



## **Economy and Enterprise Overview and Scrutiny Committee**

**Date**      **Friday 10 January 2020**  
**Time**      **9.30 am**  
**Venue**     **Committee Room 2, County Hall, Durham**

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### **Business**

#### **Part A**

**Items during which the Press and Public are welcome to attend.  
Members of the Public can ask questions with the Chairman's  
agreement.**

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held 7 November 2019 (Pages 3 - 16)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. Strategic Employment Sites - Overview: (Pages 17 - 34)
  - (i) Joint Report of the Corporate Director of Resources and the Corporate Director of Regeneration and Local Services.
  - (ii) Presentation by Strategy and Project Development Manager, Regeneration and Local Services.
8. EU Funding - Progress: (Pages 35 - 62)  
Report of the Corporate Director of Regeneration and Local Services  
– Funding and Programmes Manager.

9. Quarter Two, 2019/20 Revenue and Capital Outturn: (Pages 63 - 78)  
Joint Report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources – Principal Accountant.
10. Quarter Two 2019/20 Performance Management Report:  
(Pages 79 - 98)  
Report of the Corporate Director of Resources – Strategy Team Leader, Resources.
11. Minutes from the meeting of the County Durham Economic Partnership held on the 8 November 2019 (Pages 99 - 104)
12. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

**Helen Lynch**  
Head of Legal and Democratic Services

County Hall  
Durham  
23 December 2019

**To: The Members of the Economy and Enterprise Overview and Scrutiny Committee:**

Councillor M Clarke (Chair)  
Councillor R Manchester (Vice-Chair)

Councillors E Adam, J Atkinson, A Batey, R Crute, S Dunn, D Hall, T Henderson, J Higgins, P Howell, S Iveson, L Maddison, J Maitland, R Ormerod, E Scott, P Sexton, W Stelling, T Tucker, M Wilkes and M Wilson

**Co-opted Members:**

Mr G Binney and Mrs R Morris

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**Contact: Martin Tindle                      Tel: 03000 269 713**

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**DURHAM COUNTY COUNCIL**

**ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Thursday 7 November 2019** at **9.30 am**

**Present:**

**Councillor M Clarke (Chair)**

**Members of the Committee:**

Councillors E Adam, A Batey, R Crute, D Hall, J Higgins, P Howell, S Iveson, L Maddison, R Manchester, E Scott and M Wilson

**Co-opted Members:**

Mr G Binney and Mrs R Morris

**Also Present:**

Councillor J Clare

**1 Apologies for Absence**

Apologies for absence were received from Councillors J Atkinson, S Dunn, T Henderson, J Maitland, R Ormerod, P Sexton and T Tucker.

**2 Substitute Members**

No notification of Substitute Members had been received.

**3 Minutes**

The minutes of the meeting held 24 September 2019 were agreed as a correct record and signed by the Chair.

**4 Declarations of Interest**

Councillor P Howell declared an interest in Item 8, Visit County Durham – Development and Marketing Activity, as Portfolio Holder for Leisure and Local Environment at Darlington Borough Council.

## **5 Items from Co-opted Members or Interested Parties**

There were no items from Co-opted Members or Interested Parties.

## **6 Media Relations**

The Overview and Scrutiny Officer, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The articles included a report of a Landlord fined more than £700 for breaching the terms of a licence for a property within a designated selective licensing area at Easington Colliery. It was added that Durham County Council (DCC) brought the case against the landlord after he failed to comply with two of the conditions of the licence. Members were reminded that the Wembley area of Easington Colliery was a designated selective licensing area from July 2014 to July 2019 and the issue linked to the work of the Committee in looking at the proposed Selective Licensing Scheme for County Durham.

A further article noted that more than 70 apprenticeship opportunities had been filled within the Council, varying from Intermediate (Level 2) to Degree level. It was explained that apprentices ranged in age from 16-37 years and worked across most areas of Council work including: business administration; bricklaying; civil engineering; financial management; horticulture; and highways. Members noted the links to the work of the Committee had undertaken in looking at apprenticeship opportunities for young people and DCC as an employer.

The Committee learned that Newcastle Building Society had created a branch in Barnard Castle Market Place which included six full and part-time positions, including a Financial Adviser. It was noted this linked to activity of the Committee in looking at work undertaken to regenerate our town centres and improve the retail offer.

The Overview and Scrutiny Officer explained that the first tenant, Sumitomo Electric Wiring Systems Europe Sumitomo, had signed up at the new Jade Business Park, near Murton. She added that Sumitomo produced and distributed automotive wiring harnesses, fuse boxes, connectors, and cables throughout Europe. Councillors noted that the site was managed by Business Durham with the media item linking to the work of Business Durham which was the following item on the agenda.

### **Resolved:**

That the presentation be noted.

## **7 Business Durham - Progress Report**

The Chair welcomed the Managing Director Business Durham, Brian Archer who was in attendance to provide the Committee with an update presentation in relation to the work of Business Durham (for copy see file of minutes).

The Managing Director Business Durham thanked the Chair and Committee for the opportunity to provide an update on the performance of Business Durham. He asked Members to note the €47million of EU projects that were underway, and the capital grant programme, with a minimal level of £100,000 based upon the number of jobs created. He explained one project was the Durham City Incubator, working jointly with New College Durham, Durham University and Business Durham to provide high growth business start-ups with support. The Managing Director Business Durham noted seven inward investments within the County and noted £8million worth of contracts won. He added that the business occupancy rate for Council owned units was at 87 percent and that the rental income provided a £1million operating surplus which meant Business Durham was in effect self-funding and had the ability to provide some match funding.

The Managing Director Business Durham explained that there were a large number of businesses across the County and with a high number of start-ups. He noted attractive points of the County included low labour costs and the relatively high skill levels across the working age population.

The Managing Director Business Durham explained the aim was to have Business Durham as a single point of contact, to remove the confusion often faced by businesses and to be different, with a culture that gains the trust of the business community and was clear and transparent. He noted, that he felt this difference had helped Business Durham be successful.

He noted the business survival rates in County Durham and the growth of the stock of businesses in the County, both greater than regional values, with growth increasing and failures decreasing.

The Chair thanked the Managing Director Business Durham and asked the Committee for their comments and questions.

Councillor E Adam noted lower labour costs and asked if the 3,866 jobs created all equated to lower paid and lower skill jobs. The Managing Director Business Durham noted that there was a challenge in terms of attracting the jobs to the County which looked for those higher-level skills, with work ongoing with the Further Education and Higher Education organisations to help build up those skills. He added that the only sustainable competitive advantage came from skills and therefore it was important to be able to look to move people up the value curve in this regard.

Councillor E Adam noted mention of 40 multinationals investing in the County over the last three years and asked were they actively sought and were they companies offering low pay. The Managing Director Business Durham noted there was a range and it was important to focus on the positives and advertise County Durham as a great place, not only in terms of skills, but also in terms of transport links, broadband and marketing. He noted some of the larger companies, such as Amazon and other high-tech companies, as well as more traditional companies. He added that working to create a “blended economy” was important, not simply relying upon low-paid, labour intensive jobs. He noted the promotion of high-tech jobs such as those at the companies based at NETPark and noted many of the Physics and Mathematics graduates from Durham University were attracted to stay in the area as well and work was also undertaken to grow our own jobs within the County in addition.

Mrs R Morris noted looking on the Council’s website that the Skills Strategy was for the period 2014-2018 and asked for more information as regards any refresh. The Managing Director Business Durham noted that while the skills strategy was outside the remit of Business Durham, he understood that there was an aim to raise skill levels, namely above Level 4 and also to look to increase the level of management skills.

Mrs R Morris asked as regards the Local Enterprise Partnership (LEP) and the Local Industrial Strategy (LIS) and asked now, a year later, if it was possible for us in the County to be more proactive in looking to tie-in with the LIS to assert the different needs of County Durham in comparison to Newcastle and Sunderland for example. The Managing Director Business Durham agreed there were nuances associated with County Durham and that there was work through the County Durham Partnership (CDEP), in terms of feeding into the LEP and LIS. He added as regards the research and evidence base being developed, with Durham University and New College Durham being involved. He explained a challenge for the LIS was the high-level nature of the national Industrial Strategy (IS) and in linking with the Shared Prosperity Fund (SPF) by aligning to the IS in order to be able to access those funds. He noted that it was therefore important to try and influence as regards the IS and those involved, such as Professor Brian Tanner, Chair of the CDEP and others such as the Federation of Small Businesses (FSB) and the North East Chamber of Commerce (NECC), were looking to influence on behalf of the County.

Mrs R Morris noted reference to the number of inward investments and asked for more information. The Managing Director Business Durham noted the Annual Report contained a summary and that he could circulate the most up-to-date information to Members in due course.

Councillor E Scott thanked the Managing Director Business Durham for a succinct and informative presentation and noted her attendance at the “Durham: Powered by People” launch event and asked why such a high-profile brand was not mentioned with the report and presentation. The Managing Director Business Durham noted that Business Durham promoted the County as a great place to work, live and make jobs and noted the branding was included on materials, posters and videos. Councillor E Scott noted she felt it was something that should be promoted more within the Council itself. The Managing Director Business Durham noted it was promoted internally, so in turn those departments could inform those businesses they dealt with. The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that the Powered by People brand had been promoted internally, with a footer on e-mails including the branding.

Councillor R Crute noted the uncertainty in terms of funding and the need to ensure when EU funding ceased that the SPF would look to be right for County Durham. He noted the Secretary for State had stated a desire for “maximum continuity” and asked if there was any further information and would other funding streams be subsumed by the SPF. The Managing Director Business Durham noted assurances had been sought in terms of the SPF being greater than or equal to EU funding, adding there was the potential for some areas, including County Durham to be hit hardest by the effects of Brexit and changes in funding. He noted currently he was not confident that the SPF would be greater than or equal to EU funding, citing the loss of European Social Fund (ESF) in particular with its link to the skills agenda.

Councillor P Howell noted low-skilled jobs within the County and also the high-skill jobs, such as those described at NETPark. He asked for further information as regards those occupying NETPark and the numbers of people those companies represented. The Managing Director Business Durham noted that NETPark was growing very well, with £7 million of LEP funding to expand. He added occupancy was over 90 percent and would be happy to liaise with Overview and Scrutiny Officers to arrange a tour for Members. The Chair noted that dates in May/June 2020 would be confirmed for a number of site visits for the Committee, including NETPark.

Mrs R Morris asked as regards any links with the Centre for Process Innovation (CPI). The Managing Director Business Durham noted there was links, in relation to the catapults within the County.

Councillor L Maddison noted schools visits to companies at NETPark would be valuable and asked what work was ongoing to identify key individuals in schools to take leadership on this to encourage interest in those higher skilled jobs at an early age. The Managing Director Business Durham noted an additional 17 schools were taking part in the Future Business Magnates (FBM) competition which had schools working with businesses to encourage an enterprise culture and a “can-do” attitude. He added in many cases students would be taken into businesses, including those at NETPark and that this inclusivity was important in terms of economic growth.

Councillor L Maddison added she had recently experienced the fantastic work of students in woodworking classes and asked how those types of skills were encouraged. The Managing Director Business Durham noted that there were “idea workshops” where students would work with mentors to test and validate an idea and noted the recent launch event at the Xcel Centre at Newton Aycliffe, hosted by BBC Radio Newcastle presenter Charlie Charlton.

Mrs R Morris noted the FBM competition having ran for 14 years and asked for any evidence of successes from former participants in terms of business start-ups or other successes. The Managing Director Business Durham noted he would look to records and see if any further information could be brought back to Members.

Councillor J Clare noted that a recent letter from Government in relation to the SPF had noted a “distribution based upon need”, adding this was a point the Council had been very strong upon, campaigning against any distribution based upon competition. He added that the Government definition of need based would have to be confirmed.

The Managing Director Business Durham informed the Committee that he was leaving the Authority and commented on the excellent work and expertise of colleagues in the County Council and in Business Durham.

The Chair noted he would like to thank Managing Director Business Durham on behalf of the Committee for all of the hard work he had undertaken since joining Business Durham and wished him well for the future. The Managing Director Business Durham thanked the Chair and noted he was leaving to join the West Yorkshire Combined Authority and added it had been a privilege to work with the Business Durham Team and County Council Members. He reiterated that the Business Durham Team was extraordinary and when looking at business support offered in other parts of the country it was clear to him the best offer was in County Durham and he felt very proud of the work of the Team and was grateful of the positive support offered by Members.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee, as part of the refresh of the Committee’s work programme for 2020/21, receives a further progress report on activity undertaken by Business Durham.

## **8 Visit County Durham (VCD) - Development and Marketing Activity**

The Chair welcomed the Managing Director Visit County Durham (VCD), Michelle Gorman who was in attendance to provide the Committee with an update presentation in relation to the development and marketing activity work of VCD (for copy see file of minutes).

The Managing Director VCD thanked the Chair and Committee and reminded Members of the national and local context regarding 2018, a challenging year. She noted a number of issues, including: “the Beast from the East”, the cold weather experienced in February 2018, the Football World Cup in June/July 2018 and a heatwave over the summer period, adding that while one would normally expect good weather to translate to increased visitor numbers, it appeared as if many people had chosen to stay at home. Members noted other local activities including: the opening of Auckland Tower; Discover England Fund projects; incentives to encourage short breaks rather than day trips and joining up of initiatives, Powered by People and Place of Light.

The Committee noted destination performance information for 2018 as regards the County including: an economic value of £914 million, up 1.4 percent on 2017; food and drink, recreation and indirect spend being the main areas of spend; 9,613 directly employed in tourism; 2,385 indirectly employed in the visitor economy; with the total being 11,998, up 2.7 percent on 2017. Members were reminded that the Vale of Durham was the main visitor product. The Managing Director VCD explained that the number of visitors in 2018 remained the same as the previous year, 19.71 million, however, the number of overnight stays had increased as had the average spend of visitors.

Councillors recalled that the Durham Tourism Management Plan (DTMaP) 2016-2020 was the blueprint for the growth of the visitor economy and noted there was consultation in November as regard the 2021-2025 DTMaP. Members were asked to note international recognition of best practice from the Icelandic Tourist Board and World Bank and national recognition from Visit Cambridgeshire, Chichester and the Wester Ross Biosphere.

The Managing Director VCD noted the Tourism Sector Deal announced by Government on 28 June 2019, with the overarching objective for the UK to remain globally competitive as world leader in international tourism. She noted that this was the tenth sector deal and aligned to the five pillars of the Industrial Strategy: ideas; people; infrastructure; business environment; and places. The Managing Director VCD noted as regards looking to establishing a pilot Tourism Action Zone, which would attract Visit England and Visit Britain support for new ways of working to increase productivity. The Managing Director VCD explained she was on the North East Steering Group along with representatives from Local Authorities, the NELEP, Newcastle Airport and NewcastleGateshead.

She added that criteria for those pilot zones had not yet been announced and therefore it was important to get the evidence base for a North East Tourism Action Zone in place.

In terms of partnership and engagement, the Managing Director VCD noted there were 850 core tourism businesses and 500 secondary visitor economy businesses, and a weekly e-newsletter was circulated to around 1,200 contacts. Members were reminded of the VCD projects focussing on history, heritage and outdoors, with new products to come from April 2020. It was added that an important project was The Northern Saints Trails Project, which aimed to position and raise awareness of North East England as the “Christian Crossroads of the British Isles” and to portray the region’s Saints and their stories against a backdrop of: visitor attractions; cultural and heritage experiences; landscapes; places to eat and drink; visitor accommodation; and North East destinations. Members were referred to a map, highlighting six walking routes, many in rural areas, and it was noted that the Bishop of Durham had stated he would be willing to walk all six routes. It was noted there would be an associated hashtag, #Pilgrimage2020, and VCD would be marketing the project, looking at what it means to be a pilgrim today, and what would motivate someone to make a pilgrimage. It was explained there would be several elements looked at including: Christian/religious heritage; regional arts, culture, heritage, history; spirituality, health, wellbeing, peace, tranquillity; the great outdoors, landscape and walking trails; exploration and family days out; sport, food, ancestral, sabbatical, travel, personal significance such as birthdays or a passion such as music or art.

In relation to destination marketing, the Managing Director VCD noted the partnership work that was undertaken and the two major annual campaigns relating to: heritage and history; and outdoor and landscapes. Committee Members were reminded of the main aims of the campaigns: to raise the national profile and appeal of the county; encourage overnight stays; raise shoulder season occupancy; and to raise awareness of a distinctive Durham experience.

The Managing Director VCD noted the Durham Year of Culture 2019, with a revised target for a visitor economy of £1 billion by the end of 2020, with festivals and events contributing to a higher national and international profile for County Durham. She explained that it had also been the intention to provide additional reasons to visit the County, extend the length of a stay and address issues of seasonality. It was added that the cultural and sporting offer linked to the health and wellbeing agenda and that another aim was to increase the consumption of culture, arts and heritage tourism experiences by residents and visitors. The Managing Director VCD noted that the cultural legacy left for the County would be enjoyed by residents and visitors long after 2019.

Members highlighted the success of the Cricket World Cup and noted the upcoming ten-year anniversary of Lumiere, the largest light show in the UK. The Managing Director VCD concluded by noting the interim results from #Durham19 being: over 13,500 unique web visits, viewing over 41,000 pages; over 2,600 events listed on the site; 20-30 community events per month; 42,000 views of the #Durham19 video; and from the survey undertaken in April 2019, 23 percent of respondents had seen #Durham19 activity and were influenced to visit more than one event, and a further 17 percent were influenced to visit one event.

The Chair thanked the Managing Director VCD and asked Members for their comments and questions.

Councillor P Howell asked if the numbers of people staying at home was linked to the hot weather or if the events over the period were not good enough. The Managing Director VCD noted that anecdotal feedback from some of the more popular, quality, larger attractions in the County, such as Beamish, had experienced less crowds than expected given the fine weather. Councillor P Howell asked how this was evaluated. The Managing Director VCD noted that visitor attraction data was gathered monthly and this was assessed against previous years' information.

