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Michael Laing Chief Executive

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11<sup>th</sup> December 2007

Dear Councillor,

I hereby give you Notice that a Meeting of the **REGENERATION COMMITTEE** will be held in the **COUNCIL CHAMBER, CIVIC CENTRE, CROOK** on **WEDNESDAY, 19<sup>th</sup> DECEMBER 2007** at **6:30 P.M.**

### AGENDA

1. Apologies for absence.
2. Declarations Of Interest.

Members are invited to declare any personal and/or prejudicial interests in matters appearing on the agenda and the nature of their interest.

Members should use either of the following declarations:

**Personal Interest – to be used where a Member will be remaining and participating in the debate and any vote:**

I have a personal interest in agenda item (...) regarding the report on (...) because I am (...)

**Personal and Prejudicial Interest – to be used where a Member will be withdrawing from the room for that item:**

I have a personal and prejudicial interest in agenda item (...) regarding the report on (...) because I am (...)

Officers are also invited to declare any interest in any matters appearing on the agenda.

**NOTE: Members are requested to complete the enclosed declarations form and, after declaring interests verbally, to hand the form in to the Committee Administrator.**

3. To consider the Minutes of the last Meeting of the Committee held on 31st October 2007 as a true record. Copies attached
4. To consider the signing of a Film Partnership Charter in partnership with Northern Film and Media. 1 - 5
5. To consider the marketing plan for Innovation House. 6 - 19

6. To consider the final draft of the Wear Valley Economic Strategy. 20 - 21
7. To consider the Local Development Framework Annual Monitoring Report. 22 - 31
9. To consider such other items of business which, by reason of special circumstances so specified, the Chairman of the meeting is of the opinion should be considered as a matter of urgency

Yours faithfully



**Chief Executive**

Members of this Committee: Bailey, Buckham, Ferguson, Grogan, Hardaker, Hayton, Laurie, Mews, Mowbray, Murphy\*, Miss Ord, Perkins, Seabury\*, Stonehouse, David Wilson, Yorke and Zair.

\*ex-officio, non-voting capacity

Chair: Councillor Mowbray

Deputy Chair: Councillor Yorke

TO: All other Members of the Council for information  
Management Team

## DECLARATIONS OF INTEREST FORM

<b>NAME AND DATE OF COMMITTEE</b>	<b>AGENDA ITEM NUMBER</b>	<b>NATURE OF INTEREST AND REASONS</b>	<b>PRINT NAME</b>	<b>SIGNATURE</b>

## REGENERATION COMMITTEE

19 DECEMBER 2007

Report of the Strategic Director for Environment and Regeneration

### **FILMING FRIENDLY PARTNERSHIP CHARTER**

#### **purpose of the report**

1. For Members to endorse the signing of a Film Partnership Charter in partnership with Northern Film and Media.

#### **background**

2. The Filming Friendly Partnership is the first initiative of its kind, and aims to establish the North East as the first Filming Friendly region in the country. In essence, it is welcoming productions into our region, working with them as positively as possible, but also asking, how can we benefit from this?
3. The North East has many fantastic locations, which attract a wide range of filming activity, but we need to ensure that Wear Valley is best placed to take advantage of this.
4. By working closely with the production companies we can ensure they have a good experience and will consider returning and become advocates to their peers encouraging more people to use Wear Valley and the North East as a location
5. Many other Districts are also involved with Northern Film and Media and Location managers On an ad hoc basis and they too are being approached to be part of the partnership Charter. Whilst Newcastle has been the first Charter signatories in the Partnership Wear Valley has an opportunity to be one of the first to sign the Charter within Durham.
6. The Charter will also help to ensure that we maximise the benefits that filming activity brings both during production and after they have left. This includes encouraging the use of local people, companies and facilities and maximising on the marketing and PR opportunities which hosting filming can create.
7. The signing of the Film Partnership Charter by Councillor Geoff Mowbray and the Chief Executive of Northern Film and Media Tom Harvey took place on Tuesday 11 December 2007 at Auckland Castle.
8. A draft Charter detailing the level of commitment required is shown at Annex 1

## **benefit from filming activity?**

9. Production companies already bring significant benefits to the region. These are broad ranging and take into account both the direct impact at the time of filming and the longer term impact which comes into play once the production goes to screen.

## **economic**

10. Since Northern Film & Media was established in 2002 visiting production companies have brought over £20m of inward investment into the regional economy. This money is spent on a wide range of costs including crew and technical staff, cast and extras, transport and parking, location fees, set construction, hire of premises, security, hotels and catering.
11. Figures received from production companies from January 2004 through to December 2005 showed that over 56,000 days of work was created for local people. Production activity in 2005-2006 alone created and sustained employment for over 239 people.

## **tourism**

12. There are well documented examples from around the world of filming activity increasing the number of visitors to the area.
13. At Alnwick Castle the film Harry Potter influenced 26% of customers to visit the castle and increased visitors from the US and the Far East.

## **the feel good factor**

14. Although less tangible and difficult to measure there is an important 'feel good factor' for a local community hosting a film or television programme. It can be seen as an important cultural tool, building confidence, a sense of community and identity in people who see their own lives, stories and streets on cinema and television screens.

## **resources**

15. Whilst many departments could be needed to assist in any enquiry received, companies prefer to deal with one key contact within a local authority.
16. There will however be a need for a series of contacts within each department who could and should be available to assist within a working party ensuring all that can be done, is done in the best possible and most efficient time scales. Proposed contacts and roles are shown in Annex 2.
17. This working group should be headed by the key contact whose role would be to co-ordinate all required areas of activity needed.

**costs**

18. There is no cost implication to be part of the charter.

**conclusion**

19. Having worked successfully with TV location managers through familiarisation visits for TV and Film Location Managers, and previously aided TV shootings of various programmes including BBC TV's Antiques Roadshow and Holiday Programme and advertisements, the time is correct and appropriate to advance this working on a more formulated basis. The Filming Friendly Partnership can prove very important to Wear Valley in allowing standard working relationships with future partners within the TV and Film location business.

**RECOMMENDED**                      1            That members endorse the signing of the Filming Friendly Partnership Charter.

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<b>Officer responsible for the report</b>	<b>Author of the report</b>
Robert Hope	Mike Richardson
Strategic Director for Environment and	Tourism Promotion and Development
Regeneration	Officer
Ext 264	Ext 343

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**Filming Friendly Partnership Charter (draft)**

..... is committed to working in partnership with Northern Film & Media to make the North East a Filming Friendly region.

This is in recognition of the positive economic and cultural benefits hosting filming activity has on a locality. We aim to maximise these benefits and make it a positive experience for all parties involved by:

- Nominating a single point of contact and supporting team within the local authority
- Considering each filming enquiry on its own merits and co-operating as far as is reasonably possible with any requests
- Building a network within the local authority of all those departments impacted by filming in our area
- Ensuring effective liaison and communication between all necessary departments, emergency services and local communities
- Organising and attending pre-production meetings with key personnel as appropriate
- Facilitating the use of council property, wherever feasible, taking into account security, confidentiality and work schedules
- Charging appropriate and negotiable location fees, which reflect disruption, dedicated staff time and resources used
- Providing an estimate of fees in advance of filming
- Using the Filming Friendly Guide provided by Northern Film & Media in support of our filming activity
- Ensure that local authority staff dealing with production enquiries are given access to appropriate training and development opportunities relating to this role
- Ensuring that any production company filming in our area has contacted Northern Film & Media
- Working with Northern Film & Media and production companies on press releases and publicity, maximising benefit to the locality and the region
- Developing a Code of Practice for visiting production companies

(Each local authority will co-sign this charter with Tom Harvey, Northern Film & Media's Chief Executive, they will then receive a copy).

(The Charter will also be issued to production companies using the North East along with the Code of Practice for filming).

Working team should consist of, but not be exhausted to:

**Key Contact External:** Marketing Manager, whose role would be to liase in the first instance with Northern Film and Media and then location manager, convening the appropriate members of the group and external bodies required.

**Key Contact Internal:** A senior member of staff to chair Group - **Strategic Director** who would have the role of being able to make things happen within the organisation should any delays occur

**Project Management / Liaison:** Tourism Officer

**Legal:** Legal Service Manager, who would deal with any legal issues that may occur including fees applicable for use of Council land

**Communication:** Media and Promotions Officer, to liase with the press on all appropriate issue ensuring best possible coverage for Wear Valley

**Licensing:** Public Protection Manager, to deal with any requirement involving required licenses

**Housekeeping:** District Service Manager – to deal with any streetscape issue, cleansing, workforce involvement etc

**Member Representative:** To liase between the group and members, including those whose ward may be the subject of any TV or Film request.



REGENERATION COMMITTEE

19 DECEMBER 2007

Report of the Strategic Director for Environment and Regeneration

**MARKETING PLAN FOR INNOVATION HOUSE**

**purpose of the report**

1. To review the 3 year marketing plan to let Innovation House (Annex 3).

**background**

2. Innovation House (IH), based at South Church Enterprise Park in Bishop Auckland, is a facility that provides office accommodation for new start up businesses and growth businesses with the potential to expand. This plan denotes the different types of marketing activity that will attract tenants to the centre and achieve maximum occupancy in 3 years.
3. In order to attract as many new and start-up businesses as possible, in a short amount of time, the marketing for the centre must be co-ordinated and exploit different mediums to fully showcase the centre to as many potential tenants as possible. Existing marketing is comprised of monthly adverts in regional commercial property magazines and a series of half page adverts in the local press Durham and Darlington Advertiser Series.
4. IH mission is to provide businesses with the most comprehensive package of advice and accommodation. *“An environment where new and growing businesses can be encouraged, developed and supported through its early years, to act as a springboard to launch a sustainable business into a competitive marketplace”*.
5. The marketing strategy will be both integrated (raising brand awareness whilst targeting specific markets) and co-ordinated to maximise their joint effects. Firstly creating customer awareness and showing the products on offer, this will seek to develop the potential tenant base. The message that will then be communicated is that IH matches prospective tenant's dreams and expectations for their business; marketing must reinforce this through being innovative and demonstrate a knowledge of our potential clients aspirations.
6. These messages will be delivered in a variety of ways, the first phase is a series of industry magazines and newspapers adverts that draw people in and create a buzz about the centre.

7. A multimedia company will produce a business card DVD/DVD ROM to showcase IH as a state of the art business centre, with a feature of South Church Enterprise Park as a vibrant place to do business. Of strategic importance is a dedicated IH Website that will lead a direct route for Internet based enquires that can be generated out of hours and on weekends. The last method of communication is the use of printed sales literature.

### **controls measures**

8. The controls are periodic reviews set against the enquiries forecast (p9 marketing plan). Marketing activities started in full in November and then will recommence in February to allow for the quiet Christmas period December/ January. The numbers of enquiries are recorded and the ways by which they have been logged are also recorded thus denoting a direct correlation between which method of advertising stimulated the enquiry.
9. This information is recorded each month and then will inform future marketing approaches when patterns emerge.
10. IH will be benchmarked against Derwentside District Councils 15 year established Derwentside Industrial Development Agency, allowing for best practice to be shared and replicated.
11. The final control is to provide value for money in all marketing activities, keeping within designated budgets.

### **update**

12. At the time of writing the report 13 businesses are in residence at IH, with the occupancy level being 33%. The marketing thus far has proved successful, with a total of 13 enquiries (double the amount-forecasted p17) for IH directly attributable to Radio (8) and Newspaper (5) since the campaign commenced in November. Of these 13 enquiries there have been 7 viewing's with 4 businesses signing up and another 2 businesses reserving offices. This is a conversion rate of 85% of viewing to let ratio some 63% ahead of the enquiries forecast (p17).

### **conclusion**

13. A structured approach to marketing grouping promotional activities together rather than a fragmented approach will enable a more focussed and effective campaign that can be reviewed periodically. IH must achieve the maximum number of enquiries over the shortest period increasing enquiries and subsequently more lets at the development, the best way to tackle this is with more varied package of innovative marketing. However marketing alone will not suffice and must be backed up with improved customer service, this then being at the heart of the centre and will be key in generating a successful reputation. The overall offer must be that we understand small and micro businesses needs for further growth and are committed to helping them achieve it.

**RECOMMENDED**

- 1 That members are made aware of marketing activities to let Innovation House within 3 years.

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**Officer responsible for the report**

Robert Hope  
Strategic Director for Environment and  
Regeneration  
Ext 264

**Author of the report**

Matt O'Neill  
Economic Development Officer  
Ext 398

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## Marketing Plan: Innovation House

November 2007



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# MARKETING PLAN: INNOVATION HOUSE

## Executive Summary

Innovation House (IH) is a facility that provides office accommodation for new start-up businesses and growth businesses with the potential to expand, based at South Church Enterprise Park in Bishop Auckland. This plan denotes the different types of marketing activity that will attract tenants to the centre and achieve maximum occupancy in 3 years. IH holds the monopoly for incubation accommodation within the District.

IH must achieve the maximum number of enquiries over the shortest period increasing enquiries and subsequently more lets at the development. The best way to tackle this is with more varied package of innovative marketing. However, marketing alone will not suffice and must be backed up with improved customer service, this then being at the heart of the centre and will be key in generating a successful reputation. The overall offer must be that we understand small and micro businesses needs for further growth and are committed to helping them achieve it.

## 1 Situation Analysis

- 1.1 IH is an incubation office complex suitable for locating micro and small businesses in offices ranging from 200-550 sq. ft. The facility is capable of homing 42 (both phases) businesses and is located adjacent to a Super Output Area (SOA). IH phase II is available for occupancy (26 units) from July 2007 in the first year all units are available to let, marketing will be key to the development of the brand and product awareness as well as growth of the occupancy base.

### market summary

- 1.2 Wear Valley District Council has built the second phase on the market intelligence that there is sufficient demand to fully occupy phase II within the next 3 years. By forming a strategic alliance with The Enterprise Agency (TEA) we are showing new businesses that we understand their needs for future and sustained growth and are committed to helping them achieve it.

### target markets

- 1.3 Target markets are:
- Businesses operating from home that need to move into premises for the first time
  - Small and Medium sized businesses in need of “off-shoot space” or more modern premises
  - People in education / employment / unemployment.

## market demographic

- 1.4 The profile of the typical IH tenant consists of the following geographic, demographic and behaviour factors.

### geographics

Generally people will be willing to travel 15-20 miles to work in order to run a business:

Bishop Auckland  
Shildon  
Newton Aycliffe  
Darlington  
Durham  
Tees Valley  
Gateshead

### demographics

There has not been any conclusive research done that depicts if a small business user will be male or female at IH. The Age bracket targeted is from 16-64 incorporating the above target markets.

### behaviour factors

Existing tenants commute from a 1-20 mile radius to and from work, with many enjoying some form of recreation activity including golf, tennis and going to the gym. Home ownership is a key factor, with usually 1 or 2 pre-teen children.

## market needs

- 1.5 IH provides high quality start-up accommodation for new and existing businesses. The District Council is committed to provide the most efficient start up business service with its partners TEA tailoring individual services to meet the requirements of any business; the partnership seeks to fulfil the following benefits that are important to its tenants/customers:

- **High Specification office accommodation,** *Once a tenant has taken occupancy they need to know that everything works efficiently and as it should.*
- **Customer Service,** *Exemplary service is required to build sustainable business that has a loyal base.*
- **Individually Tailored Client through care and after care,** *Whilst not being unique in providing such a service we must be innovative in delivery and also achieve results that tenants want.*

## market trends

- 1.6 The current trend data for start-up office accommodation is limited within the District to what is currently (01/10/07) available:-

Location	Availability
Innovation House phase I	5 offices
Within Bishop Auckland Town Centre	4 offices
Newton Cap Viaduct	2 offices
Coundon Industrial Estate	2 offices
Wear Valley Business Centre	Full
Weardale Business Centre	Full
Hutton Close, South Church	Full
Dales Centre, Stanhope	Full

With the very nature of incubation office facilities experiencing transient tenants it is important to maintain good relationships with tenants. It is far cheaper to retain an existing tenant than it is to attract a new one. The letting policy allows for a maximum of 3 years for anyone business, then they will have to leave the facility and make way for new businesses.

## market growth

- 1.7 Developments of new office accommodation are planned at South Church Enterprise Park Phase III, Gustoni Ltd are developing over 20,000 sq. ft of high specification move-on office accommodation within the next 12 months. Uncertainties still remain over the future of the Bracks Farm Development which, could provide the District with a mixture of managed and move-on office suites from 2,000 sq. ft upwards up to 200,000 sq. ft. The District Council's own joint venture with Durham County Council at Low Willington will provide 16,000 sq. ft of high tech accommodation available from November 2007. Historically phase I took only 1 year to be fully let without any marketing taking place. This could be attributed to the product and price being new and low respectively. Since 2004 the price has been increased so advanced promotion will be key to capitalising on potential tenants, once the campaign has reached February progress will be easier to be monitored.

## SWOT Analysis

- 1.8 The following SWOT analysis captures the key strengths and weaknesses within the product, and describes the opportunities and threats facing Innovation House.

### Strengths

- The office accommodation is unparalleled for quality within the District.
- Strong partnership working with TEA offers individually catered client support that understand business needs

- The location of the centre is ideally situated near the A1 and Durham City.

#### Weaknesses

- No brand recognition is IH owned by TEA, WVDC, or private sector?
- New systems untested, lack of experience by staff providing managed workspace.

#### Opportunities

- Job creation
- Develop strong and long lasting relationships with businesses that can grow through our pipeline of accommodation
- Market leadership in incubation accommodation.

#### Threats

- A slump in the economy that inhibits business start ups
- Competition from new developments and other parts of the County
- Existing tenants leave, reducing overall occupancy.

### **competition**

- 1.9 The competition at a countywide level comes from all angles with, Derwentside having the newly built Derwentside Industrial Development Agency based in Consett. Sedgefield boasts three similar developments (Shildon-Dabble Duck, Newton Aycliffe and at Spennymoor) and with future developments being planned at Meadowfield and in East Durham, the competition is of a high level. At a District level IH and TEA have the monopoly for high quality incubator space but with developments planned at Low Willington, South West Crook and on South Church it is important to get as many tenants as possible in the ensuing 12 months.

### **product offering**

- 1.10 High quality office accommodation ranging from 200-550 sq. ft this is coupled with a high level of security, broadband enabled, on site business support and access to other features including preferential rates for conference and access to a state of the art training facilities.

### **keys to success**

- 1.11 The keys to success are ensuring the message of the centre is spread to as many new potential tenants as possible. In addition IH must ensure that total customer satisfaction is generated and sustained. If these keys to success are realised IH will be fully let within 3 years.



## **critical issues**

1.12 As the start-up business market in Wear Valley is really in its infancy these factors will be key if IH is to be successful:-

- Benchmark the centre against successful operations
- Develop strong brand identity for IH
- Establish IH as the premier start up office facility within Wear Valley (Brand awareness)
- Customer service must be at the heart of the centre and will be key in generating a successful reputation

## **2 Marketing Strategy**

2.1 IH will market itself in a way that challenges preconceived norms for commercial property. The now tired format of random pictures of the facility and adding in a centre/location name will be replaced with a series of innovative adverts through a variety of media sources. The emphasis will be firmly placed upon utilising the centre name more effectively. Denoting that everything you need to take your business to the next level is at IH.

### **mission**

2.2 IH mission is to provide businesses with the most comprehensive package of advice and accommodation. *“An environment where new and growing businesses can be encouraged, developed and supported through its early years, to act as a springboard to launch a sustainable business into a competitive marketplace”.*

### **marketing objectives**

2.3 Marketing objectives are:

- Utilising the name of the centre more effectively so it becomes synonymous with Innovation.
- Increase enquiries by 10% each quarter
- Achieve 33% let by July/August 2008.

### **financial objectives**

2.4 Provide value for money in all marketing activities, keeping within designated budget.

### **target markets**

2.5 Businesses operating from home are Micro businesses working from back bedrooms/garages/lofts and studies. This is an enterprise characterised of having 1-10 employees. Usually operating between 1-2 full time members of staff and administrative support being provided

on a part time basis (by a relative of family member). There are currently 10-50 paying National Non Domestic Rates (NNDR) within the District on their property but an estimate of approximately 100-300 would be more realistic (Business Rates). Also with the close proximity of Shildon, Newton Aycliffe and Spennymoor opening up the possibility of even more potential targets.

- 2.6 Small and Medium sized businesses are already established and have overcome the first 2-3 years of operations or are in the process of doing so. The EU has started to standardise the concept of what defines these two terms. Its current definition categorises companies with fewer than 50 employees as "small", and those with fewer than 250 as "medium" employers. Our approach must be to tap into the businesses that are at a point when they need to add a strategic office near the A1 just at the top/bottom of the Tees Valley, aiming at businesses in Tees Valley, Darlington, Newcastle and County Durham (Sedgefield in particular). In order to do this we need to market to Senior Officers/Managers within these companies so that they can see the benefit of taking 2-3 offices at Innovation House phase II.

### **positioning**

- 2.7 IH will position itself as the most innovative and successful office incubation facility in the region; this positioning will be achieved through the dedication and commitment of the staff offering individually tailored business services and unparalleled office accommodation.

### **strategies**

- 2.8 The marketing strategy will be both integrated (raising brand awareness whilst targeting specific markets) and co-ordinated to maximise their joint effects. Firstly creating customer awareness and showing the products on offer, this will seek to develop the potential tenant base. The messages that will then be communicated is that IH matches prospective tenant's dreams and expectations for their business, marketing must reinforce this through being innovative and demonstrate a knowledge of our potential clients aspirations.
- 2.9 These messages will be delivered in a variety of ways, the first phase is a series of industry magazines and newspapers adverts that draw people in and create a buzz about the centre. The commercial property industry is supported by several glossy magazines (NE Business Magazine, North Works, Commercial Property Monthly, NE Times) designed to promote the industry as a whole. In addition, a number of smaller adverts will be placed in regional newspapers that will target local people interested in starting a business. The press advertising will be supported with a radio campaign and a series of adverts on the backs and interiors of buses going on particular routes through our district and Sedgefield.

- 2.10 A multimedia company will produce a business card DVD/DVD ROM to showcase IH as a state of the art business centre, with a feature of South Church Enterprise Park as a vibrant place to do business. The content will also form the basis of a new Website to be developed with another partner agency. The business card DVD will be given to Chief Officers and distributed at events to other senior officials. Along with this 5,000 DVD/ROM will be sent to specific businesses MD's and CEO throughout the region.
- 2.11 Of strategic importance is a dedicated IH Website that will lead a direct route for internet based enquires that can be generated out of hours and on weekends.
- 2.12 The last method of communication is the use of printed sales literature. The above marketing will create demand for the sales literature which, will be sent directly to interested parties. As well as using the literature for interested parties it shall also be distributed to Business Banking Advisors (Barclays, Abbey, HSBC etc), Accountants, Lawyers, LSC, Bishop Auckland College, and Business Links Head Office and estate agents.

### **marketing mix**

- 2.13 IH marketing mix is comprised of the following approaches to pricing, distribution, advertising/promotion and customer service.
- Pricing is fixed, £10.11 per square foot.
  - Distribution, initially brochures will be delivered direct to consumers.
  - Advertising/Promotion, different methods will be used in order to maximise the potential benefit (magazine, open days/launch newspaper, buses, Website, radio, DVD's and literature).
  - Customer Service, IH will strive to achieve benchmarked levels of customer service.

### **marketing research**

- 2.14 IH market research is based upon trend data collated by CDDC (2003) for office enquiries and is also heavily linked to the success of the Wear Valley Business Centre and Innovation House phase I. This does not tell us what the demand is at present or if we can make any forecasts based upon the data for future growth patterns. The incubation market is still in its infancy within Wear Valley and the enquiries for the last 2 months have been of an ad-hoc basis. The implementation of the LEGI business coaches within the area will provide up to date market intelligence of what is happening on the ground.

### 3 Financials

3.1 This section will offer the financial overview of IH related marketing activities, addressing sales forecasts, expenditure forecasts and indicate how these activities link to the marketing strategy.

#### sales forecast

3.2 The sales forecast are conservative to allow for the up-coming summer holidays. This will steadily increase as the advertising commences in full from November and will be resumed in the February ensuring exposure to different forms of media will be at a high level. The two identified target markets (paras. 2.6 – 2.7) allow for wide coverage of marketing activities, however in order to attract the right potential customers to IH the marketing must be innovative, continuous and effective.

**Table 1 : Quarterly Lets Forecast = Enquiries/Conversion Ratio**

Enquiries Forecast					
	Enquiries	Conversion	Occupancy	Target	Conversion Rate
<b>(2007/8)</b>					
Quarter 1	2	1	4%	N/A	
Quarter 2	2	1	8%		
Quarter 3	6	1	12%		
Quarter 4	8	1	16%		
Total 07/08	18	4			22%
<b>(2008/9)</b>					
Quarter 1	9	2	23%	33%	
Quarter 2	8	2	31%		
Quarter 3	10	2	38%		
Quarter 4	9	2	46%		
Total 08/09	36	8			22%
<b>(2009/10)</b>					
Quarter 1	10	2	54%	66%	
Quarter 2	7	2	62%		
Quarter 3	15	2	70%		
Quarter 4	13	1	74%		
Total 09/10	45	8			18%
<b>(2010/11)</b>					
Quarter 1	11	2	82%	99%	
Quarter 2	9	2	92%		
Quarter 3	10	1	96%		
Quarter 4	9	1	100%		
Total 10/11	39	6			15%

## 4 Controls

4.1 The purpose of the IH marketing plan is to serve as a guide for the organisation; the following areas will be monitored to gauge performance:

- Revenue - quarterly and annually
- Expenditure - quarterly and annually
- Customer satisfaction

### implementation

4.2 The milestones, indicated in Table 2, identify the key marketing programmes. It is important to accomplish each one on time and to budget.

**Table 2 : Key milestones/ Marketing targets**

Milestones	Plan			
Milestone	Start Date	End Date	Manager	Department
Marketing Plan Completion	16/07/07	19/07/07	Matt	ED
Advertising Campaign (Regional property magazines)	05/07/07	31/09/07	Matt	ED
Distribution of Leaflets	25/07/07	31/08/07	Matt	ED
Production of IH DVD	07/09/07	01/11/07	Matt	ED
Advertising Campaign (Radio/ Papers, Buses)	01/09/07	15/02/08	Matt	ED
Web site completion	01/11/07	15/04/08	TEA (Charlotte Stow)	ED
Distribution of DVD	01/02/08	08/02/08	Matt	ED
Open Day (Business Community)	04/03/08	04/03/08	Matt	ED
Open Day (Officialdom)	05/04/08	05/04/08	Matt	ED

### marketing organisation

4.3 Matt O'Neill will be responsible for marketing activities, with approval sought from John Parnell and Sue Dawson.

## **contingency planning**

- 4.4 Difficulties and Risks - without a great deal of knowledge at present of the existing incubation market in County Durham it is difficult to make accurate forecasts based upon market intelligence that was gathered 3 years ago.
- 4.5 Worst Case Risks include - a lack of potential tenants.

**REGENERATION COMMITTEE**

**19 DECEMBER 2007**

Report of the Strategic Director for Environment and Regeneration

**WEAR VALLEY ECONOMIC STRATEGY – FINAL DRAFT**

**purpose of the report**

1. To seek members agreement to the final draft of the Wear Valley Economic Strategy (Annex 4).

**background**

2. At the April Committee meeting members were advised that a consultation exercise was to be undertaken with key stakeholders such as One NorthEast, Durham County Council, Learning and Skills Council, Forum for Business, Business Link, and Government Office North East.
3. In July members were informed of the outcome of the consultation and agreed with the proposed actions which had been identified apart from that by DCC comment regarding paragraph 1.6 which suggested that “holding our partners to account” should be changed to “encouraging our partners to deliver.”
4. The revised draft was tabled at the October committee meeting when some additional amendments were recommended.
5. Shared Intelligence has now amended and updated the report in the light of the comments made.

**policy context**

6. The Action Plan accompanying the strategy identifies how the proposed activities fit with existing regional and sub regional strategies.

**considerations**

financial/legal/human resource implications

7. None.

risk assessment/option appraisal

8. Not applicable.

value for money

9. The strategy will provide a framework for action that will ensure resources are utilised in the most effective way.

equality and diversity/access to services

10. Will be addressed through the strategy.

### **consultations**

11. The strategy has been developed through a process of wide consultation with regional stakeholders. It is proposed to launch the strategy in January at Innovation House. Details of the launch are being prepared.

### **conclusion**

12. The responses received through consultation with key regional stakeholders were generally very positive. Where issues were raised they have now been accommodated in this final draft of the strategy. Comments made by members in October have now also been incorporated.
13. A Delivery Plan will be drawn up to describe in detail the actions that are needed to ensure the proposed outcomes are achieved and identify responsibility for those actions. It is envisaged that the Wear Valley Forum for Business will prioritise actions and monitor progress made in achieving the Delivery Plan.

**RECOMMENDED**                      1                      Members agree the final draft of the strategy.

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## REGENERATION COMMITTEE

19 DECEMBER 2007

Report of the Strategic Director for Environment and Regeneration

### **LOCAL DEVELOPMENT FRAMEWORK: ANNUAL MONITORING REPORT**

#### **purpose of the report**

1. To present the key findings contained in the Council's third Annual Monitoring Report (AMR) covering the period 1<sup>st</sup> April 2006 to 31<sup>st</sup> March 2007.
2. To inform Members of the emerging planning issues and seek endorsement of the associated management actions.
3. To seek member's approval to submit the full report and its appendices to Communities and Local Government.

#### **background**

4. The review and monitoring of policies are key to the Government's 'plan, monitor, manage' approach which is firmly embedded within the new planning system. As such, Members will recall that Councils are now required to submit an Annual Monitoring Report to Communities and Local Government by the end of December each year in relation to the proceeding period covering 1<sup>st</sup> April to 31<sup>st</sup> March. Detailed guidance regarding the required content of the AMR is contained within 'Local Development Framework Monitoring: A Good Practice Guide' (2005).
5. This report relates to the third such Annual Monitoring Report prepared by this Council. It sets out the progress made in relation to the preparation of the Local Development Framework, against the milestones set in the adopted project plan, and monitors the effectiveness of the policies contained in the Local Plan. Where the monitoring and associated analysis raises key issues, the AMR is required to identify appropriate management action. The full report and its technical appendices will be tabled for members information.

#### **findings: progress of the local development framework**

6. The Annual Monitoring Report is required to monitor progress made against the milestones set out in the project plan in place during the monitoring period. As the first Local Development Scheme (adopted June 2005) was still in place during this monitoring period, performance has been monitored against the milestones set out in this document. As a result the report identifies that the Council has not successfully met the targets for the 4 policy documents proposed, this is due to the cumulative impact of a shortage of staff resources that the Forward Plans Team suffered over the majority of 2005. As a result the previous monitoring report concluded that a revised

Local Development Scheme should be prepared and submitted to Communities and Local Government for approval. This was adopted in April 2007. The AMR acknowledges that the first LDS was overly ambitious in its proposals; the workload and timescales proposed in the second LDS are considered to be more realistic.

7. The Annual Monitoring Report, does however confirm that the Council successfully achieved the first key target in relation to the Core Strategy and Generic Development Control policies documents in July 2007, as set in the revised project plan. This will be acknowledged formally through next years Annual Monitoring Report. The Forward plans Team are also on schedule to meet the milestone in relation to the 'Preferred Options' stage of the new plan's Core Strategy and Generic development Control Policies documents, which is scheduled for May 2008.

### **findings: monitoring local plan policies**

8. Annex 5 contains a copy of the Executive Summary which will be published alongside the full Annual Monitoring Report. This sets out the main findings of the Annual Monitoring Report. This committee report concentrates on the two key findings which have identified a need for appropriate management action; these relate to housing land supply and employment land.
9. housing land supply: Monitoring activities have identified that there is a housing land supply of 12 years, which is likely to be delivered within the next 5 year period. This assessment is solely based upon sites which currently have planning consent; it does not include other sites which may come forward for residential development in the next 5 years. Furthermore, without appropriate management arrangements the housing trajectory indicates the district is likely to experience a 50% over supply of housing land, if current build rates continue. National planning policy indicates that an acceptable range is between 10% and 20%, as an oversupply of housing may jeopardise the delivery of other housing objectives within the district, county or region.

It is therefore recommended that a guidance note is prepared which draws upon national policy and the sub-regional strategic housing market assessment once it is published in December. Such advise should be used in development control in place of the current sequential approach, in the interim, whilst the Core Strategy is being prepared. Moreover, the Council intends to prepare a Strategic Housing Land Availability Assessment, which will replace the Urban Capacity Study, by the end of March 2008. This will form a key element of the evidence base for the Local Development Framework and assist in the assessment of suitable housing sites in the assessment of sites and determination of applications in the development control process.

