



Economy and Enterprise Overview and Scrutiny Committee

Date Monday 6 November 2023
Time 9.30 am
Venue Committee Room 2, County Hall, Durham

Business

Part A

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

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held 18 September 2023 (Pages 3 - 14)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Major Programmes and Projects:
 - a) Report of the Corporate Director of Regeneration, Economy and Growth (Pages 15 - 28)
 - b) Presentation by the Corporate Director of Regeneration, Economy and Growth (Pages 29 - 90)
7. UK Shared Prosperity Fund Update - Report of the Corporate Director of Regeneration, Economy and Growth (Pages 91 - 120)
8. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Helen Bradley
Head of Legal and Democratic Services

County Hall
Durham
27 October 2023

To: **The Members of the Economy and Enterprise Overview and Scrutiny Committee:**

Councillor B Moist (Chair)
Councillor A Surtees (Vice-Chair)

Councillors M Abley, A Batey, G Binney, R Crute, M Currah, D Freeman, P Heaviside, G Hutchinson, A Jackson, C Lines, L Maddison, R Manchester, J Miller, R Ormerod, I Roberts, K Robson, K Shaw, M Stead and A Sterling

Co-opted Members:

Mrs R Morris and Mr E Simons

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DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 18 September 2023** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Surtees, A Batey, G Binney, R Crute, M Currah, D Freeman, P Heaviside, G Hutchinson, R Manchester, R Ormerod, I Roberts, K Robson, K Shaw, M Stead and A Sterling

Co-opted Members:

Mrs R Morris

Also Present:

Councillor(s) C Marshall and E Scott

1 Apologies for Absence

Apologies for absence were received from Councillor C Lines and M Simons.

2 Substitute Members

There were no substitute Members.

3 Minutes

The minutes of the meeting held on 3 July 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 Strategic Sites - Update

The Committee received a report of the Corporate Director of Regeneration, Economy and Growth which provided the strategic context for economic growth in County Durham and the role of employment land in delivering that growth. It set out the existing employment land in the county, the allocations of employment land for future development, strategic employment sites and progress on delivery; and the allocation of future land for employment growth (for copy see file of minutes).

Amy Harhoff, the Corporate Director of Regeneration, Economy and Growth provided a detailed presentation to members with Sarah Slaven, Managing Director Business Durham and Mike Allum, Spatial Policy Manager in attendance to assist with questions. The Corporate Director confirmed that the report and the presentation also provided a breakdown of the various strategic sites in the county which linked to questions that had been previously asked by Overview and Scrutiny Committee members. In relation to the presentation she explained that it set out the economic context, what employment land we had and confirmed that this was set out in the County Durham Plan, details on what the major employment sites were, how Durham County Council supported businesses and jobs located at these sites and how the Council attracted investment.

Concerning the economic context the Corporate Director highlighted that County Durham needed to be 'punching its weight both regionally and nationally' and emphasised the opportunities that existed within the county that included a skilled workforce, high land availability, strategic locations with road and rail transport links, sector specialisms, a world leading university and Devolution. In relation to the distribution of land she explained that employment land were clusters of land that supported existing employment across the County. The larger sites were located along the A1 and A19 corridor as they had access to good transport links with the ability to move completed goods. There were peaks in figures to reflect the big sites taken forward and delivered on land over a five-year period.

The Spatial Policy Manager clarified that future employment land had been identified in the County Durham Plan (CDP) which was adopted in October 2020. There was a national requirement to review the plan every five years however the Levelling Up and Regeneration Bill currently going through Parliament included major reforms to the local plan preparation process with guidance expected later this year. As a result of this legislation DCC may need to review the CDP later next year, with a new plan requiring a new evidence base including a New Employment Land Review. It was confirmed that key evidence had been included in the Employment Land Review (ELR) on take up rates, demand for employment land and what areas investors were focused on. The ELR would be updated as part of preparations for a new County Durham Plan.

The Corporate Director of Regeneration, Economy and Growth stated that the scale and scope of land for growth, good transport networks and connectivity that reflect the private sector at a regional and national level with a high profile makes a good employment site for investors. DCC continued to monitor the demand for these sites.

The Corporate Director then provided members with key facts in relation to the various strategic sites in the county: NETPark; Durham Innovation District (Ayckley Heads); Forrest Park; Integra 61 and Jade Business Park and then highlighted other major existing employment sites including Aycliffe Business Park, Peterlee Industrial Estate, Seaham Spectrum Business Park with concentrations of employment around Bishop Auckland, Spennymoor, Consett, Stanley, Chester-le-Street, Durham City and Barnard Castle. It was confirmed that the support provided to these sites was different to that provided to the strategic employment sites with strategic sites having more land to develop and the return on investment having to meet the level of borrowing. In addition, DCC was involved in the development of other sites including Station Place at Merchant Park, South Church Enterprise Park, Drum Industrial Estate and the Bracken Hill Business Park.

The Managing Director, Business Durham noted that support was provided to attract inward investment including infrastructure provision, trade events and a bespoke approach to individual enquiries as well as supporting businesses through an account management approach to understand their expansion requirements and provide softer support to help navigate the market for example funding and finance options such as the Council's Finance Durham Fund. There were small incubator connections and networks to support new businesses to grow. She stressed that every business had access to Business Durham for advice and support which had seen significantly more enquiries emerging. She stated that there had been a high capital programme in the last ten years that was a reflection in external grants claimed as it was important to access funding to resource growth.

Councillor Crute commented that he thought it made sense to attract businesses along the A1 and A19 corridor as the key word was accessibility. He was unsure how it would affect outlying towns and villages that were located in more rural areas and highlighted that there was a need to consider how we ensured these employment sites were accessible for residents living in all our Towns and Villages across the county. He continued that the authority had received reduced transport funding and queried if funding was available through the UK Shared Prosperity Fund (UKSPF) as within the Devolution deal it appeared that Durham County Council would be locked out of transport funding for three years until 2028. He continued by asking for clarification as to whether the Inclusive Economic Strategy (IES) Delivery Plan which was to be considered by the committee in October under the 'Place' theme would provide any more information on actions to address transport links to employment sites across the county.

The Corporate Director of Regeneration, Economy and Growth stipulated that every development required a travel plan to ensure that transport was accessible. Additional work had been progressed at the Park and Ride schemes for the larger sites. The Devolution deal would not enable Durham County Council to access transport funds for the first three years but the authority had the Bus Services Improvement Plan (BSIP) delivery plan to progress the development of passenger services within the county. She continued that the economic improvement plan was critical to support the strategic sites and there was an expectation that Durham would see future investment in passenger transport services to improve accessibility. She acknowledged that the provision of public transport to rural areas within the county was a challenge.

Councillor Crute requested further information on the IES delivery plan. The Corporate Director confirmed that more information would be provided at the October meeting of the committee.

Councillor Surtees asked if the sale of the HQ at the Sands had hindered the development of the Aykley Heads site and the potential 6000 jobs. She noted that there were no figures reported for current jobs at the site. She remarked that the terminology used in the report regarding a 'new DLI Museum' at Aykley Heads was misleading and should be amended.

The Corporate Director of Regeneration, Economy and Growth responded that there were no figures reported for current jobs at the Aykley Heads site because figures were forecast on these sites and the potential jobs would be 4000. The additional capital monies from the sale of the HQ at the Sands were included in the Medium Term Financial Plan process. She agreed to look at the wording in the report to reflect the new branding and identity of the former DLI museum.

Councillor Surtees reiterated her question as to whether the sale of the HQ at the Sands had delayed the development plan posed for the Aykley Heads site and was it potentially two years behind schedule. She continued by asking for clarification that if the HQ had not been sold would the development of the Aykley Heads site had progressed further.

The Corporate Director of Regeneration, Economy and Growth answered that the Aykley Heads site was now a broader development proposal, it had now a joint venture proposal, which was a different proposition to when the original proposal was considered. She felt that the joint venture at Aykley Heads was progressing at a pace as expected.

Councillor Moist confirmed that the Aykley Heads site would be reviewed at a later stage in the work programme of the Economy and Enterprise Overview and Scrutiny Committee. He was concerned that the proposed number of jobs for the site had dropped significantly from 6000 to 4000 and queried why it had reduced.

The Corporate Director of Regeneration, Economy and Growth stated that the numbers were forecast in 2018 and at that time had included the plateau area which was in the Green Belt. This area was subsequently removed from the site.

Councillor Sterling asked about the time scales involved for sites to maximise the number of jobs expected. She enquired if businesses were vetted on the number of employees they would bring forward. She gave Jade Business Park as an example which in phase 1 it had 7 units that were full and queried if this was on track to deliver the number of jobs that had been expected versus the reality of how many there actually were at present. She congratulated Business Durham on the recent networking event that had been held at Consett Business Park to support smaller businesses. She believed it had been well received by everyone who attended and participated.

The Managing Director Business Durham stated that a forecast was always made on the amount of space against the different metrics and type of expected business occupiers to determine the number of potential employees for a site. With some applications a unit would be taken to provide growth capacity but did not create large numbers of jobs on day one. She emphasised that all sites were at the expected level in the phases of their development.

Councillor Stead referred to the new Mayoral Combined Authority and the £4.2 billion of investment for the region including £1.4 billion investment fund together with significant funding for transport, education, skills, housing and regeneration and asked that in relation to public transport would County Durham receive extra funding from the Combined Authority and would the £1 and £2 fares scheme currently running across the county continue. He continued by asking if Business Durham supported businesses within the Drum Industrial Estate at Chester-le-Street, what the occupancy levels were currently and whether there was land available for the further development of the site. He questioned why the Leisure Centre Investment was shown as being down for the year and not operating at the maximum.

Councillor Moist informed the Committee that the Leisure Transformation Programme would be addressed later in the committee's work programme.

The Corporate Director of Regeneration, Economy and Growth replied that it was forecast that the devolution deal would bring £4.2 billion of funding to the Northeast. As Durham was the largest Authority there was an expectation that there would be significant investment in Early Years that would need to be spent by 2026 along with additional funding for Regeneration. Work was ongoing regionally to develop an investment plan and that County Durham was developing its own investment plan which would draw out clear priorities and play into the development of the regional plan. The Leisure Centre report was due in the Autumn that would identify the next steps for leisure within County Durham.

The Managing Director Business Durham confirmed that Drum Industrial Estate had an active business network, supported by Business Durham, with a mix of private small companies and larger businesses for example in the logistics sector located on site. She agreed to confirm the current occupancy as the small units had a high turnover and also to clarify the position in relation to any further land for development in the area.

Cllr Stead asked for confirmation as to whether there was any land available for further development.

The Managing Director Business Durham agreed to investigate and provide a response to the member.

Councillor Freeman was impressed that the Business School and Atom Bank had been retained in the city within the innovation hub. He asked why it was thought that the site would attract high quality jobs and for detail of timescales as to when there would be units built at Framwellgate Waterside and Aykley Heads.

The Corporate Director of Regeneration, Economy and Growth reiterated that it was great that Durham City had retained the Business School and Atom Bank Research making it an innovation hub rather than a business park. These organisations would help attract high value jobs to the area and confirmed that, this had previously happened with NETPark at Sedgfield which was developed around growth sectors and commented that there was no reason that the county could not do this again. Aykley Heads was a phased joint venture to develop over eighteen months. Durham County Council were in the early stages that would look to short list potential investors. This would be followed by an extensive procurement process and it was intended to move quickly with the development of the site.

The Innovation Strategy would include the demolition of County Hall and delivery of a cleared site with the development of the site taking place over several years.

Councillor Marshall commented that he was frustrated in relation to the Integra 61 site, that it had taken years to get movement on this site but other sites had progressed at a faster pace. He queried as to how Durham County Council could get the accountability right with partners investing in the area to keep to development timescales. He was concerned that political uncertainty in the Council was holding back investment from the private sector, the sector was losing confidence in the authority as they had no guarantee in relation to future policy and he commented that there needed to be collaboration within the authority to ensure the development of these sites in the future. He stressed that Durham could not afford for politics to get in the way of moving forward.

Councillor Marshall thought the devolution deal could be lucrative but as Durham were slow to the negotiations, he felt we could lose out if we did not build relationships at a regional level. He was concerned that grant monies had been paid back to the Government as the Council had not spent the funding. He continued that this should not be the position that the authority found itself in going forward and concluded by highlighting the need to consider how we would get investment into smaller sites across the county.

The Corporate Director of Regeneration, Economy and Growth acknowledged that Integra 61 had not progressed at the pace as first anticipated when the agreement was signed. However, the Council were subject to conditions in a commercial contract signed at the time which would be reviewed as appropriate. In terms of the devolution deal there was money available for regeneration and work had been developed around this but there was still a lot to accomplish and engagement with Members was key.

The Managing Director Business Durham reported that monies would be available through the UKSPF, the Prosperity and Growth Scheme had been launched providing £4m in grants to support our industrial estates across the county. This would be an opportunity to look to see how this funding could be used to support businesses across the County to expand and become more productive.

Councillor Moist stated that the report pinpointed delivery and was full of promise however he wanted to see more action in relation to delivery across the sites. In terms of inward investment he thought Durham was stagnant in comparison to other areas which seemed to progress at a faster pace. He queried if there were targets that had to be achieved.

Councillor Stead queried how good businesses could be attracted to the city centre, what was accountable and what successes there were. He felt that the perception of the North East might hold Durham back.

Councillor Moist asked whether the Aykley Heads site would attract employers from other sites in the county. He continued by asking whether we had sites in the correct locations with the right mix of businesses. He continued by commenting that Durham needed to keep up with demand for business locations and gave the example of development in Chester-le-Street and asked whether the Drum Industrial Estate could be expanded through the planning process or what were the plans for the Go North East bus depot and the former Civic Centre site as it was unclear if this was to be used for a leisure centre or whether for industrial use rather than houses.

The Corporate Director of Regeneration, Economy and Growth informed the Committee that in the long term 25,000 jobs were to be created by 2035. In the early years figures would be lower as businesses established themselves. Delivery of all sites were where they were expected to be. Although Durham appeared to be stagnant it was in line with the region. In relation to the performance of the economy, targets would be set including comparisons and they would look at better targets for the economy going forward. She welcomed Scrutiny to challenge action and get a picture of the context. She highlighted that the current backdrop was extremely challenging with increased energy bill prices, the rise in inflation and the affects from the pandemic.

The Managing Director Business Durham stressed that on a national level Durham was on target in relation to inward investment and in some respects ahead of target. However, they were not huge size companies but Durham was performing well in the current economic context. She acknowledged that inward investment did not always come to fruition within one year but the groundwork helped to secure the investment in future years.

Councillor Moist commented that he wanted more jobs and prosperity for County Durham and was concerned that Durham was starting from behind the UK average.

The Corporate Director of Regeneration, Economy and Growth responded that although Durham was behind in the economy nationally it was on target regionally and on par with similar authority areas to Durham.

Councillor Surtees requested information as to where the capital receipt from the sale of the HQ would appear in the MTFP.

The Corporate Director of Regeneration, Economy and Growth agreed to look into this and provide a response.

Resolved

That the content of the report was noted.

7 Quarter Four: Revenue and Capital Outturn 2022/23 and Quarter One: Forecast of Revenue and Capital Outturn 2023/24

The Committee considered two joint reports of the Corporate Director of Resources and the Corporate Director of Regeneration, Economy and Growth. The first provided details for the final revenue and capital out turn position for the Regeneration, Economy and Growth (REG) service grouping in 2022/23 that highlighted major variances in comparison with the budget (for copy see file of minutes).

Ed Thompson, Finance Manager Resources and Regeneration was welcomed to the Committee as the replacement for Ian Herberson. He gave an update on the final outturn for 2022/23 that looked at the revenue and capital for the previous year. In relation to the revenue account the service reported a cash limit variance (overspend) of £0.698m against a revised budget of £57.77m. The REG Cash limit balance carried forward at 31 March 2023 was £1.373m and other earmarked reserves under the direct control of REG total £25.297m. The report provided details of the areas of underspend and overspend within the service accounting for the outturn position.

