



Economy and Enterprise Overview and Scrutiny Committee

Date **Tuesday 28 June 2022**
Time **9.30 am**
Venue **Committee Room 2, 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 26 April and Special Joint meeting held 16 May 2022 (Pages 3 - 16)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. County Durham Economic Partnership - Update: (Pages 17 - 32)
 - (i) Report of the Interim Corporate Director of Regeneration, Economy and Growth.
 - (ii) Presentation by the Vice-Chair of the County Durham Economic Partnership.
7. Inclusive Economic Strategy - Econ-versation Feedback: (Pages 33 - 62)
 - (i) Report of the Interim Corporate Director of Regeneration, Economy and Growth.
 - (ii) Presentation by the Spatial Policy Manager, Regeneration, Economy and Growth.

8. Quarter 4 2021/22 Performance Management Report:
(Pages 63 - 92)
Report of the Corporate Director of Resources.
9. Refresh of the Work Programme 2022/23: (Pages 93 - 118)
Report of the Corporate Director of Resources.
10. Such other business as, in the opinion of the Chair of the meeting, is
of sufficient urgency to warrant consideration

Helen Lynch
Head of Legal and Democratic Services

County Hall
Durham
20 June 2022

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, D Haney,
C Hood, B Kellett, C Lines, L Maddison, R Manchester, C Marshall,
C Martin, J Miller, R Ormerod, A Reed, I Roberts, A Sterling, A Surtees and
S Wilson

Co-opted Members:

Mrs R Morris and Mr E Simons

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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 **Tuesday 26 April 2022** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

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

Co-opted Members:

Mrs R Morris

Apologies:

Apologies for absence were received from Councillor(s) A Jackson and M Abley

Also Present:

Councillor(s)

1 Apologies

Apologies for absence were received from Councillors M Abley, A Batey, S Quinn, L Fenwick and A Jackson.

2 Substitute Members

Councillor K Shaw was present as substitute for Councillor A Batey.

3 Minutes

The minutes of the meeting held on 4 March 2022 were confirmed as a correct record and signed by the Chair.

4 Declarations of Interest, if any

There were no declarations of interest.

5 Items from Co-opted Members or Interested Parties

There were no items from Co-opted Members or interested parties.

6 Housing - Update

The Committee considered a report and presentation of the Corporate Director of Regeneration, Economy and Growth which gave a strategic overview of housing delivery, looking particularly at recent performance, the mix of housing, locations and whether the mix was right to attract inward investment both currently and in the future (for copy of report and slides of presentation see file of Minutes).

G Paul, Head of Development and Housing provided a detailed presentation to the committee which provided background to the council's commitments relating to housing and how this was delivered through its policies and strategies.

He explained that the location of new housing was important to meet the needs of residents and encourage private sector investment and be focused on sustainable locations which maximised the use of public transport, walking and cycling. He noted that settlements in the A1 and A19 corridors were likely to be a draw for business investment and other settlements such as Bishop Auckland and Consett, also provided opportunities for locally important businesses.

Moving on to private sector investment the Head of Development and Housing noted the economic contribution that house building offered and that a well-functioning housing market was considered important for an area to remain competitive and attractive to business and economic activity.

He further explained that the County Durham Plan sought to deliver a wide choice of quality homes to meet the needs and secure an appropriate mix of dwelling types and sizes taking account of evidence in the Strategic Housing Market Assessment (SHMA) and existing imbalances in the housing stock and to provide a complementary housing offer to support economic ambitions and through policies 19 and 29.

The presentation went on to provide details of the annual new housing need of 1,308 or 24,852 needed for 2016-2035, including the need for 836 additional affordable homes per annum up to 2035.

The Head of Development and Housing also provided details of the council homes programme to deliver 500 new homes by 2026 which had been agreed by Cabinet in October 2020. With regards to affordable homes, it was reported that during the period 2014 to 2019 a total of 1,956 homes had been delivered against a target of 4,180 (46.8%). The Council Homes Programme would bridge this gap and complement the new build programme of Registered Providers.

Further details were reported in respect of those sites being progressed for development for a total of 124 units and a timetable for delivery was included within the presentation. The Council had recently agreed the purchase of six bungalows in Gilesgate which would be allocated to people in the Durham area.

Moving on the presentation went on to highlight key messages in the Housing Strategy, which was adopted in July 2019, and how this was delivered in partnership through the Housing Forum and related subgroups.

The Head of Development and Housing further noted changes following the introduction of Selective Licensing, noting that around 42% of private rented sector dwellings were covered by the scheme. Even though the Council were in the early stages, landlords had begun to register and inspections would be carried out in areas which had issues with social landlords.

In conclusion the presentation provided details on Chapter Homes, its successes and developments to date, noting its key aims and commitments to deliver affordable and older persons housing.

Councillor Earley advised that he had been responsible for pulling down number of homes on those particular sites and to create demand particularly in bridge hill, where they were having enormous social problems, money was invested with the idea that it would lift the area up. It did not work due to demand and the geography of the area and whilst demand may change, the geography did not. Blackhill and Bridgehill were named as such because of their topography and pushing a pram up to school or walking up to shops could affect demand. He was concerned that the Council may struggle to fill houses and people from outside of the community could filter in, as they had found this had happened in the past.

The Head of Development and Housing confirmed that when the original sites had been considered by Cabinet, there had been a detailed analysis in terms of need and sites had a relatively strong need identified. He suggested that perhaps demand had changed and reassured Councillor Earley that the Council would not wish to develop a site that did not demonstrated a strong need.

Subsequent to Cabinet agreement, there had been one or two sites that had been assessed and it had been determined that bungalows could not be built due to the topography and hill. There were also sites which had been chosen within the private sector partner, which made sense due to the size of the developments and Cabinet had expressed a preference to consider mixed development, with affordable homes for rent, affordable homes for sale and outright market value sales.

Councillor Jopling noted that there were larger rooms on the ground floor which could be adapted for elderly people or for those with disabilities and assist people living in their own home. She queried whether this would be part of the requirement for building in the future and asked what effect this programme would have on the housing waiting list.

She supported Selective Licensing which would assist in keeping the housing stock in good condition but suggested that housing associations should also be monitored because Councillors received many complaints about some of them.

The Chair advised that Housing Associations would be dealt with further into programme.

The Head of Development and Housing advised that there was a homes for life concept for all new builds, although there could be occasions due to viability, that modern standards could not be met.

With regards to the waiting list, this would not meet all of the need, however this subsidy meant that 500 people would get access to brand new homes, that they would not have been able to access without this programme.

Housing Associations were regulated by government and the Housing Association regulator required performance monitoring, however there had been number of complaints from Councillors with examples of where dealings with customers could have been improved and should Members have issues with Housing Associations, he would assist.

Councillor Marshall thanked the Head of Development and Housing for presentation as a lot of work had been done and there was clearly focus on new housing, however the Council were aware that there was a significant lack of funds for regeneration to tackle poor housing stock. Most Members had areas within their division, that needed regenerating and he referred to a dedicated fund of £50m which had been scrapped in 2010.

Considering the lack of funding through government, for the endless list of places with problem properties and the significant amount of funding required, he asked whether it was worth the Committee writing to Cabinet and asking them to consider this as part of a bid for devolution. Significant money was needed and if the Council did not have a plan, properties would become even less appealable and less viable, and people who had lived in these areas for generations would suffer the consequences.

The Head of Development and Housing referred to the challenge in dealing with the legacy of the terrace housing heritage in the North East, many properties were over 100 years old and maintaining their lifespan was difficult. The government focused support on regeneration and the land value uplift was nowhere near. There were ongoing discussions with Homes England on changing the approach as there needed to be significant public sector investments and deliverable plans for regeneration and he agreed that a request for devolution was something that could assist with this as the issues were a challenge across the whole of the North East and it may be that from a regional perspective, it should be a North East ask.

Councillor Martin noted that the report referenced housing strategy aims and building houses in high value areas was more likely to succeed and achieve higher Section 106 contributions, however he hoped that the Council were not losing sight that houses were needed everywhere and if they were built in areas of deprivation, they would bring more money into those areas.

With regards to delivering affordable housing, Councillor Martin suggested that building more houses in lower land value areas would assist in solving some of the problems regarding financial viability and queried whether aiming for higher land value areas was reducing delivery.

M Allum, Spatial Policy Manager advised that there was a strategy in the local plan to consider the viability of sites, focusing on main towns in the County, however the addition of a windfall policy had allowed developers to come forward with other viable sites to be considered on their own merits in order to enable private sector investment.

Councillor Reed suggested that new style houses were more efficient and environmentally friendly but needed more modern methods of construction and a mix of skills. She advised that construction workers had once needed five years of training to build up a skill set and now only required six months and she asked how the Council could be sure that they were attracting the appropriately high skilled workforce for the construction of new homes.

The Head of Development and Housing advised that there were challenges in what was traditionally a trade of highly skilled workers, with an aging workforce there were various apprenticeship schemes, but not enough coming through. He referred to a company based in Seaham that specialised in building modular homes, who had created a show home in car park and they had apprentices learning the skills to build modular homes so whilst Apprentices were learning a range of new skills, they also faced challenges. There were few young women apprentices, but there was a different cohort. With regards to modular homes, they did cost more than a traditional build, due to the scale and volume, however house prices would reduce with more sales and construction required skilled workers but it was different to the traditional wet trade.

In response to comments from Co-optee, R Morris regarding the existing infrastructure issues of congestion and speeding, the Head of Development and Housing advised that the plan addressed issues with regards to increasing school places, health facilities and transport infrastructure and the viability assessment.

Ms Morris queried the figures of employment in Spennymoor, Chester-le-Street and Consett and the Head of Development and Housing agreed to circulate them after the meeting.

Finally, Ms Morris asked whether the Council would refuse planning permission for private sector developers should they not satisfy the plan for greener initiatives. The Head of Development and Housing advised that local plan set out what was required on standards which were slightly higher than the national requirement however national perspective standards were always changing and would continue to do so as we moved to net zero. From 2030 the Council would no longer be able to put gas fired boilers into new homes so the plan already contained a requirement for alternative heating. There was an initiative at Seaham Garden Village to ensure homes would be using mine water heat, however if developers met criteria for planning the Council could not refuse permission.

Councillor Shaw confirmed that when putting together the Housing Strategy, the Cabinet specifically looked at the right homes in the right places and introduced a target delivery plan to ensure housing was delivered in the places it was most needed. The Head of Development and Housing added that sites had been determined in strong areas with strong demand and there were other programmes such as the Town and Village improvement that were running concurrently.

Councillor Sterling commented on a flawed planning process and developments that were unable to deliver on affordability and sustainability due to site viability. The Head of Development and Housing advised that part of the issue was the low value of land and in terms of contributing Section 106, these sites would not be able to contribute amounts that could be obtained in areas of higher land value. Ultimately the Planning Authority had to consider whether to give up the housing altogether and get neither. It fundamentally came down to land values and until they changed, there would always be a dilemma.

The Chair commented that the housing sites mentioned were strategically located on the A1 and A19, with higher land value and demand for housing but he queried whether there was sufficient sites. With regards to the impact on infrastructure there had been major extensions to Chester-le-Street, but issues in schools, road networks and GP's had not been addressed.

With regards to Chapter homes, they had plans to deliver 1000 homes over the next ten years, but he suggested whether a performance review had been considered to ensure that they were hitting targets and if it was found that they were not performing well, could those resources be transferred to council house building scheme.

M Allum, Spatial Policy Manager advised that the local plan had an examination where the inspector looked at the Strategic Housing Market Assessment (SHMA) and was confident that there was sufficient housing to meet the needs in County Durham, especially with the windfall policy to allow other suitable sites to develop. The supply was currently at six and a half years which meant that the Council could resist any unsuitable sites that came forward. The requirement was only for five years.

The Head of Development and Housing advised that there were some ongoing discussions on how Chapter homes could be monitored.

In response to a question from the Chair regarding whether there was anything that he could change with regards to the Councils Housing position, the Head of Development and Housing advised that the plan delivered a sustainable programme of regeneration in areas which had dilapidated houses, however there was a continuing need to lobby Government and Homes England.

Resolved

That the report be noted

7 Quarter 3 2021/22 Revenue and Capital Outturn Report

The Committee considered a joint report of the Corporate Director of Resources and Corporate Director Regeneration and Economic Growth which provided details of the forecast outturn position for quarter 3 revenue and capital for Regeneration, Economy and Growth (REG) as at 31 December 2021 (for copy see file of Minutes).

Resolved:

That the contents of the report be noted.

8 Minutes from the County Durham Economic Partnership Board

The minutes from the County Durham Economic Partnership Board on 1 March 2022 were noted.

DURHAM COUNTY COUNCIL

JOINT ENVIRONMENT AND SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE AND ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a **Joint Special Meeting** of the **Environment and Sustainable Communities Overview and Scrutiny Committee** and the **Economy and Enterprise Overview and Scrutiny Committee** held in the **Council Chamber, County Hall, Durham** on **Monday 16 May 2022 at 9.30 am**

Present:

Councillor B Coult in the Chair

Members of the Committees:

Councillors E Adam, L Brown, K Earley, J Elmer, L Fenwick, D Haney, C Hood, G Hutchinson, A Jackson, R Manchester, B Moist, D Nicholls, R Potts, J Purvis, J Quinn, I Roberts, A Sterling and S Wilson

Co-opted Members:

Mrs R Morris

1 Apologies

Apologies were received from Councillors G Binney, J Charlton, I McLean, C Martin and Mr T Bolton.

2 Substitute Members

No substitute members were present.

3 Declarations of Interest

There were no declarations of interest.

4 Any items from Co-opted Members or Interested Parties

There were no items reported from co-opted members or interested parties.

5 Transport Policy and Activity in County Durham and the wider region

The Committee considered a report and presentation of the Corporate Director of Regeneration, Economy and Growth which provided an update on transport policy and activity in County Durham and the wider region (for copy of report and presentation see file of minutes).

Dave Wafer, Head of Transport and Contact Services, introduced the presentation, informing the Committee that local transport issues are largely driven by national policy. At the centre of activity is the Regional Transport Plan which recognises that transport is fundamental to the economy and aims to connect all the individual policy drivers into a single, connectivity strategy.

In terms of active travel, the Head of Transport explained that Durham's Strategic Walking and Cycling Delivery Plan strives to embed cycling and walking as an integral part of Durham's culture and he outlined various projects taking place to promote active travel.

The Head of Transport explained that the National Bus Strategy, 'Bus Back Better' brought forward a number of requirements as to how local transport authorities and bus operators must engage, in order to access future funding. This led to Durham joining Nexus and Northumberland public transport authorities to form an enhanced partnership and the region had been awarded £163 million of funding, subject to implementation of the enhanced partnership. In terms of transport infrastructure, the service continues to ensure transport infrastructure is fit for purpose in order to achieve the long term ambitions, through the delivery of over £70 million of transport projects including Jade Enterprise Zone and Durham Bus Station.

The Head of Transport concluded his presentation by highlighting recent achievements including the successful round 1 levelling-up fund bid, considered a national exemplar and the three 'Restoring Your Railway' bids at Ferryhill, Consett and Bishop Auckland.

Councillor Elmer commented on the Department for Transport's prediction for an increase in car use, however, more recent evidence suggests car use has levelled off. He added that it would be useful to have a single, integrated network plan encompassing roads, cycle ways and bus routes, in order to plan the transition, as opposed to merely reacting to demands when they occur. The Head of Transport highlighted that the service aims to be proactive in its approach.

Councillor Wilson referred to bus services and observed that a divide exists within the county, with the north of the county being served by Go North East and the south of the county being served by Arriva.

He commented on the council's inward investment plans and asked if there was more work to be done to improve transport links and ensure employment sites are accessible via public transport. The Head of Transport agreed that more work is required to develop transport links to strategic employment sites and the enhanced partnership aims to improve engagement between bus companies. In addition, the Area Action Partnerships are represented on the county's Bus Board, to provide valuable feedback from service users.

Councillor Jackson referred to the ambition to increase the number of EV charging points across the county, expressing concern that this may not be sufficient to meet demand and he commented that this could be an opportunity to generate revenue for the council. The Head of Transport responded that there is an expectation that the commercial market will increase and he clarified that the additional EV charging points will be located in areas that currently lack facilities such as rural areas and areas with a high density of terraced housing. He added that the council expects to cover costs and make a small amount of revenue to maintain charging points.

In response to a question from Councillor Jackson as to whether consideration would be given in the future to the development of a single bus ticket to facilitate easier and more cost effective travel, the Head of Transport highlighted that the Bus Service Improvement Plan includes proposals for a single, price-capped ticket which could be used in multiple formats, county-wide.

Councillor Sterling asked that when large companies locate in County Durham, whether they are requested to provide assistance with funding for transport for employees. The Head of Transport confirmed that employers may be requested to contribute towards the provision of public transport for their employees for a specified period of time. Commenting in terms of tourism, Councillor Sterling suggested a tourist travel ticket could be introduced, to provide easy access to tourist attractions and accommodation. The Head of Transport agreed that the county has the potential to incentivise tourism, particularly in light of the City of Culture Bid.

Councillor Sterling referred to changes to working practices following the pandemic and spoke of those who may wish to work from home but are unable to do so as they lack the facilities and she asked if there were any plans to develop remote work-hubs within the county. The Head of Transport referred to the development of an overarching connectivity strategy which could have the capacity to establish facilities for remote-working, thereby relieving pressure on the transport network.

Councillor Adam commended the amount of work being done, however, he observed a focus on cars, roads and rail and he asked whether there should be a greater emphasis on active travel, to improve walking and cycling facilities and he asked if the service had sufficient resources available.

The Head of Transport replied that additional resources are being allocated to specific projects including the Darlington and Stockton Railway project. In addition, walking and cycling initiatives were being included in levelling-up fund bids.

In response to a question from Councillor Earley on the availability of charging facilities for electric buses, the Head of Transport informed the Committee that further investment for electric buses is being promoted and in respect of charging facilities, tests have shown that charging overnight at depots is the most efficient method.

