

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Council Chamber, County Hall, Durham** on **Monday 20 September 2021** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Jackson, A Batey, G Binney, K Earley, L Fenwick (substitute for J Miller), C Hood, R Manchester, C Marshall, C Martin, R Ormerod, A Reed, I Roberts, MI Roberts, A Sterling, A Surtees and S Wilson

Co-opted Members:

Mrs R Morris

1 Apologies for Absence

Apologies for absence were received from Councillors J Cairns and J Miller.

2 Substitute Members

Councillor L Fenwick substituted for Councillor J Miller.

3 Minutes

Subject to the inclusion of Councillor G Binney and the substitute Members being added to the record of those present at the meeting, the minutes of the meeting held 21 July 2021 were agreed as a correct record and 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 Strategic Job Creation Plan

The Chair welcomed the Corporate Director of Regeneration, Economy and Growth, Amy Harhoff who was in attendance to provide the Committee with a presentation on the Strategic Job Creation Plan (for copy see file of minutes).

The Corporate Director of Regeneration, Economy and Growth introduced the Operations Director, Sarah Slaven and the Economic Development Manager, Graham Wood who were in attendance to provide information in relation to their areas of work. The Corporate Director of Regeneration, Economy and Growth asked the Committee to note that the item was one of two related items, the Strategic Job Creation Plan linking to the Strategic Employment Sites in County Durham. She reminded Members of the theme in terms of the response to Brexit and the pandemic, as well as in terms of responding to pre-existing issues.

The Committee were asked to note the economic strategy landscape noting the key role of the Local Authority in terms of driving jobs and growth, with the Corporate Director explaining that the Council was not the only actor and that there was a role for central Government, businesses and partners. Members were asked to note the work that underpinned and supported the work of the teams within the Council, including the: Regeneration Statement; Business and Enterprise Framework; Skills Strategy; County Durham Vision; and County Durham Plan. The Corporate Director of Regeneration, Economy and Growth noted there was the new County Durham Economic Strategy, which would replace the Regeneration Statement, Business and Enterprise Framework and the Skills Strategy to be considered by Cabinet later in the year. Members were reminded that the County Durham economy was the largest in the North East, around £9 billion in productivity per annum, and were asked to note challenges including the gap in productivity when compared to where the County would be if performing at the national average. It was explained there were areas where the Council would work regionally with other Local Authorities and partners, where areas of economic strategy were cross-boundary. The Corporate Director of Regeneration, Economy and Growth noted the critical importance of Central Government in terms of planning and funds and investment programmes.

The Corporate Director of Regeneration, Economy and Growth reminded Members of the functions within the Regeneration, Economy and Growth Directorate, including: Transport and Contract Services; Communications and Marketing; Corporate Land and Property; Development and Housing; Culture, Sport and Tourism; and Business Durham.

She stressed that the Directorate was part of the wider Local Authority and worked with other areas such as Children and Young People's Services in order to provide the best opportunities for young people and with Neighbourhoods and Climate Change in respect of the environmental economy. Members were asked to note the work in supporting the private sector to drive growth, create enterprise, innovation and opportunity, through support to social and economic infrastructures.

The Committee were referred to slides setting out the long-term labour market issues, setting out statistics relating to employment, unemployment, economic activity and long-term illness for County Durham and the average for England in 2020. Members noted employment was 71 percent in County Durham, lower than 76 percent for England, and the unemployment rate was six percent for County Durham and five percent for England. It was added that the high rate of economic inactivity, 23 percent, compared to the England average, 21 percent, was linked to long term illness and the potential labour market in the County.

The Corporate Director of Regeneration, Economy and Growth noted that the County had a higher proportion of those employed in lower skilled occupations, such as leisure, and added that leisure and hospitality was an area valued in the County's economy in terms of driving growth. She explained that it was important to be able to ensure there were high level jobs and career paths within those areas. It was noted a challenge was the lower proportion of financial, insurance and business sector jobs within the County Durham economy when compared nationally and explained that therefore in terms of strategic sites it was important to be able to attract those types of businesses to the area. The Corporate Director of Regeneration, Economy and Growth explained another challenge was the gap in term of those within the County working in high skilled jobs, with the issue of skills being linked to being able to attract or retain those jobs in the County.