Councillor P Howell referred to paragraph 23 of the report and the map highlighting the Northern Saints Trails, with neither referring to the south of the County, Darlington apparently being missed off. He noted that the gravity of the issue seemed to be with the north of the region, however, he highlighted St. Cuthbert's Church in Darlington and significant attractions at Barnard Castle in addition and noted the only hotel mentioned was Rockliffe Hall, not in the County but in Darlington. The Managing Director VCD noted that Rockliffe Hall was a partner, working with other Destination Management Organisations, and the website would randomly display partners information on the website. In relation to the map, the Managing Director VCD noted the projector screen cut off part of the display, however those maps circulated with the agenda papers showed as far down as Darlington. She added that feedback had been received in terms of the North East Cultural Partnership as regard more focus on Darlington and the Tees Valley, and it was noted that Hartlepool were also looking as regards a pilgrim route in their area. Councillor P Howell noted that in terms of pilgrimage, it should be noted that 2025 would mark the bicentennial anniversary of the Stockton to Darlington Railway and this would feed into the Shildon, Newton Aycliffe, Darlington and Tees Valley areas.

Councillor E Scott asked as regards overnight stays and the lack of accommodation in the County. The Managing Director VCD noted this had been an issue for a number of years and that VCD and colleagues from Regeneration had worked together to try and understand the situation. It was noted a number of gap analyses/studies had been carried out and workshops had been held with hotels, bed and breakfasts, glamping businesses and pubs with accommodation to help them understand as regards investing and growth.

She added that around 170 businesses attended those workshops and that tourism data was used to help hoteliers look at how to invest for their business, however, the change was not going to happen overnight.

Mrs R Morris noted she felt the pilgrimage theme was a great idea and asked if analysis predicted that there would be a good take up of the offer being proposed.

The Managing Director VCD noted that both Visit England and Visit Britain had a large amount of information in terms of faith tourism and, while it was a niche market, the offer was a marked point of differentiation from other destinations and also pilgrims tended to be high spenders and likely to also appreciate nature, landscape and heritage, all of which were strong offers in Durham. Mr R Morris asked if numbers of pilgrims would be recorded, the Managing Director VCD noted they would.

Councillor E Adam asked as regards visitor numbers not increasing and asked if it was a chicken and egg situation and whether we needed to build accommodation for people to visit first or was it more events and activities. He also noted that transport was another important factor in order for visitors to access a lot of the County's offer, as many attractions were in rural locations. The Managing Director VCD reiterated the regional partners, as part of the Sector Deal, and those from public transport, such as Arriva and Go North East and also Newcastle and Tees Valley Airports meet and hold discussions. She added that sustainability was also an important element, looking at issues such as electric vehicle car-hire and discussions in this regard were ongoing.

Councillor P Howell reiterated he was very supportive of the work being undertaken in terms of #Pilgrimage19, and emphasised he simply wanted the best scheme for County Durham.

Councillor L Maddison asked if pilgrims would be signposted to other attractions in the County while following the six walking routes as previously mentioned. The Managing Director VCD noted that would be the case in the initial stages however once launched activities, attractions and themes would be brought in to enhance the offer.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee includes in its work programme for 2020/21 a further progress report detailing the future performance of Visit County Durham in marketing the county as a tourism destination, together with examples of marketing being undertaken.

## **9 Economy and Enterprise OSC Scrutiny Review - Support provided to the retail sector by Durham County Council**

The Chair asked the Overview and Scrutiny Officer to introduce the report updating the Committee in relation to the progress with recommendations from the Review of the support provided to the retail sector by Durham County Council (for copy see file of minutes).

The Overview and Scrutiny Officer asked Members to recall the work undertaken by the Scrutiny Review Group and the report that had been considered by Cabinet on 16 January 2019. She noted the progress in respect of the recommendations were set out at Appendix Two to the report and noted that the relevant Officers that had been involved in the review were in attendance to update the Committee and answer Members' questions.

The Chair asked if the Officers in attendance could give brief update in relation to their areas of work.

The Traffic Management Section Manager, Dave Lewin thanked the Chair and noted the primary issue raised by the Group within his remit had been in relation to car parking. He referred to the agenda papers which set out Recommendation Nine which asked for the Council to look at alternative payment methods, such as contactless payments and reconsideration of schemes such as "free after three". He explained that in terms of contactless payments, that there had been an increase in the numbers of these payment machines within Durham City and while it was a large task they were being rolled out, with any machine to be replaced being updated to contactless. He added it was hoped to have contactless payments at Barnard Castle in March 2020. The Traffic Management Section Manager noted that in relation to schemes such as "free after three" he reiterated that it was felt that such schemes were more beneficial in the slower retail periods of the year, however, expectations from AAPs, business and the public were for such schemes to be in place. He explained that he was Chair of the North East Regional Support Team of the British Parking Association and that on its agenda for an upcoming meeting, 19 November, was the issue of whether such schemes were right, and how to raise the issue at a national level.

Councillor E Scott noted the massive squeeze in parking in Durham City, however, she noted some car parks were not at capacity and asked what work could be done in redirecting people to where spaces were available. The Traffic Management Section Manager noted that signage options were being looked at, however, it would not be possible to promote one private operator over another and therefore a technological solution was required that gave information on the numbers of spaces actually available. He noted issues with the current technology, with work ongoing to effect repairs. He noted capacity at Riverwalk and that the operators were looking to offer packages on seven-day parking.

Councillor A Batey noted in Chester-le-Street a transferable ticket had been introduced and asked how successful that ticket had been and whether this was a scheme that could be expanded. The Traffic Management Section Manager noted he was not sure how successful the scheme had been, however anecdotally while it had not appealed to mass numbers there had been some cases where it had worked well. He added that he suspected it would not necessarily work well in other areas and that also it could be in conflict with the health agenda. He also noted the majority of the town centres within the County were relatively compact. Councillor A Batey asked if it was possible to get any data on whether the scheme had led to an increased footfall within the area, the Traffic Management Section Manager commented that he would investigate.

Councillor D Hall asked if prioritisation for the roll out of contactless car parking payment machines could be made for visitor attraction areas, such as Durham City, country parks and so on. The Traffic Management Section Manager noted that colleagues from Sport and Leisure advised in this regard. Councillor D Hall asked whether it was possible, when setting prices, to have off-peak rates to encourage people to come into town and village centres to use facilities in those slower periods. The Traffic Management Section Manager noted that in terms of a Local Authority making a Traffic Regulation Order, it was not possible to have such variable charges, however, the private sector was able to do so. Councillor D Hall gave examples of some areas with broken machines and where improvements could be made, the Traffic Management Section Manager noted colleagues from Regeneration were working with owners to improve the situation.

The Community Economic Development Manager, Wendy Benson thanked the Chair for the opportunity to provide an update and referred to Recommendation Six relating to letting agents' awareness of the schemes, such as the Target Business Support Scheme, and improving access to such information via the internet. She explained that information had been sent to letting agents and there had been improved working relations in this regard. She added there had been changes to the website to give more information on the frontpage, with the Web team overhauling the previous iteration. In respect of Recommendation Seven and training opportunities for local retailers, the Community Economic Development Manager noted that the take up of such training had been very poor. She added that such training had been linked to many of the events noted within the VCD presentation, however feedback from the Federation of Small Businesses was that businesses did not wish to train via the Council. The Community Economic Development Manager noted that this may mean there was a need to commission a training provider, or if the Council were to continue to provide free training, they may wish to introduce a penalty for non-attendance. Councillor E Adam asked if any reasons had been given as to why businesses did not wish to receive training via the Council. The Community Economic Development Manager noted the Council was not seen as a training provider, however, on a positive note 62 new businesses had been engaged with since March 2019.

She added that there were some differences when looking geographically, with events in Seaham having been packed out and events in other areas having no attendees.

The Team Leader Regeneration Projects, Chris Myers noted that in terms of Recommendation Three and the roll out of free public wifi, the equipment was being installed in Bishop Auckland and Stanley with most of the antennae being up, however, the schemes had not yet been launched.

He added that in relation to Recommendation One, the Story Maps developed by colleagues in Spatial Policy had proven to be very useful tools in helping to engage with developers and being able to demonstrate the opportunities in an area. He added that the feedback received from developers had been very good.

Councillor P Howell noted Recommendation Three also referenced superfast broadband provision and its future progress. The Digital Durham Project Co-ordinator, Alli Walker noted the ongoing work under the Digital Durham programme to extend superfast broadband coverage to properties outside of any future commercial plans. The launch of a procurement for a third contract was imminent. Announcements of the successful suppliers was expected to be made in April 2020; and the associated planning and delivery to start thereafter.

The Principal Policy Officer, James Cook noted that new data would be available in relation to the Town Centre Surveys for 2019 and this would also include information relating to DCC ownership being set out within the Story Maps. He added that if there were any requests for specific data to be added he would be more than happy to do so. The Principal Policy Officer noted the Member Briefing on the 2018 Town Centre Surveys and Story Maps that had taken place and explained he would be happy to provide a similar briefing for Members in terms of the 2019 update.

The Principal Business Rates Officer, John Naylor explained that in reference to Recommendation Eight, re-targeting businesses eligible for Small Business Rate Relief, many had been contacted and this had led to 61 awards of rate relief, and the new “retail discount” available in 2019 had been awarded automatically where possible, with approximately £2.2 million awarded in 2019, affecting 941 accounts. It was highlighted the webpage for business rates had been redrafted to be clearer and information was promptly updated reflecting any changes affecting available reliefs.

Councillor E Adam asked as regards whether the information applied to all retail and whether we looked to target all businesses in terms of relief. The Team Leader Assessment and Awards, noted it was all retail, and the Principal Business Rates Officer noted that the statutory function was to apply rate relief and it was not strategy to target, with many processes being hard-set within legislation.

Councillor A Batey noted at the meeting of the Review Group attended by Letting Agents, a lack of knowledge among Agents as regards business rates had been highlighted and asked what work had been undertaken in this regard. The Community Economic Development Manager noted that, as part of the engagement process, she would provide information in relation to targeted business improvements and also business rates and relief.

The Area Action Partnership Co-ordinator, Andrew Walker noted that all 14 AAPs supported regeneration for our towns and there had been 132 projects linked to town centres, with AAP funding totalling £1.36 million, comprising of Area Budget and Members' Neighbourhood Budget.

He added that in relation to the free public access wifi scheme for Barnard Castle, work was ongoing with the AAP, colleagues from Regeneration and Local Elected Members as regards the project.

The Chair thanked all the Officers for their hard work in relation to the progress with the recommendations from the Review and noted all of the good work being carried out.

**Resolved:**

- (i) That the update in relation to progress made in relation to the recommendations contained in the Scrutiny Review Report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further report detailing progress made against the recommendations contained in the Scrutiny Review Report at a future meeting.

## **10 Upcoming Meetings**

The Overview and Scrutiny Officer reminded Members of upcoming meetings and Special meetings of the Committee, 25 November 2019 and 6 December 2019 and reminded Members that Purdah Guidance had been circulated via e-mail.

**Economy and Enterprise Overview and  
Scrutiny Committee**

**10 January 2020**

**Strategic Employment Sites - Overview**



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**Joint report of John Hewitt, Corporate Director of Resources and  
Ian Thompson, Corporate Director of Regeneration and Local  
Services**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 The report provides members with an overview of key strategic Employments sites in the county prior to a presentation by Ray Brewis, Strategy and Project Development Manager, Regeneration and Local Services.

**Executive summary**

- 2 Members will recall that when considering various reports as part of the 2018/19 work programme including the progress update on Business Durham and the pipeline of investment in the county, the committee requested that they receive an overview of strategic sites in the county.
- 3 The committee at its meeting on the 27 June agreed it future work programme for 2019/2020 which identified an overview of key strategic sites in the county together with two visits to various sites.
- 4 Arrangements have been made for Ray Brewis, Strategy and Project Development Manager, to attend the meeting on 10 January 2020 to deliver a presentation focusing on:
  - **Jade Business Park**
  - **Forrest Park**
  - **NetPark**
  - **Integra 61**

A copy of the presentation is attached as Appendix 2

The report covers sites that have either received or have external funding approved and are delivering either enabling works or in receipt of investment. Therefore, Aykley Heads is not included at this point.

### **Recommendations**

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.
- 6 That the Economy and Enterprise Overview and Scrutiny Committee undertakes two visits to various strategic sites in the county as included in its 2019/2020 work programme.

## **Background**

- 7 Outlined in the Regeneration Statement 2012-2022 was the key ambition to make County Durham a “key location for business” this was underpinned by three key objectives of;
  - Nurture Business creation, development and growth, aligned with Key wealth creating sectors.
  - Create the right environment for innovation and growth.
  - Promote County Durham as an attractive economic location for investment.
- 8 To deliver on this ambition it has been necessary to establish and grow the amount and quality of business growth space available across the county, in the places most attractive to investors.
- 9 This has involved assessing where investors wanted to locate, what types of activity needed to be accommodated and preparing places to be competitive.
- 10 Whilst work has been ongoing on many employment sites across the whole of the county the largest in term of growth capacity has taken place across four sites.

## **Expansion to NetPark**

- 11 NetPark has been developed over the last fifteen years and comprises a range of buildings that includes over 120,000 sq. ft. of space managed by Business Durham together with two CPI buildings and the Durham University Research Institute. NetPark is currently home to 35 science and technology businesses employing over 550 people.
- 12 A further phase of NetPark is now available for development and occupation providing over 13 ha of serviced land that aims to provide over 250,000 sq. ft of new space for science-based businesses employing up to 1000 people in the next ten years.

## **Establish Forrest Park**

- 13 Forrest Park is a new employment site located alongside Junction 59 on the A1(M) and immediately adjacent to Aycliffe Business Park.
- 14 When combined, Forrest Park and Aycliffe Business Park make up the largest employment site in the North East by land area.

- 15 Forrest Park extends to 135 acres and has the capacity to accommodate 1.75m square feet of industrial floor space. Based on existing development projections across B1 office, B2 industrial & B8 storage and distribution the site could provide in excess of 3200 new jobs over the next 10-15 years.
- 16 The site also has the potential to accommodate a Rail Freight Terminal. Which would be the first in the North East of England.
- 17 In 2015 the owners of the land, the Forrest Family, and the County Council agreed to form a Joint Venture Company to facilitate the development of the site, with the Council holding a 51% interest in the Company.
- 18 In 2016 the County Council was successful in securing £13m from the North East Local Enterprise Partnership (LEP) to provide infrastructure to enable the site for development. These works, which included new highway access, a 23 MVA electricity supply and other utility works were completed in 2018. The LEP funding required the Council to show progress against various job outputs over a defined period.
- 19 Forrest Park Ltd have agreed to appoint a development partner, Richardson Barberry. Richardson and Barberry are two separately owned companies (both based in the West Midlands) who have come together to form a JV to work alongside the Forrest Park Board to deliver the site. Both Richardson and Barberry have an excellent track record of industrial development.
- 20 The development partnership and opportunity presented by Forrest Park was announced at MIPIM France, the world's leading property market conference event. Arising from the announcement a number of enquiries have been received from companies expressing an interest in being located at Forrest Park.
- 21 A marketing and promotion campaign has also been agreed with development partner which will see the site promoted across a range of mediums over a number of years.
- 22 Alongside the main site there is also a two-acre plot of land at the front of the site that has been extensively marketed to the 'drive thru/to' market. This has resulted in a bid being accepted from Euro Garages to construct a petrol filling station with integral retail units and a standalone KFC fast food restaurant. This will complement other roadside facilities on an adjacent site.

## **Establish Integra 61**

- 23 The Integra 61 Development Bowburn adjacent to J61 has been taken forward by Citrus Durham Ltd since they acquired the site in 2013.
- 24 The mixed-use site covers 205 acres and will accommodate a developable area of 101.1 acres of B2 B 8 Use and two housing development t of 18.4 acres and 270 houses.
- 25 There is additional capacity for further roadside uses at the front of the scheme to accommodate showrooms and potential leisure use.
- 26 Durham County Council in undertaking highways infrastructure work to the all of Junction 61 access and egress points, with particular focus on the A688 where access to the Durham Services and the Integra 61 access are located.
- 27 These junction and road works have been funded by Highways England and DCC with onsite infrastructure and highways work being jointly funded by the Developer and grants from the Local Growth Fund.
- 28 In Dec 2018 Tritax Big Box signed a deal with a major international company for distribution and fulfilment centre with up to 1,951,637 sq foot of floorspace on four floors.
- 29 This single unit (DC1) will attract over 2200 FTE jobs and will be fully open in 2020.

## **Establish Jade Business Park**

- 30 Jade Business Park, formerly known as Hawthorn, was granted Enterprise Zone status in 2015 as part of a wider North East Local Enterprise Partnership (NELEP) offering. Occupiers are given rate relief and NELEP receive the rates for 25 years with some profit sharing once the site is fully built out.
- 31 In return NELEP is providing funding for power and other utility services and junction improvements part financed by Highways England worth £10.6 million.
- 32 The Council agreed in April 2019 to fund the development of 156,000 sq. ft. of modern industrial units at Jade with sizes ranging from 10,000 sq. ft. to 51,000 sq. ft.
- 33 The factory units which are due for completion in June 2020 and will be managed by Business Durham should support up to 400 jobs.

- 34 Sumitomo Electric Wiring Systems (Europe), a Japanese owned supplier to Nissan has already agreed to take the largest unit of 51,000 sq. ft.
- 35 Highbridge Properties retains an option on the rest of the site which could see the development of a further 300,000 sq ft of industrial and office space supporting up to 2000 jobs depending on use.
- 36 To date (December 2019) all of the steel erection and concrete bases for all of the units has been completed with roofing and cladding completed on the two largest units.

### **Next Steps**

- 37 All these sites will continue to be promoted to national and international investors until they reach their potential
- 38 Forrest Park and Jade are now part of the United Kingdom Trade and Industry (UKTI) pitchbook of prime international investment opportunities. Each one is promoted by UK Government at international trade events and Embassy and Consulate trade gatherings.

