



Economy and Enterprise Overview and Scrutiny Committee

Date Monday 20 December 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 on 11 November 2021 (Pages 3 - 12)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Investment Pipelines (Pages 13 - 62)
 - (i) Report of the Corporate Director of Regeneration, Economy and Growth.
 - (ii) Presentation by the Corporate Director of Regeneration, Economy and Growth
7. Economy and Enterprise Overview and Scrutiny Review - Support provided to the retail sector by Durham County Council (Pages 63 - 110)
 - (i) Joint Report of the Corporate Director of Resources and the Corporate Director of Regeneration, Economy and Growth
 - (ii) Presentation by the Corporate Director of Regeneration, Economy and Growth

8. Quarter Two 2021/22 Revenue and Capital Outturn Report (Pages 111 - 120)
Joint report of the Corporate Director of Resources and the Corporate Director of Regeneration, Economy and Growth
9. Quarter Two 2021/22 Performance Management Report (Pages 121 - 146)
Report of the Corporate Director of Resources
10. Minutes of the meeting of the County Durham Economic Partnership held on 20 September 2021 (Pages 147 - 154)
11. 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
10 December 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, R Manchester, C Marshall, C Martin, J Miller, R Ormerod, A Reed, I Roberts, M-Idwal Roberts, A Sterling, A Surtees and S Wilson

Co-opted Members:

Mrs R Morris

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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 **Council Chamber, County Hall, Durham** on **Thursday 11 November 2021** at **1.00 pm**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors M Abley, A Batey, G Binney, J Cairns, K Earley, C Hood, R Manchester, C Marshall, C Martin, J Miller, A Reed, I Roberts, A Surtees, P Jopling and J Charlton

Co-opted Members:

Mrs R Morris

Also Present:

Councillor J Charlton

Mr T Bolton and Mrs P Holding (Co-opted Members of Environment & Sustainable Communities Overview & Scrutiny Committee)

1 Apologies for Absence

Apologies for absence were received from Councillors A Jackson, A Sterling, R Ormerod and S Wilson

2 Substitute Members

Councillor P Jopling substitute for Councillor A Sterling

3 Minutes of the meeting held 20 September 2021

The minutes of the meeting held on 20 September 2021 were confirmed as a correct record and signed by the Chairman with the following amendment:

Item 8 to read: *Councillor A Reed left the meeting at 11.06 a.m. and returned shortly thereafter.*

4 Declarations of Interest, if any

There were no declarations of interest.

5 Items from Co-opted Members or Interested Parties, if any

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

6 County Durham's Visitor Economy:

The Committee considered a report and presentation of the Corporate Director of Regeneration, Economy and Growth which provided detail of tourism in the county, the visitor economy and activities undertaken by Visit County Durham (for copy see file of Minutes).

The Managing Director of Visit County Durham provided an introduction to Visit County Durham (VCD) which highlighted that Visit County Durham was the Destination Management Organisation for Durham and the tourism team for County Durham. The main aim of which being to grow the visitor economy with destination management including marketing information services, product development, visitor experience and workforce development. The team worked closely with public and private key partners with Visit England and visit Britain, who were key partners at a national level, together with various teams within DCC and local tourism bodies.

It was explained that the VCD team consisted of 14 full time members of staff with a core budget of £705,000 and an income contribution of £38,879 resulting from work undertaken from within the private sector. The committee further received details of the vision for Durham as a visitor destination, that Durham will offer a visitor experience that matches its outstanding natural landscapes and internationally famous built heritage. The visitor economy would aim to support long term social, economic and environmental sustainability right across the county and be recognised by the County's residents as important to the quality of their lives.

In relation to the performance of the visitor economy, the committee was provided with a snapshot, which showed the impact of COVID in 2020 with just under a 50% contraction from the 2019 performance figures.

The presentation then provided a summary of County Durham into four recognised key areas which are marketed to visitors, Durham city, the Vale of Durham, Durham Dales and Durham Coast. The summary provided detail of the impact of these areas and their contribution to the visitor economy, with by far the largest impact and contribution, coming from the Vale of Durham which contains the central corridor that runs through the county and includes the majority of attractions such as Beamish, Locomotion and Auckland Castle.

In relation to visitor spend in the county, it was explained that the largest area of spend was in relation to food and drink which accounted for 38% of total visitor spend. This was also reflected in the employment figures with 37% of employment in the tourism sector being in the food and drink industry and it was highlighted that work is ongoing in developing a Food Tourism Strategy for the county.

The Managing Director of VCD continued to explain that in relation to the performance of the Visitor economy from 2015-2020, there had been a steady year on year growth, with growth of between 3-5% with the exception of 2020 where the impact of the COVID pandemic had been seen. In relation to the tourism outlook, the Managing Director commented that was positive and that Government had got behind the sector and a full return to pre-Covid numbers by 2023 was forecast. There has been a significant increase in Staycations which would drive short-term growth in the sector with occupancy levels in hotels high.

She went on to highlight that the visitor economy was key to County Durham and features in a number of wider economic development plans including the County Durham Plan, County Durham Economic Strategy, the Sustainable Transport Plan, the Levelling up Fund, Shared Prosperity Fund, Towns Fund and others with VCD working with multiple teams to support delivery of these plans, add value and bring expertise.

In addition, details were provided of product development with the example of the Northern Saints Trails given. VCD had been directly involved in the development of this product which covered the whole of the North East and consisted of six long distance walking trails. VCD had took the lead in developing this product with significant support provided by DCC and regional partners. The product was currently in its infancy, but was gaining traction with international and national visitors.

In relation to partnership and industry engagement, the committee was informed that VDC work with 850 core tourism businesses plus 500 secondary visitor economy businesses. It was confirmed that they work intensively with the core businesses providing information on business improvement or various activity which is being undertaken in the county. They also delivered tailored training covering social media, YouTube, weddings and have developed a group travel scheme attracting travel into the county.

In relation to relation to destination marketing it was explained that, VCD used every marketing tool available alongside their integrated marketing strategy which included the use of general press via newspaper articles, magazines, specialist magazines to promote walking and cycling opportunities. social media, e-mail marketing, blogs etc and it was highlighted that VCD work in partnership with strategic partners and tourism businesses to promote the county as a tourism destination. The main aims of destination marketing are to raise the national profile of the county and encourage overnight stays to increase the amount of spend from

visitors, raise shoulder season occupancy and raise awareness of the distinctive Durham offer.

The committee was then provided with detail of the Escape the Everyday campaign which was undertaken in partnership and funded by Visit England Destination Marketing Recovery Fund with the aim of attracting people back into the county as a destination with safe and wide-open spaces for people to visit and enjoy. The evaluation of this campaign was not currently available however VCDs website published statistics in July and August and a good return from the campaign was expected.

Further to the topic of media activity, the Managing Director confirmed that VCD subscribed to Travmedia and working in partnership to match the journalist's requirements with destination content. VCD had experienced a lot of success using this approach and was considered an effective way of securing competitive destination coverage.

It was also highlighted that VCD used events as 'hooks' to market the county and the Managing Director used the example of Lumiere, creating a sense of urgency and encouraging people to come now and stay, generating a sense of real excitement at seeing the amazing spectacle that happens once every two years, with some of the Lumiere artworks spread across the county for the first time this year.

In relation to what next, the Managing Director confirmed that a new national destination marketing campaign was to be run from November through to spring 2022. A promotional had been produced and promoted everything that County Durham has to offer and builds upon achievements over the last 12 months.

In relation to other activity underway it was highlighted that it was that VCD had commissioned a social influencer who was a disability activist to promote the county as an inclusive destination and that she had already visited Bowes Museum, Beamish Museum and Locomotion and that she plans to visit further attractions in the county. In addition, an interactive online marketing tool for Christmas was being developed and VCD was collaborating with Visit Northumberland on the 20th anniversary of the first Harry Potter film.

The Managing Director of VCD concluded by reminding members that County Durham was one of eight destinations on the list for the City of Culture 2025, which would be a huge achievement if selected in the final round.

The Chair asked whether VCD is best suited to provide the best service to the people of County Durham in relation to the tourism and visitor economy. He continued that in relation to Pre-COVID figures the target for VCD was for the tourism economy to be 17% of the total economy of County Durham. He continued that comparing like with like the County Durham economy is £9 billion with 17%

totalling £1.53billion. However, the actual figure achieved is £980 million whilst still a massive sum there was a shortfall of £550million. However, if the County Durham economy was performing in line with the UK average performance then the County Durham economy would be at £12 billion with 17% at £2.4billion then there would be a shortfall in performance of £1.6 billion. Can VCD explain how current management arrangements/relationship are working based on current performance and does this committee or Cabinet need to explore other management arrangements. What is success and what is failure, can we improve performance. He also commented that he did not understand what a Destination management organisation is.

The Managing Director of Visit County Durham responded that the forecast figures for the end of 2020 was £1.3 billion. She confirmed that the consultants who produce the Economic Impact Statements that the way the visitor economy was heading we would have hit the £1.3 billion by the end of 2020 and would have been on track for the 17% of the County GVA. COVID hit in 2020 and significantly impacted on the visitor economy and we are now having to recalculate future targets using the 2019 figures as a baseline for where we want to be by 2023.

The Managing Director explained that she considered VCD the best placed organisation to deliver that growth in partnership. The Durham Tourism Management Plan set out what as a County we are missing and what is restricting us and in terms of performance. She further explained that there was a huge gap with competitors in relation to bed spaces with 92% of visitors to the County being day visitors, who spent less than those visitors staying for longer overnight periods.

The Chair continued that having had 15 years to get the gaps filled perhaps a proactive approach could be taken across the Council in targeting those identified gaps.

Councillor Miller noted his concerns regarding the food and drink industry and whilst he acknowledged that it was expected to recover, it was important that ongoing support to independent businesses was offered across the County. In response the Managing Director, Visit County Durham advised that the team were in the process of developing a Food Tourism Strategy and were a member of the County Durham Food Partnership, however acknowledged that help and support was required now to this sector and highlighted that VCD had worked with Food and Drink North East during the pandemic to address issues in the industry. It was confirmed that Food and Drink North East was presenting at a conference next week looking at sustainability and encouraging people to eat and buy local.

In relation to staffing of Visit County Durham, Councillor Reed complimented the team on their achievements given the small amount of budget and staffing base they had to work with. She then commented on the expertise in the team and asked why consultants had been brought in to do a particular piece of work, what priorities had been identified by the consultants and what the VCD budget was used for. In

response the Managing Director, Visit County Durham explained that consultants were able to offer a wider perspective and a fresh pair of eyes, offering a more objective view and that this had resulted in the development of the Accelerator Strategy identifying two key target markets, the family market and the older people in couples or groups which have a large amount of discretionary spend. She went on to explain that the allocated budget for Visit County Durham was primarily spent on the staff team with approximately £140k spent on activity with £70k spent on marketing (which was doubled through partnership working).

Councillor Hood asked in relation to the management and governance of Visit County Durham what the benefits were of it being set up as a private company. The Managing Director, Visit County Durham provided a brief summary of the history of Visit County Durham and explained that as a result of the way funding was sourced when VCD was established, being a company meant that they were able to access funding not available to local authorities. However, the team considered themselves very much part of the Council and were transferred to DCC in 2010 under Regeneration, Economy and Growth Service Grouping with appropriate reporting mechanisms in place.

Councillor Abley raised a further query with regard to visitor numbers, how these were targeted and how easily this was measured. He also noted that the county lacked in attracting visitors to overnight stays and queried what the strategy was for improving this and meeting targets. He also commented that target stretching can be demoralising and a review of these to a more achievable level should be considered.

The Managing Director, Visit County Durham acknowledged that the target of 17 % was purposefully challenging and that they have a formula for growth of 5% year on year based on the Visit England model. She advised that overnight stays were crucial to improving performance and that the Accelerator Strategy recognised the issues and gaps in accommodation which has resulted in the production of an accommodation strategy for the whole county, identifying more focus on varying types of accommodation, in key areas such as Bishop Auckland. It was explained that VCD worked closely with colleagues in Regeneration on joint initiatives and ran workshops inviting prospective developers to invest in developing visitor accommodation in the county. It was also noted that the VD team were able to comment upon all relevant planning applications and were consulted. Furthermore, it was acknowledged that the target could be revisited to provide something more meaningful and achievable in the future.

Councillor Jopling commented that from her own experience in the tourism sector, it was important for those looking to invest that tourism was a priority and supported within the county. She went on to note that should County Durham achieve City of Culture in 2025 this would provide a huge boost for tourism. Tourist information and access to basic information would be crucial alongside investment in the necessary infrastructure including transport and accommodation.

The Managing Director of VCD reassured Members that tourism was a priority in the county with the necessary support in place and referred to the Visitor Information Network with information readily available in accommodation and attractions throughout the county. In relation to the transport infrastructure, she confirmed that VCD now sits on the Regional Public Transport Board and were able to feed into discussion of this nature.

Councillor Batey added her thanks for the presentation and praised the work of the VCD Team, she noted that it was encouraging to hear the support for the service and the extensive work which they undertaken to promote the county as a tourism destination and gave examples of promotion at international, national and local airports. However, she expressed concern in relation to the small amount of funding available to the team and also that they were having to compete for funding from various funding pots in the future. She continued that the praise and recognition which VCD received was a testament to the work of the staff and their model of partnership working.

Councillor Marshall added that it was clear from the presentation that there was no golden bullet to drive tourism and acknowledged that it was important to look at the whole economy. He also commented that he was pleased to hear that there had been some assurance provided regarding the planning system and their ability to support applications for visitor accommodation, which would make things easier for business owners attracted to the area.

He went on to ask what opportunities being awarded City of Culture would offer to the normal County Durham resident and what additional money would be available for tourism should the application be successful.

She explained that communities were really at the heart of this and she was happy to see that the visitor economy featured strongly in the bid. Any funding awarded as part of a successful bid would help to make long term sustainable changes within the county. Further work to identify those changes was being considered in closer detail at this stage.

Mrs R Morris, Co-optee in referencing paragraph 42 of the report noted that with pre-pandemic international holiday bookings expected to be back to near normal levels in the near future, the strategy may need to be revisited to account for less staycations. She also asked whether any thought had been given to formalising a regional approach to market the northern region rather than just the county.

In response the Managing Director, Visit County Durham noted that despite Northumberland County being larger than County Durham, visitor numbers in Northumberland were around 9 million less per year than County Durham, however their visitor economy was higher than County Durham's which was driven by overnight stays.

Councillor Surtees thanked the Managing Director for her presentation and the work of the VCD Team. In relation to the challenges around visitor accommodation she explained that many plans for accommodation in her area had not come to fruition and given increased number of visitors visiting the Heritage Coast asked whether this could be reviewed including looking at utilising sites for campervans and mobile homes. She went to ask whether there'd be any merit in exploring options for advertising and offering incentives for tourists on the reverse of parking tickets.

The Managing Director confirmed that discussions did take place with Regeneration and the Heritage Coast and Seascape Teams and emails had been sent out to existing sites to seek their interest in extending facilities to campervans. In relation to the suggestion regarding parking tickets she confirmed that she would ask the team to look into it.

Mr T Bolton, Co-optee Environment and Sustainable Communities added that it was great to see so much activity going on to boost the visitor economy in County Durham. He went on to suggest that Town and Parish Councils could have a role to play in this given their in-depth local knowledge and suggested that it may be beneficial to consult with them going forward.

The Managing Director, Visit County Durham added that she would certainly take this forward, noting that Town and Parish Council's had been used for Durham 19 Year of Culture, however had been done slightly differently for the Loved By Locals campaign. She agreed to take this point forward and ensure that they were on the communications list to ensure they are kept informed on what going on within the visitor economy.

Resolved:

That the content of the report be noted.

Councillors M Abley, J Charlton, P Jopling and Mr T Bolton left the meeting at this point.

7 Managing Change in County Durham's Towns and Villages:

The Committee considered a report of the Corporate Director of Regeneration, Economy and Growth which set out both the process for establishing planned interventions through Masterplans and Targeted Delivery Plans and, demonstrated the development and alignment of funding programmes such as the Towns and Villages programme to facilitate change and improvement (for copy see file of Minutes).

The Head of Development and Housing provided a detailed presentation which highlighted the purposes of a Masterplan, detail of the Main Town Masterplans

process in relation to the 12 main towns in the county which had already been prepared. In addition to the 12 main town masterplans, levelling up Masterplans for Chester-le-Street, Durham City, Newton Aycliffe, Peterlee, Stanley and Three Towns were to be considered by Cabinet on 17 November 2021, with a view to them being adopted following consultation in Spring 2022.

The presentation further picked up upon Town and Villages initiatives, including background to the programme, detail of the five key themes, budget allocations and then detail of various projects undertaken throughout the county in relation to the key themes of: Strategic Investments, Housing and Community, Environment and Health, the Built Environment and Transport and Connectivity.

Councillor Hood left the meeting at this point.

Councillor Martin raised a concern regarding the deliverability of these plans, noting that there had been a number of iterations of some of the plans already together with consultations. He commented that it wasn't just about securing money, but also about each plan being delivered and what was needed to ensure that it was done so in a timely manner.

In response the Head of Development and Housing noted that it was crucial to ensure the foundations of the plan were right to ensure the best possible chance of success. He commented that funding streams came and went but it was important to articulate those ambitions well, which in turn would help secure the required funding. He went on to explain that it was also important that expectations were managed in relation to projects identified within the masterplan, as not 100% of the plan would be deliverable. He continued on by explaining that by understanding what people want, it provided a focus for delivery of the plan. He added that people want to see movement quickly however that is not always possible, however good projects do ahead and are delivered.

Councillor Cairns added that it was fantastic to see a plan in place, however she felt that her local area had been ignored for the last 10 years. The area which was once a village was now a satellite town just off the A169, with over development of housing and no infrastructure in place to cope with the levels of increased housing. She asked that local communities were involved in any future discussions concerning development in their area.

The Head of Development and Housing responded that such development would sit within the County Durham Plan and that any applications should be in accordance with the approved plan. The Spatial Policy Manager confirmed that consultation had taken place on the general principles of the County Durham Plan however a lot of the development in that local community was agreed prior to the adoption of the County Durham Plan.

Councillor Surtees added that Councillor Cairns comments related to housing, which the Chair had indicated at the beginning of this agenda item would be discussed at a separate meeting of the committee.

Councillor Surtees left the meeting at this point.

The Chair advised that he had allowed the point to be made by Councillor Cairns as in his opinion it related more to consultation.

Further discussion ensued regarding consultation on the general principles of the County Durham Plan and Councillor Abley commented on development which had occurred at Shildon before the plan had been adopted.

Councillor Miller further noted that there was significant emphasis on Towns, however the County's villages were equally as important and it would be good to see the same level of commitment made to villages in the future.

Councillor Earley raised a query regarding investment caps and added that he felt it was really important to keep the enthusiasm and momentum in the community going until the project was seen through to fruition. He continued by asking whether there was a need to look at Town Centre Management.

Further discussion ensued regarding the changing retail environment and how this had impacted on existing masterplans. The Economic Development Manager acknowledged that different approaches to retail were now required in comparison to 10-15 years ago, noting there was now a greater focus on independent retailers in town centres. Councillor Earley suggested that as there has been a change in town centres and a move to more independent retailers was there not a need for more town centre management.

Councillor Roberts commented that she totally agreed with the comments made, she noted the importance of consultation and commented that she was hopeful that the plans and investment which were to be made in the area are forthcoming and successful.

Resolved: that the content of the report be noted.

Economy and Enterprise Overview and Scrutiny Committee



20 December 2021

Economy and Enterprise OSC Scrutiny Review

Investment Pipelines

Report of Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The report provides members with an overview of the various initiatives, projects, strategies and governance that are aimed at generating inclusive economic growth within the County.

Executive Summary

- 2 In the Spring of 2021 a review of the economic landscape was undertaken which provided an overview of the County's economy, the strong recovery from the economic challenges of the 1980' and 90's, the impact of Covid 19 and Brexit, and assessed the opportunities and challenges as we look to the future.
- 3 The Economic Review identified a number of important issues that feed into any forward looking plan that is to be developed. These are identified in the body of the report.
- 4 Looking forward the review assesses the county's economic profile and makes initial suggestions on future policy objectives including the importance of continuing to attract investment, increasing our working age population, harnessing the spending power of large 'anchor institutions', harnessing our local cultural and heritage assets, and supporting the accelerated shift towards new ways of living and working. In order to deliver these objectives the Economic Review suggests our economic focus is on
 - (a) **Key sectors:** Logistics, advanced manufacturing, sustainable energy, green economy, health economy, digital and business services, tourism, leisure, and creative industries

- (b) **New businesses:** New start-ups, small companies, scale ups
 - (c) **Harnessing anchor institutions:** Encouraging Durham University and Darlington and Durham NHS Foundation Trust to actively invest in the county in the same way the council does
- 5 At December Cabinet a report proposing the development of an Economic Strategy for the County was considered and subject to the recommendations being approved a 4 month 'Conversation' will commence in January which will help inform the detailed strategy to be finalised in late 2022.
- 6 The development of an economic strategy will provide the foundation on which long term interventions can be implemented aimed at creating inclusive economic growth. In other words not only creating jobs but ensuring that Durham residents are able to benefit directly.
- 7 In the meantime work will continue to develop new initiatives and opportunities and presently these include :-
- (i) Overall REG Capital Programme
 - (ii) Existing Strategic Employment Sites
 - (iii) Levelling Up Fund / UK Shared Prosperity Fund (UKSPF)
 - (iv) Towns and Villages Programme
 - (v) Future High Street Fund and Stronger Town Fund
 - (vi) Regional Devolution
- 8 Each of these areas will be considered in the body of this report and taken together they reflect the current strategic approach that is being taken to develop a range of interventions and initiatives. Some of these can be described as projects that represent an emerging investment pipeline.
- 9 The REG capital programme over the next four years is significant with over 200 individual projects and initiatives being delivered. The capital programme funding allocated to these projects is £316million.
- 10 It is essential that these strategic interventions and projects are delivered on time and to budget and deliver the outcomes that are intended. In order to support that ambition a Major Programme Board has been established in Regeneration, Economy and Growth to oversee the significant and complex projects that are ongoing or planned for the future.