10. employment land: Monitoring activities and work in relation to the preparation of the LDF have identified that, although there is a sufficient level of employment land within the district, very little is immediately available for development. The Employment Land Review (which was reported to Regeneration Committee in September 2007) identified that only 20 hectares of employment land is available in the short term, less than half of which falls within the Bishop Auckland sub-area where demand is greatest. The

Employment Land Review also identified that 43 hectares is available in the longer term once servicing and access has been provided, and the remaining 40 hectares have substantial barriers to development. It is important to note that the majority of employment land with substantial barriers to development falls within the Bishop Auckland sub-area where demand is greatest. Monitoring activities also identify that there is an increasing pressure on employment land for residential development, which could further decrease the level of land available for employment use.

It is therefore recommended that the Employment Land Review becomes a material consideration in the determination of applications which would result in the loss of employment land, especially where the site is identified as being available in the short or longer term. There is a need to safeguard employment sites which are already fully serviced to ensure that there is a readily available supply of employment land throughout the district and to contribute towards the delivery of the objectives as set out in the district Economic Strategy.

11. The Executive Summary (see Annex 5) also identifies the other key findings in relation to the following core areas:
  - vitality and viability of town centres;
  - accessibility and proximity to services;
  - play, recreation and open space; and
  - environmental quality.
12. The monitoring and analysis in relation to these four key areas did not identify the need to take additional management activities over and above the continued implementation of the Local Plan policies.

#### **finance, IT and human resource implications**

13. None.

#### **conclusion**

14. This is the third Annual Monitoring Report to be prepared by the Council; the Council has a statutory duty to prepare and publish a monitoring report by the December following each financial year.
15. The AMR has identified that the Council is making good progress in advancing the LDF in line with the project plan set out in the second Local Development Scheme and acknowledges that the first LDS (adopted in June 2005) was overly ambitious in its proposals.
16. In terms of monitoring the local plan policies, the AMR contains a full and detailed assessment of the effectiveness of many local plan policies. The main findings of which are detailed in an accompanying Executive Summary. The two key findings relate to the level of housing land and the pressures on employment land within the district. In both cases, in line with the 'plan,

monitor, manage' approach which is embedded within the new planning system, appropriate management action is presented.

- RECOMMENDED**
- 1 Members note the issues emerging from the Annual Monitoring Report and endorse the associated management action presented.
  - 2 Members approve the submission of the full report and its appendices to Government Office for the North East

**background information**

Local Development Scheme: version ii (April 2007)

'Local Development Framework Monitoring: A Good Practice Guide' (2005)

Planning Policy Statement 12: Local Development Frameworks and companion guide

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## Executive Summary

Review and monitoring of policies are key aspects of the Government's 'plan, monitor and manage' approach to the planning system. In response to this the Council must produce an Annual Monitoring Report for each financial year, which will form part of the Local Development Framework<sup>1</sup>. This is the third such report.

The Annual Monitoring Report is a mechanism that confirms whether progress is being made towards delivering sustainable communities, the primary focus of the new planning system. It also serves to review the actual progress made on preparing the new district plan against the targets and milestones for the preparation of the individual policy documents as set out in the adopted project plan<sup>2</sup>. It also confirms the performance and effectiveness of the policies contained within the current development plan(s)<sup>2</sup> for the District.

The policy documents which will form part of the new district plan are in their infancy and are not scheduled for adoption until June 2010. Therefore this Annual Monitoring Report, as with the previous two reports, concentrates on the policies from the Wear Valley District Local Plan (1997), which have been 'saved' under transitional arrangements. This will continue to be the case until the Council's Local Development Framework has superseded the existing policies of the adopted Local Plan.

With regard to progress made in the preparation of the new district plan whilst to date all targets have been met in relation to the production of a Statement of Community Involvement, the targets relating to 4 proposed policy documents have not been met. This is due to the cumulative impact of a shortage of staff resources that the Forward Planning Team suffered over the majority of 2005. It is acknowledged that the project plan set out in the first Local Development Scheme was overly ambitious. As a result of the findings of the previous monitoring report a revised project plan was prepared and adopted in April 2007, which contains a more realistic workload and timescales for the delivery of the Local Development Framework. Each monitoring report is required to assess delivery against the timescales set out in the project plan in place at the start of the monitoring period as such the timescales adopted in April 2007 are not contained within this monitoring report. In July 2007 the Council successfully achieved the first key target date in the revised project plan. Moreover, the Forward plans Team are currently on schedule to meet the next proposed milestone in relation to the preferred options for the Core Strategy and Generic Development Control policies document, which is scheduled for May 2008.

This Annual Monitoring Report has been structured to reflect the Planning for People, Place and Prosperity agendas to be reflected through the emerging Local Development Framework. The findings in relation to the effectiveness and implementation of the Local Plan policies, in relation to each of these agendas is set

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<sup>1</sup> The new development plan of the District which will progressively supersede the adopted Wear Valley District Local Plan.

<sup>2</sup> Local Development Scheme: version ii (April 2007).

<sup>3</sup> These comprise of the Wear Valley District Local Plan (adopted 1997 and saved under transitional arrangements) and any subsequent adopted development plan documents.

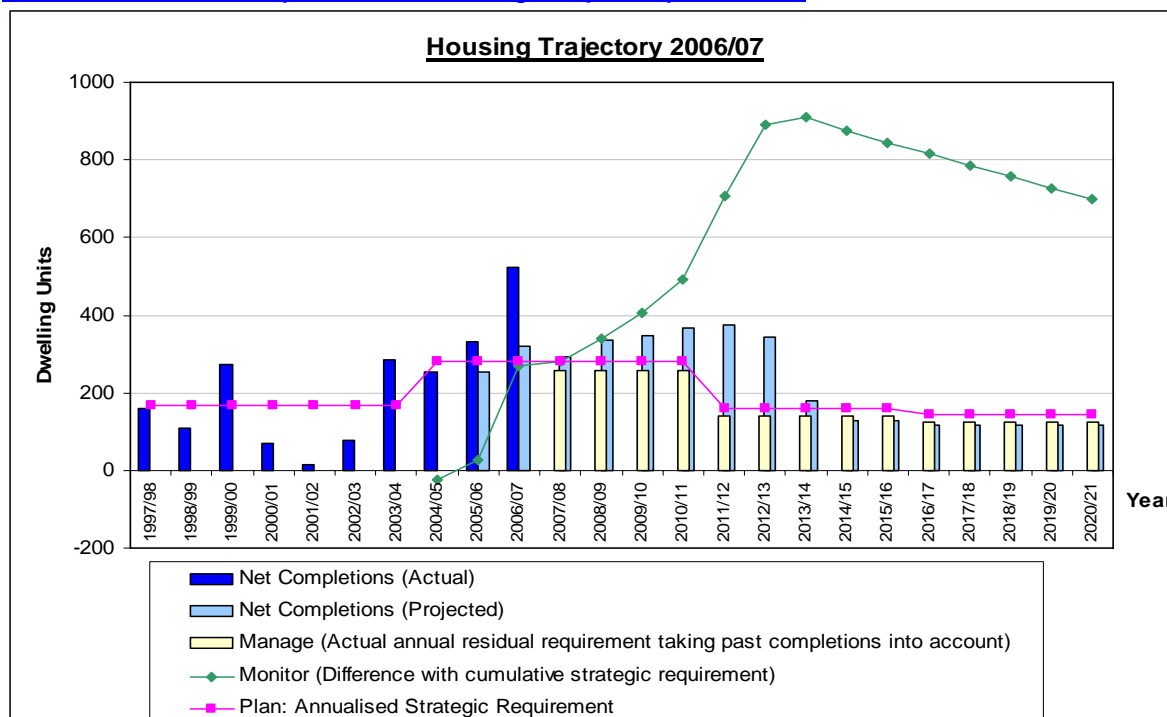
out in **Sections 4, 5 and 6**. The main findings in relation to this monitoring activity are set out below:

- **Housing Land Supply:** The Council can identify a robust housing land supply for a 13 year period; all these sites currently have planning permission which is either outstanding or implemented in part. This supply of housing land has then been reflected in the district's housing trajectory which shows how the strategic housing requirement for the district, set out by the Structure Plan and regional policy, has been and will be delivered over the next 15 years.

This report concludes that the Local Plan has successfully delivered the strategic requirement set out by Policy H1 of the Local Plan, albeit, not necessarily on the allocated sites due to an unexpected level of windfall sites coming forward for development in the latter part of the plan period. It also concludes that there is a need to identify appropriate management action in relation to the level of housing land continuing to come forward for development; the current supply of housing land is sufficient to satisfy the district's apportionment until 2020 as set out in the Regional Spatial Strategy. The Housing Trajectory identifies that without appropriate management action there will be an oversupply in the range of 50% which is unacceptable. Even where appropriate management action is taken, it is anticipated that the oversupply will be 20% which is the upper limit of an acceptable range.

**Chart 1** below, forms part of the Housing Trajectory for the district. It illustrates how new housing will be delivered throughout the Regional Spatial Strategy plan period. The build rates shown after 2013 have been calculated based upon appropriate management action being taken from early 2008, in an attempt to better manage the release of housing land across the district.

[Chart 1: Wear Valley District Housing Trajectory 2006/07](#)



It is therefore recommended that a guidance note is prepared to be used in development control based upon the supply of housing land within the district and the findings of the Strategic Housing Market Assessment which is scheduled to be released in December 2007. The guidance note will detail appropriate the appropriate management action required to ensure the Council can better manage the release of housing land across the district and will replace the sequential approach which is currently applied across the district.

- **Employment Land Supply:** The take up of employment and industrial land within the district has been slow since the Local Plan was adopted in 1997, however, monitoring has identified an increase in the development of these sites over the past few years. The Employment Land Review however, identified that of the remaining 103 hectares allocated through the Local Plan, 40 hectares have substantial barriers to delivery. It is concluded that, although the Local Plan has successfully safeguarded these employment allocations from residential development, it has not effectively delivered these sites for employment uses. **Table 1** below summarises the supply and availability of employment land across the district.

Analysis contained in the monitoring report identifies that there is a key shortage of employment land available in the Bishop Auckland sub-area, where future demand is predicted to be greatest. It also highlights the increasing pressure on the district's employment land for residential development although the report does conclude that the Local Plan policies have been relatively successful in safeguarding employment sites from residential development in the past. The loss of serviced employment sites, or indeed sites which are available in the longer term, may undermine the Council's ability to deliver the objectives as set out the Economic Strategy. These are key issues which will be considered in the preparation of the Local Development Framework. It is however recommended that, in the interim whilst the Local Development Framework is still in its infancy, that the Employment Land Review becomes a material consideration in the development control process. This is to minimise the loss of employment land to non-employment uses and to ensure that decisions taken in development control contribute towards the delivery of the objectives set out in the district's Economic Strategy.

**Table1 – Employment Land Availability by Sub-area in May 2007**

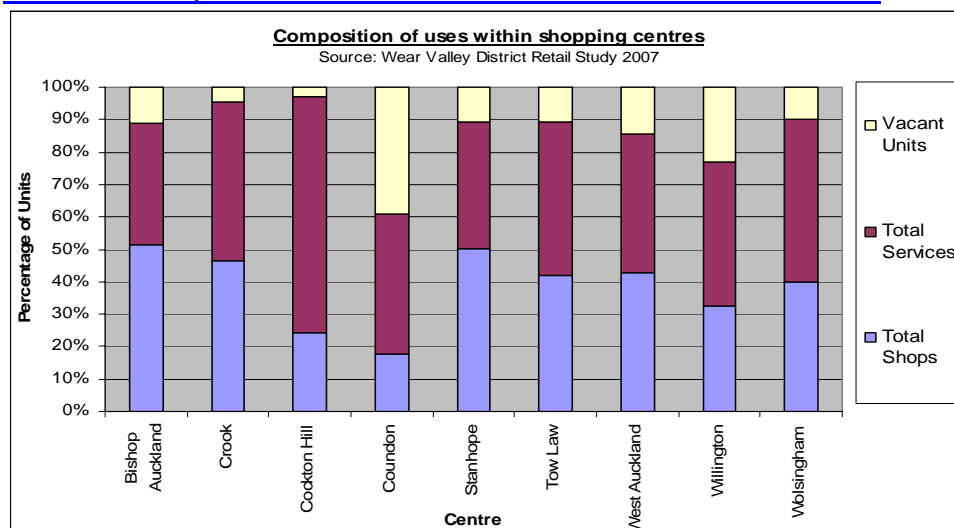
Sub-Area	Area (Ha)		Availability		
	Total Allocated	Land Remaining	Short-term	Long-term <sup>3</sup>	Substantial barriers to delivery <sup>4</sup>
Bishop Auckland	149.3	70.7	9.9	24.0	36.7
Crook/Willington	55.6	21.2	9.9	11.3	0
Weardale	21.2	11.1	0.7	7.2	3.2
<b>Total</b>	<b>226.1</b>	<b>103.0</b>	<b>20.5</b>	<b>42.5</b>	<b>39.9</b>

<sup>3</sup> Sites deemed to be 'available in the long-term' are defined as sites which are not immediately available for development but for which there are no significant barriers to prevent development coming forward in the medium to long term; these sites generally have no or few services or infrastructure and would require investment.

<sup>4</sup> Sites which are considered to have substantial barriers to delivery are sites with significant access requirements, ownership issues, ground stability problems or other issues which would imply the viability of the development coming forward is doubtful

- **Vitality and viability of the district's town and local centres:** there are nine identified centres within Wear Valley, including Bishop Auckland and Crook which are identified as the district's town centres. Monitoring has identified that over the past year only small scale developments for town centre uses have been completed. The Local Plan has successfully maintained and protected the vitality and viability of Bishop Auckland Town Centre, this is reflected through the increase in retail floorspace and the decrease in vacant units within Bishop Auckland. Furthermore, the majority of new retail development within the district has been concentrated on Bishop Auckland Town Centre, as the Local Plan intended.

**Chart 2: Composition of uses within the nine identified centres**



This report also concludes that the Local Plan has been successful in maintaining the vitality and viability of the other shopping centres it identified, although the vacancy rate in Coundon has risen dramatically over the past three years; Willington has also experienced an increase in vacant units but to a lesser extent. **Chart 2** above identifies the mix of uses, and vacancy rates, within each of the nine centres identified in the Local Plan.

- **Accessibility and community services and facilities:** During the monitoring period the majority of new housing has been provided in locations which are within a 30 minute journey on public transport to key services and facilities, namely schools, health facilities and retail and employment centres. This implies that in recent years the Local Plan policies have been successful in directing housing development towards the more sustainable locations within the district, especially considering that only 47% of settlements within the district are within a 30 minute public transport ride of the six named facilities.
- **Open space, play and recreation facilities:** Through the implementation of Local Plan policies the Council has been successful in securing developer contributions for investment in play and recreational provision. This is set to continue with further sums which are attached to forthcoming housing developments. Policy RL5 of the Local Plan identified the 10 settlements in greatest need of such facilities; the Local Plan has successfully delivered new or improved facilities in 9 of these 10 settlements.



- **Environmental quality:** The status quo of the district's environment has been maintained in this report period. Within the monitoring period there have been no new Listed Buildings designated or alterations to the North Pennines Area of Outstanding Natural Beauty or Conservation Area boundaries. The Local Plan policies have resulted in a number of applications being refused, where the development would have had an unacceptable impact upon the special features of these designations. The monitoring report does however highlight the need to commence the preparation of Conservation Area Appraisals for each of the 20 conservation areas within the district; however it is recognised that these cannot all be undertaken within the same timeframe. It is anticipated that within the next monitoring period seven Conservation Area Appraisals will be commenced with a further nine commenced before end of April 2008 with the aim of having sixteen completed by the end of the 2008-2009 monitoring period; the final four appraisals are to be commenced prior to the end of April 2009.

In terms of the sites identified for remediation or environmental improvement through the Local Plan, a number of them remain unimplemented. None of the sites have been completed within this monitoring period however sites known as Cobey Carr ponds and Cobey Carr Quarry are currently in the process of restoration. The effectiveness of these Local Plan policies has been limited; the implementation methods for such schemes are therefore an issue which will need to be considered through the emerging Local Development Framework.

#### **Appropriate management Action Identified**

This monitoring report has identified some key issues which should be considered during the preparation of the emerging Local Development Framework. Given the nature of the findings and conclusions contained in the report, it will be necessary to identify and pursue appropriate management action in the interim until the Local Development Framework is prepared. The most pressing of these issues is in relation to the quantity of housing land coming forward for development. Whilst it is acknowledged that the Government is seeking housing growth across the country and that the figures included within the Regional Spatial Strategy are not ceiling figures, the impact of an oversupply of housing land on the housing market must be considered. Analysis of the Housing Land Supply and Housing Trajectory has identified that, should trends continue with no appropriate management action being implemented, the oversupply of housing land within the district will soon be within an unacceptable limit as set out in Planning Policy Statement 3: Housing; a large oversupply of housing land over a short period may jeopardise the delivery of other housing objectives within the district, county and region. It is therefore recommended that a guidance note, based upon national planning policy, the housing land supply within the district and the forthcoming Strategic Housing Market Assessment be prepared to be used during the determination of relevant planning applications.

Another issue is the need to safeguard serviced and operational employment land from residential development; the Employment Land Review identified that there is a limited supply of employment land within the district which is readily developable. Given the fact that 40% of all remaining employment allocations have substantial barriers to development, it is imperative that employment sites which have all the necessary services and infrastructure are not lost to non-employment uses. This is to ensure that the district has a readily available supply of employment land, to meet the increasing demand and deliver economic growth in Wear Valley. It is concluded

that, although Local Plan policies have been relatively successful in safeguarding employment land from non-employment uses, that the above consideration is awarded greater weight during the determination of development control applications in the interim whilst the Local Development Framework is emerging.

### **Conclusion**

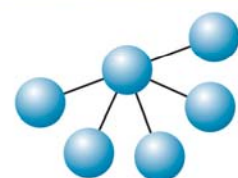
As part of the Annual Monitoring Report, the Council must collect and report on a set of Core Output Indicators as set by central Government. The Council has successfully collated the data in relation to 15 (inclusive of 2 indicators answered in part) of these 18 indicators and reported them in [Appendix 4](#) of this report. The results of these indicators have also been used in the analysis of policy effectiveness.

This is the last Annual Monitoring Report to monitor all the policies adopted in the Local Plan in 1997. Under the new planning system, the Council had to apply to 'save' policies which conformed to a protocol set by the Central Government; and policies which did not comply with this protocol could not be 'saved'. The Council's application was successful, and as such 60% of the Local Plan policies have been 'saved', the remaining 40% of the policies expired on 28<sup>th</sup> September 2007 and as such no longer carry development plan status. The next Annual Monitoring Report will therefore only relate to the policies which were successfully 'saved'.



WEAR  
VALLEY  
DISTRICT COUNCIL

Wear Valley Economic Strategy, 2007-2021  
Prepared on behalf of Wear Valley District Council



SHARED INTELLIGENCE

November 2007  
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# I EXECUTIVE SUMMARY

## Executive Summary

The Economic Strategy for Wear Valley 2007-21 sets out a challenging and aspirational vision for how we want the District to be in 2021, and details a series of objectives and actions- for the Council and its partners- to undertake to achieve that vision. The Economic Strategy recognises that continuation of the “status quo”- a stagnating economy and population- is fundamentally not acceptable.

This Economic Strategy is the first step towards building a shared vision for the District, and for the Council to exercise its ‘place-shaping role’ – our ability to influence our partners and hold our partners to account to improve the economic, social and environmental well-being of the districts residents. The Economic Strategy is also our response to the recently published Sub-National Review of Economic Development and Regeneration (SNR), setting-out how we will build on our existing assets to build further economic prosperity and narrow the gap between deprived communities and the national average.

The Economic Strategy also describes how the district will contribute to the aims and objectives of both the Regional Economic Strategy and the County Durham Economic Strategy, and how we will raise productivity and workforce participation to drive growth in GVA and employment.

The Economic Strategy sets out an ambitious agenda for Wear Valley, and will require a step change in our leadership and our ability to influence others in delivery.

## The Vision

Our Vision for Wear Valley in 2021 is described in Box E.1. This Vision emerged from a workshop attended by key stakeholders in September 2006.

### **Box E.1: Vision for Wear Valley in 2021**

It is 2021. Over the past 15 years, the economy of Wear Valley has witnessed a remarkable renaissance. It is now considered a major driving force in the economy of the sub-region and region, and is continuing to witness rapid growth in population, employment, educational attainment and rates of business start-up.

#### **Economy and Business: A Successful Local Economy in a Globalised World**

One of the major drivers of the Wear Valley economy over the past 15 years has been the new energy economy. The Eastgate development acted as a major catalyst for this- it acts as a unique demonstration for all forms of renewable energy, including wind, solar, biomass, hydro and geothermal, it attracted inward investment from a number of businesses in the new energy sector, it served as a test-bed for renewable energy, and it became the location for University research activity. Building on this, a one-stop shop for businesses seeking a sustainable low carbon environment was established, and a task-force was set-up to investigate and promote supply-chain opportunities for existing businesses. Wear Valley is now a recognised centre of excellence in renewable energy and related sectors and the District has set out its Vision to become a carbon neutral economy by 2030.

The success of the new energy sector has led to a renaissance in value-added manufacturing in the District. Whereas 15 years ago the traditional manufacturing sector was in rapid decline, the drive to create a carbon neutral economy in Wear Valley has acted as a catalyst to attracting a number of high-tech new firms. This, and the increased levels of collaboration between manufacturers in the District, has acted to shift the manufacturing sector up the value chain.

The rate of start-up of knowledge-based businesses is now higher in Wear Valley than in any other part of the North East. Many of these start-ups have been established by returning Wear Valley residents, having completed periods of study or work elsewhere in UK and Europe, and many are located in our attractive rural areas. But an equal number have been established by in-migrants from around the country and world, who capitalise on Wear Valley's modern and efficient business infrastructure, combined with its high quality of life.

The District is now home to a new breed of mobile, rural entrepreneur, attracted by the quality of life, communications infrastructure, and premises available in the District. The new live/work units at Eastgate acted as an important catalyst for this trend. Many of these entrepreneurs have located in the District from elsewhere in the North East, and many have set-up in the tourism, and creative sectors.

The increase in high-value manufacturing and knowledge-based businesses has not happened by accident. The District has continually improved its stock of incubation and "move-on" premises, working in partnership with the private sector and using the Council's own land assets creatively. The whole District is broadband enabled and wireless internet coverage is second to none, with wireless hubs in all public buildings.

The Darlington- Bishop Auckland Growth Corridor is recognised as a major growth location within the region. A joint public-private sector growth corridor steering group has since 2007 promoted and marketed the growth corridor to key businesses clusters, encouraged collaboration between those businesses and promoted high-quality transport links within the corridor.

### **A Strong Rural Economy and a High-Value Visitor Economy**

Another of the District's core economic sectors is sustainable tourism. In many ways, the catalyst for this was Eastgate, which established Wear Valley on the map as a location for a range of visitor activity, centred on the internationally-renowned geothermal hot springs, and on a range of opportunities for mountain biking and active leisure. The boutique spa hotel at Eastgate is extremely popular, and is fully booked up to 6 months in advance.

The activity at Eastgate has acted as a catalyst for the development of a wide range of visitor facilities in the Dale, including a range of small workshops and galleries, and it has unlocked the potential for craft industries. The Dale's gourmet trail is now an attraction in its own right. Eco-holidays are also very popular in the Dale, where visitors stay in carbon neutral accommodation and where menus are based around local produce. Grants for the conversion of redundant buildings to use renewable energy were a key driver in this.

Key to the successful development of the tourism sector generally was promoting the Durham Dales brand, and the buy-in to this from tourism businesses and attractions across Wear Valley, Teesdale and Derwentside. Working together, they achieved much more.

### **A growing population**

The housing offer in Wear Valley is now modern, affordable and diverse. The District is perceived throughout the region as a desirable location for families with an abundance of family homes in safe, attractive neighbourhoods. Many of these homes have been designed and built to high environmental standards, and are powered by photovoltaics, wind power and geothermal heating. The new housing throughout the District is renowned for its design quality, and the Council encouraged this through planning large schemes required to generate 20% of all energy through sustainable sources.

Moreover, improved transport links have further added to the attractiveness of the District as a place to live. Substantially improved bus links, as part of the Tees Valley Passenger Transport Agency, have improved the situation for those travelling to and from the Tees Valley city-region, and acted as a catalyst for the Darlington- Bishop Auckland Growth Corridor. The regular and rapid rail links from Weardale to Darlington via Bishop Auckland

have also served to integrate the District more strongly into the Tees Valley City-Region and Durham City. A series of high-quality, sustainable communities are in place along the route of the railway.

These improvements have seen a reversal in the trend of population decline that had been observed during the 1980s and 90s. The District's population now stands at some 67,000, up from 62,000 in 2005. The majority of this increase is accounted for by increases in families and workers in the service sector, and most of this increase has been in the revitalised east of the District. Some of the in-migrants have chosen Wear Valley as a place to live while commuting to work elsewhere in the city-region; but many also work in the District itself, and in particular in the growth sectors of new energy technologies, creative industries, and tourism.

### **Education, Skills and Learning: an economically active District**

Education in Wear Valley has improved markedly over the past 15 years. GCSE results are now among the best in the North East, and a substantial number of students stay on to study further education at the District's FE College and 6<sup>th</sup> Forms, which have been linked to offer a great diversity of offers.

The turnaround in the District's education offer has been driven by a number of factors. These include the successful Building Schools for the Future programme which provided a modern infrastructure for education delivery, and saw every primary and secondary school rebuilt or improved. Strong linkages were established between business and schools. The College is now delivering over 1,000 apprenticeships and has developed innovative partnerships with global manufacturing and engineering businesses. The local education offer also benefited from the drive to attract the best teachers to the District, the ability to develop a local curriculum, the establishment of specialist schools, and the College's broadening offer in terms of foundation degrees.

This has further contributed to the District's popularity as a base for those with families, whether they work in the District or commute to work elsewhere in the city-region.

### **Vibrant Places**

Bishop Auckland has now cemented its position as the most important shopping and employment centre in the County after Durham. The increase in the District's population, and the successful evolution of the economy to one based on high-value manufacturing, knowledge-based, and creative sectors, has supported the creation of a more vibrant retail offer. Bishop Auckland has an extensive catchment which extends well beyond the County boundary.

What makes Bishop Auckland a success is the diversity of the shopping offer. The town recently came out top in a national survey to find the most distinctive market town, and a large proportion of retailers in the town are independents. This distinctiveness results in part from the growth in the independent sector, and partly through the mix of national multiples that have been attracted to the District. The area around Chester St/ Railway St is now the focus for a professional services cluster, while the revitalised Fore Bondgate has become the town's creative quarter. The marketplace features a weekly market for locally produced food and non-food goods.

Key to the success of Bishop Auckland has been the development and delivery of a vision for the town that was produced in 2007. This was backed-up by small grants to support retailers transform and maintain their exteriors, a comprehensive marketing and business advice service, and a flexible and responsive planning system. The improvement and diversity of the housing offer in the town has also been a major driver in its success.

The success of Bishop Auckland has acted as a driver for the continued development of surrounding towns such as Crook, Willington and Stanhope. No longer seen as marginal, rents and yields continue to increase in these towns while the number of vacant units falls. These towns offer a range of services in their own right, and have contributed further to reducing the previously high levels of retail leakage from the District.

The Economic Strategy is based on a clear set of spatial priorities. In the east of the District, Bishop Auckland will be the key driver of economic growth, particularly through the Bishop Auckland- Darlington growth corridor which capitalises on Bishop Auckland's connectivity to the Tees

Valley city-region. In the rural west of the District, the flagship Eastgate development will act as the key transformational growth driver for Weardale, Stanhope and the rural economy. Crook and Willington will not have as much of a transformational role on the wider District, but are nonetheless expected to improve on their role as local service centres, becoming more vibrant and sustainable.

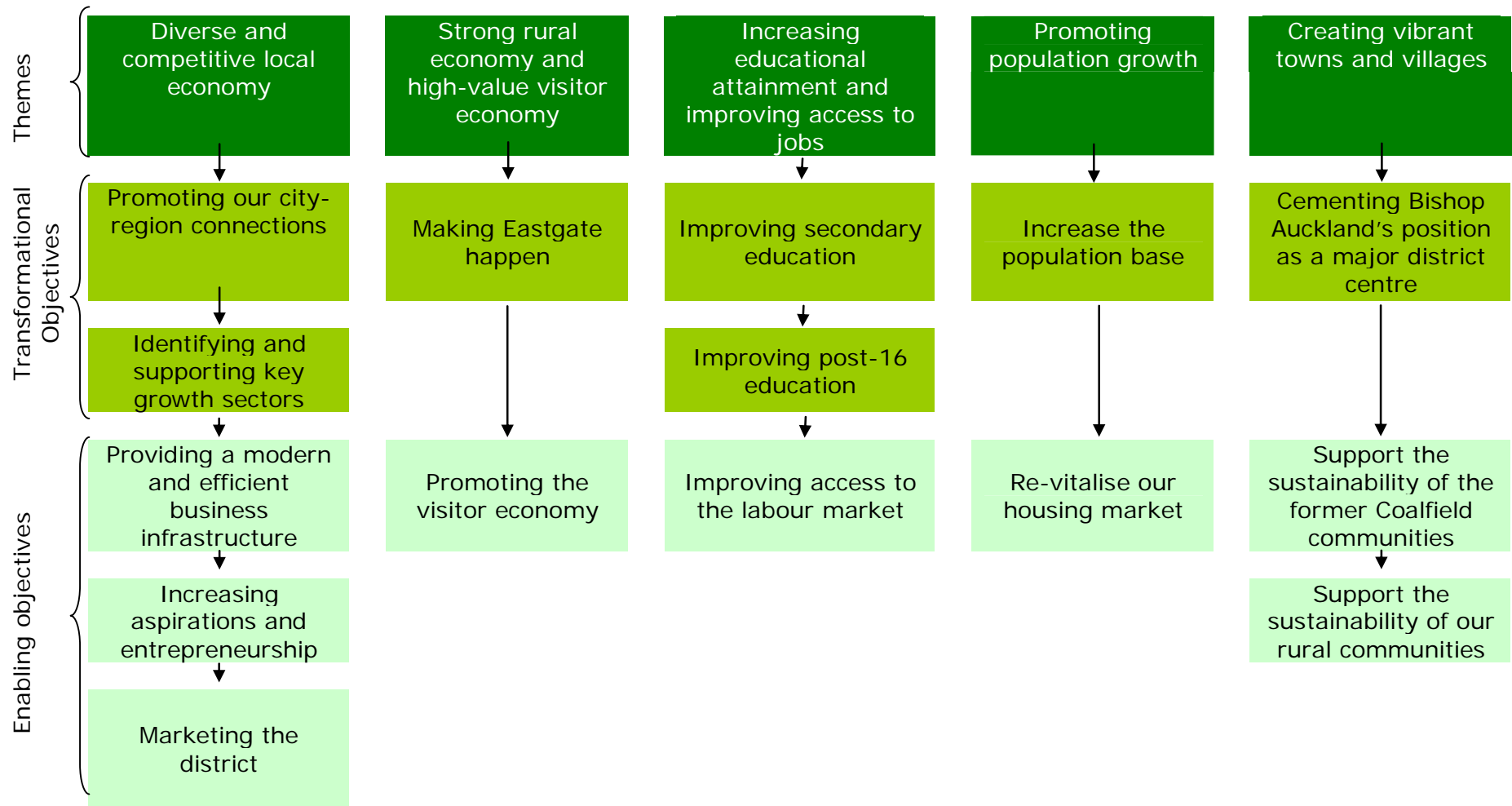
## **From Vision to Reality**

The rest of this Strategy describes how we will make our Vision for the District a reality. For each of the five themes described in the vision, the Strategy identifies a series of more detailed objectives. Transformational objectives are those which will result in a step-change in the economic performance of the District. Enabling objectives are those which will support transformational activity and ensure that the impacts are fully realised.

For each objective, the Strategy describes a series of specific actions for the Council and a range of other partners to deliver the strategy. A more detailed Action Plan is presented in Annex 1.

An overview of the structure of the strategy- including the transformational and enabling objectives- is shown in the diagram overleaf.





## Key Measures of Success

We will measure our success between now and 2021 according to the following high-level indicators:

- **Population:** currently 62,000, the target is for this to increase to 67,000 (8% growth)
- **Jobs:** Increase the number of jobs in our economy from 20,000 to 23,000.
- **Employment rate:** Increase the employment rate from 69% to 75%, in line with the government's national target.
- **Employment in growth sectors:** Increase the numbers employed in growth sectors (finance, IT and other business activities), closing the gap between Wear Valley and the North East region (employment in these sectors is 6.9% in Wear Valley, and 15.6% in the north east).
- **Educational attainment:** our target is for the District to continue to achieve GCSE results at least as good as the England average (currently, 60% of our pupils achieve 5 or more GCSEs at A-C, against 57.4% in the north east and 59.2% nationally).
- **Visitor economy:** To increase by at least 20% the number of visitor days spent in the District per year (currently 2.3m); and to increase visitor expenditure by at least 30% in real terms (currently £69m).

