

**Cabinet**

**24 July 2012**

**County Durham Regeneration  
Statement 2012**



---

**Report of Ian Thompson, Corporate Director, Regeneration and  
Economic Development  
Cabinet Portfolio Member for Regeneration and Economic  
Development – Councillor Neil Foster**

---

### **Purpose of Report**

1. To present the refreshed County Durham Regeneration Statement text to Cabinet for consideration and endorsement.

### **Background**

2. In the spring and summer of 2009 following Local Government Reorganisation, we presented a partnership orientated vision and ambition for County Durham. The development of the County Durham Regeneration Statement set the framework for policy and delivery across the County. It underpins the Sustainable Communities Strategy for County Durham and in particular supports our vision for an 'Altogether Wealthier' Durham.
3. The County Durham Regeneration Statement, developed in 2009, has been broadly welcomed as the first "joined up" partnership approach for regenerating the County.
4. Three years on, following the experience and evidence we have gained, it is time to reflect and refresh the Vision and restate our ambition of *shaping a County Durham where people want to live, work, invest and visit whilst enabling our residents and businesses to achieve their potential.*
5. Although the Regeneration Statement has been refreshed, the main drivers and objectives have not altered. The regeneration statement recognises the progress made in the last three years and looks forward towards the next ten years, building an integrated programme of activity across the County Durham Economic Partnership (CDEP) which takes advantage of our key assets and tackles constraints on growth.

### **Progress**

6. The first Regeneration Statement developed in 2009 recognised the progress that had been made up to that point. Following Local Government Reorganisation it looked at what needed to be delivered in the following years. Although at the start of the recession, the economic

climate of the County was changing significantly, when the first Statement was developed the full impact of the recession could not have been predicted. The pre-recession employment rate had been rising and was close to the national average, with 72% of the working age population in employment. Gross Value Added (GVA), which captures the productivity of an area, had declined since the 1990s and had remained static at around 61% of the UK average. Educational attainment was continuing to improve in the County, with the proportion of people with no qualifications reducing and those with low level qualifications increasing in line with regional and national rates. Higher level qualifications attainment still had a significantly wider gap between regional and national averages. A lot has happened since then, with the continuing stagnation of the economy, and major reductions in the public sector. However, our underperforming economy remains a key focus for the Regeneration Statement.

7. Despite the substantial challenges facing the County, we have made a good start in our new ambitious approach. Our emerging County Durham Plan provides a coherent Spatial Planning Framework, focused on areas of opportunity closely aligned to housing and economic development strategies. Regeneration Frameworks and Investment Plans are in place for the majority of main towns, with the rest in development. Leading to private sector interest and investment in key sites in areas including Consett, Stanley, Bishop Auckland and Durham City.
8. Council investment has been directed towards major projects such as the East Durham Rail Station which will improve accessibility to labour markets for the residents of East Durham, the DurhamGate development in Spennymoor which will lever in £200m of private investment and locate 2,000 jobs in the County, as well as additional business space in Consett, and housing renewal programmes across the County. Confidence has been further strengthened by the announcement of the location of the Hitachi train manufacturing facility in the south of the County with the direct addition of 500 jobs and significant further jobs in the supply chain.
9. The focus on Durham City as an under utilised economic asset is becoming well established. While the focus on Tourism has progressed despite the withdrawal of support and funding by ONE North East. Successful events such as Lumiere have been delivered which raised the City's profile and boosted the economy by over £4m over the four day event in 2011. Physical improvements to the market square, clear identification of sites for development and planning for further growth and transport options is underway.
10. We are investing in apprenticeships for young people, supporting the Work Programme for long term unemployed people and exploring new ways to support business and job growth across the County.
11. The Statement has been used to identify key priorities for funding bids and future investment planning within wider regional and sub regional policy

settings such as the North Eastern Local Enterprise Partnership (NELEP) and Tees Valley Unlimited.

