

Inclusive and Green County Durham

More and better jobs in an inclusive, green economy

Inclusive Economic Strategy

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Foreword

As a county we have developed a new economic strategy which sets out plans to support the county's economy to grow over the next decade. This is not a traditional economic strategy though. We have designed the plan to be inclusive – ensuring that as many of our residents can benefit from and contribute to prosperity and growth.

Our vision for County Durham's future is to have a sustainable, inclusive economy with a diverse range of jobs to meet all skill levels, with targeted training and learning programmes tailored to our employment specialisms and needs of business.

We can only achieve this vision by working together with our partners and anchor institutions and in collaboration with our communities. This strategy sets out our vision to support businesses, residents, and places to transform economically for all our communities - a catalyst that turns STEM into STEAM, that levels us up, that mines our assets in new and imaginative ways and delivers recovery and renewal rooted in our place to reconnect people, places, history, culture, and land.

This is particularly important at the moment, with cost of living and doing business rising for all. This strategy has been developed alongside the Poverty Action Plan, an important plan to work together with communities so fewer people will be affected by poverty and deprivation in the county. At the same time as responding on the immediate challenges in front of us, we are focused on building a stronger County Durham, one where everyone reaches their potential and we have a future focused economy. That is the focus of this long term strategy.

We have strong foundations for this. In 2022 our new, green economy is growing, our place as a UK space hub is confirmed, our global university is expanding, our creative industries are emerging, and partners are committing investment to ensure our creative potential is realised.

At the heart of our strategy is innovation. County Durham has been at the forefront of economic progress for generations, producing the fuel, power and materials that drove the industrial revolution. And our economy has continued to adapt and evolve, to become a leader in advanced manufacturing and space and satellite applications and now seizing the opportunities of green technology and our mining past to use the landscape to provide new sustainable energy to power our future growth.

We have a world leading university that will continue to attract international research and development and headquarters to the county. But we will also harness our proud industrial heritage, skills, and employment land to manufacture the products of our innovation. This will allow us to create high value jobs and skilled and aspirational pathways in technical employment for all our communities.

But innovation is so much more than just the work of higher education. Our strength will continue to be the innovation that takes place in all our businesses - from small

independents to big multinationals. We will support our businesses to be at the forefront of research and development, to increase productivity, to fuel growth, and to create more and better-quality jobs.

It is these better-quality jobs that will raise the aspirations in all our communities, and particularly our young people. There is no greater impact on people's health and well-being than access to education, training, and meaningful employment. We will focus on the barriers that individuals face by taking a person-focused approach that incorporates targeted skills training, raising educational attainment, and improving health outcomes. And we will improve employment opportunities by improving access, with better transport links to jobs, improved digital connectivity for home and hybrid working, and flexible roles that fit around people's lives and circumstances.

To maximise the inclusivity of our economy our growth will be targeted in research and advanced manufacturing, focused in our emerging green jobs, electronics, digital, fintech, life sciences and satellite applications sectors. Inward investment will be targeted in these specialisms and ecosystems, creating supply chains and jobs across the county and beyond. A strong County Durham needs to look beyond its boundaries, and will benefit from a strong, integrated, collaborative North East. But more importantly we have the potential, skills, and natural resources to be the economic driver of the whole region.

Our key A1 and A19 corridor, with unrivalled travel links to both the north and south will provide more jobs in a range of sectors, and we will support our large rural communities to diversify, driving forward digital and mobile connectivity to support home working and remote access to high-value employment that can underpin local services and successful resilient places.

And the profile the county needs to attract the investment for growth will be fuelled by our tourism - celebrating our heritage, our beauty, and our people, and creating more and better jobs in the visitor economy, with a key focus on high spend overnight stay tourism. But our investment in tourism will be both sustainable and respectful of our communities, ensuring visitors underpin vibrant local towns and villages that support jobs and local services for our residents.

This strategy has been developed in partnership with the County. We now invite you to be part of the journey with us to build our sustainable and inclusive economy.

Executive Summary

This is County Durham's first Inclusive Economic Strategy. It has been a year in development; over 3,000 residents, businesses and organisations contributed through the Big Econ-Versation, suggesting ideas and priorities to help the county accelerate towards an inclusive and sustainable future. This document sets out our 2035 framework for an inclusive economy, focusing on People, Productivity, Places, Promotion and Planet.

This is an exciting time for the county. We are home to nationally significant businesses in health & life sciences and advanced manufacturing; arts, culture and tourism sectors are growing, capitalising on the cultural and natural assets in the county. The major sectors will be a priority to maintain and grow in this strategy.

The county is also set to capitalise on new subsectors and opportunities. Space & satellites and the green economy are emerging as new opportunities, which will in turn create new jobs for residents. The county is home to Durham University, which has a global reputation for teaching excellence; its research into geothermal energy turns the county's mining heritage into a net zero asset at the heart of the green economy. Fintech is growing as a subsector, with businesses clustered around Durham City. We will be targeted in our approach to attracting more of these businesses to the county, to grow specialisms and clusters, and support training and skills so that residents are able to access the opportunities.

We have plans to grow; the County Durham Plan sets out the detail on this, with over 300 hectares of new land to be developed for business and industry. This is in addition to protecting over 1,500 hectares of existing business and industrial land to prevent any other land uses. NETPark is expanding as the country's first rural innovation district, anchored by catapult centres and innovative businesses.¹ More broadly partners are developing ambitious plans to grow the innovation ecosystem by supporting and strengthening local programmes, collaborating with the wider North East on investment funds and start up support, including a proposed new venture capital fund. County Durham will use this to secure new and significant inward investment – an ambition that it has successfully achieved in recent years.

This all paints a picture of a knowledge driven economy, built around manufacturing and services, old and new industry. It's something that the county is rightly proud of and needs to promote more to attract more investment and companies to the county. It creates enormous potential for the future; but it's not the whole story.

County Durham is a large and mainly rural county – the 8th largest in the country by population. Businesses and sector strengths are spread out across a large area, which can

¹ Catapult Centres are not-for-profit, independent technology and innovation centres set up to help accelerate the application of research by connecting businesses with the UK's research and academic communities.

make collaboration harder. Residents can face longer commutes to work and learning than in a single city footprint. Public transport networks are of key importance, connecting people to employment and services and allowing young people to access education. The county has good North-South connectivity, however some areas see limited public transport options or major roads. This means that we do not capitalise on the interactions and agglomeration benefits in the same way as major urban areas. We need a different model to facilitate these interactions and to connect people and jobs.

Future growth prospects must also seek to achieve growth in the rural areas. It is important to ensure rural communities have a balance of ages and are supported to grow while respecting the landscape and natural assets, ensuring they are providing quality environments for people to live and visit. The roll out of superfast broadband provides an opportunity to open up new sectors in these areas while helping existing sectors including tourism, agriculture and forestry to improve.

There is a higher risk in County Durham being hard hit by the rising cost of living and of people being pulled into poverty. Some parts of our county already have high levels of deprivation with 12% of neighbourhoods in the 10% most deprived in the county and an estimated 21% percent of households across the county live in relative poverty before housing costs, compared to the England average of 17%. The Poverty Action Plan provides a complementary strategy and vision to this strategy and will be vital in this tough economic environment.

Some places and people face long-term – sometimes intergenerational – barriers to employment, resulting in deprivation and inequality, for example in the east and north of the county. Whilst the county is seeing very low unemployment rates, economic inactivity levels are high, mainly driven by long-term health conditions. This requires tackling the multiple barriers people face at the right time and in a joined-up way.

If we continue business as usual it's likely that the county will see some businesses, residents and places thriving, and others feeling left behind. This is not an inclusive model of growth; already the county's economy is growing slower than the national average, productivity and prosperity is lower and the gap is growing. It is vital that we join the dots between the areas that are doing well and close the gap with national performance in order to improve local wages, quality of life, health and wellbeing for all residents and parts of the county.

The ambition

At the heart of this strategy is a simple ambition: **more and better jobs in an inclusive, green economy.**

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.

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 with employers who offer good work practices such as stable shift patterns, guaranteed minimum hours, in work training and health & wellbeing support. We will also support residents with skills & training opportunities and transport options to access jobs across the wider region.

Inclusive, to ensure that the benefits of growth are shared fairly amongst our people and places. 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 identify place-based and socio-economic 'Inclusive Economy Cohorts' as part of the Action Plan, to ensure that we maximise the impact of the strategy and its actions effectively to target the people and places that need them the most.

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.

The economy today

As a county our economy has transformed over the past decades. We have a growing knowledge economy and are home to some of the UK's leading innovation institutions who are clustering around NETPark, Durham City, and Newton Aycliffe. Newton Aycliffe Industrial Park is home to Hitachi Rail, 2M and Gestamp Tallent, Jade Business Park, located just to the west of Seaham, has strengths in distribution, technology and advanced manufacturing, and Peterlee Business Park has a high number of jobs. We are home to good schools and a world-class university which attracts global talent to study in the county. We also have a good quality of life with beautiful countryside and coast, and strong culture and heritage with a UNESCO World Heritage site, the Beamish Museum and Kynren in Bishop Auckland.

The industrial economy remains a strength anchored by the large and productive manufacturing base. It is the largest source of full-time, well-paid jobs and the workforce productivity easily exceeds the national average. Alongside this, the health sector has a large employment base in the county, and this is likely to continue. The sector is the best

source of employment opportunities across a broad range of skill levels, with continued high demand generating new job opportunities each year.