## Objectives and Actions

We now describe the principal actions proposed under each objective.

### Transformational Objective A1: Identifying and supporting key growth sectors

Our economy is small (around 20,000 jobs), and continues to suffer from declining employment in our traditional sectors- manufacturing, agriculture and extractive industries. We need to diversify our economic base by attracting more knowledge-based and higher value businesses, including higher value added manufacturing.

We will support the diversification of our economy by:

- Retaining and supporting our existing manufacturing base- by encouraging greater collaboration between businesses, providing diagnostic support for our fastest growing businesses, and encouraging those businesses to act as mentors to other manufacturing companies.
- Capitalising on Eastgate- the Renewable Energy Village which will utilise all forms of renewable energy- to ensure that the new energy sector is one of the key drivers in our economy. To do this we will

establish a clear stance on energy efficiency in all our activity, and market the Eastgate opportunity to relevant businesses.

- Using Netpark - the high-tech business park located in neighbouring Sedgefield - as a catalyst for growth by establishing links between our existing managed business centres and Netpark, and developing a joint marketing and branding strategy.
- In addition, we will continue to improve business support by ensuring the new regional Business Link delivers enhanced support for Wear Valley businesses, strengthen collaboration and networking among the business community, and continue to support our voluntary and community sector and social enterprises to grow.

### **Transformational Objective A2: Promoting our city-region connections**

Wear Valley already has strong links to Darlington, Durham and Sedgefield. In addition to growing the Wear Valley economy, we must improve access to the wider labour market for Wear Valley residents. There are flows of working and studying commuters from the District to both Darlington in the Tees Valley and Durham, as well as commuting flows from both cities to Wear Valley. However, we need to build stronger links with these cities, as they will form the key engines of regional growth in the future.

We will strengthen our links to the Tees Valley City-Region by concentrating new employment and housing growth in the Darlington-Bishop Auckland Growth Corridor. This will promote highways and public transport improvements, market and promote the corridor to businesses, and encourage collaboration between businesses, and between Darlington and Bishop Auckland colleges and employers.

### **Enabling Objective A3: Providing a modern and efficient business infrastructure**

We have a number of high-quality business locations within the District, and some further developments in the pipeline, including the Bracks Farm prestige office site, Innovation House Phase 2, and quality office developments at Low Willington. However, there are also some pressing constraints which need to be urgently addressed. These include a shortage of readily available sites for office and industrial use (particularly around Bishop Auckland), limited provision of premises for lease and shortages of move-on space and managed workspace. Furthermore, there are some areas of the District that have weak broadband connectivity.

We will address these issues by:

- Adopting a pipeline approach to the provision of employment sites and premises to maintain the right balance between supply and demand;
- Allocating a new prestige employment site in the Bishop Auckland area to meet spillover demand from the South Church employment site;

- Developing further follow-on workspace units for lease, by working alongside a private sector developer;
- Working with BT to address broadband capacity issues in certain parts of the District, particularly around Frosterley and Bishop Auckland;
- We will also work with our partners to continue to improve public transport connections to the outlying rural communities, and to the Durham and Darlington conurbations.

#### **Enabling Objective A4: Increasing Aspirations and Entrepreneurship**

Rates of entrepreneurship in the District, and the business and employment aspirations of our residents, are below average. This is particularly the case in our more deprived wards and communities. Our successful bid for Local Enterprise Growth Initiative (LEGI) funds provides a great opportunity to tackle these challenges.

We will use LEGI funds to increase entrepreneurship in the District by:

- Offering a comprehensive and tailored package of advice, grants, loans and aftercare support through local delivery of the regional business support programme;
- Improving access to incubator and managed workspace accommodation;
- Establishing a package of start-up financial support;
- Establishing homworking hubs in rural areas where home-based workers can come together to learn, collaborate and combine spending power;
- Encouraging the provision of live/ work units in new developments.

#### **Enabling Objective A5: Marketing the District**

Rates of inward investment from overseas and elsewhere in the UK to the District are low. The UK is no longer a favoured destination for overseas investors but Wear Valley has the potential to strengthen its profile to UK investors by stressing its quality of life and links to the A1. We will raise levels of inward investment by:

- Updating our existing marketing material and using this to target businesses in our priority sectors;
- Ensuring that a proportion of the Council's capital receipts from land sales and from Local Authority Business Growth Incentive (LABGI) grants are ear-marked specifically for marketing activity;
- Continuing to work with inward investment agencies at regional and County level to communicate the District's offer and ensure that these agencies direct enquiries to Wear Valley where appropriate.

#### **Transformational Objective B1: Making Eastgate happen**

The proposals to develop a renewable model village at Eastgate- featuring all forms of renewable energy technology, high quality workspace, and a range of visitor attractions including spa hotel, nature reserve, visitor

centre, funicular railway and toboggan run- will provide a fantastic opportunity to transform and revitalise the economy of Weardale and indeed the District. Eastgate will be unique in the UK, and possibly the world, by being the only village powered solely by five different types of renewable technology.

We will accelerate progress on Eastgate by:

- Producing a clear business plan which clarifies the implementation programme, capital and revenue requirements and finalises the operating arrangements for the proposed Single Purpose Vehicle;
- Securing the engagement of research partners including the University of Newcastle to ensure that the focus on renewable energy technology remains at the centre of the project;
- Pro-actively marketing the site to boutique spa hotel operators and active leisure operators to ensure that the project targets growth markets identified by the Area Tourism Partnership.

### **Enabling Objective B2: Promoting the visitor economy**

Weardale has significant untapped potential as a visitor destination. The area benefits from a rich natural environment and a number of diverse attractions, but does not currently capitalise on these opportunities. There is not currently the critical mass of visitors required to encourage development of further visitor services. We will encourage the development of the visitor economy by:

- Developing a clear segmentation strategy and recognisable brand – we will work with the Area Tourism Partnership as they develop the County Segmentation Strategy and use this to develop a more client focussed approach to the visitor economy that recognises the specific needs of our key visitor groups. We will also ensure that the successful Durham Dales brand fits and aligns with the future County Marketing Strategy.;
- Continue our work to promote the opportunities for farm diversification and other tourism opportunities that relate to the high-quality environment - especially the opportunities that the Environmental Stewardship and Higher Level Stewardship schemes provide as a means for the agricultural sector to maintain and promote that high quality environment.
- Work with the County's emerging Group Travel working group to consider how we can address the needs of larger staying groups.
- Consider the scope to establish a single investment package for smaller scale interventions to improve the tourism offer. This investment package could be used to fund interventions such as new picnic sites and tables, information boards and view-points at roadside pull-ins.
- We will encourage visitor attractions and facilities to engage with regional and sub-regional activity to promote quality – including the Green Tourism Business Scheme.

### **Transformational Objective C1: Improving secondary education**

Secondary school attainment has improved markedly in recent years but remains below average at Key Stage 2. However, low attainment continues to act as a brake on future economic development in the District. We will address low secondary school attainment by:

- Modernising delivery of secondary education by supporting schools in introducing new vocational diplomas and building links with FE providers to improve access to vocational courses;
- Using the Building Schools for the Future Programme as an opportunity to review secondary school provision in the District to ensure that our schools have the premises needed to deliver a high-quality offer;
- Improving educational quality and engagement by tackling low aspirations through engaging parents in schools and after-school clubs, by recruiting the best head-teachers to our schools, and by promoting enterprise in education, using the Northern Way and LEGI as spring-boards for this.

### **Transformational Objective C2: Improving post-16 education**

Bishop Auckland College is being rebuilt, and this provides a fantastic opportunity to re-inspire Wear Valley residents to engage in further education. However, the non-vocational FE offer in the District is limited, and the needs of local employers are not always addressed by the FE courses on offer in the District. We will address these issues by:

- Exploring how we can bring together Bishop Auckland College and some or all of Wear Valley's 6<sup>th</sup> Forms to enhance both the vocational and non-vocational offer, creating a campus style environment within Bishop Auckland.
- Building on the work of the College's Curriculum Development Group to widen the range of vocational courses and Foundation Degrees delivered at the College.
- Working with the College and the University of Durham to understand where there is scope for enhanced linkages between the two institutions.

### **Enabling Objective C3: Improving access to the labour market**

Despite relatively low levels of unemployment in the District, levels of worklessness generally are quite high, with large numbers of our working age population claiming Incapacity Benefit. Significant work is already underway to address this issue, including activity delivered through the Pathways to Work programme, and the Neighbourhood Renewal programme.

We must explore how we can make better use of existing resources, and how the various delivery organisations can work more effectively together. Nationally and regionally there is significant impetus to develop more integrated and coordinated programmes of employment support, driven by the Leitch Review of Skills and the Sub-National Review of Economic Development and Regeneration. This has led to development of

Employment and Skills Boards in Tyne and Wear and the Tees Valley, with the possibility that an Employment and Skills Board will also be set-up in County Durham. We must ensure that key partners within Wear Valley – including the LSC, Jobcentre Plus, and voluntary and community sector – can work more closely to address the needs of key client groups through co-commissioning and better coordination of activity on the ground.

We will also target particular vacancies within the Council at those who are long-term unemployed or returning to the labour market, encouraging JC+ to act as a job broker.

#### **Transformational Objective D1: Increase the population base**

A critical challenge for the District is to reverse the trend of population decline that has been observed over recent years, and to balance economic and housing growth. In particular, we need to encourage more young people, and those with higher-level skills, to remain within, or locate in, Wear Valley.

Our overall objective is to build on the recent modest population increase to achieve sustainable growth to 67,000 by 2021, with a balanced programme of housing and employment growth combining with this. We will do this by:

- Working with the private sector to bring forward brownfield housing sites and accelerate house building completions to 300 per year to increase housing choice;
- Recognising the increasingly important role played by in-migrants in our economy, we will provide better support for in-migrant entrepreneurs, and consider how we might attract and retain more skilled migrants and other skilled workers.
- Working with the other County Durham Local Authorities and GONE to create a positive regional planning framework for housing growth.

#### **Enabling Objective D2: Revitalise our housing market**

Our housing market is increasingly buoyant, particularly in parts of Bishop Auckland and rural Wear Valley. Some of the district's communities show evidence of housing market failure- reflected by low demand, empty homes, and associated anti-social behaviour. A key priority for the district must be to help turn round these areas, partly through stock improvement so meet the Decent Homes standard, and in some cases through more comprehensive restructuring of local housing markets.

In order to revitalise the district's housing market, we will:

- Focus our Decent Homes investments in locations where improvements can achieve a significant extension of housing lifecycle and serve as a catalyst for regeneration.
- Promote housing market renewal in three areas identified as having the most pressing need: priority wards in Bishop Auckland, Coundon, and Tow Law. We will also seek further qualitative

improvements to the housing stock in Crook, Willington and the West Auckland/ St Helen Auckland area as part of medium/ long-term plans.

### **Transformational Objective E1: Cement Bishop Auckland's position as a major district centre**

Bishop Auckland is a key retail and service centre, not just for the District, but for the County as a whole. There are some weaknesses and gaps in provision, notably a poor quality physical infrastructure in some places, a high proportion of "value" shops and lack of independent boutique shops that attract visitors, and limited availability of quality premises for service businesses. There are also a number of opportunities, including the prospect of further retail development at North Bondgate and the Newgate Centre, office development at Bracks Farm, and increasing developer interest in housing developments.

We will promote Bishop Auckland as the key driver or engine of growth for the District to increase employment opportunities and the vibrancy of the centre. We will do this by:

- Implementing the recommendations of the Bishop Auckland Masterplan- we will enhance the role of the town as a visitor destination by improving existing attractions, signage and gateways; we will promote opportunities for residential development in the town centre; and we will make improvements to the physical fabric of the town.
- We will attract more national multiples to the town centre, as these are able to retain greater levels of local retail expenditure.
- We will also ensure that Bishop Auckland retains its distinctiveness by supporting our existing independent businesses. Furthermore, we will establish a cultural quarter around the historic Fore Bondgate by promoting the area to appropriate businesses and establishing a small grants programme for physical improvements to the area.
- We will ensure that strong pedestrian and cycle links are established between the Bracks Farm office site and the town centre.

### **Enabling Objective E2: Support the sustainability of the former coalfield communities**

In common with other coalfield areas, our former coalfield communities, including Crook, Willington and Tow Law, face challenges relating to population decline, changing age profiles, low educational attainment and low housing demand. Nonetheless, there are also significant opportunities- Crook is playing an increasingly important role as a local service and employment centre, while Willington has opportunities to further capitalise on its proximity to Durham, and Area Development Frameworks for Tow Law and Coundon which will form the basis for funding bids to the national Coalfields programme.



Building on these opportunities, we will support the sustainability of these communities by:

- Taking forward the findings of the Area Development Frameworks for Crook and Willington by making funding applications to support these settlements development;
- Supporting Crook's role as a vibrant district centre and administrative centre location- we will bring back into use various vacant premises, support improvements to the physical infrastructure of the town, and support the Community Centre and a dedicated resource centre for the cultural sector;
- Promoting Willington's role as a location for spill-out growth from Durham;
- Enhancing Crook and Willington connectivity to Durham, both in terms of public transport links, and the key A690 route generally.

### **Enabling Objective E3: Support the sustainability of our rural communities**

The rural west of the District consists of a number of relatively remote communities. Stanhope is a key service centre in Weardale and has benefited from its Market Town status – Stanhope will benefit further from the Eastgate development. Wolsingham is the second largest town in the rural sub-area, and will continue to act as a focus for new housing and employment growth in the future. Eastgate is the location for one of the District's key developments in future years- a renewable energy village featuring tourist attractions- which provides significant opportunities for Weardale and the district as a whole.

We will support the continued sustainability of our rural communities by:

- Bringing forward and promoting the Eastgate developments as the key driver of economic growth in the Dale;
- Promoting Stanhope's role as a Gateway to Weardale by promoting opportunities for tourism in the rural area;
- Supporting the Market Town Initiative in Stanhope;
- Bringing forward key sites in Wolsingham;
- Maintaining public transport infrastructure between all rural settlements.

## 1. INTRODUCTION

1.1. This is the Economic Strategy for Wear Valley, 2007-21. The aim of the Strategy is to present a challenging and aspirational, yet realistic, vision for the District over the next fifteen years. The Strategy:

- Describes our Vision for the District in 2021;
- Maps out the challenges and barriers facing the District in attaining this Vision;
- Identifies our core objectives to foster sustained growth in employment and quality of life throughout Wear Valley;
- Proposes a number of specific actions to help us deliver these objectives over the next 5 years; and
- Identifies a set of targets against which we will measure our progress.

1.2. This section describes the key challenges facing Wear valley, and sets out the policy context.

### Wear Valley Today

1.3. Wear Valley District is located on the western side of County Durham, bordered by Teesdale to the South, Cumbria to the West, Tyndale and Derwentside to the North, and Durham and Sedgefield to the East. The population of the District is currently just over 60,000.

1.4. Spatially, the District comprises three distinct sub-areas:

- Bishop Auckland (including the surrounding communities of Coundon and West Auckland) is the key settlement in the District. Located in the south-east of the District, Bishop Auckland has good links with Darlington and Newton Aycliffe. The town is one of the three main shopping centres in the County and is undergoing significant change, including improvements to the retail, housing and business premises offer. It has the potential to act as a strong economic driver for the rest of the District and County Durham.
- To the north and east of Bishop Auckland are the former coalfield communities centred on Crook, Willington and Tow Law. These areas have suffered from the decline of traditional manufacturing and mining industries and are characterised by high levels of worklessness and deprivation. These communities tend to have stronger links to Durham than to the south. Reducing worklessness by tackling skills deficiencies and improving access to employment is the key priority in these areas, along with improvements to the housing stock.
- Weardale is the rural west of the District. It has beautiful moorland scenery, sparse settlements and low population density. Overall levels of deprivation are less pronounced, although there are some

small pockets of severe deprivation such as St. Johns Chapel. There are real opportunities to develop Weardale as a location for tourism and leisure activity and as a location for smaller, footloose businesses.

1.5. Traditionally, the economy of the District has been based on manufacturing, coalmining and other extraction industries, and agriculture. These sectors- particularly coalmining- have declined over recent decades.

1.6. A SWOT analysis for Wear Valley is presented below.

### Wear Valley SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Beautiful natural environment</li> <li>• Locational advantages close to A1</li> <li>• Manufacturing/ engineering base</li> <li>• Cheap land and premises</li> </ul>	<ul style="list-style-type: none"> <li>• Culture of low aspirations and entrepreneurship/ attitudinal barriers</li> <li>• Economic base- not sufficiently diverse, and under-represented in key growth sectors</li> <li>• Low skills base in many sectors, including basic skills</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Eastgate</li> <li>• Tourism/ Visitor Economy in rural areas and Bishop Auckland and the South West Heritage Corridor</li> <li>• Economic diversification- through promoting the District as a place to live and work</li> <li>• Bishop Auckland- as a key County economic driver</li> </ul>	<ul style="list-style-type: none"> <li>• Globalisation- decline of traditional economic sectors</li> <li>• Further loss of farm businesses</li> <li>• Continued out-migration of young people</li> <li>• Widening urban v. rural economic divide</li> </ul>

1.7. The key challenges now facing the District are:

- **A changing population** The population of the District declined slowly but steadily from 64,000 in the early 1980s to 61,000 in 2002. The population since has increased to 62,100 in 2005. Furthermore, ONS 2004 based projections anticipate that a demographic renaissance will take place in the County over the period 2004-2021 with population growth of 2.9%. Our population is however ageing. In 2005, people in their 20s made up 9.3% of the District's population, compared to 12.5% across the region and 12.8% nationally. Ten years ago, 12.8% of our population were aged in their 20s- little different than the national and regional average of 14%<sup>1</sup>.

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<sup>1</sup> Data from NOMIS (mid-year population estimates) and ONS population forecasts.

- **An economy which has failed to diversify** Manufacturing employment in the District declined from 4,090 in 1999 to 2,311 in 2005<sup>2</sup>. Manufacturing now accounts for 11% of jobs in the District. The District economy is now dominated by health and social work (18% of jobs); retailing (20% of jobs); education (12%); and construction (8%). The public sector in total accounts for 35% of total jobs<sup>3</sup>. Only 10% of the District's business stock operates in knowledge-based sectors, compared to 12-13% in most other County Durham authorities and 15% across the North East region<sup>4</sup>.
- **Low rates of enterprise and entrepreneurship** In 2005, there were 27 business start-ups per 10,000 adult population in the District. Although this compares favourably with many of our County Durham neighbours, it is significantly below the England average of 38 start-ups per 10,000 population<sup>5</sup>.
- **High rates of unemployment and worklessness** Economic inactivity rates in the District are similar to the County and regional averages. However, our JSA unemployment rate, at 2.9%, is higher than the national and County rates. ILO unemployment is particularly high, at 9.5% of our working age population (2,700 residents), compared to 7% regionally and 6.5% across County Durham. Of our 8,600 economically inactive residents, over half (4,600) claim Incapacity Benefit, representing 13% of the working age population<sup>6</sup>.
- **Low skills** Our schools perform well. 60% of our pupils attained 5 or more GCSEs at grades A-C, compared to 56.6% in County Durham, 57.4% across the North east, and 59.2% nationally. However, skills levels among the adult population are below national averages- according to the Labour Force Survey 2006, 15.6% of the District's working age population has no qualifications, against 14.3% regionally and 13.6% across England.<sup>7</sup>

## Context

### *Place-Shaping*

- 1.8. The economic regeneration landscape is changing rapidly and the balance between the Council's role in leadership and in direct delivery of services is also changing. The recently published Local Government White Paper *Strong and Prosperous Communities* and the inter-related proposals from the Lyons Inquiry calls for local authorities to put *place shaping* at the heart of their efforts. The place shaping role sees Local Authorities

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<sup>2</sup> Data from NOMIS Annual Business Inquiry, 2005

<sup>3</sup> Compared to 32% of total jobs across the North East.

<sup>4</sup> Data based on NOMIS Annual Business Inquiry, using OECD definition of 'knowledge sectors'

<sup>5</sup> Data from National Business Link

<sup>6</sup> Data from NOMIS (Claimant Count and DWP Benefits)

<sup>7</sup> Data from Labour Force Survey and DfES

exercise their *leadership role* to influence and coordinate other bodies to improve the economic, social and environmental well-being of their residents.

- 1.9. For Sir Michael Lyons, economic regeneration underpins place shaping - whereby local authorities exercise leadership to bring together a range of partners to deliver economic, social and environmental well-being- and economic renewal. This Economic Strategy for Wear Valley describes how we will do this. As Lyons states<sup>8</sup>:

*"The arguments for a local role in determining the actions of government and the provision of public services are becoming stronger. In addition, economic analysis continues to identify local factors and institutions as important influences on economic change and growth."*

- 1.10. In his review of local government, Lyons emphasizes the need for a wider, strategic role for local government, which he terms 'place-shaping' – the creative use of powers and influence to promote the general well-being of a community and its citizens. Place shaping includes the following components:

- building and shaping local identity;
- representing the community;
- regulating harmful and disruptive behaviours;
- maintaining the cohesiveness of the community and supporting debate within it,
- ensuring smaller voices are heard;
- helping to resolve disagreements;
- working to make the local economy more successful while being sensitive to pressures on the environment;
- understanding local needs and preferences and making sure that the right services are provided to local people; and
- working with other bodies to respond to complex challenges such as natural disasters and other emergencies.

- 1.11. Lyons sees economic prosperity at the very heart of local authorities place shaping efforts. This is reinforced by the Local Government White Paper which acknowledges the "convening" role of local authorities in taking responsibility for outcomes across an area even when those outcomes are most directly affected by other agencies. As Lyons states, "convening requires local government to be able to identify a direction of travel, articulate a sense of the future and enthuse others to be part of a common mission." Local authorities must "adopt a leadership style that engages partners, build alliances and secures support for joint priorities. It should facilitate, advocate, arbitrate and influence rather than dominate." Within this context, the Lyons Review and the Local Government White

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<sup>8</sup> Lyons Inquiry into Local Government, March 2007.

Paper both argue that Local Authorities should prepare Sustainable Community Strategies – the mechanism to establish a shared vision for an area.

### ***The Sub-National Review of Economic Development and Regeneration***

- 1.12. The recently published Sub-National Review of Economic Development and Regeneration (SNR) reinforces the view that local authorities should play a stronger role in economic development and neighbourhood renewal. The SNR argues for various reforms so that localities are able to 'provide an economic environment which enables firms to adapt to and create new technologies and opportunities'.
- 1.13. Regions and localities, the SNR argues, need greater flexibilities, powers and incentives to respond to economic change, and to ensure that all areas, including the most deprived, are able to contribute to and benefit from economic growth. This will need to include building and developing cultural and intangible assets as well as the physical environment in which business is situated.
- 1.14. The SNR stresses that this cannot be achieved by central government alone. 'Places must differentiate and build on their own assets to be successful. They will also need to be able to build, attract and retain the necessary skilled human capital.'
- 1.15. Furthermore: 'Economic restructuring gives a key role to cities and towns, given the move from the manufacture of goods to the conception, design, marketing and delivery of goods, services and ideas, and the benefits of agglomeration economies in these activities.'
- 1.16. The SNR recommends that local authorities should have improved flexibility, responsibility and financial discretion to address local economic development requirements, giving local areas the 'flexibility to develop their own economic niches.'

### ***Regional and Sub-Regional Economic Strategy***

- 1.17. The *Northern Way* was established in 2004 with a remit to reduce, over a 25-year period, the £30 billion GVA gap that exists between the northern regions and the average for England. The *North East Regional Economic Strategy* aligns with this goal- and identifies its primary aim as to "move from 80% to 90% of national average GVA between 2006-16".
- 1.18. The North East RES aims to increase GVA by, on the one hand, increasing participation and, on the other, improving productivity. The RES is tackling this challenge by focussing on three major areas: Business, People, and Place.
  - The Business theme addresses enterprise and entrepreneurship issues especially among young people, it identifies priorities for the

provision of flexible business support, and it supports the structural changes taking place in the regional economy;

- The People theme describes priorities to equip the workforce with the skills needed for a knowledge economy, and the need to improve rates of economic inclusion;
- The Place theme describes how the North East will create high quality places for people to live, work, study, invest in and visit. The place theme addresses business accommodation and natural, heritage and cultural assets.

1.19. The Draft *Economic Strategy for County Durham 2007-13*, currently out for consultation, also identifies its key aim as being to narrow the County's output gap on the rest of the North East and national average – in 2004, County Durham's output per head was £10,900, just 81% of the North East figure and only 64% of the England average. The Draft County Economic Strategy identifies three key objectives to address this:

- To strengthen the competitiveness and productivity of our businesses and create an enterprise culture and performance which matches the best in England, increasing employment, per capita GVA and business start-up and survival rates
- To enhance the employability and skills of our workforce – increasing productivity and economic participation and reducing social exclusion
- To develop economically competitive places and sustainable communities and create the conditions for long-term economic growth.

### ***The Audit Commission Review of Regeneration in Wear Valley***

1.20. Wear Valley's Regeneration Service was recently inspected by the Audit Commission<sup>9</sup>. The Council was rated to be providing a good, two-star service that has promising prospects for improvement. The key findings of the review are shown in Box 1.1 below.

#### **Box 1.1 Audit Commission Review of Regeneration in Wear Valley**

The Audit Commission's report finds that Wear Valley's regeneration service:

- Has a good understanding of local need, has targeted its interventions towards solving local issues and achieving a balance between physical, social and economic regeneration;
- Has successfully minimised the negative impacts arising from the closure of some key industries, and has played a key role in maintaining employment levels in the district;
- Has a good understanding of business needs and is proactive in its

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<sup>9</sup> Audit Commission, Draft Service Inspection Report of Regeneration in Wear Valley.

- approach to working with businesses;
- Is working with partners to develop appropriate pathways to work.

The Commission's report also emphasises a number of positive trends, notably reductions in rates of incapacity claimants, an increasing business stock, improved housing choice and quality, increasing population levels and improvements to the natural and built environment.

From an organisational point of view, the Audit Commission also note that there is now a stronger focus on opportunities to exploit the district's unique advantages; that performance management arrangements encourage wide ownership and community involvement; that a holistic approach to regeneration is taken throughout the district; and that the Council demonstrates good leadership.

However, the Audit Commission also finds that:

- The district continues to lag behind the region and sub-region on many indicators, and has failed to diversify significantly into knowledge-based areas;
- There is a lack of research to ensure that the Council's focus for regeneration meets the needs of some groups at risk of exclusion within the community, for example migrant workers and their families and older people, particularly those of working age.

And from an organisational point of view:

- The current approach to regeneration is insufficiently strategic to maximise benefits; and
- There is insufficient work being done to identify skills needed for the future and to work with partners to develop these skills in local people.

## **The Economic Strategy**

- 1.21. This Economic Strategy is the first step towards building a shared vision for the District. We will use the Economic Strategy to influence our partners- and our ability to influence the Local Area Agreement will be a key mechanism for bringing proposed activities together and holding our partners to account.
- 1.22. The Economic Strategy is also our response to the SNR. It sets out the districts unique opportunities and benefits, and describes how we will capitalise on our existing assets to build further economic prosperity and narrow the gap between deprived communities and the national average.
- 1.23. This Economic Strategy for Wear Valley addresses the issues raised by the Audit Commission. It builds on the existing strengths of our Regeneration Service, and explicitly tackles the challenges that remain to be overcome – notably in terms of the need for further economic diversification, the



need to raise the skills levels and aspirations of the population, and the need to prevent the exclusion of some groups from society.

- 1.24. The Economic Strategy for Wear Valley also describes how the district will contribute to the aims and objectives of both the Regional Economic Strategy and the County Durham Economic Strategy, and how we will raise productivity and workforce participation to drive GVA growth.
- 1.25. The Economic Strategy is ambitious, and will require us to be proactive in leadership, influencing and delivery.

### **Structure of the Economic Strategy**

- 1.26. The remainder of the Economic Strategy is structured as follows:
  - Section 2 outlines our Vision for Wear Valley in 2021;
- 1.27. Following this, the remainder of the Strategy discusses our objectives and actions for achieving this Vision:
  - Section 3 considers how we will grow our economy and business base;
  - Section 4 focusses on promoting the rural and visitor economy;
  - Section 5 addresses worklessness, skills and learning;
  - Section 6 considers issues around our changing population;
  - Section 7 describes our proposals for creating vibrant towns and villages.

## 2. VISION 2021

- 2.1. This Section describes our Vision for the District in 2021. It then goes on to outline our key objectives for, and our current progress towards, achieving this Vision.

### The Vision

- 2.2. Our Vision for Wear Valley in 2021 is described in Box 2.1. This Vision emerged from a workshop attended by key stakeholders from the public, private and voluntary and community sectors held in September 2006.

#### **Box 2.1: Vision for Wear Valley in 2021**

It is 2021. Over the past 15 years, the economy of Wear Valley has witnessed a remarkable renaissance. It is now considered a major driving force in the economy of the sub-region and region, and is continuing to witness rapid growth in population, employment, educational attainment and rates of business start-up.

#### **Economy and Business: A Successful Local Economy in a Globalised World**

One of the major drivers of the Wear Valley economy over the past 15 years has been the new energy economy. The Eastgate development acted as a major catalyst for this- it acts as a unique demonstration for all forms of renewable energy, including wind, solar, biomass, hydro and geothermal, it attracted inward investment from a number of businesses in the new energy sector, it served as a test-bed for renewable energy, and it became the location for University research activity. Building on this, a one-stop shop for businesses seeking a sustainable low carbon environment was established, and a task-force was set-up to investigate and promote supply-chain opportunities for existing businesses. Wear Valley is now a recognised centre of excellence in renewable energy and related sectors and the District has set out its Vision to become a carbon neutral economy by 2030.

The success of the new energy sector has led to a renaissance in value-added manufacturing in the District. Whereas 15 years ago the traditional manufacturing sector was in rapid decline, the drive to create a carbon neutral economy in Wear Valley has acted as a catalyst to attracting a number of high-tech new firms. This, and the increased levels of collaboration between manufacturers in the District, has acted to shift the manufacturing sector up the value chain.

The rate of start-up of knowledge-based businesses is now higher in Wear Valley than in any other part of the North East. Many of these start-ups have been established by returning Wear Valley residents, having completed periods of study or work elsewhere in UK and Europe, and many are located in our attractive rural areas. But an equal number have been established by in-migrants from around the country and world, who capitalise on Wear Valley's modern and efficient business infrastructure, combined with its high quality of life.

The District is now home to a new breed of mobile, rural entrepreneur, attracted by the quality of life, communications infrastructure, and premises available in the District. The new live/work units at Eastgate acted as an important catalyst for this trend. Many of these entrepreneurs have located in the District from elsewhere in the North East, and many have set-up in the tourism, and creative sectors.

The increase in high-value manufacturing and knowledge-based businesses has not happened by accident. The District has continually improved its stock of incubation and "move-on" premises, working in partnership with the private sector and using the Council's own land assets creatively. The whole District is broadband enabled and wireless internet coverage is second to none, with wireless hubs in all public buildings.

The Darlington- Bishop Auckland Growth Corridor is recognised as a major growth location within the region. A joint public-private sector growth corridor steering group has since

2007 promoted and marketed the growth corridor to key businesses clusters, encouraged collaboration between those businesses and promoted high-quality transport links within the corridor.

### **A Strong Rural Economy and a High-Value Visitor Economy**

Another of the District's core economic sectors is sustainable tourism. In many ways, the catalyst for this was Eastgate, which established Wear Valley on the map as a location for a range of visitor activity, centred on the internationally-renowned geothermal hot springs, and on a range of opportunities for mountain biking and active leisure. The boutique spa hotel at Eastgate is extremely popular, and is fully booked up to 6 months in advance.

The activity at Eastgate has acted as a catalyst for the development of a wide range of visitor facilities in the Dale, including a range of small workshops and galleries, and it has unlocked the potential for craft industries. The Dale's gourmet trail is now an attraction in its own right. Eco-holidays are also very popular in the Dale, where visitors stay in carbon neutral accommodation and where menus are based around local produce. Grants for the conversion of redundant buildings to use renewable energy were a key driver in this.

Key to the successful development of the tourism sector generally was promoting the Durham Dales brand, and the buy-in to this from tourism businesses and attractions across Wear Valley, Teesdale and Derwentside. Working together, they achieved much more.

### **A growing population**

The housing offer in Wear Valley is now modern, affordable and diverse. The District is perceived throughout the region as a desirable location for families with an abundance of family homes in safe, attractive neighbourhoods. Many of these homes have been designed and built to high environmental standards, and are powered by photovoltaics, wind power and geothermal heating. The new housing throughout the District is renowned for its design quality, and the Council encouraged this through planning large schemes required to generate 20% of all energy through sustainable sources.

