



Economy and Enterprise Overview and Scrutiny Committee

Date Monday 19 December 2022
Time 9.30 am
Venue Council Chamber, County Hall, Durham

Business

Part A

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

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held 7 November 2022 (Pages 3 - 12)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Skills delivery and supporting the Inclusive Economic Strategy - Report of the Corporate Director of Regeneration, Economy and Growth (Pages 13 - 34)
7. UK Shared Prosperity Fund - Update - Report of the Corporate Director of Regeneration, Economy and Growth (Pages 35 - 54)
8. Quarter Two 2022/23 Revenue and Capital Outturn - Joint Report of the Corporate Director of Resources and the Corporate Director of Regeneration, Economy and Growth (Pages 55 - 66)
9. Quarter Two 2022/23 Performance Management Report - Report of the Corporate Director of Resources (Pages 67 - 92)
10. Minutes of the County Durham Economic Partnership Board held on 27 September 2022 (Pages 93 - 98)

11. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Helen Lynch
Head of Legal and Democratic Services

County Hall
Durham
9 December 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, G Hutchinson, 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

Contact: Lucy Gladders Tel: 03000 269 712

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 7 November 2022** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Jackson, M Abley, A Batey, G Binney, K Earley, D Haney, G Hutchinson, C Martin, A Reed, I Roberts, A Sterling, A Surtees, M Stead (substitute), J Nicholson (substitute) and S Deinali (substitute)

Co-opted Members:

Mrs R Morris and Mr E Simons

Also Present:

Councillor K Shaw

1 Apologies for Absence

Apologies for absence were received from Councillors C Lines, R Manchester, C Marshall, J Miller, R Ormerod and S Wilson.

2 Substitute Members

Councillor M Stead substituting for Councillor R Ormerod and Councillor S Deinali substituting for Councillor J Miller.

3 Minutes of the meeting held 3 October 2022

The minutes of the meeting held on 3 October 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, if any

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

6 Inclusive Economic Strategy - Update

The Committee considered a report and presentation of the Corporate Director Regeneration, Economy and Growth which provided an update on the development of the emerging Inclusive Economic Strategy (IES) (for copy of report and slides of presentation see file of Minutes).

The Corporate Director Regeneration, Economy and Growth introduced the agenda item and informed members that the Chair of the County Durham Economic Partnership who was due to be in attendance to present some of the slides was unfortunately ill and therefore those slides would be presented by Andy Kerr, Head of Economic Development.

The Corporate Director continued by explaining that the timing of the strategy was very important as it showed leadership on the part of Durham County Council with the IES showing the county's future readiness. She then highlighted that the IES is not a Durham County Council Strategy and confirmed that it is a partnership document which gives a unified direction across the county. The Corporate Director confirmed that the strategy is draft at this stage and that it was being presented to Overview and Scrutiny with a view to providing an opportunity for members to comment and provide feedback which would be used to help shape the future development of the document. It was highlighted that the document is a living document which will be regularly reported to Overview and Scrutiny and that it is inclusive in design, development and delivery.

The Corporate Director of Regeneration, Economy and Growth and the Head of Economic Development then provided a detailed presentation which explained the councils approach to the development of the IES, including how the council were working in partnership. It further provided detail regarding how the information collected from the big Econ-versation along with evidence previously gathered and captured in the Economic Statement had shaped the strategy, confirmation of the vision for the strategy including key points together with detail of how it would be delivered (the delivery framework) and how it would drive forward change for County Durham.

The Chair commented that a lot of what is included in the strategy had been mentioned previously with the only additions the use of the word inclusive and an emphasis on the green economy. He continued by highlighting his concern that the economy of County Durham is shrinking however he recognised that the draft strategy was only the start of the process.

Councillor Sterling commented that she was disappointed that points raised at the meeting in June, when the committee considered the feedback from the Econ-versation had seemingly been ignored. She reiterated her concerns about the low numbers engaged with during the consultation including the 'Big Econ-versation'

and commented that the strategy had moved forward on a poor evidence base. She further noted concerns in relation to engagement with limited companies as the engagement response rate of 0.24% was extremely low.

In addition, she questioned the level of engagement during the consultation process with businesses and companies led by women. Noting that a large proportion of SMEs in the county were led by women and that the strategy document needed to reflect this particular element of diversity within the county.

Councillor S Deinali left the meeting.

She further raised points relating to supporting home working and the provision of hubs for those who were unable to work at home. In relation to further education, she further noted previously raised concerns regarding the entry level at Durham University and accessibility for County Durham students. She continued that consideration should be given to reducing the entry requirements for County Durham students.

The Corporate Director Regeneration, Economy and Growth noted the points raised by Councillor Sterling regarding diversity and added that she would re-sense the document in relation to diversity. She further explained that the development of the strategy was a journey and the council were just at the beginning of this process. Regarding the response rates she advised that there were a number of business events undertaken and that detailed engagement feedback had been used to inform the draft strategy and suggested that this could be circulated. The Corporate Director confirmed that she would take the comments back.

Mike Allum, Spatial Policy Manager confirmed that the consultation process had involved various groups in the County Durham Economic Partnership and business networks as well as engagement at various jobs fairs and events with SMEs and sole traders.

Councillor Surtees added that she agreed with the comments made, further adding that there was no reference to the 2021 census results and data and that the strategy should reflect relevant information drawn from the census. In addition, she raised a point regarding SMEs and the availability of premises and asked how the number of available units could be increased, when capital investment had been paused and whether this would result in a lack of units/ premises for future business use.

Councillor Surtees further commented that she was concerned that the strategy did not include a future employment site in the East of the county and furthermore, she felt that the full implications of poverty weren't addressed within the strategy. In conclusion she expressed her concern regarding the level of funding from the UKSPF, compared to the amount of EU funding County Durham received previously

and questioned how the council hoped to achieve the actions contained in the Delivery Plan.

The Corporate Director Regeneration, Economy and Growth explained that business premises were self-financing and whilst the capital programme was being reviewed, they were confident in achieving the aims within the strategy. She further added that the strategy would be refreshed to reflect 2021 census data. In relation to the comments made about poverty she explained that the strategy would sit alongside the new Poverty Action Plan and sister documents as part of a bigger plan for County Durham.

Further to Councillor Surtees's comments regarding funding, A Kerr, Head of Economic Development added that whilst it was accepted that there were significant challenges ahead, it was important to continue to look forward and be bold in our plans to push investment by promoting what we have to offer in County Durham.

Councillor Earley indicated that he was looking forward to seeing more detail around the plans for investment and promoting the green economy and also suggested that the strategy should include how Durham University graduates were to be retained in the economy once they have graduated.

Mrs R Morris, Co-optee suggested that the Delivery Plan is reviewed annually and then made a number of comments on the draft strategy which focused around the 'People' element of the framework, noting the importance of ensuring that structures were in place for conversations to take place between the key players in relation to skill requirements and development in the county, to ensure that the skills developed, met employers' skill requirements. She also suggested that there was a need for schools to have in place good quality and timely careers advice, which could be accessed at an earlier age by pupils in secondary schools.

She went on to ask whether all County Durham colleges/training bodies would be involved in delivering the new skills and opportunities that the strategy aimed to deliver and how this would be achieved. She also added that the county would benefit from the development of a skills strategy.

In conclusion Mrs R Morris added that she too supported the comments previously made about supporting women in business and felt that more could be done to match worldwide attainment.

In response the Corporate Director Regeneration, Economy & Growth noted Mrs Morris' comments and agreed that they could aim to be clearer on delivery and agree that the timescale for review could be implemented at 1 year instead of the proposed 2 years. In addition, she commented that skills is a difficult system to navigate however it has to be tackled and agreed that the existing skills strategy for Durham was outdated and required work. The Corporate Director confirmed that a Skills Strategy will be developed.

The Economic Development Manager commented that any strategy would have to ensure alignment at a regional level.

Councillor Reed in referring to Places and Priorities, suggested that in addition to industry being located on various strategic and industrial sites throughout the county, that it should also provide the opportunity for industry to be located in our towns and villages in order to help bring back vibrant towns, doorstep employment and utilise vacant industrial brownfield sites. She also agreed that access to public transport in the county was essential, particularly in relation to the remote and rural parts of the county to enable residents to access all available employment opportunities.

In response the Head of Economic Development noted that a lot of work was being done to listen to business needs, what they required from employment sites and ensuring that any sites identified for development were attractive to business and that we have the right skills base. He continued that we would have to look at what sister strategies we put in place to support the IES and commented that transport will be one of three sister strategies.

Councillor Shaw asked what the transport investment for County Durham would be as a result of a LA7 devolution deal. In response the Corporate Director Regeneration, Economy & Growth noted that she could not discuss the LA7 deal given that this was still subject to live negotiations, however transport remained a priority for the council, with proposed rail improvements planned, looking at the reopening of Ferryhill Station, the development of a Bus Services Improvement Plan and strategic projects such as the Leamside Line. The Corporate Director confirmed that she would tighten up the emphasis on transport in the document

Councillor Martin expressed his enthusiasm for discussing this topic in the meeting and noted that there were several areas of the strategy which he particularly liked including: the proposed approach in relation to the improvement of town and village centres; that the Strategy was developed to sit alongside sister plans/strategies with reference made to the poverty action plan, skills strategy/plan and transport plan/strategy.

Councillor Stead added that he too liked the report, noting key areas which he felt were of importance such as, the need to attract major employees as well as SMEs to the county and that continued work with Durham University and colleges would be essential to delivering the skills needed for the future. He did however note his disappointment regarding the return on the surveys and asked how those conversations were undertaken with businesses and if they were recorded. In response Mike Allum, Spatial Policy Manager advised that a template was used to record feedback from conversation sessions, and these were available for each event.

The Corporate Director of Regeneration, Economy and Growth responded that engagement did not just consist of surveys it was a lot more and she confirmed that the Strategy Review and Delivery Plan would come back for consideration by Overview and Scrutiny.

Cllr Abley asked whether the committee could be involved in pulling together the Delivery Plan. He also commented that young people chose to go elsewhere to university and he thought that there was already a scheme in place to assist County Durham students to access Durham University and stated that in his opinion the entry requirements should not be lowered.

Councillor Batey in noting her experience on the various topics raised noted that she agreed with comments made, however she appreciated that there were certain barriers to overcome in achieving some of the points raised mainly regarding careers advice, noting the constraints of the curriculum in schools. Transport and associated costs with delivering big schemes remained a concern given the potential loss of funding and she noted that it would be crucial to ensure that all areas in the county have IT connectivity to facilitate working from home for residents, micro businesses and for SMEs in the county. In addition, she had further concerns as to whether the National Power infrastructure has the necessary capacity to support new ways of working especially in those more remote areas of the county. In conclusion she noted that she had not heard much about the Durham Pound, social value and wealth creation and suggested that this needed to be strengthened within the strategy.

The Corporate Director of Regeneration, Economy and Growth confirmed that the emphasis on these issues will be included in the document.

C Knight, Integrated Passenger Transport Manager at this point provided some background to the development of the Bus Service Improvement Plan by Transport North East, noting the ongoing work with the Bus Board to deliver innovative transport solutions to ensure adequate access to employment opportunities across the county. The BSIP covered the LA 7 footprint and had originally bid for around £800m funding and had received an indicative allocation of around £160m subject to conditions.

The Chair noted the amount of work that had gone into the development of the Strategy. However, he also commented that he had concerns that the strategy is a partnership strategy owned by the County Durham Economic Partnership and questioned as to what control/influence DCC would be able to exercise in relation to the delivery of the actions in the Delivery Plan and to ensure that there was an appropriate level of associated accountability therein. He continued that the strategy makes reference to new ways of working and then asked how we will move to this new way of working and whether all DCC departments will be working together to deliver those actions in the Delivery Plan for which DCC is responsible.

The Chair continued by saying that he was concerned about delivery of the skills element of the Delivery Plan and asked what influence we have with partners to get them to deliver on the actions identified in the plan. He also felt that there was a lack of direction within the strategy in relation to which green industries would be targeted for development in the county. He then requested that the committee has early involvement and consideration of the Delivery Plan which will identify relevant actions and where responsibility sits for the delivery of those actions. He concluded by noting his disappointment that the Chair of the County Durham Economic Partnership was not available to attend the meeting as he felt that his input would have been valuable and requested that the Chair of the Partnership attends the next meeting of the committee or advises which meeting of the committee he can attend, for members to be given the opportunity, to ask how the partnership will achieve the successful implementation of the IES.

The Chair asked, that the committee, in addition to the recommendation contained in the report, agree the following two further additional recommendations:

- That the comments made by members today are captured and formulated into a formal Overview and Scrutiny response which will be circulated to the members of the committee and then shared with the Service Grouping to help further develop the Strategy, And
- The committee recognises that without the Delivery Plan in place the Strategy cannot be implemented and would therefore request that the Delivery Plan is presented to the committee, if possible, within a six-month period.

Resolved:

- i) That the content of the report and presentation be noted and any views on the Draft Inclusive Economic Strategy be passed on.
- ii) That the comments made by members during the meeting are captured and formulated into an Overview and Scrutiny response, which will be circulated to the members of the committee and then shared with the Service Grouping to help further develop the Strategy.
- iii) That the committee recognises that without the Delivery Plan in place the Strategy cannot be implemented and would therefore request that the Delivery Plan is presented to the committee, if possible, within a six-month period.

7 Questions of relevant Cabinet Portfolio Holders in relation to:

The Chair welcomed Councillor Rowlandson, Portfolio Holder for Resources, Investment and Assets, who had been invited to attend the meeting, following a request by Councillor Marshall at the Economy and Enterprise OSC held on the 3 October, that the relevant Cabinet Portfolio Holders, attend the next meeting of the committee, to answer three questions, with the questions stated on the agenda for

the meeting. It was noted that Councillor E Scott, Portfolio Holder for Economy and Partnerships was also invited, but had been unable to attend the meeting and rendered her apologies.

The Principal Overview and Scrutiny Officer explained that three questions had been raised at the previous meeting which were summarised on the agenda. The Chair welcomed Councillor Rowlandson to provide a response to each question. Councillor Rowlandson responded as follows:

Question 1 - The Cabinet Portfolio Holder's role in attracting and supporting investors to the county.

Councillor Rowlandson explained that in his role and to date he had undertaken the following:

- Instigated the Inclusive Economic Strategy to give clear direction to future inward investment activity which had previously not been in place.
- Ensured stability and direction in Business Durham by appointing a CEO a post which had been left vacant by the previous administration.
- He had fronted meetings with potential investors together with Business Durham
- Visited major employers and businesses in the region and confirmed that a meeting was arranged with the Director of GlaxoSmithKline to encourage the use of local businesses for their supply chain.
- Had a meeting on 3 November with investors at Station Place Newton Aycliffe about the continued development of the site and further ambitions in the area.
- Attended meetings of the Business Durham Advisory Board to guide the inward investment strategy. He commented that Cllr Marshall receives invites to the Board but has only attended once in 18 months.
- Attended inward investment events such as UK REIIF (UK Real Estate Investment and Infrastructure Fund). He highlighted that this is the first time County Durham has attended this prestigious event with a stand. Officers and the Cabinet Portfolio Holder were on the stand over three days and had contact with well over 100 businesses.
- Through Cabinet, he was ensuring the continued commitment to major investments such as NETPark Phase 3 was undertaken.
- Ensuring the ongoing support for Finance Durham, an evergreen fund supporting businesses to locate and grow in the County
- Supported the UK City for Culture bid seeing the county short- listed for the first time and featured on prime-time national media.
- Supported and developed a new way to engage with the business community through the Econ-versation.

Question 2 - What has been the Cabinet Portfolio Holder's input into the UK SPF bids for Durham County Council.

Councillor Rowlandson provided the following response on behalf of Councillor Scott.

“Councillor Scott has been fully involved in the process; She was a key board member of County Durham Economic Partnership that led the process of developing the Investment Plan; She had introduced the stakeholder event on 4th July, which launched the extensive stakeholder engagement; She was involved in the thematic working groups of local stakeholders. In addition, she was involved in regional consultation events and round-table discussion with the main business representative organisations and had reviewed key strategies, for example the County Durham Vision, feedback from the recent Big Econ-versation and the emerging priorities in the Inclusive Economic Strategy”

Question 3 - To provide an explanation for delays in Portfolio Holders responding to Councillors e-mails and the length of time taken for responses to be received.

