000 people live in the town of which 1.2% are from black and minority ethnic communities and almost a fifth are at or above retirement age. The town combines dense urban areas, an established marina and expanding suburbs with a number of distinct rural villages set in attractive countryside. It is a proud town steeped in history and maritime heritage and the people of the Borough have a strong sense of local identity.

A unitary local authority covers the town with a directly elected mayor and cabinet political structure. Other major service providers sharing the local authority boundary are the Hartlepool Primary Care Trust, the Police Basic Command Unit, the Probation Service and the local Team of the Learning and Skills Council. There is a strong tradition of partnership working in the Borough more recently through the work of the Hartlepool Partnership, which brings together the public, private, community and voluntary sectors.

The Borough has seen a major transformation over the past 20 years through regeneration programmes and public and private sector investment. The town now has major visitor facilities, a revitalised town centre with a wide range of retail facilities, sites of international nature conservation importance and significant business and investment opportunities. Hartlepool has become a thriving, modern town equipped to meet the challenges of the 21st Century.

## **The Hartlepool Community Strategy: The First Five Years**

The first draft of Hartlepool's Community Strategy was produced in June 2001. Major changes have taken place over the last five years in terms of improvements to the town and to how the Hartlepool Partnership and its partners are structured to deliver the Hartlepool Community Strategy.

### ***Five Years on – what has been achieved?***

Since the first Community Strategy was produced there are fewer people unemployed – down from 6.9% in 2002 to 4.6% in 2006. The number of young people and long-term unemployed has also reduced.

The opening of Queens Meadow, Hartlepool's flagship Business Park, together with upgraded units at Brougham Enterprise Centre now guarantees a strong provision of high-quality incubation units throughout the town. Exciting plans have emerged for the development of the Victoria Harbour site adjacent to the existing Marina.

Hartlepool College of Education now has three Centres of Vocational Excellence and the number of people achieving qualifications has increased.

Pupils achieving a grade A\* to C in Hartlepool has gone up by 3% per year, over the last three years, to 52% in 2005. This is an all-time high for the local authority. For the first time ever, the percentage of pupils achieving five A\* to G grades at GCSE reached the national average.

Performance at Key Stage 3 (aged 14) in English, Maths and Science and at Key Stage 2 (aged 11) has improved so much that Hartlepool has been identified as one of the most improved local authorities in the country. Performance at many levels in English and Maths is now above the national average.

There have been significant reductions in crime. Domestic burglary and vehicle crime have reduced significantly since 2001.

While there is still a long way to go to reduce the health inequalities that exist between life expectancy in Hartlepool and the rest of the country great progress has been made in reducing smoking. There have also been marked improvements in reducing teenage pregnancy.

The transfer of the council housing stock to Housing Hartlepool has seen an acceleration of housing improvements. Progress has been made in the Housing Market Renewal areas with Hartlepool Revival leading the charge in remodelling large areas of town centre housing. More people across Hartlepool (95%) are now satisfied with their accommodation than from previous surveys.

An increasing number of people are satisfied with their area as a place to live – up to 83% in 2004 and more residents of Hartlepool now feel that there is a lot of community spirit in their area.

Recycling rates have increased by 20% in recent years.

### ***Evolving Partnerships***

Since its inception in 1999, and following the publication of its first Community Strategy, the Hartlepool Partnership Board has transformed to meet the challenge of providing high quality local services and improving local quality of life. It continues to respond to government requirements and has learnt from best practice, both within the North East and further afield.

The Hartlepool Community Network has established itself as a strong co-ordinating body for the town's community and voluntary sector. The Protocol the network signed with the Hartlepool Partnership in 2005 strengthened working relationships and ensured the sector remained central to the Partnership's work in delivering the Community Strategy.

Theme Partnerships including the Environment Partnership and the Culture & Leisure Partnership have developed into fully operational strategic partnerships driving forward improvements.

All service providers in Hartlepool have responded to the challenge set out in *Every Child Matters*. A Children & Young Peoples Strategic Partnership is now operational co-ordinating the delivery of *The Big Plan* – our Children and Young People's Strategic Plan.

The Hartlepool New Deal for Communities (NDC) Partnership is half way through its ten-year programme and significant improvements are being delivered. 44% of local residents are now in paid work compared to 38% in 2000.

There has been significant improvement in the educational achievement of young people in the area and over 370 over 16s have received bursaries to help them access training and education. The most marked improvements have occurred in Community Safety where the number of burglaries has decreased from 351 in 2001/02 to 115 in 2005/06.

As the current regeneration programme draws to an end in the north of the town, £25m of renewal activity will have been delivered to the Brus and St Hilda wards.

Neighbourhood Action Plans (NAPs) are now in place for the majority of the town's most deprived neighbourhoods; the NDC NAP is due for completion by the end of 2006. These NAPs set out community priorities and provide a tool for local residents, through NAP Forums, to monitor implementation. Improvements are resourced through mainstream and Neighbourhood Renewal funding allocated by the Hartlepool Partnership.

But it doesn't stop there. The Partnership has agreed ambitious plans for the future. Hartlepool's achievements are being recognised internationally reflected in the decision to award Hartlepool the prestigious finishing port in the Tall Ships' Race in 2010. A second phase of development at Queens Meadow and Wynard business parks will underpin our economic regeneration and work on the Tees Valley Coastal Arc, together with the ongoing revitalisation of the town centre housing, will continue the town's physical regeneration. In the last five years the Hartlepool Partnership has developed robust plans to take the 2002 vision forward and deliver Hartlepool's ambition.

## Neighbourhood Renewal and Regeneration

### *Introduction*

Regeneration is a process, which renews or revitalises the economic, social and environmental conditions of a community. Neighbourhood Renewal is the part of the process that concentrates on neighbourhoods.

Neighbourhood Renewal Strategies provide a broad policy framework for this activity over a 10-year period. Their purpose is to reduce inequalities in the most disadvantaged communities and to help tackle social and economic exclusion.

Within this Community Strategy are detailed objectives that form the Hartlepool Neighbourhood Renewal Strategy (NRS), along with individual Neighbourhood Action Plans (NAPs) that have been developed for each of the disadvantaged communities in Hartlepool.

The NRS is a key element in ensuring that the vision of the Community Strategy is realised.

### *Context*

The context for the Neighbourhood Renewal Strategy is provided by 'A New Commitment to Neighbourhood Renewal – National Strategy Action Plan' (January 2001), which was part of the government's modernising agenda.

This National Action Plan sets out a new approach to renewing disadvantaged neighbourhoods by working towards creating a nation where 'within 10-20 years no-one should be seriously disadvantaged by where they live'.

This national vision is reflected in two long-term goals:

- i) In all the poorest neighbourhoods to have common goals of lower worklessness and crime, better health, skills, housing and physical environment.
- ii) To narrow the gap on these measures between the most deprived areas and the rest of the country.

Improved co-ordination of services within neighbourhoods, better use of existing mainstream resources and community empowerment are key elements of this strategy.

***The most disadvantaged neighbourhoods:  
the Neighbourhood Renewal Strategy area***

Hartlepool is the 14th most disadvantaged area in the country. The previous NRS area was made up of seven disadvantaged neighbourhoods:

- North Hartlepool (Brus & St Hilda wards)
- Dyke House/Stranton/Grange
- Burbank
- Rift House/Burn Valley
- Owton
- Rossmere
- West Central Hartlepool NDC

The rationale for inclusion in the NRS was that they were within wards within the most 10% disadvantaged in the country, as set out in the Index of Multiple Deprivation from 2000.

The Index of Multiple Deprivation was revised by the Office of National Statistics (ONS) in 2004. Rather than wards being the geographical unit of deprivation ONS now use Super Output Areas (SOAs) that are standardised at around 1500 population in size.

The revised index of deprivation shows that some areas are now no longer in the 10% most disadvantaged. This may be because conditions have improved, but it may also be due to using SOAs instead of wards and the fact that different indicators were used to make up the Index of Deprivation in 2004 than were used previously in 2000.

On this basis, and the fact that the initial NRS was a ten year strategy - those areas that were in the Neighbourhood Renewal Strategy (NRS) previously will remain in the NRS for the next five years.

During the consultation on the NRS review a number of other streets are to be added into the NRS area to reflect more natural neighbourhoods. This includes the addition of Bright Street and Wilson Street to the Dyke House/Stranton/Grange neighbourhood. During 2005 the Hartlepool Partnership agreed to extend the boundary of the Owton NAP to include the 'I' and 'M' Blocks to reflect the natural neighbourhood of Owton Manor.

The main change to the boundary from the previous NRS is the inclusion of the Throston neighbourhood. The ward based Index of Multiple Deprivation from 2000 that was used to inform the previous NRS did not have the Throston neighbourhood within a ward that was in the most 10% disadvantaged in the country, and as such did not qualify for inclusion in the previous NRS. While the 2004 IMD does not place Throston in the bottom 10% of disadvantaged area overall, for the IMD individual domains (there are seven that make up the overall ranking) of Employment, Health & Disability and Crime it is within the bottom 10% nationally. These domains are key priorities for the Hartlepool Partnership. In addition the Tees Valley Joint Strategy Unit have undertaken research as to the relative deprivation on small geographic areas throughout the town and this demonstrates that the Throston neighbourhood is as disadvantaged as several other NRS neighbourhoods.

The addition of Throston means that 55% of the Hartlepool population live in disadvantaged neighbourhoods – an increase from 54% in the previous NRS. While in principle this leads to a further diluting of the regeneration funding available, such as NRF, it does provide Theme Partnerships and individual service providers the flexibility to target a greater number of disadvantaged neighbourhoods. Service providers will increasingly have to consider in greater detail whether services they provide need to be targeted at the whole NRS area or be more focussed on specific neighbourhoods where the problems are more acute.

Many services and opportunities, particularly for education and employment lie outside the NRS area. It will, therefore, also be the aim of the NRS to support such opportunities and develop links to ensure they are accessible to the NRS area communities. Such opportunities could arise at Seaton Carew, on industrial estates on the southern fringes of the Borough, Wynyard Business Park and other strategic sites in the Tees Valley and on the A19 corridor.

### ***Neighbourhood Action Plans***

The Government's National Strategy for Neighbourhood Renewal set out that all neighbourhoods that need priority status at the local level should be identified in the NRS, and that NAPs for each of these neighbourhoods should be prepared.

NAPs are structured around the seven key themes of the Hartlepool Community Strategy therefore integrating economic, social and environmental issues. These 'golden threads' have enabled the NAPs to be taken on board by each of the Theme Partnerships delivering each theme of the Community Strategy.

NAPs have been developed in each of the NRS priority neighbourhoods (note NDC NAP due for completion later in 2006). They are already beginning to shape mainstream service delivery and act as a framework for how additional new resources are prioritised locally.

The NAPs together form the geographical element of the Hartlepool Neighbourhood Renewal Strategy, setting out in detail:

- Key statistics of the neighbourhood;
- Strengths and Weaknesses;
- Resources and Programmes; and
- Gaps in service delivery linked to priority concerns and actions.

Individual NAPs are available to view on the Partnership's website [www.hartlepoolpartnership.co.uk](http://www.hartlepoolpartnership.co.uk)

## **The Consultation Process**

### ***What did we do?***

Consultation on the revision of the Community Strategy was formally launched on the 5th May 2006 at the Hartlepool Partnership Annual Event. The first phase of consultation ran for 3 months until the 31st July. The aim of the first phase of consultation was to engage residents, local groups and organisations in the review process by asking them to consider the Vision and Aims of the existing Strategy. To enable greater involvement in the review a Consultation Toolkit was developed to provide local groups and organisations with the key resources that they would need to undertake their own consultation activities. The outcomes of their consultation and individual responses have been considered in the development of the first draft. A range of consultation activity has taken place across the Borough including:

1. Household questionnaire
2. On-line questionnaire
3. Viewpoint 1000 questionnaire
4. Theme Partnership consultation events
5. Key organisation and group consultation events

To raise awareness there has been active promotion of the Review including:

1. Presentation to the Hartlepool Partnership
2. Presentation to Cabinet
3. Provision of a members seminar
4. Presentations to the North, Central & South Neighbourhood Consultative Forums
5. Presentations to Theme Partnerships and the Community Network
6. Meeting with the Neighbourhood Forum Resident Representatives
7. Promotion in Middleton Grange Shopping Centre
8. Publicity through Hartbeat, the Hartlepool Mail and Radio Cleveland.

Further detail on the consultation undertaken in the development of this new Community Strategy is set out in the 'Hartlepool Partnership Community Strategy Review 2006 Activity Log'. This can be viewed on the Hartlepool Partnership Website [www.hartlepoolpartnership.co.uk](http://www.hartlepoolpartnership.co.uk)



### ***What did it tell us?***

A total of over 1100 people responded to our request for feedback on the 2002 Community Strategy and priorities for future improvement. The comments received have shaped a new vision for this strategy and revisions to its aims and objectives.

### **The Vision**

Over 70% of respondents agreed with the Vision set out in the 2002 Community Strategy. Where suggestions for improvement were provided these included comments relating to crime and community safety, quality of the street scene and wider environment, health, regeneration, skills and skilled jobs, and respect for one another and for the history of the town.

The original vision has changed from: 'Hartlepool will be a prosperous, caring, confident and outward looking community in an attractive environment, realising its potential' to:

*'Hartlepool will be a thriving, respectful, inclusive, healthy, ambitious and outward looking community, in an attractive and safe environment, where everyone is able to realise their potential.'*

### **The Priority Aims**

Community Strategy 2002 set out 7 Priority Aims:

1. Jobs and the economy
2. Lifelong learning and skills
3. Health and care
4. Community safety
5. Environment and housing
6. Culture and leisure and
7. Strengthening communities

Respondents were asked which of these aims should be tackled first and there was a clear consensus that Jobs and the Economy should be the top priority for action. Community Safety and Health & Care were the second and third priorities, with Environment and Housing slightly further down the list.

Around a third of respondents suggested changes to the aims. Many of these related to adult education and job creation, higher levels of policing and reduced crime and greater health education, healthy living and provision of health care facilities. People also wanted to be consulted more and to feel more involved.

When asked what changes in service provision would improve their quality of life improved policing/reduced crime and more public transport were the two top service areas. Tidying local neighbourhoods and reducing the amount of litter were also factors which many highlighted as improving quality of life.

## Our Vision

“Hartlepool will be a thriving, respectful, inclusive, healthy, ambitious and outward-looking community, in an attractive and safe environment, where everyone is able to realise their potential”



## **Our Principles**

In delivering the Community Strategy all members of the Hartlepool Partnership will strive to apply the following nine principles:

### ***Effective partnership working***

Working together as equals to deliver sustainable communities within Hartlepool and having a clear understanding of shared decision-making, risks, responsibilities and accountabilities.

### ***Efficient partnership working***

Increasing efficiency and achieving value for money through improved procurement, financial reporting and management. Delivering high quality local services and making the most of the resources available including people, money, property, data and information.

### ***Skills and knowledge***

Developing our own capacity and skills to improve performance, whilst providing opportunities for the community to improve their skills, capacity and life chances.

### ***Decision making and communication***

Communicating openly and honestly with the community in Hartlepool making the Partnership publicly accountable for its decisions. Decision-making will be rigorous and transparent and decisions will be based upon the best information available at the time.

### ***Involvement and inclusion***

All parts of the community regardless of their gender, race, ethnicity, colour, disability, religion, sexual orientation, family and other circumstances, language, national or social origins, age or any other status, are encouraged to be involved at all stages in the development, delivery and monitoring of this strategy.

### ***Integrity***

Acting with honesty, selflessness, objectivity and trust, declaring interests and dealing with truth and completeness.

### ***Sustainable development***

Considering economic, social and environmental goals equally and in an integrated way ensuring the long term and global aspects of strategy and decision making are considered.

### ***Performance management***

Actively managing the delivery of the Strategy and, where information for monitoring purposes is not forthcoming, striving to address this.

### ***Leadership and influence***

Leading by example in delivering the Strategy by applying these principles and using influence to encourage other partners and providers locally, regionally and nationally to do the same.

## **The Renewal of Hartlepool's Neighbourhoods**

In achieving the Community Strategy Vision it is essential that improvements are made across the Borough. This equality of opportunity is reflected in the Neighbourhood Renewal Strategy aim:

### ***Our Aim***

Continue the regeneration of Hartlepool and ensure that local people, organisations and service providers to work together to narrow the gap between the most deprived neighbourhoods and the rest of the town, so that in the future, no-one is seriously disadvantaged by where they live.

### ***Our Objectives***

1. To improve methods of consultation and working with communities in disadvantaged neighbourhoods.
2. To maximise the skills and knowledge of all those involved in the Partnership, including the community network, decision makers and service staff in all sectors.
3. To contribute jointly to achieving the national Public Service Agreement floor targets within Hartlepool and its most disadvantaged neighbourhoods.
4. To seek resources for renewal and regeneration on the basis of need.
5. To target neighbourhood renewal resources to benefit residents of the NRS neighbourhoods.
6. To better focus other special initiatives and mainstream services on NRS neighbourhoods, reducing the gaps between the conditions in these areas and the borough-wide, regional and national average.
7. To support the development of neighbourhood management and link this to the Partnership.
8. To build upon recent improvements and good practice, identifying and realising opportunities for continued regeneration and investment through flagship projects including Victoria Harbour, Hartlepool Quays, Queens Meadow Business Park, Wynyard and established business areas such as Brenda Road.
9. To ensure that the NRS neighbourhoods benefits from opportunities that exist outside the NRS Area.
10. To effectively link into sub-regional and regional partners and partnerships including the Tees Valley Partnership, Tees Valley Regeneration, Tees Valley Living and One North East.
11. To work towards a better understanding of the key issues and improve baseline information and the analysis of resources.
12. To ensure that the main programmes, partners and partnerships reflect the aims of this Strategy.

## Children and Young People

Children and Young People in Hartlepool face great opportunities and pressures. By working together we can improve their lives both now and into the future.

Hartlepool Borough Council is required to prepare and publish a Children and Young People's Plan by the Children Act 2004. It has a duty to "promote co-operation" between itself and its key partners. There has been agreement nationally on the five outcomes that really matter to the lives of children and young people and these are now law in the Children's Act 2004. The five outcomes are:

- Be Healthy
- Stay Safe
- Enjoy and Achieve
- Make a Positive Contribution
- Achieve Economic Well-being

**Be Healthy** refers to physical, mental, emotional and sexual health, with an emphasis on healthy lifestyles and making positive choices not to take drugs.

**Stay Safe** refers to being safe from maltreatment, neglect, sexual exploitation, accidental injury and death, bullying and discrimination, crime and anti-social behaviour.

**Enjoy and Achieve** refers to being ready for school, attending and enjoying school, achieving high standards at primary and secondary stages of education, personal and social development and recreation.

**Make a Positive Contribution** refers to the engagement of children and young people in decision-making and community support activities, positive and law-abiding behaviour, developing positive relationships and self-confidence and dealing with change and enterprise.

**Achieve Economic Well-being** refers to engagement in further education, employment or training, being ready for employment, living in decent homes and communities, being free from low income and having access to transport and material goods.

Hartlepool's Children and Young People's Plan – *The Big Plan* was published in April 2006 and aims to improve the lives of all children and young people in Hartlepool. The involvement of children and young people in the development of the plan has enriched the process and has ensured the Plan remains focussed on positive outcomes for each of them.

In the following sections, Hartlepool's vision for each of the five outcomes for children and young people is shown together with key objectives.

In the preparation of this Plan, Hartlepool partners have begun to work even more closely together and will continue to do so as this three-year rolling Plan is reviewed and refreshed.

## **Our Eight Priority Aims**

- 1. Jobs and the Economy**  
Develop a more enterprising, vigorous and diverse local economy that will attract new investment, enable local enterprises and entrepreneurs to be globally competitive and create more employment opportunities for local people.
- 2. Lifelong Learning and Skills**  
All children, young people, individuals, groups and organisations are enabled to achieve their full potential through equal access to the highest quality education, lifelong learning and training opportunities.
- 3. Health and Care**  
Work in partnership with the people of Hartlepool to promote and ensure the best possible health and well-being.
- 4. Community Safety**  
Make Hartlepool a safer place by reducing crime and anti-social behaviour, and tackling drugs and alcohol misuse.
- 5. Environment**  
Secure and enhance an attractive and sustainable environment that is clean, green, safe and valued by the community.
- 6. Housing**  
Ensure that there is access to good quality and affordable housing in sustainable neighbourhoods and communities where people want to live
- 7. Culture and Leisure**  
Create a cultural identity for Hartlepool which attracts people to Hartlepool and makes us proud to live and work here.
- 8. Strengthening Communities**  
Empower individuals, groups and communities, and increase the involvement of citizens in all decisions that affect their lives.

## Jobs and the Economy

### **Introduction**

The transformation of Hartlepool over the last 15 years has in many ways been remarkable with major changes to the built environment, massive reduction in unemployment and diversification of the town's economic base.

The proportion of all jobs in Hartlepool in the manufacturing sector has fallen from 23.2% in 1994 to only 17.4% in 2003. The infrastructure of Hartlepool's economy is now dominated by the public sector, which provides 33% of all employment, whilst the private sector is dominated by a few large employers.

About 75% of the Borough's jobs are in the NRS area and they are therefore physically convenient for many NRS area residents. Though the economy of the surrounding sub-region is not strong, it provides a significant pool of potential jobs.

### **Aim**

***Develop a more enterprising, vigorous and diverse local economy that will attract new investment, enable local enterprises and entrepreneurs to be globally competitive and create more employment opportunities for local people.***

## **Objectives**

### **Attract Investment**

1. To improve the local transport infrastructure to encourage business investment and productivity and enable local people to access employment opportunities.
2. To encourage the implementation of improvements and developments in the town centre and other key industrial sites such as Victoria Harbour, Longhill Industrial Estate, Oakesway Industrial Estate, Queens Meadow Business Park and Wynyard Business Park.
3. To promote Hartlepool as a destination of choice for inward investors.
4. To develop Hartlepool's leisure and tourism offer to further increase the town's importance as a visitor destination.
5. To encourage and support on-going investment by the indigenous business community.
6. To invest in environmental improvements in industrial and commercial areas that encourage additional private investment in infrastructure improvements.

### **Be Globally Competitive**

7. To encourage business to access new market opportunities thereby generating additional wealth for the local economy.
8. To encourage the use of Information Technology within the small and medium enterprise sector to promote e-commerce.
9. To improve business productivity through knowledge transfer programmes and environmental management systems.
10. To increase skill levels amongst the town's workforce ensuring that Hartlepool can compete in a global economy.
11. To establish an enterprise culture that helps to create high value business start-ups and sustain business survival and growth.
12. To continue to establish a strong and robust social enterprise sector that provides high quality service provision and employment opportunities in local neighbourhoods.

### **Create more employment opportunities for local people**

13. To encourage and promote social and financial inclusion, ensuring that all local residents are provided with opportunities to achieve their personal, social and economic goals.

14. To improve skills for life and key skills and promote workforce development in industrial sectors with growth potential such as construction, leisure and culture and health and social care.
15. To promote good recruitment and employment practices amongst the local business community, encouraging diversity so that all residents, irrespective of gender, ethnicity, age, disability or sexual orientation have equal access to employment opportunities.
16. To encourage the development of links between education and business that create employment and training opportunities for young people.
17. To support the Voluntary Sector to continue its important role as a provider of employment and deliverer of services to the local community.
18. To integrate Employment and Training Charters within major capital programmes that enables job creation to be targeted at economically inactive residents.
19. To target employment, training and enterprise provision such as New Deal, Work Based Learning and Pathways to Work at neighbourhoods with the worst labour market position and disadvantaged groups such as residents with disabilities, young people and carers in order to reduce worklessness, deprivation and poverty.



### ***Neighbourhood Renewal Strategy: Key Jobs & Economy Issues***

**Unemployment:** There has been a significant reduction in the unemployment rate, dropping from 6.9% in June 2002 to 4.6% in March 2006, halving the gap between the Hartlepool rate and the national rate. The gap between the NRS area unemployment rate and the Hartlepool rate has reduced by 20% since 2002.

**Long Term Unemployment:** The proportion of the unemployed suffering long-term unemployment has reduced over the last few years but a third of all unemployed people have been unemployed for 6 months or longer. Since 2002 significant progress has been made in narrowing the gap between the NRS neighbourhood rate and the Hartlepool rate.

**Employment Rates:** The Hartlepool employment rate has increased to around 68% over the last year but there remains a stubborn gap between the NRS and the Hartlepool rate and the Hartlepool rate and the national rate.

**Business Start Ups** – Over the past few years there has been an increase in the average number of annual VAT Registrations, but there is still a long way to go to narrow the gap to the regional rate.

**Business Support:** Continued support is needed particularly for small business and community businesses

**Key Skills:** Relatively low skills, aspirations and entrepreneurship are major issues in the NRS area (see

Lifelong Learning and Skills). Key Skills and Skills for Life are a priority and need to be raised in line with the needs of employers (see Lifelong Learning and Skills).

**Incapacity Benefit Claimants:** The proportion of the NRS neighbourhoods working age population not working through incapacity is significantly higher than in the Borough rate particularly in Burbank (28.2% of working age population claiming Incapacity Benefit/Severe Disablement Allowance) and NDC (23.9% IB/SDA).

**Manufacturing:** In Hartlepool there is a relatively high proportion of jobs in manufacturing which is sensitive to economic downturns and the service sector is relatively small though it has seen recent growth.

**Perceptions of Jobs and Potential Employees:** Awareness and understanding need be improved amongst potential employers and employees.

**Image:** The image of the Borough, NRS neighbourhood, and especially the town centre, tourism areas and older business areas need to be further improved.

### **Neighbourhood Renewal Strategy Priorities**

Developing further employability initiatives that provide support and link residents of the NRS area to jobs and training e.g. targeted employment interventions for young people and residents with disabilities and encouraging growth in community enterprises.

Develop the skills, qualifications and adaptability of the workforce both in and out of work, to meet the needs of the labour market. (See Lifelong Learning and Skills).

Providing accessible and relevant advice and support including childcare.

Investigating and removing barriers to employment and training including those related to benefits, aspirations, mobility, incapacity rates and discrimination issues.

### ***Children and Young People's Plan***

#### **Achieve Economic Well Being**

Our vision for this outcome in Hartlepool is that children and young people will achieve the qualifications, develop the skills and be given the necessary life experiences to enable them to lead full and active adult lives. Also that all services will work collaboratively to ensure children and young people will have opportunities to succeed in their chosen career and live in households free from poverty.

#### **Key objectives:**

- Ensure education and training is planned in a co-ordinated manner involving all partners and the needs of vulnerable groups are addressed.
- Ensure that all young people are prepared for working life by:
  - Ensuring all Key Stage 4 pupils have opportunities for vocational studies and work experience;
  - Ensuring that all young people aged 13 – 19 have impartial careers advice and guidance.
- Continue to support regeneration initiatives that support the needs of children and young people.

## **Lifelong Learning and Skills**

### ***Introduction***

The Lifelong Learning and Skills theme of this Community Strategy covers early years, school, further education and adult education.

Significant progress has been made in schools improving attainment rates towards, and in some case at and above national rates.

In terms of skills and qualifications there have traditionally been issues related to the attainment at the basic and intermediate levels, as well as developing the higher value skills needed to foster innovation.

The key problems relating to lifelong learning and skills within the NRS area are similar but more marked to other areas in the town and regionally. These are, primarily, low Key Skills levels in adults and lower attainment levels at the Key Stages of education for young people.

There remains a shortage of vocational skills within the NRS area. Whilst there has been significant investment in education and lifelong learning in recent years, the NRS neighbourhoods remain the most disadvantaged in terms of education and skills.

### ***Aim***

**All children, young people, individuals, groups and organisations are enabled to achieve their full potential through equal access to the highest quality education, lifelong learning and training opportunities.**

### ***Objectives***

#### **Enjoy and Achieve**

1. To raise aspirations and help all children achieve their potential by developing Children's Centres and Extended Schools, monitoring school performance and challenging and supporting schools to improve the quality of provision, and paying particular attention to the needs of vulnerable and under-achieving groups.
2. To ensure all children and young people can access a range of recreational activities including play and voluntary learning.
3. To work with the voluntary sector and other agencies to improve the range and quality of recreational learning opportunities for children and young people.

### **Increased skills and academic achievement**

4. To create a culture of lifelong learning by raising expectation and promoting individual achievement, aspiration and self-esteem and encouraging entrepreneurship.
5. To improve skills for life and key skills and promote workforce development in industrial sectors with growth potential such as construction, culture & leisure and health & social care.
6. To increase the opportunities for skilled and educated people to remain in Hartlepool by encouraging an enterprise culture, helping create high value business start-ups and sustain business survival and growth.
7. To develop the employers of the future through enterprise education

### **Service Providers and Facilities**

8. To ensure the highest quality providers and provision, develop new delivery models, encourage innovation and extend the good practice
9. To support the development and delivery of Centres of Vocational Excellence and locally based Further Education provision.
9. To develop and support new and emerging approaches such as the adult apprenticeship pilot, the general diploma and specialised diplomas

11. To improve the provision and dissemination of labour market information and strengthen the capacity of service providers to carryout effective and timely monitoring so that changes in provision and access can be made proactively.

### **Support and Access**

12. To improve the provision of effective information, advice, guidance and counselling to pupils, students, families, and the community as a whole, including voluntary groups.
13. To develop progression routes enabling people to progress from one level of achievement to the next, and completing courses, remain in education and training after the age of 16
14. To improve personal, social and emotional development, confidence building, citizenship and health awareness and the opportunity to learn in disadvantaged neighbourhood
15. To promote improved access to all types of education and training for all members of the community, promoting inclusion, breaking down barriers to learning including affordability, convenience, physical access and care, providing flexibility and new learning methods where practicable and widening participation for all

***Neighbourhood Renewal Strategy:  
Key Lifelong Learning & Skills Issues***

**Early Years** – Participation by 3 year olds in nursery education is 100%, exceeding the national definition of universal that is 85%.

**Communication, Social and Emotional Development:** It is now a government Floor Target to improve children's communication, social and emotional development so that by 2008, 50% of children reach a good level of development and the end of the foundation stage and reduce inequalities between the level of development achieved by children in the 20% most disadvantaged areas and the rest of England. The 2005 baseline rates were 36.1% in Hartlepool and 23.5% in the NRS neighbourhood.

**Key Stage 1:** In Reading, Writing and Maths the Hartlepool attainment rate is 84%, 81% and 90% respectively (2005) – all 1% below the respective national rates. Owton, NDC and Dyke House/Stranton/Grange were the lowest performing neighbourhoods.

**Key Stage 2:** English, Maths and Science Level 4 attainment are above the national average, but in certain neighbourhoods – Burbank, Owton, NDC and Dyke House/Stranton/Grange - attainment is well below the Hartlepool rate of attainment. Overall the gap is continuing to narrow between the NRS area and Hartlepool (2005).

**Key Stage 3:** Maths Level 5 attainment in Hartlepool is above the national rate whereas attainment in English and Science is below that of the rest of the country. Pupils from the Owton, North Hartlepool (Brus & St Hilda) and NDC neighbourhoods perform well below the Hartlepool rate of attainment.

**Key Stage 4:** The GCSE 5A\*-C attainment rate for Hartlepool is below the national rate, despite Hartlepool continuing to drive up performance over a number of years. The gap is narrowing but pupils from Burbank, NDC and North Hartlepool (Brus & St Hilda) neighbourhoods performed least well in 2005.

**Skills for Life and Key Skills:** The proportion of adults and children in Hartlepool with low basic skills remains high and rates within the NRS neighbourhoods are lower than the Borough rate. The number of Skills for Life qualifications rose significantly from 520 in 2003/04 to 1071 in 2004/05. Importantly, a greater proportion of residents achieving this qualification are from NRS neighbourhoods.

**Level 1 Qualifications:** The number of residents achieving qualifications has reduced from previous years, although this is offset by increases in the Skills for Life and Level 2 qualifications.

**Level 2 Qualifications:** In 2005 the number of Level 2 qualifications increased by 27% from the previous year. The proportion achieved by NRS residents remained static.

**Level 3 Qualifications:** In 2005 the number of Level 3 qualifications achieved increased. Importantly a greater

proportion of those qualifications were achieved by residents of NRS neighbourhoods.

**Level 4 Qualifications:** In 2005 the number of Level 4 qualifications increased by 40% on the previous year, and a higher proportion were achieved by NRS residents than in 2004.

**Low IT skills and job specific skills:** Employers indicate problems with the attitude, motivation and low skill levels of applicants to jobs. Improved access to vocational ICT training and encourage familiarity with new technologies is required.

**Juvenile offenders:** Form a significant group within those 'Not in Employment, Education or Training' in the Tees Valley.

### **Neighbourhood Renewal Strategy Priorities**

Raise achievement of all NRS pupils, students and learners to meet the relevant standards and targets.

Target initiatives at looked after children, children with special needs and disabilities and children in foster placements to improve attainment.

Improve levels of Skills for Life and Key Skills, including literacy, numeracy and Information Communication Technology (ICT) of NRS residents of all ages.

Develop the skills, qualifications and adaptability of the workforce both in and out of work, to meet the needs of the labour market. Improve access to training including informal education and activities within neighbourhoods.

## ***Children and Young People's Plan***

### **Enjoy and Achieve**

Our vision for this outcome in Hartlepool is that children are given the best start in life through high quality early years provision and support for parents and carers. This will ensure that they are well prepared and ready for school, where they will enjoy their education and have opportunities to achieve their potential. We want children and young people, especially those who are vulnerable, to develop personally and socially and for them to safely enjoy recreation and leisure time away from school.

### ***Key objectives:***

- Raise aspirations and help all children achieve their potential by:
  - Developing Children's Centres and Extended Schools;
  - Monitoring school performance and challenging and supporting schools to improve the quality of provision;
  - Paying particular attention to the needs of vulnerable and under-achieving groups.
- Ensure all children and young people can access a range of recreational activities including play and voluntary learning.
- Work with the voluntary sector and other agencies to improve the range and quality of recreational learning opportunities for children and young people.

## Health and Care

### ***Introduction***

The health of Hartlepool residents is improving; on average they are living healthier and longer lives. However, they still suffer from more ill health and disability, higher death rates from diseases such as cancer, heart disease and respiratory disease and live shorter lives than in most other parts of the country. There is evidence to indicate that this 'health gap' is widening. There are also inequalities in the 'health experience' of communities within Hartlepool; the most deprived communities suffering significantly poorer health than the more affluent areas.

It is recognised that there are many factors that influence the health of our population including the lifestyle choices that individuals make, the environment within which they live and work, the quality of their housing, their income and their level of educational achievement.

A number of key strategies are in place to deliver services including the Hartlepool Vision for Care, Children and Young People's Plan, Public Health Strategy, Older People's Strategy and the Mental Health Social Inclusion Strategy.

### ***Aim***

***Work in partnership with the people of Hartlepool to promote and ensure the best possible health and well-being.***

### ***Objectives***

1. To work together to provide high quality, convenient and co-ordinated services when people need them.
2. To support the people of Hartlepool in choosing a healthy lifestyle.
3. To reduce early death and ill health caused by heart disease, strokes and cancers.
4. To ensure people are in control of decisions relating to their own health and wellbeing and can get the support and care they require when they need it
5. To reduce drug, alcohol abuse and smoking and to enable people with related problems to overcome them.
6. To promote mental well-being, reduce suicide rates and support people with mental health problems.
7. To provide real choice for people, so that they can make decisions about their own care and support.
8. To strengthen and support communities with specific needs to improve their health, well-being and social inclusion.

***Neighbourhood Renewal Strategy:  
Key Health & Care Issues***

**Cancer:** Cancer is the largest single cause of death in Hartlepool. The mortality rate for cancer in the NRS area is significantly higher than the Hartlepool rate.

**Coronary Heart Disease, Strokes and Respiratory Disease:** Standardised mortality ratios for heart disease, strokes and respiratory disease are significantly higher in Hartlepool than nationally. Although, death rates from circulatory diseases are declining both nationally and locally, Hartlepool continues to experience worse rates than the national average.

**Smoking:** Approximately 44% of residents in the NRS area smoke compared to 34% in Hartlepool as a whole (MORI 2004). Smoking rates are highest in Dyke House/Stranton/Grange (55%) and Owton (53%)

**Drugs:** Of the Tees Valley Boroughs Hartlepool has the highest rate of residents accessing drug referral schemes (see Community Safety). Approximately 83% of all drug related litter was located in the NRS neighbourhoods.

**Physical Inactivity:** Hartlepool shows one of the highest levels of physical inactivity in the Tees Valley. Physical inactivity is also greater in the NRS neighbourhoods.

**Obesity Levels:** The proportion of people who are obese has increased in all Boroughs in the Tees Valley, particularly in Hartlepool. Obesity rates in England have trebled since the 1980s.

**Teenage Pregnancy and Sexual Health:** Significant progress has been made since 1997 but Hartlepool still has an under 18-conception rate well above the regional and national average. The teenage conception rate remains significantly higher in the NRS neighbourhoods. Diagnoses of Sexually Transmitted Infections (STIs) have more than doubled between 1995 and 2000.

**People Incapable of Work:** Within the Tees Valley Hartlepool has the highest percentage of the working age population incapable of work due to illness or disability. The NRS neighbourhood has a significantly higher rate of people incapable of work than the Borough as a whole. The proportion of residents with a limiting long-term illness is highest in Burbank (34.2%) and Rift House/Burn Valley (29.8%) compared to Hartlepool (24.4%) and nationally (17.9%).

**People Requiring Care:** The percentage of people in need of personal care in the NRS neighbourhood is slightly higher than the Hartlepool average. Burbank shows particularly high rates - almost double the Hartlepool average.

**Mental Health:** The proportion of people in the NRS neighbourhood experiencing mental health problems is higher than the Borough rate.



### **Neighbourhood Renewal Strategy Priorities**

Protect and improve health, reduce health inequalities in the NRS neighbourhoods and increase life expectancy.

Encourage NRS residents to adopt active and healthy lifestyles by providing additional support in local communities.

Reduce smoking, alcohol, drugs and solvent abuse especially amongst young people.

Target NRS neighbourhoods with screening and support services for heart disease, strokes and cancers.

Improve the health, emotional development and well-being of all children, young people, and their families, and particularly to prepare "looked after children" for life and bringing stability into their lives.

Focus resources on the NRS neighbourhood to reduce the rate of teenage conceptions and improve sexual health.

Improve mental well-being, raise awareness, reduce isolation, challenge discrimination and promote opportunities for people with mental health problems in the NRS neighbourhoods.

Improve the well-being and independence of older people, people with learning or physical disabilities, and those with sensory support needs.

### ***Children and Young People's Plan***

#### **Be Healthy**

Our vision for this outcome in Hartlepool is that children and young people will be physically, mentally, emotionally and sexually healthy, lead healthy lifestyles and choose not to take illegal drugs.

#### **Key objectives:**

- Ensure that health inequalities are reduced by improving the targeting of vulnerable infants, children and young people.
- Improve sexual health and ensure that the conception rates for teenagers continue to reduce.
- Promote healthy lifestyles by initiatives such as the National Healthy Schools Award.

## Community Safety

### *Introduction*

Community Safety is one of the highest community priorities. Whilst there have been recent improvements in reducing crimes such as domestic burglary and vehicle crime, reducing fear of crime and the need for public reassurance remains a clear priority.

The crime and disorder problems are associated with the socio-economic factors of the population such as high unemployment and low educational attainment. Crime and disorder is greater in the NRS neighbourhood due to socio-economic factors and the town centre that acts as a magnet for business crime, vehicle crime and alcohol related disorder.

### *Aim*

**Make Hartlepool a safer place by reducing crime and anti-social behaviour, and tackling drugs and alcohol misuse.**

### *Objectives*

#### **Anti-social behaviour**

1. To reduce anti-social behaviour across the town, with particular focus on 'hot-spot' areas.

#### **Crime**

2. To reduce acquisitive crime (burglary and theft), with particular focus on high crime areas.

3. To reduce alcohol related social nuisance, disorder and violence associated with the night-time economy.
4. To reduce incidents of repeat victimisation associated with domestic violence and improve joint working between services.
5. To ensure that community safety is considered in all decision making and service delivery of public bodies.

#### **Drugs and alcohol misuse**

6. To tackle drugs misuse with treatment programmes which encourage harm minimisation, rigorous enforcement and education and awareness programmes.
7. To develop local services for those who misuse alcohol.
8. To tackle under-age drinking by education and enforcement.

#### **Fires**

9. To reduce deliberate fires.

#### **Offending behaviour**

10. To prevent and reduce offending and re-offending.

## **Reassurance**

11. To involve local communities in tackling crime and anti-social behaviour and the causes of crime and anti-social behaviour.
12. To introduce measures to promote reassurance and improve public confidence in all sections of the community.

## **Young People**

13. To work with young people and their parents/guardians and families to prevent youth offending.

## ***Neighbourhood Renewal Strategy Key Community Safety Issues***

**Overall Crime:** Reduced in previous years but Hartlepool still has relatively high crime levels. The gap between Hartlepool's overall crime rate and the national average has reduced from 41% to 23% between 2003/04 and 2005/06.

**Domestic Burglary:** The number of domestic burglaries has reduced dramatically since 2003/04 from 1276 crimes to 622 in 2005/06 across the town and from 908 to 454 in the NRS neighbourhood. Again the gap between the Hartlepool rate and the national average has narrowed from 87% above in 2003/04 to just 27% above in 2005/06, but the proportion of burglaries occurring in the NRS neighbourhoods over these two years has remained static at just over 70% of the Hartlepool total.

**Anti-social Behaviour:** The proportion of incidents from NRS neighbourhoods reported to Police over the last few years has

remained static at around 70%. Much anti-social behaviour is alcohol related and a significant problem has emerged with under-age drinking.

Many privately rented houses are located in NRS neighbourhoods and some tenants' behaviour is an increasing concern in some streets

While issues of youth related anti-social behaviour is generally perceived as more prevalent in the NRS neighbourhoods there are some other neighbourhoods, such as at Clavering and Fens shops, where youth anti-social behaviour is causing problems for residents. It seems a reasonable approach to allow for flexibility within this NRS for areas such as Clavering and Fens, and other localities to be prioritised on their merits alongside NRS neighbourhoods when tackling youth related anti-social behaviour, particularly as we know that young people who live in NRS neighbourhoods chose to associate with friends outside of their local area.

**Reassurance:** The proportion of people who feel safe walking alone at night in their local area is lower in NRS neighbourhoods than Hartlepool as a whole. Residents of Dyke House/Stranton/Grange are most likely to feel unsafe about walking alone in or around their area after dark (51%). It is also a problem in NDC (50%) and Owton (44%).

**Drugs:** Drug dealing and use was identified as a serious problem in the NDC neighbourhood by nearly half of residents (47%). It was also highlighted as a serious problem in Dyke House/Stranton/Grange (44%) and Owton (38%).

The majority of all drug related litter was located in NRS area. The areas with the highest pick-ups are in Stranton and Owton wards.

**Deliberate Fires:** In Hartlepool in 2005/06 there were 851 deliberate fires, a reduction of 38% from 2003/04. This is still too many and the proportion of deliberate fires occurring in the NRS neighbourhoods has remained the same since 2004.

