

# Economy and Enterprise Overview and Scrutiny Committee

10 January 2020

## Strategic Employment Sites - Overview



### Joint report of John Hewitt, Corporate Director of Resources and Ian Thompson, Corporate Director of Regeneration and Local Services

#### Electoral division(s) affected:

Countywide

#### Purpose of the Report

- 1 The report provides members with an overview of key strategic Employments sites in the county prior to a presentation by Ray Brewis, Strategy and Project Development Manager, Regeneration and Local Services.

#### Executive summary

- 2 Members will recall that when considering various reports as part of the 2018/19 work programme including the progress update on Business Durham and the pipeline of investment in the county, the committee requested that they receive an overview of strategic sites in the county.
- 3 The committee at its meeting on the 27 June agreed it future work programme for 2019/2020 which identified an overview of key strategic sites in the county together with two visits to various sites.
- 4 Arrangements have been made for Ray Brewis, Strategy and Project Development Manager, to attend the meeting on 10 January 2020 to deliver a presentation focusing on:
  - **Jade Business Park**
  - **Forrest Park**
  - **NetPark**
  - **Integra 61**

A copy of the presentation is attached as Appendix 2

The report covers sites that have either received or have external funding approved and are delivering either enabling works or in receipt of investment. Therefore, Aykley Heads is not included at this point.

### **Recommendations**

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.
- 6 That the Economy and Enterprise Overview and Scrutiny Committee undertakes two visits to various strategic sites in the county as included in its 2019/2020 work programme.

## **Background**

- 7 Outlined in the Regeneration Statement 2012-2022 was the key ambition to make County Durham a “key location for business” this was underpinned by three key objectives of;
  - Nurture Business creation, development and growth, aligned with Key wealth creating sectors.
  - Create the right environment for innovation and growth.
  - Promote County Durham as an attractive economic location for investment.
- 8 To deliver on this ambition it has been necessary to establish and grow the amount and quality of business growth space available across the county, in the places most attractive to investors.
- 9 This has involved assessing where investors wanted to locate, what types of activity needed to be accommodated and preparing places to be competitive.
- 10 Whilst work has been ongoing on many employment sites across the whole of the county the largest in term of growth capacity has taken place across four sites.

## **Expansion to NetPark**

- 11 NetPark has been developed over the last fifteen years and comprises a range of buildings that includes over 120,000 sq. ft. of space managed by Business Durham together with two CPI buildings and the Durham University Research Institute. NetPark is currently home to 35 science and technology businesses employing over 550 people.
- 12 A further phase of NetPark is now available for development and occupation providing over 13 ha of serviced land that aims to provide over 250,000 sq. ft of new space for science-based businesses employing up to 1000 people in the next ten years.

## **Establish Forrest Park**

- 13 Forrest Park is a new employment site located alongside Junction 59 on the A1(M) and immediately adjacent to Aycliffe Business Park.
- 14 When combined, Forrest Park and Aycliffe Business Park make up the largest employment site in the North East by land area.

- 15 Forrest Park extends to 135 acres and has the capacity to accommodate 1.75m square feet of industrial floor space. Based on existing development projections across B1 office, B2 industrial & B8 storage and distribution the site could provide in excess of 3200 new jobs over the next 10-15 years.
- 16 The site also has the potential to accommodate a Rail Freight Terminal. Which would be the first in the North East of England.
- 17 In 2015 the owners of the land, the Forrest Family, and the County Council agreed to form a Joint Venture Company to facilitate the development of the site, with the Council holding a 51% interest in the Company.
- 18 In 2016 the County Council was successful in securing £13m from the North East Local Enterprise Partnership (LEP) to provide infrastructure to enable the site for development. These works, which included new highway access, a 23 MVA electricity supply and other utility works were completed in 2018. The LEP funding required the Council to show progress against various job outputs over a defined period.
- 19 Forrest Park Ltd have agreed to appoint a development partner, Richardson Barberry. Richardson and Barberry are two separately owned companies (both based in the West Midlands) who have come together to form a JV to work alongside the Forrest Park Board to deliver the site. Both Richardson and Barberry have an excellent track record of industrial development.
- 20 The development partnership and opportunity presented by Forrest Park was announced at MIPIM France, the world's leading property market conference event. Arising from the announcement a number of enquiries have been received from companies expressing an interest in being located at Forrest Park.
- 21 A marketing and promotion campaign has also been agreed with development partner which will see the site promoted across a range of mediums over a number of years.
- 22 Alongside the main site there is also a two-acre plot of land at the front of the site that has been extensively marketed to the 'drive thru/to' market. This has resulted in a bid being accepted from Euro Garages to construct a petrol filling station with integral retail units and a standalone KFC fast food restaurant. This will complement other roadside facilities on an adjacent site.

## **Establish Integra 61**

- 23 The Integra 61 Development Bowburn adjacent to J61 has been taken forward by Citrus Durham Ltd since they acquired the site in 2013.
- 24 The mixed-use site covers 205 acres and will accommodate a developable area of 101.1 acres of B2 B 8 Use and two housing development t of 18.4 acres and 270 houses.
- 25 There is additional capacity for further roadside uses at the front of the scheme to accommodate showrooms and potential leisure use.
- 26 Durham County Council in undertaking highways infrastructure work to the all of Junction 61 access and egress points, with particular focus on the A688 where access to the Durham Services and the Integra 61 access are located.
- 27 These junction and road works have been funded by Highways England and DCC with onsite infrastructure and highways work being jointly funded by the Developer and grants from the Local Growth Fund.
- 28 In Dec 2018 Tritax Big Box signed a deal with a major international company for distribution and fulfilment centre with up to 1,951,637 sq foot of floorspace on four floors.
- 29 This single unit (DC1) will attract over 2200 FTE jobs and will be fully open in 2020.

