



Cabinet

Date **Wednesday 13 January 2021**
Time **9.30 am**
Venue **Remote Meeting - This meeting is being held
remotely via Microsoft Teams**

Business

Part A

Items which are open to the public and press

1. Public Questions
2. Minutes of the meeting held on 16 December 2020 (Pages 3 - 6)
3. Declarations of interest

Ordinary Decisions:

4. County Durham Partnership Update - Report of Corporate Director of Neighbourhoods and Climate Change (Pages 7 - 36)
5. Grant Support for Business Recovery - Report of Corporate Director of Regeneration, Economy and Growth (Pages 37 - 56)
6. Social Value and Local Wealth Building ("The County Durham Pound") - Joint Report of Corporate Director of Regeneration, Economy and Growth and Corporate Director of Resources (Interim) (Pages 57 - 70)
7. Bishop Auckland Town Fund: Submission Approval - Report of Corporate Director of Regeneration, Economy and Growth (Pages 71 - 90)
8. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.
9. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

10. 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
5 January 2021

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors J Allen, O Gunn, L Hovvels, C Marshall, A Patterson, K Shaw, B Stephens and A Surtees

Contact: Ros Layfield

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DURHAM COUNTY COUNCIL

CABINET

At a meeting of **Cabinet** held remotely via Microsoft Teams at **9.00 am** on **Wednesday 16 December 2020**

Present

Councillor S Henig, Leader of the Council (Chair)

Cabinet Members

Councillors O Gunn, L Hovvels, C Marshall, A Napier, A Patterson, K Shaw, B Stephens and A Surtees

Apologies

Councillor J Allen

1 Public Questions

There were no public questions.

2 Minutes

The minutes of the meeting held on 18 November 2020 were agreed as a correct record and would be signed by the Chair.

3 Declarations of Interest

There were no declarations of interest.

4 County Durham Plan: Minerals and Waste Development Plan Document and Parking and Accessibility Supplementary Planning Document [Key Decision: CORP/R/20/04]

The Cabinet considered a report of the Corporate Director of Regeneration, Economy and Growth which sought approval to commence work on the Minerals and Waste Policies and Allocations Development Plan Document, and, the Parking and Accessibility Supplementary Planning Document and the timetable for their preparation in a new Local Development Scheme (for copy see file of minutes).

Councillor Marshall, Portfolio Holder for Economic Regeneration, explained that the Council approved the adoption of the County Durham Plan at their meeting held on 21 October 2020, and, whilst the County Durham Plan is a comprehensive document covering all aspects of planning, it is necessary to supplement the Plan with more detailed development management policies and non-strategic site allocations. Cabinet noted the documents will be published for consultation in the new year and encouraged members of the public to participate in the consultation process.

Resolved:

That the recommendations in the report be approved.

5 Quarter Two Performance Management Report 2020/21

The Cabinet considered a report of the Corporate Director of Resources which presented progress towards achieving the key outcomes of the Council's corporate performance framework (for copy see file of minutes).

The Chair, Councillor Simon Henig, Leader of the Council, commended officers for the detailed report which included a summary of the major challenges faced during 2020, including the economic downturn. He added that areas of concern, arising from the impact of COVID-19, will continue to be monitored.

Councillor Napier, Deputy Leader of the Council and Cabinet Portfolio Holder for Finance, referred to the many areas of excellent performance commenting this was testament to the hard work and dedication of staff and local members, and, he thanked all those who had continued to deliver services to such a high standard.

Councillor Napier spoke of the impact of deindustrialisation on County Durham and how the Council had worked hard, over the years, to provide more and better paid jobs. He expressed concern at details in the report of the recent increase in the Universal Credit claimant count, saying this illustrated the impact of COVID-19. Councillor Napier also referred to uncertainty with regard to a combination of factors including the impact of COVID-19, the position on the UK transition, and, the lack of information from government on the Shared Prosperity Fund. He called upon government to ensure County Durham receives its fair share of the fund, and, to make clear its intentions to level up the County.

Resolved:

That the report be noted.

6 Transport Asset Management Plan – Annual Update

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided Cabinet with an annual update on the Transport Asset Management Plan (TAMP) (for copy see file of minutes).

Councillor B Stephens, Portfolio Holder for Neighbourhoods and Local Partnerships, pointed out that the Council had continued to invest in its highway assets, despite reductions in government funding and he highlighted that the Council had been awarded a maximum efficiency score by the Department for Transport and was one of only two councils nationally, to achieve accredited status for highway asset management. In moving the report, he praised the good work of the highway teams.

Resolved:

That the recommendations in the report be approved.

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Cabinet

13 January 2021

County Durham Partnership Update

Ordinary Decision



Report of Corporate Management Team

Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change

Councillor Simon Henig, Leader of the Council

Councillor Brian Stephens, Cabinet Portfolio Holder for Neighbourhoods and Local Partnerships

Electoral division affected:

Countywide

Purpose of the Report

- 1 The purpose of the report is to update Cabinet on issues being addressed by the County Durham Partnership (CDP). The report also includes updates on other key initiatives being carried out in partnership across the county.

Executive summary

- 2 The coronavirus pandemic has had a profound effect on individuals, families and communities in County Durham and around the world and the wider County Durham Partnership have worked together to ensure we provide a response across all agencies that will support people through this. The mature partnerships and enhanced relationships have been a key strength throughout the pandemic, both with statutory and non-statutory agencies, which has ensured that our support offer has been co-ordinated at both the local (including through Area Action Partnerships (AAPs), the voluntary and community sector and mutual aid groups) and strategic levels.
- 3 The County Durham Vision 2035 was written together with partner organisations and the public and sets out what we would want to county to look like in 15 years' time. This vision is structured around three ambitions which are

- (a) more and better jobs;
 - (b) people live long and independent lives;
 - (c) connected communities.
- 4 The vision ambitions and objectives which support these ambitions, have supported how partners are responding to the Covid-19 pandemic and how partners deliver services.
- 5 The **Voluntary and Community Sector (VCS)** has been critical to the success of the County's response in supporting individuals and local communities and will continue to do so during the recovery and restoration phases. The VCS played a significant part in mobilising community networks and assets to provide an immediate response supporting the vulnerable in need during the lockdown. This has also highlighted the need to ensure that sustainable funding is provided to the sector so that our communities continue to be well connected and supportive of each other.
- 6 Durham County Council had a dedicated £1.4 million coronavirus support fund, which was shared amongst **Area Action Partnerships (AAPs)** across the county, to ensure local projects were able to help those in need during the coronavirus pandemic.
- 7 The funding has been allocated to 291 projects and these projects have also attracted £1,461,959 in match funding from other sources, meaning projects supported by us across our county have seen over £2.7 million invested in projects to combat the effects of Covid-19.
- 8 These 291 projects will see the full £1.4 million coronavirus support fund utilised.
- 9 As part of the Outbreak Control Plans for Covid-19 each local authority area needs to have in place a Local Outbreak Engagement Board, which is a public-facing Board led by council Members to communicate openly with the public. In County Durham this is the **Health and Wellbeing Board**. The Covid-19 Local Outbreak Control Plan was endorsed by the Health and Wellbeing Board at its meeting on 14 July 2020 and it receives an update at each meeting where questions submitted by residents are also answered by members of the Board.
- 10 A new partnership structure was agreed by the **County Durham Partnership** in September 2020. The new partnership structure underneath the County Durham Partnership is:

- (a) Health and Wellbeing Board (and Outbreak Engagement Board) – **Statutory**;
 - (b) Safe Durham Partnership – **Statutory**;
 - (c) Economic Partnership;
 - (d) Environment and Climate Change Partnership.
- 11 In addition, the Prevention Steering Group, which was established in 2017, to identify areas of work where the Partnership needed to concentrate its efforts with early interventions to reduce demand on services and impacts on people’s lives, communities, business and organisations that support them has been expanded to become the **County Durham Together Partnership** which will be responsible for countywide approaches.
- 12 The **County Durham Together Community Hub** has been established in response to the Coronavirus pandemic.
- 13 The hub was developed to coordinate food provision, social contact, welfare support, volunteering and be the central coordination function for the voluntary and community sector.
- 14 A **Covid-19 Community Champions programme** has been developed to ensure that as the pandemic continues, key messages are shared within communities, and that these messages are trusted, concise and clear.
- 15 The Child Poverty Working Group was awarded £150,000 from the Poverty Action Group and £100,000 from Public Health to develop and deliver holiday activities with healthy food across County Durham. The funding has supported work with partners across the county to add value to a co-ordinated, sustainable, countywide holiday food and activity offer that supports children, young people and families to help reduce the ‘holiday experience gap’ and has impact in our communities longer term.
- 16 Officers from across multiple DCC services came together to deliver the October half-term school meals support scheme, providing invaluable support to children and families across the county. A total of 8,632 applications for support were received and DCC paid out 6,670 claims. This amounted to the equivalent of £156,270, which was used to provide meals for 10,418 of our county’s children.
- 17 The three-year European Regional Development Fund (ERDF), Durham Sparks/Community Enterprise Durham project has come to an end with the final claim submitted in October 2020. The project was established to support community social enterprises and local potential

entrepreneurs across the county and achieved positive successful outputs and broader outcomes. It attracted £525,000 of ERDF funding, matched with £350,000 funding from Durham County Council.

- 18 The Office of Police Crime and Victim's Commissioner, together with Durham Constabulary and Durham County Council as part of the **Safe Durham Partnership**, has been successful in obtaining £485,360 as part of the Home Office Safer Streets Fund. This funding will be used to support situational crime prevention (i.e. target hardening security equipment to addresses which have been a victim of burglary, repeat burglary and properties in close proximity to the burgled property) in the Horden area with the aim of preventing residential burglaries.
- 19 Partners supported World Mental Health Day on 10 October 2020. This is important given the impacts Covid-19 and subsequent restrictions have had on the health and wellbeing of people across the County, and access to people's support networks.
- 20 In October 2020, the Council agreed to adopt the County Durham Plan. The Plan seeks to ensure the county is a successful place to live, work, invest and visit by focussing on supporting and creating vibrant communities.
- 21 Our **14 Area Action Partnerships** (AAPs) held autumn events where they met virtually to gather the views of residents and businesses on a wide range of issues. This was an opportunity for residents to find out what was happening in their area and how people have been supported throughout the coronavirus pandemic and to hear about the priorities and goals for the next 15 years, which have been set as part of the Vision for the county. In addition, AAP Board meetings and task and finish groups have also moved to virtual meeting to enable them to continue.

Recommendation

- 22 Cabinet is recommended to:
 - (a) note the contents of this update.

Background

- 23 The **County Durham Partnership** including the board and forum (which bring together the board and local communities), five partnerships (**Health and Wellbeing Board, Safe Durham Partnership, Economic Partnership, Environment and Climate Change Partnership** and **County Durham Together Partnership, Durham Safeguarding Children Partnership** and the **Local Safeguarding Adults Board, Better Together VCS Forum** and all **Area Action Partnerships** lead on key initiatives being carried out in partnership across the county.

County Durham Partnership Board

- 24 The County Durham Partnership Board met in July to give partners an opportunity to discuss their collective local response to the Covid-19 pandemic. The role of the Local Resilience Forum as a collaborative mechanism for delivery of partner organisations mutual aims and outcomes in the event of an emergency or major incident and the use of an intelligence-based approach to working with communities was acknowledged. In addition, measures to move the county forwards in terms of recovery from the impacts of Covid-19 through a Business, Economy, Regeneration and Strategy (BERS) Recovery Group, a subgroup of the **County Durham Economic Partnership** were discussed.

- 25 In September, partners agreed a new partnership structure for the County Durham Partnership which ensures the partnership structure aids delivery of the County Durham Vision 2035, which was ratified at the County Durham Partnership meeting in September 2019, with ambitions for:

- (a) More and better jobs;
- (b) People live long and independent lives;
- (c) Connected Communities.

- 26 The County Durham Partnership also agreed new branding to reflect the new partnership structure.

- 27 At the November meeting, an overview of the VCS in County Durham and the effects Covid-19 has had on the resilience of the VCS was discussed.

- 28 The VCS are a key partner within the County Durham Partnership and are recognised for their unique capabilities to energise and support local communities and make a distinct and sustained contribution to the



Better for everyone

The new CDP logo

economic and social development of County Durham. The new County Durham Vision, the Wellbeing approach and the developing work of County Durham Together provides an appropriate time to review how we work with the VCS. Sustainable longer-term funding for VCS infrastructure, a greater coordination of VCS commissioning by partners and developing a 'connector model' to identify and respond to gaps in provision were discussed. The development of a VCS Framework to provide a consistent and strategic approach to how the public sector works with the VCS was also discussed.

Covid-19

- 29 The Covid-19 pandemic and response has seen a reprioritisation of partners' efforts to manage their response to Covid-19 and the cancellation of a number of partnership meetings. However, all meetings have now been resumed and are taking place via Microsoft Teams.
- 30 The Covid-19 pandemic is likely to have a further negative impact on adults, children and young people already living in poverty in County Durham. Our response to this ongoing public health crisis has been to develop alternative service delivery models, adapt and do differently and use technology for workforce training, drop ins and interventions.
- 31 **County Durham Together (CDT)** was developed based on the Wellbeing principles and worked to ensure the community was empowered to self-help as much as possible and reach those most in need through an intelligence led approach from the outset. At the point of need the hub was there to consider the whole person and embed back into community networks as much as possible thus fully utilising the VCS to the maximum.
- 32 Wellbeing for Life was a central part of the proactive work with the most clinically vulnerable. Pathways were developed to triage and escalate more vulnerable residents and a first check was always undertaken to establish if people were already known to services to avoid duplication in effort and confusion in the system. County Durham Together had strong connections and pathways with TEWV mental health trust and the community team of CDDFT. The AAPs and VCS were critical in the deployment of essential supplies such as food and understood the local community networks and how to reach the most vulnerable. Funding grants were swiftly dispersed into communities through the work of the AAPs.