### **Strategic Project Pipeline**

- 39 This work has been in planning and development for over 10 years and has met some of both the demand and quality requirement of inward investments from both the public and private sectors.
- 40 In anticipation of the need for further employment land up to 2050 work is beginning in the new year to identify growth requirements and best locations through the development of a new economic strategy and narrative for County Durham.
- 41 This will lead into a development project pipeline for the county to ensure future supply of suitable sites in the right locations and meeting our future demand and quality requirements.
- 42 With a good track record of being awarded regional/national project funding to support economic growth through funding rounds such as Local Growth Fund, National Productivity Investment Fund, Acceleration Construction, Future High Streets Fund and Housing Infrastructure Fund, having an approach to managing an investment pipeline and developing major projects is an important part to deliver growth within the county

- 43 Within Regeneration and Local Services Service Grouping, a flexible investment pipeline approach is taken to ensure that the county can remain responsive to opportunities. This enables us to:
- Identify priority ideas early, develop robust business cases and enable project proposals that are ‘investment ready’
  - Accelerate delivery plans
  - Stimulate market investment through joint ventures, collaborations and seed funding
  - Help tackle barriers to growth like low land values and land assembly by supporting the delivery of site infrastructure including roads and utilities like power, water and gas to improve ‘readiness’ for investment - enabling the delivery of otherwise marginal or unviable sites.
  - Take advantage of our assets through direct promotion with the Department of International Trade, Northern Powerhouse, NELEP, Transport for the North and other direct Governmental Departments.
  - Inform strategy development with County Durham based evidence and opportunities. This helps to ensure that the county’s strategic priorities are recognised at a regional, pan regional and national level. This is delivered through lobbying as well effective representation at organisation like NELEP/NECA etc.
- 44 Our ambitions for growth and spatial plans for development are predicated on market appetite and ability to secure investment. To facilitate this process it is imperative we set priorities. These include:
- To enhance connectivity and business routes to market the A19, A1(M), A167, East Coast Mainline and Durham Coast Line transport corridors within the county present priorities to facilitate economic growth.
  - Improvements to the infrastructure itself, business parks, town centres and housing sites will provide better connected places to stimulate future jobs growth and investment.

## Conclusion

- 45 We will continue to take advantage of and promote our success in a wide range of projects and investments across the county that have already levered considerable private investment. We will also continue to develop and manage our project pipeline to ensure that projects have the opportunity to be fully developed, promoted and delivered. This will involve partner collaboration and a proactive approach to appropriately, planning and developing projects to take advantage of funding opportunities as they arise. As opportunities to support and inform strategy development like the Local Industrial Strategy, Shared Prosperity Fund and Towns progress, a flexible investment pipeline will help ensure that Durham's priorities are reflected within regional and national policy and will help to secure/maximise future funding to address our needs and growth potential

## Background papers

None

## Other useful documents

- Links to relevant websites
- Integra 61 <https://integra61.co.uk/>
- Forrest Park <https://www.barberry.co.uk/project/forrest-park-newton-aycliffe/>
- NETPark <https://www.northeasttechnologypark.com/>
- Jade <http://www.jadepark.co.uk/>

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**Contact:** Ray Brewis

Tel: 03000 264708

Strategy and Project  
Development Manager

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable

### **Finance**

Not applicable

### **Consultation**

Not applicable

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable

### **Human Rights**

Not applicable

### **Climate Change**

Not applicable

### **Crime and Disorder**

Not applicable

### **Staffing**

Not applicable

### **Accommodation**

Not applicable

### **Risk**

Not applicable

### **Procurement**

Not applicable

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# Strategic Employment Sites In County Durham

**Ray Brewis**

**Strategy and Project Development Manager  
Regeneration and Local Services**

*Altogether better*



## Background

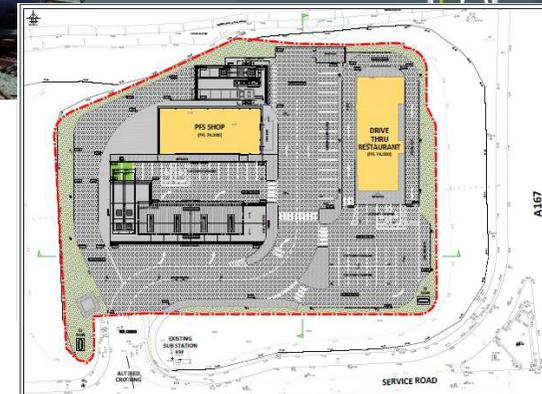
- **Recognition in 2009 that employment land was in short supply and not in the places inward investors were looking for**
- **Regen statements of 2010 and 2014 Refresh strategically identified it as a priority need with objectives to;**
  1. **Nurture Business creation, development and growth, aligned with Key wealth creating sectors.**
  2. **Create the right environment for innovation and growth.**
  3. **Promote County Durham as an attractive economic location for investment.**

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# Addressing the Problem

## Forrest Park, Newton Aycliffe



- Joint venture – Forrest Park (Newton Aycliffe) Ltd – DCC/Forrest Family
- £13m NELEP funding for Infrastructure Provision – Access & Power
- Proposals for development of B1(c) (Business), B2 (General Industrial), B8 (Storage/Distribution) industrial units
- C. 1,760,000 sq. ft. Industrial development Land
- Significant Job Creation – 3200 jobs
- 10-15 Year Development Programme
- Plateaued 2 acre commercial front plot development

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# Development Detail

## Masterplan

Development Partner

Richardson Barberry

11 Industrial Units Ranging in size from 46,000 – 575,000 sq ft

Rail Enabled

50,000 Trade Park proposals – 7 Units

Ranging in size from 5,000 -10,000 sq ft

60 bed Hotel & Pub development

Front Plot – Petrol Filling Station, retail units and KFC drive thru restaurant by Euro Garages



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- Formerly known as Hawthorn, A19 Dalton Park
- Reclaimed from its previous use as a pit and coke works from 2002
- DCC and HCA ownership
- NELEP Enterprise Zone
- 55 acres
- Planning application for mixed development of 68,000 sq. metres.
- £15m investment from NELEP
- Project Tulip



Fully serviced 55 acre site  
with fast track delivery  
of bespoke buildings  
within 12 months

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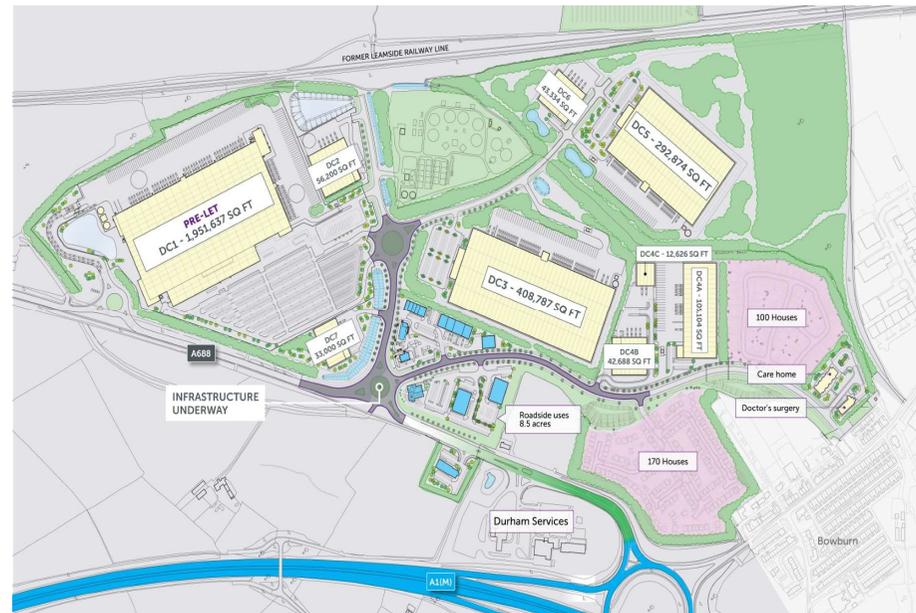
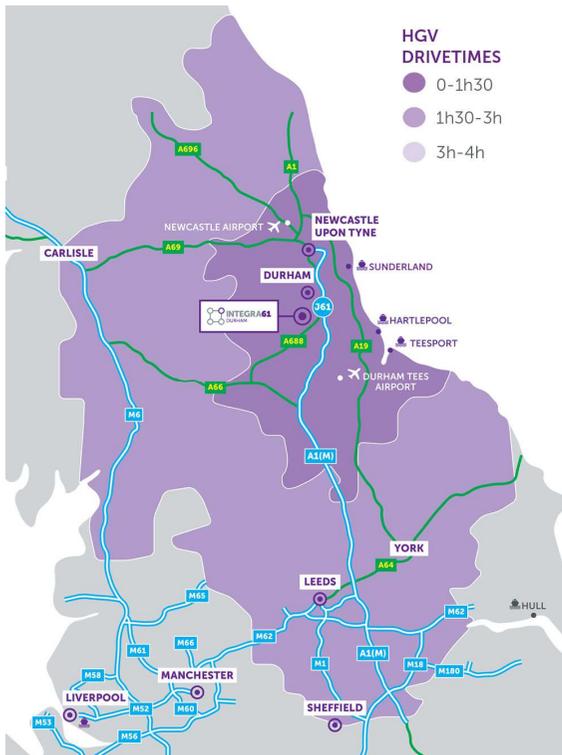
- **NETPark Phase 3**
- 26 ha owned by DCC with £5m NELEP investment in highway infrastructure
- 3 existing businesses with growth potential considering purpose built
- Development route under consideration
- National agent to be appointed for science based inward investment



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# Integra 61

- 83 ha privately owned by Citrus Group with NELEP investment in highway infrastructure
- 200,000 sq. m. logistic facility for major distribution retailer



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# Any Questions?



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**Economy and Enterprise Overview and  
Scrutiny Committee**

**10 January 2020**

**EU funding Update**



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**Report of Ian Thompson, Corporate Director of Regeneration and  
Local Services**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 The purpose of the report is to provide an update, since the last report in November 2018 to Overview and Scrutiny, on the current status of the EU Structural and Investment Funds Programme and the LEADER Programme within County Durham.

**Executive summary**

- 2 The European Structural and Investment Funds programme provides invaluable funds to help local areas grow. Durham as a Transition Region has a ring-fenced allocation of £155m. This is made up of an ERDF allocation of £86m and ESF allocation of £69m. The County also benefits from a share of £10.5m EAFRD funding to support rural development in the NELEP area and has two LEADER programmes worth £4m.
- 3 Significant work has been undertaken through the County Durham Economic Partnership's (CDEP) ESIF work streams, supported by the Funding and Programmes Team, to realise this opportunity and commit ESIF resource in County Durham. Currently, 95% of the ERDF allocation, £81.4m, is committed in either approved projects or pipeline applications. £52.4m ESF has been contracted in Durham with a further £18m in applications due to be considered.
- 4 The County Council has submitted a number of applications for ESIF funding and is currently delivering 15 projects, worth a total of £46.8m in grant, with a further nine applications in development or appraisal (20.6m grant request).

- 5 The two LEADER Programmes in Durham Coast and Lowlands and North Pennine Dales have now closed. They have committed 100% of the funding, and have supported 95 projects, creating 145 jobs.

### **Recommendations**

- 6 Economy and Enterprise Overview and Scrutiny are recommended to:
  - (a) Note the content of the report.
  - (b) Receive further reports as the programme continues as part of the 2020/21 work programme.

## Background

- 7 The European Structural and Investment Fund (ESIF) programme for 2014-2020 programme period allocated circa €537 million of funding for the North East LEP area, this includes a ringfenced allocation of €157 million for County Durham as a Transition Region. The ERDF allocation for Durham is £86m, and the ESF allocation is £69m, this includes an additional £9m to fund the recently approved three-year extension to the YEI DurhamWorks scheme. This now gives a current notional allocation for County Durham of £154m. In addition to this funding, the County also benefits from a share of £10.5m EAFRD to support rural development in the NELEP area, and has two LEADER programmes worth £4m, delivering capital grants to support businesses, farming, tourism and services within rural areas of the County.
- 8 Following the referendum in June 2016, the Government announced that it would guarantee and approve EU funding for Structural and Investment Fund projects, including agri-environment schemes, to the point at which the UK departs the EU. In July 2018, this was strengthened by the Government confirming that any funding that projects secure through EU programmes, from now until the end of 2020, will be guaranteed by the UK government even in the event of a no deal Brexit scenario.
- 9 In light of this 'business as usual' position, work has continued with partners to support the development of project applications and develop a pipeline of activity in order to maximise this funding opportunity for County Durham.

### Current Spend Position

- 10 Significant work has been undertaken to realise the opportunity and commit ESIF funding in County Durham. The tables below show the current ESIF allocation for County Durham by Priority Axis, the value of contracted projects that have been approved and are in delivery, projects within the pipeline that have submitted either full or outline applications, and the balance of allocation remaining to be committed.

ERDF	Innovation	SME Comp	Low Carbon	Climate Change	CLLD	Total
<b>Allocation</b>	<b>18,645,527</b>	<b>42,790,378</b>	<b>19,932,877</b>	<b>3,043,160</b>	<b>1,884,031</b>	<b>86,295,973</b>
Contracted	13,249,730	30,891,370	3,144,892	2,795,501	1,745,003	51,826,496
Pipeline (in assessment/ appraisal)	6,248,412	11,815,962	11,558,388	0	0	29,622,762
<b>Commitments</b>	<b>19,498,142</b>	<b>42,707,332</b>	<b>14,703,280</b>	<b>2,795,501</b>	<b>1,745,003</b>	<b>81,449,258</b>
<b>Balance</b>	<b>-852,616</b>	<b>83,047</b>	<b>5,229,598</b>	<b>247,659</b>	<b>139,028</b>	<b>4,846,715</b>
<b>% remaining</b>	<b>0%</b>	<b>0.2%</b>	<b>26%</b>	<b>8%</b>	<b>7%</b>	<b>5%</b>

ESF / Priority	Allocation	ESF Committed Spend	Pipeline ((in assessment/ appraisal)	Open Calls	Balance
1.1	7,259,987	6,162,974	0	1,100,000	-2,987
1.2	6,612,963,	611,111	6,000,000	0	1,852
1.3 (YEI)	15,660,000	21,780,000*	0	0	-6,120,000
1.4	„980,110	4,634,000	1,411,126	2,955,000	-20,016
1.5	2,023,086	1,813,000			210,086
PA1 Inclusive Labour Markets Total	40,536,146	35,001,085	7,411,126	4,0155,000	-5,931,065
2.1	19,367,618	15,081,456	4,070,449	0	215,713
2.2	3,509,711	2,343,385	2,162,039		-995,713
PA2 Skills for Growth Total	22,877,329	17,424,841	6,232,488		-780,000
<b>Transition Total</b>	<b>63,413,475</b>	<b>52,425,926</b>	<b>13,643,614</b>	<b>4,055,000</b>	<b>-6,711,065</b>

- 11 As of the end of November 2019, a total of £51.8m ERDF has been contracted in County Durham, with a further pipeline of £29.6m ERDF applications in either assessment or appraisal stage, this represents an overall commitment of £81.4m (95%), leaving a balance of £4.8m.

- 12 In County Durham, £52.4m of ESF is contracted, this includes projects that have received grant offer letters and Opt Ins that have been agreed at ESIF Sub Committee. There is a further £13.6m in commitments in either full applications or extensions to Opt In contracts that are due to be considered shortly. A further round of Open Calls for the value of £4m recently closed on 2 December 2019. We understand informally that projects have been submitted for at least this value, which would potentially see this remaining resource utilised.
- 13 The latest Open Calls for ERDF projects closed in September 2019 and ESF calls closed in December 2019. Going forward any remaining funding will be pooled at a national level to create both ERDF and ESF Reserve Funds. This will use remaining programme funds to ensure investment of the full programme and to manage exchange rate risks to the overall allocation. All further calls for proposals will be accessed via the Reserve Funds, which are expected to be launched early in the new year.

### **Durham County Council Projects**

- 14 The County Council has submitted a significant number of applications for ESIF Funding, as follows

#### *Approved Projects*

- *Youth Employment Initiative (YEI)*  
DurhamWorks is a programme led by Durham County Council in partnership with external Delivery Partners. It supports 15-24-year-old unemployed County Durham residents into employment, education or training through intensive and long-term support; innovative and engaging activities to develop motivation, work-related skills and work experience and increased employment opportunities. An extension to the project was approved in August 2018, to allow a further three years of delivery, together with an additional £9m ESF grant. ESF Grant - £21,78m, Total Project - £29m
- *Community Led Local Development (CLLD) Preparatory Stage -*  
Preparatory funding to develop Local Development Strategies and establish Local Actions Groups for two CLLD areas within County Durham – North Durham and South Durham. The completed strategies were approved in Summer 2016, consequently allowing full applications to be submitted for the two CLLD areas (see below). ERDF Grant £7,130 per CLLD, ESF Grant £6,900 per CLLD

- *Community Led Local Development (CLLD) Implementation*

CLLD aims to increase employment and skills, social enterprise, and social inclusion in order to support the social regeneration of deprived areas. There are two programmes delivering within North Durham (Stanley, North Chester le Street and the western edge of the Derwent Valley AAP area) and South Durham (Bishop Auckland, Shildon and Spennymoor). It is a specific tool for managing ERDF and ESF in a complementary fashion at a local level to provide for smaller community led interventions in a similar way to LEADER.