Rosemary Morris voiced her concern that the strategy for electric vehicles is unclear and a large amount of work will be required in advance of the government's ban on the sale of new petrol and diesel cars in 2030. She requested a detailed forward plan to provide assurance that the infrastructure will be in place to support the purchase and charging of electric vehicles in the future. The Head of Transport advised that the service would look into this and feedback to the committee.

Councillor Nicholls raised concerns regarding the irregular bus service delivered by Arriva and informed the Committee that a response to a message placed on social media by the local members for Deerness had resulted in an overwhelming response from members of the public in the area, voicing their concerns. These included employees whose jobs were being put at risk as they were regularly late for work due to buses being delayed or cancelled at short notice and parents whose children had been left waiting in the dark and cold weather. Councillor Nicholls also highlighted the age of the fleet, with many buses in a state of disrepair. Furthermore, when he had contacted the company as a local Councillor, to raise these concerns, the company had failed to respond. The Head of Transport acknowledged that public transport services had been adversely affected by the pandemic, suffering a decrease in passenger numbers and a high number of drivers had left the profession. He informed the Committee that lost mileage was being monitored and services were gradually returning to normal levels. Representatives from Arriva and Go North East bus companies attend the Bus Board meetings and feedback from the public is provided through representation via the Area Action Partnerships. The Head of Transport encouraged members to inform the Public Transport Team of their concerns.

Councillor Quinn referred to the increasing number of charging points being installed in the county and asked how many of these will be rapid-charging. The Head of Transport pointed out that plans are in place to increase the number of rapid charging points, however, they require electricity infrastructure which is not available in all areas at the present time.

Councillor Moist referred to future plans for the Park and Ride schemes and suggested that consideration could be given to increasing the number of terminuses and to developing facilities to link locations and operate a single-ticket system.

He also asked whether plans were being considered to increase the capacity of the existing road structure, to accommodate bus lanes in the future. The Head of Transport highlighted the importance of analysing travel trends in order to target resources accordingly, adding that it is likely that the future will see the introduction of single ticketing and an increase in Park and Ride schemes.

Councillor Manchester asked whether the council could offer support to recruit more bus drivers to address the national shortage and the Head of Transport replied that bus companies were recently reporting an increase in recruitment, which will take time to come to fruition as recruits complete their training.

Resolved:

That the report and presentation be noted.

6 Highways, Footways and Bridge Maintenance

The Committee considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided information on the highway asset management service delivery (for copy of report and presentation see file of minutes).

Paul Watson, Strategic Highways Manager delivered a presentation, highlighting that the highway network is the council's highest value asset. He explained that the Highways Act places a duty on the local Highways Authority to maintain the adopted highway and he referred the Committee to the Highway Maintenance Plan which sets out the council's service levels for inspection, condition and routine maintenance and the Transport Asset Management Plan which is the long term plan for managing the highway through programmed maintenance.

The Committee noted the council's Highway Safety Inspection Manual and details of the inspections undertaken to assess the safety of the network. The Committee also received information on defects which are allocated a repair category, with those requiring immediate repair being repaired within 2 hours.

The Strategic Highway Manager also provided information on asset inspections which are annually reported to the Department for Transport. In terms of performance, in 2016 Durham County Council was one of three authorities to achieve the maximum band 3 rating which resulted in £1.6 million of additional funding.

The Committee also heard that innovation work takes place, such as that done in partnership with Rainton Construction, to reduce carbon emissions and a GOVTECH artificial intelligence project with the potential to reduce the need to review 800 sites per year, saving staff time and fuel costs. The Strategic Highways Manager highlighted that strong policies for managing the highway asset provides the council with a robust defence against third party claims.

Councillor Potts referred to safety issues caused by slippery footpaths, covered with algae and moss. The Strategic Highways Manager replied that rural link roads and urban connected footpaths have been identified for further investment over the coming year and the Clean and Green Team are investigating areas that require attention due to loss of access caused by overgrown vegetation, with defects to be repaired by a patching team.

Councillor Jackson spoke of a national chain which delivers goods to a building in his ward causing wear and tear to paving stones and he asked if the council has recourse against private companies causing damage to the surface of footways. The Strategic Highways Manager replied that the council has enforcement powers available in order to protect the digital and fibre optic technology located below the footpath. The Strategic Highways Manager said he would be happy to speak to Councillor Jackson to discuss the matter further.

Councillor Adam congratulated the team on the hard work and expressed the view that footpaths are a concern and he asked if there was a strategy in place to achieve the 5% target. The Strategic Highways Manager acknowledged there is work to be done to achieve the target however the service continues to drive the work forward through an annual programme of approximately 100 major footpath schemes with additional investment in areas of most need.

In response to an issue raised by Councillor Hutchinson regarding potholes in the Kelloe ward, the Strategic Highways Manager said he would be happy to speak to Councillor Hutchinson to investigate the issue.

Councillor Elmer referred to the ecological emergency and the competing demands of protecting species and wildlife habitats and improvements to the transport network and he asked what processes the Highways Service has in place to support wildlife habitats. The Strategic Highways Manager replied that the service is mindful of disruption to natural habitats and he added that measures are in place, for example, enforcement action to prevent verge parking. The service also works with experts to assess ecological impacts.

Councillor Earley referred to the number of potholes and asked if advances in technology were likely to improve processes and increase the longevity of repairs. Paul Anderson, Highways Maintenance Manager, referred to the inspection regime to determine timescales for repairs to be completed. He added that a three year investment programme will assist to maintain standards.

Resolved:

That the report be noted.

7 Street Lighting Energy Reduction Project II Update (SLERP)

The Committee considered a report and presentation of the Corporate Director of Neighbourhoods and Climate Change, delivered by Paul Watson, Strategic Highways Manager which provided a review of the Street Lighting Energy Reduction Project II (2021/2022) (for copy of report and presentation see file of minutes).

The Strategic Highways Manager stated the year 2 mid-project review, reported the project is progressing well despite delays due to COVID-19 and supply issues in respect of component parts. Providing background, the Strategic Highways Manager explained that the Street Lighting Policy implemented the removal of street lights where safe to do so and the dimming of street lights by 25% between 10 pm and 12 midnight and by 50% between 12 midnight and 5 am. Independent road safety auditors were commissioned to undertake risk assessments and they consulted with local members and Town and Parish Councils to ensure risk assessments reflected all factors. Phase 1 was completed in March 2019, financial performance exceeded expectations and significant energy savings were achieved.

A report to Cabinet in December 2019 recommended the commencement of the Street Lighting Energy Reduction Project II. However, year 2 faced problems caused by the COVID-19 pandemic and the lack of semi-conductors which resulted in a slight dip in performance. Members heard that, in total, the project aims to save 2.5 million kilowatt hours and to illustrate the scale of the project, the Strategic Highways Manager explained that 1 kilowatt hour equates to the toasting of 160 slices of bread. The Strategic Highways Manager also informed the Committee that a pilot scheme is underway to consider the impacts on ecology, recognising that actions taken should not have a detrimental impact on the environment and ecology.

Councillor Nicholls welcomed the ecology considerations and referring to the replacement of street lights in his ward, he raised an issue regarding a disused street lighting column which had been left in situ and a new column installed, causing obstruction. The Strategic Highways Manager expressed concern, however, he recognised that delays removing columns occur on occasions and he undertook to discuss the matter with operational teams.

Councillor Quinn asked whether the council had explored the use of solar panels on street lights. Darren Hubbard, Street Lighting Manager, explained that the lack of solar power is problematic however advances in technology have enabled the council to trial solar lighting in the West Rainton area and feedback on this project would be shared with the Committee in due course.

Councillor Adam was pleased to see the success in respect of carbon reduction and energy savings and he referred to the rapidly increasing energy costs and asked if this was likely to have an impact on the outcomes of the project.

The Street Lighting Manager explained how both costs and savings were increasing and he added that the extent of the impact was uncertain at this time.

In response to a question from Councillor Adam as to whether the County Council had carried out any safety studies to ascertain if dimming had a detrimental impact on pedestrians, the Street Lighting Manager agreed to share any information available on the matter with the Committee.

A further question was received from Councillor Adam regarding the cost of replacing street lighting with footway lighting, commenting that there seemed to be little difference between the two. The Strategic Highways Manager replied that the particular scheme Councillor Adam referred to had taken place at the request of residents and, as footway lighting columns are shorter than streetlighting columns, the residential area, rather than the carriageway, is illuminated.

Councillor Jackson thanked officers for the work carried out on the project and asked that if the second phase of the project could look to improve the reduced strength of light due to the distance between lighting columns. The Strategic Highways Manager responded that the service aims for the British Standard at all times and improvements will continue to be made as technology advances. Councillor Jackson also asked if the council had considered the use of motion sensors. The Street Lighting Manager pointed out that the use of motion sensors requires a high cost metered supply. The Chair commented that the issues raised would be included in the future work programme.

Resolved:

That a further project update on the Street Lighting Energy Reduction Project be considered, on completion of the scheme in 2023.

**Economy and Enterprise Overview and
Scrutiny Committee**

28 June 2022

County Durham Economic Partnership



**Report of Geoff Paul, Interim Corporate Director of Regeneration,
Economy and Growth**

Glyn Llewellyn, Chair of County Durham Economic Partnership

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee (E&E OSC) with an overview of the County Durham Economic Partnership, including detail of governance arrangements, priorities identified, current activity and future plans.

Executive summary

- 2 Arrangements have been made for Sue Parkinson, Vice Chair of the County Durham Economic Partnership to attend on 28 June 2022 to provide a presentation focusing on the role and governance of Partnership, its current activities and future plans.

A copy of the presentation is attached as appendix 4.

Recommendations

- 3 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.

Background – Structure and Governance

- 4 The County Durham Economic Partnership (CDEP) is one of the five thematic partnerships that make up the County Durham Partnership. CDEP is responsible for setting and reviewing the strategy for economic development and regeneration activity in County Durham.
- 5 In terms of membership, the CDEP Board has representation from partners involved in economic development in the county, the private sector, voluntary and social enterprise, statutory agencies and the County Council, including the Portfolio-holder for Economy and Partnerships. CDEP reports to the County Durham Partnership (see governance structure in Appendices 2 and 3)
- 6 As a business led partnership the CDEP Chair and Vice Chair are drawn from the private sector. Membership of the Board including the Chair and Vice Chair is reviewed bi-annually, and the Chair's tenure is for three years, with the option to extend with agreement from the Board. The current CDEP Chair is Glyn Llewellyn, who was appointed in May 2021 following an open Expression of Interest process. Sue Parkinson is the current Vice Chair and was involved in business and economic development in the county for many years in a professional capacity prior to taking on this role on a voluntary basis.
- 7 Within the core membership of the CDEP Board, individuals agree to take on specific portfolio responsibilities, covering themes such as Resources, Business Competitiveness, Ideas and Innovation, Inclusive Growth, People and Skills. The responsibility entails keeping a watching brief on the theme, and updating the Board on specific opportunities of relevance to County Durham, for example by bringing forward agenda items for discussion by the Board.
- 8 The Board meets on a quarterly basis and held 5 meetings during the last 12 months, in May, September and December 2021, and in March and May 2022.

Role of the County Durham Economic Partnership

- 9 The CDEP Board sets the strategy for economic development and regeneration activity across County Durham. To fulfil this the Board has four areas of focus:
 - Identifying, and putting into context opportunities
 - Informing partners of these opportunities
 - Influencing policy makers on the shaping of these opportunities

- Coordinating responses to the opportunities
- 10 To help achieve this the Board establishes separate Working Groups as required, to provide the intelligence from different partners across the County. Currently there are two Working Groups in place:
- Business, Enterprise and Skills Working Group
 - Technical Funding Group
- 11 The Partnership Board also has responsibility for strategic oversight of certain elements of the County Durham Vision, with a specific focus on the More and Better Jobs ambition, and direct strategic oversight of the following aspects of the Vision:
- 1.2 Improving productivity and competitiveness of our businesses
 - 1.2 Creating and sustaining employment
 - 1.5 Skills for employment
 - 1.5 Opportunities and help into rewarding work (including closing the gap for vulnerable people)
- 12 As part of their discussions and decision-making processes the CDEP Board also takes account of the following cross cutting themes from the Vision- climate change; protecting our natural environment; poverty and deprivation; new technologies; EU exit; rurality; and towns and villages.
- 13 The objectives of the CDEP Board are to provide the leadership needed to develop and deliver the strategy for economic development and regeneration, so that the strategy provides a set of coherent actions to address the opportunities and challenges across the County, and that the Board is recognised as the voice for County Durham in regional, national and international discussions.

Current Priorities and Activities

- 14 Recent key areas of activity for CDEP have included the following:
- Co-ordination of European funding bids for County Durham, including representation on the European Structural and Investment Funds (ESIF) Committee
 - Developing and co-ordinating the Covid 19 economic response and recovery plan
 - Lobbying and influencing - Industrial Strategy, UKSPF

- Developing new Inclusive Economic Strategy for the County – supporting partner and business engagement
 - Addressing key themes – City of Culture bid, green economy opportunities, social value/local wealth building, skills and recruitment
- 15 Work on the UK Shared Prosperity Fund (SPF) provides a good example of the value that the County Durham Economic Partnership brings. At its meeting in September 2021, the CDEP Board agreed to a series of actions to influence policy with regard to the development of UKSPF funds, which will replace EU funding. At that stage details on the fund, including the scale of funding and how it will be distributed and administered had not yet been announced.
- 16 Given that Durham has benefitted significantly from EU Structural Funds, providing essential investment to support its economic development and growth, CDEP was keen to use the extensive experience of partners in the County to help shape UKSPF, to ensure it was designed in a way that supports County Durham’s needs and ambitions. In December 2021, on behalf of CDEP, the Chair sent a letter to the Secretary of State for Levelling Up, Housing and Communities, Michael Gove, to offer the Partnership’s input into the design of UKSPF.
- 17 During February 2022, the Government provided pre-launch guidance for the UKSPF, confirming that all areas of the UK would receive an allocation and that local authorities will lead the management of the funds in their areas. The guidance outlined a key role for partners and stakeholders to work with local authorities to develop a local Investment Plan which will form the basis for the commissioning of SPF activities, and stated that where areas already have an appropriate group that could be used, it can designate the group for UK Shared Prosperity Fund purposes.
- 18 CDEP already had a Technical Funding Group, which has historically fulfilled all of the functions required as part of CDEP’s membership of the governance structures handling EU funding. Therefore, following discussion at the CDEP Board, the Chair wrote to the County Council recommending that CDEP is designated as the “appropriate group” for UK Shared Prosperity purposes, to support this work.

- 19 Following receipt of the full SPF guidance from Government, CDEP is now supporting the development and delivery of the Investment Plan for the UK Shared Prosperity Fund, which has to be submitted by 1 August 2022. In order that the investment plan for Durham is developed through broad engagement with a diverse range of stakeholders, working closely with local partners, as required by the guidance, a specially enhanced County Durham Economic Partnership will be meeting in June and July for this purpose.
- 20 The CDEP Technical Funding Group (TFG) has been meeting regularly to support the work needed to gather local evidence of opportunities and challenges through the lens of the three investment priorities for UKSPF. Four task and finish groups focussed around communities, business, innovation, and skills, and chaired by various members of the TFG, have been carrying out initial work on developing the local context, identifying past activity that has been effective, and collating information to form part of an evidence base.
- 21 This is a good example of the partnership work in action, convening all of the key partners in the county to influence and respond to a significant opportunity.

Collaboration

- 22 The County Durham Economic Partnership has been established for many years, having initially been set up pre-Local Government Review in County Durham to coordinate work on previous economic development strategies and funding programmes such as the Single Regeneration Budget, involving the County Council, District Councils, economic development partners and key government agencies. Over this time a strong ethos of partnership working to support economic development in the county has been developed, underpinned by the principle that *“the whole is greater than the sum of the parts”*.
- 23 At a regional and national level CDEP has been represented on the ESIF committee for EU funding, and has regular engagement with the North East LEP, providing the chair for its employment and skills expert group. CDEP has represented the EU transitional regions of the UK with MHCLG nationally, is a member of the North East Economic Evidence Forum, a member of the national Employment Related Services Association, and has engaged with the All Party Parliamentary Group dealing with Levelling Up.

- 24 In terms of engagement with other local partnerships, a good example is recent joint discussions with the Environment and Climate Change Partnership to look at how the two partnerships can work together to promote growth of the green economy and business participation in the environmental agenda.
- 25 The CDEP Board meeting held on 1st March 2022 was attended by the Chair of the Environment and Climate Change Partnership for a presentation and discussion. A number of areas of collaboration were discussed including development of a practical toolkit for SMEs, opportunities for knowledge transfer from larger businesses to small companies, promotion of the BEEP programme, building of capacity for future 'green' market opportunities and designing in environmental goals to mainstream business support. A small group has been convened to follow up on these, including the planning of a Net Zero showcase event for businesses which is being held on 6th July.

Future Priorities

- 26 The Chair is keen to increase awareness and engagement of the private sector in the work of CDEP and has introduced a number of measures to encourage this, including personally attending local business network meetings, and issuing a personal update message to business leaders after each CDEP Board meeting - see example here:

<https://countydurhampartnership.co.uk/wp-content/uploads/2022/03/CDEP-Message-from-the-Chair-March-2022.pdf>
- 27 The nature of the business and economic agenda is that the work is fast-moving and CDEP always seeks to remain flexible and agile to respond to changing circumstances, key issues that are facing the local business community, and new opportunities, rather than developing a work programme too far in advance.
- 28 Importantly, the future work programme for CDEP will be drawn from the new Inclusive Economic Strategy, and CDEP will provide the strategic leadership and oversight to ensure that action plans to deliver the strategy are developed and implemented, especially where this requires partners to come together to develop new ways of working, new solutions and to maximise the opportunities to leverage funding from all sources.

Conclusion

- 29 The County Durham Economic Partnership is a key part of the County Durham Partnership, bringing together key public, private and voluntary sector organisations that work together to support the development of the County Durham economy. CDEP has a strong track record of working in partnership to lobby, influence, seize opportunities and make maximum use of available resources, in order to deliver the strategy for economic development and regeneration.