Many of our assets are clustered along the A1(M) and East Coast Mainline. Durham City is the main employment centre for the county, accounting for around a quarter of the county's employment, providing access to employment and education, health, and retail services for communities across the county. Aykley Heads is growing as a knowledge cluster, home to innovative businesses generating new ideas around technology and the service economy.

Our economic links to the wider North East create a connected economic area for trade and work, north to the Port of Tyne and south to Teesside. At the last Census, over 61,000 workers regularly commuted between County Durham and the North East area, and over 28,000 between the county and Tees Valley. The highest commuter flows are between County Durham and Sunderland, followed by Gateshead, Darlington, and Newcastle.

We are proud of the county's progress, but we cannot stand still.

The past five years have seen the country face multiple shocks and change: from the changing trade and migration environment after we left the European Union to the global shock to health, the economy and trade from Covid-19, to the cost-of-living crisis. At time of writing inflation has reached 10.1%, the highest level for 40 years. These UK wide issues will impact the whole country, but may be felt acutely in County Durham.

Everyone is seeing price increases of everyday goods – this will particularly impact our 1 in 4 residents who earn below the Real Living Wage and those who are outside of the labour market. Our large, rural geography means residents are often reliant on cars for commuting, and the cost of transport may be a barrier for access work and training opportunities.

The majority of our businesses are micro, small and medium size employers. They are at risk of rising costs; after 2 years of pandemic trading conditions their resilience & cash flow to manage turbulent conditions may be low. Our successful manufacturing base (one of the largest employment sectors in the county) are heavy energy users and global traders; they face rising costs of doing business. Reduced consumer spend will impact local and town centre leisure, food, and retail businesses, who are reopening in the county after two years of disrupted trade.

By 2040 almost 24% of the population will be aged 65 and over. The ageing population coupled with the declining working age population, will increase the need to support people to stay in the labour force for longer. This requires supporting employers to focus on retraining and adapting the workplace to ensure continued employment, removing barriers to remaining in work, and enabling workers to adapt to new technologies whilst also investing in process innovation.

This strategy provides the county with a framework of where to focus over the next 13 years. It is designed to be flexible, with actions that are updated and refreshed to reflect changing economic and political circumstances. We have included the first 2-year action plan as an appendix to this document, which we will continue to develop in further detail. Progress will be monitored through an outputs' framework.

A Framework for an Inclusive Economy: The five Ps

People

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.

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

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.

We will support business growth and innovation, and retain wealth locally by focusing on:

- Nurturing our opportunity sectors, including green economy, fintech, and space
- 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

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

We will develop places and infrastructure so that people and businesses thrive by focusing on:

- Creating vibrant and diverse towns and villages
- Unlocking employment land for high-quality premises

- Improving physical connectivity, including public transport and active travel
- Enhancing digital infrastructure and connectivity

Promotion

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.

We will promote our county, assets, and opportunities by focusing on:

- Developing a clear brand and investing in place marketing
- Attracting inward investment
- Supporting an annualised visitor economy through events and infrastructure
- Enhancing cultural and creative infrastructure

Planet

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 revolution. This strategy needs to complement these plans by investing in people, technologies, research and development, and business.

We will support the drive to net zero by focusing on:

- Developing a globally significant green economy
- Connecting residents to new opportunities through green skills
- Developing sustainable communities and neighbourhoods
- Supporting businesses to transition to net zero and adopt sustainable practices

10 ways to continue or build on what we're already doing to transform our economy²

- 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

10 new ways to transform our economy

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

Delivery through Partnerships

The county already has strong partnerships for delivery, in particular the Economic Partnership leads economic strategy for the county. The process to develop this strategy has strengthened existing partnerships with education & skills, business, enterprise support, employment and health – and invited a new way of working with residents and businesses.

This will continue as we move to delivery, building joint action plans and together monitoring progress.

This is the start of our inclusive economic journey, one which will create more and better jobs in County Durham.

* Durham Pound's 11 Anchor Institutions – Believe Housing, Bernicia, Bishop Chadwick, Business Durham, County Durham and Darlington Fire and Rescue Service, Durham County Council, The Durham Police and Crime Commission, Durham University, Karbon Homes, Livin, and Northumbrian Water.

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Our ambition: more and better paying jobs in an inclusive, green economy



1 Why an *Inclusive Economic Strategy*?

County Durham is at a moment of transformation. We have a strong pipeline of regeneration and development projects for towns and villages through the County Durham Plan, Towns and Villages Strategy and masterplans. In recent years, we have been successful at attracting investment. This includes £72.1m in Bishop Auckland through the Future High Streets Fund and Heritage Action Zone, Towns Fund and Levelling Up Fund as well as Aykley Heads, Amazon at Integra 61 and Hitachi Rail in Newton Aycliffe.

This investment presents an opportunity for the county, but it doesn't follow directly that our residents and businesses will benefit and that we will increase prosperity for all. That is why we need to make this economic strategy inclusive.

This means transforming and growing our economy over the next 10 years through more local and better paying jobs, and enabling our residents to contribute to and benefit from this growth and opportunities.

Our approach to the Inclusive Economic Strategy has been guided by three principles:



Inclusive in development

Through the Big Econ-
versation



Inclusive and green in design

Going beyond a traditional
economic strategy



Inclusive in delivery

Delivered as a partnership

1. Inclusive in development – through the Big Econ- versation

We have taken a bold and inclusive approach to co-developing and co-designing the Strategy. Our plan must be developed with the county for the county. We wanted a more creative way of engaging, specifically starting with a conversation with business, residents, voluntary sector, and wider groups before a plan was developed, to really understand our aspirations and opportunities.

Our Big Econ-versation engaged with 70 organisations and over 1,500 people through 86 conversations across the county. An additional 1,455 surveys were completed by residents, businesses, and young people. We've been hearing from businesses on the issues they face as they seek to grow and prosper and secure feedback on interventions and policy direction that will help drive economic growth.

The Big Econ-versation was widely promoted with press releases, social media, case studies, a radio advert, bus panels and digital media. We engaged widely across the county through our existing partnerships and used online and offline/paper versions of the survey to make sure we reached as many groups as possible.

This has been an opportunity to capture the expectations and thoughts of our residents, businesses and communities who will be able to benefit from the opportunities that economic growth will bring and to better understand the challenges faced as they seek to secure employment and embark on careers in the county.

2. Inclusive and green in design: going beyond a traditional economic strategy

Inclusive growth is defined by the RSA Inclusive Growth Commission as ‘enabling as many people as possible to contribute to and benefit from growth’.³ This can be both socially, benefitting groups that may face high barriers to quality employment, and place-based by addressing inequalities between different geographies. Moving to a new model of inclusive growth means integrating economic and social policy, and seeing investment in social infrastructure on the same level as investment in physical infrastructure.

Models such as Kate Raworth’s Doughnut Economics Model integrate questions of climate change, the environment and sustainability by meeting the needs of all within the means of the planet.⁴ In this model, there is a social floor, which means that everyone has the essentials needed for a decent standard of living, as well as an ecological ceiling to ensure that we do not negatively impact the planet and environment through our activities.

Both of these models have been drawn on to inform the development of this Strategy. The County Durham Inclusive Economic Strategy will take a holistic view of what the economy needs so that all people and places can contribute and benefit, whilst positively impacting the planet. We have identified four key elements which will make this Strategy inclusive and green:

Inequalities

There are inequalities across our county and between our residents, including health, education, skills and employment. Ill health is the cause of a larger share of those economically inactive than nationally, reducing the size of the labour force available to local employers, and suppressing household income levels.

Places

This is a large and distinctive county where two in five residents live in rural areas. The strategy must have focus on the city, towns, rural, and coast for attracting investment, creating jobs, empowering communities and civic pride. This featured strongly in the resident survey responses.

³ RSA (2017) Inclusive Growth Commission. Making our Economy Work for Everyone.

⁴ <https://www.kateraworth.com/doughnut/>

Climate change

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.

Cost of living

Almost 1 in 4 jobs in the county earn below the Real Living Wage and an estimated 21% percent of households across the county live in relative poverty before housing costs.⁵ They are vulnerable to rising costs – with inflation rising faster than predicted this is a real worry. Businesses, unprotected by the energy price cap, are also vulnerable to rising costs.

3. Inclusive in implementation: delivered as a Partnership

The aim of this Strategy is to focus on the priorities which can really make a difference to County Durham. This doesn't mean that it is a plan for the Council to deliver alone, rather the role of the Council as a place leader to co-deliver, leveraging in support from other organisations to ensure the right resource and expertise is secured to make this plan a success.

We need to come together through the County Durham Economic Partnership and our networks to deliver this Strategy, ensuring that County Durham is a place where there are more and better jobs, people live long and independent lives, and our communities are well connected and supportive. Partners across the county are already doing a lot of good work and are committed to doing more. We need to work together more closely in a new partnership to deliver our inclusive economy.

Our County Durham Economic Partnership is a collaboration between Durham County Council, Business Durham, Durham University, New College Durham, and representatives from housing providers and the private, voluntary, community and social enterprise sectors, to ensure that we focus on the right things to deliver prosperity in our county.

There are close links with our business community, for instance through Business Durham, four Enterprise Agencies, the Chamber of Commerce, Federation of Small Businesses, and regional sectoral networks, to deliver shared goals and gather intelligence of what is needed to support business growth and success.

⁵ Annual Survey of Hours and Earnings (2020) Employee jobs with hourly pay below the living wage. Based on the Living Wage Foundation's calculation of the Real Living Wage, which at the time was £9.30 outside of London.

County Durham collaborates closely across the North East on priorities and projects, including through North East Combined Authority, the North East Local Enterprise Partnership and the North East Joint Transport Committee.