Councillor Rowlandson explained that he was not aware of any outstanding responses in relation to his portfolio, however, should any member wish to make a complaint against any Portfolio Holder that they could do so via the complaint's procedure/process.

It was noted that in relation to question 3, Councillor Marshall at the previous meeting had provided no specific detail and subsequently no further information had been provided, Councillor Moist therefore suggested that the relevant Cabinet Portfolio Holder be contacted outside of the meeting regarding any issues concerning specific unanswered emails.

Resolved:

That the responses from Councillor Rowlandson be noted.

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**Economy and Enterprise Overview and
Scrutiny Committee**

19 December 2022



**Skills delivery and support for the
Inclusive Economic Strategy**

**Report of Amy Harhoff, Corporate Director of Regeneration,
Economy & Growth**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report sets out the current skills performance and supporting infrastructure operating across County Durham and examines the opportunities to deliver the people and skills aspirations and requirements set out in the Inclusive Economic Strategy (IES).
- 2 Specifically, the report sets out some of the recent policy changes which may help provide further alignment in the development and delivery of skills in the future.

Executive summary

- 3 The development and delivery of skills encompasses a wide range of different education and skills development providers, employers and individual learners. The strategic direction for skills is set at a national level by the Department for Education (DfE). At a local level the council's role is limited to providing some skills training under contract to the DfE, and using its influence through strategies such as the new Inclusive Economic Strategy to identify the local need and work with partners to align their skills priorities to that need.
- 4 Skills policy has recently become more focussed around the ability to support increasing productivity and growth. As part of this shift, employers and their ability to articulate their current and future skills needs has become a higher priority.

- 5 Most significant is the requirement of the development of Local Skills Improvement Plans (LSIPs) for each area. These plans, intended to influence the curriculum development and delivery of providers are being developed by employer related bodies.
- 6 Significant efforts have been made at a local and regional level to ensure that skills provision aligns with employer requirements and supports economic growth plans. These include strengthening the link between schools and business in framing careers and progression activities as well as initiatives with business to embed specific skills or raise awareness of sector opportunities.
- 7 The IES, developed by the Council in partnership with the County Durham Economic Partnership (CDEP) recognises the importance of skills as part of the drive to improve the economic performance of County Durham. The report will be considered by Durham County Councils cabinet on 14th December and it sets out a range of people priorities that frame the skills requirements of the County and will be refined with partners in the delivery plan stage that will follow.
- 8 The development of the delivery plan will commence in January 2023 and will set out practical steps, working with skills providers to align the delivery of skills with the needs of local employers and emerging economic opportunities.
- 9 The delivery plan will build on the previous Skills Strategy developed in 2014, which was in the process of being updated when the Covid pandemic resulted in a significant disruption to the skills system and wider economic trends. The new plan will be considered by Economy & Enterprise Overview and Scrutiny Committee during its development.

Recommendation(s)

- 10 Members of the Economy & Enterprise Overview and Scrutiny committee s recommended to:
 - (a) Note the countywide arrangement for the identification and delivery of skills to meet current economic priorities;
 - (b) Receive a further update on the development of the North East Local Skills Improvement Plan.

Background

- 11 The skills system in England is large and complex involving government, employers, training providers, local bodies and individuals. Within Government, the Department for Education (DfE) provides the lead for skills policy and contracting for skills initiatives, working in conjunction with other departments such as Department for Work and Pensions and the Department for Business Energy and Industrial Strategy.
- 12 Employers are recognised as a significant stakeholder in the national skills system both driving demand and stimulating innovation and development. In addition to encouraging and supporting their own staff to take up funded training they also invest in their own training activities, helping to create high skills jobs and career progression for workers with appropriate skills.
- 13 In late 2020, government established the Skills and Productivity Board, bringing together academics and business experts. The Board was established to provide an independent evidence base to advise DfE ministers on skills issues that could impact on productivity. In spring 2022, the Skills and Productivity Board produced several reports on current and future skills needs. Some of the key issues identified included;
 - Across all occupations, communications and digital skills are expected to become even more important in the future.
 - Government has better measures of skills demand than skills supply.
 - Better matching between the demand and supply of skills will make only a modest contribution to levelling up in areas where the demand is for relatively low-level skills. In these areas, the quality of production and of jobs needs to be improved
- 14 In February 2022, DfE announced the creation of a Unit for Future Skills, which superseded the Skills and Productivity Board. The unit's role is to analysed data and evidence on where skills gaps exist and in what industries
- 15 At a local level the DfE previously established Skills Advisory Panels (SAPs) to better understand and address local skills needs. SAPs were established as local partnerships which aim to strengthen the link between business and skills providers. In the North East, the SAP is administered by North East LEP and the Council is a member as the current Finance, employability and Skills lead for the North East Combined Authority.

- 16 Current skills infrastructure is extensive, covering School Based provision (Grant maintained schools, Faith schools, Special Schools & Independent schools, Academies and Free Schools including Universal Technical Colleges), 16-19 provision, Further Education Provision, Universities and a range of Independent Training Providers (ITPs).
- 17 Each skills block has separate funding, inspection, audit and contract arrangements providing significant challenge in shifting the focus of delivery consistently or quickly.
- 18 Nationally the DfE estimate expenditure on Adult Education, Apprenticeship and other skills programmes was £3.9 billion in 2021/22 with a further £6.2 billion spent on 16-19 learning covering both academic learning and skills training.
- 19 Central to how this funding is deployed are the published priorities of DfE are central to the skills and productivity agenda and include;
- Driving economic growth through improving the skills pipeline, levelling up productivity and supporting people to work and
 - Level up education so that children and young people in every part of the country are prepared with the skills knowledge and qualifications they need
- 20 At a local level the supporting skills infrastructure reflects the broad national mix with around thirty secondary schools, several independent schools, four FE Colleges and the Durham sixth form centre. Durham University is the only County based Higher Education provider. However, the region is well served by four other Universities providing good access to wide ranging teaching and learning.
- 21 Skills delivery – and particularly workforce skills also rely on private training providers with several significant Independent Training Providers based in the County, delivering both contracted Adult Education Budget and commercial Training as well as apprenticeship opportunities.
- 22 The Council, as well as its role as Education Authority holds a contract with DfE to Deliver Adult Education along the same lines as the four Further Education colleges. The main skills delivery budgets available to these providers is set out at Appendix 2.

Current Skills Performance across County Durham

- 23 In line with most areas across the North East, County Durham's working age population has a lower qualifications profile than Great Britain, with higher rates of residents with no qualifications and lower rates of

residents holding qualifications at NVQ Levels 2 and above. Details of the comparable qualifications of workforce copulations are set out in table 1 below

Qualifications (January 2021 – December 2021)					
		Co. Durham (level)	County Durham (%)	North East (%)	Great Britain (%)
NVQ4 and above		104,700	32.5	34.5	43.6
NVQ 3 and above		169,100	52.5	54.6	61.5
NVQ2 and above		246,500	76.5	75.0	78.1
NVQ1 and above		271,400	84.3	85.0	87.5
Other Qualifications		25,700	8.0	6.9	5.9
No Qualifications		25,000	7.8	8.2	6.6

Table 1 Qualifications (16-64 population) Source ONS Annual Population Survey

- 24 On a positive note, the qualifications profile for County Durham has begun to change. Since the last Skills strategy was produced, the rate of working age residents holding qualifications has increased at all levels, while the rate of working age residents with no qualifiactions has fallen. The changes across all qualifications levels are set out in table 2.

Qualifications change (January 2014the rate of working age residents holding qualifications has increased at– December 2021)				
		County Durham (%)	North East (%)	Great Britain (%)
NVQ4 and above		+6.1	+6.1	+7.6
NVQ 3 and above		+4.5	+4.2	+5.9
NVQ2 and above		+7.3	+3.9	+4.8
NVQ1 and above		+0.1	+0.4	+2.5
Other Qualifications		+1.9	+1.5	-0.3
No Qualifications		-1.9	-1.8	-1.6

Table 2 Change in workforce qualifications rates (2014-2021)

Source ONS Annual Population Survey

25 Given the economic geography of the North East, comparisons of skills levels across all North East local authorities can provide a useful indicator of local workforce skills and the ability of the labour market to respond to changes and new demands. The most recent breakdown of comparative qualifications across Local Authorities is set out in table 3 below.

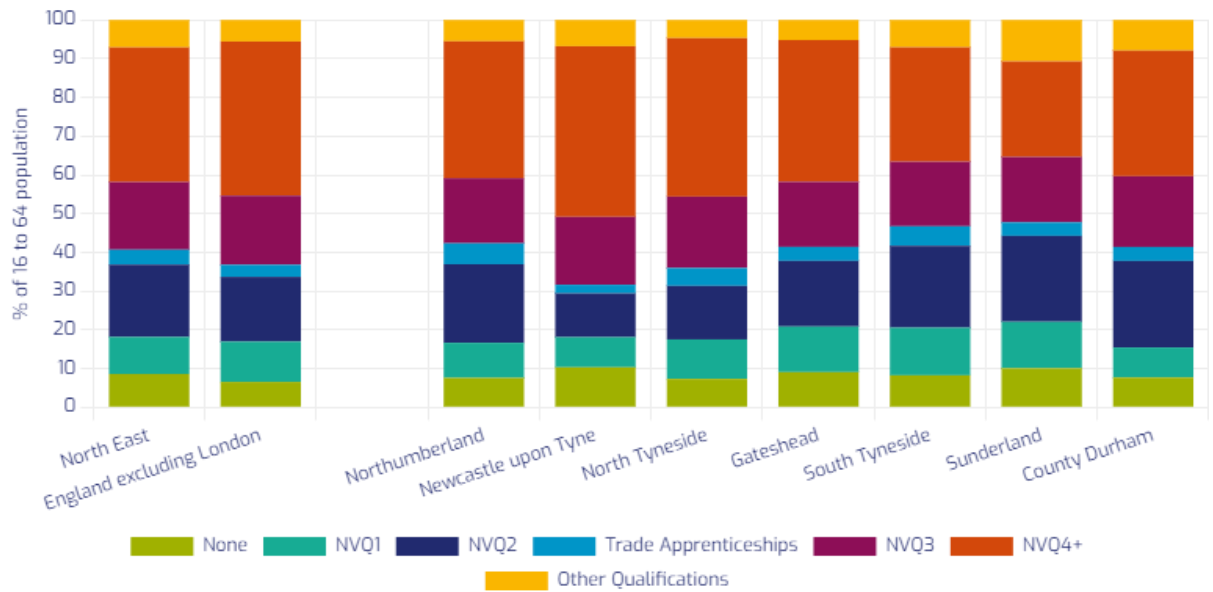


Table 3 Highest Level Qualifications by North East Authority

Source: Annual Population Survey

26 This breakdown further illustrates the recent increases in NVQ level 2 attainment in the County and the immediate challenge of improving intermediate and higher-level qualifications in line with the best performing North East areas and national rates.

27 Colleges and ITPs provide significant proportion of the workforce training across County Durham. Against the backdrop of continued push to increase skills levels and respond to emerging sector skills requirements, adult education providers continue to deliver training linked to learners going into or remaining in education or employment. The most recent data for County Durham learners is set out in table 4 below.

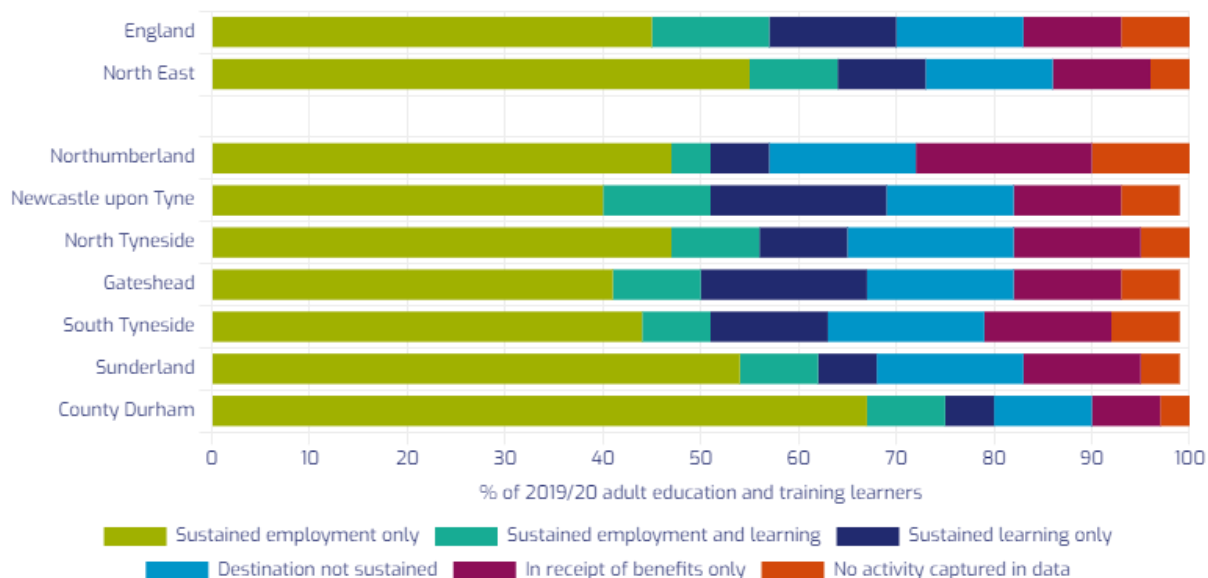


Table 4 Adult Education training Outcomes (2019/20)

Source DFE Further Education: Outcome based Measures 2022

- 28 The most recent adult outcome data illustrates the highest rates of sustained employment achieved 12 months after completing learning by County Durham residents and with corresponding low rates of benefit claims or unsustainable employment
- 29 The draft IES has been informed by a wider Economic Review that has examined the performance of the County’s economy and highlighting key skills issues to be addressed. These include;
- The County Durham skills base reflects the structure of the economy, although the presence of major companies such as Hitachi Rail and GSK show that the County can provide a high skilled labour force to meet employer demand.
 - County Durham is well placed to provide the future workforce for a changing economy, with large numbers of young people regularly graduating from universities and its ability to attract staff from the wider North East.
 - The County has more of a challenge regarding recruitment issues related to senior and experienced staff, an issue affecting several sectors and affecting the wider North East. Brexit is likely to make the UK a less attractive destination for international migration and could exacerbate these persistent problems.
 - A medium-term solution is the grow your own option and the County has an excellent record in apprenticeships, including higher level apprenticeships. The recruitment of apprenticeships

should remain one of the most important priorities for the County given the evidence of the benefits to both the company and individual from investing in young people.

- The occupational structure in County Durham shows much higher proportions employed in lower skilled occupations including in caring & leisure roles, elementary occupations and plant & machine operative roles and fewer working in more highly skilled occupations. Many routine jobs will be impacted by new technology.
- County Durham has significant numbers in occupations which are at risk as digitisation, automation and robotics replaces jobs in both manufacturing and services. This often unseen but steady erosion of jobs will impact on efforts to increase employment and respond to the pandemic. Many of those affected will need to update their skills to take up new employment and the health sector, distribution and logistics are likely to be an important source of new jobs.

- 30 The UK Employer Skills Survey, last undertaken in 2019 and next due for publication next year provides a comprehensive source of information on employer skills needs. In 2019, it found that 15% of employers in County Durham reported a skills gap compared with 13% in the North East and 13% nationally. Skills gaps of 3% are recorded in elementary occupations, skilled trades, and administrative and clerical staff, this is in line with national skills gaps reported for these occupations.
- 31 County Durham employers reported a lower proportion of hard to fill and skill shortage vacancies than the North East and national averages in labour intensive to middle-skilled occupations. However, 66% of hard to fill vacancies are due to a shortage of skills, compared to 67% nationally
- 32 Wider population data also suggests that beyond sector and upskilling pressures, there is also the risk of significant skill losses as the population ages and people move into retirement, particularly in manufacturing industries. There is a need to ensure targeted upskilling on the workforce including younger generations to combat this challenge.
- 33 While nationally and locally skills attainment has increased, there are ongoing issues with both over and under educated workers, with more than one third of workers being over skilled and more than 10% under skilled. This is partly linked to the higher qualifications of younger people entering the labour market. It is estimated that in terms of these skills mismatches by 2030 the most acute underskilling pressures will

be in basic digital skills, core management skills, STEM workplace skills and teaching and training.