Background papers

- None

Other useful documents

- None

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Appendix 1: Implications

Legal Implications

This report is for information only

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

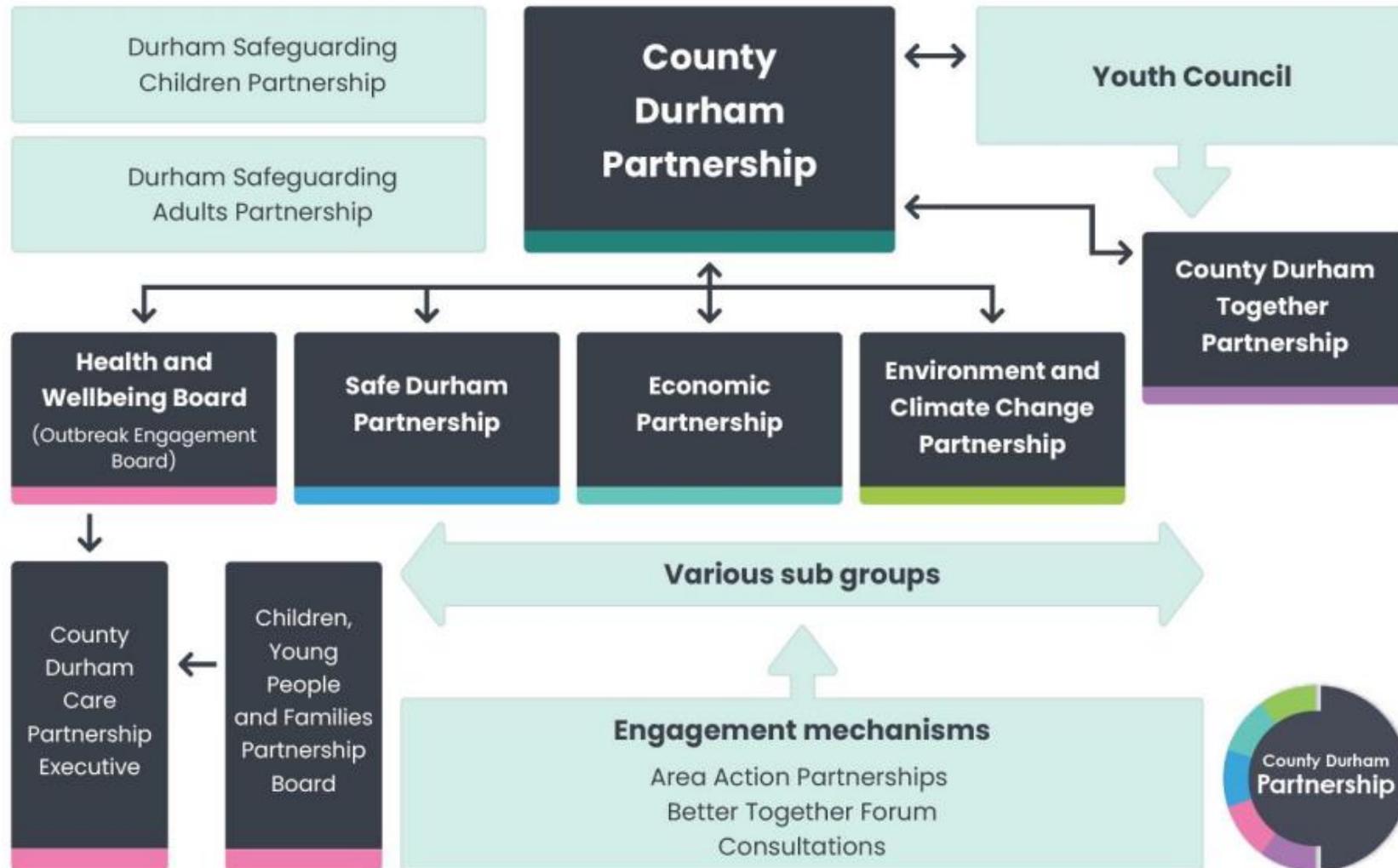
Risk

Not applicable

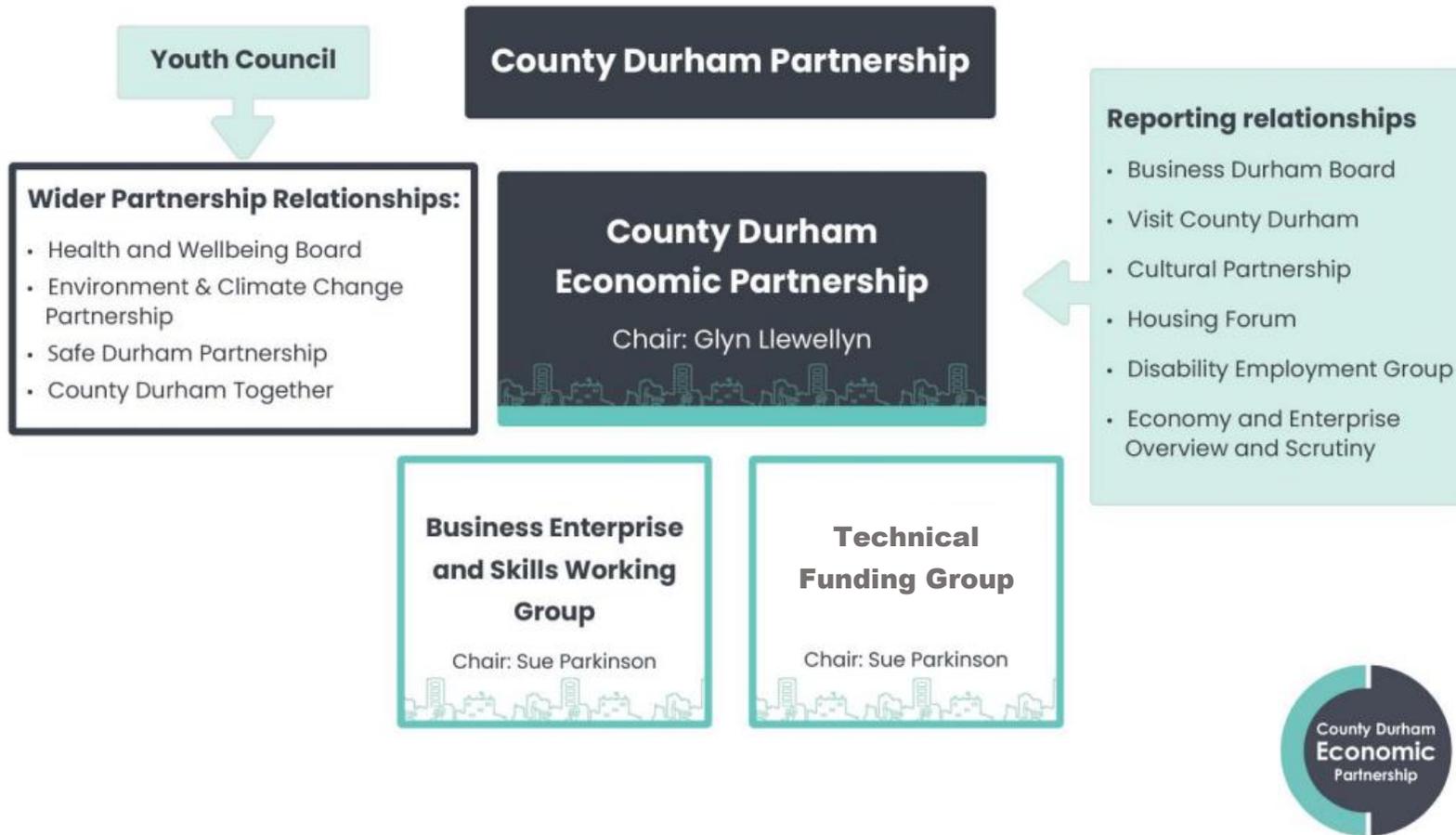
Procurement

Not applicable

Appendix 2: County Durham Partnership Governance Structure



Appendix 3: County Durham Economic Partnership Governance Structure



PRESENTATION TO ECONOMY & ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE

28 JUNE 2022



Better for everyone

Governance and Structure



Role of CDEP Board

- Sets the strategy for economic development and regeneration activity across County Durham.
- The Partnership has representation from the private sector, voluntary and social enterprise, statutory agencies and elected representatives from Durham County Council.
- Core members of the Board have responsibility for specific portfolios, e.g. business competitiveness, resources, innovation, people & skills
- Four areas of focus:
 - Identifying, and putting into context opportunities
 - Informing partners of these opportunities
 - Influencing policy makers on the shaping of these opportunities
 - Coordinating responses to the opportunities
- Provides strategic oversight for aspects for the More and Better Jobs ambition of the County Durham Vision 2035



Better for everyone

Key areas of activity

- Co-ordination of European funding bids for County Durham - representation on the ESIF Committee
- Developing and co-ordinating Covid 19 economic response and recovery plan
- Lobbying and influencing - Industrial Strategy, UKSPF
- Developing new Economic Strategy for the County - partner and business engagement
- Addressing key themes – City of Culture bid, green economy opportunities, social value/local wealth building, skills and recruitment



Partnership and Collaboration

- UK Shared Prosperity Fund
- Regional and national representation
- Joint working with Environment & Climate Change Partnership

“the whole is greater than the sum of the parts”



Better for everyone

Future Priorities

- Private sector engagement
- Inclusive economic strategy implementation
- Maximising opportunities & leverage



Better for everyone

Economy and Enterprise Overview and Scrutiny Committee

28 June 2022

Inclusive Economic Strategy – Econ-versation Feedback



Report of Geoff Paul, Interim Director of Regeneration, Economy and Growth

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report gives an overview of the comments received in response to the Big Econ-versation on the Council's new Inclusive Economic Strategy. It is a priority of the County Council to engage in the development of the strategy and this report is the second report of a number expected to the Economy and Enterprise committee.

Executive summary

- 2 In December 2021, the council's Cabinet agreed to the process for developing a new Inclusive Economic Strategy and that the development of the strategy should be preceded by a conversation with stakeholders across the county to understand their views on economic opportunities and challenges. As a result, the Big Econ-versation was undertaken between 31 January and 22 April 2022.
- 3 By the end of the Econ-versation over 86 events had been held and attended with over 1500 people engaged. A total of 1455 surveys were completed including 918 residents, 94 businesses and 443 young people. Some of the key messages coming out of the Econ-versation were:
 - County Durham needs more good quality jobs to support people into work, improve earnings, retain skilled residents and young people, and ensure that there is a healthy workforce;
 - There is an opportunity to build on and grow sectoral strengths in the county, including in manufacturing and energy;
 - These good quality jobs need to be accessible to local people, through improved public transport, especially in rural areas;

- Flexible and inclusive skills provision, retraining, careers advice and work experience was identified as an area to improve and is important for young people and workers of all ages. This will also bring benefits to businesses through increased productivity and growth;
 - Support is required to improve the health of residents and workers to help target the causes of poverty;
 - There is a lot on offer in the county – a diverse and beautiful natural environment, culture and heritage – but more needs to be done to market and promote the county, attracting people to live, work and visit the county;
 - Investment is needed county-wide, particularly in smaller towns and villages, to regenerate high streets and town centres through a more diverse offer, support local businesses, create local jobs for residents, and restore confidence and a sense of community; and
 - Green economy and climate change is a priority for residents and is seen by business to be a major opportunity for growth. While residents are supportive of net zero, they want a balanced approach that protects jobs and is manageable with wider economic pressures.
- 4 Using what we have brought together from the Economic Review, the Economic Statement and the Big Econ-versation we now need to develop the priorities and actions for the Inclusive Economic Strategy. We will then test these over the summer and prepare a draft in the autumn which we will then share for further comment before the document is signed off by Cabinet.
- 5 The Inclusive Economic Strategy will be a key document to support the County's economic growth in the future.

Recommendation

- 6 Scrutiny members are recommended to note the report and presentation and comment accordingly.

Background

- 7 In December 2021 the council's Cabinet agreed an approach to develop a new Inclusive Economic Strategy based on a three-stage process:
- **Economic Review:** Core evidence base;
 - **Economic Statement:** A short document to inform the conversations on the new strategy; and
 - **Conversation and Strategy Development:** A broad conversation with stakeholders and partners which will be used to develop a draft strategy.
- 8 Cabinet agreed that the development of the strategy should be preceded by a conversation with stakeholders across the county to understand their views on economic opportunities and challenges. As a result, the Big Econ-versation was undertaken between 31 January and 22 April 2022.

Our Big Econ-versation

- 9 In January, a stakeholder engagement process was launched as 'Our Big Econ-versation'. The conversation was supported by its own website which was designed to catch people's attention. Three surveys were available for businesses, residents and young people to complete. The Econ-versation was also supported by a comprehensive media campaign including social media, press releases, bus advertising, case studies of residents and businesses, County Durham News, posters, etc.
- 10 Officers are also organising several bespoke events with businesses including a Business Breakfast on 29 March 2022, presentations and workshops for the county's Business Networks, the North East England Chamber of Commerce, Registered Providers, Enterprise Agencies and the County Durham Start Up Network. Workshops were also held with the North East Local Enterprise Partnership and Durham University and discussions held with the NHS Foundation Trusts as anchor organisations.
- 11 We also worked with our communities and our members through presentations and discussion at Area Action Partnerships, promoting the conversation at meetings hosted by other bodies such as the County Durham thematic partnerships, external organisations and town and parish councils. We also worked specifically with the County Durham Together Partnership to encourage engagement in the Econ-conversation and with our Community Champions through a series of workshops to explore different topics.

- 12 Officers are also working with colleagues across the council (e.g. public health, the gypsy and traveller service), external partners (e.g. voluntary and community groups), and programmes (e.g. DurhamWorks) to ensure the conversations included individuals and groups that may not have ICT equipment or may need additional support in order to respond.
- 13 By the end of the Econ-versation over 86 events had been held and attended with over 1500 people engaged. A total of 1455 surveys were completed including 918 residents, 94 businesses and 443 young people.

Resident Survey Responses

- 14 918 responses were received to the resident's survey, 63% of which were female, 36% male and 1% non-binary/other. 20% of respondents identified as disabled and the majority of respondents were aged over 45 and in full time employment. Some of the key points raised were:
- 1 in 3 respondents have faced barriers to good skills training, jobs and career progression including:
 - Poor transport connectivity or insufficient transport options, especially in rural areas;
 - Lack of well paid, highly skilled, secure jobs and career opportunities that offer progression in the county compared to other parts of the region and country;
 - A lack of investment in the county and concentration of existing investment in Durham City and larger towns rather than smaller towns and rural areas – and a concern that this was driving people out of the county;
 - A lack of investment in education and skills with limited provision;
 - Limited retraining opportunities for older people, as well as the high cost and inflexible nature of provision. The barriers for older people seeking employment opportunities was also raised; and
 - Some residents said they would like to see more support for disabilities and residents with special educational needs;
 - Approximately one quarter of disabled respondents work full-time, compared to over half of non-disabled respondents;

- Residents would like to see investment in town centres and high streets including more events;
- Many residents said they would like to see investment in public transport and active travel to improve connectivity around the county; and
- The majority were positive about County Durham as a place to visit. However, many also felt the tourist offer and promotion could be improved.

Business Survey Responses

15 94 businesses responded to the business survey. Approximately two thirds of respondents employed less than 10 employees and nearly a quarter had been located in County Durham for more than 25 years. A broad range of businesses were represented including from the manufacturing, financial, retail, health construction and property sectors. Some of the key points raised were:

- Strong local attachment and pride were the biggest influence for businesses basing themselves in County Durham;
- Raising capital was rated as the biggest challenge faced by start-ups;
- A skilled workforce was viewed as the best way to improve productivity;
- One third of businesses surveyed said that Covid-19 has had a major negative impact on the county;
- Skills, digital & transport infrastructure was seen as the key to economic growth;
- Businesses listed the advantages of being in the county as quality of life, good business support and networks, and the transport links and location;
- Accessing growth finance and support for staff skills training, skills shortages, lack of employment space, perceptions of the county, low innovation, and deprivation and town centre decline were listed as challenges;
- Manufacturing, renewables, electric vehicles, tourism, financial services and digital technology were seen as a future growth sectors;

- The environment and green economy are seen as major opportunities for growth;
- Businesses highlighted the importance of business support and networks, particularly for small businesses; and
- The top priorities for businesses in relation to climate change, were recycling waste and using local suppliers wherever possible.

Young Person Survey Responses

16 443 responses were received to the young person's survey, 49% of which were female, 45% male and 6% non-binary/other. Over a third of respondents were aged 15 to 16. Most respondents lived near larger towns. Some of the key points raised were:

- Almost one third of young people wanted to go to university following school/six form while one in five thought they would go straight into full-time employment;
- 54% said they could not or are unsure they could pursue their chosen career or business idea in the county. In response to what young people felt is needed to help them get a job or start a business idea, suggestions included:
 - A wider choice of courses and opportunities to speak to entrepreneurs;
 - Better awareness around available opportunities in the county, work experience and apprenticeships through advertisements and job events;
 - More support for girls and LGBTQ+ people, particularly in the science industries;
 - Better connections to large, international companies, and attracting them to locate in the county;
- 67% said 'doing something interesting' mattered more than pay or location when choosing a career;
- The most common barriers to work young people face after leaving school/college or training, were considered to be a lack of experience; lack of local jobs, physical or mental health, too much competition for jobs and a lack of qualifications.

Responses from Events/Conversations

- 17 86 conversations with over 70 organisations were held during the Econ-versation with over 1500 people engaged. Some of the key points raised were:
- The Strategy should reflect the voices, concerns and needs of a broad range of partners not just the Council and galvanise action across the county to achieve a more inclusive economy;
 - Tackle poverty and level up the county and address growing concerns about poverty and quality of life in light of the cost-of-living crisis;
 - Create better jobs – with more opportunities, particularly to help retain young people;
 - Improve skills provision for all – across the lifecycle from young people through to older workers;
 - Support businesses to thrive and grow – through access to skills, employment sites, innovation and investment;
 - Revive town centres and neighbourhoods – repurposing high streets with a mix of services;
 - Improve transport and digital connectivity – to improve access to training and jobs, and support business growth; and
 - Promote the county – raising the profile of County Durham outside of the county and in the North East.