Recommendations

It is recommended that members note:

- 11 the range of project pipelines in place and in development to support economic growth and the scale of the projects being delivered within REG supporting the Council's vision and economic growth.
- 12 the proposed development of an Economic Strategy that will provide the long term strategic context for assessing interventions to support economic growth
- 13 the Major Programme Board that has been established within Regeneration, Economy and Growth to oversee consistent high quality project development and delivery

Background

Interventions : Creating a Solid Strategic Foundation

- 14 The March 2021 Cabinet considered the scale of the County Durham economy and the importance of it to the North East. The Durham Economy is significant and it:
 - (a) Generates £9bn GVA annually
 - (b) Has 533,100 residents, supports 174,000 jobs in 14,565 businesses
 - (c) Has 101,800 residents classed as 'highly skilled' and has 30,100 self-employed people
 - (d) The average wage is £26,495 and the County is home to 18,800 students (aged 18 to 24)
- 15 Since the March Cabinet meeting an Economic Review has been concluded. Given the scale of de-industrialisation in major industries over the last 30 years and its impact on many communities County Durham has done well to sustain an employment base and introduce new investment, jobs, and sectors.
- 16 The key messages of the Economic Review are summarised below:
 - (a) Establishes the strategic importance of the County Durham economy within the overall North East economy.
 - (b) Identifies the challenges of future demographic changes with an increasing number of older residents and a decrease in the numbers of people of working age.

- (c) Considers the employment base in the County and highlights the exceptional level of manufacturing and the potential opportunities this presents. It also highlights the importance of the education and retail trade sectors in terms of employment numbers.
- (d) Shows that there is a net outflow of 30,000 workers who live in Durham and work outside of the County.
- (e) Specifically identifies tourism as an important growth sector with over 12,000 jobs, 20 million visitors and annual expenditure of nearly £1 billion.
- (f) Highlights that Durham has the highest number of business start-ups in the North East; with nearly 93% of business starts ups surviving after 12 months.
- (g) Shows economic output has increased from £6.2 billion in 2004 to £9 billion in 2019. However, national output has increased at a faster rate, which means there is a significant and growing gap between the county's and national performance, amounting to £3.2 billion per annum.
- (h) Considers the educational attainment of the workforce, concluding that it is consistent with regional comparisons but underperforms at all levels compared to the national average.
- (i) Identifies that our employment rate mirrors the regional figure but although resident and worker incomes have risen by 23% since 2010 (better than the 21% national rate of growth) wages are still lower than both regional and national averages.
- (j) Concludes that the occupational structure differs from the national average with higher proportions of people working in the care and leisure sectors, as well as elementary and routine occupations. This is indicative of the large manufacturing base and lower levels educational attainment. In contrast, there are fewer people working in more highly skilled occupations in the county.
- (k) The county has high levels of deprivation, specifically high levels of health and disability related issues.
- (l) Identifies the strategic importance of strategic and other business locations across the County to support economic growth and concludes that investment in future new sites and phases on existing sites should be maintained.
- (m) Identifies the county as an important regional office market (second only to Newcastle) with Durham City being the main

office location as well as a range of smaller premises throughout the County.

- (n) Highlights the strategic importance of delivering good quality housing alongside economic growth.

17 At December Cabinet a report proposing the development of an Economic Strategy for the County was considered and subject to the recommendations being approved a 4 month 'Conversation' will commence in January which will help inform the detailed strategy to be finalised in late 2022. Cabinet considered an interim Economic Statement and this included proposed headline aims for the Economic Strategy to be discussed with businesses, residents, delivery partners, and other stakeholders as part of the economic conversation:

- (a) Balance economic growth with the need to reduce carbon emissions and improve socio-economic sustainability
- (b) Define priorities for growth and recovery from Covid-19 and take advantage of the opportunities emerging from Brexit
- (c) Align with the County Durham Vision 2035, which sets the ambition of generating 'more and better jobs' across the county by:
 - i. Delivering a range of accessible employment sites
 - ii. Having a strong, competitive economy and being a premier place to do business
 - iii. Broadening the experience for residents and visitors to the county
 - iv. Ensuring young people have access to good quality education, training, and employment
 - v. Helping people into rewarding work
 - vi. Ensuring fewer people are affected by poverty and deprivation

18 The development of an economic strategy will provide the foundation on which long term interventions can be implemented aimed at creating inclusive economic growth. In other words not only creating jobs but ensuring that Durham residents are able to benefit directly.

Current and Proposed Interventions

- 19 The Council and its partners cannot stand still until the Economic Strategy is in place and in the meantime work will continue to develop new initiatives and opportunities and presently these include: -
- i. Strategic Employment Sites
 - ii. Levelling Up Fund / White Paper and UKSPF
 - iii. Towns and Villages Programme
 - iv. Future High Street Fund and Stronger Town Fund
 - v. Regional Devolution

REG Capital Programme 2021/22 to 2024/25

- 20 Regeneration, Economy and Growth covers a wide range of services within Development and Housing, Business Durham, Corporate Property and Land, Transport and Contract Services and Culture Sport and Tourism.
- 21 The approved capital programme within the Directorate from 21/22 to 24/25 amounts to £316million and includes the delivery of 207 projects.

Service (projects)	2021/22 (£)	2022/23 (£)	2023/24 (£)	2024/25 (£)
Business Durham (7)	5,813,457	15,787,730	25,158,412	11,818,056
Development & Housing (85)	33,507,480	39,067,397	9,890,322	534,638
CPAL (15)	26,509,312	11,035,554	3,151,958	40,000
Transport (54)	9,930,709	30,942,679	20,731,036	2,676,524
CST (46)	11,094,715	49,406,048	6,874,624	152,393
Misc	130,000	283,597	384,133	1,200,000
Total	86,975,673	146,523,005	66,190,485	16,421,611

- 22 The figures above are those within the current capital programme. A number of schemes have funding earmarked within reserves to be called upon when required.

- 23 The above table includes the projects covered in more detail below however the scale of projects being delivered across a wide range of service areas, contributing to the wider vision and aspirations of the County are significant.
- 24 Appendix 5 provides a summary of the programme by theme and Appendix 6 provides details of the individual programmes by service area.

Existing Strategic Employment Sites

- 25 There are a number of major strategic employment sites that are being developed to secure economic growth, new jobs and community opportunities across the County. These are situated along both the A1 and A19 corridors. This committee on the 20th September was provided with a comprehensive report on existing and planned strategic economic sites in the County.

A1 Corridor

- i. Forrest Park – target 3,200 jobs
- ii. NETPark Ph 3 – target 1,250 jobs (600 to date)
- iii. Integra 61- target 5,000 jobs (1000+ to date)
- iv. Aykley Heads – target up to 4,000 jobs

A19 Corridor

- v. Jade Business Park – target 2,500 jobs (140 to date)

- 26 Appendix 2 provides a detailed overview of each of the strategic employment sites currently in development.

Levelling Up Fund

- 27 In the Spring Budget the Government announced the launch of Round 1 of the Levelling Up Fund and indicated that an amount of £600m would be allocated in the first round with Rounds 2 and 3 to follow.
- 28 Local authorities are able to make one levelling up bid for each Parliamentary Constituency. Each bid can be up to £20m (higher for transport schemes) and must be linked to one of the three themes identified in bidding guidance. These are Transport, Culture and Town Centres. Government expects Members of Parliament to support the bid selected for submission for their constituency.

- 29 In the first round Durham County Council submitted a bid in South West Durham for the Bishop Auckland constituency. The bid sought £20m to support the construction of a bypass at Toft Hill, works at locomotion and the reopening of Whorlton Bridge. In the autumn statement the Chancellor announced that the bid had been successful and an award of £20m was made. In total the Chancellor announced 95 successful bids totalling £1.7bn.
- 30 This leaves the opportunity to bid for the five remaining constituencies in Rounds 2 and 3. A long list of potential projects has been identified and five constituencies and sessions were arranged in the Council chamber for all local members in each of the constituencies. These sessions outlined the levelling up process and members were able to discuss and comment upon the individual projects identified. Members were advised that projects that did not succeed in going forward as levelling up proposals would be worked on for as a future pipeline project. In addition to these events a series of town masterplans were developed to support the levelling up process and Cabinet has approved for these for consultation until mid January 2022.
- 31 Appendix 3 provides the long list of projects that were identified during the levelling up process for the five constituencies.
- 32 In early 2022 Cabinet will be asked to select a preferred project for submission for each constituency to be put forward in the remaining rounds.
- 33 The wider levelling up initiative will be further developed with the publication of a Levelling Up White Paper. This is expected early in the new year and should include specific information on the UK Shared Prosperity Fund (UKSPF) and County Devolution proposals. Both of these will provide further opportunity for investment and delivery of important initiatives in the County.

Towns and Villages Programme

- 34 The Towns and Villages Programme was the subject of a detailed report to this Committee in November 2021. This report will summarise the level of funding available and the strategic focus of the programme.
- 35 It is a £25m programme funded by Durham County Council, with each of the AAP's being awarded £300k. The focus of the programme is to
- (a) Supplement programmes and accelerating delivery
 - (b) Enhance partnership Working
 - (c) Align activities and budgets

- (d) Focus on disadvantaged communities
- (e) Include rural communities
- (f) Be centred around the five themes of
 - i. Strategic Investments
 - ii. Housing and Community
 - iii. Environment and Health
 - iv. Built Environment
 - v. Transport and Connectivity

Future High Street Fund and Stronger Towns Fund

- 36 Bishop Auckland has been successful in securing Government funding to support from both the Future High Street Fund and the Stronger Towns Fund. Additional Government funding has been secured via the Levelling Up Fund covered previously.
- 37 In addition to the above the Council is investing in Leisure Transformation in the town, a Heritage Action Zone with funding is in place and The Auckland Project is investing directly into infrastructure and attractions.
- 38 In total £375 million is being invested supported by a combination of funding from The Auckland Project (TAP), central government and Durham County Council. In summary
 - i. Future High Street Fund (£19.8m to support a £29m programme)
 - ii. Stronger Towns Fund (£33.2m funding to enable the delivery of TAP attractions, increase visitor numbers to 1.5m pa and secure significant economic benefits to the area)
 - iii. Levelling Up Fund (£20m allocated from Round 1 of the Levelling Up Fund)
 - iv. Leisure Transformation (£16m)
 - v. TAP investment programme (£275m)
 - vi. Heritage Action Zone (£1.4m)

- 39 Appendix 4 provides a list of the projects to be delivered within the Stronger Towns Fund, the Future High Street Fund and the Levelling Up Fund.
- 40 The high level economic and social outcomes for the town are
- i. Additional 1.5m visitors per annum
 - ii. Encourage dwell time and higher levels of spend
 - iii. 3,000 new visitor economy jobs.
 - iv. 750 other jobs.
 - v. £240m per annum of economic value.

Regional Devolution

- 41 A major opportunity for the County to benefit from increased investment to support an investment pipeline is regional devolution. At present the County is a member of the North East Combined Authority alongside South Tyneside, Sunderland and Gateshead. This arrangement does not have a 'devolution deal'.
- 42 To the North there is the North of Tyne Mayoral Combined Authority (Newcastle, North Tyneside and Northumberland) and this has the benefit of a long term investment fund and devolved powers. The investment fund equates to £600m.
- 43 To the South the Tees Valley Councils are members of the Tees Valley Mayoral Combined Authority and this benefits from a devolution deal with an investment fund of £450m.
- 44 Clearly this level of additional investment to support interventions and projects that drive inclusive economic growth is a major lever. To date such devolution deals have only been available to Mayoral Combined Authorities, however in July 2021 the Prime Minister announced the desire to introduce 'County Devolution Deals'. In response the Council submitted an expression of interest in securing a County Deal.
- 45 The outcome of that expression of interest is not yet known however should a County Deal come to fruition with a long term investment fund then the ability to deliver an investment pipeline will be significantly increased.

Major Programme Board

- 46 Recognising the scale and complexity of the pipeline of major projects within the Regeneration, Economy and Growth Directorate the Major Programme Board has recently been established,.
- 47 The Board is chaired by the Director and is supported by Heads of Service and senior project managers. It meets on a monthly basis and is developing a suite of documents that will be used to drive consistency and high performance across all of the programme.
- 48 The remit of the Board is to
- (i) Create a consistent project initiation, development and delivery process
 - (ii) Provide a consistent assurance framework for major projects and programmes
 - (iii) Regularly review delivery performance and effectively deal with matters that have been escalated
 - (iv) Bring high quality projects on stream, on time and to budget
- 49 Although in its infancy the Board will play a major role in driving up the quality of projects being delivered by the Council.

Background papers:

None

Contact:

Geoff Paul

Heather Orton

Appendix 1: Implications

Legal Implications

None relating to this report, although the delivery of major programmes requires significant legal support

Finance

None relating to this report although significant public and private funding supports the delivery of the various projects identified in the report.

Consultation

A range of consultation projects have previously been conducted or are planned to support the development of the various projects in the report

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Climate Change

Many of the projects being developed will benefit from the most up to date regulations for meeting the climate change agenda

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None.

Appendix 2 : Strategic Employment Sites in Development along the A1 and A19 Corridors

Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor						
<p>Forrest Park</p> <p><u>Location:</u> Off Junction 59 of the A1(M) at Aycliffe Business Park</p> <p><u>Website</u> https://forrestpark.co.uk/</p>	<p>A 55 hectare site with planning consent for more than 1.75 million sq. ft of industrial/distribution accommodation.</p> <p>This will comprise 11 Industrial Units ranging in size from 46,000 – 575,000 sq ft, a 50,000 sq ft trade park of 7units ranging in size from 5,000 -10,000 sq ft, and a 60 bed Hotel & Pub development</p> <p>It forms an extension to Aycliffe Business Park, creating the largest industrial estate in the North East region.</p>	<p>A Joint venture – Forrest Park (Newton Aycliffe) Ltd – between DCC and the Forrest Family.</p> <p>Development Partner is Richardson Barberry</p>	<p>DCC and NELEP funded £13m infrastructure works to create a new signalised junction and electricity substation, in order to open up the site for development.</p>	<p>10-15 Year Development Programme</p> <p>Outline planning permission granted for 1.75m sq ft buildings on the site mostly for general industrial, storage and distribution uses, with some roadside retail, food and trade counter use at the entrance to the site.</p>	<p>Aimed at businesses in the warehousing, logistics and manufacturing sectors.</p> <p>Front Plot – Petrol Filling Station, retail units and KFC drive thru restaurant</p>	<p>Target 3,200 jobs</p>

Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor (continued)						
<p>NETPark Phase 3</p> <p><u>Location:</u> Just off the A177 at Sedgefield</p> <p><u>Website</u> https://www.northeasttechnologypark.com/</p>	<p>A 26 hectare site to expand the existing science park, with 13 hectares of serviced land available for the next phase of development.</p> <p>270,000 sq ft of new laboratory, office, production and storage space proposed to facilitate the growth of existing NETPark tenants and attract new inward investment.</p> <p>Will potentially include the development of a North East Space Hub and DISC (Disruptive</p>	<p>DCC owns the land and the existing buildings at NETPark are managed by Business Durham.</p> <p>DCC Cabinet on 15th September is to consider £49.6m investment to develop Phase 3.</p>	<p>The NETPark site has been developed by DCC over 15 years with European funding support and funding from the NELEP Local Growth Fund.</p> <p>NELEP provided £5.1m funding to put in a road and site servicing to open up the land for the Phase 3 development.</p>	<p>Subject to Cabinet approval, development of Phase 3 is set to commence in July 2022, with completion from Summer 2023 onwards.</p>	<p>Science and technology businesses, including in the semi-conductor, advanced electronics, space and satellite, and health and life sciences sectors.</p> <p>Tenants to date (Phases 1 & 2): 40 businesses including Kromek, Filtronic, Ibex Innovations, Polyphotonix, PragmatIC, Wootzano, Evinco Technology, Redditch Medical, Northumbria Pharma.</p> <p>Interest from 7 tenants in taking new facilities on Phase 3</p>	<p>Target (1,250 jobs (Phase 3))</p> <p><u>To date:</u> 600 jobs</p>

	Innovation for Space Capability facility.				to scale up their manufacture.	
Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor (continued)						
<p>Integra 61</p> <p><u>Location:</u> Bowburn at Junction 61 off the A1 and opposite Durham Services</p> <p><u>Website:</u> https://integra61.co.uk/</p>	<p>83 hectare mixed use site adjacent to the A1(M).</p> <p>£300m mixed use development will provide a total of three million sq ft of industrial and logistics space, 300 new homes and 50,000ft² of roadside opportunities, including a family pub/restaurant, hotel, drive-thru, trade counter units, car showrooms, a care home and a nursery.</p>	<p>Citrus Group is the owner and developer of the site, supported by agents Avison Young and Colliers.</p>	<p>NELEP and DCC funded £7m infrastructure works to improve access to the site and address congestion and safety issues.</p>	<p>Phase 1 recently completed with Amazon taking 2,000,000 sq ft at a cost of circa £150m.</p> <p>Phase 2 will see a new business/industrial hub, Evolution@Integra 61, being delivered speculatively by Citrus Group to provide up to 23 flexible units in sizes from 1,205 sq ft up to 6,480 sq ft.</p>	<p>Aimed at being a premier industrial and logistics hub.</p> <p><u>Tenants to date:</u> Amazon has located its second robotics fulfilment centre in the North East at the site, one of the largest distribution centres in the UK, creating around 1,000 jobs.</p>	<p>Target 5,000 jobs</p> <p><u>To date:</u> 1000+ jobs</p>

Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor (continued)						
Aykley Heads <u>Location:</u> Durham City	A 56 hectare site that would be made available for development by the relocation of the council from the site. Opportunity to develop high quality office space at a successful business location, home to existing occupiers including Atom Bank, Honcho, Waterstons, Durham Constabulary and the North East Chamber of Commerce, amongst others.	Site owned by DCC. Durham University are interested in being a key partner. A market exercise is to be undertaken in early 2022 to identify a suitable development partner for the site.	Development of the first building on the site 'Plot C' is being funded by DCC with £6m from the Getting Building Fund managed by NELEP.	Work began on Plot C in March 2021 and is to be completed by July 2022.	Vision is to attract innovation and knowledge-rich businesses, including those in the fintech and digital sectors.	Target up to 4,000 jobs (Phases 1 and 2)

Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A19 Corridor						
Jade Business Park <u>Location:</u> Murton next to Dalton Park retail outlet off the A19 <u>Website:</u> http://www.jade-park.co.uk/	19 hectare site reclaimed from Hawthorn colliery and cokeworks. <u>Phase 1:</u> 7 new industrial units, totalling 155,000 sq.ft Tenants benefit from Enterprise Zone (EZ) status (5 years business rates discount) <u>Phase 2:</u> Capacity to deliver a further 400,000 sq ft of industrial space	DCC owns the freehold and funded the speculative development of Phase 1. Units built by Highbridge Developments, which has an option agreement on the land; supported by Regional agent HTA and National agent CBRE.	As one of the Enterprise Zone (EZ) sites in the region, NELEP funded £11m infrastructure works. DCC funded the £14m development of the Phase 1 units, which are managed by Business Durham.	Phase 1 units completed August 2020. As of August 2021, 4 of the 7 units have been let, and Heads of Terms issued on a further 2 of the units.	Aimed at businesses in the advanced manufacturing, technology and distribution sectors. <u>Tenants to date:</u> Sumitomo Electric Wiring Systems Europe (SEWS-E) – <i>manufacture of wiring components for the automotive sector</i> CoreHaus – <i>manufacture of innovative modular housing solutions</i> Power Roll – <i>manufacture of lightweight, low-cost solar film for renewable energy generation</i> ARGLA – <i>design and manufacture of bespoke architectural glass</i>	Target 2,500 jobs <u>To date:</u> 140 jobs

Appendix 3 : Long List of 'Projects' Levelling Up

Durham City

- Durham City Connectivity Programme
- Integra 61 and Bowburn Bypass
- Durham City Creative Quarter and River Bank Routes

North West Durham

- Consett Regeneration and Transport Connectivity
- North West Durham Connectivity and Active Mode
- North West Durham Regeneration (3 Towns)
- Killhope Museum and Weardale Tourism
- Awakening a Giant: Ushaw College

Sedgefield

- Ferryhill Rail Station (and Sedgefield Rail Station)
- Newton Aycliffe Regeneration

North Durham

- Stanley Transport and Economic Regeneration
- Chester le Street Regeneration

Easington

- Horden Regeneration
- Peterlee Town Centre Regeneration
- Easington Colliery Regeneration
- Seaham Town Centre Regeneration

Appendix 4 : Breakdown of Projects by Programme : Bishop Auckland

Stronger Town Fund : Projects Approved by STB/DCC

Project	Description	STF £
Eastern Sustainable Access Corridor (ESAC)	New car parking / bridge access / road access. Project is Central to unlocking significant investment and a driver of visitor / GVA growth. Classified as a major planning application with significant multi-disciplinary inputs required.	£15.7m
Town Centre Diversification (1)	Improving usability of public open spaces and creation of an atrium link between the Town Hall and the Miners Gallery. Further work being undertaken on options and report required to facilitate project decision STB/DCC.	£6.1m
Town Centre Diversification (2)	Gap funding for Beales Development.	£2m
Durham Dales Gateway -Railway Station Works	Revised Scope & delivery plan required from TAP	£0.9m
South Church : Enterprise Support	40,000 sq. ft workspace units developed by BD, managed by BD with Business Start-up Support package by SD Enterprise Agency	£1.7m
Heritage Walking and Cycling Routes	Prioritised list of work ...interdependency with Northern Saints Trail and Stockton & Darlington project	£2.5m
Springboard to Employment	College : sectoral focus on health and social care and leisure and tourism. Young people into opportunity.	£1.3m
Tindale Triangle	Upgrade 3 junctions to unlock development sites and opportunities	£3m

