

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 3 July 2023** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Surtees, A Batey, J Charlton, R Crute, M Currah, D Freeman, P Heaviside, G Hutchinson, R Manchester, R Ormerod, I Roberts, K Robson, M Stead, A Sterling, L Fenwick and C Varty

Co-opted Members:

Mrs R Morris and Mr E Simons

1 Apologies

Apologies for absence were received from Councillors G Binney, R Crute, C Lines, J Miller and K Shaw.

2 Substitute Members

Councillor J Charlton was present as substitute for Councillor C Lines. Councillor L Fenwick was present as substitute for Councillor J Miller. Councillor C Varty was present as substitute for Councillor K Shaw.

3 Minutes

The minutes of the Special Joint meetings held on 14 April 2023 and 5 May 2023 and the meeting held on 24 April 2023 were confirmed as a correct record and signed by the Chair.

4 Declarations of Interest

There were no declarations of interest.

5 Items from Co-opted Members or Interested Parties

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

6 Towns and Villages Programme

The Committee received a report of the Corporate Director of Regeneration, Economy and Growth which provided an update on the established Towns and Villages Programme (for copy see file of Minutes) and which:

- Set out the approach to delivery of the Towns and Villages Programme
- Highlighted the scale of current project activity underway and delivery completed during 2022/23
- Detailed the outputs achieved during 2022/23
- Noted links to wider programme delivery
- Provided a programme delivery timetable 2023/24 & 2024/25
- Provided target outputs to be achieved 2023/24

A Kerr, Head of Economic Development and G Wood, Economic Development Manager provided a detailed presentation which focussed on the following areas:

- Background
- Strategic Context
- Investment Plan
- Delivery to Date
- Outputs and Outcomes
- Case Studies
- Summary

The Towns and Villages programme is the main catalyst for place-based regeneration in communities across the county. It is a significant investment programme which leverages other funding opportunities through targeted spend and interventions in line with the approved Investment Plan.

It was confirmed that three separate reports in relation to the programme had been considered by Cabinet between 2018 – 2021 which set the programme principles, the five delivery themes and a full investment plan which was approved, with spend within the parameters. In addition, two full rounds of consultation with AAPs, identified local priorities and tested the investment plan assumptions. Town and villages task and finish groups were established within all AAPs to help guide expenditure. However, funding, delivery and planned works were reviewed as part of the Medium Term Financial Plan 13 considerations which had resulted in a continued commitment by DCC to the programme to move forward with the remainder of the spend.

In relation to the strategic context, members were informed that as part of the Devolution Deal, County Durham would benefit from the £48m per year investment fund with an initial £17m Brownfield Fund and new powers to drive regeneration including compulsory purchase powers, the ability to establish mayoral development

corporations, access to transport funding and various powers together with a specific rural element that would benefit County Durham. In addition, it was highlighted that the Inclusive Economic Strategy (IES) which centres around the five Ps with Place as one of the five Ps, Town and Villages Programme is one of the key drivers of that particular section of the IES and it was confirmed that the committee would be receiving and considering the draft IES Delivery Plan in September.

In relation to additional funding and investment it was confirmed that this totalled £94.2 m and it was confirmed that the Rural England Prosperity Fund and the Multiply Fund had both replaced previous EU funding pots. Detail was then provided of the various investment plan themes of Strategic Investments, Housing and Community, Environment and Health, Built Environment, Transport and Connectivity.

The thematic approach adopted by the programme allows a strategic framework for investment, which can align spend at a local level to locally defined priorities. It was explained that to the end of 2022/23, £6.3m had been spent and the next steps were to deliver the £12.9m committed spend and to work with local areas to prioritise the remaining £5.9m to create strong, successful communities across County Durham.

The Economic Development Manager then highlighted to members detail of the spend to date and committed under the respective themes, highlighting where there is funding remaining. In relation to outcomes, he highlighted that the programme had resulted in £20m match funding and had supported and guided wider investment funding of an additional £94m and had informed and supported the delivery of wider programmes including Reopening Your High Street, Welcome Back Fund, LAD Programme and the Communities and Place Investment Strand of the UK Shared Prosperity Programme 2022-25. He continued by confirming that a lot of match funding had flowed to areas in the county that would not have previously seen funding as a result of this programme and then highlighted the various activity focused on supporting the retail sector which had been delivered between April 2022 and April 2023.