Conclusion and Next Steps

- 18 The Econ-versation showed that residents, businesses and stakeholders are proud of County Durham for its beautiful natural landscapes, culture, heritage, people, innovative businesses and sectors, and saw many opportunities for county, including net zero, manufacturing, knowledge intensive sectors, and tourism.
- 19 But many spoke of inequalities in the county with higher levels of deprivation and crime, declining town centres, and a lack of opportunity in some areas. Many voiced concerns over the availability of good jobs and the ability for local people to access these, whether due to poor public transport or not having the right skills and work experience.

- 20 As we move to the next stage in developing the Inclusive Economic Strategy this helps us identify some potential areas of focus including:
- Supporting business growth and job creation, particularly in opportunity sectors;
 - Improving public transport and access to facilities;
 - Developing a lifelong learning offer for residents;
 - Improving the health of residents and workers;
 - Promoting County Durham;
 - Building on recent investments to regenerate and reimagine town centres; and
 - Transitioning to net zero through a just, flexible and innovative approach that creates new jobs and safeguards existing ones.
- 21 Using what we have brought together from the Economic Review, the Economic Statement and the Big Econ-versation we now need to develop the priorities and actions for the Inclusive Economic Strategy. We will then test these over the summer and prepare a draft in the autumn which we will then share for further comment before the document is signed off by Cabinet.

Background papers

- Our Big Econ-versation [website](#)
- Inclusive Economic Strategy [Cabinet report](#)

Author(s)

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Appendix 1: Implications

Legal Implications

The Inclusive Economic Strategy work will be used to negotiate the devolution of powers from the Government.

Finance

The Inclusive Economic Strategy work will be used to negotiate the devolution of finance from the Government.

Consultation

Our Big Econ-versation ran from 31 January to 22 April 2022. Once the priorities and actions for the Inclusive Economic Strategy have been developed, we will then test these over the summer and prepare a draft in the autumn which we will then share for further comment before the document is signed off by Cabinet.

Equality and Diversity / Public Sector Equality Duty

Officers have and will continue to take all opportunities to get feedback from hard to reach groups across the county and the strategy will be accompanied by an equalities impact assessment.

Climate Change

The strategy will balance economic growth with opportunities to minimise the impacts of climate change.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

Consultants have been procured to support Our Big Econ-versation, develop a county deal proposal, and draft the new Inclusive Economic Strategy.

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County Durham
Inclusive Economic Strategy
Feedback Report for the Big Econ-versation

Economy and Enterprise Overview and Scrutiny Committee
28 June 2022
Mike Allum



Why are we doing this?

- Developing the county's first inclusive economic strategy
- To respond to complexity of current environment with immediate and long term drivers of change
- Changing but uncertain governance and delivery structures in relation of Local Economic Partnerships and potential for a County Deal
- Expanded economic development role for the county, starting with with funding through Shared Prosperity Fund
- Opportunity of levelling up - Funding prioritised for areas like County Durham – a Tier 1 area for Levelling Up fund
- To build the delivery partnership - the council as convener and sets strategy

Where we are now

- The focus now and over the coming month is to **think about the priorities and actions for the Strategy.**
- We are developing a long-list of ideas – some of which we are already doing and some of which is new.
- We are looking to identify the gamechanger actions that will have biggest impact
- We need to prioritise what is realistic with current resources and capacity.



The Big Econ-versation



Summary of the Big Econ-versation



Main messages from the Big Econ-versation

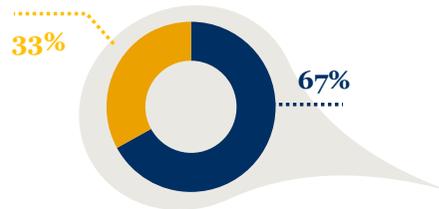
- County Durham needs **more good quality jobs**
- These need to be **accessible to local people**, through improved **transport**, especially in rural areas and inclusive **skills provision**
- More needs to be done to **market and promote the county**
- **Investment in places is needed county-wide**, particularly in smaller towns and villages
- Green economy and **climate change** is seen by business to be an opportunity for growth, but caution this needs to not increase costs

Resident Survey Summary

“Most people I know travel large distances to their place of work or study, often in other counties.”

“There are not enough well-paying, high skilled jobs so many people commute for work or leave.”

“There has been a historic lack of investment in the area compared to other parts of the country.”



1 in 3 respondents have faced barriers to good skills training, jobs & career progression

Approx. one quarter of respondents with a disability work full-time, compared to over half of non-disabled respondents



More good quality jobs

Is a major priority. Skilled people are leaving or commuting outside the county. Good quality jobs in the county are often inaccessible to local people.

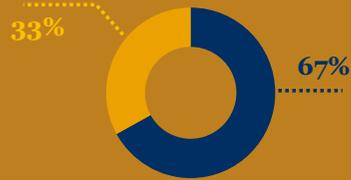


Public transport

Is a major priority. The main barrier to economic opportunities especially for rural communities.



Access to education, training and jobs



When asked if they had experienced barriers to accessing learning, training or finding a job, a third said that they had.

Of those who reported experiencing barriers, the most common reasons included:

- **Poor transport connectivity** or insufficient transport options, especially in rural areas.
- **Lack of well paid, highly skilled, secure jobs and career opportunities** that offer progression in the county compared to other parts of the region and country.
- **A lack of investment in the county** and concentration of existing investment in Durham City and larger towns rather than smaller towns and rural areas – a concern this was driving people out of the county
- **Town centre decline**, linked to the reduction in local jobs.
- A lack of investment in **education and skills with limited provision**.
- **Limited retraining opportunities for older people**, as well as the **high cost** and **inflexible** nature of provision. The barriers for older people seeking employment opportunities was also raised.
- Some residents said they would like to see **more support for disabilities and residents with special educational needs**.

Future priorities

Residents were asked to rate their priorities for the future across a range of areas.

The following 3 areas came out as top priorities for the future, with over 90% of respondents rating them as either important or very important:

- Improving town centres
- Training the workforce
- Supporting an ageing population

Important or very important

Improving town centres	93%
Training the workforce	91%
Supporting an ageing population	90%
Improving public transport	86%
Retaining young people	85%
Attracting higher paying jobs	83%
Improving digital infrastructure/broadband	82%
Encouraging entrepreneurship	78%
Focusing on the green economy/Climate Change	76%
Increasing & improving tourism offer	70%
Recovering from COVID-19	69%
Building new homes	46%

Business Survey Summary

“My business is in County Durham because I am proud of where I live ”

- Small Education sector business

“We have a good network and infrastructure for supporting businesses here”

- Large services business

“County Durham has relatively low wages and a low cost of living”

- Small Public Administration business

Raising capital

Top challenge faced by start ups

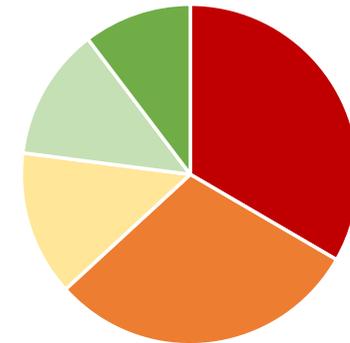
Skilled workforce

Top need to improve productivity

Skills, promotion of the county and town centres

Key to economic growth

One third of businesses say Covid-19 has had a major negative impact on the county



- Major negative impact
- Minor negative impact
- Little or no impact
- Minor positive impact
- Major positive impact

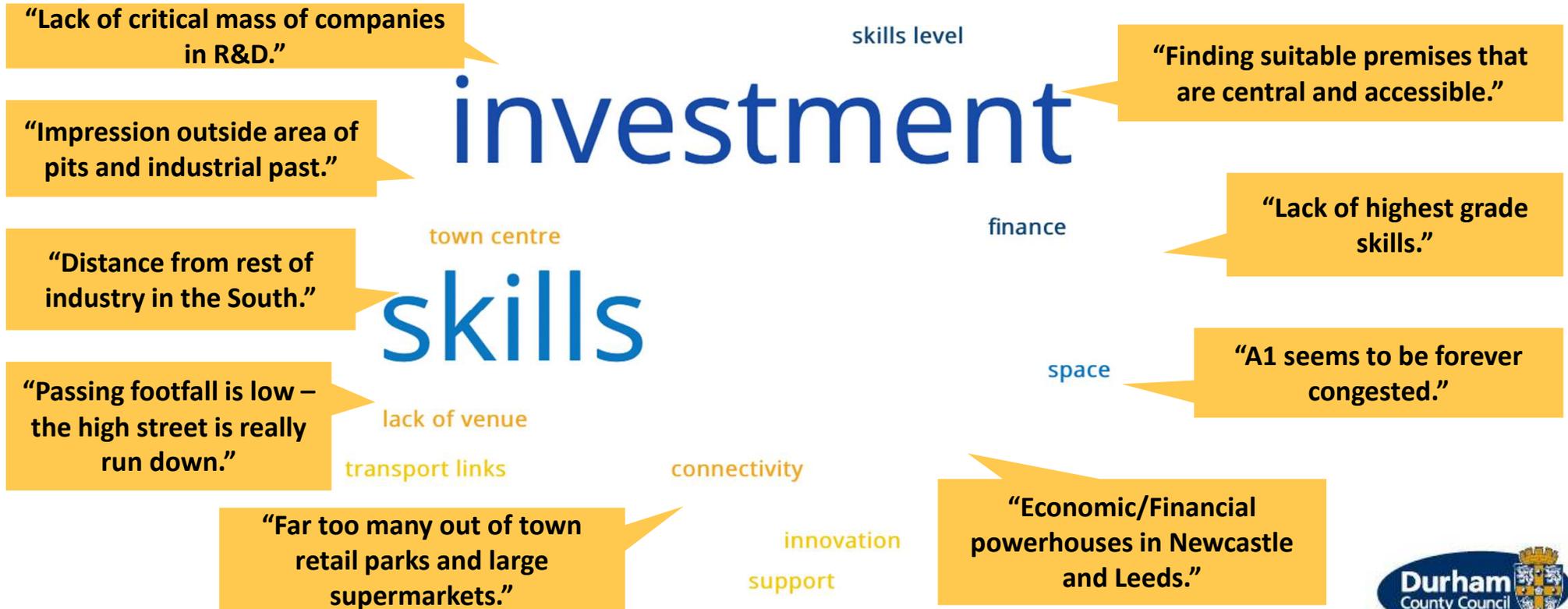
Advantages of being in County Durham

When asked about the advantages of being in the county, businesses highlighted local people, quality of life, good business support and networks, and the transport links and location.



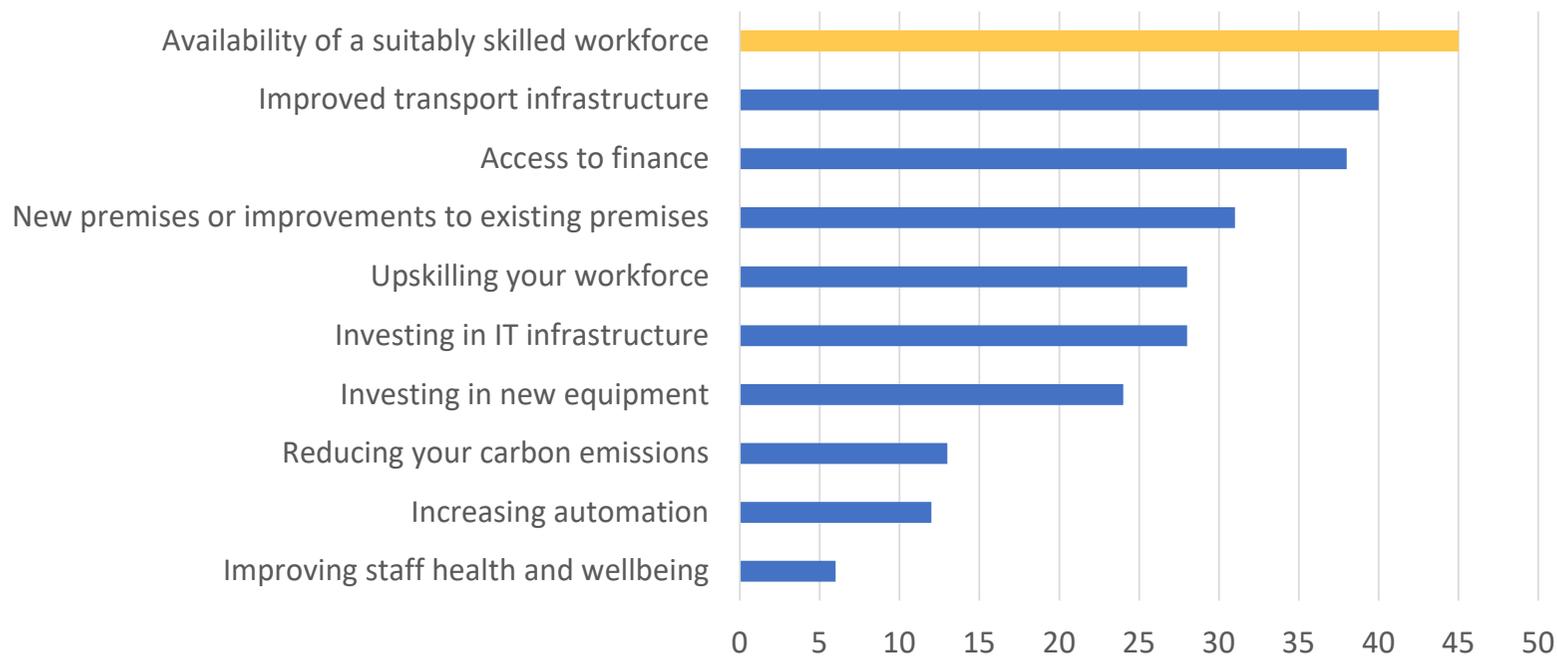
Challenges of being in County Durham

One of the main challenges identified by businesses was investment, particularly accessing growth finance and support for staff skills training. Other businesses mentioned skills shortages, employment space, perceptions of the county, low innovation, and deprivation and town centre decline.



Improving productivity

Businesses were asked what would improve the productivity of their workforce: 45% highlighted the availability of a suitably skilled workforce as a challenge, 40% identified transport and 38% chose access to finance. Of the 21% that selected 'other', some respondents referred to business support and networking, and access to employment sites and land.



Future growth sectors

Many businesses see manufacturing as a future growth sector for the economy, highlighting green, renewables and electric vehicles. Tourism also featured, as well as financial services and digital.

“Green engineering and manufacturing services”

- Large Financial Services Business

“There is substantial expertise in biotech and health in our universities”

- Small Technical and Scientific Business

“Health – this region has numerous examples of companies pulling together through the pandemic”

- Small Manufacturing business

production
battery e.v
green manufacturing
technology & space
aerospace & defence
digital tech
tourism financial services
visitors economy
energy
engineering renewables

Young People Survey Summary

"I'd like to go to a University outside of Durham as I would like to study something vocational & the University here is very academic."

"I don't know where I want to live; it will depend on work opportunities but I'd like to stay in Durham near my family and friends."

"Being happy and inspiring others are the most important things about work"

Go to university

The most common aspiration for young people post-school/six form

c. 57%

Of those who plan to go to a university, said they would go to one outside of the county

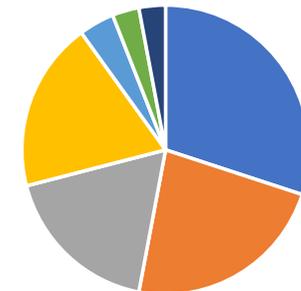
54%

Said they could not or are unsure they could pursue their chosen career or business idea in the county

67%

Said 'doing something interesting' mattered more than pay or location when choosing a career

What support young people would like to help them pursue their chosen career or business idea...



- More employment opportunities
- Wider choice of education/training courses
- More market leading employers
- More work experience/apprenticeship opportunities
- More equal opportunities
- Other
- Don't know



Next steps after full-time education

Young people were asked about their plans after leaving full-time education:

- Almost one third of young people surveyed wanted to go to university
- Almost a quarter thought they would do an apprenticeship
- About one in five thought they would go into full-time employment

Of those that ticked 'Other', many respondents said 'College', reflecting the younger age of some respondents with 37% aged 15-16 years and 36% aged 11-14.

% of respondents

University	32%
Don't know	25%
Apprenticeship	23%
Full time employment	21%
Travel	10%
Other	6%

Future jobs and business ideas

Young people were asked about their future plans. They provided a wide range of jobs and business ideas, including teaching, working in public services, construction, law and the creative sector.

In response to what young people felt is needed in County Durham to help them get a job or start a business idea, suggestions included:



A **wider choice** of courses and opportunities to speak to entrepreneurs.



Better awareness around available opportunities in the county, work experience and apprenticeships through advertisements and job events.



More **support** for girls and LGBTQ+ people, particularly in the science industries.



Better connections to **large, international companies**, and attracting them to locate in the county.

Approach to the conversations

- As part of the Big Econ-versation, conversations were held with a diverse range of groups to ensure that the process was as inclusive as possible. This included business, partnerships, anchor institutions and partners, and community groups and residents
- The structure and format of conversations varied and included attendance at meetings and events, presentations with Q&A, and workshops.
- Most conversations covered the challenges facing the groups, but topics and questions varied according to the type of organisation taking part in the event:

- **Businesses** – business support, employment plans & challenges, investment plans, and start ups and growth opportunities.
- **Partnerships, anchor institutions & partners** – Levelling up priorities, housing, poverty, health, skills & education priorities.
- **Community groups & residents** – safety, town centres and neighborhoods, voluntary & community sector, education & skills, housing, culture and leisure.

Conversations Summary

- **Tackle poverty and level up the county** – to address growing concerns about poverty and quality of life in light of the cost of living crisis.
- **Create better jobs** – with more opportunities, particularly to help retain young people.
- **Improve transport and digital connectivity** – to improve access to training and jobs, and support business growth.
- **Improve skills provision for all** – across the lifecycle from young people through to older workers.
- **Support businesses to thrive and grow** – through access to skills, employment sites, innovation and investment.
- **Revive town centres and neighbourhoods** – repurposing high streets with a mix of services.
- **Promote the county** – raising the profile of County Durham outside of the county and the North East.