Future High Street Projects

Project	Description	FHSF £
New Bus Station	Construction of new bus station	£4.227m
MSCP	Construction of Multi Storey Car Park (396 spaces)	£7.541m
MSCP to Fore Bondgate	Upgrade of route from Station / MSCP to Fore Bondgate	£0.155m
North Bondgate to Fore Bondgate	Creation of direct route from North Bongate to Fore Bondgate.	£0.652m
Fore Bondgate to Newgate Centre	Improved pedestrian route in town centre	£0.104m
North Newgate St	Public Realm Works	£0.158m
Road Junction Capacity works	Works to 3 no. roundabouts	£0.539m
Kingsway Car Park and Public Realm	New car park with new access from Newgate Street	£0.781m
Spanish Gallery Public Realm	Public Realm works at Spanish Gallery	£0.105m
Queens Head Hotel	Funding to support the creation of a new hotel (location subject to change)	£1.1m

Property Reuse Fund	Fund to provide support for owners to change use/bring into use existing premises in the town centre	£1.0m
9/11 Newgate Street	Bringing central space / units back into use	£3.235m
Newgate St Workspace	Acquisition of units to provide new workspace	£0.26m

Levelling Up Fund : South West Durham

Project	Description	LUF £
Whorlton Bridge	Reopening of bridge to vehicular traffic and non-motorised users	£2m
Toft Hill Bypass	Realignment of A68 to bypass Toft Hill	£10.8m
Locomotion & Walking / Cycling Routes	Enhancements including parking, structural restoration, public realm, and walking and cycling improvements	£7.2m

Appendix 5 : Summary of REG Capital Programme 21/22 to 24/25

Capital Programme SUMMARY			MOWG YEAR-END 2021-2022			
Scheme	Major Minor	TOTAL 2021/2022	TOTAL 2022/2023	TOTAL 2023/2024	TOTAL 2024/2025	
Industrial Estates	Industrial	5,813,457	15,787,730	25,158,412	11,818,056	
TOTAL BUSINESS DURHAM		5,813,457	15,787,730	25,158,412	11,818,056	
Eastgate	Eastgate	0	0	150,000	360,830	
North Dock Seaham	North Dock	231,000	25,000	25,000	98,808	
Town Centres	Towns	8,688,894	17,109,528	968,640	0	
Town & Village Centres	T&VC	1,540,269	3,351,317	249,053	0	
Disabled Facilities Grant / Financial Assistance Policy	DFG/FAP	6,422,329	7,150,805	250,000	0	
Housing Renewal	H/Renewal	14,754,869	2,412,075	1,144,806	75,000	
Chapter Homes	Chap Homes	0	860,000	1,820,000	0	
Housing Development (Land Release)	H/Development	913,004	6,535,875	1,915,065	0	
Beamish Museum	Beamish	777,115	1,442,797	3,367,758	0	
Development & Housing Minor Schemes	Minor (D&H)	180,000	180,000	0	0	
TOTAL DEVELOPMENT & HOUSING		33,507,480	39,067,397	9,890,322	534,638	
Office Accommodation	Off Accom	17,481,744	3,614,290	2,049,959	40,000	
Capitalised Structural Maintenance	Struc Maint	5,165,041	6,783,791	401,613	0	
Woodham Community Technology College	WCTC	0	0	700,386	0	
Milburngate Fit Out	Milburngate	3,862,527	637,473	0	0	
TOTAL CORPORATE PROPERTY & LAND		26,509,312	11,035,554	3,151,958	40,000	
Local Transport Plan	LTP	3,744,567	2,726,500	0	0	
Traffic & Community Engagement	T&CE	774,488	150,000	0	0	
Transport Major Schemes	Trans Major	5,372,489	28,051,969	20,731,036	2,676,524	
Transport & CS Minor Schemes	Minor (T&CS)	39,165	14,210	0	0	
TOTAL TRANSPORT & CONTRACT SERVICES		9,930,709	30,942,679	20,731,036	2,676,524	
Outdoor Play Areas & Parks	Play & Parks	72,925	33,675	0	0	
Leisure Centres	Leisure	2,916,925	35,296,045	4,000,000	0	
Culture & Museums	C&M	8,094,865	14,067,356	2,874,624	152,393	
AAP Schemes Sports & Leisure	AAP S&L	0	8,972	0	0	
TOTAL CULTURE & SPORT		11,084,715	49,406,048	6,874,624	152,393	
SPP Minor Schemes Inc Contingency	Minor (SPP)	130,000	283,597	384,133	1,200,000	
TOTAL STRATEGY, PROGRAMMES & PERFORMANCE (SPP)		130,000	283,597	384,133	1,200,000	
TOTAL GENERAL FUND		86,975,673	146,523,005	66,190,485	16,421,611	
					316,110,774	

Appendix 6 REG Capital Programme Projects by Service

BUSINESS DURHAM
Salvus House - LED Lighting Replacement
NETPark - Explorer Village
NETPark - Café
NETPark - Lease Purchase
NETPark - Phase 3
Finance Durham Investment Fund
Jade Business Park - Factory Build

DEVELOPMENT & HOUSING
Eastgate
North Dock Seaham
Town Centres
Barnard Castle
Barnard Castle - Town Centre Improvements
Bishop Auckland
BA - FHSF - Unprogrammed
BA - FHSF - Kingsway Car Park & Public Realm
BA - FHSF - Bus Station/MSCP - Fore Bondgate
BA - FHSF - North Bondgate CP - Fore Bondgate
BA - FHSF - Fore Bondgate - Newgate Centre
BA - FHSF - North Newgate Street Public Realm
BA - FHSF - Spanish Gall/Market Public Realm
BA - FHSF - Queens Head Hotel
BA - FHSF - Town Centre Property Reuse Fund
BA - FHSF - Newgate St Food & Beverage Units
BA - FHSF - Newgate St Workspace Pods (Acq)
Bishop Auckland - Newgate Centre Acquisition
Bishop Auckland - Town Centre Improvements
Bishop Auckland - Strategic Interventions and Acquisitions
Bishop Auckland - Heritage Action Zone
Bishop Auckland - HAZ - Economic Study
Bishop Auckland - HAZ - Conservation Area Grants Scheme
Bishop Auckland - HAZ - Gib Chare Scheme
Bishop Auckland - HAZ - Community Engagement
Bishop Auckland - HAZ - Town Centre Projects
Bishop Auckland - Towns Fund Accelerated Funding
Bishop Auckland Towns Deal - Unprogrammed
Chester-le-Street
Chester-le-Street - Town Centre Development
Consett
Consett - Streetscape
Durham
Durham - Elvet Riverside
Durham - Town Centre Improvements
Durham - TBI
Durham - Freemans Reach
Durham - Claypath / Millennium
Durham - Walkergate / Fowlers Yard
Durham - Milburngate EVC Points
Durham - Aykley Heads Project Development
Durham - Aykley Heads Plot C
Durham - AH - Demolition of County Hall
Peterlee
Peterlee - North East Industrial Estate
Peterlee - Streetscape
Seaham
Seaham - Colliery Masterplan (HCA Funding)
Seaham - Town Centre Developments
Seaham - Railway Street Acquisitions
Seaham - Townscape Heritage Initiative
Seaham - SGV - Minewater Heating
Spennymoor
Spennymoor - Festival Walk
Spennymoor - Acquisitions & Developments
Stanley
Stanley - Public Realm Improvements
Towns Other
Countywide - TBI
Middleton-in-Teesdale - TBI

Housing Continued

Town & Village Centres
Strategic
Digital High Street
Neighbourhood Retailing
Property Improvement & Enhancement
Vulnerable Buildings
Community Housing
Property Reuse, Conversion and Improvement
Empty Homes Programme
Environmental Maintenance & Improvement
Enhanced Environmental Maintenance
Allotment Improvement Programme
T&VC - Walking & Cycling Routes
Area Programmes
Dean Bank Bernicia Env't Improvements
Chilton Community Building
Easington Colliery School / Place First
Easington Village - Parking / Traffic
South Moor Development Site
Sacriston - Coop Buildings Refurb Grants
Peterlee Community Building - Redevelopment
ED&H Delivery Team
Disabled Facilities Grant
Financial Assistance Policy DFG's Discretionary
Financial Assistance Policy - Equity Loans
Group Repair - Craghead
Group Repair - Wembly
Group Repair - Dawdon
East Durham Neighbourhood Initiative
Warm Homes Fund - Category 1
Warm Homes Fund - Category 2
Green Homes - Phase 1a
Green Homes - Phase 1b
Green Homes - Phase 2
Acquisition/Demolition West Chilton
CPO Compensation Payments
Homelessness - Buy To Lease
Improvements to PRS
Housing Initiative Fund
Wheatley Hill - NSAP
Rough Sleeper Accommodation (COMF)
Affordable Housing (S106)
Accelerated Construction Scheme (Homes England)
Horden Housing Feasibility Plan
Chapter Homes
Housing Development - Stanley (Former School of Technology Site)
Housing Development - Self Build
DCC House Building Programme
OPE - Chaytor Road, Bridgehill
OPE - Greenwood Avenue, Burnhope
Beamish Museum

CORPORATE PROPERTY & LAND
Office Accommodation
Office Accommodation - Balance
Crook Civic Centre - Strategic Site
Meadowfield Depot - Strategic Site
Spectrum 8 - Strategic Site
Spennymoor Green Lane - Strategic Site
Relocation Countryside Rangers
Relocation Occupational Health
New Headquarters
EVC Points
Capitalised Structural Maintenance
Structural Capitalised Maintenance
Demolition Programme (Unprogrammed)
Non-Highways Structures
Schools Demolition Programme
Schools Demolition Programme (Unprogrammed)
Woodham Community Technology College
Milburngate Fit Out

TRANSPORT & CONTRACT SERVICES
Integrated Transport
Sustainable Travel
Public Transport Information
Community Transport
Bus Infrastructure
Bus Priority
Taxis
Workplace Travel Planning & Attitudinal Change
Casualty Reduction
Driver Information/UTMC
Demand Management
Electric Vehicle Charging Infrastructure
Air Quality/Noise
Walking & Cycling
Rail Infrastructure
Local Accessibility
Economic Transport Corridors
Transport Corridors
Cycling Super Routes
Whole Town Approach
Place Shaping Support
Revenue Support
Traffic & Community Engagement
Speed Visor Rotation Programme
Dropped Crossings Countywide
Traffic Signs (New)
Road Markings Countywide (New)
20mph Project 2018/19
AAP Schemes (T&CE)
Sildon to Newton Aycliffe Cycleway
Horden (Peterlee) Railway Station
Durham Bus Station and North Road Development
A19/A179 Sheraton Junction
Sherburn Road Retail Link Road
Safe Walking Routes
Safer Roads Fund
Infrastructure Improvements - Bishop Auckland
A1(M) Junction 61 Capacity Enhancements
Newton Aycliffe HIF
Jade Business Park Development
Coach Park (Belmont)
Stonebridge Park & Ride
Sniperley Park & Ride Extension
Durham - Milburngate Footbridge and Pedestrian Improvements
A693 Stanley Pinch Point
TCF2 - Walking & Cycling Corridors
TCF2 - Bus Priority Measures (BPM)
BA - FHSF - Bus Station
BA - FHSF - New MSCP
BA - FHSF - Road Junction Capacity Imps
Nat Cycle Network
Bright Water - Bishop's Fen to Fishburn
A19/A1018 Seaton Lane Junction
J60 A1(M) - Bradbury Services
Toft Hill A68 Bypass (LUF BA)
TCF - Durham UTMC
CCTV - Coxhoe Park
Call Handling System

CULTURE & SPORT
Outdoor Play Areas & Parks
Changing Room - Former Blackfyne School
Changing Room - Former Roseberry School
Shildon Stadium Improvement
Leisure Centres
Peterlee Library / Leisure Centre Co-location
Leisure Management System Phase 2
Spennymoor Library - L/Centre Co-location
Consett Library / CAP Relocation
Leisure Centre Transformation Project
New Build
LCT- New Build- Chester-le-Street LC
LCT- New Build- Seaham LC
LCT- New Build- Woodhouse Close LC
Refurbishment
LCT- Refurbishment- Louisa LC
LCT- Refurbishment- Spennymoor LC
LCT- Refurbishment- Teesdale LC
LCT- Refurbishment- Abbey LC
LCT- Refurbishment- Freemans Quay LC
LCT- Refurbishment- Peterlee LC
Repositioning Of Leisure Services
LCT - Repositioning - Meadowfield LC
LCT - Repositioning - Shildon LC
Contribution To FA
LCT - Development - Riverside LC
Consett Leisure Pool
Abbey LC - Replacement Gym Equipment
Chester-le-Street LC - Replacement Gym Equipment
Meadowfield LC - Replacement Gym Equipment
Woodhouse Close LC - Replacement Gym Equipment
Seaham LC - Replacement Gym Equipment
Culture & Museums
DLI Collection
Sevenhills - Relocation of Collection
Bishop Auckland Town Hall Refurbishment
Durham Town Hall - Development of Visitor Attraction
Theatre Equipment Replacement - Gala
Theatre Equipment Replacement - Empire
Gala Capitalised Maintenance and Improvement Works
Shildon Coal Drops
DMA Redhills Building Refurbishment
Locomotion - New Exhibition Building
Weardale Railway
DCC & DU Millennium Place Cultural Hub Feasibility
Killhope Museum
Shildon Chauldron Waggon Project
Durham City Cultural Programme
Durham History Centre
Durham History Centre-Wolfson Foundation
Durham History Centre-ERDF
Durham History Centre-HLF
AAP Schemes Sports & Leisure
Witton Park Paradise Playing Fields

Investment Pipelines

Economy & Enterprise Overview and Scrutiny Committee

20 December 2021



Areas covered

- Inclusive Economic Growth Strategy – context
- Current and Proposed Interventions (Pipelines)
 - REG Capital Programme
 - Strategic Employment Sites
 - Levelling Up Fund / White Paper / UKSPF
 - Towns and Villages
 - Future High Street & Stringer Towns Funds
 - Regional Devolution
- Major Programme Board
- Capacity

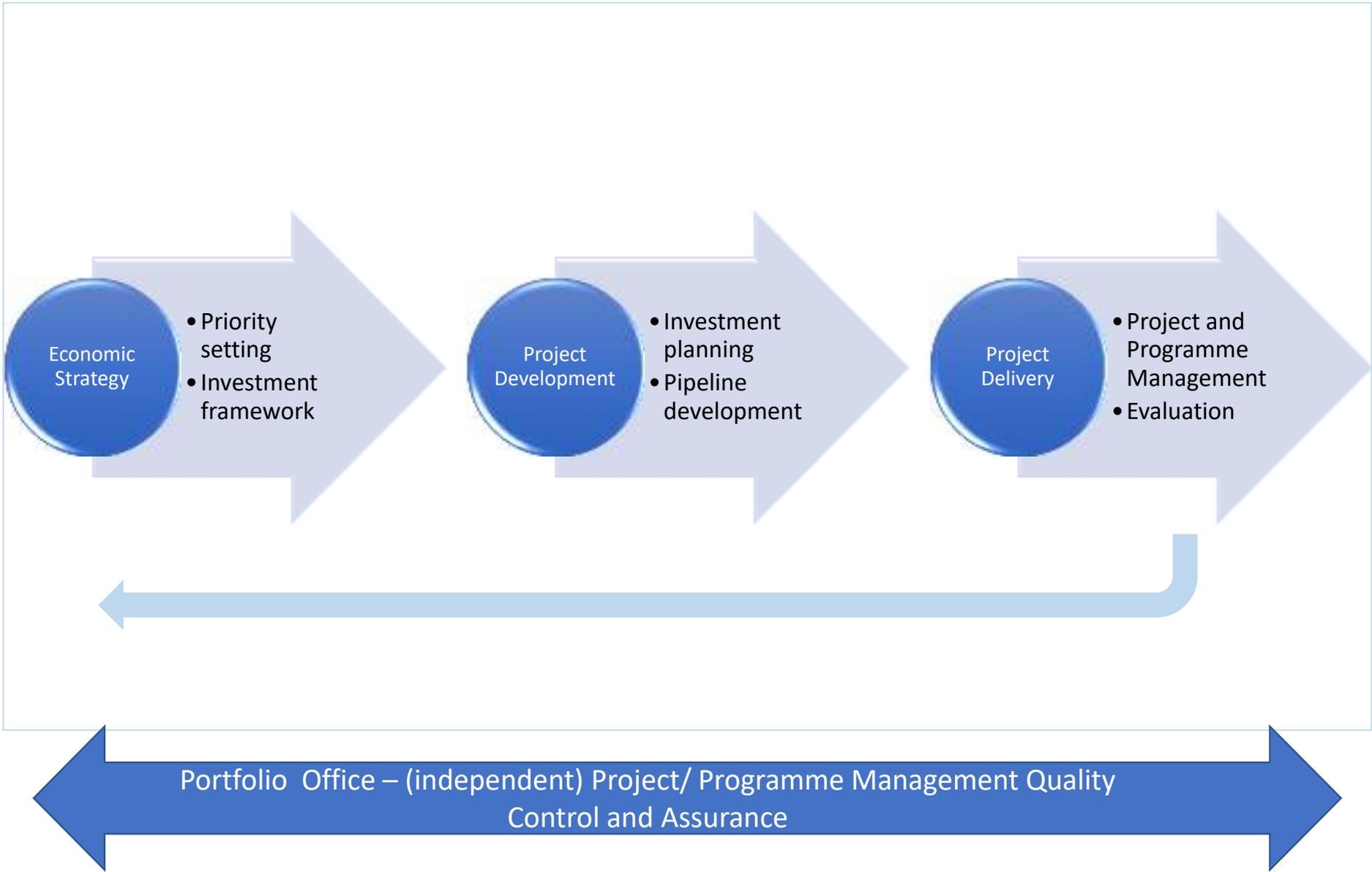
Inclusive Economic Strategy



Inclusive Economic Growth Strategy

- Report to December Cabinet
- Scale and importance of Durham Economy
- Economic Review early 2021
- Interim Economic Statement
- Conversation Jan – April
- Long term strategy in place Autumn 2022

Essential to build a project pipeline that is geared up and prioritised to support the Inclusive Economic Strategy (both Capital and Revenue projects)



REG Capital Programme



Capital Programme SUMMARY			MOWG YEAR-END 2021-2022			
Scheme	Major Minor	TOTAL	TOTAL	TOTAL	TOTAL	
		2021/2022	2022/2023	2023/2024	2024/2025	
Industrial Estates	Industrial	5,813,457	15,787,730	25,158,412	11,818,056	
TOTAL BUSINESS DURHAM		5,813,457	15,787,730	25,158,412	11,818,056	
Eastgate	Eastgate	0	0	150,000	360,830	
North Dock Seaham	North Dock	231,000	25,000	25,000	98,808	
Town Centres	Towns	8,688,894	17,109,528	968,640	0	
Town & Village Centres	T&VC	1,540,269	3,351,317	249,053	0	
Disabled Facilities Grant / Financial Assistance Policy	DFG/FAP	6,422,329	7,150,805	250,000	0	
Housing Renewal	H/Renewal	14,754,869	2,412,075	1,144,806	75,000	
Chapter Homes	Chap Homes	0	860,000	1,820,000	0	
Housing Development (Land Release)	H/Development	913,004	6,535,875	1,915,065	0	
Beamish Museum	Beamish	777,115	1,442,797	3,367,758	0	
Development & Housing Minor Schemes	Minor (D&H)	180,000	180,000	0	0	
TOTAL DEVELOPMENT & HOUSING		33,507,480	39,067,397	9,890,322	534,638	
Office Accommodation	Off Accom	17,481,744	3,614,290	2,049,959	40,000	
Capitalised Structural Maintenance	Struc Maint	5,165,041	6,783,791	401,613	0	
Woodham Community Technology College	WCTC	0	0	700,386	0	
Milburngate Fit Out	Milburngate	3,862,527	637,473	0	0	
TOTAL CORPORATE PROPERTY & LAND		26,509,312	11,035,554	3,151,958	40,000	
Local Transport Plan	LTP	3,744,567	2,726,500	0	0	
Traffic & Community Engagement	T&CE	774,488	150,000	0	0	
Transport Major Schemes	Trans Major	5,372,489	28,051,969	20,731,036	2,676,524	
Transport & CS Minor Schemes	Minor (T&CS)	39,165	14,210	0	0	
TOTAL TRANSPORT & CONTRACT SERVICES		9,930,709	30,942,679	20,731,036	2,676,524	
Outdoor Play Areas & Parks	Play & Parks	72,925	33,675	0	0	
Leisure Centres	Leisure	2,916,925	35,296,045	4,000,000	0	
Culture & Museums	C&M	8,094,865	14,067,356	2,874,624	152,393	
AAP Schemes Sports & Leisure	AAP S&L	0	8,972	0	0	
TOTAL CULTURE & SPORT		11,084,715	49,406,048	6,874,624	152,393	
SPP Minor Schemes Inc Contingency	Minor (SPP)	130,000	283,597	384,133	1,200,000	
TOTAL STRATEGY, PROGRAMMES & PERFORMANCE (SPP)		130,000	283,597	384,133	1,200,000	
TOTAL GENERAL FUND		86,975,673	146,523,005	66,190,485	16,421,611	
					316,110,774	

Strategic Employment Sites



Strategic Employment Sites

- Forrest Park – target 3,200 jobs
- NETPark Ph 3 – target 1,250 jobs (600 to date)
- Integra 61- target 5,000 jobs (1000+ to date)
- Aykley Heads – target up to 4,000 jobs
- Jade Business Park – target 2,500 jobs (140 to date)

Levelling Up Fund



Levelling Up Fund

- National Programme £4.8bn
- One bid for each parliamentary constituency via LAs
- Up to £20m per bid
- Phase 1 complete
- Awaiting announcement of Rounds 2 and 3
- White Paper 2022 – Jan ?