- 33 There are ten components to working with our communities using the new delivery model:
- (a) culture and leadership change programme to develop shared values, beliefs, language and behaviours of our workforce no matter who your employing organisation;
 - (b) understanding our people using our data to develop our knowledge of people and families who have multiple clinical and / or social vulnerabilities and may require earlier support;
 - (c) co-production **WITH** our people: building on the work of AAPs to hear the thoughts and ideas from our elected members and communities to co-produce the delivery model as a collective;
 - (d) continuing with the digital offer with a feedback loop;
 - (e) transforming LOCATE into a community book, enabling self-help to be as easy and equitably accessible as possible enabling people to find out what is available to them for health, social and welfare purposes;
 - (f) VCS alliance contracting, sustainability and coordination;
 - (g) working with the voluntary and community sector to continue with the growth and development of the mutual aid infrastructure;
 - (h) developing a clear and credible Coordinated Navigators / Community Connectors to interface with the voluntary and community sector as well as core public sector such as the lead for this in primary care and then mental health and local government.
 - (i) workforce to have generalist skills and competence up to threshold of specialism;
 - (j) buildings to have multi-functional access and service delivery at the level of place. Considering where our teams are based in communities and how our physical presence embeds within that community whether that be part of a library, customer access point, a family centre or a GP surgery.
- 34 The County Durham Together Community Hub supports residents who:
- (a) are clinically extremely vulnerable;
 - (b) have multiple social vulnerabilities and are impacted by COVID-19;

- (c) are self-isolating;
 - (d) need support to access food, essential supplies and online supermarket shopping slots;
 - (e) have concerns about money, housing, health or employment linked to coronavirus, self-isolation or lockdown;
 - (f) are isolated or lonely and would like someone to listen and chat via our Chat Together programme;
 - (g) have questions or queries about current Guidance and Legislation.
- 35 A **Covid-19 Community Champions programme** has been developed to ensure that as the pandemic continues, key messages are shared within communities, and that these messages are trusted, concise and clear.
- 36 Champions will help us to reach all communities across County Durham by:
- (a) supporting the promotion and dissemination of key messages;
 - (b) information sharing online and potentially through events;
 - (c) helping us to better understand the needs of communities;
 - (d) being part of an interactive County Durham Together webpage;
 - (e) liaising with AAPs and other local groups.
- 37 By using the latest local public health data together with the knowledge, connections and relationships of local champions we will be able to get the appropriate information to the right people within the community.
- 38 The champions will receive training and ongoing support from the council to empower communities to play their part in preventing the spread of the virus. A total of 59 people have signed up to be individual champions, with a number of organisations signed up as Champions Plus. <http://www.durham.gov.uk/covidcommunitychampion>
- 39 A number of AAP areas had face to face advice suspended due to Covid-19 and alternative arrangements were quickly put in place in the **3 Towns AAP** so residents could access advice from the Advice in County Durham network through telephone calls and email. Self-referral posters were displayed in local venues and this was publicised on social media.

40 **Bishop Auckland and Shildon (BASH) AAP** supported 17 projects through its Covid-19 emergency funding. Projects covered a wide range of issues including crisis and food bank support, debt advice, food, running costs for community groups, activity packs, children's activities and care packages.

41 Durham County Council is recruiting a COVID-19 compliance team who can make a real impact to support local businesses through education, support and proportionate regulation. The principal role of this team is to visit relevant business premises across County Durham to ensure Covid-19 compliance, including the investigation of related complaints. Accordingly, they will provide advice and support to businesses on how to operate in a Covid-19 secure way in accordance with legislation, Government and sector guidance.



BASH residents receiving a food box

AAP Autumn events

42 Between 20 October and 12 November each of our **14 Area Action Partnerships (AAPs)** met virtually to gather the views of residents and businesses on a wide range of issues. The focus of these events was to:

- (a) find out more about how groups and individuals in their area have been supporting their community during the pandemic;
- (b) hear from Cllr Simon Henig, leader of the Council, about the priorities and goals for the next 15 years, which have been set as part of the Vision for the county. These aims are based on feedback gathered from the public during a consultation carried out last year;
- (c) have the opportunity to shape the county's future activities, including £20 million of work to make towns and villages around the county more vibrant - one of the key priorities of the Vision;
- (d) hear an update from Amanda Healy, County Durham's Director of Public Health, on the coronavirus pandemic and details of how residents can play their part in reducing the spread of the virus by becoming community champions.

- 43 The ability to write comments and feedback at the events gave attendees a chance to interact with the presenters. The total number of comments received across the 14 events was 1375, with the least number of comments received at an event being 56 and the most being 126, eight events had over 100 comments. These are really good numbers considering this is the first time that we have held virtual events in this way.
- 44 Since the pandemic began, AAPs have provided more than £1.1 million to almost 300 community groups and organisations working to support the county's most vulnerable residents. This is alongside the support given to groups by agencies such as Durham Community Action and the County Durham Community Foundation.

Holiday activities with health food countywide programme

- 45 The Child Poverty Working Group was awarded £150,000 from the Poverty Action Group and £100,000 from Public Health to develop and deliver holiday activities with healthy food across County Durham. The funding has supported work with partners across the county to add value to a co-ordinated, sustainable, countywide holiday food and activity offer that supports children, young people and families to help reduce the 'holiday experience gap' and has impact in our communities longer term.
- 46 The Holiday Activities with Health Food (HAWHF) group have worked together with the AAPs to develop, administer and distribute funding for enriching holiday activities with healthy food over the holiday periods 2020 (Easter, May half term, Summer and October half term).
- 47 Each of the 14 AAPs were given **£15,000** in total to allocate to community organisations to deliver Holiday Activities with Healthy Food across the four school holiday periods in 2020. A total of **£210,000**. In addition, £10,000 was allocated for county wide projects.
- 48 From Easter to October 2020, **184** projects were allocated funding through the 14 AAPs for Holiday Activities with Healthy Food and an additional project was allocated countywide funding to deliver during the summer holidays.
- 49 **Over 14,522** beneficiaries have been reported to date from **115** out of **185** of the projects allocated funding. The total number who have benefited from the 185 projects allocated funding from the Holiday Activities with Health Food funding will be significantly higher when all monitoring returns have been received.

50 Most of the projects delivered, involved the creation of a wide range of activity packs offering a range of activities for children and young people and families to engage in. From arts and crafts, environmental and wildlife activities, science activities and sports and physical activity and activities to enhance wellbeing as well as either healthy food and snacks or ingredients and recipes to make a wide range of meals for themselves and their families.



51 All groups that received funding through the AAPs were provided with a document developed by Public Health 'Recommendations to support Holiday Activities with Healthy Food Groups operate during the Covid-19 pandemic' to support them with face to face delivery during the summer holidays.

52 For each holiday period the VCS Alliance team have collated all HAWHF programmes across the county, the information is made available as a live mobile app and a printer friendly PDF version. The mobile app is updated regularly and to date is shared with all VCS Alliance networks, AAPs, all schools (via the extranet and Headteacher briefing note), Families Information Service and Locate.

53 Officers from across multiple DCC services came together to deliver the October half-term school meals support scheme, providing invaluable support to children and families across the county. A total of 8,632 applications for support were received and DCC paid out 6,670 claims. This amounted to the equivalent of £156,270, which was used to provide meals for 10,418 of our county's children.

Safeguarding

54 The **Local Safeguarding Adults Board (LSAB)** held its development session in September 2020 and adopted the new ways of working within the landscape of COVID-19. The session was an opportunity for

LSAB statutory and relevant partners to consider its new strategic plan, which focusses upon the learning from emerging themes for safeguarding adults during COVID-19. Work strands over 2020/2022 will encompass reflecting upon COVID-19 to inform upon hidden victims and emerging themes, that will inform and support the LSAB assurance activity and identification of key communication messages with cross connectivity to wider partnerships and connected agendas. A strong thread of audit and assurance will ensure the LSAB continues to measure the effectiveness of local multi-agency working and in ensuring adults remain safe.

55 The LSAB have produced their fifth Annual Report. The annual report provides assurance on the measures in place to safeguard adults across County Durham, and outlines progress, achievements and challenges during 2019/20 against the following LSAB strategic priorities. It also includes details of the early LSAB response to the Covid-19 pandemic:

- (a) Prevention and Early Implementation;
- (b) User/Carer Voice and Awareness Raising;
- (c) Performance, Quality and Governance;
- (d) Safeguarding Adults Reviews Learning and Training.

56 An easy read version and an 'annual report on a page' have also been produced.

57 David Pickard has been appointed as the new Independent Chair and Scrutineer of the **Durham Safeguarding Children Partnership (DSCP)**.

58 The DSCP has produced its first annual report since the new DSCP arrangements came into force. The Annual Report demonstrates how the functions of the DSCP have been fulfilled, as set out in the statutory guidance 'Working



Keeping Children Safe



ANNUAL REPORT
2019 - 2020

Safeguarding Children
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Together to Safeguard Children 2018' and an update on work undertaken against the DSCP priorities during 2019/20. It also provides a performance monitoring overview, a summary of the use of restraint in secure centres, serious case reviews and child death reviews and

details on the multi-agency training provision. A children and young people's version of the annual report has also been produced.

- 59 The DSCP has appointed a Young People's Commissioner Apprentice, whose role is to engage with children and young people across the county to ensure their voices are heard, and that this influences the services they receive.
- 60 November 2020 saw the third year of undertaking a wider partnership approach to Safeguarding Week under the umbrella of the **Local Safeguarding Adults Board (LSAB), Durham Safeguarding Children Partnership (DSCP)** and the **Safe Durham Partnership**. Key themes during the week focussed upon safeguarding in the community with a lens on strengths of multi-agency working during the Coronavirus (COVID-19) pandemic to ensure safeguarding and the safety of residents remained front and centre. Promoting awareness of issues such as radicalisation, modern slavery, domestic abuse and financial abuse as well as the activity under County Durham Together and the Community Hub response to COVID-19. The week also placed a strong focus upon the strength-based model of signs of safety, and mental health. A podcast from the National Domestic Abuse Commissioner, Nicola Jacobs was also included as part of the week. The session was opened by the LSAB Independent Chair and DSCP Independent Chair and Scrutineer.

Vision 2035: More and Better Jobs

- 61 On 21 October the Council adopted the County Durham Plan. The Plan seeks to ensure the county is a successful place to live, work, invest and visit by focussing on supporting and creating vibrant communities. This is by delivering more and better jobs and sustained economic growth; a wide choice of high quality homes that supports economic growth and meets the needs of all people; a high quality built and enhanced natural environment; and the necessary supporting infrastructure including transport, health and educational needs.
- 62 The County Durham Plan includes provision for over 300 hectares of land to be allocated for business and industry development, with the potential for this to create more than 32,000 jobs. It also envisages almost 25,000 homes being built up to 2035.
- 63 The Business, Economy, Regeneration Strategy Recovery Group (a subgroup of the **County Durham Economic Partnership**) has been established to assess and address the economic implications of the pandemic for County Durham to provide the assistance that businesses need to restart and grow the economy of County Durham. It is focusing on six key areas:

- (a) Business support,
- (b) Employability and skills;
- (c) Infrastructure,
- (d) Intelligence,
- (e) Strategy and Lobbying;
- (f) Communication.

64 During the first couple of months following the launch of Government Grant Funding, support was also given to an additional 266 High Street Businesses, both in securing grant funding and signposting to areas of support. In August 2020:

- (a) the Council received European Funding to support the reopening high streets safely;
- (b) three officers were appointed until March 2021 to visit high street businesses, support businesses with opening and operating safely and identifying further support that is required;
- (c) the Market Project was launched; which allows new and existing businesses access to funding support for purchase of market stalls and relevant legal requirements.

65 All the initiatives in place support the Government's efforts to help business trade in a safer environment.

66 The coronavirus crisis has put thousands of jobs and hundreds of businesses at risk. Durham City has seen a number of businesses close. **Durham AAP** have supported Durham BID with an Area Budget grant of £40,000 which will enable them to utilise new and old technologies to get key messages out to local people to look at new ways to encourage people to come into Durham to shop, eat and drink in a responsible way.

67 One of the first projects to be supported using Covid-19 Recovery monies by **Chester-le-Street AAP** was the CDC Enterprise Agency - PLAN B – Business Action Planning. This is a business support program designed for post COVID recovery. 25 businesses will receive bespoke one to one coaching and practical support to redesign their business models allowing them to thrive in a post Covid-19 economy.

68 Single Homeless Action Initiative in Durham (SHAID) approached the **Stanley AAP** for funding support as they like many others had highlighted and identified a need to keep key workers safe and get them the Personal Protective Equipment (PPE) they require. SHAID received funding to purchase a 3D printer and materials to produce 700 face visor masks for



Stanley Medical Group staff wearing their SHAID supplied masks

frontline workers of local organisations and single carers across the Stanley area. The KO3D printing for Covid-19 project has enabled the quick delivery and distribution of face visors to frontline staff across the Stanley AAP area including: care homes, pharmacy staff, schools and front-line charity workers and single carers who needed this added safety measure to continue their role as key workers, enabling them to stay safe and to be able to continue to offer the vital services they are delivering in the community during this pandemic.

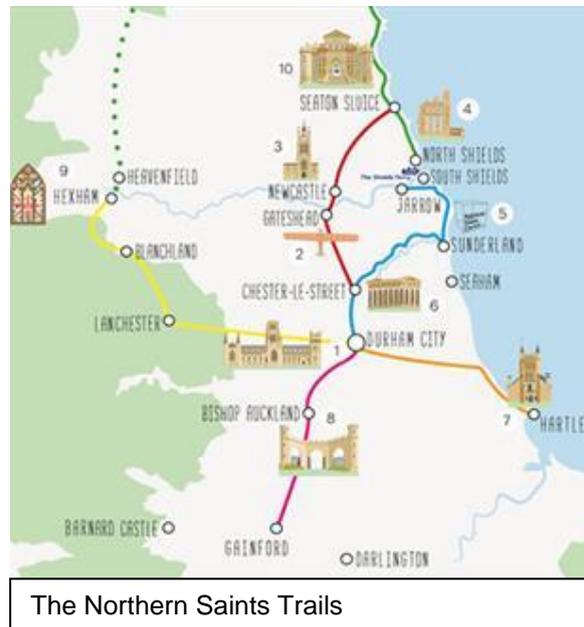
69 The three-year European Regional Development Fund (ERDF), Durham Sparks/Community Enterprise Durham project has come to an end with the final claim submitted in October 2020. The project was established to support community social enterprises and local potential entrepreneurs across the county and achieved positive successful outputs and broader outcomes. It attracted £525,000 of ERDF funding, matched with £350,000 funding from Durham County Council.

70 The Durham Sparks Project supported over 100 local community enterprises with over 30 new FTE employment opportunities also created. Nearly 150 individuals were also supported to explore their own business ideas through 12+ hours of support. The Finchale Consortium led by Finchale Group and involving a number of business consultants delivered the project over the last three years across the county. ERS Consulting were also awarded the evaluation element of the project and have produced a comprehensive, positive and complimentary report on the project particularly focussing on the approach and model of delivery.

71 Young people, who disproportionately make up the workforce of key affected sectors such as hospitality and leisure, are likely to be hit hardest by unemployment in the coming months.