- 34 Further challenges such as technological change, providing clear careers pathways, increasing digital delivery of skills currently being analysed for their impact on digital delivery, self-financing of training and employer investment in workforce training are further areas impacting on the skills and growth agenda being analysed as part of understanding local skills delivery.
- 35 Published ONS data and DfE public releases alongside the IES economic Review and regional skills performance data produced by the Skills Advisory Panel or currently being gathered for the first Local Skills Improvement Plan (LSIP) will inform the detail of the IES -People Delivery plan due to be developed during 2023.

Recent Skills Policy changes

- 36 The 2019 National Audit office report on the apprenticeship programme highlighted improvements in apprenticeships meeting employers needs following the implementation of the last round of major apprenticeship reforms. The National Audit Office found that extending the employer led approach beyond apprenticeships to the wider skills system would rely on employers having the willingness and capacity to assist in developing local plans
- 37 The Skills for Jobs White Paper (2021) outlined how the DfE intended to extend its approach to employer involvement in the skills agenda through an overarching vision which covered:
 - Reforms to post 16 technical education and training to support people to develop the skills needed to secure a good job and improve national productivity
 - Establishing Local Skills Improvement Plans (LSIPs) which will provide a clear articulation of employer skills needs in an area and set out the key changes needed to make provision more responsive to the needs of employers and the local economy.
- 38 The Skills and Post-16 Education Act (2022) further enhanced the role of LSIPs placing them on a statutory footing. The Act also;
 - Enables the Secretary of State to designate Employer Related Bodies (ERBs) to lead the development and review of LSIPs for a specified local area

- Places duties on training providers to co-operate with ERBs in the development and review of LSIPs and once developed, to have regard to LSIPs in shaping their provision
- Requires the Secretary of State when approving and publishing LSIPs to be satisfied that
 - (i) the views of any Combined Authority in the local area have been considered
 - (ii) the skills, capabilities and expertise required in relation to jobs that directly contribute to or support net zero, climate change or meeting other environmental goals, have been considered.

39 A lengthy consultation on Skills Funding and Accountability reforms was undertaken between July 2021 and October 2022. This consultation focussed on the support and incentives to deliver change in the skills system. This includes:

- The creation of a Local Skills Improvement Fund (LSIF) to help build the capacity of providers to meet LSIP priorities
- Making further changes to accountability and funding. The key changes being
 - (i) The introduction of accountability agreements, with LSIPs forming the basis of the local priorities to which providers are accountable
 - (ii) Changes to the Ofsted inspection regime including how well providers are contributing to meeting skills needs.

The North East Local Skills Improvement Plan

40 LSIPs will identify the key changes needed to make technical education or training more responsive to labour market skills within a specified area. They are designed to be both a process and a plan focussed on making skills provision more responsive.

41 The LSIP report will set out the key priorities for change that are evidence based and actionable by providers, employers and other stakeholders.

42 Across the North East Combined Authority footprint, the North East Automotive Alliance (NEAA) has been designated as the ERB with responsibility for developing the LSIP.

- 43 In developing the LSIP, the NEAA have identified key sectors linked to growth of the regional economy. These closely reflect the key sectors identifies in the Inclusive Economic Strategy (IES) namely; Advance Manufacturing, Construction, Digital, Health & Health Science and Transport & Logistics.
- 44 NEAA are currently undertaking a three-stage process which seeks to understand the current workforce skills requirements, translate these requirements into provision and addressing learner demand and employer engagement.
- 45 It is anticipated that as a result the LSIP will be produced by May 2023 and refreshed annually with an initial focus on delivery in the period up to March 2025.

Local Skills- Strategic links & approach.

- 46 Ensuring the alignment between local skills and educational offer and the needs of the County’s businesses and economy has been a focus of a range of activities over recent years. This includes activity focussed in and with both schools and colleges covering both information and intelligence sharing and specific project activity.
- 47 Piloted by the North East LEP in 2015, significant efforts have been made regionally to align school-based education with pupils’ potential careers and progression pathways using a series of benchmark areas
- 48 The pilot, was run jointly with the North East Local Enterprise Partnership (LEP). Sixteen education providers (including three colleges, one Pupil Referral Unit and twelve schools with and without sixth forms) took part in the pilot which ran across two academic years (2015/2016 - 2016/2017)
- 49 The implementation of the Gatsby benchmarks by the providers was intended to focus on the immediate career and progression opportunities available to learners upon leaving the education provision. Details of the seven benchmark areas are set out at Appendix 3
- 50 Following early results, the Government adopted the Gatsby Benchmarks into their 2017 Careers Strategy for all schools and colleges in England and has recently renewed its commitment to having the Benchmarks as a part of national education strategy in the ‘Skills for Jobs’ White Paper. Progressing beyond the initial pilot, the Gatsby benchmark programme was embedded in the North East Ambition

programme. Included in the North East LEP's Strategic Economic Plan in (2018) this seeks to:

- Develop a primary school benchmark pilot that could influence the national careers strategy
- Adopt the Gatsby Good Career Guidance Benchmarks by all secondary schools and colleges
- Secure and deliver a £3.4million North East Ambition programme that ensures our education system provides young people with the skills to meet the long-term needs of the North East economy.

51 Seeking to ensure schools are sighted on emerging employment and silks issues, Labour Market intelligence is exchanged through a variety of for a including the Durham Association of Secondary Heads (DASH) the Chief Executives of the Multi Academy trusts and in regular dialogue with the four main FE colleges. This approach has been in place for some time and links firmly with the new OFSTED requirements set out in the Skills Accountability and Funding reforms.

52 Future Business Magnates is a programme run annually by Business Durham aimed at developing entrepreneurial skills and introducing participants to the basics of starting and running a business. Following a different theme each year, school teams are supported by a business partner from a local firm who work with the team throughout the competition, lending their experience and expertise and guiding them in their first business venture.

53 Funding has recently been secured from Poverty Action Group to deliver a new Work Places Project. This will provide opportunities for students in Year 10 and Year 12 to gain a valuable insight into the world of work and to find out about the skills and aptitudes that employers value through bespoke visits to workplaces. Students will learn about specific employment sectors, different job roles within those sectors, as well as recruitment processes. They will also spend time with employees to find out about their pathways into work, to show them the opportunities that are available within County Durham

54 Identified students will participate in a carefully designed programme, that will consist of:

- Preparation – workshops to learn about employment sectors, job roles, entry routes, skills and aptitudes that employers value.
- Visit to Employer – a bespoke visit will be arranged with an employer covering a specific sector, consisting of a tour of the workplace and an opportunity to meet with employees, to learn about their experiences of work, as well as their personal journeys.
- Review and Monitoring – each student who participates in the visit will review their visit with an Employment Coach to embed learning and will also receive mentoring support to ensure they have a progression plan in place.

55 The project will complement rather than duplicate existing programmes and will liaise closely with colleagues from Business Durham and Economic Development. There will be synergy with the IES, with opportunities for students to learn about the emerging local green economy and link to low carbon and renewable energy employers.

IES and Skills

56 The Economic Review which supports the IES highlights key skills issues to be addressed as part of the shift to supporting a higher growth economy. These include;

- Continuing to support the improvements to the skills profile of the working age population ensuring that The County Durham skills base continues to reflect the structure and needs of the economy,
- Continuing the focus on shaping the emerging workforce building on the exemplar delivery of technical education through the Institute of Technology, the continued focus on developing appropriate apprenticeship opportunities and pathways and while also maximising the impact of large numbers graduates from Durham and other North East universities.
- Developing and promoting skills and employability routeways to support sectors experiencing recruitment difficulties. These include sectors subject to change (including digital and logistics) , ongoing impacts from the Covid pandemic (Retail & Leisure) and those sectors previously reliant on EU nationals (Food production / processing and Hospitality). Levels of skills continue to increase and while the 2014 Skills Strategy looked to improve the level of NVQ level 2 skills as its baseline. However, employer demands and current skills policy has shifted the focus to improving skills at NVQ level 3 and above.

- The occupational structure in County Durham shows much higher proportions employed in lower skilled occupations including in caring & leisure roles, elementary occupations and plant & machine operative roles and fewer working in more highly skilled occupations. Many of these routine jobs will be impacted by new technology requiring upskilling of existing workers or retraining to support growth sectors including the health sector, distribution and logistics are likely to be an important source of new jobs.
- 57 These issues reflect wider research recently undertaken nationally by the DfE including a research report focussing on Labour Market and Skills demand
- 58 Reflecting the current and emerging evidence base alongside future skills scenarios, the draft IES includes a strategic framework to deliver against our visions and aspirations. This includes a specific focus on People – Supporting people into education, training jobs and to excel in business and their careers.
- 59 Building of the most up to date data sets, the previously published evidence base and evidence gathered from widespread contact with businesses, this framework recognises direct skills components in three of the four people priorities namely;
- Priority 1: Raising skills levels, including higher and green skills, directly targeted to what employers need
 - Priority 2: Overcome barriers into employment, including work readiness, skills, improved careers advice and guidance, and addressing poor health
 - Priority 3: Increase in-work progression and upskilling linked to new opportunities
- 60 The delivery of the Economic Strategy is identified as a partnership activity and the skills components are a clear example of the wide-ranging inputs to the system which are required to provide an appropriately skilled workforce.
- 61 Within the Economic Partnership, the Business Enterprise and Skills thematic group, which includes providers and business representative bodies, has taken the lead on skills issues and ensuring that skills are aligned to business need. This approach is to continue in support of the development of the IES Thematic plans due to be brought forward during 2023.
- 62 The timing of the IES delivery plan for people will link with and support the LSIP process referenced above ensuring the strategic alignment of

regional and local skills delivery with established and evidenced employer needs. It will also build upon a range of structures and projects which have been developed in recent years to ensure better alignment between provision and business need.

Conclusion

- 63 Provision of skills to residents encompasses a wide variety of providers including schools, colleges, universities and independent training companies.
- 64 The County's skills profile, while improving demonstrates a need to retain a focus on improving workforce skills, continuing the shift in emphasis from Level 2 to level 3 skills and the increasing demands for skills at Level 4 and above.
- 65 In recent years, successive policy changes at a national level including the 'Skills for Jobs white paper 2021, have recognised the importance of skills to economic performance and productivity.
- 66 As a result, a range of project opportunities and process adjustments have been made to help align skills delivery and further embed the link between providers and business.
- 67 The most recent example of this realignment is the announcement of LSIPs which will be presented in early 2023. These plans provide both an evidence backed plan and an accompanying process to ensure that local skills needs are taken into account by local skills providers.
- 68 Wider factors such as clear careers pathways, digitisation, digital inclusion and financing of access to skills also impact in the take up and achievement of skills and need to be considered alongside curriculum and performance issues.
- 69 Work to develop the delivery plans for the IES will be undertaken with the established Economic Partnership theme groups and will utilise both the evidence base and the forthcoming LSIP.

Background papers

- None

Other useful documents

- Skills for Jobs White Paper, Department for Education (2021)

- The Skills and Post-16 Education Act, HM Government (2022)
- Skills Funding and Accountability reforms, Department for Education-Consultation (2021)
- Understanding current and future skills needs Policy Report, Skills and Productivity Board (2022)
- Developing workforce skills for a strong economy National Audit Office 2022
- Labour Market and skills demand horizon scanning DfE research report 2022

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Appendix 1: Implications

Legal Implications

The Skills and Post 16 Education Act places a duty for all skills providers - including the Council, to co-operate with Employer Related Bodies in the development and review of Local Skills Improvement Plans.

Finance

£2.74 million is currently available to the Council to deliver skills through the Adult Education Budget Contract. Countywide more than £12.5 million is available to providers on an annual basis.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None.

Appendix 2: Adult Education Budgets

Provider Name	Adult Education Budget (Allocated) Adult Skills	Adult Education Budget (Allocated) Community Learning	Adult Education Budget (Allocated) National Skills Fund - Level 3 Offer	Adult Education Budget (Allocated) 19-24 Traineeships
BISHOP AUCKLAND COLLEGE	£1,857,199	£151,157	£354,057	£0
DERWENTSIDE COLLEGE	£1,861,930	£0	£80,851	£0
COUNTY DURHAM COUNCIL	£799,514	£1,884,419	£45,451	£11,206
EAST DURHAM COLLEGE	£2,433,571	£0	£182,104	£0
NEW COLLEGE DURHAM	£2,019,670	£153,852	£51,360	£10,000
TOTAL	£8,971,884	£2,819,428	£713,823	£21,206

Appendix 3: Gatsby Benchmarks

Benchmark 1: Stable careers programme

Every school and college should have an embedded programme of career education and guidance that is known and understood by pupils, parents, teachers, governors and employers.

Benchmark 2: Learning from career and labour market information

Every pupil, and their parents, should have access to good quality information about future study options and labour market opportunities. They will need the support of an informed adviser to make best use of available information

Benchmark 3: Addressing the needs of each pupil

Pupils have different career guidance needs at different stages. Opportunities for advice and support need to be tailored to the needs of each pupil. A school's careers programme should embed equality and diversity considerations throughout.

Benchmark 4: Linking curriculum learning to careers

All teachers should link curriculum learning with careers. STEM subject teachers should highlight the relevance of STEM subjects for a wide range of future career paths

Benchmark 5: Encounters with employers and employees

Every pupil should have multiple opportunities to learn from employers about work, employment and the skills that are valued in the workplace. This can be through a range of enrichment activities including visiting speakers, mentoring and enterprise scheme

Benchmark 6: Experience of the workplace

Every pupil should have first-hand experiences of the workplace through work visits, work shadowing and/or work experience to help their exploration of career opportunities, and expand their network

Benchmark 7: Encounters with further education and higher education

All pupils should understand the full range of learning opportunities that are available to them. This includes both academic and vocational routes and learning in schools, colleges, universities and in the workplace

Benchmark 8: Personal guidance

Every pupil should have opportunities for guidance interviews with a career adviser, who could be internal (a member of school staff) or external, provided they are trained to an appropriate level. These should be available whenever significant study or career choices are being made. They should be expected for all pupils but should be timed to meet their individual needs.

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Economy and Enterprise Overview and Scrutiny Committee

19 December 2022

UK Shared Prosperity Fund Update



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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The purpose of the report is to provide an update on the UK Shared Prosperity Fund (UKSPF), setting out details of the UKSPF Investment Plan for County Durham. It also includes an update on the Multiply, an adult numeracy programme funded through UKSPF, and the new Rural England Prosperity Fund (REPF).

Executive summary

- 2 The prospectus for the UKSPF was launched on 13 April 2022 by the Government's Department of Levelling Up, Housing and Communities. It is a replacement domestic fund for EU European Structural Investment Funds (ESIF), which covered ERDF and ESF.
- 3 The primary goal of the UKSPF is to 'build pride in place and increase life chances across the UK'. UKSPF can be used to deliver activities under three investment priorities, Communities and Place, Supporting Local Businesses and People and Skills.
- 4 Lead authorities have been identified to deliver the funds, for County Durham this is the County Council, and the government has given each lead authority an allocation to manage. County Durham has a conditional UKSPF allocation of £30,830,613 and a Multiply allocation of £2,803,077, over the next three financial years (2022/23 to 2024/25).
- 5 To unlock the UKSPF allocation, the County Council was required to produce and submit a high-level UKSPF Investment Plan to government by 1 August 2022. For Multiply, its Investment Plan needed to be submitted by 30 June 2022.