## County Durham Regeneration Statement 2012

12. The refreshed County Durham Regeneration Statement outlines the CDEP's approach to make County Durham a better place to live, work, invest and visit, specifying the spatial, social and economic priorities over the coming years whilst recognising the tough economic climate that still exists. It underpins the *Altogether Wealthier* theme for the refreshed Sustainable Communities Strategy for County Durham and sets the framework for an integrated policy framework and targeted delivery, building on opportunities and assets.
13. The ambition of the Regeneration Statement is to *shape a County Durham where people want to live, work, invest and visit whilst enabling our residents and businesses to achieve their potential*. The objectives shaping partnership activity are a Thriving Durham City; Vibrant and Successful Towns; Sustainable Neighbourhoods and Rural Communities; Competitive and Successful People; and A Top Location for Business.
14. The key issues facing the County which underpin the priorities for Regeneration and Economic Development include an underperforming local economy and high unemployment. The achievement of the pre-recession employment rate will require a substantial level of private sector employment growth to replace and exceed the levels of jobs lost through the economic downturn and public sector contraction.
15. The scale and speed of reductions in public sector expenditure has hit recovering economies and the most deprived areas hard. County Durham's local economy is a mixed economy with private and public spending closely related. Whilst Durham has many economic assets, not least its people and places; the reductions in bank lending and unprecedented cuts in public spending are making economic growth all the more challenging.
16. Historical industrial restructuring in the region and the County has disproportionately affected some communities with large job losses, out migration and housing market pressures leading to area deprivation. Despite improved economic circumstances and in particular, employment growth prior to the recession combined with initiatives to regenerate these areas, geographic concentrations of deprivation persist.
17. Additionally, although a significant change to the total population is not projected, the working age population is set to decrease by 10% and by 2031 the number of retired people aged 65+ will have increased by 61.6%. An ageing workforce and a gap emerging in replacement skills are posing a significant challenge for training and education providers and employers.

18. The changing policy and partnership landscape will further impact upon our communities affecting the current economic circumstances of our residents, businesses and communities. For instance, the combined impact of welfare changes will inevitably increase poverty and hardship, leading to further demand on social housing and support services. As a partnership it is important that we plan and adapt to policy changes to ensure deprivation is not compounded. In addition, as NELEP continues to develop and grow, the County's regeneration, employment and enterprise opportunities need to be maximised, the Statement's priorities will help to lift constraints and make the most of potential opportunities.

## **Approach**

19. By continuing to invest in opportunities across the County and capitalising on our strengths such as Durham City and Hitachi coming to Newton Aycliffe, we are aligning activity and leveraging private sector investment, to deliver the aims and objectives outlined in this Statement, to tackle the key issues facing the County. We are recognising our major assets, as those that have the potential to deliver the greatest impact. Building on and investing in these assets, alongside complementary interventions will release the County's potential for growth and connect areas of growth with deprived areas in need of regeneration. By following a phased approach across the County, utilising these opportunities we will be able to deliver the greatest impact for each locality and the whole of the County, using the resources available to us to best effect. As outlined in the draft refreshed Statement through a partnership approach we will:
  - Lift constraints on development and stimulate investment in the economic infrastructure needed to increase economic activity and wealth
  - Capitalise on Durham City's business and tourism potential to drive forward economic growth for County Durham
  - Invest in our major towns, continuing with our 'Whole Town' approach
  - Drive forward the delivery of new homes with the right mix of services to support our growth aspirations.
  - Improve the range of choice and standard of existing public and private housing
  - Invest in our human capital as a direct contributor to growth
  - Address the needs of our most vulnerable residents, mitigating the impact of welfare reform
20. One of the first main steps to deliver the refreshed Regeneration Statement will be to refresh the Altogether Wealthier Delivery Plan to accompany this Statement. This Plan will demonstrate what partners will do and how this will help achieve our ambition.

## **Consultation**

21. The CDEP fully adopted the Regeneration Statement that was prepared in 2009. The refreshed version has been prepared with partners and consultation has been ongoing for the last few months. The final version of the Statement will be presented to the CDEP Board in July 2012 for endorsement following DCC Cabinet approval.

## **Recommendations**

22. Cabinet is asked to endorse the refreshed Regeneration Statement

---

**Contact: Andy Palmer, Head of Strategy, Programmes and Performance,  
Tel 0191 383 4390**

---

---

## **Appendix 1: Implications**

---

### **Finance –**

The Regeneration Statement outlines the approach for investment which includes Durham County's Council's capital programme.

### **Staffing –**

The Regeneration Statement shapes delivery as articulated through the operational planning framework.

### **Equality and Diversity –**

Equality and Diversity principles have been an integral part of policy development. The vision as outlined in the Regeneration Statement is to *shape a County Durham where people want to live, work, invest and visit and enable our residents and businesses to achieve and maximise their potential* – this will have a positive effect on all residents, employees and visitors. Detailed Equality Impact Assessments have been and will be carried out for individual strategies or projects.

### **Accommodation –**

None.

### **Crime and Disorder –**

None.

### **Human Rights –**

None.

### **Consultation –**

The document has been consulted upon through the CDEP since March 2012.

### **Procurement –**

None.

### **Disability Discrimination Act –**

None.

### **Legal Implications –**

None