Moreover, improved transport links have further added to the attractiveness of the District as a place to live. Substantially improved bus links, as part of the Tees Valley Passenger Transport Agency, have improved the situation for those travelling to and from the Tees Valley city-region, and acted as a catalyst for the Darlington- Bishop Auckland Growth Corridor. The regular and rapid rail links from Weardale to Darlington via Bishop Auckland have also served to integrate the District more strongly into the Tees Valley City-Region and Durham City. A series of high-quality, sustainable communities are in place along the route of the railway.

These improvements have seen a reversal in the trend of population decline that had been observed during the 1980s and 90s. The District's population now stands at some 67,000, up from 62,000 in 2005. The majority of this increase is accounted for by increases in families and workers in the service sector, and most of this increase has been in the revitalised east of the District. Some of the in-migrants have chosen Wear Valley as a place to live while commuting to work elsewhere in the city-region; but many also work in the District itself, and in particular in the growth sectors of new energy technologies, creative industries, and tourism.

### **Education, Skills and Learning: an economically active District**

Education in Wear Valley has improved markedly over the past 15 years. GCSE results are now among the best in the North East, and a substantial number of students stay on to study further education at the District's FE College and 6<sup>th</sup> Forms, which have been linked to offer a great diversity of offers.

The turnaround in the District's education offer has been driven by a number of factors. These include the successful Building Schools for the Future programme which provided a modern infrastructure for education delivery, and saw every primary and secondary school rebuilt or improved. Strong linkages were established between business and schools. The College is now delivering over 1,000 apprenticeships and has developed innovative partnerships with global manufacturing and engineering businesses. The local education offer also benefited from the drive to attract the best teachers to the District, the ability to develop a local curriculum, the establishment of specialist schools, and the College's broadening offer in terms of foundation degrees.

This has further contributed to the District's popularity as a base for those with families, whether they work in the District or commute to work elsewhere in the city-region.

### **Vibrant Places**

Bishop Auckland has now cemented its position as the most important shopping and employment centre in the County after Durham. The increase in the District's population, and the successful evolution of the economy to one based on high-value manufacturing, knowledge-based, and creative sectors, has supported the creation of a more vibrant retail offer. Bishop Auckland has an extensive catchment which extends well beyond the County boundary.

What makes Bishop Auckland a success is the diversity of the shopping offer. The town recently came out top in a national survey to find the most distinctive market town, and a large proportion of retailers in the town are independents. This distinctiveness results in part from the growth in the independent sector, and partly through the mix of national multiples that have been attracted to the District. The area around Chester St/ Railway St is now the focus for a professional services cluster, while the revitalised Fore Bondgate has become the town's creative quarter. The marketplace features a weekly market for locally produced food and non-food goods.

Key to the success of Bishop Auckland has been the development and delivery of a vision for the town that was produced in 2007. This was backed-up by small grants to support retailers transform and maintain their exteriors, a comprehensive marketing and business advice service, and a flexible and responsive planning system. The improvement and diversity of the housing offer in the town has also been a major driver in its success.

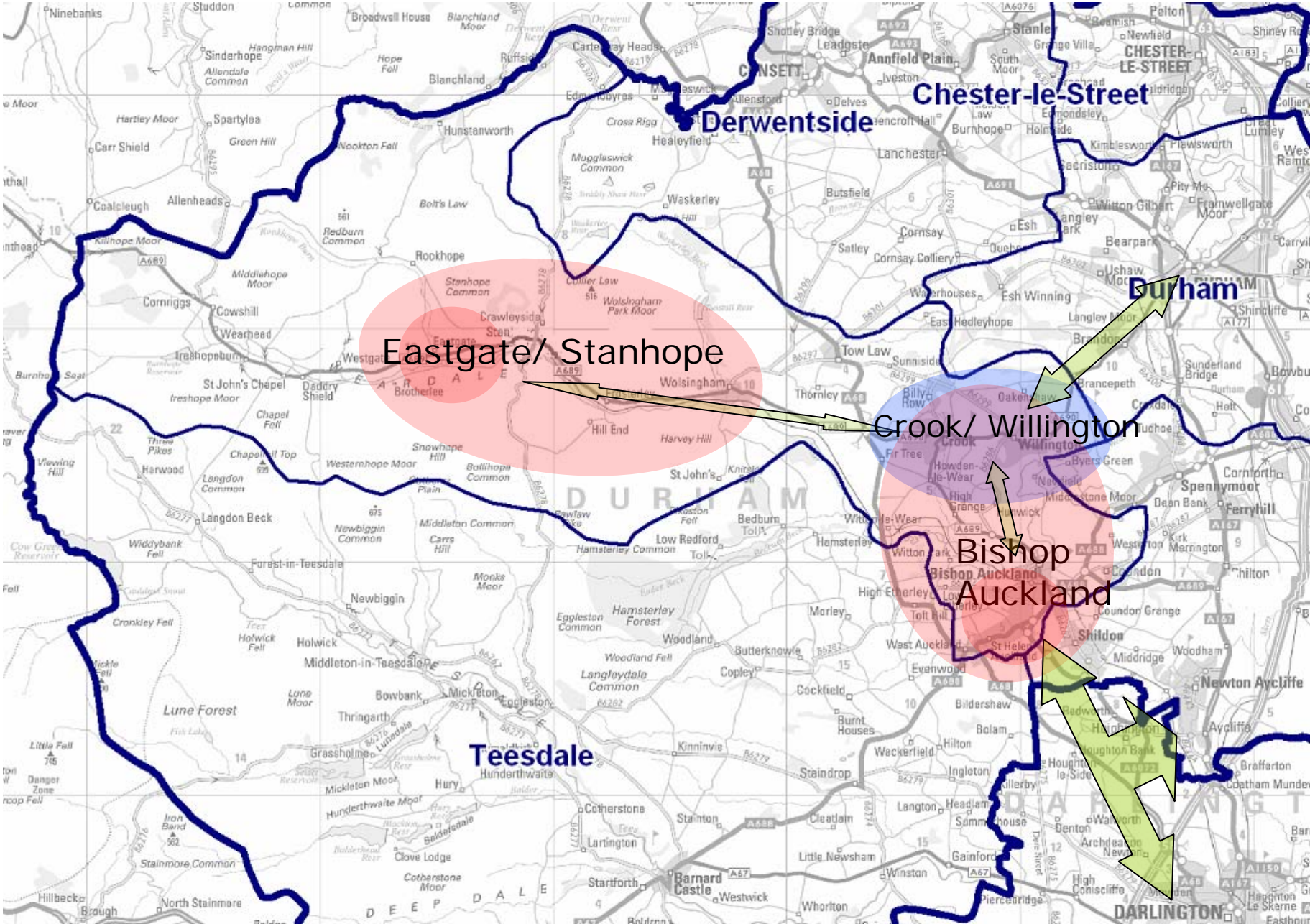
The success of Bishop Auckland has acted as a driver for the continued development of surrounding towns such as Crook, Willington and Stanhope. No longer seen as marginal, rents and yields continue to increase in these towns while the number of vacant units falls. These towns offer a range of services in their own right, and have contributed further to reducing the previously high levels of retail leakage from the District.

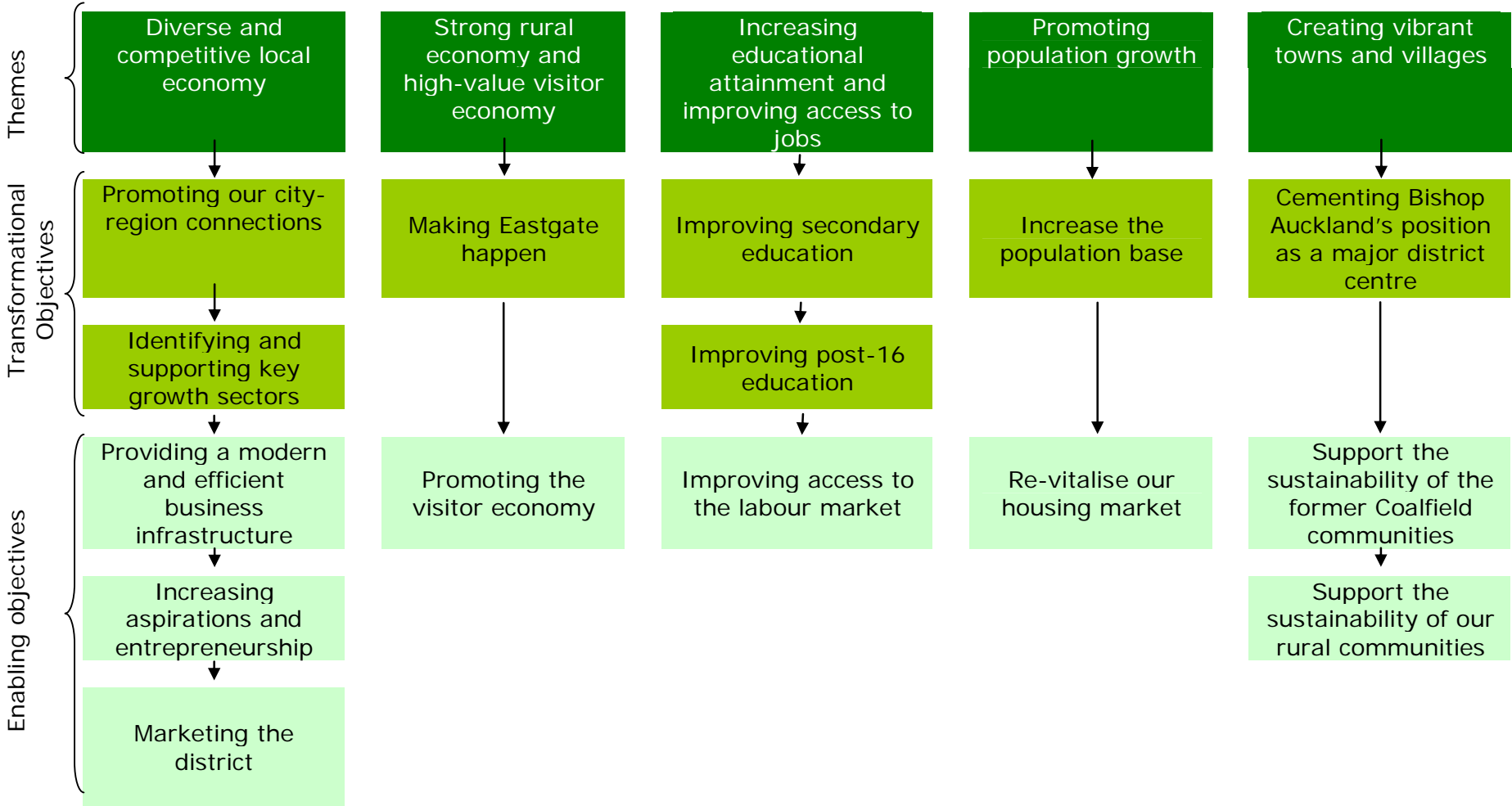
## **Wear Valley Economic Strategy- Key Objectives**

- 2.3. Wear Valley faces some important choices about its future – and only some of these can be influenced by the Council or other regeneration organisations. To realise our vision for the District, we need all partners-including the private sector, schools and the college, and our other public sector partners to recognise the opportunities that we have and to capitalise on these. The role for the Council will increasingly be to build consensus among partners on the priorities for Wear Valley, and to influence them to align their efforts to tackle these challenges.
- 2.4. The Economic Strategy has been developed to follow the 5 themes of the Vision, and to outline some of the key actions that the Council and other partners need to implement to drive the Strategy forward. We will realise our Vision by:
- Building a diverse and competitive local economy (a Successful Local Economy in a Globalised World)
  - Developing a strong rural economy and a high-value visitor economy
  - Increasing educational attainment and improving access to jobs (an Economically Active District)
  - Promoting population growth (a Growing Population)

- Creating vibrant towns and villages (Vibrant Places)

- 2.5. The Economic Strategy is focussed on a strong set of spatial priorities. In the east of the District, Bishop Auckland will form the key anchor, or driver of economic growth, particularly through the Bishop Auckland-Darlington growth corridor which capitalises on Bishop Auckland's connectivity to the Tees Valley city-region. In the rural west of the District, the flagship Eastgate development will act as the key transformational growth driver for Weardale and the rural economy. Crook and Willington (which have strong labour market ties to Durham) will not have as much of a transformational role on the wider District, but are nonetheless expected to increase these towns' vibrancy and sustainability. The spatial growth plan is shown in the diagram overleaf.
- 2.6. Cutting across the whole Strategy is the over-arching objective to be more aspirational in everything we do. By articulating an ambitious, can-do attitude, we will galvanise greater levels of support from all sectors of the community, and foster a sense of common understanding among partners.
- 2.7. The overview of the structure of the Strategy is shown in Figure 2.1 below. This shows how the key themes identified above will be achieved through our pursuit of a series of transformational and enabling objectives.
- Transformational objectives are those activities which will make a real and significant difference, or step-change, in the economic development of the District. The transformational objectives are thus the real priorities we must focus on.
  - Enabling objectives are those activities which must be pursued to ensure that the impacts of the transformational objectives are fully realised.





## Progress

- 2.8. We are already making good progress towards the Vision. We have made significant improvements to our employment sites and premises. This is complemented by a range of business support activities for existing, start-up and inward investing firms, including work to develop local supply-chains and collaboration. Our successful LEGI bid (with our neighbouring West Durham authorities) will encourage entrepreneurship in more deprived areas of the District, complementing existing Education Business Partnership activity and helping to realise the recently produced County Durham Enterprise Strategy.
- 2.9. We are improving access to the labour market and improving skills on a number of fronts. The Action Team for Jobs had notable success, particularly in terms of the work to bring employment advice into GP Surgeries, which has subsequently been rolled-out nationally. Through Pathways to Work we are building on outreach activity to link isolated communities to opportunity, and 80% of our Neighbourhood Renewal Funds have been ear-marked to tackle worklessness. The re-building of Bishop Auckland College provides further opportunities to improve participation and achievement rates across a range of training.
- 2.10. Despite these successes and the activity currently underway, large challenges remain if we are to develop as a modern, successful economy operating in a global environment with low rates of unemployment and deprivation.
- 2.11. There are a number of opportunities we can build on in coming years:
- The potential for a mixed-use development at Eastgate, based on cutting-edge geothermal and other geothermal technology which will make it unique within the UK, will act as a catalyst for the revitalisation of our rural economy by creating a unique visitor attraction, and providing modern businesses premises and attractive homes;
  - The re-development of Bishop Auckland College will inspire and lift the community, stimulating greater involvement in all aspects of lifelong learning;
  - The Building Schools for the Future Programme will provide the scope to reconsider our Secondary Education provision, and re-inspire local communities;
  - The successful LEGI bid provides a fantastic opportunity to boost rates of entrepreneurship in our deprived areas;
  - There is scope to make much more of our beautiful natural heritage and our existing tourism attractions. Investments in the visitor economy can make a significant contribution to the diversification of the more rural parts of the District, as will our improved marketing strategy and better collaboration between tourism businesses;



- Our investments in business sites and premises have been successful, and there is scope to build on this, coupled with appropriate marketing and advice programmes, to attract more start-ups in the District;
- There is significant scope to improve the vibrancy and sense of place of our towns, particularly Bishop Auckland, through various strategic interventions. Bishop Auckland can act as a significant economic driver not just for the District, but the County as a whole;
- Housing growth offers the potential to stimulate further development in the District;
- There is potential to build on our links to other neighbouring centres, particularly Durham and Darlington, which act as engines of growth at a regional level.

### Key Measures of Success

2.12. We will measure the success that we, working with our public, private and voluntary sector partners, have made in meeting these objectives between now and 2021 by reference to the following high-level targets:

- **Population:** currently 62,000, the target is for this to increase to 67,000 (8% growth)
- **Jobs:** Increase the number of jobs in our economy from 20,000 to 23,000.
- **Employment rate:** Increase the employment rate from 69% to 75%, in line with the government's national target.
- **Employment in growth sectors:** Increase the numbers employed in growth sectors (finance, IT and other business activities), closing the gap between Wear Valley and the North East region (employment in these sectors is 6.9% in Wear Valley, and 15.6% in the north east).
- **Educational attainment:** our target is for the District to continue to achieve GCSE results at least as good as the England average (currently, 60% of our pupils achieve 5 or more GCSEs at A-C, against 57.4% in the north east and 59.2% nationally).
- **Visitor economy:** To increase by at least 20% the number of visitor days spent in the District per year (currently 2.3m); and to increase visitor expenditure by at least 30% in real terms (currently £69m).

### 3. ECONOMY AND BUSINESS: A SUCCESSFUL ECONOMY IN A GLOBALISED WORLD

- 3.1. Our economy operates from a narrow base. Our aim is to diversify so that our economy is able to provide a greater range of jobs in key growth sectors. This requires long-term action to support key growth sectors, improve the range and quality of business infrastructure, promote entrepreneurship and rates of business start-up, and capture higher rates of inward investment, particularly from knowledge-based SMEs from elsewhere in the north east. We also need to ensure that our economy is more fully integrated with the city-regions- the key drivers of regional economic growth. This section outlines how we will achieve these goals.

#### Transformational Objective A1: Identifying and Supporting Key Growth Sectors

*'The diversity of the UK economy means that different areas will be affected in different ways as further global integration and technological progress changes the economic landscape. Regions with clusters of sectors in high value-added manufacturing and services stand to gain from shifting comparative advantage, particularly as the importance of high value services grows. Similarly, regions with sectors that are early adopters of new environmental technologies, such as greater resource efficiency and low-carbon innovation may also gain from comparative advantage.'* Sub-National Review of Economic Development and Regeneration (HM Treasury, July 2007)

#### Our economy has been slow to diversify...

- 3.2. Our economy is small (around 20,000 jobs in total) and has recently suffered from declining employment in its traditional manufacturing base (manufacturing employment declined from 4,090 in 1999 to 2,311 in 2004). Employment in agriculture has also declined, (although this decline has been relatively limited since 2001).
- 3.3. The table below shows changes in the numbers employed in the major SIC categories since 1998.

Sector	1998	2000	2002	2005
Agriculture and fishing	348	329	334	299
Energy and water	154	73	82	101
Manufacturing	4,873	3,935	3,869	2,311
Construction	681	1,658	1,411	1,612
Distribution, hotels and restaurants	4,658	4,533	4,934	5,393
Transport and communications	894	803	728	713
Banking, finance and insurance, etc	1,346	1,538	1,214	1,396
Public administration, education & health	6,417	5,976	6,180	7,203
Other services	1,226	953	1,292	1,303
<b>Total</b>	<b>20,598</b>	<b>19,798</b>	<b>20,043</b>	<b>20,331</b>

3.4. Currently, employment in our economy is dominated by the following sectors:

- health and social work (3,690 employed representing 18% of Wear Valley jobs),
- retailing (4,135, 20%),
- education (2,465, 12%) and
- construction (1,612, 8%).

3.5. Employment in these sectors has been fairly static over recent years. In total, public sector employment accounts for some 33% of Wear Valley jobs. Other features of our economy include:

- Only 10% of our businesses operate in knowledge-based sectors, compared to 13% in Teesdale, 12% in Sedgefield, and 15% across the North East region. The rate of increase in employment in the knowledge sector has been lower in Wear Valley than in many other parts of County Durham<sup>10</sup>.
- Employment related to financial and business services (1,396 employed in the District,) and research and development is particularly under-represented.
- Employment in *hotels and catering*, and employment in *cultural, sporting and recreational activities*, remains low (1258 and 505 employed in Wear Valley respectively) relative to the north-east average. Moreover, employment in these sectors has remained static or declined over recent years while increasing across the region.

3.6. The need to diversify our economic base is arguably the most urgent priority we face. We need to be able to attract more knowledge-based and higher-value businesses, including high-value manufacturing. These are able to compete in an increasingly globalised economy, and will provide a greater range of employment opportunities. We also need to retain our competitive manufacturing and engineering businesses.

3.7. Future employment growth in the District is likely to be focussed on: continued growth in health, education and public sector employment; retailing, hospitality and leisure; and other knowledge economy areas around finance and banking. GVA growth will be driven by manufacturing and business services, so retaining our existing key businesses in these sectors will be critical to narrowing the GVA gap.

3.8. We will support the diversification of our economy through the following actions:

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<sup>10</sup> Knowledge-economy sectors are defined by the OECD as those where greater than 25% of the workforce has Level 4 qualifications.

### **Action: Retaining and supporting our existing manufacturing base.**

Manufacturing is a key knowledge-economy asset. However, in the face of globalisation, our manufacturing businesses will struggle unless they can build new markets or diversify into high value-added activity. Whilst manufacturing employment is likely to continue to decline in the near term, the contribution that the sector makes to our economy can be promoted. We will increase the support available to manufacturers by:

- Supporting the roll-out of the Derwentside Engineering Forum, a private-sector led cluster organisation to manufacturing and engineering businesses in Wear Valley.
- Identifying our fastest growing and most successful manufacturing businesses and providing “whole business” diagnostic support, which builds on existing support from NEPA/ MAS for those businesses, using funding from our successful LEGI bid. In return, we will encourage those businesses to act as mentors to other manufacturing companies.
- We will ensure that there is adequate provision of sites and premises for those wishing to start or expand a manufacturing business in the District- this issue is discussed under Objective A3.

### **Action: Using Netpark as a catalyst for growth**

We will establish links between Netpark<sup>11</sup>, and our existing managed business centres through a joint marketing and branding strategy. We will also create unified business support services across managed business centres at Netpark and in the District. This will enable us to capitalise on spin-out opportunities from Netpark and the university. We will take this forward through discussions with Durham County Council, County Durham Development Company (CDDC), Sedgefield Borough Council, One Northeast and Durham University .

### **Eastgate and the New Energy Economy**

- 3.9. Renewable energy technologies form the centrepiece of the Eastgate project (see box 4.1). The Eastgate development will utilise various forms of renewable energy (biomass, wind, solar, geothermal)- in this way, it will act as a demonstration project to highlight to the public and private sector what can be achieved through renewable energy generation.
- 3.10. Because of this unique, showcase role that Eastgate will have, it will attract two types of business to the District: businesses who do not necessarily operate in the environmental sector but are keen to be recognised for their “green” credentials, and businesses operating in the environmental sector and related supply-chains to install and manage the

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<sup>11</sup> Netpark is Durham County Council's and Sedgefield Borough Council's high-tech business park, developed with funding support from One Northeast and with the University of Durham as a key partner and anchor tenant/

renewable energy technologies. Eastgate will therefore act as a catalyst for the instigation of a mini environmental business cluster<sup>12</sup>.

- 3.11. Work is already underway to build on the potential of Eastgate. The LSC, with funding support from the West Durham Rural Pathfinder, is developing a Skills Action Plan for Eastgate, and working very closely with Wolsingham School to develop GCSEs in Environmental Sciences and Renewable Energy. Enterprise Agency advisors are receiving training so that they can advise businesses on implementing energy efficiency improvements.
- 3.12. However, there is more we can do to build on the potential of Eastgate and put the District on the map as a location for environmental technologies and services. The pre-budget report (PBR) in November 2006 announced that within 10 years, all new houses will have to be carbon neutral (i.e. net carbon emissions from energy use to be zero through a combination of energy efficiency measures and micro-generation of power from renewable sources). New housing at Eastgate could be a demonstrator for these 2016 standards. The PBR also set targets for new and refurbished schools to reduce carbon emissions by 60% over the next 10 years, and the government has also announced that similar zero-carbon targets for new build commercial property will be developed shortly.
- 3.13. By taking a lead on these issues, and by specifically setting-out our stall as a District that is pursuing a goal of achieving carbon neutral neighbourhoods, Wear Valley can build further on the reputation of Eastgate to capitalise on the environmental technology growth sector.
- 3.14. We are already taking a lead on these issues. We have recently published a draft of a new Wear Valley Climate Change Strategy 2007-10 (Box 3.1).

**Box 3.1 The Draft Wear Valley District Council Climate Change Strategy 2007-10**

The Draft Climate Change Strategy describes the science of climate change, outlines climate change projections, and examines the potential impacts of climate change for the district, its people and businesses. It then sets out existing climate change policy at national and regional levels and describes how climate change impacts can be reduced through mitigation strategies and adaptation strategies.

Crucially, the Climate Change Strategy includes a detailed Action Plan to describe how climate change impacts will be addressed throughout the district. The Action Plan contains actions for three key groups:

- The community;
- Business
- The Council

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<sup>12</sup> A cluster of environmental technology based firms has started up within the eco-efficient E-centre that forms part of the Sherwood Energy Village in Nottinghamshire.

For each of these groups, the Strategy describes a range of actions to address climate change impacts relating to energy, waste, transport, and buildings. For each action, the Action Plan highlights links to support organisations who can offer further advice and guidance.

A wide range of Actions are identified for Wear Valley District Council itself. These include, for energy:

- Evaluate and audit energy efficiency within the housing stock, and address identified inefficiencies through a rolling programme of refurbishment;
- Incorporate into the LDF targets for all new dwellings to include a percentage of renewable energy measures where appropriate;
- Carry out awareness raising and training events within the community to implement measures towards reducing climate change.

For public facilities:

- Appraise all policies for climate change impacts during development;
- Implement integrated waste strategies;
- Consider use of renewable technologies to council buildings
- Raise awareness and understanding about climate change amongst the wider community.

For economic development:

- Develop a promotional strategy to inform the local business sector of available support;
- Through LDF, encourage local developments to employ at least 10% of energy supplies from renewables resources.

3.15. We have also been actively promoting the Green Tourism Business Scheme (GTBS) pilot project. The GTBS encourages businesses to improve their performance. It is promoted by One Northeast's Tourism Team and has been piloted within the part of the district within the AONB. In the future, the GTBS will also involve the delivery of Green Business Grants, and this represents a good opportunity to roll-out green business initiatives across the district.

#### **Action: Capitalising on Eastgate**

We will capitalise on the Eastgate opportunity by:

- Demonstrating that we intend to lead the way in terms of achieving carbon neutrality in the north east, and communicating this to partners and the private sector. Our new Climate Change Strategy is the first step to achieving this action, but we must take positive steps to ensure

that it is actively promoted, that we lead the way in its implementation, and that we incentivise businesses and the wider community to implement their responsibilities.

- Encouraging and in some cases ensuring, that new property development- both residential and industrial- is designed and built to high standards of energy efficiency. New homes should be assessed according to DCLG's Code for Sustainable Homes, achieving good ratings for energy and water use; office and industrial developments should meet BREEAM Excellent standards. The use of decentralised renewable energy sources will be expressly encouraged, in line with English Partnerships Carbon Challenge programme, and Eastgate will be used as a pilot to demonstrate new technologies wherever possible. All major new developments will be subject to sustainability appraisal to ensure that they make appropriate provision for energy efficiency, cycle and pedestrian access, etc.
- We will ensure that, when the opportunity arises, new Council buildings (or Council delivered buildings, such as new business workspace or incubation units) are designed and built to represent best-practice in energy efficiency. We will also ensure that existing buildings in public sector use are energy efficient.
- We will work with English Partnerships to identify a site for a Carbon Challenge community development within the District.
- We will work with and support the LSC as they develop a Skills Action Plan for Eastgate
- We will ensure that the Council's next wave of vehicle procurement prioritises a fleet of low-emission vehicles.
- Ensuring that new and existing developments and communities are better connected to pedestrian and cycle networks, and by actively encouraging walking, cycling and public transport as alternatives to car travel. We will also explore the potential for a car club scheme, possibly utilising low-carbon vehicles.
- Eastgate will be the catalyst for more developments to be powered by biomass, wind and other renewables. There are a large number of companies in the region who have the capability to diversify into component manufacture in support of wind turbine manufacture, and other renewable energy technologies. We will identify, with One North East and Renew Tees Valley, those regionally based businesses and make them aware of the Eastgate opportunity and other opportunities arising from our stance on green planning and energy efficiency.
- In terms of biomass, we will establish contracts with farmer groups and the Forestry Commission to supply biomass to Eastgate's biomass plants.
- Rolling out the Green Tourism Business Scheme and encouraging our existing businesses to take-up the opportunities that this presents.

### **Action: Improving Business Support**

Business Link services have been restructured to operate regionally, and we will use this as an opportunity to ensure that Business Link enhances delivery of rural business support services. We will continue to provide an efficient package of business advice, support and guidance through the County Durham Business Support Network. We will ensure that this support is flexible, needs focussed, and holistic. This means that businesses will need only go to one place to access advice related to all their needs, from sites and premises requirements to supply chains, and from exporting to marketing. We need to ensure that the business support package is relevant and accessible to all sections of the community- work continues through LEGI to shape this for the "harder to reach" communities. Many of our retail businesses need support to diversify into web-based activity, and we need to provide specific support in this respect.

### **Action: Strengthen collaboration and networking**

The capacity of our existing businesses can be improved by encouraging networking and collaboration. We are already taking forward:

- The Supply-Chain Project, funded through NRF until 2008, aims to strengthen local supply-chains so as to retain higher levels of business expenditure within the District.
- In addition, the Enterprise Agency is developing work to improve business capacity to tender for Local Authority contracts. This involves setting-up appropriate contracting systems and training local businesses in order that they can capitalise on these new procedures.
- The LEGI resources will support the rolling-out of the Derwentside Engineering Forum, discussed overleaf, and develop this approach for other sectors.

We will monitor the progress of these initiatives, and if appropriate seek to develop them further, for example through extending the contracting project being led by the Enterprise Agency to Durham County Council or NHS, or by establishing collaborative networks for specific sectors- the retail, construction, tourism and local foods sectors will be priorities. Where appropriate, we should ensure that our businesses are signposted to cluster organisations, institutions and networks at a regional level, in order that they can capitalise on knowledge sharing initiatives.

### **Action: Supporting Social Enterprise**

The Voluntary and Community Sector (VCS) and social enterprises play an important and significant role in our communities and in our economy. We will continue to support voluntary and community sector activity through the work of 2D, the VCS support organisation for Wear Valley and Teesdale. The Enterprise Agency is currently undertaking work to map the competencies and capacity of the social enterprise sector across the District. We will act on the findings of this work to ensure we provide high



quality support to social enterprises in the future. We will also explore the potential for developing a social enterprise network and for provided dedicated social enterprise support through the LEGI Programme.

- 3.16. Actions for supporting the development of the tourism sector specifically are described in the following section on rural economy.

### **Transformational Objective A2: Promoting our City-Region Connections**

#### **We have strong ties to Durham City and the Tees Valley City Region...**

- 3.17. Wear Valley is located between the north east's two city-regions- Tees Valley to the south and Tyne and Wear to the north. The District also has strong links with Durham City.

- 3.18. In terms of commuting, figures from the 2001 census reveal that:

- In total, just under 11,000 Wear Valley residents work outside the District, (representing 43% of the District's total resident working population- TRWP).
- There are also strong links with Sedgefield District, with around 3,100 commuting from Wear Valley (13% of the District's TRWP)<sup>13</sup>.
- Around 2,400 Wear Valley residents work in Durham City (representing around 10% of Wear Valley's TRWP);
- Around 1,400 Wear Valley residents work in Darlington (6% of the TRWP);

- 3.19. There are also significant, but less substantial, flows in the other direction. 665 Durham residents work in Wear Valley, and around 2,500 Sedgefield residents work in the District (although there are no significant in-flows from Darlington). In total, just over 6,000 Wear Valley workers commute into the District on a daily basis from elsewhere. There is thus a net daily outflow of 4,500 workers.

- 3.20. Durham provides extensive retail, call centre and public sector jobs, while Darlington's labour market is focussed more around manufacturing and engineering industry, at least for those commuting from Wear Valley. There are also a number of Wear Valley residents who are enrolled at Darlington College. Sedgefield District provides a significant amount of employment for Wear Valley residents, particularly in the manufacturing and engineering sectors. Netpark at Sedgefield is likely to play an increasingly important role as a location for employment for Wear Valley residents.

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<sup>13</sup> Research by the University of Durham for NERIP (January 2005) indicates that male workers in Sedgefield's manual industries account for a large part of this figure. In total, 31% of Wear Valley's out-commuting workers are travelling to undertake industrial jobs.

- 3.21. Transport links from Bishop Auckland to Darlington are good. There are 4 buses per hour, and a direct train link once every 90 minutes approximately. The current Bishop Auckland to Darlington rail line is constrained by having to cut cross the East Coast Mainline (ECML). However, plans to develop a Tees Valley metro service utilising the existing track will allow the Darlington-Bishop Auckland route to sever its ties to the ECML. This will allow a more regular, "clock-facing" service to be delivered.

**Action: Promoting the Darlington- Bishop Auckland Growth Corridor**

City-regions are viewed as the major drivers of economic growth, both from the point of view of national strategy such as the Northern Way, and through the North East's Regional Economic Strategy. We need to ensure that we capitalise on our links to the Tees Valley city-region and the growth opportunities that it offers- and specifically, using the corridor to improve access to employment.