**Local Violence** (common assault and wounding): Since 2004 the number of incidents has risen by 25% in Hartlepool and the proportion incidents being within NRS neighbourhoods has also increased.

It is estimated that up to 70% of town centre violence is alcohol related. Local Violence includes incidents of domestic violence, many of which are also alcohol related. The NRS neighbourhoods will benefit from town wide interventions to tackle alcohol.

**Vandalism, graffiti and other deliberate damage to property:** Identified as a serious problem most in Dyke House/Stranton/Grange (30%), NDC (24%) and Owton (24%) compared to Hartlepool rate (13%). Since 2004 criminal damage in Hartlepool has increased by 6%. This is a priority for the Safer Hartlepool Partnership.

**Business Crime:** Hartlepool has a significant problem with shop theft and the majority of this type of crime occurs in the town centre that is within the NRS neighbourhood.

### **Neighbourhood Renewal Strategy Priorities**

Seek to maintain and if practicable increase the number and visibility of a uniformed presence on the streets, especially additional police on patrol in the NRS neighbourhoods.

Work with young people and their parents/guardians and families to prevent youth offending.

Provide an increased range of accessible diversionary activities and facilities for young people.

Reduce disorder in the town centre associated with alcohol.

Reduce anti-social behaviour, with particular emphasis on behaviour associated with alcohol consumption generally and more specifically underage drinking.

Develop further target-hardening measures in the NRS neighbourhoods to increase the security of homes and businesses, with particular emphasis on repeat victims.

Improve communications with residents, to receive information (intelligence) and provide feedback on actions undertaken.

Tackle the problem of drug misuse, particularly in respect of the under 30-age group, by education, enforcement and a harm reduction programme.

Target those who deal in and supply illegal drugs.

Reduce commercial crime, particularly commercial burglary and shop theft.

Tackle environmental issues such as vandalism, graffiti and fly-tipping to improve the general appearance of the NRS neighbourhoods.

### ***Children and Young People's Plan***

#### **Stay Safe**

Our vision for this outcome in Hartlepool is that children and young people will live, grow and learn in safety, where parents, carers and all adults take responsibility for their safety and well being and they are free from harm, discrimination, harassment and exploitation.

#### **Key objectives:**

- Ensure that children and young people are provided with a safe environment by activities such as staff training and the development of partnership working to address bullying.
- Improve the efficiency and effectiveness of child protection services.
- Ensure that where children need to be looked after, they are placed in family settings and changes in placements are minimised.

# Environment

## ***Introduction***

Environment, transport and housing are all important in their contribution to complex quality of life issues.

The environment affects both quality of life and the perception of the neighbourhood as a place to live and invest in. The impact of the environment on underlying deprivation causes is hard to analyse and control but is often high on community agendas.

Accessibility and transport are critical issues affecting residents' ability to obtain employment and services. Analysis is complex as transport systems cater for users travelling to many areas, and do not necessarily focus on the needs of one community.

The impacts of pollution, energy efficiency and waste management can have particular adverse impacts on the quality of life.

## ***Aim:***

***Secure and enhance an attractive and sustainable environment that is clean, green, safe and valued by the community.***

## ***Objectives:***

1. To protect and enhance the natural environment and biodiversity, including urban and brown field sites
2. To increase awareness, understanding of and access to the natural environment
3. To enhance the built environment and promote good urban design, while conserving areas of townscape, coast and assets with archaeological, architectural or historic significance
4. To protect and enhance the quality of rivers, open water and the sea (coastal waters?) and minimise the risk of flooding
5. To record, protect, enhance and raise awareness of the towns' heritage.
6. Improve the quality of the local environment by having cleaner, greener and safer public spaces.
7. To promote community involvement in positive action for the local and global environment.
8. To provide and promote a safe, sustainable and integrated transport system that enables equal accessibility and facilitates the use of public and alternative modes of transport.
9. To make better use of natural resources, reduce the generation of waste, and maximise recycling.

10. To reduce and adapt to the effects of climate change by minimising energy use and increasing the use of alternative and renewable energy sources.
11. To minimise all forms of pollution
12. Promote global sustainability

### ***Neighbourhood Renewal Strategy Key Environment Issues***

**Satisfaction with local area:** Generally the majority of residents are satisfied with their local area as a place to live. 75% of NRS residents are satisfied with their local area as a place to live compared to 83% for Hartlepool. Dyke House/Stranton/Grange has the lowest level of satisfaction (65%) followed by NDC (67%).

**Litter & Rubbish** – 40% of residents of Dyke House/Stranton/Grange think that litter and rubbish is a serious problem in their area compared to 27% in the NRS area and 19% across Hartlepool.

**Vacant Land and Buildings:** Positive end uses for vacant buildings and land is being encouraged through the Local Plan and regeneration schemes. However, many of the schemes need to be augmented. Priority issues vary between the NRS areas. North Hartlepool, particularly the Headland has a particular problem with vacant buildings while the Central area has a high level of derelict land and vacant dwellings.

**Public Transport Accessibility:** Satisfaction with public transport is lower in the NRS neighbourhoods than Hartlepool as a whole. Poor public transport was identified as a serious problem in Rift House/Burn Valley by 17% of residents compared to the Borough rate of 5%.

**Public Transport:** 66% of Hartlepool residents are satisfied with bus services, and 8% satisfied with rail services (2000). Public Transport – Poor public transport was identified as a serious problem in Rift House/Burn Valley (17%) compared to Hartlepool (5%)

**Road Danger:** Accidents at the worst junctions / roads in the NRS area need to be reduced. Speed and volume of road traffic is classed a more serious problem in NDC, Owton and Dyke House/Stranton/Grange than other neighbourhoods.

### **Neighbourhood Renewal Strategy Priorities**

Develop local initiatives to identify ways of improving the local environment.

Continue a process to improve, maintain and keep clean the highways, roads, buildings, rights of way and other public areas.

Find new uses for redundant buildings in NRS neighbourhoods through the use of grant aid from regeneration schemes and the use of positive planning.

Reduce the amount of derelict land within the NRS neighbourhoods by using it for appropriate development or quality amenity areas

Ensure that a safe and effective transport system is provided which ensures that NRS neighbourhoods have good access to public transport throughout the week.

Provide safe and convenient access for pedestrians and cyclists in the NRS neighbourhoods, particularly to improve access to employment and facilities.

Reduce accidents at the most dangerous junctions and roads in the NRS neighbourhoods.



# Housing

## *Introduction*

Balancing the supply and demand of housing to meet the aspirations of the population is a key strand of the Housing Strategy for Hartlepool and tackling existing and future problems in the private sector is the key housing regeneration challenge for the town. With changing housing markets there is significantly increased demand for social housing. The rising costs of renting privately is affecting affordability as rents rise above housing benefit levels.

New housing completions remain high and housing costs remain lower than average for the region, particularly for terraced dwellings.

Housing that does not meet recognised decency standards and problems associated with management of private rented properties can often be a root cause of disadvantage.

There is increasing need for support and appropriate housing for vulnerable people and with an increasingly elderly population there is increased need for a range of accommodation including extra care

## *Aim*

**Ensure that there is access to good quality and affordable housing in sustainable neighbourhoods and communities where people want to live**

## *Objectives*

### **Balancing Housing Supply and Demand**

1. To ensure that there is access to a choice of good quality housing in sustainable communities across tenures to meet the aspirations of residents and to encourage investment.
2. To secure adequate provision of new housing and maximise the proportion that is built on previously developed land; while seeking to secure a improved mix in the size, type and location of housing , including the development of sufficient housing at an affordable level and appropriate provision of larger, higher value, low density dwellings
3. To achieve a better balance between housing demand and supply
4. To enhance the standard of management of social and private rented housing

### **Meeting the Decent Homes Standard**

5. To encourage improvements to homes to meet and exceed 'decent homes standards'

### **Meeting the Housing Needs of Vulnerable People**

6. To increase the opportunities and to encourage residents to live independently in the community as appropriate
7. To provide accommodation and support for vulnerable people to live independently

## ***Neighbourhood Renewal Strategy Key Housing Issues***

**Unbalanced Housing Tenure:** Hartlepool has become affected by low and changing demand. There is an over supply of smaller, older, terraced properties evidenced by concentrations of vacancy and abandonment. 41% of the stock is terraced compared to regional and national levels of 31% and 26% respectively.

Much of the poorer housing is concentrated in NRS neighbourhoods where major remodelling is necessary, along with other social and environmental projects.

Parts of the NRS area, particularly NDC and Dyke House/Stranton/Grange have seen a rapid increase in the growth of the private rented sector in recent years and there are concerns regarding the impact of poor management.

**Housing Mix:** There is a need to balance communities in the NRS area by encouraging a greater mix of housing types. There is a need to continue the selective removal of council properties in low demand areas. To balance housing supply and demand Hartlepool Revival will be leading on managing the Housing Market Renewal process in NDC and North Central Hartlepool.

**Housing Vacancies:** There are particular problems of vacant dwellings, predominately in the NRS area. There are 2315 vacant properties in Hartlepool (March 2006), of which 1513 were in the private sector and 545 have been empty for over 6

months. Given the 3-3.5% vacancy rate that might be expected in an ordinarily functioning private sector housing market, this 4.8% represents an excess of 411-568 vacant dwellings at 2006.

Housing Hartlepool's stock (over 7000 properties) had a total void rate of 1.46% (March 2005), of which 0.8% were ready to let, a situation reflected within other RSL stock.

**Housing conditions:** There remains a need to ensure that all social housing in the NRS area meets set standards of decency by 2012. In April 57% of Housing Hartlepool homes and 80% of other RSL's homes met the decent homes standard.

**Satisfaction with Accommodation:** The majority of residents Hartlepool are satisfied with their accommodation (95%) although satisfaction is slightly lower in the NRS neighbourhoods (91%). Looking across individual neighbourhoods Burbank (74%) has the lowest rate of satisfaction. While satisfaction with accommodation is generally high there remains a minority of vulnerable people with housing issues

**Vulnerable People:** The NRS neighbourhoods have a greater proportion of vulnerable households. It is important that the housing needs of vulnerable people continue to be met by assisting residents to live safely in their own homes, offering a choice of suitable accommodation, improving the thermal insulation of homes and preventing fuel poverty, and preventing homelessness.

### **Neighbourhood Renewal Strategy Priorities**

Seek to balance demand and supply for housing in the NRS neighbourhood by reducing the number of vacant dwellings and ensuring housing is of the right size and tenure and is within sustainable locations.

Ensure housing regeneration activity in the NRS neighbourhoods is successful and secures follow on investment.

Deliver empty homes initiatives to reduce blight and halt the decline of areas

Implement selective licensing in areas with low demand or anti-social behaviour

Achieve the Government's Decent Homes targets for social housing and private housing occupied by vulnerable groups

Improve access to social housing for vulnerable people

Address issues of fuel poverty in the NRS Neighbourhoods

Increased joint working between the Anti-Social Behaviour Unit and housing providers

Continue to prevent incidents of rough sleeping

Enable people with physical disabilities to live safely in, or return to, their homes where they wish to.

### ***Children and Young People's Plan***

#### **Vision**

Our vision for this outcome in Hartlepool is that children and young people will have safe and accessible places to play, socialise and pursue leisure activities.'

Key objectives:

- Action is taken in Hartlepool to maximise the proportion of children and young people living in homes that meet the decent homes standard.

## Culture and Leisure

### *Introduction*

Hartlepool's current rejuvenation has been dramatic, changing the face of the town and attracting more and more regional attention. It is important that this continues, to create a sustainable economy and further enhance our growing reputation as a town with a distinct identity within the region.

Culture and Leisure are key elements to successful regeneration. Associated activities can provide positive local identity, helping to develop individual pride and confidence in a community. Resulting increases in community spirit and capacity can make a valuable contribution to delivering key outcomes in other theme areas. Barriers to culture and leisure opportunities are strongly linked to poverty and disadvantage.

Culture & Leisure complements lifelong learning and training, contributes to health and care and can provide diversionary activities that reduce antisocial behaviour and crime. The theme contributes towards encouraging economic investment and tourism, creating jobs and improving the local economy and supports and enhances a vibrant voluntary and community sector.

### *Aim*

**Create a cultural identity for Hartlepool which attracts people to Hartlepool and makes us proud to live and work here.**

### *Objectives*

1. To create a strong cultural identity for Hartlepool within the region.
2. To celebrate Hartlepool and express that local identity.
3. To develop a sustainable cultural economy.
4. Increase participation, opportunity for access and diversity.
5. Advocate the value of culture in meeting the expressed needs and aspirations of the community.

### *Neighbourhood Renewal Strategy*

#### *Key Culture & Leisure Issues*

**Libraries:** Visitor numbers have fallen over the past few years especially from secondary school pupils, mirroring the national trend linked to changing culture and lifestyles. While satisfaction is generally high across Hartlepool at 77% in some neighbourhoods, such as North Hartlepool (Brus & St Hilda) satisfaction is significantly lower at 58%.

**Children's and Youth Facilities:** Low usage of youth and community centres linked to affordability and accessibility. Consultation with young people highlights a lack of informal meeting places, lack of organised activities, and the poor state of existing sports pitches and facilities. Satisfaction with Youth & Community Centres is lowest in Burbank (16%) and Dyke House/Stranton/Grange (17%) compared to the Hartlepool rate of 27%.

**Open Space:** Satisfaction with open spaces in Hartlepool (65%) is higher than in the NRS neighbourhoods (50%). Satisfaction with public parks/open spaces is lowest in Burbank (22%) and Dyke House/Stranton/Grange (37%). Satisfaction with play areas is lowest in Burbank with only 8% of people satisfied compared to the Hartlepool rate of 38%.

**Sport and Recreation:** There have been recent improvements in the proportion of overall leisure centre attendance from the NRS neighbourhoods – up from 48% in 2001 to 54% in 2004. Some existing facilities do not have a universal appeal to the whole community with disadvantaged groups (unemployed and disabled) being significantly underrepresented. Satisfaction with sport clubs/facilities is lowest in Burbank with only 24% of people satisfied compared to the Hartlepool rate of 49%.

**Arts and Museums:** There is a need to increase the usage of arts, museums and cultural events, although user satisfaction with cultural facilities is high.

### **Neighbourhood Renewal Strategy Priorities**

Target pro-active arts and sport development in conjunction with concessionary schemes. Greater marketing of sports/recreation activities to increase participation from disadvantaged groups and NRS neighbourhoods. Specific activities for the elderly, the young, the disabled and better child care facilities for parents wishing to participate in sport and recreation are required.

Extend services to housebound residents and hard to reach groups.

Encourage partnership working with local schools and adult education, Libraries, community sports facilities and arts development.

Develop youth provision, meeting places and outreach work in the NRS neighbourhood.

Protect and enhance children's play facilities/open space and parks in the NRS neighbourhood.

Support and promote the role of the library in the activity of lifelong learning, access to job opportunities and safe/equal access to the library services.

Build on good practice, engage the community in cultural and leisure projects that encourage lifelong learning, diversionary and creative activity, positive cultural identity and give a sense of ownership in the NRS neighbourhood.

## Strengthening Communities

### *Introduction*

Hartlepool has a strong and vibrant Community and Voluntary Sector.

There are a large number of community and voluntary sector groups in the town including over 400 on the Hartlepool Voluntary Development Agency (HVDA) register. In addition to existing groups a number of new residents associations have been formed through the development of the New Deal for Communities programme, Hartlepool Community Network and other capacity building initiatives and the development of NAPs.

Strengthening and valuing communities is at the heart of the NRS. Empowering individuals and groups and increasing the involvement of citizens in all decisions that affect their lives is fundamental to the process of reducing the gaps between the conditions in the NRS area and Borough and national averages.

### **Aim**

**Empower individuals, groups and communities, and increase the involvement of citizens in all decisions that affect their lives.**

### *Objectives*

1. To enhance the democratic process by using existing structures more effectively and increase understanding and involvement in the democratic process.
2. To fully value the voluntary and community sector and to support them to secure their long-term future through contracted service delivery and the agreement of longer term funding settlements.
3. To empower local people to take a greater role in the determining, planning and delivery of services and strategies that affect their individual lives, their local neighbourhood and the wider community.
4. To increase opportunities for everyone to participate in consultation, especially “hard to reach” groups and those communities affected.
5. To ensure that appropriate feedback is given to individuals and communities when they have been involved in consultation or decision making processes.
6. To improve the accessibility of services and information to residents and businesses through a variety of means including the use of information communications technology (ICT) in the public, private, community and voluntary sectors.
7. To ensure Hartlepool is a cohesive community where there is a sense of belonging for all and where people of different backgrounds, circumstances and generations are able to get along.

## ***Neighbourhood Renewal Strategy: Key Strengthening Communities Issues***

**Community Spirit:** Significant numbers of people still feel there is little community spirit in their neighbourhood, especially where there is a significant transient population. Only 23% of Burbank residents would say there is a lot of community spirit in their area. This is low compared to the NRS neighbourhoods together (44%) and Hartlepool (48%).

**Community Involvement/Apathy:** Feelings of involvement in the local community are relatively low, especially amongst those on lower incomes. This is demonstrated by low and falling turnout rates at general election, low turnout rates at local elections and low levels of formal volunteering. Residents in the NRS area are less likely to feel part of their community than those in the rest of the town. People living in Rift House/Burn Valley, Rossmere and Burbank are least likely to feel part of the community.

**Voluntary/Community Sector issues:** Despite a generally well-developed voluntary/ community sector in the NRS neighbourhood stability is difficult to establish and some groups may face serious problems in being able to deliver services to the community. The introduction of NAPs has increased resident involvement but there is still progress to be made in developing further active residents associations.

**Influencing Decisions:** The involvement of local communities in taking an active role in improving their area is an underlying principle of neighbourhood renewal. There is still much work to do in Hartlepool. For example, only 14% of

residents from North Hartlepool (Brus & St Hilda) feel they can influence decisions that affect their area, compared to 27% for the NRS area and 26% across Hartlepool.

**Access to Services:** More needs to be done to improve access to information and communications between residents and service providers. The need to improve access for special needs groups, people on low incomes, and hard to reach groups, are also key.

**Satisfaction with Local Area:** See Environment Theme

### **Neighbourhood Renewal Strategy Priorities**

Investigate barriers to engagement including those related to income deprivation, special needs, and hard to reach groups.

Develop and support residents associations across the NRS neighbourhood from the grass roots level, to enable local people to make their views and aspirations known.

Develop networks and structures from the neighbourhood level to feed into strategic partnerships/policy makers to give a voice to specific communities of interest.

Provide community development and capacity building support in key areas of need including targeted support for hard to reach and special needs groups.

Ensure effective communications and access to information through networks and structures both to and from residents.

Consider the voluntary/community sector as a service provider.

Provide and develop long-term support including finance, infrastructure, premises, management, and skills development.

### ***Children and Young People's Plan***

#### **Make a Positive Contribution**

Our vision for this outcome is to provide all children and young people who live in Hartlepool with the opportunity to participate fully in the life of their community. We will work with children, young people and their families to ensure that they are central to our planning and that, through their involvement, we meet the national and local priorities set out in the Children and Young People's Plan.

#### **Key objectives:**

- Develop clear links between participation processes for children and young people, service providers, the Children and Young People's Strategic Partnership and the local political process.
- Continue to divert children and young people away from anti-social behaviour and crime, through further development of preventative services.
- Ensure that all children and young people have access to services that support the development of self-confidence, self-worth and emotional resilience that enables them to face significant life changes and challenges with appropriate support.
- Further develop the process for involving children in the planning and review of services designed to meet their needs. In particular we will ensure that Looked After Children and those with disabilities are fully involved in planning for their future.



## Sustainable Development

In 2000 Hartlepool Borough Council produced its first Sustainable Development Strategy. Current Government Guidance recommends that Community Strategies should be developed into Sustainable Community Strategies. This revised Community Strategy reaffirms Sustainable Development as one of the nine principles that govern the Strategy's implementation and as a result, a separate sustainable development strategy is no longer required.

The Community Strategy sets a framework for the development of sustainable communities, the components of which can be defined as follows:

- **Governance:** Effective and inclusive participation, representation and leadership
- **Transport and connectivity:** Good transport services and communication linking people to jobs, schools, health and other services
- **Services:** A full range of appropriate, accessible public, private, and community and voluntary services
- **Environmental:** Providing places for people to live in an environmentally friendly way
- **Economy:** A flourishing and diverse local economy
- **Housing and the built environment:** A quality built and natural environment
- **Social and cultural:** Vibrant, harmonious and inclusive communities

Source: Egan Review of Skills for Sustainable Communities

Building sustainable communities is one part of sustainable development. Equally important is enabling economic, social and environmental gain to be considered equally and in an integrated way. No one aspect of sustainable development is given priority over another. In implementing the Community Strategy it will not be enough to make progress on one priority aim at the expense of another.

If we are to fulfil our ambition we must be fully aware of the possible effects our decisions today might have on the lives of others and their ability to maintain and enhance their quality of life in the future. We must learn from the mistakes of previous generations which have left us with the legacy of both local and global challenges.

And in a world with an ever increasing connectivity between developed and developing nations, Hartlepool must ensure that its ambition is built not just on local equity between its most deprived and affluent neighbourhoods but on a global equity and responsibility that our success is not at the expense of progress in developing nations.

## **Skills and knowledge**

Bringing about long term improvements to the quality of life in Hartlepool requires organisations and people to adapt and develop at every level. A high degree of skills and knowledge is needed to successfully deliver the Community Strategy and Neighbourhood Renewal Strategy and it will be important to continue to identify good practice, learn from others and encourage a culture of learning.

Establishing clear governance roles and responsibilities for partners delivering the Strategy is challenging and it is important that partners have the right skills for their roles. These skills need to evolve as members' roles change to deal with new challenges they face. Realising the skills and knowledge potential of residents, other decision makers, professionals, front line staff and business people is also critical.

The following list provides details of the types of skills and experience we would expect members of the Partnership Board to possess.

### **1. Leading the Future of the Partnership**

- Developing the vision and values
- Entrepreneurial
- Influencing the future
- Communicating
- Managing change
- Cross sector working

### **2. Managing the current performance of the partnership**

- Critical decision making
- Political shrewdness
- Building robust relationships
- Developing and monitoring local strategy
- Negotiating effective and agreed outcomes

### **3. Developing the personal skill base of the partnership**

- Strategic thinking and decision making
- Political understanding
- Leadership
- Personal effectiveness
- Self development

## ***Neighbourhood Renewal***

Implementing Hartlepool's Neighbourhood Renewal Strategy requires additional skills and knowledge to effectively address the particular aspects of deprivation.

Skills and Knowledge is established as one of the nine principles that govern the Community Strategy and Neighbourhood Renewal Strategy's implementation, underlining the Partnership's support for this important area of work and its commitment to equip everyone involved in neighbourhood renewal with the skills and knowledge they need.

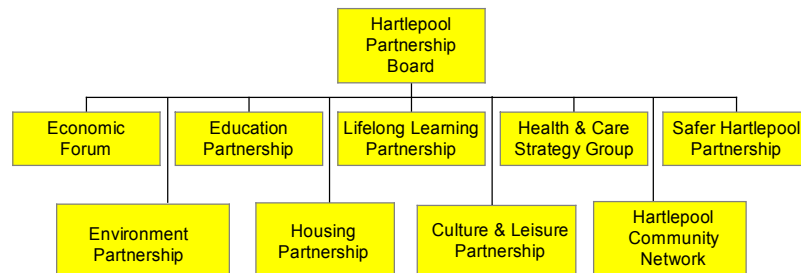
## Holding each other to account

The implementation of the Community Strategy and the Neighbourhood Renewal Strategy will be overseen by the Hartlepool Partnership and will be dependent on the concerted actions of a range of agencies and organisations across the public, private, community and voluntary sectors.

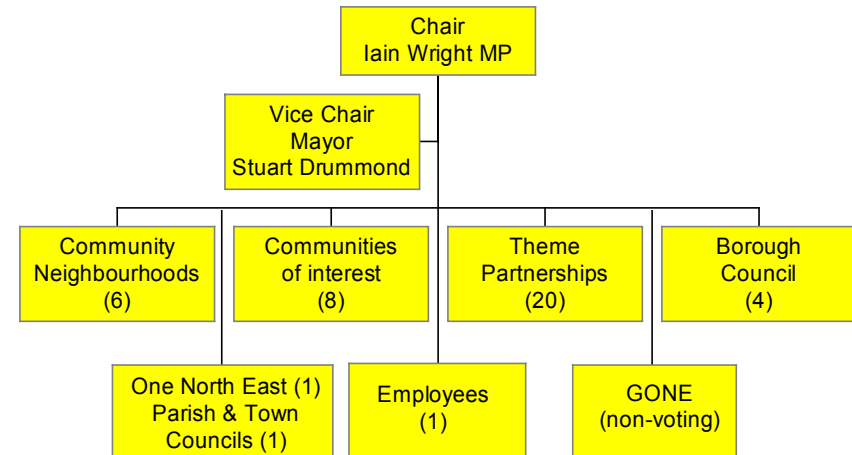
## The Hartlepool Partnership

The Hartlepool Partnership is the town's Local Strategic Partnership (LSP) and brings together all of the town's partnerships delivering local services. The Partnership is a network of partnerships providing opportunities for involvement by a wide range of organisation and individuals in the development and implementation of policy.

The Partnership is made up of a Board and a series of Theme Partnerships.



The Hartlepool Partnership Board has 42 members and is chaired by the local MP. The Elected Mayor is the Vice Chair.



The role of the Board is to provide strategic co-ordination and agree policy on major issues of strategic importance to Hartlepool.

Theme Partnerships are responsible for the delivery of the Community Strategy's Priority Aims and Objectives, ensuring that these feed directly into the content of more detailed specialist plans. Co-ordination and alignment of plans and programmes is one of the main ways in which the Community Strategy will be implemented

Through an agreed Performance Management Framework, the Board hold Theme Partnerships accountable for delivery.

### ***Accountability***

Successful implementation of the Community Strategy relies on strong internal accountability between partners and good external accountability to local residents and service users. This can be summarised:

- Giving an account
- Being held to account
- Taking account
- Redress

#### **Giving an account**

Theme Partnerships will prepare quarterly performance reports that paint a clear picture of performance trends. These will be published on the Partnership's Website. Performance and financial reports will also be prepared for Government reviews as required.

#### **Being held to account**

In addition to its own accountability arrangements, the Partnership's performance is reviewed by the Department for Communities and Local Government (DCLG) and the Government Office for the North East. Updates on performance will also be provided through Hartbeat, the Partnership's magazine and online.

#### **Taking account**

The Partnership will ensure a strong evidence base drives the implementation of the Community Strategy and Neighbourhood Renewal Strategy. In the review of Neighbourhood Action Plans the views of local people and organisations will be particularly important.

### ***Redress***

The Partnership will work to ensure that where there are complaints or expressions of dissatisfaction, however made, about the standards of service, actions or lack of action by the Partnership affecting an individual or group that it works quickly and effectively to address the issues.

### ***Mainstreaming***

Nationally and locally increasing importance is being placed on 'mainstreaming' as a means of implementing Community Strategies and Neighbourhood Renewal Strategies. In response to this the Hartlepool Partnership undertook a review of 'mainstreaming' within the Borough in 2005. All key partner organisations were represented in the review, which established the current approach to mainstreaming in Hartlepool. There are many different interpretations of mainstreaming, however for the purpose of the review, the Partnership defined mainstreaming to include:

- Re-directing resources/budgets into those areas regarded as deprived;
- Making deprived areas the focus for policy;
- Reshaping services to reflect local needs;
- Joining together services, programmes and targets to reduce duplication and contradiction;
- Learning from good practice examples and using pilots as a means to inform future policy decisions.

From the findings it is evident that mainstreaming is high on the agenda of partner organisations. Of those interviewed, 79% felt that mainstreaming was a high or very high priority and 68% felt that it had increased in priority for their organisation from 3 years ago.

The review identified many good examples for each of the five definitions of mainstreaming, some of which have been noted as national best practice. However, a number of significant barriers were identified to taking forward the mainstreaming agenda. Some of these barriers can be tackled at the local level but others will require changes in central government and national agencies to enable change to be implemented in Hartlepool.

The area of mainstreaming that partners in Hartlepool were least able to provide evidence was 'bending mainstream resources'. Many organisations identified significant barriers in relation to re-directing financial and other resources into deprived areas. In some cases partners were aware that mainstreaming was taking place, but unable to provide evidence to substantiate the statements. In others, the need to deliver a universal service to all areas and residents meant that targeting deprived areas would need justifying to key decision-makers. The most frequently quoted barrier to this form of mainstreaming was the lack of discretionary mainstream funding that is available to be 'bent'. With over 50% of Hartlepool's population living in neighbourhoods that are the 10% most deprived in England, there is not enough flexibility in mainstream budgets to be able to take forward this type of mainstreaming. This is compounded by increased demands for efficiency and cost cutting in the public sector.

### ***Hartlepool's Local Area Agreement***

Hartlepool's first Local Area Agreement was agreed in March 2006 and includes 36 priority outcomes structured around the Community Strategy priority themes. The LAA clearly sets out priorities and indicators to monitor progress towards targets to assess performance. The agreement covers the period April 2006 – March 2009 and has been signed between the Hartlepool Partnership, Hartlepool Borough Council and Central Government.

It is through this agreement that the implementation of the Community Strategy and the Neighbourhood Renewal Strategy will take place.

Local Area Agreements aim to build a more flexible and responsive relationship between central government and Hartlepool on the priority outcomes that need to be achieved locally. There is also a drive to streamline bureaucracy and reporting requirements between central government and local delivers to improve service outcomes.

Annual delivery plans are prepared and performance is measured quarterly against this. The Local Area Agreement provides a robust performance management framework to oversee the implementation of actual changes both across Hartlepool and within disadvantaged communities.

### ***Delivering Sustainable Development***

In the preparation of the Local Area Agreement an outline Sustainability appraisal was carried out. This ensured that the principles of sustainable development were been embedded in the Agreement. Annual progress towards sustainable development will be monitored through the LAA performance management arrangements.

The community strategy provides the high level framework from which a sustainable development checklist is being developed. The checklist can be used by anyone drafting policies, strategies and projects to ensure their activities contribute to sustainable development.

### ***Delivering Skills and Knowledge***

The Hartlepool Partnership has decided to incorporate the skills and knowledge agenda by developing a Local Action on Learning Plan and has taken this plan forward as an integral part of the partnerships Performance Management Framework (PMF).

### ***Evaluation***

The Partnership recognises that broad evaluation is essential to assess and improve the impact of the Community Strategy and Neighbourhood Renewal Strategy. The Partnership will undertake independent evaluation of its major funding programs and work with partners to carry out qualitative household surveys.

### ***Timetable for future reviews***

It is essential that the Community Strategy and Neighbourhood Renewal Strategy are reviewed in the future to ensure that:

- there is continued support for the vision, priority aims and objectives;
- local communities are able to express their needs;
- the process is open and accountable;
- the strategy is responsive to risks and opportunities;
- the strategy is relevant and accurate.

The Strategy will be reviewed again in five years.

Throughout the next five years of the Community Strategy's implementation, all services must be challenged and reviewed by all partners to ensure that progress is made towards achieving the vision and aims of the Community Strategy. Their impact on inequality should also be considered to ensure that progress is made to reduce disadvantage and contribute to achieving the Neighbourhood Renewal Strategy aim. This review should identify where more resources or early and effective adjustment is necessary to secure progress.

The revised Priority Aims provide the basis for future decision making on how resources should be used, as well as for assessing whether best value is being achieved from current activities. It will also be necessary to target resources, to encourage greater social inclusion, and overcome some of the barriers that prevent people from playing a full part in society in line with the NRS.

## Next Steps

### ***The Consultation Exercise***

Consultation on this first revision of the Community Strategy and Neighbourhood Renewal Strategy runs until the 17<sup>th</sup> November 2006.

Set out below are a number of specific questions. You are welcome to respond to them all, to some and not others, or to write about other issues that have not been covered. Responses to this consultation paper should be received no later than 17<sup>th</sup> November 2006 to:

Freepost RRAE-CATT-SXAL  
Hartlepool Partnership  
Bryan Hanson House  
Hanson Square  
Hartlepool TS24 7BT

or email your contribution to:

[hartlepoolpartnership@hartlepool.gov.uk](mailto:hartlepoolpartnership@hartlepool.gov.uk)

Further copies of the Strategy are available from the above address or by telephoning 01429 284147.

Alternatively, you can read this consultation paper online at: [www.hartlepoolpartnership.co.uk](http://www.hartlepoolpartnership.co.uk) by following the Review 2006 link.

## ***Consultation questions***

1. Is the draft Strategy about right?
2. What would you like to see changed?
3. Does the Vision capture Hartlepool's ambition?
4. Do you agree with the Priority Aims and related Objectives?
5. Is there anything you would like to add to the Priority Aims?
6. How could consultation on the Community Strategy and Neighbourhood Renewal Strategy be improved in future?

### ***Disclosure***

A summary of responses to this consultation will be published. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances.

### **Strategy Appraisal**

During the Consultation period, a number of appraisals of the draft Strategy will be carried out. These will highlight practical ways to enhance the positive aspects of the Strategy and to remove or minimise any negative impacts.

### **The Integrated Regional Framework for the North East**

The Framework, published by Sustainability North East, provides guiding principles for integrating sustainable development within mainstream policy and decision making. The purpose of sustainability appraisal is to promote sustainable development through the integration of social, environmental and economic considerations into the preparation of revisions of Strategies.

### **Strategic Environmental Assessment**

The European Directive 2001/42/EC requires assessments for plans which determine the use of small areas at a local level” or which “are minor modifications to plans only where they are determined to be likely to have a significant environmental effects”. It is currently not clear if a SEA is required for this Community Strategy revision and further advice will be sought as to compliance with the Directive.

### **Health Impact Assessment**

This assessment can help identify and consider the health and inequalities impacts of the Strategy on Hartlepool people. The primary output is a set of evidence-based recommendations that inform the decision-making process associated with the Strategy.

### **Section 17**

Section 17 of the Crime and Disorder Act 1998 requires local and police authorities, plus other agencies, to consider crime and disorder reduction and community safety when undertaking all of their duties and responsibilities.

### **Rural Proofing**

Rural Proofing ensures that strategies take account of rural circumstances and needs (Rural White Paper, 2000). It is a mandatory and means that, as the Community Strategy is developed, policy makers should systematically:

- Consider whether their policy is likely to have a different impact in rural areas, because of particular rural circumstances or needs;
- make proper assessment of those impacts, if these are likely to be significant;
- adjust the policy, where appropriate, with solutions to meet rural needs and circumstances.

### **Diversity Impact Assessment**

The main function of the assessment is to determine the extent of differential impact upon the relevant groups i.e. race, gender, disability, age, sexual orientation and religious beliefs and whether that impact is adverse. The aim is the promotion of equality of opportunity, the elimination of discrimination and the promotion of good race relations.



## Setting the Strategy in Context

### *Nationally*

#### **Preparing Community Strategies: Government Guidance To Local Authorities: (Cabinet Office, 2001)**

Part I of the Local Government Act 2000 placed on principal local authorities a duty to prepare 'Community Strategies' for promoting or improving the economic, social and environmental well-being of their areas, and contributing to the achievement of sustainable development in the UK. It also gave authorities broad new powers to improve and promote local well-being as a means of helping them to implement those strategies. Part I of the Act came into force on 18 October 2000.

#### **A New Commitment to Neighbourhood Renewal: National Strategy Action Plan (Cabinet Office, 2001)**

This strategy sets out the Government's policy to narrow the gap between deprived neighbourhoods and the rest of the country so 'that within 10-20 years, no-one should be seriously disadvantaged by where they live.' The Government identified that a key task in achieving this was for LSPs to prepare Neighbourhood Renewal Strategies (NRS). The Government also indicated that all neighbourhoods that need priority status at the local level should be identified in the NRS, and that local action plans (or neighbourhood action plans – NAPs) for each of these neighbourhoods should be prepared.

Local residents and community groups were identified as key in turning their neighbourhoods around and the importance of using the NAP preparation as a means of encouraging local people and organisations to work together to integrate policies at the local level and improve the way that services are provided was underlined

#### **Sustainable Communities Building for the Future (ODPM, 2005)**

This programme of action tackles the pressing problems in communities in England: homes are unaffordable in some areas, but are being abandoned in others. Decent homes and good quality local environments are required in all regions. This document sets out the Government's determination to reverse, over the next 15-20 years, some damaging, deep-seated trends. It is part of the Government's wider drive to raise the quality of life in communities through increasing prosperity, reducing inequalities, more employment, better public services, better health and education, tackling crime and anti-social behaviour, and much more. It reflects key principles for public service reform: raising standards, devolving and delegating decision-making, providing greater flexibility over use of resources and choice for customers. Although a long term programme, it sets out the intent to increase and refocus investment in the next three years to accelerate change and address the most acute needs. It builds on existing policies and actions notably those in the Urban and Rural White Papers, (Our Towns and Cities: the Future and Our Countryside: the Future - November 2000), and policies for devolving power to regions, and modernisation of local government.

### ***Regionally***

#### **Sustainable Communities in the North East (ODPM, 2003)**

Sustainable communities: Building for the future (a national plan of action) marks a step change in building and maintaining sustainable communities in all our regions. In the North East, it complements and builds on the key strategic aims and objectives of the National Strategy for Neighbourhood Renewal, One NorthEast's Regional Economic Strategy (RES), ODPM's Regional Planning Guidance for the North East (RPG1) and the Regional Housing Strategy. It is an action plan to build successful, thriving and inclusive communities where people want to live. We need to create sustainable communities which:

- ◆ are economically prosperous;
- ◆ have decent homes at a price people can afford;
- ◆ safeguard the countryside;
- ◆ enjoy a well-designed, accessible and pleasant living and working environment;
- ◆ are effectively and fairly governed with a strong sense of community.

This regional plan sets out proposals for implementing the national plan of action in the North East. It does not attempt to cover all the issues of importance to communities. It highlights actions to address housing, planning and neighbourhood renewal issues.

#### **Regional Spatial Strategy for the North East: Submission Draft (North East Assembly, 2005)**

The Draft Regional Spatial Strategy sets out a long term strategy for the spatial development of the North East and contains an overall vision, strategy and associated policies to guide development towards 2021 and beyond. It provides the spatial context for the delivery of other regional strategies, in particular the Regional Economic Strategy, Regional Housing Strategy (RHS) and the Integrated Regional Framework. The RSS is part of the statutory development plan under the Planning & Compulsory Purchase Act 2004. Local planning authorities such as Hartlepool will prepare the other components of the Development Plan through their Local Development Frameworks, which need to be in general conformity with the RSS. In terms of overall vision, the common theme of the RSS and these other related strategies is the need to reduce the economic and social disparities between the North east and other regions whilst protecting and enhancing the region's environment. This approach has been endorsed by the Government and forms the basis for "Moving Forward: The Northern Way A Strategy for Growth". It requires accelerated economic activity and a renaissance throughout the region. The RSS also recognises that there are parts of the North East currently experiencing high levels of socio-economic deprivation and dereliction and that both urban and rural areas are characterised by pockets of poor quality housing exhibiting low demand and abandonment. It also recognises that the economic, social and environmental regeneration of these areas is essential to the region's continued growth and quality of life.

**Regional Economic Strategy (RES) – July 2006**

The RES sets out how One NorthEast are going deliver greater and sustainable prosperity to all people of the North East over the period to 2016. This document both sits within the context of, and seeks to influence, a number of European, national, pan regional, regional and sub regional frameworks and strategies. The RES also sets out the relative strengths and weaknesses of the North East England's economy over recent decades and how this links into growth potential for the future.

**Moving Forward: The Northern Way (Northern Way Steering Group, 2004)**

The Northern Way vision is to seek the transformation of the North to become an area of exceptional opportunity, combining a world-class economy with a superb quality of life. The Northern Way has made considerable progress and received substantial support from Government, public agencies and business leaders. The strategy, Moving Forward: The Northern Way (2004) sets out how, over a 20 year period, it seeks to bridge the output gap of around £30bn between the North and the average for England.

**Tees Valley Vision (TV JSU, 2003)**

The Tees Valley Vision sets out a long-term strategic vision for the Tees Valley and provides the policy context in which Tees Valley Regeneration, the Urban Regeneration Company for the Tees Valley, should operate.

The purpose of the strategic framework is to provide a long-term response to job losses, to argue the case for public sector expenditure on economic development and the regeneration of the sub region, and to provide a coherent, long term programme for the development of the area.

Key areas the Tees Valley Vision covers include:

- Housing Market Renewal
- Environmental improvement
- Knowledge-based economy
- Enterprise culture
- Lifelong learning culture
- Integrated transport system
- Coastal Arc from Hartlepool to Redcar
- Health inequalities
- Quality of life

The Vision sets out that “by 2020, Hartlepool is fully developed as a business and commercial centre, a major waterfront location and a focus for shared service centres and short holiday breaks. It is a prosperous, confident and outward-looking community. The ports of Tees and Hartlepool have continued to grow and Teesport is now a major container terminal serving both the north of England and Scotland.

## Locally

### **Local Area Agreement (Hartlepool Partnership, 2006/09)**

Local Area Agreements (LAAs) are a Government initiative, launched in 2004. LAAs are aimed at delivering a better quality of life for people through improving performance on a range of national and local priorities and introduced a new way of working to build a more flexible and responsive relationship between central government and a locality on the priority outcomes that need to be achieved at a local level. The Hartlepool LAA is structured around the aims and themes of the Community Strategy and forms the strategic framework for monitoring progress. Hartlepool's LAA was agreed by the Partnership Board in February 2006 and was signed off by Government in March 2006.

### **Local Plan (2005-2006) Hartlepool Local Plan (HBC, 2006)**

The Local Plan, which is the development plan for the borough, sets out each of the policies and proposals for the development and use of land in the area

## **Theme Policy Framework:**

In addition to these national, regional, sub-regional and Borough Wide Strategies, the Hartlepool Partnership work with key partners and partnerships to prepare specialised Strategies.

The Hartlepool Partnership's policy framework consists of:

- Economic Forum Protocol (2005)
- Crime, Disorder and Drugs Strategy (2005)
- Children & Young People's Plan (2006-2009)
- Skills Strategy (in early preparation)
- Housing Strategy (2006-2011)
- Vision for Care (2003)
- Culture Strategy (2003-2008)
- Public Health Strategy (2006-2010)
- Older People's Strategy (2004)

## Timeline

### 1999

Hartlepool Partnership established in July and chaired by the town's MP, Peter Mandelson.

### 2000

Local Government Act introduced the responsibility for Local Authorities to develop Community Strategies.

'Preparing Community Strategies. Government guidance to local authorities' published by the Department of Environment, Transport and the Regions (DETR) in December.

### 2001

'A New Commitment to Neighbourhood Renewal: A National Strategy Action Plan' published by the Social Exclusion Unit in January. This introduced the requirement for LSPs in the 88 local authorities in receipt of Neighbourhood Renewal Funding to produce Neighbourhood Renewal Strategies.