In relation to the capital account actual spend to 2022/23 amounted to £76.159m from a total capital budget of £84.73m with key areas of spend highlighted in the report.

It highlighted the revenue breakdown for each service that was spent on utilities and fuel. There was an overspend against the comparison at quarter three and there was capital expenditure incurred with a request to MOWG to carry forward an underspend.

Councillor Marshall requested if there could be further detail provided in relation to the capital account (appendix 3) of the report as the figures did not reflect what was proposed in the programme, timescales, if projects were on track or if there were any projects delayed. He also requested a breakdown of areas of where projects were being delivered and their priority to help members scrutinise the budget reports in the future.

The Finance Manager Resources and Regeneration agreed to take the comments back to his team and see if the information requested could be accommodated in future reports.

Resolved:

That the content of the report be noted

Councillors Crute and Marshall left the meeting at 10.40am

The second joint report of the Corporate Director of Resources and the Corporate Director of Regeneration, Economy and Growth provided details of the forecast outturn position for quarter one revenue and capital for Regeneration, Economy and Growth (REG) as at 30 June 2023.

The Finance Manager Resources and Regeneration gave an update on the outturn position to date. He stated that there was a revenue forecast for the pending year but it was too early in the year to predict the spend. He noted that the budget was monitored monthly. The report showed the cash limits for each service and stressed that the financial outlook was a challenge for all services. The Leisure Centre income was outside the cash limit as Health and Safety were carrying out investment work as part of the Leisure Strategy.

Councillor Moist reiterated that the committee would be receiving an update on the Leisure Centre Transformation Programme as part of the committee's work programme.

Resolved

That the content of the report was noted.

8 Quarter One 2023/24 Performance Management Report

The Committee received a report of the Chief Executive Officer that presented an overview of progress towards the delivery of the key priorities within the Council Plan 2023-27 in line with the Councils Corporate Performance Framework in quarter one from April to June 2023.

Gemma Wilkinson, Strategy Team Leader gave a verbal summary of the main messages on performance for the Service Grouping noting progress to date. She noted that the format of the report had changed to a suite of dashboards structured around specific service areas using greater data visualisation to provide more focus and transparent information that showed trends, targets and direct travel for bench marking. The format followed the Council Plan themes relevant to the Committee.

Councillor Surtees commented that she was concerned that the performance of the Poverty Action Steering Group was not included in the report and asked where this information was reported to. She referred to paragraph 52 of the report where reference was made to the number of households receiving advice from the MMB scheme being lower than the same period last year and that this decline had been attributed to the fuel cap limit and decreasing bills. She asked for the evidence to support these claims.

The Strategy Team Leader stated that there was a performance framework that sat alongside the strategy and agreed to take the question back for a response.

Stephen Gwilym, Principal Overview and Scrutiny Officer remarked that there was a performance framework for the Poverty Action Steering Group. The performance of this group had been included as part of the Corporate Overview and Scrutiny Management Board work programme. It was suggested that the service check and ensure that this information was included in the performance report to be considered at a future meeting of the COSMB.

Councillor Stead referred to the increase in tourism for Durham in comparison to previous years. He felt this was down to the Culture bid and the end of the pandemic. He thought it was interesting that money was being brought back into Newton Aycliffe and Chester le Street and not just the Dales. He queried whether the relevant tourism targets should be increased since tourism was doing so well. He then continued that thought could be given to free carparking in Durham City to increase the economy for smaller businesses and gave the example, if people wanted to go into Durham for small purchases without the hassle of the park and ride scheme or the cost of parking which could deter people.

The Strategy Team Leader commented that she would discuss with the service the current tourism targets.

Councillor Moist noted that the Strategy Team Leader was in attendance to discuss the performance management report not the parking policy.

Councillor Shaw was concerned with the homeless figures that appeared to be worse over the period and asked for clarification as to the cause of the increase.

The Corporate Director of Regeneration, Economy and Growth responded that there was a report due to go to Cabinet in October that would look at the updated homeless strategy and the consultation. There were different issues converging including financial pressures across the County and the availability of social housing.

Councillor Ormerod agreed with Councillor Stead and was impressed with the tourism performance figures. He requested that there should be more made of County Durham as a Yorkshire Authority and highlighted that it is two historic counties not just one.

The Corporate Director of Regeneration, Economy and Growth stated that there were areas that could be improved upon with tourism. She noted that work was being carried out on the length of stays for visitors.

Councillor Shaw remarked that with the financial pressures on the council and prevention figures increased then work should be carried out to engage with people to help them stay in their own homes that would prevent homelessness.

The Corporate Director of Regeneration, Economy and Growth responded that there were challenges with accommodation and that there was an increase in relation to the statutory obligations on the Council to accommodate the most vulnerable.

Councillor Batey commented that she was impressed with the new format of the performance report, the dashboards were very helpful in comparing data. She noted that Durham had a good cultural offer with cinemas and theatres. She remarked that she thought that an additional indicator should be added to show the number of overnights stays.

The Strategy Team Leader responded that she would take this suggestion back to the Service Grouping.

Councillor Scott the Cabinet Portfolio Holder commented that she had been at a planning session with Visit County Durham where performance had been discussed and it was made clear that they want hard performance targets going forward.

Mrs R Morris commented that she liked the new dashboard and asked if the new performance report could include data that gave a picture of how various areas in the county were performing. She stated that if the areas were unpicked incentives could be initiated to target resources in those areas that were underperforming. She also asked what was happening in relation to the Restart Programme that was taking clients from DCCs Employability Programmes. There was no one from the service to debate the situation but it needed to be resolved.

The Strategy Team Leader agreed to seek advice and provide a response in relation to the points raised above.

Councillor Shaw left the meeting at 11.10am

Councillor Surtees queried if there was any work being undertaken to promote events in County Durham. She remarked that it was the Year of the Coast but she had not seen any promotional material for this.

Councillor Scott agreed that this should be promoted and she would take this back and discuss with VCD. Councillor Moist remarked that the homeless figures had increased and asked how many empty homes there were in County Durham. He knew of empty properties that were within cemeteries that were not in use and commented that these empty homes could make a difference.

The Strategy Team Leader would need to seek the latest figure and agreed to report back.

Resolved

That the content of the report was noted

9 Minutes from the County Durham Economic Partnership Board held on the 14 June 2023

The Minutes from the County Durham Economic Partnership Board were circulated for information.

10 Any Other Business

Councillor Moist reminded Members that there was a Special Economy and Enterprise Committee to be held on 6 October 2023 to consider the IES draft delivery plan and an Informal Information session arranged for 30 October 2023 to discuss the Selective Licensing Scheme.

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Economy and Enterprise

Overview and Scrutiny Committee

6 November 2023

Major Programmes and Projects



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

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 This report sets out the approach to the management, monitoring and performance of Major Programmes and Projects delivered by the Regeneration and Economic Growth (REG) Directorate. The report also provides an update on some programmes and projects as requested by Economy & Enterprise Overview and Scrutiny Committee (EEOC).
- 2 The aim of the report is to provide assurance to the EEOC that appropriate standards and controls exist to ensure programmes and projects are set up for success, are delivered consistently across the service area and that within the delivery framework there are adequate and appropriate levels of control, challenge, and intervention.

Executive summary

- 3 In 2021 a Major Programmes Board (MPB) was established to oversee the REG portfolio and is responsible for its strategic direction.
- 4 The MPB was established in recognition of the significant increase in the number and value of capital projects being undertaken across REG and to ensure the effective management of resource.
- 5 The MPB has overseen the development of a Portfolio Office (PO).
- 6 The PO has established the governance framework for the delivery of all programmes and projects and is the hub for coordinating all programme and project information, monitoring and intervention activities.

- 7 The PO ensures the MPB has oversight of significant programme and project activity informed by accurate data covering programme, cost, quality, reputation, and risk.
- 8 This report will set out for the EEOC the role of the PO and MPB and provide details of the governance framework and reporting arrangements for Major Programmes and Projects. The report will be supported by a presentation the focus of which will be those projects identified by EEOC for more detailed discussion.
- 9 The aim of the report is to provide EEOC with assurance that Major Programmes and Projects have consistent and effective project set up arrangements that facilitate development and delivery activity and which have the appropriate monitoring and management oversight to ensure corporate objectives in the form of outputs and outcomes are achieved.
- 10 The Scrutiny committee have also requested some specific updates regarding a number of key projects including Durham Innovation District – Aykley Heads, Jade Phase 2, The Story, Durham Light Infantry Museum and Art Gallery (DLIMAG), Leisure Transformation Programme and Durham City Bus Station.

Recommendation

- 11 EEOC is asked to receive the report and provide commentary on the established arrangements for the effective delivery, management and performance of Major Programmes and Projects across REG.

Background

- 12 In 2021 a Major Programme Board was established. It was established due to the significant increase in the number of projects and their associated value that REG were responsible for delivering.
- 13 This trend has continued with the REG Capital Programme growing year on year. At the beginning of this year there were 149 schemes with a value of £136,340,000. This represents a 140% increase from £56.8m five years ago in 2018/19.
- 14 Even in this current financial year 2023/2024 scheme numbers and value have increased from 149 to 152 schemes with a value increase from £136,340,000 to £153,140,000. A further increase is anticipated next year also, as can be seen by the reference to the table below.

Year	Number of Schemes (start)	Start of Year	Number of Schemes (end)
2018/2019	112	56,832,126	118
2019/2020	94	67,623,930	116
2020/2021	130	85,434,542	145
2021/2022	139	87,554,297	179
2022/2023	166	129,318,414	178
2023/2024	149*	136,340,000	
2024/2025		167,034,844	

- 15 The above figures refer to REG capital projects that are in development/delivery only. This means those projects which are commissioned and in REG and where REG are the budget holder.
- 16 REG is also responsible for a number of building projects across the council and is ultimately responsible for the majority of non-highways construction programmes. The figures above do not include projects delivered by REG on behalf of other Council services, these are projects where the construction team in REG deliver the project, but the budget may be held, and project commissioned by another service for example a new school. These projects total a further value of over £100m.
- 17 It is also important to note that the figures above do not include the full scale and the complexity of projects in pipeline development and the resource intensive nature of these e.g., Durham Innovation District, Aykley Heads £250m, Milburngate £130m, Jade Phase 2 £100m or Forrest Park £120m. This is because those projects are not directly in the capital budget as they are delivered through different commercial or partnership models such as a joint venture, however in terms of the value of investment and the value to jobs and growth across the County they are significant.
- 18 The purpose of Major Programmes Board is to achieve a holistic overview of the REG Portfolio. It provides direction and constructive challenge across all areas of the Portfolio; it reviews the performance of programmes and projects (including delivery and spend - forecast vs

actual and engagement) and also assesses and resolves service areas risks and issues. The Board provides direction across the Portfolio and its stakeholders in order to make key strategic programme decisions, including the management of resources. The MPB is in addition to the specific project boards that exist for every major project.

- 19 The MPB meets every six weeks. Reporting of Performance data, collated through a Programme Tracker (see Appendix 2), allows the MPB to track and assure the programme mandates and objectives against the Directorate's wider strategic objectives and ensure projects are achieving expected outcomes.
- 20 Data is collected and reported on all of REG's major programmes and projects. These have been identified and selected following a prioritisation process using the following set of criteria:
 - Level of Risk - Reputational, Political, Environmental, Customer and effort required (REG resource), and
 - Weighting against selected priorities such as:
 - Profile (Priority to local/ national policy or a high profile stakeholder)
 - Level of impact against DCC outcomes
 - Investment value – threshold level above >£5m
 - Complexity of delivery
- 21 The benefit of utilising this process is to determine which project or programme is more critical to REG's strategic objectives and to support the Major Project Board in decision making.
- 22 The Portfolio Office has established an agreed Business Process that all projects within REG must follow (See Appendix 3). This process covers the lifecycle of projects and provides a structured framework for the delivery and management of projects, from project start up to close out. This overarching Business Process provides a consistent approach to all project types delivered in REG, including both capital and revenue.
- 23 The lifecycle process has four stages - Concept, Define, Delivery and Handover, and Closure. Each Stage has its own set of activities, including expected deliverables and milestones needed to navigate the Gateway reviews. These Gateways provide a checkpoint

for assurance that the project / programme remains viable and on-track with its approved plan.

- 24 The Portfolio Office has developed guidance that helps sponsors and those responsible for project delivery navigate this business process. This Portfolio, Programmes and Projects (PPP) Guidance is supported by a suite of project templates and tools that ensure projects are delivered in a more efficient and consistent way, ensuring more successful achievement of project outcomes.
- 25 Each stage has been broken down into relevant sections, summarised in the Business Process Flow Diagram - this helps project sponsors and project managers consider key questions, take the required steps and ensure each stage provides appropriate deliverables for assessment at gateway and ultimately maintain MPB delivery confidence. The Process Flow Diagram explores each of the Business Process stages to demonstrate:
- alignment with HM Treasury Green Book business case stages
 - alignment with key project assurance stages
 - alignment with typical project activities (using RIBA (Royal Institute of British Architects) Plan of Work as a baseline) set against the project lifecycle
- 26 The successful implementation of this project business process requires the full support of REG, sponsors and those responsible for project delivery. It is recognised that projects differ in size and have varying degrees of complexity; the documentation to be completed as part of this process will therefore be proportionate to the scale and nature of the projects, also reflecting whether it seeks internal or external funding.
- 27 The foregoing paragraphs detail the governance framework associated with Major Programme Board and the approach adopted by the Portfolio Office in terms of guidance, controls and reporting metrics. This delivery methodology follows government guidance and industry best practice.
- 28 There is a comprehensive suite of documents that supports the approach outlined, which is available to EEOC Members if requested.

- 29 As stated, in 2023/2024 the REG Capital Programme consists of 152 schemes and a value of £153m.
- 30 Each project within the programme is subject to the same standards and reporting requirements. The PO prepares Programme and Project updates for MPB in accordance with the requirements of a reporting timeline flowchart (see Appendix 4).
- 31 Central to this is the Project Reporting Template which is completed by the Project Manager. The information received is then assessed by the PO and is reported to the MPB using a Programme/Project Tracker, The Tracker Template considered by MPB is shown at Appendix 5.
- 32 This tracker covers all aspects of the Project and the senior responsible officer (SRO) for the project presents the tracker to MPB, as required.
- 33 Where projects are identified as having risks levels above acceptable tolerance levels these are identified and included on an intervention tracker. This intervention tracker is discussed in detail at MPB. MPB gives direction on steps/actions to be taken to ensure the project risks are mitigated. The SRO is then required to implement the actions and report back to the next meeting of the MPB on measures taken to address the highlighted issues.
- 34 Following MPB Meetings Lead Cabinet Member Reporting sessions are held so the latest position on Programmes and Projects are reported thereby ensuring Members are appraised and any communications requirements agreed.
- 35 The above paragraphs describe the development of the Major Programme Board and Portfolio Office. They also explain the process for the management, monitoring and performance of major schemes across REG and provide details of the suite of documents that scheme managers use to develop and deliver their schemes.
- 36 The documents also highlight how risk items are identified and the actions taken to mitigate any risk and of the reporting mechanisms so senior members are appraised on projects across the REG service area.

- 37 The views of the EEOC on the REG Programme and Project Management Processes outlined would be welcomed.

Programmes and Projects

- 38 Across REG Major Projects are themed into five groupings:

- Housing Renewal & Development
- Town Centre Improvements
- Employment Sites
- Transport & Connectivity
- Visitor Economy

- 39 Some of the key projects that fall within those groupings are detailed below:

Housing Renewal & Development

- Housing Regeneration Schemes – Horden, Seaham Colliery
- Newton Aycliffe HIF
- Land Release Programme
- Seaham Garden Village

Town Centre Improvements

- Bishop Auckland – Future High Streets and Stronger Towns
- Towns & Villages
- Leisure Transformation

Employment Sites

- NETPark Durham Innovation District, Aykley Heads
- Jade Business Park
- Forrest Park

Transport & Connectivity

- Durham City Bus Station
- Seaton Lane A19
- Toft Hill Bypass
- Restoration of Railways

Visitor Economy

- The Story
- DLI MAG
- Durham City Culture Programme
- Stockton to Darlington Heritage Railway

- 40 EEOC has requested focus on four of these thematic areas; Employment Sites (Durham Innovation District, Aykley Heads and Jade Business Park), Transport & Connectivity (Durham City Bus Station), Visitor Economy (The Story and DLI MAG) and Town Centres (Leisure Transformation).
- 41 As with any project there are aspects that are commercially sensitive with details that cannot be disclosed. With this in mind a presentation covering the specific projects has been prepared and information provided appropriately.

