



**Redcar & Cleveland
Borough Council**

**Redcar & Cleveland
Growth Strategy**

June 2016

genecon

Contents

Executive Summary	1
1 Introduction - setting the scene	2
1.1 A new strategy for growth	2
1.2 Our approach	2
2 Our economy – key characteristics	4
2.1 Overview	4
2.2 Key facts – people, jobs and business	4
2.3 Economic performance gap	2
2.4 Employment	3
2.5 Business and skills	4
2.6 Infrastructure	5
3 Growth opportunities for Redcar & Cleveland	8
3.1 Local devolution driving national economic growth	8
3.2 National assets for local growth	10
3.3 A shared approach to economic growth	11
4 Strategy for economic growth	13
4.1 Ambition, priorities and growth themes	13
4.2 Strategic Priority 1: Strengthening and promoting our economic assets	13
4.3 Strategic Priority 2 - Building a competitive workforce	17
4.4 Growth outcomes	19
4.5 Growth Strategy summary	20
5 Delivering economic growth	22
5.1 Strong local leadership	221
5.2 A partnership approach to delivery	221
5.3 Measuring performance	243

Executive Summary

In 2010 Redcar and Cleveland Borough Council produced a Regeneration Masterplan that set out a 15 year framework for economic regeneration across the Borough. The Masterplan aimed to establish a stronger, more diverse, economy primarily by proposing several transformational interventions aimed at achieving a strong and sustainable economic future for the Borough. We made the decision after five years to review progress and to produce this Growth Strategy to re-align our approach to economic growth and to reflect the very different political and economic environment in which we all now operate. A Baseline document was produced in 2015.

The Growth Strategy builds on the Masterplan; but places a greater emphasis on developing the workforce and economy, alongside the ongoing commitment to develop our economic infrastructure and improve our quality of place. In summary the Growth Strategy is not a project list, rather it identifies two Strategic Priorities that form the focus for our future programmes and projects:

Priority 1: Strengthening and promoting our economic assets by:

- a. Developing our land and infrastructure
- b. Developing business and enterprise growth
- c. Raising our quality of place

Priority 2: Building a Competitive Workforce by:

- a. Improving work readiness
- b. Raising skill levels

The Growth Strategy has been developed with a great deal of consultation and has been endorsed by our Council; but in order to deliver these growth priorities it is essential that partners across the business, public and third sectors maintain this commitment. Furthermore it is vital that we identify barriers and try to overcome them; and identify opportunities and grasp them. There is a considerable amount of work to do to develop the programmes required to deliver growth and both strong leadership and partnership is required. We must remain aware of our progress and remain flexible enough to ensure we act according to the current environment we are operating in to secure the economic growth we seek to attract.

1 Introduction - setting the scene

1.1 A new strategy for growth

Redcar & Cleveland has world class expertise in key economic sectors which are vital for economic growth in the Tees Valley. The area hosts a critical mass of nationally significant economic assets founded on its historic strengths in industrial processing, chemicals and logistics. And it has a unique spatial character, with a mix of urban and rural communities set against the backcloth of an extensive heritage coastline, the North York Moors National Park and the industrial complexes alongside the Tees Estuary.

But the economy of the Borough continues to be vulnerable to ongoing structural changes in the UK economy – most recently the steep decline in steel production and the closure of SSI UK. As an integral part of the wider Tees Valley, the Redcar & Cleveland economy operates in a dynamic context, with complex labour flows and business supply chains. These dynamics create both opportunities and challenges for economic growth in the Borough.

These dynamics are well understood. The Redcar & Cleveland Regeneration Masterplan published in 2010 presented clear objectives for the Borough in establishing a stronger, more diverse and resilient economy, improving connectivity, supporting ongoing social and community development and protecting and enhancing the environment. It set ambitious targets for the Borough to generate new jobs, create new businesses, improve skills levels, build new homes and secure new private sector investment.

Redcar & Cleveland Borough Council has played a pivotal role, working with local partners, to facilitate new investment and support the creation of new jobs across the Borough and the ambitions of the Regeneration Masterplan continue to be reflected in the policies and activities of the Council. However the economic and strategic policy context for delivery continues to change and evolve and the Council and its partners need to respond to this.

So the time is now right to review, reposition and reinforce the delivery of the Regeneration Masterplan through a new Economic Growth Strategy for Redcar & Cleveland – a strategy that seeks to accelerate diversification and growth of local economic activity through a clear focus on economic development priorities and outcomes.

This economic growth focus complements and reinforces the broader set of objectives and outcomes encapsulated in the Regeneration Masterplan. It provides a framework for prioritising future public and private sector resources to target economic growth, and the alignment of expertise and capacity to maximise benefits for Redcar & Cleveland and the Tees Valley.

1.2 Our approach

We recognise the complexity of our local economy and the inter-dependency of people, business and place – the sense of place, the assets and infrastructure which underpin our economic performance – and with this the responsibility of the Council to provide a clear strategic framework and effective leadership – harnessing these assets to support the delivery of economic growth.

The development of this strategy has been led by the Council working collaboratively with partners from all sectors of the local economy, drawing on updated economic intelligence and feedback from ongoing consultation. It is closely aligned to national, regional and local strategic policies and recognises the importance of shared responsibility as the basis of delivering our economic priorities and achieving our shared ambitions for the Borough.

Structure of the Growth Strategy

- An assessment of the Borough's economic characteristics and performance
- A statement of our collective ambitions and priorities and the desired economic performance outcomes
- Our approach to delivering economic growth and the focus for early intervention by the Council and its partners
- Identification of the economic opportunities that can drive change and support aspirations for a growing and more resilient local economy

2 Our economy – key characteristics

2.1 Overview

The strategy for economic growth in Redcar & Cleveland is founded on our understanding of the Borough's current economic characteristics – employment, business, skills and infrastructure – and its performance relative to the Tees Valley and the North East, as well as the national economy.

This highlights a number of key issues:

- ❑ The Borough's economy needs to generate more jobs and more businesses, but business start-up and growth trends are encouraging;
- ❑ Redcar & Cleveland is closing the economic performance gap with other areas but needs to continue to diversify its economy;
- ❑ Manufacturing employment continues to be vulnerable but 'making and moving' are key specialisms which provide the basis for continued diversification;
- ❑ The Borough still has fewer higher-value knowledge based, and service sector jobs than elsewhere;
- ❑ Key economic assets provide the foundations for growth – unique employment drivers, a strong supply of development land, and a growing housing stock.

2.2 Key facts – people, jobs and business

Population trends

The Borough's population has been in decline since the early 1980s. Between the 2001 and 2011 Censuses our population fell by 3% whilst England grew by 10%. Official forecasts show that without intervention the number of residents in Redcar & Cleveland will remain relatively static over the next 20 years – while the national population will continue to grow by 13% by 2035¹.

The national trend is also for an ageing population. The Borough already has a higher proportion of older residents and a smaller than average working-age population – with the trend forecast to continue over the coming decades. This creates potential issues for long term workforce replacement in key sectors of the economy.

Occupations

Redcar & Cleveland residents are increasingly employed in knowledge-based jobs – however this shift is gradual and long-term. The Borough's residents are still less likely to work in a higher-order job (i.e. managerial, professional and technical) than people across the wider Tees Valley and the North East.

Skills for work

The skills profile of the Borough's workforce is improving. The proportion of people aged 16 to 64 with a formal qualification is growing and is above the Tees Valley and North East averages. However the proportion of working age residents with a degree equivalent qualification (i.e. NVQ4 and above) continues to lag behind equivalent averages for the Tees Valley and the North East².

Jobs

Until the SSI closure, jobs growth was stronger in recent years than the average across the Tees Valley and the North East. However, the area still does not have enough jobs compared to the size of its population – there are 56 jobs per 100 people of working age in the Borough compared to 68 per 100 across the Tees Valley and the North East³.

The latest data shows 41,200 jobs in the Borough⁴. Between 2009 and 2014 most jobs were added in health & social care, retail & wholesale – the two biggest sectors – and in admin and support services.