We will concentrate new employment and housing growth in the Darlington- Bishop Auckland Growth Corridor to capitalise on our links to the Tees Valley City Region and Netpark/ Newton Aycliffe. The Growth Corridor would follow the route of the A68/ A6072, anchored at one end by Faverdale East Business Park in Darlington and at the other by South Church Enterprise Park and the Bracks Farm office development site in Bishop Auckland (and the new employment site to be allocated near Bishop Auckland). The corridor would also include Netpark in Sedgfield.

We will establish a Growth Corridor Steering Group. As a minimum this would consist of Wear Valley, Sedgfield and Darlington Councils, Durham County Council, Tees Valley Unlimited, and relevant private sector representation (for example, the Tees Valley Engineering Forum). The Steering Group will have responsibility for:

- Promoting the need for highways improvements on the A68/ A6072;
- Promoting the need for improved public transport links between the key settlements and business sites in the Growth Corridor;
- Identifying niche business cluster opportunities to build on the inherent strengths of the Corridor, (e.g. engineering);
- Joint marketing and promotion of the corridor as a location for business;
- Creating a joint strategy for employment sites and premises to improve overall supply and marketing;
- Establishing a directory of businesses within the Corridor in order to instigate collaboration;
- Encouraging collaboration between Darlington and Bishop Auckland Colleges and employers. This collaboration needs to work both ways- the Colleges reflecting the training and skills needs of employers, and employers being responsive to the need for industry placements for students.

Growth corridors have been successful elsewhere. For example, the Birmingham-Worcestershire Central Technology Belt (CTB) was

established in response to the Rover Task Force Report to build on the area's inherent technology expertise. The CTB is now run as a non-profit making company represented by a board of regional partners. It aims to provide the right conditions for business growth in terms of infrastructure, proximity to knowledge bases, support services and access to funding.

### **Enabling Objective A3: Providing a Modern and Efficient Business Infrastructure**

#### **We are building our sites and premises portfolio...**

- 3.22. Reliable trend data on past rates of employment land uptake is not available, although in 2005, 5ha of land was taken-up<sup>14</sup>. The Regional Spatial Strategy states that we should allocate up to 105ha of employment land for the period 2004-2021, implying take-up of around 6-7ha per annum. Within in the District currently, we have some 223ha allocated for business use, of which 129ha is developed. Of the allocated but un-developed land, only around 22ha is available for development immediately, 40ha is available in the medium term once various issues with access, ownership and physical constraints are addressed, but 32ha is faced with substantial constraints and there are significant questions as to the viability of these sites coming forward, even in the long-term. The majority of recent demand has been experienced in the Bishop Auckland sub-area.
- 3.23. We have a number of high-quality locations for business within the District, and a number of good opportunities:
- South Church Enterprise Park, a 29 ha Prestige site near Bishop Auckland is home to several of our key businesses, including Mechetronics and Donkin Roofing. South Church has witnessed rapid take-up over recent years, and the remaining plots (totalling no more than 7ha) are likely to be occupied within the next 4-5 years. A key challenge is to identify a replacement site for South Church in the Bishop Auckland area- particularly in terms of industrial premises (Brack's Farm will meet the need for further office development). There are allocated employment sites at Coundon, Fylands and Fieldon Bridge (both south of Bishop Auckland), West Auckland and St Helens, but substantial planning and land ownership issues are present on several of these sites which need to be resolved.
  - At Innovation House (South Church), opened in 2003, we have made provision for 16 incubator units totalling over 10,000 sq ft. This has been extremely successful, achieving 100% occupation within 12 months. Consequently, we are completing an extension of Innovation House, providing a further 26 units totalling 15,000 sq ft. We anticipate this will be taken-up over the next 2 years. Enterprise House, opened in 2000, provides a range of (slightly

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<sup>14</sup> Source: Wear Valley District Council

larger) office accommodation, suitable for businesses moving on from Innovation House.

- Brack's Farm is a 9.4ha prestige employment site in Bishop Auckland (1km from the town centre), allocated for B1 only (although an area at the front of the site is allocated for a hotel development) and will be our major office location. The site is suitable for office development to meet local demand, start-up businesses, and to address the need for move-on accommodation from Innovation House and Enterprise House. The site has been acquired by Easter, who have a 10-year development deal with the church who are site owners. A joint venture between Easter and Priority Sites will commence in 2007 and see construction of 10 office units of between 1,500- 2800 sq ft. These units are expected to be complete by the end of 2007. Easter also have planning permission to build speculative units of 6,000 sq ft, up to a total development of 30,000 sq ft. Eventually, the site is thought suitable for office developments of 15-20,000 sq ft, dependent on building up a profile for the site. Bracks Farm will significantly improve the district's ability to attract footloose investment that would otherwise go to other parts of the County.
- We have commenced development of 14 medium-sized offices (750-2,500 sq ft) at the prestige site at Low Willington, aimed specifically at attracting businesses either serving or relocating from Durham City, demonstrating how we are linking to the wider sub-regional economy.
- In the rural area, in partnership with Durham County Council, we have made provision for small start-up businesses within the Durham Dales Centre at Stanhope. The Eastgate development (see box 4.1) will provide for a wide range of quality office and workspace units.

### **But some shortages remain...**

3.24. Nonetheless, there remain a number of challenges. A recent report into the District's current portfolio of employment sites and premises describes these in detail. They include:

- A shortage of readily available sites for office and industrial use, particularly in the Bishop Auckland sub-area, with evidence of only a few years supply at the current time unless proactive intervention is taken on those sites that face planning, access or physical constraints;
- Evidence of market failure, with only limited provision of premises for lease rather than sale, which constrains the ability of new businesses to establish in Wear Valley as they often need to raise the capital to purchase premises;

- Shortages of managed workspace in both the office and industrial markets, particularly in terms of a shortage of move-on accommodation.

#### **Action: Identifying a new portfolio of sites and premises**

We have commissioned an employment land review to compare the current supply of employment sites and premises against likely future demand. This report makes a number of key recommendations which we will now implement as part of the Local Development Framework:

- The Council should adopt a pipeline approach to the provision of employment land and premises. This requires the Council to use its planning powers and land ownership to maintain a balance between supply and demand, sufficient to maintain the right balance between supply and demand.
- In order to meet the shortfall of premises, the District and County Councils should consider the scope for pooling some of their land holdings at South Church and Low Willington, and enter into a joint venture with a developer to build follow-on workspace units (of 1000-5000 sq ft).
- The Council should explore the scope for expanding the capacity at South Church, explore the nature of constraints on existing sites in the Bishop Auckland sub-area and bring these forward, and the Council should seek to allocate a new prestige employment site for B1/B2 use in the Bishop Auckland area.

Further specific recommendations on retention or non-retention of particular sites are included in the employment land report.

#### **Better Broadband Connectivity...**

- 3.25. With our support the County Durham Economic Partnership recently commissioned government agency ADIT to investigate the provision of broadband throughout the District, building on earlier work of the West Durham Rural Pathfinder. This work found that, although most business and household customers are well-served, there are clusters of business and household customers on the edge (or just outside) of the delivery boundary of particular exchanges. The ADIT report identifies the Frosterley and Bishop Auckland exchanges as being the highest priorities for attention.

#### **Action: Mapping broadband provision and addressing gaps in provision**

We will act on the findings of the ADIT study by meeting with telecommunications providers to consider how the identified gaps can be addressed. A future priority may be to explore the possibility of establishing wireless broadband in our key public buildings or towns<sup>15</sup>.

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<sup>15</sup> With a wireless network, anyone with a wi-fi enabled device such as a laptop computer, mobile phone or other handheld piece of equipment is able to connect to the internet if they are close enough

Indeed, the County Durham Economic Partnership is pursuing proposals to roll-out a pilot wireless internet project across the County, and we will work with them to develop suitable opportunities to enable this in the District.

### **Transport infrastructure impacts on rates of growth...**

- 3.26. The Eddington Transport Study examines the long-term links between transport and the UK's economic productivity, growth and stability. It was commissioned jointly by the Treasury and the Department for Transport and announced in the Budget 2005. The report was produced by Sir Rod Eddington, the former head of British Airways, and published in December 2006.
- 3.27. The central argument of Eddington's report is that the major transport challenges facing the UK are not ones of connectivity or distance- but of competing demands and overloads. Because of this, the report recommends: improving the capacity and the performance of the existing transport network; and to target future growth-focussed investment on growing urban catchments and key inter-urban corridors.

### **Our public transport infrastructure is good but could be improved...**

- 3.28. Maintaining good public transport links within the District, particularly in terms of connecting remoter communities with employment opportunities, is vital both in tackling worklessness and supporting our businesses to grow.
- 3.29. During weekdays, we have hourly services from Stanhope to Bishop Auckland, half-hourly services from Crook and Willington to Bishop Auckland, and half-hourly services from Crook and Willington to Durham.
- 3.30. Outside the District, links are fairly regular but not fast. There is an hourly Bishop Auckland- Darlington bus service. A train service runs roughly every 90 minutes and takes 25 minutes. There are 4 buses per hour between Bishop Auckland and Durham, and 2 per hour between Crook and Durham. Improving the links to Darlington must be a priority.
- 3.31. The issue of multi-operators and consequent difficulties in ticketing has reduced considerably since April 2006 when Arriva took over services operated by Go North East (there are now just two services within the Dale that are not operated by Arriva- Weardale to Bishop Auckland, and Oakenshaw to Bishop Auckland). This does mean that Arriva is now in a

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to an access point. The wireless area covered can be as small as a coffee shop or home, or, with enough overlapping access points, could cover a much wider area including an entire city. Some small US cities have begun establishing wireless networks across their entire municipalities, and some London Boroughs are investigating a similar approach. Wi-fi is the more common term for what is referred to in the industry as a wireless local area network.

monopoly position, and we must remain of the potential issues that this may raise.

3.32. However, we need to remain fully aware of the evolving needs of different communities as they grow, and any weaknesses in the current network. Some current weaknesses are:

- The link to Netpark, while hourly from Bishop Auckland, takes 55 minutes. Anyone wishing to work in Netpark who lived elsewhere in the District would need to make at least one change.
- Links to Darlington from Bishop Auckland are not regular or fast enough to allow us to capitalise on city-regional growth.
- Links to some of the smaller former coalfield communities such as Billy Row, Sunnyside and Tow Law are infrequent, leading to isolation related deprivation among some communities.
- In the rural area west of Stanhope, services necessarily become less frequent, reflecting demand. The extent to which this impacts on rural deprivation will need to be continually monitored.
- Some changes to the current network will take place following the review in November 2006. The frequency of services from Bishop Auckland to Tow Law will reduce from half-hourly to hourly.

3.33. The critical challenge in the future will be to maintain the public transport network as jobs become increasingly dispersed, both geographically and in terms of working hours. This will stretch the ability of our public transport network to maintain links between increasingly dispersed residential and employment locations. The moves within Tees Valley to promote a Tees Valley Passenger Transport Agency will provide an opportunity to further strengthen our connections (both road and rail) to Darlington. The frequency and speed of road and rail connections within the Darlington- Newton Aycliffe- Bishop Auckland corridor are a priority for action.

3.34. Our internal road networks are generally good. Work has just started on the new West Auckland bypass. There are no other major road schemes currently in the pipeline. However, potential capacity constraints on the A690 are increasing the drive time from settlements such as Crook and Willington to the A1 and Durham. This risks increasingly limiting the development potential of these settlements. We must monitor this situation closely and identify the potential for capacity improvements required.

#### **Action: Improving the Quality of our Public Transport Links**

We will continue to monitor the extent to which our public transport links provide adequate connectivity between our settlements, particularly in terms of linking residential areas to employment centres. Where gaps in provision emerge, we will work with transport providers to find solutions.

We will also need to continue our support for novel and innovative ways to support people to access work and training.

We will also continue to monitor the need for capacity improvements on the A690, and work with Durham County Council to address these.

#### **Enabling Objective A4: Increasing Aspirations and Entrepreneurship**

##### **Aspirations are low, and rates of entrepreneurship are below average...**

- 3.35. The District suffers from low aspirations and low rates of entrepreneurship. Research undertaken as part of the successful LEGL bid suggests that only 17% of County Durham SMEs have ambitions to grow their business.
- 3.36. In 2005, there were 27 business start-ups per 10,000 adult population in the District. Although this compares favourably with many of our County Durham neighbours, it is significantly below the England average of 38 start-ups per 10,000 adult population.
- 3.37. The RES Action Plan aims to create between 18,500 and 22,000 net additional new businesses in the region by 2016. On a per capita basis, this implies creation of between 3,615 and 4,300 net additional new businesses in County Durham, and between 550 and 655 net additional new businesses in Wear Valley.
- 3.38. Our business stock reached 1,530 in 2005, having grown by 10% since 2000. The trend over the past 4 years is for the District to witness about 140 VAT registrations per year, but also 115 de-registrations, leading to an average net growth in the District's business stock of just 25 businesses. This growth rate is similar to that observed across County Durham, although in Teesdale, the business stock has declined. This serves to remind that continued growth in the business stock is not a given, and further work to strengthen markets is required.

##### **Homeworking and self-employment provide growth opportunities...**

- 3.39. Rates of self-employment in the District are equivalent to national averages. However, this is due to the fact that the agriculture sector accounts for a significant proportion of our self-employed. The reality is that self-employment rates are lower in Wear Valley than we would expect. This is partly due to low levels of entrepreneurship. It is also due in part to a lack of awareness of the opportunities and demands of setting up as self employed.



- 3.40. Recent research for One North East indicates that around 2,400 people, representing almost 10% of the workforce, work from home in Wear Valley (compared to 17% in Teesdale)<sup>16</sup>. The report indicates that levels of homeworking are likely to increase in the future. Moreover, the report recommends that Wear Valley/ Teesdale should be one of two pilot locations for promoting rural homeworking by supporting local networks and hubs. Stanhope is one potential location for a hub, and the hubs could include: meeting rooms for members; broadband access; social contact areas; drop-off and pick-up points for deliveries; a venue for training providers to run outreach courses; crèche facilities; access to admin support on a pay as you go basis.
- 3.41. Homeworking can provide significant local benefits, particularly in more remote rural areas. These include: providing employment opportunities for less mobile people in remote areas (for example, those with child-minding or caring responsibilities, those without access to transport such as young people), reduced congestion, increased viability of local services, and opportunities for diversification of agricultural businesses. Availability of broadband is critical for successful homeworking.

**In-migrants have an important role to play in driving our rural economy...**

- 3.42. Recent research for One North East indicates that between a half and a third of business in rural areas are set-up by in-migrants<sup>17</sup> from elsewhere in the region or UK. These in-migrants are largely attracted to rural areas because of quality of life. The majority of in-migrants to rural north east areas have relocated from elsewhere in the region. Nonetheless, the north east under-performs the rest of the country in terms of both rates of rural in-migration and rates of rural entrepreneurship.

**The County Durham Enterprise Strategy provides a framework for addressing these issues...**

- 3.43. The recently published County Durham Enterprise Strategy sets out a framework for promoting entrepreneurship across the County. This sets out the aims, objectives and actions required for the County to achieve the ambition of a "diverse, vibrant economy experiencing year on year net growth in new businesses, and annual VAT registrations at least equalling national averages". The objectives of the Strategy are set-out in Box 3.1 below. We will promote enterprise in Wear Valley by taking the County Durham Enterprise Strategy forward, using LEGI resources to deliver activity.

**Box 3.1: The County Durham Enterprise Strategy**

The Enterprise Strategy identifies priority sectors as: High Growth Start-up, Tourism and Leisure, Knowledge-Based Industries, Retail, Community and Voluntary sector.

<sup>16</sup> Home-based working in the rural North East. One North East, March 2006.

<sup>17</sup> Creating the right conditions for attracting entrepreneurs to the rural north east. One North East, August 2006.

The Strategy identifies 3 core aims:

- **Core Aim 1:** Enterprise Culture: to inspire a culture of ambition and accomplishment through experimentation.
- **Core Aim 2:** Widespread Participation in Enterprise
- **Core Aim 3:** Enterprising Solutions: To provide enthusiastic and insightful help in transforming people's good ideas and energy into productive emergent businesses.

In order to implement these Core Aims, the Strategy identifies 10 possible actions:

- **Action 1:** Advocacy across County Durham- knowledge sharing and capacity building.
- **Action 2:** Examine the suitability of an Enterprising Public Sector Model- improving entrepreneurialism within the public sector.
- **Action 3:** Recruit local entrepreneur models, reimbursing them for their contribution.
- **Action 4:** Identify and promote role model places and communities through an "Enterprising County Durham" competition.
- **Action 5:** Development and Implement a coordinated marketing campaign which promotes self-employment as a viable opportunity.
- **Action 6:** Understand and overcome barriers for harder to reach groups.
- **Action 7:** First steps to self-employment through learning events.
- **Action 8:** Establish a network of business start-up mentors.
- **Action 9:** Provide access to a customised programme of support.
- **Action 10:** Extend and encourage the use of on-going support networks.

### **The Local Enterprise Growth Initiative...**

- 3.44. The District is one of four eligible in County Durham for the government's Local Enterprise Growth Initiative (LEGI) Funds following our recent successful £10m bid. This provides us with a fantastic opportunity to tackle the issues associated with low aspirations and low entrepreneurship. The LEGI programme is outlined in the Box below We are currently in the process of formalising delivery plans for each of the workstreams.

#### **Box 3.2: Local Enterprise Growth Initiative**

LEGI is a national initiative, aimed at improving entrepreneurship in deprived communities. As a result of our successful bid, £10m has been allocated for expenditure on relevant activities over the next three years. Subject to how we deliver these funds, and the outcomes of the Comprehensive Spending Review, further funding may be available for an extended period.

Our successful bid was based around 3 Themes and 9 inter-linked programmes:

**Theme 1: Increasing total entrepreneurial activity in deprived areas. This theme contains 3 programmes:**

- *Start-up network*- a comprehensive package of advice, grants, and loans for residents of the most deprived communities who are considering starting up a business or entering self-employment.
- *Enhancing enterprise education*; and

- *Improving access to workspace/ incubator accommodation*- including a small scale capital programme.

**Theme 2: Supporting sustainable growth and reducing the failure rate of locally-owned businesses in deprived areas.** This theme has 5 programmes:

- *Developing local clusters*- including rolling out the Derwentside Engineering Forum, and establishing clusters in sectors including retail, tourism and local foods;

- *The 50 Fastest*- supporting the 50 fastest growing business in deprived areas, and encouraging these businesses to act as mentors to support the LEGI Programme;

- *Enterprising Centres*- providing tailored business support in key centres (including Bishop Auckland), and supporting town centre employers to create opportunities for local residents;

- *Worklessness and Skills*- developing a brokerage programme to match employer needs to the economically inactive;

- *Improving access to opportunity*- ensuring residents can access employment opportunities

**Theme 3: Attracting appropriate inward investment and franchising into deprived areas**- focussing on particularly on supporting residents to capitalise on franchising opportunities.

3.45. We will promote entrepreneurship in the District by pursuing the following actions:

#### **Action: Increasing Entrepreneurship by Delivering on LEGI**

In order to increase the rate of business start-up in the District we will:

- Ensure that Wear Valley start-up businesses benefit from a comprehensive and tailored package of advice, grants, loans and aftercare support through local delivery of the regional business support programme;
- Improve access to our existing incubator and managed workspace units by offering more flexible lease terms to tenants;
- Establish a package of start-up financial support, through LEGI, to offer grants and loans of £500- £3,000 tied to business planning, marketing and other advice, including aftercare support;
- Use LEGI to extend the New Entrepreneurship Scholarship and Emerge programmes across the District.
- Encourage our fastest growing companies to act as mentors to other businesses, and to the community more widely, using LEGI resources ("the fifty fastest") as a spring-board for this;

#### **Action: Supporting Opportunities for self-employment and homeworking**

We will support opportunities for self-employment and homeworking by:

- Acting on the findings of the ADIT research to ensure that all our communities are broadband enabled;
- Establish a series of pilot “homeworking hubs” and networks in rural areas- linked to the existing incubator network- where home-based workers can come together to learn, collaborate and combine their spending power.
- In order to foster homeworking networks, we will develop an online directory of homeworkers in the District. We will liaise with One North East to see how they are proposing to take forward proposals for a regional directory of home-based workers.
- Encouraging developers to make provision for live/ work units by drawing up supplementary planning documents on home-based working and live/work housing;
- Working with major employers to encourage them to allow homeworking;
- Exploring how we can capitalise on the new community-based call centre at Coundon, by attracting further investment.
- Ensuring that suitable premises are available in suitable locations for homeworkers when the time comes for them to expand.
- Following from the recommendations of the recent One North East study, we will work with CDDC and the Area Tourism Partnership (ATP) to develop a targeted marketing campaign to showcase the advantages of locating in Wear Valley, and Weardale in particular

### **Enabling Objective A5: Marketing the district**

- 3.46. Rates of inward investment (businesses re-locating to Wear Valley from elsewhere) are low. In 2005 CDDC received 263 enquiries from businesses interested in “factory” type premises, of which just 34 (13%) expressed an interest in Wear Valley as a location. In the same year, CDDC received 173 enquiries from businesses interested in office type premises, of which only 7 (4%) expressed an interest in Wear Valley as a location. Moreover, the majority (three-quarters) of “inward” investment enquiries to the Wear Valley are from businesses already based in Wear Valley, and 91% of enquiries are from businesses located from within County Durham as a whole.
- 3.47. We can support an increase in inward investment by ensuring that the District is equipped with a suitable business infrastructure, and by being more pro-active in terms of marketing.

### **Action: Marketing the District**

In order to raise levels of inward investment coming into the District we will:

- Ensure that a proportion of the Council’s capital receipts from business land sales and from Local Authority Business Growth Initiative (LABGI) funds are ear-marked specifically for further District-specific marketing work.
- Continue to work with inward investment agencies at regional (One North East) and County (County Durham Development Company) level

to gain a better understanding of the type of enquiries that are being received, and the type of services that inward investing businesses require. We will use this information to continually review and improve our offer.

- We will also work to ensure that these agencies understand the offer we can make to potential inward investors.
- As well as raising our profile with inward investment agencies, we will continue to market ourselves to potential inward investors. We will update the marketing material we have recently produced to give interested parties a holistic picture of Wear Valley and the business, education and leisure environment we offer. We will work with CDDC to adopt a targeted approach by marketing to businesses in our priority sectors- high value manufacturing, the new energy economy and business services- and where we believe those businesses could be attracted to locate in the District, i.e. we will focus our marketing efforts on a number of our priority growth sectors.

## 4. RURAL AND VISITOR ECONOMY

- 4.1. Much of Wear Valley is rural in character. It is to the west of the former coalfield communities that the rural nature of the District is most pronounced- settlements are small and dispersed, access and local service provision are key issues, and land-based industries have traditionally been the driving force of the economy. It is this part of the District- known as Weardale- to which this section of the Strategy relates.
- 4.2. Weardale refers to the upper valley of the River Wear, including the settlements of Wolsingham, Stanhope, Frosterley, Eastgate, Westgate and St. Johns Chapel. Much of Weardale is part of the North Pennines AONB, much of it is also designated a Site of Special Scientific Interest (SSSI), and there are several ancient monuments.
- 4.3. Weardale's economy was seriously affected by a series of events in the first years of the millennium. First in 2001 was Foot and Mouth disease which rocked the farming community- traditionally Weardale's key economic driver but which had already been in decline for several years. In 2002 the Eastgate cement works closed, with the loss of almost 150 jobs, and shortly afterwards came the closure of the Wolsingham Steelworks, affecting 90 jobs. In addition, the area has suffered from similar trends as those observed in many rural areas, particularly declining population, an ageing and less economically active population, and a lack of entrepreneurial culture.
- 4.4. In response to these events, the Weardale Task Force was established, comprising Wear Valley District Council, Durham County Council, One Northeast and Lafarge as partners. This set-out a series of objectives for the area to become a "sustainable rural community". The Task Force report identifies the key challenge for Weardale as being to diversify the economy.
- 4.5. The Task Force set out a series of objectives, building on the strengths of the dale- its intrinsically beautiful and diverse landscape and attractive built environment, its local distinctiveness, its strength of community and its potential for new and traditional business development. In order to implement these objectives, the Task Force identified 7 Flagship Projects. These are:
  - The redevelopment of the Eastgate cement works;
  - The establishment of the Weardale Railway "heritage line";
  - The development of a high-spec mixed-use business park at Wolsingham;
  - The development of a tourist attraction at Harperley;
  - A rural bureau for a new and co-ordinated business support system;
  - Implementation of the Stanhope Market Town Initiative; and
  - A new broadband ICT network for the Dale.

- 4.6. Progress is being made on many of these priority projects. The Weardale Railway opened in summer 2006, as did the Harperley PoW Camp tourist attraction. Through the West Durham Rural Pathfinder, work has been produced to map the availability of broadband in the District (see previous section), and the Stanhope Market Town Initiative is underway<sup>18</sup>. Development of the business park at Wolsingham has been delayed due to planning issues, although a number of small, modern business units have been developed at the Durham Dales centre in Stanhope. Eastgate is one of the most exciting development projects in the District, and masterplanning is underway (see box 4.1).
- 4.7. It is significant that the key feature of the Task Force report is the emphasis on economic diversification. This overlaps with one of the key Strategic Objectives of the preceding section, to diversify the economy of Wear Valley as a whole. A number of the objectives and actions in this respect- promoting higher-value activity through provision of appropriate sites and premises, providing targeted business support, and adopting an active marketing strategy for example- are as applicable to the rural area as they are to the District, albeit on a different scale. However, one opportunity that is particularly strong in the rural area is the development of the visitor economy – the full range of retail, entertainment, hospitality, and other factors that contribute to a positive visitor experience.
- 4.8. There is clear potential to develop Wear Valley's visitor economy profile. Doing so can increase the sustainability and viability of rural communities, and generate wider economic impacts throughout the district. We will ensure that all tourism developments are in accord with VICE principles. The VICE model has been adopted as a model for sustainable tourism development from the national level down and identifies four beneficiaries of tourism activity: the visitor, the industry, the community and the environment. It is important that projects and activities are acceptable and/or beneficial to both the community and the environment.
- 4.9. In accord with these principles, the importance of Wear Valley's land-based industries in the management and maintenance of Weardale's high quality environment should not be underestimated. The Environmental Stewardship and Higher Level Stewardship schemes – government programmes to provide funding to farmers and other land managers who deliver effective environmental management – can also help act to diversify the economy and the environment, and contribute further to the area's attractiveness for visitors.

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<sup>18</sup> The Interim Evaluation of the Stanhope MTI notes that the programme was having a number of positive impacts, including the Mine Hot Project to improve the visitor infrastructure in Weardale.

## Transformational Objective B1: Making Eastgate Happen

### Eastgate is the key opportunity for our rural area...

- 4.10. Eastgate (see box 4.1) is an exceptional opportunity to act as a catalyst to diversify Weardale's economy. It has the potential to contribute to a step-change in the District's fortunes at a number of levels. It will provide modern, efficient and well-serviced business accommodation to attract entrepreneurs into the rural part of the District. It will significantly add to the District's visitor offer, and it will provide a more diversified housing offer in Wear Dale.

#### Box 4.1: Eastgate

Eastgate is a small village in rural Weardale, in the west of the District. For many years Eastgate was dominated by the Lafarge Cement Works. When the cement works closed in 2001, some 140 jobs were lost, significant in such a rural community.

The idea that the site of the cement works could provide an opportunity to develop a project of transformational significance for Weardale was first mooted in 2002 by the Weardale Task Force. Strong support emerged among local residents to create a renewable energy model village on the site, using energy generated on-site, that would provide homes and local jobs at the same time as creating a tourist attraction of regional or possibly greater significance.

These preliminary ideas for a renewable energy village were boosted significantly by trials which revealed that hot water, reaching temperatures of 46°C, could be found within rock structures 1000m below the surface. The presence of these hot springs creates the opportunity for a spa and other tourism attractions. Perhaps more significantly, it also raises the possibility that, by drilling deeper below the surface, the spring water will attain such a temperature that geothermal heat generation is possible.

A masterplan for the Eastgate site is now being finalised, in close collaboration with the community. It is currently envisaged that Eastgate will involve:

- At the core, a "model village" utilising only renewable energy generated on-site (including a combination of biomass, geothermal, wind, hydroelectric and solar energy). The village will contain:

- Up to 70 new homes;
- Up to 10,000 sq m of business/ industrial premises;
- A "boutique" spa hotel linked to the hot springs;
- A mix of leisure opportunities in the adjoining former quarry, including mountain-biking;

The masterplan for Eastgate is currently being finalised. Planning applications will be submitted by the end of 2007, with a planning decision expected in 2008 if it is referred to the Secretary of State for decision, rather than being determined by the local authority. If it is not called in, the planning decision could happen significantly sooner. Lafarge are committed to handing over the site to a Special



Purpose Vehicle, and a Memorandum of Understanding is being prepared in this respect.

Strong support for the proposals exists from all sectors, including the local community. Most notably, strong support exists from One North East, who have identified Eastgate as a priority project,.

Eastgate is a key opportunity, not just for Weardale but for the whole District. In particular, Eastgate provides an opportunity to cement Stanhope's role as a major service centre for the rural area, and we must ensure that synergies between Stanhope and Eastgate are maximised.

- 4.11. Further work is ongoing to refine these proposals. By pursuing the renewable energy theme, the Eastgate development has the potential to act as a catalyst for developing a renewable energy cluster in the District. Eastgate will be the first village in the UK completely powered by renewable energy will ensure that the project generates widespread interest from businesses and the public. By establishing a tourist attraction of regional significance in the Dale, Eastgate can act as the catalyst for a real transformation of Wear Valley's tourist offer and associated ancillary service industries. Furthermore, by providing a range of modern and affordable homes and high-spec sites for businesses (who will be attracted by the niche appeal of Eastgate in terms of the promotion of renewable energy), Eastgate will attract in-migrants wishing to establish high-value businesses.
- 4.12. The GREAT Institute in Easington- a partnership between Easington District Council and the University of Newcastle- is being set-up to promote and harness the economic, social and environmental benefits of geothermal energy. While the GREAT Institute's research team will be based in Easington, a major field station will be established at Eastgate to explore the potential for electricity generation. Eastgate would thus act as a *proof of concept* research base- explorations at Eastgate would generate findings which would have widespread applicability to other parts of the country where there is potential to generate electricity from geothermal energy.
- 4.13. In order to ensure that Eastgate lives up to its "green" credentials (and VICE principles), we must ensure that highways infrastructure can cope with the increased visitor numbers to the Dale, and crucially, that the proposed rail link from Eastgate to Wolsingham and beyond is delivered and. that Eastgate, does not have an adverse impact on the AONB landscape.
- 4.14. We are undertaking further work to develop the commercial and visitor elements of Eastgate. In doing so, we will recognise how Eastgate can contribute to the County's tourism priorities – the results of the County-wide segmentation research, due to be published in Autumn 2007, will also inform the development process for Eastgate. We will work closely

with the Area Tourism Partnership to develop the Eastgate proposals and ensure that Eastgate is consistent with the ATMaP<sup>19</sup>.

### **Action: Accelerating Progress on Eastgate**

It is clear that Eastgate represents a “once in a lifetime” opportunity for regenerating the District. We will accelerate progress on Eastgate by:

- Producing a clear business plan which clarifies the implementation programme, capital and revenue funding requirements and finalises the operating arrangements for the Single Purpose Vehicle.
- Working with the Area Tourism Partnership to ensure that the Eastgate project is consistent with and contributes to the ATMaP.
- Promoting active leisure more widely across the district.
- Securing the involvement of the University of Newcastle or other research partners at Eastgate to develop geothermal and other micro-generation technologies.
- Proactively market the site to boutique/spa hotel operators; this is a key anchor tenant and we must recognise that early progress is required to sustain credibility.
- Exploring how WVDC can promote Wear Valley as a sustainable location through planning policies, procurement, and other activity.

### **Enabling Objective B2: Promoting the Visitor Economy**

#### **Our natural and heritage assets offer real tourism potential...**

- 4.15. Eastgate has the potential to put Weardale on the map. For many visitors, Wear Valley’s chief attraction is Weardale’s rural scenery. Weardale falls within the North Pennines Area of Outstanding Natural Beauty (AONB). The North Pennines AONB became the first area in Britain to be awarded the status of UNESCO European and Global Geopark in June 2003. The area’s world-class geological heritage, coupled with current and planned effort for its conservation and use as a tool to support sustainable development, led to the Geopark status being conferred on the area. The status is managed by the North Pennines AONB Partnership Unit.
- 4.16. The AONB is the second largest AONB in the country. It is rich in wildlife, biodiversity and rare habitats. It contains 40% of the UK’s upland hay meadows and 30% of England’s upland heathland. The hillsides around Killhope are one of England’s last refuges for the red squirrel; birdwatchers in Weardale can hope to see a number of rare species, including black grouse, lapwings and skylarks. The district also offers many opportunities for walking and cycling, criss-crossed by paths and tracks and with the national Coast to Coast (C2C) cycle route passing through on its route from Whitehaven in Cumbria to Sunderland.