72 Work is underway on the establishment of three Youth Hubs in Peterlee, Bishop Auckland and Stanley utilising DurhamWorks and Jobcentre Plus funding.

73 The Northern Saints Trails project is a tourism product development initiative to position and market North East England as The Crossroads of British Christianity through the development of six long distance walking trails based on existing ancient pilgrimage routes.



74 The Trails portray the region's Saints and their stories, set against a backdrop of the very best of the region's attractions, landscapes, places to eat and drink and visitor accommodation. A range of marketing materials are in place and ready to go for the full launch of the Northern Saints project in 2021, once pandemic restrictions are eased. The project website was soft launched over the summer and is aimed at in-region and day visitors. The website contains over 500+ regional products.

Vision 2035: People live long and independent lives

75 The **Health and Wellbeing Board (HWB)** is refreshing its Joint Health and Wellbeing Strategy 2020-25 to take account of Covid-19 and the Vision following the Strategic Governance Review.

76 The County Durham Placed Based Commissioning and Delivery Plan 2020-25 sets out the commissioning and delivery intentions of all partners represented at the Integrated Care Board and forms the health and care delivery component of the County Durham Joint Health and Wellbeing Strategy.

77 A Health Impact Assessment was undertaken in response to Covid-19, with findings and recommendations being endorsed by a range of Partnerships to enhance recovery using a system wide approach. In addition to specific action being undertaken by partners, this will focus on:

- (a) targeted work for vulnerable and marginalised groups as part of COVID-19 recovery to reduce preventable inequalities;

- (b) training of the whole-system workforce to raise awareness of welfare support and impact money worries can have on health and wellbeing;
- (c) using population health management approaches and forecasting across the system, consider how to support prevention and early intervention in mental health can be used to mitigate as far as possible any increased demand to secondary care;
- (d) develop and implement a streamlined information resource to provide access for communities and individuals to support for mental health and emotional wellbeing;
- (e) ensure the community is prepared to respond to a second wave and local outbreaks.

78 This year, World Mental Health Day was on 10 October 2020, and a number of activities to raise awareness were introduced. These included the 'Power of 5 challenge', where staff were encouraged to spend 5 minutes across 5 days talking to 5 people they haven't spoken to since lockdown began in March 2020.



79 Staff were also reminded of the five ways to wellbeing:

- (a) Connect;
- (b) Be active;
- (c) Take notice;
- (d) Keep learning;
- (e) Give.

80 A Healthy Business Strategy has been developed for businesses across County Durham. The framework contains a set of actions which tackle workplace mental health, stigma and discrimination, improve general mental health awareness and promote the importance of good workforce mental health which aims to support small businesses and voluntary organisations.

81 AAPs have supported a range of initiatives relating to people's mental health and physical wellbeing. Keeping connected is especially important for people living with mental health issues.

Mid Durham AAP funded the Welcoming Lanchester: A Guide to Lanchester addressing Issues around Loneliness. This is a document led by members of the Patient Participation

Group at the medical centre including members of Lanchester Partnership. The publication was posted through every door in the parish and is also included on our 'Durham Insight' website

<https://www.durhaminsight.info/wp-content/uploads/2020/01/Welcoming-Lanchester-Guide-for-websites-03122019.pdf>



Mid Durham AAP members promoting 'Welcome to Lanchester'.

82 Pioneering Care Partnership (PCP) delivered a number of activity packs to the homes of older residents in the **Great Aycliffe and Middridge (GAMP) AAP** area. The packs were designed to promote resilience and improve mental wellbeing, also helping to alleviate boredom during the older people's isolation due to Covid-19. Packs contained arts/crafts and baking activities suitable for all

abilities. Packs were delivered by PCP key workers/volunteers and the GAMP AAP Coordinator who could also offer help and advice should any queries arise when delivering the packs. The feedback from the older people was very positive and they appreciated the support.



GAMP and PCP volunteers preparing to deliver activity packs to residents

83 The **4 Together Partnership AAP** supported the Solan Connor Fawcett Family Trust with two applications during the first lockdown period. One was support towards the charity's fixed running costs and the other was an application to provide care services and packages to cancer sufferers and their families in the area. Vital care services were able to be continued including transport to hospital and doctors' appointments,

services and equipment to support families, help with funerals and delivery of a care packages with regular telephone phone support.

84 With an extension of our funding this project was able to run right through from April to the end September, offering 24 weeks of vital support to some of our most vulnerable individuals and their families.

85 AAPs, especially in rural areas, can use the natural environment to support the development of leisure related activities. **Weardale AAP** has supported the refurbishment of the Weardale Way. The Weardale Way which is a popular walk for both local residents and it attracts walkers of all levels of fitness, this varied and at times challenging walk offers the opportunity to enjoy the natural environment depending on the experience of the walker. The refurbishment will ensure works are undertaken in keeping with traditional stonemasonry and carpentry skills, employing local contractors and the health benefits of being outdoors are utilised.

86 Elections took place in secondary schools across the county at the beginning of 2020 to elect young people onto the new **County Durham Youth Council (YC)**. The YC currently have 39 registered members, with



Durham Youth Council members self portraits

representation from 19 secondary schools, and they are working with 23 other youth provisions to increase membership and improve representation. Since September 2020, and following schools return to teaching, a Participation and Engagement Officer has been appointed, as the lead support for the Youth Council.

87 The Youth Council ran their British Youth Council elections in the week beginning 19 October and two County Durham Young people are our representatives at the national level.

88 Youth Council members have set up four sub-groups:

- (a) Mental Health and Wellbeing,
- (b) Environment,
- (c) Youth Council Handbook;

(d) Durham History Centre Project.

Members have selected which sub-groups they would like to be involved in and will be holding regular meetings to expand the work on their projects.

89 Roles for Care Experienced Young Inspectors are being developed to help us to shape the services we provide in Durham County Council Children's Residential homes. The Young Inspectors will be developing a framework and toolkit, accessing training and support to allow them to carry out the role of a Young Inspector, which will involve them visiting our children's residential homes and sharing their views and observations on the services provided to the young people and their home.

90 The Young Carers Charter supports to make positive change for children, young people and families where there is a caring role. A total of thirteen organisations have achieved Young Carer Charter status within the **Spennymoor AAP** area this has included five Primary Schools, four community organisations along with Spennymoor Town Council, Spennymoor AAP, County Durham Clinical Commissioning Group and Saint Andrews Medical Centre. Spennymoor Youth Council and Spennymoor Stage and Song have also committed to achieve charter status.



Promoting the Young Carers Charter in Spennymoor

91 This Charter work has been extremely successful within the Spennymoor AAP area and has ensured that the needs of young carers have been considered and actioned by a range of local organisations who will ensure that any information regarding the support of young carers is disseminated and shared with respective teams and partnerships.

92 A presentation on the work of the Neighbourhood Charter has also been undertaken at the Spennymoor AAP Board meeting earlier in 2020 and received a very positive response.

93 Since the last update report, the council has confirmed three years funding for our **Armed Forces Outreach workers** who are part of a local authority partnership **Armed Forces Outreach Service**, providing advice and support for members of the armed forces community in

need. Help is available with housing, benefits, employment, health and wellbeing, thus ensuring that the most vulnerable are assisted to live long and independent lives.

- 94 At the first virtual meeting of the **County Durham Armed Forces Forum** on 8th October, our CCG partner reported that 30 GP surgeries in County Durham are now accredited as Veteran Friendly GP Practices and all GP surgeries in the county have links to the Veterans Gateway, an online resource of support available to members of the Armed Forces community. Further work is planned to update Durham Insight with data about Veterans' health so that appropriate interventions can be planned to help veterans have long and independent lives.



Showing support for Durham Armed Forces

Vision 2035: Connected Communities

- 95 The **Safe Durham Partnership** is refreshing its Safe Durham Partnership Plan 2020-25 to take account of Covid-19 and the Vision following the Strategic Governance Review.
- 96 As part of the work of the **Safe Durham Partnership**, County Durham has been successful in securing £485,360 from the Home Office Safer Streets Fund. The Safer Streets Fund aims to stop offences that blight communities and cause misery for victims from happening in the first place. The scheme has been operational since October 2020 will run to the end of March 2021 and target the Horden area which has been identified as an area where support would benefit the community. The money is being used to provide target hardening measures for both the victims property and those of the tenants in the surrounding area. The funding will also be used to train officers to deliver local crime prevention advice to residents.
- 97 The National Hatecrime Awareness Week campaign ran virtually, from the 10 -17 October 2020. Daily multi-media messages were shared to raise awareness of 'hate crime' and branded under the "Hate Hurts" campaign to shows that partners are united against Hate Crime in Durham and Darlington. Officers within the partnership were also given the opportunity to take part in some free online training to help them identify hate crime, how it impacts on the individual and the community as well as how to report.

- 98 Following on from activity at the start of the Covid-19 pandemic to raise awareness of the helplines available for domestic abuse, 16 days of Action ran from 25 November until 10th December which saw partners through the Domestic Abuse and Sexual Violence Executive Group, a sub group of the **Safe Durham Partnership**, work together to provide a coordinated response. Key themes included:
- (a) Why Covid-19 has made the issue more important than ever;
 - (b) The impact of domestic abuse on children in the home;
 - (c) How you can get help;
 - (d) How we can all help.
- 99 As part of our PREVENT duty under the **Safe Durham Partnership**, a joint collaboration between Durham Constabulary's Prevent Team, Durham County Council and Darlington Borough Council saw approximately 100 school safeguarding officers' and Head Teachers engage in a training event held over two days in order to provide the latest information on the threat and risks related to extremist and terrorist related activity in the area. This was the first fully online event of its type in the area and received positive praise from the attendees.
- 100 Social Housing providers have received special training to deliver terrorism awareness to their staff in order that front line officers can spot the signs of radicalisation and extremist behaviour and make the necessary referrals for support through the Prevent referral and Channel process.
- 101 Channel is the safeguarding panel, which aims to safeguard those vulnerable to being drawn into extremist and terrorist related acts.
- 102 The new Channel guidance, which has implications for how Channel panels are delivered across England and Wales was published by the Home Office and launched through online events in November 2020.
- 103 Some of the key practical requirements for local authorities include:
- (a) designating a Channel chair and deputy chair;
 - (b) embedding Channel within local governance arrangements;
 - (c) as a statutory function, ensuring Channel is incorporated within local authority constitutions;
 - (d) updating local Data Protection Information Notices (Privacy notices) to reflect Channel panel and the use of personal data.

104 Our current Channel guidance will be updated to take account of the new national Channel Guidance.

105 To make sure the right messages were being delivered and people seeking advice were not confused by the amount of websites on offer, work was carried out in September 2020 in order to ensure that the most appropriate advice was being highlighted to children, parents, carers and professionals in relation to online safety.

106 **East Durham Rural Corridor (EDRC) AAP** funded a project which involves working with the Cyber Harm Reduction Officers at Durham Constabulary to divert young people away from cybercrime and prevent cybercrime from happening. Members of the Youth Forum took an interest in the work after the Police attended a Board meeting. The Cyber Officers advise the public on how to stay safe online and work with young people to divert them away from cybercrime. A high number of those who commit cyber offences are teenagers, so they work along the line of PREVENT to ensure that they are aware of cybercrime and are diverted from committing this.



Meeting up to tackle cyber crime

107 The EDRC AAP Youth Forum have developed a Facebook Group 'Live, Listen, Speak Project' to allow relevant information to be circulated quickly and to enable children and young people in the area to have continuous dialogue and have a say. Through working with the Cyber Officers, they will be able to ensure that the online youth forum is safe and secure. The Youth Forum would like to continue working on this project and progress it further to raise awareness of the project the young people will hold two workshops across the area to talk to other young people about engaging. The young people will see what others want to improve about the areas via the online forum and will work to make these changes by involving the local community.

108 Following agreement of the new partnership structure at the County Durham Partnership, a workshop was held on 10 November 2020 to establish a new **County Durham Environment and Climate Change Partnership (ECCP)**. Experts from partner organisations, businesses and the voluntary sector with an interest in the environment and climate

change met to ensure a strategic, multi-agency approach was established for the new partnership.

109 At the workshop people used their knowledge and expertise to identify the areas which will influence the new ECCP agenda over the next decade, whilst considering cross-partnership linkages to ensure the partnership's agenda is as comprehensive as it can be, including considering environmental links to people's health and the economy. People discussed the issues which would influence the strategic priorities for the ECCP currently and in the future; including those detailed in the Vision 2035, the Climate Change Emergency Response Plan, A Green Future: 25 Year Environment Plan and the Environment Bill 2020. Following discussions three priority workstreams were agreed for the new ECCP.

- (a) Climate Emergency;
- (b) Ecological Emergency;
- (c) Place, Health and Community.

110 **Derwent Valley AAP** have worked with OASES (Outdoor and Sustainability Education Specialists) to undertake an energy audit in four primary schools in the area and identify how they could become eco-friendlier. Each school will choose a topic they would like to focus on, for example, energy, biodiversity, waste. An action plan will be created for related activities to be carried out involving the whole school and linking into the wider community as well as linking into national campaigns such as Earth Hour.



111 A budget will be allocated to each school to spend on capital items (for example, items to replace single use plastics, hi-vis clothing for walking buses) to help them in their eco school journey. The schools will also be helped to achieve the ECO Schools Award - Bronze, Silver or Green Flag with all schools aiming to be Green Flag status.

112 To support our vision in helping our communities realise their potential and help build our communities. The approach to wellbeing has been adopted by the Health and Wellbeing Board and builds on the fantastic work undertaken by communities during Covid-19. The approach

means we will work **with our** communities, delivering solutions together, instead of **doing to** communities.