The Economic Development Manager referred Members to issues seen through employment support programmes, adding those jobs listed were frequently cited in the news and were not just an issue for County Durham. He added they were areas of growth and demand, with the Council working to align employment and skills opportunities to be able to direct people into those occupations. He explained that, even pre-pandemic, there were opportunities in respect of logistics, due to the County's road and rail network, and with continued pressure for delivery drivers, fork-lift truck operators. He added that, with an aging population and a health deficit across County Durham, health and social care were also areas with a high demand and noted Members would be aware of the Care Academy proposals that had been put in place to direct more people into that sector. Councillors were asked to note other areas included the education sector and also the ICT professional sector, the latter being an area where there was a gap in terms of the North East compared to the rest of the country. Members were asked to note the shift in 2016 in terms of replacement demand in companies, and while the County had been strong historically in terms of apprenticeships, there were changes in funding that the Council was working through.

The Economic Development Manager noted that elements included not only training to allow people to access the labour market, but also upskilling to allow access to higher level opportunities. He explained that a lot of that work was made possible by European funding and Local Authorities were awaiting information from Government as regards the details of the UK Shared Prosperity Fund (SPF) to be able to design and implement solutions in the future.

The Corporate Director of Regeneration, Economy and Growth referred Members to information relating to educational attainment and noted while Primary School performance in the County was either good or outstanding higher level skills were a challenge, noting gaps in A-Level and degree-level qualifications in the County compared to the England level. She reminded Councillors of the strategic role the Council played in driving the economy and explained as regards its duty in creating vibrant and attractive places. She reiterated the work with a number of partnerships, including the County Durham Economic Partnership (CDEP), and added that private sector engagement was also a key area, noting that both the Visit County Durham (VCD) and Business Durham Boards having representation from the private sector to help inform and shape activity, helping ensure they were both in touch with the market itself.

The Committee noted the work of the Local Authority in terms of significant job growth since 2009, 10,500 jobs, and were reminded of the strategic investments that had been made to help secure jobs, such as NETPark and Integra 61. The Corporate Director of Regeneration, Economy and Growth explained that logistics and advanced manufacturing accounted for 16 percent of the County Durham economy and noted that the leisure and hospitality industries were also important areas for the County. She noted that the North East was a challenging market to develop, however, the Local Authority was able to support the 'economic infrastructure' through work to create access roads to release sites for development and also in helping to attract Central Government and regional funding, acting as delivery agency for those investments. Members noted examples being the future phases of NETPark, with investment in road infrastructure having been key to unlocking the further phases of investment. The Corporate Director of Regeneration, Economy and Growth noted the capacity and expertise of the Council in being able to secure funding and in many cases deliver schemes in order to attract businesses. She explained as regards the role of the Council in terms of property investment and development, acting as a lever to allow the private sector to occupy the buildings to create jobs and growth. She added there were business support functions that the Council carried out, in terms of networking and sector support.

The Economic Development Manager noted the reliance on European funding in terms of the breadth of the offer in terms of skills development and explained as the core offer over the last 18 months, with the immediate response to the pandemic and redundancy response being important, in terms of reskilling and reequipping people in order for them to engage with new opportunities in the labour market.

He added as regards the march of digitisation, noting it was not only in terms of manufacturing but also in areas such as retail and hospitality. He noted the work in terms of not only developing basic digital skills, but also more technical applications supporting businesses as they repositioned themselves in terms of how they deliver their services.

The Economic Development Manager explained the Council provided a number of brokerage services in terms of apprenticeships, helping to make sure the complex arrangements for identifying which most appropriate framework could be navigated. He added that the Council would provide both support for a business and the person moving into an apprenticeship. He noted that redundancy support was an area the Council had to maintain and also had fed into the countywide rapid response service that operated with the National Careers Service (NCS) and Job Centre Plus (JCP), with the intention always to support a company and to try and retain as many jobs initially, then looking to match the skills of those at risk of redundancy with labour market opportunities. He explained the role, working alongside Business Durham, in respect of identifying companies that are in a growth position and to match people within programmes with those new opportunities, and to put in place a skills improvement programme if required to help move local people into the jobs that are created.

The Economic Development Manager referred the Committee to slides highlighting the use of European funding and also the timing issues in terms of programmes. He noted the programmes delivered by Regeneration, Economy and Growth and Children and Young People's Services supporting skills development and helping to progress people into employment. He explained a number of the programmes were destined to end in 2023 and reiterated the importance of the UKSPF and the recent Community Renewal Fund in terms of understanding how Government would be approaching the provision of support in that area. He noted there was a number of partners in terms of delivery of programmes, including the four Further Education colleges in the County, independent training providers, as well as nationally procured delivery agencies such as the Department for Work and Pensions (DWP) in addition to more specialist providers. The Economic Development Manager noted it was important to note the work undertaken in getting people ready for new labour markets as well as preparing an effective infrastructure post-2023.