Conclusion and Next Steps

- 42 Members of the EEOC are asked to provide feedback on the report and presentation which sets out the approach to the management, monitoring and performance of Major Programmes and Projects.

Background Papers

None

List of appendices

- Appendix 1 – Implications
- Appendix 2 – Programme Tracker
- Appendix 3 – Business Process
- Appendix 4 – MPB Reporting Timeline
- Appendix 5 – MPB Reporting Tracker
- Appendix 6 - EEOC Presentation Slides (separate Appendix)

Author(s)

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Appendix 1: Implications

Legal Implications

There are no legal implications arising from the report.

Finance

There are no financial implications arising from the report on MPB Processes.

Consultation

REG employees were consulted on the establishment of the Major Programme Board and Portfolio Office governance framework.

Equality and Diversity / Public Sector Equality Duty

The appropriate level of training and development has been provided to all teams across REG involved in Programme and Project Delivery. This ensures all team members are respected, involved and able to bring their own strengths and skills to their roles. Programme and Project management documentation has also been prepared in an easy to understand form.

Climate Change

There are no climate changes issues arising out of the report.

Human Rights

There are no human rights issues arising out of the report.

Crime and Disorder

None.

Staffing

There are no specific staffing issues arising out of this report.

Accommodation

None.

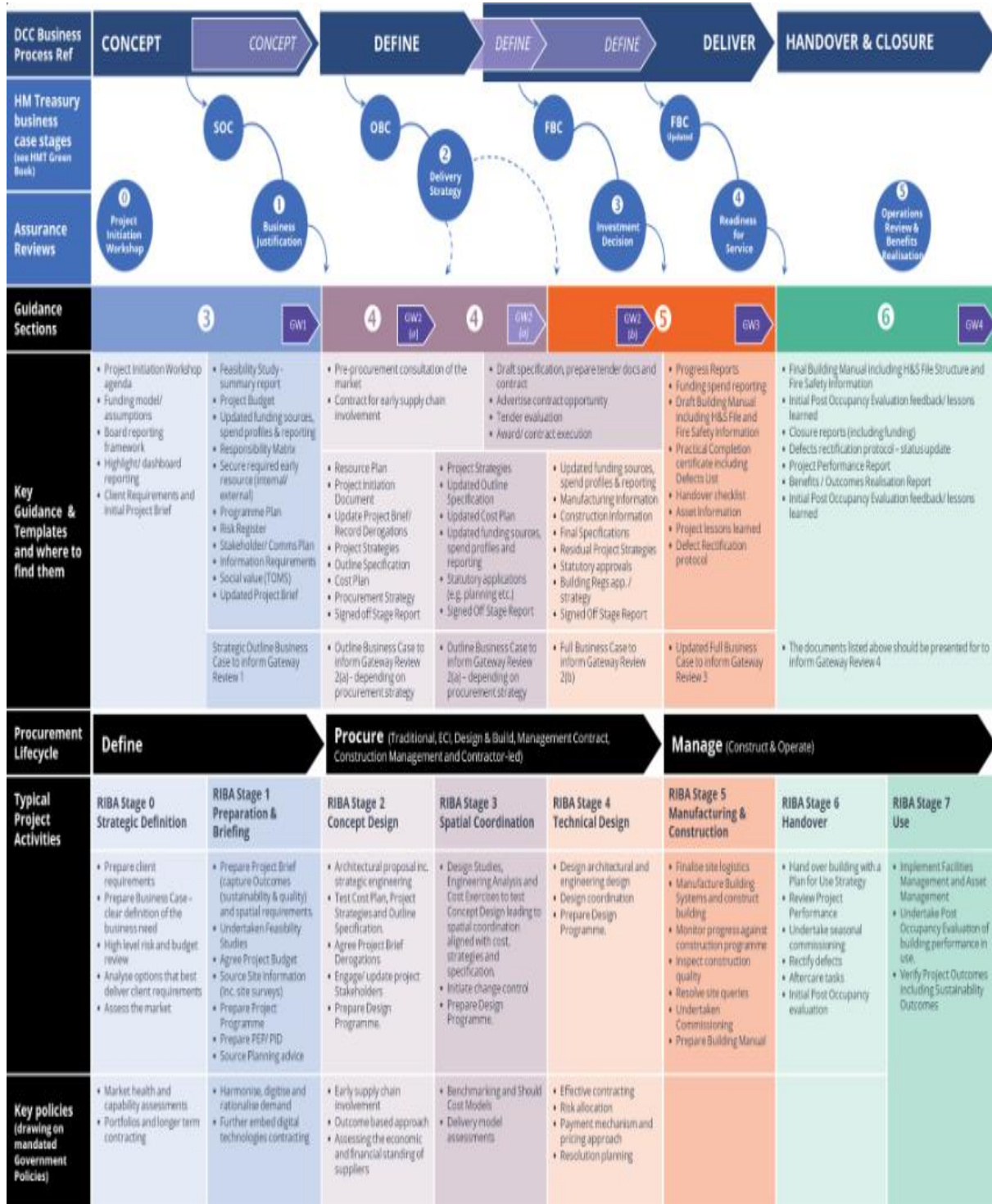
Risk

None.

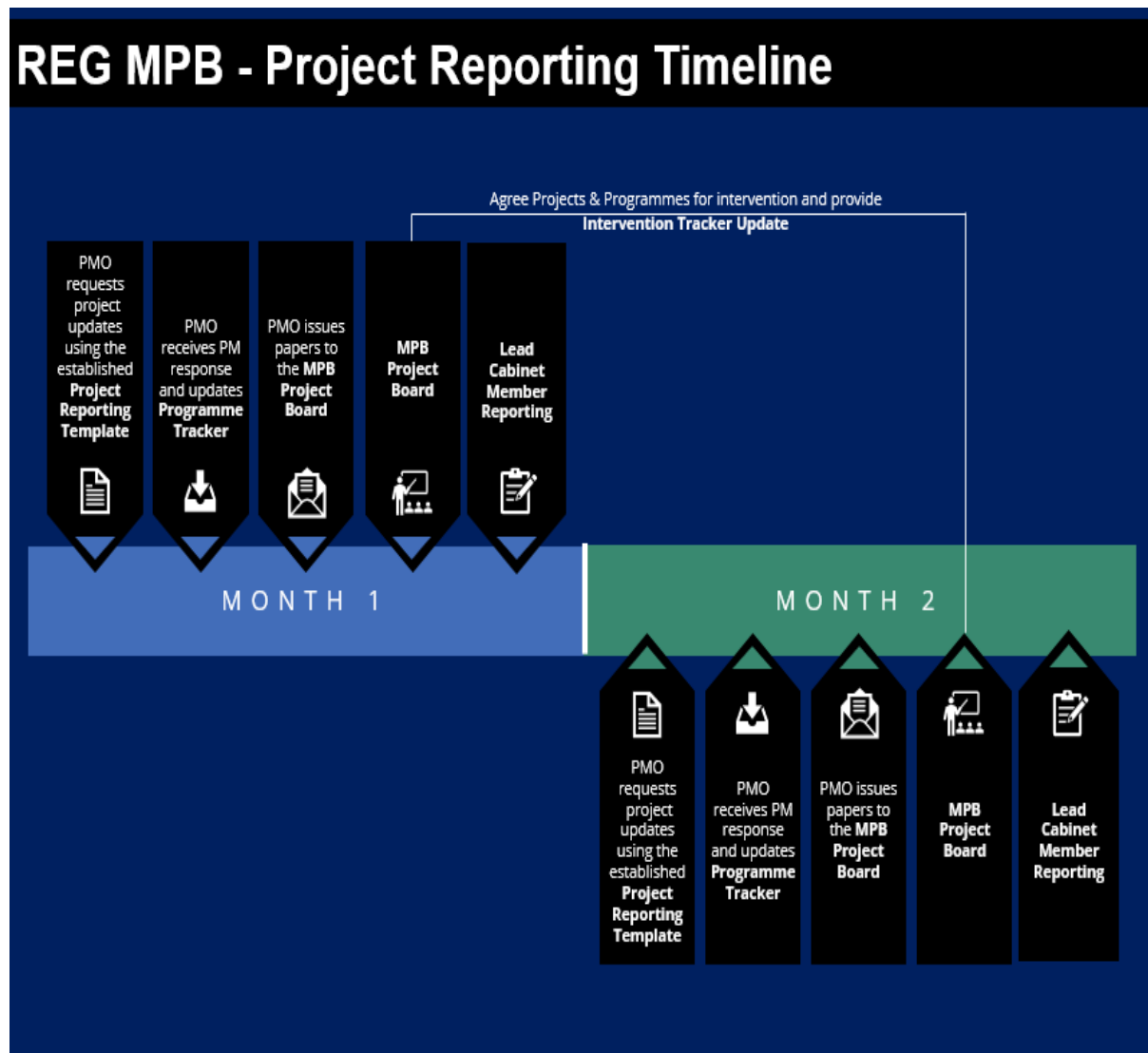
Procurement

None

Appendix 3 – Business Process Diagram



Appendix 4 - MPB Reporting Timeline



Appendix 5 - MPB Reporting Tracker

The screenshot displays a complex reporting interface with several key sections:

- Key Information & issues:** A blue callout box pointing to the top-left section containing fields for 'Site ID', 'Project', 'Site Manager', 'Site Project/Division', 'Business Region', and 'Business Functional Area'. Below these are 'Key Information' and 'Issues' sections.
- Financial information & update for reporting period:** An orange callout box pointing to a table with columns for years (2021-2026) and a 'Total' column. The table lists various financial metrics such as 'Round 1 Public Sector Funding (M)', 'Round 2 Public Sector Funding', and 'Round 3 Public Sector Funding'.
- Project update for reporting period:** A grey callout box pointing to the middle section, which includes 'Project Description', 'Project Manager', 'Project Status', and 'Project Location'.
- Risk commentary & RAG status:** A yellow callout box pointing to the bottom section, which features a 'Risk Commentary' table with rows for 'Overall Commentary', 'Key Commentary', and 'Detailed Commentary', each with a corresponding 'RAG' status indicator.
- Timescales and Milestones:** A purple callout box pointing to the right side of the middle section, which contains a 'Log Milestones' table with columns for 'Milestone Description' and 'Log Milestones'.

Appendix 6 - Presentation
See separate attachment.

Durham County Council

Economy & Enterprise Overview and Scrutiny Committee

Major Programme Board

6 November 2023

Major Programmes

Page 30

1. REG Major Programmes Portfolio
2. Major Programmes Board and Portfolio Office Approach
3. Controls & Guidance
4. Case Studies:-
 - 1) Durham Innovation District Aykley Heads
 - 2) Jade Phase 2
 - 3) The Story
 - 4) DLI Mag
 - 5) Leisure Transformation
 - 6) Durham City Bus Station

1. REG Major Programme Portfolio

REG Major Programmes Portfolio

Page 32

Major Programmes - Total Value c. £878 M

Delivery & Pipeline Committed and Secured £628 m

Active Pipeline Development – Unsecured £250 m

Significant Private Sector Investment c£1.4 bn

(for example Milburngate £130m, Aykley Heads £250m, Jade Phase2 £100m, Forrest Park £120m)

**70
Major
Programmes /
Projects

+ BAU**

**152 schemes
£153m – 2023/24
REG Capital Prog

£407m – 2023/24
to 2026/27**

**103
Non-REG
schemes for
other services,
totalling over
£100m**

REG Capital Programme

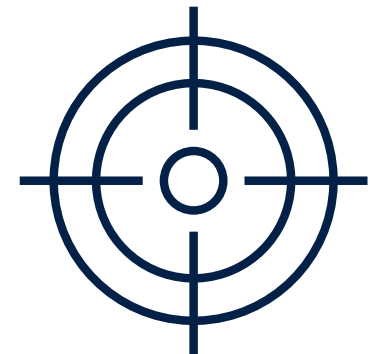
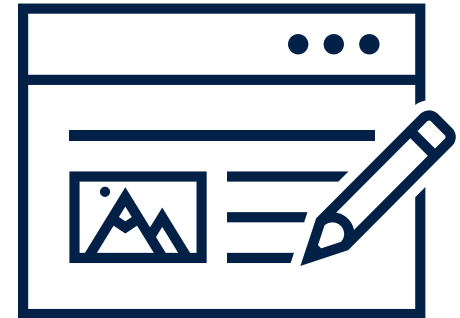
Figures in the table below refer to REG capital projects only, in development/delivery. They do not include projects delivered by REG on behalf of other services (e.g. school builds). They also don't capture the full scale of other projects in pipeline development and the resource intensive nature of these for example Aykley Heads Joint Venture .

Year	Number of Schemes (start)	Start of Year	Number of Schemes (end)
2018/2019	112	56,832,126	118
2019/2020	94	67,623,930	116
2020/2021	130	85,434,542	145
2021/2022	139	87,554,297	179
2022/2023	166	129,318,414	178
2023/2024	149*	136,340,000	
2024/2025		167,034,844	

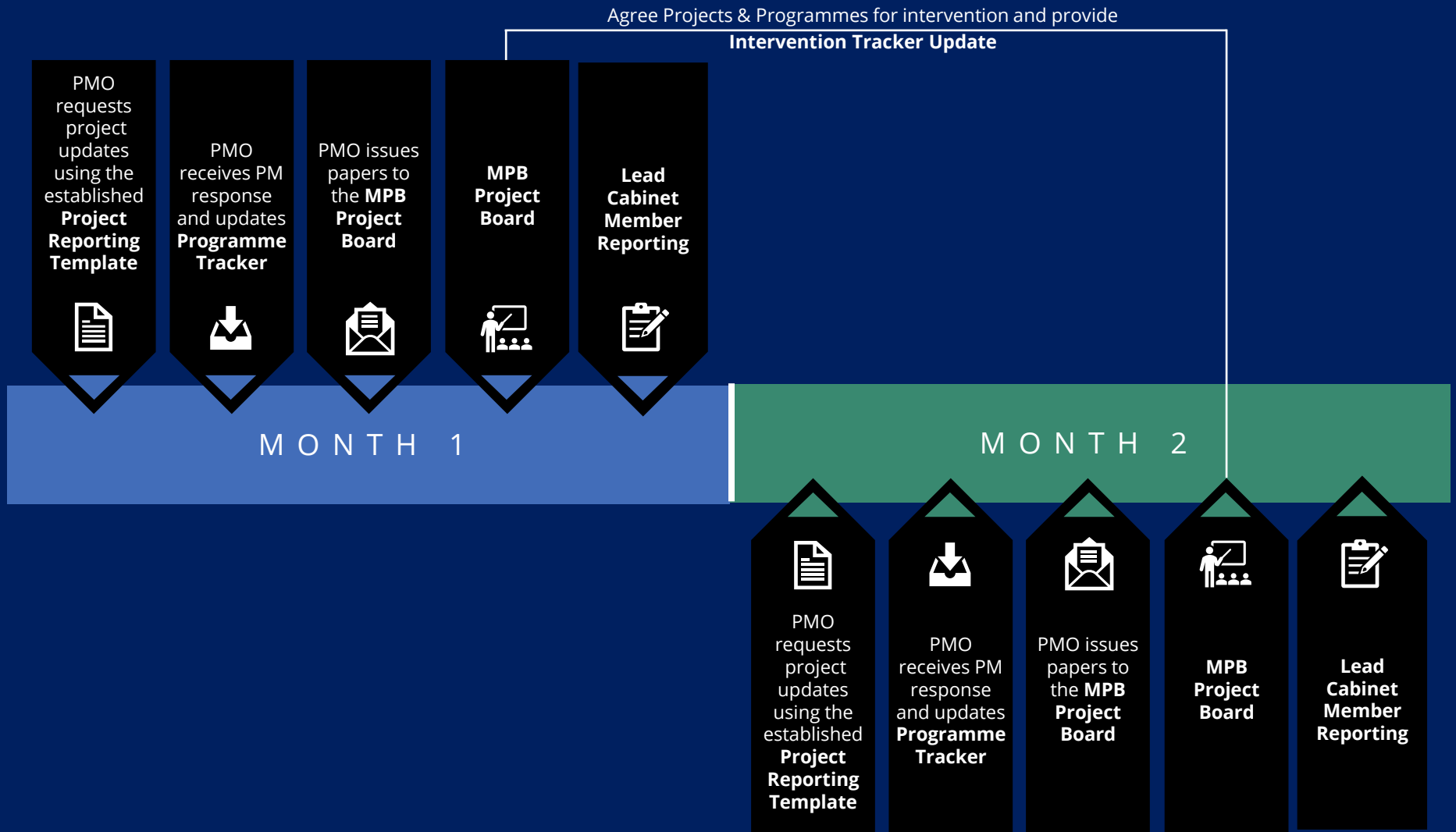
2. Major programmes Board and Portfolio Office Approach

Major Programmes Board and Portfolio Office Approach

- The Major Programmes Board (MPB) was established in Summer 2021 to oversee the REG portfolio and is responsible for its strategic direction.
- The MPB has overseen the development of a Portfolio Office (PO).
- The PO is a virtual information hub and centre of excellence for all Programmes and Projects.
- The PO sets **standards and controls** for REG Programmes and Projects and is a hub for coordination of all information, Board communication, monitoring and intervention activities.
- The PO ensures the MPB has oversight of significant Programme and Project activity informed by accurate data covering programme, cost, quality, reputation and overarching risk.