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<sup>19</sup> The Area Tourism Partnership has developed a set of criteria that the County’s proposed visitor economy projects should fulfil if they wish to be viewed positively by funders (ATMaP criteria). The criteria relate to how the project will contribute to the County’s and region’s economy, its viability, sustainability, deliverability and value for money. ATMaP criteria approval does not guarantee that a project will be funded, but is the first step in securing One North East investment.

4.17. Alongside its rural beauty, Weardale also has a diverse mix of visitor attractions, including:

- Harperley POW Camp, one of the best surviving examples of a second world war prisoner of war camp;
- Weardale Railway, an early branch of the famous Stockton & Darlington Railway, which reopened in summer 2006 to take passengers between Wolsingham and Stanhope. The railway will be managed by a board of eight directors, including representatives from the County and District Councils, the Weardale Railway Trust, and Ealing Community Transport, which has a 75% share in the new company.
- The award-winning Killhope Lead Mining Museum, located at the top of the Dale, received 23,000 visitors in 2005.
- Nature reserves and open spaces including Low Barns Nature Reserve.

4.18. The Tourist Information Centre in Stanhope (Durham Dales Centre) received 115,000 visitors in 2005.

**...Although we do not enjoy a high visitor profile...**

4.19. Despite its considerable natural assets, opportunities for outdoor activities such as walking and cycling, and its abundant wildlife and biodiversity, Weardale does not enjoy a high profile as a visitor destination. Limited knowledge of its natural assets can be attributed in part to the strength of competing destinations. Weardale – and the North Pennines AONB within which much of the dale sits – lies within 50 miles of four national parks: the Lake District, the Yorkshire Dales, the North Yorks Moors and Northumberland- all of which have greater brand awareness.

4.20. Weardale's attractions are not major tourist draws in either a national or regional context. None featured in the top-10 most visited paid for or free attractions in the North East in 2005. Wear Valley received 2.3m visitor days in 2006 (11% of the County's 20.3m). The majority of visitors are day-visitors, with only 9 per cent of visitors to the District staying overnight (compared to 8% overall in the County). The District also appeals to an older and more local clientele than many areas.

4.21. Tourists spent some £69m in Wear Valley in 2006, amounting to total revenue of £30 per tourist per day, equivalent to the County average,. The number of jobs supported by the visitor economy has remained stable over recent years – 1,519 jobs were supported in 2004, 1,457 in 2005 and 1,521 in 2006. The sector thus provides jobs for 6% of Wear Valley's employment (the equivalent figure for the County is 5.7%).

**...and provision of tourist services is consequently low...**

4.22. At present, Weardale's ancillary tourist services operate at a similar level to its visitor attractions. Because demand is limited, they are not fully

geared up to cope with greater tourist numbers or of high enough quality to encourage more demand. Weardale's food and drink offer is limited, lacking the numbers and general quality found in more prominent tourist areas. The dale also lacks picnic sites, campsites and areas to park touring caravans, despite a number of static caravan sites. In visitor accommodation, the district has no high quality hotels, and limited provision for niche or specialist visitor markets which tend to attract higher spending visitors. Limited capacity within existing accommodation providers also means that there is limited scope to accommodate group travel in Weardale. Within the summer months, there are 2,099 bedspaces in Wear Valley (compared to 13,790 in total in the County)<sup>20</sup>.

- 4.23. The Eastgate development (see box 4.1) offers an exciting opportunity to put Wear Valley on the tourist map. Once opened, it has the potential to be the central feature of Wear Valley's tourist offer and a nationally important 'destination' attraction. Eastgate can act as a catalyst for wider tourism development in Wear Valley, generating significant extra demand at nearby tourist attractions and in ancillary tourist services. Among existing attractions, Weardale Railway and Killhope Lead Mining Museum are best placed to gain from Eastgate. However, we must ensure that Eastgate is complementary to, rather than competing with, existing attractions. We are working closely with existing attractions and businesses to mitigate these risks.

### **We are marketing the Durham Dales brand...**

- 4.24. We are already making a concerted effort to raise Weardale's visitor profile through the Durham Dales marketing campaign. Running since March 2006, the campaign covers Wear Valley and the neighbouring districts of Derwentside and Teesdale. It recognises the need to promote tourism in rural Durham as a whole and to link these three areas to a better known 'brand', Durham. Initial responses to the campaign have been positive, with 47% of readers of the Durham Dales Visitor Guide reporting that they had been attracted to the guide by its brand name.
- 4.25. Currently, the campaign features Wear Valley more prominently than either Derwentside or Teesdale, although a number of key attractions in Teesdale- such as Raby Castle and the Bowes Museum- are now coming on board.
- 4.26. At County level, work is underway to develop a marketing and branding strategy for the whole of Durham. The County brand is being designed to align with the wider One North East marketing and branding which has been operational for several years. We will need to work closely with the ATP to ensure that the marketing of Durham Dales fits with and aligns with the County marketing strategy – as our Durham Dales marketing reflects and aligns with the One Northeast Passionate People campaign.

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<sup>20</sup> Only 545 of Wear Valley's bedspaces (26%) are serviced (i.e. hotels or B&B's), compared to 5070 (37%) in the County as a whole).

### **Action: Developing a clear segmentation strategy and recognisable brand**

We will continue the positive momentum behind the Durham Dales marketing brand, while recognising the ongoing work to develop a marketing and branding strategy for the County. We also need to make a clearer recognition of the specific visitor markets that are likely to be attracted to the district, and to ensure that provision is targeted at and caters for these market segments. We will

- Work closely with the Area Tourism Partnership to consider the implications of the County Segmentation Strategy – and use this as the basis to develop a more client focussed approach to the visitor economy that recognises the specific needs of our key visitor groups. We must also work closely with our existing tourism businesses, through our existing networks, to ensure that they understand this approach.
- Work closely with the Area Tourism Partnership as it develops, over the near to medium term, a marketing strategy for the County, to ensure that the marketing of the Durham Dales brand fits and aligns with the County marketing strategy.
- Encourage tourism businesses to engage with the Durham Dales brand and emerging County brand by promoting and rolling-out the activity of the Weardale Visitor network.
- Working with the Area Tourism Partnership, neighbouring local authorities in Durham and across the border in Cumbria and Northumberland, Durham County Council and the AONB partnership to ensure that our marketing strategy is presented consistently and clearly at all levels.

### **Action: Developing Visitor Services**

We recognise that Wear Valley's ancillary services need to improve, both to cater for and to stimulate, increased visitor demand. Better food and drink provision, in pubs and hotels, restaurants, cafés and tea-shops will generate higher revenues from tourism and support new jobs and economic growth, as will greater numbers of bedspaces.

In order to support the development of visitor services in Weardale, we will:

- Continue to work with the Weardale Visitor Network to encourage visitor attractions and facilities to engage with regional and sub-regional programmes which promote quality. We will in particular work to ensure that our visitor economy businesses are aware of the opportunities for business support offered by the ATP, and of the importance of achieving quality accreditation. We will also work with existing businesses to promote training opportunities such as *Welcome Host* and *Know Your North Pennines*.
- Continue our work to promote the opportunities for farm diversification and other tourism opportunities that relate to the high-quality environment - especially the opportunities that the Environmental Stewardship and Higher Level Stewardship schemes provide as a

means for the agricultural sector to maintain and promote that high quality environment.

- Work with the County's emerging Group Travel working group to consider how we can address the needs of larger staying groups.
- Consider the scope to establish a single investment package for smaller scale interventions to improve the tourism offer. This investment package could be used to fund interventions such as new picnic sites and tables, information boards and view-points at roadside pull-ins. There is also scope to make provision for small-scale improvements to walking routes, cycle paths etc.
- Work with One Northeast, the ATP and the AONB Partnership to encourage tourism businesses to join the Green Tourism Business Scheme.

## 5. LEARNING, SKILLS AND EMPLOYMENT

- 5.1. This Section addresses the inter-linked issues of employability (worklessness), skills levels, educational attainment, and aspiration. Improving rates of employability will provide a lift for residents who are currently inactive. Addressing skills issues among the adult population, and the quality of our secondary and further education provision, will form key elements in our drive to address employability.

### **Transformational Objective C1: Improving Secondary Education**

#### **Secondary school attainment is improving...**

- 5.2. As the Local Education Authority, Durham County Council is a key partner in all actions to improve education throughout the district. However, it must also be recognised that it is only through partnership between schools and colleges, pupils, parents and businesses, and Durham County Council, that we will make real and sustained improvement in educational attainment in the district.
- 5.3. Educational attainment in the District is improving. In 2006, 60% of Wear Valley pupils achieved 5 GCSEs at grades A\*-C, compared to 56.6% for Durham, 57.4% for the North East, and 59.2% for England. This represents significant improvement on previous years, and we must ensure that this positive trend continues.
- 5.4. At Key Stage 2 (age 11) however, the District underperforms County and regional standards for English and maths. For English, 74% of Wear Valley pupils reached the required standard in 2006, compared to 79% in County Durham, 78% in the north east and 79% nationally. For maths, 76% of Wear Valley pupils achieved the required standard, equal to the national average but below the figures for County Durham (79%) and the north east (77%).
- 5.5. Thus despite some positive signs of improving education attainment, there is still much to do. Improving the performance of our schools is essential for the future well-being and prosperity of our population, and also to ensure that we continue to attract in-migrants who want to set-up and grow businesses in the District.
- 5.6. There are 5 secondary schools in the District<sup>21</sup>:
- Bishop Barrington in Bishop Auckland- 702 pupils, of which 155 aged 15, 55% achieving Level 2 (5 or more GCSEs at grades A-C) in 2006, up from 50% in 2005. In 2006 there were 147 applications for 158 places.
  - King James I Community Arts College in Bishop Auckland- 723 pupils, of which 137 aged 15, 68% achieving L2 in 2005, up from 55% in 2005. In 2006 there were 105 applications for 161 places.

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<sup>21</sup> Source: DFES 2007

- Parkside Comprehensive in Crook- 856 pupils, of which 178 aged 15, 45% achieving L2 (up from 40% in 2005). In 2006 there were 145 applications for 180 places.
- St Johns Comprehensive and 6<sup>th</sup>-Form College in Bishop Auckland and- 1317 pupils, of which 200 aged 15, 71% achieving L2 in 2006, up from 55% in 2005. In 2006 there were 242 applications for 209 places.
- Wolsingham School and Community College in Wolsingham- 779 pupils, of which 150 aged 15, 61% achieving L2 in 2006, up from 43% in 2005. In 2006 there were 130 applications for 150 places.

### **We are Building Schools for the Future...**

- 5.7. A number of our secondary schools have begun to demonstrate real progress in improving results over recent years. The Building Schools for the Future (BSF) Programme will provide an opportunity to build on this progress. The BSF Programme is a Government Initiative to transform secondary education through renewing or refurbishing schools over the next 10-15 years. 50% of the nation's secondary schools will be rebuilt, 35% refurbished and the remaining 15% improved.
- 5.8. West Durham's schools will be prioritised during waves 7-9, post 2012. The BSF Programme will thus provide an ideal opportunity to consider how new and refurbished schools can better serve areas of housing growth in the District, and how the District's education offer can provide a greater range of choice and quality to pupils.

#### **Action: Capitalising on the Building Schools for the Future Programme**

Working with Durham County Council, we will use the BSF Programme as an opportunity to review secondary school provision in the District, ensuring on the one hand that areas of housing growth are adequately served (addressing issues of population growth), and on the other that our schools have the modern premises needed to deliver a high-quality offer.

#### **Improving engagement and educational quality**

- 5.9. Although the BSF Programme will substantially improve the quality of our schools' physical infrastructure, we must recognise that a capital programme may not in itself have a transformational impact on the quality of education in the District. The quality of teaching, and the engagement and aspirations of young people are equally (if not more) important. The role that parents play in ensuring the engagement of the children in learning is crucial.



### **Action: Improving educational quality and engagement**

Recognising that low aspirations are a key barrier to improved educational attainment, we will explicitly encourage initiatives that support those who live and work in the District to become involved in educational provision. In particular, we will encourage our schools to engage parents directly through open days and after school clubs. We will also consider how we can better tap into the regional Aspire programme and other raising aspirations programmes as a source of funding.

Leadership is critical- all high performing schools have high quality leaders. We will work closely with Durham County Council to recruit high quality head teachers to work in our schools when vacancies arise, and ensure that appropriate resources are earmarked for this. We will also work with Durham County Council to consider how we might develop a marketing strategy to recruit high quality teachers, and offer appropriately attractive packages.

We will promote enterprise in education by:

- Encouraging schools to participate in the Northern Way Education Programme.
- Using LEGI resources to support the implementation of proposals put forward under the County Durham Enterprise Strategy, including: supporting schools to develop new curriculum learning materials; extending the network of Enterprise Advisors to help secondary schools collaborate more effectively; and developing new programmes to raise awareness of the knowledge economy in deprived areas with NetPark, Durham University and others.

### **Action: Modernising delivery of secondary education**

In order to support schools in delivering a modern curriculum to meet the needs of our employers, we will:

- Support schools in introducing new vocational diplomas
- Support schools to build links with FE providers to improve access to vocational courses
- Work with schools to raise aspirations and participation at Key Stage 2.

## **Transformational Objective C2: Improving Post-16 Education**

5.10. There are 3 6<sup>th</sup> form colleges in the District in addition to Bishop Auckland College<sup>22</sup>:

- Bishop Auckland College has 1081 students aged 16-18;

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<sup>22</sup> DFES, 2007

- King James I Community Arts College, with 101 students aged 16-18;
- St. Johns RCVA Technology School, with 243 students aged 16-18;
- Wolsingham School and Community College, with 108 students aged 16-18.

5.11. Bishop Auckland College is being re-built, and is due to open in September 2007. The re-building, the most significant single investment in learning in Wear Valley for over 50 years, provides a fantastic opportunity to inspire Wear Valley people, young and old, to become engaged in some form of further education. It will enable the college to increase the quality of service it offers and provide inspiration to the whole community.

5.12. Bishop Auckland College's offer is focussed principally on vocational learning routes. It has a wide catchment in this respect, and offers a wide range of vocational provision designed to meet the needs of local employers. There are designated CoVE's (Centres of Vocational Excellence), in Childcare and Health and Social Care with the College being the lead organisation in Regional Partnerships. The College is anticipating growth in many areas of its provision, including Art and Design, Music and Performance Arts, IT, Business, Retail and Commercial Enterprise, Technology, Leisure, Travel and Tourism. Foundation Degrees are offered in several areas, including engineering. The College has put significant investment into Services for Business, and is offering through the Train to Gain programme opportunities to local and regional businesses.

5.13. The non-vocational offer (particularly A' Levels) provided in the District is more limited, partly because of the absence of any economies of scale that our existing providers have individually. As a result, many of our residents who wish to follow a non-vocational route travel outside the District (principally to Queen Elizabeth VI Form College in Darlington) to study. However, we also need to recognise that the fact that many students arrive at the College with only Foundation Level (Level 1) skills does impact on the nature of the offer, and addressing this requires long-term action to improve education at pre-16.

#### **Action: Enhancing post-16 Provision**

We will consider how we can bring together Bishop Auckland College and some or all of Wear Valley's 6<sup>th</sup> Form provision to enhance both the vocational and non-vocational offer and increase demand for a much wider range of courses. We will work with the LSC, LEA and other partners to consider how a more diverse offer can be made by bringing together provision across existing providers, creating a campus style environment within Bishop Auckland, and encouraging greater collaboration between the college and employers. The Building Schools for the Future Programme provides an opportunity for us to achieve this vision, but we must set this in motion as early as possible through initial discussions and consensus building.

We need to work with the College in order to ensure that it cements its position as one of the leading Colleges in the North East. Building on its current development, Bishop Auckland College will drive post-16 and adult learning in the District. In particular:

- We must build on the work of the College's Curriculum Development Group to widen the range of vocational courses and Foundation Degrees delivered at the College. Where possible we will assist the College by using our contacts to broker support and further engagement from the private sector, ensuring that provision meets their needs.
- We will work with the College and Durham University to enhance linkages between the two institutions, in terms of careers events, guest lectures, study tours for example.
- We will adopt a strategic influencing role to encourage partners to understand the barriers that exist to developing robust post-16 education. For example, students who have both parents claiming benefits may find that some benefits are cut if their child begins an apprenticeship. We also need to fully understand the implications of the cessation of subsidised travel for students, and explore whether this is creating a mismatch between the courses that people want to undertake and access to those courses.
- We will support the College in its drive to expand. We need to work with the college and key partners to argue against funding cuts, and explore alternative funding sources.

### **Enabling Objective C3: Improving access to the labour market**

#### **Rates of worklessness are high...**

- 5.14. The District is characterised by fairly high levels of economic inactivity, low aspirations and a culture of dependency. This is particularly the case in and around the smaller settlements in the east of the District, such as Coundon, Willington, Crook and Tow Law, as well as parts of Bishop Auckland. A number of high profile factory closures, and declines in traditional mining and manufacturing industries are a major cause of this.
- 5.15. Across the District as a whole, 2.9% of the population claim Job Seekers Allowance- higher than the County average of 2.1% and the national average of 2.3%. The District's unemployment rate is 9.5%, above the County Durham average of 6.5% and the North East average of 7%<sup>23</sup>.

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<sup>23</sup> Source: ONS (2007) The "**unemployment rate**" (the proportion of the economically active population who are unemployed) is measured by the Labour Force Survey (LFS). The LFS is a sample survey of people living in private households, students' halls of residence and NHS accommodation. The survey asks a series of questions about respondents' personal circumstances and their activity in the labour market. The **claimant count**, is based on the administrative records of people claiming Jobseeker's Allowance (JSA) and National Insurance (NI) credits.

There is a large degree of overlap between the claimant count and unemployment although the latter figures are generally higher. People who are not claimants can appear among the unemployed if they are not entitled to unemployment related benefits. For example: people whose partner is working; young people under 18 who are looking for work but do not take up the offer of a Youth Training

- 5.16. Despite a fall in the proportion of residents claiming Incapacity Benefit since 2001, IB rates are still higher than national and regional averages- around 4,600 of our 36,600 working age residents were claiming Incapacity Benefit (of whom 500 were claiming Severe Disablement Allowance) in early 2007.
- 5.17. Moreover, there are significant discrepancies between different parts of the District- in terms of the employment rate, for example, the difference between the lowest performing neighbourhoods and the Wear Valley average rate is 28%.

**But significant work is underway to address this...**

- 5.18. Substantial activity is already underway or in the pipeline to tackle employability. The Action Team for Jobs (a national initiative which ran in Wear Valley from 2004-6) explored a range of activity including: job grants given to long-term unemployed who started in employment; job brokerage services such as Shaw Trust; a mobile unit to raise employment awareness at 23 outreach sites; and the innovative GP project, which provided job advice to Incapacity Benefit Claimants.
- 5.19. What became clear is that the Action Team work is only just scratching the surface of a deeply ingrained problem. A number of initiatives are now being rolled out:
- Through Pathways to Work- a Government programme to support new and repeat Incapacity Benefit claimants back into work- we will be offering a return to work bonus of £40/ week for those that have been on IB for 13 weeks or more.
  - The GP partnership, instigated by Action Team, is also being rolled-out through Pathways.
  - 80% of our Neighbourhood Renewal Funds (which total £2.6m each year until 2008) have been ear-marked for employability activity. NRF-funded activity until 2008 includes: the Action Team Outreach Bus; training initiatives and client support in terms of CV assistance; supporting local employers to take on more staff; a Bizz Fizz Programme which supports entrepreneurship in deprived communities; and some funding for infrastructure improvements, including new build and improvement of business units.
  - An Intermediate Labour Market Programme is being run by Groundwork.
  - The Wheels to Work Programme, supported by Durham County Council, provides a motorbike hire facility for young adults in rural areas who need to access work or college, and has increased young

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place; students looking for part-time work or vacation work; or people who have left their job voluntarily.

peoples' mobility in a flexible way not possible by public transport alone.

- Further opportunities to roll-out these and other programmes will emerge through the successful LEGI bid.

**And there is significant impetus at national and regional levels...**

- 5.20. Government policy has given increasing emphasis to tackling worklessness as a mechanism to boost economic competitiveness and reduce poverty, through both the *New Deal for Welfare Green Paper and Bill* and the subsequent *Freud Review of Benefit Dependency* in March 2007. These policies are to reduce the number of Incapacity Benefit claimants, extend support to lone parents into work and assist older adults to extend their working life, and seek to:
- deliver a more coordinated and integrated programme of employment, skills and health support for those seeking to return to the labour market
  - strengthen the involvement of private and voluntary sector providers in the delivery of employment support programmes and in engaging with 'hard to reach' groups.
- 5.21. The economic impact of worklessness was highlighted in the *Northern Way Growth Strategy*, also published in 2004. This suggested that low rates of participation in the labour market contributed around £4bn to the £30bn output gap between the North and the rest of England, and proposed to bring 100,000 people on Incapacity Benefit living in the North back into the labour market by 2014.
- 5.22. The link between low rates of economic participation and low skills levels is also a fundamental plank of *Lord Leitch's Review of Skills*, published in December 2006. Leitch advocates a more *integrated* system of employment and skills support which is driven by the needs of employers, and proposes the creation of a UK Commission for Employment and Skills, which will, among other things, develop a network of employer led Employment and Skills Boards (ESBs), building on current models, to influence delivery at City Regional or local level and to create opportunities for joint commissioning and better use of existing resources.
- 5.23. Leitch envisages that ESB's will scrutinise local services and identify how skills and employment support can be better integrated.
- 5.24. The Government published '*World Class Skills*<sup>24</sup>' – its response to the Leitch Review – following the publication of SNR. The Implementation Plan sets out the Government's commitment to significantly increasing investment in employer-focused training programmes. Public investment in Train to Gain will more than double from £440 million in 2007/8 to over

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<sup>24</sup> World Class Skills: Implementing the Leitch Review of Skills in England. Department for Universities, Innovation and Skills 2007

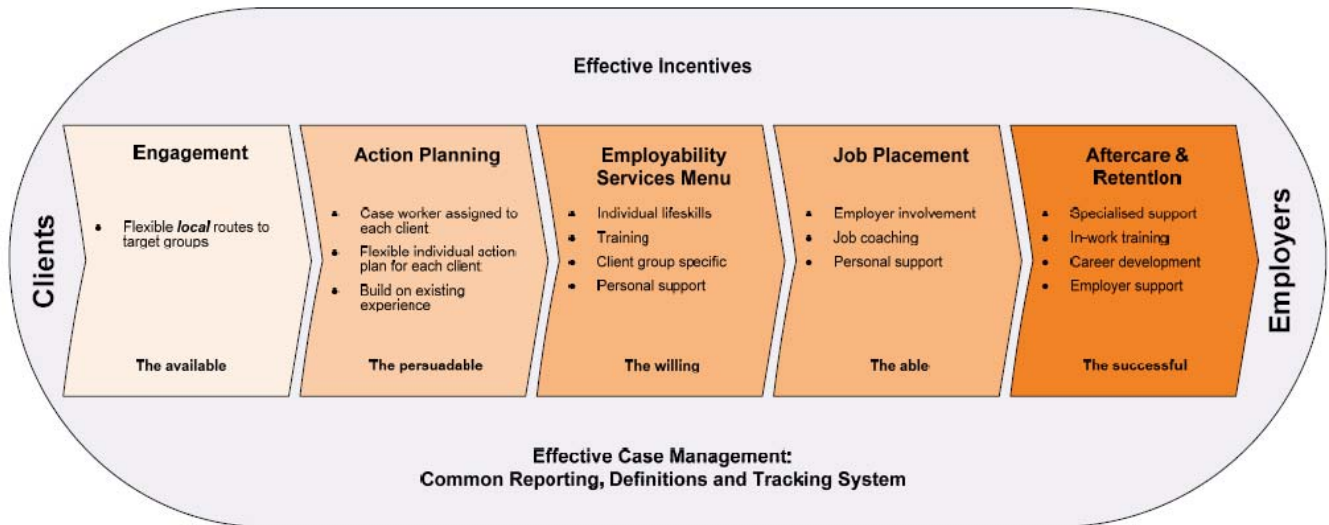
£900 million by 2010/11 – and the principle of demand-led funding will be extended across the employment and skills system.

- 5.25. At regional level, One NorthEast and its partners have developed the *Regional Employability Framework* (REF)<sup>25</sup> to take forward RES commitments to reduce worklessness and increase participation in economic activity.
- 5.26. The REF sets out a series of principles and operational agreements agreed between funders, employers and delivery agencies which will enable the north east to increase employment by 80,000 over ten years and reduce the numbers on benefits. The REF showed that
- significant sums – up to £170 million - are already being spent on employability programmes by a wide range of local organisations but that little of this activity is 'joined up'
  - existing programmes are supply-driven and focused on the individual, rather than on the needs of employers or securing sustainable employment; most of the organisations delivering support in this area secured sustainable employment for significantly less than 50% of their clients.
- 5.27. The REF aims to create a strategic commitment to joint action to drive up the Region's performance in boosting economic participation and securing sustainable employment and progression in work. It identifies some key principles to which future employability programmes should adhere:
- a new joint procurement and commissioning approach to drive up performance;
  - simplifying and coordinating current practice;
  - aligning funding in relation to common outputs and outcomes;
  - placing more emphasis on client engagement; and
  - common definitions of key outputs and outcomes and share information across agencies.
- 5.28. The REF also identifies an 'Employability Service Model' which identifies the key stages in the process of moving from inactivity to sustained employment and which it proposes should be adopted by the key funding and delivery partners across the Region:

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<sup>25</sup> Regional Employability Framework. Report by Rocket Science for One Northeast, 2006.

## Employability Service Model



### Action: Joining-up employment and skills activity...

Despite the extent of current activity to address employability, there are a number of challenges. Neighbourhood Renewal Funding will cease in 2008, and it is not yet clear what funds will be available from other sources.

- We need a mechanism for mapping current activity and evaluating the impacts of this in a holistic way.
- We need to make better use of our existing resources and explore how JC+, the LSC, voluntary and community sector and other partners can work together more effectively.
- We need to ensure that these partners work more closely to address the needs of key client groups - including the long-term unemployed and those on Incapacity Benefit – through co-commissioning and better coordination of activity on the ground.

In response to the findings of the Leitch Review and Sub-National Review, an Employment and Skills Board (ESB) has been established in the Tyne and Wear City region to coordinate employment and skills activity, with a particular focus on bringing the workless back into employment. It seems likely that a similar ESB is likely to be instigated within the Tees Valley.

- Recognising the connectivity of our labour market with that of the Tees Valley, we will establish links with the Tees Valley ESB, with a view to ensuring that Wear Valley needs and issues are addressed through the ESB.

In the longer-term, it is possible that an Employment and Skills Board may be set-up in County Durham. We will need to engage with this at an early stage to ensure that Wear Valley needs are met.

### **Action: Developing the role of the public sector in improving employability**

The Council, and other key public sector partners, have a key role to play in addressing employability by explicitly targeting particular posts at those out of work. The role of the public sector as an employer of particular target groups is gaining popularity across the country<sup>26</sup>, and we have an opportunity to be at the forefront of this movement.

- We will develop a programme to target particular jobs within the Council at those who are long-term unemployed or returning to the labour market.
- We will work closely with JC+ to communicate which vacancies the Council has that would be suitable for the target groups, and JC+ will act as broker to feed appropriate clients to the Council to become employees.
- We will use our strategic influencing role to encourage other public sector partners (such as Durham County Council and the College) to join the programme, and explore the opportunity to establish a recruitment agency for public sector posts.
- We will also explore scope for an ILM Programme focused on those with long-term support needs.

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<sup>26</sup> For example, Lancashire County Council has been able to save several hundred thousand pounds in fees to temping agencies by targeting temporary jobs at residents who are not currently in the labour market.



## 6. PROMOTING POPULATION GROWTH

- 6.1. A critical challenge for the District is to reverse the trend of population decline that has been observed over recent years. In particular, we need to encourage more young people, and those with higher-level skills, to remain within, or locate in, Wear Valley.
- 6.2. Our overall objective is to build on the recent modest population increase to achieve sustainable growth to 67,000 by 2021, with a balanced programme of housing and employment growth combining with this.
- 6.3. Increasing our population, particularly the proportion of young and more highly-skilled, will bring a number of benefits:
  - It will contribute towards greater vibrancy in our settlements, and improve the viability of key services.
  - It will create multiplier impacts- a higher demand for services which are provided in the local area. For every 1,000 new residents, 100-150 jobs are created in retail and other service sector occupations. Research for a recent One North East study reports also that, in rural areas, between 1.9- 2.4 gross full-time jobs are created for every self-employed in-migrant to an area.
  - By increasing the labour pool, economic activity in the District will increase. This increased labour market pool will contribute to tackling the skills shortages that exist in the District. Indeed, it is likely that, in the near term, a number of the skills gaps that exist cannot be filled by local residents. Addressing skills gaps will in turn help to attract more businesses to locate in Wear Valley, creating a self-re-enforcing effect.

### **Transformational Objective D1: Increase the Population Base**

#### **The District's population is increasing again...**

- 6.4. The population of the District declined from 64,000 in the early 1980s to 61,000 in 2002. Since 2002, the population has increased slightly to 62,100 in 2005<sup>27</sup>. ONS 2004 based projections anticipate that a demographic renaissance will take place in the County over the period 2004-2021 with population growth of 2.9%<sup>28</sup>. This would imply population growth to 63,800 by 2021 in Wear Valley, although our approach seeks a higher rate of growth to support a sustainable future for the district.

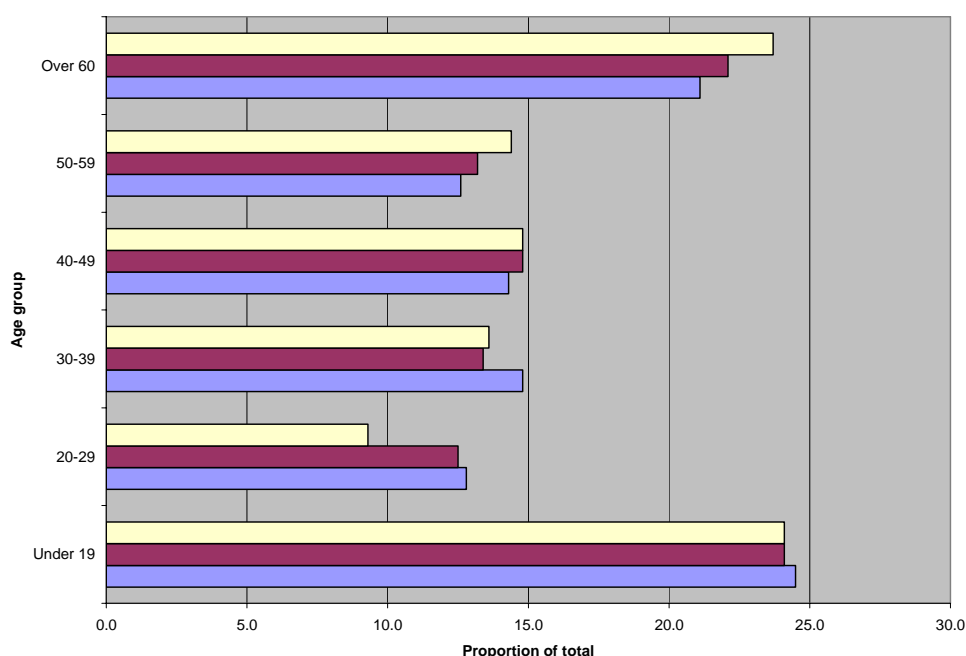
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<sup>27</sup> Data is from NOMIS (annual population surveys) and ONS population projections.

<sup>28</sup> Importantly, the housing targets provided in the Panel Report to the Regional Spatial Strategy are predicated on an assumption that County Durham population growth will be just 0.1% over the RSS period.

## Young people are under-represented...

- 6.5. The population decline is due largely to higher rates of out-migration. Figures from the 2001 census suggest that while 463 households moved into Wear Valley from elsewhere in the previous year, 513 households moved out of Wear Valley. Households where the household reference person (HRP) was aged under 35 years accounted for 37% of in-migrants but 40% of out-migrants, implying that more people of working age are moving out of the District.
- 6.6. According to census figures, although the District has an average proportion of its population in the 0-19 age group, it has a much lower proportion of its population in the 20-29 age group (see figure below) compared to regional and national averages. In contrast, the District has a greater proportion of its population over 50 than the regional and national profile, implying that labour market/ skills issues may become worse in the future.



## Skills shortages are more pronounced in Wear Valley than elsewhere in the region and County...

- 6.7. According to the 2003 LSC National Employers Skill Survey, County Durham has a slightly higher number of vacancies as a proportion of employment (3.4%) than the national average (3.1%), while the skills gap as a proportion of employment (11%) is in line with the national average (10.9%).
- 6.8. Census statistics from 2001 suggest that Wear Valley's population is less highly skilled than either the North East region or England as a whole. Some 39.8% of people aged 16-74 in Wear Valley have no qualifications, above the regional average of 34.7% and significantly higher than the level across England of 28.9%. The District also has notably lower than

average numbers of people with level 3 (2 or more A levels or NVQ3) or level 4 (degree or higher) qualifications, at 5.4% and 13%, compared to English averages of 8.3% and 19.9% respectively.