Levelling Up Fund

- Bishop Auckland
 - £20m awarded in phase 1
 - Toft Hill Bypass / Locomotion / Whorlton Bridge
- 5 remaining Constituencies
 - Long list of potential projects shared with local members
 - Decision from Cabinet in new year on what projects to submit
 - Failed LUF projects will be considered for pipeline development

Towns and Villages Programme



Towns and Villages

- £25m programme (full report to last meeting)
- Includes £300k per AAP
- Areas of focus
 - Supplement programmes and accelerate delivery
 - Enhance partnership working
 - Align activities and budgets
 - Disadvantaged communities
 - Rural Communities
 - Themes – strategic investments/housing & community/
environment & health/ built env/ connectivity

Future High Street & Stronger Towns Funds



FHSF & Stronger Towns Fund

- Bishop Auckland £375m
- Also TAP/LUF/HAZ/Leisure
- FHSF & STF : £19.8m and £33.2m
- 21 individual projects in the town
- Outcomes
 - 1.5m additional visitors per annum
 - Increased dwell time and spend
 - £240m pa added economic value per annum
 - 3,750 new jobs : direct and indirect
- Challenging delivery timescales from HMG

Regional Devolution



Devolution

- A potential enabler to pipeline delivery
- Durham not benefitting from devolved power or funding
- Investment Funds
 - North of Tyne £600m
 - Tees Valley £450m
- County Deals
- Expression of Interest made to Govt

Major Programme Board & Capacity



Major Programme Board

- Recently establish in REG to :
 - Create a consistent project initiation, development and delivery process
 - Provide a consistent assurance framework for major projects and programmes
 - Regularly review delivery performance and effectively deal with matters that have been escalated
 - Bring high quality projects on stream / pipeline
 - Deliver on time and to budget

Capacity

- Pipeline projects require resource / expertise to develop to 'shovel ready'
- Govt funding / Devo investment fund : HMT Green Book BC
- Work to develop pipeline is 'at risk'
- May be opportunity to capitalise costs if project proceeds
- Current resource at its limit (LUF/FHSF/STF/Leisure/Cap Programme)
- Review of existing resources (people and funding)

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**Economy and Enterprise
Overview and Scrutiny Committee**



20 December 2021

Economy and Enterprise OSC Scrutiny Review

Support provided to the Retail Sector by Durham County Council

Joint report of Paul Darby, Corporate Director of Resources and Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The report provides members with an update on the progress made in relation to the recommendations contained in the Economy and Enterprise OSC (E&E OSC) scrutiny review report looking at the support provided to the retail sector by Durham County Council (DCC).

Executive Summary

- 2 At a meeting of the E&E OSC held on the 2 November 2017 members of the committee agreed the terms of reference for the review with the aim of investigating and understanding how DCC works with key partners including the Area Action Partnerships (AAPs) to support the retail sector in County Durham. The review also identified any gaps in support and examined any actions by DCC and partners to address these gaps. It was agreed that the review would:
 - Examine and understand DCC's responsibilities for regeneration, economic development and planning with a specific focus on the retail sector.
 - Examine the retail sector nationally, regionally, and locally identifying challenges for the retail sector in County Durham.
 - Consider the role of DCC and key partners including AAPs in developing, promoting and delivering retail support in the county.
 - Examine with Commercial Letting Agents in the county the current process for marketing retail premises, the information provided by DCC to agents on the retail offer and any issues/challenges with the current process.

- Identify any gaps in current retail support in the county and examine any actions identified by DCC and partners to tackle gaps in provision.
 - Examine and understand the Durham BID.
- 3 The report was considered by Cabinet at the meeting on the 16 January 2019. At the meeting Cabinet were asked to agree the recommendations contained within the review report which included a recommendation for a six-monthly update in the progress made against the recommendations in the report. In addition, the report was shared with the County Durham Economic Partnership on the 26 April 2019.
 - 4 The committee received its third progress update and normally final update in relation to the recommendations at the November 2019 meeting. However, as a result of the impact of COVID 19 on our town centres it was felt by members when agreeing the work programme that there was need for a further update together with additional information in relation to retail support in the county.
 - 5 A progress update is attached as appendix 2 for members consideration and arrangements have been made for the relevant officers involved in the review to attend the meeting on the 20 December to answer any resulting questions.

Recommendations

- 6 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the progress made in relation to the recommendations contained in the scrutiny review report.
- 7 That the Economy and Enterprise Overview and Scrutiny Committee note and comment upon the additional information provided in the report.

Background

- 8 Since 2009, considerable efforts have been made to improve the County's main centres, with a programme of masterplans produced to steer significant capital investment improving the built environment, commercial cores and town centre accessibility alongside targeted programmes of retail support.
- 9 These plans have been developed against a backdrop of change to high streets and town centres which have continued to evolve because of changing consumer trends, technology and what communities want. Over the past 15 years, the emergence of retail parks has had an impact and online shopping has changed the way we buy goods and access services. As a result, high streets have been increasingly

focused on improving the experience as an attractive place to dwell, shop, see friends, for eating out and entertainment.

- 10 Scrutiny Committee's 2019 retail review sought to understand how Council – and partner services could assist with the changes seen at a local level, ensuring existing and new retail operations could be supported and facilitated, while with a broader place leadership role, responding to longer term trends and changes in high street use
- 11 These changes also provide an opportunity to reconnect communities with their Hight Streets / neighbourhood parades as well as meeting other local priorities such as Housing, access to services and better public health. These themes have been embedded in the Towns and Villages Programme.
- 12 Most recently the Covid pandemic has accelerated the changes in our retail areas. ONS/ Springboard data for November shows that nationally footfall is at 45 percent compared to the same period last year. Before the pandemic, footfall had dropped over 10 per cent in the last 7 years. Internet sales had risen to 21 per cent of all retail sales at the end of 2019 compared to 7 per cent a decade earlier, and during the height of the national lockdown period in May this had jumped to nearly 33 per cent of all retail sales.
- 13 The Council's approach to retail support is driven by several interrelated factors these include:
 - The number of and varying needs of the County's retail centres
 - Retail markets and differing levels of demand
 - Differing funding availability

Retail centre needs

- 14 Each of the County's main centres continues to be the subject of a masterplan, developed against an evidence base which considers retail catchment / capacity, property occupancy and town centre accessibility.
- 15 For each of the centres currently subject to Masterplans the need is also being supplemented by a high-level retail gaps assessment, seeking to identify what sectors or uses are underrepresented. Recent investments including the current roll out of the Council's Digital High Street programme in most main centres provides further forms of data and intelligence around town centre usage which can help build a comprehensive picture of the use of each centre.

- 16 Understanding the needs of each centre and the potential opportunities provides further scope for targeted intervention or market engagement. A seminar session for members following the review provided further insight to the annual town centre surveys, a key evidence base for the vitality and change occurring.
- 17 New data sources such as wifi generated footfall and heat maps showing areas of higher pedestrian density are being considered as further additions to the survey reports, providing retail / service operators as well as property owners and agents standardised information to support the reletting or reuse of property, while aiding service understanding of day to day use of the centres.

Strategic co-ordination of service inputs

- 18 A significant feature of the retail review was the range of inputs to supporting retail operations made across the Council. To ensure we effectively deliver on the place agenda, the cross-service input needs to be embedded in three key areas:
 - our plans for Town centres,
 - Service delivery in towns and in support of retailers and
 - Identifying changes and emerging issues.
- 19 Recent reports to Economy & Enterprise Overview and Scrutiny committee have set out the process for delivering and updating masterplans for our main centres and Targeted Delivery Plans for smaller centres. These remain key tools in setting a vision for our centres and a document developed following broad internal and external consultation to ensure all relevant service intelligence, needs and planned delivery is captured.
- 20 These masterplans also provide strategic reference point for bidding for Council Capital resource and as we have seen in recent years through successive government funding programmes provide a key role in setting out the strategic rationale for funding bids.
- 21 Operationally arrangements for effective co-ordination vary from centre to centre reflecting the different circumstances faced by each of them. On a centre-by-centre basis, multiple service inputs are co-ordinated through regular tasking and co-ordination meetings between services, Technical Officer Group meetings bringing together key service delivery representatives as operated for Seaham, Bishop Auckland and Chester le Street) or external partnership structures such as exist for Newton Aycliffe and Bishop Auckland where internal and external partners support the transformation of the town centres.

- 22 Multi service and wider stakeholder groups also exist at AAP level dependent on locally adopted priorities. These wider groupings are also used for some discrete funding programmes most recently the Reopening High Streets Safely Fund and the Welcome Back Fund.
- 23 These joint working arrangements provide a focus on planning and sequencing of council interventions but also provide the opportunity for feedback and information sharing to inform iterations of our plans to support and improve the town centre offer.

Maximising Funding Opportunities

- 24 Support for changes to town centre operations has not traditionally been an area benefitting from significant external support, with Councils taking a lead in facilitating and encouraging private investment. This can be seen clearly in the Council's long-standing commitment to improving the public realm within main centres as a way of encouraging wider use and further investments.
- 25 Another significant area of Council support has been in providing targeted grant assistance to retail operations, improving, or supporting the conversion of premises to diversify the retail offer in key areas of our towns. This approach was set out in the review and remains a key tool in securing private investment to help transform our town centres, reducing vacancy and creating new employment opportunities
- 26 Property improvement and public realm enhancement are however areas where discrete funding programmes have been available, typically focussed on areas of particular heritage benefit or distress. At present this includes both the Seaham Townscape Heritage programme funded through the National Lottery Heritage Fund and the Bishop Auckland Heritage Action Zone supported by Historic England.
- 27 The pace of change and pressures felt across town centres are not unique to County Durham and at a national level competitive funds have emerged to provide resources which can accelerate the managed transformation of towns. The Future High Streets Fund and the subsequent Stronger Towns Fund form part of the governments support linking back to the 2018 Plan for the High Street.
- 28 This plan set out government proposals to cut business rates by a third for up to 90% of retail properties for two years alongside the creation of A £675 million Future High Streets fund created to invest in improvements to town centre infrastructure, reduce congestion, support redevelopment around high streets and enable housing and new workspaces to be created.

- 29 Durham County Council was able to submit four expressions of interest to the fund when it opened with Bishop Auckland invited to submit a full application. Awarded £19.86 million in December 2020, the bid is one of a small number nationally to secure all the requested funds and is the largest award in the North East.
- 30 As a recipient of future High Street Funding, Bishop Auckland was also selected by Government to participate in the Stronger Towns programme aimed at accelerating and managing the transformation of areas undergoing change. A funding submission of £46 million to help reposition the town as a major visitor destination has led to a funding award of £33.2 million with plans now under development to not only provide the infrastructure to support the transformation but also to undertake further town centre focussed works to ensure the towns offer meets the needs of both residents and visitors alike.
- 31 Against a backdrop of change and transition in town centres, the Covid pandemic has caused significant disruption to retail operations and in the early months led to a further round of retail closures. As part of the Government's pandemic response two rounds of funding have been made available and drawn upon across County Durham.
- 32 Reopening High Streets Safely announced in summer 2020 provided £469,256 to support projects to secure the return of town centre users as lockdown restrictions were released. In County Durham this funding has supported public reassurance marketing campaigns as well as retail business resource packs aimed at supporting independent businesses.
- 33 A further £569,256 along with the use of unallocated Reopening High Street Safely funding was allocated in April 2021. Again focussing on creating conditions to restore footfall in town centres, the programme of support includes deep cleans of public spaces, additional large capacity bins, further marketing campaigns, footfall generating events and work to complement the Digital High Street programme by developing a digital shopper loyalty solution.
- 34 The Covid recovery funding and programmed activity reflect the broad service inputs to managing and supporting businesses and town centre operations.
- 35 At the time of the retail review, Cabinet had agreed the concept of the Towns and Villages programme but much of the detail remained under development. Subsequent to the scrutiny review being reported many elements of the Towns and Villages programme – especially the strategic theme reflect the concerns originally noted by members
- 36 Support for property reuse, developing a package of retail training and support, addressing poorly maintained properties and the roll out of the

Digital High Street programme beyond the AAP pilots are essential elements of the £25 million Council investment which also includes £4.2 million of funding allocated directly to Area Action Partnerships to develop local projects in line with the programme themes.

Conclusion

- 37 Members will be aware of progress made in relation to the recommendations contained in the review report and how elements of the review have been incorporated into subsequent programmes and delivery plans.

Background papers:

None

Contact:

Graham Wood Tel: 03000 262002

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

OVERVIEW AND SCRUTINY WORKING GROUP REPORT – SUPPORT PROVIDED TO THE RETAIL SECTOR BY DURHAM COUNTY COUNCIL CONSIDERED BY CABINET IN JANUARY 2019.

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>1)</p> <p>(a) That DCC continues to further develop the County Durham Town Centre Surveys to include detail of DCC owned buildings, hotel and bed and breakfast provision and tourist attractions in relation to the to the 13 largest centres, 2 district centres and 3 retail parks.</p> <p>(b) That a member’s seminar is arranged to discuss and consider the information provided in the County Durham Town Centre Survey 2018.</p>	<p>The town centre surveys have been completed for 2021 with associated Story Maps. Interrogation of the Story Maps allows an analysis of hotel and bed and breakfast provision. This can be carried out on a centre by centre basis on request. Cross reference with the DCC terrier allows for an understanding of DCC owned buildings, it has not been possible to incorporate these on the Story Maps.</p> <p>This was undertaken in June 2019 where James Cook & Bryn Morris Hale did an overview on national retail and town centre trends and how these relate to issues within County Durham. This process can be carried again should members wish for a bespoke session to be arranged as part of the future work programme looking at the 2021 data.</p>	<p>Development & Housing Service</p> <p>REG</p> <p>Development & Housing Service</p> <p>REG</p>	<p>Ongoing</p>

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>2) That the Real Service Grouping (now REG Service Grouping) continue to monitor robustly the number of vacant retail units in our town centres and consider introducing an appropriate indicator to monitor performance on a quarterly basis.</p>	<p>Town centre surveys continue to take place on an annual basis, the latest surveys undertaken in June and July this year. Due to the significant time demands to undertake these surveys, at this time it is not practical to undertake detailed surveys on a quarterly basis. On an informal basis, officers do take note of changes in town centres during the year as part of project delivery within the town and village centres.</p> <p>Buildings that are vacant and are showing signs of deterioration are logged and recorded as part of the Towns & Villages Problem Commercial Properties Project. Meetings take place monthly and buildings listed are discussed, assessed and actioned accordingly.</p>	<p>Development and Housing Service</p> <p>REG</p>	<p>Annual</p>
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>3)</p> <p>(a) DCC ensures that as a result of the Utilities, Telecommunications and Other Broadcast Infrastructure Policy within the emerging County Durham Plan, all new build developments or renovations (both residential and commercial) are served by high speed and reliable broadband connection.</p> <p>(b) That DCC continues to work with broadband providers to ensure that residents and businesses throughout County Durham have the opportunity to access superfast</p>	<p>Policy 28 of the County Durham Plan seeks to require developers to include full fibre access provision to new residential or commercial development. This policy has been adopted (October 2020) and is used to assess planning applications</p> <p>In 2013, Durham County Council (DCC) launched the Digital Durham Programme aimed at extending superfast broadband coverage across the county, working in</p>	<p>Development & Housing Service</p> <p>REG</p> <p>Digital and Customer Services</p>	<p>Ongoing</p>

<p>broadband provision currently available.</p>	<p>partnership with Building Digital UK (BDUK) and appointed supplier Openreach.</p> <p>Delivery under the programme is expected to be completed by 31 December 2021 and will have resulted in the delivery of superfast broadband coverage to an additional 64,000 properties in County Durham and 114,000 across the North East region.</p> <p>At the start of the programme, superfast coverage in the county was 65%. This now stands at 97%, in line with the UK average. The increase is largely down to the intervention of the Digital Durham programme.</p> <p>Market shift to Gigabit</p> <p>In November 2020, Government set a target to achieve a minimum of 85% gigabit-capable broadband coverage in the UK by 2025. The Department for Digital, Culture, Media and Sport (DCMS) is working with industry to accelerate delivery to get as close to 100% as possible by the deadline. Deployment is expected to continue beyond the 2025 timeline.</p> <p>One gigabit is equal to 1,000 Megabits per second (Mbps). By comparison, the definition of Superfast is 30 Mbps.</p> <p>This change in Government strategy has resulted in suppliers aligning resources to secure market share under commercial plans and to engage with public funded</p>	<p>Resources</p>	
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opportunities as part of Project Gigabit to extend coverage to rural areas.

Project Gigabit aims to maximise coverage to the 20% of the UK that are the hardest-to-reach, and therefore fall outside of any commercial plans. These areas are typically rural.

DCMS plan to deliver Project Gigabit under three elements: a procurement, voucher scheme and a hub model approach (GigaHubs), and County Durham is set to benefit from each of these elements.

Since July 2020, Digital Durham have been working closely with DCMS and commercial suppliers, to put County Durham in the best possible position in terms of gigabit-capable coverage.

- Extensive programme of supplier engagement (alongside Highways colleagues) to encourage commercial investment and support for the deployment of gigabit-capable networks in the county.
- Lobbied DCMS to be included in the first procurement phase.
- Co-ordinated the Open Market Review and Public Review exercise (which is the pre-cursor to the procurement) for DCMS at a regional level with suppliers – significant exercise covering 12 local authority areas involving more than 1.3m Unique Property Reference Numbers (UPRNs) and data from 21 suppliers.
- DCC has committed £1.5m worth of top-

<p>(c) That pending a successful evaluation of the Bishop Auckland and Stanley pilot schemes to provide free public Wi-Fi, the scheme is rolled out where appropriate to other town centres in the county.</p>	<p>up funding to the Gigabit Broadband Voucher Scheme to support rural communities – effectively doubling the available funding (up to £3k and £7k for residential and businesses respectively) in rural areas without superfast speeds.</p> <ul style="list-style-type: none"> Supported 28 rural primary schools through the application process for a full fibre connection under the Rural Gigabit Connectivity Programme which was the pre-cursor to GigaHubs. DCC Telecoms are co-ordinating the delivery for 25 of these schools. The premise behind this is that by provisioning a public sector building with full fibre, it makes the surrounding community more commercially viable. <p>Gigabit-capable coverage has increased from 12% of County Durham properties to 41% in the last 12 months, and coverage is expected to grow significantly between now and the end of 2025.</p> <p>c) The rollout of public Wi-Fi in town centres across the County is continuing. Following the installation in Bishop Auckland and Stanley in 2020, Barnard Castle, Seaham and Chester-le-Street were connected this year. It is planned that Durham City will be the next centre to be connected.</p> <p>Successful discussions have taken place with Teesdale Action Partnership, Teesdale Elected Members, and colleagues within</p>	<p>Housing and Development Service</p> <p>REG</p> <p>AAP</p>	<p>2020/21</p> <p>Ongoing</p>
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	<p>REG to establish a financial contribution to a free public access Wi-Fi scheme in Barnard Castle. Funding has been secured and the scheme is now live. Ongoing monitoring and evaluation is underway between the AAP and REG.</p> <p>The Stanley Town Centre Wi-Fi was installed and launched in March 2020.</p> <p>Technical surveys for free public Wi-Fi have been carried out in Crook and detailed design and costings have been prepared. The 3 Towns Partnership have agreed to allocate funding towards the installation in March 2022, including the extension to Glenholme Park. Survey work is planned to be carried out in Willington and Tow Law in March 2022 for the 3 Towns Partnership to consider a funding allocation to this project.</p>		
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>4) That as part of the 'second round' programme of masterplans, a signage audit is undertaken across all 12 large town centres in the county with a view to making improvements to town centre signage.</p>	<p>This is in scope to be addressed during 2022 as we come out of the pandemic. However, as part of the Masterplan Consultations for (Durham City, Chester Le Street, Peterlee, Newton Aycliffe, Stanley, Crook, Willington & Tow Law, currently underway a number of recommendations for improved signage and wayfinding improvements are identified, following consultation exercises, the signage audit will be reviewed.</p> <p>Signage issues have been raised at AAP</p>	<p>Development and Housing Service</p> <p>REG</p> <p>Teesdale</p>	<p>Ongoing</p> <p>Ongoing</p>

	Board level within Teesdale Action Partnership. Further discussions will take place between the AAP, Town Council, and staff from REG.	AAP	
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>5) (a) In order to encourage future events in town centres DCC rolls out the 'Managing Our Town Centres' project across the county, and promotes the project with relevant DCC colleagues and partners including the AAPs.</p> <p>(b) That DCC's Communications and Marketing Team in conjunction with partners including Town and Parish Councils and AAPs, actively promote community events to be held in town centres ensuring awareness amongst local businesses and subject to appropriate regulations regarding the promotion of third party events being satisfied.</p>	<p>a) Town Centre vibrancy and a range of events to drive footfall and broaden town centre use are currently funded through Towns and Villages, Welcome Back Fund and Covid response funding ensuring the joint focus remains</p> <p>b)Community events organised by a wide range of organisations are promoted via a number of channels. These include:</p> <ul style="list-style-type: none"> • Quarterly Durham County News magazine, which is delivered to all households in the county and available on the council's website. • Annual summer guide. A hard copy is usually printed and distributed to all households but in 2021, the publication was moved online due to uncertainty around whether events would go ahead under CIVID restrictions. • Visit County Durham website. • AAP social media pages 	<p>Development and Housing (REG)</p> <p>Comms and Marketing</p>	<p>Ongoing</p> <p>Ongoing</p>

	<p>The Town and Villages Task Group also promotes cultural and community events across the county as part of its wider work to support the towns and villages agenda.</p> <p>As part of #Durham19, the Year of Culture, communities were encouraged to upload their local events to the Visit County Durham website for #Durham19. This was agreed and encouraged by DCC's Year of Culture Steering Group, which included DCC, Visit County Durham and representatives from all Area Action Partnerships (AAPs).</p> <p>Visit County Durham continues to encourage communities to upload their events, and uses this content to encourage people to move around the county, to discover what's on their doorstep, an approach that was widely used during the lockdowns of the past 18-months. A dedicated 'Explore from your Door' content hub was developed to host events, a nature/wildlife calendar, walking and cycling trails - https://www.thisisdurham.com/explore-from-your-door.</p> <p>A weekly, digital what's on guide – The Week Ahead is produced and circulated to visitor information network partner businesses so they can inform their local visitors/customers about events in their area and the wider county.</p>	<p>Visit County Durham (REG)</p>	<p>Ongoing</p>
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Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>6)</p> <p>(a) That a link to DCC's web pages providing detail of DCC's business support service and the Targeted Business Support scheme is sent to all commercial letting agents operating in County Durham.</p>	<p>a) A variety of approaches have been undertaken to engagement with owners and agents following the review.</p> <p>Routine engagement continues on a centre by centre basis. However new support services are the subject of wider information circulation to owners, main <i>agents</i> or specific retail sectors.</p> <p>Significant work was undertaken during 2020 and early 2021 as part of the Covid response with regeneration teams supporting Business Rates and Business Durham to ensure property owners and agents were aware and able to access all the available discretionary relief. This positive engagement led to a spike in general retail business support requests during the second half of 2020</p> <p>Given the discrete funding available for some centers bespoke engagement to owners and agents is undertaken to clarify support opportunities / processes.</p> <p>An end of year summary is planned for owner / agent circulation setting out the details of the retail support schemes and the volume of retail business supported, alongside case study material. These case studies will be used to refresh website content</p>	<p>Development and Housing Service</p>	<p>Ongoing</p>

