



Report of Amy Harhoff, Director of Regeneration, Economy and Growth, Durham County Council

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report gives an overview of the Draft Inclusive Economic Strategy.

Executive summary

- 2 In December 2021, the Council's Cabinet agreed to the process for developing a new Inclusive Economic Strategy (IES). The Big Econ-versation was undertaken between 31 January and 22 April 2022 with over 86 events held and attended by over 1500 people and a total of 1455 surveys were completed including 918 residents, 94 businesses and 443 young people.
- 3 Using what we have brought together from the Economic Review, the Economic Statement and the Big Econ-versation we have now drafted an IES. The IES will be a key document to support the County's economic growth in the future.
- 4 At the heart of the strategy is a simple ambition: more and better jobs in an inclusive, green economy. To achieve this the IES sets a framework for an inclusive economy, focusing on People, Productivity, Places, Promotion and Planet.
- 5 Our 'People' pillar delivers our ambition for more local and better paying jobs in an inclusive and green economy by enabling residents to access economic opportunities and excel in business and their careers.
- 6 Our 'Productivity' pillar delivers our ambition for more local and better paying jobs in an inclusive and green economy by supporting local wealth creation and retention.
- 7 Our 'Places' pillar delivers our ambition for more local and better paying jobs by developing places and infrastructure so that people and businesses thrive, creating an inclusive and green economy

- 8 Our 'Promotion' pillar delivers our ambition for more local and better paying jobs in an inclusive and green economy by promoting our county, assets and opportunities to businesses, investors, visitors and residents.
- 9 Within each of the above pillars we have specific actions related to green growth. The target for County Durham to become net zero has been brought forward to 2045. The Climate Emergency Plan sets out how we need to be at the forefront of the clean, green, industrial revolution. This strategy needs to complement these plans by investing in people, technologies, research and development, and business.
- 10 In delivering the IES, we will use the levers at our disposal as a county including:
 - Our assets including the land and property owned by the Council and our partners;
 - Our policies including planning, skills, public health and transport;
 - Programmes and funding including UK Shared Prosperity Fund and leveraging as much external investment as possible; and
 - Working together with our partners.
- 11 The IES also includes a list of early actions across People, Productivity, Places and Promotion. Our next steps are to develop a detailed action plan and monitoring framework to deliver against our Strategy.

Recommendation

- 12 Health and Wellbeing Board Members are invited to note the report and pass on any views they have on the Draft Inclusive Economic Strategy at the meeting. The Draft Inclusive Economic Strategy is attached as Appendix 2 of the report.

Background

- 13 In December 2021, the council's Cabinet agreed to the process for developing a new Inclusive Economic Strategy (IES) and that the development of the strategy should be preceded by a conversation with stakeholders across the county to understand their views on economic opportunities and challenges. As a result, the Big Econ-versation was undertaken between 31 January and 22 April 2022.
- 14 By the end of the Econ-versation over 86 events had been held and attended with over 1500 people engaged. A total of 1455 surveys were completed including 918 residents, 94 businesses and 443 young people. Some of the key messages coming out of the Econ-versation were:
- County Durham needs more good quality jobs to support people into work, improve earnings, retain skilled residents and young people, and ensure that there is a healthy workforce;
 - There is an opportunity to build on and grow sectoral strengths in the county, including in manufacturing and energy;
 - These good quality jobs need to be accessible to local people, through improved public transport, especially in rural areas;
 - Flexible and inclusive skills provision, retraining, careers advice and work experience was identified as an area to improve and is important for young people and workers of all ages. This will also bring benefits to businesses through increased productivity and growth;
 - Support is required to improve the health of residents and workers to help target the causes of poverty;
 - There is a lot on offer in the county – a diverse and beautiful natural environment, culture and heritage – but more needs to be done to market and promote the county, attracting people to live, work and visit the county;
 - Investment is needed county-wide, particularly in smaller towns and villages, to regenerate high streets and town centres through a more diverse offer, support local businesses, create local jobs for residents, and restore confidence and a sense of community; and
 - Green economy and climate change is a priority for residents and is seen by business to be a major opportunity for growth. While residents are supportive of net zero, they want a balanced approach

that protects jobs and is manageable with wider economic pressures.

- 15 Using what we have brought together from the Economic Review, the Economic Statement and the Big Econ-versation we have now drafted an Inclusive Economic Strategy. The Inclusive Economic Strategy will be a key document to support the County's economic growth in the future.