Lessons for the Inclusive Economic Strategy

- Residents, businesses and stakeholders were proud of County Durham for its beautiful natural landscapes, culture, heritage, people, innovative businesses and sectors, and saw many opportunities for county, including net zero, manufacturing, knowledge intensive sectors, and tourism.
- But many spoke of inequalities in the county with higher levels of deprivation and crime, declining town centres, and a lack of opportunity in some areas. Many also voiced concerns over the availability of good jobs and the ability for local people to access these, whether due to poor public transport or not having the right skills and work experience.
- This indicates that potential areas of focus for the Inclusive Economic Strategy include:
 - Supporting business growth and job creation, particularly in opportunity sectors
 - Improving public transport and access to facilities
 - Developing a lifelong learning offer for residents
 - Improving the health of residents and workers
 - Promoting County Durham
 - Building on recent investments to regenerate and reimagine town centres
 - Transitioning to net zero through a just, flexible and innovative approach that creates new jobs and safeguards existing ones

**Economy and Enterprise
Overview and Scrutiny Committee**

28 June 2022

**Quarter Four, 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 four, January to March 2022.

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 A number of macroeconomic indicators show a positive trend. Latest data (December 2021) shows that employment rate has not fallen significantly despite the government's Coronavirus Job Retention Scheme (furlough) ending at on 30 September.
- 6 The unemployment rate has fallen to 4.1%. We have now seen 12 consecutive months of reducing unemployment since the peak of 7.3% (December 2020), levels are now lower than the pre-pandemic rate of 6.5% (March 2020). Nationally, the level of job vacancies in the labour market is still increasing although the rate has slowed.
- 7 Since May 2021 the Universal Credit claimant count has continued to fall and now stands at 4.0% (March 2022), returning to the pre-COVID position in March 2020. Both these rates show County Durham in a more positive situation when compared to England and north east rates which remain higher than pre-pandemic levels. However, as the cost of living begins to impact, we have noted an increase in demand in people wanting to access discretionary benefits such as Discretionary Housing Payments and welfare assistance.
- 8 Sub-county variations remain with Easington having the highest claimant count of the six parliamentary constituency areas. In relation to the 18-24 year olds cohort, all areas are showing rates lower than the March 2020 position, particularly Bishop Auckland. The age group with the highest proportion of claimants is the 30-34 year olds, although the largest gap between the latest position and March 2020 can be seen in the 35-39 and 40-44 year old cohorts.
- 9 Throughout the year demand has been high across the entire Business Durham portfolio and occupancy currently stands at 98.5%. Jade Business Park is now 100% occupied and accounts for 20% of the total commercial portfolio. Work continues on the development of strategic employment sites at NETPark and Merchant Park.
- 10 Business support has performed well throughout the year with the number of inward investments, businesses intensively assisted by Business Durham and businesses engaged with the economic development team exceeding targets. To date the County Durham Growth Fund has awarded £7.7m of the £8.9m fund, creating 239 jobs; and within the year Finance Durham invested £10m in 21 companies. Additional business support through our regeneration and economic development teams have created 108 jobs through the Targeted Business Improvement scheme and 48 jobs via our Towns & Villages Programme. However, although 571 businesses were engaged during quarter four, this is 296 fewer than the same period last year (-34%).

- 11 Registrations to Employability Durham are down as fewer people require support due to the healthy labour market and more people moving into employment.
- 12 Although our tourism and cultural sector was particularly hard hit by the pandemic and we have seen a reduction in the number of core tourism business since July 2021, confidence across tourism businesses is beginning to improve and visitor numbers to core attractions and our cinemas, theatres, attractions and libraries are increasing. County Durham has been announced as one of four locations to be shortlisted for the prestigious UK City of Culture 2025 title, bringing us a step closer to securing the significant anticipated social and economic benefits from this securing this award.
- 13 In the last 12 months, we have seen a 10% increase in contacts to the Housing Solutions Service, mainly due to an increase in presentations earlier in the year as a result of the eviction ban being lifted and eviction numbers returning to pre-pandemic levels, private sector properties becoming less sustainable and fuel poverty issues. We continue to see an increase in the number of rough sleepers; as well as these cases being more complex. Throughout the year the number of new households in temporary accommodation (TA) and the average length of time placed in TA have reduced by 11% and 1.5 days respectively when compared to 2020/21.

Connected Communities

- 14 We continue to maximise investment in our towns and villages. County Durham has been awarded £33.6 million from the UK Shared Prosperity Fund, which includes £2.8 million Multiply funds, for the period April 2022 to March 2025 to be delivered around the themes of Community and Place, Supporting Local Businesses and People and Skills. However, this is estimated to be roughly half of previous European Union funding. We are also developing five proposals for County Durham worth up to £117 million for the Government's second round of Levelling Up Funding.
- 15 Construction of the new Durham Bus Station has recommenced following a temporary pause due to unforeseen structural works, and is expected to become operational in July 2023.
- 16 In response to the crisis in Ukraine, the council has established a multi-agency humanitarian support working group and an operational team scheme to assist individuals and families coming to the UK. Under the Government's Homes for Ukraine Sponsorship Scheme, as at the end of April there were over 130 residents in County Durham who had put themselves forward; we are working to support both the sponsor and the refugees.

- 17 We continue to progress schemes to deliver high quality housing and ensure high quality standards within the social and private rented sectors. 64 out of the 67 constructed Chapter Homes located at Oakerside Drive in Peterlee are sold and construction of 60 new homes at Gilesgate site is on track for completion in December 2022. Our Selective Licensing Scheme which covers 42% of the private rented sector in County Durham came into operation on 1 April 2022, and in February Cabinet approved a Council Tenancy Strategy that sets out the Council's expectations to the registered providers of social housing operating.
- 18 Phase 1 of the Council Housing Building Programme to build 155 homes across seven sites continues with financial viability assessments currently being produced which will see individual sites progressing to planning and construction.

The impact of COVID-19 and the rising cost of living

- 19 The government has now removed the last remaining COVID-19 restrictions and launched a plan for '[living with COVID](#)' based on choice and personal responsibility.
- 20 However, as we transition from the pandemic, the household budgets of many of our residents remain tight. As of January 2021, the cost of living was at a 40 year high, prices had increased by almost 6% over a 12-month period, inflation is rising faster than wages and expected to climb above 10% within the year, and private rents are 7% higher than pre-COVID levels. In addition, more financial pressures are emerging with energy bills expected to increase by 50% following the removal of the energy price cap, and a 1.5% rise in National Insurance contributions in April 2022.
- 21 Almost 16% of households across the county are currently experiencing fuel poverty. And we expect that this will increase, with people in rural areas and/or already struggling being disproportionately affected. As fuel prices increase, the cost of transport will increase and accessibility of the poorest people to essential services is likely to decrease, again exacerbated in rural areas.
- 22 Through the Poverty Action Steering Group (PASG) we have adopted a coherent and co-ordinated strategic approach, both within the council and across our partners to address poverty across County Durham. We are currently consulting on a revised [Poverty Action Plan](#), which sets out a comprehensive response to the impacts of the wide-ranging poverty issues within the county.

Risk Management

- 23 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

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

Author

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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

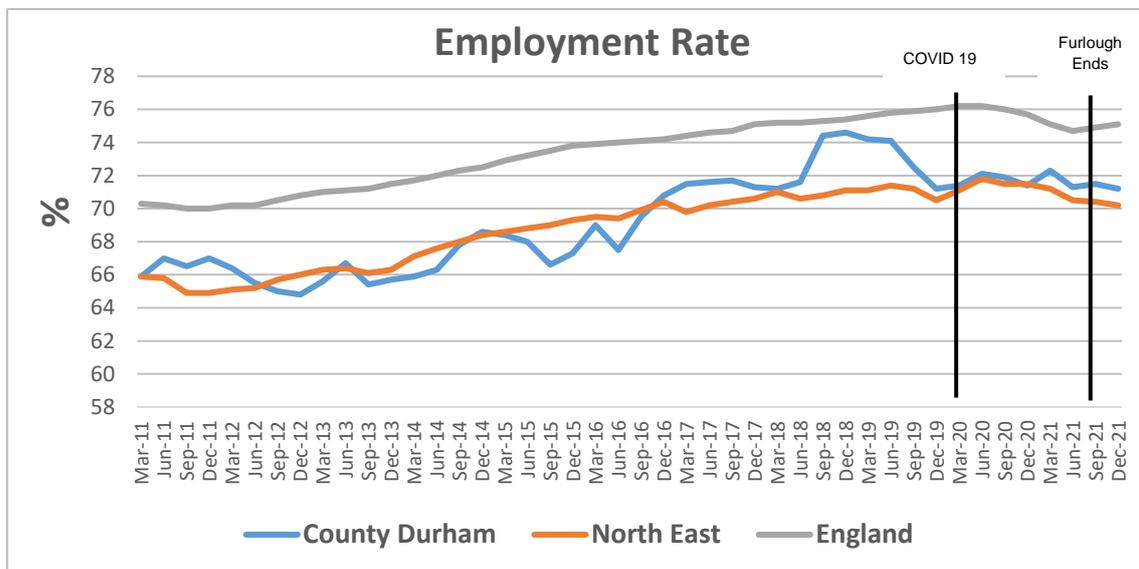
Quarter Four, 2021/22



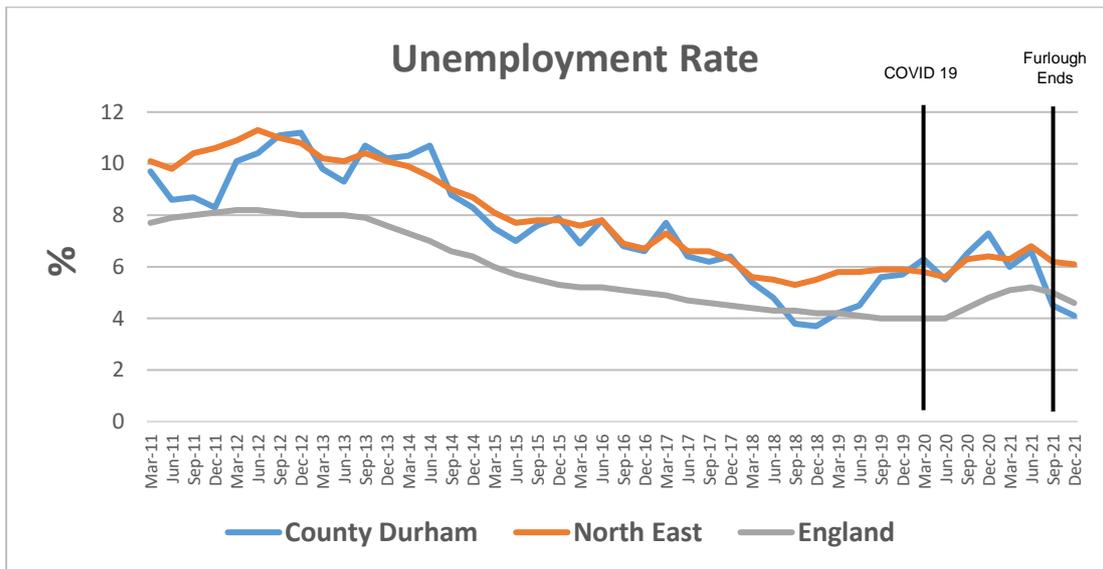
More and Better Jobs

- 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.

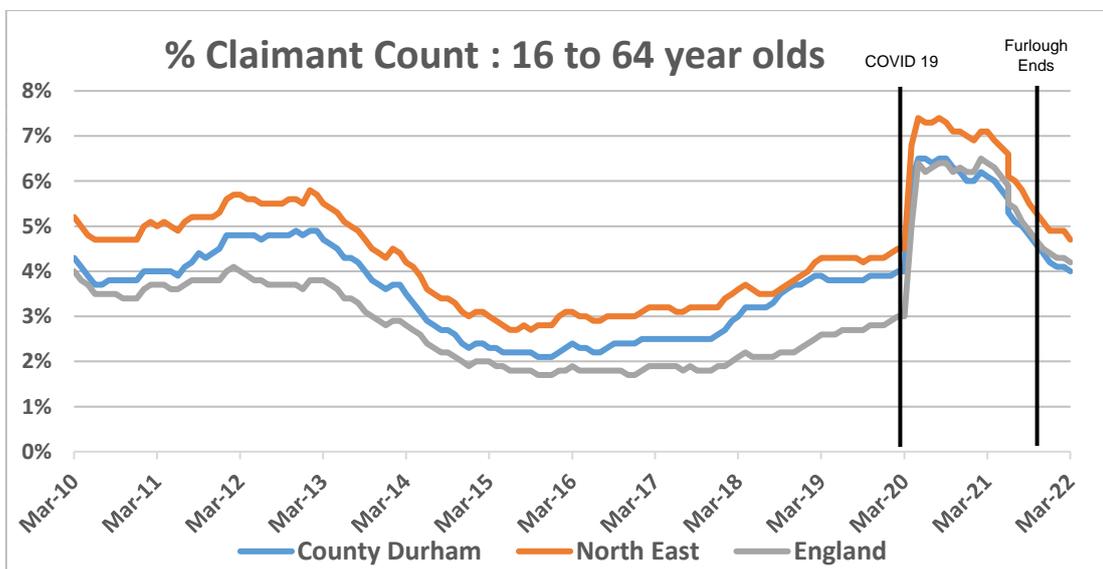
National, Regional and Local Picture



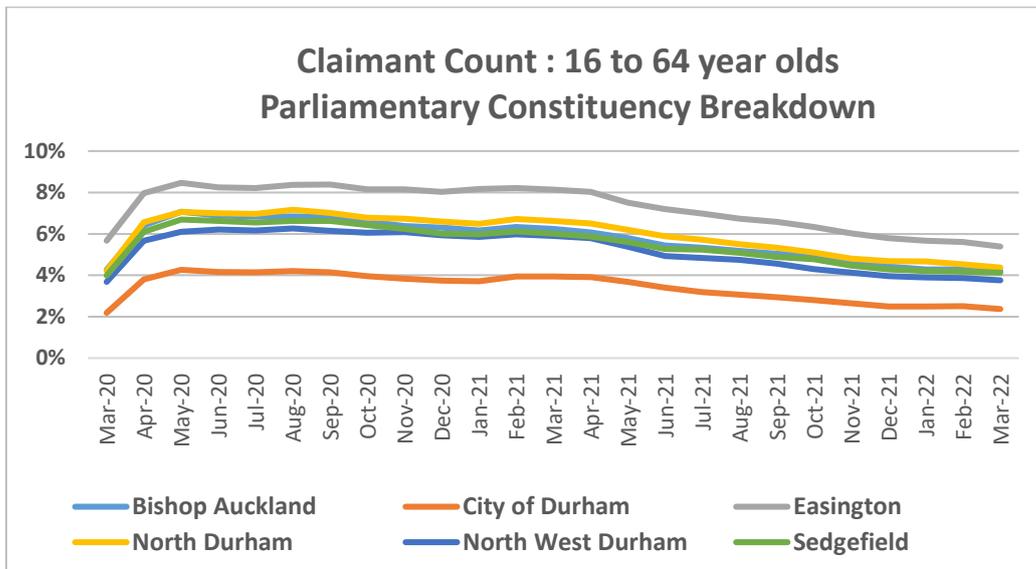
- 2 Latest data (December 2021) shows the employment rate has fallen slightly, in line with England and regional trends, but remains within the confidence levels for this data and therefore is not considered a significant change. Although the government removed its support packages (furlough and self-employment income schemes) at the end of September, we have yet to see any impact on the employment rate.



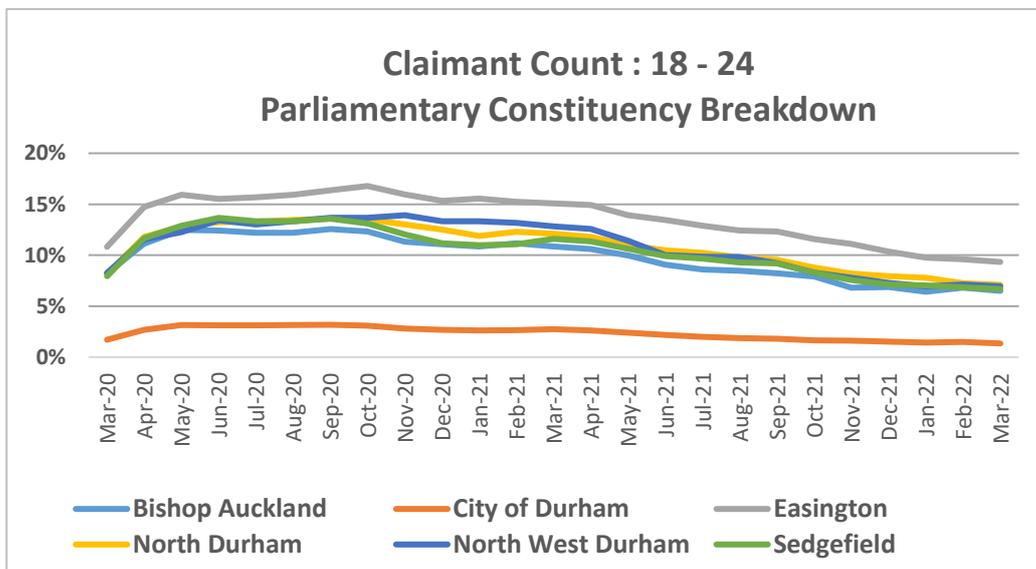
3 Similarly, the unemployment rate has fallen to 4.1% from 4.5% in the previous period, although this is within the confidence levels for this data and therefore is not a significant change. However, we have now seen a consecutive 12 months of reducing unemployment from the peak of 7.3% in December 2020 and levels are now lower than the pre-pandemic rate of 6.5% in March 2020. This shows County Durham in a more positive position compared to England and the north east which both still have higher unemployment rates than prior to the pandemic.