- 6 Through the CDEP+ arrangements a programme of active engagement with a broad range of local and regional stakeholders was undertaken to develop the Plans. A robust evidence base was developed to identify local challenges and opportunities, which has been used to inform and prioritise activities that should be funded using UKSPF. This includes building a key statistical data set, analysis of feedback from the recent Big Econ-versation and mapping priorities with the County Durham Vision and emerging Inclusive Economic Strategy. This has been used to inform the prioritisation of investment priorities and activities that will delivery maximum impact and meet local needs.
- 7 Subject to Government approval of the investment plans funding would then be released. County Durham's Multiply Investment Plan was approved in September and activities have commenced. UKSPF Investment Plans were approved on 5 December 2022. While the Investment Plan was approved later than anticipated, the Council, in partnership with local stakeholders has been developing an implementation plan to identify potential activities and timescales for delivery, particularly for year one.
- 8 On 3 September 2022, the Government announced a new £110m Rural England Prosperity Fund (REPF). The new fund supports the aims of the Government's Levelling Up White paper and Future Farming Programme. It is aligned to the UK Shared Prosperity Fund and seen as a 'rural top-up' to this funding. It will provide capital grants to support activities that address challenges that rural businesses and communities face. As with the UKSPF, the REPF is an allocation and not a competition. Under the formula established by Government, County Durham has been allocated £3,500,000. To unlock this funding an addendum to the UKSPF Investment Plan needed to be submitted to government by 30 November 2022.
- 9 Durham County Council, as lead authority, will be the accountable body for these funds. It will be responsible for the ongoing management of allocation, including assessing and approving applications, processing payments and day to day monitoring. As per the guidance, it is required to establish a representative and balanced local partnership to guide and advise on the delivery of UKSPF funds. The existing, well-established County Durham Economic Partnership was broadened to incorporate wider representation, reflecting the nature of the Fund, for this purpose, forming a CDEP+ group. It has helped to develop the Investment Plans and will have an ongoing role in the Fund's governance arrangements.

Recommendations

- 10 Economy and Enterprise Overview and Scrutiny are recommended to:
- Note the content of the report.
 - Receive further reports as the programme continues to be implemented over the life of the programme (currently 2022/23-2024/25).

Background

- 11 The UK Shared Prosperity Fund (UKSPF) prospectus was published on 13 April 2022 alongside details of the three-year funding allocations. County Durham has a conditional UKSPF allocation of £30.8 million, this is predominantly a revenue grant scheme, with an element of capital funding, this starts at a minimum 90:10 revenue to capital split in 2022/3, increasing to 80:20 by 2024/25. A breakdown of this funding is provided in Appendix 2.
- 12 The overarching aim of UKSPF is to build '*pride in place and increase life chances*' through three core investment priorities: Local Communities and Place, Supporting Local Business and People and Skills (including Multiply, a new programme aimed at addressing low level adult numeracy). It is a central pillar of the government's Levelling Up agenda and 'will support its wider commitment to level up all parts of the UK by delivering on each of the Levelling Up objectives:
- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
 - Spread opportunities and improve public services, especially in those places where they are weakest
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 - Empower local leaders and communities, especially in those places lacking local agency.'
- 13 To access UKSPF funding a high-level investment plan needed to be submitted to Government by 1 August 2022. This needed to set out how the fund would be delivered and what priorities it would support. This included identifying local opportunities and challenges, and the selection of 'interventions' to be chosen from a menu of 41 different options, provided by government. Bespoke local interventions could also be identified where there was a clear theory of change provided to support this.
- 14 The Investment Plan required the funding allocation to be broken down against the interventions which most closely meet the needs,

opportunities and strengths of the county. A wide range of initiatives and schemes qualify for the fund, much broader than that previously funded through ESIF investment. A key challenge therefore was to agree and prioritise the investment priorities and interventions that would likely deliver the maximum local impact. To inform this a detailed evidence-based approach was taken, which included:

- establishing a core data set - including a baseline position for the county against the Levelling Up White Paper Missions, data from the recent economic analysis undertaken for the Inclusive Economic Strategy, and a detailed statistical evidence base, together with analysis of previous EU programmes, produced by the NELEP Evidence Hub,
- Thematic working groups of local stakeholders, looking at each of the three SPF priorities, to identify challenges and opportunities, share best practice on what works and look at gaps in provision,
- A stakeholder event, attended by over 90 partners to identify local challenges and opportunities. Thematic discussions explored what activities would have the biggest impact. What has worked in the past, and what hasn't? What could be done differently and whether there are any opportunities to work collaboratively to deliver the maximum impact under UKSPF
- Regional consultation events and round-table discussion with the main business representative organisations
- Reviewing key strategies, for example the County Durham Vision, feedback from the recent Big Conversation and the emerging priorities in the Inclusive Economic Strategy, to ensure strategic alignment.

15 This information was collated to develop an evidence base setting out a clear local model to underpin the prioritised areas of activity and chosen 'interventions' and how these lead to outcomes and outputs that meet local needs.

16 A number of guiding principles were also agreed to inform the development of the Investment Plan. Given the relatively short timescale given to submit the Plan it meant that places did not have to identify projects for funding at submission stage, or routes to market, and thus a more strategic approach its development to take advantage of the significant flexibilities UKSPF offer in comparison to previous EU structural funds could be adopted. A guiding principle has therefore, been to focus on a limited number of high-level interventions and outcomes that enable County Durham to maximise flexibility, as well

as adopt a more holistic approach to delivery over the funding period. It is also recognised that the challenges and opportunities faced by Durham's residents, businesses and communities can not be addressed by a single intervention in isolation, and an integrated response is required. It is therefore expected that delivery of the interventions will maximise synergies across these, with partners ensuring activity is coordinated and complementary, adds value and does not duplicate existing activity and funding.

County Durham UKSPF Investment Plan

- 17 The County Durham UKSPF Investment Plan sets out the evidenced challenges and opportunities under the Fund's three Investment Priorities of Communities and Place, Supporting Local Business and People and Skills. The specific UKSPF Interventions chosen to address these are set out in Appendix 3. A summary of the priority areas of focus are:

Communities and Place

- 18 Findings from Our recent Big Econ-versation and priorities within the County Durham Vision and emerging Inclusive Economic Strategy show there is a clear rationale for focusing investment to support improvements to town centres and high streets and stimulating vitality in these areas. Improvements to community and neighbourhood infrastructure will also be prioritised, including measures to increase community resilience, address digital exclusion and improve green infrastructure at a local level.
- 19 Support for the wider promotion of the County, building on the work undertaken to support the City of Culture bid and subsequent 'Culture County' programme, raising the profile of County Durham, its culture, tourism and heritage offer to encourage people to visit and explore the area. This will be supplemented with activities that support local arts, cultural, heritage and creative activities, including events.
- 20 The County Durham Vision and Big Econ-versation highlighted the strong community spirit that exists within the county, building on this a focus of activity is to support impactful volunteering and social action projects, particularly those that maximise impact by delivering community infrastructure and environmental improvement schemes, while also mobilising and engaging people to help improve access to employment and provide wider health and well-being benefits. Capacity building to support the delivery of this will be built in. This activity will also include a focus on preventative activities for young people to address NEETs.

Supporting Local Business

- 21 Activities that increase productivity within the county, providing a comprehensive and coordinated broad business support offer, strengthening the local business ecosystems, and providing support at all stages for businesses to start, sustain, grow and innovate. This will include support for social enterprise development linked to community wealth building.
- 22 Fostering of innovation and growth, including creating business accelerator programmes, incubators and workspace provision.
- 23 A focus on green technology and support for decarbonisation, recognising the County's climate change emergency. There will also be a focus on nurturing the county's sector specialisms and clusters, such as advanced manufacturing and engineering, as well as those sectors not well supported under previous funding schemes.

People and Skills

- 24 Providing a broad employment support offer, supporting inclusivity through tailored support, particularly for young people and adults from vulnerable groups to address their barriers to work and who have become disengaged from the labour market.
- 25 There will be a focus on activities to increase basic skills, which will also provide wrap around support to enhance and complement the Multiply programme offer.
- 26 There will be a broad skills support offer for the workforce, including skills support for redundancy. The offer will be adaptable to respond to sector pressures as identified through the emerging Inclusive Economic Strategy and meet the needs of growth sectors, aiming to address skills shortages. This will include for example, provision for green skills and those needed within local carbon sectors.
- 27 It should be noted that Government guidance states that funding from UKSPF for the People and Skills element is only to be introduced from Year 3, April 2024. The exception to this where there is activity being undertaken by the VCS only and it can be demonstrated that the VCSE organisation is both at risk from funding running out and where the activity is agreed as a priority for it to continue into future years. For Years 1 and 2, provision was made in the UKSPF Investment Plan for continuation of VCS activity funded by ESF and at risk, this includes the Reaching Out Across Durham (ROAD) project, delivered by Groundwork North East and Cumbria and DurhamWorks activity currently delivered by partner VCS organisations.

UKSPF Implementation

- 28 We received Government approved of the UKSPF Investment Plans on 5 December 2022, this was later than anticipated and therefore at this stage no projects have been formally approved. The council, however, has been developing an Implementation Plan to identify potential activity, this has included working in partnership with local stakeholders to co-design activity. A 'proposal' form was issued in the summer, while this was not an application form, it asked partners to register areas of interest for use of UKSPF in County Durham. A stakeholder event was then held in October, attended by over 120 people, with the aim of local partners collaborating on the co-design of potential activity, these proposals helped inform these discussions. Given the annual allocation in this financial year there has been a particular focus on identifying activity that can be delivered within 2022/23. This has looked pragmatically at projects and initiatives that are already in development to ensure we can meet delivery timelines and maximise the funding available to County Durham.
- 29 UKSPF will be delivered through a blend of open calls giving grants to public or private organisations, commissioning third party organisations, procurement of service provision and some in-house provision. The emerging Implementation Plan will include a framework on how activities will be brought forward, including delivery approaches and business process. This plan will be published on the website early in the new year following sign off by the Economic Partnership.

Multiply

- 30 In October 2021, the Government announced that a new £559m scheme to improve numeracy across the United Kingdom would be launched. In April 2022, the Government subsequently published an investment prospectus that provides guidance on how local authorities can access funding to improve the numeracy skills of adults through a new programme called Multiply, as well as details of indicative funding allocations for each Local Authority or Combined Authority.
- 31 Multiply is the first priority of the UK Shared Prosperity Fund (UKSPF) and is aimed at helping individuals to improve their ability to use maths in their everyday lives, both at home and in work. Funding is available to local authorities for the following three financial years to 2024-25, to enable adults aged 19+ without a level 2 or equivalent qualification in maths, to improve their numeracy through access to free and flexible courses.

- 32 The rationale behind Multiply is that nearly half of the working-age population in England (approximately 17m adults) have everyday maths skills that are equivalent to those expected of a primary age school child, with certain areas of the country (including the North East) being particularly affected. Through improving numeracy skills, the Government believes that more individuals will be able to access employment opportunities, leading to higher levels of income and wellbeing. The Government also believes that improving numeracy levels will have a positive impact on economic productivity.
- 33 An allocation of £2,803,077 of Multiply funding has been made to County Durham as part of the UK Shared Prosperity Fund. It will be available across three financial years from April 2022 to March 2025. Funding, not spent within each financial year, will be returned to DfE.
- 34 To secure the funding an Investment Plan needed to be submitted to Department for Education (DfE) by 30th June 2022. This was developed in partnership and built on a clear evidence base This was approved in September 2022 and work has progressed to develop and start delivering activities through this programme. Detail of this activity is set out in Appendix 4.

Rural England Prosperity Fund

- 35 On 3 September 2022, the Government announced a £110m Rural England Prosperity Fund (REPF). The new fund supports the aims of the Government's Levelling Up White paper and Future Farming Programme. It is aligned to the UK Shared Prosperity Fund and seen as a 'rural top-up' to this funding, providing capital grants to support activities that address challenges that rural businesses and communities face.
- 36 The aim of the REPF is to improve productivity and strengthen the rural economy and rural communities. The Rural Fund objectives sit within the UKSPF investment priorities for Supporting Local Business and Community and Place and will provide capital funding to support:
- new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams
 - new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy
- 37 The REPF will be able to fund projects within eligible rural areas. These are defined by Defra as areas with settlements with populations below 10,000 and market or 'hub towns' with populations of up to 30,000 that

serve their surrounding rural areas as centres of employment and services.

- 38 County Durham has been allocated £3,500,000, over the two financial years 2023/24-2024/25. To unlock this funding a Rural England Prosperity Fund addendum to the UKSPF Investment Plan needed to be submitted to Government by 30 November 2022. It is anticipated Government will then assess the REPF submissions with approval anticipated in January 2023 and first payments to local authorities expected in April 2023.
- 39 Through the CDEP+ arrangements a programme of engagement with a broad range of stakeholders has been undertaken to develop the addendum. This has been informed by a strong evidence base used to identify local challenges and opportunities and prioritise interventions that make maximum use of the grant available through the REPF, while complementing and maximising the delivery of the UKSPF programme in the county.
- 40 The interventions prioritised for the REPF will allow a wide range of activity under each, as well as the ability to flex delivery to meet changing economy conditions, and are set out below:

Rural Business

- 41 Intervention 1.1 - Small scale investment in micro and small enterprises – encouraging start up, expansion and scale up of rural businesses. Supporting business innovation, including new processes/technologies and routes to market, adoption of digitisation and greater energy efficiency measures. Encouraging diversification of the rural economy. Investment through the REPF will be coupled with a coordinated investment readiness support package provided through UKSPF, to provide an holistic response to growth ambitions.
- 42 Intervention 1.3 - Developing and the promoting the visitor economy – developing the County’s tourism attractions and cultural offer, and enhancing local visitor experiences, providing capital to support local arts and creative activities, including events.

Rural Communities

- 43 Intervention 2.2 - Investment in Capacity Building and Infrastructure Support for Local Civil Society and Community Groups. This is a broad intervention that provides opportunity for a wide range of projects to come forward that will support community-based solutions, providing investment to enhance community infrastructure needed to deliver local services, which supports rural prosperity. This activity is aligned to UKSPF, which supports the delivery of impactful volunteering and social

action projects that are rooted in our communities, mobilising and engaging people to help them improve access to employment and providing wider health and well-being benefits. By providing capital investment in technology and infrastructure it will support communities with their move towards net-zero, digitalisation and improve functionality to provide flexible spaces to meet future need, creating new opportunities that build community sustainability and resilience.

Governance

- 44 As Lead authority, the council is tasked with working with a diverse range of local and regional stakeholders, in a partnership setting to not only develop the Investment Plans but also to provide guidance on the delivery of the Funds. The guidance notes that in circumstances where a place already has a group that could be used, then the group can be designated for this Fund's purposes. Over the past 20 years, the County Durham Economic Partnership (CDEP) has regularly fulfilled this role in developing funding programmes. The partnership's membership has been enhanced, with broader representation to reflect the guidance, including all the local MPs, and a CDEP+ model has been established.
- 45 The CDEP+ Board is supported by its Technical Funding Support Group, which has delegated responsibility to act on behalf of the Board providing guidance and advice to the County Council on the strategic fit and deliverability of activity funded through UKSPF and REPF over the next three years, The County Council will remain the accountable body for the funds, responsible for the ongoing management of allocation, including assessing and approving applications, processing payments and day to day monitoring, ensuring the programme is effectively managed.

Conclusions

- 46 The UK Shared Prosperity Fund, including Multiply and The Rural Fund provides vital funding to support investment in innovation, businesses, skills and employment, creating jobs and growth in the County. It will play a key role in delivering the priorities in the county's new Inclusive Economic Strategy.
- 47 The Investment Plans have been developed in partnership, with broad engagement with stakeholders informing the evidence-based approach to its design, including collaboration on the co-design of potential activity. Through the CDEP+ arrangements a representative and balanced partnership will continue to engage partners in the delivery of the Funds. The CDEP+ Board will have oversight of this work as it develops, and this partnership and its networks will be utilised to

animate and mobilise both REPF and UKSPF programmes in order to raise awareness of the opportunities of the funding.

Background papers

- UKSPF: Prospectus 13 April 2022 [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/UK_Shared_Prospersity_Fund_prospectus_-_GOV.UK.pdf)
- REPF: Prospectus 3 September 2022 [Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/Rural_England_Prospersity_Fund_prospectus_-_GOV.UK.pdf)
- Multiply: Prospectus 13 April 2022 [Multiply Investment Prospectus \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/Multiply_Investment_Prospersity_-_publishing.service.gov.uk.pdf)

Other useful documents

- None

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Appendix 1: Implications

Legal Implications

Lead local authorities will receive a grant determination letter and Memorandum of Understanding setting out Fund requirements and obligations.