North Durham - ERDF £744,202, £ESF 780,101, Programme Total £2.36m

South Durham – ERDF £986,501, ESF £1,019,899, Programme Total £3.1m

- *Business Energy Efficiency Project (BEEP)*

The project will provide an intensive package of support for SMEs on energy efficiency, renewable energy and business resilience to reduce greenhouse gas emissions and bottom line costs, enhancing competitiveness and supporting business growth. In association with the Durham Business Opportunities Programme, one to one best practice support, training and expert technical advice will be provided, backed by an interactive website and a programme of peer to peer business events and social media. A package of energy audits and financial grant support will encourage and enable businesses to take up no/low cost measures and to install appropriate technologies. ERDF Grant - £533,887, Total Project - £890,811

- *Durham Business Opportunity Project (DBOP)*

The project will provide a 3 year programme of business support to encourage and enable SMEs in County Durham to grow, through engaging the businesses and connecting them to opportunities. The project will focus on identifying potential market opportunities for businesses and helping them to realise these opportunities. The project will help to increase the demand for and take-up of regional/national business support products (where available) by County Durham businesses, and will fill gaps in the business support offer, where identified needs of County Durham businesses are not being met. This will result in better-connected, more competitive SMEs. ERDF Grant - £624,056, Total Project - £1,040,095

- *Community Enterprise*

The project aims to increase sustainable community enterprises and increase the number of people in the County who are enterprise ready. It will target both new and existing community enterprises with the potential to grow and employ more people. ERDF grant £525k, Total project £875,000

- *SME Digital Engagement Programme*

This is a three year programme of support to SMEs to improve their competitiveness through take up of digital technology. The aims of the project are to: engage and energise businesses to consider how they can improve their business by adopting digital technologies, remove the practical and financial barriers to businesses in doing so and embed a culture where the desire and ability to exploit digital technologies becomes a core business skill. ERDF grant £2.4m, total project £4m

- *Durham Internships and Collaborative Enterprise (DICE)*

The County Council is a delivery partner in a Durham University led project. There are three strands of support. Durham University is leading on developing a start-up academy providing a structured programme of support for students/graduates and a part funded internship scheme placing student/graduates into employment. Durham County Council is leading on developing an enterprise incubator, based at Salvus House with an associated accelerator programme of intensive and bespoke support. ERDF grant £613k

- *Solid Wall Insulation Innovation (SWii)*

The project will deliver a 'whole place' energy efficiency pilot programme in 210 fuel poor homes in two Durham former mining villages of South Moor and Evenwood that will specify develop and train – innovation solid wall insulation product system – next phase domestic smart heating control and peer to peer community energy efficiency, advice and support. ERDF £1.5m, Total project £2,510,704

- *Chester le Street Flood Alleviation Scheme*

The Chester le Street Flood Alleviation scheme aims to reduce flood risk to the businesses and properties around the Cong Burn River. It will include daylighting 90m of twin bore culvert, providing landscaping, footpaths and seating areas in the new 'blue green' space for public use. ERDF £3.24m, total project £4,68m

- *County Durham Growth Fund*

The project will provide grant support to SMEs in County Durham for capital investment projects to stimulate and enable sustainable business growth, based on a successful model previously delivered through the 'Let's Grow' programme. ERDF £6.09m, total project £15.2m

- *Durham Advance*

The project will offer a comprehensive package of advice, guidance and support to participants targeting those with health conditions and the over 50s. ESF £1.5m, total project £2,5m

- *LINKCD*

The LINKCD project will work with 1252 participants in County Durham using a caseworker model for delivery, providing a tailored package of support to participants including those with protected characteristics, workless housing tenants and offenders and ex-offenders. ESF £2m, Total Project £3.33m

- *DurhamDirections*

The project will work to prevent young people from becoming NEET and address youth unemployment amongst vulnerable groups. Total ESF request £4.78m. The application for this was submitted before it was clear that the DurhamWorks project would be extended. Discussions will take place with DWP as to how to progress with the preventative activity proposed in this project that cannot be delivered through DurhamWorks. There the total value of this project will reduce significantly.

- *BEEP2*

BEEP2 will provide a wraparound package of support for SMEs on energy efficiency, renewable energy and business resilience to reduce greenhouse gas emissions and bottom-line costs, enhancing competitiveness and supporting business growth. Building on pioneering project BEEP1, it will offer an enhanced grant fund, support with additional technologies such as water, waste and transport, and incentivise measures that return greater CO2e savings. ERDF £1.04m, Total Project £1.73m

### *Current Applications*

- 15 The following DCC projects have submitted applications and are at various stages of development/assessment:

- *Durham Future Innovation Building*

The project will build the innovation ecosystem in County Durham, initially focused on innovation within SMEs in the construction sector, it will provide support to enable the SMEs to access research and innovation expertise in order to bring new products to market. ERDF £813,803, total project £1,356,338

- *Durham SME Digital Engagement Programme (Digital Drive County Durham)*

This is an extension to the existing ERDF project that will continue delivery to June 2023 and will enable 300 further business to be supported. The project will provide a programme of support to SMEs to enable them to improve their competitiveness through take-up of digital technology. ERDF £2.4m, total project £4m

- *County Durham Growth Fund*

This is an extension to the existing County Durham Growth Fund which provides grants for capital equipment or new premises to SMEs that plan to invest at least £100,000 to expand existing operations or establish new operations in County Durham, leading to the creation of additional jobs. The CDGF is being delivered by Business Durham in partnership with Umi, who previously ran the Let's Grow scheme on which the CDGF is based. The total project cost for the project extension period is £13,043,414 and the match funding for the project (£7,813,281) will come from private sector contributions to match the grant they will receive from the programme. ERDF grant £5,230,133

- *Durham City Incubator*

The project is part of a larger ERDF application led by Durham University (Durham Internships and Collaborative Enterprise (DICE) to increase new business start-ups and graduate retention in Durham. Based within Salvus House, the project provides a six-month intensive incubation programme for cohorts of up to 10 businesses, aimed at, but not exclusively for, students graduating from Durham University and New College Durham that are ready to start up a new enterprise. ERDF £247,172, total project £411,953

- *Low Carbon Dept*

This project will deliver an innovative, low carbon, whole place solution for the Morrison Busty Depot, incorporating a range of innovative technologies, comprising Solar PV, Air source Heat Pumps installation, Energy Storage Solutions, Infrared Heating and EV charging infrastructure. ERDF £5,494,463 total project £9,157,438

- *Durham History Centre*

Project will support the introduction of low carbon measures including ground source heat pump, solar photovoltaics and solar thermal collector, linked to a smart building management system. ERDF £1,296,696, total project £2,161,160

- *Louisa Centre Minewater project (resubmission)*

This project will deliver a low carbon retrofit to a public building, incorporating a minewater heating system that will be the first of its kind in the UK. *The heat generated from the minewater will be utilised to heat the swimming pool water, complementing other low carbon measures including solar panels, LED lighting, boiler replacement, plant room and heating control upgrades, and added insulation.* ERDF £1,881,229, total project £3,135,381

- *Durham Enable*

The project will increase employment for people with multiple and complex barriers. Prioritising those with disabilities who are a significant distance from the labour market. ESF £2.168m, total project £3.61m

- *Durham Advance 2*

The project will address the progression towards the labour market of many of the most disadvantages and marginalised residents in County Durham. It will offer a comprehensive package of advice, guidance and support to both the employer and if required workplace adjustments required by the prospective employee. ESF 1.1m, total project £1.83m

- 16 A list of all ERDF projects that have been approved and delivering activity in County Durham is attached as Appendix 2.

### **LEADER and EAFRD**

- 17 The LEADER Programme is a separate European Union initiative funded through RDPE. It provides capital grants to support rural development projects initiated at the local level in order to create jobs and growth and revitalise rural areas. There are two LEADER areas within County Durham,

- Durham Coast and Lowlands - £1.74 million
- North Pennine Dales - £2.34 million

- 18 Local Action Groups (LAGs) have been established, bringing together individuals from local public, private and community sectors. The Group is responsible for establishing the strategy and direction of the Programme and decision making; approving all project applications. The County Council is the Accountable Body and manages and administers the LEADER Programme.

- 19 The LEADER Programme has now closed to applications, having committed 100% of spend to approved projects, although projects have until December 2020 to be delivered and claim back LEADER grant. A total of 95 projects have been supported and the Programme's outputs targets have been met, if not exceeded. A full list of all projects approved is attached in Appendix 3. A breakdown of spend by priority is provided below:

Priority	DCL		NPD		Total Spend	Jobs Created
	No of projects	Spend	No of Projects	Spend		
Farming Productivity	17	479,884	9	220,774	700,659	6
Micro, small business and Farm diversification	15	626,535	20	775,468,	1,402,003	109
Tourism	2	42,543	13	594,350	636,893	22
Rural Services	10	292,344	5	143,488	435,832	7
Culture and Heritage	1	52,926	-	-	52,926	0
Forestry Productivity	-	-	3	122,147	122,147	1
<b>Total</b>	<b>45</b>	<b>1,498,254</b>	<b>50</b>	<b>1,856,228</b>	<b>3,350,460</b>	<b>145</b>

20 An evaluation of the LEADER Programme is now underway, a beneficiary survey and a focus group of LAG members has taken place. The initial key findings from this are as follows:

- (a) The survey confirmed LEADER has provided vital support to businesses / communities in delivering their projects / initiatives.
- (b) Support from the Programme Team has been well-received and greatly valued by applicants.
- (c) Process and associated paperwork have been confirmed as major issues causing difficulties for the applicants.
- (d) Continuation of LEADER type grant and support from Programme Staff have been highlighted as crucial elements for future rural development funding. A pipeline is already emerging highlighting need and demand

21 The European Agricultural Fund for Rural Development (EAFRD) worth a total of £10.5m to the NELEP area supports the development and growth of SMEs, tourism infrastructure and food processing within the designated rural areas of Durham, Northumberland and rural Gateshead. Round 2 of the Programme closed in May 2018. To date £5.12m has been committed within the NELEP area, with a further three projects worth £455,334 due to be considered. Of this £2,247,564 has been approved to projects within Durham (16 business support, 5 tourism and 1 food processing). As there has been considerable attrition within the Programme nationally, a Reserve Fund of the pooled resources has been created. The Growth Programme National Reserve Fund launched in October 2019 with a minimum £35m available, which could increase to £50m to fund worthy projects. Expressions of Interest across the themes of Food Processing, rural Business Development and rural Tourism Infrastructure are currently being sought before the deadline in February 2020.

## **Future Funding post Brexit – UK Shared Prosperity Fund**

- 22 The 2019 Conservative Party manifesto re-iterated the commitment made in their 2017 manifesto to introduce a UK Shared Prosperity Fund (UKSPF). The fund will replace European Structural Funds and will at a minimum match the size of the funds for each nation. The manifesto commits to targeting at least £500 million at tackling inequality and deprivation, with a specific focus on improving the skills of disadvantaged people. It is unclear when the UKSPF will be made available, however the Council will respond to any consultations and continue to work with lobbying groups to present a case to ensure the new fund meets the needs of County Durham.
- 23 The Government has committed to supporting 100 towns across the country, with Bishop Auckland selected to receive investment via a town deal. The Council is preparing the evidence that the Government requires in order to secure this investment.
- 24 Throughout 2018 and 2019 the Government has been working with mayoral combined authorities and Local Enterprise Partnerships to develop Local Industrial Strategies (LIS). The North East LEP has been working with civil servants on the development of a LIS for the region and it is understood that they plan to consult on it in the coming months. The Council has engaged in the development of the LIS via NELEP meetings and formal consultation events.

## **Conclusions**

- 25 The committee will be aware of the various projects and schemes in the county which are being delivered using EU funds.
- 26 European Funding has provided vital funding, supporting investment in innovation, businesses, skills and employment, creating jobs and growth in the County. Going forward it is important that future funding meets the needs of Durham, addressing local priorities and should be at a level which at least matches what it currently receives or would have received under the next EU programme.

## **Background papers**

- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 6 November 2018
- Report to the Corporate Management Team – European Funding Update, 17 October 2018
- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 26 September 2017
- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 3 November 2016

- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 10 March 2016
- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 20 February 2015
- Report of Economy and Enterprise OSC – Update on EU Funding programme 30 October 2014.
- Report of the Corporate Management Team – EU Funding programme 1 October, 2014
- Youth Employment Initiative – Cabinet Report, 10<sup>th</sup> June 2015

### **Other useful documents**

- None

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## **Appendix 1: Implications**

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### **Legal Implications**

Legal advice is sought from Legal and Democratic Services where necessary, for example State Aid implications for individual applications

### **Finance**

Financial implications are considered for individual ESIF applications

### **Consultation**

Not applicable

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable

### **Climate Change –**

20% of Durham's Transition ERDF allocation is ring-fenced to Priority 4: Supporting the shift towards a low carbon economy in all sectors. This funding will support projects that will move the economy towards a low carbon model by reducing the levels of Green House Gas (GHG) emissions, increasing the share of renewable energy, and enhancing the energy efficiency of homes, businesses and transport. A further £3m has been allocated in Durham to Priority 5: Promoting Climate Change Adaptation, Risk Prevention and Management. All ESIF applications also need to consider how the project will respect the principle of sustainable development. In particular, how it will maximise positive environmental impacts or mitigate potential negative impacts.

### **Human Rights**

Not applicable

### **Crime and Disorder**

Not applicable

### **Staffing**

Not applicable

### **Accommodation**

Not applicable

### **Risk**

The revision and implementation of the EU Governance process will mitigate against risks associated with applying for European funding Procurement

## Appendix 2: List of Approved ERDF Projects

1	Priority Axis 1: Promoting Research and Innovation	More Developed ERDF	Transition ERDF	Total ERDF Sought
	Emerging Electronics Manufacturing Centre (EEMaC) at NETPark - Centre for Process Innovation (CPI) Limited	£218,736	£2,377,064	£2,595,800
	Pathways to Innovation - RTC North Limited	£562,500	£225,000	£787,500
	Northern Accelerator - Newcastle University	£274,861	£159,003	£433,864
	Sustainable Advanced Manufacturing (SAM) - University of Sunderland	£1,749,987	£882,897	£2,632,883
	Creative Fuse North East - Newcastle University	£688,351	£112,950	£801,301
	Intensive Industrial innovation Programme - North East (IIIP-NE) - Durham University	£2,073,323	£783,013	£2,856,336
	North East Innovation Supernetwork - North East Business & Innovation Centre Limited	£446,433	£75,006	£521,439
	GX - NewcastleGateshead Initiative	£603,535	£58,295	£661,830
	CIF ESM Outreach - Centre for Process Innovation (CPI) Limited	£402,763	£897,588	£1,300,351
	Innovative Materials via Precision Additive Coating Technologies (Project IMPACT) - Centre for Process Innovation (CPI) Limited	£608,784	£1,927,824	£2,536,608
	Development of a North East Water Hub - Durham University	£284,209	£94,736	£378,945
	Northern Accelerator II - Newcastle University	£315,997	£184,773	£500,770
	Hope Street Xchange - University of Sunderland	£2,227,742	£0	£2,227,742
	The Biosphere - Newcastle City Council	£4,706,976	£0	£4,706,976
	Arrow - Newcastle University	£1,356,949	£339,237	£1,696,186
	Northern Centre for Emerging Technologies - The Borough Council of Gateshead	£3,294,540	£0	£3,294,540
	Catalysing innovation in North East clusters - North East Business & Innovation Centre Limited	£1,049,945	£185,281	£1,235,226
	Innovate2Succeed - RTC North Limited	£408,116	£90,802	£498,918
	Digital Innovation Partnership - The Council of the City of Sunderland	£1,171,686	£156,225	£1,327,911
	Innovate Durham - Teesside University	£0	£515,049	£515,049
	North East SME Innovation Programme 2 - North East Business & Innovation Centre Limited	£685,500	£213,750	£899,250
	The Innovation Pathway - RTC North Limited	£818,551	£215,080	£1,033,631
	Collaborative Outreach in Applied Surface Engineering Technologies (COAST) - Centre for Process Innovation (CPI) Limited	£0	£2,709,735	£2,709,735
	North East SME Innovation Programme - North East Business & Innovation Centre Limited	£622,799	£197,639	£820,438
	SME Spotlight- Photonics and Emerging Technologies for Healthcare SME Support Programme - CPI	0	£848,784	£848,784

<b>Priority 3: Enhancing the Competitiveness of Small and Medium Sized Enterprises</b>	More Developed ERDF	Transition ERDF	Total ERDF Sought
The North East Fund - supported by the European Regional Development Fund (3) - The North East Fund Limited	£41,730,004	£11,770,001	£53,500,005
Better off in Business - Prince's Trust	£189,152	£39,362	£228,514
Business Northumberland 2016-19 - Arch Commercial Enterprises Limited	£646,956	£0	£646,956
SME Growth via Facilitated Market Access and Energy Management - NEPIC	£301,024	£86,219	£387,243
Made in North Tyneside extension - North Tyneside Council	£825,000	£0	£825,000
Durham Business Opportunities Programme - Durham County Council	£0	£1,377,171	£1,377,171
North East Business Support Fund 5 (NEBSF 5) - Northumberland Business Service Limited (NBSL)	£1,014,140	£0	£1,014,140
Durham Internships and Collaborative Enterprise (DICE) Project - Durham University	£0	£613,105	£613,105
Enterprise Support in the North East 2 - North East Enterprise Agency Limited (NEEAL)	£497,854	£438,632	£936,486
Community Enterprise Durham - Durham County Council	£0	£525,000	£525,000
County Durham Growth Fund - Durham County Council	£0	£6,092,446	£6,092,446
North East Business Support Fund 4 - County Durham (NEBSF4) - Northumberland Business Service Limited (NBSL)	£0	£2,266,881	£2,266,881
Digital Futures - Generator North East Limited	£637,012	£69,120	£706,132
Sunderland Software City (Phase 3) - The Council of the City of Sunderland	£1,043,683	£123,499	£1,167,182
Enterprise Support in the North East - North East Enterprise Agency Limited (NEEAL)	£518,652	£356,285	£874,937
Creative Industries SME Business Support & Development - Northern Film & Media Limited	£358,085	£12,655	£370,740
Northumbria Enterprise and Business Support (NEBS) - Northumbria University	£991,914	£0	£991,914
Internships and Enterprise - University of Sunderland	£1,635,300	£261,825	£1,897,125
Designing Better Business - RTC North Limited	£1,184,378	£290,960	£1,475,338
Scale-Up North East - RTC North Limited	£1,875,000	£625,000	£2,500,000
Made in North Tyneside (MINT) - North Tyneside Council	£899,997	£0	£899,997
Internships and Enterprise Phase 2 - University of Sunderland	£1,186,263	£158,168	£1,344,431
Expanding North East presence in International Markets - North East Worldwide Limited	£2,071,699	£676,743	£2,748,442
Supply Chain North East - RTC North Limited	£2,203,961	£944,554	£3,148,515
North East Business Support Fund (NEBSF3) - Northumberland Business Service Limited (NBSL)	£2,272,640	£1,609,508	£3,882,148

Business Northumberland (2019-2022) - Arch Commercial Enterprises Limited	£691,882	£0	£691,882
Advancing the Competitiveness of NE Automotive SMEs (ACE SME) - NE Automotive Alliance	£452,074	£154,235	£606,310
Durham SME Digital Engagement Programme – Durham County Council	0	£2,400,000	£2,400,000