Councillors were reminded of the DurhamWorks programme, supported by European funding, which aimed to help 10,000 young people aged 16-24 across the County into employment. The Economic Development Manager noted that the programme was similar to other programme as in it was based around a single point of contact for the client, with an individual action plan being developed to ensure the solution fits the young person, rather than simply putting people through volume programmes. He explained that it appeared to be providing a great deal of benefit, with the ongoing evaluation identifying some extremely positive case studies, both from the individuals point of view and also with very positive feedback from businesses.

The Economic Development Manager noted that while DurhamWorks focussed on young people up to 24, for those over 25 years of age there was a range of programme under 'Employability Durham' that included four core programmes funded by European funding, each with a specific focus, included a geographic focus, adults with health conditions and those with multiple barriers in terms of moving forward into employment. He added that the Council was supporting around 2,200 people through those programmes, with around 500 actively job seeking at any one time, and development work being undertaken with the remainder. He noted that a broad range of people accessed the programmes, with around 330 of the 2,200 having Level 4 qualifications or above, adding that there was a focus on those with long-term health conditions to help get them ready for the labour market. The Economic Development Manager noted that one of the main ways into employment for those people was via employment routeways, and noted a recent example with Amazon, one of the largest inward investments in recent years. He noted that of the initial 1,000 jobs, 342 secured interviews through the employment routeway and with 92 percent attendance on the routeway, with 87 percent being offered jobs. He explained that the Council was able to switch from providing general support to very focussed support for a particular routeway, both to employers and individuals in preparing them for opportunities as they presented themselves. He added the Council continued to support Amazon in terms of recruitment in respect of turnover and season peaks. The Economic Development Manager noted that routeway model was delivered for a wide range of employers alongside enabling sites and providing infrastructure.

The Corporate Director of Regeneration, Economy and Growth noted key opportunities and challenges including the large geographical size of the County, being the eight largest Local Authority by area in the country, with a large employment and labour market. She added that the key was in creating the locations and conditions to locate in the County and provide the workforce to sustain businesses and attract new businesses. She concluded by noting the role of multiple agencies and partners working alongside the Council in operating in a complicated landscape, noting the need to succeed for residents and local communities.

The Chair thanked the Corporate Director of Regeneration, Economy and Growth and asked Members of the Committee for their comments and questions.

Councillor A Batey noted her involvement with the Committee over the last 8 years and noted, when looking at fundamental issues, that transport was a key issue. She added she felt people in rural areas were being failed, as well as young people, citing a recent issue where 120 pupils had been unable to get to school as rural transport had been removed, with parents unable to get to work as they then had to take their children to school.

She reiterated she felt those in rural areas were not being supported and noted previous work of the Committee in terms of the 'Wheels 2 Work' scheme and noted children with free school bus passes for distance over 2 or 3 miles. She asked what the Council was doing in terms of its responsibilities in respect of education and employment.

Councillor A Surtees noted she agreed with Councillor A Batey in relation to the points raised regarding transport. She noted the recent changes in the labour market and noted that with issues including poverty and welfare reform, noting that the uplift of £20 in respect of Universal Credit had helped to enable residents to be in a position to get a job, only for issues where transport was removed preventing them being able to get to work, and with the £20 uplift to be removed. She referred to the removal of the Council's Careers Service, 'Connexions' and noted the widening gap in young people's attainment. She noted the need for more work to be done linking schools and businesses and referred to a review undertaken around 5-6 years ago in that regard. She added that in many cases young people did not have an understanding of basic employability skills. In reference to the Skills Strategy, she asked as regards work to encourage the uptake of disabled workers with skills, for example in helping employers with the cost of adaptations.

The Chair noted the issues raised and the requirement for education up to age 18 unless a young person was employed. Councillor A Surtees asked if there was any information from the Officers as regards the review mentioned relating to links between schools and employers.

The Corporate Director of Regeneration, Economy and Growth acknowledged the issues raised relating to school transport and reiterated the importance of strategic transport, whether that was infrastructure or services to enable labour mobility. She reiterated that the County was a large county, with large rural areas, and while the Local Authority managed a lot of bus subsidies into bus services, there was always a gap in terms of need and the overall funding. She added it was important that, as the Council moved forward and inputted into the National Bus Strategy and funding, the Council was really ambitious and had a good analysis to understand what services were needed. She referred the issue of Connexions to the Economic Development Manager and reiterated that feedback was helpful in terms of developing the evidence base for the Economic Strategy and the associated Skills Strategy so that Officers understood residents and communities so that strategies, policies and investments through those strategies could be effectively targeted.