Commuting

Redcar & Cleveland is part of a Tees Valley-wide labour market. Nearly half of working residents commute out of the Borough for work every day – of which 80% commute to work elsewhere in the Tees Valley, mainly to Middlesbrough and Stockton⁵. A third of available jobs in the Borough are filled by in-commuters, with the majority commuting from other areas in the Tees Valley.

Business growth and resilience

Growth in the number of businesses, business start-up and business survival rates have been on a par with Tees Valley and North East averages in recent years. However, the number of businesses per resident is still well behind wider averages. In 2014, there were 264 businesses per 10,000 residents – whilst the figure across the Tees Valley was 293 and the North East was 300⁶. The Borough would need an additional 500 businesses to reach the North East average business density.

Productivity

Productivity is improving but remains lower than the pre-recession peak and in the last decade productivity has been consistently below local and national averages. In 2013 Gross Value Added (GVA) per head was £16,116 in the South Teesside area (Redcar & Middlesbrough), which was below the £17,200 average for the wider Tees Valley and £23,400 for the UK⁷.

Sector growth

Manufacturing and transport are important sectors in the local economy – employing around twice the national average proportion of the workforce. However, manufacturing has continued to decline at a faster rate than the national average. Employment in transport and storage is growing – for example there were nearly 1,000 net new jobs in handling for shipping between 2009 and 2014⁸. In line with national trends there has been a continued reduction in manufacturing/production employment; growth in service sector employment such as retail, and public sector jobs in health; but recent reductions in public administration and education jobs.

2.3 Economic performance gap

Redcar & Cleveland has been managing the effects of long-term structural economic shifts, whilst other parts of the country have moved towards higher-value knowledge and service-based economies. The Borough's economy broadly follows national trends, but it is building from a very different starting point to many other local economies.

The Borough still needs to grow its service sector and achieve a better representation of higher-value-added sectors such as professional and business services. Jobs in the professional and business support sectors make up only 14% of employment in the Borough, compared to 21% of employment in the Tees Valley and across the North East⁹. The table below shows the changes needed across a number of economic indicators to reach levels seen across the wider Tees Valley and North East.

Redcar & Cleveland's Economic performance gap ¹			
	Redcar & Cleveland performance	To reach Tees Valley average	To reach North East average
Working-age (16-64) population ¹⁰	82,100	+1,800	+2,200
GVA per job (South Teesside) ¹¹	£49,300	+£3,300	+£2,100
Employment Rate ¹²	68.4%	Par	+400
Jobs density (per 100 working age residents) ¹³	56	+9,850	+9,850
Jobs in wider service sector (2014) ¹⁴	31,250	+3,250	+3,000
Businesses per 1,000 residents ¹⁵	29	+500	+550
Business start-up rate (2014) ¹⁶	12%	Par	Par
Business survival (5 years, 2009 births) ¹⁷	40%	Par	Par
Working-age population qualified to NVQ 4+ ¹⁸	20,000	+2,950	+3,200

2.4 Employment

2.4.1 Employment specialisms

Employment specialisms are still predominantly in the 'making and moving' industries. The table below highlights sub-sectors of the local economy where the proportion of employment is at least twice the North East average. Figures from 2014 demonstrate the scale of employment in steel manufacturing – underlining the impact of the closure of SSI UK in late 2015 (although the resilience of the economy post-SSI is demonstrated by a striking fall in the JSA count in 2016).

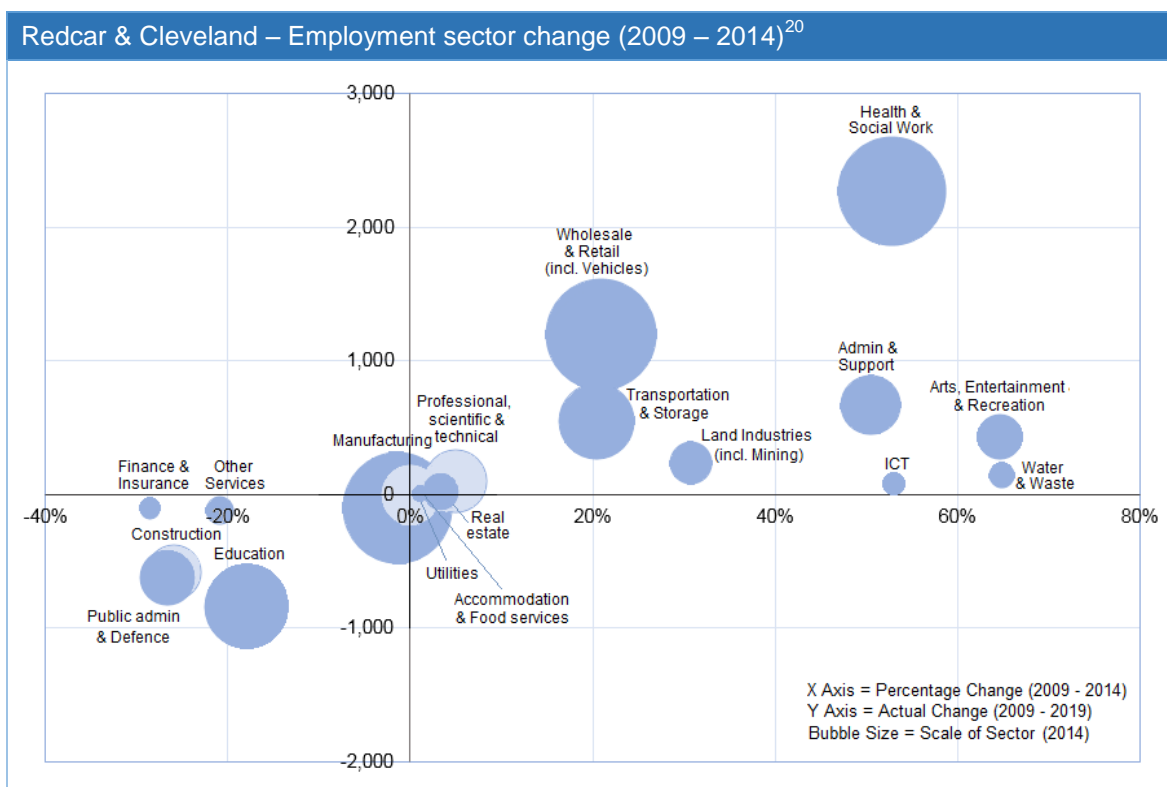
Redcar & Cleveland – Employment sector specialisms ¹⁹			
Manufacture of basic iron and steel (2,800 jobs)	Mining of chemical and fertilizer minerals (1,000 jobs)	Road freight transport (850 jobs)	Secondary education (800 jobs)
Manufacture of organic basic chemicals (650 jobs)	Renting and operating of real estate (600 jobs)	Manufacture of metal structures (600 jobs)	Operations of sports facilities (600 jobs)
Manufacturing of biscuit and pastry goods (550 jobs)	Cargo handling (500 jobs)	Water transport service activities (450 jobs)	Other transport support activities (350 jobs)
Manufacture of general purpose machinery (250 jobs)	Technical testing and analysis (200 jobs)	Building and industrial cleaning activities (200 jobs)	Recovery of sorted materials (200 jobs)

¹ Note: Performance gaps have been quantified based on the latest available national statistical evidence at the time of drafting. Due to national reporting timeframes, the impact of the closure of SSI UK on the relative performance of Redcar & Cleveland are not yet accounted for.

2.4.2 Employment trends

Beyond its employment specialisms, Redcar & Cleveland's employment trends are largely defined by the shape of the national economy and are strongly influenced by wider market and economic trends. The chart below illustrates employment trends in the Borough over five years between 2009 and 2014 including:

- ❑ Health & social work and retail & wholesale are significant and growing employment sectors as in the rest of the country.
- ❑ Transport & storage is a significant employer and has grown faster in the Borough than across the rest of the country.
- ❑ There is no consistent trend of growth in knowledge-based employment sectors and they represent a relatively small amount of economic activity in the Borough.
- ❑ Manufacturing remains a large employer but manufacturing jobs were already declining before the closure of SSI UK in late 2015.