<b>Priority 4: Supporting the Shift Towards a Low Carbon Economy</b>	More Developed ERDF	Transition ERDF	Total ERDF Sought
The North East Fund - supported by the European Regional Development Fund (4) - The North East Fund Limited	£4,999,995	£0	£4,999,995
SWIi (Solid Wall Insulation Innovation) - Durham County Council	£0	£1,506,423	£1,506,423
Sunderland Energy Storage and Efficiency Project (SESEP) - The Council of the City of Sunderland	£1,704,236	£0	£1,704,236
Business Energy Savings Team (BEST) - Newcastle City Council	£670,700	£0	£670,700
Electric Vehicle Hub - The Council of the City of Sunderland	£1,501,875	£0	£1,501,875
eGrid - Offshore Renewable Energy Catapult	£2,835,259	£7,220	£2,842,478
intu Metrocentre - Integrated Solar PV & EV Charging Project - The Metrocentre Partnership	£1,406,436	£0	£1,406,436
Going Ultra Low North East - North East Combined Authority	£1,460,432	£59,352	£1,519,784
Killingworth Sustainable Retrofit Project - North Tyneside Council	£2,095,180	£0	£2,095,180
Viking Energy Network Jarrow - South Tyneside Council	£3,468,483	£0	£3,468,483
Business Energy Efficiency Project (BEEP) - Durham County Council	£0	£533,887	£533,887
The Low Carbon Energy Centre (Science Central) - Newcastle City Council	£3,600,000	£0	£3,600,000
Bringing Plastic District Heating technology to the UK market - The Borough Council of Gateshead	£994,700	£0	£994,700
intu Eldon Square - Integrated Solar PV & EV Charging Project - Intu Eldon Square Limited	£758,520	£0	£758,520
HEIGHTS – High-rise Energy Infrastructure for Gateshead Housing Tenants - The Borough Council of Gateshead	£4,668,850	£0	£4,668,850
Arthur’s Hill Integrated Sustainable Infrastructure (4) - Newcastle City Council	£263,717	£0	£263,717
Business Energy Efficiency Project 2 (BEEP) – Durham County Council	0	£1,038,010	£1,038,010

<b>Priority 5: Promoting Climate Change</b>	More Developed ERDF	Transition ERDF	Total ERDF Sought
Chester-le-Street Flood Alleviation Scheme - Durham County Council	£0	£2,795,501	£2,795,501
Arthur's Hill Integrated Sustainable Infrastructure (5) - Newcastle City Council	£771,783	£0	£771,783

	<b>ERDF Approved</b>		
<b>Priority 8 – Community Led Local Development</b>	<b>More Developed</b>	<b>Transition</b>	<b>Total</b>
North Durham CLLD (Preparatory Work) – Durham County Council	£0	£7,150	£7,150
South Durham CLLD (Preparatory Work) - Durham County Council	£0	£7,150	£7,150
North Durham CLLD Implementation – Durham County Council	£0	£744,202	£744,202
South Durham CLLD Implementation – Durham County Council	£0	£986,501	£986,501

## Appendix 3

### North Pennine Dales LEADER Programme – List of Approved Projects

Priority	Project & brief summary	Funding approved (after variation)	Intervention rate	Job creation (FTE)
1 – Farm Productivity	<b>RJ Tiplady</b> Purchase of a mobile sheep handling system with electronic identification equipment	£4,169.60	40%	0
1 – Farm Productivity	<b>I &amp; L Weatherley</b> GPS system and variable rate combination seed drill	£19,476.40	40%	0
1 – Farm Productivity	<b>C Moralee &amp; Sons</b> Mobile sheep handling system with wiegher, EID reader and mobile printer	£3,441.24	40%	0
1 – Farm Productivity	<b>JW Teward &amp; Sons</b> Mobile sheep handling system and electronic identification system and weigher	£5,102.50	40%	0
1 – Farm Productivity	<b>Edwin Taylor &amp; Son</b> Purchase of a no-till drill and GPS equipment	£43,819.87	40%	0
1 – Farm Productivity	<b>A &amp; JE Smith</b> Purchase of a robotic barn cleaner	£9,600.00	40%	0
1 – Farm Productivity	<b>T &amp; AE Miller</b> Purchase an automatic sheep drafting unit with accessories and an air compressor	£8,165.20	40%	0
1 – Farm Productivity	<b>MW Herdman &amp; CA Bisset</b> Purchase of an Amazone Patera self-propelled sprayer unit	£94,000.00	40%	1
1 – Farm Productivity	<b>T &amp; AE Miller</b> Purchase an agrochemical and liquid fertiliser sprayer with GPS technology	£33,000.00	40%	0

2 – SME Support	<b>Jill's Catering</b> Construction and internal fitting of a purpose-built commercial kitchen	£25,406.44	40%	2
2 – SME Support	<b>Barcus Close Farm</b> Development of a full livery centre with 10 additional stables	£29,990.70	40%	2.5
2 – SME Support	<b>Allout Adventures Ltd</b> Ten new quadbikes for adults and children	£12,266.00	40%	2
2 – SME Support	<b>Elm Court Farm</b> Installation of horse walker, solarium/ wash bay, creation of two stables and storage area, secure tack room, welfare area and car park.	£13,223.22	40%	1.5
2 – SME Support	<b>Taylored-fit Physio</b> Creation of a physio and health care clinic through the renovation of The Old Baptist Chapel, Langley Park	£55,999.52	40%	5.1
2 – SME Support	<b>Terra Firma Groundworks Ltd</b> Purchase of a second hand 5Ton digger and design of marketing materials	£11,760.00	40%	1
2 – SME Support	<b>Will2Win</b> Creation of an outdoor training arena	£43,721.84	40%	3.75
2 – SME Support	<b>Lonton Coffee Company Ltd.</b> Renovation works for premises expansion, website development, purchase of a new coffee roaster and a grinder and a second-hand van for mobile coffee sales.	£43,748.46	40%	5

2 – SME Support	<b>G Gardiner &amp; Son Ltd</b> Construction of a two storey extension building to house additional retail space, a laser shooting range and a café.	£109,564.80	40%	5
2 – SME Support	<b>Fillpack Ltd</b> Conversion of redundant buildings into a new engineering and technology centre of excellence.	£138,545.20	40%	5
2 – SME Support	<b>Barnard Castle Auction Mart</b> Purchase and installation of a cattle handling system	£7,500.00	40%	0.73
2 – SME Support	<b>Captured Keepsakes</b> Purchase of a laser engraving machine and website development	£11,448.00	40%	0.6
2 – SME Support	<b>S&amp;A Fabrications Ltd</b> Extension of manufacturing building and purchase associated machinery	£92,490.00	40%	6
2 – SME Support	<b>Ellipse Fabrications Ltd</b> Purchase of a CNC hydraulic guillotine and CNC hydraulic press brake.	£15,598.00	40%	2
2 – SME Support	<b>Catalina's</b> Purchase and redecoration of a second-hand van, trailer and fit with shelving and catering equipment	£6,521.52	40%	1
2 – SME Support	<b>JF Edgar (Castle Nook Farm)</b> Creation of a purpose-built café, farm shop and information centre	£67,289.09	40%	4
2 – SME Support	<b>Weardale Veterinary Clinic</b> Upgrade of existing premises and purchase of equipment required for creation of a new operating room and preparation room	£15,910.02	40%	2
2 – SME Support	<b>Cheesedale</b> Conversion of a redundant byre into a café, farm shop and events space	£31,692.04	40%	3

2 – SME Support	<b>Greenfield Lodge Cattery</b> Construction of a 16-unit purpose-built cattery building with an office, reception area and kitchen/ laundry room.	£29,122.67	40%	1.5
2 – SME Support	<b>Deerness Valley Nursery School</b> Installation of a log cabin nursery school building	£21,085.37	40%	3
3 – Rural Tourism	<b>Golden Lion, Allendale</b> Creation of an in-house microbrewery and 4 en-suite bedrooms	£20,465.09	40%	1.3
3 – Rural Tourism	<b>South Tynedale Railway Preservation Society</b> Installation of buffet car café and creation of 1.5 miles of footpath and cycleway at the Railway Station, Slaggyford	£33,579.96	40%	3
3 – Rural Tourism	<b>Ninebanks Youth Hostel</b> Creation of two self-contained studios in the chalet building.	£28,472.60	40%	0.7
3 – Rural Tourism	<b>Moorcock Inn</b> Creation of glamping site with 12 camping pods, facilities block, reception and shop	£124,763.65	40%	5.28
3 – Rural Tourism	<b>OC Leisure Ltd</b> Creation of a tourism accommodation development of three two-bedroomed holiday lodges	£75,158.11	40%	2.15
3 – Rural Tourism	<b>The Laurels at Bowes Ltd</b> Construction and installation of four log cabins for holiday accommodation	£70,404.00	40%	1.8
3 – Rural Tourism	<b>Grove House B&amp;B</b> Creation of five double rooms for B&B letting	£27,552.95	40%	2
3 – Rural Tourism	<b>J D Bentley &amp; Son</b> Conversion of a disused farm cottage into a two bedroomed self-catering holiday let	£28,274.67	40%	0.8

3 – Rural Tourism	<b>Durham Wildlife Trust</b> Improvement and expansion of the Low Barns Visitor Centre	£53,835.55	60.757%	0
3 – Rural Tourism	<b>Dryside Glamping Pods Ltd</b> Installation of four glamping pods	£47,184.67	40%	1.5
3 – Rural Tourism	<b>The Cross Keys (Esh) Ltd</b> Creation of a found bed-roomed self-catering unit	£19,216.80	40%	0.83
3 – Rural Tourism	<b>Causey House Studios</b> Conversion of a disused stable block into three self-catering holiday studios	£32,958.00	40%	1
3 – Rural Tourism	<b>JD &amp; JE Layfield</b> Conversion of two disused farm buildings into self-contained holiday cottages that can sleep up to 8 people	£35,355.00	40%	0.8
4 – Rural Services	<b>Barnard Castle Cricket Club</b> Installation of flooring, bar area, collapsible stage and visual equipment	£11,536.77	80%	5
4 – Rural Services	<b>Wolsingham Parish Council</b> Installation of a skate park	£16,557.50	18.5%	0
4 – Rural Services	<b>Hunwick Cricket Club</b> Purchase of a second-hand cricket wicket roller	£11,011.20	80%	0
4 – Rural Services	<b>Friends of Chopwell Park</b> Installation of an off-road cycling pump track	£43,566.49	32.1429%	0
4 – Rural Services	<b>Carrshield Village Hall</b> Renovate ground floor of Barney Craig Mineshop to create a community and arts venue	£60,862.61	88%	0
6 – Forestry Productivity	<b>J Carrick &amp; Son</b> Purchase of a forestry tractor with trailer mounted crane and winch	£67,646.80	40%	0

6 – Forestry Productivity	<b>Woodfuelbarn</b> Purchase of a telematic timber trailer with mounted crane	£22,100.00	40%	0
6 – Forestry Productivity	<b>Richard Makepeace Forestry</b> Purchase of a forestry tractor with winches, wood chipper and self-loading timber trailer attachment	£32,400.00	40%	1

Durham Coast and Lowlands LEADER Programme – List of Approved Projects

Priority	Project & brief summary	Funding approved (after variation)	Intervention rate	Job creation (FTE)
1 – Farm Productivity	<b>Village Farm</b> To purchase and install a robotic milking system consisting of 2 robotic milkers	£65,636	40%	0.13
1 – Farm Productivity	<b>J &amp; EM Lawson &amp; Son</b> To set up a haylage packaging plant	£31,100	40%	1.5
1 – Farm Productivity	<b>W Craggs &amp; Partners</b> To purchase a hybrid seed and fertiliser drill	£28,032.12	40%	0.08
1 – Farm Productivity	<b>AS &amp; SM Kemp &amp; Son</b> To purchase a Hydraulic Squeeze cattle crush with electronic weighing system	£6,203.20	40%	0
1 – Farm Productivity	<b>TC Dawson</b> To purchase a mobile sheep handling system	£3,600	40%	0
1 – Farm Productivity	<b>W &amp; JM Clifford</b> To purchase a new fertiliser spreader	£5,538	40%	0
1 – Farm Productivity	<b>P Tindale</b> To purchase a static cattle squeeze crush system	£2938.23	40%	0
1 – Farm Productivity	<b>Hirst (Farmers) Ltd</b> To purchase a GPS guided crop sprayer and crop sensor system	£57,015.20	40%	0

1 – Farm Productivity	<b>S Moor &amp; Son</b> To purchase a mobile cattle handling system and a GPS compatible crop sprayer	£16,865.60	40%	0
1 – Farm Productivity	<b>A Wood &amp; Son</b> To purchase a zero tillage drill	£30,597.66	40%	0
1 – Farm Productivity	<b>RN Armstrong</b> To purchase a cattle crush system with EID reader and weigher	£2,626.00	40%	0
1 – Farm Productivity	<b>A Wood &amp; Son</b> To purchase two GPS Satellite Guidance Systems	£7,998.14	40%	0
1 – Farm Productivity	<b>TJ Stephenson &amp; Co</b> To purchase a GS trailed crop sprayer controlled by GPS	£34,380	36%	0
1 – Farm Productivity	<b>R &amp; AS Craggs</b> To install an on-farm ancient grain dehulling plant	£172,746.20	14.4%	3
1 – Farm Productivity	<b>H&amp;CB Banks and Son</b> To purchase a GPS controlled auto-steer system	£3,287.60	40%	0
1 – Farm Productivity	<b>D&amp;IM Wood</b> To purchase a GPS controlled auto-steer system	£3,230.16	40%	0
1 – Farm Productivity	<b>MJ &amp; EA Sedgewick</b> To purchase a variable rate fertiliser spreader and a GPS system	£11,056	40%	0
2 – SME Support	<b>Bioforce</b> To construct and fit out a new wood fuel manufacturing building	£66,000	40%	4
2 – SME Support	<b>Pass FM</b> To develop a Bespoke IT management system	£3,172	40%	1.25
2 – SME Support	<b>One Gym</b> To install a spinning studio, female only and functional training rig area	£30,447.21	40%	2

2 – SME Support	<b>Aycliffe Auto Supplies</b> To build extension of a service workshop	£79,475.84	40%	2
2 – SME Support	<b>Parlourmade</b> To purchase and install a new cheese store and a washing facility	£5,695.15	40%	0.25
2 – SME Support	<b>AW Treecare</b> To purchase a miniature loader with attachments	£27,532	40%	1
2 – SME Support	<b>Durham Animal Feeds</b> To set up two packaging system	£150,394.40	40%	13
2 – SME Support	<b>VIPER RF Ltd</b> To purchase radio frequency test equipment	£40,035.76	40%	3
2 – SME Support	<b>Gull Corporation</b> To establish a synthetic diamond manufacturing facility by complete patent registration work and purchase a high temperature furnace	£15,129.30	40%	5
2 – SME Support	<b>Denebridge Ltd</b> To construct a purposely built mixed use building including a café, office space, function rooms and a swimming pool at Aycliffe Business Park	£177,894.60	40%	10.5
2 – SME Support	<b>Durham Dogs</b> To build an indoor dog training arena	£15,590.40	40%	0.8
2 – SME Support	<b>Insights Air Range</b> To create an indoor air rifles and air pistol shooting range at Chilton	£12,561.12	40%	2
2 – SME Support	<b>Andrew Atkinson</b> To create a home-based physiotherapy business at Easington	£3,326.88	40%	1
2 – SME Support	<b>Aycliffe Auto Supplies</b> To construct a new workshop and install ADAS alignment and calibration equipment	£45,662.80	40%	3

2 – SME Support	<b>The Herbal Gin Company</b> To purchase and install a distillation still and develop logo, branding and website for a new distillery company at Newton Aycliffe	£25,646.60	40%	4
3 – Rural Tourism	<b>RG &amp; CS Wise</b> To convert and extend an existing single storey stable into a two bedroomed holiday let	£25,184	40%	0.2
3 – Rural Tourism	<b>Durham House</b> To create a self-contained accessible accommodation for four people at Sedgefield	£17,380.15	40%	0.5
4 – Rural Services	<b>Haswell Parish Council</b> To redevelop the play area at Windsor Terrace	£25,712	34.43%	0
4 – Rural Services	<b>Sedgefield Cricket Club</b> To redevelop of the bar and servery area in the clubhouse	£7,475.60	40%	0
4 – Rural Services	<b>Fishburn Youth &amp; Community Centre</b> To support car park extension and creation new storage area	£31,163.20	80%	0.16
4 – Rural Services	<b>Seaham Golf Club</b> To purchase and install an indoor golf simulation system	£18,292.19	40%	1
4 – Rural Services	<b>Trimdon Community College Association</b> To purchase and install a movable marquee, associated flooring and to renovate the toilet facilities	£17,238	80%	0
4 – Rural Services	<b>The Parish Church of St Mary the Virgin, Shincliffe</b> To renovate kitchen and storage area of the village hall	£14,918.88	80%	0
4 – Rural Services	<b>Livin Housing Ltd</b> To develop an unused green space into a landscaped public recreation and education play area at West Conforth	£41,926.72	63%	0
4 – Rural Services	<b>Future Leisure in Coxhoe</b> To redevelop the gym area	£13,187.21	40%	1

4 – Rural Services	<p style="text-align: center;"><b>Shotton Parish Council</b></p> <p>To create a sports hub at Shotton Community Park</p>	£32,206.75	25%	0
4 – Rural Services	<p style="text-align: center;"><b>Easington Colliery Brass Band</b></p> <p>To renovate the former pay office building and create a community café, meeting place and rehearsal space for the Brass Band</p>	£91,440	80%	0
5 – Culture & Heritage	<p style="text-align: center;"><b>Durham County Council – Heritage Coast Partnership</b></p> <p>To create a 2 kms circular path at Easington Colliery Nature Reserve</p>	£52,925.95	59%	0

**Economy and Enterprise Overview and  
Scrutiny Committee**

**10 January 2020**



**Regeneration and Local Services  
(Regeneration and Economic  
Development) – Quarter 2: Forecast of  
Revenue and Capital Outturn 2019/20**

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**Report of Corporate Directors**

**John Hewitt, Corporate Director of Resources**

**Ian Thompson, Corporate Director Regeneration and Local  
Services**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide details of the forecast outturn budget for this service area highlighting major variances in comparison with the budget, based on the position to the end of quarter 2 (30 September 2019).

**Executive summary**

- 2 This report provides an overview of the updated forecast of outturn, based on the position at quarter 2, 2019/20. It provides an analysis of the budgets and forecast outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis.
- 3 The updated position is that there is a forecast underspend of £0.452 million, against a revised budget of £61.511 million.
- 4 The revised service capital budget is £67.042 million with expenditure to 30 September of £12.372 million.
- 5 Details of the reasons for under and overspending against relevant budget heads are disclosed in the report.

