



Economy and Enterprise Overview and Scrutiny Committee

Date **Wednesday 21 July 2021**
Time **9.30 am**
Venue **Council Chamber, County Hall, Durham**

Business

Part A

Items which are open to the Public and Press
Members of the public can ask questions with the Chair's agreement,
and if registered to speak.

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held 25 March 2021 (Pages 3 - 20)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Introduction to the Regeneration, Economy and Growth Service:
(Pages 21 - 50)
 - (i) Report of the Corporate Director of Regeneration, Economy and Growth.
 - (ii) Presentation by the Corporate Director of Regeneration, Economy and Growth.
7. Quarter Four 2020/21 - Performance Management Report:
(Pages 51 - 70)

Report of the Corporate Director of Resources (Interim) – presented by the Corporate Scrutiny and Strategy Manager, Resources.

8. Refresh of the Work Programme 2021/22: (Pages 71 - 88)
Report of the Corporate Director of Resources (Interim) – presented by Overview and Scrutiny Officer, Resources.
9. Minutes from the County Durham Economic Partnership meeting held on 5 May 2021 (Pages 89 - 96)
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
13 July 2021

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

Councillor B Moist (Chair)
Councillor A Jackson (Vice-Chair)

Councillors M Abley, A Batey, G Binney, J Cairns, K Earley, C Hood, C Lines, L Maddison, R Manchester, C Marshall, C Martin, J Miller, R Ormerod, A Reed, I Roberts, M Roberts, A Sterling, A Surtees and S Wilson

Co-opted Members:

Mrs R Morris

Contact: Martin Tindle

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DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Remote Meeting - held via Microsoft Teams** on **Thursday 25 March 2021** at **9.30 am**

Present:

Councillor M Clarke (Chair)

Members of the Committee:

Councillors E Adam, J Atkinson, A Batey, R Bell, R Crute, S Dunn, D Hall, T Henderson, J Higgins, R Manchester, R Ormerod, E Scott, P Sexton, M Wilkes and M Wilson

Co-opted Members:

Mr G Binney and Mrs R Morris

Also Present:

Councillors B Bainbridge, J Charlton, C Hampson, I Jewell and H Smith

1 Apologies for Absence

Apologies for absence were received from Councillor S Iveson.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes of the meeting held 23 February 2021

The minutes of the meeting held 23 February 2021 were agreed as a correct record and would be signed by the Chair.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 DurhamWorks Programme - Youth Employment Initiative

The Chair welcomed the Strategic Manager - Progression and Learning, Linda Bailey, who was in attendance to provide the Committee with an update presentation in relation to the DurhamWorks Programme - Youth Employment Initiative (for copy see file of minutes).

The Strategic Manager - Progression and Learning referred Members to the slides within the agenda pack and noted that DurhamWorks programme had been operating since December 2015, a £29 million programme funded through the Youth Employment Initiative (YEI), European Social Fund (ESF), Durham County Council (DCC), and match funding from external Delivery Partners. She explained the aim was to support 9,303 young people who were unemployed, aged 16-24, into education, employment, and training. She noted delivery was in local communities within the County with the programme due to end in December 2021.

The Committee were informed that the DurhamWorks model focussed on the individual, targeting those with additional vulnerabilities and that the Council and its Partners provided one-to-one individualised support, over the long-term if necessary. The Strategic Manager - Progression and Learning noted there was a range of activities to help young people develop their confidence, emotional resilience, and employability skills. She noted the importance of working with employers to create employment and work experience opportunities and also Sector Routeways. Members were asked to note a slide setting out a list of delivery partners and it was explained there was also a number of sub-contractors delivering activities for the programme.

The Committee were referred to a video highlighting the positive support and assistance ten young people had received from the DurhamWorks programme.

The Strategic Manager - Progression and Learning explained the impact of COVID-19 on the employment prospects and wellbeing of young people had been well documented. She noted that in County Durham there had been 4,290 young people aged 18-24 claiming Universal Credit in January 2021, an increase from 2,865 in January 2020. She added that the vast majority of support had been provided virtually during the pandemic, with DurhamWorks advisors providing support via the telephone, text, e-mail, WhatsApp, Zoom. She noted some social-distanced doorstep visits and limited face-to-face activity with some highly vulnerable young people.

Members learned that Sector Routeways had continued to be delivered in warehousing, construction, ICT and the health and wellbeing sectors. The Strategic Manager - Progression and Learning noted the use of podcasts and blogs to help keep young people engaged and positive.

The Strategic Manager - Progression and Learning noted the work with JobCentre Plus (JCP) and the National Careers Service in support of the Government's Plan for Jobs that was launched in July 2020, delivering intensive youth support on behalf of JCP and establishing virtual youth hubs involving JCP and other partners from within the county. Members were asked to note the Kickstart Gateway, the creation of six month job opportunities for young people.

The Strategic Manager - Progression and Learning noted that despite the efforts of the Council and its partners, the willingness of young people to engage during lockdown had been impacted and their wellbeing had been badly affected. She added therefore there had been a significant decline in the number of young people joining DurhamWorks. She highlighted that, since the end of 2020, it had been more difficult to reach out to young people and this had then had an impact in terms of performance and the progression of young people into employment. She explained that as a result of that impact, a project change request was submitted to the Department of Work and Pension (DWP) to reduce the targets for the programme. The Strategic Manager - Progression and Learning noted the Council had been reluctant to do so, wishing to help as many young people as possible, however, she felt the revised targets were conservative, with the target to support 9,303 young people into employment, of which 83 percent would complete the programme and of those 74 percent were projected to progress. She added the conservative approach was to ensure no financial impacts upon the programme and reminded Members of the high progression rate into employment of those that had completed the programme, currently at 68 percent. The Strategic Manager - Progression and Learning noted the 568 grants provided by DurhamWorks to employers to encourage them to take on a DurhamWorks young person. She added the grants could be used to pay for up to 50 percent of a young person's salary cost and added the grants would be available up until the end of April 2021.

The Committee were reminded of the significance of the DurhamWorks programme, ending in December 2021, and the Strategic Manager - Progression and Learning highlighted the additional funding in place to support unemployed young people following the end of the main DurhamWorks programme. She noted that £10 million additional ESF monies had been attracted and would support around 6,300 young people aged 15-24 who are at risk of NEET, with this programme running up to the end of 2023. She added that the programme would operate within County Durham schools. The Strategic Manager - Progression and Learning noted work with around 900 young people age 15-16 supporting their transition into education following leaving school.

She explained that after the end of the DurhamWorks main programme, the Council would utilise that funding to operate a programme that would be similar to the main programme, however, less intensive in terms of the support that could be offered due to the reduced level of funding available.

The Strategic Manager - Progression and Learning explained that the Council had been successful in securing £3.6 million of ESF funding to create a supported employment service in County Durham. She noted the aim was to support 900 young people, aged 18 and over, with significant learning, physical and mental health difficulties with that programme planned to run up to December 2023.

Members were asked to note the Council was awaiting information as regards the results of two further bids, one for a further £4 million of ESF funding. It was added that the Council had reached the third stage of the Youth Futures Foundation bid for £4 million of funding to support a very specific cohort of young people on employment pathways with this programme, should the bid be successful, running up to 2025.

In relation to priorities and next steps, the Strategic Manager - Progression and Learning noted the Council was awaiting the next stage of the DurhamWorks evaluation, with an interim report due shortly and the final report due November 2021. She noted importance of offering as many employment opportunities for young people as possible in the last nine months of the programme with the creation of new Employer Engagement team, marketing campaign, delivery of Kickstart, and development of new Employment Hubs.

The Strategic Manager - Progression and Learning concluded the presentation by referring Members to a video illustrating the story of a young person who contacted DurhamWorks, worked with the RAW IT academy and had successfully secured an apprenticeship.

The Chair thanked the Strategic Manager - Progression and Learning and asked Members for the comments and questions.

Mrs R Morris asked as regards the DurhamWorks interim evaluation report and whether a copy could be forwarded to the Committee. She referred to paragraph 22 of the report in terms of employment opportunity areas and asked how the list of areas was arrived at, and how confident the Strategic Manager - Progression and Learning was in terms of those areas being 'jobs of the future'. Mrs R Morris noted the reference to the employer engagement group and emphasised the importance of DurhamWorks being 'joined up' in terms schools, employers, and apprenticeships. She asked if there was a group that had all of those areas represented and involved so that the transition to work was much more secure.

Mrs R Morris explained she was very pleased with the several references within the Durham Plan to impartial careers advice from an early age and noted she appreciated the difficulties faced over the last year and added she valued the work that had been delivered. The Chair suggested that the Committee request a copy of the Stage 2 Interim Evaluation report and asked the Strategic Manager - Progression and Learning if that could be arranged.

The Strategic Manager - Progression and Learning noted she would share the evaluation report once available. She noted that in terms of sector routeways and the employment opportunities there was a strategic group, which oversaw the operation of DurhamWorks and included a range of partners such as Business Durham, the County Durham Economic Partnership, JCP, the Careers Service and the voluntary sector. She added that the sectors were determined through both the COVID-19 response within DCC and informed by members of the strategic group, many of which were working with businesses in the county. She added that sector routeways were only paid for through DurhamWorks when utilised and there was a range of activities, and those areas that were not successful would not be progressed.

Mrs R Morris noted sales and retail as perhaps areas that may not be a secure path in the future and noted that employers were not mentioned in terms of the strategic group. The Strategic Manager - Progression and Learning explained that while employers were not on the strategic group directly, Business Durham was on the group and she added that there was lots of work with employers including with the Federation of Small Businesses (FSB) and the North East Chamber of Commerce (NECC) to understand what opportunities were available and to promote DurhamWorks. She added that DurhamWorks continued to work with many of the 600 businesses that received grants and that helped in being able to understand demand. She noted an example of one employer, Tiny Tots who had contacted DurhamWorks eight times to help in the recruit process by identifying suitable young people.

The Chair noted the lower targets as a result of COVID-19 and asked when the target would be reviewed and whether there was an aspiration to have numbers return to the previous target levels. The Strategic Manager - Progression and Learning noted the programme had been on track and there was a desire to help as many young people as possible. She added that there were quarterly submissions to the DWP, and performance was reviewed against profile on a monthly basis. She explained she was hopeful that as the economy picked up, DurhamWorks would be able to share more opportunities with young people. She noted there may be success in getting more young people on to the programme, especially with initiatives such as the Kickstart Programme facilitating six month paid work for young people and the youth hubs activities.

In response to a question from Councillor E Adam relating to the impact on performance of the programme as a result of young people lacking access to IT equipment and broadband, the Strategic Manager - Progression and Learning noted that DurhamWorks were able to buy Chromebook laptop computers, with appropriate safeguards, and deliver them to young people during the pandemic.

She noted there had been some delays, however, equipment was being delivered to young people and added that internet dongles had also been provided to help young people engage with the service. The Strategic Manager - Progression and Learning noted that there were around 80 laptops on order, with the team all working to get the required resources out to the young people.

Councillor I Jewell asked as regards maximising and measuring progress and the long-term monitoring of young people moving into employment. The Strategic Manager - Progression and Learning explained that in terms of challenging performance, a monthly performance group looked at area based targets, team and advisor targets and progress was also reviewed in terms of interventions. She added that a team of Contract Officers worked to ensure sub-contractors' and delivery partners' performance was in line with expectations and confirmed that the performance management system in place was rigorous and had been refined and enhanced throughout the operation of DurhamWorks. The Strategic Manager - Progression and Learning noted in respect of long-term monitoring, DurhamWorks tried very hard to keep in touch with young people when they had progressed into employment, university, or a long-term education programme, however, it was not always possible. She noted that during the first phase of DurhamWorks, of those young people supported by DurhamWorks grants and were subsequently tracked, 73 percent were still in employment one year after the grant had ended. She explained that was considered to be a success and added that the DurhamWorks programme had been subject to national evaluation and it had been noted that YEI programmes had higher sustained employment outputs than any other ESF funded programme.

Councillor J Charlton asked as regards the sustainability of the grant funded opportunities, whether employers would look to take on young people into employment once the grant period had ended. She noted that in areas such as retail many of the positions were part-time and asked if employers were using young people as cheap labour and whether the jobs at the end of the grant periods were full-time or part-time. The Strategic Manager - Progression and Learning noted she shared the concerns as regards sustainability and noted measures to prevent employers who were already going to employ a young person from accessing the grant. She noted that if an employer approached DurhamWorks with an opportunity, or a member of the employer engagement team identified an opportunity, then they would work with the employer to identify a DurhamWorks participant who suited the requirements of the employer and needed that opportunity.

She added that employment could end at the end of a grant, however, she reiterated the data as regards those young people who had sustained their employment and suggested there was evidence that there was sustained employment. The Strategic Manager - Progression and Learning noted that an area she had asked to be included within the evaluation was the additionality that the grant was bringing in terms of employment prospects for young people.

In terms of young people moving on to be employed full-time or part-time, the Strategic Manager - Progression and Learning noted it was usually 30 hours or more, though she would look to provide some additional information for Members in that regard.

Resolved:

- (i) That the information provided in the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee includes a further progress report on the remaining DurhamWorks Programmes in its 2021/22 work programme for December 2021 together with the key findings from the final Phase 2 Evaluation Report of the YEI DurhamWorks Programme.
- (iii) That the Economy and Enterprise Overview and Scrutiny Committee receive a copy of the Phase 2 Interim Evaluation Report of the YEI DurhamWorks Programme.

7 EU Funding - Update

The Chair introduced the Funding and Programmes Manager, Claire Williams who was in attendance to provide the Committee with an update report in relation to European Union (EU) Funding (for copy see file of minutes).

The Funding and Programmes Manager noted she would explain as regards the current funding position and also what replacement funding may be put in place after the current funding period ended. Members were reminded that EU funding had provided a significant investment into County Durham, supporting the economy, businesses, innovation, low carbon measures and increasing skills and improving employability.

The Funding and Programmes Manager explained that County Durham was a "Transition Region" and had its own ring-fenced allocation of structural funds of £155 million. It was added that this was split between just over £86 million European Regional Development Fund (ERDF) and approximately £69 million European Social Fund (ESF). The Funding and Programmes Manager noted the County had benefited from two LEADER programmes funded through the EU's Rural Development Programme, adding that those programmes had closed with the funding of £4 million having been fully committed.

Councillor J Charlton left the meeting at 10.10am

The Funding and Programmes Manager added that County Durham had also benefited from a share of the region's Rural Growth Programme of £105 million.

It was explained that following the referendum in June 2016, the Government guaranteed funding for existing EU programmes. The Funding and Programmes Manager noted that represented a 'business as usual' position, and therefore work had continued with partners to develop project applications and, where possible, extend existing projects in order to maximise funding before it ended in 2023.

Members were referred to tables within the report detailing the current spend position and were asked to note the significant amount of work undertaken to commit ERDF, with approximately £76 million committed to projects. She noted that spend was almost fully committed across most of the investment priorities, including £18.5 million to deliver innovation and research development projects and over £42 million supporting the competitiveness of local businesses. The Funding and Programmes Manager noted an underspend in low carbon, explaining there had been attrition in the application phase of projects and that, overall, there was a balance of £10.5 million. She noted that any residual funds would be pooled nationally, and the focus of those funds was towards the response to COVID-19, with new calls via ERDF supporting the visitor economy and high streets. She added that DCC had received an allocation of just under £500,000 providing 100 percent funding to support the high street and other public places to reopen safely. She noted any residual funds were expected to focus on the economic recovery from the pandemic and a new 'Welcome Back Fund' had been launched which would help Councils boost tourism and improve green spaces in light of the reopening, with details expected soon. It was added that the figures through the national reserve fund were not included in the table within the report.

In respect of ESF, it was explained that against the allocation of £63 million the county has currently contracted £50 million, including projects that had received their grant offer letter or opt-in activity that had been approved. The Funding and Programmes Manager noted a further sum of approximately £20 million in commitments securing additional funding, as explained by the Strategic Manager - Progression and Learning within the DurhamWorks presentation. It was explained that, taking all commitments into account, there was delivery of around £70 million pounds of ESF activity to support employment and skills and there was a recent call for YEIs with Durham submitting a bid for a further £3 million to extend the DurhamWorks scheme. Members noted that there was no residual ESF in Durham and that at a national level any remaining funds would be pooled and distributed at a national level, focusing on the recovery from COVID-19. The Funding and Programmes Manager noted further calls in spring and therefore Durham may have a further opportunity to benefit from ESF and maximize that opportunity.

The Funding and Programmes Manager noted DCC had responded to the opportunity of EU funding and was the applicant for a significant number of projects, as set out in Appendix 2 of the report, 21 projects worth a total of £71.3 million. She added Appendix 3 of the report listed other ERDF projects that had been delivered within the county. The Committee were asked to note that given the benefits the county had in terms of EU funding, it was vital to look ahead at securing replacement funding and it was explained that the Government had announced that EU structural funds would be replaced with a UK wide Shared Prosperity Fund (SPF).