'Local Strategic Partnerships. Government guidance' published by the Department of Environment, Transport and the Regions (DETR) in March. This gave guidance on the role of LSPs in developing Community Strategies.

A draft Community Strategy was produced by the Partnership in June and put out to consultation.

The Partnership agreed their Terms of Reference in October.

### 2002

Community Strategy and Neighbourhood Renewal Strategy agreed in April.

Mayor and Cabinet structure introduced and Stuart Drummond becomes the first directly elected Mayor of Hartlepool and Vice Chair of the Partnership.

Performance management of the Community Strategy and Neighbourhood Renewal Strategy introduced for the Hartlepool Partnership in September.

### 2003

Revised Performance Management Framework and Action Plan developed in May.

### 2004

Green LSP status awarded by Government Office North East.

Iain Wright elected as Member of Parliament for Hartlepool and takes on the role of Chair of the Partnership in October.

### 2005

Protocol between Hartlepool Partnership and the Hartlepool Community Network agreed in January.

Hartlepool accepted to take part in the second round of Local Area Agreements in June.

Green LSP status retained in the summer.

### 2006

Local Area Agreement signed in March.

Community Strategy Review launched in May.

## Jargon Buster

**Accountable body** - the legal body that will handle government grants on behalf of a Partnership

**Accredited LSP** - the Hartlepool Partnership is the accredited Local Strategic Partnership. To gain accreditation the Partnership had to demonstrate it met a set of Government standards that covered the operation of the Partnership, and its plans for improvement

**Action Plan** - short-term plan of action with activities and targets and milestones

**Audit Commission** - the national body overseeing auditing of public bodies

**Baseline Figure/Information** - a description of the current local conditions against which planned changes will be measured

**Benchmark** - something by which to measure or compare

**Best Value** - means by which public bodies are required to continuously review and improve services

**Brownfield land** - land previously developed upon

**Children's Trusts** - partnerships that provide a mechanism to lead the way in delivering a step change in services for children and young people

**Children and Young People's Plan** - The Big Plan - a plan to improve the lives of children and young people in Hartlepool

**Children Claimant count** - unemployed claiming benefits

**Community Enterprise** - economic activity based in a community

**Community Network** - the network of voluntary and community sector groups and organisations operating in Hartlepool

**Community Sector** - see voluntary sector - but usually more dependent on volunteers and no paid staff

**Community Strategy** - the plan that has to be produced by law to promote and improve the economic, social and environmental well-being of the community and sustainable development

**Compact** – formal understanding between voluntary sector and other organisations

**Co-ordination** - getting organisations working together to improve services

**Consultation** - involvement of the community in decision-making process

**Curriculum** - matters to be covered in education for each age group

**Deprived, Deprivation & Disadvantage** - communities or groups where several factors reduce the life chances and opportunities of people (see Index of Multiple Deprivation)

**Disability Discrimination Act** – legislation that aims to end the discrimination faced by many disabled people

**Disaffection** - describing a child who chooses not to be a part of the education system or society as a whole

**Diversionsary activities** - activities to attract people away from crime

**Diversity** - wide range of types often bio-diversity of wildlife and vegetation

**Drugs Action Team (DAT)** - special team to address drugs related issues

**Economic Exclusion** – people of working age who are unable to take up employment opportunities. Disabled people are one of the largest groups of people who can suffer economic exclusion.

**Economic Forum** - partnership leading work on the Jobs and the Economy Theme.

**Empowerment** – enabling people to take responsibility for themselves and helping them to make decisions about their own lives

**Environment Partnership** – partnership leading work on the Environment Theme

**Ethnic Minority** - people from a different culture, religion or language to the main one in a particular place

**Evaluation** - to judge or assess the success of something, which has taken place

**Feasibility Study** - an exercise before implementation to assess whether an action is likely to achieve its objective

**Feedback** - reporting back information on something that has been done

**Forward Strategy** - arrangements to continue the process once a regeneration programme is complete

**Goal** - long-term broad objective

**Governance** – how a body or organisation is managed

**Government Office for the North East** is the regional office for the government departments. They co-ordinate main programmes, including New Deal for Communities and Single Regeneration Budget and accredit Local Strategic Partnerships (i.e. Hartlepool Partnership)

**Greenfield land** - land not previously developed on

**Hartlepool Partnership** - Hartlepool's 'Local Strategic Partnership' including the key service providers, business and community interests working together to improve the quality of life in the town

**Health Improvement Plan (HIMP)** - improvement plan for the Health Authority and Primary Care Trust

**Implementation** - carrying out a plan or strategy

**Housing Partnership** – partnership leading work on the Housing Theme

**Inclusion** - giving all people equal opportunity to be part of society and the economy

**Index of Multiple Deprivation 2004 (IMD)** - a national measure of disadvantage

**Indicators** - headline and others - measures of conditions

**Inequalities** - gaps between the most advantaged and the most disadvantaged

**Information and Communications Technology (ICT)** - modern technology such as computers and the Internet

**Joint Investment Plans (JIPs)** - joint plans between Social Services, Health and other partners for joint use of resources

**Key Stages** - in education stages when progress is measured

**Learning and Skills Council** - organisation responsible for the co-ordination of post 16 years training and education in the Tees Valley

**Lifelong Learning** - learning throughout life, children and adults, in work and out of work or in retirement

**Local action on learning plan** – Part of the Neighbourhood Renewal Strategy that sets out measures to improve the skills, knowledge and training needed to successfully deliver Neighbourhood Renewal

**Local Agenda 21** - the local sustainability strategy

**Local Area Agreement** – Agreement between Hartlepool Borough Council, the Hartlepool Partnership and Central Government that sets out the priorities for Hartlepool along with indicators and three year targets.

**Local Plan** – sets out the Council's policies for guiding and controlling the way that buildings and land are used and developed

**Local Strategic Partnership** - the Hartlepool Partnership - the strategic partnership in the town, which prepares the Community Strategy

**Mainstreaming** – directing public sector resources to target the most deprived areas and joining up programmes

**Milestone** - important stages or events with date - used to indicate the progress a partnership is making toward its aims

**Monitor** - regular measure of the progress of projects

**National Vocational Qualification (NVQ)** - national standard qualifications

**Neighbourhood Action Plan (NAPs)**– document produced to set out the vision and objectives of the community for their neighbourhood and which details the actions and initiatives which will help to achieve them

**Neighbourhood Consultative Forum** – forums at which the public can become involved in issues which affect their area

**Neighbourhood Management** - management of services recognising local needs

**Neighbourhood Renewal** - improvement and revitalising of the quality of life in neighbourhoods

**Neighbourhood Renewal Fund** - special funding initiative to help Councils point main programme activity to neighbourhoods most in need

**Neighbourhood Renewal Strategy** - strategy for improvement of most disadvantaged neighbourhoods - part of the Community Strategy

**Neighbourhood Renewal Unit** - special team set up in central government

**Neighbourhood Support Fund** – funding aimed at working with disaffected young people

**New Deal for Communities (NDC)** - a Government initiative that provides money for a 10-year programme of regeneration in the West Central Hartlepool area

**Objectives** - short or medium term aims that can usually be measured

**One North East** - the Regional Development Agency (RDA) for the North East of England responsible for delivery of an economic strategy and regeneration

**Outcome** - something that follows from an action e.g. as a result of an initiative, the unemployment rate is reduced by 15%. The long-term effects you want to see created by a strategy or programme

**Output** - something produced directly as a result of an action and usually more easily counted e.g. as a result of an initiative 10 jobs were created and 6 people gained qualifications - tells you about the immediate results of a project, programme or strategy

**Participation** - a two-way process involving the sharing of information and ideas, where residents are able to influence decisions and take part in what is happening

**Partnership** - a group of organisations and individuals working together with a common purpose

**Performance Management Framework/Indicators** – a measurable target applied to find out if something is meeting its aims

**Pilot Project** - a small-scale study or trial of a larger project

**Primary Care** - health care given outside hospital often in the community

**Primary Care Trust** - Hartlepool based trust responsible for primary care

**Principles** - applied by all partners in all their activities - the basis of a code of conduct



**Private Sector** - businesses and other non-public agencies such as trusts and charities

**Programme** - group of projects with similar aims that support each other

**Projects** - an individual activity or action

**Public Sector** - organisations run or paid for with public money

**Public Service Agreement (PSA)** – contracts of agreement with government to work towards certain targets with various strategies

**Qualitative** - information, which shows the quality of something

**Quantitative** - information, which shows the numbers of something

**Registered Social Landlords (RSLs)** – the name given to housing associations/organisations and landlords that are registered with the local authority

**Regeneration** - improving an area and community

**Renewal** – improving or reviving an area or community

**Resources** - money, time, property, people, information and infrastructure

**Resources analysis** - looking at the use of resources in an area and how it relates to the aims and priorities

**Review** - scrutinise, evaluate and change plans or services

**Safer Hartlepool Partnership** - main partnership promoting community safety and the reduction of crime and disorder

**Single Pot** – funding allocated by the Tees Valley Sub Regional Partnership

**Single Regeneration Budget (SRB)** - special regeneration programmes currently operating in North Hartlepool.

**Social Exclusion** – people or areas that suffer from a combination of factors that include unemployment, high crime, low income and poor housing

**Standardised Mortality Ratios** - death rates taking into account age structures

**Standards of attainment** - levels achieved in education and training

**Strategy** - a plan with aims and steps to their achievement

**Strategy Group (Health and Care)** - key partnership for Health and Care

**Super Output Areas (SOAs)** – standardised areas at around 1500 population in size

**SureStart Programme** - special programme for young children and their families

**Sustainable Development** - can continue to take place without harm to the interests of future generations

**Sustainable Communities** - meet the diverse needs of existing and future residents, their children and other users, contribute to a high quality of life and provide opportunity and choice.

**Target Hardening** - physical measures to make areas or properties more secure

**Targets** - measurable level being aimed for, usually within a set time period

**Tees Valley Joint Strategy Unit** – responsible for strategic planning on local services and issues in the Tees Valley Area

**Tees Valley Partnership** - a partnership for the Tees Valley

**Tees Valley Vision** - a vision being prepared by the above

**Tenure** - degree of ownership of a property or home e.g. owner-occupier, privately rented, Council Housing, Housing Association

**Truancy & unauthorised absences** - school absence without permission

**Viability** - in relation to the town centre - businesses can make enough money to continue to operate and invest

**Viewpoint 1000** - regular sample survey of a panel of residents

**Vision** - a view of what a community will be like in the long term

**Vitality** - in relation to the town centre - liveliness and level of activity and investment

**Voluntary Organisation** - groups whose activities are not carried out for profit, and are not public bodies or a local authority. They rely on a high proportion of their activity being done by volunteers

**Voluntary Sector** - a name to describe all the voluntary organisations in a town. In Hartlepool 400 organisations make up the voluntary sector

**Welfare to Work** - a Central Government Programme, which aims to deliver wide-ranging job, training and local employment opportunities

**White Paper** – statement of policy intent issued by the Government

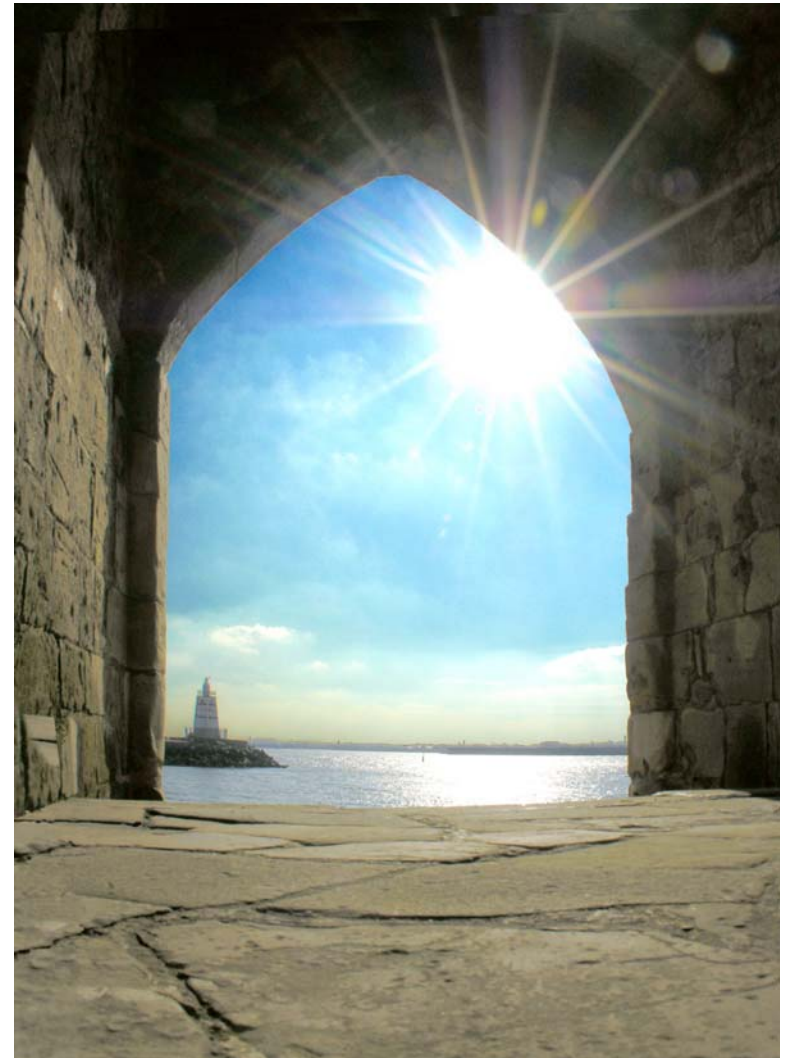
**Youth Offending Service** - team established to address youth offending

## List of Abbreviations

CCF	Community Chest Fund	NAP	Neighbourhood Action Plan
CEF	Community Empowerment Fund	NCF	Neighbourhood Consultative Forum
CS	Community Strategy	NDC	New Deal for Communities
DCLG	Department for Communities and Local Government	NHP	North Hartlepool Partnership
DEFRA	Department of Environment, Food and Rural Affairs	NRF	Neighbourhood Renewal Fund
DDA	Disability Discrimination Act	NRS	Neighbourhood Renewal Strategy
DETR	Department of Environment, Transport and the Regions	NRU	Neighbourhood Renewal Unit
DFES	Department for Education and Skills	NSF	Neighbourhood Support Fund
GCSE	General Certificate of Secondary Education	ORCEL	Owton Rossmere Community Enterprise Ltd
GDP	Gross Domestic Product	OFSTED	Office for Standards in Education
GIS	Geographical Information Systems	ONE	One North East
GONE	Government Office for the North East	ONS	Office for National Statistics
GP	General Practitioner	PAT	Policy Action Team
HImP	Health Improvement Programme	PCT	Primary Care Trust
IB	Incapacity Benefit	PI	Performance Indicator
ICT	Information & Communication Technology	PMF	Performance Management Framework
ILM	Intermediate Labour Market	PSA	Public Service Agreement
IMD	Index of Multiple Deprivation	RDA	Regional Development Agency
JSA	Job Seeker's Allowance	RSL	Registered Social Landlord
LA	Local Authority	SDA	Severe Disablement Allowance
LAA	Local Area Agreement	SMR	Standard Mortality Ratio
LEA	Local Education Authority	SOA	Super Output Areas
LPSA	Public Service Agreement	SRB	Single Regeneration Budget
LSC	Learning & Skills Council	SWAN	South West Area Network (Hartlepool)
LSP	Local Strategic Partnership	TVJSU	Tees Valley Joint Strategy Unit
MORI	Market & Opinion Research International	TVP	Tees Valley Partnership
MRUK	Market Research UK	URC	Urban Regeneration Company

## Endnotes

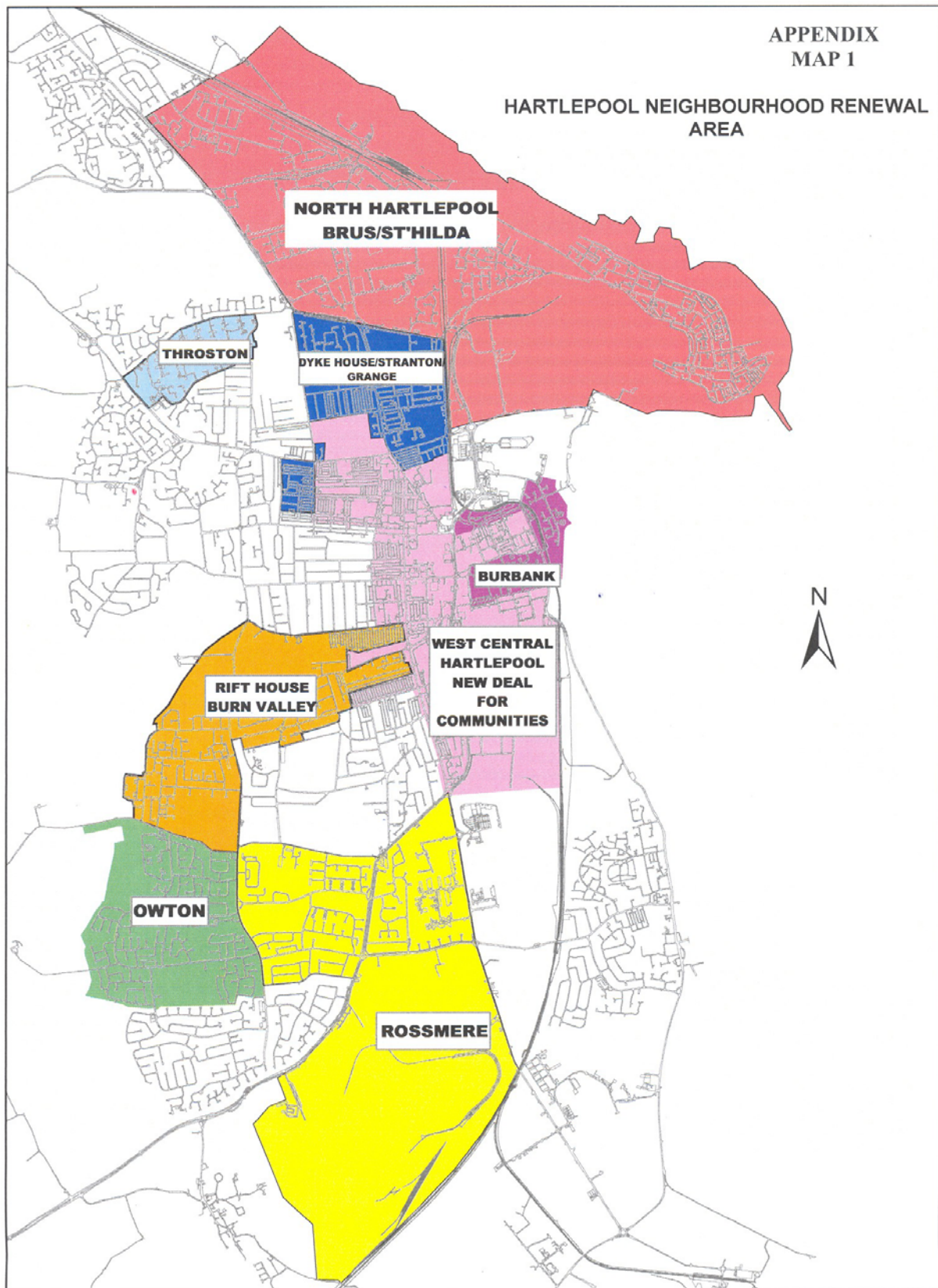
This Strategy was compiled by Joanne Smithson (Team Leader), Chris Barlow, John Potts, Catherine Frank and Dawn Clennett with contributions from colleagues across the Hartlepool Partnership, and over 1100 submissions during the public consultation that ran from May to July 2006.



Published August 2006.

APPENDIX  
MAP 1

HARTLEPOOL NEIGHBOURHOOD RENEWAL  
AREA



# **CABINET REPORT**

**11 September 2006**



**Report of:** Assistant Chief Executive

**Subject:** PROPOSED SELECTION CRITERIA –  
DEALING WITH NON-MANDATORY  
SCRUTINY TOPIC REFERRALS FROM THE  
AUTHORITY'S REGULATORY PANELS AND  
OTHER COMMITTEES

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## **SUMMARY**

### **1. PURPOSE OF REPORT**

- 1.1 To seek endorsement from Cabinet with regard to the implementation of a selection criteria to be used when considering the appropriateness of undertaking a scrutiny investigations following receipt of a non-mandatory referrals from the Authority's regulatory panels and other committees.

### **2. SUMMARY OF CONTENTS**

- 2.1 The report outlines the background to the proposed criteria and provides a detailed breakdown of the intended selection criteria to be used by the Scrutiny Co-ordinating Committee when determining the appropriateness of undertaking an investigation upon receipt of a non-mandatory scrutiny referral.

### **3. RELEVANCE TO CABINET**

- 3.1 Cabinet are requested to consider and endorse the proposed selection criteria.

### **4. TYPE OF DECISION**

- 4.1 This is a non-key decision.

**5. DECISION MAKING ROUTE**

- 5.1 The Scrutiny Co-ordinating Committee, Corporate Management Team, Chief Solicitor and Scrutiny Officers Liaison Group have all considered and endorsed the proposed criteria. Upon receipt of the Cabinet's observations and subsequent endorsement, the proposed criteria is to be considered by the Constitution Working Group/Committee, prior to its inclusion within the Council's Constitution.

**6. DECISION(S) REQUIRED**

- 6.1 The Cabinet is recommended to consider the content of the report and endorse the proposed selection criteria as outlined in paragraph 3.3 of the report.

## **CABINET**

11 September 2006



**Report of:** Assistant Chief Executive

**Subject:** PROPOSED SELECTION CRITERIA – DEALING  
WITH NON-MANDATORY SCRUTINY TOPIC  
REFERRALS FROM THE AUTHORITY'S  
REGULATORY PANELS AND OTHER  
COMMITTEE

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### **1. PURPOSE OF THE REPORT**

- 1.1 To seek endorsement from Cabinet with regard to the implementation of a selection criteria to be used when considering the appropriateness of undertaking a scrutiny investigation following receipt of a non-mandatory referral from the Authority's regulatory panels and other committees (endorsed by the Scrutiny Co-ordinating Committee on 30 June 2006).

### **2. BACKGROUND INFORMATION**

- 2.1 As outlined within the Authority's Constitution, the Scrutiny Co-ordinating Committee has the discretion to consider the appropriateness of undertaking a scrutiny investigation following a referral from the Authority's regulatory panels and other committees, in addition to those referrals, which this Committee have a mandatory obligation to further examine.
- 2.2 The Constitution clearly states that should the Scrutiny Co-ordinating Committee decide not to examine a particular 'referral', the decision must be justified and reported to Council and the referring body.
- 2.3 The Scrutiny process within Hartlepool welcomes both mandatory and non-mandatory 'referrals' from the Authority's Council, Cabinet, regulatory panels and other committees. However, non-mandatory referrals are currently considered by the Scrutiny Co-ordinating Committee on a case by case basis without any selection criteria.



### **3. PROPOSED SELECTION CRITERIA**

- 3.1 As we continue to raise the profile of Overview and Scrutiny in Hartlepool through various mechanisms, Members of the Scrutiny Co-ordinating Committee at their meeting on 30 June 2006 welcomed the implementation of the proposed selection criteria (as outlined below) to assist them in determining the appropriateness of undertaking non-mandatory 'referrals', which in time could be extended to receiving suggestions worthy of scrutiny from members of the public.
- 3.2 The Scrutiny Co-ordinating Committee also agreed that the proposed selection criteria would assist the Committee in ensuring the referral was an area worthy of review and would also assist in the management and delivery of the yearly Overview and Scrutiny Work Programme in particular the on-going capacity and workload constraints of the four standing Scrutiny Forums.
- 3.3 In terms of the process, the Scrutiny Co-ordinating Committee would assess the suggested non-mandatory scrutiny topic referral against the proposed selection criteria as outlined below:-
- (i) Affects a group of people living within the Hartlepool area;
  - (ii) Relates to a service, event or issue in which the Council has direct responsibility for, significant influence over or has the capacity to act as public champion;
  - (iii) Not be an issue which overview and scrutiny has considered during the last 12 months;
  - (iv) Not relate to a service complaint; and
  - (v) Not relate to matters dealt with by another Council committee, unless the issue deals with procedure and policy related issues.

### **4. RECOMMENDATION**

- 4.1 It is recommended that the Cabinet endorses the proposed selection criteria, prior to its consideration by the Constitutional Working Group and the Constitution Committee thereafter, for inclusion within the Authority's Constitution.

August 2006

**Contact:-** Charlotte Burnham – Scrutiny Manager  
Chief Executive's Department - Corporate Strategy  
Hartlepool Borough Council  
Tel: 01429 523 087  
Email: charlotte.burnham@hartlepool.gov.uk

## **BACKGROUND PAPERS**

The following background papers were used in the preparation of this report:-

- (i) Report of the Scrutiny Manager entitled 'Proposed Selection Criteria – Dealing with Non-Mandatory Scrutiny Topic Referrals from the Authority's Regulatory Panels and Other Committees' presented to the Scrutiny Co-ordinating Committee held on 30 June 2006.
- (ii) Minutes of the Scrutiny Co-ordinating Committee held on 30 June 2006.

# CABINET REPORT

11<sup>th</sup> September, 2006



**Report of:** Assistant Chief Executive

**Subject:** ANALYSIS OF PERFORMANCE INDICATORS  
2005/06

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## SUMMARY

### 1. PURPOSE OF REPORT

1.1 To inform Cabinet of the Council's performance against the set of Performance Indicators for 2005/06 and identify areas of concern for consideration by Cabinet.

### 2. SUMMARY OF CONTENTS

2.1 This report provides information about the Council's performance in 2005/06, and looks at a number of different aspects of performance: -

- Key Performance Indicators (KPIs) – analysis of how the KPIs identified in the 2004/05 Corporate Plan have performed.
- How does Hartlepool's performance compare with other local authorities
- Performance over time – looking at how performance over a two year period
- Target setting – how the Council has performed in relation to the targets set at the beginning of 2005/06.

2.2 Generally the analysis is positive, with over 70% of the KPIs and over 64% of all PIs improving in 2005/06. Over 55% of the KPIs have shown an improvement in each of the last two years.

2.3 The 2004/05 quartiles can be used as a useful guide to give an indication of how performance has improved in the last 12 months. A 'provisional' quartile has been given based on Hartlepool's 2005/06 outturn, in comparison to the published quartile information for 2004/05. Based on this, and looking at all other English authorities, over 72% of BVPIs (where comparisons can be made) were in the top 2 quartiles, with almost 42% being in the top quartile. This is an increase from 54% and 38% respectively in 2004/05. When comparing with other unitary authorities the picture is very similar, with 71% of comparable BVPIs in

the top 2 quartiles, up from 56% in 2004/05. The number of BVPIs in the top quartile has increased from 36% to over 45%.

- 2.4 The report looked at a two year period and compared 148 indicators, with almost 40% showing an improvement in each of the last 2 years. Only 7.5% of indicators have deteriorated in each of the last two years, and are shown in appendix 1 to the attached report.
- 2.5 Almost 80% of indicators either achieved the target that had been set for 2004/05 or failed to meet the target by less than 10%. However, this meant that over 20% failed to achieve the target by over 10%.

### **3. RELEVANCE TO CABINET**

- 3.1 Cabinet has overall responsibility for the monitoring of the Council's Corporate Plan and Performance.

### **4. TYPE OF DECISION**

None

### **5. DECISION MAKING ROUTE**

Cabinet 11<sup>th</sup> September 2006

### **6. DECISION(S) REQUIRED**

It is recommended that Cabinet notes the report and agrees the action to monitor and improve performance, namely: -

- Quarterly reporting to Cabinet (Corporate Plan) and Portfolio Holders (Departmental Plans) highlighting appropriate issues
- Continued development of the Corporate Performance Management Database to further improve the performance monitoring and reporting arrangements.
- Any further action that Cabinet deem appropriate.

**Report of:** Assistant Chief Executive

**Subject:** Analysis of Performance Indicators 2005/06

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**PURPOSE OF REPORT**

1. The purpose of this report is to provide information about the Council's performance against the set of Performance Indicators for 2005/06 and identify areas of concern for consideration by Cabinet

**BACKGROUND**

2. Performance Indicators (PIs) are used to measure the Council's performance across the whole range of services that it provides. The outturn figures for 2006/07 were published in the Council's Corporate Plan, which was agreed at Council on 22 June 2006, and published on the Council's website by the statutory deadline of 30 June.
3. A number of the PIs are statutory Best Value Performance Indicators (BVPIs), a set of national performance indicators and standards set by the Government. In specifying indicators and standards for local government, the Government has tried to ensure that they are a balanced set, reflecting the broad range of local services. It enables the authority and the public to examine how well the Council is performing.
4. In addition to the BVPIs the Council has developed a number of Local Performance Indicators (LPIs) that are used to measure performance in areas that are deemed important to the Council, but that are not covered in the list of BVPIs. As these LPIs are developed by the Council comparisons with other authorities are not possible.
5. There were a total of 190 PIs collected in 2005/06, and Hartlepool Borough Council's performance against these indicators was reported in the 2006/07 Corporate Plan. 135 of these indicators were BVPIs and the other 55 were LPIs.
6. Not all BVPIs can be compared with information from other local authorities with the main reason being as some indicators have been introduced in 2005/06 and information from other authorities is not yet available. Therefore only 84 BVPIs can be compared with information from other local authorities. Each year the Audit Commission publish performance information from all other authorities in England and Wales. Information relating to 2004/05 performance was received in January and a report detailing how Hartlepool compared was presented to the Performance Management Portfolio Holder on 13 March 2006. Hartlepool Council's performance in 2005/06 can be

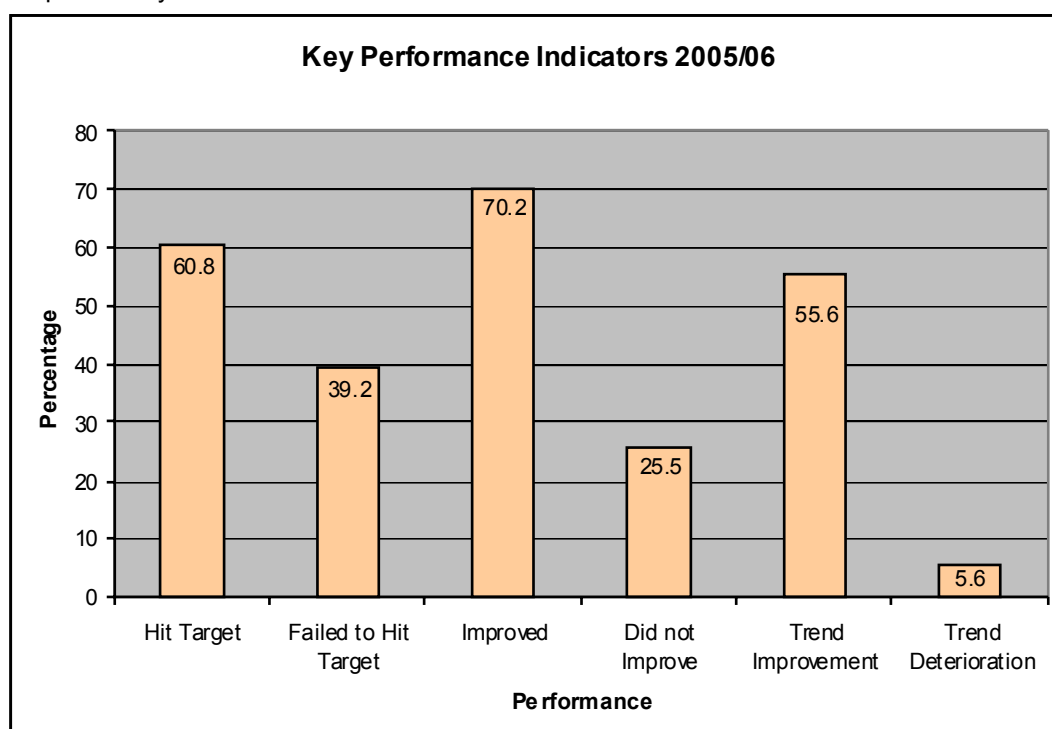
compared with this information to give an indication of how this compares with other authorities.

7. It should be noted however that a further report will be presented to Cabinet once the Audit Commission publish their 2005/06 quartile information later this year.

#### **CURRENT PERFORMANCE – KEY PERFORMANCE INDICATORS**

8. A number of Key Performance Indicators (KPIs) were identified in the 2005/06 Corporate Plan as a key measure of whether the Council were being successful in implementing the Community Strategy Aims throughout the year.
9. A number of the indicators that were identified do not have outcome information available for 2005/06. This is due to a number of reasons, such as the indicator has been deleted by the Audit Commission and is no longer collected, or the indicator is a survey indicator, with the next survey being conducted later in 2006.
10. The report has looked at how the KPIs have performed in relation to three criteria: -
  - Target Setting – how many of the KPIs have achieved the target set in the 2005/06 Corporate Plan?
  - Improvement – how many of the KPIs have improved in 2005/06 compared to 2004/05?
  - Trend – how many of the KPIs have improved in each of the last two years, and how many have deteriorated?
11. Graph 1, below, summarises the findings, which are: -
  - Over 60% of the KPIs met or exceeded their target (31 of the 51 KPIs that could be compared)
  - Over 70% of the KPIs improved in 2005/06 when compared to 2004/05 (33 of the 47 KPIs that could be compared)
  - Over 55% of the KPIs have shown an improvement in each of the last two years. (20 of the 36 KPIs that could be compared)
  - Less than 6% of the KPIs have deteriorated in each of the last two years. (2 of the 36 KPIs that could be compared).

Graph 1 – Key Performance Indicators 2005/06



## HOW DOES HARTLEPOOL'S PERFORMANCE COMPARE WITH OTHER LOCAL AUTHORITIES?

12. One way of evaluating how well Hartlepool is currently delivering its services is to compare performance with that of other local authorities. For each BVPI, where comparisons can be made, the Audit Commission publish performance outturns from all other local authorities in England.
13. The information for 2005/06 will not be published by the Audit Commission until December 2006. Therefore accurate comparisons can not be made at this time. However, the 2004/05 information can be used as a useful guide to give an indication of how performance has improved in the last 12 months. A 'provisional' quartile can be given based on Hartlepool's 2005/06 outturn, in comparison to the published quartile information for 2004/05. Comparisons can be made with all other Local Authorities in England. This report will compare Hartlepool's performance against that of all other English authorities and all other Unitary authorities.
14. Tables 1a and 1b below summarise how Hartlepool's performance in 2005/06 compares with other authorities in 2004/05. It details how many BVPI's fall into each of the four quartiles. For example, where performance is in the top 25% of all English authorities Hartlepool is placed in the top quartile. Only those indicators that can be compared with other local authorities have been

included in the analysis. Often different types of authority (e.g. Unitary, London Borough, County, District etc.) have different issues and priorities, meaning that it can often be useful comparing performance with similar authorities.

Table 1a: All-England Quartile Information

Year	Total Number of BVPIs	All-England Quartile			
		Top	2 <sup>nd</sup>	3 <sup>rd</sup>	Bottom
2004/05	110	42 (38.2%)	18 (16.4%)	21 (19.1%)	29 (26.4%)
2005/06	84	35 (41.7%)	26 (31.0%)	13 (15.5%)	10 (11.9%)
Percentage Change		+3.5%	+14.6%	-3.6%	-14.5%

**Note: Not all percentages will total 100% due to rounding**

Table 1b: Unitary Quartile Information

Year	Total Number of BVPIs	Unitary Quartile			
		Top	2 <sup>nd</sup>	3 <sup>rd</sup>	Bottom
2004/05	110	40 (36.5%)	22 (20.0%)	16 (14.5%)	32 (29.1%)
2005/06	84	38 (45.2%)	22 (26.2%)	16 (19.0%)	8 (9.5%)
Percentage Change		+8.7%	+6.2%	+4.5%	-19.6%

**Note: Not all percentages will total 100% due to rounding**

15. It can be seen that when compared with all other local authorities in England that a total of 61 BVPs (72.6%) are above the national median of 2004/05, with 41.7 being in the top quartile – a rise of 3.5% on 2004/05.
16. A total of 10 BVPIs, when looking at all other local authorities in England, 11.9% of the total, are in the bottom quartile. This compares favourably with the 26.4% that were in the bottom quartile in 2004/05.
17. When looking at the performance against all other Unitary local authorities the figures are even more impressive. Over 45% of the comparable BVPIs are in the top quartile, and only 9.5% are in the bottom quartile. These figures should be viewed with caution, as stated previously this is comparing Hartlepool's performance in 2005/06 with other authorities in 2004/05 – a further report will be presented to Cabinet once the 2005/06 outturn figures are published by the Audit Commission later in the year.

## CAPACITY TO IMPROVE - HARTLEPOOL'S PERFORMANCE OVER TIME

18. This section examines in more detail how Hartlepool Council is performing. Specifically the section compares performance in 2005/06 with that in 2004/05, identifies trends developing from 2003/04 through to 2005/06, and



looks at those indicators that were in the bottom quartile in 2004/05 to determine any areas of concern.

19. In this section, unless otherwise stated, both Local Performance Indicators and Best Value Performance Indicators are included.

20. In total there are 148 performance measures that can be compared between 2004/05 and 2005/06. Hartlepool is constantly seeking to improve its performance across all areas. Progress in achieving this is demonstrated by the fact that over 72% of performance measures improved or remained the same (64.2% improved, 8.1% remained the same) over the period 2004/05 and 2005/06. Table 2, shown below, summarises the improvement.

**Table 2: Improvement in performance between 2004/05 and 2005/06.**

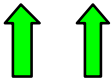
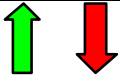
Indicator Type	PI improvement 2004/05 to 2005/06			
	Improved	Same	Worse	Total
Best Value	64 (64.6%)	9 (9.1%)	26 (26.3%)	99
Local	31 (63.3%)	3 (6.1%)	15 (30.6%)	49
<b>Total</b>	95 (64.2%)	12 (8.1%)	41 (27.7%)	148

*Note: Not all percentages will total 100% due to rounding*

21. As can be seen in the table above, a total of 41 indicators have seen a deterioration in performance in 2005/06. These indicators can be seen at **Appendix 3**.

22. It is important not to look at these figures in isolation. Information for 120 performance indicators is comparable for the period 2003/04 through to 2005/06. Of these 120 indicators almost 40% (47 indicators) have improved in each of the last 2 years. Only 9, or 7.5%, have worsened in each of the last 2 years. These indicators are shown in **Appendix 1**.

**Table 3 – Trend information from 2003/04 to 2005/06**

Number of Indicators	PI Improvement between		Trend
	2003/04 – 2004/05	2004/05 – 2005/06	
47 (39.2%)	Improved	Improved	
24 (20.0%)	Improved	Worse	

28 (23.3%)	Worse	Improved	
3 (2.5%)	Same	Improved	
1 (0.8%)	Same	Worse	
9 (7.5%)	Worse	Worse	
8 (6.7%)	Same	Same	

### Bottom Quartile Indicators 2004/05

23. The report that was considered at the Finance and Performance Management Portfolio meeting on 13 March 2006 stated that there were 37 Best Value Performance Indicators in the bottom quartile of performers when comparing with either all other English Local Authorities or all other Unitary authorities. It is worth noting that most of these indicators were in the bottom quartile in both categories.

24. A number of these indicators are no longer collected, so only 29 of these indicators can be compared. Of these, over 86% (25 indicators) have shown an improvement, and only 4 (14%) have deteriorated, as shown in **Appendix 2**. This compares extremely well with performance in 2004/05, as only 32% of those indicators (where comparisons could be made) had improved from 2003/04.

### TARGET SETTING

25. An integral part of the performance management process is the ability to set accurate targets for the forthcoming year. For each BVPI it is the Council's long term aim to be in the top quartile of performers nationally. For this reason all targets should be challenging, but realistic to ensure that they are achievable. Table 4 below summarises how many of the 2005/06 targets were met, and is split by indicator type.

**Table 4: Performance indicators target accuracy**

Performance Indicator Type	Total BVPIs	Target Achieved		Target not achieved		Total PIs above or below target by 10% or more
		Total	Exceeded Target by 10% or more	Total	Failed to hit target by 10% or more	
Best Value PIs	100	60 (60.0%)	30 (50.0%)	40 (40.0%)	19 (47.5%)	49 (49.0%)

Local PIs	54	37 (68.5%)	14 (37.8%)	17 (31.5%)	14 (82.4%)	28 (51.9%)
Total	154	97 (63.0%)	44 (45.4%)	57 (37.0%)	33 (57.9%)	77 (50.0%)

\*NOTE: Percentages in the "Exceeded target by 10% or more" and "Failed to hit target by 10% or more" columns are calculated with reference to the "total" figure in the preceding column, and not the total number of BVPIs for the indicator type.

26. In 2005/06 there were a total of 154 Performance Indicators where targets could be set. Almost 80% of all indicators either exceeded or were within 10% of their target.

27. Information relating to the BVPIs can be compared with 2004/05, and the percentage of indicators either exceeding or being within 10% of target has increased from just above 70% to 81%.

28. The number of the 2004/05 bottom quartile indicators hitting their target in 2005/06 rose to 54%, from 16% in 2004/05.

### **ACTION TO MONITOR AND IMPROVE PERFORMANCE INDICATORS**

29. There are measures in place throughout the Council to regularly monitor performance throughout the year and ensure appropriate action where necessary to achieve improvements. The creation and implementation of the Corporate Performance Management database, in 2005/06 has ensured that at officer level, all departments have access to systems that include monitoring of performance indicators.

30. The Council has introduced quarterly reporting to Portfolio holders and this process is constantly being reviewed to improve the level of information available to Councillors to ensure that any failing indicators can be identified as soon as possible, and the necessary remedial action taken to arrest any decline in performance.

31. A new unified approach to service planning across the Council has been introduced in 2006/07, which will further improve performance monitoring and reporting to Councillors and Officers. Quarterly progress will be reported to Cabinet (Corporate Plan) and Portfolio Holders (Departmental Plans) detailing up to date performance information, and any necessary recommendations for further improvements to drive performance forward.

32. Targets for 2006/07 were reviewed as part of the service planning process, and were published in the Council's 2006/07 Corporate Plan. As part of this process the Corporate Strategy division reviewed all targets and provided an internal challenge where targets are considered to be unrealistic or unchallenging.

33. The Management Development Programme contains a Performance Management module, part of which includes skills on target setting. To date 41 Officers throughout the Council have completed the module, and others will continue to do so. It is envisaged that more accurate targets have been set for 2006/07 and will continue to be set in future years as a result.

## **RECOMMENDATIONS**

34. It is recommended that Cabinet notes the report and agrees the action to monitor and improve performance, namely: -

- Quarterly reporting to Cabinet (Corporate Plan) and Portfolio Holders (Departmental Plans) highlighting appropriate issues
- Continued development of the Corporate Performance Management Database to further improve the performance monitoring and reporting arrangements.
- Any further action that Cabinet deem appropriate.