## **Establish Jade Business Park**

- 30 Jade Business Park, formerly known as Hawthorn, was granted Enterprise Zone status in 2015 as part of a wider North East Local Enterprise Partnership (NELEP) offering. Occupiers are given rate relief and NELEP receive the rates for 25 years with some profit sharing once the site is fully built out.
- 31 In return NELEP is providing funding for power and other utility services and junction improvements part financed by Highways England worth £10.6 million.
- 32 The Council agreed in April 2019 to fund the development of 156,000 sq. ft. of modern industrial units at Jade with sizes ranging from 10,000 sq. ft. to 51,000 sq. ft.
- 33 The factory units which are due for completion in June 2020 and will be managed by Business Durham should support up to 400 jobs.

- 34 Sumitomo Electric Wiring Systems (Europe), a Japanese owned supplier to Nissan has already agreed to take the largest unit of 51,000 sq. ft.
- 35 Highbridge Properties retains an option on the rest of the site which could see the development of a further 300,000 sq ft of industrial and office space supporting up to 2000 jobs depending on use.
- 36 To date (December 2019) all of the steel erection and concrete bases for all of the units has been completed with roofing and cladding completed on the two largest units.

### **Next Steps**

- 37 All these sites will continue to be promoted to national and international investors until they reach their potential
- 38 Forrest Park and Jade are now part of the United Kingdom Trade and Industry (UKTI) pitchbook of prime international investment opportunities. Each one is promoted by UK Government at international trade events and Embassy and Consulate trade gatherings.

### **Strategic Project Pipeline**

- 39 This work has been in planning and development for over 10 years and has met some of both the demand and quality requirement of inward investments from both the public and private sectors.
- 40 In anticipation of the need for further employment land up to 2050 work is beginning in the new year to identify growth requirements and best locations through the development of a new economic strategy and narrative for County Durham.
- 41 This will lead into a development project pipeline for the county to ensure future supply of suitable sites in the right locations and meeting our future demand and quality requirements.
- 42 With a good track record of being awarded regional/national project funding to support economic growth through funding rounds such as Local Growth Fund, National Productivity Investment Fund, Acceleration Construction, Future High Streets Fund and Housing Infrastructure Fund, having an approach to managing an investment pipeline and developing major projects is an important part to deliver growth within the county

- 43 Within Regeneration and Local Services Service Grouping, a flexible investment pipeline approach is taken to ensure that the county can remain responsive to opportunities. This enables us to:
- Identify priority ideas early, develop robust business cases and enable project proposals that are ‘investment ready’
  - Accelerate delivery plans
  - Stimulate market investment through joint ventures, collaborations and seed funding
  - Help tackle barriers to growth like low land values and land assembly by supporting the delivery of site infrastructure including roads and utilities like power, water and gas to improve ‘readiness’ for investment - enabling the delivery of otherwise marginal or unviable sites.
  - Take advantage of our assets through direct promotion with the Department of International Trade, Northern Powerhouse, NELEP, Transport for the North and other direct Governmental Departments.
  - Inform strategy development with County Durham based evidence and opportunities. This helps to ensure that the county’s strategic priorities are recognised at a regional, pan regional and national level. This is delivered through lobbying as well effective representation at organisation like NELEP/NECA etc.
- 44 Our ambitions for growth and spatial plans for development are predicated on market appetite and ability to secure investment. To facilitate this process it is imperative we set priorities. These include:
- To enhance connectivity and business routes to market the A19, A1(M), A167, East Coast Mainline and Durham Coast Line transport corridors within the county present priorities to facilitate economic growth.
  - Improvements to the infrastructure itself, business parks, town centres and housing sites will provide better connected places to stimulate future jobs growth and investment.

## Conclusion

- 45 We will continue to take advantage of and promote our success in a wide range of projects and investments across the county that have already levered considerable private investment. We will also continue to develop and manage our project pipeline to ensure that projects have the opportunity to be fully developed, promoted and delivered. This will involve partner collaboration and a proactive approach to appropriately, planning and developing projects to take advantage of funding opportunities as they arise. As opportunities to support and inform strategy development like the Local Industrial Strategy, Shared Prosperity Fund and Towns progress, a flexible investment pipeline will help ensure that Durham's priorities are reflected within regional and national policy and will help to secure/maximise future funding to address our needs and growth potential

## Background papers

None

## Other useful documents

- Links to relevant websites
- Integra 61 <https://integra61.co.uk/>
- Forrest Park <https://www.barberry.co.uk/project/forrest-park-newton-aycliffe/>
- NETPark <https://www.northeasttechnologypark.com/>
- Jade <http://www.jadepark.co.uk/>

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable

### **Finance**

Not applicable

### **Consultation**

Not applicable

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable

### **Human Rights**

Not applicable

### **Climate Change**

Not applicable

### **Crime and Disorder**

Not applicable

### **Staffing**

Not applicable

### **Accommodation**

Not applicable

### **Risk**

Not applicable

### **Procurement**

Not applicable