



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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To outline the role of the new Economic Strategy in supporting the creation of jobs and development of our workforce.

Executive Summary

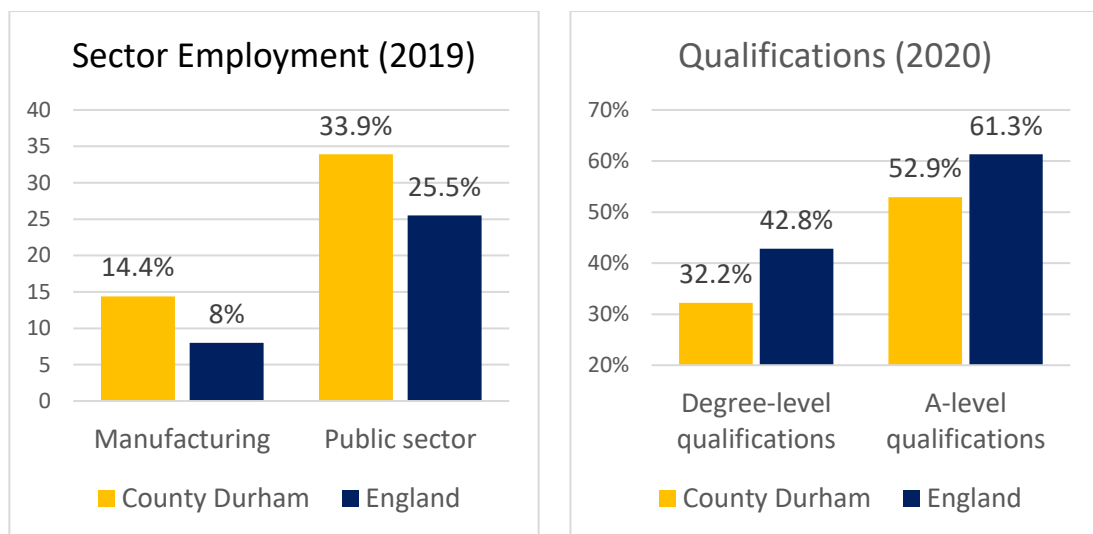
- 2 County Durham is the largest economy in the North East with more than quarter of a million workers but faces a number of workforce challenges which means we lag national levels of growth. We currently operate a range of employability programmes which aim to address some of our social mobility and economic challenges.
- 3 The council supports substantial developments and investments with enabling infrastructure such as transport, property development, and land remediation and deploy highly ambitious external funding programmes to support these. Furthermore, providing land and premises and supporting thriving town centres attracts new jobs, investment, and new businesses to the county.
- 4 This report and accompanying presentation set out some of the evidence on workforce challenges and opportunities and what employability services we already offer to businesses and residents. The Economy and Enterprise Overview and Scrutiny Committee will play a key role in developing a new Economic Strategy for the County from Autumn 2021 onwards, which will support new job opportunities and shape future employability programmes.

Recommendations

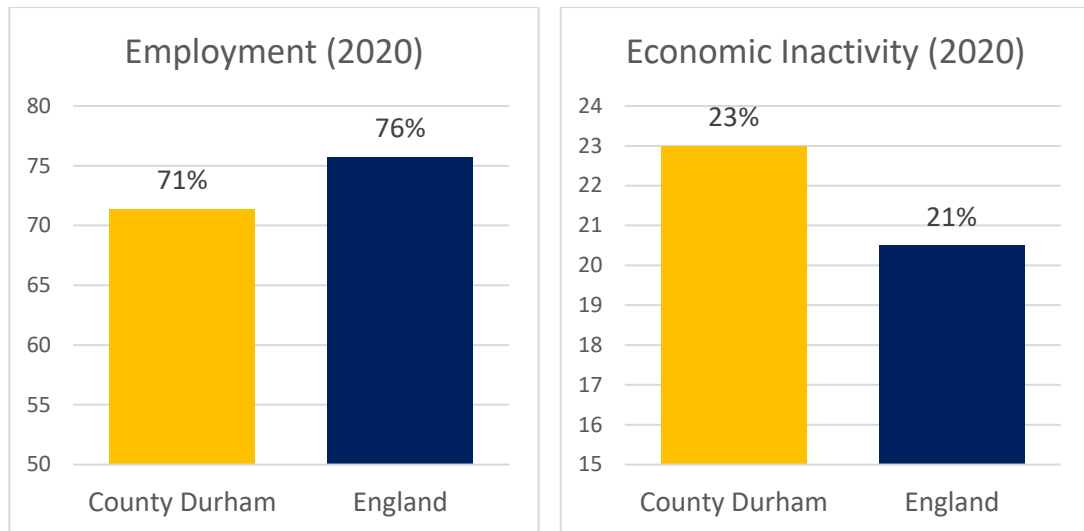
- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and accompanying presentation.

