

Report to: **Executive**
Date: **30th August 2005**
Report of: **Executive Member for Regeneration**
Subject: **Regional Economic Strategy Consultation**
Ward: **All**

1) Purpose

- 1.1 The purpose of the report is to inform members of the current consultation process on the revised Regional Economic Strategy (RES) and to formally agree the proposed response from the District Council.

2) Consultations

- 2.1 This report has been prepared in consultation with the Director of Regeneration and Development, the Manager of East Durham Business Service, and the Head of Regeneration and Partnerships. To assist in the preparation of the response on behalf of the Council, the Director of Regeneration and Development and the Manager of East Durham Business Service attended a local authority consultation event organised through the Association of North East Councils, and also participated in discussions through the County Durham Economic Partnership.

3) Background

- 3.1 One NorthEast is required by Government to produce a regional economic strategy every three years, and has a statutory duty to consult stakeholders within the Region as part of the review process. The purpose of the consultation is to provide stakeholders with an opportunity to help shape the future direction of the Region's economic development.
- 3.2 The formal consultation period lasts for 12 weeks, closing on 30th August. During September and October, One NorthEast intends to revise the RES in the light of consultation responses received, and then submit the final document to the Department of Trade and Industry in mid November.

4) Role of the RES

- 4.1 The RES is intended to set out how One NorthEast and other partners in the Region are going to deliver greater and sustainable prosperity to all the people of the North East over the period to 2016.
- 4.2 Members may be aware that the Assembly, Government Office North East and One North East, in addition to stakeholders involved in the Shaping Horizons In the North East (SHINE) process, agreed a 'shared vision' for the North East region, as follows:

The North East will be a region where present and future generations have a high quality of life. It will be a vibrant, self reliant, ambitious and outward looking region featuring a dynamic economy, a healthy environment and a distinctive culture. Everyone will have the opportunity to realise their full potential.

- 4.3 This vision is reflected in a number of regional strategies including the draft Regional Spatial Strategy and the Regional Housing Strategy. The role of the RES is to provide a strategy for the sustainable, inclusive economic growth necessary to underpin the fulfilment of the vision.

5) Principles underpinning the RES

- 5.1 One NorthEast has received feedback from stakeholders within the Region that, in order to achieve the scale of change needed within the North East, the Region's actions need to be increasingly prioritised and focused. For they have developed a number of principles to underpin the review of the RES. These are that the RES:

- Is designed to achieve a high quality of life through **sustainable, inclusive economic growth**;
- Supports the long term sustainable development of the Region through the **prioritisation of strategic projects and interventions**;
- Integrates with the Northern Way Growth Strategy and **articulates relationships with other regional strategies**, particularly the Regional Spatial Strategy, Regional Housing Strategy, Regional Transport Strategy, Regional Cultural Strategy, Integrated Regional Framework and the Strategy for Success;
- Reflects and articulates the Region's role and offer within a **global context**;
- Is based on how best to build on the North East's strengths through **prioritising key actions for maximum regional impact**; and
- Clearly defines the **role of partners and stakeholders** within the Region in helping to deliver the RES vision and projects.

6) Regional Economic Context

- 6.1 The RES document identifies that the North East's economy has been constantly renewing and reinventing itself over the last decade, undergoing a lengthy period of structural change. Over this time the Region has been successful at increasing output, jobs, income and investment. However, despite these successes the North East economy still lags behind the UK average on most output measures.

- 6.2 The headline measure of the Region's economic performance is the level and growth rate of Gross Value Added¹. This is translated into GVA per person, to

¹ Gross Value Added measures the contribution to the region's economy of each individual producer, industry or sector. It is calculated by deducting the total value of inputs used in the production process from the total value of the goods and services produced.

allow comparison with other regions. Currently GVA per head in the North East stands at around 80% of the UK average. This places the North East near the bottom of the UK league table in terms of GVA performance.

- 6.3 The RES highlights the two principal causes of GVA per head being low are that **productivity** (of those in work) lags the national average, and the **participation** rate (those in employment) is below the national average. For the North East to move towards closing the GVA per head gap with the UK, it must therefore adopt policies that act to increase both participation and productivity.
- 6.4 The RES recognises that the balance of interventions will need to be different across the Region depending upon local circumstances, and introduces the concept of a value chain. All public sector support to improve economic growth must add value to the business or the individual receiving support, through addressing market failure. However, a targeted approach is likely to achieve the greatest return on investment. For example it would add value to focus on creating high volume businesses in areas of high unemployment or low levels of economic activity, in order to create employment. Conversely, it would be unlikely to add value to do this in an area of low unemployment and high skills, whereas a more targeted approach to encourage high tech businesses in such an area would add value.
- 6.5 This concept is important given One NorthEast's desire to achieve a more prioritised and focused RES.