REG MPB - Project Reporting Timeline




3. Controls and Guidance

Controls & Guidance

Page 58

The Process Flow Diagram is supported by a **guidance framework** to help sponsors, programme and project managers understand the requirements and outputs needed to set Projects up for success and ensure delivery of activities in accordance with REG's PO requirements.

- The Guidance prepared by the PO will facilitate consistent and effective Project set up, development and delivery.
- This will allow the MPB to track and assure the Programme mandates and objectives against wider REG and Council strategy and that projects are achieving expected outcomes.
- Communication and reporting channels have been established throughout REG to ensure the successful implementation of controls, guidance and delivery.



Portfolio, Programme & Project Guidance

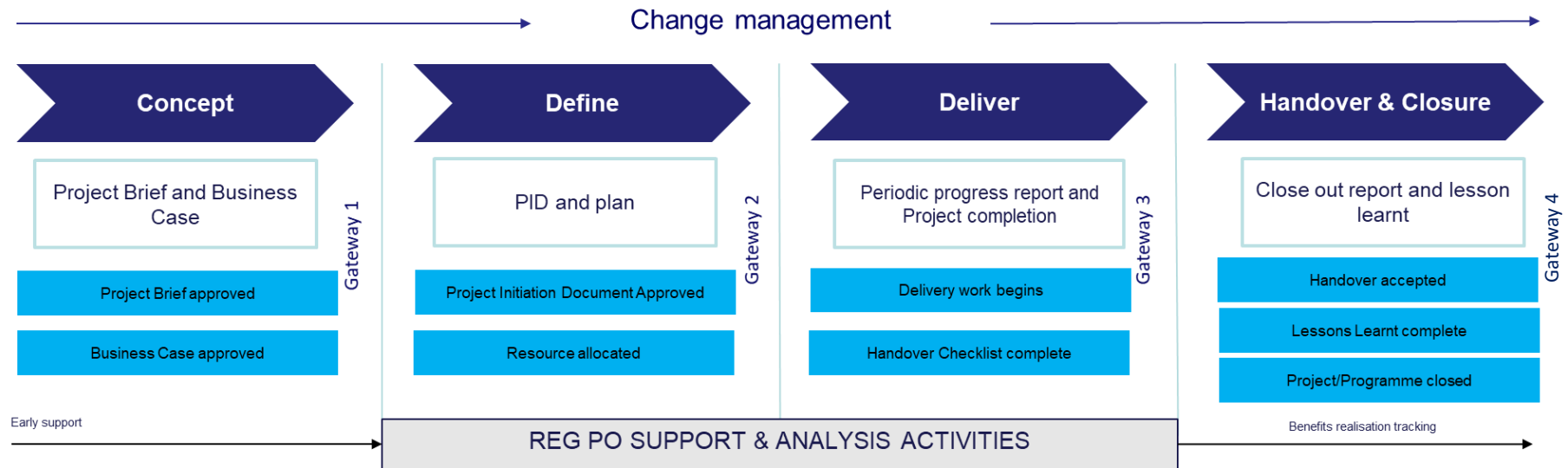
"...getting projects and programmes right from the start..."

March 2022

FOR INTERNAL USE ONLY

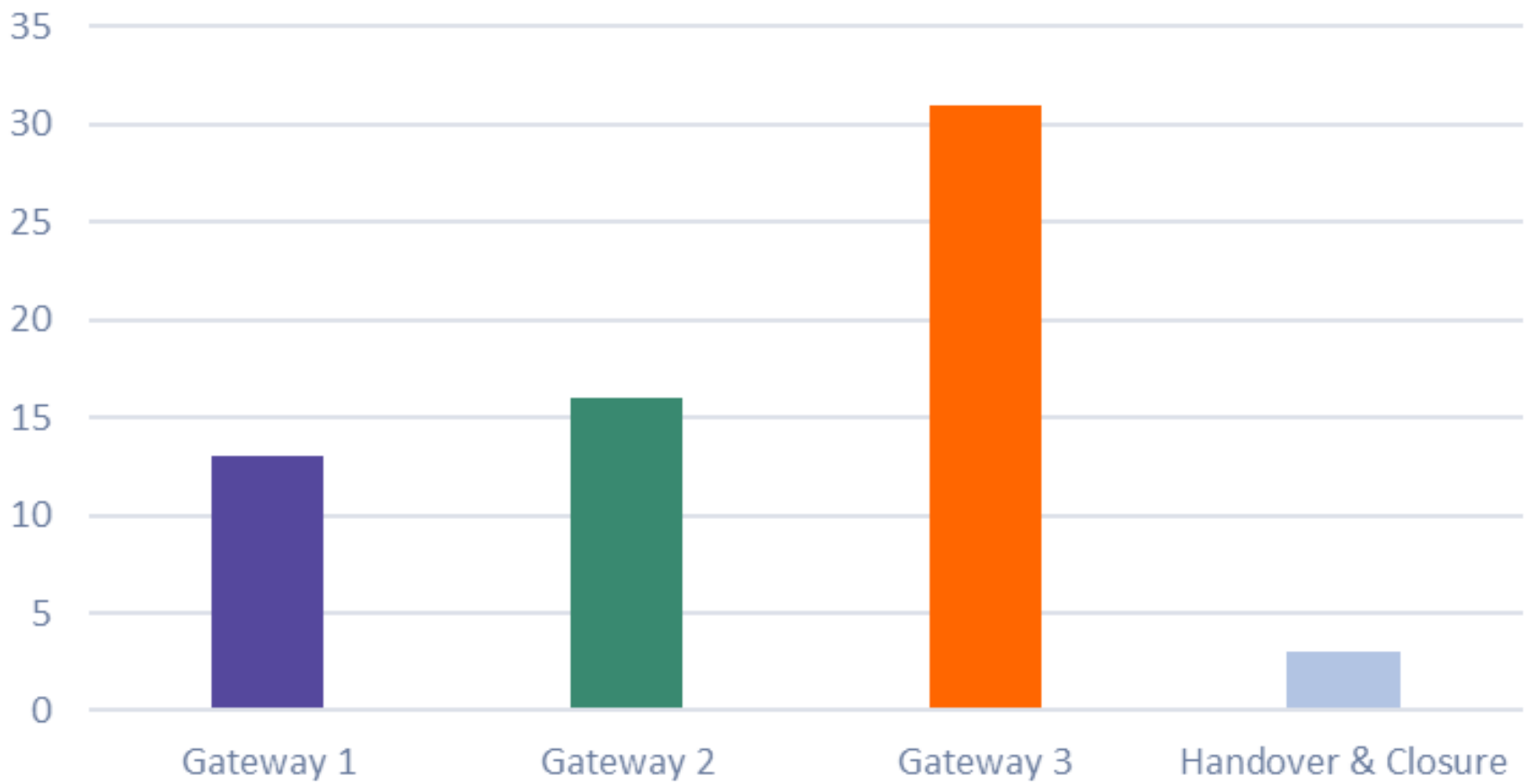
Major Programmes & Project Investment | Controls & Guidance

- The MPB has established an agreed Programmes and Projects **Business Process**.
- The Business Process provide an agreed framework through which all REG Programmes and Projects , both capital and revenue are delivered.



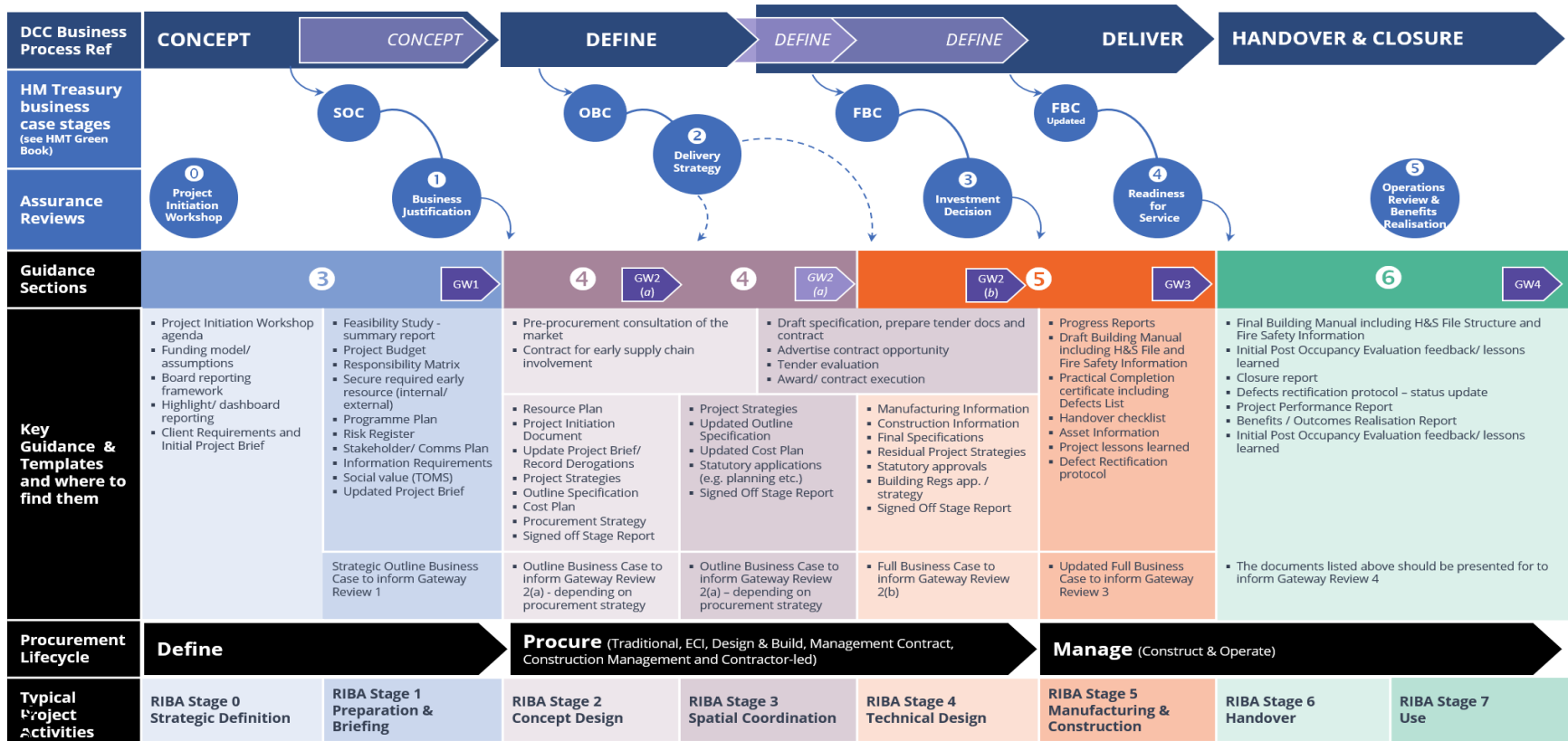
- Each stage covers a prescribed set of activities, including expected deliverables required to navigate assurance Gateway checkpoints.
- Each Gateway will seek to revalidate Programme and Project assumptions, viability and progress against plan.