<p>6) That DCC's web pages providing detail of the business support service and the Targeted Business Support scheme are in a clear format and easily accessible when using search engines to access information on potential grant funding currently available.</p>	<p>b) New support schemes and updates application processed are reflected in the DCC Retail support webpages accessible at www.durham.gov.uk/retail</p> <p>This page includes a retail business support application form which initiates the allocation of a officer to each individual request.</p> <p>This web page has received 981 individual hits in the period Nov 2020 – October 2021</p> <p>A further review of webpage content is underway including new case studies and opportunities to hyperlink to the retail support page from the Business Durham and Durham BID webpages.</p>	<p>Development and Housing Service</p> <p>REG</p>	<p>Ongoing</p>
<p>Review Recommendation</p>	<p>Progress Report of Action taken to implement recommendation</p>	<p>Resib'ty</p>	<p>Timescale</p>
<p>7). That DCC continues to develop training opportunities for the retail sector which are informed by local retailers, with a focus on digital marketing, window display/dressing and good customer service and that the training offer is promoted by various key partners in the county to SMEs and micro-businesses.</p>	<p>5 Training programmes developed and advertised to local businesses during 2020/21</p> <p>Window Dressing Training Course was rearranged to be virtual via Zoom due to COVID and was held on 25th November 2020, 10 delegates with the Training provided by "Made You Look" focussing on Window Dressing targeted at Seaham Businesses, funded via the Seaham Townscape Heritage Programme.</p>	<p>Development and Housing Service</p> <p>REG</p>	<p>Ongoing</p>

	<p>2 x First Aid At Work 18th & 19th May (8 delegates)</p> <p>24th & 25th May First Aid At Work (8 delegates)</p> <p>1 x Food Safety 27th April 2021 (2 delegates)</p> <p>1 X Emergency First Aid At Work 29th April 2021 (3 delegates)</p>		
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>8) That the Business Rates Team and the Enforcement Team re-target all businesses eligible for Small Business Rate Relief who have not applied to date, publicise all forms of business rate relief available and the associated eligibility criteria via the DCC website, Business Durham and the Area Action Partnerships.</p>	<p>As a result of the more flexible application procedure and pro-active canvassing when registering new businesses the number of businesses in receipt of Small Business Rate Relief continues to rise. In 2019/20 8,041 businesses received £16.03m in relief. By the end of 2020/21 this had increased to 8,334 businesses receiving £17.23m.</p> <p>The Government's Covid19 Small Business and Retail Grant schemes proved to be an 'incentive' for businesses to come forward who otherwise had chosen to remain unknown to us as ratepayers and claim the SBR relief as well as the grant.</p> <p>Support for the retail sector through the pandemic saw unprecedented levels of retail discount being awarded due to the implementation of the Government's Expanded Retail Discount Policy. In 2019 1,045 businesses received £2.27m in retail discount. In 2020 when the pandemic hit the</p>	<p>Business Rates Resources</p>	<p>Ongoing</p>

Government's expanded retail discount was raised to 100% with no upper rateable value limit and no State Aid cap which meant that 2,557 businesses received a massive £50.77m in retail discount during 2020/21. So far this year 2021/22, 2,010 businesses have received £17.7m as limits are lower this year with upper caps on awards and many larger retailers such as supermarkets declining the relief. Still significantly higher levels though than in 2019.

In the budget in Oct the Government announced that Retail and Hospitality will continue to be supported in 2022/23 with a 50% Retail Discount

Throughout 2020 the Pandemic was the main influence on available business support with both the Expanded Retail Discount referred to above and the significant grant support for businesses including the Covid19 Small Business and Retail, Hospitality and Leisure (RHL) Grants followed by the various Local Restrictions Support Grants and Restart Grants that were made available from March 2020 to April 2021:

Some headline figures for the various grant schemes:

SBR/RHL Grants
9,600 businesses
£104,558,400

LRSB

	<p>36,867 grants £67,859,526</p> <p>Restart 4,264 businesses £30,598,010</p> <p>The Business Rates team continue to monitor and update the web pages regarding any changes to Reliefs or new reliefs coming online.</p> <p>Work is ongoing to make the system more accessible with 'Do it On line' forms now available for SBR.</p>		
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>9) (a) That DCC considers introducing to some DCC town centre car parks alternative payment options such as contactless payments.</p>	<p>Contactless P&D machines were introduced in Middle Chare and Low Chare Car Parks, Chester Le Street, in May 2019. New contactless P&D machines were also installed in Sidegate Car Park, Durham City, in August 2019, following the closure of The Sands Car Park.</p> <p>10 new contactless P&D machines were installed in Galgate, Barnard Castle; Victoria Road, Bishop Auckland; and various locations in Durham City, in July 2020</p> <p>We will continue to install contactless machines in DCC town centre car parks moving forward, with 5no new machines earmarked for early 2022.</p> <p>Pay by Phone was introduced in June 2020</p>	<p>Traffic Management</p> <p>REG</p>	<p>Ongoing</p>

<p>(b) That DCC reconsiders when car parking initiatives such as 'Free after 3' are offered to ensure that any initiative is of optimum benefit to retailers and limits the length of free car parking in town centres to allow availability/turnover of spaces working with local stakeholders including DCC Councillors.</p>	<p>across all DCC on and off street parking areas, offering a contactless payment option at every location. We will continue to introduce Pay by Phone options in any new DCC on and off street car parking areas moving forward.</p> <p>The 'Free after 3' parking initiative is considered to support residents in the busy run up to Christmas. It can be an expensive time for people and this is one less spend for them to worry about.</p> <p>The timing of the scheme was chosen to avoid giving free all day parking to workers/commuters, allowing a turnover of valuable parking spaces.</p> <p>The initiative is well supported by councils across the region and is considered important in promoting the idea of shopping locally. Whilst the lead up to Christmas may already be a busy time for retailers, getting people to try out their local high streets will help to promote and support these local businesses throughout the year.</p> <p>The "Free after 2" parking initiative has been in place since April 2021, in an effort to support the local economy and encourage economic regeneration throughout the county, as a result of Covid-19.</p>	<p>Traffic Management REG</p>	<p>Ongoing</p>
<p>(c) That car parking provision in the 12 large town centres is an area of focus in the development of the 'second round' programme of masterplans.</p>	<p>c) Car park operations, capacity and wider car parking strategies form part of the work of the Technical Officer Groups co-ordination</p>	<p>Development and Housing Service</p>	<p>Ongoing</p>

	<p>the development and delivery of town and village works.</p> <p>Permit Smarti, a virtual permit system, will be introduced in early 2022, allowing for a more accessible, paper-less system for users. This will reduce waste and carbon emissions, as permit applications will be able to be processed from home.</p> <p>We aim to migrate as many of our current paper permit holders on to the system over the initial 12-24 months. We will continue to add any new users to the virtual system moving forward.</p> <p>New car parking restrictions, with a 3 hour limit, have recently been introduced in Crook Marketplace car park which will ensure that spaces are available for shoppers / short term visitors to the town.</p>	<p>Traffic Management</p> <p>REG</p>	<p>Ongoing</p>
Review Recommendation	Progress report of action taken to implement recommendation	Resib'ty	Timescale
<p>10)</p> <p>(a) That information in respect of AAP town centre projects are shared across the AAP network.</p> <p>(b) That the review group receives detail of progress made in relation to ongoing AAP projects focusing on supporting town centres and business.</p>	<p>All AAPs have devolved budgets available through the Towns and Villages programme. At present following presentation to each AAP Board, AAPs have begun a round of Task and Finish group meetings identifying priorities and oportubities to invest devolved budget in line with Townsnand village key themes. This includes a number where suport for the roll out of the Digital</p>	<p>Development and Housing</p> <p>REG</p>	<p>Ongoing</p>

<p>High Street programme or additions to the Neighbourhood retiling programme are already well advanced.</p> <p>Teesdale Action Partnership - Elected Members, the AAP co-ordinator and Chris Myers have regular meetings in relation to town centre projects in Barnard Castle and the wider Teesdale area. The CDPO from the T&V Team is also included within these meetings.</p> <p>Durham AAP has supported projects linked to the town centre that have been promoted locally. These will be passed on to the review group through any agreed processes. Projects supported in 2018/19 were hailed as a success by the applicant, Durham BID. Support helped to drive investment into Durham City and ensure the retail message was widely promoted to local residents.</p> <p>Durham BID continues to be supported with AAP funding helping to build the Life in Durham Brand encouraging people back in to the City Centre post Covid. Final monitoring of this initiative will take place in January 2022</p> <p>A number of town centre regeneration projects were funded via NB 2020-21 including improvements to the Highstreet roundabout, replanting of shrubs at Oxford Road and the introduction of fencing and bollards</p>	<p>Teesdale AAP</p> <p>Durham AAP</p> <p>Spennymoor AAP</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
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	<p>Spennymoor Party in The Park, supported through NB. Funded again in 2021 via NB Small Grants</p> <p>Spennymoor AAP has allocated money to Town Centre Improvements, environmental improvements around the Festival walk area to enhance the work of the Festival walk regeneration. – work still to be undertaken</p> <p>Teesdale Action Partnership has contributed AB Towns and Villages funding to enhance the TBI offer to local businesses. The scheme will be rolled out across Teesdale and build upon the previous successful scheme. The current scheme only benefits Barnard Castle and Middleton-in-Teesdale. The new scheme will assist retail areas throughout Teesdale, for example, Evenwood, Gainford and Staindrop. The scheme will be delivered by officers within Real.</p> <p>Teesdale Action Partnership, working with officers in Real, Elected Members and Barnard Castle Town Council has supported the installation of new Christmas lights within Barnard Castle. Funding from NB and AB has assisted their installation and has mitigated the impact of recent guidance on festive lighting. An attractive and vibrant town centre, during the festive period, is critical to post Covid business recovery and tourism.</p>	Teesdale AAP	Ongoing
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	<p>The 3 Towns Partnership allocated AB and NB funding to support the Crook Winter Light Parade in 2021.</p> <p>Elected members are supporting Northern Heartlands with funding for their Hidden Heritage & Wellbeing project in Willington which, following the success of the previous Man Engine event, will include two large Town Centre events and celebrations.</p> <p>Elected Members from Crook have regularly contributed to bringing the Brass Festival to Glenholme Park in Crook</p> <p>2 Projects have been funded by AB and NB from the 3 Towns Partnership which involve elements of improving the appearance of Willington Town centre through a range of planting installations and Hanging baskets for businesses in Willington High Street.</p> <p>3 Towns Partnership have funded the Shutterblight scheme in Willington. Shutterblight aims to improve the look of the high street, which is blighted by 24 / 7 shutters of poor aesthetic value. 12 retail premises will have benefitted from the project by its completion in March 2022.</p>	The 3 Towns AAP	Ongoing
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Retail Support in County Durham

Updated position

Economy & Enterprise Overview and Scrutiny Committee

20 December 2021



- Context
 - Retail pressures 2018-20
 - National Policy
- Current scope of retail support services
 - Funding, programmes and delivery
- What next?
 - Trends
 - Delivery priorities
- Review recommendations and progress

Context

Retail pressures 2018-20

46,000 store closures nationally Approx 450,000 job losses nationally

Driven by

- **The high costs** of running retail outlets, including rents, business rates and high labour costs;
- **Low profitability** caused by high costs, slow growth in sales, squeezed profit margins and heavy price competition;
- **The rapid growth of online competition** such that by 2018 online sales accounted for around 18.4% of total retail merchandise sales, with much of online growth achieved at the expense of bricks-and-mortar retailers. Further peak of 36% Dec 202 and currently around 28%
- **Lack of preparation:** low investment in stores and weak forward planning to meet the challenges of the new retailing.
- **Coronavirus Lockdown**

Context

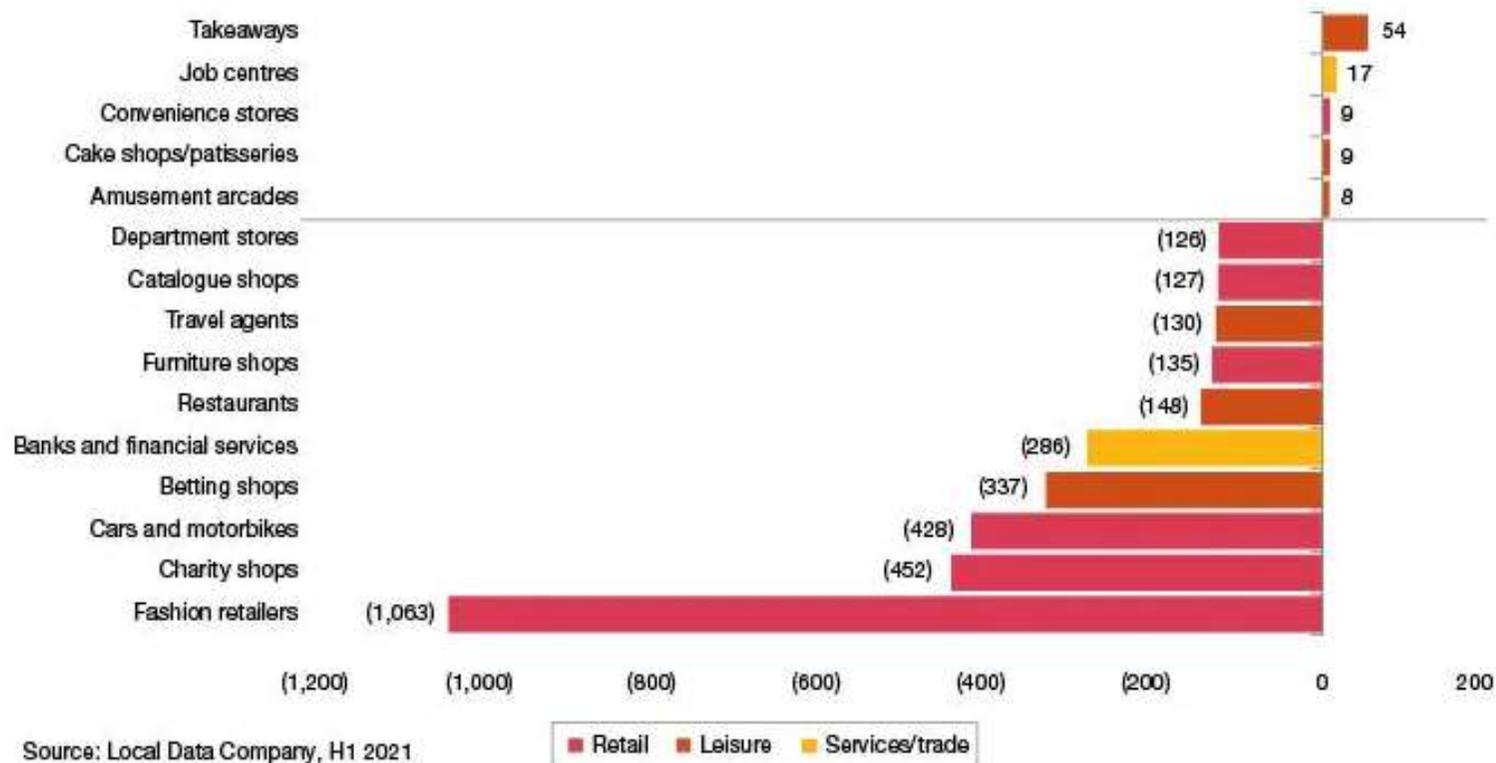
Retail pressures 2018-20

- In October 2021, retail sales in Great Britain totalled £8.3 billion per week, up from £7.8 billion in September. This figure includes money spent in shops, supermarkets, in petrol stations and online.
- Between September and October 2021, the total quantity of retail sales increased by 0.8%, following revised unchanged sales between August and September.
- This was the first monthly increase in retail sales volume since non-essential retail reopened in April 2021.
- In the three months to October 2021, sales fell by 0.5% compared to the same period in 2020.
- The volume of sales was 5.8% higher in October 2021 than pre-pandemic levels (Feb 2020).

Context

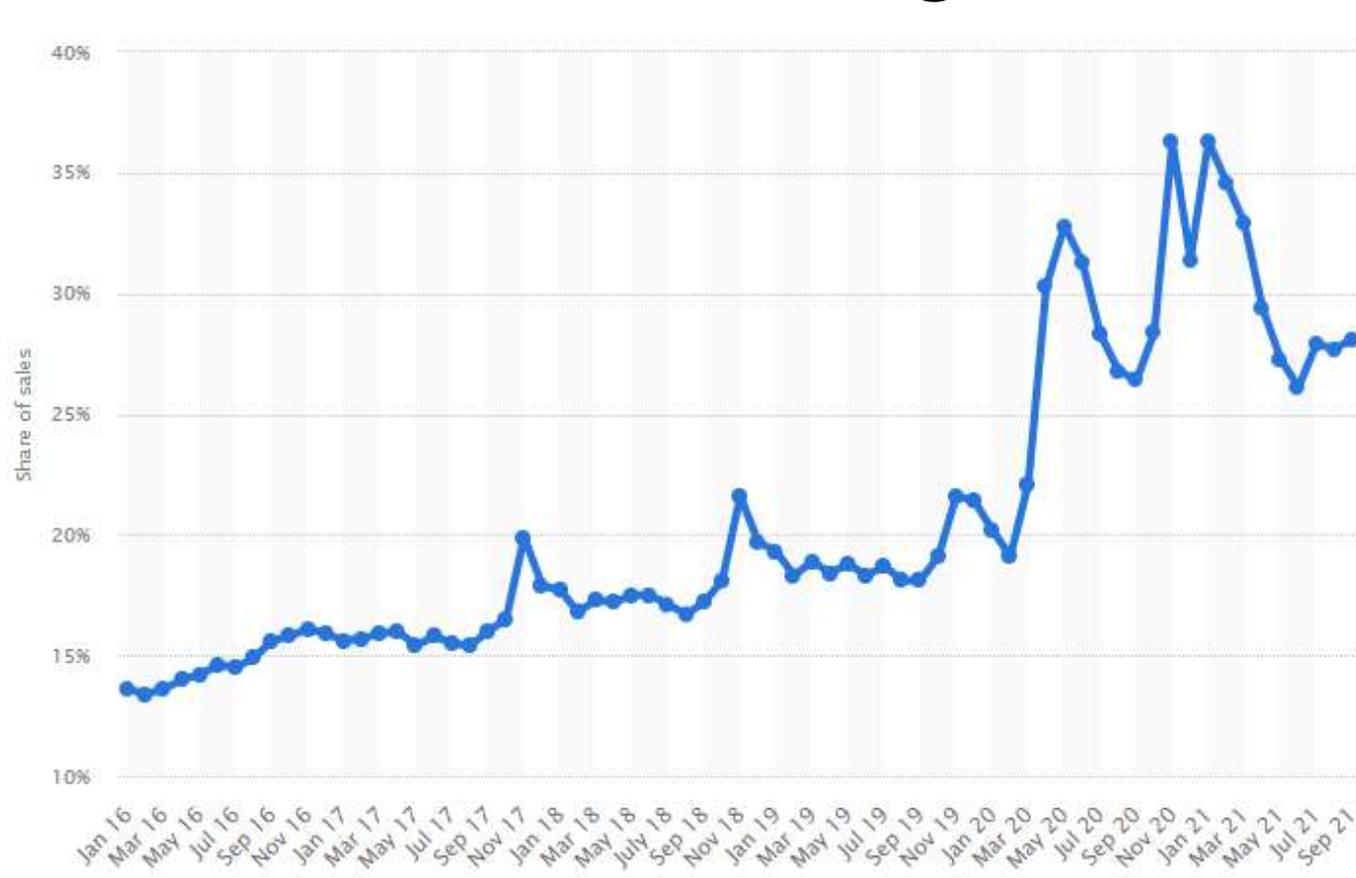
Changing retailing patterns

Fastest growing and declining multiple types, H1 2021



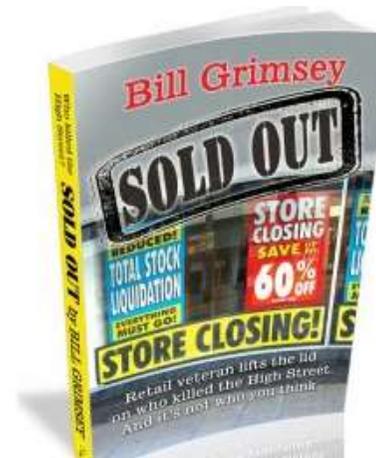
Context

Growth in uk online retailing



Context National Policy

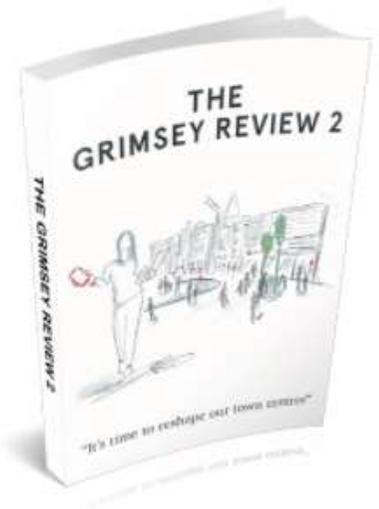
- Grimsey Review
- Grimsey 2 review
- Timpson review
- High Street 2030: Achieving change
- Planning use classes review



High Street 2030: Achieving Change

Dr Steve Millington, Dr Nikos Ntounis, Prof Cathy Parker,
Simon Quin, Gareth Roberts, Dr Chloe Steadman

December 2018



Context

County Durham Vacant unit percentage over time:



Current Scope of Retail Support Services

-Service offer

- Targeted Business Improvements
- Retail Business Advice
- Covid support (797 retail business support sessions 2020)
- Town centre capital improvements
- Recruitment support
 - Routeways/ Pre Employment Training
 - Screening

www.durham.gov.uk/retail

Retail business support services

Supporting retail businesses and centres across County Durham to grow local economies.