The council must comply with subsidy control rules for administering and awarding grant funding through the UKSPF and REPF. The granting of public subsidies to private enterprise is now regulated by the Trade and Cooperation Agreement (UK-EU TCA). The current 'de-minimis' threshold is £350,000 over a three-year period. It will be important to ensure that delivery of the funding as implemented adopts and follows the subsidy control rules in any payment to projects.

Internal rules relating to grant and procurement (in line with the Public Contracts Regulations 2015 which remain in force) will also need to be followed.

Finance

Durham County Council has been allocated £37.1m of UKSPF and REPF. Release of this funding is dependent upon Government approval of the UKSPF Investment Plan and REPF addendum. The funding will be paid annually in advance at the start of each financial year and will be paid over two years. DLUHC will consider withholding the next annual instalment until they have received credible plans setting out how the lead local authority will utilise underspends in the next year and/or appropriate milestones and spend have been achieved for the previous year. No funding will be provided for activity after 31 March 2025 and government will expect underspends in the final year of the programme (2024/25) to be repaid to them.

No formal requirement exists for matched funding for UKSPF/REPF however, Government would expect projects to identify match funding and leveraging options from the private, public and third sectors to demonstrate value for money.

Consultation

The Prospectus sets out the requirements for engagement with partners into both the development of the Investment Plan / Addendum and the ongoing management and implementation of the programme. A strong partnership approach has been adopted, through the existing CDEP+ arrangements. Broad stakeholder engagement has taken place to inform UKSPF and REPF. Stakeholder events were held on 4 July and 4 October 2022, attended by over

80 and 120 partners, respectfully. The latter event providing partners an opportunity to collaborate and inform the co-design of activity. The consultation material from the recent Our Big Econversation has also informed the evidence base used to develop the investment plans.

Equality and Diversity / Public Sector Equality Duty

The implications of the Public Sector Equality Duty are identified as a cross cutting theme throughout the UKSPF and REPF. At this stage the plans have identified interventions and not individual projects. All project proposals in appraisal, prior to their approval, will review the assessment impact and whether they have a positive or neutral impact on the duty.

Climate Change –

The achievement of a green economy is a key priority of the UKSPF Investment plan, and the net zero agenda is a further cross cutting aspect of UKSPF and REPF. Supporting businesses and communities work towards net zero has emerged as priorities within the areas of focus for UKSPF/REPF funding. It is expected that some of the interventions will contribute positively to net zero. At this stage the plans have identified interventions and not individual projects. All project proposals in appraisal, prior to their approval will be asked to provide evidence on environment impact and longer-term sustainability.

Human Rights

Not applicable

Crime and Disorder

Not applicable

Staffing

The management and administration of UKSPF will require additional staffing input. The Prospectus identifies up to 4% of the programme allocation is available to support administration of the programme and proposals for administration will be developed alongside the investment plan.

With UKSPF replacing the former EU funding regime, careful consideration of the cessation of current EU programmes is required given county council staff are currently delivering ESIF funded activity. This is particularly the case for staff delivering employability projects as UKSPF funding for under its People and Skills investment priority cannot be provided until 2024/25, potentially creating a gap in funding.

Accommodation

Not applicable

Risk

Overall, there is a risk that there will be considerably less funding going forward to support locally managed and delivered jobs and growth activity across County Durham by comparison with previous years.

There are also risks associated with the delivery of the UKSPF/REPF programme. Guidance published by the Government set out the headline criteria for the scheme, including the responsibilities of the Council in managing the grant. This included eligibility, procurement, publicity and monitoring processes. Other risks include fraud however, through a robust application process projects can be assessed before grant is awarded. The Council also has a successful track record in managing and delivering previous funded grant programmes, including the LEADER programme and being the recipient of over £73m of ESIF from the last programme period (2014-2020).

Procurement

Corporate procurement colleagues will be engaged in the process to ensure the Council delivers REPF in-line with the Fund's procurement guidance. As the Accountable Body, the council must ensure all proposed investment is compliant with Public Contracts Regulations 2015 and must follow the council's constitution and grant rules, processes and procedures where relevant.

Appendix 2 - UKSPF Funding Profile

	Year 1 2022/23	Year 2 2023/24	Year 3 2024/25	Total
UKSPF	3,741,580	783,160	19,605,878	30,830,618
UKSPF Capital	374,158	972,811	3,921,176	5,268,144
UKSPF Revenue	3,367,422	6,510,349	15,684,702	25,562,474
Multiply	847,441	977,817	977,817	2,803,075
REPF (Capital)	-	875,000	2,625,000	3,500,000
Total	4,589,021	2,635,977	23,208,695	37,133,693

Appendix 3 – Summary of Interventions and Investment

Communities and Place	Supporting Local Business	People and Skills
UK Shared Prosperity Funding		
UKSPF Investment £ 7.43m	UKSPF Investment £ 13.75m	UKSPF Investment £9.65m
<p>E1: Improvements to town centres and high streets.</p> <p>E2: Community and neighbourhood infrastructure projects</p> <p>E6: Local arts, cultural, heritage and creative activities</p> <p>E8: Campaigns to encourage visits and exploring of local area</p> <p>E9: Impactful volunteering and/or social action projects</p> <p>E13: Community measures to reduce the cost of living</p> <p>E14: Relevant feasibility studies</p>	<p>E23: Strengthening local entrepreneurial ecosystems at all stages of their development to start, sustain, grow and innovate, including through local networks</p> <p>E24: Training hubs, business support offers, incubators and accelerators for local enterprise (including social enterprise) to support entrepreneurs and start-ups through the early stages of development and growth</p> <p>E29: Supporting decarbonisation and improving natural environment whilst growing the local economy, and maximising existing or emerging local strengths in low carbon technologies, goods and services</p> <p>E31: Support relevant feasibility studies</p>	<p>E33: Employment support for economically inactive people, intensive support to move people closer towards mainstream provision and employment, supplemented by additional specialist life and basic skills</p> <p>E34: Courses including basic, life and career skills, including digital, English, maths (via Multiply) and ESOL</p> <p>E37: Tailored support for the employed to access courses to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.</p> <p>E38: Local areas to fund local skills needs, including technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications</p>
Rural England Prosperity Fund		Multiply
REPF Investment: £1.3m	REPF Investment: £2.2m	Multiply Investment: £2.8m
<p>Intervention 2.2 - Capital grant funding for investment in capacity building and infrastructure support for local civil society and community groups.</p>	<p>Intervention 1.1 - Capital grant funding for small scale investment in micro and small enterprises in rural areas.</p> <p>Intervention 1.3 Funding for developing and promoting the visitor economy</p>	<p>Intervention a - Courses designed to increase confidence with numbers for those needing the first steps towards formal numeracy qualifications.</p> <p>Intervention c - Innovative numeracy programmes delivered together with employers – including courses designed to cover specific numeracy skills required in the workplace.</p> <p>Intervention f - Courses for parents wanting to increase their numeracy skills in order to help their children and help with their own progression.</p> <p>Intervention i - Numeracy activities, courses or provision developed in partnership with community organisations and other partners</p>

		aimed at engaging the hardest to reach learners
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Appendix 4 - Overview of planned Multiply delivery

Intervention a - Delivery undertaken by subcontractors (those with existing contracts with DurhamLearn) and Durham Employment and Skills in Year 1. Procurement will take place in early 2023 for delivery in Years 2 and 3 which will be undertaken by subcontractors and DurhamLearn and Durham Employment and Skills.

Courses designed to increase confidence with numbers for those needing the first steps towards formal numeracy qualifications including for example:

- Cooking on a Budget
- Surviving Christmas
- Surviving January
- Money Management
- Navigating Cost of Living Increase
- Bespoke Numeracy related 'Clubs'

The target audience will be adults who have been referred from initial numeracy activities/ courses; those with low/ no skills; individuals with specific barriers to learning; hardest to reach/ furthest away from the labour market, although these courses can support individuals who are employed who would benefit from upskilling. There is potential overlap with the interventions below, but learners will only be counted once for the purposes of reporting to DfE. Work with local partners such as JCP and Citizens Advice will be required to support referrals.

Intervention c - Delivery undertaken by FE colleges, Durham Employment and Skills and DurhamLearn across all years.

Innovative numeracy programmes delivered together with employers – including courses designed to cover specific numeracy skills required in the workplace, with employers committing to offer career progression conversations for those achieving a qualification/completing a course. We know some of the biggest barriers that prevent adults from engaging in skills training are cost and time, including time off work. That's why we want to see local interventions that are delivered in partnership with employers, such as in the workplace and/or targeted at priority sectors to national and local economies (such as construction, manufacturing or adult social care).

The target group will include staff in local employers who are aged 19+ and who have not previously attained a GCSE Grade 4/C or higher maths qualification. They can either be already working towards a maths GCSE or Functional Skills Qualification but needing additional support alongside, need specific numeracy skills

for their work or progression, or just want to brush up on the skills to help them get on in life and work.

Courses are required in all areas of County Durham and where appropriate colleges should work with local partners to support access to Multiply and market/communicate the Multiply offer in their local communities/networks and via their own social media outlets. Multiply courses can be delivered either in classroom settings, remotely to suit the requirements of the learner, blended, or on a one-to-one basis.

Intervention f - Delivery undertaken by schools and Education Durham across all years.

Courses for parents wanting to increase their numeracy skills in order to help their children and help with their own progression - we know that evidence suggests that improving the education qualifications of a parent can also positively impact of the attainment of their child; as well as accrue benefits to the parent themselves. We are therefore interested in family numeracy programmes, such as those delivered through numeracy toolkits.

We would like to see a range of engaging activities which will provide parents with opportunities to develop their own numeracy skills, increasing their confidence and ability to support their child's learning, whilst at the same time helping their own personal and career progression. Courses/interventions should be designed to address the needs identified by the school in their own communities, based on their knowledge and experience of their pupils and parents, with the length and intensity of course/intervention created to suit those needs.

The target group will include parents/carers who are aged 19+ and who have not previously attained a GCSE Grade 4/C or higher maths qualification. They can either be already working towards a maths GCSE or Functional Skills Qualification but needing additional support alongside, need specific numeracy skills for their work or progression, or just want to brush up on the skills to help them get on in life and work.

Intervention i - Delivery by Multiply Champions from DurhamLearn across all years.

Numeracy activities, courses or provision developed in partnership with community organisations and other partners aimed at engaging the hardest to reach learners – We know that there is no one-size-fits-all when it comes to learning, that not all people will recognise that they necessarily have low numeracy, and that many future learners may not be close to stepping into a classroom.

We would like to see a range of short activities/courses designed to 'hook' learners, focusing on numeracy related themes determined by learner needs and being delivered within our communities. Partnership working is encouraged to engage harder to reach learners, particularly those within communities that are experiencing economic and educational deprivation and activities should support individuals who may be taking initial steps towards formal qualifications, as well as helping

individuals with everyday tasks such as cooking, shopping and managing household finances. Activities should support individuals who require better numeracy skills to help them to progress into more substantial learning and eventually and hopefully into employment. It is expected that links will be made where necessary with other Multiply providers to support progression to further appropriate numeracy courses.

The above courses/activities are required in all areas of County Durham, working with local partners such as voluntary and community sector organisations (food banks, housing associations, Citizens Advice etc), schools, One Point Hubs, other appropriate local services and other Multiply providers to support access to Multiply and market/communicate the Multiply offer in their local communities/networks and via their own social media outlets using the Multiply campaign branding.

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Economy and Enterprise Overview and Scrutiny Committee

19 December 2022



**Regeneration and Economic Growth –
Quarter 2: Forecast of Revenue and
Capital Outturn 2022/23**

Report of Corporate Directors

Paul Darby, Corporate Director of Resources

Amy Harhoff, Corporate Director of Regeneration and Economic Growth

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide details of the forecast outturn position for quarter 2 revenue and capital for Regeneration, Economy and Growth (REG) as at 30 September 2022.

Executive summary

- 2 This report provides an overview of the forecast of outturn, based on the position at quarter 2, 2022/23. It provides an analysis of the budgets and forecast outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis.
- 3 The position is that there is a forecast overspend of £0.621 million, against a revised budget of £57.802 million.
- 4 The service is forecast to require funding of £5.396 million to support budgets under pressure due to hyper-inflation on utilities and the effect of the 2022/23 pay award.
- 5 The service is forecast to require funding of £1.892 million (£1.476 million from quarter 1 and £0.416 million from quarter 2) from central contingencies to support budget shortfalls as a result of post covid pressures. This includes £1.482 million in respect of Leisure Centre Income, £0.296 million in respect of Catering income as a result of

hybrid working, £59,000 in respect of dual running costs and £55,000 in respect of the Queen's Baton Relay.

- 6 The revised service capital budget is £122.381 million with expenditure of £28.441 million as at 31 August 2022.
- 7 Details of the reasons for under and overspending against relevant budget heads are disclosed in the report.

Recommendation(s)

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

Background

9 County Council approved the Revenue and Capital budgets for 2022/23 at its meeting on 23 February 2022. These budgets have subsequently been revised to account for changes in grant (additions/reductions), budget transfers between service groupings and budget re-profiling between years (in terms of capital). This report covers the financial position for the following budgets of the services within the scope of this committee;

- (a) Revenue Budget - £57.802 million (original £54.934 million)
- (b) Capital Programme – £122.381 million (original £129.318 million)

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

Description	Change
Pay Award 21/22 and NI Changes	£0.652 m
Co. Archives – from Resources	£0.258 m
Corporate Health & Safety - from Resources to CPAL	£0.795 m
Business Support posts - from Resources to CPAL	£0.135 m
Business Support posts - from Resources to D&H	£0.040 m
HQ Dual Running Costs	£0.092 m
Centralised R&M – from AHS and CYPS to CPaL	£0.249 m
Business Support posts - from Transport to Resources	(£0.038 m)
Contribution to Reserves – Q1	(£0.794 m)
Use of Contingencies – Q1	£1.475 m
Total change	£2.864 m

11 The summary financial statements contained in the report cover the financial year 2022/23 and show: -

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

Forecast Revenue Outturn 2022/23

- 12 The service is reporting a cash limit overspend of **£0.621 million** against a revised budget of **£57.802 million** (1.07%).
- 13 The table below compares the forecast outturn with the budget by Head of Service. A further table is shown at Appendix 2 analysing the position by Subjective Analysis (i.e. type of expense).

Service Budget - Analysis by Head of Service £'000

	Revised Annual Budget	Forecast Outturn	Variance	Items Outside Cash Limit	Earmarked Reserves	Net Inflation Adjustment	Cash Limit Variance
Head of Service	£000	£000	£000	£000	£000	£000	£000
Business Durham	(377)	(865)	(487)		487		0
Economic Development	1,414	1,883	468		(523)	(34)	(89)
Planning & Housing	5,569	6,737	1,168		(253)	(358)	557
Corporate Property & Land	5,454	6,307	853	(59)	(582)	(143)	68
Culture Sport & Tourism	15,796	17,517	1,721	(357)	(306)	(905)	152
Transport	1,307	3,561	2,254		(1,101)	(695)	458
Communications Mgt	1,947	1,923	(24)		(15)	(71)	(111)
REG - Central Costs	26,692	29,418	2,726			(3,144)	(416)
Total	57,802	66,481	8,679	(416)	(2,293)	(5,350)	621

- 14 The cash limit overspend of £0.621 million takes into account adjustments for sums outside the cash limit such as redundancy costs that are met from corporate reserves and use of / contributions to earmarked reserves.

Cash Limit Outturn – Explanation of Over and Under Spending

- 15 The main reasons accounting for the outturn position are as follows:
- 16 Transport is forecast to overspend by £0.458 million against budget. In Strategic Traffic there is an overspend on Parking Services (£0.146 million) and traffic control measures for events (£70,000). In Integrated

Passenger Transport there is a reduction of £0.160 million in departure charges arising from the new Durham Bus Station capital scheme.