Draft Inclusive Economic Strategy

Ambition

- 16 At the heart of the strategy is a simple ambition: more and better jobs in an inclusive, green economy.
- 17 **More jobs**, in the county's broad business base. This means creating the conditions for more businesses to start, move, and grow in all parts of the county, providing advice and guidance, access to finance, unlocking employment land, and investing in digital and physical infrastructure and places so that people can work closer to where they live. We will capitalise on our heritage, cultural and natural assets to grow our visitor economy, and we will promote the county widely to attract more businesses, investment, and visitors. This also brings an opportunity to attract more people to live here as digital and remote working increase.
- 18 **Better jobs**, to ensure that residents can access secure work that pays a living wage. This is in the county, where we are already home to the highest number of advanced manufacturing and health & life sciences jobs in the North East, alongside growing clusters in areas such as green energy, energy and fintech. We believe all jobs can be better jobs and will focus on good business practices through factors such as pay, health and wellbeing, and minimum hours. We can also equip residents with the skills and training and transport options to access jobs across the wider region.
- 19 **Inclusive**, to ensure that the benefits of growth are shared fairly. Linked to the County Durham Plan, places are seeing investment in high streets, housing and wider regeneration. This strategy will focus on barriers that residents face to employment, from skills to health, addressing the inequality experienced between and within some of our places. We will develop Inclusive Economy Cohorts to ensure that we maximise the impact of the strategy and its actions effectively to target resource where it is needed most.
- 20 **Green**, to ensure that activity contributes to the Climate Emergency and 2045 goal of net zero carbon County Durham. This needs to capitalise

on our green economy businesses, create more high-quality jobs for residents, and support all to reach net zero without putting increased costs on individuals and businesses. We've listened carefully to what local people have said here; we need balanced actions that protect jobs and workers.

Framework

- 21 The IES sets out our 2035 framework for an inclusive economy, focusing on People, Productivity, Places, Promotion and Planet.

People

- 22 Our 'People' pillar delivers our ambition for more local and better paying jobs in an inclusive and green economy by enabling residents to access economic opportunities and excel in business and their careers.
- 23 We will enable residents to access economic opportunities and excel in business and their careers by focusing on:
- Raising skills levels, including higher and green skills, linked to what employers need
 - Overcoming barriers to employment, including work readiness, skills, careers advice and guidance, and poor health
 - Supporting in-work progression and upskilling
 - Improving health and wellbeing

Productivity

- 24 Our 'Productivity' pillar delivers our ambition for more local and better paying jobs in an inclusive and green economy by supporting local wealth creation and retention.
- 25 We will support business growth and innovation, and retain wealth locally by focusing on:
- Nurturing our opportunity sectors
 - Supporting our major employment sectors, including manufacturing, health, and the visitor economy
 - Enabling businesses to start, grow and stay in County Durham
 - Developing a regional innovation ecosystem
 - Encouraging good business practices, including improving health in the workplace

Places

- 26 Our 'Places' pillar delivers our ambition for more local and better paying jobs by developing places and infrastructure so that people and businesses thrive, creating an inclusive and green economy.

- 27 We will develop places and infrastructure so that people and businesses thrive by focusing on:
- Creating vibrant town and local centres
 - Unlocking employment land for high quality premises
 - Improving physical connectivity, including public transport and active travel
 - Enhancing digital infrastructure and connectivity

Promotion

28 Our 'Promotion' pillar delivers our ambition for more local and better paying jobs in an inclusive and green economy by promoting our county, assets and opportunities to businesses, investors, visitors and residents.

- 29 We will promote our county, assets and opportunities by focusing on:
- Developing a clear brand and investing in place marketing
 - Attract inward investment
 - Supporting a year round visitor economy through events and infrastructure
 - Enhancing cultural and creative infrastructure

Planet

30 Within each of the above pillars we have specific actions related to green growth. The target for County Durham to become net zero has been brought forward to 2045. The Climate Emergency Plan sets out how we need to be at the forefront of the clean, green, industrial revolution. This strategy needs to complement these plans by investing in people, technologies, research and development, and business.

- 31 We will support the drive to net zero by focusing on:
- Developing a globally significant green economy cluster
 - Connecting residents to new opportunities through green skills
 - Developing sustainable communities and neighbourhoods
 - Supporting businesses to transition to net zero and adopt sustainable practices

Delivery

32 In delivering this Strategy, we will use the levers at our disposal as a county:

Assets

- 33 We will utilise land and property owned by the Council and our partners. For instance, the Council owns NETPark, Jade Business Park and Aykley Heads. This is an opportunity to nurture and shape the business clusters and specialisms, ensure activity is joined up with other initiatives, and lead the way in net zero transition and sustainability through construction and connections to local public transport and active travel

Policies

- 34 As a unitary authority, Durham County Council has direct control over major areas of local policy, including planning, skills, public health and transport. The Council also delivers many of its services in house, these can be targeted to support an inclusive and green economy.