- 6.9. The Wear Valley Skills Gap Study (2005) found evidence of particular shortages in adult basic skills and various specialist skills.

**The role of migrant workers in the Wear Valley economy is increasing...**

- 6.10. As in other parts of the country, in-migrant workers are playing an increasingly important role in our economy. Across the northeast as a whole, the proportion of international migrants registering for National Insurance has doubled between 2001 and 2005. In Wear Valley, 95 in-migrants registered for the Workers Registration Scheme between May 2004 and February 2006, and 90 in-migrants registered for National Insurance during the whole of 2006. Both these sources are likely to underestimate actual numbers of in-migrants, and anecdotally, several of our larger businesses are employing significant numbers of in-migrants to support their operations.

- 6.11. Recent research for IIPR North shows that in-migrants can make a significant contribution to raising productivity throughout the northeast, as they occupy 'hard-to-fill' vacancies at both ends of the skills spectrum, particularly in sectors including health and social care, hotels and catering, and manufacturing<sup>29</sup>. Research from the University of Newcastle also reports that employers are highly satisfied with the performance and commitment of workers from the eastern European accession states<sup>30</sup>. However, there is a complex picture of the role of migrants in the northeast economy:

- Some groups are doing better than others when it comes to integration into the regional labour market – only 60% of non-EU born migrants are in employment, while EU born migrants have an employment rate that matches that of the British-Isles born population (69%)
- There are also clear patterns in respect to the type of work that migrants from different parts of the world occupy – the majority of EU migrants occupy low-skilled, low-waged occupations, with only 11% occupying higher managerial/ professional jobs. However, among non-EU migrants, 24% work in managerial/ professional occupations.

- 6.12. Furthermore, most national-level analyses of the empirical effects of immigration on labour markets have demonstrated that the impact of immigration on wages and employment prospects is minimal. The 'lump-of-labour' argument, which implies that there is a fixed number of jobs in

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<sup>29</sup> Pillai, R. (2006) Destination North East? Harnessing the regional potential of migration. Institute for Public Policy Research.

<sup>30</sup> Stenning et al (2006) Assessing the local impacts of international migration. Centre for Urban and Regional Development, University of Newcastle.

the economy and that migrants displace locals in the labour market, is widely discredited by economists and being too simplistic.

## **Actions**

- 6.13. We must recognise the role that in-migrant labour can play in raising the productivity of our economy. We should work to increase the attractiveness of Wear Valley as a location for in-migrants, and ensure that appropriate integration and cohesion facilities are made available to in-migrants and their families.

### **Action: Facilitating the role of migrants in the Wear Valley economy**

Recognising the role that in-migrants can play in our economy and capitalising on this requires action on several fronts:

- **Increasing the demand for in-migrant labour:** We should work with local employers to help them understand the role that in-migrant labour could play in their business, and sign-posting them to appropriate agency support.
- **Attracting and retaining skilled migrants:** We will work closely with regional agencies to lobby for the establishment of a new talent retention scheme in the region. Such a scheme could for example make it easier for overseas students to remain in the region following graduation.
- **Better support for migrant entrepreneurs:** nationally, research indicates that migrants can be highly entrepreneurial, but experience significant barriers to business start-up due to difficulties in navigating the business support system. We will use some of our LEGI resources to understand the specific barriers that migrants experience in this respect, and to explore ways in which these barriers can be addressed.
- **Promoting integration:** As IPPR state: 'positive integration outcomes can be seen as the glue social glue that holds together a community and local economy, promoting both social inclusion and labour market participation. As such, efforts towards integration should be seen as an important part of any regional attempt to attract and retain migrants and to improve equality of opportunity.' Promoting integration should include: 1) Greater provision of English language training provision, including ensuring that ESOL courses are well publicised and are made available at times and locations suitable to in-migrants, and integrating ESOL provision more comprehensively into the Basic Skills Agenda. 2) Closer working with private sector agencies which deal with in-migrants, to ensure that in-migrants are signposted to training and other welfare services that they require (such as access to hospitals and schools).

## Enabling Objective D2: Re-vitalise our housing market

- 6.14. Our housing market is increasingly buoyant, particularly in parts of Bishop Auckland and rural Wear Valley. Some of the district's communities show evidence of housing market failure- reflected by low demand, empty homes, and associated anti-social behaviour. A key priority for the district must be to help turn round these areas, partly through stock improvement so meet the Decent Homes standard, and in some cases through more comprehensive restructuring of local housing markets.

### **Housing type and tenure varies...**

- 6.15. Housing in Wear Valley is characterised by a significantly higher proportion of terraced housing (49% of total stock) than either in the North East (32%) or England (26%). Some 45% of housing stock in Wear Valley is either detached or semi-detached, against 54% in both the North East and England overall. Flats and apartments account for less than 6% of total housing stock in the district, compared to 14% in the North East and nearly 20% across England<sup>31</sup>.
- 6.16. In terms of tenure, home ownership averages at 62%. This masks significant variation however- ownership stands at 87.5% in Cockton Hill but only 29.5% in Dene Valley. Woodhouse Close, Coundon, Escomb and Tow Law have below average home ownership.

### **Housing affordability is becoming an issue...**

- 6.17. House prices in Wear Valley remain below the average for County Durham, the North East and England. Between 2001 and 2005, however, this gap narrowed slightly. During this period, house prices in Wear Valley increased by 111% (from £43,000 to £90,000) - greater than the 98% increase observed in Durham County (from £48,000 to £95,000), the North East (97%- from £55,000 to £108,000), and England (74%- from £92,000 to £160,000). Research published by the Halifax in November 2006 indicates that Stanhope had a higher rate of house price increase over the previous 5 years than any other market town in England<sup>32</sup>.
- 6.18. The ratio of house prices to earnings has increased faster in Wear Valley than in County Durham. In 2005, average house prices in Wear Valley, were 5.5 times higher than wages, while across County Durham, the house price ratio remains just below 5.
- 6.19. Affordability of housing is likely to become a particular issue in the more rural west of the district as demand increases in these areas. Indeed, across England, house prices are on average 6.7 times average annual earnings in rural areas, compared to 5.6 times higher in urban areas.

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<sup>31</sup> Source of housing data is: Coalfields Settlement Study (May 2005) by Jacobs Babbie for English Partnerships and Durham Coalfield Community Partnership.

<sup>32</sup> Source for house price data is Land Registry Office; earnings data is from NOMIS (Annual Survey of Hours and Earnings)

## The scope for increasing housing supply is limited...

- 6.20. The Submission Draft Regional Spatial Strategy for the region provides a target for the average number of annual housing completions over the period to 2021. In County Durham, the annual targets for each district are as follows:

	2004-11	2011-16	2016-21	2004-21 annual average
Chester-le-Street	120	100	90	105
Derwentside	280	245	205	250
Durham	200	170	150	175
Easington	200	170	150	175
Sedgefield	260	235	200	235
Teesdale	70	70	70	70
<b>Wear Valley</b>	<b>260</b>	<b>110</b>	<b>85</b>	<b>165</b>
<i>County Durham</i>	<i>1,390</i>	<i>1,100</i>	<i>950</i>	<i>1,175</i>

*Source: Regional Spatial Strategy for the North East, 2005*

- 6.21. An average 165 housing completions a year between 2004 and 2021 in Wear Valley would amount to an additional 2,805 properties in the district by 2021.
- 6.22. The RSS completions figures are predicated on an assumption that population in County Durham will decline by some 3,200 between 2006-2016, but do not accommodate the latest ONS growth projections which see a population increase of nearly 3%. The County Durham local authorities argue that 23,000 dwellings are needed across the County, rather than the 19,000 forecast in the RSS.
- 6.23. The Wear Valley LDF Monitoring Report 2004/5 indicates that completions were averaging 289 per year in Wear Valley between 2001/2 and 2004/5, and are forecast to continue at this level for the foreseeable future (a number of developments are underway throughout the Bishop Auckland and Crook sub-areas). The District's Urban Capacity Study, undertaken in September 2004, identified a constrained capacity<sup>33</sup> of 4515 units and an unconstrained capacity of 7845 units. The majority (60%) of this capacity is in the Bishop Auckland sub-area; a third is available in the Crook sub-area; and 8% is in the rural sub-area.
- 6.24. The implication is that we have the potential to build at a much greater rate than proposed by the RSS, and as the planning system moves away from a "predict and provide" approach to a more market-based understanding we will wish to accelerate our housing growth to

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<sup>33</sup> The constrained capacity is the total housing capacity that could be developed on sites that do not have major development constraints (such as subsidence, land contamination, etc.) The unconstrained capacity is the total housing capacity including on sites that do have barriers to development.

complement our focus on economic growth. The preparation of our emerging Local Development Framework (LDF) will provide the opportunity to re-examine our housing targets within the context of the RSS.

### **The Coalfield settlements and housing market failure...**

6.25. The Jacobs Babbie Coalfield Settlements study<sup>34</sup> found some evidence of housing market failure in the district, and suggested that there is a need to broaden the choice of housing type and tenure. The Coalfield Settlement study identifies the following as priorities for intervention:

- Bishop Auckland- there is significant evidence to support the need for housing renewal within some parts of Bishop Auckland. The areas with the most severe problems are Woodhouse Close, St Helens Auckland and, although to a lesser extent, Henknowle. These areas already contain areas of abandoned properties and are identified as the most deprived wards. The Jacobs Babbie study argues that there is significant potential to restructure these areas to diversify existing choice and to improve the physical environment.
- Coundon/ Dene Valley- Coundon has a poor range of housing choice which is dominated by terraced properties. Although the general quality of housing is reasonable and there is no evidence of abandonment, housing allocations have not been taken up and few completions have taken place since 1991. Coundon is identified as a focus for further qualitative intervention and functional improvement to support the role of Bishop Auckland as a main town. Localised qualitative intervention and restructuring is appropriate in the Dene Valley settlements. The Dene Valley settlements provide limited service provision and are isolated in terms of public transport access. There is evidence of qualitative intervention to the existing housing stock but the area has limited housing choice. Housing allocations have not been taken up.
- Tow Law- is identified as focus for strategic opportunities. The Jacobs Babbie report highlights that Tow Law is “potentially physically isolated” from new opportunities and may benefit from qualitative intervention and limited functional improvement to its housing stock.
- Crook and Willington- both towns would benefit from further qualitative interventions and additions to housing stock. Crook is identified as a relatively lower priority as it has a fairly vibrant centre and has benefited from MTI.
- West Auckland/ St Helens Auckland- there is an opportunity to consider West Auckland and St Helens Auckland as a single area. It may be appropriate to develop local facilities which serve both communities. Both communities should be regarded as

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<sup>34</sup> Coalfield Settlement Study, Phase 2 Report. Jacobs Babbie, June 2005.

neighbourhoods/settlements which provide housing opportunities to support the role of Bishop Auckland as a major centre.

- 6.26. Working with English Partnerships/ Communities England, we are taking forward the priorities identified. We have developed a masterplan for Bishop Auckland and Area Development Frameworks for Coundon and Tow Law. These are discussed in more detail in Chapter 7.

### **Achieving the Decent Homes Standard...**

- 6.27. In addition to tackling housing market failure generally, we are committed to improving the quality of the Council's existing housing stock to meet the Decent Homes Standard by 2010.
- 6.28. The Wear Valley Arms Length Management Organisation (ALMO)- Dale and Valley Homes- achieved a 2-star rating from the Audit Commission in January 2007. As a result, Dale and Valley Homes will now benefit from an additional £26m towards meeting the Decent Homes standard by 2010. This success will support us in the aim to make the District's housing more desirable and contribute to accelerating population growth.
- 6.29. We will ensure that the stock improvements to achieve the Decent Homes Standard are focussed on the areas that can contribute most directly to increasing economic growth and vibrancy in the district. In some circumstances, it may be necessary to recognise that Decent Homes improvements may be insufficient to transform the attractiveness of a neighbourhood, and in this case we will consider the full range of housing renewal options, including stock replacement, where this represents best value.
- 6.30. Tackling our declining population will require a step-change in the quality of Wear Valley's housing offer, in order to attract more families and young and talented people. The three aspects of the residential offer are:
- Housing choice;
  - Housing quality; and
  - Value for money.
- 6.31. As described above, we currently perform poorly in terms of the housing choice and quality required to attract families and high-income groups. We need to address this through a step-change in our residential offer. The need to improve housing range and housing supply has also been identified as a priority within the emerging County Durham Economic Strategy, as well as within English Partnerships Coalfield Settlement Study. We will ensure that the recent trend away from net out-migration to net in-migration is sustained. We will do this by undertaking actions on both the supply-side and demand-side of the housing market.
- 6.32. Currently, the market focus for housing growth is centred on the Bishop Auckland sub-area, and here the key challenge over the medium term will be to find sufficient sites for new housing developments to sustain current levels of growth, without compromising requirements for employment land



and greenspace. With strong demand, there is scope to make more stringent arrangements with developers regarding the quality and eco-standard of new homes.

- 6.33. There is evidence of increasing demand within the Crook and Willington sub-area. Demand in Crook/ Willington will continue to grow in the future as the Bishop Auckland market matures, and as improvements are made to connectivity to Durham city. Stock improvements and rationalisations in the satellite villages of Coundon (in the Bishop Auckland sub-area) and Tow Law (both funded through the Coalfields programme, see boxes 7.2 and 7.3) will stimulate further market interest in these areas in the long-run. In the near term, the challenge in the sub-area will be to ensure that new housing does not create areas of low-demand which are then subject of spiralling decline.
- 6.34. Within the rural area, increasing demand combined with the restrictive nature of the planning system will mean that affordability may become more of an issue. The need to bring forward suitable brownfield sites for housing (e.g. Wolsingham Steelworks and Eastgate) is recognised.

#### **Action: Accelerating House Completions**

On the supply-side, we will work with the private sector to bring forward brownfield housing sites identified in the Urban Capacity Study, especially those within the Bishop Auckland sub-area. We will accelerate house-building completions to 300 per year. The drive to promote housing growth in this area is commensurate with the recommendations of the Coalfield Communities Partnership Study, and also fits with the aspirations of the Bishop Auckland Masterplan in terms of increasing the residential base of the town centre. It will also increase housing choice by accelerating supply.

#### **Action: Re-vitalising our housing markets**

In order to revitalise the district's housing market, we will:

- Promote housing market renewal in three areas identified as having the most pressing need: priority wards in Bishop Auckland, Coundon, and Tow Law. We will also seek further qualitative improvements to the housing stock in Crook, Willington and the West Auckland/ St Helen Auckland area as part of medium/ long-term plans.

## 7. VIBRANT PLACES

- 7.1. Vibrant places are vital to the District's well-being. Vibrant places act as a focal point for a variety of community activities and contribute to the sustainability of towns and villages. The vibrancy of places can have either self-re-enforcing positive effects, or lead to cycles of decline. When places are vibrant, this vibrancy acts as a catalyst to retain greater proportions of visitor expenditure and attract further business start-up and in-migration. When places are not vibrant however, spirals of decline can witness a sometimes rapid deterioration in the range of services available, and consequently, a decline in the physical and social fabric of those places.

### **Transformational Objective E1: Cement Bishop Auckland's position as a major District Centre**

#### **Bishop Auckland is a key service centre for the County...**

- 7.2. Bishop Auckland is a key retail and service centre, not just for the District, but for the County as a whole. Bishop Auckland is identified in both the Regional Spatial Strategy and the emerging County Durham County Economic Strategy as one of the County's top 3 district centres. The town has a population of some 16,000, although its catchment area covers a population of some 150,000 according to the Bishop Auckland Urban Renaissance Study.
- 7.3. The town centre is home to some 300 businesses, including a number of multiple national retailer, such as Marks and Spencer, Boots and Argos. Three high schools, and the FE College are based at Bishop Auckland, and there is an associated level of vibrancy to the town.
- 7.4. Bishop Auckland benefits from strong transport links- there are bus connections to most other settlements in Wear Valley, as well as Durham and Newcastle. The train station provides regular services to Darlington.
- 7.5. Housing provision in the town is generally good, although there are pockets of low demand and deprivation (notably around Woodhouse Close, St Helens Auckland and Henknowle). Private sector interest in the town has been strong with a number of new housing developments taking place. Perhaps most noteworthy of these is the current re-development of the former Deggart's warehouse, overlooking the marketplace, to create apartments.

#### **...although there are some notable gaps in provision...**

- 7.6. The town does have some weaknesses. These include a lack of major employment provision, lower levels of "boutique" style shops that are found in other market towns and can act as a draw to visitors, a relatively high proportion of "value" shops, poor physical appearance of some parts of the town, absence of a cinema, and lower footfall at the north end of the town, around the market place. The Wear Valley Retail Study (published September 2004) identified that the town has a somewhat higher proportion of vacant premises (16%) than the national average

(11%), although the amount of vacant floorspace is not high. Recent research by Experian for County Durham indicates that Bishop Auckland's share of County Durham's total vacant floorspace has fallen from 24% in 2004 to 17% in 2006.

- 7.7. The Wear Valley Retail Study also finds that there is capacity for some additional convenience goods expenditure of around £20m by 2016, equating to between 2,500-4,000 sq m floorspace, (or one small to medium sized foodstore). For comparison goods, residual capacity is estimated at £37m by 2016, equating to- fairly significant- additional capacity of between 6,000- 12,500 sq m.

### **Opportunities...**

- 7.8. A number of current developments in the town provide an opportunity to instigate improvements in the town centre. These include:
- the Brack's Farm prestige employment site on the eastern side of the town centre, and the proposed private sector office developments there which will create further demand for local services, particularly if good quality pedestrian links can be diminished with the town centre;
  - the planned 36,000 sq ft mixed retail/ residential development at North Bondgate.
  - the prospect of further retail development at the Newgate Centre; and
- 7.9. These developments, and others, such as the current Wetherspoons investment at the Market Place, and on-going residential development at the Market Place - show that the private sector is willing to make substantial investments in and around Bishop Auckland.
- 7.10. Bishop Auckland also has scope to build on its tourist offer. The town acts as the gateway to the Dales, and as such a Tourist Information Centre is located in the centre. However, Bishop Auckland's existing attractions are underutilised. Auckland Castle, historic residence of the Bishop's of Durham, is only open to the public two afternoons a week. Nearby Escomb Saxon Church can only be accessed by collecting the key from a nearby house, while Binchester Fort, an important military staging post on the route from York to Hadrian's Wall, is also underutilised. Better promotion of and signage to these facilities, coupled with physical infrastructural improvements to the centre, and development of additional features would add further to the vibrancy of the town.
- 7.11. We are currently developing a major funding bid to improve the 68ha Auckland Park. Funding of £4.9m is being sought to develop a visitor/ education/ interpretation centre; improve accessibility into and around the Park; and restore and improve the Park's environmental and built heritage. A key aim for the Auckland Park improvements will be to link the underutilised Park asset more closely to the town, and to increase footfall around the adjoining marketplace area. An application is being made to

the Heritage Lottery Fund to cover 75% of the £4.9m required- if successful, this will allow us to draw down the remaining 25% from Single Programme in time for a start on site around 2009/10.

- 7.12. A Masterplan for Bishop Auckland has recently been produced. This sets out a number of priorities for the town, many of which we are already pursuing. The findings of the Masterplan are discussed in Box 7.1 below.

**Box 7.1: The Bishop Auckland Masterplan**

The Study notes that Bishop Auckland currently underperforms in terms of comparison goods retailers and amount of vacant premises. The study identifies particular priorities for Bishop Auckland as:

- A need for a stronger level of activity in the marketplace to draw people to the northern end of the town;
- A need to kick-start the regeneration of Fore Bondgate and environs, through introduction of public art features, creation of greenspace and tree planting, and other improvements to the built infrastructure;
- A need to improve the current floorspace, much of which is dated or sub-optimal (and often too small) for modern retailing requirements;
- The potential to improve the residential offer in the town centre, particularly through promoting residential uses over shop premises and by putting "fronts on the backs" of existing town centre developments;
- A need to improve the physical fabric of the town in a number of areas;
- The potential to improve on the town's visitor and tourism offer through: improvements to the historic quarter (Bishop Auckland Castle, Market Place and Fore Bondgate); capitalising on railway heritage; the potential for a monument to Stan Laurel; improving arrival points and creating a sense of place; and sign-posting and promoting local tourist attractions, namely Binchester Roman Fort and Escomb Church.

Following from this contextual analysis, a number of strategic concepts for an Investment Programme are proposed:

- Drawing people through the town;
- Linking areas of activity;
- Promotion and exploitation of visitor and tourist attractions;
- Promotion and exploitation of leisure role;
- Consolidation of town centre functions.

The focus of the Masterplan is on:

- The identification of key public spaces and buildings, and proposals for their significant improvement; and
- The identification and promotion of critical development opportunities in the northern part of the town (particularly Market Place, Fore and North Bondgate).

Specific proposals relate to 6 zones:

- Newgate Centre/ Bus Station;
- Market Place and Bishop's Park;
- North Bondgate;
- Fore Bondgate;
- Kingsway;
- Tourism and Identity.

- 7.13. The other towns in the Bishop Auckland sub-area- notably West Auckland and St Helen Auckland, play a very much supporting role to Bishop itself,

both in terms of provision of labour and employment sites. We are continuing to pursue improvements to these areas where possible. The West Auckland bypass is under construction and will reduce traffic levels in both West Auckland and St Helen Auckland (as well as improving access to employment sites). West Auckland has also recently benefited from Town Heritage Improvements (improvements to public realm and environmental and built heritage) as part of the town's position in the South West Durham Heritage Corridor.

### **Actions**

- 7.14. We will promote Bishop Auckland as the key driver or engine of growth for the District to increase employment opportunities and the vibrancy of the centre. This will mean that we prioritise some activities and investment in Bishop Auckland.
- 7.15. This is consistent with planning policy, particularly the RSS which recognises Bishop Auckland's strategic importance and role as a focus for new opportunities. This vision was also supported by the Coalfields Settlements Study, which argued that "future strategy should concentrate on reinforcing [Bishop Auckland's] role as a principal service and functional centre for the Wear Valley", complemented by sustainable growth at Coundon.
- 7.16. To promote the vibrancy and vitality of the centre, we need to make a number of improvements to the physical appearance and infrastructure of the town. We will pursue the recommendations set out in the Masterplan, and a bid for £2.7m to One North East has recently been made in this respect. This funding (matched by £1m from WVDC and substantial private sector resources) will fund qualitative improvements to the fabric of the town, and are considered as enabling investments for further private sector investment. In addition:

#### **Action: Implement the recommendations of the Masterplan**

We must continue to implement the recommendations of the Bishop Auckland masterplan. In particular:

**Action:** We will enhance the role of the town as a visitor gateway to the District, by enhancing our existing visitor attractions, improving signage and gateways to the town, and by pursuing the opportunities around the marketplace and Fore Bondgate.

**Action:** Residential opportunities in the town centre should be promoted, as identified in the Masterplan. These include: the promotion of "Living Over the Shop" opportunities on Newgate Street; the opportunity to create courtyard developments to the east and west of Newgate Street; and the opportunity for further residential development around the marketplace, complementing the current scheme underway at the former Doggerts premises.

**Action:** We will promote the development of the visitor economy in the town, by establishing better promotion of nearby visitor attractions, and

by investigating the potential of new visitor attractions linked to Stan Laurel and rail heritage, and linking this to the cultural quarter.

**Action: Attracting national multiples**

We need to ensure that the town centre is able to attract more national multiples capable of retaining greater levels of local retail expenditure. We will identify and actively market appropriate sites and premises within the town, making new sites available where possible.

**Action: Supporting our independent retailers**

We will ensure that Bishop Auckland maintains a sense of distinctiveness, witnessed by the presence of independent stores. Strengthening the role of the town centre manager, we will support our existing independents to be able to compete, by making provision for suitable business support services. In particular, take-up of internet is low among high-street independents, and several of our stores are now facing stiff competition from the internet. We will support all businesses in the use of IT processes. We will explore how we can implement the findings of the Regional Retail Distinctiveness study in Bishop Auckland.

**Action: Establishing a cultural quarter**

We will attract a greater number of "boutique" independents operating in fashion, arts, and food and drink by establishing a cultural quarter around the historic Fore Bondgate. We will develop a grants scheme for businesses to make physical improvements to the appearance of shop-fronts and explore other opportunities to provide business support for businesses in this sector, including the provision of wireless network facilities..

**Action: Linking Bracks Farm to the town centre**

We must promote a more diversified range of employment opportunities in the town centre. In particular, we must increase the scope of the town to provide office-based employment. The development of the 9.4ha Bracks Farm provides opportunities in this respect, although we must ensure that pedestrian links between Bracks Farm and the town centre are safe, attractive and conducive to supporting a regular flow of pedestrians in either direction. We should also promote further quality office development in the town centre itself where possible.

**Action: Expand the programme of events**

We will develop the current programme of events at the marketplace, with the aim to increase pedestrian flow in the northern end of the town.

## Enabling Objective E2: Support the Sustainability of the former Coalfield Communities

### **Our Coalfield communities face considerable challenges...**

- 7.17. The challenges faced by the former coalfield communities are similar to other former coalfield communities elsewhere in County Durham—population decline and changing age profiles, poor economic performance, low educational attainment, poor health and low housing demand.
- 7.18. Crook is the District's second town with a population of just over 8,000. Crook is a market town providing a range of housing opportunities, and with a strong public administration role. Despite being the location for the Council's offices, Crook town centre provides a mainly local retail function which supports the settlement and the immediately surrounding communities. It is not a major economic driver for the District. The town generally has a good range of service provision (including major food store, bank and estate agents, and a leisure centre), but does not have a secondary school. In many respects, Crook has closer ties to Durham and the north than it does to Bishop Auckland.
- 7.19. Crook has benefited from market town status since 2001 which has funded improved shop frontages as part of a Town Centre Uplift scheme, redevelopment of the market place and development of a trader's forum—although the MTI in Crook will cease in 2007. The evaluation of the Market Town Initiative (MTI) notes that, although not a "classic" market town, and although characterised by relatively high levels of deprivation, recent population decline and low rates of employment in managerial or professional occupations, Crook plays a valuable role in providing local jobs and services.
- 7.20. The MTI has given the town some impetus however, and its role as a key local service centre is growing. New housing developments are underway and in the pipeline, and the Beechburn Industrial estate on the edge of the town is one of the District's most important industrial sites, with scope for further expansion. The St Catherine's Community Centre, funded through the MTI, is now well-used, and a County-wide arts organisation, based in Wear Valley, has secured an ERDF Grant to foster further development of the cultural and creative sector in the town through provision of a dedicated resource centre.
- 7.21. Future efforts must focus on supporting continued improvements to the physical environment and social fabric of the town. Further support should be given to improving public spaces and accessibility the business forum, community centre, and efforts to build a creative cluster. Improved transport links to both Durham and Bishop Auckland should also be supported. As the visitor economy grows in Weardale, opportunities may arise to capture passing visitor trade in Crook, and these opportunities should be captured through appropriate signage and parking provision. The overall aim will be to build Crook's position as a key district centre serving the needs of local communities, improving the town's self sufficiency, vibrancy, and prospects for sustainable growth.

- 7.22. Another key settlement in the former coalfield area is Willington (population 4,534). Willington also serves as a local service centre to surrounding communities, and has particularly strong links with Durham city. Willington is the location for one of our prestige employment sites, with office development in the pipeline. As with Crook, there is a need to support improvements to the physical infrastructure in the town, and to improve connectivity to Durham. The vision is for Willington to further strengthen its relationship with Durham both in terms of housing and business growth.
- 7.23. Other towns in the District's former coalfield, including Tow Law (1,958) tend to be smaller centres serving local populations. The Wear Valley Retail Study (2004) highlights that the viability and vitality of all these centres is declining, with high levels of leakage of retail trade, so increasing the population of these towns is important if they are to survive. Each settlement needs to "find its own level"- but we will commit to helping them to do that. Tow Law in particular has potential to build on its location on the A68 and available business sites and premises in the town.
- 7.24. For the surrounding coalfield towns, the scope for comprehensive functional improvement in the housing market is limited given the towns' limited population bases. Here, the challenge is instead to maintain these towns' ability to provide a range of services to underpin the sustainability and viability of the communities. All of these communities would benefit from qualitative physical improvement and local based intervention but are not necessarily sustainable locations to focus strategic change or major housing growth.
- 7.25. We have recently completed Area Development Frameworks (ADFs) for Coundon<sup>35</sup> and Tow Law. These ADFs were commissioned to take forward the findings of the Coalfield Settlement Study and will underpin future bids for funds from the English Partnerships Coalfield Programme. The key findings of these studies are outlined in boxes 7.2 and 7.3 below. Coundon will be prioritised under the County's Settlement Renewal Initiative (SRI).

**Box 7.2: The Tow Law ADF**

The Tow Law ADF identifies the housing market interventions required to make Tow Law a "focus for strategic change". The Tow Law ADF identifies the following key issues facing the town:

- An under-performing housing market and lack of housing choice, mix and quality- exacerbated by the fact that there are no major housing allocations;
- A narrow economic base, highly dependent on manufacturing;
- Physical separation from the Bishop Auckland growth area;
- Lack of features to attract visitors to remain in the town;
- A lack of a retail core and anchor supermarket.

Six themes for Settlement Change are proposed:

**Theme 1: Existing Housing and Neighbourhood- "Traditional Terraced Housing"**- improving the condition of the existing terraced housing stock through

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<sup>35</sup> Coundon is a former Coalfield town but is located in the Bishop Auckland sub-area



landscaping, remodelling and public realm improvements to create attractive living environments and more sustainable neighbourhoods;

**Theme 2: Existing Housing and Neighbourhood, "Radburn Style Housing Estates"**- improving some of the fringe housing estates;

**Theme 3: High Street and Services, Public Realm and Connectivity**- improving the internal connectivity and permeability of the town to create focal points, and strengthening the town's connection to the wider area through promoting links to the surrounding countryside;

**Theme 4: Recreational and Leisure Opportunities**- further development of green space and leisure and cultural opportunities in the town;

**Theme 5: Industrial improvements and Employment Opportunity Sites**- enhancing the attractiveness of the existing industrial estate and exploring opportunities for the provision of new business;

**Theme 6: Housing Opportunity Sites**- promoting small-scale infill housing development to create a more compact development.

### **Box 7.3 The Coundon and Leeholme ADF**

The ADF for Coundon and Leeholme identifies the Vision for these settlements as "Rationalisation of the existing housing stock and provision for future housing growth through strengthening the settlement core and enhancements to existing public and private sector stock". The ADF envisages:

- **Improvements to the housing offer** through rationalisation of some of the low demand terraced property, and creation of new housing- particular 3 and 4 bed homes with private amenity space to attract families;
- **Enhancements to the retail and service centre** of Coundon, building on the recent attraction of the Sainsbury's store;
- **Improving the local environment**, including improvements to older terraced stock, strengthening the existing historic layout and creating a more permeable block structure, and improved amenity spaces;
- **Strengthened economic development prospects** by addressing key barriers to unlocking the allocated industrial site, thereby promoting Coundon's role within the Bishop Auckland economic development corridor.

### **Action: Enabling the coalfield communities to become vibrant and self-sustaining...**

We will:

- Take forward the findings of the Coalfield Settlement Study by making applications for funding on the back of the Area Development Frameworks for Coundon and Tow Law;
- We will build on the momentum generated by the Market Town Initiative in Crook, and aim to support Crook's growing role as a vibrant district centre and employment location. We will aim to bring back into usage various empty business and retail premises. We will support improvements to the physical infrastructure of the town, and offer further support to the Business Forum, Community Centre. We will support a growing creative and cultural sector in the town by supporting a dedicated resource centre.
- We will promote Willington's role as a location for spill-out growth from Durham by promoting housing sites and the prestige employment site in the town, and by enhancing transport connectivity to the city.
- Within smaller towns and villages, we will maintain and enhance the provision of essential community facilities and services (such as

lifelong learning centres), support where possible qualitative improvements and local-based intervention in the housing markets, and make small-scale improvements to physical infrastructure in towns where appropriate.

- Where possible, the Council will use its land ownerships to help facilitate new housing.

### **Action: Enhancing Crook and Willington connectivity to Durham City**

Crook and Willington tend to have closer ties to Durham and Newcastle than Bishop Auckland, which has closer links with Darlington. Research by the University of Durham for NERIP in 2005 revealed that, between 1991 and 2001, out-commuting from Wear Valley to Durham City increased faster than the rate of out-commuting to any other district. During the day there are 2 bus services per hour from Crook to Durham via Willington, and one per hour in the evening.

We will ensure that public transport links from Crook and Willington to Durham are maintained, and where possible, enhanced (the limited stopping fast service currently only runs on Wednesday and Saturday).