## **Recommendation**

- 6 Economy and Enterprise Overview and Scrutiny Committee is requested to note the contents of this report.

## Background

- 7 County Council approved the Revenue and Capital budgets for 2019/20 at its meeting on 20 February 2019. These budgets have subsequently been revised to account for changes in grant (additions/reductions), budget transfers between service groupings and budget re-profiling between years (in terms of capital). This report covers the financial position for the following budgets of the services within the scope of this committee;
- (a) Revenue Budget - £61.511 million (original £61.069 million)
  - (b) Capital Programme – £67.042 million (original £65.238 million)
- 8 The original service budgets have been revised in year to incorporate a number of budget adjustments as follows:
- Transfer of Business Support -£1,853,000
  - Transfer to Resources – MFDs -£49,000
  - Auto Enrolment into the LGPS +£194,000
  - Pension Deficit Contribution +£792,000
  - Development & Housing Use of Cash Limit +£365,000
  - Business Durham Use of Cash Limit +£21,000
  - Use of Business Durham Programme Reserve +£99,000
  - Use of Selective Licensing Reserve +£157,000
  - Use of Welfare Assistance Reserve +£162,000
  - Use of Warm & Healthy Homes Reserve +£51,000
  - Use of Family Intervention Programme Reserve +£98,000
  - Use of Housing Solutions Reserve +£9,000
  - Use of Planning Reserve +£40,000
  - Use of RED Match Fund Reserve +£373,000
  - Transfer to Funding & Programmes Reserve -£17,000
- 9 The summary financial statements contained in the report cover the financial year 2019/20 and show: -
- (a) The approved annual budget;
  - (b) The actual income and expenditure as recorded in the Council's financial management system;
  - (c) The variance between the annual budget and the forecast outturn;
  - (d) For the revenue budget, adjustments for items outside of the cash limit (outside of the Service's control) to take into account such items as redundancies met from the strategic reserve, capital charges and use of / or contributions to earmarked reserves.

## Forecast Revenue Outturn 2019/20

- 10 The service is reporting a cash limit underspend of **£0.452 million** against a revised budget of **£61.511 million**.
- 11 The following two tables show the budget analysed by subjective category (type of expense), and then by Head of Service area.

### Service Budget – Subjective Analysis £'000

	2019/20 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR2 £'000
Employees	41,487	19,449	40,378	(1,109)	(118)	<b>(1,227)</b>
Premises	12,798	6,355	12,976	178	(102)	<b>76</b>
Transport	1,412	706	1,464	52	0	<b>52</b>
Supplies and Services	11,744	6,364	14,692	2,948	(443)	<b>2,505</b>
Agency and Contracted	26,964	12,778	32,450	5,486	133	<b>5,619</b>
Central Costs	45,198	645	45,846	648	0	<b>648</b>
<b>GROSS EXPENDITURE</b>	<b>139,604</b>	<b>46,296</b>	<b>147,807</b>	<b>8,203</b>	<b>(530)</b>	<b>7,673</b>
<b>INCOME</b>	<b>(78,093)</b>	<b>(40,305)</b>	<b>(86,083)</b>	<b>(7,990)</b>	<b>(135)</b>	<b>(8,125)</b>
<b>NET EXPENDITURE</b>	<b>61,511</b>	<b>5,991</b>	<b>61,724</b>	<b>213</b>	<b>(665)</b>	<b>(452)</b>

## Service Budget - Analysis by Head of Service £'000

Head of Service Grouping	2019/20 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR2 £'000
Corporate Director	192	113	200	8	0	8
Development & Housing	7,465	3,811	7,821	356	(12)	344
Business Durham	171	852	(147)	(317)	(27)	(344)
Corporate Property and Land	608	1,984	393	(216)	(190)	(406)
Transport & Contracted	2,311	(939)	2,689	378	(421)	(43)
Central Managed Costs	50,764	171	50,768	4	(15)	(11)
<b>NET EXPENDITURE</b>	<b>61,511</b>	<b>5,991</b>	<b>61,724</b>	<b>213</b>	<b>(665)</b>	<b>(452)</b>

### Cash Limit Outturn – Explanation of Over and Under Spending

12 The main reasons accounting for the outturn position are as follows:

- Transport and Contracted Services is forecast to be £43,000 underspent. This is mainly due to additional income of £0.187 million from transport contracts, that is offset by reduced parking income of £0.178 million.
- Corporate Property and Land is forecast to be £0.406 million underspent, mainly due to an underspend on utilities of £0.206 million and additional workloads in Building Services producing an extra £0.387 million of trading income surplus. These underspends are partially offset by a £248,000 overspend on Centralised Repairs and Maintenance.
- Development and Housing is forecast to be overspent by £0.344 million. This is mainly the result of Durham Employment & Skills (DES) forecasting an overspend of £0.496 million due to under recovered contract income, although this is partially offset by an underspend in Housing Solutions of £0.166 million.

- Business Durham is forecast to be £0.344 million underspent due to income across industrial estates and other trading areas exceeding budget.

- 13 **Appendix 2** provides a more detailed breakdown of variations across the service area contained within the revenue budget.
- 14 In summary, the service grouping has successfully maintained spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2019/20 which amount to £0.487 million.

### Capital Programme

- 15 The capital programme makes a significant contribution to the regeneration ambitions of County Durham. The programme is relatively large and diverse and is managed by project delivery officers throughout the service.
- 16 The capital programme was revised in May for budget re-phased from 2018/19. This increased the 2019/20 original budget. Further reports to the MOWG detailed further revisions, for grant additions/reductions, budget transfers and budget re-profiling into later years. The revised budget now stands at **£67.042 million**.
- 17 Summary financial performance to the end of June is shown below.

Service	Original Annual Budget 2019/20 £000	Revised Annual Budget 2019/20 £000	Actual Spend to 30 September £000	Remaining Budget £000
Development and Housing	22,363	23,006	5,972	17,034
Business Durham	13,597	13,991	889	13,102
Corporate Property and Land	8,678	8,450	2,952	5,498
Transport & Contracted Services	20,600	21,595	2,559	19,036
<b>Total</b>	<b>65,238</b>	<b>67,042</b>	<b>12,372</b>	<b>54,670</b>

- 18 Officers continue to carefully monitor capital expenditure on a monthly basis. Actual spend for the first 6 months amounts to **£12,372 million**. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the capital programme.

- 19 The key areas of spend to date have been on Office Accommodation (£2.583 million), Structural Capitalised Maintenance (£2.228 million) Major Transport Schemes (£2.101 million) and Disabled Facilities Grant payments (£1.519 million). Other areas of the programme are profiled to be implemented during the remainder of the year and at year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

### **Background papers**

- Cabinet Report (13 November 2019) – Forecast of Revenue and Capital Outturn 2019/20 – Period to 30 September 2019.

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**Contact:** Philip Curran

Tel: 03000 261967

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable.

### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable.

### **Climate Change**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

Not applicable.

### **Accommodation**

Not applicable.

### **Risk**

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements.

### **Procurement**

Not applicable.

## Appendix 2: Revenue Budget Variances – Quarter 2 2019-20

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
Development & Housing	Head of Development & Housing	<b>£21k</b> Corporate Landlords approach. <b>£52k</b> Inward Investment initiative <b>£10k</b> Local Plan consultants <b>£5k</b> Right Move property database. <b>£15k</b> Advertising additional spend. <b>£19k</b> Employees additional costs.	124	
	Planning Development	<b>£220k</b> Development Management overspend. Over achieved income (£41k) and saving on Employees and Transport of (£21k) (saving reduced after transfer of vacancies to Business Support). Overspend of £75k on Supplies due to increased consultants, legal and other professional fees. Overspend of £200k on Management recharges due to financial support given to EHCP, Technical and Transport re 20% increase in planning fees charges 2018/19 onwards. Overspend on Agency £7k re consultant costs. <b>(£24k)</b> Business Development Support underspend in Employees (£11k) and Transport & Supplies (£13k). <b>(£68k)</b> Planning Appeals underspend due to savings in Supplies on legal and professional fees. <b>(£30k)</b> Planning Software underspend on rental and maintenance; <b>(£160k)</b> Building Control underspend - (£67k) Employees delays filling vacancies; (£8k) saving on car allowances; (£21k) net saving on Supplies and Agency; (£62k) increased Income re latest projection. <b>£88k</b> overspend on Dangerous Structures re miscellaneous repairs.	26	
	Spatial Policy	Overspend on Employees £35k offset by savings in Transport (£2k) and Supplies (£152k) on legal, printing and consultant costs.	(119)	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
	Economic Development	<p><b>£496k</b> Durham Employment &amp; Skills. Over budget by £102k on Work Programme Consett due to under recovered income on completion of contract. Over budget by £109k on Skills Support for the Unemployed (SSU) due to under recovered income on completion of contract. Over budget by £76k on Organisational Training &amp; Development due to reduced income on corporate training and apprenticeships. Over budget by £259k on Work &amp; Health Programme due to under recovered income on Reed contract partially offset by reduced staff costs. Saving of (£50k) on staff costs.</p> <p><b>(£15k) Employability</b> under budget due to staff saving on vacancy.</p> <p><b>(£18k) Community Econ Dev</b> under budget due to staff saving on secondments.</p> <p><b>£13k Economic Development</b> overspend on employees for unachieved efficiency saving</p>	475	
	Physical Development	<p>Employees under spend (£12k), Agency under spend on contractors of (£40k) and additional recharge and grant income (£54k). Offset by additional spend on Supplies professional fees of £110k and Premises utilities of £7k.</p>	11	
	Housing Solutions	<p><b>(£70k) Core Funded.</b> Employees under budget (£102k) re vacancies, (£25k) over recovered Income from increased fee income, offset by £33k overspend on Supplies various and £24k on Transport for pool cars and allowances.</p> <p><b>(£84k) GRT Sites</b> Underspend on Employees (£2k) underspend on Supplies (£45k) and additional Income from service charges and rent (£37k).</p> <p><b>(£57k) Housing Improvement</b> Staff saving (£6k) and over achieved income from Darlington HIA contract (£51k).</p> <p><b>£39k Activities</b> overspend mainly due to bed &amp; breakfast costs and Out of Hours contract costs.</p> <p><b>£8k Housing Initiatives</b> Overspend £8k on staff. Expenditure on Homeless Prevention</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		initiatives and support contract for Changing Lives offset by grant. <b>(£2k) Area Based Housing.</b> Overspend on Employees (£2k). Expenditure on Warm Homes initiatives and Fuel Poverty campaign offset by grant.	(166)	
	Strategy & Project Development	<b>(£37k)</b> underspend on staffing due to delays in recruiting to vacant post; <b>£3k</b> overspend on pool cars; <b>£39k</b> overspend on supplies on legal and other professional fees; <b>(£10k)</b> over achieved income.	(5)	
	Funding and Programmes	No variance	0	<b>344</b>
Business Durham	Operations	<b>(25k)</b> Operation - Underspend is additional income from DIT KAM contract.	(25)	
	Corporate Costs	<b>4k</b> Corporate - Overspend on Cricket Box to be met from ReaL cash limit and minor variance on supplies.	4	
	Innovation and Marketing	<b>(27k)</b> Innovation & Marketing - minor variance on employees.	(27)	
	Business Space	<b>25k</b> Business Space Mgmt & Admin - Overspend of 25 on Staff re apprentice post and efficiency saving not met and additional supplies costs.  <b>(74k)</b> Business Space South - Underspend on industrial sites of (146k) due to underspend on Premises (98k) and additional Income (48k). Offset by overspend on Salvus House of 72k due to under recovered income.  <b>(30k)</b> Business Space Dales - over recovered Income for sales and rentals.  <b>(68k)</b> Business Space North - Overspend on Premises 67k due to refurbishment works at Derwentside and Tanfield Business Centres offset by over achieved income of (150k).  <b>(154k)</b> Business Space NETPark - Overspend on premises 55k and Supplies 8k offset by over recovered rental income of (217k) across all sites.	(296)	<b>(344)</b>
	Head of CPAL	<b>(£38k)</b> underspend on staffing due to postholder starting mid year	(38)	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
Corporate Property & Land	Assets	<p><b>(£1k)</b> underspend on Staffing, however structure to be reviewed as there are 8 vacancies and posts where staff are working reduced hours, offset by 11 unbudgeted temporary staff.</p> <p><b>£210k</b> overspend on consultancy and agency to support the service until restructure</p> <p><b>(£20k)</b> underspend regarding Gentoo (rent of land North Bondgate) as lease has been surrendered.</p> <p><b>(£50k)</b> underspend for unbudgeted rental income in Assets General</p> <p><b>£41k</b> overspend relating to unachieved Surveyor Fee income based on disposal programme</p> <p><b>£116k</b> overspend at North Road Durham due to previous years' rental income to be paid to HCA</p> <p><b>£25k</b> overspend on Property Surveys for structures</p> <p><b>(£77k)</b> underspend on Freemans Hydro scheme repairs and additional income.</p> <p><b>£16k</b> overspend at Northumbria House where tenant receiving rent free period until September 19 - however have received additional £12k from tenant relating to additional car parking</p> <p><b>(£14k)</b> underspend at Freemans Reach Phase 2 - income budget needs changed.</p> <p><b>(£96k)</b> underspend at Priory House. Receiving income from NWL but is not budgeted for</p> <p><b>£32k</b> overspend on various other premises/ supplies and services.</p>	182	
	Buildings & Facilities Management	<p><b>(£77k)</b> underspend in Compliance due mainly to an overachievement of income for SLAs (in line with previous year) as the service continues to expand it's customer base</p> <p><b>£57k</b> overspend on R&amp;M. Additional work will be undertaken to measure staff productivity against budget and income levels require analysis to ensure that the labour resources are working to their assessed capacity. It also appears that £249k was 'over accrued' in 2018/19, which is being investigated and would improve the forecast position.</p> <p><b>(£367k)</b> underspend on Construction. Financial performance in the year to date is not achieving the budgeted target but the manager is forecasting a significant improvement with additional valuations still</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p>expected for Montalbo and Stainton Grove increasing the profit by £270k. There is also a lack of works programme for each division for the second half of the year.</p> <p><b>£248k</b> overspend due to £450k MTFP reductions over the last three years, failure to dispose of DCC buildings and an ageing building stock. £102k has also been funded from the R&amp;M Earmarked Reserve which has now all been used.</p> <p><b>£48k</b> overspend on closed buildings (Stanhope Town Hall, Claypath, Front St Stanley, Clevesferye, Croft St, Hopper House)</p> <p><b>(£10k)</b> underspend at Cuthbert resource centre, lease ended but retained budget</p> <p><b>(£206k)</b> underspend on utilities</p> <p><b>(£26k)</b> underspend re additional income for 02 mast at County Hall</p> <p><b>(£13k)</b> underspend on other areas FM</p> <p><b>£56k</b> overspend in Catering - manager is preparing a report to review the service</p> <p><b>£18k</b> overspend in Cleaning due to increased staff cover for holidays and sickness</p>	(272)	
	Building Design	<p><b>(£170k)</b> underspend forecast on staffing due to vacant posts</p> <p><b>£130k</b> overspend on consultants which will generate additional income</p> <p><b>(£239k)</b> over achievement of income mainly from Capital fees. Manager has been requested to provide programme information in order to substantiate the forecast and provide assurance of the forecast on Capital fees.</p>	(279)	<b>(406)</b>
Transport	Management	(17k) Minor variance across the area.	(17)	
	Strategic Transport	<p><b>Employees - £98k overspend</b> - Predominantly staff turnover savings requirement £46k, plus additional post in Transport Project, additional temp officers in Rights of Way and some minor variances across the service</p> <p><b>Premises - (£12k) underspend</b> - £38k overspend on rates, offset by (£9k) underspend on Electricity and underspend of (£48k) on Water charges. Plus some minor overspends across the service</p> <p><b>Transport - £16k overspend</b> - due to overspend on repairs to bus shelters</p> <p><b>Supplies and Service - £175k overspend</b> - Additional £150k spend on providing parking &amp; traffic control and events security, £12k</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p>overspend communication devices and computer software. £8k overspend on software in Traffic. Plus some minor overspends across the service.</p> <p><b>Third Party Payments - (£19k) underspend</b> - (£8k) underspend in Parking Infrastructure, (£24k) underspend on Park &amp; Ride sites. (£29k) underspend on On &amp; Off Street parking. Some additional costs for Rights of Way Repairs £30k and £12k for Traffic Signals.</p> <p><b>Income - £115k under-achievement on income</b> - mainly due £86k reduced income in On &amp; Off Street parking (excluding Sands Car Park) and £92k on Park and Ride sites, additional (£65k) from Planning and some minor variances across the service</p>	373	
	Sustainable Transport	<p><b>Employees - (£119k) underspend</b> - due to vacancies in Adult Fleet and reduced hours across service.</p> <p><b>Transport - (£62k) underspend</b> - due mainly to (£44k) underspend in Adult Fleet due to changeover of vehicles and vehicle excess. Plus underspends (£16k) on Bus and Rail Contracts (budgets to be re-distributed). Plus some minor variances across the service.</p> <p><b>Supplies &amp; Services - (£39k) underspend</b> - mainly due to (£19k) underspend on Printing and (£15k) underspend on telephone costs, (£3k) for Passenger Focus surveys and other general overspends across the service.</p> <p><b>Third Party Payments - £138k overspend</b> - mainly due to overspend on Bus and Rail Services.</p> <p><b>Income - (£200k) over-achievement</b> - Mainly due to additional income on Bus contracts (£168k) and (£19k) additional income for Health Booking Service. Additional (£167k) for concessionary fares recharge to Bus &amp; Rail Services. Offset by reduced £171k recharge for Adult Fleet (due to underspends on staffing and vehicles predominantly). Plus some minor variances due to additional income across the service.</p>	(282)	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
	Care Connect	<p><b>Employees - (£121k) underspend</b> - due mainly to vacant posts not being filled and control of overtime levels in service.</p> <p><b>Premises - (£12k) underspend</b> - due to electricity saving.</p> <p><b>Transport - £35k overspend</b> - due to increased dayworks charges £14k on older vehicles prior to replacement and spot hire charges £10k. Plus other variances across service.</p> <p><b>Supplies &amp; Service - (£72k) underspend</b> - due mainly to (£79k) underspend on mobile devices and line rental costs. Offset by £7k for additional Telecare devices and some general variances across the service.</p> <p><b>Third Party Payments - (£32k) underspend</b> - due to (£12k) decrease in costs in localities and (£20k) underspend on CCTV.</p> <p><b>Central costs - £7k overspend</b> - writing off of bad debts in year.</p> <p><b>Income - £78k under-achievement on income</b> - Due to reduction on SLA's in place for 19/20.</p>	(117)	(43)
Central	Corporate Director and Central Costs	Minor variances	(3)	(3)
<b>TOTAL</b>				<b>(452)</b>