**Appendix 1 – All performance indicators that have declined between 2003/04 and 2004/05 AND 2004/05 and 2005/06**

Ref	PI Description	Outturn 2003/04	Outturn 2004/05	% Decline	Outturn 2005/06	% decline	Comments
BVPI 102	Local bus services (passenger journeys per year).	6,527,705	6,046,274	7.38	5,592,176	7.51	This continues the trend of a 10% reduction over the past five years and is common with all other Tees Valley, and many other, local authorities. This reduction corresponds with increasing car ownership, increasing cost of bus travel, de-registering of commercial bus services and increasing demand for longer distance trips. These factors are largely outside of the Local Authority's direct control. Despite this decline, the number of bus journeys per person in Hartlepool is still one of the highest in the North East
BVPI 106	Percentage of new homes built on previously developed land.	56.00	55.00	1.79	54.96	0.07	
BVPI 161	Employment, education and training for care leavers	33.3	0.83	97.51	0	100.00	
BVPI 163	Adoptions of children looked after.	7.50	6.00	20.00	4.9	18.33	The lower figure in 05/06 represents only 5 children (this is a decrease of 1 from 04/05 and includes an increase in cohort size from 100 to 103).
BVPI 86	Cost of household waste collection per household	27.61	33.35	20.79	36.26	8.73	Alternate weekly collections have enabled residents to recycle cans, glass, paper, cardboard, plastic bottles and green waste in the home, which the council collects at the kerbside

Ref	PI Description	Outturn 2003/04	Outturn 2004/05	% Decline	Outturn 2005/06	% decline	Comments
LPI CS 13a	The number of voluntary/community groups supported by the Council	38	36	5.26	31	13.89	Outturn for 2005/6 reduced on outturn for 2004/5 as a result of change in criteria of Community Pool and due to demise of several organisations who have been previous beneficiaries
LPI RP 12	The youth unemployment rate as a proportion of the total unemployed	31.5	34.3	8.89	36.5	6.41	Unemployment has been increasing across the UK and there have been a number of significant job losses reported. Youth unemployment has increased although it is showing a reduction of 0.4% from February 2006.
LPI RP 6	The number of residents assisted into training	813	732	9.96	661	9.70	At present clients need more support and training opportunities to become job ready and the lower 05/06 figure reflects the extra effort now having to be put into each case. Extra resources are going into 2006/7 which will hopefully mean the performance indicator will be improved and be much closer to the target level.
LPI SS 3	The number of adults under 65 with mental health problems whom the authority helps to live at home per 1000 adults under 65	4.2	3.4	19.05	3	11.76	Figure is still in line with Department of Health top score performance for 05/06. The variation equates to a change of only 22 people. This is also snapshot figure taken on the last day of the year, which is therefore susceptible to variation

**Appendix 2 - Bottom Quartile Indicators 2004/05 – Performance in 2005/06**

Community Strategy Theme	Reference	BVPI Description	Performance in 2004/05	Performance in 2005/06	Target 2005/06	Improved	Hit Target
Corporate Performance	BVPI 11b	The percentage of top 5% of earners from black and minority ethnic communities	0.00	1.15	1.68	Yes	No
Corporate Performance	BVPI 12	The number of working days/shifts lost due to sickness absence.	11.32	12.34	10.29	No	No
Corporate Performance	BVPI 15	The percentage of employees retiring on grounds of ill health as a percentage of the total workforce.	0.33	0.13	0.21	Yes	Yes
Corporate Performance	BVPI 16x	16a/16b % of staff with disabilities, compared with % of working age population with disabilities	11.42	19.92	12.83	Yes	Yes
Corporate Performance	BVPI 17a	The percentage of local authority employees from minority ethnic communities.	0.60	0.8	0.7	Yes	Yes
Corporate Performance	BVPI 17x	17a/17b % of staff from the minority ethnic community compared with the % of working age population from ethnic minorities	54.55	72.73	63.64	Yes	Yes
Corporate Performance	BVPI 76d	The number of prosecutions and sanctions per 1000 caseload	1.30	3.16	2	Yes	Yes
Corporate Performance	BVPI 78b	Speed of processing: b) Average time in days for processing notifications of changes of circumstance.	18.90	7.2	9	Yes	Yes
Corporate Performance	BVPI 9	Percentage of Council Tax collected.	95.70	96.4	95.7	Yes	Yes
Community Safety	BVPI 126a	Domestic burglaries per 1,000 households	22.35	16.66	20.25	Yes	Yes
Community Safety	BVPI 127a	Violent offences committed by a stranger per 1000 population	10.26	Not Comparable			
Community Safety	BVPI 127b	Violent offences committed in a public place per 1000 population	16.68	Not Comparable			
Community Safety	BVPI 127c	Violent offences committed in connection with licensed premises per 1000 population	3.72	Not Comparable			

Community Strategy Theme	Reference	BVPI Description	Performance in 2004/05	Performance in 2005/06	Target 2005/06	Improved	Hit Target
Community Safety	BVPI 127d	Violent offences committed under the influence per 1000 population	10.13	Not Comparable			
Community Safety	BVPI 127e	Robberies per 1000 population	1.28	1.12	1.36	Yes	Yes
Lifelong Learning and Skills	BVPI 181d	Percentage of 14 year old pupils in schools maintained by the local education authority achieving Level 5 or above in the Key Stage 3 test in ICT Assessment	59.10	61.4	70	Yes	No
Lifelong Learning and Skills	BVPI 194a	Percentage of pupils in schools maintained by the local education authority achieving level 5 or above in Key Stage 2: a) English	22.00	29	29	Yes	Yes
Lifelong Learning and Skills	BVPI 39	Percentage of 15 year old pupils in schools maintained by the local education authority achieving five GCSEs or equivalent at grades A* - G including English and Maths	84.00	85.8	90.6	Yes	No
Lifelong Learning and Skills	BVPI 44	Number of pupils permanently excluded during the year from all schools maintained by the local education authority per 1,000 pupils at all maintained schools.	2.70	Deleted			
Lifelong Learning and Skills	BVPI 48	Percentage of schools maintained by the local education authority subject to special measures.	2.56	Deleted			
Environment and Housing	BVPI 102	Local bus services (passenger journeys per year).	6,046,274	5,592,176	6,592,000	No	No
Environment and Housing	BVPI 203	% change in average number of families in temp accommodation compared with average from previous year	100.00	Not applicable			
Environment and Housing	BVPI 64	The number of private sector vacant dwellings that are returned into occupation or demolished during 2002/03 as a direct result of action by the local authority	4.00	34	56	Yes	No



Community Strategy Theme	Reference	BVPI Description	Performance in 2004/05	Performance in 2005/06	Target 2005/06	Improved	Hit Target
Environment and Housing	BVPI 186b	Non principal roads not needing major repair - proportion of the non-principal road network where major structural treatment is not considered necessary divided by Average Structural Exp. per km of the non-principal road network over the past 3 years	173.00	Deleted			
Environment and Housing	BVPI 82a	Percentage of the total tonnage of household waste arisings which has been recycled.	12.43	13.84	15	Yes	No
Environment and Housing	BVPI 224b	Condition of unclassified non principal roads - percentage requiring repair	19.45	16.51	38	Yes	Yes
Environment and Housing	BVPI 99d	Road accident casualties - % Change in number of casualties from previous year - all killed/seriously injured	133.33	-12.5	8.85	Yes	Yes
Environment and Housing	BVPI 99e	Road accident casualties - % Change in number of casualties from previous year - children killed/seriously injured	123.07	-33.3	-5.25	Yes	Yes
Environment and Housing	BVPI 99f	Road accident casualties - % Change in number of casualties from previous year - all slight injuries	102.00	-0.3	-0.87	Yes	No
Environment and Housing	BVPI 99g	Road accident casualties - % difference in number of casualties from most current year and average between 1994 & 1998 - all killed/seriously injured	121.21	6.1	-20.0	Yes	No
Environment and Housing	BVPI 99h	Road accident casualties - Average % change in number of casualties between 1994 & 1998 - children killed/seriously injured	27.1	-15.3	-25.0	Yes	No
Environment and Housing	BVPI 99i	Road accident casualties - Average % change in number of casualties between 1994 & 1998 - all slight injuries	-21.3	-21.6	-25.0	Yes	Yes
Environment and Housing	BVPI 106	Percentage of new homes built on previously developed land.	55.00	54.96	Not Set	No	Not Set

Community Strategy Theme	Reference	BVPI Description	Performance in 2004/05	Performance in 2005/06	Target 2005/06	Improved	Hit Target
Health and Care	BVPI 196	Acceptable waiting time for care packages	7020	80.7	85	Yes	No
Health and Care	BVPI 50	Educational qualifications of children looked after by reference to the percentage of young people leaving care aged 16 or over with at least 1 GCSE at grades A*-G, or General National Vocational Qualification	1540	43	60	Yes	No
Health and Care	BVPI 56	Percentage of items of equipment delivered within 7 working days.	7350	76	80	Yes	No
Health and Care	BVPI 163	Adoptions of children looked after.	6.00	4.9	10	No	No

### Notes

- All indicators in table above were in bottom quartile in at least one category (All England or Unitary) in 2004/05.
- Of the 29 indicators that can be compared 25 (86%) have shown improvement in 2005/06, and only 4 have deteriorated.
- Of the 28 indicators that targets were set, and can be compared, 14 met target (50%) and 14 have not.

**Appendix 3 – PIs that deteriorated between 2004/05 and 2005/06**

Ref	Definition	Outturn 2004/05	Outturn 2005/06	Change	Comments
BVPI 102	Passenger journeys on buses per year	6046274	5592176	-7.51%	This continues the trend of a 10% reduction over the past five years and is common with all other Tees Valley, and many other, local authorities. This reduction corresponds with increasing car ownership, increasing cost of bus travel, de-registering of commercial bus services and increasing demand for longer distance trips. These factors are largely outside of the Local Authority's direct control. Despite this decline, the number of bus journeys per person in Hartlepool is still one of the highest in the North East.
BVPI 106	Percentage of new homes on previously developed land	55	54.96	-0.07%	
BVPI 109a	Percentage of major planning applications within 13 weeks	78.8	70.59	-10.42%	Top quartile performance for top tier authorities.
BVPI 12	Number of working days lost due to sickness absence	11.32	12.34	9.01%	Legal difficulties were encountered in closure of long term sickness cases which, along with the disruption associated with the creation of new departments following the corporate restructure resulted in performance worsening.
BVPI 14	Percentage of early retirements	0.41	0.78	90.24%	
BVPI 161	Employment, education and training for care leavers	0.83	0	-100.00%	
BVPI 163	Adoptions of children looked after	6	4.9	-18.33%	The lower figure in 05/06 represents only 5 children (this is a decrease of 1 from 04/05 and includes an increase in cohort size from 100 to 103).
BVPI 165	Percentage of pedestrian crossings for disabled people	94.59	91.9	-2.84%	
BVPI 174	Racial incidents per 100000 population	40	58.82	47.05%	The Council improved support and services in relation to racial incidents, raising awareness and confidence in reporting incidents.

Ref	Definition	Outturn 2004/05	Outturn 2005/06	Change	Comments
BVPI 178	Percentage of footpaths and rights of way easy to use by public	91.1	89.1	-2.20%	
BVPI 183a	Average length of Stay in bed and breakfast accommodation	0	1.54	n/a	
BVPI 194b	Proportion of children level 5 or above, KS2 in Maths	34	32	-5.88%	
BVPI 197	Teenage Pregnancies	-9.1	-15.2	67.03%	
BVPI 199a	Local Street and Environmental Cleanliness – Litter & Detritus	5	17	240.00%	Development of inspection process (including taking of photos for each transect and timing of inspections against cleansing rounds) and a reduction in vehicle availability due to age of cleansing vehicles has shown a decrease in the level of cleansing in the borough and resulted in the lower outturn achieved this year
BVPI 204	The % of appeals allowed against the authorities decision to refuse planning applications	125	33.3	166.40%	The total number of appeals is low (15). One decision either way can therefore have a significant effect on performance
BVPI 224a	Condition of Non-Principal Classified Roads	8.45	23.18	174.32%	Method of calculating BVPI outturn from SCANNER data changed thus results do not directly relate to previous years outturns. The extent of the survey was also changed from 50% of the network to 100% of the network, which will result in a more meaningful year-to-year outturn in future years. There is also an element of genuine deterioration of the network resulting from insufficient investment at government level for a number of years. It is not anticipated that current funding levels for highway maintenance are sufficient to prevent, at least, minor further deterioration of the network in the short term. Projected outturns are based on current funding levels
BVPI 40	Percentage of pupil achieving Level 4 or above in KS2 Math tests	77.6	77.5	-0.13%	
BVPI 43b	Percentage of SEN statements (including)	100	90	-10.00%	

Ref	Definition	Outturn 2004/05	Outturn 2005/06	Change	Comments
BVPI 46	Percentage absence in primary schools	5.14	5.29	2.92%	
BVPI 76c	Housing Benefit Security - Number of investigations per 1000 caseload	44.5	40.52	-8.94%	
BVPI 79a	Accuracy of HB/CTB claims	99.4	98.8	-0.60%	Indicator is based on a very small sample size (only 500 determinations) and is therefore sensitive to any actual processing accuracy failures
BVPI 8	Percentage of invoices paid on time	96.13	94.71	-1.48%	Reduction in performance has arisen from monitoring resources being redirected to IT projects (e.g. replacement FMS and EDRMS systems) and departmental restructures impacting upon processing timescales.
BVPI 82c(i)	Percentage of the total tonnage of household waste arisings that have been used to recover heat, power and other energy sources	73.61	70.7	-3.95%	The planned maintenance shutdown of the energy from waste plant overran and prolonged periods of repair were required, during April/May, July, September/October, January and March resulting in more waste being diverted to landfill. An agreed protocol is set in place between the four authorities to ensure any diversions are shared equally between each authority area, to both provide efficiency of service and fair tonnage distribution. Service in top quartile.
BVPI 82d(i)	Percentage of household waste that has been land filled	7.28	7.65	5.08%	We have not reached this year's target as repeated shut down for planned maintenance and repair of the Energy from Waste plant during April/May, July, September/October, January and March have caused more than expected diversions resulting in additional waste being land filled. Service in top quartile.
BVPI 86	Cost of household waste collection per household	33.35	36.26	8.73%	Alternate weekly collections have enabled residents to recycle cans, glass, paper, cardboard, plastic bottles and green waste in the home, which the council collects at the kerbside
BVPI 87	Cost of waste disposal per tonne municipal waste	35.63	37.6	5.53%	
LPI ACS 3	Number of adults participating in basic skills classes	535	410	-23.36%	The service has been successful at recruiting additional learners onto Basic Skills provision.

Ref	Definition	Outturn 2004/05	Outturn 2005/06	Change	Comments
LPI ACS 6	Number of physical visits per 1000 population to public libraries	7128	6564	-7.91%	Restructure of staffing to improve delivery of reader development activities and wider audience participation for all ages.
LPI CS 12a	Number of housebound people receiving a home visit from the home library service once every three weeks, for as long as they require the service	514	508	-1.17%	
LPI CS 13a	The number of voluntary/community groups supported by the Council	36	31	-13.89%	Outturn for 2005/6 reduced on outturn for 2004/5 as a result of change in criteria of Community Pool and due to demise of several organisations who have been previous beneficiaries
LPI CS 15	Percentage of residents who feel safe outside after dark	39	29.3	-24.87%	Despite crime levels decreasing, nationally the British Crime survey shows that residents report feeling less safe. The 2005/06 result shows Hartlepool is mirroring the national picture.
LPI CS 2a	Overall average attendance at Eldon Grove and Mill House Leisure Centre	397579	338831	-14.78%	Previous year (2004/05) included a year long free swimming campaign for juniors which increased attendances by over 33% on 2003/04.
LPI ED 5	Percentage of adult learners who are male	31	28	-9.68%	At present, insufficient males are entering learning. Analysis is being carried out to determine reasons why in order to provide measures for improvement.
LPI RP 10	The gap between Hartlepool unemployment rate and the Great Britain rate	1.7	1.9	11.76%	The economy has shown signs of slowing activity and unemployment has risen nationally. The convergence with GB has improved since December 2004 from 181% to 170% and convergence with Tees Valley for the same period has improved from 117% to 115%
LPI RP 11	The long term unemployment rate as proportion of total unemployed	27.7	32.2	16.25%	There have been significant increases in unemployment across the UK with significant job losses reported in the last year. Although long term unemployment has risen over the past 12 months it has shown a reduction of 0.4% from February 2006.
LPI RP 12	The youth unemployment rate as a proportion of the total unemployed	34.3	36.5	6.41%	Unemployment has been increasing across the UK and there have been a number of significant job losses reported. Youth unemployment has increased although it is showing a reduction of 0.4% from February 2006.

Ref	Definition	Outturn 2004/05	Outturn 2005/06	Change	Comments
LPI RP 13	The number of new business start ups per year	135	120	-11.11%	The level of vat registrations has gone down mirroring the national trend. This is mainly due to slowing of the economy. However Hartlepool has seen a net gain of 15 vat stock in comparison to reductions in vat stock of in the other 3 former Cleveland districts.
LPI RP 6	The number of residents assisted into training	732	661	-9.70%	At present clients need more support and training opportunities to become job ready and the lower 05/06 figure reflects the extra effort now having to be put into each case. Extra resources are going into 2006/7 which will hopefully mean the performance indicator will be improved and be much closer to the target level.
LPI RP 8	The number of business start ups with council assistance	116	91	-21.55%	The outturn is off target primarily due to the extensive Brougham Enterprise Centre enhancement programme. Due to late funding offers the Centre has had to be virtually fully voided to allow the construction works to take place at the appropriate speed. However the Innovation Centre at Queens Meadow has contributed 11 new starts. Performance is planned to recover in 2006/7.
LPI SS 1c	Admissions of supported residents aged 65 or over to residential/nursing care	21.1	57.2	171.09%	Definition was changed, by CSCI in August 2005. Outturn figure is based on new calculation - target was set using previous definition.
LPI SS 3	The number of adults under 65 with mental health problems whom the authority helps to live at home per 1000 adults under 65	3.4	3	-11.76%	Figure is still in line with Department of Health top score performance for 05/06. The variation equates to a change of only 22 people. This is also snapshot figure taken on the last day of the year, which is therefore susceptible to variation

# **CABINET REPORT**

**11<sup>th</sup> September, 2006**



**Report of:** Chief Financial Officer

**Subject:** NORTH EASTERN SEA FISHERIES COMMITTEE –  
REPLACEMENT FISHERIES PATROL VESSEL

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## **SUMMARY**

### **1. PURPOSE OF REPORT**

- 1.1 To enable Members to consider the funding arrangements for the Authority's share of the costs of replacing the Fisheries Patrol Vessel.

### **2. SUMMARY OF CONTENTS**

- 2.1 The report outlines the funding arrangements for the North Eastern Sea Fisheries Committee and the proposal to replace the existing Fisheries Patrol Vessel.

### **3. RELEVANCE TO CABINET**

- 3.1 Cabinet has delegated authority to approve budget transfer between service areas, subject to transfer not exceeding £80,000 or 5% of the budget head.

### **4. TYPE OF DECISION**

- 4.1 Non key.

### **5. DECISION MAKING ROUTE**

- 5.1 Cabinet 11<sup>th</sup> September, 2006.

### **6. DECISION(S) REQUIRED**

- 6.1 It is recommended that Members:
- i) Note the report;
  - ii) Approve the virement of £11,690 from the anticipated Centralised Estimates savings to fund the Council's share of replacing the NESFC Fisheries Patrol Vessel.



**Report of:** Chief Financial Officer

**Subject:** NORTH EASTERN SEA FISHERIES  
COMMITTEE – REPLACEMENT FISHERIES  
PATROL VESSEL

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**1. PURPOSE OF REPORT**

- 1.1 To enable Members to consider the funding arrangements for the Authority's share of the costs of replacing the Fisheries Patrol Vessel.

**2. BACKGROUND**

- 2.1 The Council is one of the eleven councils with responsibility for funding the annual revenue costs of the North Eastern Sea Fisheries Committee (NESFC). This Council is required to meet 1/36<sup>th</sup> of the Committee's running costs, which equates to £18,500 for 2006/2007. Provision for this amount is included in the 2006/2007 budget.

**3. REPLACEMENT OF FISHERIES PATROL VESSEL**

- 3.1 At the time the Council was finalising its 2006/2007 Budget we received notification from the NESFC that the existing Fisheries Patrol Vessel needs to be replaced. At that time details of the cost of replacing the vessel and available funding were not known. As it was not expected that this Council's share of the cost would be significant no provision was included in the 2006/2007 Budget.
- 3.2 The Deputy Clerk of NESFC has recently written to confirm that a replacement cost is now known and European funding of 25% of the total cost of the vessel has been approved. This is the maximum level for this funding.
- 3.3 The remaining cost therefore needs to be funded by the eleven councils covered by NESFC in proportion to their annual contribution. Therefore, this Council is required to meet 1/36<sup>th</sup> of this cost which amounts to £11,696.
- 3.4 As no specific budget exists for this commitment it is suggested that Cabinet approves the virement of this amount from the anticipated saving on the Centralised Estimate Budget.

#### **4. RECOMMENDATIONS**

4.1 It is recommended that Members:

- i) Note the report;
- ii) Approve the virement of £11,690 from the anticipated Centralised Estimates savings to fund the Council's share of replacing the NESFC Fisheries Patrol Vessel.

# **CABINET REPORT**

**11<sup>TH</sup> September 2006**



**Report of:** The Director of Regeneration and Planning Services

**Subject:** TEES VALLEY CITY REGION BUSINESS CASE

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## **SUMMARY**

### **1. PURPOSE OF REPORT**

1. This report seeks Cabinet endorsement of the draft Tees Valley City Region Development Programme Business Case and requests delegation of authority to Chief Executive to approve minor amendments to the document resulting from ongoing consultations.

### **2. SUMMARY OF CONTENTS**

1. The report provides background information on the purpose and preparation of the Tees Valley City Region Development Programme Business Case including its relevance to the Northern Way Growth Strategy and the Government's Comprehensive Spending Review. Whilst not a bidding document in its own right, the Business Case sets out the main assets and opportunities of the Tees Valley City Region and identifies the main barriers to growth which the Government is asked to help address.

### **3. RELEVANCE TO CABINET**

1. The Business Case covers a range of issues which may have future implications for resource allocations, city region governance arrangements and regeneration activities.

### **4. TYPE OF DECISION**

1. Non Key.

### **5. DECISION MAKING ROUTE**

Cabinet to approve in principle with delegation to Chief Executive to approve minor amendments to the Plan.

**6. DECISION(S) REQUIRED**

Cabinet is requested to endorse the draft City Region Development Programme Business Case and authorise the Director of Regeneration and Planning Services to approve any subsequent amendments following consultations with the Portfolio Holder.

**Report of:** The Director of Regeneration and Planning Services

**Subject:** TEES VALLEY CITY REGION BUSINESS CASE.

---

## **1. PURPOSE OF REPORT**

1. This report seeks Cabinet endorsement of the draft Tees Valley City Region Development Programme Business Case and requests delegation of authority to Chief Executive to approve minor amendments to the document resulting from ongoing consultations.

## **2. BACKGROUND**

1. The first version of the Tees Valley City Region Development Programme (CRDP) was prepared in May 2005 in response to The Northern Way Growth Strategy, which aimed to reduce the output gap between the North and the rest of the UK by accelerating economic growth through working on 10 investment priorities.
2. These priorities were, bringing more people into work, strengthening our knowledge base to support innovation, building a more entrepreneurial culture, capturing a larger share of global trade, meeting the skills needs of our employers, developing our airports and ports, better integrated public transport within and between regions, creating truly sustainable communities and market the north to the world.
3. The CRDP built on the work of the Tees Valley Vision and included an economic analysis of the City Region, an assessment of the economic challenges and a programme of investment required. It set out strong links to corresponding work being undertaken by Durham and North Yorkshire County Councils, and included our achievements to date in delivering the Vision.
4. As part of the Northern Way submission to the Comprehensive Spending Review we have now been asked to develop further the City Region Development Programme.
5. In May 2006, a visit by Ruth Kelly, the new Secretary of State for the Department for Communities and Local Government (DCLG) to the Tees Valley provided the opportunity to present the CRDP and the principal outcomes. As a result of this visit, the Tees Valley was asked to prepare a Business Case to complement the CRDP.

6. The attached document (**Appendix 1**) represents the latest draft of the Business Case for Delivery with the Tees Valley City Region which is still being refined. It also represents an update of the Tees Valley City Region Development Programme. The report's overall objective is to improve the economic performance of the Tees Valley through developing programmes to improve our economic assets, improve our urban competitiveness and tackle some of the main barriers to economic growth. It also sets out improved city region governance arrangements which will enable the city region to plan, coordinate and deliver its programme. Finally it shows how Government can help the Tees Valley deliver a programme of improved economic performance.
7. Preparation of the Business Case has been coordinated by the Tees Valley Joint Strategy Unit with input, through a Steering Group including the five Tees Valley Local Authorities, the County Councils of Durham and North Yorkshire, Sedgefield Borough Council ( parts whose areas fall within the influence of the Tees Valley City Region) , Business Link Tees Valley, Tees Valley Learning and Skills Council, Tees Valley Regeneration, Tees Valley Partnership, One North East, Government Office North East and the North East Chamber of Commerce.
8. Supporting the Business Case, a ten year Investment Plan is currently in preparation which will be reported to a future Cabinet meeting. Fundamentally, the aim of the Investment Plan is to show that the Tees Valley's Strategic Development Programme is affordable under the current levels of resources and is realistic in terms of implementation. Building on the Business Case, the Investment Plan will provide a more detailed description of the key programmes/projects to be delivered over the period to 2016, indicate priorities and identify any significant shortfalls in resources.

### **3 THE CITY REGION BUSINESS CASE REPORT**

1. The report provides a brief overview of the City Region highlighting its economic assets and identifying challenges and barriers to growth. It then sets out the forward strategy which seeks to build on the economic assets, particularly the chemical and energy industries, the port and airport and the universities. It highlights the three sub-regional spatial priorities of the Coastal Arc, Stockton-Middlesbrough Initiative and Darlington Gateway as well as the Tees Valley regeneration sites (including Victoria Harbour) as major economic drivers. It also sets out the critical requirements of tackling worklessness, developing skills providing business support, improving connectivity to and within the City region (roads rail and buses), upgrading the environment and public realm and providing a broad range of sustainable housing solutions.

2. The document then sets out governance proposals which would seek to consolidate and strengthen existing sub-regional structures and improve accountability. The main proposal for this is the creation of a Tees Valley Metropolitan Economic Partnership which would include representatives of the five Tees Valley Local Authorities plus five other members representing the private, public and community sectors. This would be supported by a series of boards that would provide a city region perspective on key areas of planning and economic development, transport, skills, tourism and housing. Most of these Boards are already in operation, in some form e.g. Tees Valley Living.
3. Finally the Business Case sets out areas where the help of Government is required in order to realise the aspirations set out in the plan. These include continued support from government departments in respect eg of the NE process industries Cluster Group; development of skills strategies in relation to such key sectors as chemicals and energy; support for PD Ports to develop the Northern Gateway Container Terminal at Teesport; investment in transport schemes; and, a recognition of the importance of regeneration and place and housing market restructuring to the urban competitiveness of the Tees Valley.

#### **4 DEVELOPMENT AND CONSULTATION PROCESS**

1. As indicated at 2-7 above, the Tees Valley Joint Strategy Unit has taken the lead in pulling the Business Case together assisted by a Steering Group of relevant bodies. Informal feedback from these agencies to the first draft has been positive.
2. The Business Case is to be submitted to the Department of Communities and Local Government by the end of September. Prior to this a draft version will be presented to private sector members of the Tees Valley Partnership and LSP representatives (5<sup>th</sup> September) the Tees Valley Chief Executives (6<sup>th</sup> September) and other interested parties for comment, before the final version is produced. As part of this process, Cabinet is asked to endorse the document.

#### **5 FINANCIAL CONSIDERATIONS AND RISKS**

1. There are no direct financial implications relating to this report as it is not intended to be a bidding document. The report will, however, provide a policy basis for the continuing debate with Government about the future development of the City Region, Government policy implications and future allocation of resources under the Single Programme and other funding streams. Officers have sought to ensure that the interests of Hartlepool are fully recognised within the Business Case.

## **6 DECISIONS REQUIRED**

1. Cabinet is requested to endorse the draft City Region Development Programme Business Case and authorise the Director of Regeneration and Planning Services to approve any subsequent amendments following consultations with the Portfolio Holder.



**Tees Valley City Region:  
A Business Case for Delivery**

**14<sup>th</sup> August 2006**

## 1. INTRODUCTION

### 1.1 Background

The first version of the Tees Valley City Region Development Programme (CRDP) was prepared in May 2005 in response to The Northern Way Growth Strategy, which aimed to reduce the output gap between the North and the rest of the UK by accelerating economic growth through working on 10 investment priorities.

These priorities were bringing more people into work, strengthening our knowledge base to support innovation, building a more entrepreneurial culture, capturing a larger share of global trade, meeting the skills needs of our employers, developing our airports and ports, better integrated public transport within and between regions, creating truly sustainable communities and market the north to the world.

The CRDP built on the work of the Tees Valley Vision and included an economic analysis of the City Region, an assessment of the economic challenges and a programme of investment required. It set out strong links to corresponding work being undertaken by Durham and North Yorkshire County Councils, and included our achievements to date in delivering the Vision.

As part of the Northern Way submission to the Comprehensive Spending Review we have also been asked to develop further the City Region Development Programme.

In May 2006, a visit by Ruth Kelly, the new Secretary of State for the Department for Communities and Local Government (DCLG) to the Tees Valley provided the opportunity to present the CRDP and the principal outcomes. As a result of this visit, the Tees Valley was asked to prepare a Business Case to complement the CRDP.

This document represents the Business Case for Delivery with the Tees Valley City Region. It is also the Tees Valley City Region Development Programme. The report's overall objective to improve the economic performance of the Tees Valley through developing programmes to improve our economic assets, improve our urban competitiveness and tackle some of the main barriers to economic growth. It also sets out improved city region governance arrangements which will enable us to plan, coordinate and deliver our programme. Finally it shows how Government can help us deliver a programme of improved economic performance.

As with the CRDP, the Business Case has been prepared with the full co-operation and endorsement of the five Local Authorities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees, the County Councils of Durham and North Yorkshire, Sedgefield Borough Council, Business Link Tees Valley, Tees Valley Learning and Skills

Council, Tees Valley Regeneration, Tees Valley Partnership, One North East, Government Office North East and the North East Chamber of Commerce.

The Business Case is commended to the DCLG.

## 1.2 The Business Case

This Business Case is not simply a “wish list” of requests from Government. Nor is it intended to be a re-working of the CRDP.

Instead, the Business Case is to draw upon the work within the CRDP and a number of other supporting documents to provide a robust analysis, with clear forward strategies and accountable governance that is fully supported by our key Partners within the Tees Valley City Region. It also sets out the help Government can provide to help us to achieve our objective of improved economic performance.

The Business Case acknowledges at the outset that this is not simply another tier of Government. The Government is committed to examining the most appropriate means of devolving decision making to local communities and a White Paper will be published later in 2006. Within the Tees Valley, people are firmly in support of this principle, and the City Region already has two directly elected Mayors.

However, some elements of our forward strategy are best tackled at a City Region level, and the Business Case is centred around how we maximise our opportunities in these areas. The areas are economic regeneration and planning, transport, skills, housing and tourism.

The Business Case also seeks to demonstrate the capability of the Tees Valley Partners to put in place strong governance arrangements to ensure delivery and accountability. Again, such governance mechanisms have been developed in an evolutionary, rather than revolutionary way, to ensure that we continue to build upon our local, sub-regional and regional successes.

The Business Case starts by setting out the definition of the Tees Valley City Region. The Government defines City Regions as “a central urban area, or two or more closely linked urban centres, together with those areas around them with which they have significant interaction”. Within the Tees Valley, this encompasses a number of urban areas, as well as more diverse rural and industrial areas.

The Business Case continues by summarising the key economic characteristics of the Tees Valley and our main economic assets, and identifies the main economic challenges that we face and the barriers to achieving our aims.

This provides a lead to our forward strategy for the economic regeneration of the Tees Valley, and the five core elements of our forward strategy that we believe are best tackled at a City Region level.

The Business Case then sets out in some detail the proposed Governance arrangements that we believe will make a real difference in delivering improvements to the quality of life for our residents, workers and visitors.

The Business Case concludes by setting out how we feel that the Government can help deliver our proposals and an outline timetable for doing so.

### 1.3 Complementary Documents

The Business Case will be supplemented by a series of documents. These are:

- An economic profile and economic analysis of the Tees Valley;
- Tees Valley Investment Strategy;
- The case for housing market restructuring;
- A series of funding bids for infrastructure improvements, primarily the local bus and rail networks.

Reference is made to these documents throughout the Business Case, and the relevant document should be consulted for more detailed information on particular issues.

### 1.4 Relationship to Regional and National Plans

1.5 The Business Case and CRDP is the culmination of about five years collaboration work between the partners in the Tees Valley beginning with the Tees Valley Vision and taken forward by the first City Region Development Programme. Much of the strategy has been included in the Regional Economic Strategy, the Regional Funding Allocations submitted in January 2006, and the strategy forming the business case has recently been endorsed in the report of the panel into the Regional Spatial Strategy for the North East. It also conforms to the key principles of the Northern Way.

1.6 It is important therefore to understand that many of the main proposals in the Business Case are being implemented. Hence where this is the case, the report outlines the progress to date and our programme for future developments.

1.7 The approach we have adopted is to concentrate on wealth creation through the use of capital investment. It is our case that capital investment in the economic assets of the Tees Valley are improving economic competitiveness will be the best way of improving economic performance and creating jobs and wealth. In the long term this is the most effective way of reducing government expenditure on benefit

payments. We have set a target of 20,000 new jobs to be created over the next 10 years. We recognise that we will need to use the resources of Job Centre Plus and the Learning and Skills Council to develop special initiatives which will enable those from deprived communities can access these jobs.

Draft

## 2. TEES VALLEY CITY REGION

The Tees Valley City Region has a population of 875,000 people, almost half of whom live within the Teesside conurbation – Middlesbrough, Stockton and Redcar. It displays a polycentric settlement pattern based around the Teesside conurbation and the main towns of Darlington and Hartlepool and includes the Borough of Sedgefield. The sphere of influence extends from Peterlee in the North to Northallerton in the south and from Richmond in the west to Whitby in the east.

### 2.1 The Economic Base of the Tees Valley City Region

The Tees Valley economy is based on the largest integrated heavy industrial complex in the United Kingdom based on these main components:

- a) The petrochemical cluster at Wilton, Billingham and Seal Sands is the largest integrated chemicals complex in the UK in terms of manufacturing capacity and the second largest in Europe. It contributes £3.5 billion to the UK economy and 70,000 jobs in the UK depend on it. The £700m invested in the industry in the last 3 years such as the £200 million investment by Huntsman in a polyethylene plant show that it has the potential to grow. It is also backed up by the Wilton Centre, which is the largest private sector research centre in the UK and a world class engineering design and plant maintenance industry employing 5,000 people throughout the Tees Valley;
- b) The Redcar Steel Complex, one of the three main producer sites in the UK, has secured long term contracts with international partners to supply 3 million tonnes of slab a year mostly for export;
- c) Teesport – the second largest port in the UK which handles 10% of all UK traffic; oil and gas based chemicals, iron ore import, coal imports and steel exports account for about 75% of its trade. The port is the only deep sea port on the East Coast capable of taking vessels up to 150,000 tonnes and has the potential to become a major deep sea container port catering for the growing Far East trade employment in the long term 5000 jobs.

The area has also developed a strong logistics industry based around the port and the distribution of chemicals/steel/engineering products; financial and business services in Darlington, Teesdale in Stockton and Middlesbrough; call centres; electronics (primarily in Newton Aycliffe) and food.

## 2.2 Settlement Pattern and Functions

The Tees Valley is based around five main towns. Middlesbrough is the largest retail centre in the Tees Valley and a major cultural and service employment centre serving the city region. It also contains the University of Teesside and is developing its cultural role through the construction of the Middlesbrough Institute of Modern Art, the refurbishment of the Town Hall Complex and the creation of a digital multi-media cluster around Digital City. In the future therefore it makes sense to develop new city scale leisure, cultural, office and retail development in the town centre and Middlehaven.

Stockton is a major employment and retail centre in the Tees Valley. It contains the Queen's Campus of the University of Durham and is an historic market town. Recent developments such as Wellington Square have enhanced its retail function and the development of the Teesdale area has provided the city region with financial and business services. The development of the Tees Barrage has transformed Stockton Riverside and provides a focus for attracting further office development, employment uses, housing and the expansion of the university at North Shore. There is also a major opportunity to link the town centre back into the Riverside.

Darlington has an important role as a sub-regional employment, retail and cultural centre serving a distinct catchment area covering South Durham and a large part of North Yorkshire, stretching into Richmondshire and Hambleton District. It also provides key links into the national transport network through its location on the A1(M) and East Coast Main Line and the international network through Durham Tees Valley Airport. Its unique location together with its market town environment enables Darlington to attract employment in the financial, business services and logistics services which would not otherwise locate in the Tees Valley or the NE.

Hartlepool is a major retail, service and manufacturing centre serving the North East part of the City Region. Its economic base will be strengthened through the development of Queen's Meadow and Wynyard. However over the last decade through the regeneration of its docks Hartlepool has developed into an office and maritime tourism centre. The development of the Hartlepool project will enable Hartlepool to develop a critical mass of tourism attractions and businesses, office employment and a wider choice of housing.

In addition to being the location of the Redcar Steel Complex, one of the three main producer sites in the UK, and the Wilton Petrochemical Complex, Redcar is also a traditional seaside resort and the main service centre for East Cleveland. Its retail function has been enhanced by the recent Regent's Walk development. There is an opportunity to increase its tourism potential with new, all season attractions at Coatham, Redcar Racecourse, and Kirkleatham together with realising the potential for activity tourism on the Heritage Coast and rural areas of East Cleveland, part of which lies within the North York Moors National Park.



The areas of County Durham located within the City Region are based around the towns of Bishop Auckland, Newton Aycliffe and Peterlee. Bishop Auckland (population 25,000) is a major service centre serving a mainly rural hinterland in West Durham as a retail, government and employment centre. Newton Aycliffe (population 25,000) contains the Aycliffe Industrial Park which houses 250 businesses employing 8000 people, mainly in manufacturing. Finally Peterlee (population 22,000) is primarily a manufacturing town serving East Durham. Easington Borough Council are developing a major regeneration strategy for Peterlee. The East Durham area contains a number of small mining towns and villages for which there is little employment.

The area of North Yorkshire within the City Region is primarily a rural area. Northallerton acts as the main service/administrative centre. The town of Stokesley and the village of Great Ayton are primarily dormitory settlements for Teesside. Unemployment is extremely low and house prices are above average for the north of England. The County contains the North Yorks Moors National Park and the Yorkshire Dales National Park. Catterick Garrison is a major economic driver for the Richmond/Northallerton area.

**2.3** Section on retail/migration/journey to work, leisure flows to show the extent of influence of the city region (to follow).

## **2.4 External Linkages**

For a peripheral region like the Tees Valley external linkages are very important. The important key transport linkages are:

- a) Teesport – with regular container/goods services to Europe, Asia and the Mediterranean;
- b) Durham Tees Valley Airport – with its links to Heathrow and Amsterdam which are vital to support our world class chemicals industry made up of major multi-national companies;
- c) The East Coast Main Line with a regular 2 ½ hour service to London and Edinburgh, and for delivering goods from Teesport are chemical/steel industry across the county;
- d) The A1 (soon to be upgraded to motorway standard) and the A19 links to the south and the A66 to Scotland and Ireland.

Whilst the Teesside conurbation is the hub of economic activity and our strategy is to develop the critical mass of assets and opportunities in the conurbation, it is important to recognise that the main towns of Darlington, Hartlepool, the Borough of Sedgefield and rural North Yorkshire have a major role to play in improving the economic performance of the city



region. The Business Case and CRDP is therefore about building on the key assets of the whole of the City Region to achieve the economic objectives of improving our economic performance and the improvement of our urban competitiveness which is essential to the long term performance of the Tees Valley.

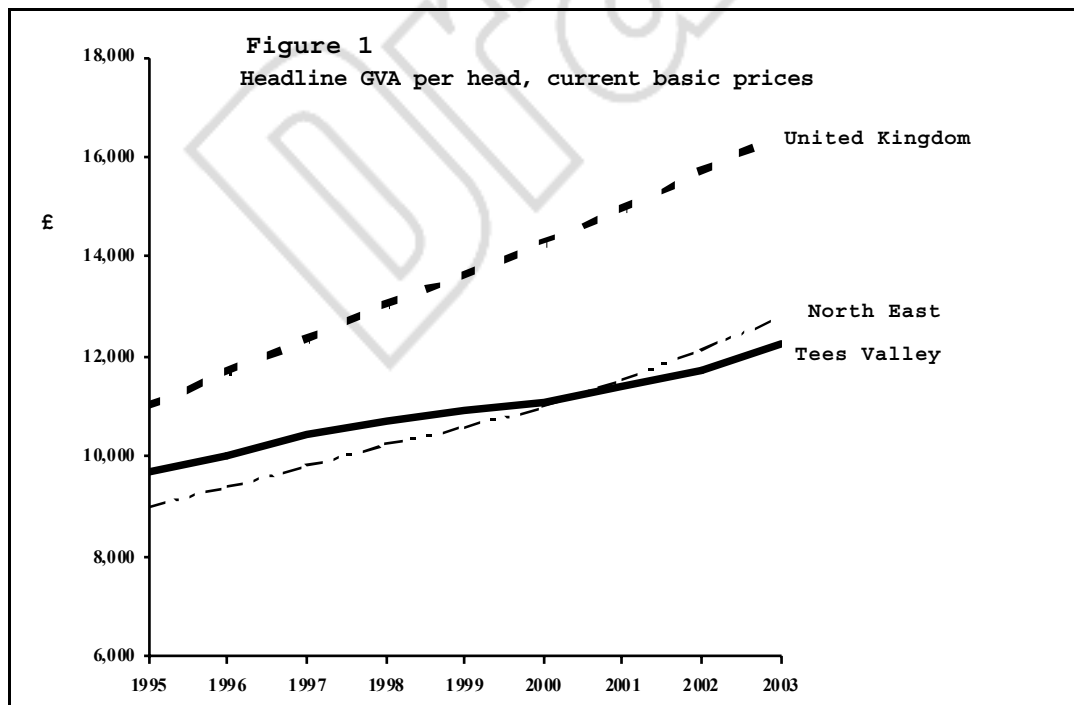
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### 3. AN ECONOMIC ANALYSIS OF THE TEES VALLEY

Because of data amalgamation problems it has not been possible to provide data sets for the whole city region. We therefore have two definitions; when the data refers to the Tees Valley City Region this is defined as the five Tees Valley authorities plus Sedgefield Borough Council. When the data refers to the Tees Valley, this is defined as the five Tees Valley authorities.