The Economic Development Manager noted the previous review work that looked at the improving progression agenda, including some of the issues around those not in education, employment and training (NEETs), and many of the points had been brought forward when bidding for European funding, with some wraparound programmes that operated alongside the DurhamWorks programme.

He noted the agenda in terms of helping young people progress was central within the Council's Children and Young People's Service and formed part of the long-term input into the employment and skills element of the Economic Strategy. He added that there had been a great deal of work undertaken with schools over the last couple of years, with schools now having the responsibility in terms of careers work at the local level. He added that the Council worked with both grant-maintained and independent schools and noted it was an area where the partnership working previously mentioned came into play, noting a great deal of time and investment made at the North East level by the North East Local Enterprise Partnership (NELEP) in respect of benchmarking gaps, a process to ensure that careers was lifted to a higher level and that higher level reflected the economy and business base in the area. He added it was not perfect, with more work to be done and reiterated that it had been identified as an area of work to be embedded within the employment and skills side of the emerging Strategy. In relation to disabled access, the Economic Development Manager confirmed there was a specific group within the Council that looked at that area, given the leadership role the Council had due to its disability standards, and the Authority looked at what it could do to ensure that people with disabilities were not disadvantaged in terms of seeking employment, not only with the Council, but also with partner organisations or any businesses that required that level of assistance in overcoming the adaptations to allow disabled residents to access employment opportunities.

Mrs R Morris noted the problems and issues raised were not new and noted that she had raised the issue of skills for several years, and this had been highlighted by the pandemic. She noted she was excited as regards a new Skills Strategy and asked how up-to-date it was, noting a previous strategy from 2018. She emphasised that it would be important for it to encompass the employment opportunities that were being discussed at the moment, asking how it would be reflected in the Skills Strategy and what the likely timescale was in terms of the new Strategy being in place. Mrs R Morris asked as regards how groups, such as business, education, voluntary and public sectors, were working together. So noted the report referred to six adult employability programmes and, with DurhamWorks making seven programmes, and asked whether those programmes were linked, if they were able to talk to each other and had an agreed agenda that they were all working to. She explained that DurhamWorks had promised a review back in Spring 2021 and noted she was not aware of the information relating to that review having been brought back to Members, adding that the figure of 10,000 young people being NEET was worrying. Mrs R Morris noted the general good performance of schools in the County and asked as to who is advising young people, where do they go to for advice.

She quoted a local young person who had expressed his wish to become an engineer to his teacher and had been told 'you are too bright to be one', adding that kind of comment worried her, given the focus on engineering within the County.

Mrs R Morris reiterated that she welcomed the new Skills Strategy being developed, however, given the importance of being able to use technology, she felt a separate IT Strategy was needed, noting it was 'the new literacy', and asked if there was one, and were there examples of local best practice. She concluded by noting that an economic and skills strategy was in effect an education strategy and noted that the way the partnership worked together to deliver the Economic and Skills strategies was as important as what it was actually going to do.

The Corporate Director of Regeneration, Economy and Growth noted the current Skills Strategy was ready to be refreshed and that was why it was highlighted within the presentation. She added that a lot within the current strategy was still relevant, operational and did not prevent the Council from looking at new programmes and activities. She highlighted that while the new Skills Strategy would be brought forward in parallel with the new Economic Strategy, it would not be left until the Economic Strategy was completed, and similar for other areas that might require specific work, such as transport as highlighted by Members of the Committee. She highlighted the voice of young people being heard within that Strategy was critical, whether that was working through the Durham Youth Council or with schools across the County to bring forward the stakeholder plan that sat alongside the Strategy.