Total projects by Gateway status



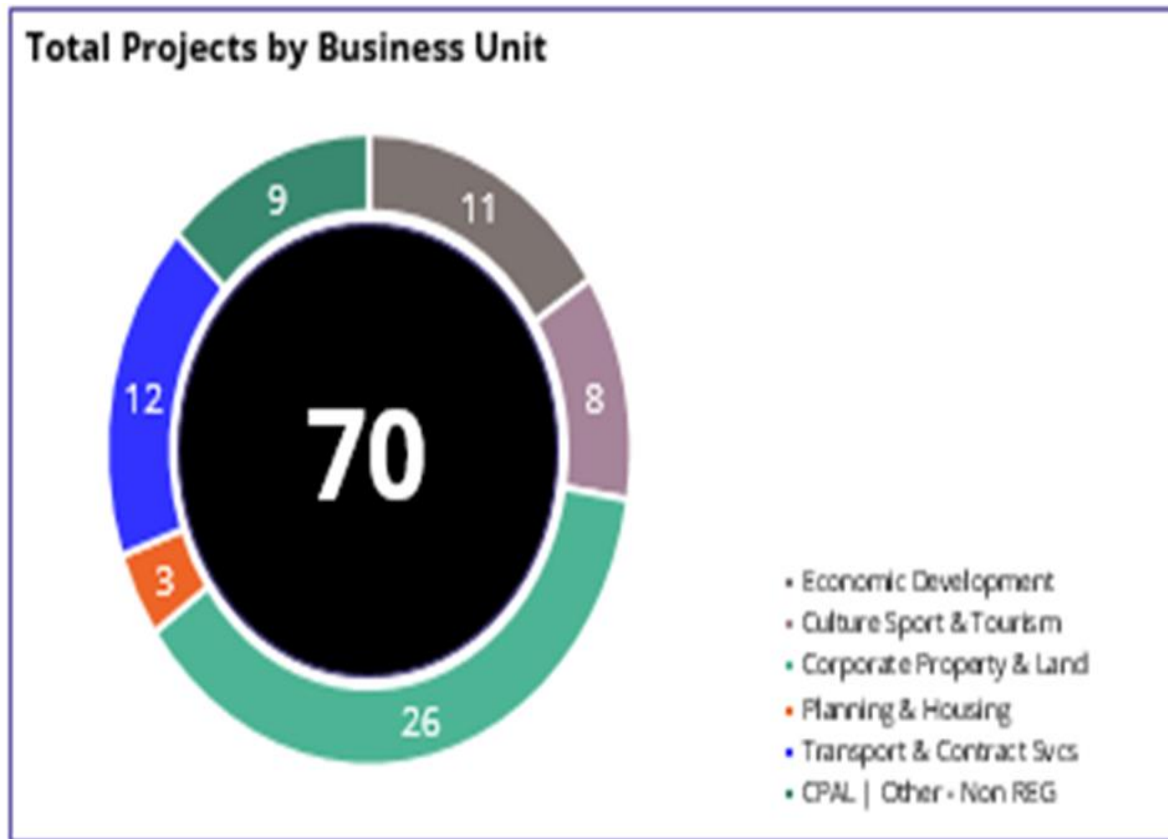
Controls & Guidance Business Process

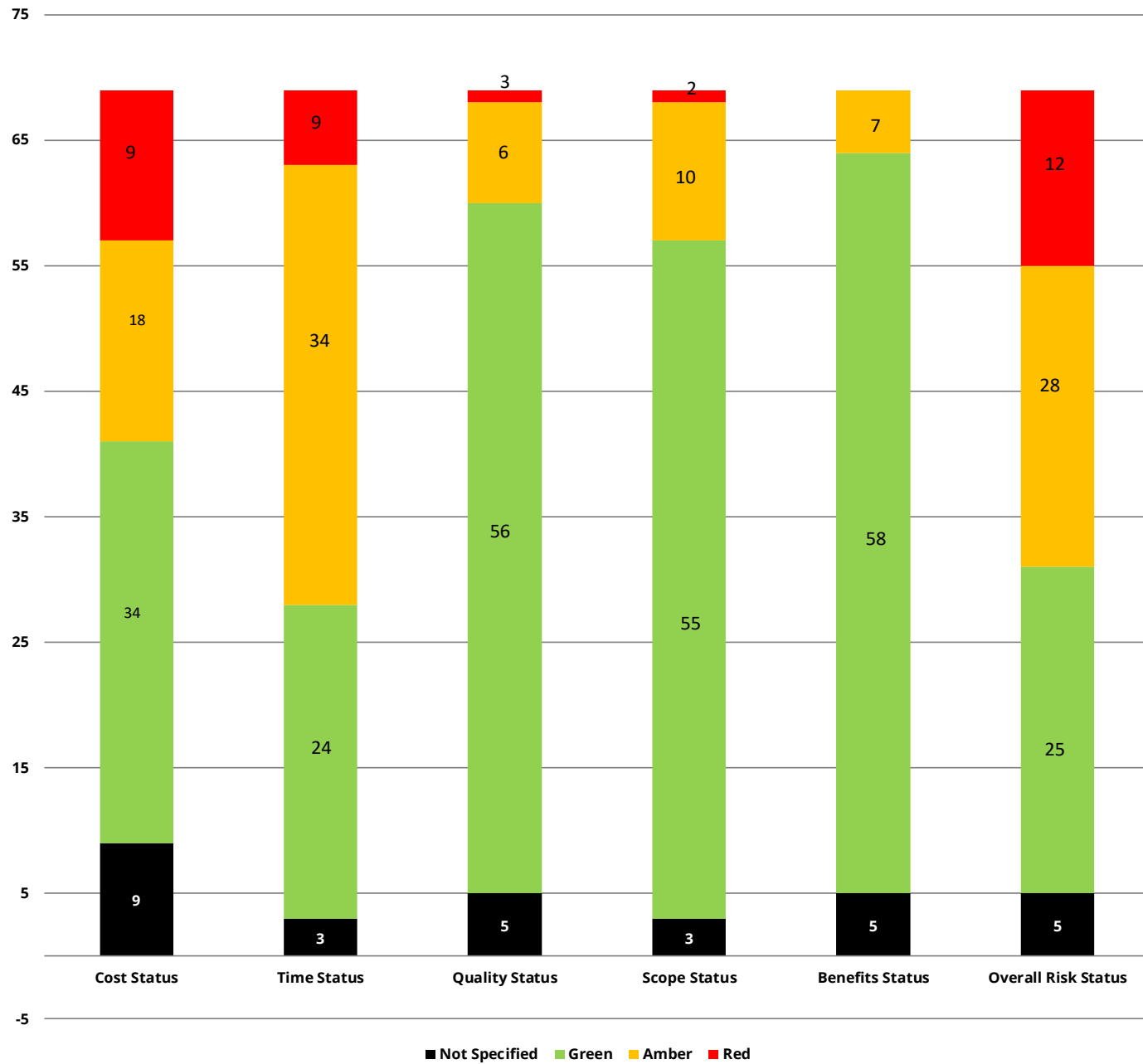
- The PO will support Programme & Project sponsors and those responsible for project delivery in navigating the Business Process.
- The **Process Flow Diagram** below is a development of the Business Process and provides greater clarity on the requirements and expectations of each stage.



9
41

Projects by Business Unit





4. Case Studies

Case Studies – as requested by EEOSC

- 1) Durham Innovation District - Aykley Heads
- 2) Jade Phase 2
- 3) The Story
- 4) DLI Mag
- 5) Leisure Transformation
- 6) Durham City Bus Station

Case study 1:

Durham Innovation District Aykley Heads

Project Health Indicators	RAG
Cost	Yellow
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
Overall	Green

Gateway stage



Durham Innovation District



DCC BUSINESS
PROCESS STATUS –
DEFINE



OVERALL
ANTICIPATED
DEVELOPMENT VALUE
£250M



CURRENT PHASE £1M



STAGE –
PROCUREMENT OF A
JOINT VENTURE
PARTNER



PROCUREMENT
TIMELINE OCTOBER 23
– MARCH 25



DEVELOPMENT OF 15
HECTARE SITE

Aykley Heads Development Site 15 hectares



Aykley Heads planning permission

Hybrid Planning
Consent granted for c400,000 sq ft
development
floorspace,
demolition of
County Hall and
construction of
Plot C office
block



Procurement Stage



SOFT MARKET
TESTING – STRONG
PARTNER INTEREST



COMPLEX
PROCUREMENT
EXERCISE



APPOINTMENT OF
LEGAL/COMMERCIAL
SUPPORT

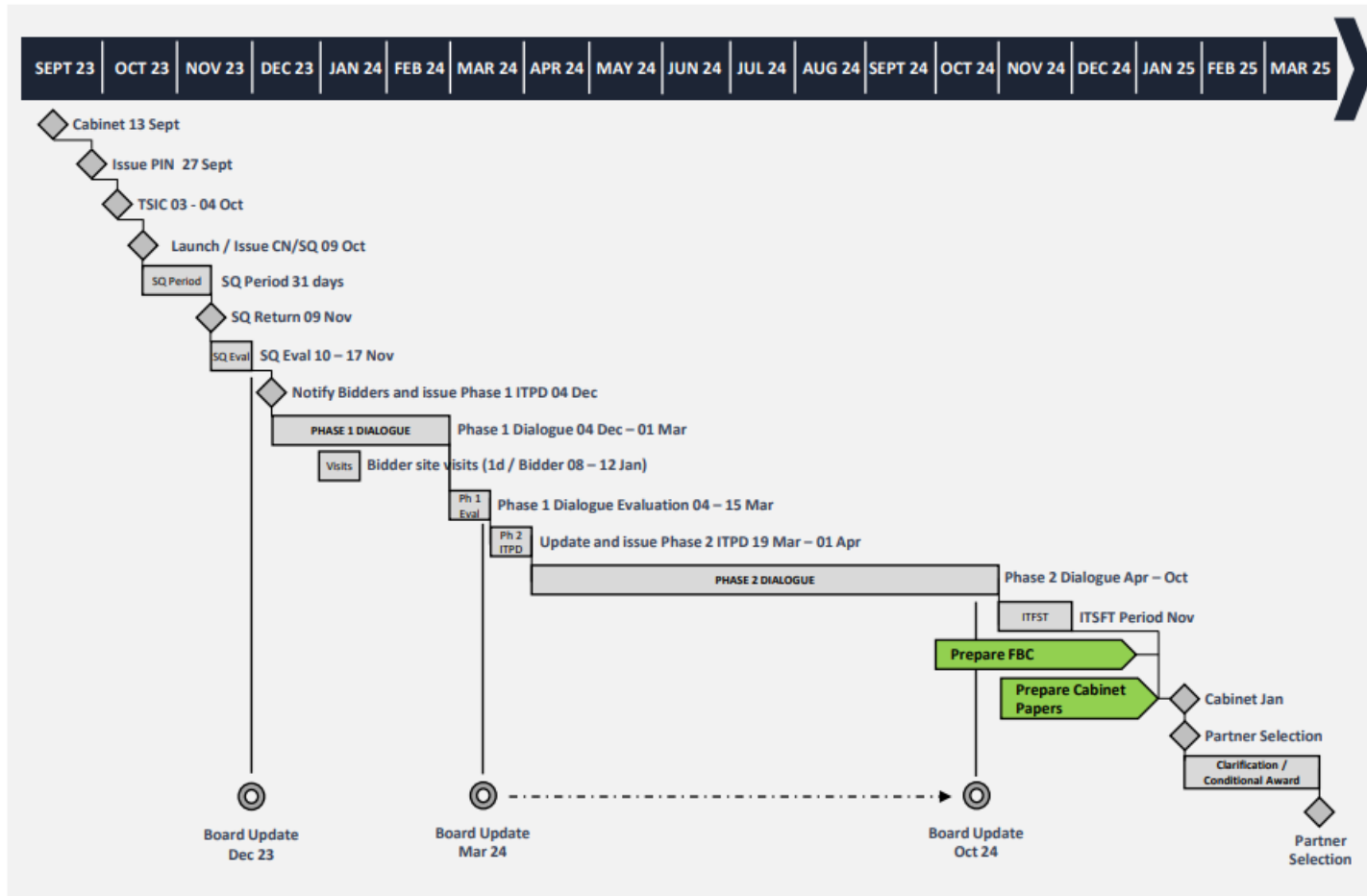


PREPARATION OF
PROCUREMENT
LAUNCH MATERIAL



PROCUREMENT
LAUNCH OCTOBER 23

Procurement Timeline



Case study 2:

Jade Phase 2

Project Health Indicators	RAG
Cost	Green
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
Overall	Yellow

Gateway stage





Overview

- Jade Business Park occupies the site of the former Hawthorn Colliery.
- The colliery was closed circa 1991.
- The area was reclaimed around 2003
- Worked commenced on establishing infrastructure for a business Park 2005.
- The financial crash of 2008 halted works.
- 2018 area granted Enterprise Zone status; work began developing the Business Park.



Jade Phase 1

- Completed Summer 2021
- Seven new industrial units totalling 155,000 square feet.
- Site fully let with approx. 200 jobs.
- Financed by DCC

Phase 2 overview

Outline planning permission to develop the second phase of Jade Business Park that includes an additional 39 acres (15 Ha) of development land with unit sizes from 20,000 to 250,000 sq ft. Determined October 2022.

Looking to provide up to 1,000 new jobs on site.



Site Boundaries

- Jade Phase 2 : Red
- Land Raise : Blue



Artist's
impression
showing
Jade
Business
Park fully
built out.

- PHASE 2: 295,000 sq ft
- 6 units from 20,000 to 85,000 sq ft

Delivery of Phase 2

-
- Durham Business Process Status – DEFINE
 - Developer to fund Phase 2, in negotiation to secure £50M in private investment funding.
 - Due to poor site soils LEP have provided funding for £2.6M
 - The developer is working on a Reserve Matters application, due for submission Q4 23/24.
 - Construction to start summer 2024
 - First tenanted unit Spring 2025
 - It's a boost to the East Durham area, bringing much need high value jobs.

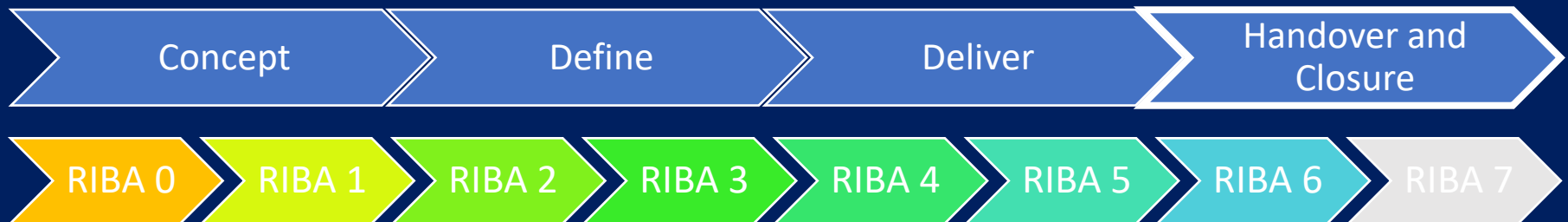
Case study 3:

The Story

Page 60

Project Health Indicators	RAG
Cost	Yellow
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
Overall	Yellow

Gateway stage





The Story

DCC Business Process Status –
Handover

Development cost c£20m

Contractor – Kier

Original Construction Programme –
March 2021 to October 2022

Extensions of time granted revising
completion date due to various factors

Extension of time factors include

Discovery of:

Asbestos containing materials in the ground

2 wells/culvert

An oil pit

Several wall related issues

Kier /DCC

Kier projected completion several times since April 2023

Each time rejected for not meeting DCC completion requirements

Practical Completion achieved 20 October 2023

Commercial negotiations to close contract underway

Now DCC building – fit out to be undertaken prior to occupation and use











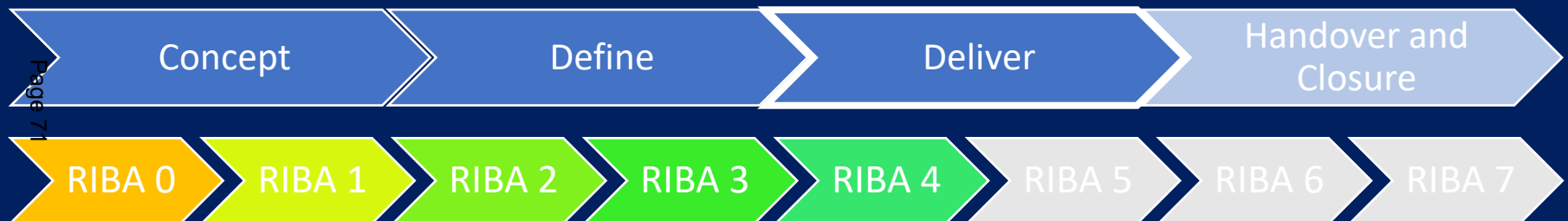


Case study 4:

DLI

Project Health Indicators	RAG
Cost	Green
Time	Green
Quality	Green
Scope	Green
Benefit	Green
Overall	Yellow

Gateway stage





DLI MAG

DCC Business
Process Status
– Deliver

Programme
Start February
2022

Currently at
RIBA Stage 4
Technical
design

Target
completion Q4
2024/25







Case study 5:

Leisure Transformation

Overall programme

Project Health Indicators	RAG
Cost	Orange
Time	Green
Quality	Green
Scope	Green
Benefit	Green
Overall	Green

Gateway stage



Case study 5:

Leisure Transformation Project status

Abbey



Peterlee



Bishop Auckland

Louisa Centre

Spennymoor

Teesdale



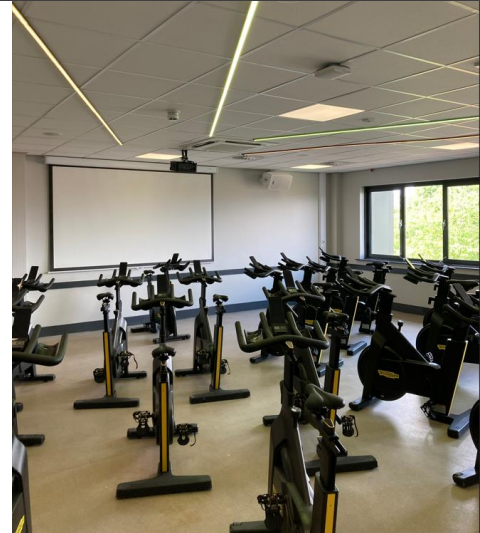
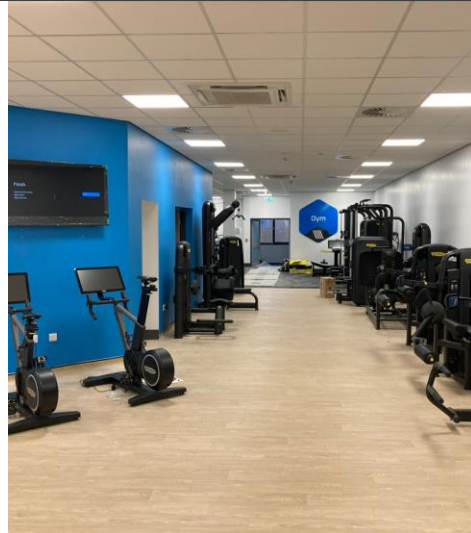
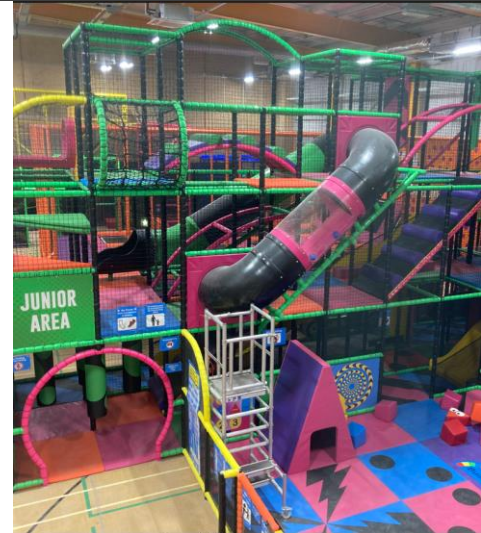
A comprehensive report covering the whole of the leisure programme is to be tabled to Cabinet