The Economic Development Manager then highlighted the various outputs delivered as a result of the programme to improve towns and villages, encourage footfall and support retail in the county together with detail of the delivery of the programme by locations, showing a fair spread of activity across the county.

The Head of Economic Development then provided a summary confirming that £19m had been spent or committed to date, £20m of direct match funding from other funding programmes had been received, with an additional £94m of wider funding and investment in the county. He confirmed that the programme continues to be delivered in line with the established themes and the approved investment plan with the focus on delivery in deprived/left behind areas and linking development/investment packages to maximise impact. The focus is now very

much on delivering the £12.9m committed and allocating the remaining £5.9m with other funding pots such as the UK Shared prosperity Fund continuing to be looked at as future funding sources.

Councillor Sterling praised the good work that had been done but stated that spending on the digital high street was double than the spending on retail and believed that investing in retail was more important for town centres. In terms of her local area Delves Lane, Councillor Sterling explained that developments and events had been promised and asked when these were to be delivered.

The Economic Development Manager explained that in terms of the digital high street, this focussed partly on infrastructure and partly on resilience for businesses to help businesses become more independent and sustainable. The Economic Development Manager explained that the digital high street was more of a package and it was important to keep a balance between the different elements in the Programme. In terms of events, the Economic Development Manager explained that once town centres have had improvements, events are organised to encourage people to come and see the improvements. It was confirmed that works in Consett were planned to commence in July 2023 and an events programme would be considered following the completion of the works in January 2024. The Economic Development Manager agreed to keep Councillor Sterling updated with regards to this.

Co-opted member R Morris commented that it was important to fill empty units in town centres with the right businesses. The Head of Economic Development explained that the challenges facing high streets was an ongoing nationwide theme and advised that increasing the amount of leisure base uses and having a range of different uses, including residential accommodation, would help support traditional retail.

R Morris commented that in relation to empty units in our town centres, it is important to consider as to whether future businesses are viable, we need to ensure that businesses in our town centres are sustainable. She then went on to ask what the Towns and Villages Programme offered in terms of climate change and if new parking areas would be equipped with EV charging points. The Head of Economic Development explained that a corporate sustainability appraisal of the programme had recently been undertaken and he confirmed that EV charging points within car parks were included as a core element. He further advised that there had been investment into walking and cycling, and in terms of community resilience, energy improvements had been made to community buildings to help make them more sustainable.

R Morris further commented that in relation to green industries, we need to be looking at training requirements for the future and gave the example of retro fitting. The Economic Development Manager explained that they had worked with a range of leading edge suppliers for the green homes programme and that a range of

solutions had been considered. The Head of Economic Development noted that skills relating to this sector was an element within the Inclusive Economic Strategy (IES) and agreed to keep the Committee updated on this.

Councillor Robson asked what was being done in relation to the rollout of fibre broadband across the county as this could encourage business to locate to the county as well as increasing footfall in the town centres. He went on to explain that there had to be a reason to visit town centres, and whilst he appreciated that events attracted people, he stated that footfall after the event was not sustained. He expressed concern regarding his division of Newton Aycliffe, including land that was used as a multi storey car park and explained that the town was at risk of losing their bank and police station.

In response to Councillor Robson, the Head of Economic Development advised that the IES covered the need for fibre broadband in the county and he offered to contact the appropriate service and provide an update to the member. In terms of Newton Aycliffe town centre, the Economic Development Manager explained that the Towns and Village Programme considered the demands placed on town centres and assessed what uses should be included. In terms of Newton Aycliffe, the Economic Development Manager advised that discussions had taken place with owners in the town centre and they had put together their own plan which was put forward as a bid under round two of the Levelling Up Funding Programme. He advised that this bid had not been successful in round two but gave assurance that further discussions were taking place with regards to the car park and the relocation of the police station.