Background

- 6 County Durham has a large economy with a workforce of more than a quarter of a million workers; but has traditionally lagged behind national levels of performance. If we had matched national performance in the last decade there would be 11,600 more jobs in the County. The County has a different sector base to the national economy, with a notably larger manufacturing and public sector base and relatively small private sector.
- 7 Our workforce generally has lower levels of education than the national average at A-Level equivalent and degree equivalent levels and a skilled workforce is an important measure to attract and sustain employment to the county.



- 8 Employment levels are traditionally lower than the national average and, similarly, unemployment levels are higher at 6% compared to 5% nationally. Although schools are performing well, the county has a high proportion of workers with lower level education and skills and a high proportion of people of working age (23%) who cannot or do not work (known as 'economic inactivity').



9 Consistent with national trends, there is evidence that there are emerging shortages in some areas of the economy such as delivery drivers, health and social care staff, teachers, ICT professionals and hospitality staff. These jobs often require specialist qualifications and accredited skills which take years to acquire. Some of these issues arise from the Covid crisis and Brexit and may be temporary, but nevertheless are affecting our businesses and economy. There are also longer-term issues that we need to try to address such as

- apprenticeships in smaller businesses (which make up 98% of our business base),
- a lack of young people with transferrable business skills,
- the need for more funding to support employability programmes,
- a need for more streamlined information, advice and guidance for people looking for work and
- ensuring good transport access to employment opportunities

10 In order to take advantage of opportunities and tackle challenges the council has and will continue to take a collaborative approach and work in partnership with a wide range of local, regional, and national bodies. We need to continue to work in partnership with developers and investors to bring a variety of new businesses and jobs to the County and diversify our economy.

Social Infrastructure and Skills

11 The council has a successful partnership model which has allowed us to offer a range of employment support services in partnership with other funders and providers. We currently offer a range of support including

services for those affected by the Covid crisis, digital skills support, apprenticeships, training and skills development, support for businesses making redundancies and workers who are made redundant, and recruitment advice to businesses. Our directly delivered adult employability programmes include:

- **Durham Advance:** Support for over 25s with health conditions or disabilities or are over 50 years of age
- **Employability Mentoring Programme:** Over 25 and living in Spennymoor, Bishop Auckland or Shildon
- **North Durham Assist:** Over 25 and living in Chester-le-Street or Stanley
- **LINKCD:** Over 18 with multiple and complex barriers to employment
- **FLEX:** Over 25 and need employability support due to Covid
- **Refugee Mentoring Programme:** Eligible adults resettled in County Durham as a part of the Vulnerable Persons Resettlement Scheme

12 Some of the successful programmes we operate include Durham Works, one of 22 large scale Youth Employment Initiative projects nationally which was funded by the EU and has offered a range of services to young people (aged 15-24) who are not in education, employment, or training (aka 'NEET'). This programme delivered by the Council alongside seven delivery partners seeks to support 10,000 young people through improving skills or directly accessing employment over its lifetime.

13 With a focus on workplace skills and company entry requirements , we also support businesses that are locating or setting-up new facilities in the County such as Amazon who opened in 2020 near Bowburn and created more than 1,000 jobs. A significant proportion of the initial recruitment was secured through 'employment routeway' programme.