Leisure Transformation Programme

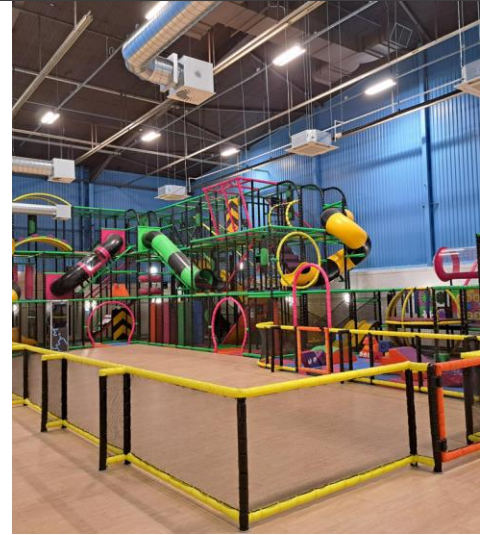
Challenges and Complexities:

- Market Changes
- Cost of living crisis
- Construction inflation
- Unforeseen major repairs e.g. Peterlee pool
- Staff recruitment
- Market Forces/Procurement
- Operational impact and works sequencing





Abbey



Peterlee



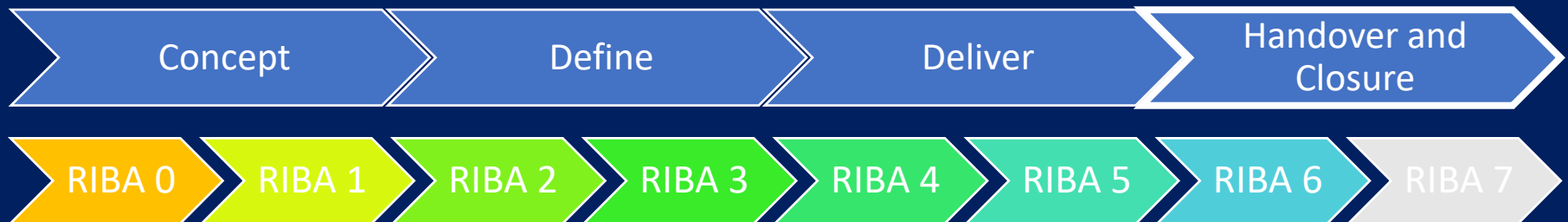
Spennymoor Ph-1

Case study 6:

Bus station

Project Health Indicators	RAG
Cost	Yellow
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
Overall	Yellow

Gateway stage



Welcome to Durham Bus Station

Take-Away • 0191 7

At any time
No loading
at any time





Project Timeline

- Opening delayed by 12 months
- Revised date: Nov 2023
- Explanation of delays inc:
 - Covid (17 weeks)
 - Abnormal ground conditions (12 weeks)
 - Sub structure redesign
 - Party wall (16 weeks)
 - Material delays (cladding 6-8 weeks)



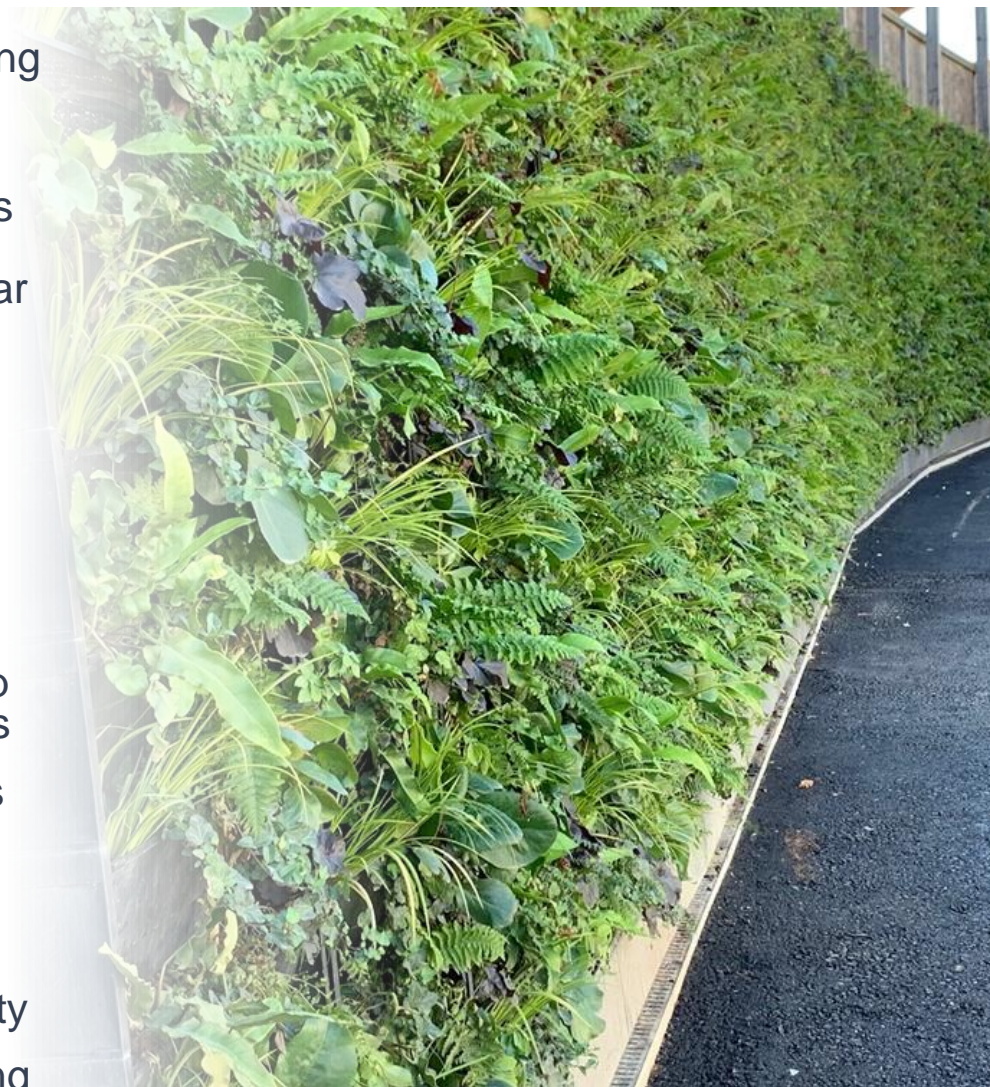
Project Budget

- Project budget £12.5m
- Out turn cost: Ongoing
- Cost pressures due to:
 - Delays
 - Extension of Time
 - Inflation
 - Labour / Materials
 - Issues identified on site
 - Additional design

Scope:

Page 88

- Improve access for all, including access to more and better opportunities,
- Accelerate modal shift towards sustainable transport and reduce dependency on solo car journeys
- Improve and increase passenger circulation space,
- Improve passenger facilities
- Reduce fear of crime and improve natural surveillance
- Improve bus movements, drop off locations and layover areas
- Provide cycle storage facilities
- Improve sight lines at the bus station exit
- Create a more welcoming and enhanced gateway into the City
- Reduce severance by providing access to services



Quality and Benefits:

The previous bus station was past its end life and was a maintenance liability to the authority. The new station will offer:

- Improved facilities including toilets, accessible toilets, parent and child facility and a changing places unit.
- More and better seating and information displays
- Reduced fear of crime by improved natural surveillance with 2No mezzanine floors which will accommodate Security, Police, Wardens and bus operators, high quality CCTV, glass frontage and a help point.
- Lighter and brighter environment
- Reduced queuing into the Bus Station
- High quality sustainable infrastructure
- Improved natural, built and historic environment
- Improved gateway into the City
- Wider regeneration from townscape improvements and public realm improvements.
- Environmental improvements (green roof and living wall)
- Accessibility for all,
- Improved journey quality and journey times
- Improved user environment
- Modal shift to sustainable modes, serving 2.74 million passengers per year



Summary Slide

- Major Programmes value £878 m
- Delivery & Pipeline Committed and Secured £628m
- Active Pipeline Development – Unsecured £250m
- Private Investment of circa £1.4bn
- 152 Live schemes totalling £153m
- Strong programme governance across all schemes in line with best practice

Economy and Enterprise

Overview and Scrutiny Committee

6 November 2023

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 This report provides:
 - (a) An update on the UK Shared Prosperity Fund Programme and the Rural England Prosperity Fund for County Durham, including governance and performance management arrangements and an update on programme implementation.

Executive summary

- 2 The Government launched the UK Shared Prosperity Fund (UKSPF) in April 2022, as a replacement for the previous European funding arrangements. County Durham has been given a UKSPF allocation of £30,830,618 and an additional £2,803,077 allocation for Multiply – a new adult numeracy programme. Durham County Council (DCC) has been identified as the Lead Local Authority for this funding. Grant is available across three financial years 2022/23 to 2024/25 and can be used to deliver activities under three investment priorities: Communities and Place, Supporting Local Businesses and People and Skills.
- 3 The County also has a further allocation of £3.5m through the Rural England Prosperity Fund (REPF), a rural top up to UKSPF providing capital grants to address the challenges that businesses and communities in rural areas face.
- 4 To secure the UKSPF allocation, the Government required Lead Local Bodies to develop and submit Investment Plans for approval by 1 August 2022. These investment plans were approved by Government in early December 2022. An Addendum to this was submitted for the Rural

England Prosperity Fund at the end of November, approval of this was received on 6 April 2023.

- 5 Through the County Durham Economic Partnership (CDEP) arrangements a wide programme of engagement with a broad range of local and regional stakeholders took place to develop the UKSPF Investment Plan. This was supported by a robust evidence base, which identified local challenges and opportunities which were used to inform and prioritise activities that should be funded using UKSPF, as set out within the Investment Plan.
- 6 The Council, as the lead local authority for the UKSPF, Multiply and REPF programmes in County Durham, is responsible for:
 - the funding received from Government;
 - allocating the funding (based on the priorities described in the Investment Plan submitted to DLUHC);
 - managing calls for projects and commissioning activities;
 - entering into local funding agreements and contracts with projects;
 - managing and monitoring successful project delivery against objectives and targets;
 - overseeing monitoring, financial claims and other reporting requirements to projects and delivery partners and reporting progress to Government and partners;
 - and ensuring the funding is used in accordance with public spending guidelines and regulations.
- 7 Once the new North East Mayoral Combined Authority (NEMCA) is established in spring 2024 it will become the accountable body for UKSPF from 2025/26 onwards.
- 8 The County Durham Economic Partnership Board (CDEP) has strategic oversight of the programme and has delegated to its Technical Funding Group (TFG) the responsibility of supporting and advising the Council on delivery and management of the UKSPF Investment Plan. The Technical Funding Group is chaired by the vice chair of the CDEP Board and includes representation from DCC and key external partners across the three investment priorities. Its membership includes public, private and VCS representatives from the lead authority, local businesses/business support providers, the voluntary sector, education

and skills providers, employment experts and providers, and housing representatives.

- 9 The TFG has met on a regular basis and has been key to the implementation of the UKSPF Programme in County Durham, and good progress has been made in committing the resources in line with the approved UKSPF Investment plan, and which is the main subject of this report.

Recommendation(s)

- 10 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment on the information provided in this report.

Background

- 11 County Durham has a UKSPF allocation of £30.8 million, this is predominantly a revenue grant scheme, with an element of capital funding, and is a replacement for previous European funding programmes following the UK's withdrawal from the European Union. The new UKSPF allocation starts at a 90:10 revenue to capital split in 2022/3 which changes to a minimum 80:20 by 2024/25.
- 12 The overarching aim of UKSPF is to build '*pride in place and increasing life chances*' through three core investment priorities: communities and place, supporting local business, and people and skills.

UKSPF and Rural England Prosperity Fund Implementation

- 13 The UKSPF Investment Plan, which is used to guide investment decisions, was developed through significant engagement with a broad range of local and regional stakeholders. It's underpinned by a robust evidence base, which was developed to identify local challenges and opportunities, included a key statistical data set, feedback from the recent Big Econ-versation, and mapping priorities with the County Durham Vision and Inclusive Economic Strategy - as well as evidence on areas of best practice. Partner engagement also helped identify gaps in provision, looking at what could be done differently and whether there were opportunities to work more collaboratively. This approach has informed the way activities have come forward with partner input helping to co-design activities and maximise synergies across different priorities, which has led to new ways of working to deliver maximum impact under UKSPF.
- 14 The UKSPF Investment Plan aims to harness the opportunities presented by the fund to address economic disparities, uplift communities and create inclusive economic growth through new and innovative ways of working than previous delivery, fostering more joined up activity and new collaborative partnership delivery. Particular examples of this include the new Productivity and Growth Programme and Enterprising Durham Framework, which provides new holistic and integrated partnership support at all stages for businesses to start-up, sustain, thrive, and grow in County Durham.
- 15 Since the UKSPF Investment Plan was submitted the Inclusive Economy Strategy has been approved and a Delivery Plan for the strategy has been developed, setting out the actions to be taken in the first two to three years of the IES to support the achievement of our strategic ambitions. This process and the timing of the strategy and

plan has allowed UKSPF to be flexed to deliver a number of the key actions identified in IES delivery plan and address gaps in activities.

- 16 The UKSPF Prospectus also allows UKSPF to be committed through a range of delivery routes and lead local bodies have flexibility over how they deliver the funding, including using a mix of competitive calls for projects (which is the default approach set out in [Cabinet Office Grants Standards](#)), procurement, commissioning or delivering some activity through in-house teams.
- 17 This flexibility has been utilised across the Programme and with support from the TFG significant progress has been made to allocate UKSPF, with a range of projects approved and in delivery in line with the Investment Plan. A list of these is attached at Appendix 2. It provides an outline of the projects that have been approved and shows the key outputs and outcomes that they will deliver.
- 18 Against the grant funding allocation of £34,342,919, (£30,830,618 UKSPF and £3,512,301 REPF), £29,603,653 has been committed to projects to date. This can be seen in the table below.

Investment Priority	Investment Plan Allocation	Commitment/In development
Supporting Local Business	£13,750,000	£11,798,790
Communities and Place	£7,430,618	£5,187,863
People and Skills	£9,650,000	£9,700,000
Rural England Prosperity Fund	£3,512,301	£2,917,000
Total	£34,342,919	£29,603,653

- 19 Proposals are in development to ensure the take up in full the remaining balance, and are due to be approved shortly. A summary of the activity across the three UKSPF Investment Priorities and REPF is set out below.

Supporting Local Business

- 20 Given the time constraints to deliver activity in Year 1 of UKSPF (2022/23) and the need to avoid duplicating European funded business support programmes that will still be delivering until June 2023 – the Year 1 allocation of funding focused on preparing for the delivery of activities in Years 2 and 3. To prepare this groundwork for future years delivery, two research and facilitation projects were commissioned.