Anchor institutions, or large organisations with a significant stake in the county, work together to use their collective resources to deliver social and economic impact. The Council has a MOU with Durham University and works closely with the NHS. Across County Durham, 11 anchor institutions are part of the County Durham Procurement Family, working together through the County Durham Pound, to increase local spend, build capacity in our local businesses, develop strong, local supply chains, and support local businesses growth. Together as the County Durham Procurement Family, we have committed to grow our local spend – currently 34% of our collective £644m budget is spent in the county and 60% is spent in the North East. Developing a place-based social value approach with our local anchor partners will be an important contributor to local wealth creation and retention.

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2 County Durham today



£8.8bn GVA
26.8% growth (2006-20) (national: 49.6%)



177,000 jobs
3.5% growth (2010-20) (national: 11.2%)

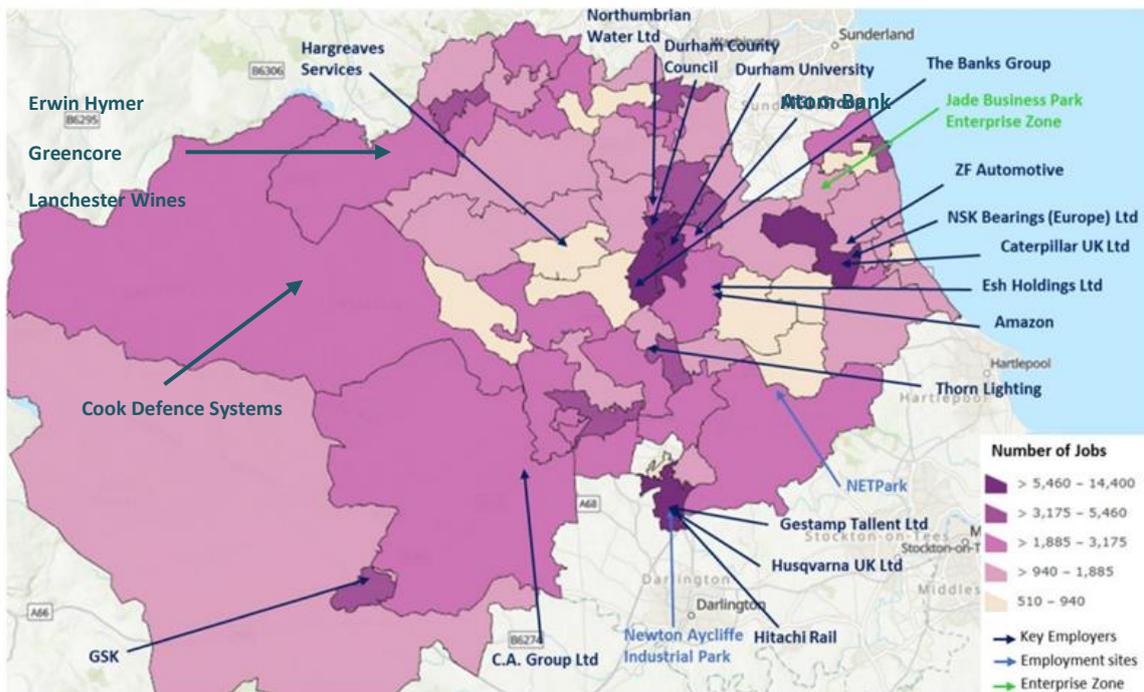


14,600 businesses
27.3% growth (2010-21) (national: 33.8%)



533,100 residents
7.1% growth (2000-20) (national: 14.3%)

Key Employment Locations



2,000 life science & pharma jobs and **25,000** in health and care

We have the highest number of jobs in life sciences and pharmaceutical manufacturing in the North East and a large health sector.⁹ Our life science and pharmaceutical jobs are concentrated in certain areas, for instance around Barnard Castle, where GlaxoSmithKline is located, as well as Sedgfield and North Durham.

With many of the largest private and public sector organisations in the county, the health sector has strong ties into communities, and offers roles across a broad range of skills levels, with high replacement demand creating new job opportunities each year. This is an

⁶ GVA – ONS GVA (Balanced Approach) (2006-20); Jobs– ONS Business Register and Employment Survey (2010-20); Businesses – ONS Business Counts (2010-21); Population – ONS Population Estimates (2000-20)

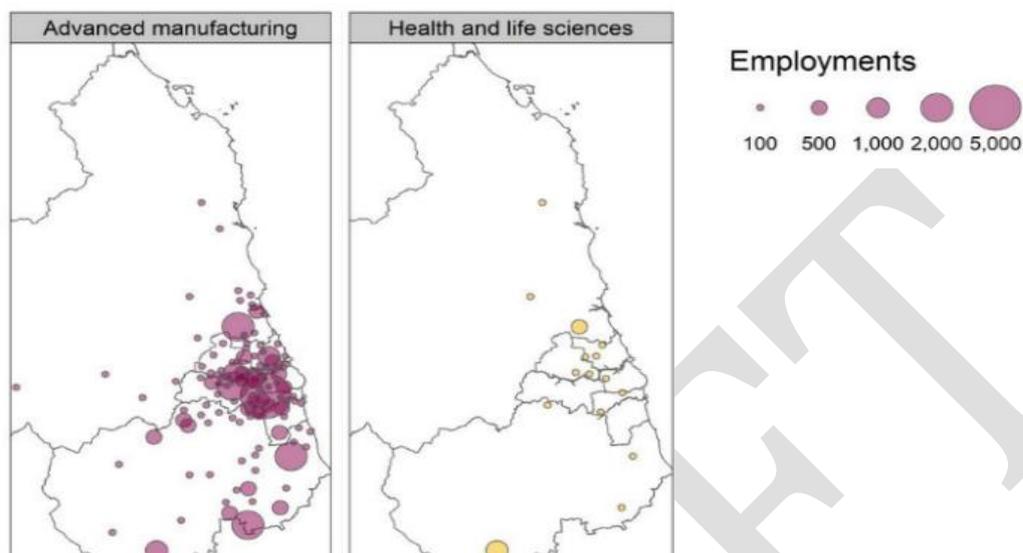
⁷ Advanced manufacturing jobs – ekosgen (March 2021) County Durham Economic Review Final Report

⁸ NETPark figures - <https://www.northeasttechnologypark.com/>

⁹ Life sciences and pharmaceuticals – North East LEP Evidence Hub – Local Business; health and care - ekosgen (March 2021) County Durham Economic Review Final Report

area of opportunity, both to support the population to remain healthy, alongside a medical school, hospitals, emerging innovative health firms, and the proposed Durham Centre for Health Data.

Figure 1. Advanced manufacturing and health and life science jobs in County Durham and the wider North East¹⁰



We have a strong visitor economy and cultural sector, based around our attractive offer, including our world heritage city, coastline, countryside and North Pennines AONB, which encompasses much of the Durham Dales. We have 70 visitor attractions in the county including Durham Cathedral, Durham Castle, Beamish Museum and Kynren. With our arts, entertainment and recreation sector growing faster than the North East average between 2009 and 2019, this is a major opportunity for our towns and rural areas.¹¹ We need to develop and promote the variety and quality of our offer, building on recent successes.



New opportunities

The transition to net zero is a major opportunity for County Durham, with the industrial and commercial sector already having made significant progress in reducing carbon emissions. We are the second highest renewable energy generator in the North East with strengths in geothermal energy and onshore wind,¹² and are home to innovative businesses leading the way in sustainability, including Hitachi Rail, Thorn Lighting, Tekmar Energy and Lanchester Wine.

¹⁰ North East LEP Evidence Hub – Local Business.

¹¹ Tourism jobs, visitor numbers and spend – STEAM Results 2021; Arts, entertainment and recreation - ekosgen (March 2021) County Durham Economic Review Final Report

¹² Durham County Council (2019) Climate Emergency Update Report

Housing retrofit is a near-time opportunity to reduce the emissions and improve the quality of our older housing stock, lower household bills, create work for existing businesses in our strong construction sector and new jobs, and to link these to residents through up/reskilling.

There are strengths and growth potential in space technologies and satellite applications. The North East Satellite Applications Centre of Excellence, based at NETPark, brings together five regional universities and private and public sector partners to support university spinouts and related business and supply chain growth opportunities. This includes the Satellite Applications Catapult, one of a network of UK technology and innovation companies working to drive economic growth through commercialisation of research.

Fintech, the delivery of financial services through technology and innovation, is a highly specialised sub-sector, which has emerged around the anchor unicorn company, Atom Bank.¹³ Durham is one of ten UK fintech hotbeds listed in the Government’s Kalifa Review. By building on research at Durham University, creating space for spinouts and start-ups, and building connections with regional firms, we can create, attract, and grow fintech businesses.

Innovation

We have world class innovation assets. At Durham University, 90% of research is rated as world-leading or internationally excellent, with six subject areas in the UK top 10.¹⁴ The University delivers a range of programmes to support entrepreneurship, including the Blueprint Startup Challenge and the Durham City Incubator, and is working in collaboration with Newcastle, Northumbria, Sunderland and Teesside Universities to commercialise research and innovation through Northern Accelerator. Together with this group of universities and Northstar Ventures, Durham University has proposed to set up Venture North, a £75m early stage ‘society tech’ fund to invest in seven interconnected markets: care, lifelong learning, climate tech, and future work, homes and cities.

The Centre for Process Innovation (CPI), which supports the commercialisation of ideas, has three national centres in the county: The National Printable Electronics Centre, The National Formulation Centre, and The National Healthcare Photonics Centre.