The Economic Development Manager noted that in terms of partnerships, there were two main routes, one having been set out within the presentation in respect of the CDEP and through its Business, Enterprise and Skills Working Group, looking at the strategic agenda and emerging opportunities and how those were coordinated. He added that in terms of the detailed coordination the Council facilitated a 'Provider Forum' which included all the colleges, the main independent training providers and employment support providers. He added that met on a regular basis to look at programming issues, the flow of clients, emerging job opportunities and making sure that there were no gaps in provision, linking with employers for the benefit of residents. The Economic Development Manager explained that, in terms of the number of programmes in operation, the Council had responded to and had been successful in securing funding from a number of European procurements for different employment support programmes. He noted that when clients were referred or self-referred to the Authority then there would be a triage process and it would be identified which of the programmes was most appropriate. He noted that programmes were delivered through the same teams, with colleagues working alongside each other, with a focus on the needs of the individual and with the Council 'hiding the wiring' in terms of individual contracts, focussing on the outcomes for the clients.

Councillor MI Roberts noted he was new to the Committee and also a newly elected Councillor and apologised if there was an answer to his question within previous papers. He explained he worked within a section of Durham University and asked as regards the number of graduates retained in the County, noting many thousands had left the County after graduation.

He asked as regards what work was undertaken with Durham University in respect of graduate retention and noted that while many that attended were originally from elsewhere in the country, or indeed the world, many were from the County, region, and neighbouring areas such as North Yorkshire.

The Corporate Director of Regeneration, Economy and Growth noted there were two challenges in terms of graduate retention in the County, one being the gap in terms of university level education within the County and that the County 'exported' a large number of its students to other Russell Group universities outside of the County with many not returning to the County. She added that was in addition to the point raised in terms of retaining graduates from the Durham University, a world class institution, within the County. She noted the Council worked very closely with Durham University and explained there was a Memorandum of Understanding with the University in terms of a number of issues, including development and graduate retention. She added that she felt it was a key area to do better in and noted that graduates would stay if there were the jobs to go to, and similarly employers would come if there was the skilled workforce to attract those jobs. She noted it was an iterative process and it was key that the strategies, and the way the Council worked, homed in a little more in that respect. She noted developments, such as NETPark and the Aykley Heads site, would be key in terms of creating some of the higher end, high-tech jobs to help retain graduates. She explained that the County had the offer in terms of place, it was therefore having the offer of employment to go alongside that. Councillor MI Roberts asked if there was a specific strategy in terms of graduate retention, noting there was a huge opportunity in terms of attracting and retaining graduates in the County. The Corporate Director of Regeneration, Economy and Growth explained there was a series of strategic and tactical actions, however, no specific document entitled 'Graduate Retention Strategy'. She noted it may not be a strategy that sat on its own, however, it would be an integral part of the Economic Strategy.

Councillor A Sterling noted there was some frustration with Members looking for practical solutions to the issues raised, rather than additional talking. She highlighted the issues of transport, noting an example within her Electoral Division in terms of school transport, noting issues in terms of a school transport provision operated by a company outside of the County being withdrawn and there being no 'Plan B' in place. She explained she agreed with the comments made as regards university, in terms of encouraging young people to go and study, as well as being able to retain them within the County after graduation. She noted, in respect of careers advice, she was a tenant within a Business Durham property, and asked how the Council could be more practical in terms of reaching out to businesses locally utilising existing e-mail links. She noted a small jobs fair that had been held in conjunction with Derwentside College and asked if similar activities could take place in terms of careers information. She noted that schools and teachers were very busy and asked if it would be possible to offer them an easy solution in order to deliver such careers advice.

Councillor C Marshall noted he felt the next presentation would explain as regards a key part of the Council's plan in terms of retaining talent within the County, that being the development of key economic sites in order to fulfil the ambition of more and better jobs. He added there was the impact of national policies on Local Authorities and emphasised that Government needed the right strategies and large enough financial envelope to be able to deliver in terms of infrastructure, transport, skills development and education. He noted the clear need to create an environment in County Durham where businesses would want to invest and create jobs, and the key role the Council would have in that, however, he emphasised that one could not underestimate the impact on schools funding, skills funding, welfare reform and the upcoming UKSPF and Community Renewal Fund. He added one could not underestimate the disadvantage the County had following 10 years of austerity making the challenge even greater. Councillor C Marshall explained that he believed that the County was in an excellent position to create an ecosystem where businesses would want to invest, however, it would be more difficult if the County did not get the support and if all would not come together, politics aside, in order to ensure all was being done across the political spectrum to influence Government nationally so that the decisions they took had a positive impact for County Durham and not a detrimental impact otherwise Members would be having the same conversation in another 15 years.

The Chair noted he felt that Members had indicated that they wanted more accountability, more action and less talking.

Resolved:

That the report and presentation be noted.

7 Strategic Employment Sites in County Durham

The Chair asked the Corporate Director of Regeneration, Economy and Growth, to present the update in respect of Strategic Employment Sites in County Durham (for copy see file of minutes).