It was explained there were only limited details in terms of the operation of the SPF, however, key heads of terms were released as part of the Spending Review in 2020, and Government intended to use the SPF to target those areas most in need such as deprived towns or rural coastal communities. It was added that there would be two parts, an employment and skills programme to improve employment for those out of work and a place based programme targeting those areas of need, providing investment to people, place, and business.

The Funding and Programmes Manager explained that the Government had committed to the total amount of funding across the whole of the UK at least match what was currently obtained through EU receipts, although details of allocation had not yet been received. It was added that Government noted they would publish an Investment Framework in spring 2021 however, it was likely that would now be summer, with the amount of funding to be announced in the Spending Review around September 2021.

It was noted that recent research had shown that had the UK remained within the EU, County Durham would have been classed as a 'less developed region' and this potentially could have meant more money for the county. The Funding and Programmes Manager explained it was estimated, based on the amounts per capita that current less developed regions received, County Durham could have more than doubled what it currently received to at least €300 million in the next programme. She added that therefore it was key that under the new UK SPF that County Durham continued to have a protected allocation of funding which at least matched what would have been received under the next EU programme period. She noted it was also important that funding was in addition to existing national regeneration funding, rather than as a replacement for it. It was explained that there was also a need to ensure that the allocation was based on need rather than through a competitive process and that it would be preferable that the process was less bureaucratic and that there was local control so that the decisions around funding was held at a local level.

The Funding and Programmes Manager explained that in the interim, before the UK SPF was rolled out in 2022, the Government had recently launched a UK Community Renewal Fund with details having been provided in the Budget.

It was added that it would provide £220 million for the whole of the UK to spend in 2021/22. It was noted it was aimed to help move away from EU funding and prepare for the rollout of the SPF by piloting new approaches and new programmes.

It was explained that 100 Local Authority areas had been prioritised for the funding according to a new index of economic resilience, with County Durham identified as one of those 100 areas. The Funding and Programmes Manager noted that did not mean a guarantee of funding, or an indication of how much, however it would be taken into account as part of the assessment criteria. She explained bids of up to £3 million could be submitted under four key themes around: investment in skills; investment in local businesses communities; investment in place; and supporting people back into employment.

The Funding and Programmes Manager noted a lead body for each area had been identified and for County Durham this was the County Council, with lead bodies being responsible for inviting applications forward through an open bidding process and to encourage all stakeholders to apply. It was explained that a lead body had to appraise and prioritise applications and submit a short list to Government by a deadline of 18 June. She noted it was anticipated that Government would announce successful projects from late July onwards.

It was noted that within the recent Budget, the Chancellor had announced details of a new 'Levelling Up Fund' and while not related to the replacement of EU funding it represented a significant amount of up to £4 billion for England. The Funding and Programmes Manager noted a proposal could be submitted up to a total of £20 million, or up to £50 million for transport schemes, for one project or for a package of up to three projects. She noted each area could submit one proposal in total from each of the parliamentary constituencies within its area, equating to six for County Durham. It was noted the deadline for the first round was 18 June and priority in that round would be given to spend that could be delivered within the financial year 2021/22. Members noted there would be future opportunities to bid in subsequent rounds for delivery up to March 2024, with three main priority areas for funding: investment in transport; regeneration and town centres; and cultural and heritage assets. The Funding and Programmes Manager noted it would be important to look coherently at the whole county and how the Council engaged and supported stakeholders in the process. She concluded by noting Appendix 4 to the report contained a summary of the criteria for the Levelling Up Fund and Community Renewal Fund.

The Chair thanked the Funding and Programmes Manager and asked Members for their questions relating to the report, noting the pre-election period.

Councillor R Crute, Chair of the Corporate Overview and Scrutiny Management Board noted he had a couple of concerns. He noted two points, firstly a need to have more information relating to the investment framework as it would be important to not only ensure County Durham had at least as much funding as it had previously received, but also to ensure there would be at least as much allocated to County Durham as it would have received had the UK not left the EU.

He added that while the quantum of funding was important, he thought it was equally important that the governance arrangements were also right. He explained that he had concerns as information was not forthcoming on the subject and noted developments earlier in the week with Government having announced the demise of the Industrial Strategy Council. He noted he was concerned that framework could be applied to the UK SPF adding that, along with centralisation of funding through the Treasury, if governance arrangements were taken away from local areas he felt that there could be serious concerns regardless of the amount of funding County Durham received. Councillor R Crute noted it was not known when more information on the governance arrangements for the SPF would come forward, however, he looked forward to seeing the investment framework which he understood was delayed from spring to summer.

The Funding and Programmes Manager agreed in terms of the importance of having not just the amount of money that the county would have received, but also details of the governance arrangements. She noted the important in terms of where the decision-making was held but also of the benefit that a ring-fenced allocation for County Durham had provided through the current EU programme. She explained that the ring-fenced allocation had meant that Deliverers had to take account the local needs and the differences within County Durham which had not been the case previously. She noted that when Providers delivered within County Durham, including cross-boundary activity, they needed to take account of local circumstances. The Funding and Programmes Manager noted that it would be important to ensure there was that recognition of that within the roll out of the SPF and that there was a decision-making process with local control. She noted further details were expected to be included within the investment framework as regards delivery arrangements, with it being hoped there would be more information in the summer.

Mrs R Morris referred to paragraph 23 of the report which set out information as regards what the county may have received in terms of funding had the UK remained in the EU and asked if there was a 'Plan B' if the amount of funding received was not at those levels. The Funding and Programmes Manager noted in looking at how the economy had been impacted by COVID-19, there was work ongoing to develop a new economic strategy for the county and that would set out the framework and the priorities that the county wanted to fund. She added that there would then be a need to look at where different investment may come from, not just through the SPF but through other investments that could then align them to the delivery of that economic strategy.

Mrs R Morris noted areas to be considered included those relating to climate change/mitigation, with there being many economic opportunities within that area that could help to employ people.

Councillor J Atkinson referred to the new Levelling Up Fund, £4 billion for England and asked what the figures were for the UK. The Funding and Programmes Manager noted it was £4.8 billion for the whole of the UK and £4 billion for England.

Resolved:

- (i) That the content of the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee support the principle for County Durham to continue to make a case for the maximum allocation of funding from the UK Shared Prosperity Fund, which at least matches what it would have received under the next EU programme, and that the Fund is allocated on a needs basis, flexible in nature and locally controlled.
- (iii) That the Economy and Enterprise Overview and Scrutiny Committee receive further reports as the programme continues as part of the 2021/22 work programme.

8 Regeneration, Economy and Growth - Quarter Three: Forecast of Revenue and Capital Outturn 2020/21

The Chair introduced the Finance Manager, Resources and Regeneration, Ian Herberston to speak to Members in relation to the Quarter Three Forecast of Revenue and Capital Outturn 2020/21 (for copy see file of minutes).

The Finance Manager referred Members to the information relating to Quarter Three 2020/21 with the service reporting a forecast underspend of approximately £1.761 million, against a revised budget of £55.018 million. He explained paragraph four of the report noted a forecast of COVID-19 related expenditure of £17.227 million, offset by COVID-19 related savings of £6.148 million with more detail being set out from paragraph 14 of the report.

As regards the Capital Programme, the Finance Manager explained that the lockdown had impacted upon the delivery of capital schemes, with the revised capital budget being £69.211 million with expenditure to 31 December of £42.097 million, marginally below the expected spend. Members were informed that detailed commentary as regards the revenue and capital budgets were set out within the appendices to the report.

In response to a question from Councillor E Adam relating to the overspend of approximately £342,000 for Derwentside Culture and Sport, the Finance Manager explained that the service was one the Council had taken over the management arrangements a couple of years ago. The Finance Manager added that when the service was brought in-house, the Council had not been able to deliver the service as intended and work had been undertaken to streamline as much as possible. He noted there would not be that issue going forward as additional funding had been secured via the Medium Term Financial Plan (MTFP). He explained that in 2021/22 it was recognised that as the service was brought in-house, to continue service delivery the additional costs incurred had been taken into account. He reiterated that going forward it would not be an issue, however it had been a challenge and was now rectified in the latest round of the MTFP.

Resolved:

That the report be noted.

9 Quarter Three 2020/21 - Performance Management Report

The Chairman thanked the Strategy Team Leader, Gemma Wilkinson who was in attendance to speak to Members in relation to the Quarter Three, 2020/21 Performance Management Report (for copy see file of minutes).

The Strategy Team Leader explained that performance needed to be considered against the backdrop of the COVID-19 pandemic and the emergency response that the Council and partners had been delivering since March 2020. She explained the performance report was structured against the four ambitions of the Council Vision and the Council Plan and that for the Committee the focus was on the 'more and better jobs' and 'connected communities' ambitions. She noted the report provided details of employment levels and take-up of the various government support schemes, with the employment rate being 71.6 percent at September 2020, remaining relatively static in comparison to the previous period. It was added that due to the Government support packages in place the impact of the pandemic on the employment rate had yet to be seen.

Members were asked to note that the claimant count had also remained static in December at 6.1 percent following an initial increase seen at the start of the pandemic and was reflective of the trend regionally and nationally. The Strategy Team Leader noted that in December, 11 percent of eligible employments were furloughed which equated to 22,600 jobs in comparison to 15 percent in July 2020, with the latest data for January showing a level of 13 percent, an increase of approximately 6,000 employments. She noted it was likely to increase further with the most recent lockdown and Members would be updated as part of future performance reports.

The Strategy Team Leader noted the previous presentation relating to DurhamWorks had alluded to the impact in terms of the delivery of employability programmes from COVID-19, with some reluctance in terms of engagement due to concerns about the pandemic, diminishing job opportunities impacting on people's motivation to actively look for employment, and JCP currently not mandating participants to engage. She noted that there had been some successes in those programmes during the quarter, particularly in relation to participants becoming self-employed or moving into sectors that were experiencing increased demand, such as food retail and delivery drivers.

In reference to the question 'Is County Durham a good place to do business?', the Strategy Team Leader noted the report contained details of the amount of grant paid in relation to the Government's Business Grant Schemes, with 100 percent of the grant having been allocated. She noted that the report also detailed the £5 million Durham Business Recovery Grant which the Council had established, with the fund anticipated to support over 800 businesses and safeguard more than 1,700 jobs.

It was explained that footfall within Durham City continued to be significantly below average levels seen for the period, with the impact being seen equally across the daytime and night-time economies. Members noted the delivery programmes to support business improvements continued to be impacted by COVID-19 restrictions, with Council staff being unable to undertake site visits or clients being unable to secure tradesmen or confirm dates for works.

The Strategy Team Leader noted that positive news in the quarter included the securing of almost £20 million from the Future High Streets Fund to improve the leisure, transport and hospitality offer in Bishop Auckland and added that works had commenced to transform Festival Walk in Spennymoor.

In relation to tourism and cultural events, the Strategy Team Leader noted that although national restrictions were lifted during the summer months, the pandemic continued to impact on the tourism sector with the latest results from the Visit County Durham (VCD) COVID Impact Survey showing that 60 percent of respondents were currently experiencing a drop in income of 50 percent or more and with 79 percent having felt their business had been significantly affected. She added that a number of core attractions within the county had not reopened due to social distancing requirements in place, with those that had reopened having done so with a reduced capacity. Members were asked to note that in respect of the Council's cultural offer, theatres remain closed, with social distancing making it impossible to operate safely. The Strategy Team Leader explained that the Council had continued its online offer during quarter three with events such as audio plays and pre-filmed pantomimes.

The Strategy Team Leader referred to the ambition of 'connected communities' and the question of whether residents had access to decent affordable housing and noted the continued impact of COVID-19 in respect of the eviction ban and the knock-on effect on the availability of move-on accommodation. She noted that had led to a reduction in the number of households where it was possible to prevent homelessness and had increased the length of time households spent in temporary accommodation.

She noted work had been undertaken by Housing Solutions to assess accommodation needs and work was currently underway to prioritise single person accommodation through the County Durham Lettings Agency. It was explained few properties had been brought back into use in quarter three, a direct result of the COVID-19 restrictions in place at the time which had affected the ability to undertake work to properties.

In relation to the question 'Is it easy to travel around the county', the Strategy Team Leader noted that the Council's highways maintenance backlog was now broadly in line with other Local Authorities, however, issues remained with unclassified roads due to the severe winter of 2017/18 which had resulted in a deterioration in condition to levels worse than the national average.

The Chair thanked the Strategy Team Leader and asked Members for their questions.

Councillor R Crute noted reference within in report of the impact of COVID-19 on tourism and asked when that would be reflected in the performance tables contained within the report so that the Committee could understand the impact on tourism and its contribution to the economy. The Strategy Team Leader explained that the indicators were referred to were annual figures and therefore had a 12 month lag. She noted that VCD had worked on estimates in terms of the impact of COVID-19 and added they had been previously provided to Committee within the performance report. She added she could recirculate the information. She noted she would also speak to VCD as regards their latest estimates in respect of the impact of COVID-19 on those indicators.

Councillor M Wilkes asked as the amount of time taking to move people from temporary accommodation into something more permanent. He added that perhaps there had been a perception that a lot more people were able to stay in their homes because of the actions of the Government to restrict people losing their tenancies, although he understood that people may need to leave their homes for other reasons. He noted that the figures showed a doubling of the time taken compared to those over the last year and a half, and added he wondered whether the figures were heading back in the right direction, or whether in actual fact the figures would increase when Members were presented with the quarter four figures.

He asked what the Council had done to try and fix the problem as 30 days in temporary accommodation was a very long time and had a raft of knock-on impacts, particularly where there were children in that environment.

The Strategy Team Leader noted the report had set out the impact of COVID-19 including information on the eviction ban and other restrictions that had reduced the availability of move-on accommodation which had led to the increase in the time spent in temporary accommodation. She added that the Council was working with families and with landlords as part of an initiative to try and prevent people being evicted and therefore having to move into temporary accommodation. She noted she understood Housing Solutions were looking to increase the amount of available accommodation through the County Durham Lettings Scheme and she added that the requirement to house rough sleepers during the pandemic had also had an impact in terms of the number of people within temporary accommodation and therefore the number of people that the Council needed to find move-on accommodation for. The Strategy Team Leader noted she would speak to Housing Solutions to obtain the most up-to-date figures and provide those to the Committee.

Resolved:

That the Economy and Enterprise Overview and Scrutiny Committee notes the overall position and direction of travel in relation to quarter three performance, the impact of COVID-19 on performance, and the actions being taken to address areas of underperformance including the significant economic and well-being challenges because of the pandemic.

10 Refresh of the Work Programme 2021/22

The Chairman asked the Overview and Scrutiny Officer, Diane Close to speak to Members in relation to the refresh of the Work Programme 2021/22 for the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The Overview and Scrutiny Officer reminded Members that the refresh of the Committee's work programme was a two-stage process, with the report before Members representing the first stage of the process. She highlighted that the refresh reflected the objectives and associated outcomes and actions identified within the Council Plan and was set in the context of the County Durham Vision, key strategic documents and Government legislation which was relevant to the remit of the Committee. She noted Members were aware that in 2020/21, as a result of the pandemic, the work programme had been delivered very differently with agenda items prioritised for formal meetings and with the remainder of the work programme having been dealt with by way of a briefing report circulated to Members.

The Overview and Scrutiny Officer noted that during meetings of the Committee held in 2020/21 Members had identified a number of additional areas to come to Committee as part of the future work programme. She noted that in addition to the items identified at paragraphs 10-12 of the report, Members had highlighted other areas of concern which they may wish to consider for inclusion in the future work programme, including: skills development and employability for young people; the pipeline of investment coming into the county; and the continued monitoring of the impact of the pandemic on the services provided within the Regeneration, Economy and Growth Service Grouping.

The Overview and Scrutiny Officer noted a number of uncertainties going forward in respect of the number of meetings and how those meetings would be conducted and explained that it was intended that a further work programme report would be presented at the first meeting of the Economy and Enterprise Overview and Scrutiny Committee following the election in May. She concluded by inviting Members of the Committee to suggest any additional areas of activity for inclusion in the future work programme and any areas for focussed scrutiny review.

The Chair thanked the Overview and Scrutiny Officer and reiterated that there was uncertainty in respect of whether there would be a return to meetings in person and noted that the item represented an opportunity to give Members a chance to speak on the work programme prior to the new Committee considering the work programme in due course.

Councillor R Crute noted a need to exercise caution as there was uncertainty in terms of the amount of meetings the Committee may have and in terms of how they would take place in relation to COVID-19 restrictions, as regulations on remote meetings was due to expire at the end of spring. He added he felt it was helpful to have the item on the agenda so that Members could put a marker down for the future committee. He noted there would be a new Committee after the elections and therefore the work programme would come back to the Committee for those Members to discuss and consider, and it may be that those Members would choose to revise the proposed work programme. He continued that he felt it was worth looking at the proposed work programme as set out within the report. He added the work programme was quite full and there was a lot to deal with, and a number of issues having been raised at today's meeting that would warrant further consideration and inclusion.

The Chair agreed with Councillor R Crute and noted it was not a presumption of which Members may be returned, rather it was case of giving the benefit of the current Committee's experience.