7) Regional Economic Strategy Themes

- 7.1 The revised RES is structured around 8 key themes. These were identified through a scenario development process organised by One NorthEast called 'Shaping Horizons in the North East' (SHINE). This took place during 2003 and 2004, involving over 1500 people from the private, voluntary and public sectors. The process identified key opportunities and weaknesses facing the North East over the next few years, and regional strengths and weaknesses through an inclusive and challenging scenario planning process.
- 7.2 The revised RES will aim to achieve sustainable, inclusive economic growth through prioritised action against the 8 themes that resulted from the SHINE process, which are:
 - **Leadership:** To encourage strong, open and effective leaders who are committed to the future strategic direction of the Region.
 - **Enterprise and Business Support:** To create an enterprising, risk taking culture across all sectors underpinned by a fit for purpose support network.
 - **Sectoral and Global Networks:** To foster productive sectoral relationships within the Region, and with other parts of the UK and world.
 - **Innovation and Creativity:** To establish an innovative, creative environment through collaboration and competition.
 - **Skills:** To develop a skilled, adaptable, healthy and motivated workforce which meets the present and future needs of the Region.

- **Economic Inclusion:** To ensure a fully inclusive Region which enables everyone to make a contribution and reduces inequalities.
- **Infrastructure and Built Environment:** To invest in a sustainable future.
- **Image and Cultural Assets:** To build upon the distinctive image of the North East, based on the people, places and cultural assets that can be celebrated and enjoyed within and outside the Region.

8) Proposed Response to the Consultation

- 8.1 One NorthEast states that it is keen to ensure that the RES is more focused, and it recognises that the priorities in the consultation document will need further development over the consultation period. In order to assist with this, a series of consultation questions have been developed to guide consultation responses, and One NorthEast have recommended that all response submissions use this format.
- 8.2 In view of recess and the closing date for responses being 30th August, a draft response on behalf of the Council was prepared and considered by the Management Team. In order to meet the meet the deadline this has been submitted to One NorthEast as the Council's draft response, making it clear that it is subject to formal approval and any amendments or additions made by the Executive on 30th August.
- 8.3 A copy of the Council's proposed response is attached as Annex 1. The response starts by making some general comments about the document as a whole, including:
- i. the document contains many good intentions but little detail on how the strategic priorities will be implemented, and does not yet provide the more focused, prioritised document that One NorthEast say they are aiming to achieve.
 - ii. the document starts with a good targeted introduction, but becomes less targeted within each theme and has no priorities or benchmarks under each theme.
 - iii. overall the document doesn't flow well. It needs priority and conclusion sections, and there is little assessment of progress/achievements against the previous RES and how that has informed the development of priorities for this new document.
 - iv. the document makes no reference at all to the Coalfields Programme, despite stating that it aims to integrate with key regional and national strategies.
 - v. a key concern is that the focus on City Regions in the document may lead to the issues affecting the more deprived 'lagging' areas within the region being underplayed. Whilst recognising the need to improve the economic growth of the region to narrow the gap with other parts of the UK, this must not be at the expense of widening the gap between areas *within* the North East region.

- 8.4 The response then goes on to make a number of detailed points on each of the eight Strategic Priorities, and concludes by pointing out some of the key strengths of Easington District which can contribute to the regional economy and should be taken account of in the RES.

9) Implications

- 9.1 Financial
It is not considered that the report has any financial implications for the Council.
- 9.2 Legal
It is not considered that the report has any legal implications for the Council.
- 9.3 Policy
It is not considered that the report has any policy implications for the Council.
- 9.4 Risk
It is not considered that the report has any risk implications for the Council.
- 9.5 Communications
It is not considered that the report has any communication implications for the Council. A briefing note on the RES consultation was provided to Executive members to inform them of the consultation and the process for a response being drafted.

10) Corporate Implications

- 10.1 Corporate Plan and Priorities
The recommendations contained within this report comply with the Council's corporate objectives to secure economic wellbeing and provide quality, equal and diverse sustainable employment.
- 10.2 Equality and Diversity
It is not considered that this report has any equality and diversity implications for the Council.
- 10.3 E-Government
It is not considered that this report has any IT or e-Government implications for the Council.
- 10.4 Procurement
It is not considered that this report has any procurement implications for the Council.