Building on our established strengths, nurturing new opportunities, and increasing innovation is important to growing productivity in the country and addressing the growing gap of £1.6bn per annum between the county and national performance.¹⁵ It is also crucial to supporting more businesses to start, stay and grow in the county. We have fewer businesses than expected for a population the size of County Durham (441 businesses per 10,000 working age residents), compared to the



GVA per filled job is
78.4% of the England
average

¹³ A unicorn company refers to a privately held start up company valued at over US\$1bn

¹⁴ Research Excellence Framework impact quality score of 3*/4* (2021)

¹⁵ GVA – ONS GVA (Balanced Approach) (2020)

national average at (683 per 10,000), although this does not capture our many micro-entrepreneurs and sole traders who are not VAT/PAYE registered.¹⁶

Opportunities to deliver inclusive growth

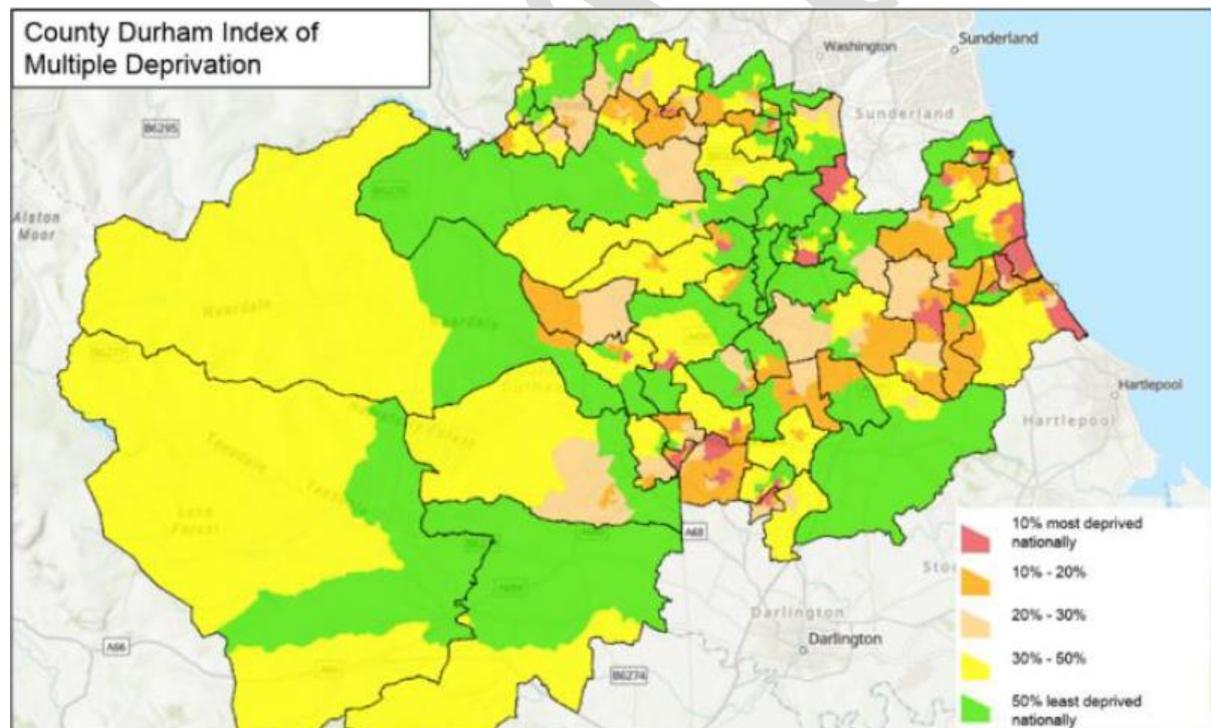
Inequalities between places

Our large county has a diverse range of places, including a university and world heritage site city, towns, villages, coast and rural areas, and the North Pennines Area of Outstanding Natural Beauty (AONB). These different types of places have distinctive strengths, opportunities, and challenges, requiring local and place-based responses.

Despite recent investment, many of our towns and villages have significant levels of deprivation.¹⁷ There are high vacancy rates with seven of the main town centres above the national average, as the acceleration of online shopping and changing consumer patterns is changing the purpose of town centres. Our rural communities also face particular challenges, such as a lack of transport and digital connectivity, and deprivation tends to be hidden by the data. Residents see further investment, particularly in smaller towns, villages, and rural areas, as a priority.



Figure 2. Deprivation in County Durham (2019)¹⁸



¹⁶ ONS Business Counts (2021)

¹⁷ MHCLG Index of Multiple Deprivation (2019)

¹⁸ Index of Multiple Deprivation (2019) and ekosgen mapping.

Health inequalities

Maintaining good workforce mental health and wellbeing is essential for health communities and a thriving local economy. In the county, 24,700 people are economically inactive due to long-term health conditions, another 18,600 due to caring responsibilities, and nearly 1 in 5 of those who are economically inactive want a job.¹⁹ There is a link between productivity and workforce health. Research by the Northern Health Science Alliance estimates that 30% of the productivity gap between the Northern Powerhouse and rest of England is due to ill-health.²⁰ In 2014/15, 9.9m days were lost to work related stress, depression and anxiety, and the Covid-19 pandemic has had a negative impact on mental health and social isolation.²¹



25%
neighbourhoods in the
most deprived 10% for
health

Partners are working closely together to reverse the long-term challenges of deindustrialisation with poor health outcomes and high levels of economic inactivity. Average healthy life expectancy is 59, five years lower than the UK average, with this varying by 13 years across the county. This means on average our residents live 20 years in poor health and in the lowest performing neighbourhoods up to 25 years.²²

This creates barriers into and staying in work, reducing household income and increasing poverty levels, which in turn impacts their health outcomes. High economic inactivity impact productivity levels through higher numbers of sickness days and compound the effects of an ageing workforce.

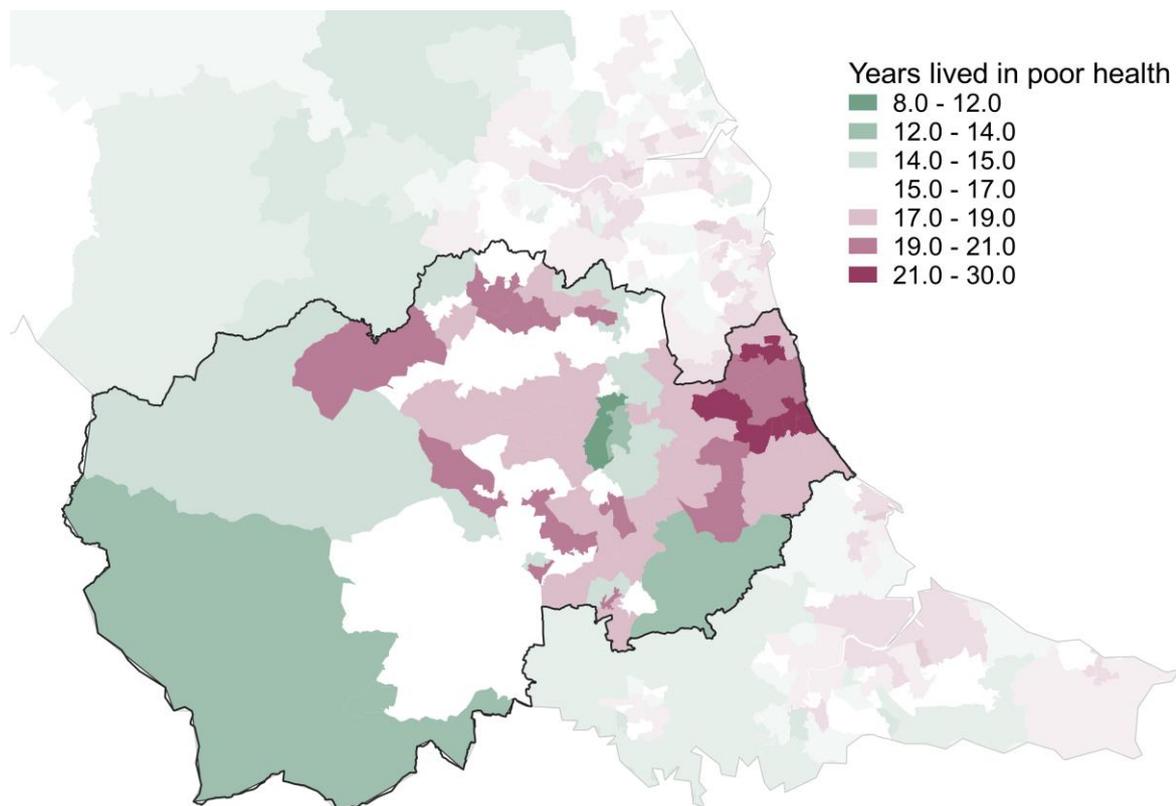
¹⁹ ONS Annual Population Survey (2020)

²⁰ Bambra, Munford, Brown et al (2018) Health for Wealth: Building a Healthier Northern Powerhouse for UK Productivity. Newcastle: Northern Health Science Alliance.

²¹ Durham County Council (2020) A framework for good workforce mental health in County Durham businesses

²² Health deprivation – MHCLG Index of Multiple Deprivation (2019); ONS Life Expectancies (2018-20)

Figure 3. Number of years lived in poor health – gap between life expectancy and healthy life expectancy²³



Skills and employment

County Durham has good quality schools and educational attainment is above the national average at Key Stage 4.²⁴ There is a good track record in apprenticeships with Durham County Council listed in the UK's Top 100 Apprenticeship Employers 2022. The county has high levels of employment with an unemployment rate of 4.2% compared to the 4.6% England average.²⁵

Higher-level skills will increasingly be required to retain businesses in the county, in particular to support the opportunity sectors and innovative businesses. Despite high attainment at school age, County Durham has challenges around skills levels – 32.4% have NVQ Level 4+ compared to 43.1% national average.²⁶ Lower skills levels, a lack of work readiness, careers advice and guidance, and disabilities or learning difficulties create barriers to employment, and some groups may face more significant barriers, such as Gypsy, Roma, and Traveller communities.