Councillor M Wilkes agreed with Councillor R Crute and added that it was realistic to expect that the make-up of the Committee would change as many Members were stepping down, and new Members would have their own view on priorities.

He added that he felt it was important not to tie things to a particular avenue and that there was the opportunity to filter in as regards what Members felt those priorities were and based upon the environment at that time. He reiterated he supported the comments of Councillor R Crute adding he felt it was key, at the earliest meeting possible, that new Members were given the opportunity to feed into the work programme.

Resolved:

- (i) That the proposed Economy and Enterprise Overview and Scrutiny Committee work programme in relation to the current Council Plan 2020 – 2023 be noted.
- (ii) That a further report detailing the Economy and Enterprise Overview and Scrutiny Committee work programme for 2021/22 be submitted to its first meeting of the 2021/22 municipal year.

11 Any Other Business

The Chair noted that as it was the final meeting of the Economy and Enterprise Overview and Scrutiny Committee before the election and added he would like to thank each and every Members of the Committee, both Councillors and Co-opted Members for their attendance and participation over the last two years while he was Chair of the Committee. He noted his thanks to Councillor R Manchester for his support as a very effective Vice-Chair, and Councillor A Batey who had chaired the Committee for the first two years of the electoral term. The Chair thanked Councillor R Crute who had helped with any questions he had and had also shared his knowledge and experience. He wished each Member well for the future, in particular those not standing for re-election.

He thanked the Overview and Scrutiny Officer, Diane Close for her incredible hard work behind the scenes to coordinate the operation of the Committee and the Principal Overview and Scrutiny Officer, Stephen Gwilym for his input. The Chair thanked all Officers that had presented reports to the Committee and also thanked the Officers from ICT and Committee Services for their support, particularly in the move to remote meetings. The Chair added his thanks to external partners who had engaged with the Committee and members of the press and public who had watched the meetings of the Committee.

Councillor M Wilkes thanked the Chair on behalf of his group noting the Chair had allowed all Members to get their points across, adding that was also true of the previous Chair. He also thanked all the Officers involved with the Committee.

Economy and Enterprise**Overview and Scrutiny Committee****21 July 2021****Introduction to the Regeneration,****Economy and Growth Service****Report of Amy Harhoff, Corporate Director of Regeneration,
Economy and Growth****Electoral division(s) affected:**

Countywide

Purpose of the Report

- 1 This report and presentation provides an overview of the services, key projects, budgets, and structures of the council's Regeneration, Economy and Growth Service.

Executive Summary

- 2 The Regeneration, Economy and Growth (REG) Service is responsible for the development and delivery of a new economic strategy for the county, as well as associated policies, community and business services, and infrastructure that unlocks inclusive economic growth. The service has a multi-billion pound capital investment programme for regeneration, development, and infrastructure.
- 3 The REG service brings together six main functions:
 - Transport and contract services
 - Communications and marketing
 - Corporate land and property
 - Development and housing
 - Culture, sport, and tourism
 - Business Durham
- 4 This paper and accompanying presentation outline the broad roles of the REG Service, key strategies, and how it works with the Government and other bodies to take forward regeneration and economic growth projects and delivers social value in the county and region.

Recommendations

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation – particularly where the Committee would like further information on the services and projects that are outlined.

Background

- 6 The Regeneration, Economy and Growth (REG) Service is responsible for supporting a wide range of activities that support local regeneration and strategic economic growth. The service has an annual budget of around £120 million and has approximately 1,800 staff working throughout the county. Key services include:
 - Transport and contract services
 - Communications and marketing
 - Corporate land and property
 - Development and housing
 - Culture, sport, and tourism (including Visit County Durham)
 - Business Durham

Strategic Context

- 7 The [County Durham Plan](#) was adopted in 2020 and includes 300 hectares of new employment land and includes policies that will lead to the development of more at least 26,000 new homes by 2035. We estimate that there is at least £3 billion of developments planned by public and private investors which will contribute to all parts of our economy. In the coming months we will be consulting with members, external organisations and residents on a new Economic Strategy which will replace the current Regeneration Statement, Business and Enterprise Framework, and Skills Strategy.
- 8 Although the county and our economy are large in scale, we face a range of economic challenges including unemployment and high number of out-of-work benefit claimants. The gap between the county's economic performance and the national average is growing across a range of measures, including our workforce which generally has lower levels of education and training than national averages. This prevents a lot of residents from gaining higher-skilled, and higher-paid, jobs and the lifestyles and higher levels of health associated with them. These

issues have been identified within the [County Durham Vision](#) which was launched in 2019 and will be considered in more detail in the Economic Strategy.

- 9 The REG Service delivers projects and programmes against many of the County Durham Vision's priorities. Whilst challenging, it is vital that the service invests in places across the county to benefit the half a million residents that the council serves. The new [Towns and Villages Programme](#) will see the council investing £25 million to deliver a range of improvements to places of all sizes across the county including:
 - Strategic investments
 - Housing and community projects
 - Environment and health improvements
 - Built environment improvements
 - Transport and connectivity projects
- 10 The county is becoming more attractive to investors and developers with Bishop Auckland and Durham City having received substantial investment in the last few years and smaller private investments being made in most towns. However, the council plays a key role in enabling developments and often needs to invest in site infrastructure and sometimes take a stake in the developments in order to make them financially viable to the private sector.
- 11 The county has invested in infrastructure to ensure there is a portfolio of employment land available to investors and developers across the county. Many of the county's industrial estates and business parks are on the site of former mines, steelworks and other heavy industries which support a range of local jobs. However, there has been a notable concentration of new investment towards the A1M, A19, East Coast Mainline and Durham City in the last few decades. In order to capture this investment and new jobs we have therefore created strategic sites in these key locations.
- 12 North East Technology Park (NETPark) was established more than fifteen years ago on a former hospital site in Sedgefield, adjacent to the A1M and close to Durham City, but in a high quality parkland setting which is desirable to the research and scientific businesses that operate here. Due to the success of the park in attracting national innovation centres, university spin-out businesses, and other high-tech local businesses, the REG Service has recently invested in Phase 3 of the nationally significant science park putting in place the infrastructure needed to attract more businesses and around 1,300 jobs. NETPark is

managed by Business Durham who also provide business support on-site as well as connecting to networks for innovative businesses that are not on-site.

- 13 Integra 61 is adjacent to the A1M and close to some of our largest towns and villages and last year saw the opening of one of the largest UK 'fulfilment centres' in the UK. As part of a mixed use development including hotels, new local services, a business park and housing, Integra 61 is expected to deliver around 5,000 jobs. The REG service put the road infrastructure in place and worked closely with Amazon to secure their investment in the county.
- 14 In east Durham, adjacent to the A19 corridor and Dalton Park outlet shopping centre, Jade Business Park Phase 1 has recently attracted Sumitomo - a supplier to the nearby Nissan plant – and Core Haus – a modular construction business. Again, the REG service put the necessary infrastructure and business support in place to secure these investments and is planning phase 2 at Jade. The REG Service is also working with a number of organisations to realise some renewable energy projects on land adjacent to the business park.
- 15 As a result of the success of Aycliffe Business Park and securing a Hitachi rail manufacturing facility, the REG Service has allocated an adjacent site known as Forrest Park. The park has the potential to accommodate around 3,200 new jobs in manufacturing and distribution activities and due to its direct access to the rail network has future potential to be developed as a nationally-significant rail-freight interchange. This is identified by Transport for the North and is likely to require the re-opening of the Leamside that runs through the county.
- 16 Aykley Heads is already a successful business location, with existing occupiers including Atom Bank, Honcho, Waterstons, Durham Constabulary and the North East Chamber of Commerce, amongst others. The Durham City Incubator is also located here and managed by Business Durham in association with Durham University and New College Durham. The relocation of the council from this site would make the site available for the business park development that the REG Service has masterplanned. One of the main benefits of locating the business park here is the existing facilities, proximity to Durham City and Durham station. Fully developed, the site could accommodate around 4,000 jobs.

Business and Employability Support

- 17 The REG Service provides a range of support services to businesses, mainly through Business Durham, but also with partners in the County Durham Economic Partnership and through other teams in the REG

service. Business Durham offers support to businesses of all sizes and stages of their development as well as inward investors and those that have to plan redundancies. Business Durham also manages and rents out small business premises across the county – in areas that are unattractive to the private sector – and has established networks for businesses in some of the county’s larger business parks and industrial estates such as Peterlee, Newton Aycliffe and Chester-le-Street.

- 18 The REG Service has operated apprenticeship and employability programmes in association with businesses for several years. Funding we secured from the EU has been vital to many business and employment programmes across the county and it is hoped that funding from the Government’s UK Shared Prosperity Fund will allow us to continue this kind of support as these activities now near their end.

Housing Services

- 19 There are more than quarter of a million homes in County Durham with 25,000 planned up to 2035. The County Durham Plan sets out targets for affordable homes which vary across the county based on local needs, with the minimum being 10% and the maximum 25% affordable housing in new developments. The REG Service is also committed to ensuring that at least 10% of new homes meets the needs of older residents.
- 20 The REG Service operates a wide range of housing and domestic services, from building homes under the ‘Chapter Homes’ brand to providing at-home emergency response for vulnerable people (Care Connect) and providing sites for travellers. In 2021 the council was awarded the [‘local authority of the year’](#) in the Northern Housing Awards for the services that were delivered as part of the council’s housing strategy.
- 21 A new [Housing Strategy](#) was adopted in 2019 to meet housing need and demand, with specific focus on delivering high quality new homes, alongside homes for older people and those with disabilities. We have also worked to increase the number of affordable homes in the county by 53 per cent since 2014, as well working closely with community organisations to support opportunities for community led housing.
- 22 We are currently in the process of establishing a council homes delivery programme that will create 500 new council owned properties over the next five years. In addition, we set up a County Durham Lettings Agency in the last year to assist with providing accommodation to vulnerable residents.

- 23 Our [Homelessness and Rough Sleeping Strategy](#) for County Durham has also helped to prevent homelessness and reduce the number of rough sleepers across the county, helping us to prevent almost 2,900 cases of homelessness during 2019-2020. As part of our work to tackle homelessness, we were also highly commended for our collaboration with Her Majesty's Prison and Probation Service on Project Beta. The project works with high risk offenders for up to six months prior to their release from prison to ensure housing and support is secured.

Leisure, Heritage and Tourism

- 24 The REG Service is planning a £78 million [Leisure Transformation Programme](#) which will see three new leisure centres build in Bishop Auckland, Chester-le-Street, and Seaham. The Woodhouse Close leisure centre is more than 50 years old and the technical assessments that support the transformation programme show that there is a maintenance backlog amounting to more than £7 million across the leisure estate. The programme also links into the Towns and Villages programme, the need to reduce carbon emissions in the council's activities, and health and wellbeing support for residents as the Covid-19 restrictions are lifted.
- 25 As well as the development of new facilities, a number of existing leisure centres need improvements. A number of leisure centres need to be redesigned to ensure they remain fit-for-purpose and some need specific improvements, including:
- Teesdale Leisure Centre: A better customer environment and addressing maintenance issues
 - Consett Leisure Centre: Addressing defects with the swimming pool
 - Newton Aycliffe Leisure Centre: Improved customer environment and a range of maintenance issues
- 26 In addition to leisure centres, the REG Service has recently completed refurbishments of Bishop Auckland Town Hall, the Empire Theatre in Consett, and the Gala Theatre in Durham. Work is ongoing to develop a new [History Centre](#) at the Mount Oswald Manor House in Durham which will also replace register offices in Durham and Bishop Auckland. Construction started on site in April 2021, supported by a National Lottery Heritage Fund grant worth £1.2 million. The History Centre is due to open in 2023.
- 27 The tourism industry has been hit hard by the pandemic, with the latest data suggesting a fall of between 40% and 50% across various aspects of the sector in 2020. However, the tourism sector has great potential in the county and during the pandemic the council has received numerous

applications for new 'staycation' facilities. [Visit County Durham](#) has also reached its 15 year anniversary and is a vital service for promoting the county and coordinating and generating activities. The REG Service continues to invest in local heritage attractions including traditional destinations such as Killhope Lead Mining Museum in Upper Weardale, Beamish and Bowes Museums, and newer attractions such as those that are being developed through the Auckland Project in Bishop Auckland.

Transport

- 28 The Covid-19 crisis has also hit the public transport sector, with bus journeys down 65% in 2020/21 compared to the previous year. In normal times there are around 22.5 million bus journey each year, and the REG Service has a budget of around £12 million to subsidise certain routes, services and passenger groups; at a net cost of £2.5 million. We continually look to improve services and, as an example, have installed around 150 real time information displays to improve passenger information.
- 29 Across the county, the REG Service is delivering a range of transport improvements schemes including strategic schemes in Durham City and local schemes in a range of locations in line with the Towns and Villages Programme. In the past few years, we have also designed and paid for road and junction improvements that have been vital in opening-up strategic employment sites such as Jade Business Park, Integra 61 and Forrest Park and securing the first developments in these locations.
- 30 In June we submitted a [£20 million bid](#) to the Government's Levelling Up Fund for a range of transport improvements in South West Durham. We have pledged to match this with £5 million of our own investment which focuses on:
- Re-opening Whorlton Bridge to vehicular traffic and non-motorized users
 - Re-routing of A68 to bypass Toft Hill
 - Enabling of Locomotion Building 2 in Shildon including car parking expansion, rail structural restoration and improved walking and cycling links
- 31 In 2019, the council was awarded £7.1 million from Homes England to undertake infrastructure works in Newton Aycliffe to unlock 1,579 new homes. The finance was awarded from the Housing Infrastructure Fund which targets housing schemes with marginal viability in order to deliver new homes against the national target of 200,000 new homes. The

funding will be used to make improvements to the A167/A698 Rushyford roundabout as well as access points to the housing sites, road widening and put the other necessary infrastructure in place. The funding will enable development at Low Copelaw (1,400 homes), Congreve Terrace (30 homes), and Woodham and Cobblers Hall (149 homes) in Newton Aycliffe. The main works are due to commence in September with housing development from 2023 onwards.

Corporate Land and Property

- 32 Across the county we manage 632 properties including civic buildings, schools and libraries and also lease a range of properties which generate important income. We also manage the maintenance of buildings with around 1,000 contracts and service level agreements and 500 customers. In addition, we operate a construction consultancy service which currently is supporting more than 200 projects with a value of around £250 million.

Funding and Investment

- 33 The Covid-19 crisis has had a severe impact on the county's economy; particularly in sectors such as retail, hospitality, and the visitor economy. Although around £200 million of support has been received by the Government, the various levels of support offered by the council have cost more than £11 million. We expect to reclaim some of this back from the Government but it has accelerated the need to give additional support across a range of our services, such as supporting the recovery of the tourism sector and town centres, heightening the need for business support, and job support schemes. Much of this will need to continue into the foreseeable future.
- 34 The REG Service has a significant budget, but also relies on income from a range of sources including the rental of premises, the sale of land, planning applications, car park and transport charges, and leisure centres. However, in order to make progress with the wide range of services we offer, we need external funding from the Government and its various departments and arms-length bodies. There are a number of challenges and opportunities that we can foresee including the withdrawal of government support (e.g. furlough) as we begin to live with Covid-19. The impacts of this alongside those of Brexit are still somewhat unknown and we have little detailed, up-to-date, economic data at county level.
- 35 The Government's Autumn Statement is expected to include some important financial information including a Comprehensive Spending Review which will impact on how much money the council receives from the Government for day-to-day activities. We are also expecting a

Levelling Up White Paper which should indicate how the Government will level-up places across the UK and should have details of the UK Shared Prosperity Fund (which will replace EU funding) and how the Government intends to devolve powers and funding to local areas. For a decade or so, the North East Local Enterprise Partnership has been a key ally and source of local regeneration and growth investment, but the Government is undertaking a review of Local Enterprise Partnerships with a view to potentially changing their roles and responsibilities. This could also impact on the devolution agenda and how local authorities receive support and how regions communicate their needs and opportunities to Government.

- 36 The REG Service works with a range of external bodies to lobby the Government over its policies and funding commitments. The Industrial Communities Alliance provides an important collective voice for the council and other former industrial parts of the UK with similar economic challenges. Through them, we have had success in lobbying for changes to regional funding and how the Government assesses the value of local projects. Similarly, the County Council's Network and Rural Services Network provide a collective voice for rural councils such as ours.
- 37 The Covid-19 crisis has heightened the understanding of the impacts of health and education on the wider economy. It is vital that our economic growth is balanced with wider social objectives and the council has been successful in working with HM Treasury to change the way they assess projects (aka 'the Green Book') to take into account the social value of them, as well as economic returns. The council has also been working closely with the Cabinet Office to advise them on how to maximise the social value of public sector investment and where legislation prevents local procurement and supports local economies. The council monitors its own local impacts in various ways, with the latest data showing that more than two-thirds of goods and services are procured from the North East, almost half from within the county, and almost sixty percent from smaller sized local businesses.