#### 3.1 Economic Performance – the negatives

Gross Value Added (GVA) is an indicator of the wealth of an area, particularly in terms of the value of its production, and reflects the area's industrial and commercial structure being affected by levels of employment, unemployment, earnings and company profitability. Figure 1 presents headline GVA per head of population between 1995 and 2003 and shows, not only a widening gap between the Tees Valley and the national average over the period, but also since 2001, the Tees Valley falling below the regional average. **The economic challenge is to grow the Tees Valley economy faster than the UK economy to narrow the gap in GVA.**



Source: ONS

One of the principal reasons behind this widening gap in GVA related to a massive shift in the employment structure of the Tees Valley, and in

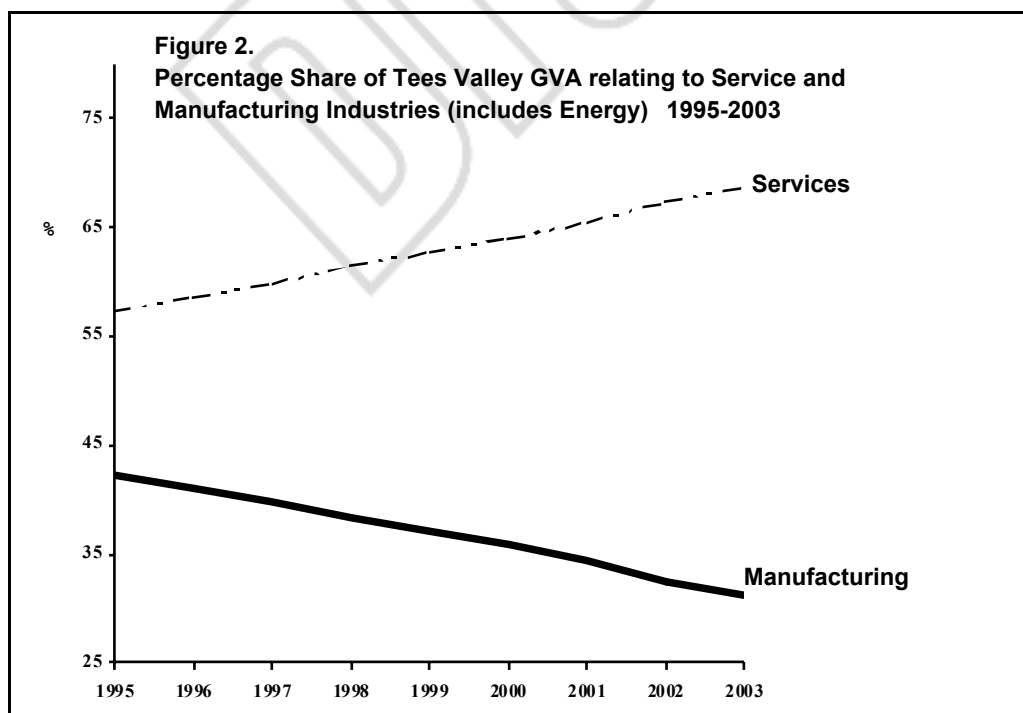
particular, the steep decline in manufacturing employment. As Table 1 below shows, since 1971 over 93,000 manufacturing jobs were lost in the sub-region linked principally to the major rationalisation of the steel industry in the UK.

Table 1 Employment Trend in the Tees Valley

	1971	1981	1991	2001	2004	Change 2004 from 1971
Primary	8,600	9,700	3,500	4,500	4,000	-4,600
Manufacturing Industries	128,000	85,600	60,000	39,300	34,700	-93,300
Construction	21,600	18,300	20,500	15,900	16,200	-5,400
Services	119,300	139,000	159,600	193,100	207,900	88,600
Total	<b>275,600</b>	<b>250,500</b>	<b>243,700</b>	<b>252,800</b>	<b>262,800</b>	<b>-12,800</b>

Source: Census of Employment/ABI

The effect on GVA is clearly shown in Figure 2. The share of total GVA in the Tees Valley made up by manufacturing industries has fallen steadily over the last decade from 42.3 percent in 1995 to 31.2 percent in 2003 (latest data available) whilst at the same time that of services has steadily increased.



Source: ONS

Although in numerical terms much of this loss has been recovered by growth in service industries, particularly in the last decade or so, these new service sector jobs were often in poorer paid industries and often involved higher levels of part-time work.

In terms of employment by major industry groups the 2004 figures for the City Region area are shown below:

Table 2 Employment by Industry

	Tees Valley City Region	North East	Great Britain
Primary Industries	4,400	14,400	387,700
Manufacturing	44,800 (15.4%)	138,300	3,092,100
Construction	17,600 (6.0%)	56,000	1,178,300
Service Industries	225,100 (77.1%)	797,000 (79.3%)	21,366,600 (82.1%)
Includes :			
Distribution, hotels etc	66,400 (22.8%)	226,500 (22.5%)	6,418,500 (24.7%)
Transport & comms	14,700 (5.1%)	45,800	1,544,100
Banking, finance etc	42,500 (14.5%)	(4.6%)	(5.9%)
Public admin	89,000 (30.5%)	152,400 (15.2%)	5,193,500 (20.0%)
Other services	12,500 (4.3%)	321,700 (32.0%)	6,872,300 (26.4%)
		50,600 (5.0%)	1,338,200 (5.1%)
Total	291,900 (100%)	1,005,700 (100%)	26,024,700 (100%)

Source : Annual Business Inquiry (NOMIS)

The figures above show that despite the decline in manufacturing the Tees Valley City Region still has a greater dependency on manufacturing than the national economy. In the service sector the city region's share of employment in banking and financial services employment is 25% lower than the national average whilst that of public administration is about 25% above the national average.

It should not be forgotten that the North East is a net exporter of goods and services contributing 4% of the UK's exports and receiving 2.8% of the country's imports. 58% of international trade in the region is exporting compared to 44% in the UK. The automotive, chemicals and pharmaceuticals industry contributes 70% of the exports of the North East and the chemicals industry is the most productive in the UK with a productivity index of 187 against the UK average of 100.

**Economic Challenge 2 is therefore:**

- i) to continue the rise in employment in the Tees Valley**
- ii) to encourage manufacturing industry to innovate and improve its productivity**
- iii) to develop the service sector particularly financial and business services**

A major factor in the poor economic performance of the Tees Valley is the low level of business formation. Table 3 shows that the city region performs poorly compared to the national average having half the number of companies per 10,000 working age population.

Table 3 Registrations/De-registrations and Stocks per 10,000 working age population 2004/5

	Registrations	De-registrations	Stocks
Tees Valley City Region	24	25	271
North East	28	27	300
Great Britain	50	50	499

Source: SBS/DTI

However not all businesses are registered for VAT – the very smallest businesses which are the most numerous do not reach the turnover qualifying level or operate PAYE schemes. It is estimated that there are between 13000 – 16000 of these microcompanies in the Tees Valley. In addition there is also an informal economy which is difficult to quantify.

Levels of entrepreneurship have been seriously lacking in the Tees Valley City Region with self-employment among the lowest in the country. Despite reaching their highest level in the period 2000 to 2005 only 8.3 percent of people in employment in the area were self-employed in 2005 compared to 8.7 percent regionally and 12.3 percent nationally.

Table 4 Trend in % in Employment who are Self-employed

	2000	2001	2002	2003	2004*	2005*
Tees Valley City Region	7.9	6.8	7.5	6.9	7.1	8.3
North East	8.5	7.6	8.1	7.9	8.2	8.7
Great Britain	11.5	11.6	11.7	12.1	12.1	12.3

*n.a - data not available*

*Source : Annual LFS except \* Annual Population Survey*

Whilst the figures may under represent the true level of new firm formation due to the informal economy and lower costs/turnover in the City Region, there is an urgent need to increase the stock of firms in the area through developing entrepreneurship and encouraging new firm creation. Programmes have been developed by Business Link Tees Valley for example to tackle this problem. **Economic Challenge 3 is to increase the stock of firms in the Tees Valley.**

Gross Disposable Household Income is a measure of the spending power of residents in an area – in other words a measure of the wealth of residents in that area. It comprises the amount of money that households have available for consumption expenditure or saving. In broad terms it includes income from employment, self-employment, house ownership, property income, rents, pensions and social security less taxes paid, social contributions paid and property expenditure.

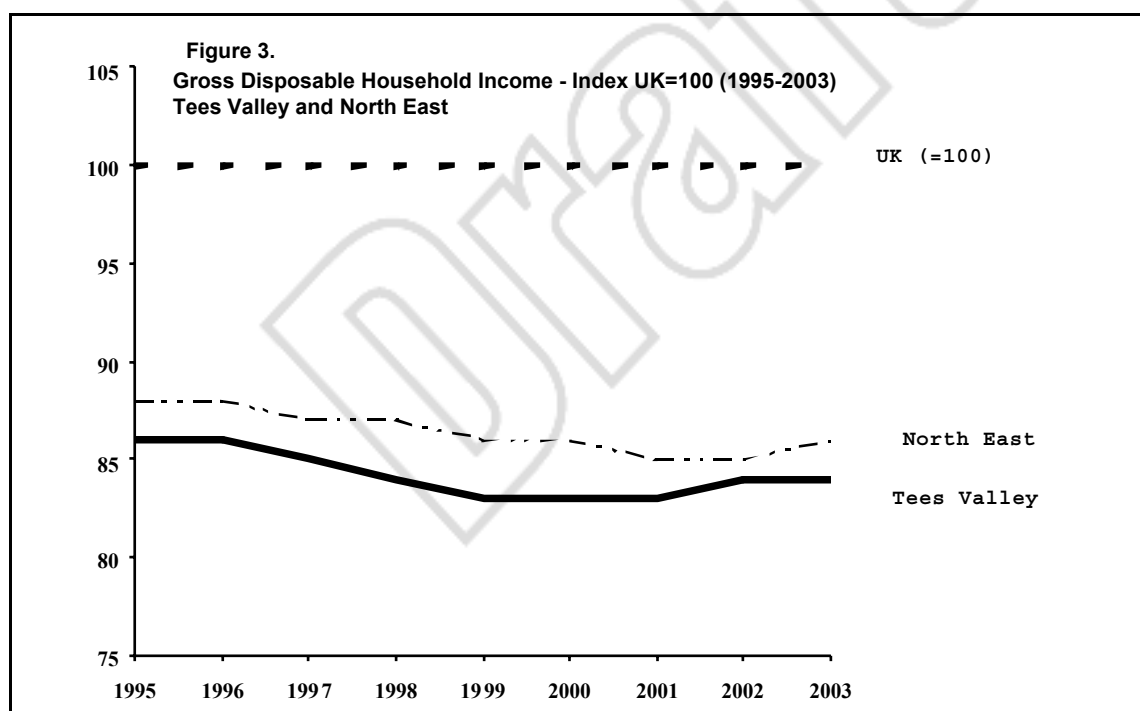
GDHI data for the Tees Valley City Region is not available but sub-regional data is. Headline GDHI in the Tees Valley calculated per head of population was £10,585 in 2003 (the latest data) compared to £10,787 for the North East and £12,637 for the UK as a whole. GDHI per head is best shown by deriving an index where the national average is 100 (see Table 13 and Figure 10) and this shows that not only is the Tees Valley figure 16 percent below the national average but that the gap between the sub-region and national average has widened since 1995.

GDHI in the Tees Valley is in fact the lowest of any similar area in the country and that has been the case in the last decade.

Table 5 Headline Gross Disposable Household Income - average per head of population  
Indexed UK=100

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Tees Valley	86	86	85	84	83	83	83	84	84
North East	88	88	87	87	86	86	85	85	86
United Kingdom	100	100	100	100	100	100	100	100	100

Source :ONS



Source: ONS

One of the reasons for the low household income figures for the Tees Valley is the relatively high proportion of people dependent on income benefits. The latest figures show 19 percent of people of working age received key benefits compared to 13 percent nationally (see Table 6). 30 percent of children in families in the area were in families on benefits compared to 24 percent

nationally and 26 percent of working age families received benefits in the Tees Valley compared to 20 percent nationally.

Table 6 Benefit Claimants 2000-2002 Average

	Working age population receiving key benefits %	Children in families rec. key benefits %	Working age families rec. key benefits %
Tees Valley	19	30	26
Great Britain	13	24	20

1.1. Source : DWP/JSU

In the City Region almost 47,000 people of working age are claiming incapacity benefit. This represents 10.7% of the working age population compared to 7.4% nationally (see table 7)

Table 7 Incapacity Benefit/Severe Disablement Allowance 2005

	Number claiming benefit	% working age population	% claiming over 3 years	Percentage people claiming benefit by age:		
				Age 16-29	Age 30-49	Age over 50
Tees Valley City Region	46,900	10.7	69.3	11.3	41.6	47.3
North East	165,300	10.8	71.0	10.7	38.5	50.8
Great Britain	2,630,200	7.4	67.9	11.4	41.4	47.2

Source: DWP/NOMIS

A reduction in the proportion of people claiming incapacity benefit to the national average would mean a reduction of 14,500 claimants in the Tees Valley City Region.

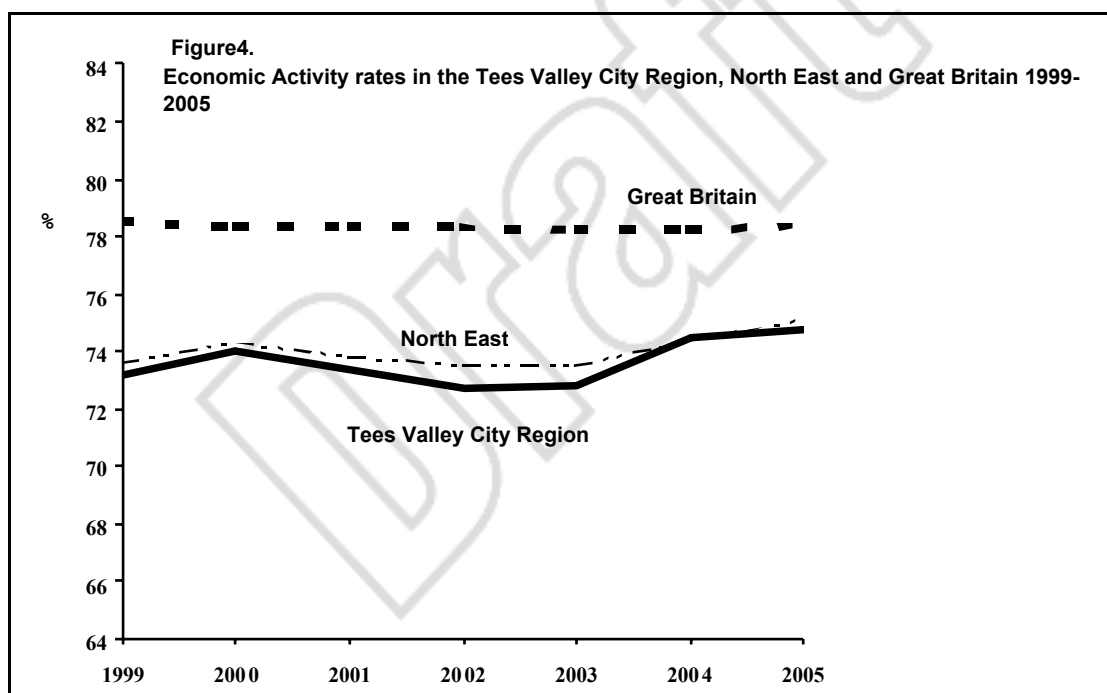


**Economic Challenge 4 is to improve household income and develop less dependency on benefits.**

### 3.2 Economic Performance – the positives

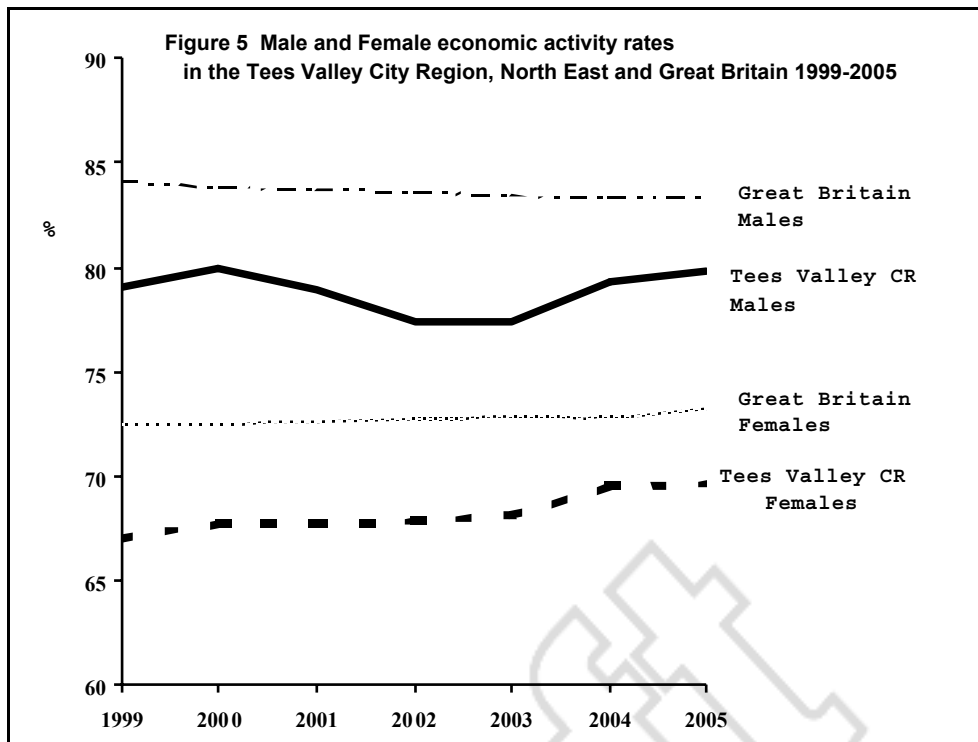
However there are positive signs that the economic performance is improving. First, as we have seen 12,000 jobs have been created in the last 3 years and employment levels are close to 1971 levels. There is room for optimism on economic activity levels.

Economic activity rates have increased from just over 73 percent of people of working age in 1999 to 75 percent in 2005, rising to the regional average and narrowing the gap on those nationally.



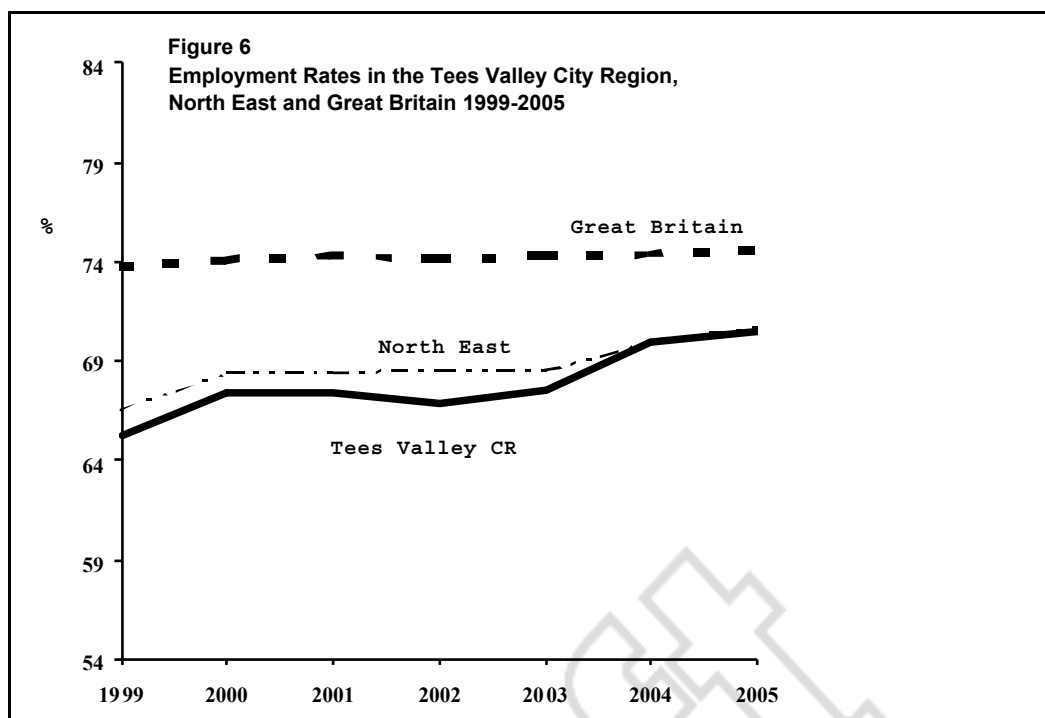
Source: Annual Population Survey/ Labour force survey

This increase has been driven by a much greater increase in female activity rates over the period, compared to male rates. This is directly linked to the previously observed shift of the area's industry base toward the service sector leading to a closing of the gap with national female activity rates, which remained fairly static over the period.



Source: Annual Population Survey/ Labour force survey

Further optimism for the City Region can be derived from the increasing employment rates which have considerably closed the gap on the national average since 1999 and reached those regionally in 2004 and 2005. The proportion of working age people in employment in the sub-region rose from 65.3 percent in 1999 to almost 71 percent by 2005 whereas nationally the rise was more modest from 73.8 percent to 74.6 percent. See Figure 5.



Source: Annual Population Survey/ Labour force survey

Employment rates in the Tees Valley City Region have shown major increases both for men and women since 1999 and the gap between these and national rates has thus narrowed significantly. These are shown in Figure 6.

Increasing the number of people in work has been a consistent focus of the current Government. The concept of 'Welfare-to-Work' has been promoted through initiatives such as the 'New Deals' for Young People, Lone Parents and those who were aged over 25. Each of these were introduced with the aim of assisting these distinct groups back into the labour market. They were later followed by New Deals for 50-Plus, Disabled People and for Partners, supported by economic policies such as the introduction of tax credits and the minimum wage, offering incentives for individuals to participate in the labour market.

Coupled with these initiatives, the achievement of the City Region, in recent years, of getting more people into work shows the success of the area in overcoming the problems of such a massive restructuring of its industrial base. The workforce has a noted reputation for its loyalty, trainability and flexibility and these characteristics have been an important factors in attracting both new jobs and employers to the area.

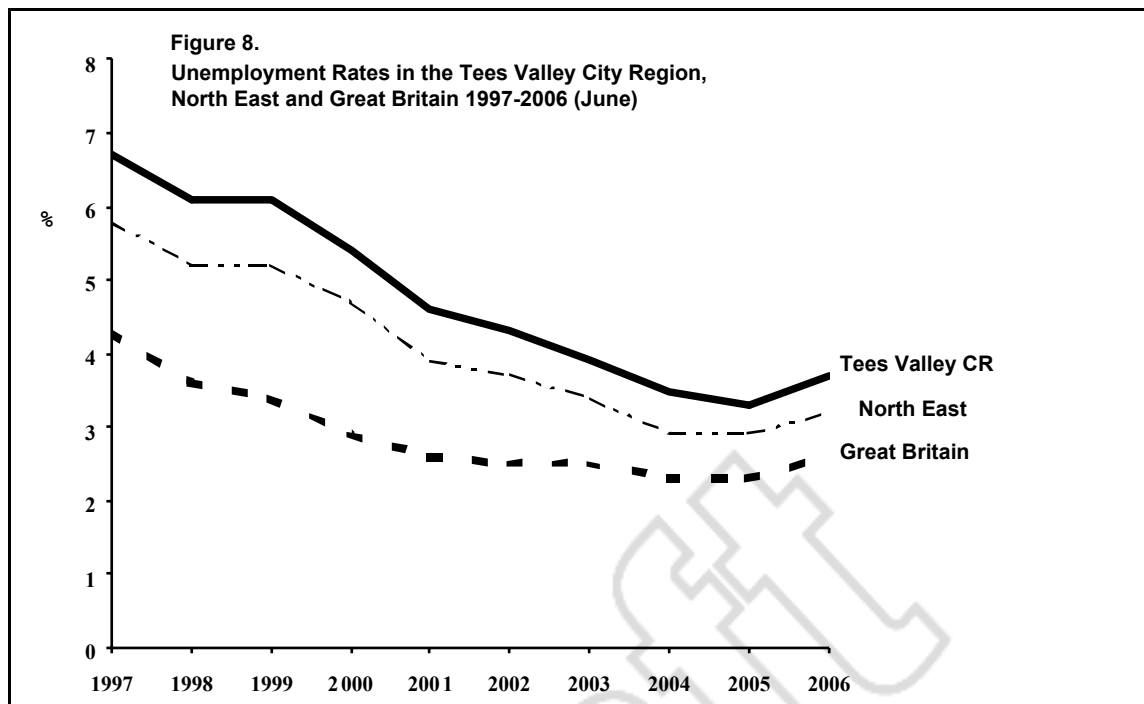


Source: Annual Population Survey/ Labour force survey

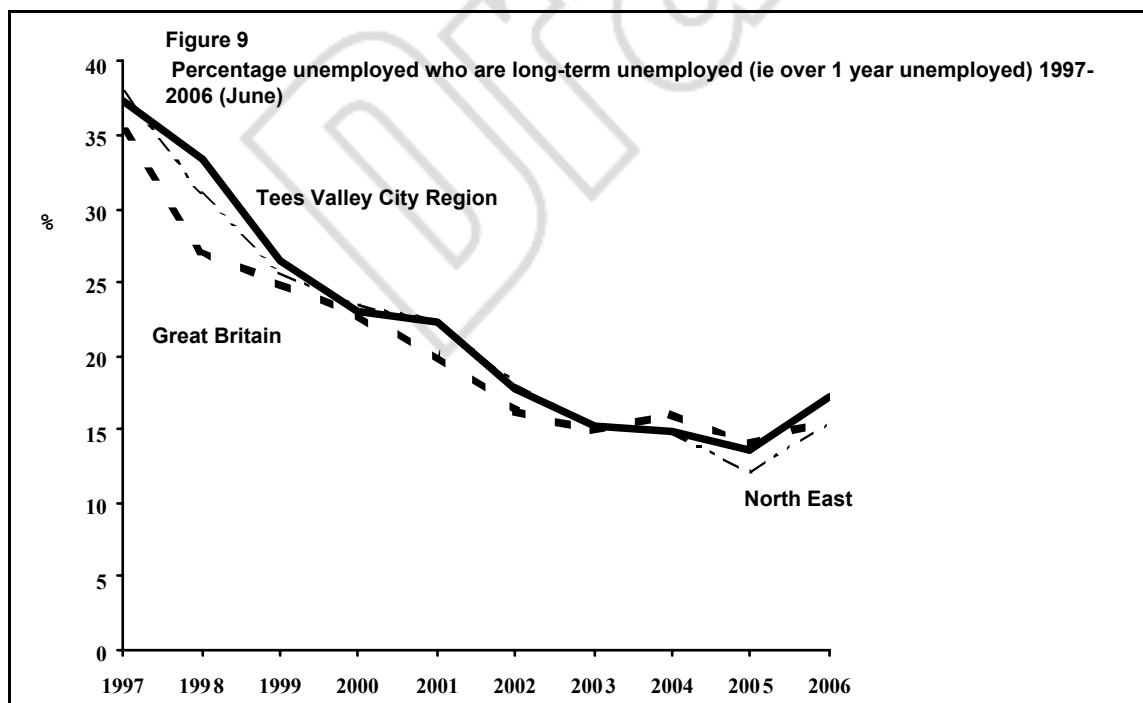
In the mid 1980s claimant count unemployment rates in the Tees Valley area were estimated to be as high as 20 percent of the workforce based on the current methods of calculation. Since consistent data was introduced in 1996/7 unemployment rates have continued to fall and the official claimant count now gives a completely different view. In June 2006 there were only 3.7 percent unemployed in the city region compared to 3.2 percent regionally and 2.6 percent nationally. See figure 7.

At the same time long term unemployment (i.e. the share of unemployed out of work over one year) has been reduced from almost 40 percent to 17 percent for the area (see figure 9).

These trends, however, were reflected regionally and nationally and the City Region has still not reached the lower national average unemployment rate throughout the period. The proportion of long-term unemployment is, also, still above the regional and national average.



Source: ONS/NOMIS



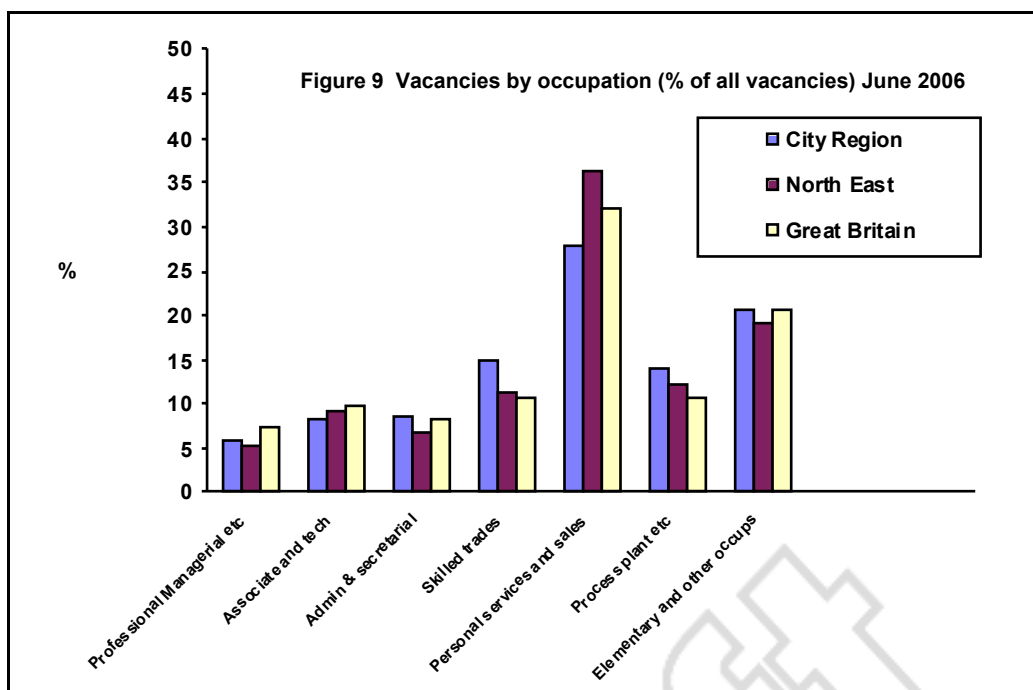
Source: ONS/NOMIS

Despite 16,500 people claiming unemployment benefit in the City Region in June 2006 there were still almost 4,800 vacancies in the area. Table 11 and Figure 9 shows the distribution of vacancies by occupation with the City Region having a higher proportion of vacancies in administration & secretarial, skilled trades and process and plant workers. There is an evidential skill gap that still needs addressing in the Tees Valley City Region as shown in the following section.

Table 8 Vacancies by Occupation as % of all vacancies June 2006

	Total live unfilled vacancies	% vacancies by occupation :						
		Professional Managers & senior etc	Associate & technical	Admin & secretarial	Skilled trades	Personal services & sales	Process, plant & machine ops etc	Elementary and other occupations etc
Tees Valley City Region	4,756	6.0	8.4	8.5	14.8	27.8	13.9	20.5
North East	19,436	5.2	9.1	6.7	11.4	36.2	12.3	19.0
Great Britain	356,368	7.5	9.9	8.4	10.7	32.2	10.6	20.6

Source: NOMIS/ONS



Source: NOMIS/ONS

### Skills and Educational Attainment

A major result of the industrial restructure of the Tees Valley City Region economy is the identification of training and qualifications as an important factor in developing the skills of the local workforce. Table 12 below shows the percentage of people of working age by highest level of qualifications achieved.

Table 12 Level of qualifications of the workforce

	NVQ4 and above	NVQ3	Trade apprenticeships	NVQ2	NVQ1	Other qualifications	With no qualifications
Tees Valley City Region	18.3	14.3	8.1	16.6	17.1	6.1	19.5
Great Britain	25.2	14.7	6.5	15.2	14.6	8.8	15.1

Source: Labour Force Survey

The table indicates that the City Region is performing at or above the national average in terms of qualifications except NVQ4. It is important to the area's

economy that a greater emphasis is placed on upskilling the workforce to obtain NVQ3 and 4 level qualifications.

However there is a large part of the workforce which has no qualification and at 19.5% the city region area is well above the national average of 15.1 percent. There is a need to tackle this problem.

The Learning and Skills Council aims to reduce by at least 40% the number of adults in the workforce in the Tees Valley sub-region who lack an NVQ Level 2 or equivalent qualifications by 2010. Work to reduce the number of school leavers not in education training or work is underway through a range of activities to increase participation and retention of young people most at risk. Further work is needed however.

**Economic Challenge 5 is to continue to increase economic activity and employment rates in the Tees Valley and reduce worklessness.**

**Economic Challenge 6 is to both upskill the workforce to obtain NVQ3/4 qualifications and also reduce the people of working age with no qualifications.**



The table below shows the population trends for the period 1981 to 2001

	1981	1991	2001	2006	2011	2021
<b>Darlington</b>	<b>98,700</b>	<b>99,400</b>	<b>97,900</b>	<b>99,800</b>	<b>100,300</b>	<b>99,300</b>
<b>Hartlepool</b>	<b>94,900</b>	<b>91,100</b>	<b>90,200</b>	<b>89,600</b>	<b>88,100</b>	<b>87,100</b>
<b>M'brough</b>	<b>150,900</b>	<b>144,700</b>	<b>141,200</b>	<b>137,300</b>	<b>134,700</b>	<b>130,000</b>
<b>Redcar and Cleveland</b>	<b>151,000</b>	<b>145,900</b>	<b>139,200</b>	<b>137,200</b>	<b>134,800</b>	<b>131,900</b>
<b>Stockton on Tees</b>	<b>172,900</b>	<b>175,200</b>	<b>183,100</b>	<b>187,100</b>	<b>189,200</b>	<b>187,900</b>
<b>Tees Valley</b>	<b>668,500</b>	<b>656,200</b>	<b>652,200</b>	<b>651,000</b>	<b>647,000</b>	<b>636,200</b>
<b>North East</b>	<b>2,636,000</b>	<b>2,587,000</b>	<b>2,540,000</b>	<b>2,530,000</b>	<b>2,520,000</b>	<b>2,505,000</b>
<b>England and Wales</b>	<b>49,634,000</b>	<b>50,748,000</b>	<b>52,360,000</b>	<b>53,643,000</b>	<b>54,615,000</b>	<b>57,060,000</b>

**Source: TVJSU/ONS**

Regions which are performing successfully in economic terms do not usually suffer from a declining population. Through much of the 1990s, the Tees Valley City Region experienced a significant net migration loss, a little over 2,000 per annum. Since about 1999, there has been a very different picture, with migration averaging a net loss of around 200 per annum. This results from an increase in the number of people coming to the city region. A result of this has been that, after falling for many years, the population of the city region has been rising.

The rise in the number of jobs in recent years has contributed to change in these three key areas that, in turn, have an impact both on the quality of life of for many residents and the area's attraction to outsiders.

- The significant increase in the economic activity rate, (the people in work or seeking work) for TVCR residents, as people are attracted back to the job market by greater job availability
- The substantial increase in the employment rates for residents and a complementary decrease in unemployment where the gap relative to national figures has more than halved since 1999 as the area's residents have gained more opportunity for employment
- The significant decline in net migration losses from around 2,000 per annum in the 1990s to a level close to zero, resulting from more people being attracted to move to the area by the increase in jobs.

Consolidating these changes and continuing to make further improvements, i.e. a yet higher employment rate and potentially a move to net inward migration of population, are central aims with substantial implications for the City Region.

The impact of more people being in work is considerable:

- The lower unemployment rate is very important in improving the confidence and self-esteem of individuals and communities
- Average individual and household incomes will have increased, this is likely to have had a particular impact on deprived areas that had the highest unemployment
- The sharper rise in female employment is likely to have had a particular effect in providing second incomes and thus increasing household incomes in many areas
- These higher household incomes, in combination with changed Government benefits, will have increased family incomes and reduced childhood poverty
- The increase in incomes will contribute to the wealth of the City Region and potentially help reverse the widening gap in the City Region's GVA

### 3.3 The Economic Structure of the Tees Valley

Employment in key industries for the Tees Valley is shown in Table 4 below. Two thirds of all employment in the city region is covered by these economic factors. Total employment in chemicals and related industries in the area is over 13,000 with a similar level from iron and steel and related industries. Together they make up almost 10 percent of total employment.

Table 4 Tees Valley City Region Major Industries (2004 ABI/2003 SIC)

<i>Industry</i>		
Chemicals and related industries	13,400	
Iron & Steel and related	13,500	
Food & Drink and related	8,400	
Construction and related	20,300	
Digital, technology and media industries	6,500	
Tourism/ Leisure/Hotels/Bars etc	26,700	
Education	33,100	
Health	41,000	

Source: Nomis/ABI 2004

Construction related employment remains significant in the City Region with over 20,000 employees but the significance of the structural shift to services is also shown above with a quarter of employees working in the Education and Health sectors in 2004.

Previous studies have also identified other key industry groups which, though not yet major clusters, have potential for development in the City Region. These include digital, technology and media industries (6,500 employees) and tourism related industries (almost 27,000 employees). Other smaller industries which may develop in the future include links to civil engineering, bioscience and renewable energy.

The economic analysis report accompanying the business case sets out a more detailed analysis of the industry structure of the Tees Valley. It is important to recognise that the current industrial structure forms the economic assets on which the Tees Valley has to build to improve its economic performance.

### 3.4 The Economic Challenges Facing the City Region

The economic challenges facing the City Region are:

- To grow the Tees Valley economy faster than the UK economy to narrow the gap in GVA
- To continue the rise in employment in the Tees Valley, encourage manufacturing industry to innovate and improve its productivity, and develop the service economy particularly in financial and business services
- To increase the stock of businesses in the Tees Valley
- To increase economic activity and reduce worklessness
- To improve household income and develop less dependency on benefits
- To upskill the workforce to obtain NVQ3 and 4 level qualifications but also reduce the people of working age with no qualifications

#### 4. OUR FORWARD STRATEGY

The forward strategy for improving the economic performance of the Tees Valley is based upon two fundamental principles:

- a) First we need to build on the economic assets of the city region. These fundamentally are our world class chemicals industry and research base and its potential for future development both for chemicals and as a national centre for energy development, the development of our port as the second largest in the UK, the development of Durham Tees Valley Airport, our potential as a logistics hub, exploiting the research potential of our universities and taking advantage of Defence Estates proposals to double the size of Catterick Garrison.
- b) Secondly, we need to improve the urban competitiveness and liveability of the Tees Valley through upgrading the business environment, skill base and physical, social and cultural infrastructures, so as to attract and retain high growth, innovation and profitable firms, and an educated, creative, entrepreneurial workforce, thereby enabling them to achieve a high rate of productivity, high employment rate, high wages, high GDP per capita and low levels of income inequality and social exclusion.

In relation to improving urban competitiveness we have a long way to go. We need to:

- Regenerate the core of our urban areas and develop underutilised vacant and environmentally poor land in central Hartlepool and along both banks of the Tees from Stockton through Middlesbrough to South Bank.
- Provide city scale activities in Stockton/Middlesbrough and improve the quality of life in our main town centres of Darlington, Hartlepool and Redcar.
- Provide a modern competitive transport infrastructure which improves both internal and external connectivity.
- Renew our ageing housing stock which caters for the needs of the early part of the 20th Century rather than the needs of the 21st.

- Tackle problems of worklessness, lack of skills and social deprivation.
- Create an environment which enhances the stock of business and encourages entrepreneurship.
- Reduce the social polarisation of the Tees Valley by providing more opportunities for new housing in the centres of our main towns.
- Improve the liveability of the Tees Valley by improving our environment, cultural and retail facilities.
- Developing in the long term a viable private sector commercial property market without the need for public sector support
- Making the most of our economic opportunities presented by our transport connections to other city regions
- Ensure that the towns of County Durham and North Yorkshire can actively benefit from the economic development and regeneration of the Tees Valley.

#### 4.1 Developing our Assets

Our forward strategy is to build on our economic strengths. These are:

- Developing further our world class chemicals industry and research base which is the second largest in Western Europe
- Realising the potential for an energy economy based on renewable energy and hydrogen
- Developing the port (Teesport) which is the second largest port in terms of volume in the UK and the seventh in Western Europe

- Realising the economic potential of Durham Tees Valley Airport as an economic driver
- Related to the port and airport developing the Tees Valley as a logistics hub for the North East and Yorkshire and the Humber
- Developing a new cluster around the University of Teesside's world class reputation in digital/multi-media and the University of Durham's research activities at Durham City, NetPark and Stockton.
- The doubling of the size of Catterick Garrison in North Yorkshire
- Develop the potential for the river as an economic asset

The following sections set out in more detail as to how we will seek to take advantage of the opportunities afforded by our assets.

#### 4.1.1 Chemicals

The chemicals and process industries are absolutely critical to the North East economy and to its successful development and prosperity. There are over 200 individual chemical, pharmaceutical, speciality and biotechnology companies operating in the region producing a total of £8.8 billion GDP. It is important to recognise that there are close links with the energy/low carbon industry, Teesport and the world class engineering design industry in the Tees Valley.

The chemicals industry is the largest industry in the Tees Valley. It employs 13,400 people, about half in petrochemicals and the remainder in fine and speciality chemicals. It is largely based on three sites, Wilton, Billingham and North Tees/Seal Sands. The petrochemical cluster is the largest integrated chemical complex in the UK in terms of manufacturing capacity and the second largest in Western Europe after Rotterdam. It contributes gross domestic output of £1.6 billion and £3.5 billion to the local and national economies respectively. It supports 69,000 jobs in the UK, of which 20,000 are in the Tees Valley. The petrochemical cluster is based on the olefins, aromatics and ammonia derivative chains. Feedstock is provided by the CATS pipeline from the North Sea gas fields, which provides 20% of the UK's oil and gas. At the terminal the gas is processed into natural gas for transmission to the national grid or fractionated into butane, propane and condensate which forms the basic feedstock for the petrochemical industry. The supply of feedstock from the North Sea will last for at least 50 years.

The competitiveness of the industry has been examined by Arthur D Little in 2004. They concluded that the industry was competitive – whilst Antwerp and Rotterdam score better as access to markets, Teesside

scores better on labour costs and productivity. The petrochemical industry is a true cluster in that the product from one plant provides the raw material for another plant. For these reasons major investments in the future will come from companies wanting to fill gaps in the integrated complex which forms the Teesside chemistry set. Hence it is vital that the key industry leaders are heavily involved in directing the work of the North East Process Industries Cluster (NEPIC).

The area also contains a significant speciality chemical and biotechnology sector primarily based at Billingham which has significant potential for development.

The table below shows the investment which has taken place in the chemicals industry in the last 3 years. It shows the commitment from major international companies to the development of the industry in the Tees Valley. The upturn in chemicals output and investment that has occurred is hugely welcome but we need to remain a competitive location and support is needed where there are strategic investments and opportunities for integration with competitive energy/waste investment which will benefit both.

