Tees Valley unlimited

Notes of Meeting

ECONOMIC STRATEGY BOARD

Meeting held at City Learning Centre Eston, Normanby Road, South Bank at 2.00pm on Tuesday, 13th January 2009

ATTENDEES

Councillor Bob Cook	Stockton on Tees BC	Chair
Councillor David Budd	Middlesbrough BC	
Peter Scott	Hartlepool BC	
Richard Poundford	Stockton on Tees BC	
Mike McNulty	Environment Agency	
Malcolm Potter	Tees Engineering Alliance	
Jonathan Lamb	Business Link North East	
John Irwin	Storey:ssp	
Keith Robinson	Keith Robinson and Co	
John Lowther	Tees Valley Joint Strategy Unit	
Jonathan Spruce	Tees Valley Joint Strategy Unit	
Peter Bell	Stockton on Tees BC	
Kevin Parkes	Middlesbrough BC	
Steve Petch	Darlington BC	
Catherine Hierons	Redcar and Cleveland BC	
Jim Johnson	Tees Valley Living	
Steve Turner	Tees Valley Joint Strategy	

APOLOGIES

Councillor John Williams	Darlington BC
Councillor Mark Hannon	Redcar and Cleveland B C
Stuart Drummond	Hartlepool BC
Tim White	Middlesbrough BC
Richard Alty	Darlington BC
Ian Wardle	Redcar and Cleveland Borough Council
Nick Muse	One NorthEast
Nigel Kidwell	Jackson Solicitors
Geoff Herbert	Hambleton Council
Joe Docherty	Tees Valley Regeneration
Stan Higgins	NEPIC
Emma Speight	One NorthEast
Jonathan lamb	Business Link North East
Malcolm Bowes	North East Assembly
Nigel Perry	Centre for Process Innovation
John Irwin	Story:ssp
Bob Hope	Wear Valley/Easington/Sedgefield DC
Bob Ward	Durham County Council

Action

1 CHAIR'S WELCOME

The Chairman (BC) welcomed attendees to the meeting.

2 NOTES OF THE MEETING ON 15th October 2008

The minutes of the meeting held on 15th October 2008 were agreed as a true record.

3 CONFLICTS OF INTEREST

There were no conflicts of interests declared.

4 MATTERS ARISING

Regional Funding Allocation and Sub National Review

JL updated Members with regard the draft Regional Funding Advice that was currently being prepared. **JS** also updated Members with specific regard to transport schemes.

Bus Network Improvements Major Scheme

JS updated Members with regard the Bus Network Improvements major scheme. The JSU had met the Department for Transport (DfT) on 9 January at which further questions on the bid were discussed. The JSU had undertaken provide further information by the end of January 2009. The JSU was hoping to have a response on the bid by the end of March 2009 and a firm funding commitment by September 2009.

Housing Growth Delivery Point

JL reported that £6.2 million had been agreed over the next 2 years.

5 TEES VALLEY STRATEGIC HOUSING MARKET ASSESSMENT

Jim Johnsone (Tees Valley Living) gave Members a presentation on the Tees Valley Strategic Housing Market Assessment.

RESOLVED that the presentation be received.

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6 TEES VALLEY GREEN INFRASTRUCTURE STRATEGY UPDATE

JL to prepare a further report

It was reported that since the completion of the Tees Valley Green Infrastructure Strategy in April 2008 the Joint Strategy Unit had been working alongside One NorthEast to develop a case to secure Single Programme funding for the implementation of green infrastructure projects.

Following discussions with Natural Economy North West, who had undertaken a considerable amount of work on the economic benefits of green infrastructure, the Tees Valley had been involved in putting together a brief, on behalf of a number of partners, to jointly commission consultants to develop a case that would quantify the economic, social and environmental benefits of green infrastructure. As well as the Joint Strategy Unit and Natural Economy North West the consortium also included The Northern Way, One NorthEast, the North West Regional Development Agency, Yorkshire Forward, Advantage West Midlands, Natural England and CABE Space.

The commission would have 5 main stages:

- A review of the definitions of green infrastructure used and understood by the Northern Way and its constituent Regional Development Agencies, including clarification of the relationship between green infrastructure and other key environmental concepts;

- Identify public agencies that have green infrastructure benefits as targets within their area of interest and identify other potential investors across all sectors;

- Develop a set of criteria and a robust methodology that can evaluate, compare and prioritise green infrastructure projects in terms of their social, economic and environmental benefits to different stakeholders, and show how to monitor the delivery of those benefits;

- Develop and apply a toolkit to enable the benefits of green infrastructure to be assessed against the targets of different stakeholders and potential investors, and

- Apply the results to the Tees Valley Green Infrastructure Strategy (and a case study in the North West) and complete a Business Case that presents a robust case for intervention and investment.

Action

Consultants were expected to be appointed by mid-January, and the commission would be completed in stages from mid-February to April. When the element for the Tees Valley Green Infrastructure Business Case had been completed the Business Case would be submitted to One NorthEast. This may then be considered at One NorthEast Board level about April/May 2009.