Supporting the Climate Emergency

- 38 In 2019 the council declared a climate emergency, producing a [Climate Emergency Plan](#) and pledging to:
- Reduce carbon emissions from operations by 80% by 2030, making significant progress towards becoming carbon neutral
 - Investigate what actions are necessary to make County Durham Carbon Neutral by 2050 and pledge to achieve this.

- 39 The REG Service contributes to these ambitions across a range of its services including making our buildings and supporting businesses to make their premises more energy efficient and generate energy where possible. We are also making improvements to homes to do the same and working with landlords to encourage them to make their homes better for their residents and cheaper to heat. We are also working with external organisations such as Durham University on various research projects such as exploiting our geothermal resources such as mine water to create heat networks. We are also trying to change the behaviour of staff and residents to use public transport and walk and cycle when possible.
- 40 The sudden shift to more homeworking and e-commerce is being supported by better broadband in town centres, business centres and rural parts of the county. We are also developing the county's electric car charging infrastructure across the county as people make the switch to electric vehicles and amongst a range of initiatives.

Partnerships and Relationships

- 41 The delivery of REG Services would be difficult without working in partnership with organisations across the county and outside it. The county has a number of successful partnerships under the umbrella of the County Durham Partnership which provide vital forums for the development of strategies and plans and taking forward initiatives. Within the region, the REG Service works within a complex arrangement of local, sub-regional and regional bodies to take forward activities and communicate with the Government and other national bodies. We also work with a range of membership organisations – such as the County Council's Network and Industrial Communities Alliance - with which we share common goals and who undertake research and consultations and represent our needs at sub-national and national levels.

Conclusions

- 42 This paper and accompanying presentation give an overview of the broad range of activities that the Regeneration, Economy and Growth Services manages, underpinned by various strategies. The Covid-19 crisis, Brexit and emerging Government policies mean that the Service is operating in uncertain conditions but is continuing to work in partnership with various external agencies to deliver projects, lobby the Government, and deliver economic and social value from its activities.

Background papers:

- [County Durham Plan](#)

- [County Durham Vision](#)
- [Towns and Villages Programme](#)
- [Housing Strategies](#)
- [Levelling Up Fund Bid](#)
- [Leisure Transformation Programme](#)
- [Climate Emergency Plan](#)

Contact:

Glenn Martin glenn.martin@durham.gov.uk

Appendix 1: Implications

Legal Implications

None.

Finance

None.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Climate Change

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None.

Introduction to the Regeneration, Economy and Growth Service

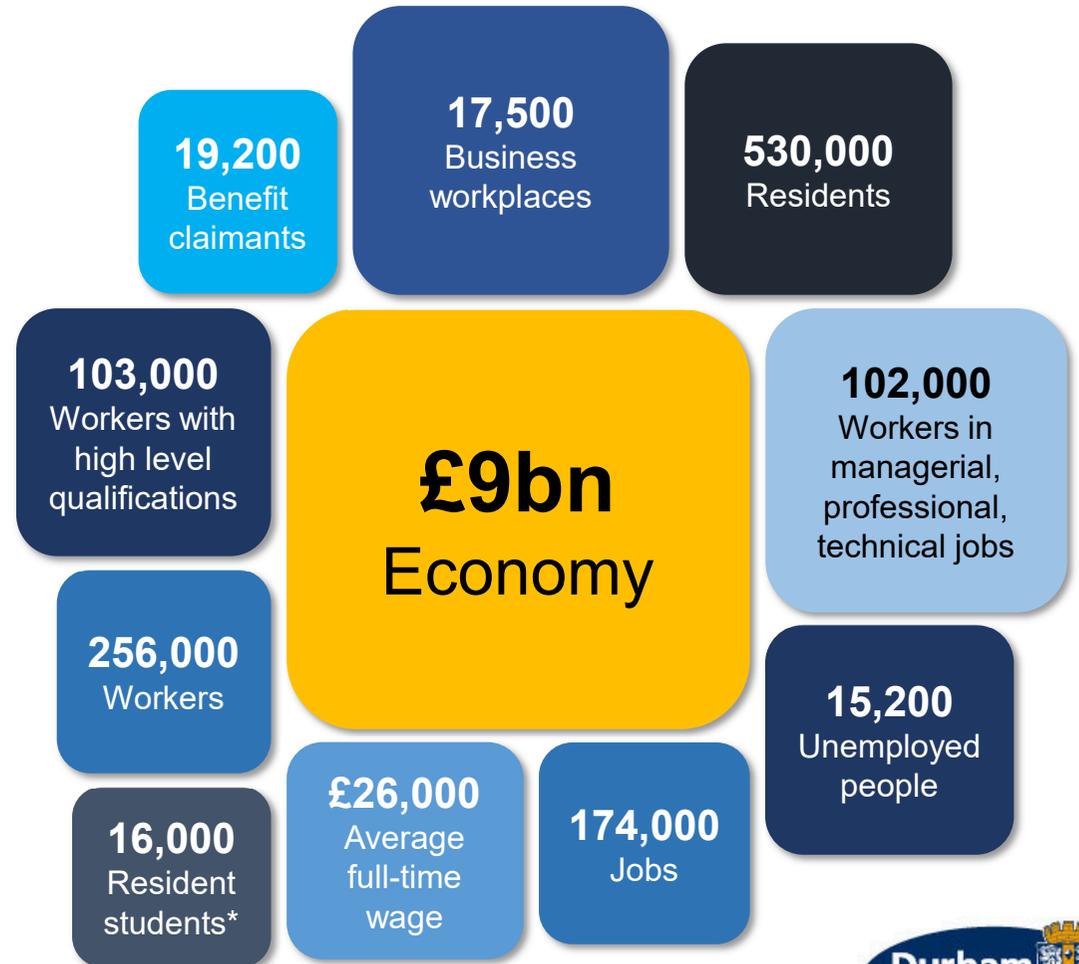
Amy Harhoff

Corporate Director Regeneration, Economy and Growth



Economic Overview

- **300 hectares** of new employment land allocated in County Durham Plan
- 246,400 houses in the county with **25,000 new homes** planned by 2035
- **20,000 sq ft** of new office space planned
- **£3 billion** of private and public investment planned
- But... our **economy would be worth £12 billion** if we matched national performance



*Term-time address. Durham University Students = 20,270
 - not all are County Durham residents

County Durham Vision 2035

More and Better Jobs	Long and Independent Lives	Connected Communities
<ul style="list-style-type: none">• Employment sites• Strong, competitive economy• Broader visitor experience• Education, training and employment for young people• Help all people into work• Fewer people affected by poverty and deprivation	<ul style="list-style-type: none">• Best start in life for children• Young people with SEND achieving the best outcomes• A physical environment that is good for health• Better health and social care integration• People supported to live independently for as long as possible in their own homes	<ul style="list-style-type: none">• Safe childhoods• Housing standards maintained or improved• Town and village centres will be vibrant, well-used, clean, attractive and safe• Good access to workplaces, services, retail and leisure• Supportive communities• High quality housing which meets the needs of residents

Services, Heads of Service and Functions

Corporate Director of Regeneration, Economy and Growth <i>Amy Harhoff</i>		
Transport and Contract Services <i>Dave Wafer (Interim)</i>	<ul style="list-style-type: none"> Care Connect / CCTV Strategic Traffic 	<ul style="list-style-type: none"> Integrated Passenger Transport
Communications and Marketing <i>Michelle Atkinson</i> <i>Maureen Dixon-Berne (Interim)</i>	<ul style="list-style-type: none"> Press and publications Internal and external marketing and communications 	<ul style="list-style-type: none"> Digital services Branding Covid communications
Corporate Land and Property <i>Susan Robinson</i>	<ul style="list-style-type: none"> Strategy and property management Buildings and facilities management 	<ul style="list-style-type: none"> Construction consultancy services
Development and Housing <i>Geoff Paul (Interim)</i>	<ul style="list-style-type: none"> Strategy and project development Spatial planning Planning development Building control 	<ul style="list-style-type: none"> Economic development Housing development Housing solutions Funding and programmes
Culture, Sport and Tourism <i>Alison Clark</i>	<ul style="list-style-type: none"> Leisure Infrastructure and development Culture 	<ul style="list-style-type: none"> Wellbeing and partnerships Tourism (Visit County Durham)
Business Durham <i>Sarah Slaven (Interim)</i>	<ul style="list-style-type: none"> Property and business services Inward Investment 	<ul style="list-style-type: none"> Business engagement Marketing

Supporting the City, Towns and Villages

Towns and Villages Programme

£25 million of council investment



Including...

- ✓ £4.5m Horden regeneration programme
- ✓ £4.2m AAP Area Improvement Programme
 - ✓ £210,000 per AAP
 - ✓ £10,000 per elected member
- ✓ £3.8m Walking and cycling routes
- ✓ £2.8m Neighbourhood and retail improvements
- ✓ £2.0m Improving community resilience
- ✓ £1.3m Vulnerable buildings
- ✓ £1.0m Easington colliery programme
- ✓ £0.9m Green homes programme
- ✓ £0.8m Digital high streets



Bishop Auckland

- ✓ £20m Stronger Towns Fund
- ✓ £33m Future High Streets Fund
- ✓ £35m+ Durham County Council
- ✓ £193m private sector investment



Employment Sites

Strategic Sites

Site	Size (ha)	Jobs
Aykley Heads	16	4,000
Forrest Park	50	3,200
Integra 61	43	5,000
Jade	19	2,500
NETPark Phase 3	13	1,300

AYKLEY HEADS



FORREST PARK

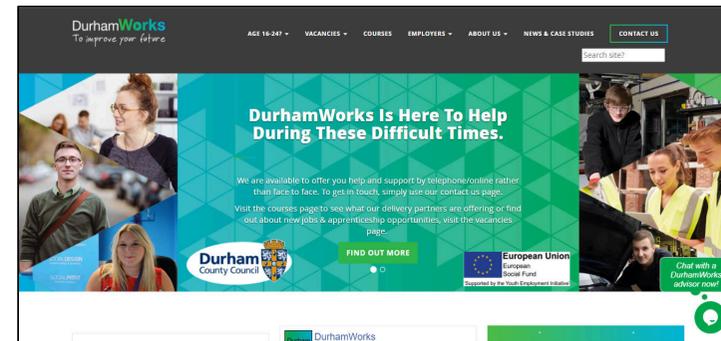
County Durham Plan Allocations (to 2035)

Area	Land (ha)
Durham City	16
Central Durham	70
North Durham	17
North West Durham	24
Mid-Durham	27
South Durham	101
South East Durham	1
East Durham	37
West Durham	12

Business and Employability Support

Business Support

- Start-ups
- Growing businesses
- Inward Investors and developers
- Innovative businesses
- College and university spin-outs
- Premises
- Relocation



Employability Support

- Covid-19 support
- Digital skills
- Apprenticeships
- Training and skills development
- Redundancy support
- Recruitment advice



Housing Services

Local Authority of the Year
Northern Housing Awards 2021

Housing Targets

- 25,000 new homes (2016 – 2035)
- At least 10% of new homes to be affordable
- 10% of homes will meet needs of older people

Housing solutions and statutory homeless service

- 13,100 contacts made in 2019/20;
- 2,050 properties improved
- 1,000 people helped to find alternative accommodation

Private sector Selective Licensing scheme to improve standards within the private rented sector

- Consultation: 42% agreed recommendations

Chapter Homes

- Newton Aycliffe, Peterlee, Durham

Gypsy, Roma and Traveller Sites

- Six permanent sites: Bishop Auckland (2), Chester-le-Street, Ferryhill, Stanley, West Rainton

Registered Housing Providers

- Durham Key Options (DKO), choice based lettings system with Registered Housing Providers
- Delivering the Housing Strategy

Care connect (part of Transport and Contract Services)

- Emergency contact service to enable vulnerable people to live independently in their own homes
- A range of smart devices used to provide telecare: sensors, detectors, medication dispensers, alarm pendants

Leisure and Heritage

Leisure and Culture

- Three new leisure centres: Chester-le-Street, Seaham and Bishop Auckland
- Refurbishment of Gala Theatre (Durham) and Empire Theatre (Consett)
- Recent refurbishment of Bishop Auckland Town Hall
- Development of a new history centre
- Festivals: Seaham and Bishop Auckland Food Festivals, Lumiere, Book Festival, etc
- Support for non-DCC venues e.g. Ushaw Historic House, Chapel and Gardens

Heritage

- Coast: Seascapes, England Coast Path, Capturing our Coast, Seasearch
- Binchester Fort improvements
- Killhope Lead Mine reopening
- Durham Town Hall refurbishment
- Supporting the Auckland Project, Beamish, Bowes Museum, etc

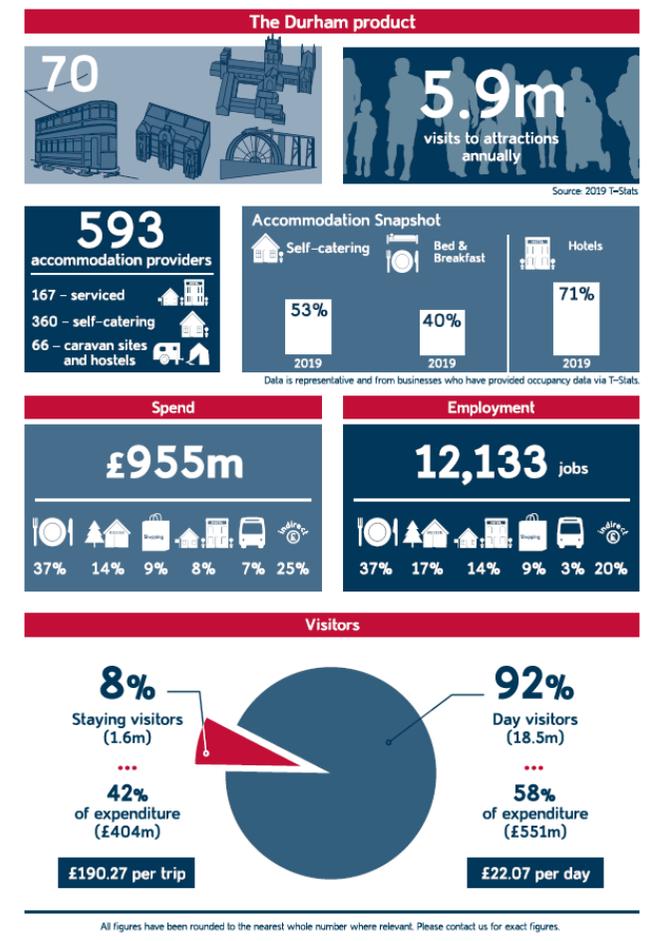
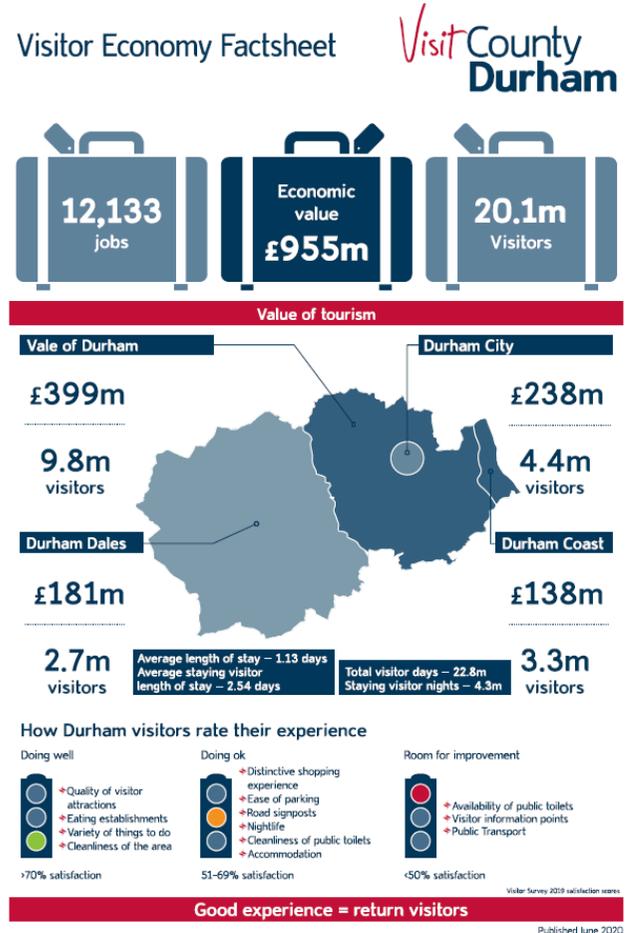


Tourism



2019	2020 (Covid impacts)
20.1m visitors	11.4m (-43%)
£955m of economic value	£507m (-48%)
12,133 jobs	6,800 (-44%)

2019 Statistics



Transport



LOCOMOTION



Public Transport

- £12 million annual concessionary fares budget
- Annual bus passenger journeys = c. 22.5 million (down 65% in 20/21)
- 2,800 bus stops, 150 real time information displays