Making your business Covid secure



Help with funding



Markets





	Number of Enquiries	Number of clients in TBI stage	Number of clients (other)	Jobs Created (FTE)	Private Sector Investment - Year Total	Comments
2018-2019	138	59	103	49.5	£259,162	
2019-2020	131 (-7)	70 (+11)	80	93 (+43.5)	£1,876,143 (+£1,616,981)	
2020-2021	191 (+60)	81 (+11)	119	24.5 (-68.5)	£541,948 (-£1,334,195)	269 additional enquiries between March 2020 and December 31st 2020 relating to COVID specific. Increase in TBI Clients linked to COVID Grant payment, resulting in increased numbers of retail investment and targetting in T&Vs
2021-2022 (01/04 to 16/11)	108 (-83)	65 (-16)	52	92 (+67.5)	£1,062,706 (+£520,758)	Reduction in clients in TBI stage due to recent review of non-progressing clients
Estimated 2021-2022 (16/11 to 31/04)	67	26	41	11	£107,812	Projected numbers based on Q3 & Q4 information from last year
Estimated Total 2021-2022	175 (-16)	91 (+12)	93 (-26)	103 (+78.5)	£1,170,518 (+£628,570)	Projected numbers based on Q3 & Q4 information from last year

Targeted Business Improvements



Peggottys Bakery, General Store & All Tied up Florist 2 New FTEs



Mortons Law & Bella Marie Training Academy 39 New FTEs



Current Scope of Retail Support Services

-Service inputs include...

- Community Economic Development
- Regeneration and Development
- Development Management
- Design and Conservation
- Clean and Green
- Comms and Marketing
- IT
- Business Rates
- Highways
- Traffic
- AAPs
- Visit County Durham
- Consumer Protection
- Wardens service
- Corporate Property & Land
- Culture and Sport
- Business Durham
- SAG

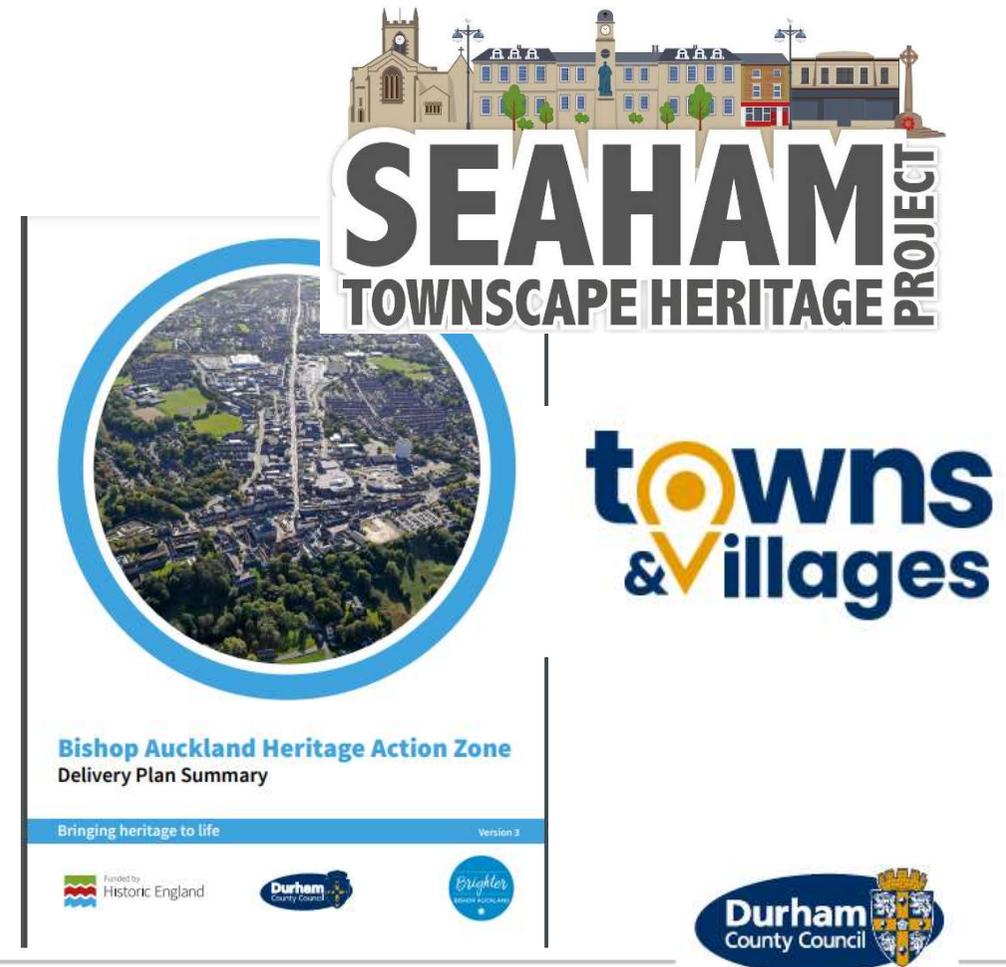
Current Scope of Retail Support Services

-Co-ordinating Service inputs

- Town Based Co-ordination Groups – internal, meeting monthly
eg Seaham, Bishop Auckland and Chester Le Street Technical Officer Groups
- Town Partnerships – internal / External - quarterly
Eg Newton Aycliffe and Bishop Auckland
- AAP Task and Finish Groups –as required
- Service work-programming mtgs
CED / Clean and Green, Regen & Development / Design & Conservation,
Ec Devt/ Comms
- Funding programming meetings
Reopening High Streets Safely / Welcome Back Fund

Current Scope of Retail Support Services -Resources

- DCC Capital Programme
- Heritage Action Zone (Bishop Auckland)
- Seaham Townscape Heritage
- Towns and Villages programme
- Reopening High Street Safely Fund
- Welcome Back Fund
- Future High Street Fund / Stronger Towns Fund (Bishop Auckland only)



What next?

Retail trends and opportunities in 2022

Repurposing of retail floorspace

- local fulfilment centres / click and collect
- accommodation

Retailtainment

- addressing opportunity for experience over price
- High concept stores often focusing on digital interface or personalisation

Discount retail growth

- Convenience retail growth

Independent retailer support



What next?

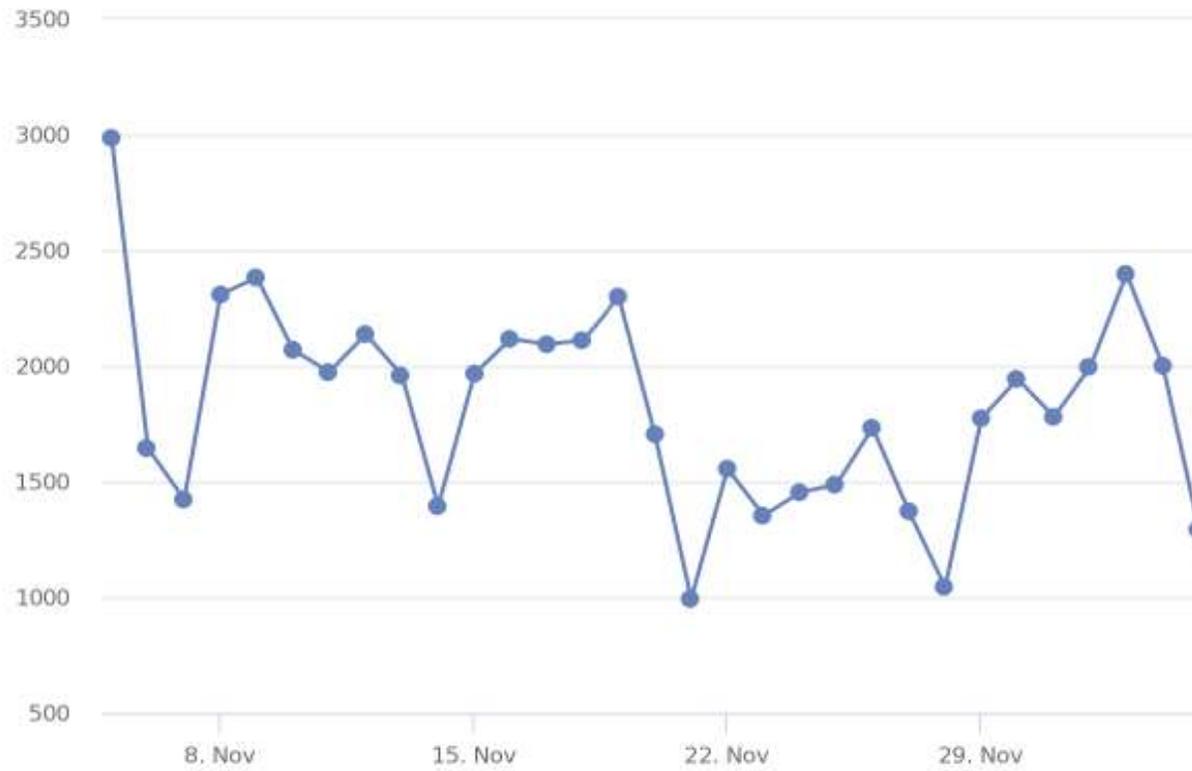
Retail support priorities 2022

- Continue roll out of Digital High Street free wifi – Durham City, Consett, Spennymoor, Crook
- Delivery of retail focussed training programmes & Routeways
- Develop / deploy loyalty card / app
- Deliver programme of events to drive town centre footfall
- Incorporate town centre usage data into annual survey reports.
- Continue Property owner engagement - reuse / repurpose property
- Retail / Hospitality Jobs Fair – in conjunction with Durham BID



Visit count for the last 30 days: 56,753

Display by: Day



Retail Support Review

Questions

Economy & Enterprise Overview and Scrutiny Committee

20 December 2021



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**Economy and Enterprise Overview and
Scrutiny Committee**

20 December 2021



**Regeneration and Economic Growth –
Quarter 2: Forecast of Revenue and
Capital Outturn 2021/22**

Report of Corporate Directors

Paul Darby, Corporate Director of Resources

**Amy Harhoff, Corporate Director Regeneration, Economy and
Growth**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide details of the forecast outturn position for quarter 2 revenue and capital for Regeneration, Economy and Growth (REG) as at 30 September 2021.

Executive summary

- 2 This report provides an overview of the forecast of outturn, based on the position at quarter 2, 2021/22. It provides an analysis of the budgets and forecast outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis.
- 3 The position is that there is a forecast underspend of £0.230 million, against a revised budget of £54.615 million.
- 4 In arriving at the cash limit position, Covid-19 related expenditure and loss of income, net of Covid-19 related savings of £7.594 million have been excluded from the outturn. Covid-19 related costs are being treated corporately and offset by Government Funding.
- 5 The revised service capital budget is £96.721 million with expenditure to 31 August of £22.035 million.
- 6 Details of the reasons for under and overspending against relevant budget heads are disclosed in the report.

Recommendation(s)

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

Background

8 County Council approved the Revenue and Capital budgets for 2021/22 at its meeting on 24 February 2021. These budgets have subsequently been revised to account for changes in grant, budget transfers between service groupings and budget re-profiling between years (in terms of capital). This report covers the financial position for the following budgets of the services within the scope of this committee;

- (a) Revenue Budget - £54.615 million (original £49.630 million)
- (b) Capital Programme – £96.721 million (original £97.178 million)

9 The original service revenue budgets have been revised in year to incorporate a number of budget adjustments as follows:

Description	Change
Transfer from NCC – Road Safety and Traffic Assets	£0.912 m
Transfer to NCC – Rights of Way	-£0.491 m
Transfer to Corporate Finance - JADE self-financing	-£0.300 m
Transfer to NCC – Highways Adoptions	-£0.143 m
Transfer to Corporate Finance – Freeman’s Reach	-£0.143 m
Transfer from RES – Business Support post	£0.055 m
Transfer to NCC – Dale View Caravan Park	-£0.009 m
Other Pay and National Insurance changes	£0.023 m
Communication Management – from CEO	£2.007 m
Central Costs - CEO	-£1.030 m
Q1 Earmarked Reserves (Temporary)	£3.416 m
Q1 Corporate Contingencies (Temporary)	£0.688 m
Total change	£4.985 m

10 The summary financial statements contained in the report cover the financial year 2021/22 and show: -

- (a) The approved annual budget;
- (b) The forecast income and expenditure as recorded in the Council’s financial management system;
- (c) The variance between the annual budget and the forecast outturn;
- (d) For the revenue budget, adjustments for items outside of the cash limit (outside of the Service’s control) to take into account such items as capital charges and use of / or contributions to earmarked reserves.

Forecast Revenue Outturn 2021/22

- 11 The service is reporting a cash limit underspend of **£0.230 million** against a revised budget of **£54.615 million** (0.42%).
- 12 The table below compares the forecast outturn with the budget by Head of Service. A further table is shown at Appendix 2 analysing the position by Subjective Analysis (i.e. type of expense).

Service Budget - Analysis by Head of Service £'000

	Revised Annual Budget	Forecast Outturn	Variance	Items Outside Cash Limit	Earmarked Reserves	Net COVID adjustment	Cash Limit Variance
Head of Service	£000	£000	£000	£000	£000	£000	£000
Business Durham	1,121	3,550	2,429	0	280	(2,709)	0
Development and Housing	7,077	7,280	203	0	177	(380)	0
Corporate Property & Land	(795)	(18)	777	(182)	224	(543)	276
Culture Sport & Tourism	14,499	17,665	3,166	0	41	(3,705)	(498)
Transport & Contracted	3,878	4,286	408	0	0	(252)	156
Communications Mgt	2,007	2,004	(3)	0	0	0	(3)
REG - Central Costs	26,828	26,672	(156)	0	0	(5)	(161)
Total	54,615	61,441	6,824	(182)	722	(7,594)	(230)

- 13 The cash limit underspend of £0.230 million takes into account adjustments for sums outside the cash limit such as redundancy costs that are met from corporate reserves and use of / contributions to earmarked reserves.

Cash Limit Outturn – Explanation of Over and Under Spending

- 14 The main reasons accounting for the outturn position are as follows:
- 15 Transport and Contract Services is forecast to overspend by £0.156 million against budget. In Strategic Traffic there is an underspend of £0.221 million in Road Safety and Traffic Assets mainly in relation to staff turnover and an underspend relating to the temporary closure of Durham Bus Station offset by costs of repairs to bus shelters and additional security due to anti social behaviour. In Care Connect there is a shortfall of £0.120 million in relation to reduced SLAs and subsidised client income in addition to an overspend of £70,000 on staff costs. In Sustainable Transport there are additional costs of £36,000 for bringing in a consultant to assist on the new database and a reduction in departure charges from Durham Bus Station. There is a forecast net

cost of £0.252 million in this area to be covered via COVID general grant.

- 16 Corporate Property and Land is forecast to overspend by £0.276 million against budget, mainly due to costs associated with external support for case work in the Strategy and Property Management service. There is a forecast net cost of £0.543 million in this area to be covered via COVID general grant.
- 17 Development and Housing is forecast to be in line with budget. This is the net effect of an underspend of £0.206 million in Planning Development offset by overspends of £0.138 million in Economic Development and £93,000 in Strategy and Project Development. There were also various minor overspends across the service. There is a forecast cost of £0.380 million in this area to be covered via COVID general grant.
- 18 Business Durham is forecast to be in line with budget after the use of £2.709 million of COVID general grant funding to support the payment of business recovery grants.
- 19 Culture, Sport and Tourism is forecast to underspend by £0.498 million against budget. The main reasons are underspends in Service Development (£0.245 million) and Locality Services (£0.380 million), primarily relating to vacant posts offset by an unrealised MTFP saving of £0.201 million. There is a forecast net cost of £3.705 million in this area to be covered via COVID general grant.
- 20 Central costs are forecast to underspend by £0.161 million against budget.
- 21 In summary, the service grouping is managing to maintain spending within its cash limit and as a result is forecast to add £0.230 million to the Regeneration Cash Limit Reserve.

Capital Programme

- 22 The capital programme makes a significant contribution to the regeneration ambitions of County Durham. The programme is relatively large and diverse and is managed by project delivery officers throughout the service.
- 23 The Regeneration, Economy and Growth Services capital programme was revised at year-end for budget re-phased from 2020/21. Since then, reports to the MOWG have detailed further revisions, for grant additions/reductions, budget transfers and budget re-profiling into later years. The revised budget now stands at £96.721 million.

24 Summary financial performance for 2021/22 is shown below.

Service	Revised Annual Budget 2021/22 £000	Actual Spend to 31 August £000	Remaining Budget 2021/22 £000
Culture, Sport and Tourism	12,302	2,391	9,911
Development & Housing	39,425	7,719	31,706
Business Durham	2,559	937	1,622
Corporate Property & Land	27,631	8,902	18,729
Transport & Contracted Services	14,804	2,086	12,718
Total	96,721	22,035	74,686

25 Officers continue to carefully monitor capital expenditure on a monthly basis. Actual spend for the first 5 months amounts to **£22.035 million**. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the capital programme.

26 The key areas of spend during the year to date are on Office Accommodation (£7.438 million) and Housing Renewal (£2.970 million). Other areas of the programme are profiled to be implemented during the remainder of the year and at year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Background papers

- a) County Council Report (24 February 2021) – Medium Term Financial Plan 2021/22 to 2024/25 and Revenue and Capital Budget 2021/22.
- b) Cabinet Report (15 September 2021) – Forecast of Revenue and Capital Outturn – Period to 30 June 2021.
- c) Cabinet Report (17 November 2021) – Forecast of Revenue and Capital Outturn – Period to 30 September 2021.

Contact: Ian Herberson

Tel: 03000 261861

Appendix 1: Implications

Legal Implications

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by the Council in February 2021 in relation to the 2021/22 financial year.

Finance

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

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

Not applicable.

Climate Change

Not applicable.

Human Rights

Not applicable.

Crime and Disorder

Not applicable.

Staffing

Not applicable.

Accommodation

Not applicable.

Risk

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

Procurement

The outcome of procurement activity is factored into the financial projections included in the report

Appendix 2: REGENERATION Forecast Outturn at Q2 – Subjective Analysis

REG Subjective Analysis	Revised Annual Budget	Forecast Outturn	Variance	Items Outside Cash Limit	Earmarked Reserves	Net COVID adjustment	REG Cash Limit Variance
	£000	£000	£000	£000	£000	£000	£000
Employees	63,135	61,002	(2,133)	0	(30)	308	(1,855)
Premises	16,294	17,179	885	(147)	0	(14)	723
Transport	1,612	1,557	(55)	0	0	28	(27)
Supplies & Services	21,195	31,531	10,336	(35)	(30)	(1,640)	8,632
Third Party Payments	42,153	43,178	1,025	0	0	227	1,252
Transfer Payments	0	0	0	0	0	0	0
Capital	14,763	14,763	0	0	0	0	0
Central Costs	12,572	12,724	152	0	0	0	152
DRF	280	280	0	0	0	0	0
Gross Expenditure	172,004	182,214	10,210	(182)	(60)	(1,091)	8,877
Grant	(10,405)	(16,243)	(5,435)	0	264	49	(5,526)
Contributions	(17,939)	(18,854)	(915)	0	73	0	(842)
Sales	(2,431)	(966)	1,465	0	0	(1,481)	(16)
Charges	(26,340)	(21,755)	4,585	0	301	(4,949)	(63)
Rents	(8,567)	(9,863)	(1,296)	0	140	(22)	(1,178)
Recharges	(51,158)	(52,576)	(1,415)	0	4	(100)	(1,515)
Other Income	(549)	(516)	29	0	0	0	33
Gross Income	(117,387)	(120,773)	(3,386)	0	782	(6,503)	(9,107)
Total	54,615	61,441	6,824	(182)	722	(7,594)	(230)

Appendix 3: Regeneration, Economy and Growth Capital 2021/22

	Revised Annual Budget £000	Profiled Budget £000	Actual Spend to 31 August £000	Remaining Budget £000
General Fund				
Development & Housing				
North Dock, Seaham	231	90	0	231
Town Centres	12,552	3,233	1,838	10,714
Town & Village Centre	2,443	660	410	2,033
Minor Schemes	180	45	45	135
Disabled Facilities Grant /FAP	6,623	2,322	2,397	4,226
Housing Renewal	12,755	4,090	2,970	9,785
Housing Development	1,751	106	59	1,692
Chapter Homes	820	205	0	820
Beamish Capital Project	1,940	0	0	1,940
Strategy & Programmes Minor Schemes	130	0	0	130
	39,425	10,751	7,719	31,706
Business Durham				
Industrial Estates	2,559	799	937	1,622
	2,559	799	937	1,622
Corporate Property and Land				
Structural Capitalised Maintenance	5,565	1,259	1,464	4,101
Milburngate	4,500	0	0	4,500
Office Accommodation	17,566	7,856	7,438	10,128
	27,631	9,115	8,902	18,729
Transport & Contracted Services				
Local Transport Plan	3,111	660	696	2,415
Transport Major Schemes	10,738	2,233	1,204	9,534
T&CS Minor Schemes	955	259	186	769
	14,804	3,152	2,086	12,718
Culture, Sport and Tourism				
AAP Schemes	9	0	0	9
Culture and Museums	8,801	2,540	1,952	6,849
Leisure Centres	3,385	722	387	2,998
Library	0	0	0	0
Outdoor Sports and Leisure Facilities	107	64	52	55
	12,302	3,326	2,391	9,911
REG Total	96,721	27,143	22,035	74,686

**Economy and Enterprise
Overview and Scrutiny Committee**

20 December 2021

**Quarter Two, 2021/22
Performance Management Report**



Report of Paul Darby, Corporate Director of Resources

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To present an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlight key messages to inform strategic priorities and work programmes.
- 2 The report covers performance in and to the end of quarter two, July to September 2021.