²³ ONS Healthy Life Expectancies MSOA (2015); PHE Life Expectancy MSOA (2015-19)

²⁴ ekosgen (March 2021) County Durham Economic Review Final Report

²⁵ ONS Annual Population Survey (2021)

²⁶ ONS Annual Population Survey (2021)

Wages and prosperity

There are high levels of employment but for those in work, County Durham has lower than average wages, impacting quality of life and increasing levels of in work poverty. This is particularly the case in certain sectors, including health and social care, retail and hospitality.

Towns such as Bishop Auckland, Peterlee, Seaham and Chester-le-Street, are in the lowest decile for household income nationally.²⁷

There is lower prosperity with GVA per capita of £16,490 which is 55.4% of the national average (£29,757).²⁸ This highlights the important of sector and place based interventions to deliver inclusive growth.



1 in 4
jobs earn below the Real
Living Wage (UK: 20.2%)

Connecting places to opportunities

Our places

Two in five of our residents live in rural areas. Our rural areas vary widely in character from remote and sparsely populated areas in the Pennine Dales to larger villages located within the former coalfield communities in the central and eastern parts of the county. Rural communities have a strong quality of life offer for people to live in and visit. They also play an important role in the rural economy as workplace locations.

Durham City, with its winding cobbled streets, Cathedral and Castle World Heritage Site, was named one of the best cities in the world to visit in 2020 by The Independent. The city is home to innovative firms and growing specialisms in fintech and knowledge-intensive industries. Recent investments include Aykley Heads and Milburn Business Park.

Our towns play an important role in supporting our communities and economy. Ten of these have a population of over 6,000 and are key locations for employment, retail, and local services.

<p>Barnard Castle A market town in the Durham Dales and tourism honeypot site, named after and built around the medieval castle ruin, set on a high rock above the River Tees. The main employment and service centre for Teesdale, with the Auction Mart located in the town and home to GlaxoSmithKline.</p>	<p>Newton Aycliffe The largest town outside of Durham City, located in the south of the county, close to Darlington. Home to the largest business park in the North East and manufacturers including 3M and Husqvarna. The Hitachi Rail manufacture and assembly plant at Merchant Park, producing rolling stock for East Coast and Great Western Trains.</p>
<p>Bishop Auckland Located in the Vale of Durham, above a meander in the River Wear. A growing</p>	<p>Peterlee A new town in East Durham built on rolling hills overlooking the Durham limestone</p>

²⁷ ONS Income estimates for small areas, England and Wales (2018). Calculated deciles relative to England using a measure of net annual income after housing costs.

²⁸ ONS GVA (Balanced Approach) (2020)

<p>tourist destination with Auckland Castle, the Food Festival, Kynren and other attractions. Recent investment of £72.1m in the town.</p>	<p>coast and rural farmland. Several major national and international manufacturers are based there, including Caterpillar and ZF.</p>
<p>Chester-le-Street Located on the River Wear and home of the international Riverside Cricket Ground with a rich history and heritage. Good transport links to London and Edinburgh via the East Coast Mainline.</p>	<p>Seaham A town on Durham’s Heritage Coast with the sandy North Beach, Harbour Marina and beautiful coastal footpaths. There are established business parks at Spectrum, Dawdon, Seaham Grange, and Jade in Murton.</p>
<p>Consett Sitting above the Derwent Valley, on the edge of the Pennines, Consett is located in close proximity to Durham City and Newcastle. The town has historical industrial strengths. The town has regenerated since the closure of the steelworks. Important employers located in Consett include Thomas Swan, Erwin Hymer, and Gardner Aerospace.</p>	<p>Spennymoor Located in the south east of the county, within easy reach of scenic beauty spots and well connected to Tyneside, Wearside and Teesside. The town is home to large employers including Thorn Lighting and Black and Decker. There have been recent redevelopments of industrial sites and creation of a mixed used development at Durhamgate.</p>
<p>Crook A market town in the south west of County Durham on the edge of Weardale. A former mining town with manufacturing heritage. The town centre has benefited from investment in Market Place and North Terrace.</p>	<p>Stanley A town in the north of the county with good accessibility across the county and to Gateshead and Newcastle. Major employment sites include Tanfield Lea Industrial Estate and Greencroft Industrial Park.</p>

Employment sites

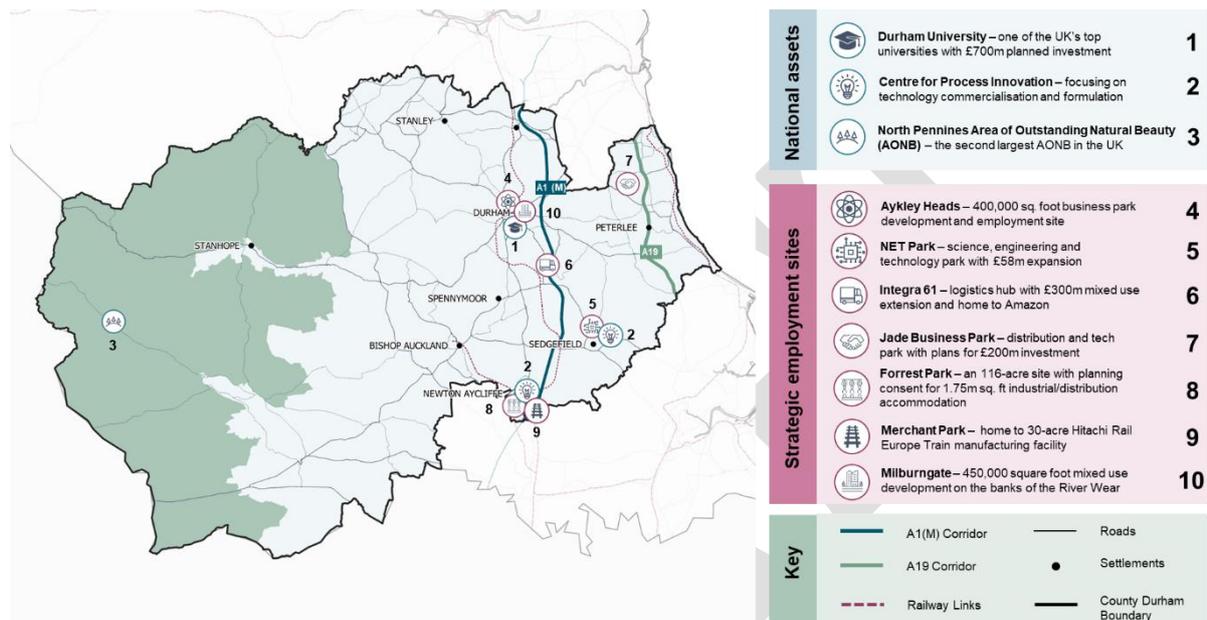
Our businesses have identified employment space as a key priority. The county’s strategic employment sites, concentrated along the north to south axes of the A1(M) and A19 in the east of the county, are core for inward investment opportunities. This emphasises the importance of connectivity. There are clusters of employment and innovation activity in Durham City with the University, Aykley Heads and Milburngate; Newton Aycliffe with Merchant Park, Forrest Park and CPI; and Sedgefield with NETPark and CPI. There is demand for employment land and premises across the county with local sites serving local business needs.

We are investing in developing a new business cluster at Aykley Heads, providing up to 38,468 sq. m of floorspace, to deliver new and better jobs for the county. Aykley Heads is already home to Atom Bank, Waterstons, the North East England Chamber of Commerce

and Business Durham. The first two phases of this scheme have the potential to create 5,000 jobs, with a further 1,800 supported through construction.

We have significant opportunities from the 2.5m sq. ft of space planned space coming on stream over the next three years at Integra 61, Drum Business Park, Jade Business Park, Forrest Park, NETPark, Station Place and South Church. This will help address challenges around the increasing proportion of industrial space that is no longer fit for purpose.

Figure 4. County Durham’s national assets and strategic employment sites



Physical and digital connectivity

The county is strategically located between Tyne and Wear and Tees Valley, and is well connected with good north-south national links with the A1(M), A19 and A66, as well as the East Coast Mainline and direct rail links to Newcastle, York, Leeds and London.

East to west connectivity is weaker and there are challenges around transport accessibility. Unusually for a largely rural area, over 1 in 4 households do not have access to a car and are limited to the restricted public transport service.²⁹ Some areas of the county have no major employment centres within a 30-minute public transport journey time.

Transport carbon emissions in County Durham have increased by an average of 1.8% per year since 2013, after a period of decline, despite an overall fall in emissions of 52% since 1990.³⁰ There has been fall in local bus usage from a peak of 26m in 2010 to 23m in 2019³¹.

There is a lack of fast and reliable broadband – 53.1% of premises have access to ultrafast broadband compared to 71.5% nationally, with poor connectivity particularly in rural

²⁹ ekosgen (March 2021) County Durham Economic Review Final Report

³⁰ Durham County Council (2019) Climate Emergency Update Report

³¹ Durham County Council (2019) Climate Emergency Update Report

areas³². There is high risk of digital exclusion in parts of Chester-le-Street, Seaham, Peterlee, Newton Aycliffe, and south of Barnard Castle. High-quality physical and digital infrastructure is essential for productivity, attracting businesses and supporting them to grow, sectors such as fintech, and the ability of residents to access training and employment.