Strategic Schemes

- Durham Bus Station
- Enabling works: A19 / Jade Business Park, NETPark on site infrastructure, A1M / Integra 61, Housing Infrastructure Fund / Newton Aycliffe
- Durham Park and ride expansion

Levelling Up Fund Bid (North West Durham)

- £20m ask from Government: £5m match funding
- Re-opening Whorlton Bridge to traffic
- Re-routing A68 to bypass Toft Hill
- Enabling Locomotion building 2 and local infrastructure improvements

Local Improvements

- New Elvet Bridge repair
- Improved walking and cycling links
- Local / junction improvements: Sunderland Bridge, Stanley A693, Bishop Auckland, Sheraton junction

Corporate Land and Property

Strategy and Property Management

- 82,089,688 sqm (20,285 acres) of land (excluding adopted highway)
- 632 properties (inc. 174 schools, 31 children/outreach centres, 35 libraries)
- Circa 3,000 individual lease out agreements
- Total annual rental income across £7.7 million

Buildings and Facilities Management

- Turnover of approx. £37.5 million
- The council's 'principal contractor' for the majority of capital building projects; valued at £24 million
- Range of external customers c. 1,000 contracts / service level agreements
- Circa 500 different customers; valued at £3 million

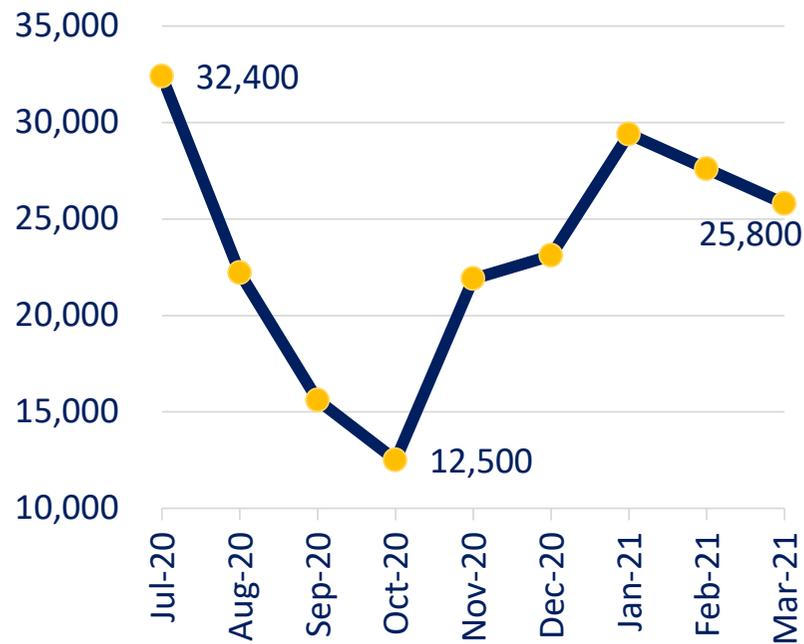
Construction Consultancy Services

- 218 projects on books some live and some feasibility
- Current value of projects £250 million



Covid-19 Impacts and Support

Number of Furloughed 'Employments'



“The net COVID-19 impact is therefore £11.079 million, and this will be covered corporately by utilising Central Government grants wherever possible.”

Cabinet Report; Q3 Forecast, March 2021

Local Support

- **28,052** Local Restriction Support Grants (£54,729,005)
- **8,873** Small Business and Retail, Hospitality, Leisure Grants (£99,195,000)
- **6,523** Additional Restriction Grants (£11,505,103)
- **4,189** Restart Grants (£30,160,309)
- **701** Discretionary Grants (£5,023,400)

Funding and Investment

£120 million

Regeneration, Economy and Growth
Annual Budget

Major Projects

- New Headquarters / Aykley Heads
- Leisure centres
- NETPark
- Towns and Villages Programme
- New and better homes
- Integrated Transport
- Finance Durham
- Energy efficiency programmes
- Horden regeneration

Income

- Business Durham
- Care Connect
- Planning applications, building services
- Passenger transport
- Car parks
- Leisure services

Expected Government Reviews

- Withdrawal of Covid-19 support
- Comprehensive Spending Review (Autumn)
- Fair Funding Review (Autumn)
- Devolved funding (Autumn)

Examples of External Funding and Investment

Private sector

- Milburngate (Arlington & Richardson), £130m
- Integra 61 (Citrus Group), £300m
- Jade Business Park (Highbridge Properties), £190m

Remaining EU Structural Funds (€165m)

- Durham Works, £29m
- Business Energy Efficiency Programme, £1.6m
- County Durham Growth Fund, £9m

North East Local Enterprise Partnership

- Local Growth Fund

Central Government and Government agencies

- Future High Streets Fund (£20m)
- Stronger Towns Fund (£33m for Bishop Auckland)
- Levelling Up Fund (£20m bid)
- Community Resilience Fund (£2.6m)
- Shared Prosperity Fund? (Continuing to lobby Government)
- Devolution? (Levelling Up White Paper due in Autumn)
- National agencies



Social Value

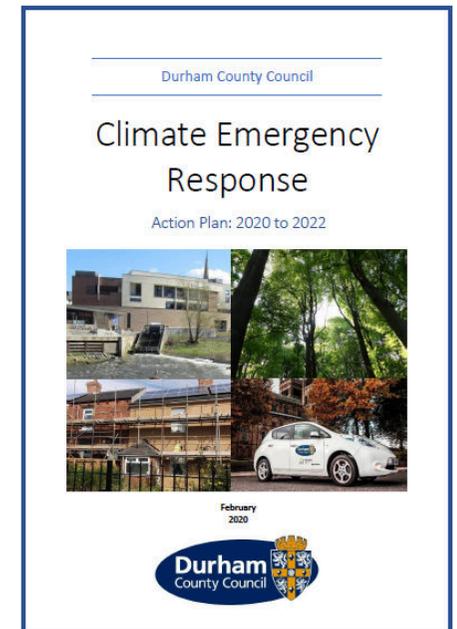
10 Procurement Initiatives	Influencing government policy	DCC part of Cabinet Office Policy Group and advised on changes to Government procurement
	Local contract procurement rules	Targeting local suppliers and increasing the tender thresholds for local goods, suppliers and services
	Social value impact	Considering social value impacts of developments
	Social value DNA assessment	Identifying of impacts of contracts in D urham, N orth East, and A broad (outside the region)
	Business growth funding	Maximising the take-up and local benefits of Business Durham funding to support growth
	Make strategy	Procurement of locally made products
	Sell strategy	Opportunities to sell local products and services
	Anchor procurement	Promoting local procurement by other anchor institutions (e.g. University, police, colleges)
	Inward investment	Attracting more inward investment to the County
	Supplier capability	Training for local businesses to access contracts

Annual spend (19/20)	£530m
North East spend	68%
County Durham spend	46%
SME spend	57%
Third sector spend	13%



Supporting the Climate Emergency

- Promote **community energy schemes** in Neighbourhood Plans
- Joint **research and business development** with Durham University into energy technologies
- Identify sites and technologies for **electricity generation and storage**
- Install **electricity points in market places** to replace diesel generators
- Install solar car ports and **electric charging points**
- Business Energy Efficiency Project – **encouraging SMEs to save energy**
- Encourage **local food production** and supplies
- **Remove disincentives** for the installation of renewable energy or energy saving solutions
- **Encourage tourism businesses** to improve energy efficiency
- Solid / cavity wall **insulation**, loft insulation, floor insulation retrofits for homes
- **Encourage landlords** to improve the energy efficiency of their homes
- Homeowner energy efficiency **loans**
- District **heating schemes** (Durham)
- **Geothermal** district heat scheme (Bishop Auckland)
- Improve **cycling / walking** infrastructure
- **Integrate public transport**
- Increase **park and ride** provision
- Introduce **electric and ultra-low emissions buses**
- **Improve broadband** services to reduce the need to travel



Partnerships and Relationships

County Durham Partnership

- County Durham Economic Partnership (new private sector chair)
- Area Action Partnerships
- Strategies: 2035 Vision, Economic Strategy

Regional

- North East Local Enterprise Partnership
- North East Combined Authority
- North of Tyne Mayoral Combined Authority
- North East Joint Transport Committee
- Local Resilience Forum (Covid)
- Neighbouring authorities (transport, planning)

Pan-Northern

- Northern Powerhouse
- Transport for the North

National

- Government Departments and national bodies (e.g. Highways England, Homes England, Northern Powergrid)
- Civil servants

Membership Organisations

- North East Chamber of Commerce
- Industrial Communities Alliance
- County Council's Network
- Local Government Association
- Britain's Leading Edge
- Chief Economic Development Officer's Society
- Rural Services Network
- UK Onward



**Economy and Enterprise
Overview and Scrutiny Committee**

21 July 2021

**Quarter Four, 2020/21
Performance Management Report**



Paul Darby, Corporate Director of Resources (Interim)

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To present progress towards achieving the key outcomes of the council's corporate performance framework.

The impact of COVID-19

- 2 2020/21 has been dominated by the COVID-19 pandemic. Across the world more than 115 million people have been infected and more than 2.5 million have died.
- 3 Following confirmation of its first cases in January 2020, the UK government subsequently put in place [restrictions](#) to contain the virus, minimise deaths and prevent health and social care systems being overwhelmed. Those restrictions, in varying forms, have impacted our everyday lives, our health and the economy ever since.
- 4 At the beginning of quarter four, in response to a huge increase in COVID-19 cases and the discovery of a faster spreading variant, restrictions were tightened with a third national lockdown. At the same time, the national vaccination programme¹ continued to be rolled out.
- 5 The subsequent fall in infection rates allowed the government to implement plans for a [gradual and phased route out of lockdown](#). The first step, centred around children and students returning to face-to-face teaching, was enacted in March 2021.
- 6 In line with these developments, alongside our continuing public health role and work with other agencies on the Local Resilience Forum (covering both County Durham and Darlington) to protect our

¹ started on 8 December 2020

communities and support those affected by the pandemic, we are also developing plans for future recovery.

- 7 The COVID-19 surveillance dashboard can be accessed [here](#).

Performance Reporting

- 8 This performance report is structured around the three externally focused results-based ambitions of the [County Durham Vision 2035](#) alongside a fourth 'excellent council' theme contained within our [Council Plan](#)². It also includes an overview of the impact of COVID-19 on council services, our staff, and residents.

More and Better Jobs

- 9 The impact of COVID-19 continues to be felt in the UK economy – with GDP contracting by 9.8% in 2020, the largest annual fall on record³. Latest figures suggest a broadly stable jobs market with early signs of recovery. However, there are 772,000 fewer payrolled employees than pre-COVID, with the hospitality sector, those aged under 25, and those living in London⁴ impacted the most.
- 10 Across County Durham our employment rate remains static, but as the government is continuing to support one in eight eligible jobs (furlough) and six in ten self-employed people (income support scheme), we are expecting it to deteriorate in the future as these schemes come to an end. That said, the increase in universal credit has levelled off which suggests local and national support measures are helping to create some economic resilience.
- 11 We remain concerned about the longer-term impacts of the pandemic. The economic situation is contributing to financial pressures across the county, with increased levels of children eligible for free school meals and many households at risk of falling into poverty.
- 12 To mitigate against these economic challenges, we are continuing to provide financial support to residents and businesses, are moving forward with significant investment projects which will create new infrastructure and transform our towns and villages, and are helping people back into work particularly through self-employment or by moving into job sectors experiencing increasing demand, e.g. food retail, delivery.

Connected Communities – Sustainable Communities focus

² approved by full council October 2020

³ Office of National Statistics: [GDP quarterly national accounts, UK: October to December 2020](#)

⁴ Office of National Statistics: [Labour Market Overview, UK: May 2021](#)

- 13 Across this section, we are concerned about the lifting of the eviction ban as lockdown eases. More households are already living in temporary accommodation, and for longer, due to a shortage of suitable properties, a consequence of action taken to house rough sleepers during the pandemic. We are sourcing additional properties to help alleviate the problem.

Risk Management

- 14 Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change programme and is incorporated into all significant change and improvement projects. The latest report can be found [here](#).

Recommendation

- 15 That Economy and Enterprise Overview and Scrutiny Committee considers the overall position and direction of travel in relation to quarter four performance, the impact of COVID-19 on performance, and the actions being taken to address areas of underperformance including the significant economic and well-being challenges because of the pandemic.

Author

Andy Palmer

Tel: 03000 268551

Appendix 1: Implications

Legal Implications

Not applicable.

Finance

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

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

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

Climate Change

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

Human Rights

Not applicable.

Crime and Disorder

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

Staffing

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

Accommodation

Not applicable.

Risk

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

Procurement

Not applicable.



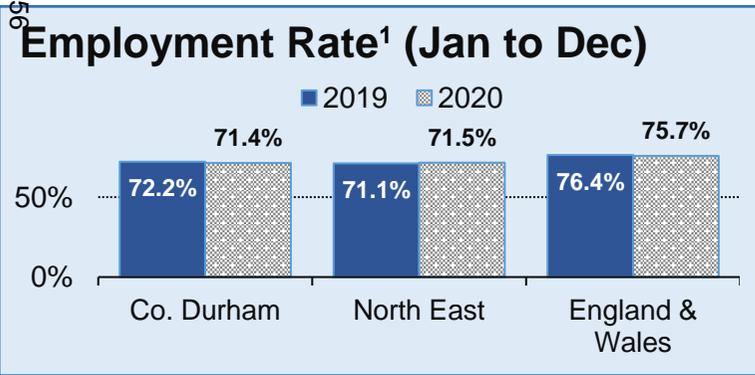
Durham County Council Performance Management Report

Quarter Four, 2020/21

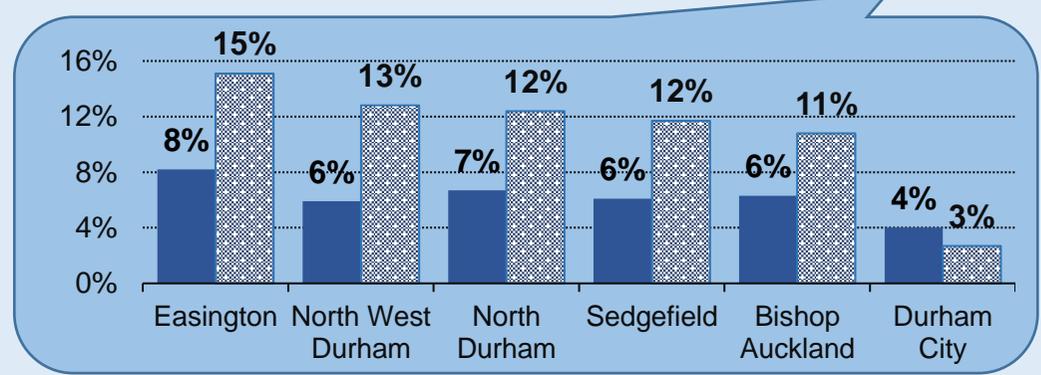
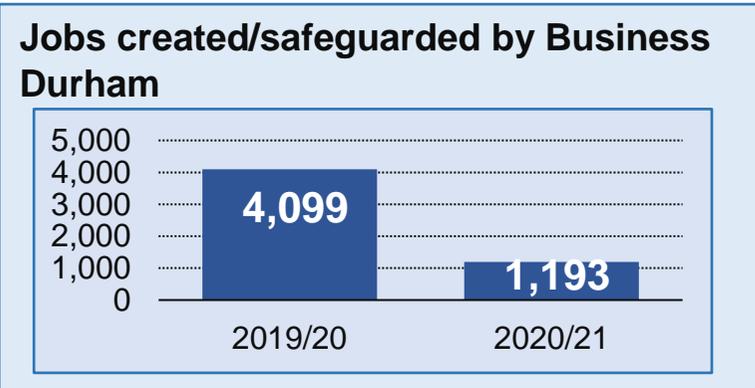
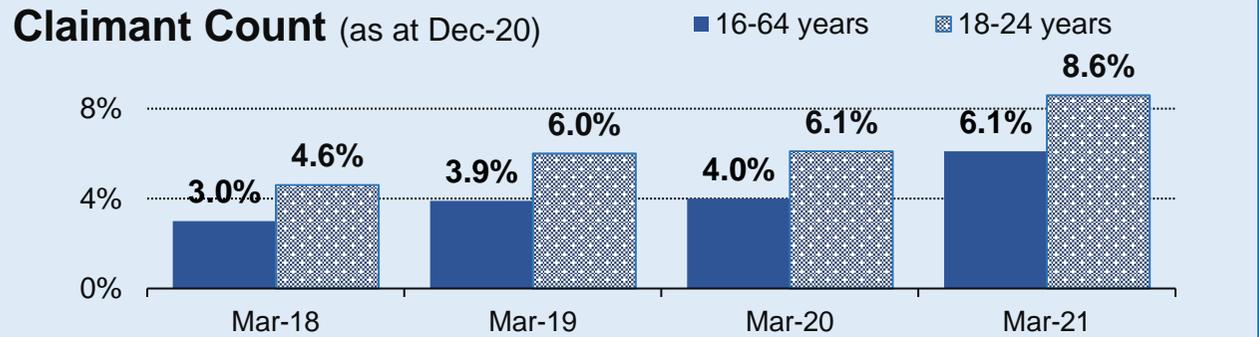
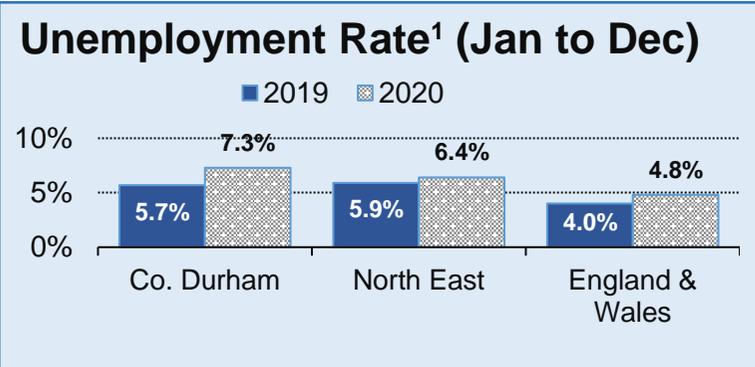
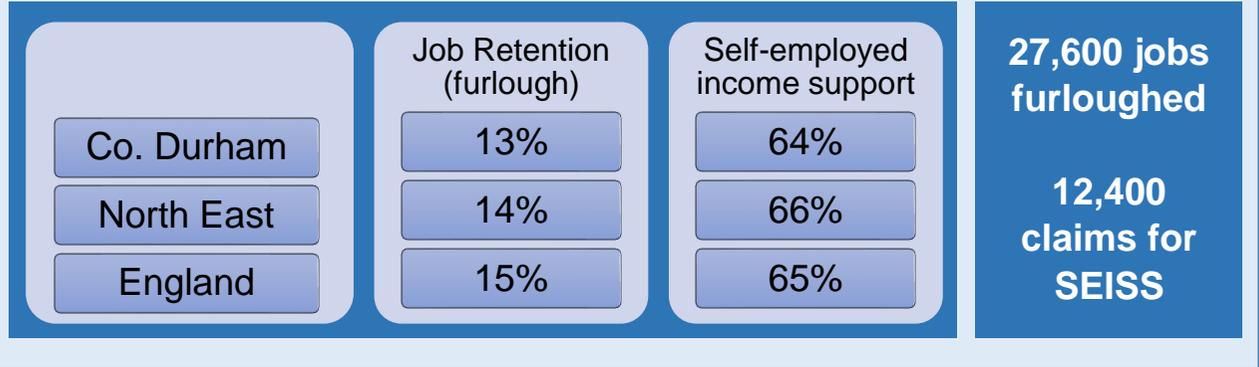