Economic Infrastructure

14 The Council takes a strategic role in the development of infrastructure that enables and secures private sector developments, investments, and jobs. In many parts of the County land values are low and it is necessary for the council to work with private developers and other infrastructure providers to help facilitate developments through constructing access roads, improving junctions, ensuring the site has sufficient power, and other enabling measures. We seek to work with partners such as the North East Local Enterprise Partnership, the

Highways Agency and Northern Powergrid to co-fund and coordinate the necessary infrastructure to secure new businesses and jobs.

- 15 External funding is vital for supporting a range of regeneration and economic development functions and we have been successful in securing significant levels of investment from the European Structural Investment Funds, the North East Local Enterprise Partnership and the various agencies of the Government. Officers are constantly horizon scanning to identify opportunities to bid for funding, particularly 'gap funding' delivered through the Local Growth Fund, alongside wide ranging programmes providing specific sectoral or geographic opportunities such as the Levelling up Fund, Future High Streets Fund, Towns Fund and the Community Renewal Fund.
- 16 In addition to accessing and managing external funding, the Council supports development and job creation agenda through direct funding support through programmes such as Finance Durham as well as taking an active role in property development. This can include:
 - Development and management of a workspace portfolio
 - Speculative workspace development
 - Undertaking strategic acquisitions and
 - Supporting headleases where commercial.
- 17 A wide range of Council services support the development and job creation ambitions with a continued focus on the delivery of Transport enabling infrastructure. Specific programmes such as the Transforming cities fund alongside our established Local Transport Plan ensure good access and movement at our key employment sites ensuring we support the existing employment base while providing new opportunities for growth and diversification.
- 18 The County Durham plan sets out 300 hectares of employment land policies for town centres which will be vital in helping us to attract businesses, investors, and jobs to the county. Our towns, sites and premises also support the expansion of existing businesses and support enterprising people that want to set-up in business. Scrutiny Committee Members will receive a separate report and presentation on our five Strategic Employment Sites which will be vital in attracting new jobs to the County:
 - Aykley Heads, Durham (56 hectares)
 - Forrest Park, Newton Aycliffe (54 hectares)

- Integra 61, Bowburn (89 hectares)
- Jade Business Park, Murton (22 hectares)
- NETPark, Sedgefield (200 hectares)

19 The development of a new Economic Strategy will replace a range of existing strategies including the Regeneration Statement, which have supported economic programmes and projects for several years. The development of a new strategy allows us to evaluate successful programmes and develop an action plan that supports job creation and helps to get local people into those jobs. However, the key challenges will continue to be tackling deep-rooted weaknesses in the economy and labour market and securing sufficient funding to tackle long-term and emerging issues.

Conclusion

20 The ambition of the County and the new Economic Strategy will be vital for setting out the County's plan for securing new jobs and getting people into work, building on existing programmes and enabling activity. The Economy and Enterprise Overview and Scrutiny Committee will play a key role in developing the strategy from Autumn 2021 onwards.

Background papers:

None

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Appendix 1: Implications

Legal Implications

None directly related to this report

Finance

Multiple external funding streams support the Job creation agenda. The majority of large scale employment support activity connecting residents with opportunities across the County since 2016 has been supported through the European Social Fund. To date, £50,546,711 ESF has been allocated or committed for access to the labour market opportunities while £19,870,651 ESF has been made available for skills development activities.

Consultation

Development of the Economic Strategy will include a consultation and engagement programme continuing the partnership approach to this area of work.

Equality and Diversity / Public Sector Equality Duty

Job creation plans include specific programmes to support groups with certain protected characteristics.

Human Rights

None directly related to this report

Climate Change

None directly related to this report

Crime and Disorder

None directly related to this report

Staffing

None directly related to this report

Accommodation

None directly related to this report

Risk

Significant elements of resourcing supporting job creation and workforce development are sourced from European monies which cease in December

2023. Ensuring emerging funding opportunities, not currently defined, provide adequate allocations to deliver job creation and workforce development opportunities remains a critical issue.

Procurement

None directly related to this report