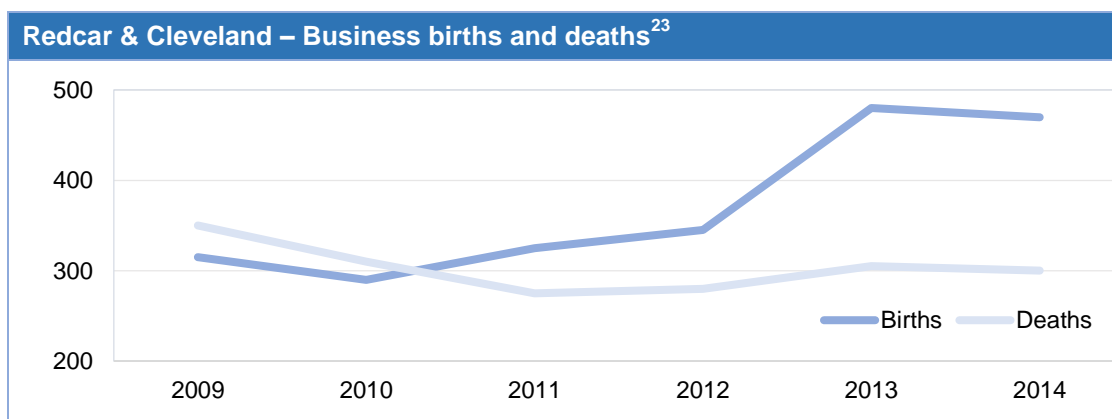


2.5 Business and skills

2.5.1 Business growth

Redcar & Cleveland's business base has been getting stronger in recent years – in line with the rest of the Tees Valley – with 550 more businesses in the Borough in 2015 than in 2010, representing a 16% increase in business stock²¹. However, significant continued growth will be needed to bring the number of businesses in line with wider averages.

The number of businesses per head in Redcar & Cleveland is still lower than elsewhere, partly the consequence of a number of large single employers in the Borough. In 2015, there were 3,850 businesses operating in the Borough, equating to 29 businesses per 1,000 residents. This was below averages for the Tees Valley and the North East (32 businesses per 1,000 residents)²².



Encouragingly, however, new businesses in Redcar & Cleveland appear to be as resilient as elsewhere – with 60% of businesses started in 2009 surviving to year 3 and 40% surviving to year 5. More than half of business growth between 2010 and 2015 (295 businesses) was in the professional, scientific and technical sector – with strong growth in the architectural, engineering, and technical sub-sectors²⁴.

2.5.2 Skills profile

The Borough has seen improvements in the basic level skills profile of its resident labour force – the proportion of residents without a formal qualification fell from 13% to 10% between 2010 and 2014. However, there is a considerable shortfall in those with higher level skills (NVQ Levels 4+). 25% in 2014, compared to 28% in the Tees Valley and the North East.

This is reflected in the fact that Redcar & Cleveland has a slightly lower than average level of managerial and skilled positions (56% compared to 60% across the Tees Valley and the North East) and higher levels of lower-order occupations (44%) (2014)²⁵.

The most recent data (2015) showed the proportion of NEETs – 16-19 year olds not in education, employment or training – was higher in Redcar & Cleveland (7.6%) than the North East average (5.7%).

2.6 Infrastructure

2.6.1 Economic assets

On the South Bank of the Tees, between Redcar & Middlesbrough, Teesport is one of the UK's only deep water tidal ports providing European and transcontinental shipping for around 40m tonnes of import/export cargo per year²⁶. Operated by PD Ports, it is the third busiest port complex in the UK and it has a wide range of facilities includes roll-on/roll-off, bulk facilities and the Tees Dock Bulk terminal operated by Cleveland Potash. It is home to national distribution centres for Asda and Tesco.

Wilton International is a world class petrochemicals development and processing cluster employing around 8,000 people, with an extensive upstream/downstream supply chain making it one of the leading UK sites for the petrochemicals/processing industries. The site benefits from a simplified planning regime which allows, in some circumstances, the development of greenfield sites within

the area for manufacturing and chemical uses making it one of the UK Government’s preferred locations for chemicals development.

The Borough’s coastline has underground reserves of potash and polyhalite – rare minerals used in the production of fertilisers. The Cleveland Potash mine at Boulby has been an important economic asset in the Borough for at least forty years – and this is likely to continue, albeit at a reduced employment scale – with ongoing investment in the shift from potash to polyhalite extraction. Similarly, the proposed York Potash mine – a £1.7bn investment by Sirius Minerals PLC – will see an extraction shaft sunk near Whitby (in neighbouring Scarborough BC) with an underground conveyor to a new processing facility at Wilton International and a new export facility at Teesport.

Redcar & Cleveland has a strong supply of employment development land including three designated Enterprise Zones; Wilton International and South Bank Wharf on the South Tees where occupiers can benefit from enhanced capital allowances, and Kirkleatham Business Park, where occupiers can benefit from business rates discounts. In addition, the emerging South Tees Mayoral Development Corporation (STMDC) will bring further benefits once established

The Borough has important connections to the UK strategic road network with a 20 minute drive time connection via the A66/A174 to the A19 for strategic north/south movements. The northern part of the Borough is served by a rail link running from Saltburn through to Darlington – the major rail hub for the Tees Valley, offering north-south connections via the East Coast Main Line. Regular rail services take around 45 minutes to travel by train from Saltburn to Darlington and there are seven stations within the Borough which offer a reasonably well-served local travel option for most of the main settlements.

2.6.2 Housing

Economic growth and housing growth are mutually linked. In 2014, there were 62,500 dwellings in the Borough, 21% of Tees Valley’s housing stock²⁷. Encouragingly, the gross number of new homes built in Redcar & Cleveland has not been as badly affected by the economic downturn as in other areas although the level of net additions to the housing stock did decline due to a significant number of demolitions in regeneration schemes. Over the last five years, housing delivery (gross additions) was consistently above the mid-200s before a significant boost to 556 in 2014/15.

New homes in Redcar & Cleveland				
Gross Additions ²⁸				
2010/11	2011/2	2012/3	2013/14	2014/15
280	346	259	366	566
Net Additions ²⁹				
2010/11	2011/2	2012/3	2013/14	2014/15
61	295	61	228	460

The latest analysis of housing land supply in the Borough (December 2015) indicates there is a sufficient supply of deliverable housing land to comfortably meet the objectively assessed need for the period to 2019/20 and that the rates of housing supply have improved since 2014. The analysis also highlighted that there is capacity for achieving a realistic distribution between the four main residential areas of Greater Eston, Redcar / Marske, Guisborough and East Cleveland.

Evidence from the 2016 Redcar & Cleveland Strategic Housing Market Assessment suggests that the housing market across the Borough is reasonably well balanced in terms of the levels of demand for housing, although there are some areas of disparity in local markets within the

Borough. In particular there is an identified shortfall in the supply of detached houses and bungalows

3 Growth opportunities for Redcar & Cleveland

Redcar & Cleveland has a series of distinctive opportunities and assets which provide a strong foundation for future economic growth despite ongoing structural economic challenges. The Borough has nationally recognised commercial expertise and national-scale economic infrastructure. Alongside this, the Tees Valley is at the forefront of the devolution of economic growth powers and resources – opportunities recognised both by the Council and its growth partners in business and the wider community.

These point to an emerging framework for the Growth Strategy focused around:

- ❑ **Business and jobs growth** – strengthening and diversifying our business base, improving infrastructure and developing new markets
- ❑ **Quality places and reputational change** – promoting and enhancing local assets, improving local ‘branding’ and prioritising place-making
- ❑ **A skilled and more entrepreneurial workforce** – improving employability and responding to employer needs.