The Corporate Director of Regeneration, Economy and Growth noted the previous presentation referred to the strategies and activities relating to job creation and the next presentation would give details of some of the key employment sites, though not listing all of the employment sites across the County.

She explained that there were other areas that were also important, such as the 12 main town centres across the County including sectors such as hospitality, leisure and tourism. She reiterated the need to create higher level jobs and, focussing on logistics and advanced manufacturing both areas of competitive advantage for County Durham, the strategic location of the County being on the A1(M), A19 and the East Coast Mainline.

She noted that it was important, whilst acknowledging there were a number of employment sites across the County that the CDP included beyond those set out in the report and presentation, that the strategic sites set out clearly in one space significant numbers of jobs. She noted key corridors included the A1(M), Durham City and the A19, and the opportunities were linked to those key transport links.

The Corporate Director of Regeneration, Economy and Growth noted that Forrest Park was located on the A1(M) corridor, with a 55 hectare site with the potential to create over 3,000 jobs. She added a number of the businesses already located on the site were large employers and it was important to be able to attract such companies that could employ a significant workforce in jobs on higher than average wages. She added that additional locational benefits above the transport links included being adjacent to Aycliffe Business Park, being close to Tees Port, and having the potential for a rail freight interchange in the long term. She noted it was a good example of sector relationships and good transport links that were key in unlocking strategic employment sites, adding there were challenges for such sites within the North East, with Local Authorities having to support such sites with elements such as enabling infrastructure.

The Committee were reminded of the NETPark development, a specialist employment site at Sedgefield that was moving on to its next phase of development. The Corporate Director of Regeneration, Economy and Growth explained that the site was developed in conjunction with Durham University and was a good example of leveraging the research capability and working with a number of private sector employers. She noted there were currently 40 occupiers at NETPark, and it was expected that would grow as the site expanded into its further phases of development. It was added that the site was at over 90 percent occupancy which had grown during the pandemic due to the high value growth businesses on the site and the work of the Council in providing infrastructure and transport investment and helping to develop the site such to allow the space for businesses to grow. Members noted the good transport links to the A1(M) and A19 and the clear specialist nature of the site, such as the Satellite Applications Catapult and other high-tech businesses that contributed both to the county, region and nationally. The Corporate Director of Regeneration, Economy and Growth noted that there were over 600 employees across the site, with growth in the next phase to support an additional 1,250 jobs.

In reference to Integra 61 at Bowburn, Members were asked to note the development was a private sector development which had been supported by the Local Authority in terms of enabling works in terms of infrastructure and support in terms of a skills provider to ensure local people were able to access the jobs being created. It was noted there was significant opportunity to grow the site and the location on the A1(M) and provision of specialist logistic services was important, as well as potential for links with manufacturing.

The Corporate Director of Regeneration, Economy and Growth noted the Aykley Heads strategic site represented a significant opportunity within Durham City, with the potential for up to 4,000 jobs across a 56 hectare site. She noted that one important element, as was the case at NETPark, was the quality of the development including the green spaces and environment for the workforce. She explained that it was critical in terms of the types of tenants the Council wished to attract and the types of jobs that would be available as a result. Members noted existing business and activity on the site included: Atom Bank; Watersons; Honcho; Tait Walker; the North East Chamber of Commerce (NECC); Business Durham; Durham Constabulary; and the Durham City Incubator. She reminded Members the planning application had been supported around one year ago and stressed that the opportunity was not just for Durham City, but also for the wider County. It was noted there were similar themes in terms of links with Durham University and the Corporate Director of Regeneration, Economy and Growth added there was positive dialogue with the University in terms of their role in supporting the development, enabling research and creating jobs and roles for future graduates.

The Committee was asked to note the site of Jade Business Park at Murton, and the Operations Director explained the Council had redeveloped the former Hawthorn Colliery and Coke Works site and the site was designated as an 'Enterprise Zone' which provided benefits in terms of further development of the site and to the tenants of the site. She added it was one of the first more speculative developments undertaken in the North East in recent times and explained the Council had worked with a private sector developer to build the site, with the first phase of seven units having been completed in the summer of 2020 with all but one of the units having been let to tenants. Members noted a good range of businesses with interesting, high value-adding jobs including: a supplier to the automotive sector; a modular housing solutions company; a low-cost solar film manufacturer; and a company manufacturing bespoke architectural glass. The Operations Director noted within the first year there had been 140 jobs created on the site and there was a significant area of additional land available at the site which the Council were looking to take forward.