Role of County Durham in the North East

County Durham is at the heart of the North East, bounded by Northumberland, Gateshead and Sunderland to the north, and Hartlepool, Darlington, Stockton-on-Tees to the south. The North East is a region rich in natural beauty, culture and heritage – from the historic city of Durham to culturally vibrant Newcastle, the Durham Dales to Northumberland National Park, and our miles of coastline. We have a strong and growing visitor economy across the region. With strong road and rail links across the region, we have a highly connected labour market. At the time of Census 2011, almost 90,000 people commuted between County Durham and the rest of the North East. We have shared strengths in manufacturing and engineering – businesses in County Durham are part of multiple regional, national and international supply chains. We trade with the world through Port of Tyne and Teesport, as well as Felixstowe and Southampton, and have an industrial harbour at Seaham. The North East also has growing strengths and specialisms in the knowledge-based economy, including fintech, health and life sciences.

³² Durham County Council.

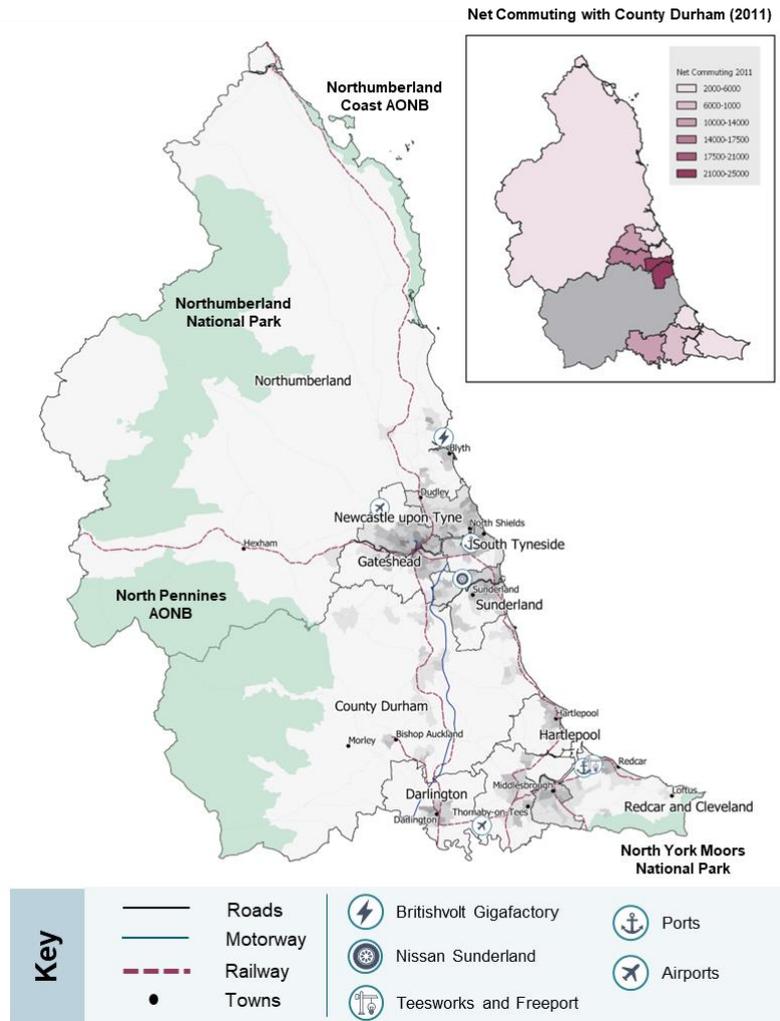


Figure 5. County Durham and the North East

As a region, we are leading the transition to net zero with our innovative firms and universities developing new technologies in renewable energy, hydrogen, electric vehicles and batteries. Major investments, such as the UK's largest Gigafactory in Blyth and the Energi Coast, provide supply chain opportunities for our local businesses.

What we heard in the Big Econ-versation

Over January to April 2022, we engaged with residents, businesses, young people, anchor institutions and partners through our Big Econ-versation. In total, 1,455 surveys were completed, and we held 86 conversations, reaching 70 organisations and over 1,500 people. The key messages from our resident, business and young people surveys, and the conversations are included below.

Our residents said...

More good quality jobs

and ensuring these are accessible to local people is a major priority.

Public transport

is a major priority and seen as a barrier to economic opportunities, especially in rural communities

“Most people I know travel large distances to their place of work or study, often in other counties.”

Our businesses said...

A skilled workforce

was viewed as the best way to improve productivity

Skills, digital & transport infrastructure

was seen as the key to economic growth

“My business is in County Durham because I am proud of where I live.”

Our young people said...

c. 57%

of those who plan to go to a university, said they would go to one outside of the county

54%

was said they could not or are unsure they could pursue their chosen career or business idea in the county

“I don’t know where I want to live; it will depend on work opportunities but I’d like to stay in Durham near my family and friends.”

Consultees want to

- Tackle poverty and level up the county
- Create better jobs
- Improve skills provision for all
- Support businesses to thrive and grow
- Revive town centres and neighbourhoods
- Improve transport and digital connectivity
- Promote the county

Putting County Durham's priorities at the heart of our Strategy

We heard that...	Our Strategy aims to...
County Durham needs more good quality jobs	Create and grow jobs in our opportunity sectors, support businesses to start and grow, encourage good business practices, and explore the impact and opportunities of the Council paying the Real Living Wage
Jobs need to be accessible to local people, through improved public transport, especially in rural and deprived areas, and inclusive skills provision	<p>Make it easier to use our bus services and explore different solutions to help people get around</p> <p>Bring jobs closer to people by investing in digital infrastructure and our town and local centres</p> <p>Provide residents with a better understanding of training and career pathways so they can gain the skills that local businesses need</p>
More needs to be done to market and promote the county	Create a brand for County Durham to encourage people to visit, study, work and live in the county
Investment in places is needed county-wide, particularly in smaller towns and villages	<p>Reimagine our town and local centres by transforming unused retail units into space for cultural and creative enterprises, start-ups and small and medium-sized enterprises.</p> <p>Encourage people back into our town centres through events, leisure, and culture</p>
Green economy and climate change is seen by business to be an opportunity for growth, but this needs to protect jobs and not increase costs	Up/reskill residents to work in new green jobs, including in geothermal energy, equip businesses with the tools to transition to net zero, and embed sustainability in our communities and neighbourhoods

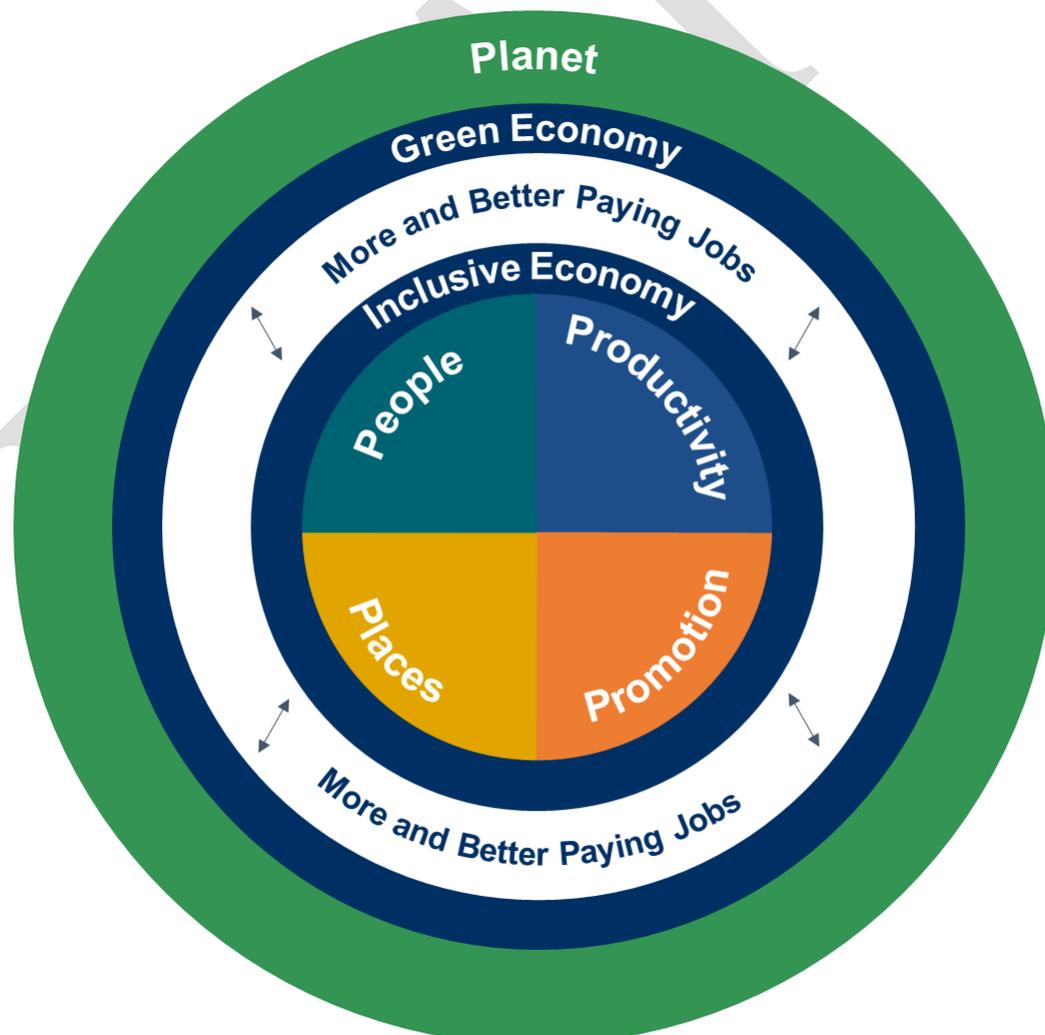
3 Our ambition

Our overarching ambition for this strategy is to create more and better jobs in an inclusive and green economy.