- 113 High streets and town centres retain an important place in our society, but they need to adapt to ensure that they remain vibrant, safe and attractive social hubs that people want to use. **Teesdale AAP (TAP)** has agreed in principle to introduce a free public internet and analytics solution throughout Barnard Castle town centre. TAP and the Council believes this will help make the town centre a more vibrant and attractive place for residents, visitors, businesses and shoppers, and that it will increase footfall and help local businesses thrive and grow.
- 114 There will be 17 Access Points installed across the town centre which will provide free wi-fi to anyone that logs on to the system 'Connected Barnard Castle'. Any person that has a line of sight to one of these Access Points will be able to access the free Wi-Fi. Evidence suggests that a town centre that provides free wi-fi encourages people to dwell longer in town centres, encourages additional footfall, additional spend and in turn helps businesses to thrive and grow.
- 115 The role of County Durham's Local VCS Infrastructure Organisation, Durham Community Action (DCA), has been pivotal in providing information to the Council about how local groups have been managing and the support they have been providing in local communities including intelligence about the emerging Mutual-Aid groups. It has also been providing information, advice and guidance to local groups through regular communications with the sector, downloadable guides, online training and telephone support around Covid-19 secure practices, safeguarding volunteers and vulnerable adults and children, information about emergency and recovery funding programmes, and supporting trustees and management committees for Community Buildings. During this time, they also launched the new County Durham Volunteering website which is designed to match organisational requests for volunteers with individuals looking for volunteering opportunities and will be an invaluable resource for promoting and encouraging volunteering within the county.
- 116 The most recent survey carried out by DCA in August 2020 amongst members of the **Better Together Forum** of larger and/or specialist VCS organisations revealed that amongst the organisations who responded:
- (a) 100% have seen consistent changes in the nature of support provided to beneficiaries and everyone is doing things differently;
 - (b) 90% have had Covid-19 related grant funding with the majority funding service adaption and continuing core services to meet increased demand. Just under two thirds of respondents have

also developed specific (fixed term) Covid-19 emergency response project-based activity;

- (c) 80% of those who had emergency funding for project based activity would like to continue with it in the medium to long term and these longer term funding needs centre around resourcing for the 'new normal' with 88% identifying IT equipment, training and support as a priority.

117 **East Durham AAP** has supported local community centres and local organisations by providing Personal Protective Equipment (PPE) to enable them to continue to operate and comply with the latest government guidance. By providing this equipment, organisation can continue to support local communities during the coronavirus pandemic.

118 The role **Faith Communities** are playing during the pandemic is crucial to keeping communities connected and supportive of each other. Although places of worship were initially closed during the lockdown, the members of faith communities continued to provide both practical and pastoral support for local communities



Food provided by Sacriston Churches Together

through foodbank provision, meal delivery services and telephone befriending. Several faith-based projects were supported by AAP Covid-19 emergency funding.

119 One faith-based charity, Durham Christian Partnership, who run several projects including the Countywide network of Foodbanks, also run Community Money Advice County Durham which operates as part of Advice in County Durham. This free, impartial and confidential debt and money advice service is now available through video links at 11 foodbank centres across County Durham with further locations coming online soon. Authorised by the Financial Conduct Authority and affiliated to the national charity Community Money Advice, they have been helping people with debt issues for the past 10 years through face to face consultations, telephone, text, email and post. Clients can now speak directly through a video link with one of their debt advisers, or simply collect information at the foodbank centres and ask for a same-

day call back. This service helps individuals and families stay connected by helping them through difficult and life changing circumstances.

Conclusion

- 120 We could not have foreseen the scale of the Coronavirus pandemic and the impact this has had on all services across the County from early 2020.
- 121 Unfortunately, the ongoing pandemic has impacted disproportionately on certain people across the County, particularly our older population, people with existing/underlying health conditions such as diabetes and obesity, our black and ethnic minority population as well as those living and working in more disadvantaged circumstances. The pandemic has also impacted on mental wellbeing across the whole life course, widening health, social and economic inequalities.
- 122 The County Durham Partnership, including our Safeguarding Boards, Better Together VCS Forum and our fourteen Area Action Partnerships will continue to work together to prevent health and wellbeing inequalities widening even further and work with our communities as true and equal partners through this difficult time. Our relationships with other agencies and with our communities are built on a robust foundation and will continue to provide a basis for improving outcomes for our local people through to the end of the pandemic and during the recovery and restoration phases to meet the County Durham Vision we set over a year ago.

Background papers

- None

Other useful documents

- None

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Appendix 1: Implications

Legal Implications

None.

Finance

Area and neighbourhood budgets are utilised and delivered through the 14 AAPs and ensure the council (and AAPs) receive improved information on the outputs achieved through use of locality budgets.

Durham County Council had a dedicated £1.4 million coronavirus support fund, which was shared amongst Area Action Partnerships (AAPs) across the county, to ensure local projects were able to help those in need during the coronavirus pandemic.

Consultation

The County Durham Partnership framework is a key community engagement and consultation function of the Council and its partners. The recommendations in the report are based on extensive consultation with AAP partners.

Equality and Diversity / Public Sector Equality Duty

The actions set out in this report aim to ensure equality and diversity issues are embedded within the partnerships and the working practice of AAPs.

Climate Change

This is recognised throughout partnership activities.

Human Rights

None.

Crime and Disorder

The Crime and Disorder Act 1998 placed a statutory duty on local authorities to form a Community Safety Partnership (CSP) to tackle crime, disorder, anti-social behaviour, substance misuse, other behaviour adversely affecting the local environment and to reduce re-offending. In County Durham, the CSP is the Safe Durham Partnership.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None.

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Cabinet

13 January 2021

Grant Support for Business Recovery

Ordinary Decision



Report of Corporate Management Team

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To seek Cabinet's approval for a package of measures to support County Durham businesses to recover from the impact of COVID-19 in order to safeguard jobs and facilitate economic recovery.

Executive summary

- 2 The Council recognises the impact that COVID-19 has had on its communities and local economy and has responded well with a series of measures to offer short-term support to both people and businesses.
- 3 It is clear that the economic impact of the pandemic on businesses and employment in the County has already been significant, and that the full extent of the impact has yet to be realised. Following the national lockdown in November 2020, the introduction of local tiered restrictions in the lead up to Christmas, and the latest Tier 4 restrictions, businesses continue to face challenges in being able to return to normal trading, and are experiencing increased costs of adapting workplaces and methods of operation at the same time as suffering reduced levels of income.
- 4 Economic recovery is going to take many months, if not years, and whilst the Government's extension to April 2021 of the package of measures to support jobs is welcome, businesses in the County also need additional support to be able to implement plans to adapt and recover.

- 5 It is therefore proposed that the Council introduces a £5 million Business Recovery Grant Scheme, open to businesses located in the County in all sectors, in order to provide financial support for the implementation of business recovery plans. This sum can be funded from a combination of the Council's own General Fund resources and from an allocation from the Additional Restrictions Support Grant (ARG).
- 6 The proposed grants are not intended to provide crisis funding, general working capital or subsidise losses, as this is the role of the Government-backed support and loan schemes, and the local restrictions support grants. The Durham Business Recovery Grants will be aimed at businesses that have a credible plan to adapt and recover but require additional financial support to be able to implement it.
- 7 The scheme has been carefully positioned in order that it meets identified gaps in support and does not duplicate existing grant schemes. Also that the scheme is flexible enough to offer appropriate support to all sectors and sizes of business in the County, from self-employed and micro-businesses through to companies employing up to 250 people in the County.
- 8 The proposed scheme will offer grants of £1,000 up to a maximum grant of £40,000 and the grant intervention rate for each project will be 75%, meaning that the business will be expected to pay for a quarter of the cost.
- 9 It is estimated that a £5 million budget would enable at least 880 businesses to be supported and could help to safeguard over 1760 jobs.
- 10 Introduction of the Durham Business Recovery Grant Scheme will support businesses in the County to recover from the impact of Covid, and will help to protect jobs, and the County's economy, for the longer term.

Recommendations

- 11 Cabinet is recommended to:
 - (a) agree to establish a Business Recovery Grant Scheme;
 - (b) agree to provide a budget of £5 million for the scheme and note that £3 million will be made available from the General Fund alongside a £2 million contribution from the Additional Restrictions Support Grant;
 - (c) authorise the Corporate Director of Regeneration, Economy and Growth, in consultation with the Corporate Director of Resources and the Portfolio Holder for Economic Regeneration, to agree the detailed administration arrangements for the scheme;

- (d) delegate authority to the Corporate Director of Regeneration, Economy and Growth to approve the individual business grant offers made in accordance with the scheme;
- (e) note the additional support being provided to micro businesses through the Durham Business Opportunities Programme;
- (f) note that there may be a need to consider additional grant support for start-up businesses and receive a separate report on this in due course.

Background

- 12 The Council recognises the impact that COVID-19 has had on its communities and local economy and has responded well with a series of measures to offer short-term support to both people and businesses.
- 13 It is clear that the economic impact of the pandemic on businesses and employment in the County has already been significant, and that the full extent of the impact has yet to be realised. Following the national lockdown in November 2020, the introduction of local tiered restrictions in the lead up to Christmas, and the latest Tier 4 restrictions, businesses continue to face challenges in being able to return to normal trading, and are experiencing increased costs of adapting workplaces and methods of operation at the same time as suffering reduced levels of income.
- 14 The Government has extended the Job Retention Scheme and the Self Employed Income Support Scheme until 30 April 2021, together with extensions and extended repayment periods on the various loans and tax deferral schemes. Local restrictions support grants were also introduced to support businesses in the Hospitality and Leisure sectors in Tier 2, Tier 3, and now the Tier 4 areas that are severely impacted by the restrictions on socialising or are required to close.
- 15 These measures are welcome to assist businesses with cash flow and job retention, but businesses in the County also need additional support to be able to implement plans to adapt and recover.
- 16 It is therefore proposed that the Council introduces a Durham Business Recovery Grant scheme, open to businesses located in the County in all sectors, in order to provide financial support for the implementation of business recovery plans in 2021.

Grant Scheme Design and Eligibility

- 17 The Business Recovery Grants will be aimed at businesses in the County that have a costed, credible plan to adapt and recover, but require additional financial support to be able to implement it, due to the impact of the pandemic on their finances.
- 18 The scheme has been positioned to complement, but not duplicate the existing sources of grant support available to County Durham businesses, including those that are already managed by Business Durham (see Appendix 2). Analysis of these indicates that there are two main gaps in the support available:
 - (a) Grants to implement recovery plans
- 19 There are a number of programmes, such as those provided by NBSL and RTC, that support companies with accessing consultancy support and advice to draw up recovery and growth plans, but there are few grants of

any size available to help the business with the costs of implementing the plans.

(b) Grants for businesses ineligible for ERDF funded schemes

- 20 The majority of the existing small grant schemes are ERDF-funded and therefore have eligibility restrictions which mean sectors that have been more severely impacted by COVID 19, such as retail, hospitality, tourism, leisure and local services, do not qualify for support from these schemes. There are also some businesses that employ fewer than 250 people in the county but do not meet the EU definition of an SME due to being part of a larger group, and are therefore unable to access the existing ERDF funded grant support.
- 21 It is therefore proposed that the Durham Business Recovery Grant scheme should have flexibility to provide both small grants from £1,000 to £10,000, and larger grants from £10,000 up to a maximum of £40,000, in order to address the two gaps identified above.
- 22 The key eligibility criteria for the Durham Business Recovery Grant scheme will be that each business must be able to evidence:
- it is based in County Durham;
 - it has a business bank account;
 - it has experienced a negative impact on sales and income as a result of COVID 19;
 - it has a costed and credible plan to adapt and recover;
 - the costs cannot be met from another grant scheme.
- 23 Businesses based in County Durham that employ up to 250 people within the County, in all sectors will be able to apply. This will include the self-employed; micro businesses (defined as those with less than 10 employees); small businesses (defined as those with 10-49 employees); and medium-sized businesses (defined as those with 50-249 employees). It will also allow larger businesses with headquarters outside the County to be eligible where they employ up to 250 people in the County - the grant may support local management in any internal discussions aimed at preventing job cuts or closure in the County.
- 24 However, it should be noted that voluntary and community organisations and charities will not be eligible for the Business Recovery Grant scheme as there are other sources of support for the voluntary and community sector including through the AAPs, County Durham Community Foundation and the Big Lottery.

- 25 Eligible business project costs will include capital or revenue expenditure towards costs such as, but not limited to:
- (a) costs of adapting operational models and working practices in order to meet COVID-secure requirements;
 - (b) other adaptations to premises or business models to attract new customers or visitors;
 - (c) digitalisation (where this cannot be funded through other schemes);
 - (d) new product development that is close to completion and with obvious market prospects;
 - (e) marketing support or support with certification costs to enter a new market;
 - (f) new machinery or equipment to allow new products to be made and/or new markets to be entered;
 - (g) specialist external support to meet a defined need that will increase sales.
- 26 A copy of the draft guidance for applicants on eligibility and eligible expenditure is attached as Appendix 4.

Size and Scale of Support

- 27 It is proposed that the grant intervention rate for each project should be 75%, meaning that the business will be expected to pay for a quarter of the project cost, with the grant meeting three quarters of the cost up to the maximum levels allowed in line with the scheme. The typical intervention rate for most of the existing business support grants is between 35-50%. However, a higher intervention rate is proposed for the Durham Business Recovery Grant because it is recognised that many companies are already facing cashflow issues as a result of the pandemic. As the furlough scheme and other Government support measures come to an end, businesses will also have to start to repay the various loan and deferment support received, meaning a substantial intervention will be necessary to enable them to afford to implement their recovery plans. Requiring each company to invest a quarter of the project cost will discourage infeasible schemes or businesses that are not viable.
- 28 Ordinarily, grants of these kinds would constitute State Aid under European Union regulations. The current rules ceased to apply to Great Britain at 23:00 on 31 December 2020 and it is not currently known what will replace them. The Government has indicated that it intends to consult on a new regime in the New Year. Notwithstanding the above, the Council will administer the scheme as if the State Aid rules still apply and award funding under the de minimis exemption. Businesses applying for the grant

will be required to declare any de minimis State Aid that they have received in the last three years as part of the application process.

- 29 In order to meet likely demand and make an impact on business recovery, it is anticipated that a budget of £5 million will be required, modelled as follows:

	<u>Average grant*</u>	<u>No. of Businesses*</u>	<u>Total Cost</u>
Small grants (£1-£5k)	£3,000	645	£1,935,000
Medium grants (£5-10k)	£7,000	170	£1,190,000
Large grants (£10-40k)	£25,000	65	£1,625,000
Administration @ 5%			£250,000
Total		880	£5,000,000

** Note that the average grant and potential number of businesses shown in the table above are for modelling purposes only. The actual number of businesses assisted and amounts of grant awarded will be dependent upon the applications that come forward*

- 30 It is anticipated that the highest demand will be for small grants of £1,000-£5,000. This is based on the following factors:
- (a) recent experience of the high levels of demand for the SME Restart and Kickstarting Tourism Grants that were made available through the North East Growth Hub;
 - (b) the number of retail, tourism, and hospitality businesses in the County that need to make adaptations in order to be able to continue to operate;
 - (c) the significant number of micro businesses in the County (see Appendix 3).
- 31 As a conservative estimate for modelling purposes it has been assumed that each business receiving a grant to enable them to adapt and implement a recovery plan could safeguard 2 jobs, although it would be expected in practice that the larger grants would have greater impact on the safeguarding of jobs. On this basis, supporting 880 businesses could help to safeguard at least 1,760 jobs in the County.
- 32 This investment is a high priority to ensure the council can support businesses to recover from the pandemic. To support the investment budget required, £2 million is being made available from the Additional Restrictions Support Grant with £3 million coming from the Council's own

General Fund resources. In the Quarter 2 Forecast of Outturn report the Council was forecasting to have a General Reserve balance of £20 million at 31 March 2021. The Additional Restrictions Support Grant (ARG) is one off funding provided by the Government in year to help meet the cost of support to businesses up to 31 March 2022. The ARG is being used to fund discretionary business rates grants to businesses impacted by national and local restrictions – principally in the hospitality, leisure and accommodation sectors that have been most impacted by these restrictions.