Councillor Batey was pleased to see that so many locations had benefited from the programme but expressed her disappointment with the lack of progression within the Pelton division. She advised that all properties within the village were occupied with a good range of uses but stressed that the village lacked the basic infrastructure with parking facilities inadequate. She continued that good projects had not been progressed and asked if the delays experienced were due to staff resources. The Economic Development Manager appreciated that some Members may feel that delivery had halted and explained that this was due to the size of the county, but he gave assurance that local need had not been lost in the programme and was hopeful that the necessary car parking facilities would be achieved in the lifetime of the funding. Councillor Batey went on to highlight that the Pelton division included the gateway to the coast-to-coast cycle track and explained that the carpark had been transferred on lease to Beamish Museum. She stated that she would like this car park to be enhanced and advised that discussions had taken place with Assets to transfer the car park back to the Local Authority and asked if the transfer could be progressed.

Councillor Varty expressed concern with bus services and noted that cancellation of services had impacted on villages. She also stated that in some parts of the county footpaths between villages had been lost. The Head of Economic and Development

advised that this was not within the scope of the Towns and Villages Programme but gave assurance that the Head of Transport and Contract Services was aware of these issues and that they had featured in the work undertaken on the IES.

In response to a question from Councillor Stead asking how Local Members could help feed into the delivery, the Economic Development Manager explained that Towns and Villages task and finish groups had been created and encouraged Members to engage with Area Action Partnerships (AAPs) and feed into these groups.

Councillor Freeman asked if an update could be provided regarding round three levelling up bids. The Head of Economic Development agreed to provide Councillor Freeman with a written response.

Councillor Surtees emphasised the importance of maintaining the social fabric of communities to improve the resilience of local communities. She expressed concern around the lack of communication Members had received regarding both strategic delivery and local delivery. She continued that some members have received a check list in relation to the delivery of the programme in their local area however other members have not received a check list and she highlighted the need for consistency in the information provided to members. She asked for confirmation as to whether private sector housing featured in the programme. In terms of private high street landlords, Councillor Surtees expressed concern regarding the use of public money to support private enterprise, commenting that private landlords often don't work with the authority and keep costs high, referencing Peterlee and stated that public money should be spent on public services and investment.

In response to Councillor Surtees question regarding the housing agenda, the Head of Economic Development explained that there is a strand within the Housing Strategy in relation to working with the private sector. With regards to the area of Peterlee, he accepted that this had been a challenging area but explained that they were working collaboratively to leverage investment. The Economic Development Manager further added that there were no large-scale grants available for institutional owners and all other grants were bound by subsidiary control. He further advised that investment into retail premises had generated investment from private businesses.

The Economic Development Manager continued that the authority is bound by rules and regulations when working with the private sector and commented that the grant support provided has resulted in the dividing up of larger properties/premises into smaller units which are currently very much in demand, this has assisted with vacancy rates.

Councillor Surtees asked for further information regarding checklists for the programme that related to specific villages. The Economic Development Manager clarified that the Towns and Villages Programme did not have a checklist but with

regards to communication, he agreed that further update would be brought to future meetings of the Committee providing detail of how it is delivered. It was noted that when officers visited an area for the Towns and Villages Programme, a scoping document was created to highlight any issues observed and this was then discussed with the Local Member. Councillor Surtees was given assurance that she would be engaged in this process going forward.

Councillor Moist, the Chair expressed his appreciation to Members for their involvement and emphasised the need to work strategically. He commented on the excellent report but stressed that as the Towns and Villages Programme was coming to an end, it was important for the Committee to look ahead to the UK Shared Prosperity Fund (UKSPF) and stated that more local based discussion was necessary. The Chair advised that it would be beneficial for a report to come back to a future meeting of the Committee to plan, in conjunction with Local Members, how funding from the UKSPF should be utilised.

Resolved

That the content of the report and presentation be noted.

7 Business Start-up Support

The Committee received a report of the Corporate Director of Regeneration, Economy and Growth which provided members with an overview of the current business start-up 'ecosystem' in County Durham, including the enterprise and start-up programmes which would conclude in June 2023 as ERDF funding came to an end. The report also provided an update on the work being undertaken to develop the future provision of business start-up support, enabled by the UK Shared Prosperity Fund and the Enterprising Durham Framework (for copy see file of Minutes).