This means:

- **More jobs**, in the county’s broad business base
- **Better jobs**, to ensure that residents can access secure work that pays a living wage
- **Inclusive**, to ensure that the benefits of growth are shared fairly amongst our people and places
- **Green**, to ensure that activity contributes to the Climate Emergency and 2045 goal of net zero carbon County Durham

Our ambition underpins the actions under the five Ps: People, Productivity, Places, Promotion and Planet.



Our ambition: more and better paying jobs in an inclusive, green economy



4 People

Delivering our ambition for more and better jobs in an inclusive and green economy by enabling residents to access economic opportunities and excel in business and their careers.

Priorities

1. Raising skills levels, including higher and green skills, linked to what employers need

The county has high quality jobs already and these are likely to grow in our opportunity and major sectors, innovative businesses and public sector. Residents in County Durham have high aspirations; it is important that we harness this aspiration so that residents have the right skills that businesses need to enable them to access these local opportunities.

2. Overcome barriers into employment, including work readiness, skills, careers advice and guidance, and poor health

Some residents require support in order to access employment opportunities – this requires a holistic response that may go beyond traditional employment support to address barriers such as poverty. This will enable more residents to become economically active.

3. Support in-work progression and upskilling

Our businesses perform well at offering on and off the job training relative to other places. As the labour market changes, with increased use of technology and new green skills up/reskilling and progression opportunities will enable people to access higher earnings and potentially increase productivity.

4. Improve health and wellbeing

Improving health outcomes will reduce inequalities and barriers to economic participation, increase productivity and decrease the frequency of days lost to sickness. There is already a lot of good practice to build on here, for example the county has embedded mental health practitioners working alongside job coaches, which is funded from public health monies.

What we have heard in the Big Econ-versation



1 in 3 resident survey respondents reported that they have faced barriers to good skills training, jobs & career progression



Approx. one quarter of disabled survey respondents work full-time, compared to over half of non-disabled respondents

45% businesses

in the survey highlighted the availability of a suitably skilled workforce as key to improving productivity (most common answer)

78% businesses

who filled in the survey saw training the county's workforce as important or very important for driving economic growth (most common answer)

41% young people

responding to the survey saw lack of experience as a barrier to work

Young people surveyed reported needing:

- **Better awareness of work experience and apprenticeships**
- **More collaboration** between businesses and education providers

People in the conversations said:

- There was a lack of good quality jobs on offer
- There is a need for a more flexible skills and training offer
- This needs to be tailored for young people, those already in work, older workers, and those with specific needs

Our priorities & actions are aligned with our...

Poverty Action Plan, UKSPF Investment Plan, Approach to Wellbeing Self-Assessment Framework, Child and Young People's Strategy, Strategic Partnership Approach to Early Help for Children, Young People & Families, the Joint Health & Wellbeing Strategy, and the County Durham Pound

Flagship actions

We will continue:

- Skills and work experience programmes, for instance Durham Learn and Durham Employment and Skills courses
- Employability programmes focused on increasing work opportunities for all, such as DurhamWorks, DurhamEnable and Employability Durham

We will:

- Create two new employment schemes targeted at addressing barriers faced by certain cohorts linking them to sole traders & SMEs and anchor institutions
- Enable a countywide Careers, Information, Advice and Guidance Programme, to raise awareness of opportunities in the county

Links to Planet

Delivering our ambition for more and better jobs in an inclusive and green economy by reaching net zero by 2045 through a just transition that creates good jobs.

Our early ways of connecting residents to new opportunities through green skills:

- Include green skills and jobs pathways within the County-wide Careers Service
- Expand networks and partnerships with energy clusters in the wider North East to link residents with new green skill opportunities

How we will measure progress

Progress against our priorities and actions under People will be monitored by measuring:

Residents with high level skills (NVQ Level 3 & 4)

Residents who are economically inactive but want a job

18-24 year old residents in employment

Healthy life expectancy of residents

GVA per capita

Employee jobs earning Real Living Wage or higher

5 Productivity

Delivering our ambition for more and better jobs in an inclusive and green economy by supporting local wealth creation and retention.

Priorities

1. Support our major employment sectors, including manufacturing, health, and the visitor economy

County Durham has a well-performing manufacturing and engineering sector, large health and care sector and growing visitor economy. Their growth is important to our economy, providing good quality jobs for residents and supply chain opportunities for local businesses; we plan to support them to create more and better jobs in the county.

2. Nurture our opportunity sectors, including green economy, fintech, and space

County Durham has growing strengths in the green economy, space, and high growth service sub-sectors, such as fintech. Developing clusters and specialisms in these sectors has the potential to create high-quality jobs and increase productivity, creating opportunities for inward investment and innovation.

3. Build capacity to further enable businesses to start, grow and stay in County Durham

Businesses who start here have good survival rates. This is something we can capitalise on, assisting more to start and grow in the county. We can strengthen our economy by supporting start-ups and encouraging business growth. This will create more jobs in all parts of the county.

4. Develop a regional innovation ecosystem

The county has a growing knowledge economy and concentrations of innovation in Durham City, NETPark and Newton Aycliffe. This strategy will build a thriving innovation ecosystem, which works closely with the wider North East. This will support product and process innovation across the whole business base. The ecosystem is anchored by the university and our innovation spatial clusters, and sustained by skills, access to finance, business support and private sector networks that make up a thriving ecosystem.

5. Encourage good business practices, including improving health in the workplace

Our employers have an important role to play in creating a more inclusive economy with better outcomes for our residents. This means supporting the living wage and living hours campaigns, in work career progression and training, and better health and workplace wellbeing, with improvements in job security, tenure, and pay.

What we have heard in the Big Econ-versation

A priority – “Attracting quality businesses to the area to provide well paid jobs and good opportunities for training.”

Some residents reporting barriers to work emphasised the importance of well paid, skilled, secure jobs with progression opportunities

Many businesses surveyed see manufacturing as a future growth sector, highlighting green, renewables and electric vehicles

“There is substantial expertise in biotech and health in our universities.”

Lack of finance and low innovation

seen as barriers to trade and growth for businesses surveyed

43% young people

who responded to the survey were unsure that they could get their future job or start a business in the county

People in the conversations said:

- Almost all identified the need to create more high paying, high skilled and secure job opportunities
- County Durham should build on strengths in manufacturing, energy, health, digital, finance & business
- Businesses need a skills & talent pipeline, high quality space, investment in innovation, and supply chain support

Our priorities & actions are aligned with our...

UKSPF Investment Plan, Business Enterprise Framework, Framework for good workforce mental health in County Durham businesses, work of Business Durham and the County Durham Pound

Flagship actions

We will continue:

- Specialist business support, space and finance through Business Durham and the Finance Durham initiative to help businesses to start, grow and thrive
- 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 employers³³

We will:

- Establish a space hub to develop our specialisms in satellite technology and semiconductors
- Set up a taskforce to explore the impact and opportunities to pay the Real Living Wage as a leading employer in the county

³³ Durham Pound’s 11 Anchor Institutions – Believe Housing, Bernicia, Bishop Chadwick, Business Durham, County Durham and Darlington Fire and Rescue Service, Durham County Council, The Durham Police and Crime Commission, Durham University, Karbon Homes, Livin, and Northumbrian Water.

Links to Planet

Delivering our ambition for more and better jobs in an inclusive and green economy by reaching net zero by 2045 through a just transition that creates good jobs.

Our early ways of developing a globally significant green economy:

- Build multifaceted peer-to-peer networks, involving local businesses and those linked to clusters in the wider North East, and promote these widely to attract more businesses and investment
- Work with Durham University to leverage research expertise in energy

Our early ways of supporting businesses to transition to net zero and adopt sustainable practices:

- Encourage businesses to recycle and adopt circular economy approaches
- Build the retrofit evergreen fund to support more businesses to adapt their premises
- Develop a plan for commercial operators to transition to electric bus fleets, building on the electrification of Park and Ride

How we will measure progress

Progress against our priorities and actions under Productivity will be monitored by measuring:



6 Places

Delivering our ambition for more and better jobs by developing places and infrastructure so that people and businesses thrive, creating an inclusive and green economy.

Priorities

1. Create vibrant and diverse towns and villages

We've an opportunity to build on existing investment in many of our towns, local centres and rural areas, recognising their distinctive opportunities and challenges. We need to actively engage our communities to consider the role of town and local centres in the post Covid-19 context, create thriving mixed use centres, and increase footfall.

2. Unlock new and maximise existing employment land for high quality premises

Our opportunity and major employment sectors highlight the need for high quality employment space to attract and retain more businesses. The County Durham Plan sets out where this growth can go – this strategy supports that focusing on building the clusters and business parks where this can happen.

3. Improve physical connectivity between places in the county, including public transport and active travel

Transport improvements are vital for business trade and for people to get to work, particularly for shift workers, those on low wages, young people, and people & businesses in rural areas. It is important that this is inclusive, creating a multi-hub county which is accessible to all.

4. Enhance digital infrastructure and connectivity

Digital connectivity requires improvement, particularly in our rural communities. Faster and more reliable broadband is essential for residents to access skills development and training, and for our businesses to grow and thrive, allowing businesses to open and trade from every part of our county.