Grant Administration and Application Process

- 33 The scheme will be promoted and administered by Business Durham, working closely with Visit County Durham and the Community Economic Development team in respect of tourism and retail businesses, and with the Council's Corporate Communications and Marketing Team. A full marketing and communications plan will be developed to ensure businesses across the County, including in the rural areas, are aware of the scheme and how to apply.
- 34 Businesses will apply online for the Business Recovery Grant, via the Durham County Council website, and will be required to complete a simple application form. They will be asked to answer questions about their business, and how it has been impacted by COVID 19, and to outline their proposed plan to adapt and recover, together with details of what this will cost. To help businesses with the process there will be a step by step guide and Frequently Asked Questions on the website. In addition to this, the Business Engagement Officers employed by Business Durham will be available to guide businesses through the application process if needed, and to advise those that need help to develop their recovery plans or have questions about eligibility.
- 35 It is proposed that a fast-track process is established for applications seeking up to £10,000 grant. Applications will be assessed for eligibility and suitability by an internal appraisal team made up of staff from the Funding & Programmes Team and Business Durham, and then considered for approval by a Grant Panel comprising the Business Durham Managing Director, the Head of Corporate Finance & Commercial Services, the Funding & Programmes Manager and the Head of Culture, Sport and Tourism.
- 36 As speed is of the essence for the businesses requiring support, applications will be dealt with in order of their date of application, with the Grant Panel meeting regularly (weekly or fortnightly depending on volume of applications) to ensure decisions can be turned around quickly. A commitment will be given to the number of days within which businesses will receive a decision on their application.

- 37 Demand for the grants is expected to be high and the scheme could be oversubscribed. The grant pot will therefore be allocated in tranches, in order to hold back part of the funding available to allow businesses time to prepare their recovery plans and to submit their applications when they are ready to progress these. It is proposed that applications for the first tranche will be open from 14 January 2021, with the second tranche likely to be released in mid-March 2021, subject to take-up of the first tranche.
- 38 The Corporate Director of Regeneration, Economy and Growth will have delegated authority to formally approve the business grant offers as recommended by the Grant Panel. Businesses will be notified of the grant approval and will then implement the project and claim the grant of 75% towards the costs, with actual expenditure evidenced by receipts.
- 39 For grants of £10,000 and above, it is proposed that applications are assessed for eligibility and then an independent management consultant, drawn from a small pre-approved panel, will be allocated to each business application to undertake an appraisal. The consultant will review the detailed recovery proposal with the business and confirm the rationale of the project, its potential impact on jobs, turnover and profit, and the likelihood of it being delivered. A short report with recommendations on the amount of grant and any conditions will be provided.
- 40 This process for larger grants is based on a scheme run by East Durham Business Service that was designed and delivered to help companies in East Durham affected by the financial crash and recession of 2007 onwards. The independent review element of the process was found to work well - where projects had merit but required some shaping and development, the consultants were able to help the business with this, leading to more robust and deliverable projects; where projects were not suitable for the grant, the consultants were able to help the business consider other options.
- 41 Decisions on whether to recommend approval of a grant are then made by the Grant Panel, after consideration of the consultant's report. Businesses will be notified of the grant approval and will then implement the project and claim the grant of 75% towards the costs, with actual expenditure evidenced by receipts.
- 42 It will be important to ensure that the detailed arrangements for administering the grants are robust enough to cope with demand and have sufficient capacity to turn applications around in a timely manner whilst also making the necessary checks on eligibility of the businesses, in order to avoid potential fraud.
- 43 The detailed administration arrangements for the scheme, including the online application process, will be agreed by the Corporate Director of Regeneration, Economy and Growth in consultation with the Corporate Director of Resources and the Portfolio Holder for Economic Regeneration.

Risks

- 44 There are a number of risks to be considered in establishing a business grant scheme of this size, including:
- (a) businesses supported could go out of business within a short time of receiving the grant, leading to accusations of public money having been wasted. This will be mitigated by a robust application process to assess eligibility and the credibility of the recovery plan put forward by each business, and the grants will normally be paid in arrears;
 - (b) businesses may come forward for help that do not meet the eligibility criteria for the scheme and complain about being turned down. This will be mitigated by ensuring clear communication about the eligibility criteria, and reasons for decisions. Where proposals do not fit with the scheme or require further development, the businesses will be signposted to other support;
 - (c) demand for grants is expected to be high and could exceed the available budget leading to criticism of a 'first come, first served' process. This will be mitigated by careful monitoring of application volumes, handling applications in tranches rather than having a one-off application deadline, clear communication of the dates of grant panel meetings, and applicants being given a timescale within which the grant must be spent and claimed (maximum of 3 months) to ensure grants that are not taken up can be reallocated quickly to support other businesses.

Additional Support for Micro Businesses

- 45 In addition to the proposed Business Recovery Grant, it should be noted that additional support is also being offered to micro businesses in the County through the Durham Business Opportunities Programme, an ERDF-funded project. A programme of 1:1 marketing support for micro and small businesses to help them increase their sales post-COVID has been procured and commenced in mid October 2020.
- 46 Each business taking up the 1:1 support is able to access a £500 grant to enable them to implement the advice, which could be for branding, website, marketing material. The programme is targeted to support 110 businesses, with a grant pot of £55,000, which will be met from the Business Durham Programme Reserve.

Additional Support for Start-up Businesses

- 47 Based upon experience of the previous recession, it is anticipated that there will be an increase in the number of people looking to start a business due to having been made redundant. We have a number of

programmes already operating in the County that provide advice and support for potential entrepreneurs and start-ups, including the new ERDF-funded Durham Ambitious Business Starts Programme, run by Business Durham, that was launched in the summer.

- 48 A review is currently being undertaken with all of the start-up providers in the county to ensure that there is sufficient capacity to be able to respond to an increase in demand for support. As part of this a number of actions are underway, including the establishment of a County Durham Start-up Provider Network to join up activity, development of a Start-Up Portal to enable customers to access 'self-serve' support online and a review of funding available for start-ups in the County to identify any gaps. Subject to the outcome of this review there may be a need for the Council to consider additional funding support for start-ups in the form of a grant or voucher scheme. A further report will be brought forward on this once the review has been completed.

Conclusion

- 49 Introduction of the Durham Business Recovery Grant Scheme will support businesses in the County to recover from the impact of COVID, and will help to protect jobs, and the County's economy, for the longer term.

Background papers

None.

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Appendix 1: Implications

Legal Implications

The Council has the power under section one of the Localism Act 2011 to incur expenditure such as the grants proposed in this report to support businesses recover from the pandemic. Grants of this nature would ordinarily constitute State Aid. The State Aid rules will cease to apply in Great Britain at 23:00 on the 31 December 2020 and it is not currently known what system will replace them. Notwithstanding the above, the Council will administer the scheme in accordance with the current rules. In particular, applicants will be required to demonstrate that they have not received more than €200,000 in the previous three-year rolling period. Any grant awarded will be recorded as de minimis aid on the Council's State Aid recording system.

Finance

The budget of £5m required for the scheme can be funded as follows: £2 million will be made available from the Additional Restrictions Support Grant with £3 million coming from the Council's General Fund resources to fund the scheme.

Consultation

Consultation on the proposals in this report have been undertaken with the Corporate Director of Resources, Head of Corporate Finance and Commercial Services, Head of Finance & Transactional Services, Cabinet Member for Economic Regeneration, and Legal Manager (Commercial) & Deputy Monitoring Officer.

Equality and Diversity / Public Sector Equality Duty

None at this stage.

Climate Change

None at this stage.

Human Rights

None at this stage.

Crime and Disorder

None at this stage.

Staffing

Existing staff resources will be used where possible, but there may be a need for additional capacity to administer the grants, subject to the volume of applications received. A 5% administration budget has been included in the proposal to cover the costs of administering the scheme.

Accommodation

None.

Risk

As outlined in the main body of the report, steps will be taken to mitigate the key risks identified through the detailed scheme eligibility criteria, and grant administration processes.

Procurement

The Council will follow its own Contract Procedure Rules and the Public Contracts Regulations where applicable. There will be a need to procure an independent panel of management consultants to review the larger grant proposals.

Appendix 2: Business Grant Schemes currently available in County Durham

Name	Purpose	Grants Available	Grant Rate	Comments
County Durham Growth Fund (Business Durham)	Capital grant funding to support businesses looking to expand or establish new operations in County Durham	Grants of £30,000 up to £220,000	20-45%	<ul style="list-style-type: none"> • Businesses must be spending a minimum of £100k and creating jobs • Scheme is ERDF funded so sector restrictions apply • Businesses must meet EU SME definition
Digital Drive County Durham (Business Durham)	£1.04M grants available to June 2023 for businesses to implement digital technology	Grants of £1,000 up to £9,000	Up to 40%	<ul style="list-style-type: none"> • Scheme is ERDF funded so sector restrictions apply • Businesses must meet EU SME definition
Business Energy Efficiency Programme (DCC)	Grants towards the purchase and installation of energy efficient equipment to reduce energy consumption of business	Grants of up to £10,000	20-40%	<ul style="list-style-type: none"> • Scheme is ERDF funded so sector restrictions apply • Businesses must meet EU SME definition • Businesses must have a BEEP energy audit first
SME Restart Grants (North East Growth Hub)	Grants for businesses directly impacted by the coronavirus pandemic, to access external expertise or consultancy support	Grants of between £1,000 and £3,000	100% of eligible project costs	<ul style="list-style-type: none"> • Scheme has been heavily over-subscribed and applications are being managed through a ballot system. • Scheme is ERDF funded so sector restrictions apply • Businesses must meet EU SME definition
Kickstarting Tourism Grants (North East Growth Hub)	Grants for businesses that operate in the visitor economy and have been directly impacted by the coronavirus pandemic, to access external expertise or consultancy support	Grants of between £1,000 and £3,000	100% of eligible project costs	<ul style="list-style-type: none"> • Must be a business that largely relies on leisure and / or business visitors for its income. • Scheme has been heavily over-subscribed and is now closed to further applications. • Scheme is ERDF funded so some restrictions apply • Businesses must meet EU SME definition

Name	Purpose	Grants Available	Grant Rate	Comments
North East Business Support Fund (NBSL)	Funding for business improvement projects using external expertise	Grants of £1,000 up to £3,200.	Up to 40%	<ul style="list-style-type: none"> Grant must be to pay for external consultancy advice only Does not support capital, materials or equipment costs Scheme is ERDF funded so sector restrictions apply Businesses must meet EU SME definition
Business Boost (Finchale Group)	Revenue and capital small grants programme for potential entrepreneurs/existing sole traders/SME's in the CLLD areas, towards start up and business investment growth costs	Grants of between £1,000 and £10,000.	40%	<ul style="list-style-type: none"> Only available in the North Durham and South Durham Community Led Local Development areas. Scheme is ERDF funded so sector restrictions apply Businesses must meet EU SME definition
North Durham Business Growth Grant (UMi)	Grants to enable businesses in the North Durham CLLD area to make investments in sustainability and/or growth and job creation.	Grants between £1,000 – £2,000	Fixed rate of 35% of eligible costs	<ul style="list-style-type: none"> Only available in the North Durham Community Led Local Development areas. Scheme is ERDF funded so sector restrictions apply Businesses must meet EU SME definition
SME Innovation Programme (North East BIC)	Grant funding to help progress an innovative idea that contributes to business growth	Grants from £2,000 to £16,000	Up to 40%	<ul style="list-style-type: none"> Grant must be to pay for external consultancy advice only, does not support capital, materials or equipment costs Scheme is ERDF funded so sector restrictions apply Businesses must meet EU SME definition

See also the County Durham Business Support Brochure:

<https://www.businessdurham.co.uk/COVID-19-recovery/COVID-recovery-for-businesses/business-support-brochure/>

Appendix 3: Business Size in County Durham

Business Size	Number of Enterprises	Percentage County Durham
Micro (0-9 employees)	12,040	87.95%
Small (10-49 employees)	1,345	9.82%
Medium (50-249 employees)	270	1.97%
Large (250+ employees)	35	0.26%
Total	13,690	100%

ONS UK Business Counts – Private Sector Enterprises by employment size band.

2018 data (released 2019)

Appendix 4: Durham Business Recovery Grant – Proposed Eligibility Guidance

The purpose of the Durham Business Recovery Grant (DBRG) is to provide financial support to County Durham businesses to implement a credible plan to recover from the effects of Covid 19. Applicants are therefore responsible for creating and articulating the plan. It is not designed as a subsidy, to forestall an immediate crisis or provide a cash flow boost.

Eligible to apply

Businesses:

- With a significant operational base and employees in County Durham
- Established prior to 11 March 2020
- In any format, set up for profit and registered to pay tax on profit.
- Social Enterprises generating 51%+ of their sales from commercial activity i.e. excluding income from donations, grants and contracts not won through a competitive process.
- Employing fewer than 250 in the County
- Operating a business bank account, separating personal and business finance
- Able to demonstrate a significant adverse impact from Covid 19
- Able to demonstrate solvency
- Able to outline a credible and costed recovery plan
- Able to fund their share of the recovery plan

Ineligible

- Registered charities
- Organisations set up to provide
 - local social welfare and community facilities e.g. hospitals, hospices, nursing homes, fire stations, child-minding facilities, sports clubs and societies, parks, public libraries.
 - Housing rental as part of an investment portfolio
 - Provision of public services or activities to supplement public services e.g. social housing, school age education.

- Businesses whose activities might bring DCC's name or reputation into disrepute

Recovery Plan – Eligible Project Costs

Eligible business project costs will include capital or revenue expenditure towards costs such as, but not limited to:

- costs of adapting operational models and working practices in order to meet COVID-secure requirements;
- other adaptations to premises or business models to attract new customers or visitors;
- digitalisation (where this cannot be funded through other schemes);
- new product development that is close to completion and with obvious market prospects;
- marketing support or support with certification costs to enter a new market;
- new machinery or equipment to allow new products to be made and/or new markets to be entered;
- specialist external support to meet a defined need that will increase sales.