S Slaven, Managing Director of Business Durham provided a detailed presentation. She advised that the start-up rates in County Durham had improved in recent years with the annual number of business 'births' increasing from 1,565 in 2018 to 1,810 in 2021 and that the survival rates of new businesses in County Durham were above regional and national figures. The Managing Director explained that it was timely to review the current start-up ecosystem and look at new ways to encourage and support more businesses to start-up in the County.

The Managing Director went on to advise that enterprise agencies were the main providers of start-up services and that three enterprise agencies existed in County Durham which covered specific geographical areas across the county. She explained that the two main programmes led by Business Durham were the Durham City Incubator (DCI) and Durham Ambitious Business Start-ups (DABS), both of which were part-funded by ERDF, with DCI running from 2019-2023 and DABS from 2020-2023. The DABS programme had supported 150 pre-start individuals, 130

new start-ups and created 16.68 FTE jobs. The DCI had supported 72 high growth businesses over 9 cohorts and collectively raised over £8m investment.

Finally, the Managing Director explained that the time felt right to review, reflect, and reshape start-up provision in collaboration with the organisations involved in the informal County Durham Start-up Provider Network, in order to build upon the good practice, lessons learned and recommendations set out in the ERDF Summative Assessment reports. It was highlighted that various delivery partners had come together through facilitated engagement and consultation, to develop the Enterprising Durham Framework. The Framework provides the foundation to build a start-up ecosystem that would deliver on the IES priority to provide excellent support at all stages for businesses to start-up, sustain, thrive and grow in County Durham.

Councillor Ormerod asked for further information regarding the programme's approach to students, and questioned if they relied on students coming forward with an idea or if outreach work was specifically done with them. He commented that students in Durham were talented and capable of starting up businesses but pointed out that this option may not have occurred to them. The Managing Director confirmed that Durham University had done a great deal of work with undergraduates. L Howe, Durham City Incubation Manager further advised that the start-up scheme had bloomed in Durham University over the past 3-4 years and commented that staff had done excellent work. He gave examples of the Blue Print Competition and the Game Changer where graduates tackle one of the UN sustainable development goals, these competitions had attracted students from all subjects. He explained that this had led to some great business ideas which subsequently led to the DCI. He also advised that he had worked closely with New College Durham to promote self-employment enterprise as an option. He confirmed that engagement had taken place with other colleges in the area and stated that this engagement would continue.

Co-opted member, R Morris referred to the recommended next steps in the report relating to the Enterprising Durham Framework and noted that only three of the recommendations had deadlines assigned and asked whether those without deadlines were therefore ongoing. She further asked if Members would be updated on the progress of the recommended next steps and asked how this would be communicated to the Committee. A Kerr, Head of Economic Development explained that an overview of the delivery of the UKSPF will be provided to the committee at a future date and that Enterprising Durham Framework features within delivery of the UKSPF. R Morris commented that it would be beneficial to develop the work done by Durham University as students presented real talent for the future.

Councillor Charlton asked if Business Durham were working with all further education colleges in County Durham or New College Durham only. The Managing Director confirmed that they were in discussions with all three further education colleges in the county and explained that colleagues had contacted any who had

not taken part in the workshops and provided them with the opportunity to be involved. Councillor Charlton further asked if sixth form colleges had been included in the programme. The Managing Director advised that sixth form colleges had not been included yet as Business Durham needed to focus on organisations that provided start-up activities, however she advised that consideration was being given on how to reach out to sixth form colleges and explained that enterprise within schools was being encouraged.

With regards to the DABS programme, Councillor Sterling noted that 16.68 full time jobs had been created by the start-ups supported and a further 10 jobs were estimated to be created by the end of the programme delivery. She asked whether the figures stated were separate to the 130 new start-ups created via DABS. The Managing Director confirmed that this was separate.

Councillor Robson asked whether the team had linked with careers advice in schools. The Managing Director confirmed that this was a priority that had come through the IES and although links had not been established with careers at present, she gave assurance that consideration was being given on how to make these connections going forward.