11) Recommendation

- 11.1 The Executive is asked to agree the response attached as Annex 1, to be confirmed with One NorthEast as the Council's formal response to the RES consultation.

Background Papers

Leading the Way Regional Economic Strategy Consultation Document
(available from www.onenortheast.co.uk/page/res.cfm)

REGIONAL ECONOMIC STRATEGY (RES) REVIEW 2005
FORMAL CONSULTATION

The following form is the recommended template for submitting consultation responses. There are three parts to this form:

1. Generic questions – relating to key issues and successful delivery of the RES;
2. Specific questions – relating to the eight RES strategic priorities; and
3. Additional comments – your opportunity to note additional points.

To enable us to consider comments effectively, please record points in detail and signpost us to any relevant research or examples of international best practice, supporting your comments.

Remember, this is the Region's Strategy and the support and buy-in of partners and stakeholders is crucial to the successful implementation of the RES.

Please note that all responses MUST be received by Tuesday 30th August 2005.

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Date	22 nd August 2005	Preferred contact details	c/o Sarah Slaven sarah.slaven@edbs.co.uk

1. GENERIC QUESTIONS

Do you agree with the core arguments and analysis in the draft Regional Economic Strategy? In particular, do you think that we have the right set of actions in each of the chapters in order to generate the necessary step change in the Region to improve our international competitiveness and help close the £8.3bn productivity gap?

We are in broad agreement with the core arguments and analysis within the document regarding the need to increase GVA through productivity and participation.

However, despite the stated aim of greater prioritisation and focus, the draft RES lacks detail about how the ambitions will be achieved, how the ideas and vision will be delivered.

The document starts with a good targeted introduction, but becomes less targeted within each theme and has no priorities or benchmarks under each theme. Overall the document doesn't flow well. It needs priority and conclusion sections.

Although the vision is for 2016, the document needs to give consideration to short, medium and long term priorities. The 'what success looks like' sections as currently

drafted are unnecessary and do not add anything to document. It would be better to include clear benchmark information in the final version of the document, highlighting where the region stands currently, realistic targets to be achieved, and milestones against which the progress of this delivery of the strategy can be measured at the next review in three years time.

Whilst recognising the limitations of the previous RES (Realising Our Potential) it is surprising that there is little information given or assessment of progress provided against the priorities within that document, and how that has led to the priorities proposed within the new RES.

One-NE must be transparent in the development of the RES and in its implementation to secure stakeholder support. A 'top-down' approach will not secure buy-in.

How could the RES better capture how the city regions, rural areas and areas of deprivation can both benefit from and contribute to the economic success of the North East, and what specific examples might we use?

The focus on the City Regions is to be expected but there must be a balance between prioritising investment in those areas, since they are the economic 'drivers', and investment in areas of deprivation that need such interventions to stimulate enterprise, entrepreneurship and job creation.

Regional growth needs to be balanced with addressing economic deprivation in order to narrow the gap within the region, as well as the gap with other regions. More focus is needed on specific actions to address worklessness and increase economic activity, and how the City Region will contribute towards tackling these issues effectively.

It is of concern that the focus on City Regions in the document may lead to the issues affecting the more deprived 'lagging' areas within the region being underplayed. Whilst recognising the need to improve the economic growth of the region to narrow the gap with other parts of the UK, this must not be at the expense of widening the gap between areas *within* the North East region.

It is also important that the City Regions are not just about the 'core cities' or city centres, but are about all the areas which have been identified as making up each city region, including Easington District as part of the Tyne and Wear City Region.

Although the draft RES recognises the need to ensure the whole of the Region is in a position to take advantage of the prosperity in the city regions, and to improve the tangible and intangible linkages between areas of opportunity and areas of need (page 26) little thought appears to have been given to how this will be achieved.

It is disappointing to note that there is no mention at all in the RES of the special needs of the coalfields, the Coalfields Programme, and the role that coalfield areas can play in contributing to regional economic growth.

How can the range of partner organisations in the Region work together in order to deliver some of the overarching priorities articulated in the RES consultation draft, including that of attracting and retaining skilled workers, entrepreneurs and potential leaders within the Region?

The best way for the range of partners to work together to deliver the priorities within the RES is through existing structures such as the Sub Regional Partnerships and LSPs.

There is a danger that the region spends too much time establishing and then changing partnership structures and arrangements, rather than focusing this time and effort on actually delivering against the key challenges that the RES identifies. There has been much change since the previous RES was developed, in particular the development of the Sub Regional Partnerships and the Local Strategic Partnerships, as well as structures such as the sub-regional Business Support Networks and Centres of Excellence at the regional level. There is a clear need for a period of consolidation to enable these partnership arrangements to continue to develop, deliver and improve, rather than be subjected to more wholesale change.