Eligible Expenditure

Eligible expenditure is, in simple terms, any expenditure that is necessary to implement a credible recovery plan.

There are a few exceptions and refinements to this general principle.

- The DBRG is not intended to displace other grant schemes. The County Durham Growth Fund and Digital Drive are two examples but there will be others available across the region. Applicants must therefore demonstrate that the costs of the recovery plan cannot be met from another grant scheme.
- The fund cannot be used to acquire freehold land or premises.
- The fund cannot be used to fund the routine replacement of assets.

Rather than providing an exhaustive list of what may be eligible and ineligible it is better to think about expenditure that might form part of a credible recovery plan. This could be capital expenditure, revenue expenditure or a mix.

Capital expenditure is eligible that:

- Increases productive capacity i.e. quantity and speed

- Increases capability e.g. makes new products or increases the capability to design and prototype new products
- Improves product quality
- Improves productivity
- Reduces unit cost

Revenue expenditure is eligible that:

- Makes sense of, exploits or complements capital expenditure
- Helps the applicant access new markets
- Provides and embeds new skills
- Makes it easier to build relationships with customers e.g. via sales processes or customer service
- Provides quality assurance

These are not exhaustive lists and the applicant might buy tangible things e.g. marketing collateral, or intangible e.g. consultancy to help implement (but not scope) a specific part of the recovery plan.

In principle, therefore, the DBRG could be used to recruit a new member of staff with new skills, knowledge and contacts to help implement a key aspect of the plan; however there would need to be a very clear articulation of the need and impact as the grant is for implementation of a recovery plan, not subsidy. Salary, NI and Pension costs may be eligible for a short period of time until the new member of staff becomes productive and this would have to be justified; up to three months might be reasonable though each case will be different. It is expected, following on from this rationale, that employment costs should form only a part of a recovery plan and plans that have too large a proportion of expenditure from this activity may see the amount of eligible spend being capped before approval.

Revenue financing (i.e. leasing or loan repayment) of specialist vehicles including fit out costs, where a credible case is made, may be eligible for up to six months of a three year financing agreement or pro rata on a shorter term.

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Cabinet

13 January 2021

**Social Value and Local Wealth Building
("The County Durham Pound")**

Ordinary Decision



Report of Corporate Management Team

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Paul Darby, Corporate Director of Resources

Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration

Councillor Alan Napier, Deputy Leader and Cabinet Portfolio Holder for Finance

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide Cabinet with an update about a programme of targeted interventions that will continue to build on Durham County Councils strong track record of using its buying power and policy functions to drive local value. Social value and local wealth building outcomes for the community are a central objective of the council and underpin the outcomes of the Council Plan in the response to the economic challenge caused by COVID-19.
- 2 The focus of the Council is to drive and support a stronger "County Durham Pound".

Executive summary

- 3 The Council recognises the impact that COVID-19 has had on its communities and local economy and has responded well with a series of measures to offer short-term support to both people and businesses.

- 4 The Council is now driving forward additional restoration and recovery measures to unlock growth in our economy and this will necessitate a rethinking of how to develop a more sustainable local economy in the future, and to maximise the value of the County Durham Pound by local spending.
- 5 In consideration of its strong asset base, future development opportunities and an annual £500 million procurement spend, it will be imperative that new initiatives are developed to maximise the value of every pound spent, to work with developers, suppliers and our partners to create and develop opportunities for local economic opportunities, local wealth building and retention as well as deliver social value outcomes.
- 6 Durham County Council is already a national leader in this policy arena, demonstrating high levels of spending for County Durham and the North East, which provides a significant impact on local GVA (Gross Value Added). This success has been part of a conscious and concerted effort to support local businesses.
- 7 The background to social value and current spend performance is set out in Sections 19-21 and Table 1 and demonstrate that DCC delivers almost 70% of our spend for the North East. Nationally, the focus on local spending can be termed as local or community wealth building, this is a targeted policy agenda where anchor institutions, such as councils, national health services or other large community organisations make a conscious and concerted effort to spend locally, this approach is set out in further detail is set out in Sections 22-25 and Appendix 2.
- 8 This targeted project aims to facilitate the Council and its local partners to increase collective local spending, support SMEs and local businesses, improve outcomes with social enterprises, resulting in money remaining in the local economy and recirculating creating employment opportunities and stronger more sustainable communities.
- 9 The County Durham Economic Partnership Board Meeting on 6 November also agreed to the project and the applicable collaborative initiatives, particularly initiative no.8 a local “County Durham Family” procurement network with local anchor institutions.
- 10 Collaborative working with partners via this project will also support the Council to make progress on its Climate Change Emergency Response Plan as environmental factors are one of the three pillars of social value work and as part of this work the County Council will use its scale and convening power to work with other large institutions to further increase local spending and buying power.

Recommendations

- 11 Cabinet is recommended to:
- a) note the commencement of the project regarding social value and local wealth building and the intentions to try to and to maximise the value of the County Durham Pound by local spending.
 - b) note the ten project initiatives to be progressed during Council Plan period of 2020-2023;
 - c) note the progress made to date on some of the ten initiatives;
 - d) note the intention to develop some external communications about the “County Durham Pound” project early in 2021 to ensure the community and local partners are made aware of the project as part of the Council’s overall plans for post COVID-19 recovery.

Background

- 12 The Council is committed to support our communities to revive and recover from the impact that COVID-19 has had on the community and the local economy and has responded well with a series of measures to offer support to both people and businesses.
- 13 The Council is driving forward recovery measures to support business and community organisations and this work will necessitate an acceleration of our ongoing work to develop a more sustainable local economy in the future.
- 14 In October 2019, the public, private and voluntary sector bodies that make up the County Durham Partnership jointly agreed a new vision for the county up to 2035, and a new Council Plan has since been developed for 2020-23 around four ambitions:
- to create more and better jobs;
 - to help people live long and independent lives;
 - to ensure our communities are well connected and supportive of each other;
 - to be an excellent council.
- 15 In consideration of these ambitions, the Council's strong asset base, the future development opportunities and an annual £500 million procurement spend, a new project titled as Social Value and Local Wealth Building was agreed by Corporate Management Team on 30 September.
- 16 The project will assist the Council and its partners to maximise value of every County Durham pound spent, to work with developers, suppliers, and our partners to create and develop opportunities for local economic opportunities, local wealth building and retention as well as social value outcomes.
- 17 Collaborative working with partners via this project will also support the Council to make progress on its Climate Change Emergency Response Plan as environmental factors are one of the three pillars of social value work.
- 18 This report sets out the details of the project and the ten of initiatives that were agreed by Corporate Management Team and provides an update on progress.

Social Value and National Leadership

- 19 Social value is about improving the economic, social, and environmental outcomes in our locality for the betterment of the people and businesses of County Durham.
- 20 The Council's Chief Procurement Officer is Chair of the LGA National Advisory Group for Procurement and in this capacity leads on social value for Local Government as Chair of the National Social Value Task

Force and is also working closely with the Cabinet Office to develop new procurement policy, ways of working, and the development procurement rules for post EU Exit.

Current Spend Profile

- 21 Progressive and collaborative procurement has resulted in many social value outcomes being delivered in our projects, as well as a very healthy local and SME spend profile at tier one (See Table 1). However, there are opportunities to improve the social value impact (social, economic, environmental) wider across the Council as well as within the supply chain, and with our local partners.

Annual Spend	£530 million
North East Spend	68%
County Durham Spend	46%
SME Spend	57%
Third Sector Spend	13%

Table 1. Current Procurement Spend Profile FY 2019/2020

Local Wealth Building

- 22 Local wealth building is a place-based approach to economic regeneration which empowers local government and enables communities to create and retain wealth locally, it is a relatively new approach to regeneration and embraces co-operative values of self-help, participation, social responsibility and democratic accountability.
- 23 Some councils have engaged with CLES (the national organisation for local economies - <https://cles.org.uk>) adopted the five main strands of local wealth building (See Appendix 2.) and achieved notable success, with Preston and Manchester cited often as positive examples of this type of approach.
- 24 At this stage, the Council does not intend to adopt all the five strands of the above model, but given the progress made to date in several of these areas, it would be appropriate for the Council to engage locally with other so called anchor institutions to encourage an improved local social value procurement approach, particularly with regard to working together to maximise the value of the County Durham Pound by local spending.
- 25 The initiatives set out below will enable the Council and its local partners to increase collective local spending, support SMEs and local businesses, improve outcomes with social enterprises, resulting in money remaining in the local economy and recirculating creating employment opportunities and stronger more sustainable communities.

Potential Initiatives

- 26 Ten initiatives are proposed at this stage to support the achievement of improved social value outcomes and local wealth building.
- 27 The initiatives will need to be phased to take account of the Council's overall objectives and extremely busy work programme but should be delivered within the timeframe of the new Council Plan 2020-2023.
- 28 A cross-service project team-based approach is being taken with a lead officer assigned to each initiative, and an initiative scoping document will be agreed with the project sponsors for each initiative to ensure scope, any targets and project timescales are established, and progress can be monitored.
- 29 Outcomes and any specific targets will be developed within the scope of each initiative, but the overall programme has an aspiration of improving SME spend and County Durham spend by two percentage points by the end of financial year 2023.
- 30 As this is predominantly a Regeneration, Economy and Growth and Resources based project the project sponsors are the Corporate Directors of both service groupings.
- 31 Regular updates will be provided to the project sponsors and a 6-monthly update will be provided to Corporate Management Team with consultation occurring with the appropriate Member Portfolio Holders.
- 32 A summary of the initiatives is set out in Table 3 below.

Initiative	Explanation	Work already underway	Priority/Timescale
1. Government Policy	<p>Use CPO lead role at LGA National Advisory Group to influence government policy in the following areas to assist in local sourcing:</p> <ul style="list-style-type: none"> • Post Brexit Transition rules • Reservations of contract awards to SMEs, VCSEs • Reserve sub-threshold opportunities to UK Suppliers • Advertise quotations to UK Suppliers - Only advertise wider if no suitable bids • Flexible use of Light Touch Regime procedure wider than just social care • Develop new UK Public Contract Regulations 2022 to replace PCRs 2015 	<p>Meetings with Cabinet Office have occurred to feed in the LGA policy “asks” for Below Threshold Procurements and the Green Paper.</p> <p>CPO is part of Cabinet Office policy group to co-develop a future national policy statement.</p> <p>Green Paper was issued 16 December for consultation on new rules for 2022-23.</p> <p>Procurement Policy Note 11/20 Reserving Below Threshold Procurements was issued 16 December</p>	<p>Priority A 2020/21 onwards for post-December changes.</p> <p>Priority A 2020/21 onwards</p> <p>Priority B 2021/22 onwards</p>
2. Local Contract Procedure Rules	<p>Modify current thresholds to provide a more flexible approach to below OJEU Threshold projects:</p> <ul style="list-style-type: none"> • Increase Tender threshold from £50K to OJEU level of £189K for goods, supplies and services • Increase in 3 Quotation exercises – (Faster, Lighter Touch process, Selection of candidates limited to County Durham companies) • Legislation permitting – Reservation of opportunities and direct awards to County Durham companies, where initiated by a qualified Procurement Officer and supported by an objective justification 	<p>Planning for Tender threshold has commenced and will be implemented in line with Procurement Policy Note 11/20 for post-Transition changes on 1 January 2021</p>	<p>Priority A 2020/21 onwards</p>

3.Social Value Impact	<p>Improve social value impact in Council projects:</p> <ul style="list-style-type: none"> • Include Social Value in all contract award decision-making at a minimum level of 10% covering social, economic and environmental factors • Mandatory use of National TOMS (Themes, Outcomes, Measures) for all projects above the current OJEU threshold • Optional use of National TOMS for all projects above the current OJEU threshold but social value considered in all projects • Develop an Ethical Business Charter for the Council • Develop regional North East based TOMS (proxy values) via NEPO • Develop and Implement a new “Light Touch” TOMS approach for Quotation based projects using a few key indicators (local spend, local jobs, Green jobs, SME, VCSE spend) • Study use of Social Value TOMs in the Planning process • Study use of Social Value in all new development schemes 	<p>Some local and regional (NEPO) projects have included 10% weighting.</p> <p>Staff refresher training implemented Q4 2020 / Q1 2021 for all Procurement Officers</p> <p>North East TOMS being developed via NEPO Social Value Delivery Group</p> <p>Social Value in Planning kick-off meeting scheduled January 2021 with LGA and Councils</p>	<p>Priority A 2020/21 onwards</p> <p>Priority B 2021/22 onwards</p>
4.Social Value “DNA” assessment	<p>Review major contracts during Contract Management activities to determine supply chain sourcing patterns and encourage local sourcing where appropriate:</p> <ul style="list-style-type: none"> • Check “D Rate, N Rate, A Rate in supply chain at tier 2 • Check % of supply chain spending in: <ul style="list-style-type: none"> - Durham - North East - Abroad (or out of region) • Proactively work with key suppliers to encourage an improvement in D and N and a reduction in A – in line with community wealth building principles 	Not Started yet	Priority B 2021/22 onwards
5.County Durham	Maximise take-up of Business Durham’s current funding schemes to support business growth, including County	County Durham Growth Fund:	Priority A 2020/21 onwards

Business Growth Funding	<p>Durham Growth Fund, Digital Drive County Durham and Finance Durham.</p> <p>Establish additional grant funding scheme(s) to meet gaps in support to establish and grow County Durham businesses, e.g. business recovery, start-ups, rates support, inward investment.</p>	<p>£4.7M grants available to June 2023 for businesses to expand</p> <p>Digital Drive County Durham: £1.04M grants available to June 2023 for businesses to implement digital technology</p> <p>Finance Durham Fund: £15M available for loans and equity investments to support business growth</p>	
6.County Durham “Make Strategy”	<p>Investigate opportunities for companies to manufacture or supply locally:</p> <ul style="list-style-type: none"> • Reduce the dependency on offshoring or out of County supply routes • Explore opportunities for local companies linked to green economy agenda 	<p>As part of the Covid recovery plan work, a group has been set up through CDEP to consider medium-term economic opportunities that can be developed through the ‘building back greener’ agenda.</p>	Priority C 2022/23 onwards
7.County Durham “Sell Strategy”	<p>Review Business Durham data where County Durham has some key companies, unique offers, innovative technologies</p> <ul style="list-style-type: none"> • Identify any “sell” opportunities down the current and future supply chain via new contracts or existing contract management work • Provide testbed opportunities for companies to develop innovative solutions that could form part of DCC contract specifications 	<p>Builds upon and extends the work done through the Govtech innovation pilot. As part of the Covid recovery plan work, a group has been set up through CDEP to consider medium-term supply chain opportunities that can be developed and assess feasibility</p>	Priority B 2021/22 onwards
8. County Durham Anchor Procurement	<p>Use County Durham Partnership to establish a local “County Durham Family” network to improve placed based procurement and to maximise local spending, collaborative sourcing, social value impact:</p>	<p>County Durham Economic Partnership (CDEP) is very keen to support this work</p>	Priority A 2020/21 onwards