4 Following a significant rise in people claiming employment benefits between March and May 2020, the claimant count remained relatively static throughout 2020 and 2021 until the first notable drop in May 2021. Since this time, it has continued to fall and now stands at 4.0% (March 2022), returning to the pre-COVID position in March 2020. Again, this shows County Durham in a more positive position compared to England and the north east rates which both remain higher than prior to the pandemic.

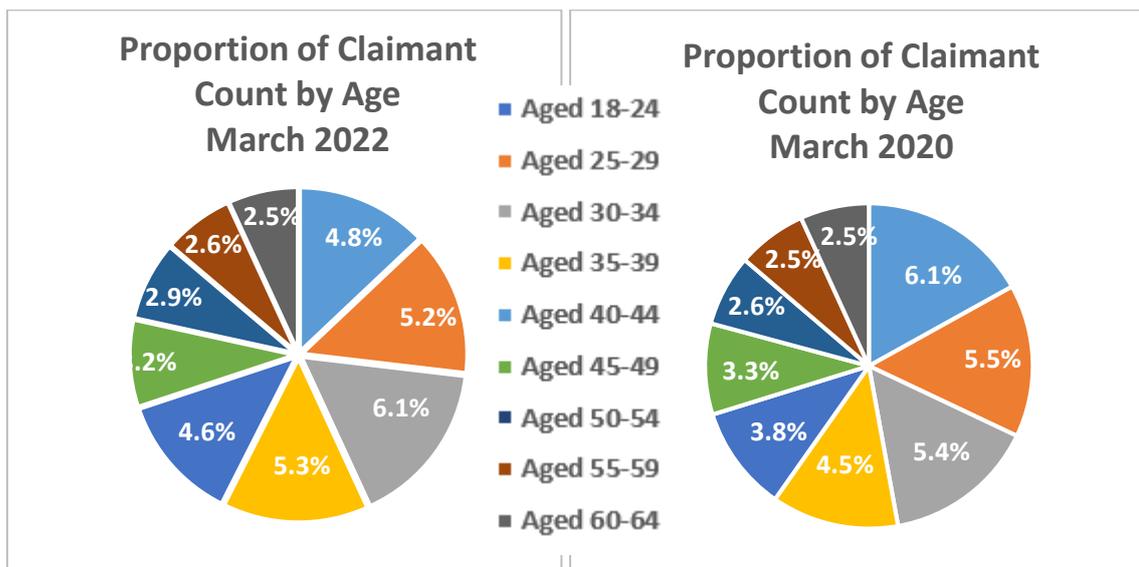


5 In relation to the 16-64 year olds cohort, Bishop Auckland and Easington areas have returned to their pre-COVID position with the rest remaining marginally higher than at March 2020. North Durham and Durham City are showing the largest difference between the latest position and March 2020, at 0.5pp and 0.3pp respectively and therefore are the furthest away from returning to their pre-COVID position.



6 However, in relation to the 18-24 year olds cohort, all areas are showing rates that are lower than the March 2020 position, particularly Bishop Auckland which at 6.4% is 2.2pp lower than March 2020.

7 Easington has the highest rate of claimants within both the 16-64 and 18-24 age groups.



- 8 The age group population with the highest proportion of claimants is the 30-34 year olds at 6.1%, 0.7pp above the pre-COVID (March 2020) position. Although, it is the 35-39 year old (5.3%) and 40-44 year old (4.6%) cohorts that are showing the largest gap between the latest position and March 2020 by 0.8pp.
- 9 Nationally there were around 1.3 million vacancies between January and March, again a record high and an increase of 492,000 from the pre-pandemic January to March 2020 position. Although vacancies are still increasing, the rate of growth has continued to fall since its peak of 43.3% in May to July 2021 to 4.1% this period, the lowest level of growth since June to August 2020.
- 10 The percentage change in the number of visitors to the core attractions² in County Durham continues an upward trend. As at the end of December 2021, there has been a 184% increase in visitors compared to the same period last year. However, it should be noted that last year many attractions were closed or offering reduced capacity entrance due to COVID-19 restrictions.

Council Services

Delivery of a range of employment sites across the county

- 11 The NETPark planning application was approved in March 2022 for the third phase extension providing up to 270,000sq ft of new laboratory, office, production and storage space. The new phase could generate up to 1,250 skilled jobs and be worth up to £625m to the County Durham economy. Works are expected to start on site October 2022.

² Auckland Castle; Beamish Museum; Botanic Garden; Diggerland; Killhope Museum; Oriental Museum; Palace Green Library; Raby Castle; Bowes Museum.

- 12 The construction of the industrial units at Station Place, Merchant Park (55,000sq ft in total) is progressing well with construction due to be complete by June 2022 when Business Durham will take responsibility for management and lettings.

	Business Durham activity		
	Jan-Mar 2022	Compared to last year	
Floor space occupied	98.5%	+15.5pp	↑

- 13 Within the quarter we saw a 3% increase in Business Durham portfolio occupancy rates, primarily due to increased lettings at Salvus House, Aykley Heads. Throughout the year high demand has been seen across the entire portfolio but especially at NETPark and Jade Business Park, which is now 100% occupied and forms 20% of the total commercial portfolio.

A strong competitive economy and premier place to do business

	Business Durham activity		
	Jan-Mar 2022	Compared to last year	
Inward investments secured	7	+4	↑
Businesses engaged	571	-296	↓
Jobs created or safeguarded	1,269	-292	↓
GVA from jobs created or safeguarded (£'million)	£37.1	-£8.7	↓

- 14 Seven inward investments were secured during the quarter, generating 222 jobs. In total for 2021/22, 18 inward investments were secured, exceeding the target of 10, signalling a recovery in the economy after COVID-19 and the uncertainty of Brexit.
- 15 The number of businesses engaged³ in 2021/22 totals 1,210, of which 270 were intensively assisted, exceeding the target of 140. This was driven by the number of businesses (188) intensively assisted⁴ through the Durham Business Recovery Grant. Business engagement also took place through regular networking events

³ Businesses engaged are those Business Durham engaged with through direct contact, attendance at Business Durham events, meetings or business networks or participating in business support programmes.

⁴ Businesses intensively assisted is a sub-set of businesses engaged where the assistance has been significant e.g working with the business over a period of time in relation to expansion or addressing key business needs, businesses receiving at least 12 hours support through ERDF programmes or those who have been awarded grants.

and large events such as the New Frontier Space Conference; as well as one to one engagement and via funded programmes.

- 16 Now in the third year of operation the Durham Ambitious Business Start-ups (DABS) Programme, has 260 (169 pre-start clients and 91 newly-started SMEs) actively engaged on the programme; an increase of 70 from last quarter. During February and March face-to-face client engagement has increased with a new seven-week programme of support named DABS Launch.
- 17 The County Durham Growth Fund has awarded a further £336,631 to eight businesses in quarter four. At the year-end the Fund had awarded around £2.3 million to 18 businesses, bringing the total awarded to date to £7.7 million out of the £8.9 million fund. 239 jobs have been created and private sector contributions have exceeded £10.4 million.
- 18 At the start of the year Finance Durham had invested £6.1 million in 15 companies. At the year-end it has invested £10 million in 21 companies with £2 million in the final quarter, in four companies; there were 10 investments during the year with six being new investments and four re-investments. An exercise is underway for the re-procurement of the fund management of the Finance Durham scheme.
- 19 During 2021/22, 31 businesses have been supported through the Targeted Business Improvement scheme (TBIs), creating 108 jobs. Additionally, we supported 22 businesses and created 48 jobs via our Towns & Villages programme, and one business via Seaham Townscape Heritage Business Improvement scheme, with four in the pipeline for grant offers. The Community Economic Development Team have also engaged with and supported 192 new businesses throughout the year which is well above our annual target (120).
- 20 We have also delivered a package of improvements funded from the Welcome Bank Fund (£506K) and an underspend from the Re-opening High Street Safely Programme (£469K) to assist retailers in re-establishing positive trading conditions following the end of lockdown restrictions in England. The programme included positive communication messages, clean and protect works to public areas in town centres and street entertainment festivals.

Helping all people into rewarding work

- 21 Despite referrals to Employability Durham increasing between October and December, registrations onto employment programmes have decreased. This is due to a combination of a healthy labour market and people finding jobs themselves before they are registered onto programmes; and an increasing number of people not engaging as they are still not mandated by Job Centre Plus to complete employability activity.

- 22 Fewer registrations this quarter has also seen a decrease in people moving into employment, however for the period April to December figures are higher than pre-COVID levels.
- 23 Although a large proportion of our clients have limited digital skills which prevent them from doing online courses, levels of people moving into education or training is slightly higher this quarter, mainly through our delivery partners on the L!NKCD programme. We anticipate figures will continue to increase due to delivery partners starting to deliver more training courses face-to-face.
- 24 Despite the impact of COVID-19, volunteering opportunities continue to grow within the council's culture and sport service, with 2,770 volunteers currently supporting the provision of these services. Since the start of the scheme in 2017, the culture and sport volunteer and skills team has also trained and supported 105 volunteers into employment. During 2021/22, 461 volunteers joined the service, and 13 were successful in gaining employment.

A broader experience for residents and visitors to the county

- 25 County Durham is one of just four locations to be shortlisted for the prestigious UK City of Culture 2025 title, bringing us a step closer to securing the social and economic benefits it would bring. The judging panel visited the county on 9 May and a technical interview took place in London on 17 May. The winner of the UK City of Culture 2025 title is expected to be announced at the end of May.
- 26 Killhope Museum was awarded £475,000 from MEND (Museum Estate and Development Fund) which we will match with £50,000 to fund the emergency works required to address structural issues and flooding at the mine entrance allowing the full site to be reopened for public access. Works will not prevent the visitor centre from opening and a programme of activity has been planned for unaffected parts of the site.
- 27 There were 11,154 visitors to Killhope between mid-May and October 2021, this performance is above the pre-COVID level of 11,066 visitors between April and October 2019. 2021 was also a shorter season than usual and was adversely affected by inclement weather closures. Visitor feedback suggests the increased numbers are due to the removal of admission charges which had been a barrier for some, and the improvements to the food and beverage offer
- 28 At the end of quarter four, there were 545 core tourism businesses across the county, of which 43.3% (236) were actively engaged with Visit County Durham, which is on par with the baseline in July 2021. However, there has been a reduction in core businesses of 8% compared to the baseline due to some businesses ceasing to operate, being sold or using Airbnb as their sole promotional tool.

29 Audiences at our 2021/22 festivals are around 70% of previous figures. This is due to a combination of customer caution about returning, and restrictions put in place to create COVID-19 secure events, for example, limiting numbers to lighting installations within the peninsula as part of the Lumiere festival. However, the appetite to return to events seems to be building and we are confident of a full return in 2022/23.

30 Theatre audiences for 2021/22 show a reduction on 2019/20 figures due to the venues being closed for the first quarter of the year, and a slow post-COVID recovery in the second quarter. Gala figures for quarter four have shown a move towards pre-COVID levels, with the majority of performances now hitting sales targets, a greater number of sell out performances and an increasingly busy café/bar trade. Empire experienced slow sales in the opening months; however, the latest two quarters have seen attendances steadily increase.

	Ticket Sales		
	July 21 - March 22	Compared to 2019/20	
Gala	83,230	- 54%	↓
Empire	56,399	- 51%	↓

31 Durham Town Hall re-opened May 2021 and delivery of a Heritage Tour offer increased from one to six days until December to encourage the return of patronage. Due to COVID-19 restrictions for large gatherings, many events were cancelled but the Lunar New Year celebration in February saw more than 2,000 visitors over one weekend. The overall visitor number for the last financial year was 12,528. Large scale bookings are now picking up including weddings and festivals such as the week-long Durham Fringe event to be held in July and Mayor Making on 9 June.

32 Visitor figures to Bishop Auckland Town Hall have increased significantly since the building fully re-opened in May 2021, following the refurbishment during the first COVID-19 lockdown. In that time, the town hall had 18,800 visitors to the new gallery and café attendances have increased by 100% due to a new menu and the ground floor location. Cinema screenings have increased from one per week (pre-refurbishment) to six, with audience numbers now gradually building. Library visitors are slowly increasing. Our new arts engagement sessions attract an average of 15 participants in the weekly art group, 10 participants for the weekly creative writing group and 10+ participants each for the monthly family singing group and veterans drop-in sessions.

- 33 Visitors to Hardwick and Wharton Parks continue to be at higher levels than pre-COVID with approximately 600,000 in the last 12 months. Planning for future events and activities in the parks is underway.
- 34 There was a small increase in the number of registered members in our libraries during 2021, and we have maintained this small growth to the end of the year. Visitors to libraries pre-COVID were around 1.1 million, this dropped to just over 38,000 during 2020/21 due to closures or reduced hours, because of lockdowns and the pandemic response. Since April 2021 the number of people visiting libraries in person has increased, with 339,639 visits during 2021/22. Library events have started to resume albeit on a smaller scale at present.

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

- 35 During quarter four, 3,594 households contacted Housing Solutions, an increase on the previous quarter and last year; this was mainly in relation to energy advice linked to the current energy crises. During 2021/22, 13,493 customers contacted the service which represents a 10% increase from the previous year, mainly due to an increase in presentations earlier in the year as a result of the eviction ban being lifted, private sector properties becoming less sustainable and fuel poverty issues.
- 36 During 2021/22, 649 households were assisted via the Managing Money Better (MMB) initiative, achieving an average saving per households of £135.36. It is anticipated that requests for assistance will increase over the coming months as fuel tariffs continue to rise. The Citizens Advice Bureau is also on standby to assist if numbers become too high for the MMB service to manage at any one time.
- 37 Homeless cases may also increase as renting privately may become unaffordable for tenants in the longer term and private sector properties become less sustainable for landlords. We will be closely monitoring the position going forward and a priority-based system is currently being developed where applicants will be managed on a first come first served basis and dependent on vulnerability.
- 38 Eviction levels have now returned to pre-pandemic levels with a further increase expected as the case backlog in courts is addressed. However, difficulty remains in finding alternative properties to house homeless cases. The shortage of available property in the private rented sector means landlords can find other tenants more quickly than we can carry out an inspection and discharge our duty.
- 39 The government's Early Intervention Funding (£157,000) to address COVID-related rent arrears in the private rented sector and outstanding COVID Outbreak Management funding (COMF) monies, has been used to help avoid seven

families becoming homeless and/or being housed in temporary accommodation since the start of 2022.

- 40 The number of households placed in temporary accommodation (TA) and the average length of time household are placed in TA have both increased this quarter driven by family no longer willing or able to accommodate, domestic violence cases and the end to private rented tenancies. Placements are monitored closely to ensure they are not staying for longer than is necessary, with all accommodation options considered. However, there is an issue around finding permanent accommodation in high demand areas that is affordable, therefore we are working with clients to consider widening their areas of preference.
- 41 Over the year, both the number of new households in TA and the average length of time placed in TA have reduced compared to 2020/21 by 11% and 1.5 days respectively.
- 42 We continue to see high levels of rough sleepers, with 255 reported during the quarter and 67 found and assisted. During 2021/22, the team have responded to 764 reports of rough sleeping (individuals could be reported more than once) and verified 250 rough sleepers. This is a large increase on last year's 175 total. As well as complex rough sleepers, the team are encountering more 'man in a van' cases where men are rough sleeping in vehicles following a relationship breakdown. Many of these have no previous tenancy history and/or no identification or belongings, therefore, finding suitable long-term accommodation can take time.
- 43 We have also supported more rough sleepers into long term accommodation this financial year through the County Durham Lettings Agency (CDLA) which has achieved its Rough Sleeping Accommodation Programme (RSAP), COMF and Buy to Lease targets, purchasing 30 properties with the majority refurbished. There are five that did not achieve practical completion, and Homes England has granted an extension to September 2022, however we envisage all works will be complete by end of April 2022.
- 44 In December 2021 Department of Levelling Up, Housing and Communities (DLUHC) announced the Protect & Vaccinate (P&V) initiative, requesting where possible all rough sleepers are accommodated for at least five months and supported through the COVID-19 vaccination programme. Durham supported 40 rough sleepers through accommodation as part of this scheme, with many previously housed, taking up the vaccine for the first time due to incentive packages, including TVs, mobile phone, bus passes, additional clothing. Also, as part of moving rough sleepers into longer term accommodation through P&V we have provided an enhanced household start pack including items not currently

provided through welfare assistance packs such as kitchen bins, basic food and cleaning starter packs.

- 45 Following £300,000 funding from RSAP and Homeless Support Grant, planning permission has been granted to convert Shildon People's Centre into four self-contained flats. Work has commenced and is scheduled for completion in September 2022.
- 46 CDLA is currently bidding for RSAP5 monies and is looking to purchase and repair 10 properties in 2020/23 and lease and repair a further 10 in 2023/24. This will be a joint bid with Karbon Homes who are looking to develop a Husk model for converting a former garage block into six one-bedroom bungalows. North Star are looking to develop 8-10 units in the south of the county. Further details will be provided in quarter one.
- 47 Durham County Council's bid on behalf of the Durham (joint North East Region) to the Rough Sleeping Initiative 2022-2025 (RSI5) has been successful with the eight north east regions being allocated £3,777,842 over a three year period. Durham has been allocated £1,454,442 from the joint bid. DCC has also been awarded a three-year settlement from RSI5 of £617,462 to fund the County Durham Lettings Agency (CDLA).