Performance Reporting

- 3 The performance report is structured around the three components.
 - (a) High level state of the County indicators to highlight areas of strategic significance. These are structured around the [County Durham Vision 2035](#).
 - (b) Council initiatives of note against the ambitions contained within the vision alongside a fourth 'excellent council' theme contained within our [Council Plan](#)¹.
 - (c) A long list of key performance indicators against the themes of the Council Plan.
- 4 It also includes an overview of the continuing impact of COVID-19 on council services, our staff, and residents.

More and Better Jobs

¹ approved by full council October 2020

- 5 Across County Durham, we estimate the employment rate has remained static at 71.3%, which is below target of 73%, however is in line with both regional and national trends. We are expecting it to deteriorate once the government removes its financial support packages. Young people remain disproportionately affected.
- 6 The 1.9% increase in gross household disposable income is less than the averages for England (+2.5%) and the region (+2.2%), meaning the gap in earnings continues to grow and is adding to the financial pressures experienced by our residents.
- 7 Our tourism and cultural sector was particularly hard hit by the pandemic. In 2020, there were nine million fewer visitors to the area, a reduction in the visitor economy of £474 million and 5,000 fewer jobs across the sector.
- 8 However, despite the pandemic, an additional 460 businesses have been created since 2020 taking the total number to 14,565. This equates to 273 per 10,000 population. This is still significantly lower than the national average (412) but on par with the regional average (271).
- 9 Latest data (2019) shows that although our GVA per person increased by 6.6% to £16,925, it is the second lowest in the region which has an average of £20,727 and is considerably lower than the England average of £30,239.
- 10 To mitigate against these economic challenges, we are continuing to move forward with significant investment and regeneration projects which will create new infrastructure, transform our towns and villages, and boost the visitor economy. We are also continuing to provide financial assistance to businesses to help them survive the impact of the pandemic and protect their long-term future, and help people into employment.
- 11 However, over the last 12 months, the council led strategic employment sites such as NETPark are 95% occupied, and the county has also seen eight inward investments secured and more than £59 million of GVA growth created. The number of businesses engaged has increased by 27% compared to the same period last year.

Connected Communities

- 12 We are investing heavily in our town centres. New masterplans are being developed, free public wi-fi is being rolled out and new leisure facilities are to be built. We are also undertaking actions and campaigns which focus on environmental improvements, better quality housing, road safety and water safety.

- 13 Town centre occupancy rates are now considerably lower than the national average of 86%. Outside of the town centres, the Arnison Centre has seen the largest drop in occupancy with seven vacant units.
- 14 At the start of the pandemic, we saw all patronage on local bus services drop significantly to around 20-30% of normal. While we've seen an increase in patronage as the lockdowns and restrictions have been eased, this hasn't been as great as we would have hoped. Added to this, concessionary patronage has lagged significantly behind the "non-concessionary" patronage. This probably indicates a reluctance by that group to return to public transport.

The impact of COVID-19

- 15 The COVID-19 pandemic has caused an unprecedented health emergency across the globe. [Restrictions](#) to contain the virus, minimise deaths and prevent health and social care systems being overwhelmed remain in place, and are continuing to impact our everyday lives, our health, and the economy.
- 16 However, roll-out of the UK's vaccination programme, which has reduced both hospital admissions and deaths, allowed the government to implement plans for a [gradual and phased route out of lockdown](#).
- 17 Working with government organisations and within the context of national developments, we continue to protect our communities, support those affected by the pandemic, and develop plans for future recovery.
- 18 The COVID-19 surveillance dashboard can be accessed [here](#).

Risk Management

- 19 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

- 20 That Economy and Enterprise Overview and Scrutiny Committee considers the overall position and direction of travel in relation to quarter two 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

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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.



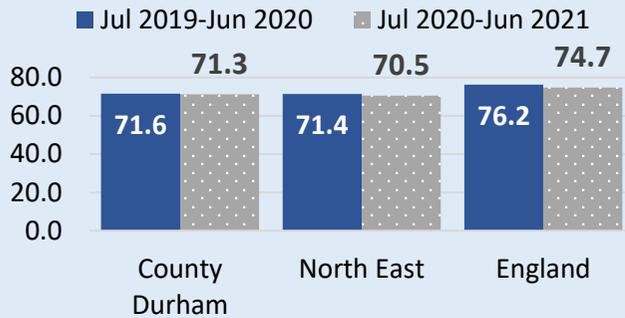
Durham County Council Performance Management Report

Quarter Two, 2021

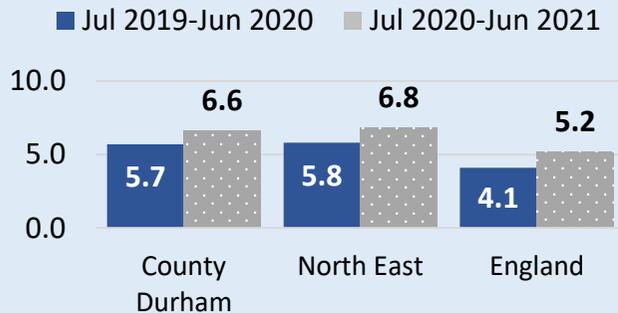


MORE AND BETTER JOBS

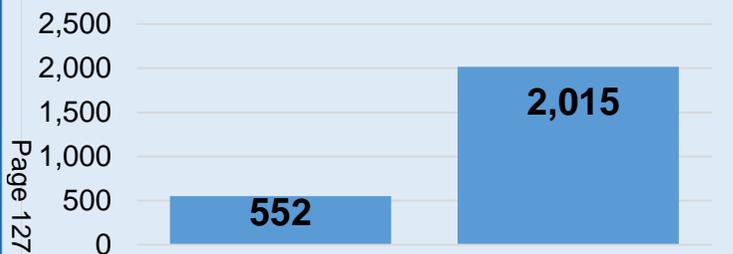
Employment Rate



Unemployment Rate



Jobs created/safeguarded by Business Durham (Jul-Sep 2021)



Support Schemes

Co. Durham

North East

England

Job Retention (furlough)
(as at 31 August)

4%

4%

5%

Self-employed income support
(as at 15 September)

31%

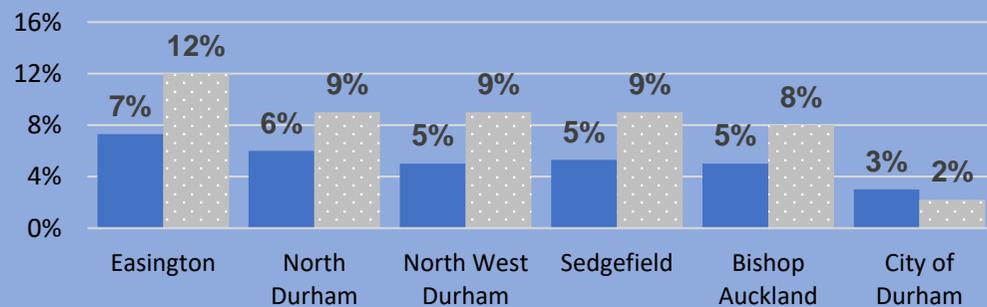
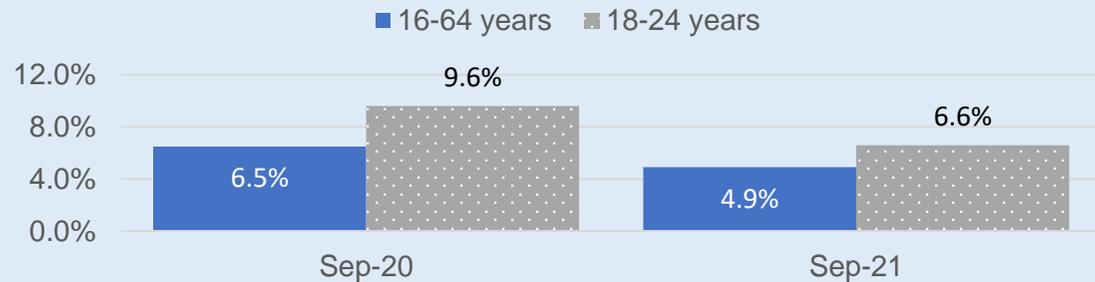
33%

33%

8,500 jobs furloughed

6,100 claims for SEISS

Claimant Count (as at September 2021)



More and Better Jobs

- 1 The ambition of More and Better Jobs is linked to the following objectives:
 - (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) Helping all people into rewarding work;
 - (e) Fewer people will be affected by poverty and deprivation within the county.

National, Regional and Local Picture

- 2 The County Durham Regeneration Statement sets the direction of regeneration and economic development of the county up to 2022. This document contains a number of long-term measures of success. A key aim within this strategy is the employment rate for the county to converge to and be maintained at pre-2008 recession levels (73% of working age population).
- 3 Latest data (June 2021) shows the employment rate, a similar picture to the previous reporting period, which is in line with regional trends, and is within the confidence level for this data. We have yet to see any significant impact of the pandemic on the employment rate, following the government's removal of the furlough scheme and self-employment income schemes. We anticipate an increase in unemployment across the county.
- 4 Throughout the lifetime of the furlough scheme, 82,800 unique jobs were furloughed at some stage, representing just over 40% of all employments in the county. Large numbers of employments on furlough at the end of the scheme related to people in the 50-59 age group, those employed in manufacturing and accommodation and food service sectors with a disproportionately larger number of men being placed on furlough.
- 5 The unemployment rate has shown an increasing trend since June 2020 however, the amount of change is still within the confidence level for this data and therefore could be due to variations in sampling within the survey.
- 6 Nationally there are around a million vacancies July to September, a record high and an increase of 318,000 from the pre-pandemic January to March 2020 position. While the rate of vacancy growth has slowed recently, the number of vacancies is still increasing across most sectors with job opportunities bouncing back post COVID much quicker than expected.
- 7 At a local level we do have some hard to fill vacancies in the labour market due to the ongoing effect of post Brexit labour movement as well as wider access to

work issues such as transport. We continue to see significant numbers of opportunities in hospitality, health and social care and the HGV / logistics sector where there may be certain entry / qualifications requirements; this is replicated across the North East and nationally. We are continuing to work with learning providers and individual businesses to support their recruitment and ensure residents have the best possible access to these jobs.

- 8 The latest data from the UK Business Count (as at March 2021), shows there were 14,565 enterprises in County Durham. An increase of 460 (3.3%) businesses since 2020, higher than regional (1.5%) and national (0.5%) increases. This is equivalent to 273 businesses per 10,000 population, significantly lower than the national average (412) but similar to the regional average (271).
- 9 The focus of the ambition within the Vision for County Durham 2035 is on more and better jobs. Whether we are creating better jobs is reflected in our regeneration statement through the key measures of gross disposable household income and gross value added (GVA).
- 10 Between 2018 and 2019 gross household disposable income within the county increased by 1.9% to £16,617. This is below the rate of growth seen for the region and England which grew at 2.2% and 2.5% respectively meaning that the gap in earnings continues to grow.
- 11 GVA is a productivity metric. It measures the contribution that the county makes to the overall economy. Latest data in relation to the amount of GVA per person in County Durham for 2019 shows a rise to £16,925, an increase of 6.6%. This is the second lowest in the region and represents 81.7% of the regional average. The County Durham rate is considerably lower than the England figure (£30,239) and lower than the North East (£20,727).
- 12 The eviction ban was completely lifted from 1 October 2021 and all notice periods have returned to the pre-pandemic position. Landlords, as of 20 September, are now able to progress their possession claims through the courts. Courts will carefully prioritise the most serious cases, such as high level anti-social behaviour or other crimes. Court orders can now be enforced by bailiffs unless anyone living in the property has COVID symptoms or is self-isolating. Despite the lifting of eviction restrictions, the Government continues to encourage landlords and tenants to resolve disputes without going to court wherever possible.

Council Services

Delivery of a range of employment sites across the county

- 13 In September, Cabinet agreed to £49.6m being used for the third phase extension of NETPark (The North East Technology Park) Business Park in Sedgefield. The new phase could generate up to 1,250 skilled jobs and be worth up to £625m to the County Durham economy.

A strong competitive economy and premier place to do business

- 14 The UK Community Renewal Fund is a new Government fund set up to support communities to pilot programmes and new approaches ahead of the UK Shared Prosperity Fund. Announcements on successful bids to this £220 million fund were expected in July but have been delayed. There are concerns nationally about the ability to deliver successful projects by March 2022. The LA7 has called on the Government to extend the proposed delivery timeframe.
- 15 A subgroup of the County Durham Economic Partnership (CDEP) has met to develop and implement a strategy for lobbying for County Durham's ambitions to be recognised and funded by UK Shared Prosperity Fund. A paper setting out key messages to be used in strategic liaison was agreed at the last CDEP Board. The group will map where lobbying will add most value. Work was undertaken to identify key stakeholders from a list of 34 parties.
- 16 The £6 million Durham Business Recovery Grant launched in January 2021, to help businesses implement recovery plans to overcome the effects of the pandemic has now closed. We received over 780 applications to the scheme requesting over £12 million in total. Three hundred and eighteen applications were approved, totalling more than £4.54m, with the potential to safeguard up to 3,554 jobs. The majority of grants (95%) have been awarded to micro or smaller businesses employing up to 50 staff. Grants have been awarded to 119 (37%) businesses in retail and personal services, 61 (19%) businesses in manufacturing and engineering, 60 (19%) in the cultural, creative and tourism sectors and 34 (11%) in business services, professional services and distribution, with the remaining 44 (14%) coming from other sectors.
- 17 A further £500,000 has been awarded through the County Durham Growth Fund to support four SMEs, bringing the total awarded to date to £5.8 million out of the £8.9 million fund. 184 jobs have been created so far, with a further 375 jobs projected before the end of the project.
- 18 The current pipeline of potential investments for the Finance Durham Fund is extremely strong, and it is expected that the total invested through Finance Durham will reach £10 million by the end of the calendar year; with potential new

investments in three businesses and one follow-on investment that will complete in quarter three.

- 19 Eight inward investments were secured during the quarter generating 221 jobs. These were Peratech Holdco Ltd, Vaildair Diamond Scientific, EV Smart, Evolution E Types Ltd, Conduit Construction Network Ltd, Project Control Tools Ltd, RG Distributors Ltd and Needlebay Systems.
- 20 During the quarter, 59 businesses were intensively assisted by Business Durham exceeding the target for the year.

Business Durham Activity			
	Jul-Sep 2021	Compared to last year	
Inward investments secured	8	+8	↑
Businesses engaged	577	+155	↑
floor space occupied	95%	+15pp	
GVA from jobs created or safeguarded (million)	£59.1	+£59.1	↑

- 21 Durham Ambitious Business Start-ups (DABS) now has 161 businesses and individuals registered, 97 of these are pre-start businesses, of which 63 have accessed 12 or more hours of support. There are 64 new businesses within their first year of trading, 37 of which have received 12 hours of support.

Helping all people into rewarding work

- 22 Despite referrals to employability programmes increasing over the last few months due to both Job Centre Plus (JCP) and our delivery partners reintroducing face to face meetings, numbers are still below pre-COVID levels. However, numbers are expected to recover in the coming months as JCP staffing levels has returned to normal and more JCP claimants are encouraged to participate in employment related activity.
- 23 The number of participants progressing into employment has increased compared to the previous reporting period, with more people being supported to set up as self-employed, move into jobs in those sectors that have experienced increased demand or to replace furloughed workers who have moved into other jobs. Clients completing education or training courses has also increased despite a large proportion of our clients having limited digital skills that prevent them from doing

online courses. Most courses were delivered through our delivery partners on the L!NKCD programme. This scheme brings together community minded organisations and training providers to support people in the county who need help getting into work and learning new skills. However, delivery of L!NKCD programme has been impacted by COVID-19 restrictions and we are looking to extend the programme to December 2023.

- 24 Work continues to support adults who are eligible to access employability support through our Refugee Mentoring project; with 164 adults across nine arrival phases (two per year) being supported into employment, training or volunteering opportunities. Support is currently being offered to the new phase nine arrivals who have settled in the Crook area and we have already engaged with 11 individuals.

A broader experience for residents and visitors to the county

- 25 County Durham has been named as one of the eight locations that made the longlist in the UK City of Culture 2025 competition and has until January 2022 to finalise its bid. Securing the title would deliver transformational social and economic benefits to the whole of County Durham and the wider region; allowing us to engage even more people in arts and culture, attract thousands of additional visitors and help us to secure millions of pounds of investment. The Partnership is now focused on taking County Durham to the next stage of the competition and are urging people to continue to support the Durham 2025 campaign. It is anticipated that the overall winner will be declared in May 2022.
- 26 In September, Cabinet approved further feasibility work to be carried out looking at options to bring the former Durham Light Infantry (DLI) Museum and Art Gallery back into use as a wider culture and visitor destination incorporating a significant dedicated space for items from the DLI collection that will complement the planned exhibitions in the Durham History Centre. It is anticipated that the findings of this study will be presented to councillors in early 2022.
- 27 The Kier Group has reported a six week delay on the new History Centre, however they are confident this does not affect overall delivery and completion for October 2022. The delay was caused by the discovery of Asbestos Containing Material (ACM) on the site and the need to acquire planning permission to demolish and rebuild a wall of the listed building. Planning permission has now been granted and all ACM removed from site. Work continues on securing external funding and liaising with the National Lottery Heritage Fund for permission to support delivery of the activity programme, the digital programme and the exhibition programme.
- 28 The Lumiere festival took place between the 18 and 21 November with a programme of 37 international artworks. For the first time, the festival was spread

across the county to encourage visitors to explore other parts of the county and extend the economic benefits the event brings. In a change from previous years, the controlled City centre area of Lumiere was ticketed for the entirety of the festival each night to manage audience numbers as part of measures in place to offer a safe experience.

- 29 Following cancellations due to the pandemic last year, Bishop Auckland Food Festival (7-8 August) and Seaham Food Festival (2-3 October) both returned this year and are just two of a number of events helping to showcase the county's cultural offer as part of the council's bid to become UK City of Culture 2025. Both events were a huge success, attracting thousands of visitors to the area, and more than 100 traders from across the county and beyond. The festivals not only provided a significant boost to businesses trading both at the festival and the towns themselves but provided a much needed boost to the region's economic recovery from the impact of COVID.
- 30 Durham Book Festival took place between 9 and 17 October, returning to live events following a digital-only offer last year due to the pandemic. Writers, performers and thinkers from across the world participated in more than 60 events, either in person at the Gala Theatre or online. The festival aimed to be fully accessible to every audience member by captioning events in the theatre and ensuring all digital content was either captioned (video) or transcribed (audio).
- 31 The 2021 Heritage Open Days took place during September, though much reduced from previous years due to COVID, 37 properties participated in the event attracting over 6,000 visitors. Five new venues took part in this year.
- 32 During quarter two there were nearly 150,000 visitors to Hardwick Park and 40,000 visitors to Wharton Park.
- 33 The new hub, Crimdon Coastal Hub, delayed due to COVID is forecast to open in November.
- 34 Investment in Bishop Auckland including the delivery of the Eastern Sustainable Access Corridor will provide the infrastructure needed to manage and direct the visitors to the Auckland Project's annual programme of events and also peak season traffic to its year-round visitor attractions. The corridor will provide direct access from the A1(M), avoiding traffic congestion in the town centre. A base transport model for the town is now complete and further work is being undertaken around forecast modelling to determine an options assessment report, economics and preliminary design and planning application.

- 35 The corridor will provide dedicated provision for pedestrians and cyclists; and connect to and promote existing routes such as the Auckland Way railway path. Work on the business case will commence late 2021.

Fewer people will be affected by poverty and deprivation within the county.

- 36 More households contacted Housing Solutions this quarter than during quarter one and compared to the previous 12 months. The majority of areas within the service have seen an increase in numbers, with Housing Officers seeing a 20% increase in presentations since quarter one. The overall increase for quarter two represents the largest quarter to quarter increase since 2019.
- 37 Many households are now presenting as homeless or facing homelessness due to the lifting of the eviction ban from 1 October which has reverted the notice period back to two months. The Private Rented Sector Team saw a rise in complaints of disrepair and illegal eviction allegations in September that may be linked to the eviction ban ending. Our Stop Before You Serve Scheme is continuing to assist landlords who are contemplating serving eviction notices.
- 38 We are still seeing high levels of rough sleepers, during the quarter, 160 were reported and 58 were found and assisted. Levels are similar to the same period last year however the needs of rough sleepers have been found to be more complex. Additional staff have been secured to focus on issues around mental health and other substance related problems. We have also supported more rough sleepers into long term accommodation this quarter and it is anticipated this trend will continue as further properties become available through the County Durham Lettings Agency and the ability to house people through the private sector and other supported accommodation providers, such as Changing Lives and Jigsaw.
- 39 Work continues to increase suitable accommodation for rough sleepers and those with complex needs. A bid has been submitted to Homes England and the Department for Levelling Up, Housing and Communities (DLUHC) for £556,262 to convert Shildon People's Centre into four flats and deliver a further ten lease and repair properties in 2022/23. Six properties have also been leased to date via the Local Lettings Agency with 16 waiting to be completed. Negotiations are also ongoing with property owners to purchase a further 18 properties through the Contain Outbreak Management Fund (COMF) initiative. However, a volatile housing market and lack of supply of the correct type of properties has seen a delay in delivery of our Move on Fund designed to help free up supported accommodation. New procedures to source properties have been established and dedicated staff have been identified to take this forward. To date, four properties have been refurbished with a further one in progress and two in acquisition stage.