- 21 The first piece of research was Understanding Rural Durham, a project to better understand the particular needs of the County's rural businesses and the extent to which they differ from the needs of those within and near to urban centres. The findings from this work have been used to inform the development of subsequent UKSPF projects.
- 22 The second piece of work was research and facilitation to prepare the ground for creating an integrated partnership delivery approach to supporting enterprise and business start-up in County Durham, known as the Enterprising Durham Framework. The recommendations - developed through a series of workshop discussions, an online survey and in-depth interviews with a range of stakeholders - have been taken forward and are described below.
- 23 **Business Productivity and Growth** - An open call for a partnership project to deliver a business productivity and growth programme, also incorporating REPF funding, to deliver a grant scheme to micro and small rural enterprises was launched in January 2023. Three expressions of interest to deliver the funding were received, and following assessment and consideration by the TFG an application from Business Durham working with Delivery Partners UMi and RTC North has been approved. The Durham Productivity and Growth Programme was launched in September 2023 and has already engaged with 86 businesses.
- 24 The programme is delivered through an integrated partnership approach and is a comprehensive initiative designed to elevate productivity and foster growth, providing long-term investment and strategic assistance to businesses located in County Durham. By working in partnership with a number of business support providers, this collaborative approach ensures that businesses have access to a wealth of expertise, resources and support all in one place. Following an initial meeting and diagnostic assessment, businesses are seamlessly referred to the appropriate programme support channels.
- 25 **In-TUNE** - A joint call with the North of Tyne Combined Authority (NTCA) was launched in February 2023 to deliver Innovation and R&D activity. The In-Tune project, led by Durham University working with Newcastle University, Northumbria University, Sunderland University and CPI, was approved in August 2023. Durham County Council have agreed a Co-operation Agreement with NTCA and have contracted with Durham University on their behalf. The project had a successful launch and is in delivery, targeting innovation and commercialisation support across the North of Tyne and County Durham areas to support business productivity, innovation and spin-out formation.

- 26 **Enterprising Durham** – The Enterprising Durham Framework recommended that ‘Business Durham and North East Enterprise Agencies Limited (NEEAL) should now lead the discussion to formalise the model for an integrated partnership’. The TFG were supportive of this approach and DCC commissioned Business Durham through a ‘direct delivery’ approach, working with NEEAL as delivery partner, to develop and deliver a programme of enterprise and animation across County Durham, with a wide range of other partners. The Delivery Plan for this activity has recently been approved and will deliver across three themes – Enterprising People; Enterprising Start Ups and Enterprising Places. This method of delivery is an innovative and new way of delivering start up support in the County, moving from a ‘my customer’ approach to an ‘our customer’ approach which has been strongly welcomed by the Partnership.
- 27 Work continues to be undertaken to develop further proposals focused on increasing business space within the county and a range of schemes that will support increasing innovation and R&D and key areas of activities identified through the IES Delivery Plan process by the Productivity and Innovation Working Groups.

Communities and Place

- 28 In line with the Investment Plan, activities have been developed around the intervention areas of Town Centre vitality, Community Infrastructure, Arts / Culture and Creativity, Place Branding, Volunteering and Social action and Cost of Living. Within Year 1 the UKSPF supported initiatives that complemented the council’s Towns and Villages programme, supporting activity that drives footfall and revitalising towns and village centres.
- 29 **Community Infrastructure** - This project aims to increase community resilience and sustainability through a ‘co-design’ process with communities. The co-design programme will run alongside a delivery programme for Community Infrastructure Framework, led by the council’s Economic Development Service, and is focused on investment in and access to community assets and buildings. The co-design process will help to understand the needs and opportunities for community assets, identify potential interventions, and inform the delivery of investment in these assets. This will ensure that funding mechanisms are designed to ensure accessible delivery to local civil society and community groups, with a particular focus on those groups across rural Durham. This will ensure that communities define investment in their areas whilst also retaining an economic development focus. The delivery of the Community Infrastructure project, which incorporates a significant investment of REPF, will also have volunteering opportunities and social action as a cross cutting activity,

and will use County Durham Together's vision and governance throughout its implementation.

- 30 **Place Branding** - Investment has been made into a Place Branding project, led by Visit County Durham, which will enable the development of a brand for County Durham, building on perceptions research that is currently being undertaken. The place brand will target audiences essential for economic success, ensuring the county has a strong identity both within the region and beyond, whilst providing a competitive edge for securing investment. The new brand will be based on a sound knowledge of existing external perceptions of the county from both a business and visitor perspective, internal perceptions of the county and a strong understanding of the strengths of County Durham as a place in which to live, visit and work.
- 31 **Town Centre Vitality** - A project has also been developed and approved which will deliver a series of cultural engagement events across the County for the next two years, including celebrations for Peterlee and Newton Aycliffe 75th anniversaries. Running alongside the events will be a programme of specialist markets and a pilot wayfinding project to enhance the visitor experience and enhance the vitality of town centres by encouraging people to dwell longer and return.
- 32 Proposals for the remaining balance of resource under this investment priority are in development, focused on the delivery of a Place Labs programme across the county and activities that address the cost of living crisis, aligned to the council's Poverty Action Plan.

People and Skills

- 33 When the UKSPF Prospectus was issued and investment plans submitted, government guidance stated that UKSPF could not fund this investment priority until Year 3 (2024/25). One caveat to this was that UKSPF could be used to support Voluntary and Community Service (VCS) organisations that were currently delivering European funded activity and that was likely to remain a UKSPF funded priority, and the organisation would be placed at risk due to the funding ending. Provision was made within County Durham Investment Plan for the continuation of existing European funded VSC activity 'at risk' in Years 1 and 2 as follows:
- Year 1 - Reaching Out Across Durham (ROAD), delivered by Groundwork North East and Cumbria.
 - Years 1 and 2 – ROAD and VCS elements of the DurhamWorks Programme.

- 34 On 23 March 2023, the government removed its restriction that UKSPF could only be spent in Year 3 (2024/25) for non-VCS People and Skills activity. This enabled lead authorities to allocate UKSPF to any people and skills intervention to an individual organisation, partnership, or any delivery partner during the early years of the fund.
- 35 The transition from European funding to UKSPF for People and Skills is particularly challenging, representing a significant reduction and change in how employability and skills support is provided. In order to minimise the disruption - and lay foundations for the future evolution of the service - the focus has been on maintaining the existing successful partnership delivery infrastructure and expertise in the County and continuity of service delivery across the sector. Consequently, the council's Progression and Learning function, who have led a delivery partnership for employment support since 2015 using European funding, are continuing to lead on the delivery of the Employment Support and Skills Support in County Durham. These projects will be delivered in partnership with VCS delivery partners and other subcontractors. These activities will dovetail with the ending of European Social Fund activity in December 2023.
- 36 **Employment Support** - The Employment Support project in County Durham has been designed to ensure that residents opportunities in the labour market are improved, and to support the ongoing growth of the County's economy. Delivery will focus on three areas of activity. Firstly, individual Key Worker support provision for economically inactive adults; inactive adults with learning difficulties and disabilities; those with poor mental health; and those from other key vulnerable groups. Secondly, support for employers to give them the confidence to create jobs for people furthest from the labour market and to retain existing staff who may have developed support needs or require assistance with workplace progression. Thirdly, support for those who are in work but whose jobs are vulnerable as a result of low pay, zero hours or temporary contracts for example.
- 37 **Skills Support** - The Skills Support in County Durham project will form part of a co-ordinated approach to improve skills across the county, in order to contribute towards higher levels of economic inclusion, productivity and economic growth. This project will complement existing activity and will specifically focus on:
- (a) Improving literacy and verbal communication skills of individuals through a new 'Communicate' programme.
 - (b) Upskilling and retraining employees through flexible skills support programmes.

(c) Providing skills support for individuals who are experiencing skills barriers to their progression and who reside in areas impacted by increased levels of deprivation and/or rural isolation.

38 **Careers Framework** - In addition to the provision of ongoing services, the flexibility afforded by UKSPF has allowed the development of a new careers offer in direct response to long identified gaps in provision. This was developed through the IES Delivery Plan process, and a paper was presented to the TFG on the 25th September, which agreed that a piece of work would be commissioned to create an innovative approach to support the Careers Education, Information and Guidance (CEIAG) offer for all ages across County Durham. Through this work, the current CEIAG offers will be researched and all stakeholders will be brought together to share views and discuss ways in which the CEIAG offer could be improved. A report will be produced which will set out the findings and highlight what a new 'Careers Framework' could offer for County Durham residents.

Rural England Prosperity Fund

39 In addition to the REPF that has been approved within wider UKSPF investments, an open call was launched in July 2023 for projects to deliver capital investments to develop, extend, restore or refurbish local tourist assets and infrastructure to improve visitor experiences. The minimum grant request was £50k, with a maximum of £100k. A total budget of £600k has been allocated for this call.

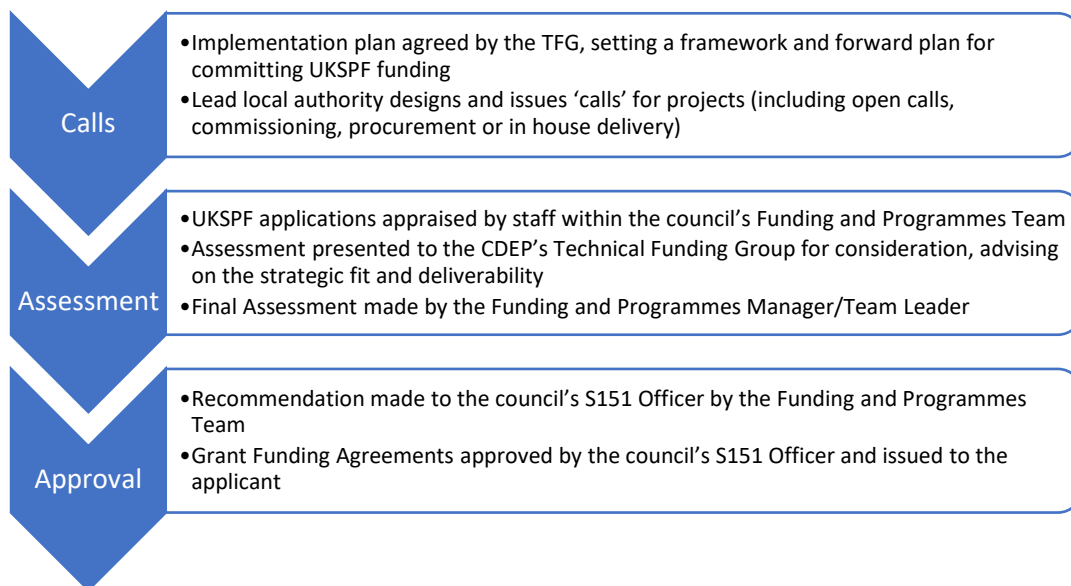
40 23 Expression of Interest (EOIs) forms were received by the deadline of 14th August 2023. These EOIs were assessed, and the TFG were presented with the findings. Of the 23, 9 EOIs have been signposted to the Business Productivity and Growth Programme as they did not sufficiently align with the call criteria regarding tourist assets or infrastructure. The remaining EOIs will be developed further with the applicants and those that are suitable will be requested to complete a full application by 17th November 2023. A scoring/prioritisation process will be developed with the TFG since it is expected that the value of full applications will exceed the available budget.

Governance

41 Government guidance recognises a role for local partners in the governance of UKSPF. It specifies that "comprehensive and balanced local partnerships will be a core component of how the Fund is administered locally and will form an essential part of monitoring and reporting for the Fund over the funds 3 year duration" and that "once (investment) plans are approved, partners should be asked to provide advice on strategic fit and deliverability – taking care to avoid conflicts of

interest. This will ensure that Fund investments complement other activities in the area and meets Fund and local objectives.”

- 42 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 for the purposes of UKSPF.
- 43 The purpose of the CDEP+ Board is to advise, support, challenge and influence the delivery of UKSPF and REPF in County Durham.
- 44 The Board advise on the design, commissioning and performance management of UKSPF and REPF in County Durham. Specifically, it is responsible for advising on the strategic fit and deliverability of UKSPF and REPF investment activities during the programme period - taking care to avoid conflicts of interest. This ensures that UKSPF and REPF investments meet both the fund and local objectives by complementing other activities and opportunities in County Durham.
- 45 At an operational level, it has been agreed that this function is delegated to the Partnership’s Technical Funding Group. It acts on behalf of the CDEP+ Board, to provide technical advice on strategic fit and deliverability and reports to the Board on a six-monthly basis.
- 46 These working arrangements allow the Board and its TFG to fulfil the roles expected of it, whilst recognising that assessing and approving applications for funding lies within the remit of the Lead Local Authority.
- 47 Within the Council, the Lead Local Authority function is being undertaken by its Funding and Programmes Team within REG, utilising its considerable experience of delivering many externally funded regeneration programmes. It leads on managing and monitoring the UKSPF programme, and committing funding in line with the process outlined below:



Performance Management and Monitoring

- 48 DLUHC requires formal reporting on a sixth monthly basis. To support its understanding of progress, it also requests that a summary update is submitted every quarter. This quarterly report is a short, largely qualitative summary update covering spend to date, forecasted spend and a brief narrative on progress and look ahead. The first of these quarterly reports was submitted to government on 17 March 2023.
- 49 The summary reporting is supplemented every 6 months at the middle and end of the financial year by more detailed questions about projects, outputs, outcomes and expenditure. The first of these 6 monthly reports was submitted on 2 May 2023. Within it, it set out the council's plan for committing UKSPF across the programme period.
- 50 All progress reports and plans need to be signed off by the lead local authority Chief Finance Officer.
- 51 Building on experience of delivering other externally funded programmes, the Funding and Programmes Team has established programme management systems to manage and monitor the UKSPF. In addition, the team has developed robust monitoring and audit arrangements, including implementation quarterly claims and collating audit documentation (checking invoices and bank statements). Internal Audit are also engaged with the team and will be carrying out an assurance visit in early 2024. This will be completed before the year end reporting is submitted to Government.

Evaluation

- 52 DLUHC have set out their plan for Evaluation of the UKSPF at a National Level. This includes undertaking Randomised Control Trials using appropriately selected projects; an intervention led evaluation looking at specific types of projects; a Place based evaluation, using a sample of Local Authority areas; and a National Programme level evaluation.
- 53 County Durham partners are keen to learn from the approach that has been taken with the UKSPF in County Durham and have therefore decided to undertake a local longitudinal evaluation. In particular, this evaluation will provide an understanding of the wider benefits the approach has achieved for County Durham, in particular how that has been impacted by:
- exploiting synergies between areas of activity;
 - the use of a 'Theory of Change' model (Why, Who, How, What?);
 - using the partnership approach to lever in additional funding streams, or to influence "asks" for future funding
 - maximising return on investment (including the return on the investment of partner time) and
 - taking full advantage of the combined involvement of key public, private and third sector partners throughout design and implementation

Levelling Up Funding

- 54 In the 2021 Budget, Central Government announced £4.8 billion Levelling Up Fund (LUF), to provide investment in infrastructure across the UK as well as town centre and high street regeneration, local transport projects and cultural and heritage assets.
- 55 County Durham was identified as one of the areas of greatest need of levelling up in the UK and has been classified as a Tier 1 area by Central Government. In previous bidding rounds each parliamentary constituency within the Local Authority area could submit one bid for Government grant of £20 million. County Durham, with six parliamentary constituencies, was able to submit up to six bids in total.
- 56 The first bidding round was launched in March 2021 and the County Council was successfully awarded £20m Levelling Up Funding for its submission for the Bishop Auckland Parliamentary Constituency: Rural Connectivity and Cultural Connectivity programme. This includes a package of activity which is now being delivered, including re-routing the A68 to bypass Toft Hill, reopening Whorlton Bridge and

infrastructure improvements to support the tourism offer focused on Locomotion, including a walking and cycle route which will link the cultural and heritage attractions at Locomotion (Shildon), Auckland Castle (Bishop Auckland) and Bowes Museum and Castle (Barnard Castle), and provide an active mode route connecting rural communities along the corridor.