## Appendix 3: Capital Programme 2019-20

Scheme	Revised Annual Budget 2019/20 £'000	Actual Spend to 30 September £'000	Remaining Budget £'000
<b>DEVELOPMENT &amp; HOUSING</b>			
North Dock Seaham	50	0	50
Office Accommodation	2,955	2,583	372
Town Centres	3,919	927	2,992
Minor Schemes	168	84	84
Disabled Facilities Grant / FAP	4,621	1,519	3,102
Housing Renewal	1,403	469	934
Housing Development	3,435	190	3,245
Chapter Homes	6,355	200	6,155
Strategy and Programmes Minor Schemes	100	0	100
<b>TOTAL DEVELOPMENT &amp; HOUSING</b>	<b>23,006</b>	<b>5,972</b>	<b>17,034</b>
<b>BUSINESS DURHAM</b>			
Industrial Estates	13,991	889	13,102
<b>TOTAL BUSINESS DURHAM</b>	<b>13,991</b>	<b>889</b>	<b>13,102</b>
<b>CORPORATE PLANNING AND LAND</b>			
Structural Capitalised Maintenance	5,450	2,228	3,222
REAL – Beamish Project	3,000	724	2,276
<b>TOTAL CORPORATE PLANNING AND LAND</b>	<b>8,450</b>	<b>2,952</b>	<b>5,498</b>
<b>TRANSPORT &amp; CONTRACTED SERVICES</b>			
Local Transport Plan	2,289	458	1,831
Transport Major Schemes	19,306	2,101	17,205
<b>TOTAL TRANSPORT &amp; CONTRACTED SERVICES</b>	<b>21,595</b>	<b>2,559</b>	<b>19,036</b>
<b>Total</b>	<b>67,042</b>	<b>12,372</b>	<b>54,670</b>

(1) FAP – Financial Assistance Programme

**Economy and Enterprise  
Overview and Scrutiny Committee**

**10 January 2020**

**Quarter Two, 2019/20  
Performance Management Report**



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**Report of John Hewitt, Corporate Director of Resources**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 To present progress towards achieving those key outcomes of the council's corporate performance framework aligned to the Economy and Enterprise Overview and Scrutiny Committee.
- 2 The performance report which sets out progress to the council's corporate performance framework in its entirety can be found [here](#).

**Performance Reporting**

- 3 Following an extensive public consultation programme, a shared vision for the county for the next 15 years has been developed with partners. This vision, agreed by Council on 23 October and formally launched at the County Durham Partnership event on 25 October, is structured around three externally focused results-based ambitions of 'more and better jobs', 'long and independent lives' and 'connected communities' ([link](#)).
- 4 As the Council has now adopted this vision, it is appropriate to modify the format of our performance reports to align to our new ambitions. This quarter, as a first step, existing performance information has been realigned to the three new ambitions plus a fourth 'better council' theme. Over the coming months, we will review the report to ensure it captures all elements of the new vision, as well as monitoring progress in improving how the council works.

**Executive summary**

- 5 Although the quarter two performance report for this committee (attached at Appendix 2) remains structured around the same set of key questions, they have been realigned to the ambitions of our new vision.

## **More and Better Jobs**

- 6 The ambition of 'more and better jobs' focuses on building a strong, competitive and low carbon economy with more and better jobs, and fewer people living in poverty. Action includes building on our successful tourist economy through culture-led regeneration which will broaden the leisure experience for both residents and visitors.
- 7 Across the county, our medium-term employment rate remains positive, and the employment rate of our young people is higher than regional and national levels.
- 8 However, challenges remain. Latest data, from 151 upper-tier authorities across England, shows our ranking for relative deprivation has deteriorated from 59<sup>th</sup> to 48<sup>th</sup>, and places us within the 30% most deprived for employment. Poverty pressures across the county, the proportion of 16-17 year olds not in education, employment or training and the employment gap between those with a disability and those without, remain areas of concern.
- 9 To mitigate against these challenges, we are continuing to invest, building on our growing tourism and cultural activity, creating new infrastructure and developing new business parks with the potential to create thousands of jobs. Work on the Town and Village Regeneration Programme continues, with £1.6 million of National Lottery Heritage Funding secured for the Seaham Townscape Heritage Project. We are developing focused improvement plans, offering intensive support to young people not in education, employment and training, and addressing inequality across employment through our work to become a Disability Confident Leader.

## **Connected Communities**

- 10 The ambition of 'connected communities' centres on building welcoming, accepting and supportive communities. It also aims to build effective transport links and deliver a range of high-quality housing in line with need.
- 11 We remain concerned that more households are staying longer in temporary accommodation. However, our new Housing and Homelessness Strategies have been approved, so we will be putting action in place to mitigate.

## **Risk Management**

- 12 Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change

programme and is incorporated into all significant change and improvement projects.

- 13 One risk has been removed: *Risk that the Council does not respond to the government's changes to welfare reform.* This risk has been superseded by the new Poverty risk outlined below.
- 14 There are two new key risks in delivering the objectives set out in this report
- (a) *Risk that the council does not fully respond to the drivers of poverty to help alleviate the impacts on County Durham residents.* In addition to the impacts of welfare reforms, the drivers of poverty include Brexit and wider economic trends, which are reflected in the new risk. The council has a Poverty Action Steering Group to oversee and coordinate its approach to mitigate poverty and has developed a network of statutory, voluntary and community organisations who work together to provide advice services across the county through the Advice in County Durham Partnership. The steering group has developed a new Poverty Action Strategy and Poverty Action Plan.
- (b) *Potential Adverse effects of a no-deal Brexit on the economy, safety and welfare of the county.* Following the referendum in June 2016, in which the United Kingdom (UK) voted to leave the European Union (EU), the government has yet to conclude a withdrawal agreement with the EU. The UK was due to leave the EU on 31 October 2019, but in the absence of a deal, the government was required to request an extension through to 31 January 2020, which has been granted by the EU. A draft withdrawal agreement has been agreed between the UK government and the EU, and accepted by the House of Commons, but the timetable for the necessary legislation was been rejected. In the meantime, a General Election has been called for 12 December 2019 with the different political parties adopting different positions on the proposed deal, a second referendum and revoking the Article 50 process. In the absence of a deal, there is a risk that the UK may leave the EU without mutually beneficial arrangements setting out the future EU/UK relationship in terms of trade, cooperation and the movement of people, goods and services. The uncertainty is already having an effect on the local economy and a no-deal exit would have the potential to adversely affect the economy, safety and welfare of the county from 31 January 2020, the current date when the UK is scheduled to leave the EU, unless a deal and transitional arrangements are agreed and put in place.

A Brexit Task & Finish Group, with representatives from all service groupings and reporting to Corporate Management Team was established last year. Taking account of a range of guidance from the government and professional bodies, the Group is working with key partners including the Local Resilience Forum, as well as key suppliers and service providers, to identify and where possible mitigate the impacts on council services and service users. Advice has been provided to businesses, schools, council suppliers and the community and voluntary sector. The council has also applied to the government to act as an assistance hub for residents which need to apply for EU Settled Status in order to remain in the county.

### **Recommendation**

- 15 That the Economy and Enterprise Overview and Scrutiny Committee considers the overall position and direction of travel in relation to quarter two performance, and the actions being taken to address areas of underperformance.

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**Contact:** Jenny Haworth, Head of Strategy

Tel: 03000 268 071

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable.

### **Finance**

Latest performance information is being used to inform corporate, service and financial planning.

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

Equality measures are monitored as part of the performance monitoring process.

### **Climate Change**

We have declared a climate emergency and consider the implications of climate change in our reports and decision making.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

A number of performance indicators and key actions relating to crime and disorder are continually monitored in partnership with Durham Constabulary.

### **Staffing**

Performance against a number of relevant corporate health indicators has been included to monitor staffing issues.

### **Accommodation**

Not applicable.

### **Risk**

Reporting of significant risks and their interaction with performance is integrated into the quarterly performance management report.

### **Procurement**

Not applicable.



*Altogether better*



# Durham County Council Performance Management Report

## Quarter Two, 2019/20

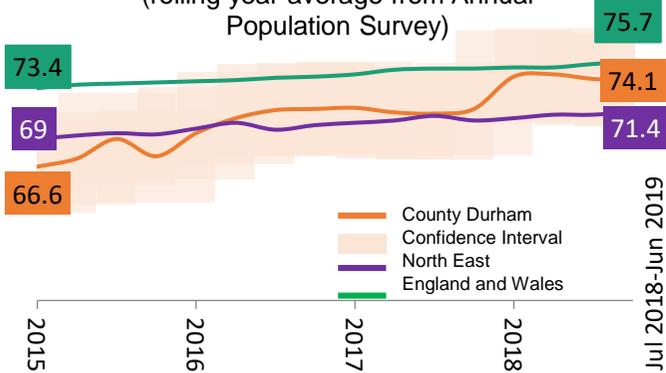


# MORE AND BETTER JOBS

(a) Do residents have good job prospects and (b) is County Durham a good place to do business?

## % working age population (16-64) in employment

(rolling year average from Annual Population Survey)



## Key employment rate stats: (Jul 18-Jun 19)

	County Durham	National
Male	79.1%	80.1%
Female	69.3%	71.3%
Private sector	75.4%	79.0%
Part-time	24.4%	24.5%
Without a disability	84.3%	81.2%
With Equality Act core or work limiting disability	46.3%	55.1%
Age 16-24	59.6%	53.7%

Additional employment rate information available via [Durham Insight](#) and [Index of Deprivation in County Durham](#) (Employment Domain)



**177** jobs created and **244** jobs safeguarded\* as a result of Business Durham activity (quarter two)

## Employability Programmes (Apr-Jun 19)

- 436 referrals
- 194 registrations
- 65 progressed into employment
- 6 progressed into education or training

## Index of Multiple Deprivation (IMD) 2019 – Employment Domain

Ranked **26** of 151 upper tier local authorities in England (1 is most deprived)

\*Job safeguarded: must be a permanent, paid, full time equivalent (FTE) job which is at risk

Jul-Sep 19	Business Durham Activity	compared Jul-Sep 18
<b>2</b>	inward investments	↑ 1
<b>32</b>	businesses receiving intensive support	
<b>86%</b>	Floorspace occupied ( <i>Business Durham</i> )	↑ 4pp
<b>£12.4</b>	GVA from jobs created/safeguarded (million)	↑ £4.7

Additional information on businesses is available via [Durham Insight](#)

**£8.1m** grant applications submitted to European Regional Development Fund for 3 projects – Durham City Incubator, Digital Drive and Durham Future Innovation Building

**3** projects approved by County Durham Growth Fund (quarter two)

Future Business Magnates scheme launched

**12** businesses supported and **16** FTE jobs created by **targeted business improvement schemes** (during quarter two)

## County Durham Plan

Inspector now appointed.

Examination in Public to run from 22 October to 5 December 2019.

## More and Better Jobs

- 1 The ambition of More and Better Jobs is linked to the following key questions:
  - (a) Do residents have good job prospects?
  - (b) Is County Durham a good place to do business?
  - (c) How well do tourism and cultural events contribute to our local economy?

### Do residents have good job prospects?

- 2 Latest data from the Index of Multiple Deprivation (IMD 2019) places County Durham in the top 40% most deprived upper-tier authorities across England and ranked 48<sup>th</sup> out of 151 (IMD 2015 ranked us 59<sup>th</sup> out of 152 which was also in the top 40% most deprived). It should be noted that the overall index is a composite measure of seven domains, with our county having relatively high levels of deprivation (top 30%) in the domains of Income, Employment, and Health which are counter-balanced by lower levels of deprivation in the domains of Education, Crime, Barriers to Housing and the Living Environment.
- 3 The employment rate remains relatively static at 74.1% and continues to exceed our target (73%). However, as the rate is an estimate from a sample survey it is possible that the increase since June 2018 is due to random sample variation, as it is within the estimated confidence intervals (+/- 2.8%). We continue to monitor the data closely.
- 4 We remain concerned by the 38 percentage point gap which exists between the employment rate of those with an Equality Act core or work limiting disability and those without (compared to a 26 percentage point gap nationally). We intend to submit our application to become a [Disability Confident Leader](#) in December, which if successful would involve working with local employers to support, attract and retain disabled staff.
- 5 Although the employment rate of young people (16-24) continues to improve, and is at its highest point since 2007, its small sample size means there is a large confidence interval (+/- 8.4%) associated with the data. We also acknowledge that the recent population fall in this age group could also impact the data.

### Is County Durham a good place to do business?

- 6 Construction is now underway for Jade Business Park at Murton. The first units are due to be completed in June 2020 and a pre-let has already been agreed on the largest unit of 55,000 sq. ft with Sumitomo Electric Wiring

Systems Europe (produces and distributes automotive wiring harnesses, fuse boxes, connectors and cables).

- 7 A 30-year head-lease has been agreed at the Merchant Park Industrial Estate at Newton Aycliffe, which has enabled the developer to secure £5 million investment. The 2.5 acre site has the potential to deliver 50,000 sq. ft in terrace buildings from 3,500 sq. ft to 5,000 sq. ft in the first instance. Proposals for the site's development will soon be submitted to the planning committee.
- 8 A £140 million business park at Forrest Park, Newton Aycliffe has been granted outline planning permission. The development will include 1.75 million sq. ft of business, industrial, warehouse and trading units, a 60-bed hotel, public house, restaurant and retail space, and has the potential to create 3,200 jobs.
- 9 The Seaham Townscape Heritage Project has secured £1.6 million of National Lottery Heritage Funding which will enable it to offer property grants to repair and reinstate traditional features and provide access to currently inaccessible vacant upper floor spaces.

### **How well do tourism and cultural events contribute to our local economy?**

- 10 Latest tourism data (2018 compared to 2017) highlights fewer day visitors to the county but more overnight visitors spending more.
- 11 Although the 2018 tourist economy was impacted by various factors, including the 'beast from the east' which prevented people from travelling, the football World Cup and the summer heatwave where people were more likely to spend time in their own gardens rather than visit attractions and gardens, there were several positive developments. 24 new accommodation establishments opened (an additional 1,268 bed spaces), Auckland Tower opened, and a strong events programme included new events such as the North Pennines Stargazing festival.
- 12 The £1.5 million refurbishment of Bishop Auckland Town Hall has begun. This includes a new café, bar and contemporary art gallery space on the ground floor, as well as enhanced library facilities, a revamped auditorium with more comfortable seating and a fully digitised cinema which will allow popular blockbusters to be shown as well as live screenings, theatrical productions, comedy nights and lectures.

**(c) How well do tourism and cultural events contribute to our local economy?**

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**Bishop Auckland Food Festival**  
(13-14 April 2019)

- **29,000** visitors
- **£413,445** net visitor spend
- **£705,248** total net economic impact
- **1.3%** ROI



**2019 Tour Series** (18 May 2019)

- **7,000** visitors (69% from outside Durham)
- **£203,672** net visitor expenditure
- **£115,382** net GVA impact
- **6 FTE** employment impact



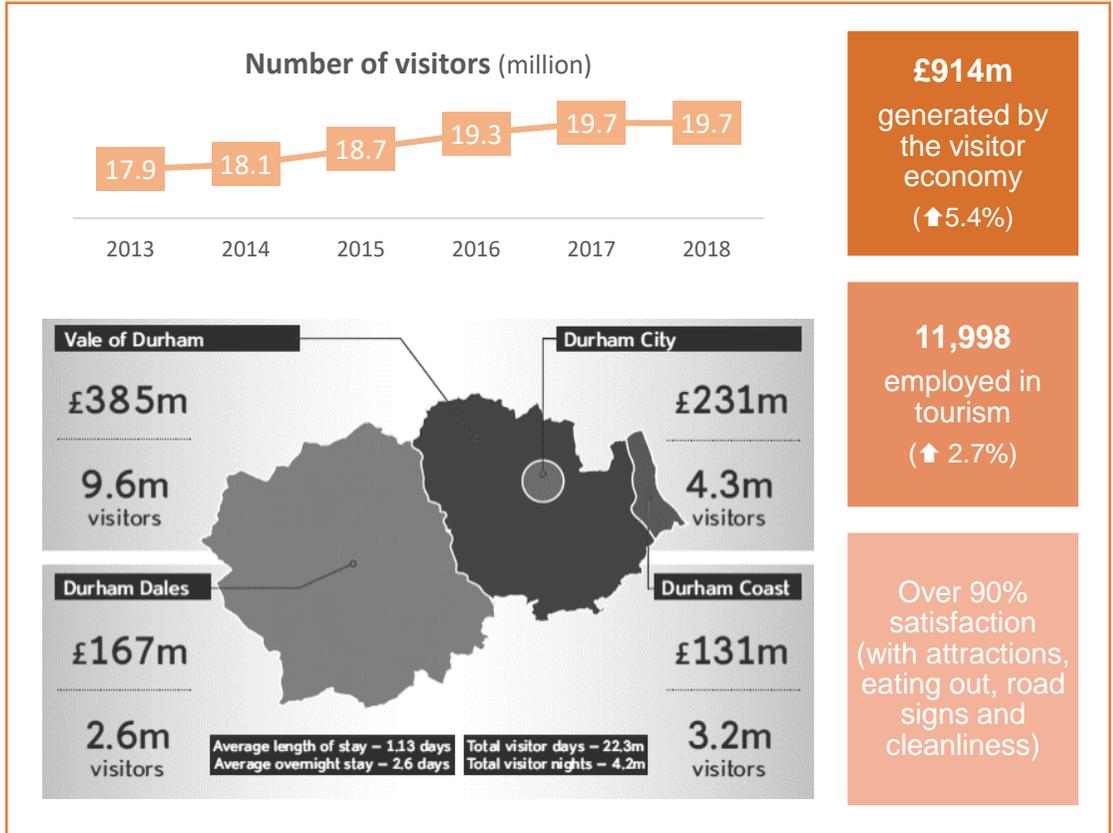
**Durham Brass Festival** (12-21 July)

- **42,442** people attended events (incl. 16,000 pupils from 82 schools)



**Durham City Run Festival**  
(25-27 July 2019)

- **3,000** runners tackled the 10K and 5K races
- **100** families signed up for the Paula's Families on Track event, giving families the opportunity to work together to complete 10K in a continuous relay of laps



Wolsingham has achieved nationally recognised 'Walkers are welcome' accreditation with the help of Weardale Action Partnership



- 13 The 10<sup>th</sup> anniversary of the Lumiere festival will take place in November 2019 and the public has been encouraged to get involved. A series of creative events at libraries turned used green and white plastic bottles into glittering, icicle-like chandeliers which will form part of 'Bottle Festoon', a spectacular art installation. In addition, piano players are to be given the opportunity to perform at the festival as part of the 'Keys of Light' installation which will see their music visualised through dazzling projections.
- 14 The first Bishop Auckland History and Heritage Festival was held in September. 21 different organisations were involved in running 30 different events. More than 1,800 people participated across the town from walks to talks, exhibitions, events, film screenings, workshops and radio shows.