What we have heard in the Big Econ-versation

70% residents surveyed think there is good access to road links & 80% who travel to work go by car vs 5% by public transport



60% of residents surveyed said they had good digital broadband/connectivity

93% resident survey respondents rated improving town centres as important or very important (the top priority for the future), emphasising fewer vacant shops

40% businesses

in the survey chose improved transport infrastructure to improve productivity (2nd most common answer)

A challenge of being in County Durham for businesses surveyed

"Finding suitable premises that are central and accessible"

70% businesses

surveyed thought creating & maintaining vibrant town centres was very important or important to economic growth

People in the conversations said:

- Improving transport and digital connectivity was a key area of focus in the conversations
- Consultees reported poor transport links, especially in rural areas, and that this is affecting skills and employment prospects for younger residents
- Many residents and businesses raised the need to reverse town centre decline and there needing to be a broader offer in town and local centres

Our priorities & actions are aligned with our...

UKSPF Investment Plan, County Durham Plan, Towns and Villages Programme Investment Plan, Local Transport Plan, Masterplans, Housing Strategy, Local Cycling and Walking Infrastructure Plans, North East Bus Service Improvement Plan, Digital Strategy, Digital Durham programme, and Approach to Wellbeing

Flagship actions

We will continue:

- Targeted improvements to village and town centres through the Town and Villages Programme Investment Plan, Masterplans and Targeted Delivery Plans
- Strategic employment site creation and expansion, such as Aykley Heads, Jade Business Park and NETPark

We will:

- Invest in demand responsive transport to connect all our people and places with employment sites
- Develop a connectivity strategy to develop further solutions to physical and digital connectivity

Links to Planet

Delivering our ambition for more and better jobs in an inclusive and green economy by reaching net zero by 2045 through a just transition that creates good jobs.

Our early ways of developing sustainable communities and neighbourhoods:

- Explore 20-minute neighbourhoods by promoting Durham as a compact city
- Maximise the number of new homes built with high energy efficiency
- Look to achieve low carbon construction in new industrial and commercial premises, particularly those built on Council-owned land
- Connect new housing and employment sites to one another and local centres through active travel and bus routes, including through the Local Cycling and Walking Infrastructure Plans
- Enhance green space and support woodland expansion and urban greening

How we will measure progress

Progress against our priorities and actions under Places will be monitored by measuring:



7 Promotion

Delivering our ambition for more and better jobs in an inclusive and green economy by promoting our county, assets and opportunities to businesses, investors, visitors, and residents.

Priorities

1. Develop a clear brand and place marketing organisation

People are proud of the county – our cultural, heritage and natural assets – and think this should be better known regionally and nationally. We are home to a wide range of businesses and lead the North East for employment in advanced manufacturing and health & life sciences. There's an opportunity to capitalise on this through a strong brand and county narrative for residents, tourists, and inward investors.

2. Attract inward investment

The county already sees inward investment interest and this strategy sets out the sectors we have an opportunity to grow, our innovation clusters, and how we will create the conditions for more inward investment through skills and business support. We need a proactive plan to develop a clear pitch for business attraction and expansion that creates better jobs to help retain local talent and attract more highly skilled workers into the county.

3. Support a year-round visitor economy

The county is home to some of the country's best natural assets, and can boast coast, countryside, heritage city and culture. This is an opportunity to capitalise on these assets and grow the tourism and culture offer. We want to encourage people to stay longer and visit more parts of the county by investing in technology, physical assets, and events where it is needed.

4. Enhance cultural and creative infrastructure

We have growing strengths in culture and the creative sector. Culture has the potential to play an important role in revitalising our town and local centres. This requires investment in the sector, existing and new assets, and skills.

What we have heard in the Big Econ-versation

70% residents surveyed either agreed or strongly agreed that County Durham, as a place to visit, had a lot to see and do



75% residents

in the survey thought more could be done to attract tourists – better transport & town centres, more events & a stronger cultural offer, place promotion, and clean, safer streets

For businesses surveyed, reason for being based in the county

“I am proud of where I live”

Advantages of being in County Durham for those surveyed

“Beautiful countryside”

“Attractive built environment”

Tourism

identified as a future growth sector by businesses in the survey

66% young people

surveyed said they would continue to live in County Durham in the future

The appeal of larger cities and their cultural offer was a reason for young people saying they would leave the county for university

People in the conversations said:

- Many residents and businesses were proud of the county
- Challenges recognised around retaining local talent and businesses
- Need to promote natural environment, diverse mix of places, good quality of life, and strong cultural & heritage offer
- Attract inward investment and talent by promoting and growing key sectors

Our priorities & actions are aligned with our...

UKSPF Investment Plan, Durham 2025 plans, the work of Culture Durham and Visit County Durham, and ongoing work on place branding

Flagship actions

We will continue:

- The Durham 2025 cultural programme, to raise the profile of the county and civic pride
- Create North, Creative Fuse and the Memorandum of Understanding with the BBC to develop our cultural and creative sector

We will:

- Build the County Durham Brand and develop a new strategic approach to inward investment
- Re-purpose unused high street retail spaces as ‘Place Labs’ to engage people in culture and support creative and cultural enterprises

Links to Planet

Delivering our ambition for more local and better paying jobs in an inclusive and green economy by reaching net zero by 2045 through a just transition that creates good jobs.

Our early ways of developing a globally significant green economy:

- Attract inward investment by promoting our strengths and specialisms, including in geothermal

How we will measure progress

Progress against our priorities and actions under Promotion will be monitored by measuring:



8 Delivering our Strategy

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.

The Strategy sets out our ambition for a new economic future – one with more and better jobs in an inclusive, green economy. It will create a strong identity for the county, develop our strengths, address inequalities, and better connect residents to existing and new opportunities. This could have enormous positive impact both locally and for the UK economy.

In 2019, County Durham produced ‘A vision for County Durham 2019-2035’, setting out the overall vision for the future of the county and providing direction to public, private and voluntary sector organisations. It is a forward-looking document that is aligned to the County Durham Plan, a spatial plan setting out a vision for housing, jobs, and the environment to 2035.

In the same year, the County Council declared a climate emergency and developed a Climate Emergency Plan with two fully costed action plans, one to reduce carbon emissions from the Council’s operations by 80% from 2008/09 levels by 2030, and another to make County Durham carbon neutral by 2045.

These county-wide strategies are complemented by locally-focused plans for growth. The Towns and Villages Programme Investment Plan offers an integrated approach to place-based regeneration with a county wide investment programme of more than £750m. Our Masterplans guide investment and improvements in towns across the county, and support Levelling Up Fund bids. The Bishop Auckland Town Investment Plan sets out the plan for the £33.2m Towns Fund to help Bishop Auckland build on its unique heritage and assets to develop into a visitor destination of international appeal.

The Inclusive Economic Strategy aligns with the Poverty Action Plan, which aims to reduce the number of people affected by poverty and deprivation in the county.

Our delivery levers

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

Assets

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

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

Programmes and funding

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.

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

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

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.

Inclusive Economy Cohorts

Through this Strategy, we will continue to work with our strong business base, innovation assets, high-skilled workers, and graduates, but our Strategy goes beyond a traditional economic approach – enabling everywhere and everyone in County Durham to contribute to and benefit from economic growth.

As part of the development of an Action Plan, we will identify Inclusive Economy Cohorts to help those that need it most, focus activity, target our actions, and monitor success. Some of these groups will be place-based and others will be based on socio-economic or demographic groups. These will be reviewed every two years to ensure that we are still targeting activity in a way that will achieve maximum impact.

These will be identified through a combination of quantitative and qualitative analysis. We will work with different partners already engaged with these cohorts to encourage participation.

This may include, for example:

- 16 neighbourhoods with high levels of deprivation
- Residents earning below the Real Living Wage
- Households in fuel poverty or living in energy inefficient homes
- Residents with a long-term physical or mental health conditions
- Groups furthest from the labour market, either demographic e.g., Gypsy, Roma and Traveller communities, or socio-economic e.g., young people or older residents not in work, residents with low skills levels, residents with disabilities / learning difficulties

Monitoring progress

We want to measure the impact of the actions in our Strategy on delivering more local and better paying jobs in an inclusive, green economy. We will take a bold and innovative approach to transforming our economy – trying new ideas and evaluating them to understand what works.

The table below summarises the set of outcomes that we will use to measure progress. We will also link to the metrics included in the Climate Emergency Plan to monitor our progress in the Planet pillar. We will also monitor the success of our actions in improving outcomes amongst our inclusive economy groups.

We will baseline our current performance against where we want to be and co-develop targets as we develop our Action Plan to measure progress towards actions and milestones.

Pillar	Outcomes
People	<ul style="list-style-type: none"> • Residents with high level skills (NVQ Level 3 & 4) • Residents who are economically inactive but want a job • 18-24 year old residents in employment • Healthy life expectancy of residents • GVA per capita • Employee jobs earning Real Living Wage or higher
Productivity	<ul style="list-style-type: none"> • Number of jobs • Proportion of higher-level jobs • Job density • Number of businesses • GVA • GVA per filled job • Days lost to sickness • Local anchor institution spend
Places	<ul style="list-style-type: none"> • Proportion of neighbourhoods in the most 10% most deprived nationally • Town centre vacancy rate • Public transport connectivity

Pillar	Outcomes
	<ul style="list-style-type: none"> • Employment land take up • Occupancy rate of council business premises • Premises with gigabit connectivity
Promotion	<ul style="list-style-type: none"> • Visitor expenditure • Number of visitors • Number of inward investment projects secured and value

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