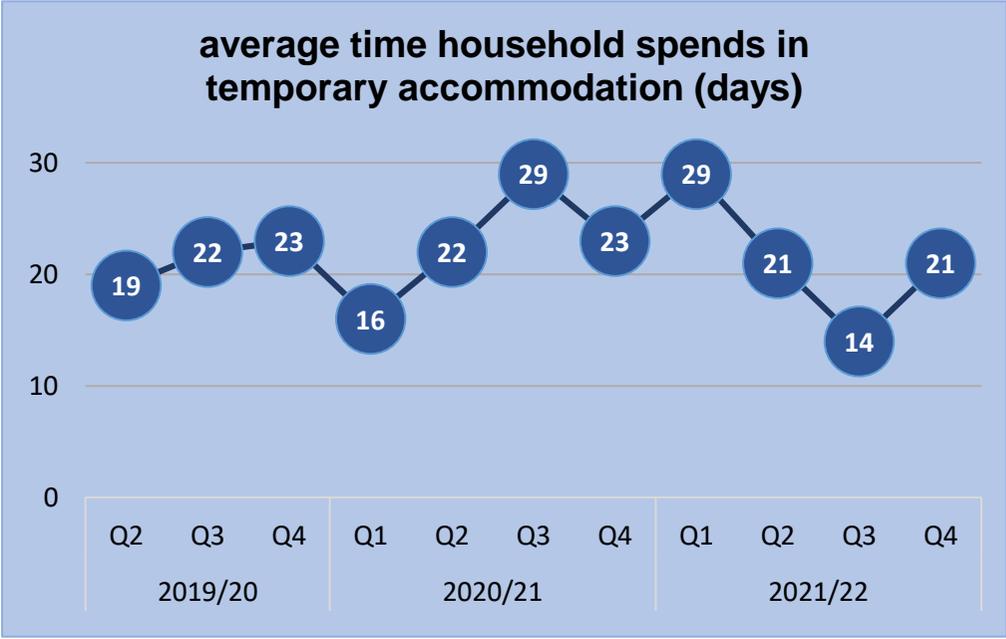
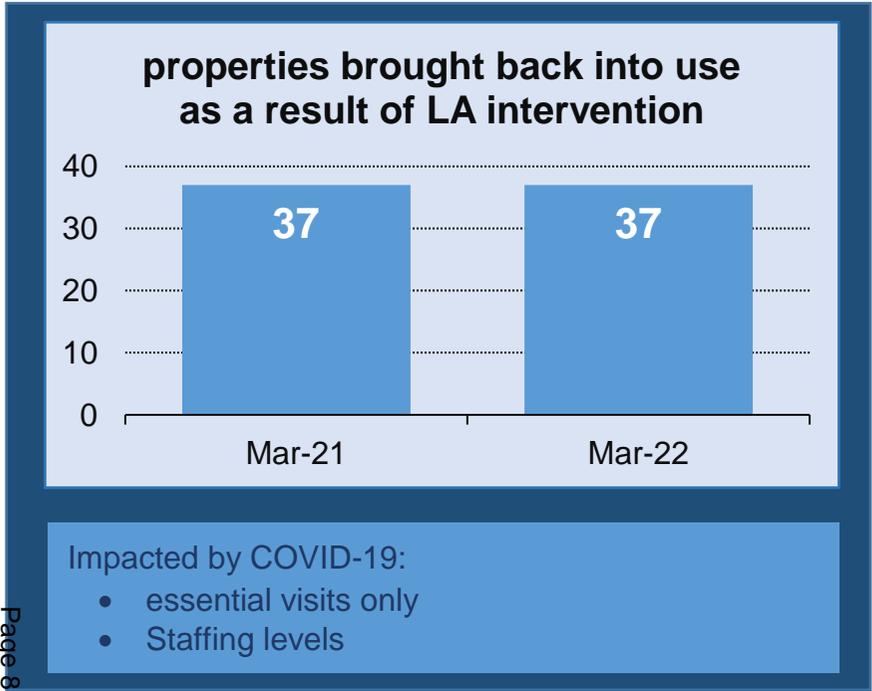
MORE AND BETTER JOBS

Housing advice and support

properties improved, adapted or brought back into use	1,230	up 65%
households accessing Housing Solutions	3,594	up 7%
households helped to move to alternative accommodation	239	up 9%

386
households helped to stay in their homes
up 47% on last year

141
'new' households placed in temporary accommodation
up 66% on last year

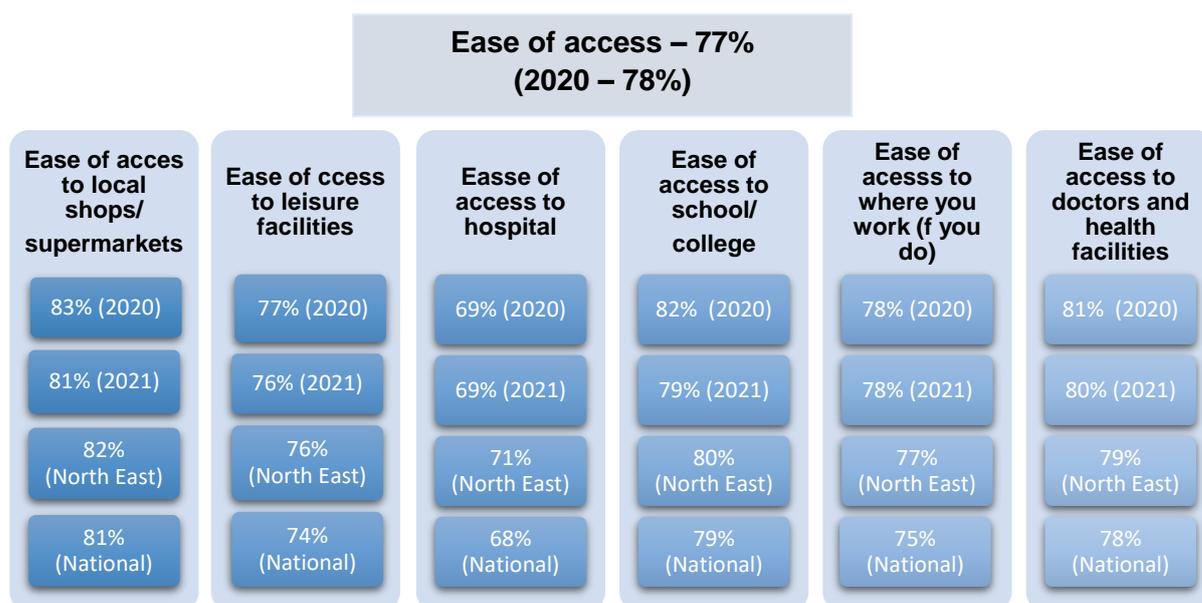


Connected Communities

- 48 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) Communities will come together and support each other;
 - (e) Delivery of new high-quality housing which is accessible and meets the needs of our residents.

National, Regional and Local Picture

- 49 The National Highways and Transport (NHT) Survey 2021 indicates that ease of access to leisure, shops, work and health facilities in line with regional and national averages and the 2020 survey results¹.



¹NHT Survey, performance is significantly better if performance is 4pp or more above average and significantly worse if performance is 4pp or more below average.

- 50 Results from the 2020 National Highways and Transport Survey (NHT) indicates that satisfaction continues to be in line with national levels¹. Satisfaction with the condition of our highways, was higher than the average.

	2018		2020		2021		
	Durham	NHT Average	Durham	NHT Average	Durham	NHT Average	North East Average
Overall	57%	53%	55%	52%	54%	51%	51%
Condition of highways	38%	31%	41%	36%	37%	32%	33%
Highway maintenance	51%	49%	51%	50%	44%	42%	42%
Highway enforcement/ obstructions	51%	49%	47%	45%	47%	43%	45%
Provision of street lighting	62%	65%	57%	62%	57%	60%	61%
Public rights of way (overall)	58%	57%	58%	57%	58%	56%	57%

¹NHT Survey, performance is significantly better if performance is 4pp or more above average and significantly worse if performance is 4pp or more below average.

Council Services

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

- 51 The government announced in April that County Durham has been awarded £33.6 million from the UK Shared Prosperity Fund (UKSPF), which includes £2.8 million Multiply funds. The allocation is for a three-year period (April 2022 to March 2025) and covers three themes, Community and Place, Supporting Local Businesses and People and Skills. Investment Plans are to be submitted by August 2022 with the first payments expected from October 2022. Meetings have taken place with partners to start planning programme of activity to engage stakeholders and develop UKSPF Investment Plan.
- 52 An approximate calculation based on an average 3 year ESIF allocation, suggests that the SPF allocation is estimated to be roughly half of previous European Union (EU) funding. It is worth noting that had the UK remained within the EU we would now be classed as a 'less developed' region benefitting from a greater share of funding, greater flexibilities and intervention rate; and therefore has also lost this opportunity of increased investment.
- 53 The government has launched its second round of Levelling Up Funding, a £4.8 billion pot that will support transport, town centre regeneration and cultural investment. We are developing five proposals for County Durham covering five parliamentary constituency areas worth £117 million, with up to £20 million per area being sought from the Levelling Up Fund and the remaining from match funding. Business cases will consider the best opportunity for investment in line with the fund criteria and local priorities. Timescales are tight with proposals to be

considered by Cabinet in June 2022 ahead of submission by 6 July. If successful, the bids will be awarded funds as part of the 2022 Autumn Statement.

- 54 Sixteen physical improvements have been completed across the county during the year; five from the Town Centre Capital Programme, seven from Towns & Villages Programme and four from the Seaham Townscape Heritage Programme. Schemes include a new town centre car park in Spennymoor that complements the wider Festival Walk Retail Site, memorial project and community centre project in Wingate, widening of footway at North Terrace, Seaham to help improve the café culture and the reprovision of car parking bays at Terrace Green, Seaham.
- 55 The installation of free w-fi in Crook, Spennymoor and Consett has been delayed due a global shortage of hardware. Expected delivery date for hardware is November 2022, with implementation scheduled for December 2022. Installation of free wi-fi in Durham City has also been delayed, with implementation date to be confirmed, as part of the network is being re-designed due to an issue with third party licence agreements that need to be in place prior to installation. The scheme is to encourage people to spend more time in our town centres and boost the local economy as well as providing valuable information through the anonymous footfall data to identify trends and monitor the impact of changes to the high street, which can then be used to shape future regeneration projects.

Communities will come together to support each other

- 56 In response to the crisis in Ukraine, the council has established a multi-agency humanitarian support working group and an operational team focussing on safeguarding and accommodation inspections, wrap around support and translation services, health, education and welfare benefits for individuals and families arriving under the government's schemes to assist Ukrainians to come to the UK, the Ukraine Family Visa Scheme and the Homes for Ukraine Sponsorship Scheme. In relation to the latter, as at the end of April there were over 130 residents who had put themselves forward and work is taking place to support both the sponsor and the refugees coming to County Durham.

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

- 57 Phase 1 of the Council Housing Building Programme to deliver 155 homes across seven sites has been delayed pending approval to proceed to RIBA Stage 3 (Detailed and Technical Design), once received the programme will be updated. Soft market testing is currently underway, and the outcome will inform the next steps in developing tender stage documents.

- 58 Viability assessments have been undertaken for each scheme within Phase 2, apart from the sites which have been brought in to replace sites withdrawn from the Programme. Once instructions are received on brief and sites, a programme will be developed to Stage 3.
- 59 Work continues to deliver the Chapter Homes business plan. Following the construction of 67 new homes located at Oakerside Drive in Peterlee, 64 properties have now been sold, with the remaining three properties scheduled for completion in April. Construction of 60 new homes at Gilesgate site is on track for completion December 2022, and at the end of March, 18 reservations have been received.
- 60 Work continues to deliver the Seaham Garden Village project and a further £135,000 has been secured from Homes England, however ongoing issues with s73 planning application around the Wellbeing Hub, alongside the Innovation Hub, means a further s73 application has been submitted and is being considered.
- 61 Delays in determining s73 planning application for the Seaham Garden Village Scheme has had an impact on the delivery of the Geothermal Minewater Heat Scheme in Seaham with completion of negotiations on land acquisition, easements and non-statutory rights over highway; and the land purchase from the Coal Authority to build the Energy Centre being delayed to August 2022 from March 2022.
- 62 Lunson Mitchenall has been appointed as commercial agent for the redevelopment of Milburngate. However, appointment of a Residential Manager is delayed pending the developer entering into a pre-construction services agreement with LIV, the housing management company. Completion of legals for tenants has also been delayed due to complexities in relation to the fire ventilation and extractions system, however, side letters are in the process of being agreed with tenants to allow the leases to be entered into. Work is ongoing to establish the Housing Company with marketing of the residual units expected to commence in May.

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

- 63 The Selective Licensing Scheme that will cover 42% of the private sector rented sector in County Durham went live on 1 April. The application process opened 1 February and 1,500 applications have been received, however it is anticipated that this will increase dramatically as the early bird discount draws to a close in July. An inspection programme will commence in August with all licensed areas being visited on a monthly programme in the first two years. A form is available on

our website for the public to report landlords without a licence or who breach their conditions.

- 64 Additionally, promotional work continues on the implementation of the hybrid accreditation scheme, 'The Durham Rental Standard' and it is anticipated the scheme will go live before the end of May.
- 65 A Council Tenancy Strategy was approved by Cabinet in February that sets out the Council's expectations to the registered providers of social housing operating within the County regarding the types of tenancy they should offer to their tenants. Cabinet also approved the adoption of an Introductory Tenancy Scheme for all new council tenancies, that provides a probationary tenancy for the 12 months for all new tenants, and a Council House Secure and Introductory Tenancy Agreements that sets out contractual relationships between the Council as landlord and the tenant.
- 66 During the quarter, 37 empty properties were brought back into use, bringing the total for 2021/22 to 155, below the target of 200. The challenges throughout the year in response to ongoing Government restrictions around COVID-19 has impacted on delivery, especially during quarter one and again in quarter three due to the Omicron variant. However, the main challenges have been the complexities involved and the nature of the work required due to the length of time properties have been empty or in identifying ownership.

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

- 67 Construction of the new Durham Bus Station recommenced in March/April 2022 following a temporary pause at the end of 2021 due to unforeseen structural works being required to the gable end of the Grade 2 Listed Manse, which were identified following demolition of the bus station. The bus station is now still likely to become operational to passengers in July 2023.
- 68 In March 2022, Cabinet agreed to redirect £2 million of savings from the Concessionary Fares budget to support bus services across the County to maintain access to employment, education and essential services, give passenger numbers more time to recover and allow time for clarification of future Government support and for the true state of a post-COVID transport system to emerge.
- 69 In April 2022 the Department for Transport (DfT) awarded £163.5 million to the north east region for its Bus Service Improvement Plan. While the allocation is among the highest in the country it is lower than the original £804 million funding bid submitted in October last year. Improvements under the areas' bus service

improvement plans include making services more frequent, better reliability, cheaper fares, and greener vehicles.

- 70 The 2021/22 winter maintenance plan has been successfully delivered with in-house driver shortages covered by sub-contractors which has resulted in extra costs, salt and fuel costs have also increased. The overall cost of the provision has exceeded the base budget, and this has been covered by an existing reserve.
- 71 The review of the Winter Maintenance Plan and Policy for the winter season 2021/22 was complete and published in March 2022.

Key Performance Indicators – Data Tables

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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	71.2	2021	Tracker	71.4 (amber)	75.1 (red)	70.2 (green)			Yes
2	Per capita household disposable income (£)	16,617	2019	Tracker	16,315 (green)	21,978 (red)	17,096 (red)			No
3	Gross jobs created / safeguarded as a result of Business Durham activity	507	Oct-Dec 2021	Tracker	361 (green)					No
4	% of 16 to 17 year olds in an apprenticeship	8.5	as at Feb 2022	Tracker	5.1 (green)	4.3 (green)	7.1 (green)	6.5 (green)		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)			No
6	No. of registered businesses in County Durham	14,565	Mar 2021	Tracker	14,105 (green)					No
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	37,103,456	Jan-Mar 2022		18,000,000 (green)	45,880,302 (red)				Yes
9	No. of Inward Investments secured	7	Jan-Mar 2022		6 (green)	3 (green)				Yes
10	% of Business Durham business floor space that is occupied	98.5	Jan-Mar 2022		85 (green)	83.0 (green)				Yes

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

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Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
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	1,230	Jan-Mar 2022	Tracker	747 (green)					Yes
104	Number of empty properties brought back into use as a result of local authority intervention	37	Jan-Mar 2022	50 (red)	37 (green)					Yes
105	Number of net homes completed	289	Jan-Mar 2022	327 (red)	437 (red)					Yes
106	Number of affordable homes delivered	466	2020/21	300 (green)	628 (red)					No
107	Number of households accessing the Housing Solutions Service	3,594	Jan-Mar 2022	Tracker	3,366 (green)					Yes
108	Number of households helped to stay in their home	386	Jan-Mar 2022	Tracker	263 (green)					Yes
109	Number of households helped to move to alternative accommodation	239	Jan-Mar 2022	Tracker	219 (green)					Yes

Is it easy to travel around the county?

Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
110	% of A roads where maintenance is recommended	3.1	2020	Tracker	3.0 (red)	4.0 (green)	3.0 (red)		2020/21	No
111	% of B roads where maintenance is recommended	3.0	2020	Tracker	3.3 (green)	6.0 (green)	4.0 (green)		2020/21	No
112	% of C roads where maintenance is recommended	2.6	2020	Tracker	2.3 (red)	6.0 (green)	4.0 (green)		2020/21	No
113	% of unclassified roads where maintenance is recommended	22.5	2020	Tracker	21.3 (red)	17.0 (red)	17.0 (red)		2020/21	No
114	Highways maintenance backlog (£millions)	171.2	2020	Tracker	172.6 (green)					No
115	Bridge Stock Condition – Principal Roads*	82.0	2020	Tracker	81.1 (red)					No
116	Bridge Stock Condition – Non-Principal Roads*	81.0	2020	Tracker	80.1 (red)					No

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

Other additional relevant indicators

MORE AND BETTER JOBS

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

Ref	Description	Latest data	Period covered	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	41.2	2020/21 (academic year)	Tracker	39.9 (green)	41.6 (amber)	40.0 (green)			No
17	% of 16-17 year olds who are not in education, employment or training	4.4	Feb 2022	Tracker	5.6 (green)	2.6 (red)	4.4 (green)			Yes

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

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Ref	Description	Latest data	Period covered	Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	updated this quarter
73	% of care leavers aged 17-18 in education, employment or training	65	As at 31 Mar 2022	Tracker	76 (red)	65 (green)	63 (green)	63 (green)	2020/21	Yes
74	% of care leavers aged 19-21 in education, employment or training	59	As at 31 Mar 2022	Tracker	56 (green)	52 (green)	50 (green)	54 (green)	2020/21	Yes

**Economy and Enterprise
Overview and Scrutiny Committee**

28 June 2022



**Refresh of the Work Programme
2022/23 for Economy and
Enterprise Overview and Scrutiny
Committee**

Report of Paul Darby, Corporate Director of Resources

Electoral division(s) affected:

None

Purpose of the Report

- 1 To provide the Economy and Enterprise Overview and Scrutiny Committee (E&E OSC) with an updated draft work programme for 2022/23.