	<p>Family members to include;</p> <ul style="list-style-type: none"> • Council • Health • University • Police • Fire & Rescue • Housing Registered Providers • Northumbria Water • Church Commissioners • Academies, Schools, Colleges • Prison 	<p>CDEP approved this initiative on 6 November</p> <p>Meeting Scheduled to commence initiative with all partners</p>	
9.County Durham Inward Investment	<p>Review all current and future major development schemes and enhance capacity to proactively attract more inward investment to County Durham:</p> <ul style="list-style-type: none"> • Aykley Heads S.E.S (Review basis of 6,000 jobs) • Major Local Developers • Review all current “firm leads” • Investigate any early procurement local sourcing or Inward Investment opportunities • Incentivise or provide soft landings 	<p>This work is already underway – Business Durham lead on generating and responding to inward investment enquiries.</p>	<p>Priority B 2021/22 onwards</p>
10.County Durham Supplier Capability	<p>In addition to current schemes provide funding for NEPO developed supplier training and engagement programmes specifically for County Durham companies:</p> <ul style="list-style-type: none"> • Navigating the NEPO Portal • NEPO Business Club Procurement Surgery • Successful Tendering: a winning approach to the new ‘open’ process • Bid Writing Masterclass • Developing and Using Social Value in Your Business • Wider use of Training Videos or Webinars 	<p>The Durham Business Opportunities Programme (ERDF funded) has just commissioned ‘DBOP Construction Routes to Contract Success Programme’ to help County Durham SME’s and those in their supply chain win more public and private sector contracts.</p>	<p>Priority A 2020/21 onwards</p>

Table 3. Summary of Initiatives

Progress to date

- 33 An internal project manager has been appointed from the Council's project management office, and an initial Project Initiation Document has been developed.
- 34 **Initiative 1** – On 16 December Government Cabinet Office issued Procurement Policy Note 11/20 (Reserving Below Threshold Procurements) and a Green Paper (Transforming Public Procurement) for consultation until 10 March 2021. The National Procurement Policy Statement is due to be issued before the end of January 2021.
- 35 **Initiative 2** – The Council has increased its tender threshold from £50,000 to £189,330 from 1 January 2021 which will make it easier for suppliers to bid for contracts.
- 36 **Initiative 3** – The Council now applies 10% minimum social value weighting and uses National TOMs (Themes, Outcomes and Measures tool) to all projects above the £189,330 threshold and an Ethical Business Charter is under development.
- 37 **Initiative 3** – An LGA National Social Value Task Force meeting has been arranged for January together with other progressive Councils to review the opportunities for social value to be applied within the planning process.
- 38 **Initiative 5** – Business Support Brochure highlighting all the grant funding and support currently available for County Durham businesses was produced and there is an ongoing promotional campaign in place, to maximise take-up.
- 38 **Initiative 5** – £3 million Business Recovery Grant scheme developed, will be launched in January, subject to approval from DCC Cabinet on 13 January 2021.
- 39 **Initiative 8** – County Durham Economic Partnership Board have endorsed the project and a meeting has been established for January 2021 with all local anchor organisations.
- 40 **Initiative 10** – Twenty-one businesses have been engaged in the Routes to Construction Contract Success strand of work, and two online workshops are now scheduled with suppliers to encourage opportunities with a registered provider (Believe Housing).
- 41 A communications plan and virtual launch event to underpin the County Durham Pound project is being developed to ensure the community and local partners are made aware of the project and progress as part of the Council's overall plans for post COVID-19 recovery.

Conclusion and Recommendations

- 42 In conclusion, it is recommended the county's recovery from Covid 19 is supported through social value and local wealth building initiatives and Cabinet is asked to approve the recommendations set out in this report.

Background papers

Link to Local Wealth Building – CLES - <https://cles.org.uk/the-community-wealth-building-centre-of-excellence>

Link to Social Value Portal - <https://socialvalueportal.com>

Link to National Social Value Task Force - <https://www.nationalsocialvaluetaskforce.org/about-us-1>

Link to Green Paper

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Appendix 1: Implications

Legal Implications

All decisions will be made in line with the Council's Constitution, the Contract Procedure Rules and the Public Contracts Regulations 2015 and where required additional legal guidance will be sought on specific issues.

Finance

Any requirements will be funded within existing service budgets.

Consultation

The report has been shared with Regeneration, Economy & Growth management team members and Corporate Director.

Equality and Diversity / Public Sector Equality Duty

None at this stage.

Climate Change

The initiatives should provide a contribution towards corporate carbon reduction targets of the Council's Climate Emergency Response Plan and will also provide opportunities to encourage local partners to support this Plan.

Human Rights

None at this stage.

Crime and Disorder

None at this stage.

Staffing

None at this stage as existing resources will be utilised.

Accommodation

None at this stage.

Risk

Any risks identified will be managed within each of the ten initiative projects.

Procurement

The Council will follow its own Contract Procedure Rules and the Public Contracts Regulations where applicable.

Appendix 2: Five strands of Local Wealth Building

Strands	Explanation
1.Plural ownership of the economy	<p>Locally owned and socially minded enterprises are more likely to employ, buy and invest locally.</p> <p>Community wealth building seeks to promote locally owned and socially minded enterprises by promoting various models of enterprise ownership that enable wealth created by users, workers, and local communities to be held by them, rather than flowing out as profits to shareholders.</p> <p><u>Examples:</u></p> <ul style="list-style-type: none"> • Public sector insourcing • Municipal enterprises • Worker ownership • Co-operatives • Community ownership • Local private ownership
2.Making financial power work for local places	<p>Rather than attempting to attract national or international capital, community wealth building seeks to increase flows of investment within local economies, by harnessing the wealth that exists locally.</p> <p>Measures that channel investment to local communities while still delivering a steady financial return for investors include:</p> <ul style="list-style-type: none"> • Encouraging local authority pension funds to redirect investment to local schemes • Supporting mutually owned banks • Challenging regional banks to enable local economic development
3.Fair employment and just labour markets	<p>Working with human resource departments within anchor institutions to stimulate the local economy through progressive employment and local labour market activities.</p> <p><u>Examples:</u></p> <ul style="list-style-type: none"> • Promoting recruitment from lower income areas • Inclusive employment practices • Committing employers to the paying living wage • Building progression routes for employees
4.Progressive procurement of goods and services	<p>Promote the progressive procurement of goods and services, as this spending power can be a means through which greater economic, social and environmental benefits can be achieved.</p> <p>Adapting procurement processes and decision making, anchor institutions can create local supply chains and ecosystems of businesses that are more likely to support local employment and have a greater tendency to recirculate wealth and surplus locally.</p>
5.Socially productive use of land and property	<p>Assets are owned and managed in ways which ensure that they generate wealth for local citizens, rather than enclosed by private interests.</p> <p>To achieve this, public land owners should develop governance and management structures where communities can take direct control of common assets, for example through transferring under-utilised assets to Community Land Trusts or working through Public-Commons Partnerships.</p>

Table 2. Community Wealth Building 5 pillars (Source <https://cles.org.uk>)

Cabinet

13 January 2021

**Bishop Auckland Town Fund :
Submission Approval**

Ordinary Decision



Report of Corporate Management Team

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration

Electoral division(s) affected:

Bishop Auckland

Purpose of the Report

- 1 To provide an overview to Cabinet of the process of submitting a Town Investment Plan to Government in order to secure capital resources from the Towns Fund.
- 2 The report identifies the timescale for the submission of the Bishop Auckland Town Fund application and request that the Council's approval is facilitated via a delegated authority arrangement.

Executive summary

- 3 In 2019 Government announced that Bishop Auckland had been selected as a town that could benefit from significant funds as part of the national Towns Fund.
- 4 The Towns Fund Prospectus published in November 2019 identifies that £3.6 billion has been made available to 'unleash' the full economic potential of 101 towns across the country. Towns will be able to bid for up to £25 million in each place, and in exceptional circumstances may bid up to £50 million.

- 5 The report provides details of
 - (a) the overarching aim of the Towns Fund;
 - (b) Governance Requirements and the Town Board;
 - (c) the bidding process and work undertaken to date;
 - (d) consultation proposals;
 - (e) bid and project assessment.
- 6 Durham County Council is Lead Council and as such appointed a Town Board in February 2020. The Board has been working since March to develop proposals for investment to include in a bid submission that must be made to Government by the end of January 2021.
- 7 Covid 19 has significantly impacted on the timescale for this national initiative and detailed guidance publication was delayed until June this year.
- 8 The Council is required to undertake the role of the accountable body to the Town Board and in relation to the use of any Towns Fund resources accessed by the Board.
- 9 The process requires that:
 - (a) the Town Investment Plan submission is approved by both the lead Council and the Town Board and submitted before the end of January;
 - (b) the Submission complies with the detailed requirements in the Town Fund Guidance of June 2020;
 - (c) the Town Board has robust and appropriate Governance arrangements in place;
 - (d) following approval by Government a Heads of Terms is agreed to be signed off by the Government, DCC and the Town Board Chair.
- 10 As we approach the submission date work has intensified to work up the detail of the submission and the Town Board, Council officers and consultants are working to produce a submission towards the end of January.
- 11 In order to agree the Town Investment Plan submission, the Town Board is meeting on the 22 January. The Council, via Cabinet also needs to consider the proposal for Bishop Auckland and the timing of

the submission has meant that it is not possible to provide the draft final submission for approval at this meeting.

- 12 With the February meeting being too late to agree the proposal, it is suggested that Cabinet agrees to delegate the decision to approve the bid to the Corporate Director of Regeneration , Economy and Growth and the Corporate Director of Resources following consultation with the Leader, Deputy Leader and Cllr Marshall.

Recommendation(s)

- 13 Cabinet is recommended to
 - (a) delegate authority to the Corporate Directors for Regeneration, Economy and Growth and Resources in consultation with the Leader, Deputy Leader and Portfolio Holder for Economic Regeneration to agree the final Bishop Auckland Town Fund submission.

Background

- 14 On 6 September 2019 the government invited 100 places in England to develop proposals for a Town Deal, forming part of the £3.6 billion Towns Fund announced July 2019. The fund allows Towns to bid for up to £25 million capital with the ability to bid higher in exceptional cases. Bishop Auckland was included in the towns selected.
- 15 The overarching aim of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth. This will be done through:
- **Urban regeneration**

Ensuring towns are thriving places for people to live and work, including by:

 - increasing density in town centres;
 - strengthening local economic assets including local cultural assets;
 - site acquisition, preparation, remediation, and/or development; and
 - making full use of planning tools to bring strategic direction and change.
 - **Skills and enterprise infrastructure**
 - driving private sector investment and small business development; and
 - ensuring towns have the space to support skills and small business development.
 - **Connectivity**
 - developing local transport schemes that complement regional and national networks; and
 - supporting the delivery of improved digital connectivity.
- 16 In November 2019 a Towns Fund Prospectus was published with an indicative timetable for submission of town bids. This timetable was subsequently altered as a result of Covid 19 and detailed Town Fund Guidance was published in June 2020.

- 17 Each Town was provided with a fund to help support the submission process. For Bishop Auckland an allocation of £162k was received from Government.

Governance

- 18 As required by the prospectus, the Council established a Town Board in February 2020. The Town Board membership is included at Appendix 2. The specific roles of the Town Board (including the Chair) and Durham County Council (the Lead Council) are defined in the prospectus and guidance as follows :

Durham County Council – The ‘Lead Council’

- upholding the Seven Principles of Public Life (the Nolan Principles);
- act as Accountable Body for the Town Deal through which funding will flow;
- developing a delivery team, delivery arrangements and agreements;
- ensuring that decisions are made by the board in accordance with good governance principles;
- ensuring transparency requirements are met – through publication of information on their website or a Town Deal specific website (where further reference is made in this guidance to publication on a Lead Council’s website this includes Town Deal specific websites);
- developing agreed projects in detail and undertaking any necessary feasibility studies;
- undertaking any required Environmental Impact Assessments or Public Sector Equalities Duties;
- helping develop detailed business cases;
- liaising with potential private investors in identified local projects and schemes;
- signing the Head of Terms Agreement with government;
- monitoring and evaluating the delivery of individual Towns Fund projects;

- submitting regular monitoring reports to Towns Hub;
- receiving and accounting for the Town's funding allocation.

The Town Board

- provides an advisory function to the Lead Council;
- upholding the Seven Principles of Public Life (the Nolan Principles);
- developing and agreeing an evidence-based Town Investment Plan;
- establishing a clear programme of interventions;
- embedding arrangements in local plans (where appropriate) and undertaking Environmental Impact Assessments and fulfilling duties on public authorities under the Equalities Act, in particular, and the public sector equality duty;
- coordinating resources and engaging stakeholders;
- ensuring communities' voices are involved in shaping design and decision making at each phase of development;
- ensuring diversity in its engagement with local communities and businesses;
- helping develop detailed business cases;
- overseeing each step of agreeing a Town Deal, and overseeing compliance with the Heads of Terms Agreement with government;
- including the role of the Board Chair:
 - i. upholding the Seven Principles of Public Life (the Nolan Principles);
 - ii. leading the Board in achieving its objectives, maintaining an overview of activity, and championing and supporting partnership working;

- iii. ensuring that decisions are made by the Board in accordance with good governance principles;
- iv. signing the Head of Terms Agreement with government.

The Process

- 19 The first phase of the process is for The Bishop Auckland Town Fund application to be submitted to Government by 31 January 2021. The submission is in the form of a Town Investment Plan (TIP) and prior to submission it will have been approved by the Town Board and the Council. The submission will be informed by a Community Engagement / Consultation process that will take place prior to final approval.
- 20 If the submission is successful it will proceed to the second phase which will require a Heads of Term agreement between Government, the Council and the Town Board. This will identify selected projects which will require detailed business cases.
- 21 Should the submission be unsuccessful the process allows one further submission to be made. If that also fails, then no further submissions under the Town Fund can be made.
- 22 Once the business cases have been completed the Council, as the accountable body, will be required to confirm that they meet the fund criteria and that the business case approval process has been robust. The Council will submit a summary documents to Government providing this assurance and Government will then agree the final projects and associated funding.
- 23 The Town Board and the Council as accountable body will then ensure that the projects are delivered under the terms of the Fund.