MORE AND BETTER JOBS: Do residents have good job prospects?

Summary⁵



Support Schemes (as at 31 Mar)



⁵ Employment / Unemployment Rates: Annual Population Survey Jan-20 to Dec-20

More and Better Jobs

1 The ambition of More and Better Jobs is linked to the following key questions:

- (a) Do residents have good job prospects?
- (b) Is County Durham a good place to do business?
- (c) How well do tourism and cultural events contribute to our local economy?

Do residents have good job prospects?

- 2 Although our employment rate has dropped slightly, it has yet to see any significant impact of the pandemic. However, we expect this to change once the government removes the available support packages (furlough and self-employment income schemes).
- 3 The unemployment rate has been increasing since June 2020, and at a greater rate than nationally. However, the rate is an estimate from a sample survey, and as it is within the estimated confidence intervals, it is possible that the latest increase is due to random sample variation.
- 4 Following a significant rise in people claiming employment benefits between March 2020 and May 2020, the claimant count has continued to remain relatively static throughout 2020/21 and now stands at 6.1%. This trend is reflected both regionally and nationally.
- 5 The pandemic impacted our ability to deliver employability programmes during 2020/21. Although, we moved programmes online when face-to-face contact ceased, some people were reluctant to engage, especially as Jobcentre Plus no longer mandated participants to complete job search activity and there were fewer job opportunities. However, there have been successes with participants becoming self-employed or moving into job sectors experiencing increased demand, e.g. food retail, delivery drivers.
- 6 During quarter four, we provided [Durham Advance](#) with £1 million additional funding. The project supports people out of work who are aged 25 or over with health conditions, or over 50 years. It is hoped an additional 1,000 people can be assisted.

MORE AND BETTER JOBS:

Is County Durham a good place to do business?

Summary⁶

Business Durham Activity	Jan-Mar 2021	Compared to last year	
inward investments secured	3	-1	↓
businesses engaged	867	663	↑
floor space occupied	83%	-3.4pp	
GVA from jobs created or safeguarded (million)	£45.9	+£16.5	↑

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

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

Summary⁷

COVID-19 Impact Survey⁴ - current status of businesses

90%
closed

2%
fully open

8% open with
reduced hours

75%
income reduced by
more than 50%

4%
income increased

COVID-19 Impact Survey⁴ - main concerns

53%
further restrictions

15%
business survival

12%
lack of demand

⁶ data relates to the 12 months ending 31 March 2021, compared to the previous year where applicable

⁷ by Visit County Durham, 11 January to 8 February – 53 responses

Is County Durham a good place to do business?

- 7 In January 2021, we invested £5 million into the Durham Business Recovery Grant Scheme⁸. To date, 82 of the 467 applications received have been approved, totalling more than £1.1 million and with the potential to safeguard 736 jobs. Businesses whose applications were not accepted, either because they did not meet key eligibility criteria or their recovery plans required further development, have been signposted to other support programmes.
- 8 Work has started on the Aykley Heads Business Park. The site's first two phases, providing almost 40,000m² of floorspace across six plots of office buildings and parking spaces, have the potential to create 4,000 jobs. It is estimated a further 1,800 jobs will be supported throughout the construction.
- 9 Hitachi Rail has announced further investment in its factory at Newton Aycliffe leading to the creation of additional jobs which will benefit the wider business community. New welding and painting facilities at the site will allow the company to manufacture high-tech aluminium carriage shells on site rather than importing them from overseas.
- 10 Despite the impact of COVID-19 on enquiry levels, there were three inward investments completed this quarter - Monarch International, Quorum Fleet Solutions and Power Roll. This brings the total inward investments for the year to eight.
- 11 Throughout 2020/21, 552 businesses were intensively assisted by Business Durham, 37% more than previous year (403), reflecting the increasing number of businesses requiring support due to the pandemic. This includes support through various programmes and the Recovery Grant scheme.
- 12 The Durham Ambitious Business Start-ups (DABS) programme has assisted 57 pre-start entrepreneurs and 37 newly registered businesses over the year. A second virtual Festival of Enterprise is to be held on 21 October 2021, this follows a successful first virtual event held in October 2020.
- 13 Quarter four saw a further increase in occupancy across the council's business premises portfolio, which is managed by Business Durham, with the biggest increase showing at NETPark Explorer with all four remaining units reserved.
- 14 We approved the Towns and Villages Investment Plan in February 2021. The largest investment from the £25 million fund is £4.5 million toward a major regeneration scheme in Horden which will acquire and subsequently demolish

⁸ Offers businesses up to £40,000 and pays 75% of recovery costs ([link](#))

buildings and houses to allow rebuilding to begin in line with the Horden Masterplan.

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

- 15 The tourism sector continues to be impacted by the pandemic, missing out on the recent Easter season which is one of the most profitable times of the year, along with Christmas. A recent survey⁹ highlighted most businesses were closed during quarter four due to the national lockdown and some were not taking bookings due to uncertainty around re-opening dates.
- 16 The survey also found tourism businesses are putting plans in place to aid recovery with 13% stating that they would be changing their opening pattern and 9% considering discounted tickets or promotions. Thirty one percent indicated that they had already taken steps such as adapting their offer, increasing their range or investigating other revenue streams.
- 17 Although many attractions and venues have been closed due to lockdown restrictions, outdoor spaces such as parks and gardens have been open for exercise. Throughout the year we have seen a significant increase in the number of visitors at Hardwick Park and a good level of take up of our online sessions and Love Exploring app which offers activities such as trails and games.
- 18 A refreshed café, library and exhibition offer has been completed at Bishop Auckland Town Hall, was launched when cultural venues re-open in May. Durham Town Hall will remain closed until the summer to allow conservation and restoration work on the building to be completed.
- 19 Killhope Lead Mining Museum re-opened on 17 May with a new cultural programme and improved café.
- 20 In preparation for Lumiere 2021, the creative commissioning scheme BRILLIANT was launched in January. The scheme will commission six new pieces of work to feature at the event.
- 21 We plan to reinstate both the Seaham and Bishop Auckland Food Festivals, in August and October respectively.
- 22 Work on the Durham History Centre commenced in spring, will be complete by autumn 2022 and open to the public in 2023. It is anticipated that the centre will attract in the region of 70,000 visitors each year with its modern search rooms,

⁹ Visit County Durham COVID-19 Impact Survey

innovative digital facilities, dedicated spaces for learning, exhibiting and interpreting, and café.

- 23 During quarter four, Durham County Record Office's online programme of talks, family history courses, school workshops and exhibitions was extended to include children's holiday archive craft activities and a special online talk about the role played by the Durham Light Infantry in the liberation of Belsen Concentration Camp (part of our holocaust memorial programme).

Connected Communities - Sustainability

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

Do residents have access to decent and affordable housing?

- 25 Although COVID-19 restrictions initially reduced the number of net homes completed, build rates have now returned to pre-COVID levels.
- 26 During quarter four, we approved phase one of a new programme to build 500 council houses over five years. This initial phase will deliver 155 homes, mainly family accommodation and bungalows for older people at seven locations across the county, with the first homes being ready around May 2023.
- 27 More households accessed Housing Solutions during quarter four, following a drop at quarter three. Contact, predominately relating to housing advice and private landlord tenancies, was in part driven by the lifting of the eviction ban in January. As landlords are required to give a six-month eviction notice, clients are not classed as 'threatened with homelessness'. However, we are working with clients to provide advice and early intervention through the [Stop B4U Serve scheme](#).
- 28 A combination of the eviction ban and action taken to house all rough sleepers and those at significant risk of rough sleeping has reduced the number of available properties. This in turn has increased both the number of households in temporary accommodation and the length of their stay compared to last year.
- 29 We continue to prioritise individuals/households for any available properties, review every placement to ensure all options are explored and work closely with landlords to facilitate moves to long-term accommodation. We are also continuing to source additional accommodation, for example, a two-year 9-bed complex needs scheme welcomed its first residents in February, and five one-bed flats at

Wheatley Hill, reserved for homeless clients for the next 30 years, will be complete by 30 June 2021.

- 30 The number of empty properties brought back into use has fallen short of the annual target. This is because COVID-19 restrictions prevented non-essential work being carried out, caused a lag on supplies/ability to secure contractors, and reduced public confidence to meet with staff and/or invest in properties.
- 31 Uptake of fuel poverty grants has increased. During quarter four, additional publicity targeted households experiencing reduced incomes due to COVID. Four hundred and seventy six fuel poor households received grants worth almost £690,000 for energy efficiency measures.

CONNECTED COMMUNITIES (SUSTAINABILITY): Do residents have access to decent and affordable housing?

Summary^{10,11}

Housing advice and support

properties improved, adapted or brought back into use

747

up 34%

households accessing Housing Solutions

3,366

static

households helped to move to alternative accommodation

219

down 10%

263

households helped to stay in their homes



35% on last year

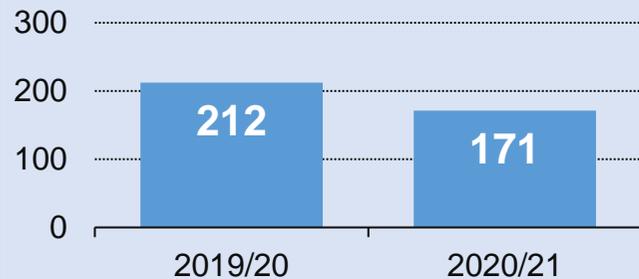
85

'new' households placed in temporary accommodation



18% on last year

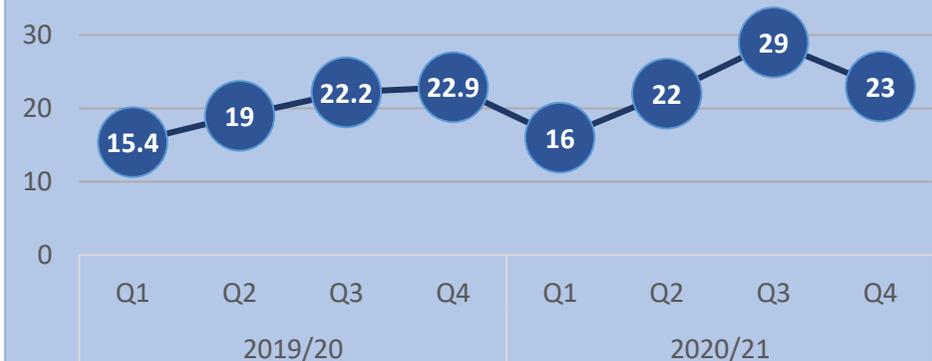
properties brought back into use as a result of LA intervention



Impacted by COVID:

- essential visits only
- Staffing levels

average time household spends in temporary accommodation (days)



¹⁰ For additional housing information, visit the [Durham Insight, Housing factsheet](#)

¹¹ data relates to January 2021 to March 2021, compared to the same period the previous year where applicable

Is it easy to travel around the county?

- 32 Construction of Durham City's new bus station commenced during quarter four. The £10.3 million project will increase the overall space for passengers in a light and airy setting and improve visibility and safety for buses leaving the station. There will also be increased facilities including parent and child toilets and a changing places toilet, as well as improved seating and space in the passenger waiting area.
- 33 Free parking after 2pm has been introduced in all council car parks to help support the economic recovery from COVID-19. The scheme will be reviewed every three months.
- 34 We have agreed to extend our cycle parking scheme 'ParkThatBike' for a further three years. To date the scheme has provided more than 500 cycle stands at locations such as shops, offices, cafes, pubs, churches and dentist and GP surgeries.

Key Performance Indicators – Data Tables

There are two types of performance indicators throughout this document:

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

A guide is available which provides full details of indicator definitions and data sources for the 2020/21 corporate indicator set. This is available to view either internally from the intranet or can be requested from the Strategy Team at performance@durham.gov.uk

KEY TO SYMBOLS

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

National Benchmarking

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

North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e. County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-On-Tees, South Tyneside, Sunderland.

More detail is available from the Strategy Team at performance@durham.gov.uk

MORE AND BETTER JOBS

Page 66

Do residents have good job prospects?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
1	% of working age population in employment	71.4	2020	73 (red)	72.2 (amber)	75.7 (red)	71.5 (amber)			Yes
2	Per capita household disposable income (£)	16,542	2018	Tracker	15,875 (green)	21,609 (red)	16,995 (red)			No
3	Gross jobs created / safeguarded as a result of Business Durham activity	361	Oct-Dec 2020	Tracker	257 (green)					No
4	% of 16 to 17 year olds in an apprenticeship	5.1	as at Mar 2021	Tracker	6.8 (red)	3.8 (green)	5.3 (amber)	5.3 (amber)		Yes

Is County Durham a good place to do business?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
5	Gross Value Added (GVA) per capita in County Durham (£)	16,763	2018	Tracker	16,388 (green)	29,356 (red)	20,554 (red)			No
6	No. of registered businesses in County Durham	14,105	Mar 2020	Tracker	13,795 (green)					No
7	Value (£ million) of new contracts secured	8,173,215	2020/21	8 (green)	907,439 (green)					Yes
8	Value (£ million) of GVA growth from jobs created	45.9	Jan-Mar 2021	18 (green)	29.4 (green)					Yes
9	No. of Inward Investments secured	3	Jan-Mar 2021	2 (green)	4 (red)					Yes
10	% of Business Durham business floor space that is occupied	83.0	Jan-Mar 2021	Tracker	86.4 (red)					Yes

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

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
11	No. visitors to County Durham (million)	20.13	2019	Tracker	19.71 (green)					No
12	No. jobs supported by the visitor economy	12,133	2019	Tracker	11,998 (green)					No
13	Amount (£ million) generated by the visitor economy	955	2019	Tracker	914 (green)					No

CONNECTED COMMUNITIES – SUSTAINABILITY

Do residents have access to decent and affordable housing?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
103	Number of properties improved, adapted or brought back into use	747	Jan-Mar 2021	Tracker	558 (green)					Yes
104	Number of empty properties brought back into use as a result of local authority intervention	37	Jan-Mar 2021	50 (red)	48 (red)					Yes
105	Number of net homes completed	427	Jan-Mar 2021	Tracker	431 (amber)					Yes
106	Number of affordable homes delivered	628	2019/20	300 (green)	532 (green)					No
107	Number of households accessing the Housing Solutions Service	3,366	Jan-Mar 2021	Tracker	3,361 (green)					Yes
108	Number of households helped to stay in their home	263	Jan-Mar 2021	Tracker	403 (red)					Yes
109	Number of households helped to move to alternative accommodation	219	Jan-Mar 2021	Tracker	243 (red)					Yes

Is it easy to travel around the county?