Executive summary

- 2 E&E OSC review their work programme each year to reflect the objectives and associated outcomes and actions identified within the Council Plan and in the context of the County Durham Vision 2035.
- 3 The proposed E&E OSC work programme has been framed around the shared County Durham Vision 2035 based on the three strategic ambitions of 'more and better jobs', 'long and independent lives' and 'connected communities'.
- 4 Overview and Scrutiny work programmes are designed to be flexible to accommodate items which may arise throughout the year. This flexibility is particularly important as we have an extensive work programme and we must ensure we are able to accommodate issues that may arise during the term of the work programme.

Recommendations

- 5 The E&E OSC is recommended to:
 - a) Receive and comment on the proposed draft work programme for 2022/23 (copy attached at appendix 2).
 - b) Agree the E&E OSC work programme for 2022/23 and the flexibility it offers to respond to emerging issues.
 - c) Identify a topic for in-depth or light touch review activity.

Background

- 6 Scrutiny Committees adapted to the change during the pandemic and some of these adaptations have become a part of business as usual for the committee such as briefing reports being used to provide information to members of the committee. The E&E OSC work programme is refreshed annually and takes into consideration the priorities of the Committee and areas identified by the service.
- 7 The current overview and scrutiny committees work programmes are informed by:
 - County Durham Vision 2035
 - Council Plan
 - Cabinet's Notice of Key Decisions
 - Partnership plans and strategies
 - Performance and budgetary control data
 - Changes in government legislation
 - Key questions for improving performance
 - Local priorities.
- 8 The County Durham Partnership agreed a Vision for County Durham 2035 which sets out strategic direction and what we would like to achieve over the next 15 Years and is written around three broad ambitions for the people of County Durham.
 - More and better jobs
 - People live long and independent lives
 - Connected communities
- 9 Each ambition contains a number of objectives together with some council specific objectives. Following the refresh of the Council Plan in April 2022, it is now structured around five objectives which capture the three ambitions:
 - Our Economy
 - Our People
 - Our Communities
 - Our Environment
 - Our Council

Council Plan 2020-2026

- 10 The Council Plan is the primary corporate planning document for the County Council and details Durham County Council's contribution towards achieving the objectives set out in the Vision for County Durham 2035 together with its own change agenda. It aims to provide a readable and accessible summary for members, partners and the public of our priorities for the county and the main programmes of work that we will undertake over the coming three years to help achieve these priorities.
- 11 Both the Vision for County Durham and the Council Plan are structured around the three ambitions which are mentioned above and below are the relevant objectives which apply to the E&E OSC.

More and Better Jobs

- a) Delivery of a range of employment sites across the County
- b) A strong, competitive economy where County Durham is a premier place in the North East to do business
- c) A broader experience for residents and visitors to the county
- d) Young people will have access to good quality education, training and employment
- e) Helping all people into rewarding work
- f) Fewer people will be affected by poverty and deprivation within the county
- g) Work with others to mitigate impacts and harness any opportunities of exiting the European Union
- h) Assist businesses to restart and grow the economy following the COVID 19 pandemic
- i) We will improve employment opportunities for disabled people

Connected Communities

- a) People will have good access to workplaces, services, retail and leisure opportunities
- b) Standards will be maintained or improved across County Durham's Housing stock

- c) Delivery of new high-quality housing which is accessible and meets the needs of our residents
 - d) Our town and village will be vibrant , well-used, clean, attractive and safe
- 12 The Council Plan has been structured around five objectives: Our Economy; Our People; Our Communities; Our Environment and Our Council. The key Council Plan objective for E&E OSC is Our Economy – building an inclusive economy by creating more and better jobs, supporting businesses emerging from the pandemic, developing a pipeline of projects and investment plans to stimulate inclusive economic recovery, creating major employment sites across the county, the development of employability support programmes and ensure that children and young people receive high quality education and training to equip them with the skills that they need to access opportunities.

Current Work Programme

- 13 During 2021/22 the E&E OSC prioritised items to be considered at formal meetings of the committee due to the size of the work programme. Reports on other items were circulated via email to members. The committee has undertaken budgetary and performance monitoring, responded to consultations and considered overview and progress monitoring reports and presentations in relation to the following:
- **Consultations**
 - Leisure Transformation Programme and the draft Physical Activity Strategic Delivery Framework
 - Inclusive Economic Strategy
 - **Areas of overview and monitoring activity**
 - Introduction to the Regeneration, Economy and Growth Service
 - Strategic job creation plan
 - Strategic employment sites
 - County Durham’s visitor economy
 - Managing change in County Durham’s towns and villages
 - Investment pipeline
 - Support provided to the Retail sector by DCC
 - Business Durham progress
 - Inclusive Economic Strategy
 - Housing update

- **Budgetary and performance monitoring:**

- Quarterly budgetary monitoring for the Regeneration and Local Services (Regeneration, Economy and Growth) Service Grouping.
- Quarterly corporate performance monitoring for the Regeneration and Local Services (Regeneration, Economy and Growth) Service Grouping.

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

- Transport policy and activity in County Durham and the wider region
- Highways, footways and bridge maintenance
- Street Lighting Energy Reduction Project (SLERP)
- Leisure Transformation Programme
- Draft Physical Activity Strategic Delivery Framework
- Fuel Poverty

Areas for Consideration in the E&E OSC Work Programme

15 Members of the E&E OSC are asked to agree the proposed work programme for 2022/23 that has been prepared and is attached at appendix two. The work programme is very comprehensive drawing on topical areas across the remit of the committee and it should be noted that it is also flexible.

16 Paragraphs 13 and 14 of the report identifies the activity undertaken by the committee during 2021/22. The committee is asked to consider areas and review topics for inclusion in the work programme for 2022/23 in light of the current Council Plan and the Vision for County Durham 2035. Appendix 2 of this report sets out a draft work programme for consideration.

17 Members are encouraged to identify areas of scrutiny investigation (in depth and light touch reviews) from the work programme. However, it is anticipated that input from the thematic OSCs will be required into the Medium Term Financial Plan (MTFP) 13 development and beyond. This might include more detailed examination of budgets against the context of ongoing financial pressures faced by the Council and the need to identify further efficiencies or areas of income generation. This would impact on the committee's intention to carry out review activity in other areas for this work programme.

Conclusion

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

Background papers

- [Council Plan 2022 - 2026](#)
- [County Durham Vision 2035](#)

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Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

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

Procurement

Not applicable

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<p>Overview and Scrutiny Draft Work Programme 2022/23</p> <p>Economy and Enterprise Overview and Scrutiny Committee</p> <p>Lead Officer: Stephen Gwilym</p> <p>Overview and Scrutiny Officer: Diane Close</p> <p>IPG Contacts: Geoff Paul</p> <ul style="list-style-type: none"> • More and Better Jobs • Connected Communities 	<p>Note:</p> <p>Overview and Scrutiny Review – A systematic six-monthly review of progress against recommendations/action plan</p> <p>Scrutiny/Working Group – In-depth review/light touch review</p> <p>Overview/progress – Information on an issue; opportunity to comment, shape, influence, progress with a scrutiny review</p> <p>Performance/Budget – Ongoing quarterly monitoring performance reports/budgets</p>
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Item	When	How Considered	Who	Outcome	Comment
O/S Review		<ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 			
Scrutiny/Working Group (light touch / in-depth review)					
To be confirmed	TBC	To be discussed at committee on 28 June 2022			

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
Overview/Progress					
Availability of commercial land and supply across the county	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Sarah Slaven Managing Director Business Durham (REG) Mike Allum Spatial Policy Manager (REG)	Members will receive information on the ability of DCC to identify and deliver land within the county for business and industrial use including detail of: what is set out in the County Durham Plan and locations; does identified land meet anticipated/future demand; detail of how we support business with identifying and delivering land and premises	The committee will be able to determine whether the land currently identified for business and industrial use within the County Durham Plan is sufficient to meet current and future demand within the county together with detail of how DCC supports business in identifying and delivering land and premises

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
Key Strategic Employment Sites – Delivery of employment	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Sarah Slaven Managing Director, Business Durham (REG)	Members will receive information on: the total number of jobs created and the number of jobs delivered in the last twelve months; are these sites attracting the new industries/ employers to create the 'better' jobs required within the county; does DCC need to identify new strategic sites in other locations in the county	Members will continue to monitor the development of key strategic employment sites including the number of jobs created, delivered and the level of those jobs. In addition, Members will be aware of any further development plans including any additional sites within the county
Job Creation - Overview	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Graham Wood Strategic Manager	Members will receive detail of: data in relation to the jobs created target and performance against that target; what sectors we are attracting to the county and what	Members will scrutinise job created data across the county, performance against that target, the sectors attracted, available employment sites

Item	When	How Considered <ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 	Who	Outcome	Comment
			Economic Development (REG)	sectors are we aiming to attract for 'better jobs'; detail of available employment sites across all sectors and action taken to attract employers to the county	and action taken to attract employers to the county
Regeneration of Town and Villages	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Graham Wood Strategic Manager Economic Development (REG)	Members will receive a further update on work being undertaken to revitalise our town centres, what we are doing, how it is delivered and why we use this approach including detail of the Town and Villages Programme, the Town Fund and Future High Street Fund, change of use for empty premises and converting large	The Committee will scrutinise work being undertaken to revitalise our town centres via various programmes within the county and consider the mechanisms for the involvement of local members and residents in the regeneration of our Town and Village centres

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
				premises for use by a number of small businesses including examples of success. Detail of how performance is monitored together with information on how local members and residents are involved in the regeneration process	
Support to the Business Sector (Business Start Ups)	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Sarah Slaven Managing Director, Business Durham (REG)	Members will receive detail of the current strategy to support business start-ups with detail of what support is provided including the funding available, type of premises available and locations including detail of change of use schemes and schemes to make	Members will be aware of the current support provided to grow business start-ups in the county, the type of premises and locations available, current performance, the benefits of this approach and the costs and implications

Item	When	How Considered <ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 	Who	Outcome	Comment
				premises more affordable, consideration of the benefits of this approach, performance to date, costs and implications	
Housing	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Mike Kelleher Head of Planning and Housing (REG)	Members will receive detail of Registered Social Landlords (RSLs) within the county, detail of the locations of their housing provision, what DCCs relationship is with these providers and existing engagement mechanisms, including the processes for passing on and handling complaints	The Committee will be aware of the various RSLs in the county and the location of the housing that they currently provide, together with detail of DCC's current relationship with these providers, existing engagement mechanisms, including detail of the process for handling complaints

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
Inclusive Economic Strategy (IES)	28 June 2022 19 September 2022 Additional dates TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Mike Allum Spatial Policy Manager (REG)	Members will continue to be involved in the development of the IES. Having received an overview including detail of the consultation process (Econ-versation) at the meeting on the 4 March 2022 and an update on the key comments/themes made during the consultation process at the E&E OSC on 28 June. It is also intended that the committee will also receive a high level position statement in relation to the strategy at its September meeting for comments and will continue to be involved in the further	The Committee will continue to be involved in the development of the strategy and once the strategy is approved will monitor the delivery of the strategy against any targets/actions identified

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
				development of the strategy as it progresses	
Skills development (Industry and education needs of employers)	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Graham Wood Strategic Manager Economic Development (REG)	Members will receive detail of what arrangements are in place with local/regional employers and educational establishments including Durham University to identify career opportunities and the approach taken by DCC and other partners to ensure that we are producing people with the correct qualifications/skills required for the local and regional economy	The committee will be aware of the approach taken at a regional and local level to ensure that arrangements in place regionally and locally to identify career opportunities and ensure that we are developing people with the correct skills and qualifications to retain them in employment locally including graduates

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
Skill requirements – IES	TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Mike Allum Spatial Policy Manager (REG) Graham Wood Strategic Manager Economic Development (REG)	The Committee will receive detail of the appropriate element of the IES concerning how we ensure that the relevant training and education bodies in the county are linking up with businesses to provide the necessary training and qualifications required by employers. Need to consider what is identified in the strategy in relation to skill requirements, any skill gaps and actions for skill growth in the relevant sectors	Members will be aware of what is proposed in the strategy to ensure that residents in the county are equipped with the skills required by employers now and in the future
Aykley Heads Strategic Employment Site	TBC	Report to E&E OSC	Amy Harhoff	Members will receive information on the proposals for the	The Committee will be aware of the proposals for the

Item	When	How Considered <ul style="list-style-type: none"> • report to E&E • briefing report to E&E members via email 	Who	Outcome	Comment
			Corporate Director (REG) Andy Kerr Head of Economic Development (REG)	development of the Aykley Heads Strategic Employment Site including detail of how DCC will market the site to deliver 'More and Better Jobs'	development of the Aykley Heads Strategic Employment site including the delivery of 'More and Better Jobs'
Transport Management	Joint Special meeting with ESC OSC members TBC	Report to E&E OSC and ESC OSC	Amy Harhoff Corporate Director (REG) Mark Jackson Head of Transport and Contract Services (REG)	Members will receive information of the various plans and strategies regionally and locally including progress with the BSIP, detail of public transport provision locally, plans to reduce car usage, the development of the ULEV charging network	The Committee will scrutinise the current approach to transport management regionally and locally including public transport provision, plans to reduce car usage and the development of the charging network in the County and future plans

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
			Victoria Lloyd-Gent, Sustainable Travel Officer (NCC)		
Visitor economy/tourism/cultural offer	Joint special meeting with ESC OSC members TBC	Report to E&E OSC	Amy Harhoff Corporate Director (REG) Michelle Gorman Managing Director (VCD) (REG) Alison Clark Head of Culture, Sport and Tourism	Members will receive detail of the performance of visitor economy in County Durham, the further development of the tourism and cultural offer, the performance of Visit County Durham in supporting the sectors in the county, including how it continues to promote County Durham as a tourism destination including detail of	The Committee will be aware of how the visitor economy is performing and its contribution to the economy of County Durham as a whole, detail of further plans to develop the offer, the performance of VCD in supporting the sectors including detail of how it will continue to promote the county as a tourism

Item	When	How Considered <ul style="list-style-type: none"> report to E&E briefing report to E&E members via email 	Who	Outcome	Comment
			(REG)	future promotional events	destination including future events
Performance/Budget					
Performance Quarterly reporting	Sept/Oct 2022 Jan 2023 March 2023	Report to E&E OSC	Gemma Wilkinson Strategy Leader team (Resources)	To provide Members with progress towards achieving the key outcomes of the council's corporate performance framework	Summary information to Members
Budget Outturn Report Quarterly reporting -	Sept 2022 Jan 2023 March 2023	Report to E&E OSC	Ian Herberson Finance Manager (Resources)	Detail of budget	Summary information to Members
CDEP Minutes					
Minutes of the CDEP	TBC	Minutes to be circulated to members for information	Partnership Team	Members will be kept updated on the activity of the partnership	The Committee will be aware of activity undertaken by the partnership

SCRUTINY COMMITTEE JUNE/JULY 2022

MTFP(13):

Involvement of Scrutiny Committees in the development of savings options



Development of MTFP(13)

- The 2022/23 revenue budget and four year financial plan for the period 2022/23 to 2025/26 [MTFP12] was approved by Council on 23 February 2022
- The MTFP12 forecasts identified a forecast £29.987 million savings shortfall for the period 2023/24 to 2025/26
- The majority of this savings shortfall [£16.607 million] was forecast to be required in 2023/24
- A lot has changed in the months since the budget was set on 23 February 2022!

Development of MTFP(13)

- The initial MTFP(13) forecasts will be presented to Cabinet on 13 July 2022
- MTFP(13) will cover the four year period 2023/24 to 2026/27
- The forecast savings shortfall is expected to increase significantly from the forecasts include in MTFP12 due to the impact of inflationary impacts upon the council's budget and continued demographic pressures in Children's Services
- Savings options need to be developed over the coming months to ensure the council can set a balanced budget for 2023/24 if, as expected, there is insufficient resources generated from council tax and government grant increases to meet the unavoidable cost pressures we will face
- It is hoped that additional funding will be provided to the sector by Central Government but it is expected that this will not be clarified until the draft local government financial settlement is received in December 2022

Scrutiny Role in Development of MTFP(13)

- Corporate Overview and Scrutiny Management Board will continue to have a strategic overview of the whole MTFP(13) process – including proposals for Council Tax increases and application of reserves
- It is recommended however that thematic scrutiny committees consider options for efficiency savings and/or opportunities for generating additional income within their thematic service areas
- This will provide the opportunity for thematic scrutiny committees to play an important role in the development of the MTFP(13) and help to attain a broader understanding of the services within their remit
- Any proposals put forward by thematic scrutiny committees will be considered by Cabinet for inclusion in MTFP(13) to assist in balancing budgets for 2023/24 and beyond

Proposed Process to Developing Savings Options

- Thematic scrutiny committees receive quarterly reports on budgetary control and service performance – this is a rich source of data
- Discussions during finance briefings with Members previously there has been a wide range of potential opportunities for efficiencies and income generation discussed
- The proposed process will provide an opportunity for these options to be considered and tested further
- Thematic scrutiny committees may wish to set up Task and Finish groups to consider options for savings
- The Task and Finish Groups may wish to produce a range of high level options they would wish to consider Cabinet to consider or may wish to carry out some of their own research into a small number of areas utilising resource from service areas and finance to support such work
- If significant work is generated by the process consideration may need to be given to reprioritising other planned scrutiny work to ensure that support teams have the capacity to meet all requirements

Timeframes

- It must be recognised that any detailed research into specific budget areas may take a number of months and would be unlikely to identify savings to support the 2023/24 budget setting process
- At the same time savings options could be identified to support future years' budgets
- If higher level options are submitted to Cabinet for consideration for the development of the 2023/24 budget they would be required by the end of November 2022
- Thematic scrutiny committees are requested to limit the number of budget areas to be looked at in detail as it must be recognised that this work would be a major drain on services whilst they are developing broader savings plans