## **Connected Communities - Sustainability**

- 15 The ambition of Connected Communities – Sustainability is linked to the following key questions:
  - (a) Do residents have access to decent and affordable housing?
  - (b) Is it easy to travel around the county?

### **Do residents have access to decent and affordable housing?**

- 16 Our Housing and Homelessness Strategies have now been approved ([link](#)).
- 17 During National Empty Homes Week (23 to 29 September) we raised awareness of the issue and promoted the work being undertaken to bring vacant properties back into use through a series of events and walkabouts.
- 18 Our consultation to change the council's policy and increase the premium on long term empty homes from April 2020 has now closed ([link](#)).
- 19 Following the opening of the Assessment Centre (based at the Fells, Plawsworth) and a Stay Safe Hub it was anticipated that the number of households and length of stay within temporary accommodation would see a positive change through service users being supported to go straight into 'move on' accommodation. However, with further increases being seen this quarter, this is to be investigated.

### **Is it easy to travel around the county?**

- 20 We are now responsible for enforcing bus lane contraventions and will deploy a portable enforcement camera to sites across the county, starting with North

Road in Durham City. Money raised through fines (£60 penalty charge reduced to £30 if paid within 14 days) will be invested back into managing our road network.

- 21 We have started work to reduce traffic congestion in Gilesgate. A new link road and a signalised junction will be created between Damson Way and A181 Sherburn Road.
- 22 Whorlton Suspension Bridge is closed to traffic (but not pedestrians or cyclists) due to a safety issue. However, it is not possible to determine the length of closure as the bridge is a scheduled monument so the repairs cannot be undertaken without permission from Historic England.
- 23 A new £2.5 million replacement to Witton Park Bridge in Bishop Auckland has been approved. We expect to demolish the existing bridge next spring and begin work on the new crossing soon after, subject to Environment Agency approval. The project is expected to take six months.

# CONNECTED COMMUNITIES - SUSTAINABILITY

## (a) Do residents have access to decent and affordable housing and (b) is it easy to travel around the county?

### Housing advice and support

(Apr-Sep 19, compared to same period last year)

<b>1,014</b>	properties improved, adapted or brought back into use	↑ 11%
<b>6,340</b>	households accessed Housing Solutions	↑ 1.4%
<b>596</b>	households helped to stay in their homes	↑ 11%
<b>552</b>	households helped to move to alternative accommodation	↑ 40%

**Number of households supported under Homelessness Reduction Act (HRA) during quarter two:**

**257** prevention

**142** relief (within 56 days)

**8** main duty (to secure accommodation)



Average of **19** days spent in temporary accommodation (Jul-Sep 19)

↑ 6.1 days from same period last year

**73** 'new' households placed into temporary accommodation (Jul-Sep 19)

↑ 52% compared to same period last year

**791** ↑ 20% compared to same period last year

**Net homes completed** (Apr-Sep 19)

Additional housing information available via the [Durham Insight – Housing factsheet](#)

### Empty properties brought back into use through LA intervention



**Bridge Stock Condition - Principal roads** Good to fair **80.7%** (+0.7pp)

**Bridge Stock Condition - Non-principal roads** Good to fair **79.9%** (-1.1pp)

**Cycling and Walking Delivery Plan 2019-21**

Development of Implementation of Right of Way Improvement Plan (2019-2021) is underway. Public consultation to be completed by the end of the year. On target to be completed March 2020

## Key Performance Indicators – Data Tables

There are two types of performance indicators throughout this document:

- (a) Key target indicators – targets are set as improvements can be measured regularly and can be actively influenced by the council and its partners; and
- (b) Key tracker indicators – performance is tracked but no targets are set as they are long-term and/or can only be partially influenced by the council and its partners.

A guide is available which provides full details of indicator definitions and data sources for the 2019/20 corporate indicator set. This is available to view either internally from the intranet or can be requested from the Strategy Team at [performance@durham.gov.uk](mailto:performance@durham.gov.uk)

### KEY TO SYMBOLS

	Direction of travel	Benchmarking	Performance against target
<b>GREEN</b>	Same or better than comparable period	Same or better than comparable group	Meeting or exceeding target
<b>AMBER</b>	Worse than comparable period (within 2% tolerance)	Worse than comparable group (within 2% tolerance)	Performance within 2% of target
<b>RED</b>	Worse than comparable period (greater than 2%)	Worse than comparable group (greater than 2%)	Performance >2% behind target

### National Benchmarking

We compare our performance to all English authorities. The number of authorities varies according to the performance indicator and functions of councils, for example educational attainment is compared to county and unitary councils however waste disposal is compared to district and unitary councils.

### North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e. County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-on-Tees, South Tyneside, Sunderland, the number of authorities also varies according to the performance indicator and functions of councils.

More detail is available from the Strategy Team at [performance@durham.gov.uk](mailto:performance@durham.gov.uk)

## MORE AND BETTER JOBS

### Do residents have good job prospects?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
1	% of working age population in employment	74.1	Jul 18-Jun 19	73%	70.6	75.7	71.4			Yes
				GREEN	GREEN	AMBER	GREEN			
2	Per capita household disposable income (£)	15,445	2017	Tracker	15,166	19,988	15,809			No
				N/a	GREEN	RED	RED			
3	Number of gross jobs created or safeguarded as a result of Business Durham activity	4,075	Oct 18-Sep 19	Tracker	1,707					Yes
				N/a	GREEN					
4	% of 16 to 17 year olds in an apprenticeship	7.8	as at Jun 2019	Tracker	9.8	5.8	7.6	7.7		No
				N/a	RED	GREEN	GREEN	GREEN		

## MORE AND BETTER JOBS

### Is County Durham a good place to do business?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
5	Gross Value Added (GVA) per capita in County Durham (£)	16,718	2017	Tracker	16,513	27,430	20,121			No
				N/a	GREEN	RED	RED			
6	Number of registered businesses in County Durham	17,150	2018	Tracker	17,120					No
				N/a	GREEN					
Page 93	Value (£M) of new contracts secured	0	Jul-Sep 2019	Tracker	New indicator					Yes
				N/a	N/a					

## MORE AND BETTER JOBS

### Is County Durham a good place to do business?

Page 94 Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
8	Value (£M) of GVA growth from jobs created	12.4	Jul-Sep 2019	6 GREEN	7.7 GREEN					Yes
9	Number of Inward Investments secured	2	Jul-Sep 2019	Tracker N/a	1 GREEN					Yes
10	% of Business Durham business floor space that is occupied	86.0	Jul-Sep 2019	Tracker N/a	82.0 GREEN					Yes

## MORE AND BETTER JOBS

### How well do tourism and cultural events contribute to our local economy?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
11	Number of visitors to County Durham (million)	19.71	2018	Tracker N/a	19.71 GREEN					Yes
12	Number of jobs supported by the visitor economy	11,998	2018	Tracker N/a	11,682 GREEN					Yes
13	Amount (£ million) generated by the visitor economy	913.84	2017	Tracker N/a	866.71 GREEN					Yes

## CONNECTED COMMUNITIES - SUSTAINABILITY

### Do residents have access to decent and affordable housing?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
103	Number of properties improved, adapted or brought back into use	1,014	Apr-Sep 2019	Tracker	916					Yes
				N/a	GREEN					
104	Number of empty properties brought back into use as a result of local authority intervention	116	Apr-Sep 2019	100	111					Yes
				GREEN	GREEN					
105	Number of net homes completed	791	Apr-Sep 2019	Tracker	659					Yes
				N/a	GREEN					
106	Number of affordable homes delivered	532	2018/19	200	473					No
				GREEN	N/a					
107	Number of households accessing the Housing Solutions Service	6,340	Apr-Sep 2019	Tracker	6,250					Yes
				N/a	GREEN					
108	Number of households helped to stay in their home	596	Apr-Sep 2019	Tracker	536					Yes
				N/a	GREEN					
109	Number of households helped to move to alternative accommodation	552	Apr-Sep 2019	Tracker	395					Yes
				N/a	GREEN					

## CONNECTED COMMUNITIES - SUSTAINABILITY

### Is it easy to travel around the county?

Page 96 Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
110	% of A roads where maintenance is recommended	2.6	2018	Tracker	2.6	3			2016/17	No
				N/a	GREEN	GREEN				
111	% of B and C roads where maintenance is recommended	4.7	2018	Tracker	4.7	6			2016/17	No
				N/a	GREEN	GREEN				
112	% of unclassified roads where maintenance is recommended	21	2018	Tracker	20	17			2016/17	No
				N/a	AMBER	RED				
113	Highways maintenance backlog (£millions)	179.7	2018	Tracker	187.6					No
				N/a	GREEN					
114	Bridge Stock Condition – Principal Roads	80.7	2018	Tracker	80.0					No
				N/a	GREEN					
115	Bridge Stock Condition – Non-Principal Roads	79.9	2018	Tracker	81.0					No
				N/a	AMBER					

## Other additional relevant indicators

### MORE AND BETTER JOBS

#### Do our young people have access to good quality education and training?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
15	Average point score per A level entry of state-funded school students	35.4*	2018/19 (academic year)	Tracker	33	32.4	32.5		2017/18 (academic year)	Yes
				N/a	GREEN	GREEN	GREEN			
17	% of 16 to 17 year olds who are not in education, employment or training (NEET)	6.0	Jul-Sep 2019	Tracker	5.4	2.7	4.4			Yes
				N/a	RED	RED	RED			

\*provisional data

### CONNECTED COMMUNITIES - SAFER

#### Are we being a good corporate parent to Looked After Children?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target						
73	% of care leavers aged 17-18 in education, employment or training (EET)	64.8	as at 11 Oct 19	Tracker	85.9	64	66	64	2017/18	Yes
				N/a	RED	GREEN	AMBER	GREEN		
74	% of care leavers aged 19-21 in education, employment or training (EET)	64.6	as at 11 Oct 19	Tracker	51.6	51	52	58	2017/18	Yes
				N/a	GREEN	GREEN	GREEN	GREEN		

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**MINUTES**

<b>Meeting</b>	County Durham Economic Partnership Board
<b>Date of Meeting</b>	Friday 8 <sup>th</sup> November 2019
<b>Time</b>	13.00 – 15.00
<b>Venue</b>	Executive Meeting Room, County Hall

**Attendees:**

Brian Tanner (BT)	Chair
Sue Parkinson (SP)	Resources
Brian Archer (BA)	Business Competitiveness
Jon Gluyas (JG)	Ideas and Innovation
Joanna Laverick (JL)	VCS Voice
Andy Bailey (ACB)	Partnerships, Durham County Council
Angela Brown (AB)	Partnerships, Durham County Council

**Speakers**

Michael Fleming (MF)	Durham County Council
John Mitchell (JM)	Durham County Council

**Apologies**

Ian Thompson (IT)	Without Portfolio
Simon Hanson (SH)	Business Voice
Bill Fullen (BF)	Inclusive Growth
Dawn Fairlamb (DF)	People
Ray Brewis (RB)	Durham County Council
Adrian White (AW)	Infrastructure
Cllr Carl Marshall	Voice of Public Sector

**1. Welcome**

BT thanked everyone for attending and listed apologies. BT mentioned that as now it was in the public domain, he can mention that two of the Board members Ian Thompson and Brian Archer are leaving Durham County Council so there will be changes in membership. He thanked them for what they had both done for the Partnership and wished them the best for the future

## 2. **Minutes of last meeting**

The minutes from the meeting in July were circulated in advance of the meeting and were agreed as a true and accurate record

### *Matters Arising:*

In relation to the vision BT informed the Board that he sat on the Editorial Group for the Vision until its winding-up and had submitted the CDEP response which had been incorporated into the document

## 3. **Durham Insight/State of the County evidence base**

MF gave a brief introduction into Durham Insight. He felt it was more valuable to have discussion and show how it works rather than giving a detailed presentation

JM was introduced. He discussed the State of the County Factsheet which is embedded into Durham Insight.

New data sets will be available over the next couple of weeks and will appear on Durham Insight. Tourism is an area that needs building on, as only the basic factsheet is available at the moment.

The State of the County will be available in Jan/Feb. It has its own page and will be updated whenever a new dataset is released.

### **Questions/Comments**

There was a question over the calculation of GVA for Public Sector, but more information is needed to clarify how this is calculated.

It was felt that the segment data was very useful, especially in relation to the base information relating to place

There is no measure for innovation; this needs to be there with summary of Industrial Strategy [when released]

JG asked if he could meet with MF to report on data from the Climate Change Group

BT thanked MF and JM for a constructive discussion

### **Action: JG to meet with MF**

#### 4. Draft Proposals for Local Economic Strategy

BT informed members that the suggested meeting with Helen Golightly will now be postponed until after the New Year due to the General Election

BT discussed the draft proposals and mentioned that they need to align with the Vision 2035.

Following on from CDEP Board meeting on 12<sup>th</sup> July 2019 a sub group had been set up to identify future high level aims and objectives for the CDEP. It was agreed the content of the meeting would be brought to the CDEP Board meeting today

The five objectives:

- Business Support
- Business Base
- Skills
- Business Environment
- Promotion

It was agreed that these are aligned to the CDP Vision 2035

Objective 2 – was agreed to add R & D Tax Credit as an indicator. It was mentioned that Business Durham have bank search data. BA would be happy for this information to be shared

Objective 3 – It was asked if schools data should be included. It was noted that Michelle Rainbow did a student survey, so it is worth contacting Michelle as the expert in this area

The Board **approved** the aims, objectives and indicators. This will be forwarded to the BES Group to look at this after the meeting has taken place with the NELEP.

#### 5. Funding Strategy Resources

SP presented to the Board on where we are in relation to Funding:

Shared Prosperity – Met the Chair of BEIS to discuss the political direction but this may all change as a result of elections.

Enterprise Allowance – this is a National Programme that supports people who are unemployed. Gateshead Council are leading on this but the programme finishes next year. SP has asked what the new programme will look like and went to Leeds to give input to influence how it will work

Durham Works Conference – A national conference was arranged to show what Durham Works has done as a delivery mechanism for DCC and partners, Andrew Hodgson from LEP, someone from DWP, Nick Campbell, Linda Bailey, were going to speak about what they had done. This should have been today but due to the election call, we are now in Purdah, so this has been postponed until February. This is a huge opportunity.

ESIF Committee – SP is still attending and Chairs the Advisory Group

Joining up work – ESIF Committee financing meetings are coming up. The ESIF Committee will discuss what is being delivered in Durham County Council

Using Match Funding– The Government announced a £3.6 billion Towns Fund targeted at places with strong economic heritage but that have not always benefited from recent economic growth – Sue will meet with Graham Wood in relation to Town Centres

ESIF – The National Lottery delivered Building Better Opportunities Programme. The 2<sup>nd</sup> half skills funding agency is Skills Support for the Workforce.

The last round of ERDF had 37 responses. These will go through Committee on the 28<sup>th</sup> November.

There is a call out for ESF 1.1 and 1.4 which targets the people furthest away from the labour market

We are now hitting ESIF targets comfortably apart from Low Carbon

ESF and ERDF will move into reserve fund for lot more developed areas and transitional areas. This is bad for all who have money left but good for those who have spent up from Jan next year.

JL mentioned that LEADER has two LAGS need to make it more viable so we now in talks around the food agenda.

## **6. Climate Change Consultation**

Maggie Bosanquet and Helen Grayshan attended to give a presentation on the Climate Change Consultation

HG introduced herself and gave background information that the Council had declared a Climate Change Emergency. A consultation was held and is now closed, had over 1000 responses

Two emergency targets were set as part of the declaration:

- Reduce the Council's carbon emissions by 60% by 2030
- Investigate what further actions are necessary to make County Durham completely carbon neutral by 2050 and pledge to achieve this

HG mentioned that if any Board members had any ideas for this they would be welcomed.

### ***Questions/Comments***

SP wanted to congratulate the County Council with regards to the BEEP Project and wanted the Board to note that this project has been replicated by other County Councils and will draw in EU money. It leverages out commitment and long may it continue.

How does what we doing play into the Northern Powerhouse? MB mentioned that there is a big regional VCS initiative going on which is led by Peter Stark. Also Glasgow next year will make an announcement and hopefully these announcements will bring money.

It was asked how other Councils were taking on the Climate Change challenge. HG informed the Board that Durham is ahead of other Councils. We just are not so good at the PR to promote this.

Although the Council held two sessions with the University and the LEP, very few people made suggestions on heating. 77% of heating comes from burning of fossil fuels. Durham County Council are leading on new drilling into the old mines at the Louisa Centre Stanley. Similar work is going on in East Durham. Shannon Adams won an award for this which was supported by Helen Goodman.

Planning permission does it currently have to include ground source heat but we are having this written into future planning applications.

BT thanked HG and MB for presenting today.

**7. Updates from Working Groups**

There were no updates from Partners.

**8. Any Other Business**

BA proposed that Sarah Slaven attend Board meetings going forward. As she is already an Alternate, this was agreed.

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**9. Date and Time of next meeting – Friday 28<sup>th</sup> February 2020 at 1pm**

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