It was explained that the overall completed site had the potential to generate around 2,500 jobs and the Operations Director added the site was a good example of how work within the Regeneration, Economy and Growth Service was integrated in terms of initial planning application work, work in obtaining Enterprise Zone status and enabling infrastructure work followed by the work of Business Durham in terms of working with the developer and market the site as it was being built and then manage the units and attract businesses. She explained that the businesses on site had also taken advantage of the other packages of support, examples being Corehaus and Power Roll accessing funding from the County Durham Growth Fund to fit out their units and Power Roll having investment through the Finance Durham Fund that meant they were able to locate all of their facility at Jade Business Park.

The Operations Director noted Business Durham had worked closely with the Council's Employability Team in terms of connecting those businesses which were looking to take on additional employees with the Team. She added that Corehaus had noted they were very keen to work with local schools in terms of highlighting to young people the opportunities in modern construction and had been involved with the Gatsby Programme and the NELEP in respect of videos to be used in schools as regards construction industry opportunities.

The Corporate Director of Regeneration, Economy and Growth noted over 10,000 jobs across those five strategic sites and the Local Authority's role in enabling the development, whether they were sites the Council developed directly or provided infrastructure to allow private sector development. She added it was important to have the tools to enable development, such as financial assistance, bidding for Central Government or NELEP funding, or taking development forward as a Local Authority to kickstart a market. The Corporate Director of Regeneration, Economy and Growth noted the excellent businesses already within the County and reiterated the importance of the Council's 'joined up role' in offering the levers to help unlock the private sector so they could flourish in County Durham.

The Chair thanked the Officers and asked as regards a primary contact in terms of the key strategic sites, whether there were plans to develop more strategic sites, for example within the north of the County, and who was responsible in terms of performance of the sites.

The Corporate Director of Regeneration, Economy and Growth noted her Directorate was the contact, albeit the scale was such it was more than one individual as contact. She added that the Strategy Team had oversight in terms of the strategic sites and their performance and in terms of individual sites it varied, as described by the Operations Director, with some being Council led with Business Durham and some being private sector led, with the Council being able to quickly navigate any contact as required. In respect of future sites, the Corporate Director of Regeneration, Economy and Growth noted the CDP, adopted in Oct 2020, set out the overall employment land supply over the next 15 years and while many of those sites were not included as 'strategic sites' they were important. She added it would be important in terms of articulating the opportunities in terms of the strategic site and also the 12 main town centres and noted that, while it would be fantastic to have a strategic site within a walkable distance, it was not always practical and therefore it was important that the Council worked to ensure the opportunities that were created were accessible to people via appropriate transport modes and having the requisite skills.

Councillor C Marshall thanked the Corporate Director of Regeneration, Economy and Growth and all of the staff within the Teams supporting the work in relation to job creation and the strategic sites. He noted that bringing forward development on the scale that was happening in County Durham was the envy of the North East and did not just happen overnight.

He noted that such developments would start off as a plan, but would rely upon Planning, Assets and also on being able to have a plan that the private sector could buy into.

Councillor S Wilson left the meeting at 10.52am

Councillor C Marshall noted the partnership working in bringing sites forward, adding it could be useful if Members of the Committee were able to visit the strategic sites and speak to the businesses and asked how the Council was able to sell the sites and County to business. He also noted a report would be considered by Cabinet in respect of the new Headquarters for the Council and asked for clarification in terms of the 4,000 jobs for Phases 1 and 2 of the Aykley Heads site and whether they were dependant on the Council Headquarters moving from its current site.

The Chair noted a tour of the strategic sites for Members was an area being looked into by the Service.

The Operations Director noted the Council worked with a number of partners in terms of inward investment, including Invest North East England, which represented all the Local Authorities in the region and responded to inward investment enquiries where companies were looking for a location in the North East. She added that in terms of strategic sites, businesses were looking for what was available in terms of the site and the premises, i.e., was there a suitably sized site available and how quickly could a business move into a premise. She noted that the Council would also provide support in respect of those areas already mentioned, such as skills development, workforce recruitment, the environment, housing, however, the first and foremost question was 'is there a suitable site available'. The Operations Director noted the Council was in the process of updating its inward investment propositions in having information available for inward investors around the key sectors in the County, what skills they would find in the County, the University, and also support and funding packages that were available. She noted over the last 18 months there had been a great deal of change, given the pandemic, and the update in relation to propositions would have a focus on those areas of strength in the County such as existing businesses, infrastructure and supply chains.