There is currently little information within the RES on the role of the Sub Regional Partnerships and how the new RES priorities will impact upon the Single Programme Investment Plans that are only part way through the first year of their three year programmes. We would like to see greater recognition within the document of the role that the Sub Regional Partnership can play in influencing the implementation of the RES, and for the RES document to recognise the County Durham Sub Regional Partnership's spatial priority areas, which include coalfield communities, and major centres.

What is the most appropriate spatial level for delivery of each of the priorities (e.g. pan regional, sub regional, city regional, neighbourhood level etc)? Should the final RES be structured by SHINE themes or spatially, i.e. what interventions will happen at each spatial level?

The spatial element of the document needs a lot more thought. Section C currently provides a description of the city regions and rural areas, but does not provide any kind of rationale for which interventions are best taken at which spatial level.

The final RES needs to be structured by themes and priorities, with each of these being very clear about the spatial level at which they will be delivered. This will be more easily determined for some of the themes than others.

Our suggestion would be:

- D1 – Regional and sub-regional
- D2 – Regional, sub-regional and local
- D3 – Primarily regional, with some sub-regional and local delivery
- D4 – Primarily regional
- D5 – Regional, sub-regional and local

D6 – Primarily local, with some sub-regional and regional activity
 D7 – Sub-regional and local
 D8 – Primarily regional and sub-regional

What can your organisation do to help deliver the Regional Economic Strategy? And which other organisations do you think have a key role to play alongside you?

The District of Easington Council has a key role to play in the delivery of the following priorities:

D1 Leadership
 D2 Enterprise and Business Support
 D5 Skills
 D6 Economic Inclusion
 D7 Infrastructure and the Built Environment
 D8 Image and Cultural Assets

2. SPECIFIC QUESTIONS – RES STRATEGIC PRIORITIES

D1 LEADERSHIP: ENCOURAGE STRONG, OPEN AND EFFECTIVE LEADERS WHO ARE COMMITTED TO THE FUTURE STRATEGIC DIRECTION OF THE REGION.

Are the proposed actions on leadership strong enough? If not, what should we be doing to promote greater strategic leadership?

Much of the success or otherwise in implementing this priority on leadership will depend on the ability of those leaders to have and hold the trust of their constituencies (however defined).

As the draft rightly points out, "effective governance is part of strong leadership incorporating joint working, transparency and accountability". The thrust of this section is that the role of the leaders will be to prioritise limited resources across the region in a way which will be seen and understood by all to be in the greater interests of the region, albeit that it may not directly benefit their area of interest (geographical or otherwise).

Thus great care will need to be taken in the selection of these leaders and, as importantly, the way in which they communicate with their constituencies needs to be well thought through, as it will be imperative that arrangements are totally transparent if trust is to be maintained.

A further key challenge in this respect will be that "governance structures must be honed to enable quick decisions to be taken, and to maintain the continued engagement of all partners" - this ambition is almost a contradiction in terms; if it is to work then serious

thought will need to be given to the structures and processes which will enable partners to feel (as well as to be) genuinely engaged whilst still facilitating speedy decision making.

Transparency must begin with the process of identification of leaders - if these are seen to be fait accompli selections, then future claims for transparency, joint working and accountability will be very difficult to sustain.

There needs to be a mechanism for the public sector to feel more involved in the 'bigger picture' since they can lead at the local level.

With regard to 'cross-regional collaboration' – One-NE should lead by example and work hard to remove its distant, secretive image.

Effective leadership needs to be coupled with improved communication.

D2 ENTERPRISE AND BUSINESS SUPPORT: TO CREATE AN ENTERPRISING, RISK TAKING CULTURE ACROSS ALL SECTORS, UNDERPINNED BY A FIT FOR PURPOSE SUPPORT NETWORK

How should the North East develop a flexible, customer focused and cost effective support infrastructure for those wishing to start up in business? How would this link to the business support provision?

We support this priority and agree with the key strategic priorities identified of generating more enterprise activity and increasing the efficiency and growth of existing businesses. These are clearly an essential part of addressing the productivity gap facing the region. The need to increase the level of business start-ups is a particular issue for Easington District.

However, this priority is not new to the region, indeed 2 out of the 6 priorities in the previous RES were targeted at developing a new entrepreneurial culture and increasing the productivity of businesses. There doesn't appear to be any analysis of progress made to date, or much recognition of the long-term nature of the change that needs to be brought about to generate more enterprise activity. Initiatives to raise young people's aspirations, in particular, will take many years before having an impact on the region's economy. This does not detract from the importance of such initiatives, but the RES needs to be realistic about what can be achieved in the short to medium term.