3.1 Local devolution driving national economic growth

3.1.1 Tees Valley devolution

Since the 2010 Regeneration Masterplan was published, Redcar & Cleveland now has increased flexibility and opportunity to be creative and responsive in directing investment to where it is most likely to support local economic growth – albeit with reduced resources. Policy and legislation has devolved governance, decision-making power and funding of economic development down from national government – promoting local responsibility and actions to deliver growth through skills, infrastructure, employment support, housing, regeneration and business support.

National government has had the confidence to devolve power to the Tees Valley earlier than many other parts of the country, placing Redcar & Cleveland amongst a small number of local authorities at the forefront of the devolution process. The area’s existing track record of partnership working and delivery is widely recognised – its Local Enterprise Partnership *Tees Valley Unlimited* was one of the first to be established in 2010.

A series of agreements with central government has brought spending and decision-making powers closer to Redcar & Cleveland in recent years. These deals include the £12m City Deal (2014) and the £100m+ Growth Deals (2014-15) – culminating most recently in the Tees Valley Devolution Agreement (October 2015). Under this arrangement, Redcar & Cleveland will be represented in a new Tees Valley Combined Authority – with an elected mayor from May 2017 and devolved powers and budgets for employment, skills, transport, planning and investment. At least £15m of flexible capital and revenue will be available through the Tees Valley Investment Fund and a Mayoral Development Corporation will be set up to deliver economic growth and housing projects.

Dialogue with national government is framed by ‘economic growth’ where previously ‘urban renaissance and regeneration’ were prioritised. The key criteria for government funding – including that devolved to Tees Valley Combined *Authority* – is the delivery of economic outputs, particularly jobs. This Growth Strategy allows the Borough to align its economic development activity with this agenda and the devolution process will help to reinforce its assets base and competitive strengths in order to retain and attract new investment,

3.1.2 **Strategic Economic Plan for the Tees Valley**

This Growth Strategy is also an opportunity to reiterate how the Borough's economic ambitions align and contribute to economic growth at a Tees Valley level – a message which is increasingly important in planning for economic growth in the Borough as part of a wider sub-regional plan.

Published in 2014 by the Local Enterprise Partnership – Tees Valley Unlimited – the *Strategic Economic Plan (SEP)* provides the sub-regional framework for economic growth and formed the basis of the Growth Deals with Central Government. Although currently being reviewed the SEP sets out six priorities for economic growth in the Tees Valley for the period to 2025:

- Develop and nurture an innovation culture and positive environment for business growth.
- Secure the transformation of Tees Valley into a Low Carbon High Value economy.
- Secure improved skills levels to address future demand in growth sectors and in existing industries.
- Secure additional capacity on the East Coast Main Line rail route and improve rail services to major northern cities and within the Tees Valley.
- Improve our air, road, port, land and property infrastructure to enable economic growth.
- Create and retain wealth by establishing the Tees Valley as a preferred location to live in, work and visit.

3.1.3 **Growth Deal**

Six economic growth projects in the Borough were identified for potential investment through the Government's Local Growth Fund (LGF) and the delivery of these projects will make key contributions to the Growth Strategy.

- Materials Processing Institute (MPI, Wilton)** – £3m of LGF, £1.5m of BIS funding and £9m of local private sector investment to develop an open-access technology centre;
- Kirkleatham Estate Catering Academy** –£2.4m LGF;
- Kirkleatham Business Park** – £0.5m LGF for land assembly in partnership with the Homes & Communities Agency (HCA);
- Skelton Industrial Estate** – a potential for up to £1m LGF for construction of an access road and servicing;
- South Bank Wharf** – £1m LGF for highways works to improve access to a key EZ site;
- Redcar & Cleveland College – Oil and Gas Academy** – £2.4m of LGF (not currently proceeding).

3.1.4 **The Northern Powerhouse**

Similarly, national government policy to drive economic growth through an improvement in performance of the North of England – will see increased power and resources available – which the Borough and the Tees Valley needs to utilise effectively. The 'Northern Powerhouse' is the Government's policy agenda setting out its ambitions to raise the performance of the North of England, by bringing about economic growth that is at least on a par with national growth.

HM Treasury has estimated that if the northern economy grows in line with the OBR's UK growth forecast between now and 2030, its GVA would be £56bn higher in nominal terms or £44bn in real terms, than if it grew at its historic average (1994-2012). The national vision is for the North as a vibrant and growing economy, acting as a magnet for inward investment, and capitalising on the strengths of the Northern infrastructure and cities.

To realise this ambition, Government has proposed a package of strategic infrastructure investments that will bring an efficient and effective transport system to the north. This will enable greater connectivity between the northern cities and city regions, by creating efficiencies in the movements of people and goods via the North's rail, road, port and airport infrastructure.

3.2 National assets for local growth

3.2.1 Economic specialisms

The 2014 *Tees Valley Strategic Economic Plan (SEP)* highlights the importance and specialism of Redcar & Cleveland in the Tees Valley economy. Strategic economic assets such as Wilton International and Teesport are hugely important for the Tees Valley, and the Borough can make a significant contribution to the local visitor economy through the assets of the Cleveland coast and North York Moors National Park.

The SEP identifies key sectors for the Tees Valley economy – several of which seek to build on the existing and future specialisms of Redcar & Cleveland including:

- ❑ Petrochemicals;
- ❑ Materials processing;
- ❑ Advanced manufacturing;
- ❑ Energy; and
- ❑ Carbon capture and storage.

The value and growth potential of some of Redcar & Cleveland's sector specialisms are not only recognised within the Tees Valley, but also at a national level by Government and industry. *The Materials Processing Institute* at Wilton is recognised as the national centre for the research, development and commercialisation of industrial materials and will receive £4.5m Government investment to develop its facilities. Similarly, the *Oil and Gas Academy* at Redcar & Cleveland College had been chosen as one of three locations for the *National Onshore Energy College* – part of a national initiative to develop skills and grow the energy sector; albeit this project is on hold.

3.2.2 National-scale economic infrastructure

Through the *local growth agenda*, national Government investment and policy interventions have been secured for a series of strategically important projects in Redcar & Cleveland. These projects will be important influences on the direction of growth in the next ten years.

There are three designated Enterprise Zone sites in the Borough where special tax and planning policies will encourage business growth:

- ❑ **Kirkleatham Business Park** – new business occupiers can benefit from a business rates discount of up to £275,000 over a period of five years
- ❑ **South Bank Wharf** – new companies can claim a 100% enhanced capital allowance for plant and machinery assets used primarily within the Enterprise Zone.
- ❑ **Wilton International** – new companies can claim enhanced capital allowances and benefit from Special Development Status for restricted uses.

The progression of these Enterprise Zone sites presents a key opportunity for employment and economic growth in the Borough. Their promotion as part of a coordinated promotion of commercial investment opportunities is a key aspect of the Economic Growth Strategy.

Around £16m of investment has already been secured from Lotte Chemical – a successor of ICI and DuPont in Teesside. They have built a new plant producing PET resin, used in plastic packaging, on the Wilton International EZ, benefitting from enhanced capital allowances. The EZ is

also home to the Centre for Process Innovation (CPI), a technology innovation centre and the process arm of the High Value Manufacturing Catapult established to support the UK process manufacturing industry,

The funding and delivery of the EZ sites is co-ordinated by Tees Valley Unlimited – the Council will continue to engage with the LEP to harness the sub-regional impetus and resources dedicated to delivering new employment sites in the Borough.

3.3 A shared approach to economic growth

3.3.1 Growth partners

To be successful, this Growth Strategy must reflect and enhance key stakeholder aspirations – to provide the basis for a wide range of public, private and third sector organisations to collaborate and focus on activities to drive economic growth in the area – to become ‘growth partners’ with the Council.