The Operations Director noted that in addition to bringing in inward investment, it was important to continue to support existing County Durham businesses to grow and expand, adding that the Business Durham had a team looking at business engagement and account management and they spoke to businesses daily to find out what they needed to grow and expand. She added there was a very loyal County Durham business community and there was a strong feeling that County Durham was business friendly, and that the Council was also business friendly.

The Corporate Director of Regeneration, Economy and Growth noted there would be a future report at Cabinet in terms of the issue of the Council Headquarters and therefore she would not be able to speak as regards that specifically, however, she would add that the Aykley Heads site remained a critical and strategic site, with the job numbers being based on robust forecasts and it would continue to remain a priority to maintain a comprehensive masterplan for Aykley Heads and to target and strive for those job numbers as forecast.

Councillor C Martin noted the reports represented a 'good news story' in terms of the investment and jobs and asked if there was any 'bad news story' in terms of losing a major employer and whether any lessons had been learned.

The Corporate Director of Regeneration, Economy and Growth noted that it was important when looking to create opportunities in one area, potential impacts on other areas, such as in terms of logistics and manufacturing, were considered. She added that a number of the key sites were former sites that had been in decline and that had been renewed through development and were very different from sites in the past. The Operations Director noted she did not know of any cases where an employer had gone, however, she noted it was important to understand that companies would not look at the County and the Council's border, rather they would look at the North East as a whole, including the Tees Valley, and therefore it was important to be able to offer what businesses were looking for. She gave the example of Aycliffe Business Park, where there was little room for expansion and therefore the Forrest Park site adjacent was able to help as there had been many enquiries as regards additional space with many noting they would have looked to relocate to Darlington if space had not been available.

Councillor K Early asked as regards there was now a trend towards speculative developments, or whether Jade Business Park was an exception, linking to it being an Enterprise Zone.

The Operations Director noted it had always been an issue in the North East in terms of speculative units, based on the gap between the cost to the private sector in developing such units and the rental income from such units. She added therefore if such units were to be built there needed to be some confidence that the units would be able to be rented out.

She noted this had been an issue in the past in the North East and noted that Jade had been built without any pre-lets, however, the Council was confident, given the location on the A19 together with being an Enterprise Zone that businesses would be attracted to the site. She explained that it was encouraging that more private sector developers were thinking that they might be able to make speculative development work. The Operations Director noted the lead-in time involved in bespoke development and that many businesses would prefer to move in quickly and fit out as required.

The Chair noted the forecast of jobs and wondered whether those forecasts had taken into account a post-COVID reduction in office jobs and noted only 10,500 jobs had been added in the last 12 years, adding with levels being 25 percent below the England average there was still a lot of work to be done.

Resolved:

That the report and presentation be noted.

8 Quarter Four 2020/21 - Revenue Capital Outturn and Quarter One 2021/22 - Revenue and Capital Outturn

The Chair introduced the Principal Accountant, David Watchman who was in attendance to speak to Members in relation to the Quarter Four 2020/21 Revenue Capital Outturn and Quarter One Forecast of Revenue and Capital Outturn 2021/22 (for copy see file of minutes).

Councillor A Reed left the meeting at 11.06am

The Principal Accountant referred Members to the information relating to Quarter Four 2020/21 with the service reporting an underspend of approximately £1.266 million, against a revised budget of £44.439 million, with a carry forward of £1.429 million. He noted COVID-19 costs of £8.177 million excluded from the outturn position, those costs covered by Government COVID grant. He noted the capital spend of £62.793 million and that a request had been made to the Member Officer Working Group to carry forward the £6.418 million underspend to the current year to augment the 2021/22 Capital Programme. He added the report broke down the figures by Heads of Service and the report also set out the variances and included more detail of the Capital Programme at Appendix 3.

The Principal Accountant referred Members to the information relating to Quarter One 2021/22 with the service reporting a forecast underspend of approximately £618,000, against a revised budget of £49.505 million, with COVID-19 costs of £8.035 million excluded from the forecast outturn position, those costs covered by Government COVID grant. He noted the capital spend to 30 June 2021 of £13,448 million, from a revised service capital budget of £90.384 million. He added the report broke down the figures by Heads of Service and the report also set out the variances and included more detail of the Capital Programme at Appendix 3.

Resolved:

That the reports be noted.