The document refers to the support that is necessary to generate more new business start-ups from various target groups, and to attract entrepreneurs into the region, but gives little consideration to how employed people within the region might be encouraged to consider starting their own business, particularly in relation to potential 'spin-offs' or diversifications as a result of the manufacturing sector declining and the growth of other sectors within the region.

In our view the flexible, customer-focused support infrastructure needs to be available at the local level. Once an individual has decided to start-up a business, current levels of

support provided by enterprise agencies and others tend to be good. This is supported by the information on survival rates on page 34 of the document. The Knowledge Economy Audit for County Durham (May 2005) highlighted that County Durham has high business survival rates exceeding the national and regional averages.

The more difficult issue is how to increase the absolute number of new businesses starting up. It may be that the significant investment made by in County Durham over the past 15 years in giving intensive support to those who are considering self employment prior to their start up may well have contributed not only to the higher than average business survival rates, but also have influenced the lower than average start up rates, if it has indeed had the effect of making potential entrepreneurs examine their ideas for viability

We support the more targeted approach proposed on page 35 whereby "in more deprived areas, enterprise will be the emphasis. i.e. a drive for additional start ups will be appropriate as a career choice and to drive local economic competitiveness....This approach will require proactive promotion of business support services to certain parts of the Region, business base, or population, as well as the more reactive services available to all."

We also broadly support the proposal on page 37 that business start up support should be more closely integrated with support for established businesses, to ensure a seamless package of support from early consideration of a business idea through to start up, growth and succession planning." However, work needs to be undertaken to ensure that the methodology for taking this forward is thoroughly considered. We would suggest that the current Information, Diagnostics and Brokerage model be proofed to ensure that it meets the needs of pre starts, embryonic and new start businesses. In our experience, the support required by a business in its pre-start phases and its early days of trading would not be provided in full by the IDB model, and the importance of such support being available through locally based providers with a thorough understanding and contacts in the local area cannot be under-estimated.

We very much support the suggestion that differentiated support is required in different geographical areas. Recent years have seen a move towards sub-regional standardisation of business support services which does not proactively target particular needs given different economic circumstances in different parts of the region.

The current regime under which the Business Support Network operates means that much of its delivery is directed by the outcome requirements of its funders and there is currently a dichotomy between the requirements of some funders to achieve significant interventions (for example, GONE require their impact to be measured in terms of 5, 10 and 25 days of assistance), whilst others measure the success of their financial interventions in outcome terms (for example Single Programme requires a number of jobs to be created or safeguarded). There is no tension between these two, as the assumption is that one will lead to the other; to a large extent that is a sound assumption. However, running contrary to that is the previous SBS requirement of increased penetration which seeks to emphasise the number of companies assisted (often to a superficial level).

Whilst recognising the role of private sector support services to the business support network (page 41) we feel that one of the key strengths of the County Durham BSN is

the fact that its brokers (Account Managers) are independent and are seen to be independent. We strongly recommend that this impartiality be maintained, and be seen to be maintained, through continued public funding of these brokers.

In relation to 'Entrepreneurial places', page 39 of the document refers to the development of incubators and innovative workspace in strategic locations. Areas of deprivation trying to increase enterprise and raise their economic and business base must not be excluded from this, as these are often the areas of market failure where the private sector will not develop such facilities. Stimulating environments are required to encourage 'home-grown' entrepreneurs in more deprived areas, not just to attract entrepreneurs from outside the region.

D3 SECTORAL AND GLOBAL NETWORKS: TO FOSTER PRODUCTIVE SECTORAL RELATIONSHIPS WITHIN THE REGION, AND WITH OTHER PARTS OF THE UK AND WORLD

How can the Region seek to adopt a new approach to inward investment which encourages more joint ventures and supports the priorities of innovation and design? How can we further work with inward investors to ensure that they are embedded and remain within the Region.

We broadly support the priorities outlined within this chapter. However, with regard to the identification of significant sectors and the subsequent support available, we feel this is an area where One NorthEast needs to be much more open and effective in communicating with sub-regional and local partners. Little is known or understood amongst our business community and partners about the work that has been done to date on clusters. The draft RES does not make it clear what has been achieved to date and how that work will now be taken forward as sectors. Will the existing clusters continue to be recognised as sectors, and which are they? More detailed information is required.