A wide range of these organisations will have a direct influence on the Borough’s future. The strategy cannot be delivered by the Council alone but must act as a framework to promote, encourage and focus the actions and priorities of all stakeholders in the local economy. We have engaged with growth partners to shape the development of this strategy – debating key issues, promoting new ideas and enhancing the evidence base with on-the-ground knowledge and experience. Discussions have been held with:

- ❑ Landowners, developers and investors;
- ❑ Government agencies and delivery bodies;
- ❑ Local businesses and industry representatives;
- ❑ Voluntary and community groups; and
- ❑ Council officers and members.

3.3.2 Key messages

Through the consultations and development process, growth partners have identified a number of important and recurring opportunities and issues for the future economic direction of Redcar & Cleveland – summarised below:

Business Growth

- Proactive support to sustain and grow the quality and influence of key business assets including: Teesport; Wilton International; the supply of development sites; specialist and higher-level skills in the labour force; and intellectual property and R&D infrastructure.
- Active promotion of these assets and associated business specialisms is critical to developing the reputation of the area and its growth potential.
- Diversification of the existing employment base into new markets and products, and the commercialisation of intellectual property, are as important as developing new sectors.
- Strengthening key infrastructure and improving strategic connectivity to support economic growth.

Skills for growth

- Skills requirements for growth sectors and replacement employment need to be better understood through qualitative and quantitative data.
- Work-readiness skills and access to employment should remain a priority.
- Strategic co-ordination between employers and providers is essential to align delivery – as part of an integrated skills strategy.

Housing as a growth tool

- New housing is an important part of the Borough's economic infrastructure, with an important inter-relationship with labour market dynamics
- Proactive support through planning mechanisms, place investments and flexible application of national funding streams will drive the confidence of housebuilders in the local market,
- Place promotion and area reputation is important to developing and marketing housing for sale and rent.
- Housing products need to support a growing and improving local labour pool, including a diversity of types and tenure

Visitor and leisure economy

- The existing visitor economy is driven primarily by the Borough's coastal and National Park related assets but higher spend levels need to be captured through co-ordination within the sector, improved local visitor infrastructure, and clear marketing as part of a wider sub-regional offer.
- There is a virtuous circle between quality of place and the visitor and leisure economy with each reinforcing the other.
- More and better quality hotel accommodation should be encouraged, including for business tourism.
- Coordinated programmes of events and festivals, and the promotion of more indoor attractions – particularly in Redcar should be prioritised

4 Strategy for economic growth

4.1 Ambition, priorities and growth themes

Ambition

Our ambition is to grow a successful and resilient economy, generating jobs and prosperity for people and businesses in Redcar & Cleveland and across the Tees Valley, building our external reputation as an attractive, enterprising and business-focused Borough.

Strategic priorities

Our strategic priorities to enable us to achieve this ambition are:

- Strategic priority 1:** Strengthening and promoting our economic assets
- Strategic priority 2:** Building a competitive workforce

Growth themes

Key themes for economic growth are:

Strategic priority 1

- Land and infrastructure – ‘Building economic capacity’
- Business growth and enterprise – ‘growing and diversifying the economy’
- Quality places – ‘Enhancing and selling the Borough as a place of choice’

Strategic priority 2

- Work readiness – ‘Raising standards, maximising employability’
- Skills for growth – ‘Growing and aligning skills and business needs’

Our ambition, priorities and themes reflect the need to bridge our relative economic performance gap, expand and diversify our economic base by growing and attracting successful businesses, and ensure that our workforce is equipped with the skills needed to support business growth and competitiveness. They also recognise the need to continue to strengthen Redcar & Cleveland’s external reputation as a place that people choose to live and do business in.

4.2 Strategic Priority 1: Strengthening and promoting our economic assets

Successful and resilient local economies rely on the availability of the right combination of assets – key factors which make a place an attractive location to invest and do business and to grow economic prosperity in the area. **Growth Themes** and **Action Programmes** to develop our economic assets, build our reputation and grow our economy are summarised below:

4.2.1 Growth theme: Land and infrastructure – ‘building economic capacity’

Redcar & Cleveland needs more businesses and more jobs to punch its weight in the Tees Valley. While land capacity is available for economic growth, the pre-conditions (access, servicing, planning and incentives) need to be in place to secure investment from the private sector.

Land and infrastructure - Action programmes

➤ **Enterprise Zone delivery**

The Borough offers extensive employment sites with Enterprise Zone status – benefiting both from Enhanced Capital Allowances and Business Rates Relief – creating potential capacity to grow and accommodate indigenous and incoming businesses. The Growth Strategy promotes a concerted effort to accelerate new investment and jobs growth across the designated Enterprise Zone sites. This requires a clear and targeted Enterprise Zone delivery and investment strategy led by Tees Valley Unlimited in partnership with the Council and other public and private sector stakeholders, identifying priority infrastructure improvements, site preparation and, where necessary, interventions to bring forward development delivery by reducing investment risks and enabling access to private finance.

➤ **Teesport Growth Pole**

Teesport acts as a major growth pole in the Borough and wider Tees Valley. Its value to the local economy and as a key business asset is widely acknowledged and reflected in the assessment of our economic performance. The land assets of PD Ports and other associated sites offer significant ongoing capacity for business sectors seeking port access or linked to port-related activities. The Growth Strategy promotes a strengthened role for the port as an economic driver and focus for economic growth.

➤ **Business accommodation ladder**

An ongoing supply and mix of suitable business accommodation across the Borough is fundamental for business growth. New and refurbished / adapted premises to support urban and rural based enterprises, grow-on space for established companies and bespoke accommodation to meet more specialist needs in key sectors are all ingredients of an effective business growth portfolio. The strategy encourages investment to secure a ladder of accommodation to meet a diverse range of occupier demand, promoting incentives to underpin viability gaps where required, including Council and EZ based interventions.

➤ **Strategic connectivity improvements**

Redcar & Cleveland has excellent connections to the wider Tees Valley economy. But ongoing investment in transport infrastructure needs to be prioritized to improve strategic connectivity, labour market accessibility and to improve the market potential of key development sites, including the Enterprise Zones, needs to be prioritised. The case for new transport investments must focus on their contribution to economic growth as the principal criteria, alongside wider transport-based effectiveness and efficiency considerations. The Growth Strategy seeks to support and encourage ongoing transport connectivity improvements across all transport modes in the Borough to drive economic growth and to ensure access to employment opportunities for all communities. Improved east-west connectivity from the A1 to Teesport and rail electrification on key corridors are particular priorities for the Growth Strategy to support along with improvements across the wider Tees Valley area to the A66 and around Darlington.

4.2.2 **Growth theme: Business growth and enterprise – ‘growing and diversifying the economy’**

Redcar & Cleveland’s economy is not yet broad enough to be resilient to external economic shifts, with ongoing reliance on consumer-driven and public sectors, and a low density of higher-value

jobs and high growth companies. The Growth Strategy targets more higher-value jobs in Redcar & Cleveland, with a greater share of the economy based in knowledge-based businesses and supports enterprise at all levels of the local economy.

Business growth and enterprise – Action programmes

➤ **Sector development plans**

Redcar & Cleveland has recognised specialisms in key business sectors which require support to ensure long terms resilience and growth. While these key sectors are clearly important, the Growth Strategy is deliberately broad-based, seeking to promote ongoing diversification of the local employment base and reduce over-reliance on a few major sectors. Alongside the breadth of activity supported by the Growth Strategy, Sector Development Plans provide a framework for targeted action to support those sectors in which the Borough has competitive advantage – port & logistics, energy & low carbon, material processing and advanced manufacturing are a key focus, together with emerging local sectors of tourism, creative & digital industries and social enterprise.

The Growth Strategy promotes the preparation of more coherent Sector Development Plans in partnership with Tees Valley Unlimited, setting out a framework for key activities across targeted infrastructure provision, supply-chain development, skills supply and innovation support. Sector Development Plans will require effective business collaboration and focused intelligence gathering to determine priority actions to drive resilience and growth in these specialised areas of the economy.