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Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
110	% of A roads where maintenance is recommended	3.0	2019	Tracker	2.6 (red)	3.38 (green)	1.92 (green)		2019	No
111	% of B roads where maintenance is recommended	3.3	2019	Tracker	4.7 (green)	4.57 (green)	2.83 (green)		2019	No
112	% of C roads where maintenance is recommended	4.3	2019	Tracker	3.7 (red)	4.57 (green)	2.83 (green)		2019	No
113	% of unclassified roads where maintenance is recommended	21.3	2019	Tracker	21.0 (amber)	15.08 (red)	16.25 (red)		2019	No
114	Highways maintenance backlog (£millions)	172.6	2019	Tracker	179.7 (green)					No
115	Bridge Stock Condition – Principal Roads*	80.7**	2019	Tracker	80.7 (green)					No
116	Bridge Stock Condition – Non-Principal Roads*	79.9**	2019	Tracker	79.9 (green)					No

* Bridge stock condition (>=90 very good condition / >=80 good condition / >=65 fair condition / >=40 poor condition / <40 very poor condition)

** last year's data has been used due to issues with obtaining current values

Other additional relevant indicators

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

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
15	Average point score per A level entry of state-funded school students	39.9	2019/20 (academic year)	Tracker	Not comparable	39.5 (green)	38.3 (green)			No
17	% of 16-17 year olds who are not in education, employment or training	5.6	Jan-Mar 2021	Tracker	4.1 (red)	2.9 (red)	4.8 (red)			Yes

Are we being a good corporate parent to Children Looked After (CLA)?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
73	% of care leavers aged 17-18 in education, employment or training	68	Mar 2021 [prov]	Tracker	60 (green)	64 (green)	63 (green)	65 (green)	2019/20	Yes
74	% of care leavers aged 19-21 in education, employment or training	63	Mar 2021 [prov]	Tracker	68 (red)	53 (green)	52 (green)	53 (green)	2019/20	Yes

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**Economy and Enterprise
Overview and Scrutiny Committee**

21 July 2021



**Refresh of the Work Programme
2021/22 for Economy and
Enterprise Overview and Scrutiny
Committee**

Report of Paul Darby, Corporate Director of Resources (Interim)

Electoral division(s) affected:

None

Purpose of the Report

- 1 To provide the Economy and Enterprise Overview and Scrutiny Committee (E&E OSC) with an updated draft work programme for 2021/22.

Executive summary

- 2 E&E OSC review their work programme each year to reflect the objectives and associated outcomes and actions identified within the Council Plan and in the context of the County Durham Vision 2035.
- 3 The proposed E&E OSC work programme has been framed around the shared County Durham Vision 2035 based on the three strategic ambitions of 'more and better jobs', 'long and independent lives' and 'connected communities'.
- 4 Overview and scrutiny work programmes are designed to be flexible to accommodate items which may arise throughout the year. This flexibility is particularly important as we make our way along the government's roadmap out of lockdown. We will consider how best to enable the scrutiny function to respond in these times of continuing uncertainty.

Recommendations

- 5 The E&E OSC is recommended to:
 - a) Receive and comment on the proposed draft work programme for 2021/22 (copy attached at appendix 2).
 - b) Agree the E&E OSC work programme for 2021/22 and the flexibility it offers to respond to emerging issues.

Background

- 6 Scrutiny committee meetings have recently returned to meeting in person following the use of remote arrangements under COVID-19 emergency regulations. During the lockdown period work programmes were reviewed to enable remote meetings to focus on matters of the highest priority. As a result, regular overview reports were circulated to members via email for comment.
- 7 The number of meetings in the corporate calendar available to overview and scrutiny have also been substantially reduced since March 2020 due to staff capacity to support virtual meetings. At this point we are unsure how many meetings we will be allocated for 2021/22 and will reprioritise work programmes if circumstances change. Any review of work programmes will take place with the chair and vice chair and in consultation with the committee.
- 8 The current overview and scrutiny committees work programmes are informed by:
 - County Durham Vision 2035
 - Council Plan
 - Cabinet's Notice of Key Decisions
 - Partnership plans and strategies
 - Performance and budgetary control data
 - Changes in government legislation
 - Key questions for improving performance
 - Local priorities.
- 9 The County Durham Partnership agreed a Vision for County Durham 2035 based on a strategic assessment of need using our intelligence platform Durham Insight and developed following extensive consultation with the public. This sets out our strategic direction and what we would like to achieve over the next 15 years and is written around three broad ambitions for the people of County Durham:
 - More and better jobs
 - People live long and independent lives
 - Connected communities
- 10 These remain the strategic ambitions in our response to the COVID-19 crisis, where key impacts relate to employment, health and wellbeing, and communities. They will also remain key as restrictions ease and we move along the roadmap from national lockdown and we continue with our restoration and recovery.

Council Plan 2020-2023

- 11 The Council Plan is the primary corporate planning document for the County Council and details Durham County Council's contribution towards achieving the objectives set out in the Vision for County Durham 2035 together with its own change agenda. It aims to provide a readable and accessible summary for members, partners and the public of our priorities for the county and the main programmes of work that we will undertake over the coming three years to help achieve these priorities.
- 12 Both the Vision for County Durham and the Council Plan are structured around the three ambitions which are mentioned above. An additional ambition of an excellent council has been developed for the Council Plan to capture the corporate initiatives that the council has identified and wants to undertake to transform its operations and enable achievement of the ambitions within the vision.

More and Better Jobs

- a) Delivery of a range of employment sites across the County
- b) A strong, competitive economy where County Durham is a premier place in the North East to do business
- c) A broader experience for residents and visitors to the county
- d) Young people will have access to good quality education, training and employment
- e) Helping all people into rewarding work
- f) Fewer people will be affected by poverty and deprivation within the county

Connected Communities

- a) People will have good access to workplaces, services, retail and leisure opportunities
- b) Standards will be maintained or improved across County Durham's Housing stock
- c) Delivery of new high-quality housing which is accessible and meets the needs of our residents
- d) Town and Village centres will be vibrant , well-used, clean, attractive and safe

Current Work Programme

13 During 2020/21 the E&E OSC prioritised items to be considered at a reduced number of formal meetings due to the coronavirus pandemic. Reports on other items were circulated via email to members. However, although there was a reduced number of formal meetings the committee has undertaken budgetary and performance monitoring, responded to consultations and considered overview and progress monitoring reports and presentations in relation to the following:

- Consultations
 - Minerals and Waste Development Plan Document and the Parking and Accessibility Supplementary Planning Document
- Areas of overview and monitoring activity
 - County Durham Plan
 - Regional and local transport
 - Ultra-Low Emission Vehicles (ULEV's)
 - Skills Advisory Panel of the NELEP
 - County Durham Economic Partnership
 - DurhamWorks Programme
 - Digital Durham Programme (Support for business sector)
 - Housing Strategy
 - Homelessness Strategy
 - Private rented housing sector in County Durham
 - Housing response to COVID 19
 - Durham County Council's Council Housing Delivery Programme
 - Proposed Selective Licensing Scheme
 - EU and regional funding
 - Strategic sites in the county
 - Town and Village Centres Programme
 - Masterplans for the county
 - Visit County Durham
 - Business Durham
 - Impact of COVID on the Regeneration, Economy and Growth Service Grouping
- Budgetary and performance monitoring:
 - Quarterly budgetary monitoring for the Regeneration and Local Services (Regeneration, Economy and Growth) Service Grouping.
 - Quarterly corporate performance monitoring for the Regeneration and Local Services (Regeneration, Economy and Growth) Service Grouping.

14 In addition, the E&E OSC has also considered the following areas which cut across objectives in the Council Plan or cut across the remit of other Overview and Scrutiny Committees including:

- Response of Neighbourhoods and Climate Change to the pandemic
- Fuel Poverty
- Highways, Footways and bridge maintenance
- Carbon Emergency Response Plan
- Management of DCC Fleet
- Heritage Coast and the tourism offer
- Stockton and Darlington Railway Bicentennial Celebrations
- Gala Theatre
- Leisure Centres Programme

Additional areas for inclusion

15 The committee when considering its future work programme at the March meeting identified the following areas for inclusion in the 2021/22 work programme:

- Skills development in County Durham
- The investment pipeline for the County

Areas for Consideration in the E&E OSC Work Programme

16 Members of the E&E OSC are asked to agree the proposed work programme for 2021/22 that has been prepared and is attached at appendix two. The work programme is very comprehensive drawing on topical areas across the remit of the committee and it should be noted that it is also flexible.

17 Paragraph 13 of the report identifies the activity undertaken by the committee during 2020/21. The committee is asked to consider areas and review topics for inclusion in the work programme for 2021/22 in light of the current Council Plan and the Vision for County Durham 2035. Appendix 2 of this report sets out a draft work programme for consideration.

Conclusion

18 The work programme identifies areas of work that fall within the remit of E&E OSC and is flexible in its delivery.

Background papers

- [Council Plan 2020 -2023](#)
- [County Durham Vision 2035](#)

Authors:	Diane Close	Tel: 03000 268141
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Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

The Overview and Scrutiny work programme is an important element of the Council's governance and risk management arrangements.

Procurement

Not applicable

<p>Overview and Scrutiny Draft Work Programme 2021/22</p> <p>Economy and Enterprise Overview and Scrutiny Committee</p> <p>Lead Officer: Stephen Gwilym</p> <p>Overview and Scrutiny Officer: Diane Close</p> <p>IPG Contacts: Geoff Paul and Dave Wafer</p> <ul style="list-style-type: none"> • More and Better Jobs • Connected Communities 	<p>Note:</p> <p>Overview and Scrutiny Review – A systematic six-monthly review of progress against recommendations/action plan</p> <p>Scrutiny/Working Group – In-depth review/light touch review</p> <p>Overview/progress – Information on an issue; opportunity to comment, shape, influence, progress with a scrutiny review</p> <p>Performance/Budget – Ongoing quarterly monitoring performance reports/budgets</p>
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Item	When	How Considered	Who	Outcome	Comment
O/S Review		<ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 			
Scrutiny/Working Group (light touch / in-depth review)					
Retail Support provided by DCC-update on recommendations	TBC	Report to E&E OSC	Graham Wood Strategic Manager	Members will receive information providing an update on the recommendations	Members will be aware of the progress made in relation to the

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
			<p>Economic Development</p> <p>Chris Myers, Team Leader, Regeneration</p> <p>Wendy Benson, Community Economic Development Manager</p> <p>(REG)</p>	contained in the review report	recommendations contained in the Retail Support review report and of any emerging challenges
Overview/Progress					
Strategic Job Creation	TBC	Report to E&E OSC	<p>Amy Harhoff</p> <p>Corporate Director (REG)</p>	Members will receive information on the various plans and strategies in place or in development to achieve the strategic vision of More and Better Jobs	The committee will be able to determine whether the various plans and strategies are fit for purpose and whether they will deliver the strategic vision of More and Better Jobs

Item	When	How Considered <ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 	Who	Outcome	Comment
Key Strategic Employment Sites	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Ray Brewis Strategy Manager (REG)	Members will receive information on progress made in the development of key strategic employment sites in the county including site locations, timescales for development and detail of any additional sites identified for future development. In addition, Members will receive employment projection information providing detail of the type of employment offered, number of jobs to be created with timescales, jobs delivered, and employers targeted	Members will continue to monitor the development of key strategic employment sites in the county to ensure that they will deliver the number and correct mix of jobs to secure employment opportunities for the residents of County Durham

Item	When	How Considered <ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 	Who	Outcome	Comment
Investment pipeline	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Ray Brewis Strategy Manager (REG)	Members will receive detail of the investment pipeline for County Durham including scale and type of investment and where the investment will be targeted in the County	The Committee will be aware of the scale and type of investment and where that investment is to be targeted providing an opportunity for Overview and Scrutiny to subsequently monitor the future delivery of the investment pipeline
Tourism – Visit County Durham	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Michelle Gorman Managing Director (VCD) (REG)	Members will receive information on the impact of COVID 19 on the tourism and hospitality sector in County Durham together with detail of events post COVID and future plans to maximise County Durham’s tourism offer. Members will	The Committee will continue to monitor the recovery of the tourism and hospitality sectors in the county and the performance of Visit County Durham in supporting the sector and maximising the

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
			Alison Clark Head of Culture, Sport and Tourism (REG)	also receive detail of the performance of Visit County Durham in supporting the tourism and hospitality sectors during the pandemic together with detail of how it continues to promote County Durham as a tourism destination	tourism offer to ensure that this sector continues to contribute significantly to the County Durham economy
Masterplans	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Geoff Paul Head of Development and Housing (REG) Graham Wood	Members will receive information on the refresh and continued delivery of Master plans across County including aims and outcomes to date and performance against targets.	The Committee will continue to scrutinise the delivery of the various Masterplans across the County

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
			Strategic Manager Economic Development (REG)		
Town and Village Centre Programme	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Geoff Paul Head of Development and Housing (REG) Graham Wood Strategic Manager Economic Development (REG)	Members will receive a progress update on the delivery of the Town and Village Centres Programme across the County including detail of outcomes to date and performance against targets/timelines	The Committee will continue to monitor the approach adopted for the delivery of the Town and Village Centres Programme to ensure that it is delivering the required outcomes to the individual towns and villages in the County

Item	When	How Considered <ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 	Who	Outcome	Comment
County Durham Economic Partnership	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Glyn Llewellyn Chair of the County Durham Economic Partnership	Members will receive information on DCC's approach to partnership support, aims and objectives of the partnership, how its work links to the vision, priorities for County Durham and performance, challenges for the county and response	The Committee will scrutinise the work of the partnership in supporting the delivery of the relevant aims and objectives in the vision, its priorities for the County and performance to date, response to challenges and future plans
Supporting Businesses – Business Durham	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Sarah Slaven Head of Business Durham (REG)	Members will receive information on the support provided to the business sector in County Durham both during the pandemic and post pandemic together with detail of impact of COVID 19 on this sector. Members will also receive detail of the performance of	The Committee will continue to monitor the challenges experienced by the business sector and the performance of Business Durham working in partnership to deliver support to the sector and attract more business

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
				Business Durham in supporting the sector and how it intends to continue to support the recovery of this sector by continuing to attract investment into the County	investment into the County
Funding Opportunities including EU, Regional and Shared Prosperity Fund (SPF)	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Geoff Paul Head of Development and Housing	Members will receive information on the various types and level of funding coming into the county, how DCC actively pursues funding opportunities, how the available funding is allocated and used to support delivery of various programmes/projects in the County	The Committee will continue to scrutinise the work of DCC in securing and allocating funding to various programmes and projects across the County to benefit the residents of County Durham
Transport Management	Joint Special meeting with ESC OSC members	Report to E&E OSC and ESC OSC	Amy Harhoff Corporate Director (REG)	Members will receive information of DCC's plans and strategies in relation to the	The Committee will scrutinise the current approach to transport

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
	TBC		Stephen McDonald Principal Officer, Climate Change (NCC) Victoria Lloyd-Gent, Sustainable Travel Officer (NCC)	transport infrastructure in the County including reducing car usage, the development of the ULEV charging network and the broader linkages between regeneration investment and Climate Change	management in the County
Minerals and Waste Policies and Allocations Development Plan - Consultation	TBC	Briefing report circulated to E&E OSC members and ESC OSC members	Mike Allum Spatial Policy Manager (REG)	Overview and Scrutiny will have the opportunity to comment on the draft document with those comments forming the O&S response to be fed into the relevant consultation process	Members will have had the opportunity to inform the future development of the plan

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
Parking and Accessibility Supplementary Planning Document	TBC	Briefing report circulated to E&E OSC members and ESC OSC members	Mike Allum Spatial Policy Manager (REG)	Members will have the opportunity to comment on the draft document with those comments being fed into the consultation process	Members will have had the opportunity to inform the future development of the plan
Developers Contribution Supplementary Planning Document Consultation	TBC	Briefing report circulated to all O&S members	Mike Allum Spatial Policy Manager (REG)	All Overview and Scrutiny members will have the opportunity to comment on the draft document with comments fed into the consultation process as the O&S response	O&S Members will have had the opportunity to inform the future development of the supplementary Planning Document
Performance/Budget					
Performance Quarterly reporting	Sept/Oct 2021. Jan 2022 March 2022	Report to E&E OSC	Gemma Wilkinson Strategy team Leader (Resources)	To provide Members with progress towards achieving the key outcomes of the council's corporate performance framework	Summary information to Members

Item	When	How Considered <ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 	Who	Outcome	Comment
Budget Outturn Report Quarterly reporting -	Sept/Oct 2021 Jan 2022 March 2022	Report to E&E OSC	Ian Herberson Finance Manager (Resources)	Detail of budget	Summary information to Members
CDEP Minutes					
Minutes of the CDEP	TBC	Minutes to be circulated to members for information	Partnership Team	Members will be kept updated on the activity of the partnership	The Committee will be aware of activity undertaken by the partnership

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Better for everyone

MINUTES

Meeting	County Durham Economic Partnership Board
Date of Meeting	Wednesday 5 th May 2021
Time	13.00 – 15.00
Venue	Online via Microsoft Teams

Attendees:

Sue Parkinson (SP)	Acting Chair/Resources
Glyn Llewellyn (GL)	
Sarah Slaven (SS)	Business Competitiveness
Tim Hammond (TH)	Ideas and Innovation
Dawn Fairlamb (DF)	People
Ray Brewis (Ray B)	Durham County Council
Alison Gittins (AG)	Durham Business Group
Amy Harhoff (AH)	Durham County Council
Bill Fullen (BF)	Inclusive Growth
Reshma Begum (RB)	Federation of Small Business
Andy Bailey (ACB)	Partnerships, Durham County Council
Angela Brown (AB)	Partnerships, Durham County Council (minutes)

Speakers:

John Mcreadie (JM)	Ekos Ltd
Heather Orton (HO)	Durham County Council

Apologies:

Joanna Laverick	VCS Voice
Cllr Carl Marshall	Durham County Council
Joanne Waller	Durham County Council

1. Welcome

SP welcomed everyone to the meeting today. Apologies were noted and round screen introductions were initiated

2. Minutes from the last meeting

The minutes from the last meeting were agreed as a true and accurate record.