With regard to attracting investment into the region, we would support the need for a new approach to be developed between One NorthEast, and local and sub-regional partners. For example in relation to responding to the Lyons Review of Public Services, we do not feel that local partners such as ourselves have been effectively engaged, despite having considerable potential in terms of new property developed on the Enterprise Zone sites. Over the last few years, we also feel that there has been insufficient 'joining up' within different parts of One NorthEast in relation to market demand from potential investment enquiries and the development of sites on the Enterprise Zones. In order to implement this priority of the RES effectively, and develop a new approach to inward investment, One NorthEast needs to work better with other partners to maximise opportunities for the region.

D4 INNOVATION AND CREATIVITY: TO ESTABLISH AN INNOVATIVE, CREATIVE ENVIRONMENT THROUGH COLLABORATION AND COMPETITION

What is the most effective way of linking the other policy areas to the work on innovation?

No specific comments.

D5 SKILLS: TO DEVELOP A SKILLED, ADAPTABLE, HEALTHY AND MOTIVATED WORKFORCE WHICH MEETS THE PRESENT AND FUTURE NEEDS OF THE REGION

Building on the objectives and priorities of the Regional Skills Partnership, how can we move towards helping the Region be more globally competitive leading up to 2016?

How can regional agencies work with the LSC, local authorities, schools and colleges to address participation and attainment?

Whilst we recognise that a Level 2 qualification will be a pre-requisite for most jobs by 2010, we must not lose sight of the fact that in many deprived areas in the North East, such as Easington District, there is an extremely low educational starting point with many adults, both employed and unemployed, having no formal qualifications at any level and low levels of literacy and numeracy. Therefore we feel it is essential that non-accredited, first step learning and skills development is given a high priority so as to enable these learners to progress to the required level 2.

We feel that for the delivery of skills training and development to be effective, the necessary physical infrastructure of suitable training venues must be addressed, especially those to encourage adult learners back into vocational training particularly in areas of high deprivation, low attainment and low skills.

We agree that skills development is a key priority for the region and support the work that is being done through the Regional Skills Partnership to bring together employers on the demand side and the relevant funding and training providers on the supply side.

It is important that the strategies of key partners such as the Learning & Skills Council and Job Centre Plus reflect the priorities identified within the RES and work in synergy to meet the needs of the region, rather than being driven by national government agendas.

With regard to young people, the document makes no reference to encouraging involvement in Modern Apprenticeship schemes. More work also needs to be done within schools to ensure that the teachers and careers advisers, who can have a significant influence on the aspirations of young people, are up to date on the modern job opportunities and career paths that are available within the region. Also, employers must be encouraged to engage with schools more effectively as ambassadors of their companies. This engagement could be realised through enterprise activities and

presentations about their jobs and places of employment. Work should build on and provide greater support for the good practice developed through organisations such as the County Durham Business and Learning Partnership, rather than seek to establish new organisations or structures.

There is little reference of the roles of the Region's Universities in the Strategy. Many areas of the region are rural/semi-rural, with many areas having no direct or easy access to or from the HE sector. With their role in widening participation and encouraging more adults into HE, funding and support for the HE sector to establish physical satellites in areas that do not have easy access to universities we feel, should be addressed. The role of colleges as a 'bridge' to HE also needs to be considered.

Lifelong learning must be central to the values of the RES. There needs to be a policy goal to change culture towards learning and enterprise within the region. All organisations, agencies, employers, training providers and schools must promote the value and a culture of continuing in learning throughout life.

D6 ECONOMIC INCLUSION: TO ENSURE A FULLY INCLUSIVE REGION THAT ENABLES EVERYONE TO MAKE A CONTRIBUTION AND REDUCES INEQUALITIES

How can we begin to integrate programmes to tackle economic exclusion and deprivation?

The issues covered within this Strategic Priority are particularly important for Easington District, which has the highest percentage of incapacity benefit claimants in the North East.

However, this priority is not new to the region and much good practice has already been developed over the last 5-7 years in integrating programmes to tackle economic exclusion and deprivation, particularly through the SRB programmes. The loss of SRB-supported programmes that tackle economic inclusion through social and environmental-led improvements will be a key weakness for the region in addressing this priority of the RES. This section of the RES document needs to give further consideration to this issue, and the Community Investment Fund previously run by One NorthEast needs to be re-introduced.

The key to integrating programmes to tackle economic exclusion and deprivation is through relevant agencies working together at the local level. Easington District has been leading the way on this issue, through the Local Strategic Partnership and the development of a pilot project to encourage incapacity benefit claimants back into employment. This pilot project (Aim High Routeback) is a genuine partnership which has brought together health professionals, voluntary and community organisations, the private sector and organisations involved in skills development to tackle the issue in an integrated way, complementing, supporting, and adding value to the programmes that are already available.