Advansa – Major PTA debottleneck, Wilton	30m
Avecia Biologics – new manufacturing/lab facilities, Billingham	70m
Biofuels Corporation – world's largest biodiesel facility, Seal Sands	80m
BOC – UK's largest hydrogen plant supply H2 and steam to Huntsman	100m
Coebio3 – new fermentation units, Wilton	2m
Degussa – utility plant upgrades, Seal Sands	2m
Huntsman – low density polyethylene plant and aromatics refurbishment	200m
Huntsman Tioxide – upgrade Billingham and Greatham works	65m
Invista – non boric acid upgrade, Wilton	40m
Lunabeck Pharmaceuticals – upgrade, Seal Sands	N/k



Sembcorp – new wood burning power unit, Wilton	60m
Sembcorp – gas turbine unit, Wilton	25m
CPI – national Industrial Biotechnology facility - Wilton	7m
John Baarola – tomato farm Billingham from steam/CO2 from Terra plant	12m
	£693m

Source: NEPIC

The area contains the Wilton Centre which is the largest process industrial research centre in the UK providing 500,000 sq ft of laboratories and containing 40 firms all involved in innovation, research and new product development in the process industries. Within the Wilton Centre is the Centre for Process Innovation. Set up by One NorthEast as part of its Strategy for Success programme, the Centre for Process Innovation is a UK wide resource to stimulate and drive innovation within the process industries in the areas of advanced processing and manufacturing, fuel cell applications and the development of functional materials. In addition, CPI is now the home of the £6.5m National Industrial Biotechnology Facility which will use Manchester and York universities' world leading research to create for manufacture at an industrial scale fine chemicals and pharmaceutical products using biological enzymes. CPI is also the hub for the National Particulates Network promoting national capability in particulate and liquid nanotechnology. We therefore have the innovation capacity to improve production processes and develop new products.

One NorthEast has set up the NE Process Industries Cluster Group comprising 200 companies. It work is led by a leadership group comprising the key industry leaders in the North East. It has set a strategic goal of providing 50% growth in GDP in the process industries over the next 10 years which equates to an increase of £4.5 bn in constant money. NEPIC plans to achieve a £13.3 bn GDP in the process industries at constant money by 2015 as follows:

	2005	2015
Pharmaceuticals	£2.8 billion	£3.3 billion
Speciality chemicals	£1.8 billion	£2.3 billion
Base chemicals	£3.5 billion	£6.5 billion
Bioprocessing	£0.7 billion	£1.2 billion
	£8.8 billion	£13.3 billion

Most of the base chemicals growth and part of the growth in the other 3 sectors will be in the Tees Valley. NEPIC and ONE are already working on new projects totalling £4.5 billion and the NEPIC GDP team have identified another £2.5 billion of other investment projects. The role of CPI will be particularly important in attracting and developing bioprocessing.

The NEPIC GDP team is chaired by John O'Neill from Huntsman. Together with other industry leaders this group will:

- Identifying the investment, research and technology and business projects that will fill the gap and that should receive industrial and public support
- Engage with the CPI and other centres of excellence in the region to specifically focus on major new technologies that could provide significant GDP
- Focus regional resources from the NEPIC core team, One NorthEast and specialists from member company resources on to specific GDP development projects and mobilise the resources needed to make the projects happen

The involvement of the industry leaders in NEPIC is vital if the Tees Valley is going to attract the new investment in chemicals.

NEPIC also has other groups of industry leaders involved in:

- Improving productivity with a target of delivering £400m/year productivity gains to members of NEPIC
- Expanding targeted activities in the adult skills and social education to deliver a better trained workforce across all sectors

- Establishing a greater understanding of region, industry and company capability enabling companies to find and fulfil new business opportunities
- Creating collaboration in innovation, research and development

**DTI is already heavily involved in the work of NEPIC and we ask that this continue in order to help us attract new investment to the Tees Valley.**

One of the critical competitive factors which make the area attractive is the ability of the Wilton and the Billingham sites to provide services in terms of water and energy particularly cheap electricity. Chemical production is a high energy process and low energy costs are vital to the continued success of the industry. Wilton has all its energy needs serviced by its own power plant and utilities are provided by Sembcorp. At Billingham, Terra performs a similar service. There are 72 hectares of land left at Wilton and it is possible that with the £250m ECCO Newsprint Paper Recycling Plant, the upgrader project and a bioethanol plant, Wilton could be full in five years.

One of the problems with the North Tees and Seal Sands sites is that companies wishing to set up there have to build their own combined heat and power plants to obtain a relatively cheap, secure and competitive supply of energy. There are also issues concerning treating effluent. At Wilton all these facilities are provided. **It is important to the future development of the area that ONE, NEPIC and Tees Valley Regeneration work with the landowners to examine the feasibility of providing an integrated energy and effluent infrastructure to service these key sites at North Tees/Seal Sands.**

A second major constraint on the development of the chemical and energy industry is skill shortages. NEPIC estimate that if the target of £13.8 billion is to be reached there is a requirement for 8000 new jobs at graduate/technician level over the next 5 years. NEPIC's demographic data shows that the average age of employees is 53 whilst the average age of contract engineers for overhauls is 56. This produces an additional replacement demand for some 4000 graduate/technical staff over the next 5 years giving a total of 12,000. At the same time as a major demand is generated, the number of students seeking appropriate science based apprenticeships, studentships and graduate programmes is declining and the science and engineering course provision is reducing both nationally and local.

Already there is a skill shortage problem which will become increasingly severe and is compounded by the requirement of the energy companies who require staff with similar skills. This process is leading to a significant recruitment chum and also to companies supplementing the workforce with tradesmen and process staff from abroad.

NEPIC and the industry are working with Cogent (the main sector skills council) and ONE and LSC to deliver a number of key programmes to improve the skills base of the process industry in the region and to attract young people to the sector. The industry itself has developed 25 Tees Valley Production Technician Studentships with local firms and Teesside Training and Enterprise.

However, there are two fundamental problems:

- a) The approach of the sector skills council Cogent is a national one attempting to meet national needs on a long term basis through a national sector skills agreement and a national skills academy;
- b) Learning and Skills Council products are developed to a national agenda and concentrate on NVQ Level 2. The chemical/process industries need Level 3 qualifications which are not a priority of the LSC and the national products do not readily meet the needs of the industry.

Consequently the industry receives little practical help in solving its skill shortages.

**Our main ask of Government is therefore for national officers from Cogent, LSC, DFES, DTI to join a high level group drawn from NEPIC, service leaders from the industry, ONE, the regional LSC and the Tees Valley JSU to:**

- a) Investigate the current situation with regard to needs and provision to develop an appropriate strategy;**
- b) Conduct a comprehensive survey of Tees Valley company needs, future developments impacting on these and the status of current and predicted future provision (apprenticeships, foundation degrees and modular programmes) to produce recommendations which will meet the skills needs of the industry in the Tees Valley);**

- c) Establish suitable pilot programmes as a first step to implementing the overall strategy like for example meeting the need for maintenance engineers for instrumentation and production technicians to supplement the existing Tees Valley Production Technician Studentship.**

One of the key conclusions of the Northern Way work is that LSC national programmes do not meet the needs of the North of England because they do not concentrate on NVQ level 3 or 4 skills. This would be a practical project for national officers from those agencies to understand better the need for the regional LSC to have more freedoms and flexibilities if they are effectively to work with the private sector to meet the skills needs of the future. In the case of chemicals and energy the ability of the Tees Valley to improve its economic performance in these key world class industries will be hampered unless Government works with the industry to resolve this major constraining factor on future growth.

#### **4.1.2 Energy**

There is a close relationship between the chemical industry and the energy industry. First both use the same feedstock and energy is a major cost in the production of petrochemicals. Both industries depend on similar skill sets and require support from the world class architectural/engineering design companies in the Tees Valley. The Tees Valley is a leading location in Europe developing not only an integrated world class chemical and energy industry but are using that combination to create an area of expertise in the development of low carbon power generation and creating market acceptability for new products.

##### **a) The potential for green fossil fuels**

Progressive Energy has plans to build an 800 megawatt coal gasification plant with carbon capture and storage. The investment is a 1.5 billion dollars investment. It will handle 2 million tonnes a year of coal and petroleum coke. Carbon dioxide produced by the plant would be transferred into underground reservoirs in which it is stored indefinitely or it can be injected into difficult to extract oil reserves which can then be used as a feedstock or for energy use. It is estimated that there are some 200 million tonnes of incremental oil in the North Sea which could be extracted through carbon dioxide injection over 20 years. The project would also produce 40 tonnes/hr of hydrogen to supplement the 200 tonnes/day of hydrogen that is currently produced in the Tees Valley and could therefore make a real contribution to the development of the hydrogen economy. The project would also reduce CO2 emissions in the UK by 1% and create

170 operational jobs. The project is commercially viable in its own right on today's electricity and CO2 prices.

**A key issue is that the long term price of CO2 is uncertain because the EU Emissions Trading Scheme is completely undefined after 2012. This project needs two pieces of support from the UK Government in order to proceed: (1) – formal recognition that CO2 captured and stored in this way is eligible to be treated as a CO2 reduction under the Emissions Trading Scheme, and (2) a mechanism for putting a floor under the CO2 selling price post 2012 during the payback period of the project.**

There is a separate project to build a heavy crude upgrader (HCU) at a cost of about 2 billion dollars which is likely to be operational on a similar timescale to the Progressive Energy Project (viz. coming on stream in about 2010). The project is of strategic importance to the UK because it changes the timeline for the UK becoming a net importer of crude oil. Significant funding is being sought from DTI. There is a double link between this HCU project and PE project. Firstly the HCU produces an asphaltene stream which can be used as a feedstock to displace some of the coal and pet coke consumed by the PE plant. Secondly, the HCU can consume hydrogen from PE's plant as a feedstock for its hydrocracker. As an alternative, given the plans for developing a large scale hydrogen economy in the Tees Valley which stretches well beyond industrial use of hydrogen (and depending on decisions about levels of gasifier spareage) the Tees Valley may have both the HCU and the PE projects providing hydrogen into the Tees Valley system. The environmental footprint of the HCU project therefore depends on its position as a feedstock supplier into PE's plant, the way in which we link it into the hydrogen economy in the Tees Valley, and longer term plans for CO2 sequestration. The main strategic importance of the project is that it underpins the existing petrochemicals industry here in the Tees Valley through the securing of feedstock.

There are also plans for two LNG plants on the Tees – one by Conoco Phillips and one by Excelerate. At a time when gas prices are high and the chemical industry here is threatened by gas shortages, these projects provide an extra level of security. It can also be argued that of the existing fossil fuels, the lowest carbon fuel is natural gas.

In summary the above projects are all relevant to supporting the petrochemicals industry and contributing to low carbon power generation in the North East and beyond. They represent technology that is available today and which can be used over the next few decades whilst some of



the greener renewable technologies are brought to commercialisation. The PE project needs Treasury support. The HCU project needs DTI funding support. The Excelerate project needs quick planning approval. During their construction phase, these projects will place significant demands on the existing skilled labour pool which adds to the importance of tackling skill shortages.

**We are therefore seeking support from DTI and Treasury to help provide the financial and legal framework that enable these two schemes essential to the long term development of the petrochemical industry and the development of the hydrogen economy to go ahead.**

## **b) The Hydrogen Economy**

The basis of the new energy economy in Tees Valley is the combination of extensive energy management experience and skills that exist together with the outstanding physical infrastructure opportunities. The key skills relate to high tech control systems, pressure vessel specification and design, fabrication, leading edge materials development, and quality R&D and training facilities. The existing steel and chemical industries provide the foundation for this human resource; they also provide the physical infrastructure, which includes extensive hydrogen generation (75,000 tonnes per year), vast underground hydrogen storage (1,000 tonnes) and a 30km hydrogen pipeline network. In addition they provide available industrial sites, ranging from large scale industrial and R&D expansion capacity at Wilton Centre and Wilton International, (which have the benefit of a hydrogen and steam networks, high safety and security systems, pilot plant facilities and high quality office based research facilities) through to available brownfield riverside sites with high capacity grid connections.

There is a growing commercial interest in the Tees Valley as a location for developing and deploying technology related to a hydrogen economy to utilise the economic factors described above. There is significant potential to generate green hydrogen. The three main sources of green hydrogen are from coal (the PE project – see above), from electrolysis using surplus wind electricity and from gasification of biomass.

The hydrogen economy is a long term development. The main commercial benefits are expected to flow over a period of decades but there is a general expectation that the main benefits will accrue in those areas that have pioneered the development of a hydrogen economy and got involved in the early stages of the hydrogen revolution. The challenge is to develop the demand side which primarily is concerned with

developing fuel cell technology and which is being led by CPI through its fuel cell application facility. CPI is working with public bodies and the private industrial commercial and development sectors identifying practical uses and resolving installation issues. Two development and testing labs are in place. We are also using projects in the Tees Valley to test products. For example, Renew Tees Valley and CPI are working with Tees Valley Regeneration to develop a cost effective way of providing renewable electricity using a range of technologies including hydrogen fuel cell technology to the Middlehaven development in Middlesbrough. The Tees Valley can be a proving ground or test bed for projects. We have the organisational means to deliver, the skills, experience and the sites and to use these projects to showcase the benefits and to demonstrate market possibilities. Redcar and Cleveland BC are already developing a number of showcase projects.

A key plank of our proposals to develop the hydrogen economy is the Tees Valley 2010 projects. Renew Tees Valley and CPI are submitting a bid of 100m euros from the 3 billion euros European Union Framework 7 budget for hydrogen economy development. This bid will seek funding for green hydrogen regeneration but also the use of hydrogen in the community. If successful it will provide real resources to develop the hydrogen economy in the Tees Valley.

### **c) Liquid Biofuels**

The Tees Valley is attracting a huge amount of interest in liquid biofuels plants. The world's largest biodiesel production facility has successfully started up in the Tees Valley. The company has announced its intention to build a second plant whilst several other companies have also expressed an interest in building a large biodiesel plant here. A total of seven companies have expressed an interest in building large scale bioethanol plants here. Biodiesel plants and bioethanol plants typically employ 60-70 people, with the former costing around £35m to build and the latter around 100 m dollars. The North East Biofuels cluster group covers the entire supply chain for biodiesel and for bioethanol, from the agricultural end and agricultural supplies end through farmer-owned companies and on to the industrial processing plants, downstream blending, utilities and import/export facilities.

The overall size of the opportunity against a 5% road transport fuel obligation is roughly 1 million te/yr of pure bioethanol plus 1 million te/yr of pure biodiesel which translates into 4 or 5 large plants of each type. The environmental benefit is significant since approximately 1/4 of UK CO<sub>2</sub>



emissions are derived from road transport. There is therefore a strong link to the clean transport agenda. There is an additional opportunity in supplying the power generation industry in winter. There are compelling reasons for building plants of this type in the Tees Valley, linked to the indigenous petrochemical industry here and the port facilities, the storage facilities and an existing strong commercial position to transport fuel retailing. A credible expectation is that the Tees Valley will see one further biodiesel plant and two large bioethanol plants being built.

The economies of biodiesel and bioethanol production are borderline at the moment but set to become very attractive in the future as the UK government mandates a 5% bio content in all road transport fuels and then raises the mandated level further.

There is a window of opportunity for first generation biodiesel and bioethanol plants which are based on feedstocks whose alternative use is food. It is expected that the second generation of plants will use non-food feedstocks for example lingo-cellulosic feedstocks. It is important that we get that second generation technology to come here. A number of companies who are active in the development of such technology have shown specific interest in the Tees Valley. We should expect that these will require higher levels of public sector support.

There is a strong case for building an oil seed crusher plant in the Tees Valley, which would draw in feedstock from as far afield as the Humber and the Scottish borders. This project would therefore have major benefits to the farmers of North Yorkshire by providing a market for their crops. One of the drivers is agricultural jobs, using home grown crops to displace imported vegetable oils. A second driver is that it has been shown conclusively that a 94% reduction in CO<sub>2</sub> is achieved when you compare locally produced biodiesel from locally grown crops with conventional mineral diesel. The oilseed crusher plant is the missing link in the local supply chain. As a £40m investment linked to 50 jobs, the investors are seeking to raise £4m from the public sector to manage perceived investor risk.

**On the basis of these investments the Tees Valley will become the largest biofuel location in the UK and one of the largest in Europe.**

#### **d) Solid Biomass**

The UK's largest biomass fed power station, Wilton 10, is currently under construction at a cost of £60 million, and is due to start up in mid 2007. The strategic importance of this apart from its sheer scale and profile is that it is causing a huge biomass supply chain to be created in the region. For example, the UK's largest dedicated wood recycling facility is now being built on the Wilton site at a cost of £4m. These two between them represent the creation of about 50 jobs. Contracts have been established to supply large volumes of small round wood and short rotation coppice willow respectively into Wilton 10. The project is also triggering the creation of biomass import facilities on the Tees. There is widespread interest in the supply chain because a great many companies are developing novel technologies for converting biomass into electricity and heat. The existence of a large biomass supply chain facilitates the deployment of this technology on a wide scale in North East England.

Given the problem of the large area of derelict and underutilised land in the Tees Valley, there is considerable potential to improve the environment by growing biomass woodland on these spaces which would have the twin objectives of providing a crop and of greening a derelict site. A good example would be the blue/green heart project in Stockton/Middlesbrough

There is a strong link to the whole rural economic development agenda. Taken together with clean coal technology and the potential import of additional what for bioethanol, there is an impact on the required solids handling capability of Teesport. The natural hinterland for feedstock supply extends into Yorkshire.

There are opportunities for biomass CHP in modern large scale developments but public sector funding is likely to be required in the early feasibility stage of such proposals. The UK is also starting to consider the installation of biomass fed boilers in individual domestic dwellings as happens elsewhere in Europe. If this takes off then significant numbers of installation jobs are likely to be created in the region as well.

#### **e) Wind**

The major opportunity is in the manufacturing and service side associated with offshore wind. We know that the size of the prize for North East

England is 25,000 jobs, linked to a projected European spend of well over £30 billion. We have a great many companies in the region who have got the capability of diversifying into component manufacture in support of wind turbine manufacture, but they are currently engaged in engineering and other offshore activities. The key to pulling it all together is to get a major turbine OEM into the Tees Valley. The offshore sector is more attractive than the onshore sector because (1) planning permission is expected generally in Europe to be easier, (2) it is projected to grow faster, and (3) as a relatively new technology it is still at the stage where technical/technology backup is highly valued. That backup is available in the Tees Valley. It is to be expected that opportunities in onshore wind will follow through in due course once large scale offshore wind manufacturing occurs in the Tees Valley. In view of the size of the prize in terms of jobs, many other European locations are also trying to attract in these same large turbine manufacturers. The North East region needs to think creatively about everything it can do to attract one of these companies to the Tees Valley.

The selling points that the Tees Valley has in offshore wind are: (1) we are home to the MPI Resolution ship which offers a unique service for installing offshore wind turbines inside short weather windows; (2) we have the second largest port in the UK – relevant when it comes to exporting wind turbine blades to continental Europe and beyond especially as those blades reach lengths of 70 metres and become too long for road transport; (3) a strong local skill base in marinising equipment to ensure that it will run successfully and reliably offshore.

Several large-scale windfarm development projects are currently being progressed. Apart from their relevance to meeting the region's targets for renewable electricity generation, they also serve to make the region more attractive to prospective turbine manufacturers – at least in terms of image. The most important of these is the offshore Redcar scheme.

In summary, the key requirement is for all parties to pull together to attract a wind turbine OEM into the Tees Valley before the offshore wind opportunity is picked up in Germany or Denmark. The next step – or possibly a parallel step – is to provide support to local engineering companies seeking to diversify into wind turbine component supply and servicing. This relates to both equipment and skills, and links strongly to broader initiatives to underpin the existing engineering, manufacturing and offshore bases.

## **f) Industrial Symbiosis (IS)**

A highly successful 3 year Tees Valley IS project (originally funded by Renew Tees Valley) has now been absorbed into a regional-cum-national IS programme. The basic concept here is to find ways of converting one factory's waste into another factory's feedstock. The end result is to save (quite often) seven figure sums on the feedstock costs of an operation or on the waste disposal costs of an operation whilst at the same time diverting significant tonnages of material from landfill. Where investment is required, it tends to be picked up by the private sector companies involved on a normal commercial basis. We have also found that the level of job creation is high. The national programme is now running on a basis which ultimately uses recycled landfill taxes, allowing it to become self sustaining. Given the size of the industrial base in the Tees Valley and the ever increasing cost of waste disposal, the economic importance of IS is set to grow. The University of Teesside through its CLEMANCE project has played a key role in this work and we need to explore how we can develop this investment further.

## **g) EcoPark**

The basic idea with an EcoPark is that a number of recycling and waste management companies cluster together in one location for mutual benefit – usually clustered around one large anchor tenant – and serve as a natural collection and separation point for a variety of waste streams. It is important that a facility like that is located in a place where it will be considered to be accessible but not a nuisance to local communities. It is difficult to find acceptable sites. In fact, existing waste management companies are often prevented from expanding. A really large EcoPark is likely to rely on heavy duty transport links and to have its own on-site energy generation facility based on energy from waste. There are several potential proposals under active consideration at the moment, in Stockton and South Bank.

The driving force for some of the companies likely to locate on an EcoPark often lies in new legislation such as the WEEE legislation, the End of Life Vehicle legislation (with a requirement to recover 85% of materials), the Animal Byproducts legislation, the packaging directive, new legislation regarding tyres, and so on. These are creating the conditions under which recycling becomes economically viable. The larger facilities are likely to cost a few tens of million pounds to build.

The social and economic impact of these developments is large because recycling companies tend to be labour intensive rather than capital intensive. The EcoParks themselves also serve as ideal new uses for derelict land. The range of skills involved is wide. One end of the spectrum provides an ideal return point for people seeking to re-enter the world of work.

#### **h) R&D facilities**

It is important to ensure that a large proportion of R&D is actually undertaken in the region. The Welding Institute are currently constructing their REMTEC facility – Renewable Energy Manufacturing Technology Centre – to develop, validate and demonstrate innovative fabrication solutions for new and renewable energy sources notably in large scale wind technology and the development of a hydrogen economy. A major company is also looking to set up its European gas engine and renewable energy R&D facility in the Tees Valley.

#### **i) The Ask for Government**

The activity and evidence above shows that the Tees Valley has the potential to become a major location for the energy industry in the UK and Europe and can make a major contribution to the national economy. Under the auspices of the Tees Valley Unlimited we want to set up a strategy group comprising DTI, ONE, GONE, Renew Tees Valley, CPI, NEPIC, Tees Valley Regeneration, Tees Valley JSU, Tees Valley Engineering Partnership, Redcar and Cleveland BC, Stockton on Tees BC and industry leaders to develop a strategy and programme to develop the renewable energy/low carbon industry in the Tees Valley to ensure that the economic potential of the Tees Valley is realised. The components of the strategy are:

- a) progressing the Progressive Energy, Heavy Crude Oil Upgrader project**
- b) developing the hydrogen economy**
- c) developing the full potential for liquid biofuels and ensure the agricultural hinterland of the Tees Valley can benefit**
- d) developing the potential for biomass**
- e) developing the potential for industrial symbiosis and ecoparks**
- f) identifying how the engineering sector can benefit from wind turbine production**

**We want Government to recognise the potential we have in the Tees Valley for a renewable energy/low carbon industry and recognise the national benefit that can be gained from promoting and assisting the Tees Valley to develop these proposals. In particular we are seeking DTI support in policy and financial terms for the energising projects (e.g. Progressive Energy, LNG and the Heavy Crude Upgrader), continued support for the development of the Centre for Process Innovation into a major national centre and backing for the Tees Energy 2010 Framework 7 application.**

#### **4.1.4 The engineering sector**

The Tees Valley City Region accommodates a wide range of engineering companies many of whom are in the supply chain for the chemical, energy and steel sectors. Many have a world class expertise in plant design, construction and maintenance. The demand for engineering capability to deal with the major new investments proposed will be high in addition to the normal plant maintenance and overhaul services these companies provide to the industry in their own right. The Tees Valley Engineering Partnership has been set up by the local companies and supported by One NorthEast through the Tees Valley Partnership to identify how it can expand to provide higher level skills, increase the use of innovation and new technology, respond to the expected growth in chemicals, and energy industry and become more globally competitive. These companies are an essential part of the supply chain servicing the chemicals and energy industry and their future development is important in support of the expansion plans for chemicals and energy.

#### **4.1.5 Teesport**

Teesport is the second largest port by volume in the UK and the seventh largest in Western Europe. It is a key component in the North East's transport and economic infrastructure and plays a vital part in supporting the competitiveness of the petrochemicals, oil, gas and energy industry in the Tees Valley. The port handles 6000 vessels and 53 million tonnes of cargo per annum. Of the 53 million tonnes handled, 67% constitutes exports and 33% imports. Oil and gas based chemicals constitute 29.7m tonnes, iron ore imports 5.6m tonnes, coal imports 4.6m tonnes and



intermediate and finished steel exports 1.1m tonnes. It employs 2000 people and contributes £250m/year to GVA.

Teesport will continue to play an important role in the export of petrochemicals, oil and gas and in the import of LNG and biomass. The recent 10 year contracts Teesside Cast Products have gained for the Redcar Steel Works will ensure an increase in the export of about 2.5m tonnes of steel slab by 2007 to the USA, Italy, South Korea and Mexico. Teesport is vital to the development of the chemical, energy and steel industry on Teesside.

A critical area for substantial growth at Teesport is in deep sea containers from SE Asia. Asda has constructed the first phase of a new £20m import centre at Teesport with the creation initially of over 300 jobs. The project is being delivered by leading European logistics developer Gazeley on behalf of Asda. Containers carrying products from a variety of international origins will be delivered to the port, enabling the supermarket to distribute general merchandise to its stores through Britain. Asda estimates that it will save over 2 million road miles a year by shipping 70% of its distribution direct to Teesport rather than delivering it to southern UK ports then transporting it by road to its northern distribution centres. A 360,000 sq ft first phase has been constructed and a second 150,000 sq ft phase is planned.

The key competitive advantage of Teesport is:

- a) It is the only deep sea port on the East Coast which can provide direct access to the sea without locks in 30 minutes.
- b) Fast turnaround of ships can be achieved far quicker than in congested southern ports.
- c) There is considerable land at Teesport to accommodate a further 6 assembly and distribution hubs with the potential to create a further 3000 jobs.

To realise the competitive advantage PD Teesport has submitted a planning application and harbour revision order to create a deep sea container port at Teesport capable of handling 8000+ twenty equivalent unit (TEU) vessels (known as post panamax vessels) which will meet the need for deep sea container facilities rather than short sea or transshipment facilities. Once fully operational, the terminal will be able to accommodate

up to 3 deep sea container vessels and the total throughput of the fully operational terminal is predicted to be 1.5 m TEU per annum.

The development would be in two phases:

- A first phase of 700m of quay to be constructed to allow operations at the existing container terminal to continue;
- A second phase of 300 m of quay

Phase 1 will be operational by 2010 by which time the port expects the terminal to handle 1 million TEUs/year. Phase 2 will increase the capacity to 1.5 million TEUs per annum by 2014.

The draft Ports Policy paper does not currently allow for the development of a deep sea container terminal at Teesport. The case for the development of a deep sea container terminal at Teesport is overwhelming and the Tees Valley authorities supported by One NorthEast, the Regional Assembly, the Northern Way and the major private sector organisations in the North East consider that the forthcoming Ports Strategy should support the proposal for the reasons outlined below.

The potential for the growth of the Northern Ports including Teesport is set out in page 41 of the Northern Way report prepared by MDS Transmodal and Regeneris which states:

- In general terms, measures that increase traffic through northern ports (particularly in the short sea and deep sea feeder markets) can play an important role in improving GB's overall transport infrastructure, contributing to the efficient movement of freight between GB and the rest of the world, thus enhancing the business competitiveness of GB as a whole and contributing to the Government's Competitiveness agenda.
- More specifically, the analysis demonstrated the potential of the northern ports to play a crucial role in the achievement of a sustainable distribution network. The growth of short sea RoRo traffic through northern ports is likely to lead to a significant reduction in HGV kilometres on the GB road network overall, reducing congestion in the South and the Midlands and helping to enhance competitiveness. This would also be the case in the deep sea LoLo market as long as any deep sea container port development was accompanied by rail distribution inland. This would contribute to the Government's Integrated Transport agenda.
- The growth of the ports will provide economic benefits for the North of England through the generation of additional wealth and the employment and investment which this supports. This will contribute to the closing of



the North's output gap with the rest of England, through the continuing development of a modern and dynamic port and maritime cluster serving markets in the North and beyond. This will contribute to the Government's Sustainable Communities Agenda.

- There will also be significant local economic development and regeneration benefits. Many of the ports are located in areas which have suffered from the decline of their traditional production sectors and are experiencing the problems of physical decay and high worklessness. The growth of the ports will provide large numbers of additional jobs and employment income, which because of their nature will be relatively accessible to the workless in these communities. The additional spending which will be supported, through supply chain and personal expenditure effects, will also help to support large numbers of additional jobs locally, regionally and pan-regionally. This will also contribute to the Government's Sustainable Communities Agenda.

The economic rationale behind the Northern Gateway Container Terminal proposal is that deep sea container traffic is expected to grow and almost treble by 2020 in comparison to 2004. Deep sea container demand to the north will reach 2.3 m TEU by 2010 and 3.7 m by 2020. Of this demand 30% (i.e. 0.7m TEU and 1.1 m TEU) will be associated with the Far East trade which requires capacity for post panamax ships. The north accounts for a 30% share of the total UK container market but receives only 6% of the UK direct deep sea calls. Conversely the south accounts for 50% of the UK container market but receives 92% of the direct deep sea calls. A series of deep sea container terminals have been identified. Of these Felixstowe south and Bathside Bay are approved and London Gateway has 'minded to approve status'. The total of existing and committed deep sea capacity in the UK will amount to 15.2m TEU for 2020 and would increase to 16.7 m TEU with the approval of the Northern Gateway. This compares to forecast deep sea and transshipment throughout the UK of £17.5 m TEU. Hence a deep sea container terminal at Teesport will help to provide the extra capacity needed.

The UK Port Demand Forecasts for 2030 indicate that the tonnage in terms of containers through GB ports is expected to grow from 120,208,000 tonnes in 2004 to 264,958,000 tonnes in 2030, an annual growth rate of 3.09%. Imports from E. Asia are expected to grow from 7,746,000 tonnes in 2004 to 21,344,000 tonnes in 2030, an annual growth rate of 3.95%. The MDS figures indicate that the growth in container traffic is slightly less than the Northern Gateway application i.e. a doubling of traffic by 2020 and a trebling by 2030. However of the growth of 12.6m TEU between 2004 and 2030, 80% is expected to take place in the SE, E or London.

MDS Transmodal in their report for the Northern Way indicate that 40% of the total unit local freight transport required for inland distribution from the southern ports is to NW, NE, Yorkshire and Humber and Scotland. Hence 5m TEU of the increased growth in container traffic is heading for the north by 2030 and in the case of the East Asian market 2.42m TEU of the growth will be heading for the north of England and Scotland.

**In conclusion the national ports strategy, PD Teesport's own assessment as part of their planning application and the MDs Transmodal for the Northern Way all indicate that there is sufficient demand for the Northern Gateway Container Terminal.**

The Ports Policy Discussion paper implies the case for a deep sea container terminal port at Teesport is not proven since:

- deep sea shipping lines, in the Far East trades, are particularly reluctant to make direct calls outside the Greater South East as this adds substantially to voyage time and hence costs for traffic bound elsewhere in N. Europe;
- consequently, if capacity in the deep water ports of the Greater South East is constrained, they will be more likely to omit the UK call than to re-route to a northern or western port, with the UK bound traffic than being transhipped through a continental port;
- greater use of coastal or feeder services does not necessarily mean more rail use in total as greater diversity of port calls and proximity to inland destinations tends to weaken rail share, it also adds to UK import and export costs overall.

However no evidence is presented to justify why a shipping line would not make an extra stop at the Northern Gateway Terminal at Teesport. There is evidence to show that shipping sea lines would stop at Teesport. They are:

- a) PD Teesport has evidence in terms of letters that shipping lines would stop at Teesport;
- b) There are two conflicting trends in deep sea container traffic. First the development of post panamax vessels and the increasing investment shipping lines are making in European ports are driving lines towards megahub strategies. At the same time 'niche' port strategies favour regional ports based on the convenience associated with their proximity to end markets and the avoidance of congestion delays in bigger ports. These trends imply that increasingly consolidated shipping carriers and alliances are expanding the scope of their service, calling at more secondary ports without losing their foothold in major hubs;

- c) The draft paper underestimates the effects of congestion on shipping lines and its customers. Both shipping lines and customers want a service which is punctual, regular and reliable. Shipping lines also want capacity to cater for post panamax size ships. Asda at Teesport and B&Q at Immingham transferred their import distribution to the northern ports depending on reliable feeder services into these ports than through the congested southern ports. Lack of congestion and direct access to the sea are major selling points for Teesport;
- d) PD Teesport in their submission in support of their Northern Gateway planning application indicate that in terms of unit costs (i.e. per TEU), it is between 10-15% cheaper to transport container using a direct deep sea call at Teesport, and an overland rail leg, rather than doing the equivalent for Felixstowe.

**In conclusion there is evidence to show that deep sea container lines would divert to Teesport if the Northern Gateway Container Terminal was built because of costs, reliability, lack of congestion and customer needs.**

The Ports Policy discussion paper places little evidence on the economic and environmental impacts of port development. Given full employment in the SE, there must be real doubt about the ability of the southern ports to find a labour supply capable of dealing with a projected 250% expansion of container traffic other than through further immigration. A container terminal at Teesport could have a major impact on reducing unemployment in the locality and has plenty of spare land for ancillary activities such as import/distribution depots.

No account appears to be taken of the impact of extra lorries on the roads created by the increase in trade. If 80% of the growth in container traffic is through the SE and 40% is heading for the north and Scotland then 4 million extra TEUs will be transported to the north by 2030 or 2.3 million containers. Because of rail capacity constraints around London and on the East Coast Main Line a large part of this extra traffic will have to travel around the M25 through the congested SE, which is not sustainable.

Evidence submitted as part of the application for the Northern Gateway Container Terminal indicates that assuming the container traffic capture is extracted from Felixstowe, and based on the regional destinations estimated by Teesport for their expected traffic, a container handled from Teesport produces an average saving of 116 lorry miles. Given the 1.05m TEUs expected through the Gateway Terminal, the port will induce an annual saving of 48 lorry miles for 2010 and 72 million lorry miles for 2020. This conclusion is backed up by the MDS Transmodal Northern

Way report which suggests that under a Northern Ports maximisation scenario HGV kilometres in GB will fall by 21%.

In conclusion the Ports Policy paper should recognise the significant environmental benefits in expanding the Northern Ports.

**A major ask of Government is therefore to actively support in the forthcoming Ports Strategy the Northern Gateway Container Terminal proposal at Teesport.**

In terms of the Government's approach to rail, it is clearly important for environmental and sustainability reasons that the national rail network should be improved to enable it to carry the new high cub 9'6" containers through gauge enhancement. We are delighted that the Department of Transport has invited Network Rail to develop a business case for gauge enhancement of the East Coast Main Line to Teesport. Tees Valley Metro proposal will also help the port by providing extra rail paths.

#### 4.1.5 Durham Tees Valley Airport

Durham Tees Valley Airport is used by 900,000 passengers a year and dealt with 1100 tonnes of cargo. The airport is home to 30 businesses employing 750 people. The expansion of the airport is supported by the Airports White Paper, the Northern Way, the statutory planning framework, the Regional Spatial Strategy and the Regional Economic Strategy.

There are five fundamental reasons why Durham Tees Valley Airport is strategically important to the development of the Tees Valley economy. They are:

- The airport itself is a major economic driver for the City Region. The Airports White Paper shows that for every 1 million passengers a further 500 jobs at the airport are generated;
- The airport itself can be an attractive location for businesses which require to be located at or in close proximity to the airport;
- The catalytic impact in investment decisions by businesses in, or contemplating investment into the region. The greater the range of scheduled air destinations and cargo services the easier it will be to attract those businesses who move goods or people frequently by air; such businesses are typically knowledge based and operate in high value sectors;
- The impact on business competitiveness of existing businesses by the travel time saving for business-related passengers and air freight being

able to use a more convenient airport. The Tees Valley contains global industries in chemicals, steel and engineering/architectural designs which require frequent reliable services to major hubs such as Heathrow and Amsterdam. Newcastle International Airport is at least 1 ¼ hours drive along from Middlesbrough and Manchester Airport 2 ½ - 3 hours journey by car. The airport is therefore a key part of the competitive infrastructure of the Tees Valley which is vital to the economy of the City Region;

- The impact of the tourism sector in the Tees Valley and the surrounding areas from the improvement in access to in-bound international visitors. The extra and more frequent scheduled services will help attract some additional visitors to the Tees Valley, but also to the more recognised tourism destinations of North Yorkshire and County Durham. The proportion of international visitors from the countries served by the new services is relatively low – suggesting a market development opportunity.

Peel Holdings is seeking planning consent for the extension and refurbishment of the Terminal Building and passenger facilities to accommodate 3 million passengers/year by 2015 and a Cargo and Maintenance village to cater for 26,000 tonnes of freight per annum together with related infrastructure including aprons, taxiways, car parks and drainage. The application also includes a North Side Business Park where a 100 bedroomed hotel, associated family/pub restaurant and 18,600 sq metres gross of airport related B1 development is proposed.

Outline planning permission was granted in April 1999 for the development of the south side of the airport. The development comprises:

- 52,902 sq metres of warehousing (use class B8)
- 80,855 sq metres of industry (use class B2)
- 43,120 sq metres of ancillary freight accommodation

Tees Valley Regeneration and Peel Holdings are currently drawing up a master plan for the south side site.

**We would ask that Government recognises the value to the economic development of city regions of airport growth and the potential of development adjacent to airports.**

#### 4.1.6 Logistics

The expansion of the port and airport, the recent location of Argos' main distribution depot for the North East of England, Scotland and Ireland at Darlington and the Helios development at Wynyard and Cenargo at

Eaglescliffe, all indicate that the Tees Valley is an excellent logistics location. Changes to working hours as a result of the EU Working Time Directive and lack of congestion in the Tees Valley and on the A1 is making the area a good location for logistics hubs to serve the NE and Yorkshire and Humber. **We propose to set up a cluster group involving the port, airport, ONE, TVR, and logistics companies in the area to identify how we can encourage their further expansion.**

#### 4.1.7 The Universities of Teesside and Durham

The University of Teesside employs 1,800 staff and has a turnover of £80 m per annum. It has 22,000 students who contribute £69m to the Tees Valley economy. The university plays a key role in developing businesses in the Tees Valley. It has a clearly defined enterprise strategy, whose principal focus is upon regeneration and has developed a nucleus of professional staff in academic schools and central department to support its delivery. The main gateway for businesses is the Centre for Enterprise. The university is an active member of Knowledge House, a collaborative initiative between the five NE universities and the Open University in the north to provide a unique access point for the private sector to academic knowledge, skills and expertise.

Digital City is an ambitious economic development initiative for the Tees Valley, whose success is predicted on retaining, attracting and developing high-value skills, creativity and R&D in digital technologies as the basis for the creation of new businesses, new jobs and ultimately a new signature industry for the sub region. Led by the University of Teesside, its key stakeholders include Middlesbrough BC, Middlesbrough Town Centre Company, the Tees Valley Partnership, One NorthEast, Tees Valley Regeneration and GO-NE, with support from the private sector and other public sector partners.

There has been a clear recognition in the region that the University of Teesside's expertise in digital technology, digital media and their applications can make a significant contribution to local and regional regeneration. A strong focus on computing and digital technologies programmes and a growing research portfolio, coupled with a track record in new business generation and an excellent relationship with the relevant sectors, make the University ideally placed to supply both the skills and the business development opportunities needed to stimulate high-level growth. Some 1,500 students a year graduate in areas deploying these technologies and around 20 businesses in the digital media sector are currently being incubated on campus. (A number of them, such as the award-winning Onisoft and SEED animation, are achieving early success



and wider recognition. Other successful Tees Valley companies established by Teesside graduates into Atomic Plant, Yuzu Limited and Chillimedia). There is both an opportunity and a need to ensure that these and similar winning companies are given the opportunity to stay and prosper in the area.

Digital City will deliver new economic opportunities through learning and building confidence; business creation and development; the attraction of new business and new talent; new jobs; and a positive profile for the Tees Valley. These activities will be anchored in three ambitious developments:

- Digital Innovations, based on the University campus, will see a new building open by September 2007, and become home to academic-business partnerships, business start-ups, new learning programmes, fellowships, and international conferences and events
- A creative industries quarter (Boho) will bring new life to the Victorian hart of Middlesbrough, by providing new and expanding businesses with imaginative flexible accommodation along with specialist support, including mentoring
- An feasibility work is now underway on a proposed new Museum of Digital Media at Middlehaven

By 2010 it is envisaged there will be 130 new businesses and more than 300 new jobs as a direct result of the first phase of Digital City, the new Institute of Digital Innovation.

The University of Teesside has played a key role in industrial symbiosis in the Tees Valley through the CLEMANCE initiative. As part of our work on developing the energy industry, we want to explore further how the university can contribute to this important sector.

The University of Durham is one of the top 12 research universities in the UK. Although primarily based in Durham City, its operations at Queen's Campus Stockton has 420 staff and 1800 students contributing £3m to the local economy. The University of Durham proposes to develop 180,000 sq ft of new residential and conference facilities at Stockton and to expend the Wolfson Research Institute to provide the opportunity to commercially exploit the Institute's work in health and medicine and to use research to underpin our understanding of the health issues facing the Tees Valley and their impact on social indusion.

The University is also a partner in NetPark, an initiative by Durham County Council and Sedgfield Borough Council to create a regional

science/technology park in Sedgefield for higher value added knowledge-based industries. The NetPark Research Institute was completed in 2004 and is fully occupied and includes the University of Durham.

- Centre for Advanced Instrumentation (a group which collaborates with observatories world-wide in the construction, commissioning and exploitation of innovative, high-tech instruments for optical and infrared astronomy).
- Institute for Agility and Digital enterprise Technology (harnessing the latest developments in computer modelling, graphic visualisation and information management to add value in product development and associated risk mitigation in manufacturing).

A NetPark incubator has also been completed. NetPark is looking to concentrate on developments in advanced instrumentation, nanotechnology, bioinformatics, photonics and novel electronics. A second business incubator and the business village will offer additional space in the next 2 –3 years.

#### 4.1.8 Catterick Garrison

The extension of Catterick Garrison with an increase of serving soldiers by up to 5,000 plus added families (total of 10,000 new population) will have an effect on the market and location of housing within the Western Tees Valley City Region area (Darlington as well as North Yorkshire districts).

The estimated £1bn MoD investment into the Super Garrison concept will also generate economic and social impacts which will link directly to the Tees Valley City Region (e.g. night time economy, building contractors, transport needs). Of particular significance will be the new market created by the Super Garrison and the business opportunities which will open up in terms of supplying goods and services to the Garrison and its residents. This will provide opportunities in North Yorkshire and the Tees Valley. Through the proposed Tees Valley City Region Policy Forum, a strategy to exploit the full potential of this major initiative can be developed.