If the Tees Valley was successful in securing Single Programme funding the Green Infrastructure Steering Group would need to consider the most appropriate vehicle for assessing, prioritising and funding green infrastructure projects. Guidance on this should emerge from the research undertaken as part of the commission.

It was likely that the results of the commission would be the subject of a presentation and discussion at a meeting of either the Northern Way Research or City Regions Forum.

Members felt that the Tees Valley Green Infrastructure Strategy had shown good leadership from the Joint Strategy unit.

RESOLVED that:

1. The Planning and Economic Strategy Board notes the progress made on implementing the Tees Valley Green Infrastructure Strategy, in particular the work currently being commissioned to quantify the economic, social and environmental benefits of green infrastructure.

2. A further report be presented on the results and conclusions of the commission.

7 TRENDS IN THE TEES VALLEY ECONOMY

JL – Report to each meeting of the Board

Members were presented with a report that described and assessed the most recent trends in the economy of the Tees Valley.

There was little up to date information to hand describing the most recent trends in the sub-region's economy. The information available, together with other complementary data, indicated that, until early in 2008, the Tees Valley economy was experiencing a significant improvement. In contrast, much of the recent information suggests that there was now a slow down in the local economy; however, it was not clear whether or not the Tees Valley's economy was affected more than the national economy. In particular, recent figures showed that the housing market was declining and there were, as yet, no signs that this decline was halting. Additionally, there was now a rise in the number of people out of work.

There was little up to date information available regarding the latest sub-regional changes in the economy. The data showed that the Tees Valley had had a number of years of an improving economy, with the sub-regional/national gap narrowing. However, the information available, together with supplementary data, suggested that there was now a slow down in the local economy. In particular, figures showed that the housing market was declining and there are, as yet, no signs that this decline was halting.

Members felt it would be beneficial for a report to be presented at each meeting of the Board.

RESOLVED that the report be noted.

8 EMPLOYMENT CLUSTERS AND KNOWLEDGE INDUSTRIES REPORT

Members were presented with a report that examined the industrial structure of the Tees Valley in terms of its employment. It included past changes in employment, the development of specialisms and industry clusters and looked at 'knowledge sector' employment and its relationship to earnings, economic growth (GVA) and qualification levels.

The study showed the continuing importance of iron & steel, chemicals and construction industries to the Tees Valley but also relatively newer developments such as call-centre activities, freight transport by road, telecommunications, adult & other education sectors and the collection and treatment of waste. Other key industry groups which, though not yet major clusters, had potential for development in the sub-region include digital, technology & media industries as well as tourism industries.

The report went on to examine the importance of knowledge based industries to the development of the sub-regional economy. It concluded that if the Tees Valley was to increase its economic performance levels then it must increase the

Action

growth of ‘knowledge’ and high-skill base industries. It must promote innovation and encourage high value-added business. However, the success of this would depend very much on the availability of a highly skilled and well trained workforce – therefore, the role of the educational and training organisations in the Tees Valley becomes of even greater importance in stimulating this supply.

The report concluded that development of new ‘knowledge’ based industries must add to, and not replace, the industrial clusters already in place in the sub-region. In fact the Tees Valley needed to build on ‘what’s here’ and make its current comparative strengths provide the base for new development. Industrial diversity could well be the key in the current economic climate.

Further updates of the data used in the analysis would be available for publication in 2009 and would lead to an update of the report. However, it was unlikely that the new data would significantly alter the conclusions drawn.

RESOLVED that the report be noted.

Action

9 UNEMPLOYMENT AND LABOUR MARKET REPORT

A report was presented to Members that described and outlined the information from the most recent of the regular monthly notes on the Tees Valley's unemployment and labour market, as produced by the Joint Strategy Unit (JSU).

Every month, shortly after the government's publication of the latest unemployment rates, the JSU produced a note reporting and commenting on the figures from the Tees Valley perspective. The note, the most recent was appended to the report, was produced within 1-2 days of the mid-month publication of the information.

Its aim was to present up to date information for use by Tees Valley Unlimited, the boroughs and partners, covering figures on unemployment (according to differing definitions, and including long term unemployment, and age and duration) and vacancies, plus the latest figures on people on out of work benefits and levels of worklessness. Figures on the overall trends in unemployment over several years and an indication of the wide range of unemployment by ward, were also given.

The key results contained in the appended note were:

* By November, the 'claimant count' unemployment had risen to around 18,100, a rate of 4.5%

* This rate had risen from 3.5% a year before, and is the highest since 2001

* Unemployment rates by ward vary between 1% and 15%

The information reported and commented on in the attached note, referred to mid-November data, as reported in mid-December. The December figures were due to be published by the government on January 21.

RESOLVED that the report be noted.

10 ANY OTHER BUSINESS

None noted.

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11 DATE OF NEXT MEETING

21st April 2009, venue to be confirmed.