As stated on page 86 of the document, we recognise that regeneration requires both

measures to address areas of need as well the provision of economic opportunities that may not always fall directly within those areas, but must be accessible to residents of deprived communities. There is a danger that too great a focus on the city region model within the RES could exacerbate the economic exclusion issues and lead to a failure to provide economic opportunities that are accessible to people in the deprived communities of areas such as Easington, in particular due to poor public transport provision and travel to work distances/times.

1. Tackling Worklessness

It is disappointing that this part of the document makes little reference to the three pilots under the Northern Way, including the Easington 'Aim High Routeback' pilot project that has been developed to tackle worklessness.

In order to ensure integrated programmes to tackle economic exclusion and deprivation, it is essential that the strategic group at the regional level is inclusive and works closely with local partners, particularly from the areas where the worklessness issue is most acute. The strategic group needs to include representation from these areas.

2. Raising Economic Participation in Deprived Communities

Although actions to promote enterprise and self employment need to fit in with the Business Support Network model operating within the Region, we would suggest that Business Link Organisations may not always be best placed to lead such actions in deprived communities, as they can lack detailed local, knowledge and on the ground contacts. Indeed it has been recognised in the consultation paper on the Local Enterprise Growth Initiative (LEGI) that local authorities, together with local agencies and communities, need to be given the authority and freedom to best determine local needs, options and solutions for enterprise development within deprived areas (pg 3 of the Consultation on proposals for a Local Enterprise Growth Initiative published in March 2005). We strongly support the role of the Council and the Local Strategic Partnership in this.

With regard to Business engagement and investment in deprived communities, it is surprising that the document makes no reference to the results of the evaluation of the national Business Brokers Pilot Programme. The Business Broker pilots were launched in 2002 as three year programmes, funded mainly by the Neighbourhood Renewal Unit, with contributions from local NRF programmes. The Business Broker pilot programme was managed nationally by Business in the Community (BITC), in partnership with the British Chambers of Commerce. There were 10 areas of England that were involved in the pilot, with Easington being the only area in the North East.

The aim of the pilots was to test whether brokers could engage business more effectively in some of the most deprived areas of the country, and the results of the evaluation found that the Business Broker Programme had been successful in engaging business, both in LSPs and associated partnerships and in attracting businesses to opportunities in neighbourhood renewal. The recommendations in the evaluation report called upon RDAs to consider how business broker-type activities can assist in economic regeneration, and Lord Rooker (Minister of State for Regeneration and Regional Development, ODPM) wrote to RDA Chairs in March 2005 to draw this to their attention.



D7 INFRASTRUCTURE AND BUILT ENVIRONMENT: TO INVEST IN A SUSTAINABLE FUTURE

How can we prioritise infrastructure development in order to secure the maximum impact of limited investment resources on the Region's economic development?

Infrastructure and the built environment is very important to the economic regeneration of the region. This forms a very large chapter of the RES and in our view, given the importance of these issues, perhaps could have benefited from being separated into more than one. Although the chapter is fairly comprehensive and reads better than some of the others, it is still not prioritised and targeted enough. Given its length it is difficult to be clear what the priorities are by the time one reaches the end of the chapter.

We support the need to target investment (page 93) but this has to be done in a transparent way with involvement and agreement from stakeholders (not a top down approach). The Sub Regional Partnerships have an important role to play in identifying priorities for infrastructure investment.

Transport

We support the proposal for a new Regional Transport Board (page 95). It is essential that this is able to directly influence central government and secure monies for improved transport, otherwise it will just be another 'talking shop'.

Internal connectivity is a particularly important issue for Easington District with low levels of car ownership and high levels of economically inactive people, it is essential that public transport links are improved to enable access to employment opportunities.

If the city region approach to drive economic development in the region is to work, it must take account of access for the areas that lie on the periphery of each city region. As well as direct rail services between Middlesbrough and Newcastle, there is a pressing need to develop rail halts along the coastal rail line between Teesside and Sunderland, which would provide access for residents of some of the most deprived communities in the region. This section should give more emphasis to the need to overcome access barriers so disadvantaged communities can access employment in nearby employment centres.

ICT

If this section is to form a strategic priority, it needs more work as it currently says very little.