- 17 Corporate Property and Land is forecast to overspend by £68,000 against budget. Within Buildings & Facilities Management, there is a forecast overspend of £97,000, due to overspends of £44,000 within Admin and Civic Buildings (largely relating to rates) and £53,000 within Compliance (relating to staffing). Health & Safety is forecast to overspend by £55,000 due to expenditure relating to the PPE cell arrangements in place until the end of 2022/23. Strategy and Property Management is forecast to overspend by £21,000 due primarily to an overspend on consultants' fees and property management premises costs, largely offset by additional unbudgeted commercial properties income. There is also a minor overspend of £7,000 within Strategy and Project Development relating to staffing. Much of the above is offset by an underspend of £0.112 million on supplies and services within Service Management.
- 18 Planning and Housing is forecast to overspend by £0.557 million against budget. This is largely due to anticipated additional expenditure of £0.846 million in Housing Solutions with regard to temporary accommodation. This continues to be an issue as a legacy of the government initiative to protect and vaccinate all rough sleepers during the pandemic which required additional accommodation (in the form of B&B's and holiday lets). These are still required as these clients remain due to being the most difficult to house (including victims of domestic abuse fleeing homes as a result of lockdown measures). The above is partially offset by underspends of £83,000 elsewhere in Housing Solutions (largely relating to staffing and supplies & services). Care Connect is also forecast to overspend by £0.398 million. This is due to an overspend of £0.290 million on staffing as well as under-achieved income of £0.108 million in relation to the subsidised client income stream. The position is partially offset by additional net income of £0.463 million within Planning Development (planning & building control fees less anticipated additional appeals costs). There are further forecast underspends relating to Spatial Policy (£71,000) and Service Management (£70,000) – both largely staffing-related.
- 19 Economic Development is forecast to underspend by £89,000. This is largely due to an underspend on employee-related costs within Service Management as well as other areas across the service, partially offset by a minor overspend on staffing within Funding & Programmes.
- 20 Any over or underspend in relation to the activity of Business Durham is managed through an earmarked reserve and therefore there is no impact on the cash limit position. A contribution to reserves in 2022/23

is anticipated based largely upon current occupancy rates across a range of Business Space sites.

- 21 Culture, Sport and Tourism is forecast to overspend by £0.152 million against budget. The main reasons are a reduction in fine and reservation income in libraries (£83,000) and an unrealised MTFP saving of £0.190 million pending the full year effect of the current service restructure, offset by a slight increase in staffing vacancies.
- 22 Communications is forecast to underspend by £0.111 million against budget. This is due to significant underspends on employee-related costs.
- 23 Central costs are forecast to underspend by £0.416 million against budget pending a re-allocation of budget to services.
- 24 In summary, the service grouping is not managing to maintain spending within its cash limit and as a result needs to draw £0.621 million from the Regeneration Cash Limit Reserve.

Capital Programme

- 25 The capital programme makes a significant contribution to the regeneration ambitions of County Durham. The programme is relatively large and diverse and is managed by project delivery officers throughout the service.
- 26 The Regeneration, Economy and Growth Services capital programme was revised at year-end for budget re-phased from 2021/22. Since then, reports to the MOWG have detailed further revisions, for grant additions/reductions, budget transfers and budget re-profiling into later years. The revised budget now stands at £122.381 million.

27 Summary financial performance for 2022/23 is shown below.

Service	Revised Annual Budget 2022/23 £000	Actual Spend to 31 August £000	Remaining Budget 2022/23 £000
Planning And Housing	21,298	8,642	12,666
Economic Development	18,141	4,177	13,954
Business Durham	11,478	2,698	8,780
Corporate Property & Land	8,944	2,821	6,123
Transport	35,550	3,571	31,979
Culture Sport and Tourism	26,970	6,532	20,438
Total	122,381	28,441	93,940

28 Officers continue to carefully monitor capital expenditure on a monthly basis. Actual spend for the first 5 months amounts to **£28.441 million**. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the capital programme.

29 The key areas of spend during the year to date are on Culture and Museums (£4.585 million) and Housing Renewal (£5.529 million). Other areas of the programme are profiled to be implemented during the remainder of the year and at year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Background papers

- Cabinet Report (14 September 2022) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 June 2022.
- Cabinet Report (16 November 2022) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 September 2022.

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Appendix 1: Implications

Legal Implications

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by the Council in February 2022 in relation to the 2022/23 financial year.

Finance

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

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

Not applicable.

Climate Change

Not applicable.

Human Rights

Not applicable.

Crime and Disorder

Not applicable.

Staffing

Not applicable.

Accommodation

Not applicable.

Risk

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

Procurement

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

Appendix 2: REGENERATION Forecast Outturn at Q2 – Subjective Analysis

REG Subjective analysis	Revised Annual Budget	Forecast Outturn	Variance	Items Outside Cash Limit	Earmarked Reserves	Hyper Inflation Adjustment	Cash Limit Variance
	£000	£000	£000	£000	£000	£000	£000
Employees	70,598	69,270	(1,328)	0	0	(1,037)	(2,365)
Premises	19,461	23,705	4,244	0	0	(3,713)	531
Transport	1,674	1,774	100	0	0	0	100
Supplies & Services	22,767	28,563	5,796	0	0	0	5,796
Third Party Payments	45,626	52,172	6,546	0	0	(600)	5,946
Transfer Payments	0	0	0	0	0	0	0
Capital	15,217	15,217	0	0	0	0	0
Central Support	11,696	11,806	110	(416)	(2,293)	0	(2,599)
DRF	280	580	300	0	0	0	300
Grant	(8,634)	(13,270)	(4,636)	0	0	0	(4,636)
Contributions Summary	(18,241)	(18,717)	(476)	0	0	0	(476)
Sales Summary	(2,565)	(1,881)	684	0	0	0	684
Charges	(27,452)	(28,623)	(1,171)	0	0	0	(1,171)
Rents	(9,490)	(11,486)	(1,996)	0	0	0	(1,996)
Recharges	(62,308)	(61,815)	493	0	0	0	493
Other Income Summary	(827)	(814)	13	0	0	0	13
Total	57,802	66,481	8,679	(416)	(2,293)	(5,350)	621

Appendix 3: Regeneration, Economy and Growth Capital 2022/23

	Revised Annual Budget £000	Profiled Budget £000	Actual Spend to 31 August £000	Remaining Budget £000
General Fund				
Planning & Housing				
Chapter Homes	260	100	100	160
Disabled Facilities Grant /FAP	7,264	2,686	2,585	4,679
Housing Renewal	12,282	6,633	5,529	6,763
Housing Development	1,492	428	428	1,064
	21,298	9,847	8,642	12,666
Economic Development				
North Dock, Seaham	25	25	0	25
Town Centres	13,279	6,605	3,583	9,696
Town & Village Centre	3,154	753	198	2,956
Minor Schemes	180	45	45	135
Beamish Capital Project	1,220	0	0	1,220
Forrest Park	0	0	350	(350)
Strategy & Programmes Minor Schemes	284	0	0	284
	18,141	7,428	4,177	13,954
Business Durham				
Industrial Estates	11,478	2,714	2,698	8,780
	11,478	2,714	2,698	8,780
Corporate Property and Land				
Structural Capitalised Maintenance	6,117	823	925	5,172
Milburngate	58	58	392	(334)
Office Accommodation	2,768	1,646	1,484	1,284
	8,944	2,527	2,821	6,123
Transport				
Local Transport Plan	2,813	910	452	2,361
Transport Major Schemes	32,412	4,501	2,935	29,477
T&CS Minor Schemes	325	130	184	141
	35,550	5,541	3,571	31,979
Culture, Sport and Tourism				
AAP Schemes	13	13	0	13
Culture and Museums	14,605	4,770	4,585	10,020
Leisure Centres	12,294	871	1,947	10,347
Library	0	0	0	0
Outdoor Sports and Leisure Facilities	58	24	0	58
	26,970	5,678	6,532	20,438
REG Total	122,381	33,735	28,441	93,940

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**Economy and Enterprise
Overview and Scrutiny Committee**

19 December 2022

**Quarter Two, 2022/23
Performance Management Report**



Report of Paul Darby, Corporate Director of Resources

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To present an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlight key messages to inform strategic priorities and work programmes.
- 2 The report covers performance in and to the end of quarter two 2022/23, July to September 2022.

Executive Summary

- 3 A new [Council Plan](#) for 2022-2026 was approved by Council on 22 June. This set out a new performance framework for the Council. Corporate Management Team committed to the development of a new quarterly performance report format, providing greater focus on these issues. This is the second report for the new reporting period to follow this format.
- 4 The performance report is structured around the two main components.
 - (a) State of the County indicators to highlight areas of strategic importance and reflected in both the [County Durham Vision 2035](#) and the [Council Plan](#).
 - (b) Performance of council services and progress against major initiatives as set out in the [Council Plan](#).
- 5 Performance is reported against the five thematic areas within the Council Plan 2022-2026: our economy, our environment, our people, our communities, and our council.
- 6 Performance is reported on an exception basis with key messages under each of the thematic Council Plan areas being broken down into national,

regional and local picture, things that are going well, areas which require attention and other areas to note.

- 7 We are continuing our transition into a post-pandemic world, but the impacts of COVID-19 can still be seen in our performance reporting. The last two financial years are not representative for many areas of performance and will be an unfair comparison due to pandemic impacts.
- 8 We have therefore, wherever possible, tried to make the comparison of current performance against pre-pandemic data. Whilst COVID-19 continues to impact on certain performance metrics, there is evidence of some areas returning to pre-pandemic levels.
- 9 Her Majesty, Queen Elizabeth II died on 8 September and the county council were involved together with the Lord Lieutenant in the arrangements to mark this passing and the proclamation of the accession of King Charles III within the county. The official period of mourning and the additional national bank holiday for the date of the State Funeral on 19 September also resulted in several events being cancelled and the closure of public buildings.
- 10 The report highlights economic indicators are positive in several areas for the county, including higher employment levels, more apprentice opportunities, increased investment, high demand for business space and a recovering tourism sector.
- 11 However, the largest challenge for our residents, local businesses and the council is the current cost of living crisis. Inflation is currently running at 10.1%¹ with the Bank of England expecting to remain above 10% for a few months before starting to drop². The inflationary increase is largely driven by the rise in the cost of fuel and energy bills, which is being impacted significantly by world events, including the war in Ukraine, and currency markets.
- 12 The cost-of-living crisis has a triple impact on the council.
 - (a) It impacts on our residents. High inflation is outstripping wage and benefit increases so income is falling in real terms. This will result in increased demand for services to help support people facing financial hardship or who are in crisis and services provided to vulnerable people such as social care for children and adults.
 - (b) Increased costs for the council. Our premises and transport costs have increased because of the rise in energy costs and fuel prices, and, also the cost of other supplies and services where prices have increased as suppliers face similar issues themselves. It is also

¹ UK Consumer Price Index for 12 months to September 2022

² [Bank of England](#)

anticipated that employee costs will increase by more than in previous years when the pay settlement is negotiated to accommodate inflation.

- (c) Reduced income for the council. Users of council services may seek to save money resulting in a fall in income from discretionary services such as leisure centres and theatres.

- 13 Other areas which require attention relate to the employment rate for those with a disability, occupancy rates across our some of our town centres, and the increasing numbers of rough sleepers.

Recommendation

- 14 That Economy and Enterprise Overview and Scrutiny Committee notes the overall position and direction of travel in relation to quarter two performance, the continuing impact of COVID-19 and the increased cost of living on the council's performance, and the actions being taken to address areas of underperformance including the significant economic and well-being challenges because of the pandemic.

Analysis of the Performance Report

Going well

Our economy

- 15 Business Durham's property rental portfolio has an occupancy rate of 96%, up from 95% last year.
- 16 Almost 64,000 people attended our festivals during the quarter including 30,000 at Bishop Auckland Food Festival in April. Bishop Auckland Food Festival generated a direct economic impact of almost £420,000 - a 697% return on our £60,000 Investment. Evaluation of the festivals held this quarter and will be included in the quarter three report.

Our communities

- 17 During quarter two, regeneration projects supported 25 businesses and created 64 FTEs, 315m² of business space was brought back into use and 59 new retail businesses were engaged with. Seven businesses were supported by Targeted Business Improvement funding, 13 by Towns & Villages Programme, two by Seaham Townscape Heritage Programme, two by the Property Refuse Scheme (PRS) and one via Conservation Area Grant Scheme (CAGs).
- 18 In addition, 336 net new homes were delivered, and 68 empty properties brought back into use following local authority intervention.
- 19 Occupancy rates in six of the 13 town centres surveyed are above the national average of 86%: Seaham (94%); Barnard Castle (89%), Consett (88%), Crook (88%), Chester-Le-Street (87%) and Ferryhill (87%).

Areas which require attention

Our economy

- 20 Although the employment rate for those with a disability is statistically similar to last quarter (around 46%), the gap with England has widened over the last two years to 11 percentage points.
- 21 Although theatre performances were well attended during quarter two, cinema screenings had low audience numbers.
- 22 Although 97% of respondents to our survey rated the 'whole experience' at our theatres as 'good' or 'very good', only 70% rated the food and drinks facilities as 'good' or 'very good'. The main reason for dissatisfaction was long queues and slow service.

Our people

- 23 Verified rough sleepers continue to rise due to the current financial climate; of 328 reports, 139 rough sleepers were verified, up by 18 on last quarter. The rough sleeper team is seeing more new presentations to the streets rather than returners. Available accommodation does not meet demand.
- 24 Post-pandemic pressures have led to budget shortfalls in Leisure Centre income. Visitor numbers are being impacted by the current economic crisis, the temporary closure of the main pool at Consett for repairs to be undertaken and the temporary closure of Abbey Leisure Centre to facilitate the refurbishment works. £1.537 million has been utilised from central contingencies to support budget shortfalls as a result of post-COVID pressures in respect of leisure centre income.
- 25 Gym memberships are below target with cancellation rates higher than quarter one. There are no clear reasons why people are cancelling. 10% of people who participated in the Move programme have converted to a paid membership (affordability was identified as the main barrier for those who didn't).
- 26 Filling staff vacancies and providing training increased homelessness preventions by 42%, which in turn reduced the number of cases going into relief (down 7% compared to quarter one). Households where there was an acceptance of the main homeless duty has almost halved.

Our communities

- 27 Free wi-fi in Crook, Spennymoor and Consett has been further delayed to April 2023 due to the continued global shortage of hardware.
- 28 Although our selective licensing scheme came into effect on 1 April 2022, only 17% of eligible properties are fully licenced. A further 9% of properties have submitted applications.

Other areas of note

Our economy

- 29 Post-consultation engagement with all partners and stakeholders is now complete and the Inclusive Economic Strategy is scheduled to go to Cabinet for approval in December.
- 30 Inward investment, businesses intensively assisted, and businesses engaged with Business Durham all performed well this quarter. The County Durham Growth Fund awarded £127,879 to 12 small and medium-sized enterprises (SME) and Finance Durham awarded a further £200,000 to one company.
- 31 An additional £3.5 million of capital funding from the Rural England Prosperity Fund to support rural businesses and rural communities has

been received and we are investigating how to target this spending to best effect. An update will be provided at quarter three.

32 The business case for the £125,000 runner-up award (UK City of Culture 2025) has been approved by the Department of Digital, Culture, Media and Sport. A project plan has been developed for each work strand (place labs, programme development, congregate) and the rebranding to The Culture County will be launched shortly.

33 Although 146 households were helped save an average of £143 during quarter two (through Managing Money Better), making savings is becoming more difficult due to fewer competitive energy tariffs. More people contacted the team for advice on fuel debt.

Our environment

34 We have submitted a strategic outline business case to create a passenger rail service running between Weardale and Darlington.

Our people

35 307 more people presented to Housing Solutions during quarter two (+9%) compared to last quarter, mostly due to landlords wanting to sell their property, rent arrears, or family no longer willing to accommodate.

Our communities

36 The introduction of a Durham Rental Standard has been further delayed to December while we await legal advice on the proposal to provide funding to landlords to become accredited with the National Residential Landlords Association.

Performance Indicators – Summary

37 We are now transitioning into a post-pandemic world, but the impacts of COVID-19 can still be seen in our performance reporting. The last two financial years are not representative for many areas of performance and will be an unfair comparison due to pandemic impacts.