- 57 Further guidance for Round 2 Levelling Up bids was released in March 2022 with a deadline for submission of bids by 6 July 2022. Following considerable work to develop proposals within each of the remaining five constituency areas, the council submitted five bids as set out in Appendix 3. Unfortunately, it has since emerged that the funding criteria was changed during the bidding process, with funding through Round 2 only being awarded to lead local authority areas that had not previously been successful in through Round 1. As a consequence, as a successful Round 1 authority, County Durham was unsuccessful in Round 2.
- 58 So far, £3.8 billion has been awarded to projects (£1.7bn Round 1, October 2021 and £2.1bn Round 2, January 2023). The fund is due to run until 2024-25, although details of Round 3 and how the remaining LUF funds are to be distributed are still to be announced. Recent intelligence suggests this may be imminent with c.£1bn remaining for allocation. Speaking in the House of Commons on 16 October 2023, the Secretary of State for Levelling Up, Housing and Communities of the United Kingdom said government ‘will make sure that levelling up fund round three is brought forward just in advance of the autumn statement’ on 22 November 2023. Officers are awaiting any further announcements and will respond accordingly to secure the best outcome for County Durham.

Conclusion

- 59 The UKSPF presents a significant investment to support the development of the county’s economy and delivery of its Inclusive Economic Strategy.
- 60 Considerable progress has been made in committing UKSPF resources in line with the Investment Plan, including delivering against the priorities within the county’s Inclusive Economy Strategy and addressing several of the Council’s main objectives.
- 61 Strong governance and performance managements arrangements are in place to implement the programme, utilising the partnership arrangements through the County Durham Economic Partnership, and supported by the council’s Funding and Programme team.

Background papers

- [UKSPF Update - Economy & Enterprise OSC 19 December 2022](#)
- [UKSPF - Cabinet 13 July 2022](#)

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Appendix 1: Implications

Legal Implications

Durham County Council as Lead local authority has received a grant determination letter and Memorandum of Understanding setting out Fund requirements and obligations from DLUHC for UKSPF.

The council must comply with subsidy control rules for administering and awarding grant funding through UKSPF. The granting of public subsidies to private enterprise is now regulated by the Trade and Cooperation Agreement (UK-EU TCA). It will be important to ensure that UKSPF and REPF 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

UKSPF is paid annually in advance. In 2022-23, funding was paid when the local investment plan was approved. The 2023-24 allocation has been paid in advance and the 2024-25 allocation will be paid at the start of the financial year. As with the recent Future High Street and Stronger Towns Funds we have received a grant determination letter and Memorandum of Understanding setting out Fund requirements and obligations.

No formal requirement exists for matched funding for UKSPF, however the emerging investment plan should demonstrate alignment with existing funding and care will be taken not to create further funding pressures.

Consultation

The Prospectus set out the requirements for broad inputs from stakeholders into both the development of the UKSPF Investment Plan and REPF Addendum and ongoing management and implementation of programme. A strong partnership approach has been adopted, through the existing CDEP+ arrangements. In the development of the Investment Plan broad stakeholder engagement took place, with partner events held in July and October 2022, as well as thematic working groups. The consultation material from the recent Our Big Conversation has also informed the evidence base used to develop the UKSPF Investment Plan and REPF addendum. Stakeholder engagement is ongoing through the CDEP+ Board arrangements and its Technical Funding Group.

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. All project proposals in appraisal will review the assessment impact and whether they have a positive or neutral impact on the duty.

Climate Change

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 funding. It is expected that some of the interventions will contribute positively to the net zero. All project proposals in appraisal will be asked to provide evidence on environment impact and longer-term sustainability.

Human Rights

None identified.

Crime and Disorder

None identified.

Staffing

The administration of UKSPF requires 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. Staff have been appointed within the Funding and Programmes Team to manage and monitor the programme.

Accommodation

N/A.

Risk

Overall, there is a significant 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 includes eligibility, delivery and monitoring processes. Other risks include fraud however through a robust application process projects can be assessed before grant is awarded. The Council has a successful track record in managing and delivering externally funded

programmes over the last fifteen years and the UKSPF/REPF programme implementation will build on these processes.

Procurement

Activity delivered through UKSPF could include a mix of direct delivery, procurement and commissioned services. Corporate procurement colleagues will be engaged in the process to ensure the Council delivers funding in-line with the Fund's procurement guidance. As the Lead local Authority, 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 Implementation

Investment Priority - Supporting Local Business

Investment Place Focus

- Activities that increase productivity within the county, providing a broad business support offer, strengthening the local business ecosystems, and providing support at all stages for businesses to start, sustain, grow and innovate. This includes social enterprise development linked to community wealth building;
- Fostering of innovation and growth including creating business accelerator programmes, incubators and workspace provision;
- 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 typically not as well supported under previous funding.

Implementation

Project Period	Name of Project	Project Sponsor	Project Summary	UKSPF	Stage	Key Outputs	Key Outcomes
Year 1 Jan 23 – Mar 23	Enterprising Durham Framework Development	Lead Authority procured activity – Contractor - Ideas for Change Consulting Ltd	To carry out a research and facilitation piece of work to prepare the ground for creating an integrated partnership delivery approach to supporting enterprise and business start-up in County Durham	Revenue £58,171	Delivery completed	1 Feasibility Study produced	n/a

Year 1 Feb 23 – Mar 23	Understanding Rural Durham	Lead Authority procured activity – Contractor - University of Newcastle upon Tyne	To commission a piece of research work to understand better the particular needs of the County's rural businesses and address gaps in knowledge and update baseline on the needs and opportunities within the rural economy	Revenue £29,199	Delivery completed	1 Feasibility Study produced	n/a
Year 2 & 3 Jun 23 – Mar 25	Durham Productivity & Growth Programme	Durham County Council (Business Durham) led consortium with RTC and UMi	To provide a single coordinated package of support for businesses at all stages of their development to sustain and grow, to be delivered in collaboration with identified delivery partners.	£8.16 million (Rev and Capital) of which £1.617m is REPF)	In delivery	900 Businesses supported 250 Businesses receiving grants	193 Jobs created
Year 2 & 3 Apr 23 – Mar 25	In-TUNE Innovating Together – Universities in the North-East	Durham University led consortium	A collaborative regional project led by Durham University in partnership with Newcastle, Northumbria, Sunderland Universities and CPI to deliver targeted innovation and commercialisation support across the North of Tyne and Durham areas supporting business productivity, innovation and spin-out formation.	£2 million	In delivery	121 Businesses receiving support 75 potential entrepreneurs supported	125 organisations engaged in new knowledge transfer activity

Year 2 & 3 Apr 23 – Mar 25	Enterprising Durham Framework Delivery	Durham County Council (Business Durham) led consortium with NEEAL	New integrated and coordinated package of support for entrepreneurs, start-ups, and social enterprises, through the early stages of development and growth.	£3,168,420	In delivery	600 people engaged 300 potential entrepreneurs supported	150 new businesses created 100 jobs created
			Supporting Local Business Sub Total	£13,415,790			
In development : Proposals to support Innovation and R&D and business space infrastructure.							

Investment Priority - Communities and Place

Investment Plan Focus

The County Durham UKSPF Investment Plan proposed the following areas of focus under the Communities and Place Investment Priority:

- Investment to support improvements to town centres and high streets, 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.
- Support for the wider promotion of the County, building on the work undertaken to support the County of Culture programme, raising the profile of the County, and 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.
- A strong community spirit 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.

Implementation

Project Period	Name of Project	Project Sponsor	Project Summary	UKSPF	Stage	Key Outputs	Key Outcomes
Year 1 Apr 22 – Mar 23	Towns and Villages activity	Durham County Council (Economic Development)	New and enhanced public realm space at Spennymoor New build community centre at Lowes Barn Recreation Ground Targeted business support in improving their retail premises	Capital £641,580	Delivery completed	1 Facility supported 220m2 public realm created or improved 3,908m2 commercial buildings developed/ improved	45 Volunteering opportunities supported 37 Jobs safeguarded
Year 1 Oct 22 – Mar 23	Winter Wonders	Durham County Council (Culture, Sport and Tourism)	To deliver a programme of cultural engagement projects and performance events in 12 towns/villages across County Durham	£58,008	Delivery completed	33 Local events supported	5219 people reached
Year 2 & 3 Apr 23 – Mar 25	Community Infrastructure	Durham County Council (Economic Development)	This is an integrated package which includes a number of elements proposed which will be developed and delivered as part of a partnership framework, with a key focus on improving community resilience ensuring sustainability and viability.	£5,239,275 (of which £1.3m is from REPF)	In delivery	37,500 people reached 60 volunteering opportunities supported 25 facilities supported	50 jobs safeguarded 15% increase in take up of energy efficiency measures 60 volunteering numbers as

							a result of support
Year 2 & 3 Apr 23 – Mar 25	Place Branding	Durham County Council (Visit County Durham)	This project will develop a place brand for County Durham that will target audiences essential for economic success, ensuring the county has a strong identity both within the region and beyond, whilst providing a competitive edge for securing investment. The project will also undertake stakeholder engagement and include Brand Activation.	£200,000	In delivery	500 organisations receiving non-financial support 1,000 people reached	5% increase in visitor numbers
Year 2 & 3 Apr 23 – Mar 25	Town Centre Vitality	Durham County Council (Culture, Sport and Tourism)	This project will deliver a series of cultural engagement events across the County including celebrations for Peterlee and Newton Aycliffe 75 th anniversaries. There will also be a programme of specialist markets and a pilot wayfinding project to enhance the visitor experience and enhance the vitality of town centres by encouraging people to dwell longer and return.	£349,000	In delivery	13 neighbourhood improvements undertaken 12,830 people reached 27 Local Events supported	114 community-led arts, cultural, heritage and creative programmes supported Increased footfall of 5,600
Year 2 & 3	REPF Rural Tourism	Range of project sponsors	This is a call for capital projects to develop, extend, restore or refurbish local tourist assets and	£600,000	In development	tbc	tbc

Apr 23 – Mar 25			infrastructure to improve visitor experiences.				
			Communities and Place Sub Total	£7,087,863			
Pipeline: Development of proposals for delivery of a PlaceLabs programme and activity to address the cost of living crisis aligned to the council's Poverty Action Group.							

Investment Priority - People and Skills

Investment Plan Focus

- 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.
- 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.
- 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.

Implementation

When the UKSPF Prospectus was issued government guidance stated that funding for this investment priority could not start until Year 3 (2024-2025). One caveat to this is that UKSPF could support VCS organisations currently delivering ESF activity that would be at risk due to funding ending, and where it is a priority for this activity to continue. Provision was made within County Durham's UKSPF Investment Plan for the continuation of existing ESF funded VCS activity 'at risk' in Years 1 and 2.

On 23 March 2023, government changed this original guidance, removing the restriction that UKSPF could only be used in Year 3 for non-VCS delivered activity and activity has now been advanced into Year 2 (2023/24) to avoid gaps in provision of employment and skills support.

Project Period	Name of Project	Project Sponsor	Project Summary	UKSPF	Stage	Key Outputs	Key Outcomes
Year 1 Apr 22 – Mar 23	ROAD Continuation (previously funded through ESF)	Groundwork NE & Cumbria	The project is to engage and support those who are hardest to reach across the county in breaking down barriers to employment and to move participants closer to the labour market	Revenue £500,000	In Delivery	89 economically inactive people engaging 29 volunteering opportunities	24 people gaining a qualification 49 people with reduced barriers to participation
	Employment Support in County Durham	Durham County Council (Progression and Learning)	A project to ensure that residents improve their opportunities in the labour market and support the ongoing growth of the County's economy.	£5,120,000	In delivery	1450 economically inactive people engaging 900 people receiving support to sustain employment	800 people reporting increased employability 150 people sustaining employment for 6 months
	Skills Support in County Durham	Durham County Council (Progression and Learning)	A co-ordinated approach to improve skills across the county, in order to contribute towards higher levels of economic inclusion, productivity and economic growth.	£4,000,000	In delivery	1300 people supported to participate in education 750 people supported to engage in life skills	300 people in employment 986 people with reduced barriers to participation
	Careers Framework	Lead Authority/Business Durham procured	Through this work, the current CEIAG offers will be researched and all	80,000	In development		

		activity – Contractor – to be confirmed	stakeholders will be brought together to share views and discuss ways in which the CEIAG offer could be improved.				
			People and Skills Sub Total	£9,700,000			

Appendix 3: Levelling Up Funds Round 2 Submissions

City of Durham: Enhance and Maintain Transport Assets to Support Durham City's Economy

The £20 million Levelling Up submission for the City of Durham sought to contribute to the delivery of three schemes that will collectively enhance and maintain Durham City's economy. The schemes would economic development through transport and cultural led regeneration and included:

- (a) Bowburn Relief Road – tackling traffic capacity constraints to bring forward Phase 3 of Integra 61, by reassigning traffic away from Junction 61 and Bowburn village (A177);
- (b) City Centre active mode connectivity, linking new and existing cultural attractions;
- (c) Stabilisation of A690 – ensuring the A690 remains open and there are no adverse impacts on the A1 or the wider city.

Easington: Horden Regeneration - Wellbeing and Quality of Life

The £20 million Levelling Up submission for Easington sought to contribute to the delivery of three schemes that supports wellbeing and quality of life improvements as part of a longer-term approach to housing led regeneration within Horden. The Levelling Up scheme supports regeneration through the new and enhanced community assets on brownfield land, improving local streets and enabling housing development land. The schemes includes:

- (a) Enabled Residential Land to provide land for social housing to support the rehousing of residents impacted by regeneration plans;
- (b) Community assets on brownfield land including a woodland plantation, nature reserve and new community building;
- (c) Improving local streets to encourage modal shift to non private car use.

North Durham: Stanley Regeneration

The £20 million Levelling Up submission for North Durham sought to contribute to the delivery of three schemes that supports high street regeneration, boost economic growth, encourage modal shift and tackle known congestion issues on the A693, it includes:

(a) High street regeneration - bring buildings back to life within town centre through the introduction of new managed workspace, public realm, enhancement of the wellbeing offer at the Louisa Centre and bus station revitalisation;

(b) Decongestion improvements along the A693, including at the Asda Roundabout and Oxhill junction, also allowing for improved public transport journey times and punctuality;

(c) Active mode improvements – linking key nodes such as the Academy and High Street with residential areas. The town will be better connected to the Coast 2 Coast route.

North West Durham: 3 Towns Regeneration – Strong, Connected and Active Towns

The £12 million Levelling Up submission for North West Durham sought to contribute to the delivery of three schemes that will enhance recreational facilities, support wellbeing, improve active mode provision, grow the local economy and boost high street regeneration across the three towns of Crook, Willington and Tow Law. The schemes proposed include:

(a) Town Parks and Leisure – range of improvements across the towns including a new community hub, improved parks, Multi Use Games Areas (MUGAs), event spaces, BMX track and skate park;

(b) Stronger Towns through high street regeneration and employment growth – enabling infrastructure to support development at Low Willington Industrial Estate, targeted improvement for the high street, wayfinding and public realm;

(c) Active mode and Sustainable Streets – new and upgraded cycling and walking routes within and between the three settlements. New EV charging infrastructure to support and encourage sustainable travel.

Sedgefield: Newton Aycliffe Regeneration

The £20 million Levelling Up submission for Sedgefield sought to contribute to the delivery of three schemes that will support high street regeneration, improvement public transport provision, improve culture and wellbeing and enhance active mode connectivity within the town. The schemes proposed include:

(a) High street regeneration – repurposing land and buildings at the within the town centre to provide improved flexible and amenity space, a public transport

interchange, reprovision of surface level car parking and improved commercial buildings;

(b) Enhancement of active mode routes across the town linking employment locations, rail stations, green spaces, parks and residential areas;

(c) Improved cultural and wellbeing offer within the town centre to enhance provision and provide a cultural family attraction alongside the existing leisure and library services.

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