The Town Investment Plan

- 24 The Government expects the TIP to:
 - set out investment priorities that could drive economic growth, supported by clear evidence, building on the strengths and assets of the town;
 - demonstrate how investment will be targeted into the economic infrastructure listed around the objective of the fund;
 - build on and add to existing partnerships and plans for the town, and complement pre-existing strategies such as Local Industrial Strategies, Skills Advisory Panel analysis, spatial strategies and local transport plans;

- consider the wider strategic approach, including Northern Powerhouse, Midlands Engine, the Oxford-Cambridge Arc and other pan-regional strategies;
 - align with the government's clean growth objectives;
 - provide an assessment of the local impacts of Covid-19, and how these have been taken into account in the strategy and project prioritisation.
- 25 The TIP will be in two sections. The first will set out the context, strategy and process planning and section 2 will provide the details of project proposals.
- 26 For Bishop Auckland the deadline for submitting the TIP is 31 January 2021.

Work to Date

- 27 The Town Board has met regularly since March and has been supported by officers of the Council. The detailed work on the submission was informed by the Town Fund Guidance which was published in June 2020.
- 28 The following summarises the work to date
- (a) appointment of consultants to support the work required to make a successful submission;
 - (b) board establishing a number of themed task and finish groups to identify potential projects around the following themes:
 - (i) Regeneration and Land Use;
 - (ii) Skills and Enterprise;
 - (iii) Arts, Culture and Leisure;
 - (iv) Connectivity.
- 29 On 27 November the Town Board agreed a 'long list' of projects that formed the basis of the consultation carried out in December.
- 30 The total Town Fund ask of the long list of project intervention areas was £55 million. The nine project areas that make up this amount and are subject to the consultation exercise are shown in appendix 3.

- 31 Any bid for funds over the £25 million needs to demonstrate that there is an exceptional case. It is expected that this would be where ambitious and credible proposals have a wider regional and national impact. The guidance from Government advises that such proposals will be subject to a higher level of scrutiny and an objective rationale for the higher-level investment is required.
- 32 Bids for over £25 million that are submitted without clear justification for being exceptional will fail and the Town will be required to submit a second funding application.

Consultation

- 33 In November the Board agreed a framework for consultation and engagement. Meaningful consultation is a key element of the process for agreeing the TIP and Town Fund Submission. A Stakeholder Engagement Plan is required to be included in the TIP. The framework includes:
- (a) previous consultation undertaken as part of the BA Masterplan work;
 - (b) community engagement and input to the Heritage Action Zone in the town and priority interventions identified through the Council's Towns and Villages programme;
 - (c) suggestions received through the #mytown process established by government as part of the town deal programme;
 - (d) a Two week virtual / digital consultation via a bespoke website based on a 'long list' of projects agreed at Board on the 27th;
 - (e) communications plan to ensure inclusive process that meets the guidance requirements;
 - (f) all board members will receive links and details for the consultation to share on their social media.
- 34 The consultation period began on 11 December and concluded on 4 January. The results are being analysed and will be reported to the Town Board on the 22nd.

Assessing The Bid

- 35 TIPs will be considered in two stages. The first stage will consist of a review of the TIP in its entirety (sections 1 and 2) using the standards and criteria in the table below. Where there is clear evidence of all the standards are being met, TIPs will progress to the second stage of the

review where the Towns Hub (a MHCLG body that provides support to the overall process) will then review in more detail the individual project proposals in section 2 of the TIP.

36 Where the 'standards' haven't been met, clear feedback will be given and there will be one more opportunity to resubmit the TIP at a later date, as agreed with the Towns Hub.

37 The following is extracted from the Guidance published in June 2020

'IMPACT' Standard

Criterion 1 – Level of Need, evidenced by

Details of the major challenges and problems in the town which could be addressed through Towns Fund interventions.

Criterion 2 – Scale of Opportunities, evidenced by

Details of major opportunities and unmet demand which could be capitalised on to boost growth and improve wellbeing

'Strategy' Standard

Criterion 1 - Strength of vision, strategy and economic narrative, evidenced by :

An evidence-based vision and strategy, aligned to the objectives of the fund and grounded in its context, including a clear demonstration how the strategy responds to local Covid impacts, and with a and a robust prioritisation process has been followed.

Criterion 2 – Coherence of TIP, evidenced by :

A coherent set of proposals forming a broader strategy which clearly addresses the needs and opportunities. Theories of Change developed for each project setting out clearly the assumptions and external factors.

Criterion 3 - Capacity and alignment of proposals with ongoing initiatives, evidenced by :

Details of how proposals would complement existing and planned work while providing additionality, including how it aligns with Covid recovery. Details of co-funding, delivery capacity and accountability.

'Partnerships' Standard

Criterion 1 - Strength of collaboration with communities and civil society, evidenced by :

Level of representation and institutional collaboration both in the production of the TIP and planned for the future.

Criterion 2 - Strength of collaboration with the private sector and local businesses evidenced by :

Level of representation and institutional collaboration both in the production of the TIP and planned for the future.

Project Assessment

- 38 Subject to the TIP meeting the standards above Government will assess the projects listed in the plan to decide on an initial funding offer. Final decisions will rest with ministers.
- 39 At this stage, full business case development is not required for individual projects. Towns will progress to developing business cases for agreed projects once Heads of Terms has been agreed. Towns are required, however, to set out the process of business case development and appraisal which they will undertake, including the identification of an appropriate Accountable Body with tried and tested local assurance mechanisms for government investment.
- 40 Following the review of the TIP and the assessment of projects the Government will offer a 'Heads of Terms' to be considered by the Town Board. Ministers will sign off the final Heads of Terms which must be signed by Government, Durham County Council and the Town Board.
- 41 The Heads of Terms will include:
 - (a) Allocated Towns Fund budget and financial profile;
 - (b) List of projects to receive funding and recommended assurance route for business cases;
 - (c) List of support agreed by other government departments [where applicable];
 - (d) Key conditions and requirements eg:
 - (i) target figures for match funding,
 - (ii) minimum benefit cost ratios,
 - (iii) meeting a spend profile,
 - (iv) requirement to engage with government bodies,
 - (v) improved value for money;

(vi) confirmation of planning approval.

42 It is only after the Board has agreed the Heads of Terms that the Town Deal will be announced.

Phase 2 : Post Heads of Terms

43 Following the agreement of Heads of Terms, towns will have up to one year to develop agreed projects in detail, complete and assure comprehensive business cases, and submit a Summary Document to MHCLG to show that this has been completed in line with the agreed conditions and requirements in the Heads of Terms.

Durham County Council 'Sign Off'

44 The proposal needs to be supported by the Council in advance of the submission to Government by the end of January. The decision to agree a list of projects to consult on and the consultation process itself did not allow a full and comprehensive report on the TIP, proposed projects and consultation results to be presented to this Cabinet in order for a decision to be made.

45 It is therefore proposed that Cabinet grant delegated authority to the Corporate Directors of Regeneration, Economy and Growth and Corporate Resources, after consultations with Cllrs Napier and Marshall to agree the final submission of the Town Investment Plan to MHCLG by the end of January.

46 In exercising their delegated authority, the Directors shall have regard to

- (a) the Town Investment Plan meeting the general requirements of the Town Fund Guidance;
- (b) the list of projects in the TIP and their fit with delivering against the objectives set out in the strategic case;
- (c) the impact of the consultation exercise;
- (d) feedback from earlier tranches of Town Fund submissions and Government funding decisions.

Conclusion

47 There is an opportunity for Bishop Auckland Town to secure significant capital funds from the Governments Town Fund programme. The application needs to be submitted before the end of January.

48 The Bishop Auckland Town Board has developed a proposal to consult on and a consultation exercise concluded on 4 January. Work is being

carried out now analysing the outcome of the consultation and formulating a final proposal for submission.

- 49 The Board is meeting on 22 January to agree the submission and it also requires the approval of Durham County Council. In view of the timescale this Cabinet is being asked to put in place a delegated decision process to sign off the submission.

Background papers

- None.

Other useful documents

- Towns Fund Prospectus, MHCLG, Nov 2019
- Towns Fund Guidance, MHCLG, June 2020

Author(s)

Geoff Paul

Appendix 1: Implications

Legal Implications

The Council has the role of 'Lead Council' within the Government's Guidance. The Lead Council is required to undertake the role of 'accountable body'.

The Council is a signatory to the Heads of Terms that will determine the detail of any successful deal.

Finance

Council match funding for specific projects included in the submission has already been agreed within approved budgets.

Consultation

The Town Fund proposals are subject to a digital consultation exercise that took place from 11 December 2020 until 4 January 2021.

Equality and Diversity / Public Sector Equality Duty

Not applicable.

Climate Change

The proposals within the Town Investment Plan must reflect on 'green' economic growth proposals.

Human Rights

Not applicable.

Crime and Disorder

Not applicable.

Staffing

Council staff are directly supporting the Towns Fund process.

Accommodation

Not applicable.

Risk

The Town Board has identified a risk log for the submission process.

Procurement

Subject to a successful bid the procurement for individual projects will be in accordance with the Council's procurement policies and will be overseen by the Council as the accountable body.

Appendix 2: Town Board Membership

- Durham County Council x 2
 - Cllr Brian Stephens
 - Amy Harhoff, Corporate Director of Regeneration, Economy and Growth
- Bishop Auckland Town Council x 1 – Town Mayor
- Bishop Auckland and Shildon Area Action Partnership Chair x 1
 - Cllr Shirley Quinn
- Dehenna Davison MP
- The Auckland Project x 2
 - Jonathan Ruffer
 - David Maddan
- Business and Investors x 3
 - Rob Yorke Chair South Durham Enterprise Agency
 - Mike Matthews
 - David Land (Chair)
- Bishop of Durham
- North East Local Enterprise Partnership x 1 - Helen Golightly
- Bishop Auckland FE College - Natalie Davison -Terranova, Principal
- Believe Housing Group - Nik Turner Director of Place and Community
- Jobcentre Plus x 1 – Paul Robson Partnership Manager Durham Tees Valley

Appendix 3: Project Themes for Consultation

1 Infrastructure Supporting Bishop Auckland as a World Heritage Destination (Estimated project costs £37 million Stronger Towns ask £18.2 million)

The principal project in this element seeks to deliver the Eastern Access Road, a new access into Auckland Park providing visitor car parking and onward connectivity to, the proposed Eco farm and Binchester attractions as well as improved access across the park, to the castle and market place and across the river to the Kynren site. Improved traffic flows and real-time visitor information will be supported by the second phase of the Variable Messaging Signage , which completed the investments made under the Stronger Towns advance funding programme

2 Enterprise and SME support (Estimated project cost £5.9 million, Stronger Towns ask £1.7 million)

A shortage of lettable flexible workspace serving the town will be addressed by an initial phase of new workspace units developed by Business Durham on a Council owned site at Dovecote Hill. New business space will be supported by an aligned business support programme delivered in conjunction with South Durham Enterprise Agency and Bishop Auckland College.

3 Skills and Training Hub – springboard into employment (Estimated project cost £1.9 million: Stronger Towns ask £1.8 million)

Recognising the increasing requirement for digital skills across most employment sectors and the importance of key sectors such as Health and Social care and the visitor economy it is proposed to develop a skills and training hub to focus on developing core employment skills and to link with the local network of employment support provision to improve residents opportunities in the South Durham labour market. Additional business focussed training looking to upskill workers will also be delivered as required.

4 Durham Dales Gateway (Estimated project cost £13.4 million: Stronger Towns ask £7.8 million)

Plans for the reactivation and further development of the Weardale railway provide further opportunities for the visitor economy and wider benefits of accessibility into the dales. Current access to the heritage railway

platform within the town is poor and new opportunities to develop heritage railway welcome building, ticketing and interpretation space will greatly improve the visibility and accessibility of the Weardale Railway.

5 Town Centre Diversification (Estimated project cost £16.8 million: Stronger Towns ask £11.8 million)

The Stronger towns programme retains a firm focus on town centre regeneration, alongside initiatives proposed through the Future High Streets Fund. Initiatives to improve the appearance and access to the Newgate Centre from the Bus Station, linking atrium between the Town Hall and Mining Art gallery, canopy to part Newgate St, support to secure redevelopment of the former Beales Store for hotel use and repurposing of property to provide an artists hub and gallery space are proposed to improve the functionality and diversity of the town centre offer.

6 Tindale Triangle Infrastructure improvements (Estimated project cost £38 million: Stronger Towns ask £5 million)

Subsequent phases of development combined with general traffic volumes along the A688 have created local pinch points of traffic movement hindering resident and worker access across the Tindale site and beyond. These constraints also impact on links to the Woodhouse Close area and provide a constraint to further residential development across a number of sites. Infrastructure improvements to the strategic network are proposed to improve pedestrian and vehicle permeability to Tindale Crescent retail area and accelerate multiple development opportunities.

7 Bishop Auckland Digital – 5G Enabled Town (Estimated project cost £ 5 million: Stronger Towns ask £5 million)

Initial aspects of a dark fibre network exist across the town and it is proposed to extend this network across the town and the employment sites to provide the basis of a superfast internet network to support existing and emerging digitally reliant businesses and also to serve and link the multiple public facilities who are increasingly digital reliant. The municipal network would provide opportunities for high speed residential and business broadband accessibility and provide opportunities for implementing 'digital town' solutions.

8 Heritage Walking and Cycling routes, signage, waymarking and interpretation (Estimated project cost £3 million: Stronger Towns ask £3 million)

A spatial analysis of the Stronger Towns area has highlighted some breaks in connectivity for residents particularly from outlying residential areas. To improve access to the town and across the town to visitor opportunities and new employment across Auckland Park, it is proposed to address some key breaks in sections of existing walking and cycle routes, providing signage and interpretation as part of the linked Heritage trains which enter the town.

9 Heritage Transport Museum (Estimated project cost £1.5 million: Stronger Towns ask £ 1.5 million)

The North East Vintage Bus Preservation Trust are seeking to relocate their collection of vintage vehicles and have identified the opportunity of locating in proximity of the Weardale Railway and Locomotion as a major draw in providing a cluster of vintage transport attractions. Seeking to utilise existing premises the Heritage Transport Museum would provide display space, volunteering and training opportunities and a complementary offer to other local attractions across the Stronger Town area..

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