38 We have therefore, wherever possible, tried to make the comparison of current performance against pre-pandemic data.

Risk Management

39 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](#).

Background papers

- County Durham Vision (County Council, 23 October 2019)
<https://democracy.durham.gov.uk/documents/s115064/Draft%20Durham%20Vision%20v10.0.pdf>

Other useful documents

- Council Plan 2022 to 2026 (current plan)
<https://democracy.durham.gov.uk/mgAi.aspx?ID=56529>
- Quarter Four, 2021/22 Performance Management Report
<https://democracy.durham.gov.uk/documents/s157533/Year%20End%20performance%20report%202021-22.pdf>
- Quarter Three, 2021/22 Performance Management Report
<https://democracy.durham.gov.uk/documents/s152742/Performance%20Report%202021-22%20003.pdf>
- Quarter Two, 2021/22 Performance Management Report
<https://democracy.durham.gov.uk/documents/s149087/Q2%20Performance%20Report%202021-22%20-%20Cabinet.pdf>
- Quarter One, 2021/22 Performance Management Report
<https://democracy.durham.gov.uk/documents/s144872/Q1%20Performance%20Report%202021-22.pdf>

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Appendix 1: Implications

Legal Implications

Not applicable.

Finance

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

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

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

Climate Change

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

Human Rights

Not applicable.

Crime and Disorder

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

Staffing

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

Accommodation

Not applicable.

Risk

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

Procurement

Not applicable.



Durham County Council Performance Management Report Quarter Two, 2022/23



1.0 Our Economy: National, Regional & Local Picture

- 1 Over the last 15 months, more people have become 'economically inactive', (mainly returning to education, looking after family / home, or suffering sickness long-term). This suggests people are moving out of the labour market rather than into employment.
- 2 Although the employment rate for those with a disability is statistically similar to last quarter (around 46%), the gap with England has widened over the last two years to 11 percentage points.

1.1 Council Activity: Going Well

Business Durham Floor Space

- 3 96% of floor space is occupied: NETPark remains at 100%, industrial properties at 97% and offices at 89%. More than £1.8 million of income was generated during quarter two, £0.5 million more than the same quarter last year.

Business Durham: activity during quarter two

- 4 278 businesses were engaged and 143 assisted. Engagement events included Net Zero Carbon Business Showcase, supply chain / meet the buyer events for the Routes to Contracts Success / County Durham £ and Phase 3 of NETPark.
- 5 79 jobs were created and 267 safeguarded, which is on track to achieve the annual target of 1,500.

Better Health at Work (BHAW) Award

- 6 Five additional organisations expressed an interest in the BHAW award during quarter two. Business Durham has agreed to incorporate the award into their website thereby raising its profile.
- 7 A regional BHAW offer is being developed with the LA7 authorities, focusing on an organisation's contribution to good pay, meaningful employment and local economic regeneration.

Festivals

- 8 Just over 28,000 people attended Seaham Food Festival and more than 35,600 attended the BRASS festival. Evaluation of these events will be included in the quarter three report.

- 9 The Bishop Auckland Food Festival, attended by 30,000 visitors and 137 traders, generated a direct economic impact of £418,440. A 697% return on our £60,000 investment.

Visits to council owned museums during quarter two

- 10 There were almost 48,000 visits.
- Killhope Lead Mining Museum: 6,880 visitors - more than quarter one, following a busy summer programme, the café and gift shop continue to be popular.
 - DLI Collection at Sevenhills: 11,063 visitors - an increase on quarter one. Numbers include visitors to the DLI gallery and medal viewing, people engaged through formal/informal learning, visitors to Sevenhills, research enquiries and online visitors to our temporary exhibitions.
 - Durham Town Hall: 6,589 visitors - significant increase on quarter one (1,270) due to Durham Fringe Festival.
 - Bishop Auckland Town Hall: 23,336 visitors – lower than quarter one but income is up. The café remains popular with an increased income this quarter. Room bookings continue to increase.

1.2 Council Activity: Areas which require attention

Theatres: Gala, Bishop Auckland Town Hall and Empire

- 11 Theatre performances were well attended during quarter two, but cinema screenings had low audience numbers.
- 12 Theatres were impacted by the death of Her Majesty the Queen with two theatre performances and all cinema screenings over two days cancelled due to her funeral.
- 13 Overall, across the three venues, respondents to our survey³ rated the following as 'good' or 'very good':
- Ticket booking experience: 95%
 - Staff welcome: 95%
 - Food and drink facilities: 70%
 - Quality of event: 97%
 - Value for money: 96%
 - Whole experience: 97%
- 14 The most frequent causes for complaint in relation to food and drink facilities with long queues and slow service being cited as issues.

³ January to October 2022. After every performance, the survey is sent to attendees for which we have an e-mail address

1.3 Council Activity: Other Areas to Note

Inclusive Economic Strategy

- 15 Post-consultation engagement with all partners and stakeholders is now complete. The strategy is scheduled to be considered for approval by Cabinet in December.

Investments

- 16 During quarter two, there were two inward investments, 12 small and medium enterprises (SME) received a combined grant of £127,879 from the County Durham Growth Fund, an e-company received £200,000 via the Finance Durham Fund, and grants were paid through the Digital Drive Programme (designed to help small businesses better use digital technology).

Funding

- 17 An additional £3.5 million of capital funding to support rural businesses and rural communities has been received from the Rural England Prosperity Fund and we are investigating how to target this money to best effect. An update will be provided in quarter three.
- 18 The business case for the £125,000 runner-up award (UK City of Culture 2025) has been approved by the Department of Digital, Culture, Media and Sport. The grant must be spent by 31 March 2023. A project plan has been developed for each work strand⁴ and the rebranding to The Culture County will be launched shortly.

Employability programmes

- 19 Referrals increased during quarter two due to the Ukrainian settlement scheme (+143%). However, registrations decreased as language barriers increased the time to register, people gained employment before registration was complete and more clients were mandated to the Government's Restart Scheme.⁵
- 20 During the quarter, 91 people progressed into employment and seven into education or training from employability programmes.

Energy efficiency advice and support

- 21 Although 146 households were helped save an average of £143 per household during quarter two (through Managing Money Better), making savings is becoming more difficult due to fewer competitive energy tariffs. More people contacted the team for advice on fuel debt.

⁴ Place labs, Programme Development and Congregate

⁵ Enhanced support for Universal Credit claimants who have been out of work for at least 9 months

2.0 Our Environment

2.1 Council Activity: Other Areas to Note

Restoring Your Railway Programme

- 22 We have submitted a strategic outline business case to create a passenger rail service running between Darlington and Weardale.

3.0 Our People

3.1 Council Activity: Going Well

Housing Solutions

- 23 More people presented to Housing Solutions during quarter two (+9%) mostly due to landlords wanting to sell their property, rent arrears, or family no longer willing to accommodate.
- 24 Of the 924 households helped to stay in their home, 98% was due to advice and intervention work - 166 households received adaptations via a Disabled Facilities Grant and a further five via the Financial Assistance Policy (owner occupiers and loans). The remaining 2% (19 households) were helped to stay through negotiation / mediation with landlords, friends, or family.
- 25 237 households were helped to move into alternative accommodation during quarter two. Filling staff vacancies and providing training increased homelessness preventions by 42%, which in turn reduced the number of cases going into relief (down 7% compared to quarter one). Households where there was an acceptance of the main homeless duty has almost halved.

3.2 Council Activity: Areas which require attention

Rough Sleepers

- 26 Verified rough sleepers continue to rise due to the current financial climate: of 328 reports, 139 rough sleepers were verified, up by 18 on last quarter.

- 27 The rough sleeper team is seeing more new presentations to the streets rather than returners. Reasons for new presentations are clients who were previously sofa-surfing with friends or family, relationship breakdowns and impact of the cost-of-living crisis. There are fewer clients returning to the streets due to more longer-term options and support available through County Durham Lettings Agency (CDLA) and private rented sector.
- 28 However, the nine crash pads and nine complex needs beds do not meet current demand. CDLA is working with other departments to make properties available, and we are moving people ready to sustain mainstream tenancies to free up accommodation. During quarter two, 23 rough sleepers were assisted into long term accommodation.
- 29 The conversion of Shildon People’s Centre into four self-contained flats has been delayed to January 2023, due to additional asbestos being found.

Leisure Centres

- 30 Visitor numbers are being impacted by the current economic crisis. Other factors are the temporary closure of the main pool at Consett, the mourning period for Her Majesty the Queen and the temporary closure of Abbey Leisure Centre as part of the transformation programme.
- 31 10% of the 3,193 people who participated in the Move programme have converted to a paid membership with affordability being identified as the main barrier for those who did not.
- 32 Gym memberships are below target with cancellation rates higher than quarter one. A mechanism to collect feedback on the reasons for gym membership cancellations is now and we are now starting to collect and analyse this data.

4.0 Our Communities: National, Regional & Local Picture

- 33 Occupancy rates in six of the 13 town centres surveyed (46%) are above the national average of 86%: Seaham (94%); Barnard Castle (89%), Consett (88%), Crook (88%), Chester-Le-Street (87%) and Ferryhill (87%).
- 34 Occupancy rates in the remaining seven town centres are below the national average. Durham City (86%), Spennymoor (85%), Newton Aycliffe (80%) and Bishop Auckland (74%), are below the national average but have improved from last year.
- 35 Stanley (83%), Shildon (83%), and Peterlee (67%), are below the national average and show a slight decrease on last year.
- 36 Bus passenger numbers drastically reduced during the pandemic and services needed to be sustained by additional financial support. The council agreed to re-

direct funding from the English National Concessionary Travel Scheme (ENCTS) budget, which at that time was forecast to be under-claimed by around £2 million due to fewer passengers travelling.

4.1 Council Activity: Going Well

Housing of Ukrainian refugees

- 37 438 of the 524 people who had established contact with our residents through the national 'Homes for Ukraine' scheme have arrived in the county.
- 38 191 of the 253 sponsors have had guests arrive. Although there were 2,021 online expressions of interest for housing Ukrainian families, 1,768 links have not yet been made.

Empty properties

- 39 Of the 68 empty properties brought back into use due to local authority intervention, 11 involved CDLA interventions and 57 by other means, including advice and assistance and financial support via empty homes loans.

Businesses supported and jobs created through regeneration projects

- 40 During quarter two, 25 businesses were supported, and 64 FTEs created. Seven businesses were supported by Targeted Business Improvement funding, 13 by Towns & Villages Programme, two by Seaham Townscape Heritage Programme, two by the Property Refuse Scheme (PRS) and one via Conservation Area Grant Scheme (CAGs).
- 41 315 square metres of business space was also brought back into use as a result of businesses supported via PRS and CAGs.
- 42 Over the same period, we engaged with 59 new retail businesses.

Ease of travel

- 43 Bus passenger numbers remain subdued and temporary financial support is set to end in October 2022. The council has agreed to redirect the ENCTS budget during 2023/24 to support bus services across the county, subject to annual review.
- 44 Improvements of roads and footpaths include refurbishing a stretch of footpath from Claypath to the junction at Providence Row, and specialist cleaning in Durham Market Place, Magdalene steps and Old Elvet Bridge.

4.2 Council Activity: Areas which require attention

Housing Infrastructure Fund (HIF) Newton Aycliffe Housing Growth programme

- 45 Development of the outline planning application and masterplan for Low Copelaw are likely to be delayed to summer 2023 due to ongoing nutrient neutrality requirements.
- 46 Disposal of Woodham, Cobblers Hall and Congreve Terrace is on hold until off site mitigation measures for the nutrient neutrality legislation are identified.
- 47 The Low Copelaw infrastructure project is under review as we are looking to expediate works and change planning approach.
- 48 We are seeking to submit detailed planning application for Central Avenue and deliver these works, alongside Rushyford Roundabout, and Ricknall Lane in 2023/24.

Selective Licensing

- 49 Our selective licensing scheme came into effect on 1 April 2022. 4,844 private sector properties are now fully licenced, equating to an estimated 17% of all properties covered by the scheme. A further 2,581 applications are in the system, which equates to a further 9% of properties.

Digital Infrastructure Provision

- 50 Free wi-fi in Crook, Spennymoor and Consett has been further delayed to April 2023 due to the continued global shortage of hardware.
- 51 A new proposal, using alternative technology, is being developed for Durham City as we have been unable to secure the required licence agreements from building owners. However, this may exceed contract costs. The revised implementation date is currently unknown.

Durham City Heritage Infrastructure

- 52 Defect repairs in the Market Place, Silver Street and Saddler Street have commenced. The project at the Baileys has been delayed pending the outcome of the in-year Levelling Up Fund.

4.3 Council Activity: Other Areas to Note

County Durham Rental Standard⁶

- 53 The Durham Rental Standard has been further delayed to December while we await legal advice on the proposal to provide funding to landlords to become accredited with the National Residential Landlords Association.

⁶ a free hybrid accreditation scheme for landlords

Key to Symbols

Performance against target and previous performance		Performance against comparable groups		Direction of Travel	
✓	meeting or exceeding	✓	Performance is better than national or north east	↑	higher than comparable period
○	within 2%	×	Performance is worse than national or north east	→	static against comparable period
×	more than 2% behind			↓	lower than comparable period

NB: oldest data in left column

Types of indicators

There are two types of performance indicators throughout the report:

1. Key target indicators – targets are set as improvements can be measured regularly and can be actively influenced by the council and its partners; and
2. 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.

National Benchmarking (N)

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

North East Benchmarking (NE)

The North East comparator is the average performance from the authorities within the North East region - 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

Our Economy

Performance Indicator	Latest data (period covered)	Performance compared to:					Direction of Travel - last four reporting periods				updated
		Period target	12 months earlier	Pre-COVID	N	NE					
Increase employment land approved and delivered by 300 hectares (Ha) by 2035	5.51Ha (2021/22)	15.8Ha x	36.69Ha x	17.29Ha x	-	-	↓	↑	↑	↑	No
Narrow the gap between no. of private sector business per 10,000 pop. within County Durham and England	274 (2022)	Tracker -	271 ✓	263 ✓			→	↑	↑	↑	Yes
Narrow the gap between no. of private sector employments per 10,000 pop. within County Durham and England	2,651 (2020)	Tracker -	2,779 x	2,651 ○			↓	↑	↓	↑	No
Increase the level of GVA per filled job in line with national levels by 2035	£46,245 (2020)	Tracker -	£46,036 ✓	£46,245 ○			↑	↑	↑	↑	No
Increase the employment rate for 16-64-year-olds in line with national levels by 2035	72.4% (Jul 21-Jun 22)	Tracker -	71.2% ✓	71.1% ✓			↑	↓	↓	↑	Yes
Increase the proportion of residents with higher level skills in line with national levels by 2035	32.4% (2021)	Tracker -	31.6% ✓	31.6% ✓			→	↓	↑	→	No
Increase the number of organisations involved in the Better Health at Work Award	70 (2021/22)	Tracker -	81 x	75 x	-	-	↓	↑	↑	↓	Yes
Increase proportion of young people in education, employment and training to be consistently higher than regional and national levels	87.4% (Jun 2022)	above N / NE ✓	85.3% ✓	85.6% ✓			↑	↓	↑	n/a	No
Increase the % of 16-17-year-olds in an apprenticeship	5.6% (Jun 2022)	Tracker -	5.5% ✓	6.8% x			↑	↓	↓	n/a	No
Increase the overall disability employment rate / close the gap	45.7% (Jul 21-Jun 22)	Tracker -	48.1% x	47.4% x			↓	↓	↓	↓	Yes
Attract 11.96 million visitors to the county in 2021 (5% increase on 2020)	15.77m (2021)	11.96m ✓	11.39m ✓	11.39m ✓	-	-	↓	↓	↓	↑	No