Commercial and Business Premises

The examples of major commercial and business sites and mixed use regeneration sites quoted on pages 103 and 104 makes no reference to Hawthorn in Easington District which is to be developed as a high quality Business Park through EP's Coalfields

Programme. The section refers to promoting world class business locations, but makes no reference to promoting the Enterprise Zone sites that have been developed in East Durham over the last 10 years. Although the EZ designation comes to an end this year, One NorthEast should be taking a lead in marketing and promoting these locations in order to capitalise on the investment that has been made in developing modern premises at these locations. There is little reference in the whole of the RES document to the need for effective marketing and promotion of sites and premises in the region, or any policy for prioritising this activity. This should be addressed.

We broadly support the three priorities identified in the 'way forward' section but would offer the following comments:

We recognise the need to ensure that public money is used to overcome market failure and to maximise the economic, social and environmental benefits. However, it is important to ensure that the public sector is able to intervene in areas, such as Easington District, where there is clear market failure, in particular to bring out-dated sites and premises back into economic use.

Page 106 refers to the need to ensure the regeneration of the cores of the city regions through focusing development in those locations and restricting development outside these areas where it is displacement activity. At the same time, however, it must also be ensured that development in the cores of the city regions does not displace activity from parts of the region on the periphery or outside the city regions. This would have no 'added value' for the region and would conflict with the delivery of other priorities within the RES, such as economic inclusion.

It is also not clear from the document which are the 'cores' of the city regions. How will deprived areas outside the cores, which require investment to kick start their economies and create entrepreneurial activity through attraction of investment & re-use of sites for commercial activity, be affected by this policy?

It is important that the region's infrastructure is globally competitive so that businesses and employees can access global markets. However, this chapter does not sufficiently prioritise the areas that need investment and improving.

D8 IMAGE AND CULTURAL ASSETS: TO BUILD UPON THE DISTINCTIVE IMAGE OF THE NORTH EAST, BASED ON THE PEOPLE, PLACES AND CULTURAL ASSETS THAT CAN BE CELEBRATED AND ENJOYED WITHIN AND OUTSIDE THE REGION

How can we best utilise the North East's cultural assets as part of the Region's urban and rural renaissance, and how can we best capture the contribution of this to economic development?

We are in broad agreement with the three key priorities identified on page 120 of the RES document, although this chapter lacks detail in comparison to the other Strategic Priorities of the RES, and appears to be something of an afterthought.

1. Developing and Sustaining the Cultural Assets that drive Business Growth and Improve Quality of Place

In relation to this first priority, we would draw attention to the need to continue to support investment in major town centres, such as the programme currently being pursued through the County Durham Sub Regional Partnership, in order to provide high quality places for people to live and shop, as well as to visit.

It is not clear from the document how 'a focused city regional approach' (pg 121 para 2) will enable significant progress to be made in achieving investment in cultural assets, if as stated in para 1 on pg 121, priority is to be given to improving the capacity of existing assets to provide high quality cultural services and experiences. Surely this will need to apply wherever these assets are located within the region.

The District of Easington would wish to be involved in the delivery of this priority, in particular in relation to the role of the Heritage Coast and developments at Seaham Harbour.

2. Harnessing the Capacity of the Cultural Sector to Promote Leadership, Tackle Economic Exclusion and Improve Educational Attainment and Skills Levels.

This priority lacks detail and it is not clear what specific actions would result from it. We recognise that cultural assets can be used to engage economically inactive people and to improve educational attainment and skills levels. However, we would question whether this is sufficiently important to merit a priority in its own right, rather than being one of a range of mechanisms that will be picked up under D5 and D6.

3. ADDITIONAL COMMENTS

Please note the chapter and page number to which these comments refer.

Some of the key strengths of Easington District which we feel can contribute to the regional economy and should be taken account of in the RES are:

- Strategic location on the A19 trunk road which joins the two City Regions together.
- Availability of modern industrial sites and premises with good road links to Tyneside and Teesside
- High quality office/call centre accommodation on Enterprise Zone sites
- The Port of Seaham
- The Heritage Coast
- Major redevelopment of Seaham Town Centre
- Dalton Park Retail Outlet and proposed leisure/extreme sports facilities as Phase 2

Thank you for taking time to formulate a response to the RES consultation document. Responses will be reviewed during the 12 week consultation process and a full report will be published later on this year.

Please submit this form by emailing it to RES@onenortheast.co.uk or by posting it to; Lucy Clark, RES Consultation, Stella House, Goldcrest Way, Newburn Riverside, Newcastle Upon Tyne, NE15 8NY.

Further information on the RES is available by accessing <http://www.onenortheast.co.uk/page/res.cfm> or by contacting the RES Team on 0191 229 6899.