➤ **Entrepreneurial business and innovation support**

There is an ongoing need to support local business and enterprise growth across all sectors and at all scales. Our enterprise and innovation support system needs to become a lynch-pin of growth delivery and support a dynamic relationship between public sector agencies, existing local companies and potential entrepreneurs. Importantly, the support system in Redcar & Cleveland needs to align with and support the wider Tees Valley Business Compass. The Growth Strategy seeks to promote innovation and enterprise at all levels in the economy, from start-up and social enterprise support through to proactive support to established companies seeking to grow and innovate, including through Smart Specialisation with a focus on identifying niche areas of competitive strength

➤ **Inward investment, promotion and management**

Redcar & Cleveland has significant opportunity to attract inward investment, particularly, but not exclusively, linked to the globally-recognised sector specialisms around Wilton and the extensive Enterprise Zone sites available in the Borough. Inward investment promotion and the coordination of activity between all agencies, including the Council, Tees Valley Unlimited and UKTI, needs to present a consistent and coherent message about the growth opportunities in the area, supported by clear and reliable local economic intelligence. The arrangements for inward investment enquiry handling and after-care of new investors must be clear and streamlined to ensure an efficient and professional response to opportunities as they arise. The Strategy promotes a more strategic and coordinated approach to maximising the prospects for securing inward investment across all sectors of the economy.

4.2.3 Growth theme: Quality places – ‘enhancing and selling the Borough as a place of choice’

Redcar & Cleveland boasts fine coastal and countryside environments and several very high quality towns and villages. These provide a strong platform for promoting the Borough as place of choice for residents, visitors and businesses. But, in contrast, some of the core urban areas and town centres across the Borough need ongoing place investments to raise their appeal and attractiveness. And Redcar’s external reputation as a business location has been damaged by the SSI UK closure. The quality of the area, the range and quality of leisure assets, particularly in Redcar’s urban centre, have a major effect on the ability to retain and attract a younger population and consequently to provide a sustainable labour pool for local businesses.

Quality places – Action programmes

➤ **Place marketing**

Redcar & Cleveland continues to face some critical internal and external place perception issues. If the area is to attract the residents, skilled workers, investors, employers, learners and visitors that will drive its future, a coherent and consistent set of internal and external messages about the long-term ambitions for the area need to be developed and articulated. We need to inspire people and business that the area has much to offer and an active bank of business and cultural leaders needs to be harnessed and given an ‘ambassadorial mandate’ for the Borough . The Growth Strategy promotes the development of a stronger ‘brand’ for the area that can support place-marketing for inward investment, tourism and local pride. The relationship between the Growth Strategy and the area’s ‘branding’ and marketing will need to be carefully reviewed and developed as a priority initiative.

➤ **Enterprising town centres**

The changing dynamics of the retail and local service sectors are driving new roles for town centres. The concentration of diverse businesses and employment in our town centres and capacity for visitor growth creates an opportunity to re-think their role in the economy – as seed-beds for enterprise development, a source of flexible commercial business space, a place where entrepreneurship can thrive to broaden business and visitor appeal.

The role of Redcar town centre as a business zone is a key focus for the Growth Strategy – complementing its role as a shopping and service centre with its potential as an economic Growth Zone and centre for local enterprise development. The Growth Strategy recommends steps are taken to make Redcar town an ‘exemplar’ of how the traditional view of high streets as shopping destinations can be refocused as centres for business and enterprise growth.

➤ **Growing the visitor economy**

There is a virtuous circle between enhancing quality places and growing the visitor and leisure economy. A strong and growing visitor and leisure economy is an important source of future jobs and prosperity for Redcar and Cleveland – and it has been a growing part of the overall economy in recent years. But, growth in this sector is not simply an economic end in itself. Equally, it is also a vital tool to help develop the Borough’s reputation for quality and as a place of choice for residents and businesses.

People in Redcar and Cleveland know about the great coastal and country visitor assets in the Borough. For the wider world a high-quality visitor, cultural and leisure offer can be a very strong perception and marketing asset – having a direct effect on quality of life, investment decisions and the marketability of new housing and commercial property in the Borough.

The Growth Strategy supports action and investment in the quality of our towns, villages and destinations, aligned to the Borough's Visitor Destination Plan, and as a key part of an enhanced economic growth environment. We will work closely with wider promotional agencies to link our assets to wider destination and marketing plans. Continued improvement in the leisure, cultural and accommodation offer will be important for the growth of a healthy visitor market, but also as the basis of a refreshed approach to place marketing and resident retention.

➤ **Housing growth**

To sustain a healthy and vibrant economy, Redcar and Cleveland needs to attract and retain more people with the skills and aspirations to support business innovation and growth.

The Borough's ambition is to see its population growing at a sustainable rate – as opposed to the current demographic forecasts which predict a relatively static and aging population. Population growth will require a varied choice of high-quality places for people to live within Redcar and Cleveland – to enhance and sell the Borough's attractiveness to incomers, returning residents and younger people who may be considering living elsewhere. The area already boasts some high-quality housing locations – but the extension of this offer will reinforce the Borough's potential as an attractive place to live and work.

The Growth Strategy is mutually supportive of the Council's Local Plan ambition to significantly boost the supply of new homes above the level of housing need in order to achieve sustainable population growth that promotes economic growth. This requires positive engagement with housing developers and providers to ensure a supply of a good range of housing, including affordable provision, capitalising on new funding and delivery mechanisms, and with a consistent focus on driving up the quality of our residential communities. Ongoing improvements to the range and quality of housing, across all levels of affordability, will help to reinforce the Borough's improving reputation, and align our economic and demographic growth ambitions.

4.3 Strategic Priority 2 - Building a competitive workforce

Our future economic growth relies on building and replenishing our workforce and raising local skills levels. A competitive workforce will support indigenous business growth and inward investment prospects, while improving employability and income levels amongst our residents. **Growth Themes** and **Action Programmes** to support workforce skills and competitiveness are summarised below.

4.3.1 Growth theme: Work readiness – 'raising standards, maximising employability'

Redcar & Cleveland is part of a Tees-Valley-wide labour market and residents are in competition for jobs across this area. There are recognised and immediate basic skills deficits in the Borough's workforce against Tees Valley benchmarks, acting as a brake on labour market entry, access to job opportunities, indigenous business growth and inward investment prospects. Levels of 'generational unemployment' remain a persistent issue requiring coordinated responses across a range of agencies.

Work readiness – Action programmes

➤ **Addressing employability gaps**

There is a continuing need to address basic skills attainment to ensure local people are equipped to compete for job opportunities as they arise and reduce NEETs.

Existing programmes such as The Youth Employment Initiative, Foundation for Jobs and other workplace pathways offer important frameworks for supporting access to work and links to training providers in the delivery of bespoke services to support employability.

The Growth Strategy seeks to support the range of programmes operating at national and local level to reconnect people to work opportunities and the development of workplace skills.

➤ **Promoting local career pathways**

High-quality careers services and accessible post 16 transition support are critical. This needs to be informed by up-to-date intelligence on local employment and training opportunities and clear sign-posting of career pathways. The Growth Strategy promotes the removal of barriers to career opportunities, through career awareness raising, effective mentoring services, work placements and wider employability programmes.

4.3.2 Growth theme: Skills for growth – ‘growing and aligning skills and business needs’

Local businesses report challenges in matching opportunities to local skills and being able to fill vacancies from the local labour market. Gearing up for a workforce that meets industry demands will not only require improved skills supply. Addressing specific skills demands in the labour market will also need a sustained and productive demographic pool to support growth, including attracting and retaining younger, more dynamic, workers.

Actions supported through this theme will complement the work readiness theme, and will need to focus on a combination of skills capital infrastructure to ensure provision is available particularly at Further Education and Higher Education level to inspire greater individual and employer investment in learning; alongside sector promotion activity, ensuring strong links are built between schools, FE and employers, and encouragement of continuous learning and reskilling to replenish the local workforce.