The A690 from Crook to Durham is slow, and was highlighted by businesses during consultation as a limiting factor for business development. We will explore opportunities to improve the A690 to enhance traffic capacity on the route and reduce journey times from Crook and Willington to Durham.

### **Enabling Objective E3: Support the Sustainability of our Rural Communities**

- 7.26. The rural west of the District includes the Weardale settlements (Eastgate, Westgate, Frosterley, St. Johns Chapel, etc.), the market town of Stanhope in Weardale, and Wolsingham. Stanhope is the principal centre for the rural area. The civil parish of Stanhope, (which also includes, Eastgate, Westgate, St. Johns Chapel, Cornriggs, Cowshill and Frosterley) has a population of some 4,500.
- 7.27. These communities are relatively remote and isolated. Although deprivation here is not as pronounced as in other parts of the District, those without access to private transport are at risk of severe isolation if public transport or essential local service provision declines.
- 7.28. Stanhope has, along with Crook, benefited from the Market Towns Initiative since 2001. The market town health-check undertaken in 2001 estimated Stanhope's population at 1,650, but the town acts the key service centre for the surrounding populations, covering a further 1,720 people.

- 7.29. Stanhope is a “Gateway to the Dales” but is not currently geared-up to cater for large numbers of tourists. The evaluation of the Market Town Initiative in 2005 highlighted the need for Stanhope to capitalise further on its Gateway and tourism role, and in particular how the town might benefit from the Eastgate development.
- 7.30. In the longer term, Stanhope is anticipated to play an increasingly important role as a location for footloose, knowledge-based businesses working from small offices or from home. Provision for small office units has been made within the Dales Centre, which also houses a small cluster of creative and craft businesses, as well as in the private sector managed Weardale Business Centre. The challenge is to further support the role of the town as a location for tourism, creative and craft businesses. Stanhope’s inclusion as one of several towns within the County’s Community Economic Development Initiative (CEDI), will see it benefit from a further £80,000 Single Programme revenue funding per year for such activity. The town is identified as a priority within the Draft County Durham Economic Action Plan, which emphasises the need to implement the Stanhope Retail Distinctiveness Action Plan.
- 7.31. Wolsingham is the second largest town in the rural sub-area. It has a more traditional manufacturing base, and is likely to continue to act as a focus for new housing and business growth in the future, with a major brownfield site available on the site of the former steel works. Efforts for Wolsingham should focus on bringing forward this site to enable the sustainable growth of the rural area.
- 7.32. The former cement works in the village of Eastgate is the location for the development of a renewable energy village, which will act as the major economic driver in rural area. The Eastgate development is discussed further under Objective B1.
- 7.33. The other settlements in Weardale are small and serve very local needs, supporting the agricultural community in particular. The key challenges are to ensure that our communities have access to the full range of community, health and education services, and employment opportunities. We also need to maintain transport links between settlements, and to achieve an appropriate balance between the need for development and the protection of the environment.
- 7.34. Weardale’s connectivity to both the Tees Valley city-region and particularly to Durham could be improved. There are hourly services from Stanhope to Bishop Auckland via Crook, and occasional limited-stop services from Stanhope to Newcastle. This link to the cities works in both directions- for Weardale residents and businesses the cities are a source of jobs and business opportunities; for residents of the urban areas, the rural area provides recreation and tourism opportunities. The challenge now is to build on and strengthen these links, partly through encouraging the role of tourism in the rural area, and partly through encouraging the development of other business activity in Weardale.

- 7.35. A major initiative in the rural area is the West Durham Rural Pathfinder (WDRP). Following the Haskins Review, WDRP is one of eight Rural Pathfinders nationally, with the aim to explore the process of modernisation of rural service delivery. The Pathfinder aims to achieve:
- Joined-up service delivery
  - Flexible funding
  - A local voice
- 7.36. The overall aim is to achieve a vibrant, sustainable community.
- 7.37. The Pathfinder in West Durham is focussing its efforts on exploring 4 key areas:
- The opportunities that will be created for local businesses by the proposed Eastgate development;
  - Transport needs of young people;
  - Establishing Community Hubs or Neighbourhood Working Centres;
  - Developing a SW Durham Heritage Corridor.
- 7.38. We must support the Pathfinder to ensure that the lessons from these case studies are clear, tangible, and well communicated.
- 7.39. Moving forward, we must ensure that the modernising rural delivery agenda continues to get a sufficiently high profile and that we are appropriately influencing both policy and delivery audiences as part of our place-shaping role. We will ensure the County's Rural Proofing Toolkit is employed to assess the impacts of policy decisions on rural areas<sup>36</sup>.

**Action: support and maintain the sustainability of our rural communities**

We will support the sustainable economic development of the rural area of the District by:

- Bringing forward and promoting the Eastgate development- see Objective B1, as the key driver of economic growth in the Dale;
- Promoting Stanhope's role as a Gateway to Weardale by promoting opportunities for tourism in the rural area- see Objective B2;
- Supporting the work of the Community Economic Development Initiative in Stanhope, and implementing the Retail Distinctiveness Action Plan;
- Bringing forward key sites in Wolsingham to enable the town to perform its role as a focus for future housing and business growth;

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<sup>36</sup> Rural proofing is a process that allows the impact of a policy or decision to be assessed, in relation to how it might impact on rural areas. It is a 'way of thinking' born from an awareness of the rural issues that challenge service delivery in rural parts of the County.

- Maintaining public transport infrastructure between all rural settlements, and continue our innovative programmes for improving accessibility to employment centres, such as the Weardale Wheels to Work Programme;
- Supporting the findings of the West Durham Rural Pathfinder and ensuring that we act on recommendations emerging from this to give our communities a stronger voice;
- Supporting and developing the on-going outreach activity, including the Business Link mobile unit and the Action Team bus;
- Ensuring adequate provision of affordable housing for families in our rural areas;
- Raising awareness of the opportunities for farm diversification and the scope of Natural England grant schemes.

## 8. ANNEX A: ACTION PLAN

This Action Plan provides more detail on the steps required to make progress on each Objective over the next 1-5 years. For each Action identified in the report, the Action Plan identifies key tasks, a broad timescale for undertaking each task, the partners involved in delivering the tasks, information on indicative levels of funding required, potential funding sources, broad levels of outputs and outcomes, and the strategic fit of proposals with the Regional Economic Strategy Action Plan, the draft County Durham Economic Strategy, and the Northern Way.

The Action Plan makes a clear distinction between those tasks which will be led by Wear Valley District Council (highlighted in light blue), and those tasks which will need to be led/ delivered by other partners, but where the District Council will need to exercise its strategic influencing role to support and encourage partners to take the necessary lead.

Action	Task	Timescale	Lead partner	Other partners	Indicative funding	Funding sources	Indicative outputs	Indicative Outcomes	Strategic Fit
Transformational Objective A1: Identifying and supporting key growth sectors									
Retaining and supporting our existing manufacturing base	Roll-out of Derwentside Engineering Forum to Wear Valley	Forum events involving WV businesses by end 2007.	Derwentside Engineering Forum	WVDC, LEGI Team, Business Link	£10,000	LEGI	25 WV Businesses attending Forum event	Greater collaboration between businesses, leading to improved business growth and retention within the District	Under the RES "Business" Theme, a range of specific actions are identified to boost productivity of businesses, including streamlining support for manufacturing and promoting collaborative opportunities (C2.4).
	Supporting the 50-Fastest	Project approved by end 2007	LEGI Team	Enterprise Agency, ONE, WVDC, Business Link	£420,000 (over 3 years, and across LEGI area, as identified in LEGI bid)	LEGI	50 businesses engaged 20 businesses enrolled	Improved business competitiveness	
Using Netpark as a catalyst for growth	Joint marketing and branding strategy and business support package across incubators and better	Joint marketing and branding strategy in place by 07/08 financial year	CDDC	Netpark, University of Durham, Local Authorities,	£30,000	CDDC, Local Authorities	Joint marketing strategy	Greater fluidity in occupiers of incubation premises	The aim of creating a "virtual Netpark" is a specific action identified in the RES Action Plan (C.3)

Action	Task	Timescale	Lead partner	Other partners	Indicative funding	Funding sources	Indicative outputs	Indicative Outcomes	Strategic Fit
	quality business support			Business Link					The County Economic Strategy also stresses the need to re-brand NETPark as one of 6 step-change objectives.
Capitalising on the Eastgate opportunity	Communicating our objectives to partners and the private sector	Intentions published in Council documentation and press by end 2007	WVDC	County Council, private sector	n/a		Strapline published on all Council documentation	Reputation as a District at the forefront of sustainable development and renewable energy technologies	Eastgate has been identified as a priority project for ONE in the RES, and energy is one of nine key sectors identified by the RDA, with a specific aim to harness the region's excellence in renewable energy technologies (C.3)
	Ensuring new developments meet energy efficiency standards	Ongoing- all new developments to meet appropriate BREEAM ratings by 2009	WVDC	Public and private sectors	n/a		First carbon neutral building complete in 2009	Buy-in of all partners to the carbon neutral vision	The RES Action Plan makes specific reference to harnessing the expertise of the region's new and renewable energy sector. (C2.4)
	Ensuring the Council follows best practice in procurement and development	Corporate Sustainability Strategy in place by 2008/9.	WVDC		n/a		Corporate Sustainability Strategy in place	Reputation as a District at the forefront of sustainable procurement	
	Promote Eastgate to renewable energy businesses in the NE	Marketing materials and launch event following resolution of planning/ feasibility stages	WVDC	ONE, Renew Tees Valley	£5,000	WVDC	Marketing materials to 50 businesses	Wide interest in Eastgate among potential supplier businesses	
	Work with EP to identify a site for a Carbon Challenge development	During 2008	WVDC	EP	n/a		High quality eco-development	Establishing the reputation of the district at the forefront of sustainable development	

Action	Task	Timescale	Lead partner	Other partners	Indicative funding	Funding sources	Indicative outputs	Indicative Outcomes	Strategic Fit
	Work with the LSC to develop a Skills Action Plan	2008	LSC	WVDC	n/a	LSC	Action Plan	Appropriate planning for Eastgate skills requirements	
	Ensuring new and existing communities are better connected to pedestrian and cycling networks	ongoing	WVDC		n/a	LTP, private sector	Higher numbers walking/ cycling to work	Reduced congestion, healthier communities	
	Prioritising low-emission vehicles	ongoing	WVDC		n/a			Higher-profile of low emission vehicles, and greater uptake among local businesses	
	Establish biomass contracts	Contracts in place in time to supply biomass plant	Eastgate management board	Forestry Commission, farmer groups	n/a			Biomass contracts established with local landowners	
	Rolling out the Green Business Tourism Scheme	Ongoing	One Northeast	AONB, ATP	n/a		50 businesses taking part	Improved environmental awareness and performance of businesses	
Improving Business Support	Providing advice, support and guidance, and influencing the regionalisation of Business Link services	Ongoing	Enterprise Agency	Business Link, ONE, CDDC, WVDC	Continuation of current funding levels	Existing County Durham Business Support members, and LEGI	Continuation of current assist outputs	Increased rates of business growth and inward investment	The RES will see the implementation of the North East Business Start-up programme, and will also develop and support a range of innovative business support and start-up programmes (C2.1).
Strengthen collaboration and networking	Continuing existing programmes, monitoring their effectiveness and considering how they can be rolled-out to other sectors	Evaluate the success of current programmes and develop a forward strategy, 08/09.	Enterprise Agency	Private sector, NRF and LEGI Steering groups, WVDC	Continuation of current funding levels	NRF, LEGI, ONE	Continuation of current assist outputs	Increased rates of business growth and inward investment	The RES aims to "build an enterprise surge", in part through encouraging an entrepreneurs network (C1.2).



Action	Task	Timescale	Lead partner	Other partners	Indicative funding	Funding sources	Indicative outputs	Indicative Outcomes	Strategic Fit
Supporting social enterprise	Providing support to the VCS and social enterprise sectors	Develop a forward plan to respond to the current SE mapping work being undertaken by the Enterprise Agency, 07/08.	Enterprise Agency and 2D	WVDC	£20,000	LEGI, Enterprise Agency, NRF	10 VCS/ SE organisations assisted	Improved service offer from SE/ VCS organisations	
Transformational Objective A2: Promoting our city-region connections									
Promoting the Darlington-Bishop Auckland growth corridor	Establish a growth corridor steering group	Steering group established by end of 07/08 financial year	CDEP	Tees Valley JSU, WVDC, Sedgfield Borough Council, Darlington Council, ONE, private sector	£138,000 (as proposed in CDEP pro-forma input to RES Action Plan)	ONE, Councils, private sector	32ha brownfield land remediated 30 businesses created 500 jobs created	Greater strategic planning within growth corridor leading to improved business attraction	The concept of a Darlington-Bishop Auckland growth corridor is supported by the RES Action Plan (E1.1).
Enabling Objective A3: Providing a modern and efficient business infrastructure									
Identifying a new portfolio of sites and premises	Act on the findings of ELR to identify new employment site, unlock existing sites, and provide further workspace premises for lease. Undertake a feasibility study to look at constraints on existing sites.	New site allocated in new LDF. Developer agreement entered by 09/10. Feasibility study commissioned 07/08.	WVDC	DCC	n/a	n/a	15ha of new employment land allocated 15 new business units built	Increased rates of business start-up and retention within the District	The RES Action Plan identifies the need to overcome market failure in the business property market, and supports a strategic approach to business incubator and workspace investment (E2.1, 2.2).
Addressing gaps in broadband provision	Act on the findings of the ADIT research	Understanding the actions required to address gaps identified by ADIT and household surveys by end 2007	WDRP	ADIT, private sector providers, WVDC, Teesdale DC and ONE	£5,000	WDRP	Engagement of private sector partner to address gaps in provision	Elimination of broadband "cold-spots"	A key objective of the RES is to "widen and deepen ICT infrastructure and take-up in regional businesses" (C2.6)
Maintaining the quality of	Monitoring public transport	Ongoing	DCC	WVDC, transport	n/a	n/a	n/a	Improved connectivity	

Action	Task	Timescale	Lead partner	Other partners	Indicative funding	Funding sources	Indicative outputs	Indicative Outcomes	Strategic Fit
transport links	connectivity, and linking to the Tees Valley proposals for a Passenger Transport Executive			providers, Tees Valley Partnership				between settlements- improved access to jobs.	
Enhancing Crook and Willington connectivity to Durham	Enhance road and public transport links between Crook/ Willington and Durham	Identification of potential capacity improvements on A690 by 09/10	Durham County Council	WVDC	£20,000	DCC	1 feasibility/ options paper for improving road capacity	Identification of priorities to support funding bids	The RES aims to increase intra-regional connectivity for economic growth- Transit 15 Quality Bus Corridors in Durham are proposed post 2009 (E3.2).
Enabling Objective A4: Increasing aspirations and entrepreneurship									
Increasing entrepreneurship by delivering LEGI	Establish a package of start-up support	In place by 07/08	LEGI Team	Enterprise Agency, Business Link	£1.8m (over 3 years, for whole West Durham area, as identified in LEGI bid)	LEGI	Tbc- LEGI Programme	Increase rate of business start-up per working age pop.	The RES Action Plan proposes a number of innovative business support programmes, including using the New Entrepreneur Scholarships model, low interest loans, and "enterprise apprenticeships" (C1.1, C1.2)  Building a more entrepreneurial north is one of 10 key investment priorities for the Northern Way.
	Extend the New Entrepreneurship Scholarship Emerge programmes	In place by 07/08	LEGI Team	Enterprise Agency, Business Link	£1m (over 3 years, for whole West Durham area, as identified in LEGI bid)	LEGI	Tbc- LEGI Programme	Increased rate of business start-up and retention	
	Offer flexible lease terms within incubators	Explore the possibility of more flexible lease terms in time for the opening of Innovation House 2.	WVDC	Enterprise Agency	n/a	n/a	n/a	Improved fluidity of occupation	

Action	Task	Timescale	Lead partner	Other partners	Indicative funding	Funding sources	Indicative outputs	Indicative Outcomes	Strategic Fit
Improving entrepreneurship in hard-to-reach communities	Encourage our fastest growing companies to act as mentors	Fastest companies identified by end 2007. Diagnostics by mid-2008. Mentors in place by end 2008.	LEGI Team	Enterprise Agency, ONE, WVDC	£420,000 (over 3 years, and across LEGI area, as identified in LEGI bid)	LEGI	50 businesses receiving diagnostic support 25 businesses receiving mentoring	Improved business competitiveness	The RES stresses the importance of meeting the skills and learning needs of all sections of society (D2.2)
Supporting the self-employed and homeworkers	Establish homeworking hubs in rural areas	Encourage partners to undertake detailed feasibility study in 08/09	WDRP	ONE, DCC, WVDC, Teesdale DC	£30,000 for feasibility study	WDRP, ONE	1 feasibility study commissioned	n/a	The RES promotes self-employment as a key plank in the aim to create a New Enterprise Surge. ONE will also develop a Strategy for Investment in Rural Economic Centres (E1.2, C1.2)
	Directory of homeworkers	Develop a database of WV homeworkers, as part of feasibility study	Enterprise Agency	ONE	n/a	n/a	Online directory of homeworkers	Improved collaboration and knowledge-sharing	
	Encouraging development of live/work units	Developing SPG on home working and live/work units, to coincide with LDF	WVDC		n/a	n/a	SPG	Provision for live/work units in new developments	
	Promote the District as a location for a rural call centre	Ongoing – need to capitalise on the new community based call centre at Coundon	WVDC	DCC, Enterprise Agency, ONE	n/a	n/a	n/a	An agreed way forward with ONE on how to promote rural call centres	
Enabling Objective A5: Marketing the District									
Marketing the District	Ear-mark business land sale funds and LABGI funds for marketing work	Ensure that LABGI funds for 07/08 will be available for marketing in 08/09	WVDC		n/a	n/a	n/a	Funds secured for District-specific marketing	The RES Action Plan highlights the need to Use Image to Meet the Needs of the North East (E4.2, C2.8))
	Continue to work with inward	Ongoing	WVDC	DCC, ONE	n/a	n/a	n/a	Greater direction of	

Action	Task	Timescale	Lead partner	Other partners	Indicative funding	Funding sources	Indicative outputs	Indicative Outcomes	Strategic Fit
	investment agencies to promote the District							regional and county enquiries directed to WV.	
	Marketing to potential inward investors	Produce marketing material (08/09) and market to targeted businesses (09/10)	WVDC	DCC, Enterprise Agency, ONE	£30,000	WVDC, Enterprise Agency	Marketing material to 50 businesses	Increased levels of inward investment to the District	
Transformational Objective B1: Making Eastgate happen									
Accelerating progress on Eastgate	Produce a Business Plan	Business Plan produced by end 07/08	ONE	WVDC, Weardale Task Force, DCC	£50,000	ONE	Business Plan produced	Clear way forward for Eastgate	Eastgate is specifically mentioned in the RES Action Plan as one of four Regional Energy Centres, designed to showcase sustainable approaches to the use of energy by businesses, public organisations and domestic users (C3.1)
	Ensuring that the Eastgate project is approved through the ATMaP criteria when appropriate	Eastgate identified as an ATMaP priority by early 2008	WVDC	ATP	n/a			Further support for the Eastgate concept	
	Secure the engagement of research partners	Involve Newcastle University and University of Northumbria in the development of the Business Plan	ONE	University of Newcastle, University of Northumbria	n/a	n/a	n/a	Engagement of research partners	
	Subject to planning approval, proactively market the site to boutique/ spa hotel operators	Identify and market to potential operators during 07/08	Eastgate Management Board	ONE, WVDC	n/a	n/a	n/a	Hotel operator engaged	
Enabling Objective B2: Promoting the visitor economy									
Developing a clear segmentation strategy and recognisable brand	Promoting the Weardale Visitor Network	Ongoing	WVDC	ATP, DCC, Stanhope MTI	£0	ATP, MTI	n/a	Continued success of, and engagement with, the Visitor Network	The RES Action Plan highlights the need to invest to strengthen the existing tourism product, and to maximise the impact of natural and
	Acting on the	2008	WVDC	ATP	n/a			More targeted,	

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	findings of the ATP Visitor Segmentation Strategy to develop a more visitor-focussed approach to the visitor economy							client-focussed marketing activity	cultural assets (E4.1) The County Economic Strategy identifies tourism, heritage and culture as a key "economic accelerator".
	Influence the development of the marketing strategy for the County	Ongoing 07/08	WVDC	ATP	n/a	n/a	n/a	Durham Dales as a key element of the County marketing strategy	
	Ensuring consistency of marketing strategy at all levels	Ongoing liaison	ATP	Relevant local authorities in Cumbria, Northumberland and Durham, ONE, and the AONB	n/a	n/a	n/a	Consistency in marketing strategy	
Developing visitor services	Encouraging participation in the Weardale visitor network, and encouraging uptake of quality initiatives	Ongoing	WVDC	ATP, DCC,	£10,000	ATP, MTI		Continued success of, and engagement with, the Visitor Network	See above
	Promote opportunities for farm diversification and other tourism opportunities that relate to the high-quality environment	Ongoing	DEFRA		n/a	n/a	n/a	Increased viability of farm-based businesses	
	Rolling out the Green Business Tourism Scheme	Ongoing	One Northeast	AONB, ATP	n/a		50 businesses taking part	Improved environmental awareness and performance of businesses	
	Work with the	Ongoing	WVDC	ATP	n/a		n/a	Better planning	

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	County's Travel Group Working Group							for larger groups; more visitors to Weardale	
	Establish a single investment package for smaller scale tourism interventions	Establish package in 08/09 for 3-year delivery period	WVDC	ATP, Visitor Network, Stanhope MTI	£100,000	ONE, ATP, Stanhope MTI, WVDC	5 projects benefiting	Improved tourism offer	
Transformational Objective C1: Improving secondary education									
Capitalising on the BSF Programme	Review secondary school provision	Undertake a detailed review of provision in 10/11	DCC	WVDC, LSC	n/a	DCC	n/a	Agreed way forward for the BSF Programme	The RES Action Plan states that ONE will engage with the BSF Programme to maximise the role that schools have in addressing the economic needs of the region (D1.3).
Improving educational quality and achievement	Encouraging parents' involvement in secondary school provision	Encourage schools to develop a programme for parent engagement in 08/09	WVDC	DCC, Schools	n/a	DCC	All schools identifying a programme for parent engagement	Increased aspirations and attainment	The RES Action Plan aims to raise aspirations and attainment of young people by developing a broader curriculum offer and combining academic and vocational learning.
	Recruiting high quality teachers	Ongoing	DCC	WVDC	£100,000	DCC	n/a	First-class school leadership	
	Encourage schools to participate in the Northern Way Education programme	Encourage schools to participate in the NWEF by end 07/08	Schools	Northern Way	n/a	Northern Way	4 schools participating in Northern Way Education Programme	Improved awareness of enterprise issues in schools	The RES aims to raise the aspirations and attainment of young people, by ensuring that learning programmes include enterprise and core skills of team working and communication (D1.2).
	Other education priorities through the LEGI programme	Implement the recommendations of the County Durham Action	Schools	DCC, LEGI Team	n/a	LEGI, DCC Enterprise in Schools Programme	1 new Enterprise Advisor post at County	Improved awareness of enterprise issues in schools	

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		Plan for education in schools by 08/09					level All schools including enterprise education in their curriculum	Links between schools and Netpark and University of Durham	
Modernising delivery of secondary education	Support schools in introducing new vocational diplomas	Ongoing	Schools	LSC, DCC, WVDC	n/a		Increased numbers undertaking vocational diplomas	Increased participation and achievement	The RES Action Plan aims to raise aspirations and attainment of young people by developing a broader curriculum offer and combining academic and vocational learning.
	Support schools to build links with FE providers	Ongoing	Schools/ FE providers	LSC, DCC, WVDC	n/a			Increased progression from schools to FE	
	Raise aspirations and participation at Key Stage 2	Ongoing	Schools	LSC, DCC, WVDC	n/a			Increased participation and achievement	
Transformational Objective C2: Improving post-16 education									
Bringing together post-16 education	Creating a more joined-up and diverse offer	Encouraging debate between partners from 09/10 onwards, to inform BSF Programme	DCC	Schools, College, LSC	n/a	n/a	n/a	Agreed way forward for restructuring of post-16 provision	
Cementing Bishop Auckland College's position	Widening the range of vocational courses and engaging the private sector	Ongoing from 07/08	BA College	WVDC, LSC, DCC	n/a	n/a	n/a	Strong private sector involvement and engagement on the Services Design Group	The RES Action Plan highlights the need to address increased demand for higher level skills to meet the needs of strategically important sectors, and the need to engage employers (D1.1). Meeting employer skills needs is one of 10 Key Investment Priorities for the Northern Way.

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	Enhance linkages between the College and Durham University through events, lectures, and study tours for example	Ongoing	Durham University. BA College	LSC, DCC	n/a			Increased progression from FE to HE	
	Understanding and tackling the barriers to post-16 education	Encourage partners to undertake an in-depth review of local barriers to education and training in 08/09	LSC	DCC	£30,000	LSC	Study exploring barriers and identifying recommendations for how these can be addressed	Action Plan for improving access to education	The RES Action Plan highlights the need to develop an understanding of the NEET group.
Enabling Objective C3: Improving access to the labour market									
Joining up employment and skills activity	Encourage closer working between key partners	Ongoing	WVDC	LSC, JC+, LSP, NRF Team, LEGI Team, Connexions, training providers	n/a	n/a	n/a	Improved coordination and delivery of employability activity	The RES Action Plan aims to increase economic inclusion and improve access to employment by implementing the Regional Employability Framework (D2.1). The RES also aims to raise economic participation in deprived communities and will support improved sub-regional delivery through a City Strategy approach (D2.2). The RES Action Plan also notes the importance of public sector employment in tackling unemployment. The County Economic Strategy stresses the need to tackle the ingrained culture of worklessness in many
	Engaging with emerging city-regional Employment and Skills Boards	Ongoing	WVDC		n/a	n/a	n/a	Improved coordination and delivery of employability activity	
Developing the role of the public sector in improving employability	Developing a programme to target particular jobs at the long-term unemployed and workless	Action Plan and agreement with JC+ and Council HR Dept in place ready for first targeted recruits in 08/09.	WVDC	JC+	None (targeted recruiting of existing posts)	n/a	10 LT unemployed into FT employment	Demonstration to other partners on role of public sector in tackling LT unemployment	



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									communities. Bringing more people into employment is one of 10 key investment priorities for the Northern Way (C1)
Transformational Objective D1: Increase the population base									
Facilitating the role of in-migrants in the Wear Valley economy	Improving support for in-migrant entrepreneurs	2008/9	LEGI Coordinator	WVDC, Enterprise Agency	n/a	LEGI	30 in-migrant entrepreneurs supported, 5 businesses created	Improved access to enterprise support	The RES Action Plan aims to attract and retain skilled people to the region (D3.1) and adopt a regional talent attraction and retention strategy (D3.2).
	Promoting integration through improved provision of ESOL support	2008/9	College, LSC	WVDC	n/a			More cohesive communities	
	Increasing the demand for in-migrant labour	2008/9	LSC	Employer forums, WVDC	n/a		Increased numbers of in-migrants in the workforce	Improved business productivity; fewer unfilled vacancies	
	Attracting and retaining skilled migrants	2008/9	ONE	WVDC	n/a		Increased numbers of in-migrants in the workforce	Improved business productivity; fewer unfilled vacancies	
Enabling Objective D2: Re-vitalising our housing market									
Accelerating house completions	Accelerating house completions and bringing forward brownfield sites	Continue to bring forward and market allocated housing sites	WVDC		n/a	n/a	290 house completions per year	Sustainable population growth	Achieving a step-change in the quality of the residential offer is one of 6 "radical change" actions that the County Durham Economic

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									Strategy identifies as being of key importance in the County. The County Economic Strategy also aims to increase the number of graduates in the workforce.
Focus Decent Homes investment	Achieve the Decent Homes standard by 2010, focussing on areas that can best act as a catalyst for regeneration.	2010	Dale and Valley Homes	Decent Homes	£26m	Decent Homes	Decent Homes Standards achieved		National policy objective relating to meeting the Decent Homes standard.
Housing market renewal in priority areas	Focus housing market renewal efforts on priority areas in Bishop Auckland, Tow Law and Coundon.	2007-2010	WVDC	Communities England. ONE	n/a	Communities England. ONE		Vibrant housing markets, no areas of low demand	National objective to tackle areas of low demand housing through the HMR process and the Sustainable Communities agenda.
Transformational Objective E1 Cement Bishop Auckland's position as a major District centre									
Attracting national multiples	Identify and market appropriate sites and premises	Engage with target multiples (in BA Masterplan) and seek to identify appropriate sites during 07/08.	WVDC		n/a	n/a	3 new national multiples by 2009.	Greater expenditure and visitor retention within the town centre	The RES Action Plan aims to "support the economic hearts of the region", with specific emphasis on developing strong internal connectivity between urban cores and surrounding labour markets and market towns (E3.2). The RES also notes the importance of cultural and leisure facilities in the delivery and improvement of sustainable communities (E1.3). The County Economic Strategy stresses the
Support our independent retailers	Providing appropriate business support	Develop a programme of retail specific business support, and market to town centre businesses	Enterprise Agency	WVDC, LEGI	£20,000	Enterprise Agency	20 businesses assisted	Increased viability of independents.	
Establishing a cultural quarter	Establish a cultural quarter and associated grant aid and business support in Fore Bondgate	Develop publicity to highlight the cultural quarter, and encourage retailers to	WVDC		£50,000	WVDC	5 new business attracted	Increased footfall and increased business turnover	

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		develop an events programme and joint marketing, combined with smallscale physical improvements, in 08/09							role that the economic contribution of towns can make to accelerating economic performance.
Linking Bracks Farm to the town centre	Establishing pedestrian and cycle links between Bracks and the town centre	Develop a sustainable transport plan in 08/09	WVDC	Private sector developers	£10,000 for plan, use of S106 to fund pedestrian and cycle links	Private sector (S106)	n/a	Improved links from Bracks Farm to the town centre	
Implement the recommendations of the masterplan	Enhancing existing attractions and improving gateways and signage	Identify priority interventions in 07/08, develop signage in 08/09, improve attractions in 09/10	WVDC	ATP	£100,000	WVDC	n/a	Increased visitor numbers in city centre	
	Promoting residential opportunities in the town centre	Identify and market appropriate sites and premises during 07/08	WVDC	Private developers	n/a	n/a		Increased developer interest in Bishop Auckland	
Expand the programme of events	Develop and enhance the events programme in the town	Ongoing	WVDC	Private sector	£10,000	WVDC, private sector	n/a	Increased footfall and visitor numbers in town centre	The RES Action Plan intends to coordinate investment in high-quality festivals and events.
Enabling Objective E2: Support the sustainability of the former coalfield communities									
Enabling the coalfield communities to become vibrant and self-sustaining	Take forward the Area Development Frameworks for Coundon and Tow Law	Make funding applications in 07/08	WVDC	English Partnerships	n/a	EP Coalfields Programme	2 successful funding applications	Programme of funding improvements in place for Coundon and Tow Law	The RES Action Plan highlights the need to develop and implement a strategic approach to market towns and rural service centres (E1.2).

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	Support Crook's role as a vibrant district centre, by making improvements to physical infrastructure	07/08- identify funding priorities 08/11- on-going revenue support to community centre and cultural cluster 08/09- physical improvements to physical fabric of town	WVDC	Crook MTI, private sector	£500,000	WVDC, Crook MTI, NRF.	5 community organisations assisted	Improved vibrancy in the town	Particular emphasis will be on those investments which maximise the contribution from all partners, and which impact on regional economic performance.
	Promoting Willington's role and enhancing transport connectivity to the city	Promoting Willington's employment and housing sites on on-going basis	WVDC		n/a	n/a	Engagement of private sector interest at Low Willington employment site	Increased developer interest in Willington	
Enabling Objective E3: Support the sustainability of our rural communities									
Support the sustainability of our rural communities	Promote Stanhope's role as a key service centre for Weardale through the MTI and Retail Distinctiveness Action Plan	07/08- identify priorities for signage and small-scale visitor improvements (e.g. parking, walks, picknicking) 08/09- implement activity to address priorities	Stanhope MTI	ONE, DCC, WVDC	£100,000	Stanhope MTI	n/a	Improved visitor facilities in Stanhope	See above.
	Bring forward key sites in Wolsingham	Working with private sector partners to bring forward and market the steelworks site and adjacent	WVDC	Private sector	n/a	Private developer	Site brought forward for housing and employment use	Increased housing and business opportunities in Wolsingham	

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		employment land- 07/08							
	Support the findings of the WDRP evaluation	Take forward actions through the Forum for Business	Forum for Business						
	Supporting and developing outreach activity	Ongoing support	WVDC	DCC, College, JC+	n/a	DCC, JC+, NRF, LEGI	n/a	Increased engagement in employment, training and education	