- 40 Quarter two has seen a 71% increase in the number of new households placed in temporary accommodation compared to quarter one however, this is 17% less than the same period last year. Increases have been seen in relation to where the applicant has been asked to leave by family or friends (+50%), and domestic abuse cases (+16%). The position is constantly monitored and reviewed to ensure households are not accommodated for a long period of time. This is reflected in the length of time a household is placed in temporary accommodation decreasing this quarter by seven days compared to quarter one.
- 41 The rise in energy costs has seen an increase in the number of fuel debt cases to our Management Money Better (MMB) Initiative. Such cases are very complex and time consuming which has meant a decrease in the number of households assisted during the quarter. In previous quarters, assistance was predominantly standard fuel switching cases which take less time to assist. The rise in fuel costs and market failure of a number of energy suppliers has resulted in fewer fuel switching opportunities. It is anticipated that requests for assistance to MMB will increase during quarter three and the situation will be monitored to predict spikes in demand. The average saving per household as a result of advice provided by MMB has increased during the quarter and is mainly due to fuel debt write-offs and Warm Home Discount applications.

Connected Communities

- 42 The ambition of Connected Communities is linked to the following key objectives:
- (a) Standards will be maintained or improved across County Durham's housing stock;
 - (b) Our towns and villages will be vibrant, well-used, clean, attractive and safe;
 - (c) People will have good access to workplaces, services, retail and leisure opportunities;
 - (d) Delivery of new high-quality housing which is accessible and meets the needs of our residents.

National, Regional and Local Picture

- 43 The Government has announced that a Levelling Up White Paper is expected in autumn 2021. This is anticipated to detail further criteria in relation to future Levelling Up Fund rounds and wider expectations around a package of measures to level up opportunity across all parts of the UK through policy approaches, specific funds and interventions including growth deals, freeports and the UK Shared Prosperity Fund. Cabinet has already agreed to submit bids for schemes in rounds two and three, making full use of the total of £120m potentially available.
- 44 The 2021 town centre and retail park surveys were undertaken in June and July. The annual exercise looks at the occupancy rates and the type of occupiers of the major retail and leisure destinations within County Durham. In some instances, occupancy rates have increased over the past year, most notably at Spennymoor, Tindale and Seaham.
- 45 Occupancy rates have decreased at most other centres. Of particular note, Bishop Auckland, Peterlee and Newton Aycliffe have the lowest occupancy rates across the county and all have seen quite a big fall in occupancy over the past year. Occupancy rates are now considerably below the national average (85.5%) in these centres. Outside of our town centres the Arnison Centre has seen the largest decrease in occupancy with seven units now vacant.

Town Centre Occupancy Rates

	Occupancy Rate (%)		Difference
	2020	2021	
Barnard Castle	90.70	90.10	-0.60
Bishop Auckland	77.40	72.30	-5.10
Chester-le-Street	87.10	85.50	-1.60
Consett	90.50	86.90	-3.60
Crook	92.20	88.60	-3.60
Durham City	83.60	83.80	0.20
Ferryhill	90.00	91.10	1.10
Newton Aycliffe	77.70	73.80	-3.90
Peterlee	73.20	67.70	-5.50
Seaham	90.80	92.70	1.90
Shildon	88.40	84.20	-4.20
Spennymoor	77.50	82.70	5.20
Stanley	83.90	84.20	0.30
Arnison Centre	87.90	79.40	-8.50
Dragonville	97.30	97.70	0.40
Dalton Park	89.70	88.30	-1.40
Tindale	97.40	100.00	2.60
Hermiston	94.10	88.20	-5.90

- 46 The [ONS Annual Analysis of House Prices](#) explores median house prices in 1,082 towns in England and 104 in Wales looking at how they have changed over the period 2010 to 2020, differences in house prices by region and income deprivation and changes to house prices just before and during the COVID-19 pandemic. The analysis found that the median house price in England and Wales in 2020 was £250,000. The ten towns with the highest prices were in the South East of England and East of England, all within commuting distance to London. The ten towns with lowest median house prices were mining and industrial legacy communities, six of which were in County Durham – Ferryhill, Easington, Shildon, Annfield Plain, Peterlee and Murton.
- 47 In relation to price change between 2010 and 2020, the North East had a much larger proportion of its towns (33%) experience a decline in house prices compared with the other regions with towns experiencing decline². Ferryhill was identified as the town with the largest decrease in price change of 47%.
- 48 Towns which had higher income deprivation experienced slower growth over the decade from 2010 to 2020 compared with lower deprivation towns and this trend continued over the COVID-19 pandemic period.

² Other regions with towns experiencing decline: Wales (4%), the North West (2%) and Yorkshire and the Humber (1%)

Council Services

Our towns and villages will be vibrant, well-used, clean, attractive and safe

- 49 Work is underway to develop masterplans for Peterlee and Newton Aycliffe which includes how occupancy can be increased within these centres. Masterplans are also being carried out for Stanley, Chester-le-Street and Crook. Bishop Auckland has been successful in securing bids through the Stronger Towns Fund and the Future High Streets Fund with the aim of addressing the recent decline in the town centre.
- 50 A free public wi-fi scheme in Durham City is expected to go live by the end of the financial year. Further roll out of the scheme to Crook, Spennymoor and Consett continues. The scheme encourages people to spend more time in our town centres and boost the local economy; as well as providing valuable anonymous information, which can then be used to shape future regeneration projects.
- 51 In September, Cabinet agreed the site selection for the Leisure Transformation Programme for Bishop Auckland and Chester-le-Street. Further due diligence is required on the Seaham site.

Delivery of new high-quality housing which is accessible and meets the needs of our residents

- 52 Phase one of the Targeted Delivery Plans (TDP)³ have all been approved. Wheatley Hill TDP is in the final stage of development and will be submitted for delegated approval in November alongside a proposal for the approach to the future progress of TDPs. TDPs form part of our Housing Strategy to improve the county's housing stock and wider residential environmental issue and focus on issues that are relevant to each area, including addressing long term empty homes.
- 53 Chapter Homes has completed construction of 67 new homes located at Oakerside Drive in Peterlee. Only seven homes are left to be reserved with the remaining 60 at reservation or sold stage. This is in line with expectations and on target to complete all sales by the target date of end of March 2022. External works are now progressing to ensure roads and open space are to an adoptable standard. Work continues on the Gilesgate site to construct 60 new homes by July 2022, with the new show home launched in September.

³ New Kyo, Coundon Grange, Blackhall Colliery South, Thickley, Deneside East and Stanley Hall West

Standards will be maintained or improved across County Durham's housing stock

- 54 The number of empty properties brought back into use as a result of local authority intervention has almost doubled this quarter. The increase is due to the go live of the Northern Eastern project that has brought 17 single bed supported units in Spennymoor into use, 14 properties back into use via the Local Lettings Agency and one via Move on Fund. Other local authority intervention brought 22 empty properties back into use.
- 55 During the quarter, 279 households benefitted from energy efficiency measures, with total external grant funding of £436,800. The national ECO regulations have been amended resulting in more complicated procedures for ECO contractors which is slowing down contractors processing applications and installations.
- 56 During quarter two, no decision was received from Government on our application for a selective licensing scheme. This means the implementation date for the scheme, if approved, has been moved to February 2022. However, this is dependent a decision being received by the end of October 2021 as a three-month notice period is required before licences can be issued. It should be noted that if a decision is not be received by end of October, the go live date for the scheme will need to be amended further. Despite the delay, work continues to ensure everything is in place for once a decision has been received.

People will have good access to workplaces, services, retail and leisure opportunities

- 57 The National Bus Strategy was launched in March 2021, setting out Government's vision for the future of bus services including the requirement for all Local Transport Authorities (LTA) to commit to working with bus operators to develop an Enhanced Partnership (EP). An EP is a statutory partnership between one or more LTAs and their local bus operators that sets out how they will work together to deliver a Bus Service Improvement Plan (BSIP). The BSIP will need to set out how current arrangements meet the council's aspirations, and highlight what improvements need to be delivered through the EP and the investment plans of LTAs and bus operators. While detail of funding is pending further clarity from Government, it is anticipated that the BSIP will act as a bidding document to influence the share of the £3 billion transformation funding the region will receive from Government.
- 58 While the responsibility and power to make an EP lies with the North East Joint Transport Committee (NEJTC), the council, whilst not the Local Transport Authority, has a key role to play in the process with both its delegated transport functions and as Highway Authority as well as being a constituted member of the

NEJTC. The publication of a BSIP is a key milestone in the process of development and implementation of an EP and it will be key that this plan reflects the needs of people in County Durham. As an enabler to engagement, a 'Vision for Buses' document has been compiled collaboratively with North East bus operators and members of the NEJTC and will provide evidence that engagement has been undertaken with the public and other key stakeholders. To extend this engagement, Local Bus Boards are also proposed, allowing local representatives to meet with bus representatives to increase understanding between the parties involved.

- 59 New Elvet Bridge re-opened at the end of October. The scheme has seen the northern joint repaired and the southern joint completely removed, extensive concrete repairs carried out and an electronic concrete protection system installed to provide additional protection for the years to come. Waterproofing and drainage works have been completed and surfacing of the bridge deck was undertaken.
- 60 As part of the [Restoring Your Railway 'Ideas Fund'](#) we have secured funding for three projects:
- *Consett to the Tyne* – following the award of £50K as part of the second round of funding to consider the feasibility, a strategic outline business case is currently being developed and will be submitted to the Department for Transport (DfT) shortly.
 - *Ferryhill Restoration (Teesside to Ferryhill)* – following the award of £50K as part of the second round of funding to consider the feasibility, a strategic outline business case was submitted to DfT in October. The Ferryhill station would utilise the existing Stillington line, currently only used for freight services, to create a passenger rail service running from Ferryhill to Teesside.
 - *Darlington – Durham Dales via Bishop Auckland* – we have been awarded £50K as part of the third round of funding. The money will help partners to develop an early stage proposal for plans to join the Bishop Auckland and Weardale railway lines. This study will consider the possibility of providing passenger rail access from the current heritage station to Darlington and the wider national rail network, potentially enabling communities to be better connected and supporting ambitious regeneration plans along the 31-mile heritage corridor.
- 61 As part of a wider programme of developments around Durham City, including Riverwalk and Milburngate, with an aim of improving the economic prosperity of Durham City as well as transport infrastructure and links to towns and villages across the county, work has commenced on the new Durham Bus Station. The development will provide a welcoming transport hub for the city and will significantly increase the amount of space for passengers, will include improve toilet and baby changing facilities and improved security. The design will fit within

the historic nature of its surroundings and includes a range of sustainable materials, as well as being fit for future greener transport options. Issues with a party wall agreement has delayed the programme of works, however, construction is due to recommence before the end of 2021 with completion expected in spring 2023.

- 62 Throughout the pandemic, we have maintained support to ensure that services such as school transport continued. The COVID-19 Bus Services Support grant was provided to support local bus services, this ceased in September and was replaced by a Bus Service Recovery grant which is available to operators and local transport authorities until 31 March 2022.

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

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	71.3	Jul 2020-Jun 2021	73 (red)	71.6 (amber)	74.7 (red)	70.5 (green)			Yes
2	Per capita household disposable income (£)	16,617	2019	Tracker	16,315 (green)	21,978 (red)	17,096 (red)			Yes
3	Gross jobs created / safeguarded as a result of Business Durham activity	2,015	Jul-Sep 2021	Tracker	552 (green)					Yes
4	% of 16 to 17 year olds in an apprenticeship	5.5	as at Aug 2021	Tracker	6.8 (red)	4.2 (green)	6.4 (red)	6.2 (red)		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 (£)	16,925	2019	Tracker	16,501 (green)	30,239 (red)	20,727 (red)			Yes
6	No. of registered businesses in County Durham	14,565	Mar 2021	Tracker	14,105 (green)					Yes
7	Value (£ million) of new contracts secured	8,173,215	2020/21	8 (green)	907,439 (green)					No
8	Value (£ million) of GVA growth from jobs created	59,148,310	Jul-Sep 2021	7,000,000 (green)	0 (green)					Yes
9	No. of Inward Investments secured	8	Jul-Sep 2021	1 (green)	0 (green)					Yes
10	% of Business Durham business floor space that is occupied	94.8	Jul-Sep 2021	85 (green)	79.7 (green)					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)	11.39	2020	Tracker	20.13 (red)					No
12	No. jobs supported by the visitor economy	6,794	2020	Tracker	12,133 (red)					No
13	Amount (£ million) generated by the visitor economy	506.75	2020	Tracker	980.72 (red)					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	569	Jul-Sep 2021	Tracker	406 (green)					Yes
104	Number of empty properties brought back into use as a result of local authority intervention	54	Jul-Sep 2021	50 (red)	40 (red)					Yes
105	Number of net homes completed	407	Jul-Sep 2021	327 (green)	385 (green)					Yes
106	Number of affordable homes delivered	466	2020/21	300 (green)	628 (red)					No
107	Number of households accessing the Housing Solutions Service	3,505	Jul-Sep 2021	Tracker	3,063 (green)					Yes
108	Number of households helped to stay in their home	360	Jul-Sep 2021	Tracker	334 (green)					Yes
109	Number of households helped to move to alternative accommodation	231	Jul-Sep 2021	Tracker	205 (green)					Yes

MORE AND BETTER JOBS

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	5.8	Apr-Jun 2021	Tracker	4.8 (red)	3.0 (red)	4.9 (red)			No

CONNECTED COMMUNITIES – SAFER

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	70	Sep 2021	Tracker	67 (green)	64 (green)	63 (green)	65 (green)	2019/20	Yes
74	% of care leavers aged 19-21 in education, employment or training	60	Sep 2021	Tracker	56 (green)	53 (green)	52 (green)	53 (green)	2019/20	Yes

Meeting: County Durham Economic Partnership Board

Date & Time: Monday 20th September 2021 at 11.30am

Venue: Committee Room 2, County Hall



Better for everyone

Present:	Name	Organisation/Pillar Rep
	Glyn Llewellyn (GL)	Chair
	Sue Parkinson (SP)	Resources
	Sarah Slaven (SS)	Business Competitiveness
	Andy Broadbent (AB)	People
	Alison Gittins (AG)	Durham Business Group
	Amy Harhoff (AH)	Durham County Council
	Geoff Paul (GP)	Durham County Council
	Bill Fullen (BF)	Inclusive Growth
	Jenny Taylor (JT)	Durham University
	Cllr Elizabeth Scott (ES)	Durham County Council
	Glenn Martin (GM)	Infrastructure
	Andy Bailey (ACB)	Partnership Team, DCC
	Angela Brown (ABro)	Partnership Team, DCC (minutes)
Also in attendance:		
Apologies:		
	Joanna Laverick	VCS Voice
	Jon Gluyas	Durham University
	Joanne Waller	Durham County Council
	Ray Brewis	Durham County Council
	Reshma Begum	Federation of Small Business

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
1.	Welcome and apologies	. GL welcomed everyone to the meeting.		
2.	Minutes of the meeting	The minutes from the last meeting held on 5th May 2021 were agreed as a true reflection of the meeting		
3.	CDEP Board objectives and focus – Glyn Llewellyn	<p>GL mentioned that he had attended on online catch up meeting a few weeks with SP and SS, where it was decided that we needed to Review where the Economic partnership is then to:</p> <ul style="list-style-type: none"> • try and set our objectives and timespans and ways of measuring what we have achieve • How does team work together? All have strengths and need to use them together • What do we need to achieve overall? • Feel we need more engagement with private sector <p>GL mentioned he is giving an presentation to the Durham group which has 25 executives in group to give an overview of what the partnership is all about.</p> <p>SS will work with GL on this we want to set business strategies with regards what needs to be done</p> <p>Action: SS agreed to work with GL in relation to the above</p>		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
4.	Economic Strategy – Amy Harhoff/Geoff Paul	<p>AH initiated roundtable introductions and introduced Cllr Scott to Board as this was her first meeting for CDEP Board</p> <p>AH gave an overview and recapped over the last presentation on the Economic Statement for the County which will show where County Durham where Co Durham will focus its energies in terms of capacity, capabilities, infrastructure and supporting the economy. From this will follow a big piece of work around developing an Economic Strategy for the County. We are expecting the Statement and the key priorities for the strategy to come forward by the end of the year.</p> <p>AH handed over to GP</p> <p>Will take a proposition in terms of developing an economic strategy and agreeing a statement to the Council's Cabinet in November</p> <p>Need to start engagement and consultation process which is due to take place over four months which will be the backbone of developing the statement to share with partners, stakeholders, business leaders, private sector, skills providers, and whole range of people the baseline position that we have and potential opportunities we have in the future to develop sustainable economic growth in the county.</p> <p>Following Consultation period there will be period of analysis and the production of the first version of the strategy which will then be put out to further consultation and then further redraft of the strategy. Looking at around June next year to have a collective document supported by lots of people who are engaged in the County and will then bring to Board for final sign off around August next year together with Cabinet the following month with hope of launch October next year.</p> <p>GP suggested we create a very small steering group to oversee the delivery of this project to understand what is happening on key phases. Perhaps Cllr Scott, Chair of CDEP and AH.</p> <p>At the last CDEP meeting in May John McCredie presented on Economic position, this is now number of months old and we probably haven't shared it with partners as best we could. More work is needed on this moving forward.GP discussed slides and felt that we don't reference the importance of the skills agenda plays within this</p> <p>GP asked Board two questions:</p> <ol style="list-style-type: none"> 1. At this early stage, what views do CDEP members have in relation to sectorial 		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
		<p>issues/challenges facing County Durham which should be incorporated at an early stage in the development of an economic strategy for the County?</p> <p>Questions/Comments</p> <ul style="list-style-type: none"> • It was felt It was good to see the Green Economy feature in the advance manufacturing strand. It is worth thinking about how it features through all the areas such as tourism, health and rural. • If we look at enhanced actions, we can support around leaders and start up how can we ensure they stay here and how can we create an environment where businesses can succeed in Co Durham? • The role good quality housing can help drive forward economic development, so we need to be thinking how key role housing has in developing the economic strategy • GP mentioned that over the last week or so there had been discussions around that issue and strategically we need to link the housing strategy to this strategy as having quality of place is a major attraction and we need to take this point on board. • It was felt that one of the biggest challenges is how can we bring confidence to the private sector to give ambition? • The importance of skills is a top issue that businesses talk to Business Durham about. If we are going to do this well, we need to understand what the sectors mean, we need to be getting into the detail to make this distinctive to the Durham Strategy. • We need to make sure there is a golden thread through the County Durham Vision as we have a role to deliver through that 		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
		<ul style="list-style-type: none"> • From a skill perspective we need to recognise that by 2030 90% of workforce needs to upskill or reskill. There is a huge job to be done in getting firms to invest in reskilling. Need sectors to come together and we have a role in helping them build a pathway to reskill. • Skills shortages are right across the board. The private sector needs to understand there is someone around to help and support. So, we all have a lot to do, and we need the help of small businesses across the county to help take this forward. • AH mentioned that every authority in the Country will be having this discussion. One of the things is what distinguishes County Durham? And how do we position this document, so we know what this county is about and what its is trying to achieve. • GP concluded that if the document is successful it can be used to go to government showing our position. <p>2. The development of the strategy will be underpinned by a comprehensive engagement and consultation process. How can we best engage with the diverse interests and sectors during this process?</p> <ul style="list-style-type: none"> • We need to remember that consultation is about listening to what people think and not telling them what we are doing • It was felt that communication is massive for the private sector person and they would like to know what is going on • We would all like to do this differently its such an important piece of work for us. It is important that we need to be clear what it is we are asking people. What do we want from people so that they can contribute in a way that is meaningful? There be lots of techniques we need to use and think we need 		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
		<p>to use every partner in the room to help to reach groups. We should be looking at what is out there in terms of best practice which others have used to do meaningful engagement,</p> <ul style="list-style-type: none"> • It was asked who will be required to deliver strategy as didn't see any other governance other than the County Council • We need to remember that if we are speaking to businesses, we need to capture all micro businesses and not forgetting farmers. For the skills side we need to remember to speak to potential workforce, its not going to be an easy job and all partners need to help to ensure all businesses are covered. • These conversations need to had before the strategy is written as that is how we get ownership • GP felt some of the discussions had been extremely helpful and as AH mentioned this piece of work around consultation at this point is equally as important as the strategic words and based on the timeline should we acknowledge that there should be another step to secure buy in and support for the consultation and engagement strategy? Its going to be cross cutting and will be different talking to young people about their aspirations so there are different conversations to be had for different areas we are consulting in. • GL concluded that it is important that the young people coming through know what their future entails <p>Action: It was agreed to create a very small steering group to oversee the delivery of this project to understand what is happening on key phases. Perhaps Cllr Scott, Chair of CDEP and AH.</p>		
5.	Shared Prosperity Fund Lobbying – Sue Parkinson	SP reminded the Board that a paper was circulated with the papers for today's meeting in relation to the UK Shared Prosperity Fund focusing on The UK Community Renewal Fund. The authorship of this paper is Business Durham/New		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
		<p>College Durham/Durham University/VCS and DCC.</p> <p>SP mentioned she had spoken at the last meeting about CRF taking over from EU funding. The County Council worked very hard and package of £3m was pulled together and submitted on time to the relevant Government Department who told us that by July they would shortlist applications to a manageable list to the size of their budget which is £200m. This was to be done by July and spent by 31st March there was a big appetite for this pulled together package and today is 20th September and still have had no response.</p> <p>Given that is the case and come April will be looking at Shared Prosperity Fund which will ne the single largest discretionary fund to support this work. This is part of the wider levelling up of agenda, so we need to do some serious and planned lobbying and that is what the paper that was circulated suggests This work is now being led by minster Gove and Levelling up is now top of the agenda. Now starting to hear that it wont just be town centres and infrastructure it will have to include skills, business, and innovation.</p> <p>SP suggested this partnership takes responsibility for some planned and serious lobbying and this paper proposes how to do this. We need to think seriously who we are lobbying, trying to identify the appropriate ministers, and how best can be done and by who.</p> <p>The ask for Board member is:</p> <ul style="list-style-type: none"> • Have a look at messages and make sure you are happy with them • Can we then agree on messages we can use bilaterally and collectively? • Will we take responsibility individually and collectively for lobbying? • Will you do job yourself (all contribute) <p>The Board agreed to action the above</p>		
6.	Any Other Business	<p>There was no other business GL thanked everyone for attending today and for contributing to discussions</p>		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
	Date and time of Next Meeting	Wednesday 20 th October 2021 at 1pm (Cancelled)		