Performance Indicator	Latest data (period covered)	Performance compared to:					Direction of Travel - last four reporting periods				updated
		Period target	12 months earlier	Pre-COVID	N	NE					
Increase the proportion of visitor attractions which are served by public transport (against 2021 baseline)	new PI	new PI	new PI	new PI	-	-	new PI	new PI	new PI	new PI	No
Reduce the number of heritage assets 'at risk' that are categorised as 'Priority A' and/or in 'very bad condition'	7 (2021)	Tracker -	8 ✓	8 ✓	-	-	→	→	→	↑	No
Number of council owned/managed heritage assets classed as 'at risk'	3 (2021)	Tracker -	2 x	2 x	-	-	→	→	→	↓	No
% of Business Durham floor space that is occupied	96% (Jul-Sep 22)	85% ✓	94.8% ✓	86.4% ✓	-	-	↑	↑	↓	↓	Yes
Gross jobs created / safeguarded as a result of Business Durham activity	346 (Jul-Sep 22)	375 x	2,015 x	1,001 x	-	-	↓	↑	↓	↓	Yes
No. of inward investments secured	2 (Jul-Sep 22)	1 ✓	8 x	4 x	-	-	↓	↑	↓	→	Yes
Amount of investments secured for companies	£775,982 (Jul-Sep 22)	£1.25m ✓	£911,728 x	-	-	-	↓	↑	↑	↓	Yes
No. of businesses supported by Business Durham (engagements)	278 (Jul-Sep 22)	250 ✓	103 ✓	204 ✓	-	-	↓	↑	↓	↑	Yes
No. of new businesses supported by CED Team	59 (Jul-Sep 22)	30 ✓	38 ✓	41 ✓	-	-	↑	↑	↓	↓	Yes
No. jobs supported by the visitor economy	10,063 (2021)	8,153 ✓	6,794 ✓	6,794 ✓	-	-	↓	↓	↓	↑	No
Amount (£ million) generated by the visitor economy	£826.6m (2021)	£608.40m ✓	£506.75m ✓	£506.75m ✓	-	-	↓	↓	↓	↑	No

Performance Indicator	Latest data (period covered)	Performance compared to:					Direction of Travel - last four reporting periods				updated
		Period target	12 months earlier	Pre-COVID	N	NE					
No of tourism businesses actively engaged with Visit County Durham	236 (2021)	Tracker -	new PI	new PI	-	-	new PI	new PI	new PI	new PI	No
FTE jobs created through regeneration schemes	64 (Jul-Sep 22)	18 ✓	-	-	-	-	n/a	n/a	n/a	n/a	Yes
No. of people attending cultural events/programme events	185,312 (2021)	Tracker -	new PI	new PI	-	-	new PI	new PI	new PI	new PI	No
Average number of tickets sold per cinema and theatre screening/performance during the quarter	41 (Jul-Sep 22)	TBC	16.68 ✓	74 x	-	-	↑	↓	↓	↓	Yes
No. of people attending Council owned museums (Killhope, DLI & town halls)	47,868 (Jul-Sep 22)	Tracker -	-	-	-	-	new PI	new PI	new PI	↓	Yes
No. of library members	215,398 (Apr-Jun 22)	Tracker -	229,793 x	233,904 x	-	-	↓	↓	↓	↓	No
No. of registrations to employability programmes	210 (Apr-Jun 22)	Tracker -	282 x	256 x	-	-	↓	↑	↑	↓	Yes
No. of participants on employability programmes progressed into employment / education or training	98 (Apr-Jun 22)	Tracker -	195 x	92 ✓	-	-	↓	↓	↓	↓	Yes
No. of households receiving energy advice from Managing Money Better (MMB) Initiative	146 (Jul-Sep 22)	Tracker -	124 ✓	209 x	-	-	↑	↓	↓	↓	Yes

Our People

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Performance Indicator	Latest data (period covered)	Performance compared to:					Direction of Travel - last four reporting periods				updated
		Period target	12 months earlier	Pre-COVID	N	NE					
Deliver at least 600 homes suitable for older persons by 2035	245 (2021/22)	43 ✓	new PI	new PI	-	-	new PI	new PI	new PI	new PI	No
Increase no. homes approved meeting accessible and adaptable standards by 5,613 by 2035	510 (2021/22)	400 ✓	new PI	new PI	-	-	new PI	new PI	new PI	new PI	Yes
No. of Chapter Homes houses built which are for Older Persons	new PI 0	TBC	new PI	new PI	-	-	new PI	new PI	new PI	↓	Yes
No. of Chapter Homes houses built which meet M4(2) standard	new PI 0	TBC	new PI	new PI	-	-	new PI	new PI	new PI	↓	Yes
No. of Council houses built which are for Older Persons	0 (Jul-Sep 22)	TBC	new PI	new PI	-	-	new PI	new PI	new PI	↓	Yes
No. of Council houses built which meet M4(2) standard	0 (Jul-Sep 22)	TBC	new PI	new PI	-	-	new PI	new PI	new PI	↓	Yes
No. of households accessing the Housing Solutions Service	3,748 (Jul-Sep 22)	Tracker -	3,505 ✓	3,361 ✓	-	-	↑	↑	↑	↑	Yes
No. of households helped to stay in their home	924 (Jul-Sep 22)	Tracker -	new PI	new PI	-	-	new PI	new PI	new PI	↑	Yes
No. of households helped to move to alternative accommodation	237 (Jul-Sep 22)	Tracker -	231 ✓	243 x	-	-	↑	↓	↓	↑	Yes

Our Communities

Performance Indicator	Latest data (period covered)	Performance compared to:					Direction of Travel - last four reporting periods				updated
		Period target	12 months earlier	Pre-COVID	N	NE					
Bring 200 empty homes back into use per year as a result of local authority intervention	68 (Jul-Sep 22)	50 ✓	54 ✓	48 ✓	-	-	↑	↑	↑	↑	Yes
Increase occupancy rate of all town centres to above national levels by 2035	46% (2022/23)	Tracker -	46% ○	62% x	-	-	↑	↓	↓	→	Yes
Increase the % of households (within a 5 mile or 15 mile radius) which can access key service locations using public transport	new PI	new PI	new PI	new PI	-	-	new PI	new PI	new PI	new PI	No
Increase the % of County Durham residents who can access employment sites by public transport	new PI	new PI	new PI	new PI	-	-	new PI	new PI	new PI	new PI	No
Maintain levels of satisfaction with bus operators at a minimum of 92%	92% (2019)	92% ✓	91% ✓	92% ○	-	-					No
Maintain a downward trend in the amount of Highways Maintenance Backlog	£171.2m (2020)	Tracker -	£172.6m ✓	£171.2m ○	-	-					No
Aim to increase levels of public satisfaction with highways maintenance above the national average.	44% (2021)	Tracker -	51% x	50% x			↑	↓	↓	↓	No
Increase net delivery of new housing by 19,620 units by 2035	336 (Jul-Sep 22)	327 ✓	407 x	431 x	-	-	↓	↓	↑	↓	Yes
Increase net delivery of affordable homes to contribute to meeting identified need of 12,540 by 2035	536 (2021/22)	836 x	478 ✓	628 x	-	-	↑	↑	↓	↑	No
Achieve 100% licensing of private rented sector properties covered by the Selective Licensing Scheme by 2027	17% (Sep 22)	Tracker -	new PI	new PI	-	-	new PI	new PI	new PI	n/a	Yes

Performance Indicator	Latest data (period covered)	Performance compared to:					Direction of Travel - last four reporting periods				updated
		Period target	12 months earlier	Pre-COVID	N	NE					
Reduce ASB rates within the Selective Licensing Scheme areas by 10% (against the 2021 baseline)	data Q3	new PI	new PI	new PI	-	-	new PI	new PI	new PI	new PI	No
% of A roads where maintenance is recommended	3.1% (2020)	Tracker -	3.0% ○	3.0% ○			↓	→	↑	↑	No
% of B roads where maintenance is recommended	3.0% (2020)	Tracker -	3.3% ✓	3.3% ✓			↓	→	↓	↓	No
% of C roads where maintenance is recommended	2.6% (2020)	Tracker -	2.3% x	2.3% x			↓	→	↓	↑	No
% of unclassified roads where maintenance is recommended	22.5%	Tracker	21.3%	21.3%			→	↑	↑	↑	No
	(2020)	-	x	x							
Bridge Stock Condition – Principal Roads	82.0% (2020)	Tracker -	81.1% ✓	81.1% ✓	-	-	↓	↑	↑	↑	No
% of recorded Category 1 highway defects repaired within 24 hours	97% (Jul-Sep 22)	90% ✓	95% ✓	98% ○	-	-	↑	↓	↑	↓	Yes
No. of fully licensed private rented sector properties in the selective licensed areas	4,844 (Sep 22)	Tracker -	new PI	new PI	-	-	new PI	new PI	new PI	n/a	Yes
No. of business supported through regeneration projects	25 (Jul-Sep 22)	10 ✓	new PI	new PI	-	-	n/a	n/a	n/a	↑	Yes
Public satisfaction with ease of access	77% (2021)	Tracker -	78% x	-	-	-	↓	↑	↓	↓	No
No. of Council houses built	0 (Apr-Jun 22)	TBC		new PI	-	-	new PI	new PI	new PI	↓	Yes

Performance Indicator	Latest data (period covered)	Performance compared to:					Direction of Travel - last four reporting periods				updated
		Period target	12 months earlier	Pre-COVID	N	NE					
No. of Chapter Homes properties sold	7 (Jul-Sep 22)	Tracker -	9 x	-	-	-	↓	↑	↑	↑	Yes

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Meeting: County Durham Economic Partnership Board

Date & Time: Tuesday 27th September at 10.00am

Venue: Durham Business Group, Belmont, Durham



Better for everyone

Present:	Name	Organisation/Pillar Rep
	Glyn Llewellyn (GL)	Chair
	Alison Gittins (AG)	Durham Business Group
	Andy Bailey (ABailey)	Partnership Team, DCC
	Andy Broadbent (AB)	People
	Bill Fullen (BF)	Inclusive Growth
	Kate Burrows (KB)	VCS Voice
	Michelle Cooper (MC)	VCS Voice
	Reshma Begum (RB)	Federation of Small Business
	Sarah Slaven (SS)	Business Competitiveness
	Sue Parkinson (SP)	Resources
	Tim Hammond (TH)	Innovation
	Angela Brown (ABro) (Minutes)	Durham County Council
Also in attendance via zoom:		
	Alex Gardiner (AG)	Metro Dynamics (Consultant)
	Andy Kerr (AK)	Durham County Council
	Claire Williams (CW)	Durham County Council
Apologies:		
	Amy Harhoff	Durham County Council

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
1.	Welcome and apologies	GL welcomed everyone to the meeting and thanked DBG for hosting the event today ABro listed the apologies		
2.	Minutes of the meetings: 24th May and 12th July 2022	The Minutes from the meetings in May and July were agreed as a true record with slight amendment to May's actions. AB had noted that Phil Teasdale was shown as being from New College Durham, and this should be Enterprise made Simple Action: <ul style="list-style-type: none"> • ABro to amend actions 	ABro	
3.	Matters Arising	There were no matters arising		
4.	Draft County Durham Inclusive Economic Strategy – Andy Kerr/Alex Gardiner	AG mentioned that she had given a presentation to the July meeting of the Board, where had she set out the suggested framework for the draft IES. There were a number of very good suggestions made at that meeting. Since then, she has moved to do first full draft of the Strategy, which has been circulated to all Board members and on which feedback will be sought over the remainder of this month. This may well result in significant changes. AG suggested that there were three things she would like to cover in the meeting : <ul style="list-style-type: none"> • To gain an understanding of whether the Partnership is happy with the direction of travel • To focus discussion on 2 areas <ul style="list-style-type: none"> ○ How the IES will handle how to highlight potential opportunities and whether it was appropriate to do this using specific projects. The suggestion is for the new draft to take out named projects. ○ The document as currently written doesn't really reflect that this is a Partnership document to be delivered by Partners, so views on how to achieve that would be welcome 		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
		<p>This information will inform the next draft of the IES</p> <p>AK introduced himself and shared slides with the Board members</p> <p>Action:</p> <ul style="list-style-type: none"> • ABro to circulate presentation <p>Questions</p> <p>ABailey felt that using DCC branding in the Strategy is potentially inappropriate and the use of the CDEP logo, with an introduction from CDEP, may be more reflective of the partnership ethos of the Strategy, noting that DCC is of course a member of the CDEP Board</p> <p>TH said he welcomed the idea of a partnership approach. He suggested that the document would benefit from having a clearly defined overall ambition, with the strategy then providing the plan to achieve this. He felt that a focus on productivity would be useful, particularly in the context of how that would be achieved, including through inward investment and new ways of working.</p> <p>BF agreed that the document as drafted would benefit from being a more overtly partnership document, and that a clear overall ambition, with the strategy setting out in broad terms how that ambition would be delivered, would render the document more in line with being an Inclusive Economic Strategy, which would have improved resonance with residents and businesses as a result.</p> <p>AB agreed with the points made. He advised that he had shared the current draft with the FE colleges which he represents on this Board. Overall, the view from the FE sector was that the document needed to be overtly collaborative and that care should be taken that it remained as a strategy, rather than, as currently, a hybrid strategy/development plan.</p> <p>RB also concurred with previous comments, and in particular from the point of view of the need to carry CDEP branding as a recognition of ownership. She made the</p>	<p>ABro</p>	

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
		<p>point that, as currently drafted, small businesses would view this as a County Council imposition rather than as a document representing a strategy of which they were part.</p> <p>In terms of the suggestion for working groups around each of the areas in the Strategy (“the 5 Ps”), it would be worth considering some discussions in the round to avoid possible silo mentality and recognising that actions in each area will underpin each other. RB also emphasised that, as a strategy to take us through until 2035, this needs to be recognised with an appropriate scale of ambition. Finally, RB made the point that the strategy needs to be sensitive to small business needs and constraints, as well as to those furthest from the workplace.</p> <p>MC reinforced the view that, as an Inclusive Economic Strategy, it needed to capture not only an intention to be inclusive, but a clear path to reaching those furthest from the workplace.</p> <p>SP felt that it was important to recognise that the work to date had taken us further than we have ever been before, and that having an Economic Strategy that felt that inclusivity was so important that it warranted being on the face of the document was a very big step. Inclusivity means not only of residents and of large and micro businesses, but also of wider stakeholders. She made the point that the next CDEP stakeholder event had attracted 110 registrations, and that this degree of partnership involvement will be a major benefit when it comes to leveraging the combined resources which will be needed to implement the strategy.</p> <p>SS suggested that the Strategy would be best served by avoiding referencing specific projects, which would be best left to the working groups who would develop the delivery plan.</p> <p>TH agreed, making the point that there was a difference between highlighting areas of opportunity to be pursued and developing a level of detail which would be out of place in a strategic document.</p>		

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
		<p>ABailey and KB emphasised the need to include rurality, and to ensure that rural solutions are included in the delivery plan</p> <p>AK thanked Board members for helpful comments and was of the view that we now have the right direction of travel. He agreed that the strategy needs to represent a step change through raised ambition. The delivery plan, which will succeed the Strategy, will be the road map of how the ambitions it contains are achieved. This will need to be robust, and would benefit from involvement of the Partnership Board as well as individual working groups.</p> <p>AG asked ABailey to provide the CDEP branding and thanked everyone for the discussion. She felt that, in addition to the points raised, further information on outcomes and targets will need to be included, and suggested that it would be useful to have the views of the Youth Council anchored into the document, perhaps by way of a foreword, together with the Chair of CDEP.</p> <p>Action:</p> <ul style="list-style-type: none"> • ABro to send branding for CDEP to AG 	ABro	
5.	Any Other Business	<p>SP said that, with the consent of the Board, she intended to bring a paper to the next Board meeting which would consider proposals to refresh the Partnership governing document. In particular this would adapt the current portfolio approach to re-align it to the “5 Ps” in the IES and also to refresh membership.</p> <p>Jon Gluyas who has been with the Partnership for a number of years, has tendered his resignation from the Board, and TH has taken his place. GL stated that he would like to write to JG on behalf of the CDEP, and brought the meeting to a close.</p> <p>Action:</p> <ul style="list-style-type: none"> • SP to bring paper to next Board reminding Board who partnership is and their roles • GL to write to JG 	SP GL	

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
	Date and time of Next Meeting	23 rd November 2022 @ 1.30pm at Salvus House, Aykley Heads, Durham		