#### 4.1.9 Tourism

Tourism expenditure is worth around £400 million to the Tees Valley. Tourism spending supported an estimated 10,300 full time job equivalent in the Tees Valley or 14,100 actual jobs including part time and seasonal employment. Tourism represents a growing sector in the Tees Valley economy and a key part of our strategy to improve our economic performance. Tourism provides a way of encouraging business formation and Tourism is also a relatively easy sector for new businesses to enter and also for the long term unemployed to find jobs.

The area has a number of major tourism assets. They are:

- a) the River Tees – including the Tees Barrage and its international canoe course the use of which needs to be enhanced;
- b) the development of new facilities in Stockton and Middlesbrough – Middlesbrough Institute for Modern Art (MIMA), digital City, Cultural Quarters in Stockton and Middlesbrough, the Blue/Green Heart and the TVR schemes will all help to encourage tourism;
- c) the Coast – building on the attractions of Hartlepool through the creation of new attractions at Hartlepool Quays such as the H20 centre, regeneration of Headland/Seaton Carew, Coatham Enclosure in Redcar, proposals for improving Redcar Racecourse and Kirkleatham village, the regeneration of Saltburn, and the creation of the Saltholme International Nature Reserve to take advantage of the location of Teesmouth as a RAMSAR site for birds;
- d) the Moors – building on the area as a location as a Gateway to the North York Moors. There is the opportunity to work more closely with North Yorkshire to promote tourism through the Captain Cook brand;
- e) Railway Heritage – as the birthplace of the railways there is an opportunity to market the area for railway heritage based on locomotion at Shildon and the Darlington Railway Museum.

Events are important to raising the profile and image of the area as well as generating tourism spend. The area already has the Stockton International Riverside Festival (the largest open air street festival in the UK), the Billingham International Folklore Festival, Middlesbrough Music Live and the Hartlepool Maritime Festival. Last year we staged the Seve Trophy at Wynyard Golf club, the European Dragon Boat Championships at the Barrage and next year we will host the BBC Proms in the Park in Middlesbrough. In 2010 Hartlepool will host the finish of the Tall Ships Race. There is a need to attract further major events to the Tees Valley.

To take forward the tourism agenda the Tees Valley authorities and One NorthEast have set up the Tees Valley Area Tourism Partnership – a public/private sector partnership to develop the tourism offer, market and promote the area for tourism, provide business advice to tourism businesses, develop programmes to meet the training needs of business and work with Durham Tees Valley Airport to attract foreign visitors to the area.

#### 4.1.10 Financial and Business Services

The economic analysis shows that financial and business services are under-represented in the Tees Valley. However the evidence is that major regeneration projects help to create a modern environment for these services. The Teesdale area developed by the Teesside Development Corporation has seen a major increase of financial and business services supporting the Tees Valley economy creating over 5000 jobs. Similarly Hartlepool Marina has seen the creation of over 2000 jobs in this sector and Morton Palms in Darlington is having a similar effect. The engineering services design offices which support the chemical/steel industry have also been attracted to these locations. Hence the major Tees Valley regeneration projects will play an important role in developing this sector.

### 4.2 Enhancing the Urban Competitiveness of the Tees Valley

The State of the English Cities Report published by ODPM in 2006 defines urban competitiveness as:

“the ability of cities to continually upgrade their business environment, skills base and physical, social and cultural infrastructures, so as to attract and retain high growth, innovative and profitable firms, and an educated, creative and entrepreneurial workforce, thereby enabling them to achieve a high rate of productivity, high employment rate, high wages, high GDP per capita and low levels of income inequality and social exclusion.”

Balls and Healey in their NLGN pamphlet (2006) Devolution and Evolution in England state:

“Whilst economic performance is central to the well-being of cities and the strength of local communities, it is also essential to overall national growth.

Research by DCLG and OECD into cities and city regions shows that in an increasingly globalised economy, the distinctiveness and identity of local places becomes more not less important to attract investment, jobs and skills.” Sir Michael Lyons in his interim report on local government supports this view by arguing that “place shaping for economic well-being can therefore involve enhancing local characteristics to create attractive places for different types of business and industries, and highly skilled workers and entrepreneurs as part of a broader role in enabling economic development.

The liveability agenda is essentially about creating places where people choose to live and work. In this case liveability can be seen as a key element of urban competitiveness in attracting both people and businesses to a city. The 2004 report on Competitive European Cities published by ODPM makes this point clear. It says, “evidence from the Core Cities in the UK highlighted that the mixture of ingredients that improve quality of life and make a sustainable community with the assets of good environment, distinctive architecture and cultural facilities, diverse housing stock and access to natural amenities are an essential mix to attract the right kind of labour force to make a city economically competitive.

The key initiatives to improve the urban competitiveness and liveability of the Tees Valley are:

- a) The Stockton/Middlesbrough Initiative which is concerned with bringing life back into the heart of the Teesside conurbation by exploiting riverside opportunities and developing city scale facilities that the region sadly lacks;
- b) The Darlington Gateway which is concerned to build on the success already achieved by logistics and office based employment as a result of both its unique location on the A1, the East Coast Main Line and the Airport together with the quality of life provided by its tradition as an historic market town;
- c) The Coastal Arc which is concerned with developing the economic asset of the coast both for tourism, other economic development and to act as a catalyst for housing market regeneration;
- d) Tees Valley Regeneration who are responsible currently for delivering the five major schemes which will transform the urban competitiveness of the Tees Valley by providing a modern urban environment with new housing in the case of our towns and cities and the ability to attract knowledge based industry, the financial and business services centre to the Tees Valley and enhance liveability through new cultural, leisure and tourism facilities;

- e) Tackling the problems of worklessness and developing the skills of the workforce to enable residents of the city region to access the jobs created by the spatial initiatives;
- f) Encouraging business support;
- g) Improving internal connectivity by public transport, external connectivity to the city region and ensuring the trunk road network can cope with the scale of development proposed;
- h) Restructuring our housing market to ensure that the housing stock caters for the needs of the 21<sup>st</sup> Century;
- i) Developing a commercial property market not requiring subsidy in the long term.

#### 4.2.1 Spatial Priorities

The spatial priorities below are vitally important in transforming the economy of the Tees Valley. They have been identified because of their direct contribution to improving the economic performance and urban competitiveness of the Tees Valley and the need to develop sustainable communities if the City Region is going to be competitive in retaining its population, attract entrepreneurs and promote economic inclusion. They are concerned with:

- Exploiting the economic assets of the river, coast and location of the Tees Valley
- Development of an environment to develop the financial and business services sector in the Tees Valley (including the engineering design sector), knowledge based industry, the growth of tourism and diversifying the economy;
- Providing jobs close to the areas of deprivation and developing programmes to enable people from those communities to access those jobs;
- Creating attractive places which offer a wide range of leisure, cultural, shopping and learning.

The three spatial priorities are:

- a) The Stockton/Middlesbrough Initiative
- b) The Darlington Gateway
- c) The Coastal Arc

The criteria used to select these priorities have been:

- Their economic impact in terms of their contribution to urban competitiveness, realising the economic assets and contributing to GVA
- The return on investment particularly their ability to lever private sector investment
- Their strategic fit with the overall city region strategy

#### 4.2.2 The Stockton/Middlesbrough Initiative

The Stockton-Middlesbrough Initiative is a 20-year vision for the urban centre of the Tees Valley primarily focussed on Stockton and Middlesbrough and the land on both banks of the Tees between the two towns. This centre of the Teesside conurbation was once the home of thriving steel and engineering industry which has long since disappeared. The overall aim is to bring life back to the heart of the City Region which will be more competitive than Stockton and Middlesbrough acting separately, performs at a national average rate of economic performance within a 10 year period and delivers a City Region as competitive as the best of the Northern Way.

In terms of environmental and spatial change the SMI Development Framework outlines how the vision will look on the ground. The aim is to create:

- Vibrant town centres;
- An active and attractive river corridor; and
- 21<sup>st</sup> century connections and infrastructure (dealt with in the connectivity chapter)

Ensuring high quality urban and landscape design will be critical in achieving these aims.

The importance of creating vibrant successful town centres is fundamental to achieving both the SMI vision and a successful city-region. In Middlesbrough Town Centre a dramatic transformation has already taken place in the last few years – coordinated public realm improvements, major new retail development, University development and a new designer quarter centred around Linthorpe Road accommodating the UK's top clothes store Psyche. In 2006 the new iconic Middlesbrough Institute for Modern Art building will be open. Over the next five years other key projects will include:

Project	Outputs	Delivery	Timescale
Digital City	<ul style="list-style-type: none"> <li>• Business support and advice to facilitate a cluster of digital industries.</li> <li>• Development of technology centre to create new floorspace for, start-up and spin-out digital businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• Teesside University</li> <li>• MBC</li> <li>• Private Sector</li> </ul>	<ul style="list-style-type: none"> <li>• 2-5 years</li> </ul>
BoHo	<ul style="list-style-type: none"> <li>• Spin-off from Digital City.</li> <li>• Cluster of creative industries.</li> <li>• Re-use of historic buildings.</li> </ul>	<ul style="list-style-type: none"> <li>• MBC</li> <li>• Private sector</li> </ul>	<ul style="list-style-type: none"> <li>• 2-5 years</li> </ul>
Cannon Park	<ul style="list-style-type: none"> <li>• High-quality new retail and leisure floorspace.</li> </ul>	<ul style="list-style-type: none"> <li>• Private sector</li> <li>• MBC</li> </ul>	<ul style="list-style-type: none"> <li>• 4-8 years</li> </ul>
Central Gardens	<ul style="list-style-type: none"> <li>• New landscape setting for MIMA.</li> <li>• New town centre commercial floorspace.</li> <li>• Potential re-use of Town Hall</li> </ul>	<ul style="list-style-type: none"> <li>• Private sector</li> <li>• MBC</li> </ul>	<ul style="list-style-type: none"> <li>• 3-8 years</li> </ul>
Older Housing	<ul style="list-style-type: none"> <li>• Housing Market Renewal.</li> <li>• Outstanding new residential developments.</li> </ul>	<ul style="list-style-type: none"> <li>• MBC</li> <li>• Private Sector</li> </ul>	<ul style="list-style-type: none"> <li>• 2-10 years</li> </ul>

Captain Cook Square, the transformation of Linthorpe Road and major public realm improvements has cemented the town centre as a sub-regional retail destination. Further public realm enhancement and an expansion of the core retail area will drive forward its retail renaissance. Digital City and Boho will provide the business support to encourage the development and retention of new digital, cultural and media businesses. MIIMA and Central Gardens will provide an outstanding environment to showcase world class art whilst the Older Housing Vision will deliver a vibrant town centre housing market characterised by aspirational new housing. Together these initiatives will help ensure the town centre functions as a commercial and cultural centre as well as a vibrant retail and leisure destination.

In Stockton Town Centre the challenge is different. Whilst Wellington Square has dramatically improved the shopping environment, the town centre turns its back on the upgraded riverside. It lacks a flagship foodstore and, at the southern gateway, is characterised by poor quality under-used buildings. At the core of this project is the provision of a first order town centre foodstore. Previous retail studies have confirmed the need for a supermarket at the southern gateway and there is positive market interest in developing a new hotel in the area assisted by the new south Stockton link road. The superstore will increase the value of the Castlegate Shopping Centre and its attraction to new retailers. Lower order retailers will have the opportunity to move into other units in the town centre and broaden its offer overall. Transformation is required and the successful implementation of the Stockton Gateway Masterplan is critical to the success of SMI. New commercial and retail floorspace, an accessible riverside environment and outstanding new architecture will be delivered within a clear design and delivery framework.

In addition to the foodstore, the public realm will be improved and a site for a new civic building acquired. After 5 years and based on the success of North Shore the Council may well consider relocation to the Southern Gateway site, allowing the current Municipal Buildings site to be redeveloped in a way that fully integrates the town centre with North Shore.

Other projects in Stockton Town Centre which will help support the Southern Gateway project and which also contribute to the SMI Vision include:



Project	Outputs	Delivery	1.2. Tim esc ale
<ul style="list-style-type: none"> <li>Cultural Quarter</li> </ul>	<ul style="list-style-type: none"> <li>New recording studio linked to Georgian Theatre.</li> <li>New photography studio linked to museum and gallery.</li> <li>New streetscape and lighting.</li> </ul>	<ul style="list-style-type: none"> <li>SBC</li> </ul>	1-3 years
<ul style="list-style-type: none"> <li>St Marks Basin</li> </ul>	<ul style="list-style-type: none"> <li>Major mixed-use riverside development.</li> <li>New retail / leisure/ residential homes.</li> </ul>	<ul style="list-style-type: none"> <li>Private sector</li> <li>BWB</li> </ul>	2-4 years

In both Middlesbrough and Stockton the design and delivery framework will ensure that new development, in terms of type and timing will complement rather than compete with Middlehaven and North Shore. These crucial developments will transform perceptions of Stockton Middlesbrough and make a huge contribution to the achievement of the SMI vision. Tees Valley Regeneration are leading on these projects, with top-quality visionary developers in place. They will be implemented over the next 10-15 years. SMI recognises that these are critical projects and will work with TVR and the two authorities to ensure no prejudice to the major public investment at each site (see section on TVR).

A major new proposal is the Green Blue Heart – the transformation of the large area of derelict and underutilised land between Stockton and Middlesbrough. Transformation of the Green Blue Heart does not mean a new flagship development site to compete with or divert developer demand from North Shore, Middlehaven, and the town centres. The SMI Vision is for an environmental transformation which delivers a 21st century accessible new parkland – a new landscape signature for the Tees Valley, a focus for high-quality new sports and leisure facilities and a potential setting for future commercial and residential development. As such its role is to complement and help support the Middlehaven and North Shore schemes – both of which are critical to the SMI vision. The 2012 Olympics creates huge potential opportunities in terms of pre-Olympic competitions and new training and preparation facilities. The Green Blue Heart, lying adjacent to a world-class watersports facility, obviously offers massive potential to capitalise on this opportunity and the masterplan will identify the strategy and mechanisms for unlocking this opportunity. An intended model for the Green Blue Heart is the world renowned Rhein Ruhr Park at Dursburg/Oberhausen in Germany which has completely transformed an old industrial landscape.



Major change is long overdue and action to drive the project forward is now required. It seems inconceivable that the Northern Way Vision of a vibrant, attractive urban core at the heart of a successful city region can be achieved without transformation at the Green Blue Heart. If the area remains in its current state in 2025 then the Northern Way Strategy, as it relates to the Tees Valley City Region, will have failed.

The development of the Green-Blue Heart raises the issues of the funding of green infrastructure. A strategic open space network is a vital part of improving the liveability of the region and the urban competitiveness of the Tees Valley. An attractive urban environment helps raise the value of commercial facilities such as offices by providing an attractive setting and makes them easier to let and achieve higher rentals. Attractive open space next to new urban housing areas in our inner areas helps make the houses more attractive and the community more viable.

In the NE it is very difficult to persuade agencies to fund green infrastructure preferring to concentrate resources on buildings rather than the environment around them. In the SE and East Midlands substantial public funding streams are in place to assist with the delivery of green infrastructure within identified growth areas – through the former ODPM Liveability and Green Space funds which form part of the Sustainable Communities Programme. In August 2005 ODPM confirmed its commitment to the funding of £200 million for innovative projects which benefit communities across the SE and the Growth Area. As part of this process North and West Northamptonshire (not noted for its environmental problems) received £1.75m for green infrastructure. There is an even greater need in an old industrial area like the Tees Valley with a legacy of derelict and underutilised land to develop green infrastructure, particularly major strategic initiatives like the Blue/Green Heart.

**Our ask for Government is therefore for DCLG to consider identifying from its Sustainable Communities resources a budget of £2 million/year to develop green infrastructure in support of our green infrastructure policy as a vital element in improving the liveability and urban competitiveness of the Tees Valley.**

#### 4.2.3 Darlington Gateway

The Darlington Gateway Programme is a long-term vision and strategy for economic growth in the western part of the Tees Valley, which is already making a substantial contribution towards its outcome targets of:

- reducing the disparity in unemployment between the locality and the national economy,
- narrowing the economic gap between the least and most deprived parts,

- growing higher level jobs to bring change from a low-wage economy (Darlington jobs have the lowest average wage levels in the Tees Valley), and
- contributing to regional GVA growth targets.

As part of early work on the Tees Valley Vision it was recognised that the western part of the City Region has two unique qualities:

- its accessibility
  - by rail, 2½ hours to central London and frequent fast connections to Edinburgh and other English city regions
  - by road, on the A1(M)
  - by air, Durham Tees Valley Airport
  - within the urban area
- its quality of life;

which if capitalised on could bring investment, economic growth and jobs which might otherwise come to (or grow in) the Tees Valley or the wider North East region. This is the 'Darlington Gateway' hypothesis which underpins the economic strategy for the western part of the City Region.

Tees Valley Partnership commissioned from Donaldsons, SQW and others in 2002/3 a substantial piece of primary economic research and property market analysis. This confirmed that that hypothesis was correct. In essence it recognised that there was latent demand – companies who would come to Darlington, or wanted to grow in Darlington – if the conditions were right. It found this to be true across many sectors: high quality offices (for financial and business services and professional services), logistics, retail, engineering and others. Since then the partners have been working to a clear evidence-based vision for the long-term economic future of Darlington, the Darlington Gateway Strategy.

Progress on Darlington Gateway projects has been rapid. Outcomes since 2003 include:

- High quality, speculative office development at Morton Palms – establishing for the first time a speculative office development market in Darlington – with a first letting to an international engineering design company, Whessoe Oil and Gas, who are increasing the number of higher level jobs in Darlington to about 500, which would otherwise have gone to the Middle East. Half the first phase is let and much of the second phase has been let prior to completion.
- New logistics development at Faverdale, making the most of the A1(M). This includes a 700,000 sq ft Argos Direct development with over 700 jobs, which could otherwise not have come to the region. Also at Faverdale 200,000 sq ft of speculative industrial and warehousing space is under construction – again creating for the first time a speculative property market in this sector in Darlington.
- An award-winning new mixed sustainable community at West Park of 700 homes, including removing a 13 ha chemical waste tip which was a major eyesore on entering the Tees Valley from the A1(M) and converting it into a new urban woodland with substantial public art.

- A £6.5 million transformation of the public realm in the town centre, together with an imminent £90 million shopping, leisure and housing development in the heart of the town centre. A development agreement has been signed and a planning application is due to be submitted in September 2006 and the project is expected to be completed in 2009.
- Proposals for new mixed community on 75 ha of land in the centre of town, next to the East Coast Main Line on land largely disused since the closure of railway sidings in the 1950s. Central Park will include high quality office and a conference hotel next to the station, and so 2½ hours from central London, a new home for Darlington College, a mix of housing and open space, setting new standards of design and sustainability. It will help to transform the image of North East England for the thousands who come by train each week. (see Tees Valley Regeneration)
- Entrepreneurial transformation by the private sector, with Council support, of a 2 million square feet wool factory, into a more diverse good quality business location. Lingfield Point, now housing major companies like Capita who have employed 500 people at the site in this period. It also has flexible space for smaller businesses, which has attracted, for example, architects with an international reputation, and enabled local companies to expand.
- BAT closed its 650,000 sq ft premises in Lingfield Point with loss of jobs, but left the Council and partners with a £1 million legacy which is being invested in facilitating small business growth through technology, marketing the area, skills enhancement and helping people in deprived areas access jobs.

The results of the project have been the creation of almost 1000 jobs in Darlington attributable to the Gateway Strategy which would not otherwise have been attracted to the region. Employment growth since 1999 has averaged 800 per annum compared with an historical long term average of 350 jobs per annum. Over £500 million of development – private sector investment – is currently on site or in train. There is evidence of the beginnings of a truly viable commercial (office and industrial/warehousing) property market.

In terms of the future the developments at Morton Palms, Central Park, Faverdale, Darlington Town Centre and Durham Tees Valley Airport will continue. Darlington Borough Council have commissioned consultants to take forward the Darlington Gateway initiative. Work in hand includes:

- A new masterplan for the Lingfield Point area to capitalise on the accessibility given to the area by the Darlington Eastern Transport Link Road being built in 2006 – 2008;
- A master plan to develop the area between Central Park, Darlington Mainline Station and the Town Centre looking at the opportunities for mixed use development and the opportunities for a cultural quarter based around the activities of the Civic Theatre and the Forum Music Complex;
- Developing the potential of the Railway Museum with other rail heritage developments in the NE and Yorkshire.

Aycliffe Industrial Park is a key employment location within the North East region and is presently the home of over 250 businesses, employing more than 8000 people. The park has however seen a reduction in employment from a peak of approximately 12,000 which can be attributed to the challenges faced by the manufacturing sector over recent years and particularly, the relocation of branch operations to developing economies. Despite this loss of business stock, Aycliffe still has a regionally significant business base, and has been identified in studies, including the Regional and Durham sites and premises studies as being a strategic location with growth potential. The park could benefit from some of the industries attracted to Darlington.

The continued success and the opportunity to maximise the potential of Aycliffe Industrial Park will require the intervention of the public sector. The principal challenge on Aycliffe is that a large percentage of the existing park is in private sector ownership. The establishment of the improvements programme has therefore necessitated consideration of how investment could be used to stimulate the market. Three core elements have been settled upon and are as follows:

- i) corridor environmental improvements programme
- ii) An improvement fund to improve property
- iii) A demolition programme

The current Aycliffe Improvements Programme will contribute to raising the image of the park and will help to attract investment. However, the size of the park, and the large stock of older industrial premises necessitates the need for a much greater level of investment if the park is to retain its strategic importance and more importantly, the number of jobs it contributes to the city regions.

Future areas of work which form the basis of the development of Aycliffe Industrial Park could include:

- Intervention of the public sector to purchase and demolish unsuitable industrial stock, releasing brownfield development land
- Rolling out of the improvements programme across the park and improving the infrastructure of the park
- Identify the future role of the park as an employment centre

Whilst the physical improvements to the park is helpful, there is a need for a comprehensive programme to address how the companies in the park could be helped to improve productivity and competitiveness. A partnership of One NorthEast, Durham County Council, Sedgefield borough Council, County Durham Business Link, Foresight North East and the North East Productivity Alliance should produce a coordinated programme to tackle the physical and economic problems facing the park.

Defence Estates proposal to double the size of Catterick Garrison will also help the development of Darlington (see economic assets section).

These critical projects will over the next few years greatly enhance the competitiveness of Darlington. There are close relationships between Newton Aycliffe and Bishop Auckland and Darlington through the Tees Valley City Region Policy forum the opportunities for Bishop Auckland and Newton Aycliffe to benefit from jobs and supply chains in Darlington needs to be investigated.

The area between Darlington and Bishop Auckland has potential for development focussed on the following key initiatives:

- Major commercial developments and environmental enhancement to create an urban renaissance in Bishop Auckland town centre, including proposals for 200,000 sq ft of new retail floorspace. Improvements to Aycliffe Business Park and Bracks Farm will create an improved business location and housing offer in the corridor
- The creation of a strategic tourist zone along the Darlington to Bishop Auckland branch railway, linking up Darlington Railway Museum, Locomotion Shildon and the re-opened Weardale Railway, providing a integrated tourism visitor attraction of regional significance;
- A major landscape restoration programme to the historic parkland of Auckland Palace, the home of the Bishop of Durham, adding value to a visitor attraction;
- Revitalisation/ refurbishment of the well established Newton Aycliffe industrial park; and the development of new business space at Bracks Farm bishop Auckland;
- Proposals to create a high level technology network to link these sites with NetPark;
- Further development of the Weardale Railway to provide a through route to the Eastgate Renewable Energy Village in Weardale;
- The opportunity to establish a strategic bridge between the City Region and the rural hinterland to the west, extending permeability and economic influence of the city region.

#### 4.2.4 The Coastal Arc

The research carried out as part of the Tees Valley Vision has identified the Coast as a major economic asset comprising:

- The Heritage Coast east of Saltburn, which is part of the North York Moors National Park;
- Teesmouth with its unique RAMSAR sites and interesting industrial/enterprise environment;
- Hartlepool with its Marina and traditional settlements of the Headland and Seaton Carew, which have significant potential for tourism development.

The development of the tourism potential of these assets can contribute to improved economic performance in the following ways:

- The creation of a critical mass of attractions can bring day visitors and short stay city break visitors into the City Region;
- Tourism can act as a major regeneration force behind the urban renaissance of an area and help to reinforce the housing market in areas of market failure by providing greater choice;
- Tourism can provide a relatively easy entry point into business for new entrepreneurs with little capital or into employment;
- The development of tourism and leisure facilities creates a quality of place, which helps to attract and retain population.

An important opportunity is available to change perceptions of the sub-region and the region by promoting the positive natural, cultural and heritage aspects of the Coastal Arc area, encompassing the Boroughs of Hartlepool and Redcar & Cleveland, bringing in new investment in the tourism economy as well as providing opportunities for new businesses in all sectors.

Despite a historical reduction in demand for the traditional British seaside holiday, the Tees Valley's resorts such as Saltburn, Redcar and Seaton Carew do still attract significant numbers of visitors. The challenge is to attract more high spending visitors and to increase their length of stay, and to extend the tourist season by providing a more diverse range of all-weather attractions and packages.

The Coastal Arc vision is to achieve the 'Renaissance, Revival and Regeneration' of the Tees Valley coast. The initiative will bring new strength to the Tees Valley to create an exciting and attractive environment in which to live, do business, invest and explore.

Coastal Arc provides a long term strategy for the sustainable regeneration of coastal communities, developing and diversifying local economies. It builds upon a rich mix of historic and cultural resources, natural assets, popular visitor attractions and investment opportunities.



The Coastal Arc programme provides an exciting opportunity to take a holistic approach to the regeneration of the Tees Valley Coast. It is attracting new investment, significantly enhancing the physical environment and making a critical contribution to the regional tourism offer. The Coastal Arc is also central to changing external perceptions of the Tees Valley and its image.

Coastal Arc is an economic regeneration initiative – although tourism is a key driver, the programme focuses on a range of other economic development priorities, such as creating and supporting new business investment to revitalise the economies of coastal towns.

Building on the high quality natural, cultural and heritage assets of the coast and the unique 'sense of place' exhibited by its established resorts and successful existing attractions (such as Hartlepool's Maritime Experience), the Coastal Arc will establish a critical mass of facilities that will benefit the economy and image of the Tees Valley and the North East region.

Flagship projects will combine with the renaissance and enhancement of the urban and rural landscapes to bring benefits to businesses and residents throughout the entire programme area, enhanced by a programme of events. The programme will have direct benefits in terms of training opportunities, as well as improved amenities and environment for local people, helping to create sustainable communities.

The projects making up the Coastal Arc programme are described in more detail below.

**a) Victoria Harbour**

See Section 4.2.5

**b) Headland**

Hartlepool Headland has already seen improvements to its key historic buildings, and future plans include further public realm enhancements, including Headland Town Square, mixed use development at Kafiga Landing, investment in local housing stock and pedestrian footbridge/cycle links between the Headland and Victoria Harbour.

**c) Hartlepool Town Centre**

Proposals within the town centre look to build on the success of the Marina development, including the completion of the Marina with the redevelopment of the Trincomalee Wharfe and South Marina sites. Other proposals include the improvement to the Middleton Grange shopping centre, and an expansion to the south of the retail offer, together with the ongoing improvements to public spaces and public realm and the development of a night-time economy.

**d) Hartlepool Quays**

The Hartlepool Quays project encompasses the above three projects, and also looks to concentrate on improving coastal walks and the improvement of pedestrian and visual links.

#### **e) Southern Business Zone**

The Southern Business Zone has already seen progress being made, with the opening of new business incubators at Queen's Meadow (with new adjacent development by Rivergreen Developments) aimed at supporting and developing new local businesses.

Further development of Queen's Meadow is planned, in support of the development of the small business market. Improvements and enhancements are also planned for Sovereign Business Park and Tees Bay Business Park within the area.

#### **f) Seaton Carew**

A programme of environmental and site access enhancements were carried out at key sites in Seaton Carew as part of an ongoing programme supporting the development of new business opportunities. A feasibility study for a Gelateria has also been completed recently.

In addition to further targeted environmental and public realm improvements, a mixed use development is planned on the site of the former fairground/coach park/bus station.

#### **g) Redcar Town Centre**

Redcar is one the main strategic commercial and visitor centres in the Tees Valley. Developing and enhancing these strategic roles is a key investment priority for the town.

The location of the town centre, adjacent to the seafront, is a particular attraction and increasingly a focus for leisure as well as retail and commercial activity. There are currently over 2500 people employed in the central /seafront area. Further development of this area is a key element in the Coastal Arc.

The investment opportunities need to be related to market assessments and building on the recent commercial/retail study completed by Nathaniel Litchfield & Partners. This commissioned work has analysed the role of the town and identified development issues.

Key elements of the Coastal Arc Redcar Regeneration Programme are as follows:

- Infrastructure & Investment Programme - A proactive investment analysis engaging the business community in assessing and identifying both market and site opportunities across the town, and developing an investment gap funding programme,



- Property Investment Scheme - A grants programme to secure investment in existing premises to bring vacant or underused premises back into use.
- Town Product Support Measures - A connected programme of measure that collectively promotes the town, encourage new investment, support visitor attractors and provide business support and training.
- Community Economic Connection Programme - A programme of measures that assist local residents to gain employment in local regeneration projects and supports community economic investment.

#### **h) Coatham Links**

Plans for Coatham Enclosure have moved on apace, with detailed feasibility work either completed or currently underway into various elements of the scheme. The £55m project will provide:

- A first class pool-based leisure facility with six lane 25m pool, separate leisure pool and flume, fitness suite and gym, tenpin bowling;
- A Performance Centre within the largest dance floor in the North East, a base for a national circus/performance company, cinema and theatre. It will also include viewing platforms, a café and achievement/showcase galleries celebrating people and energy, linking the industrial energy story of Tees Valley and the new energy initiatives with climate change impact and showcasing local companies and business opportunities;
- A major lifestyle sports venue for BMX, skateboarding, climbing which links indoor facilities for all with outdoor sports activities on the beach, and grows the current level of participation;
- Commercial elements which include pub/restaurant and retail units;
- 285 new houses and seafront apartments.

#### **i) Kirkleatham Business Park**

The mix of bespoke and speculative developments at Kirkleatham Business Park are of vital importance, including a prestigious Business Innovation Centre located next to the Wilton industrial complex, with its groundbreaking work in the renewables sector, creating the UK's key centre for biofuels energy generation developments.

A second phase of infrastructure to meet growing need for workshops/office accommodation is planned at this strategic site.

#### **j) Kirkleatham Cultural Hub**

An action plan is being developed to enhance the tourism potential of Kirkleatham Village, with public realm improvements and new housing proposed.

**k) Redcar Racecourse**

Development of a new racecourse facility on the edge of Redcar. A feasibility study has already been undertaken.

Part of the proposed business model will involve the creation of a new all season track that meets all current facility standards advocated by the Jockey Club as a governing body for the sport. Implementation of the project would establish it as a national facility of excellence. Possibly one of two sites planned to reach this status.

Part of the mix of uses for the site to give it an all year operation and facilitate other leisure/visitor uses connected to equine or activity tourism interests

**l) Saltburn**

The town with its hinterland has distinctive heritage and cultural assets and market appeal. In recent years there has been a successful investment in development to some of the key visitor infrastructure assets ( Pier restoration, Lighting historic features, Art gallery etc).

Complementing this is the very successful community activity that has supported various cultural and environmental initiatives enhancing the Saltburn visitor offer.

The intention is maintain and develop the distinctive visitor offer of Saltburn. A key step in this process is the preparation of a visioning and investment planning framework plan for the 2007-16 period. This would set out a holistic and connected framework for investment in Saltburn that responds to market opportunities and supports regeneration activity. This would, for example, identify measures to develop the activity/cultural offer, identify key sites for investment and themed improvements to key visitor spaces and routes. This plan would set out investment/development actions up to 2016.

**4.2.5 Tees Valley Regeneration**

The Tees Valley Urban Regeneration Company, Tees Valley Regeneration (TVR) was set up in 2002 by English Partnerships, ONE and the five local authorities.

TVR became responsible for the development and implementation of five key regeneration projects:

- Central Park Darlington

- Victoria Harbour Hartlepool
- Middlehaven Middlesbrough
- North Shore Stockton on Tees
- Durham Tees Valley Airport South side Development

Through TVR, the five sites now have access to the funding, planning and acquisition privileges of One North East and the local Borough Councils. The creation of stylish apartment and family living, large scale office development, new educational facilities, business incubator units and quarters for quality culture and leisure planned for our strategic sites offer a unique opportunity to extend and in many cases exceed the current Tees Valley offering.

As well as enriching the experience of people who will work, live and take pleasure in their surroundings, they are planned to make a visual statement that will transform how the world perceives the whole Tees Valley.

They are described in detail below.

#### **a) Central Park, Darlington**

Taking full advantage of Darlington's nodal position in the North's communication network, this 30 hectare town centre site borders the railway immediately north of the East Coast Main Line station.

Central Park will provide:

- 600 new homes including family town houses and apartments
- Around 2000 jobs
- New site for Darlington College
- A range of leisure and community facilities
- Green open space and a sculpture park
- High quality four and five storey office buildings

The cornerstone of the development will be a new £33 million home for Darlington College of Technology. The campus will comprise a variety of learning complexes including: further education facilities, a centre delivering higher education courses in conjunction with the University of Teesside, Technology Centre, Media Centre, food court and restaurant. Its childcare facility and a sports and leisure complex will be shared with the community.

Central Park means an investment of around £170m with the majority coming from the private sector. In addition it is believed the site will generate around 2000 jobs.

Progress to date includes the following:

- Work on the new college is well underway and on schedule to open in autumn 2006.
- The overhead power lines which criss-crossed the site have been undergrounded.
- Junction improvements are underway at the Haughton Road end of the site to open up access for both the college and the wider site.
- Conditional planning consent has been granted on the scheme.
- Expressions of interest are being sought for from developers for the development of the site.

#### **b) Victoria Harbour**

Maximising the waterfront and coastal location of this key site, this project will breathe life into 80 hectares of under utilised port land at the heart of the town between the successful Marina and the historic Headland area.

The scheme is a £500m joint development between Tees Valley Regeneration and land owners PD Ports, Logistics & Shipping.

The development will protect the existing port employment, whilst opening up some 200 acres (81 hectares) of prime seafront land to the public for the first time. A new school, quality homes such as family townhouses and chic apartments, offices and attractively landscaped green open space are just some of the features proposed.

An attractive coastal path and innovative bridge across the harbour entrance for pedestrians and cyclists will also link the Headland to the site and bring the whole of Hartlepool into the scheme. One of the most striking elements of the design is the 'wave', a stunning architectural concept for the public that combines landscaped parkland, water features and public art and will separate the new residential developments from the existing commercial areas.

This £400 million scheme is for a mix of uses with an emphasis on residential development. Existing businesses will be retained where possible, and there will be attractions of a quality to tempt visitors and businesses from the region and beyond, emulating the success of the Historic Quay and the Marina which is currently the work base for over 2,600 people.

The number of homes could eventually reach 3,000 units, including impressive apartments and town houses offering "urban living" of a style not presently available in the town, or indeed the Tees Valley. The homes will be ideal for walking to work in the town centre and popping into quality neighbourhood bars or bistros.

Progress to date includes the following:

- A team of experts in waterfront regeneration led by the Halcrow Group and including SOM have prepared the masterplan.

- Design guidance is being produced which will capture the quality of development expected at Victoria Harbour and specify the exciting areas of new public realm which will be created.
- The possibility of developing an “H<sub>2</sub>O centre” a water based leisure facility for the town, is being pursued.
- Conditional planning permission has been granted.

### c) Middlehaven

Extending over 100 hectares around the reclaimed dock and along the river, this flagship project will add its own iconic structures to the Transporter Bridge and Riverside Stadium at either end. The vision is for an environment radical and exciting enough to reposition Middlesbrough and the Tees Valley internationally.

Key elements of the project include:

- 250 acre development in the heart of Middlesbrough
- Combined public and private sector investment of £500m
- Provide up to 3,000 new jobs
- Alsop's masterplan will transform redundant waterfront quarter into a groundbreaking landscape of contemporary architecture for work, leisure and living
- Over 2,400 homes built over 20 years
- More than 800,000 square feet of commercial office development
- Significant leisure proposals, including hotels, bars, restaurants and world beating attractions

The scheme will be delivered in three phases – a significant amount of the proposal for phase one are at an advanced stage of negotiations. Construction work on the first offices is now complete.

Victorian buildings on the outskirts of the site will be brought back into use in a cultural quarter – housing businesses and services which will reflect the area's changing status.

Other ideas proposed include a new primary school, the possibility of a new theatre or arena, a museum of digital media, a world class public art installation, apartments set in 'living piers' which stretch out into the water and a variety of leisure facilities.

The concept is that the site will no longer be isolated from the town centre by the barrier of the A66 and the railway, but connected under the road and over footbridges, it will be easy to get to yet special to be in. It will be landscaped to create undulating parkland inhabited by a collection of iconic buildings, revealing rather than enclosing the dock.

Progress to date includes the following:

- Developer Terrace Hill have completed work on Manhattan Gate, the first offices at Middlehaven, being built on the dockside to total 16,000 sq m, providing a new standard of office accommodation in the Tees Valley.
- Work has been completed to replace the roundabout at the A66 and Borough Road junction with a flyover and slip road into Middlehaven.
- Middlesbrough College of Further Education, which now operates from four different sites, has unveiled plans to consolidate its activities on a single site at Middlehaven.
- Work is planned to revitalise the Queens Square area adjoining Middlehaven and containing some of the town's best historic buildings with a view to creating an informal ambience of pubs, bistro, coffee houses, shops and crucially studios and workspaces for creative industries.

#### **d) North Shore**

This is a crucial piece in Stockton's continuing renaissance and will extend the town centre along the River Tees. Watersports of international standard already take place on this stretch on the river and opportunities to view and engage with these sports in addition to extending the range of watersports will be encouraged.

Elements of the development are:

- 56 acre, fantastic south facing site with views along the length of the River Tees at Stockton
- Stunning waterfront position with close proximity to town centre and Teesdale business park
- £18 million of public investment to remediate the site and provide significant traffic improvement to benefit all of Stockton
- More than 650,000 sq ft of prime office accommodation
- 25,000 sq ft of leisure space including a range of new amenities including a 100
- bedroom hotel, cafes, restaurants and associated facilities
- Proposed 180,000 sq ft of new residential and conference facilities for The University of Durham
- 480 residential units offering a range of new homes
- New iconic pedestrian and cycle bridge
- Creation of more than 2500 permanent jobs

The iconic footbridge linking North Shore with Teesdale, encouraging movement between sites and facilitating the expansion of the University of Durham's Stockton campus.



Progress to date includes the following:

- A partnership between AMEC and Urban Splash have been appointed as preferred developers for the site.
- A sweeping double arched bridge design by architects Spence Associates and engineers Expedition for the new Tees crossing at North Shore has been chosen to provide a suitably ambitious and distinctive landmark.
- Work has been completed on improving access both to North Shore and Stockton town centre via a multi-million pound one-way system.
- Work will also start in the near future on the riverside promenade.

#### **e) Durham Tees Valley Airport**

See Section 4.1.4

TVR were also tasked with taking forward previous proposals for a new rapid transit system for the Tees Valley. Development of this project is discussed in more detail at Section 4.2.8.

### **4.2.6 Worklessness, Skills and Aspirations**

A critical element of any programme to improve the urban competitiveness of the Tees Valley must depend on tackling the problems of worklessness, developing the skills of its people and raising the aspirations of its young people. Substantial resources are given to Job Centre Plus by the Department of Work and Pensions and to the Learning and Skills Council through the Department of Education and Skills to tackle these issues and will become increasingly important given the decline in resources for community and social regeneration from the European Structural Funds, single Regeneration Budget and Neighbourhood Renewal Fund. Clearly there is an important role for Job Centre Plus and LSC to work with Local Strategic Partnerships and local authorities at a local level to tackle these issues. (Statement from Job Centre Plus to follow).

Whilst there is a tremendous amount of good work taking place on tackling these problems of worklessness and skills, it is not joined up, nor does it really address the fundamental issues of:

- a) What skills do the chemicals/energy/engineering industries require for the future? What skills will the new businesses attracted to the Tees Valley Regeneration and other key sites require? How can we ensure that these skills are provided?

- b) How can we ensure that residents of deprived communities will be able to access these jobs?
- c) What is the future role of the colleges of further education in providing for the skills needs of the Tees Valley?

5.□ What needs to be done to tackle the problems of worklessness?

5.□ Bishop Auckland, Newton Aycliffe and large parts of Easington District suffer from high unemployment and worklessness. Given modern economic trends it is more likely that the new jobs will be created in Darlington and Hartlepool rather than in the traditional manufacturing based centres of Newton Aycliffe and Bishop Auckland. Through the Tees Valley City Region Policy Forum we need to work with the Durham authorities, Job Centre Plus and LSC to identify what action can be taken to enable residents of the deprived parts of County Durham gain access to jobs in Darlington, Hartlepool and Stockton/Middlesbrough.

**We propose therefore that the skills board of Tees Valley Unlimited is responsible for developing a Tees Valley Skills Strategy which takes a strategic view of the skills needs of the Tees Valley and identifies how initiatives can be better coordinated to meet these needs.**

#### 5.1.0.□.□.□.□.□□□□□□ Business Support

There are two conflicting trends in business development in the Tees Valley. On the one hand considerable resources are spent on encouraging new business start ups and the business survival rates of new businesses are now well above the national average. On the other hand the increase in the stock of businesses registered for VAT has hardly changed which suggests that most of the new businesses created are lifestyle businesses with a turnover below the VAT threshold. We need to better understand the processes of business formation and we need to create a larger critical mass of businesses if we are to become a successful city region. This issue is one which the Partnership will need to tackle.

#### 5.1.0.□.□.□.□.□□□□□□ Connectivity

Three specific barriers to growth relating to connectivity are set out within the CRDP:

- The need to improve internal connectivity by public transport;



- The need to improve external connectivity to the City Region;
- A concern of the Highways Agency about the ability of the A19(T) and A66(T) to cope with future development.

Given historic development patterns, the Tees Valley is essentially polycentric in nature with no single dominant centre of commercial activity as would normally be the case in other urban areas of similar size and population. Whilst there is an inevitable hierarchy, the City Region essentially contains a number of centres within a very small area, meaning that interconnectivity is vital for the City Region to function effectively.

Whilst the national motorway network (A1(M)) passes through the west of the City Region, it is connected to it through a single carriageway section of the A66(T), which is limiting the economic potential. To the east, the A19(T) runs through the City Region, and the remainder of the Tees Valley is served by a network of dual carriageways including the A66(T) and A174(T). These road links deliver important regional and sub-regional connectivity within the Tees Valley, and external links to the rest of the North East, Yorkshire and Humber region and beyond. Although much of the Tees Valley has a network of dual carriageway routes, there is a relative lack of a secondary road network to cater for local trips.

National rail connections are provided at Darlington, with the East Coast Main Line (ECML), although Grand Central services between the Tees Valley and London are due to commence in December 2006. There are regular trains to London, the Midlands, Scotland, and Manchester / Manchester Airport, with trains operated by GNER, Virgin Cross Country and Trans Pennine Express, and Darlington acts as the main interchange hub in the Tees Valley.