Skills for growth – Action programmes

➤ **Local skills observatory**

Effective responses to skills deficits need to be grounded in ‘live’ intelligence on the demand and supply, and regular information gathering and reporting. This provides an essential evidence base to support the realignment of existing skills delivery programmes to respond to current and projected employer needs and support the activities of key intermediaries such as Job Centre Plus and the Careers Service. The Growth Strategy promotes a coordinated approach to intelligence gathering and reporting through a dedicated Redcar & Cleveland Skills Observatory, linked to a network of providers, agencies and employers in Redcar & Cleveland.

➤ **Skills strategy collaboration**

There are a wide range of agencies and organisations involved in workforce development in the Borough and wider Tees Valley, including schools, colleges, private training providers, Job Centre Plus, the Council, DfE and DWP as well as Teeside and Durham Universities. The absence of an adopted ‘Workforce Skills’ strategy is a recognised local policy gap. Complementing wider sub-regional strategy development, a Redcar & Cleveland Skills Strategy would provide the framework for defining local needs and priorities and better aligning programmes to employer requirements.

The Growth Strategy promotes the development of a collaborative Skills Strategy

covering all aspects of workforce development and the alignment of skills provision to growth sector needs and a more flexible approach to the application of funding streams to skills delivery.

➤ **Skills capital investment**

The provision of high-quality and accessible skills and learning facilities is critical to supporting workforce development. Key facilities such as Redcar & Cleveland College will be encouraged to further develop the range and quality of training facilities, and specialised sector-orientated facilities such as the Materials Processing Institute will be supported to develop higher-order skills linked to our priority growth sectors. The Growth Strategy supports ongoing improvements to skills capital, including case-making to external funding sources.

➤ **Workforce replenishment**

There is an ongoing need for workforce replenishment in all areas of the labour market, but there is a particular growing demand for replacement of skilled workforce supply in some of the area's specialist sectors, where ageing workforces are approaching retirement and skills shortages are being reported.

The Growth Strategy promotes a closer relationship between skills providers and local companies to ensure that information and intelligence on emerging gaps are identified as early as possible. A new strategy for apprenticeships is required based on a more effective and proactive partnership between skills providers and local companies, including extending the range workplace apprenticeship opportunities at all skill levels, for both new entrants and re-skilling.

4.4 Growth outcomes

4.4.1 What success looks like

Land and infrastructure – outcomes:

- Securing investment and delivering new employment generating development on Redcar & Cleveland's Enterprise Zone sites
- The continued expansion of operations at Teesport with a clear and stable ongoing strategy for its future
- The delivery of key road and rail infrastructure improvements to enhance the connectivity to the rest of the Tees Valley

Businesses and enterprise growth – outcomes:

- Securing new inward investment supporting high-value added jobs
- Ensuring the growth of the existing knowledge-based economic cluster at Wilton International
- Developing and maintaining an up-to-date understanding of the requirements of all potential high-growth businesses in the Borough
- Increased business start-up and survival rates

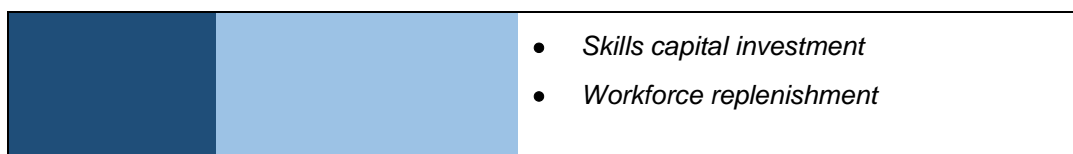
Quality places - outcomes:

- Increasing the level of in-migration to the Borough and improving the rate of retention of under 35s

- Developing a range of new housing which is attractive to both current residents and people outside the Borough
 - Securing continued growth in the leisure and tourism sector
 - Improved levels of investment and activity in town, local and district centres
- Work readiness - outcomes:**
- Reduced number of residents without formal qualifications
 - Increased employer satisfaction with entry level skills for work
- Skills for growth:**
- Increased numbers of local residents with higher-level skills attainment
 - Fewer employers reporting hard to fill vacancies.

4.5 Growth Strategy summary

Growth Strategy - Summary		
Strategic priorities	Growth themes	Action programmes
Strategic Priority 1: To strengthen and promote our economic assets	Land & Infrastructure	<ul style="list-style-type: none"> • Enterprise Zone delivery • Teesport Growth Pole • Business accommodation ladder • Strategic connectivity improvements
	Business Growth & Enterprise	<ul style="list-style-type: none"> • Sector development plans • Entrepreneurial business & innovation system • Inward investment promotion and management
	Quality Places	<ul style="list-style-type: none"> • Place-marketing • Enterprising town centres • Growing the visitor economy • Housing growth delivery
Strategic Priority 2: To build a competitive workforce	Work Readiness	<ul style="list-style-type: none"> • Addressing employability gaps • Promoting local career pathways
	Skills for Growth	<ul style="list-style-type: none"> • Local skills and jobs observatory • Skills strategy collaboration



5 Delivering economic growth

5.1 Strong local leadership

The Growth Strategy requires a focussed and determined effort across a broad front to advance delivery and generate a sustained upward trajectory for the economy – a range of agencies will be involved and a diverse set of public policies must need be aligned with its strategic priorities.

Delivery will require strong leadership in both the public and private sectors, coupled with a delivery approach based on ‘long term strategic change’ and the development of a positive culture and success mind-set rather than short-term project management imperatives. The recent economic set-backs arising from the SSI UK closure require a re-doubling of efforts to support new investment and new economic activity.

Early wins on project delivery will of course be important, but long-term growth ambitions require a strategic approach and clear economic development governance, with alignment between local and wider sub-regional activities and priorities. These governance arrangements will need to:

- place the Growth Strategy at the heart of local policy making;
- be focussed on strategic outcomes not just local needs;
- embrace the widest set of growth partners across the area and beyond;
- give the highest level of confidence to the private sector and reduce, or at least be perceived to reduce, investment risks; and
- retain the flexibility to adapt and respond as circumstances arise.

This does not necessarily imply new local economic delivery mechanisms – critically, however, the Borough’s delivery activities will need to dovetail with those of Tees Valley Combined Authority and South Tees Mayoral Development Corporation (STMDC) other sub-regional programmes and the Council’s existing economic development delivery and governance mechanisms will need to be aligned to the Growth Strategy.

5.2 A partnership approach to delivery

5.2.1 *Collaboration between our growth partners*

Delivery of the Growth Strategy will depend upon a high level of collaboration. At the heart of this strategy will be a joined-up approach across all our ‘growth partners’ and putting in place delivery arrangements that align and add value to the interests of all partners will be critical to successful delivery.

The Council will have the ownership of the Growth Strategy on behalf of its partners, acting as co-ordinator, to oversee delivery progress across the Growth Themes and Action Programmes and monitoring progress through effective economic intelligence and strategic oversight. This will require the Council to maintain close contact and provide supportive contributions to delivery alongside its growth partners.

The Council will specifically lead on a number of programme areas and projects, reflecting its own capabilities while, for other programmes, leadership of delivery will fall to growth partners including the Combined Authority/Tees Valley Unlimited, the STMDC other public and third sector bodies and the private sector businesses and investors.

5.2.2 **Re-aligning capacity and resources**

The new Combined Authority is responsible for a series of key functions at the Tees Valley level encompassing economic development, employment and skills, business investment and transport and infrastructure. The Council will ensure that there is alignment to the ambitions and objectives of the Growth Strategy and that the devolved powers and resources are directed to support the delivery of Action Programmes and projects, working with partner authorities to accelerate economic growth across the Tees Valley. This will require partners to collaborate on the development of the range of supporting strategies outlined here including sector development, skills and inward investment to ensure that delivery roles and responsibilities are clearly articulated and understood.