The Chair expressed concern regarding the allocation of funding from the UKSPF and stated that he would like to see more support given to local businesses. The Managing Director clarified that UKSPF funding totalled £30m and advised that £13m had been allocated to support local business and £2m of this was ear marked for start-up delivery on the ground. She explained that this was how the county had chosen to allocate the funding. The Managing Director noted that it was important to work with partners to determine the best use of this money and she offered to provide further information with regards to this at a future meeting of the Committee.

Resolved

That the content of the report be noted.

8 Quarter Four, 2022/23 Performance Management Report

The Committee received a report of the Chief Executive which presented an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlighted key messages to inform strategic priorities and work programmes. The report covered performance in and to the end of quarter four, 2022/23, January to March 2023 (for copy see file of Minutes).

G Wilkinson, Strategy Team Leader presented the report and highlighted the areas that were going well and advised of those that required attention. The Strategy Team Leader pointed out that the reference in the report to Seaham was incorrect and should have stated Spennymoor. The Strategy Team Leader informed the

Committee that going forward, performance management information would be presented visually.

Councillor Batey commented that the current way of viewing performance management was difficult to follow and welcomed a more visual approach. The Strategy Team Leader advised that quarter one would comprise of a narrative summary of the main points along with visual dashboards and stated that feedback from Members on the new approach was encouraged at the next meeting.

Resolved

The Committee noted the following:

- The overall position and direction of travel in relation to quarter four Performance.
- The continuing impact of COVID-19 pandemic recovery and the external international factors driving inflation and cost-of-living on the council's performance.
- The actions being taken to address areas of underperformance including the significant economic and well-being challenges because of the pandemic and other external factors.

9 Refresh of the work programme 2023/24

The Committee received a report of the Corporate Director of Resources which provided the Economy and Enterprise Overview and Scrutiny Committee (E&E OSC) with an updated draft work programme for 2023/24 (for copy see file of Minutes).

D Close, Overview and Scrutiny Officer highlighted that the work programme had been informed by key documents including: the County Durham Vision; the Council Plan; Cabinet's Notice of Key Decisions; performance and budgetary control data; various partnership plans and strategies and local priorities. She advised that para 13 and 14 looked back at the areas of focus for the committee during 2022/23 and included some areas from the previous work programme which had been carried forward for further consideration by members and noted that these were included in the draft work programme for consideration by Members.

The Overview and Scrutiny Officer went on to explain that to deliver the draft work programme, the Committee would need 5 scheduled meetings which run from September to April 2024, 3 workshops, 2 informal information sessions and 4 Joint special meetings with the Environment and Sustainable Communities Overview and Scrutiny Committee and at least one further special meeting of the committee. She explained that this was due to the extensive nature of the draft work programme.

Going forward, the Overview and Scrutiny officer emphasised the need for the work programme to be flexible to accommodate any additional items which may arise throughout the life of the work programme. Once members agreed the work programme, she explained that the Chair and Vice-chair would consider which items go to the various meetings of the committee.

Finally, the Overview and Scrutiny Officer asked Members to receive and comment on the proposed draft work programme, agree the work programme and the flexibility that it offered to respond to emerging issues and to identify a topic for in-depth or light touch review should they wish to do so.

Councillor Manchester suggested that members receive detail of the Supported Housing Improvement Programme, explaining that whilst some providers do support residents, there is concern about the lack/level of support provided by others with some residents remaining isolated from services they needed. Members need to be made aware of the Improvement Programme and how it will monitor providers in the county. The members agreed that this topic should be included in the work programme.

Councillor Batey commented that it would be helpful to have an update regarding the strategic development sites and gave the examples of the History Centre, DLI and Durham County Council Headquarters. The Chair agreed and stressed the importance of being kept up to date with the outcomes and the delivery timescales in relation to the major programmes.

The Chair acknowledged that the work programme for 2023/24 was extensive but included important topics and he thanked the Committee for their support.

10 Other Business

Members were reminded that a Housing Strategy Workshop open to all Overview and Scrutiny Members was planned for 10 July 2023 and were encouraged to confirm their attendance.

Members were also informed of a workshop that was to be held on 20 July 2023 for Economy and Enterprise Overview and Scrutiny Committee Members only and provided an opportunity to comment on the emerging Inclusive Economic Strategy Draft Delivery Plan. The Head of Economic Development advised that this workshop would be a facilitated session and a formal session would follow in September.