3. Appointment of Chair – Introduction from Glyn Llewellyn – Sue Parkinson to introduce

SP mentioned that she was delighted to be introducing Glyn Llewellyn to everyone. She mentioned this would be her last meeting as interim chair for CDEP.

SP informed the Board that the Chair post went out to advert and received more than one application for the post. SP, SS and AH had conversations with applicants, and it was their unanimous decision that Glyn could bring added value to the partnership and on that basis offered him the role and were delighted when he accepted.

GL said it was nice to meet everybody and mentioned that he would be observing the meeting today to see how things go. He mentioned he was CEO of Morton's Law in Sunderland, Seaham and Durham and also managing director of company called SRG Business Solutions Consultancy. Prior to that he was a non-executive director on a couple of companies in North and has spent some time developing companies, buying companies and selling them. Prior to this he was employed in a large corporate organisation. He expressed an intention that he and Board members would get to know each other as time goes on.

SP thanked GL

4. County Durham Economic Review from John McReadie – Ekos Consulting – Amy Harhoff to introduce

AH introduced the context of what JM has been doing for the County Council and mentioned that JM will discuss the early findings.

There is no Economic Strategy for the County and associated programmes and pipeline of both physical infrastructure and revenue projects. Despite that we have done a lot has been achieved over the last 10 years. The work which John will introduce is an essential piece of work for a number of reasons: it is critical externally in how we position ourselves; in how we communicate with businesses, partners and colleagues; it is critical to set out the stall regionally to ensure County Durham can articulate expectations as a county in terms of growth and how it will achieve that growth. It is also important as a County Council as this plan will drive the way which the County sets itself up to make sure we are in a position to work with partners, businesses and stakeholders to deliver that growth on the ground. In engaging with JM, AH had asked to take this work forward in sections, as to produce a meaningful document takes time, but this needs to be balanced against the need to articulate the position especially as we see the need to respond to different funding streams as they emerge. AH had asked for this in 3 phases, the first, which JM would introduce to this meeting, is a diagnostic piece - partners all have a good idea of what strengths,

weaknesses and opportunities there are in the economy but they are not articulated as a piece of work. JM will therefore look at where Durham is as a county and where the economy is. It is then expected that an Economic Statement would follow quite quickly from this piece of work, which was expected to be a short but firm piece on what the key messages and actions are. This will stop short of being a strategy and will need to hold this quite firm as it can start to become that. The Economic Statement will lay the foundation for the Economic Strategy and will keep us focused throughout the Economic Strategy on priorities. AH would then expect that piece of work to develop over the 12 months subsequent to the Economic Statement which we will expect to publish in the summer

John gave a detailed presentation to the Board on the Economic Review and agreed to share the slides.

Questions/Comments

It was felt that the presentation was very interesting and thought provoking. TH mentioned that JM's organisation is currently doing work for the University on one of programmes around innovation and new starts and accelerator programmes. Chris Kelly is working on that which has been seen as success on a national stage. He would offer support on the development of the Economic Strategy through JM engaging with Durham University in range of the key areas that were mentioned such as new starts, venture capital and anchor institutions. He would be keen to engage. The University are looking at new concepts of how to raise funds and how they develop things especially for Covid recovery.

JM had mentioned the need to encourage people to stay in Durham so having an appropriate, and diverse, housing offer could be the key to promoting that. He reminded the Board of the role that good housing offer can play in generating Economic Development and Housing Associations could be anchor institutions. In considering inclusive growth it is those smaller area considerations that we need to be thinking about, how do we make sure that people who aren't part of the employment market can work with those anchor institutions to promote employability.

It was asked if the presentation could be circulated so DF could share with Principal and Deputy Principal who would be delighted to connect with JM especially around Colleges' own strategies which has been developed regarding economic employment within the context of the overall college strategies and visions for the future. New College Durham has just developed the North East Institute of Technology which covers the whole of North East and is in Middlesbrough, Durham are the lead partner on this. Part of that agenda is digitalisation, the green economy and cleaner environment. Depending on planning permission they will be looking to extend buildings even further in developing Science and Health as a key objective and are working with the University Hospital in relation to that.

The Board expressed appreciation for the way in which JM presented as it makes it very clear what the challenges are - there are no real surprises in what was said, it was all things we were aware of but it was felt to be helpful in bringing it into sharper focus so we can look at things we as partners need to be doing collectively, maximising partner contributions.

SP concluded that it was refreshing to hear the way that the anchor institutions and the public sector were described. The opportunity to "sweat the assets" is something that could be further explored and exploited. SP particularly liked the idea that what we have got here is a statement. It was useful to remember that it is just that – a statement and is but the first step on a journey to move that into a fully developed strategy. Government is giving us tools in the box already to implement a strategy, e.g. we currently have Community Renewal Fund opportunities. The role of the Statement is therefore important so that we as partners are familiar with this direction of travel, thus ensuring that opportunities as they become

available are deployed by all partners towards a common direction. SP made the point that opportunities and needs are sometimes viewed as contradictory, but she felt otherwise - . Opportunities need to be maximised but in a way that meets the needs of our residents, which are themselves many and varied.

AH felt this was useful feedback in taking this forward and proposed that this now becomes a standing item on Board agendas for the next 18 months as the Strategy is developed, but also that bi-lateral conversations would be ongoing AH proposed that at the next meeting the Board unpacks in more practical detail how the strategy is going to develop and considers what engagement looks like in a really meaningful way so all partners can get behind this as something that has been co-developed. Finally, the Board was reminded of the need to make sure we don't lose sight of the priorities within the County Durham Vision and are delivering on those.

Actions

- **AB to circulated presentation to Board**
- **Add to forward plan for agenda item at next meeting**

5. UK Shared Prosperity Fund/Community Renewal Fund – Sue Parkinson

SP mentioned she had circulated a paper on this agenda item which will provide background on what partners have been doing to prepare for UK Shared Prosperity Fund and particularly the utilisation of the short term fund which is the Community Renewal Fund.

The next steps are where she would like to focus Boards attention:

SP asked if people were comfortable with the approach she had outlined? If so, would like members to sign up to this as organisations. The Board agreed this.

SP mentioned what she would like to do is to use some of the Economic Board time to start looking at the development of the Strategy which she has already spoken about and there is also have a massive opportunity with Shared Prosperity Fund which will be available from beginning of April 2022. We have an opportunity now to start lobbying and to make our views felt so we will end up with something we can work with, using our collective voice to good effect in terms of making sure that what comes out of that fund is appropriate to deliver against the emerging Strategy. The Board agreed

SS mentioned the importance of partnership in lobbying. The Community Renewal Fund is working on similar timescale to the Levelling Up fund and the Local Authority must select bids up to £3m for projects that can be delivered before end March 2022. We have circulated to all of the partnership information on how to put forward ideas and offered the Partnership as a vehicle for collaboration, given that it is challenging for everybody to come up with proposals that are the right size that meet the criteria and can be delivered before March 2022. A lot of work is going on with partners to try bring forward some sensible bids to use the money for good affect for County Durham and also to pilot some of the things we would like to take forward in the future. The amount of funding available through the European Programmes has been critical to the County and to the work we have been doing in recent years and we must make sure that we input thoughts on how we want that to be organised for the future - pulling together as a partnership to be taking forward the Economic Strategy. It is intended to report back to the partnership on what the bids we will take forward from the County once they have come in and been selected through the process.

SP concluded that we do as a Partnership have a UKSP Working Group which is responsible for the document that was circulated and where a lot of the detailed discussion

that will inform this Board as to where we would recommend we put our lobbying activities. It is important that we do so, we have been the beneficiary of EU Funding for a number of years now and did a lot of work to make sure Durham was had transitional status which meant we had a ring-fenced allocation that had to be spent in County Durham which has been a massive benefit to us. No such opportunity appears to be likely to exist with UKSPF so we need to make sure that whatever we are proposing and whatever the UKSPF will allow us to propose will meet our needs.

Action:

- **The Board agreed they were comfortable with the next steps and agreed to sign up to this as organisations**

6. Levelling Up fund – Heather Orton

HO gave a detailed presentation to the Board, which discussed the background to the Levelling Up fund, prioritisation, and next steps in taking this forward

Questions/Comments

RayB gave additional information – the White Paper on levelling up isn't restricted to the Levelling Up Fund there is a lot of recovery activity going to be tied into this. Further details on the current round of funding have come out over last few days, which means that this is an extremely tight funding round and thus it is expected that a lot of projects which will be submitted will be ones that had been worked up for other funding streams and which had now been drawn into the Levelling Up Fund, particularly transport. Disappointingly we have been involved with Green Book value methodologies and how certain aspects of the Green Book disadvantage places like ourselves that have low land values. Whilst the things we have been arguing for have been recognised and some value is being ascribed to innovation and leisure and other activities, high land values will still be a major consideration so this needs to be borne in mind when we pull that together.

SP asked that, as the first round was due in 18th June, have we any idea what is going into it? HO advised that the decision had not been made yet but that a shortlisting exercise to see what is feasible to get ready for the tight deadline was being carried out. The focus could be around Transport. Options for phase 1 could be very different to other phases as Phase 1 will be looking at shovel ready projects. RayB mentioned that the guidance list relevant stakeholders that they need to work with for different projects.

Action:

- **AB to circulate presentation**

7. Climate Change Board and Task Group – Sue Parkinson

SP informed the Board that the County Durham Partnership has now set up a couple of Boards under the Climate Change agenda. She reminded the Board that the Business, Enterprise & Skills Group has been quite vocal that there is a crucial role in this agenda for our businesses. She had been asked to do a presentation to both Boards, and shared the slides to get views from the Board to make sure they agreed that messages were appropriate, as she is the representative of CDEP Board on these Boards. She also

mentioned that the County Durham Partnership Board will be having this whole agenda as the substantive item at its next meeting and so hoped that the Economic Partnership could play a role in that, highlighting that the economy and climate change were not in opposition to each other, but were symbiotic.

Questions/Comments

DF - With the Institute of Technology and other developments in the College regarding the training for the green economy which is key part of what they do, it might be useful at some point to catch up with the team that are involved with that. There is a director of the Institute of Technology who would be the appropriate person, bringing in input from other FE colleges, that could give direction of travel to align. SP would like this to be pursued.

TH- JG leads Durham Institute one of real strengths of Durham University is its expertise in energy in which they are globally leading. The assets we have as a region need to be working closely together to support the region. Hydrogen and geothermal are two areas which are important regionally and there are ambitions for the University to be raising substantial funds and developing strong strategic assets within region. Understanding what Net Zero means is something that is increasingly becoming recognised and the University is developing a CPD offer in that space and talking to a lot of businesses about what Net Zero means for them and how can develop that, for which there is a lot of interest.

The City of London is really interested in working with the North East around finance provision for sustainable growth, and is speaking to TH, NorthStar and NELEP, with a view to building a bridge for people to speak to us about investment. TH would like to bring this back to the Board at a future meeting.

AB mentioned that the County Durham Partnership Event will be half day's engagement event in October themed around Climate Change but cross cutting with other partnerships and they are looking for suggestions for guest speakers for that event. The University offered to support this and SP mentioned it might be worth speaking to Adam Black from Lanchester Wine as he would bring a very interesting business perspective.

Actions:

- **AB to share slides**
- **A meeting to be arranged between SP and Director of Institute of Technology**
- **TH would like to come to future meeting to discuss Finance Provision for Sustainable Growth**

8. Update Chair/Partner

Business Durham

Sarah Slaven – SS advised that they have experienced a good year for the property portfolio and, despite Covid, they have had higher occupancy across our property portfolio than our target, some of which has been driven by high demand for NETPark. For the first time since NETPark was developed we in position where all the space is either occupied or reserved by businesses. Really important for us that we move forward with our next phase which relates to creating some grow on space for some of those businesses. It was also noted that Durham University has the University Enterprise Zone at NETPark. Indications are that there are a good number of business that are doing trading well in the County and showing good signs of recovery.

Business Durham launched the Business Recovery Grant fund of £5m and closed the fund to new applications on Friday 30th April. In total we have had 786 applications requesting total of £12.2m against a budget of £5m so Business Durham is in the process of assessing all applications and has awarded £2.6m to date to 1498 businesses. Some applications are being held on a reserve list and others were rejected as they didn't fit with the scheme or needed reworking. There is sense that businesses are looking forward and know what they need to do to recover.

FSB

Reshma Begum - The FSB have issued a couple of reports recently. Every quarter FSB run a small index survey of our members which measures business confidence, intentions of growing, and other such aspects. So, at Q4 of 2020 the results were quite troubling and showed a low level of confidence across the region (which covers NE, Yorkshire, and the Humber). The Q1 results were really positive and showed almost half of businesses surveyed intend to grow their business over the next 12 months and a third of businesses intend to invest, which highlights positivity, despite the difficulties businesses have faced over the last 12 months. They are looking forward to the future and considering how they can rebuild and build back better and how they can grow.

The Green Agenda is something that is very high up on FSB priorities and is also reflective of that of our members. FSB is putting together an Environment Hub which will be a central point of contact for all our members to access and will act as a knowledge hub and resource hub for businesses to go to find out what they can do, how they can contribute and what resources are available to them in order to contribute to the green agenda and to make their business more environmentally impactful.

Believe Housing

Bill Fullen - we have refinanced and raised £216m which will be reinvested in County Durham 1215 new builds by 2026, investment in decarbonisation, investment in communities and employability. In raising the money, we negotiated with the funders that if we deliver on environmental targets, social targets and governance targets we will get reduction on interest rates over the term of the loan which focuses attention on these targets.

Business Group

Alison Gittins – There is still good demand for registered office addresses mainly among start-ups. Meeting rooms at Portland House are fully booked for the first time since Covid which demonstrates that things are definitely looking better. A lot of tenants will be waiting for 17th May to see what will be announced before returning to the office. They are now at week 3 of a series of workshops we are running partnered with Supply Chain North East (RTC North), which have been really well received and have 30 members registered onto the programme and had almost full house on Zoom attendance, covered social media, wellbeing and resilience and are doing sales and business growth.

New College Durham

Dawn Fairlamb – Dawn referenced the Skills Accelerator programme for local schools and their engagement with NECC and employers which, as part of their employment forums are a key element to taking our vision forward for the college. They intend to approach a number of organisations and employers to be part of those groups. DF advised that the

college is a pilot for the Strategic Development Fund, which is a collaboration with the Colleges and employers. She also referenced the College Collaboration fund, where colleges are looking to come together to look at improvement
The Institute of Technology will be offering level 4 and 5 technical qualification from September.

Events in Colleges have not been available due to Covid but they held a 6th form open event recently and also held an advice and guidance open evening. They are now looking at transition and schools from year 10 and 11 are now coming on site so they can look and try out facilities, with good attendance. The College is working well with Durham Works and getting several referrals through.

Durham University

Tim Hammond – announced the appointment of the new Vice Chancellor Karen O'Brien from Oxford University, who will be in post in January, Stuart Corbridge will be stepping down in July so there will be interim Vice Chancellor for 6 months.

Orbit – making progress and will open with incubator facilities and they are experiencing good levels of interest from companies looking to engage with and access this. Tim referenced a pleasing report recently in the Daily Telegraph which pointed out to exemplar activity in the North East with spin outs and start-ups, which is now being more widely recognised.

9. **Any Other Business**

DF mentioned that a company called Core House that have located to Seaham were closely involved in new build and the green agenda. The Managing Director is Scott Bibby.
SS mentioned that Core House, a modular house building company, were the 2nd tenant at Jade Business Park.

GL will take over as Chair at the next meeting of the Board but needed the date to be re-arranged from 7th July

Action:

- **AB to speak to GL about changing date**

10. **Date and Time of next meeting – to be advised**