There is a great economic advantage of the location of Darlington within 2½ hours travel time of two national capitals, and it is vital that new rail franchises should seek to improve, and not diminish, the frequency of these services and connections to other city regions.

On a regional basis, an hourly Trans Pennine Express service operates from Middlesbrough to Manchester Airport, including stops at Thornaby and Yarm.

The existing local rail service is operated by Northern Rail. There are two services per hour in each direction during the daytime on weekdays and Saturdays with an hourly frequency during the evening, and Sundays. There is a need to improve connections to the main lines at Darlington and York to allow economic growth to continue.

The bus network across the Tees Valley is not particularly well co-ordinated between the five Authorities, resulting from a history of piecemeal development over time. Stagecoach and Arriva operate express bus networks between the main population centres in the Tees Valley and external destinations. However, the attractiveness of these services is constrained by weak marketing, poor service quality, inconsistent

geographic coverage and poor co-ordination between services. There is also a lack of priority afforded to buses on the highway network and the consequent variable reliability.

Walking and cycling play a significant role within the transport network of the Tees Valley, and in local centres can do equally as much as public transport to address increasing congestion. In Darlington, two national demonstration projects are underway (Sustainable Travel Demonstration Town and Cycling Demonstration Town) that are researching ways of reducing car travel.

The dispersed patterns of trip making and the lack of a single dominant commercial centre make it more difficult in the Tees Valley than it is elsewhere to create and sustain economically viable public transport networks. This has led to an over reliance on the use of the private car for many trips, over both short and long distances. In turn, this has led to an increasing congestion on the local and trunk road networks that will exacerbate and ultimately stifle economic growth.

In an attempt to address the dispersed trip making patterns and the over-reliance on the private car, in order to create a more sustainable long term pattern of spatial development, both the North East Regional Spatial Strategy (RSS) and the CRDP strongly advocate the provision of new housing and economic development sites in brownfield locations within existing urban areas. In the Tees Valley this includes a concentration along the River Tees and close to the key east – west A66 corridor and the Darlington to Saltburn rail corridor.

The economic changes set out in the CRDP mean that the Tees Valley in the next 10 years will undergo a period of significant change in the way in which transport demand and supply is distributed, in part as a result of changes to development and land use reflecting key corridors and areas of economic activity, and also due to changes in patterns of travel with a focus on key centres.

These economic changes will raise the contribution that the Tees Valley makes to the national economy, help to regenerate the area and transform the economic prospects of its residents. There cannot be a situation where the capacity and integrity of the transport system hinders the development of the economic performance of the Tees Valley. To realise the economic and social regeneration aspirations of the Tees Valley as set out in the CRDP will require a co-ordinated approach to transport infrastructure provision and maintenance across all modes to ensure that the future movement needs are catered for.

The challenge for the Tees Valley as it commences its regeneration cycle is to avoid or minimise the increase in private vehicle trips. We do not wish to see economic growth slowed or strangled by congestion. We wish to improve public transport at the start of the recovery to engender a virtuous cycle in which it is able to accommodate the anticipated increased demand

to travel. There is also the potential of non-motorised modes to avoid growth in trip lengths which also otherwise accompany economic growth.

The requirement to improve public transport provision, in terms of both coverage and quality, is fundamental to accommodating the increased and more diverse trip making demands that are anticipated. There is potential for public transport growth and modal shift away from the private car, which in turn will improve conditions on the strategic road network and allow better external connectivity and provide more opportunities for development adjacent to the trunk road network.

#### **a). Tees Valley Bus Network**

A recent review of the operation of the Tees Valley bus network has identified a variety of proposals and is based on a stable hierarchical network approach and the development of high demand and quality links to key centres in particular. The review included options for:

- A network to maximise bus patronage whilst maintaining accessibility and social inclusion, with a cost neutral base option and costed, prioritised incremental improvements;
- Infrastructure and bus priority improvements with an implementation strategy;
- Priority routes for low floor buses;
- Fare and ticketing improvements (and simplification);
- Other marketing and information initiatives.

Details of the elements the preferred scheme are now being finalised with the Tees Valley Authorities and the principal bus operators. A specification for the top two tiers within the hierarchical structure ('Super Core' and 'Core' routes) has been agreed, and a series of specific infrastructure proposals is being worked through. The routes within these top two tiers of the hierarchy are concentrated on providing access to the main urban centres and other key destinations such as hospitals, businesses and educational establishments.

The proposals will not only provide longer term stability within the Tees Valley bus network, but will offer a step change in public transport provision to the passenger in terms of frequency, reliability, quality and convenience, with a co-ordinated approach to public transport provision.

The delivery of the components of the scheme will be through a series of Statutory Quality Partnerships (SQPs) which will set out the obligations of each of the partners and link the infrastructure measures provided to a quality and reliability threshold to be observed by existing (and potential) bus operators.

There is also need to examine the bus service provision between the towns of County Durham and North Yorkshire with the Tees Valley to

ensure that the residents of these areas can take full advantage of the new jobs and cultural and leisure opportunities in the Tees Valley.

### **b). Tees Valley Rail Improvements**

To complement the bus network improvements, which aim primarily to enhance access to local centres and key attractors, proposals have been developed by TVR for a sub-regional integrated public transport system that would create a high quality, fast and reliable solution to assist regeneration and help to avoid the transport problems that would otherwise arise as economic activity gathers pace.

Tees Valley Metro particularly focuses on enhanced sub-regional links, but the work undertaken to date has also identified wider benefits for the heavy rail network and possible efficiencies on future committed infrastructure works.

The preferred option would deliver:

- A new sub-regional transit system for the Tees Valley, making more efficient use of the current rail and bus networks to better meet the travel needs over the next 20 years;
- Conversion of the Darlington to Saltburn heavy rail line to tram-train technology, resulting in increased frequency and higher quality of service;
- Five new stations along the route, serving key employment sites, major regeneration areas, Durham Tees Valley Airport, and possibly James Cook University Hospital;
- Supporting heavy rail service enhancements and high frequency bus services linking into the new system, providing an enhanced frequency of connection to Hartlepool;
- Capacity utilisation enhancements at Darlington and Eaglescliffe, allowing the consideration of additional national and regional passenger services for the Tees Valley, as well as providing for additional freight transport requirements;
- A joint approach between the Tees Valley and North Yorkshire authorities to secure investment in improvements to the Esk Valley line and to develop the railway as a tourism asset under the Captain Cook brand.

The key benefits of the proposals are:

- Enhanced capacity on the ECML and Trans Pennine rail routes;
- Opportunities for additional passenger and freight train services, particularly Teesport and the Northern Gateway;
- Provides better value for money with lower long term subsidy requirement;

- Supports economic regeneration and delivers significant uplift in GVA;
- Complements emerging demand management issues relating to regeneration.

Discussions have been held with DfT, DfT Rail and Network Rail to move the project forward through an innovative funding mechanism that requires significantly lower subsidy in the long term. The aim is to use existing committed funding within the rail network to divert to Tees Valley Metro and allow capital to be raised to fund the infrastructure improvements.

### **c). Tyne-Tees Express**

Enhanced connections between the Tees Valley and Tyne and Wear City Regions have long been recognised as an essential component of making the North East more competitive, as well as enhancing access to employment and education.

The proposals set out in the Regional Rail Strategy include for the use of the freight line via Stillington for new fast passenger service connections between Newcastle and the Tees Valley. Some feasibility work has been undertaken, but more work is needed to develop a business case for the proposals.

However, one of the benefits of the Tees Valley Metro proposals is the significant reductions in capacity utilisation afforded at the Bowesfield and Eaglescliffe junctions on the rail network, which could allow additional services to be provided, or existing Cross Country services to be diverted, along the Durham Coast route. In either case, faster connections could be provided between the two City Regions via this alternative route.

### **d). A19(T)/A66(T)/A174(T) Development**

Within the future transport needs of the Tees Valley, there is a clear need to provide high quality access to regeneration sites from the strategic road network. At the present time, the Government's development control policy will seek to examine each planning application on an individual basis and identify any necessary improvements that will be required to leave conditions on the trunk road in a "no worse off" condition at a point 15 years beyond the opening of the development. This can often lead to the requirement for improvements that cannot be financially supported by a development proposal with a relatively low initial land value.

Although this policy is currently under review, there is therefore a need to adopt a more pragmatic approach to future development proposals on the strategic road network, and we are working with the Highways Agency in two ways.

First, a bid to Government was made in July 2006 under the Transport Innovation Fund (TIF). The purpose of this bid is to take a co-ordinated view of the future transport needs in the Tees Valley in order to support the economic regeneration of the City Region. We aim to develop an action plan for multi-modal asset allocation of the primary transport



networks that embraces demand management techniques as well as identifying essential supporting infrastructure improvements in public transport and the local road network.

This bid provides the opportunity to examine the role of demand management within a City Region context, and also the interaction between demand management and the need to overcome existing and future transport problems in order to realise the wider benefits of economic regeneration and improvements in quality of life.

The methodology envisaged takes an innovative approach to demand management by starting from the principle that the transport network in the Tees Valley is a valuable commodity whereby capacity is allocated on the basis of need and availability of alternatives as well as fiscal measures. In this way, the Tees Valley will take a pro-active role in the ongoing debate on demand management whilst developing proposals sympathetic to the nature of the network and the wider local, regional and central Government aspirations.

Even if the bid for TIF is unsuccessful, work will be undertaken in Autumn 2006 to study the impact of demand management across the Tees Valley and to determine the public transport improvements and possibly secondary road network improvements, particularly in the Stockton/Middlesbrough area, that will be necessary to facilitate long term development.

Second, in the shorter term, we are seeking to develop working protocol arrangements with the HA to allow more flexibility in examining future development proposals within the Tees Valley in parallel to the planned public transport improvements and the emerging findings from the TIF study.

Such an arrangement will also allow developers to work with the Highways Agency as transport assessments are prepared, in order that the assessment is based on an agreed set of parameters for future conditions, rather than entering into a protracted iteration of supporting calculations to address the HA's concerns. It is hoped that this new arrangement will shorten the time taken to agree highway matters with the HA from the often lengthy period such as that taken for the Durham Tees Valley Airport proposals.

A multi-modal study of the A66(T) has already been undertaken for the single carriageway section of the route around Darlington, in partnership with the HA and regional bodies. The A66 Tees Valley Gateway Study emphasises the importance of removing the economic constraint that this single carriageway section creates, and the need to fund the recommended measures is of great importance.

**The ask of Government is to support our proposals on connectivity as more detailed business cases are presented to the DfT and**

**Network Rail within the next 18 months, and in particular give a positive response to our recent TIF bid.**

**We would also ask that, within the current review of developments, planning and the strategic road network, the DfT consider the way that the existing guidance is applied by the HA within the Tees Valley.**

#### **4.2.9 Housing Market**

Tees Valley Living (TVL) is a partnership organisation established in 2003 to address the issue of housing market failure across the sub region. Its partners are the five local authorities, the principal Registered Social Landlords and the House Builders Federation.

TV's purpose was to prepare a Housing Market Renewal Strategy and to lobby for implementation resources. The HMR strategy was completed in January 2006. It is based upon a comprehensive evidence base made up of the following components:

- The Baseline Study
- The Neighbourhood Vitality and Viability Index
- A Housing Market Assessment
- A Housing Toolkit and Guidance Framework
- A Black and Minority Ethnic Group Housing Needs Study
- Heritage and Design Study
- A gap finding model
- A sub regional housing strategy

The key findings of the evidence base present a compelling argument in favour of transformational change at the heart of the Teesside conurbation and in central Hartlepool, to allow the city region to respond to the challenges of the 21<sup>st</sup> century. Its conclusions are entirely compatible with the economic development objectives.

The research base shows that the core of the Teesside from Parkfield in Stockton to Grangetown and central Hartlepool have major concentrations of both deprivation and obsolete housing. The economic and social history of the Tees Valley has ensured that it now has huge swathes of what are now two very unpopular dwelling types. The geography of the estuary conurbation has also determined that its core offers little other than the high density, low specifications, small, back of pavement terraces built for unskilled manual

workers in heavy industry built between 1850 – 1900 and secondly the large sprawling council estates of the mid 20<sup>th</sup> century. Residents within these areas – who wish to live in different accommodation – have to travel several miles to find an alternative.

The North East has traditionally had the nation's lowest average house prices. Tees Valley is the cheapest part of the North East. This has made owner occupation relatively easily attainable hence lowering demand for social rented accommodation. First time buyers have also been able to enter the housing market "higher up the ladder". The local price structure has allowed them to bypass the older town centre terraces. The core areas have therefore been losing population in three decades of urban flight of the young and economically active. The residual population at the core now often has a very poor quality of life with high levels of worklessness, crime and anti social behaviour, poor educational attainment levels, poor health and a deteriorating environment.

The TVL, HMA and the Regional Housing Aspirations Study confirm that a move to the countryside is still the aspiration of many urban dwellers and the housing offer at the core of the conurbation holds little appeal for them. This is even more the case amongst the higher socio-economic groups. The pressure imposed upon the housing market in North Yorkshire from the Tees Valley employees is partly responsible for the North Yorkshire average housing price traditionally being double the Tees Valley figure. The HMR also confirms that the core areas of deprivation are very unattractive to inward migrants which seriously limits their capacity for self-sustaining regeneration and arguably hastens their decline in vitality and viability. The challenge therefore is to reverse this migration from these areas by providing housing and an enhancement which meets their needs.

The TVHMR Strategy aims to have a network of sustainable communities at the core of the conurbation and in central Hartlepool. By 2016 some 6,500 existing dwellings will have been cleared and 13,500 existing dwellings will have been improved to bring them up to 21<sup>st</sup> century standards. It is not possible to bring former residents back to the inner areas. What is feasible however is that the future redeveloped core areas will create environments which meet the aspirations of the next generation of potential urban dwellers.

The HMR strategy aims to learn from previous regeneration experience. Attention will be given to place-making. There are currently 14 live HMR sites, the major part of the 15 year implementation programme will be to see these areas through to completion. Attention will be given to large scale new developments which secure mixed income communities where residents have a wide range of choice from social renting, starter homes, shared equity to 4/5 bedroom detached homes and bungalows. This will enable people to trade up



or down without having to move miles. Emphasis will be given to the development of high specification, energy efficient family homes as the bulk of the new developments.

The intention is to use redevelopment within the existing concentrations of deprivation to introduce mixed income communities where owner occupation is the dominant tenure. They will be given regeneration attention until they are self-sustaining ie there is investment in renewal by existing stakeholders, schools, attain at least the regional average attainment levels, shops and services are provided to high levels and the areas are attractive to inward migrants.

The HMR strategy is not only aligned with regional and sub regional strategies but also intends to take a holistic approach to regeneration by linking HMR investment with a wide range of other investment with a wide range of other investment streams such as health, education, transport, retail and service provision, culture and environment. Another principal economic link is to ensure that local labour agreements are in place to ensure that employment opportunities for local communities are maximised.

The ultimate success of HMR activities will be dependent on the attraction of substantial private sector resources to the implementation programme. Public sector resources are for pump-priming purposes. Attention will therefore be given to ensure the following arrangements are in place:

- Scale of opportunity – critical mass can drive economies of scale
- Certainty – to minimise the risk for the private sector investor
- Transparency – to give clarity over the governance of the programme and the system engagement with private sector partners
- An appropriate risk/return profile to demonstrate that there is a proper understanding of the market value of opportunities

We therefore believe that the TVL HMR strategy is an integral part of the City Region Development Plan and its business case for delivery.

Transformational change at the core of conurbation and central Hartlepool is essential to enabling the City Region to address the economic challenges of the 21<sup>st</sup> century. Mixed and self-sustaining communities are essential to retain and attract the right calibre of workforce to pursue economic renaissance. The redevelopment areas should include predominantly family homes to ensure mixed income communities are truly embedded and that the next generation grows up without the existing prejudices towards inner city living. The success

of the City Region Development Programme is dependent upon a successfully housing market renewal programme.

**Our request of Government is to continue to fund the Housing Market Restructuring Programme in the Tees Valley. A separate report presents this case in more detail.**

## 5. GOVERNANCE

### 5.1 Background

At the time of local government reorganisation in 1996/97 the five Tees Valley Unitary Authorities set up the following sub-regional arrangements:

- The Tees Valley Joint Strategy Unit (JSU) to prepare the structure plan, a sub-regional economic development strategy, strategic transport planning, research and intelligence and the management of European programmes. The unit reports to the Tees Valley Joint Strategy Committee comprising 25 councillors from the five authorities;
- The Tees Valley Development Company, a joint public/private sector partnership, to promote inward investment and tourism.

In 1999 there was a recognition of the need to involve other partners to develop an economic strategy for the Tees Valley and so a Tees Valley Partnership comprising the local authorities, Chamber of Commerce, Learning and Skills Council and Tees Valley Tomorrow to develop and guide this work.

In 2002 there were two other changes:

- The Tees Valley Partnership was transferred from local authority governance rules to One NorthEast (ONE) governance rules to develop the Tees Valley Vision and to manage an annual programme now running at £24m/year delegated to it from ONE. It was broadened from 10 members to 24 members and a separate secretariat created located in the JSU with Stockton on Tees Borough Council acting as an accountable body;
- The Tees Valley Urban Regeneration Company was set up by English Partnerships, ONE and the five authorities. TVR became responsible for the development and implementation of five key regeneration projects – Central Park Darlington, Victoria Harbour Hartlepool, Middlehaven Middlesbrough, North Shore Stockton on Tees and the south side development at Durham Tees Valley Airport and developing the feasibility of a metro. The Tees Valley Development Company

was disbanded and the local authorities transferred the inward investment function to Tees Valley Regeneration. The Board of TVR consists of 15 members; five local authority chief executives and ONE, EP and eight private sector members with a private sector chair. TVR is a wholly owned public sector company limited by guarantee.

Subsequent to 2002 the following changes have occurred:

- A review of the JSU in 2005 has transferred responsibility for joint waste management, sub regional housing strategy and public transport contracts to the JSU;
- Tees Valley Living was created to develop a housing market renewal strategy and to make the case to Government for resources. DCLG announced this month an allocation of £18.5 million for 2006/8;
- The Tees Valley Area Tourism Partnership was set up under ONE governance rules to promote and develop tourism in the Tees Valley.

The secretariat for Tees Valley Living, the Area Tourism Partnership and the Tees Valley Partnership are located in the JSU but are not formally part of the JSU.

## 5.2 The Issues

There is no doubt that the current structures have helped enormously to deliver for the Tees Valley:

- A coherent economic development strategy for the Tees Valley (the Tees Valley Vision) taken forward by the Tees Valley CRDP;
- A coherent integrated Tees Valley spatial planning, economic development, transport and housing strategy which showed itself to best effect in the Examination in Public for the RSS. These strategies are all embedded into the RSS, Regional Economic Strategy, the Regional Housing Strategy, the Regional Transport Strategy and the Regional Funding Allocation;
- A £24 million programme which is truly strategic in delivering the key priorities;
- Good progress by TVR on the implementation of the major projects; and
- Success in gaining £18.5m over 2 years for housing market restructuring.

However there are a number of problems with the overall sub-regional governance structures which need resolution.

- We need to coordinate better transport delivery. We are in the process of developing a bus quality partnership, to manage bus services on a Tees Valleywide basis and to develop GRIP3 standard the Tees Valley Metro proposal. The operation of the Tees Valley

Partnership under ONE governance structures does not allow this process to work well;

- Within the regeneration and place agenda, which has to be integrated with local authority activity, the process of obtaining approval for key projects is difficult and takes time. There is a need for clear joint working, an improved level of trust and understanding between One NorthEast and partners and a quicker, streamlined appraisal system which can ensure a prompt response for the private sector;
- The board of the Tees Valley Partnership (24) is too large and can consequently lose its strategic focus because of the many vested interests around the table; we need therefore to reduce the number on the Board and turn the group into one which gives the leadership the Tees Valley needs but with a sub-board structure which enables partners to be involved in the area of interest. The private sector and local authorities find the lack of strategic focus frustrating;
- The Tees Valley is seeing a regionalisation process taking place: ONE is taking more power back to the centre, the LSC is now regional rather than Tees Valley wide, Business Link will be run on a regional contract and the formation of Regional Transport and Housing Boards are a further move in this direction. It is vitally important that the Tees Valley develops structures which enable it to properly influence these regional bodies to ensure that the needs and opportunities of the Tees Valley are properly taken into account.

### 5.3 The Proposal

In developing our proposals, the following principles have been followed:

- We need to build on the success of the last 10 years;
- We need to develop a structure which provides stronger leadership but also enables involvement and ownership of the public, private and voluntary sectors in the Tees Valley;
- The proposals must be fit for purpose/and achieve the twin objectives of delivering improved economic performance of the Tees Valley and influencing regional organisations/programmes;
- The principle of subsidiarity needs to guide the structures i.e. only functions appropriate to a city region/sub regional level should be included in the governance arrangements;
- The proposals should accord with forthcoming governance proposals for City Regions and the Lyons Review of local government;
- The proposals recognise the key strategic role One NorthEast play in the economic development of the region and provide a more effective vehicle for working together with Tees Valley partners to improve the economic performance of the city region.

**The main proposal is the creation of a Tees Valley Metropolitan Economic Partnership which we want to call Tees Valley Unlimited.**

Tees Valley Unlimited Leadership Board will consist of about 10 members. Five of the members will be representatives of the five Tees Valley authorities. There would be five other members representing other sectors (such as businesses, education/universities and the voluntary sector). Board level representatives of regional agencies would not be formally members of the Board but would be invited to attend and actively contribute to discussions.

The functions of the Board will be:

- Make key strategic decisions relating to the economic performance of the City Region on the basis of analysis, discussion and consensus;
- Approve the development of spatial, economic development, transport and housing policies and programmes at the Tees Valley level;
- Ensure that the needs and opportunities of the Tees Valley are reflected in the policies and programmes of regional and national agencies;
- Monitor progress on city region programmes and the implementation of the metropolitan area agreement;
- Liaise with MPs on Tees Valley economic development issues.

The Chair of the Leadership Board would be a non local authority chair with a local authority representative as the vice chair. The Chair would be appointed for 3 years.

The City Region partners – in common with other City Regions – feel an elected City Region Mayor would not be appropriate. In particular there are concerns that it would detract from the importance of partnership working between local political leaders, with a clear and accountable link to individual communities. Furthermore in the Tees Valley there are already elected mayors for Middlesbrough and Hartlepool and an elected cabinet is being considered in Stockton. An elected mayor for the Tees Valley could therefore create further confusion in the minds of the public and it would unlikely be universally acceptable.

To advise the Leadership board there needs to be an Executive. This Executive will comprise the five Tees Valley Authority Chief Executives, together with Chief Executives or leaders of other key Tees Valley organisations.

The added value the Board will bring is it would provide a body which is openly and publicly accountable to make key strategic decisions on matters affecting the economic development of the Tees Valley. It would also provide a body which has the mandate to influence national and regional government agencies.

In order to more closely engage with the key private sector businesses and organisations in the Tees Valley, we would ask one of the private sector representatives on the board to chair a Private Sector Business Leadership Group to provide a very direct engagement of the private sector with decisions taken by the city region as a whole.

However the Leadership Board cannot do all the work by itself. It needs a series of Boards to take responsibility for spatial planning/economic development, transport, skills, tourism, and housing. It is important that these boards are not individual silos – they operate within the single structure of the Tees Valley Metropolitan Economic Partnership and the joined up leadership of the Leadership Board and the integrated capacity of the JSU working with the local authorities, other public sector partners, the private sector and the voluntary sector.

It is envisaged that the Boards will involve the cabinet members of local authorities and the public, private and voluntary sectors where appropriate.

Tees Valley Regeneration would remain as it is and continue to be the main vehicle delivering the key strategic regeneration projects and attracting inward investment. Tees Valley Living would become the Tees Valley Housing Board and Tees Valley Area Tourism Partnership the Tees Valley Tourism Board and their officer structures incorporated into the JSU.

### **5.3.1 Planning and Economic Development Board**

The Planning and Economic Development Board would be responsible for:

- Co-ordinating the input of the city region into the regional spatial strategy, regional economic strategy and the Northern Way
- research reports into economic issues
- an annual monitoring report on the economic performance of the city region and the success of the city region development programme
- taking a lead on sector working e.g. a logistics sector strategy related to ports and airports
- the Tees Valley Investment Strategy
- the green infrastructure strategy
- coordinating the implementation of the regeneration/place programme and the key spatial initiatives
- liaising with One NorthEast on the key sector initiatives taking place in the Tees Valley

### **5.3.2 Transport for Tees Valley**

All of significant transport improvements planned within the Tees Valley are targeted at a sub-regional (and regional) level. However, the existing



governance arrangements for transport are set up at a Local Authority level. It is therefore imperative that a strong sub-regional strategy on transport is developed and implemented. This will be particularly important with the need to manage the proposed bus and rail improvements.

Unlike metropolitan areas, there is no Passenger Transport Executive in the Tees Valley, which offers the benefit of developing a new governance structure based largely on existing working relationships.

The suggested arrangement is to form a new body – Transport for Tees Valley, based on the governance arrangements put in place in London and Edinburgh. The new body would be directly accountable to the new wider governance arrangements of a Tees Valley Metropolitan Economic Partnership.

The body would involve cabinet members from Local Authorities and the private and public sectors where appropriate. This could include the Highways Agency and Network Rail, as key partners in delivering transport improvements across the City Region. It would be serviced by a strengthened Joint Strategy Unit.

Transport for Tees Valley would be responsible for:

- preparing the business case and taking forward the design, finding the funding and implementing the Tees Valley Metro
- implementing the Bus Network improvements, the SQPs, the letting of contracts for subsidised bus services and developing concessionary fare schemes for young people
- preparing the LTP monitoring report
- coordinating the implementation of transport resources delegated through TIF and the RFA process
- the Tees Valley Transport Strategy (across all modes)
- liaising with the Highways Agency on issues relating to the strategic road network
- representing the Tees Valley and making the case for further investment through regional and national bodies and The Northern Way

This proposal will be complementary to the existing LTP funding arrangements for Local Authorities and will not seek to absorb any existing highway powers that the Authorities have – it is aimed at providing a more efficient means of delivering and maintaining sub-regional transport projects as well as providing a co-ordinated response to policy matters across all Government agendas

### 5.3.3. Skills

The regionalisation of the LSC means that it is important that there is a body in the Tees Valley where strategic discussions on the skills needs of businesses and the community can properly be discussed. Many of the high level regional discussions on skills at organisations such as the Regional Skills Partnership have little involvement of agencies or people from the Tees Valley. The different labour market issues in the Tees Valley make it essential that we have a strong and influential voice with bodies like the Regional Skills Partnership. In addition a key task of the Board will be to develop a Tees Valley Skills Strategy to provide a strategic focus for the various initiatives in the Tees Valley. We would see the role of the Board to:

- develop a city region skills strategy;
- develop a social exclusion strategy to identify how people from deprived communities can gain access to the new jobs being generated in the Tees Valley.

### Tourism

The recently established Area Tourism Partnership would become the Tees Valley Tourism Board charged with promoting tourism and coordinating the development of a programme of major events. The Board will also develop programmes to support the development of tourism business and the skills needs of this growing sector.

### Housing

The Tees Valley Living Board would become a housing board coordinating the delivery of the housing market renewal strategy, developing further initiatives arising from the sub regional housing strategy and liaising with the regional housing board.

## 5.4 Added Value of the Tees Valley Unlimited

The added value of the Tees Valley Unlimited would be:

- Greater involvement of the Tees Valley in contributing to the regional economic development agenda
- Better leadership for the Tees Valley with the involvement of credible key people from the private sector in the Economic Partnership Board;
- Operate in an integrated and coordinated way under local authority governance arrangements of all authorities;
- A more strategic approach to developing policies and programmes which tackle the needs of the Tees Valley by agreeing priorities and making difficult decisions;



- Real involvement of the private and voluntary sector and regional agencies in the strategic economic development issues facing the Tees Valley.

How would all this affect the person in the street? Here are some examples:

- Planning and Economic Development – working with the port, airport and logistics companies to identify how the needs of the industry could be better met and new opportunities for the industry developed in the Tees Valley would provide more opportunities for a business person in the Tees Valley to supply the industry with goods and services and provide a greater choice of jobs for people working in this sector in the Tees Valley;
- Transport – in addition to a better bus and a new metro service, travellers would benefit from a single information and ticketing regime, common branding and guaranteed levels of frequency and service driven through binding agreements. Developers would also be able to discuss proposals with the Highways Agency in a more strategic way with reduced time spent on repeated assessments;
- Skills – ensuring people from disadvantaged groups could access the new jobs in the Tees Valley, for example, the programmes developed by the board should ensure that an unemployed person in East Middlesbrough gets a job in a new office in Middlehaven;
- Tourism – this will enable the quality of life of Tees Valley residents to be improved by providing more major events. The tourism industry is an easy way for unemployed people to obtain jobs and for those who want to start a new business;
- Housing – through the housing market renewal programme. Its activities allow the person from South Bank to move out of an outmoded Victorian 2up/2down terraced housing into a new housing in South Bank in keeping with their aspirations.

## 5.5 Regeneration and Place

In his latest report “National Prosperity, Local Choice and Civic Engagement” (May 2006), Sir Michael Lyons wrote:

*“I believe that the objective of local government reform must be to ensure that all local authorities are encouraged and empowered to undertake place-shaping in the fullest and most beneficial way for national well-being and the well-being of local communities ... Local government has a key role in shaping places that goes beyond the delivery of services. This will look different in every place, and requires local government to take responsibility for the overall well-being of communities, for defining and implementing a vision for their future success and prosperity, and for facilitating local choice.”*

In the light of these views and the need for better coordination between difficult spatial levels, it is important that the Tees Valley Metropolitan Economic Partnership is given the resources and responsibility for developing and investing in initiatives which will help to deliver the regeneration and place agenda which is so vital to improving the urban competitiveness of the Tees Valley. As part of our business case and City Region Development Programme we are developing a 10 year investment strategy. This fits in with ONE's timetable for the RES Action Plan which in a similar way, is seeking priorities of all partners to deliver the Regional Economic Strategy and be the basis for making investment decisions on those projects which will make the greatest difference.

**These new arrangements in the Tees Valley would have an initial critical role in negotiating the Metropolitan Area Agreement which would set our resources available and the outcomes and outputs expected to be achieved. Tees Valley Unlimited would then provide leadership and coordination to drive forward the City Region Development Plan and arrangement for the management and delivery of the projects within the Metropolitan Area Agreement and the other functional areas within its remit.**

**This will require some devolution of responsibility to Tees Valley Unlimited in relation to:**

- a) Housing market restructuring funded by DCLG'**
- b) Tees Valley wide transport projects – the Transport Innovation fund, Tees Valley Metro and Tees Valley Bus Network Review**
- c) Regeneration/sense of place resources appropriate to city region level determination from ONE.**

**The ask of Government is to support the governance model and to endorse Tees Valley Unlimited as a pilot for Metropolitan Area Agreements which can be developed in the 6 months from October 2006 to March 2007.**

## **5.6 City Region Policy Forum**

Tees Valley Unlimited is primarily about developing policy and delivery of economic development and other programmes in the Tees Valley. Because of the nature of local authority governance structures in the North East, we do not feel it is practical to manage and deliver programmes through a City Region delivery arrangement involving Durham and North Yorkshire. The problem is that any delivery arrangement would have to involve 2 County Councils, 5 District Councils, another LSC, RDA, Regional Assembly and Government Offices for Yorkshire and the Humber and hence would be too unwieldy. For these reasons delivery has to be

through the existing delivery arrangements in County Durham, North Yorkshire and Tees Valley Unlimited.

Nevertheless there is a need for policy, evidence and analysis to be developed on a city region basis. We therefore propose that a Tees Valley City Region Policy Forum is set up with the County Durham and North Yorkshire authorities to develop policy in particular looking at not only how these areas can benefit from the improvement of the economic performance of the Tees Valley but also how they can contribute to improving the economic performance of the City Region.

The types of issues which will need to be examined through the policy forum will be:

- The implications of the proposed expansion of Catterick Garrison by the Ministry of Defence on the city region;
- How we develop the economic relationships of Darlington with Newton Aycliffe and Bishop Auckland and Peterlee with Hartlepool;
- How do we enable residents from deprived parts of County Durham gain access to the new jobs in the Tees Valley;
- How will the development of biofuels in the Tees Valley provide opportunities for farmers in North Yorkshire;
- Can we work together to promote coastal tourism through joint branding e.g. the Captain Cook Country brand or a cross boundary LEADER project;
- How would the Tees Valley Metro create capacity for more services from Sunderland to Northallerton and the south;
- What are the implications for extra rail traffic to Teesport on the level crossings and congestion in Northallerton;
- What are the implications on the improved economic performance of the Tees Valley on affordable housing in Hambleton, Richmondshire and rural parts of County Durham;
- How can we improve connectivity between the towns of South Durham and North Yorkshire and the Tees Valley;
- Arrangements for monitoring progress on the City Region Development Programme;
- Collaboration on the role of colleges and universities in providing further and higher education and specialist business support.

## 5.7 Implementation

We wish to have the new governance framework up and running by April 2007.

In terms of implementation of a forward strategy, attached to this business case as a daughter document is a 10 year Investment Strategy which sets out our programme of implementation given existing levels of resources and the outcomes the programme is expected to bring.

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## 6. HOW CAN THE GOVERNMENT HELP?

The GVA evidence shows that the Tees Valley is lagging behind the national average and European average in economic performance. However there are grounds for optimism: economic activity and employment rates are rising, £700m has been invested in the chemical/energy industry over the last 3 years with a further £2 ½ billion of projects in the pipeline. In 10 years we can increase the contribution of the chemical industry to GDP from £3.5bn to £6.5bn over the next 10 years.

The energy sector is an important part of the Tees Valley economy. The CATS pipeline provides 20% of the UK's gas and feedstock for the petrochemical industry. Currently there are two major projects – a coal gasification plant with carbon capture and a plant for processing of heavy crude oil which will make a major contribution to meeting the energy needs of the UK. These two projects will also produce large amounts of hydrogen which will enable us to develop further the hydrogen economy. We also have the largest biodiesel production facility in the world and there are inquiries for a further 7 plants of which there will be room for 2. There are also opportunities in biomass, wind, industrial symbiosis, and waste recovery. We therefore want the DTI to work with the Tees Valley to develop the energy/low carbon industry in the Tees Valley.

Teesport is the second largest port in terms of volume in the UK and the seventh largest in Western Europe. It employs 2000 people and contributes £250m/year to GVA. PD Ports have submitted a planning application to construct a Northern Gateway Container Terminal. Together with the potential to create 6 assembly and distribution hubs, it has the potential to create a further 3000 jobs and a £520m contribution to GVA over the next 10 years.

Other key economic assets to be developed are Durham Tees Valley Airport, the logistics, financial and business services and tourism sector, the expansion of Catterick Garrison, and the development of the research contribution of the universities of Teesside and Durham through Digital City, the expansion of the Queen's Campus and NetPark.

Improving the urban competitiveness and liveability of the Tees Valley is a key part of our strategy to improve economic performance. The key initiatives are:

- a) The Stockton/Middlesbrough Initiative which is concerned with bringing life back into the heart of the Teesside conurbation by developing the city scale facilities that the region sadly lacks;

- b) The Darlington Gateway which is concerned to build on the success already achieved by logistics and office based employment as a result of both its unique location on the A1, the East Coast Main Line and the Airport together with the quality of life provided by its tradition as an historic market town;
- c) The Coastal Arc which is concerned with developing the economic asset of the coast both for tourism, other economic development and to act as a catalyst for housing market regeneration;
- d) Tees Valley Regeneration which is targeted with delivering the redevelopment of 800 acres of brownfield land, the provision of 2 million sq ft of office space, 6,500 homes, 1 million sq ft of education facility, 12,000 jobs and the leveraging of £1.2 billion of private sector investment at the key sites of North Shore, Victoria Harbour, Central Park, Middlehaven in Middlesbrough and the redevelopment on the South Side of the Airport over the next 10 – 15 years.

A critical element of any programme to improve the urban competitiveness of the Tees Valley must depend on tackling the problems of worklessness, developing the skills of its people and raising the aspirations of its young people. Increasingly Job Centre Plus, LSC and the colleges of further education will play an important role in tackling these issues. However whilst there is much good work going on it needs coordination – it also needs to be focussed on the new economy of the Tees Valley. We propose therefore to prepare a Skills Strategy which will:

- a) Identify the key skills needs of the Tees Valley and the programmes necessary to meet the needs of the Tees Valley economy;
- b) Identify how we tackle the issues of worklessness and the 20% of the working population with no skills qualifications;

A potential constraint on economic growth in the Tees Valley is the transport system – in particular the ability of the trunk road network to cope with future development and the lack of accessibility of jobs by public transport. We are therefore:

- a) Improving the city region bus network to offer a step change in public transport provision in terms of frequency, reliability, quality and convenience with a coordinated approach to public transport provision and to enhance access from local residential areas to town centres and major employment locations;
- b) A sub regional integrated public transport system based on the existing heavy rail system to create a high quality, fast and reliable solution to assist regeneration and help to avoid the transport problems that would otherwise arise as economic activity takes place;

- c) An approach to tackling projected traffic growth on the trunk road network through an approach of provision of quality public transport, enhancing the local road network and demand management/congestion charging;

If we are to achieve an improvement of the economic performance of the Tees Valley, we need to develop an effective city region governance system. We have been working together for 10 years through the Tees Valley Joint Strategy Unit, the Tees Valley Partnership, Tees Valley Urban Regeneration Company and Tees Valley Living. We need to build on their achievements.

The main proposal is the creation of a Tees Valley Metropolitan Economic Partnership which we want to call Tees Valley Unlimited.

Tees Valley Unlimited Leadership board will consist of about 10 members. Five of the members will be representatives of the five Tees Valley authorities. There would be five other members representing other sectors (such as businesses, education/universities and the voluntary sector). Board level representation of regional agencies would not be formally members of the Board but would be invited to attend and actively contribute to discussions.

The functions of the Board will be:

- Make key strategic decisions relating to the economic performance of the City Region on the basis of analysis, discussion and consensus;
- Approve the development of spatial, economic development, transport and housing policies and programmes at the Tees Valley level;
- Ensure that the needs and opportunities of the Tees Valley are reflected in the policies and programmes and regional and national agencies;
- Monitor progress on city region programmes and the implementation of the metropolitan area agreement;
- Liaise with MPs on Tees Valley economic development issues.

The Chair of the Leadership Board would be a non local authority chair with a local authority representative as the vice chair. The Chair would be appointed for 3 years.

The added value the Board will bring is it would provide a body which is openly and publicly accountable to make key strategic decisions on matters affecting the economic development of the Tees Valley. It would also provide a body which has the mandate to influence national and regional government agencies.



In order to more closely engage with the key private sector businesses and organisations in the Tees Valley, we would ask one of the private sector representatives on the board to chair a Private Sector Business Leadership Group to provide a very direct engagement of the private sector with decisions taken by the city region as a whole.

Support the Board will be five boards:

- a) A planning and economic development board coordinating the input of the city region into the regional spatial strategy, regional economic strategy and the Northern Way and taking forward the strategic economic issues set out in the business case;
- b) Transport for the Tees Valley to develop city region transport strategy and develop the Metro, Bus Network Review and transport issues affecting the trunk road network;
- c) A Skills Board to develop a Tees Valley Skills Strategy;
- d) A Housing Board (incorporating Tees Valley Living) to coordinate the delivery of the housing market strategy and other city region wide housing issues;
- e) A Tourism Board

Tees Valley Regeneration would remain as the delivery organisation responsible for implementing the five key main regeneration projects as of now and dealing with inward investment.

These new arrangements in the Tees Valley would have an initial critical role in negotiating the Metropolitan Area Agreement which would set out resources available and the outcomes and outputs expected to be achieved. Tees Valley Unlimited would then provide leadership and coordination to drive forward the City Region Development Plan and arrangements for the management and delivery of the projects within the Metropolitan Area Agreement and the other functional areas within its remit.

This will require some devolution of responsibility to Tees Valley Unlimited in relation to:

- a) Housing market restructuring funded by DCLG
- b) Tees Valley wide transport projects – the Transport Innovation Fund, Tees Valley Metro and Tees Valley Bus Network Review



- c) Regeneration/sense of place resources appropriate to City Region level determination from ONE

The ask of Government is to support the governance model and to endorse Tees Valley Unlimited as a pilot for Metropolitan Area Agreements which can be developed in the 6 months from October 2006 to March 2007.

There is a need for policy, evidence and analysis to be developed on a City Region basis. We therefore propose that a Tees Valley City Region Policy Forum is set up with the County Durham and North Yorkshire authorities to develop policy in particular looking at not only how these areas can benefit from the improvement of the economic performance of the Tees Valley but also how they can contribute to improving the economic performance of the City Region.

The Government can help us deliver our business case in the following ways:

- a) DTI to continue its support in working with the NE Process Industries Cluster Group to develop the world class chemicals industry in the Tees Valley;
- b) COGENT, National LSC and DFES to work with NEPIC, ONE, regional LSC, Tees Valley Regeneration and the Tees Valley JSO to develop a skills strategy for the chemicals/energy industry in the Tees Valley which meets the needs of the industry rather than focuses on the national products of the LSC;
- c) Support from DTI and Treasury for the Heavy Crude Oil Upgrader and Progressive Energy projects and the setting up of a working group involving industry leaders, DTI, ONE, Renew Tees Valley, Tees Valley Regeneration, the Tees Valley JSU and Redcar and Cleveland/Stockton on Tees Borough Councils to develop a strategy/programme to develop the potential of an energy industry in the Tees Valley;
- d) DTI in developing the National Ports Policy support the proposals from PD Ports to develop the Northern Gateway Container Terminal at Teesport;
- e) DTI, DfT and DCLG support the new governance arrangements for a Metropolitan Economic Partnership to be known as Tees Valley Unlimited and to act as a pilot for a Metropolitan Area Agreement which can be developed over the six months from October 2006 to March 2007;
- f) The active support of the Department for Transport in developing our TIF Congestion Bid, Connecting the Tees Valley, the Tees Valley Metro proposals, the Tees Valley Bus Network Review, the TIF productivity bid for gauge enhancement to Teesport. National agencies such as Network Rail and the Highways Agency as well as regional bodies recognise the new Transport for Tees Valley Board and engage with it on sub-regional and strategic transport issues;

- g) In recognition of the importance of regeneration and place the urban competitiveness of the Tees Valley, the continuation of resources for the regeneration initiatives and housing market restructuring. In addition, DCLG to work with the Tees Valley MEP to identify how £1.5m year resources for developing green infrastructure can be provided;
- h) Agreement with DCLG that for the present time North Yorkshire and Durham County Councils are involved through a policy forum approach rather than direct involvement through the Tees Valley Metropolitan Economic Partnership.

We commend the business case to you as a clear coherent strategy for tackling the poor economic performance of the Tees Valley through building on our economic assets, improving urban competitiveness and improving governance arrangements between national, regional and local government and in involving the public, private and voluntary sectors.