Programmes and funding

- 35 We will receive up to £33.6m from UK Shared Prosperity Fund over the next three years, compared to the ring-fenced allocation of £155m from the 2014-2020 European Structural and Investment Funds programme.
- 36 This means that as a county, we need to leverage as much external investment as possible through bids into relevant funding calls and by attracting private sector investment. The Council is able to tailor programmes and use funding to achieve the ambition and priorities set out in this Strategy.

Partnerships

- 37 We will work together in partnership to transform our economy, trying new innovative approaches and initiatives to deliver more local and better paying jobs in an inclusive, green economy.

Action Plan

- 38 We have started to develop a list of early actions across People, Productivity, Places and Promotion. The actions included in the Strategy are based on 10 ways to continue or build on what we're already doing to transform our economy and 10 new ways to transform our economy.
- 39 The 10 ways to continue or build on what we're already doing are:
- 1) Skills and work experience programmes, for instance Durham Learn and Durham Employment and Skills courses

- 2) Employability programmes focused on increasing work opportunities for all, such as DurhamWorks, DurhamEnable and Employability Durham
- 3) Specialist business support, space and finance through Business Durham and the Finance Durham initiative to help businesses to start, grow and thrive
- 4) The County Durham Pound initiative to deliver social value outcomes and increase the local spend of the local anchor partners and consider expanding the network to include major private sector employers
- 5) Targeted improvements to village and town centres through the Town and Villages Programme Investment Plan, Masterplans and Targeted Delivery Plans
- 6) Strategic employment site creation and expansion, such as Aykley Heads, Jade Business Park and NETPark
- 7) The Durham 2025 cultural programme, to raise the profile of the county and civic pride
- 8) Create North, Creative Fuse and the Memorandum of Understanding with the BBC to develop our cultural and creative sector
- 9) Work with employers, colleges and training providers to equip learners with green skills of the future
- 10) Business Energy Efficiency Programme to improve energy efficiency in the county's business base to help reach net zero

40 The 10 new ways are:

- 1) Create two new employment schemes targeted at addressing barriers faced by certain cohorts linking them to sole traders & SMEs and anchor institutions
- 2) Enable a countywide Careers, Information, Advice and Guidance Programme, to raise awareness of opportunities in the county
- 3) Establish a space hub to develop our specialisms in satellite technology and semiconductors

- 4) Set up a taskforce to explore the impact and opportunities to pay the Real Living Wage as a leading employer in the county
 - 5) Invest in demand responsive transport to connect all our people and places with employment sites
 - 6) Develop a connectivity strategy to develop further solutions to physical and digital connectivity
 - 7) Build the County Durham Brand and develop a new strategic approach to inward investment
 - 8) Re-purpose unused high street retail spaces as 'Place Labs' to engage people in culture and support creative and cultural enterprises
 - 9) Establish the National Centre for Geothermal Mine and District Energy, capitalise on our green strengths
 - 10) Develop a Green Park with Enterprise Zone status
- 41 Our next steps are to develop a detailed action plan and monitoring framework to deliver against our Strategy. We will look to engage residents and communities, including Community Champions and Area Action Partnerships, in decision-making and the coproduction of relevant actions and initiatives.

Conclusion and Next Steps

- 42 The Inclusive Economic Strategy is an ambitious long-term economic strategy to 2035. It provides a wider strategy for the economy, businesses and residents, complementing our overall vision, spatial strategy and plans to reduce the impacts of climate change and poverty, and is fully integrated with regional and national policy.
- 43 Following this round of engagement it will go to Cabinet in November for adoption with a formal launch later in the year.

Background Papers

- Draft Inclusive Economic Strategy

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Appendix 1: Implications

Legal Implications

The Inclusive Economic Strategy will aid in negotiations for the devolution of powers from the Government.

Finance

The Inclusive Economic Strategy will be used to inform decisions on how the UK Shared Prosperity Fund and other national and regional funding is spent. It will also be used to attract private investment to the county.

Consultation

Our Big Econ-versation ran from 31 January to 22 April 2022. The targeted consultation on the draft strategy is taking place across September.

Equality and Diversity / Public Sector Equality Duty

The Council will take all opportunities to get feedback from hard-to-reach groups across the county and the strategy will be accompanied by an equalities impact assessment.

Climate Change

The planet and the green economy is one of the key elements of the IES and each pillar has a section which considers net zero and other environmental considerations.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

Consultants have been procured to support Our Big Econ-versation, develop a county deal proposal, and draft the new Inclusive Economic Strategy.