The Council is re-aligning its resources and capacity to support the delivery of the Growth Strategy based around agreed objectives to grow the economy and create more jobs, develop great places to live and improve the quality of life for residents. The Council's Regeneration Service will be refocused around the strategic aim of growing the local economy - working with businesses to increase the availability of jobs, particularly for young people, and ensuring that local people have the skills and aptitudes to carry out those jobs. Any required structural changes will be established to deliver a more coordinated and focussed service offer based around the key functions of:

- Planning and development - including support for housing growth;
- Skills and training – focused on routes to employment;
- Investment and business support – utilising strategic assets, developing new assets and proactively engaging with the business community;
- Visitor economy and culture – including improving destination infrastructure.

Along with the realignment of governance at a sub-regional level and capacity at a local level, the alignment of financial resources will be focused on support for priority programme areas and projects. The Tees Valley Investment Fund, part of the Devolution Agreement with Central Government, will bring an additional £15m per annum of capital and revenue funding for the next 30 years providing the freedom for partners to invest in economic growth and support economic priorities.

Alongside this the Combined Authority will be able to retain business rate growth to reinvest in economic priorities, giving Redcar & Cleveland access to sustainable income to support the delivery of the Growth Strategy with partners – a challenge and further incentive for partners to collaborate and focus on activities that will deliver business growth and inward investment not just in our Enterprise Zones but across the whole of the Borough.

The Council and its partners have a good track record of securing external resources to support economic growth and the Growth Strategy provides the overarching context within which bids can be made and financial resources directed to programme areas and projects – including European and Government funding.

The Growth Strategy will be delivered through a set of Action Programmes and projects that the Council and its growth partners will operate within a robust assurance framework, with a consistent approach to case-making and project appraisal, which provides a coordinated framework for the development and delivery of programmes and projects and the allocation of capacity and financial resources to support and enable delivery.

It is critical that partners work together to align their resources to the ambitions and objectives of the Growth Strategy and that investment is balanced across programme areas. Investment decisions must be transparent and consistent and based on the extent to which actions/projects demonstrate strong strategic, commercial, economic, financial and management credentials – in accordance with HM Treasury best practice.

5.3 Measuring performance

5.3.1 Monitoring and evaluation

The effectiveness of the Growth Strategy will be realised through a measured improvement in the relative performance and health of Redcar & Cleveland's economy.

Assessing the effectiveness of the Strategy will require an annual review of delivery progress across the Growth Themes and Strategic Priorities. Annual monitoring against a set of Key Performance Indicators (KPIs), linked to the Strategic Priorities, will set out and consider the changes in relative performance, by benchmarking the Borough's performance against wider comparator geographies.

The KPIs will identify areas where further interventions may be sought. Where possible, changes in performance will be benchmarked against changes in the overall performance at the Tees Valley, regional and national scale, in order to comparatively assess local performance. The overall effectiveness of the Strategy will be determined by jobs and GVA growth.

Evaluating the effectiveness of individual projects under the Growth Strategy will rely on the regular collection of delivery and impact data alongside wider economic intelligence. An annual monitoring report will be produced by the Council and partners to track and review progress made. The monitoring report will update KPI evidence and will highlight any indicators where additional impetus is required. The performance report would be accessible to growth partners and may be subject of an annual 'Growth Summit' to provide a high level forum to discuss progress and keep economic growth priorities under review.

5.3.2 Key Performance Indicators

The following performance indicators have been identified as the basis for establishing a performance monitoring framework that will enable the Council and partners to monitor ongoing progress made in the delivery of the Growth Strategy.

Redcar & Cleveland Growth Strategy – Key Performance Indicators			
Subject	Indicator	Outcome	Data source
Headline Impacts			
Jobs Growth	Total workforce jobs	Gross increase in workforce jobs	ONS, Annual Business Survey
Workforce Demand	Jobs per 1,000 working-age residents	Increase in jobs per 1,000 working-age residents	ONS, Workforce Jobs
Economic Growth	Gross Output	Gross increase in Output (Total GVA)	ONS, Sub-National GVA Estimates
Strategic Priority 1: Strengthen and promote our economic assets			
Business Density	Businesses per 1,000 residents	Increase in businesses per 1,000 residents	ONS, ABS & ONS, UK Business Counts
Enterprise Growth	Business start-up rates	Increase in annual business start-ups	ONS, Business Starts-up and Survival series
Enterprise Survival	Business survival rates	Increase in business survival rates (1, 3 & 5 years)	ONS, Business Starts-up and Survival series
Business Innovation	Patents per 1,000 businesses	Increase in patent awards per 1,000 businesses	Intellectual Property Office Statistics
Business Productivity	Annual GVA	Increase in annual GVA	ONS, Sub-National GVA Estimates & ONS, ABS

Inward Investment	Inward investment enquiries / conversions	Increase in inward investment levels	TVU monitoring
Investor/Market Confidence	Planning applications/ approvals	Increase in employment/housing planning approvals	Council monitoring
Commercial Activity	Business rate receipts	Increased business rate income	Council monitoring
Employment Floorspace	Gross new employment space delivered	Increase in new employment floorspace	Planning monitoring
Housing Growth	New housing stock	Net increase in housing stock	DCLG Live Housing Statistics Planning monitoring
Quality of Place / Housing Demand	Median average house prices (Indexed)	Increase in median average house prices (Indexed)	DCLG Live Housing Statistics
Visitor Economy	Visitor numbers and spend	Increase in visitor numbers and spend	STEAM
Strategic Priority 2: Building a competitive workforce			
Workforce Skills	Residents qualified to NVQ2 & NVQ 4+	Increase in 16-64 residents qualified to NVQ2 & NVQ 4+	ONS, Annual Population Survey
Workforce Skills	Residents without qualifications	Decrease in 16-64 residents without qualifications	ONS, APS
Skills Supply	Total individuals receiving qualifications	Total number of individuals receiving qualifications	DfE Statistics & HESA Statistics
Labour Replenishment	Population aged under 35	Increase in under 35s population	ONS
Labour Participation	Economic Activity Rate	Increase in 16-74 Economic Activity Rate	ONS, APS
Employment Growth	Employment Rate	Increase in 16-74 Employment Rate	ONS, APS
Labour Productivity	GVA per job	Increase in GVA per job	ONS, Sub-National GVA Estimates & ONS, ABS

References

- ¹ ONS, Mid-Year Population Projections, 2015
- ² ONS, Annual Population Survey, 2015
- ³ ONS, Jobs Density, 2015
- ⁴ ONS, Business Register and Employment Survey, December 2015
- ⁵ Census 2011, Origins and Destinations
- ⁶ ONS, UK Business Counts, 2015 / ONS, Mid-Year Population Estimates, 2015
- ⁷ ONS, Sub-National GVA Estimates, (Income Approach), workplace-based, December 2015
- ⁸ ONS, Business Register and Employment Survey, December 2015
- ⁹ ONS, Business Register and Employment Survey, December 2015
- ¹⁰ ONS, Annual Population Survey, 2015
- ¹¹ ONS, Sub-National GVA Estimates (Income Approach, workplace-based, December 2015
- ¹² ONS, Annual Population Survey, 2015
- ¹³ ONS, Jobs Density, 2015
- ¹⁴ ONS, Business Register and Employment Survey, December 2015
- ¹⁵ ONS, UK Business Counts, 2015
- ¹⁶ ONS, Business Demography Series, 2015
- ¹⁷ Ibid.
- ¹⁸ ONS, Annual Population Survey, 2015
- ¹⁹ ONS, Business Register and Employment Survey, December 2015, 3-Digit SIC
- ²⁰ ONS, Business Register and Employment Survey, December 2015 – SIC Sections
- ²¹ ONS, UK Business Counts, 2015
- ²² ONS, UK Business Counts, 2015 / ONS, Mid-Year Population Estimates, 2015
- ²³ ONS, Business Demography Series, 2015
- ²⁴ Ibid
- ²⁵ ONS, Annual Population Survey, 2015
- ²⁶ DfT, Port Statistics, 2015
- ²⁷ DCLG, Live housing Statistics, 2015
- ²⁸ Ibid.
- ²⁹ Redcar & Cleveland Borough Council, 2016