

Economy and Enterprise Overview and Scrutiny

7 November 2022

Inclusive Economic Strategy



Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report sets out the emerging Inclusive Economic Strategy (IES) for the consideration and asks Economy and Enterprise OSC to consider the approach and priorities. Feedback from the committee will help in shaping the final draft, for consideration by Cabinet in December. The strategy has been developed through working in partnership with key stakeholders, businesses and employers, and residents, and is owned by the County Durham Economic Partnership.

Executive summary

- 2 In December 2021, the Council's Cabinet agreed to the process for developing a new Inclusive Economic Strategy (IES). The first stage in creating the IES was to produce a comprehensive economic evidence base to understand our economy. This was captured in an Economic Statement which provides the strong foundations to make evidence-based decisions about the future of our economy. The Statement provides clarity on how the economy is performing and what are the opportunities and challenges. This has informed the IES vision, priorities, and areas of focus - such as our strengths in advanced manufacturing, key opportunity sectors for growth, and addressing the causes of economic inactivity around health. The IES is not prepared in isolation but links across a number of other strategies and work undertaken by partners, a list is shown at Appendix 2.
- 3 The journey and partnership working to build the strategy have been as important as the final document. The Big Econ-versation was undertaken between 31 January and 22 April 2022 and was widely

promoted including through press releases, social media, case studies, a radio advert for Smooth NE, bus panels and digital media. There were also 86 events held and attended by over 1500 people which identified key issues to be tackled and suggested some actions to address them. A total of 1455 surveys completed including from 918 residents, 94 businesses and 443 young people were also received.

- 4 Feedback received during the Econ-versation was sense checked in a number of workshops held in July and following preparation of a draft a round of targetted engagement was also undertaken in September.
- 5 The IES is firmly rooted in the Econ-versation that developed a new approach to engaging with our communities and stakeholders. This has provided a detailed understanding of the aspirations and priorities of our residents, partners and businesses and the barriers to creating economic growth that is inclusive for all. The new approach to engagement has also allowed us to re-energise relationships with partners such as CPI, the university and the Further Education colleges, alongside the Economic Partnership who have been integral in developing the IES. More importantly, these partnerships are committed to being the key driving forces in delivering the future vision.
- 6 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.
- 7 This is particularly important in the current circumstances, 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.
- 8 The strategy also includes 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:
 - People - Delivering our ambition for more and better jobs in an inclusive, green economy by enabling residents to access economic opportunities and excel in business and their careers

- Productivity - Delivering our ambition for more and better jobs in an inclusive, green economy by supporting local wealth creation and retention
- Places - Delivering our ambition for more and better jobs by developing places and infrastructure so that people and businesses thrive, creating an inclusive, green economy
- Promotion - Delivering our ambition for more and better jobs in an inclusive, green economy by promoting our county, assets and opportunities to businesses, investors, visitors and residents
- Planet - Within each of the above headings 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.

9 To make the Inclusive Economic Strategy a reality we will require new ways of working, collaboration and funding from us all as partners. The shift (and reduced funding) as we move to UK Shared Prosperity Fund requires us to think differently to build the resources, we need to deliver this long term strategy. This means that as a county we need to leverage as much external investment as possible through bids into relevant funding calls, by attracting private sector investment, and by creating the conditions for local growth and investment. The Council is able to tailor programmes and use funding to achieve the ambition and priorities set out in this Strategy.

10 Our next steps are to develop a detailed Delivery Plan and monitoring framework to deliver against our Strategy. We will look to engage partners, residents and communities, including Community Champions and Area Action Partnerships, in decision-making and the coproduction of relevant actions and initiatives. The use of a Delivery Plan approach throughout the vision period will enable regular reviews to respond to economic changes; allow priorities to be reassessed and recalibrated by future administrations; and actions to be refined based on whether outcomes are being achieved. This will ensure the IES remains a relevant and live document throughout its lifespan.

Recommendation

11 Economy & Enterprise Overview and Scrutiny members are invited to note the report and pass on any views they have on the Draft Inclusive Economic Strategy.

Background

- 12 In December 2021, the Council's Cabinet agreed to the process for developing a new Inclusive Economic Strategy (IES). The first stage in creating the IES was to produce a comprehensive economic evidence base to understand our economy. This was captured in an Economic Statement which provides the strong foundations to make evidence-based decisions about the future of our economy. The Statement provides clarity on how the economy is performing and what are the opportunities and challenges. This has informed the IES vision, priorities, and areas of focus - such as our strengths in advanced manufacturing, key opportunity sectors for growth, and addressing the causes of economic inactivity around health.
- 13 The journey and partnership working to build the strategy have been as important as the final document. The Big Econ-versation was undertaken between 31 January and 22 April 2022 and was widely promoted including through press releases, social media, case studies, a radio advert for Smooth NE, bus panels and digital media. There were also 86 events held and attended by over 1500 people which identified key issues to be tackled and suggested some actions to address them. A total of 1455 surveys completed including from 918 residents, 94 businesses and 443 young people were also received.
- 14 Feedback received during the Econ-versation was sense checked in a number of workshops held in July and following preparation of a draft a round of targetted engagement was also undertaken in September.
- 15 The IES is firmly rooted in the Econ-versation that developed a new approach to engaging with our communities and stakeholders. This has provided a detailed understanding of the aspirations and priorities of our residents, partners and businesses and the barriers to creating economic growth that is inclusive for all. The new approach to engagement has also allowed us to re-energise relationships with partners such as CPI, the university and the Further Education colleges, alongside the Economic Partnership who have been integral in developing the IES. More importantly, these partnerships are committed to being the key driving forces in delivering the future vision.
- 16 It is this vision that sets a long term plan for County Durham's economy - In 2020 the county agreed the County Durham Plan, but the County Durham Economic Partnership was working to a strategy from 2012. If the County Durham Plan looks at where growth will go, the vision sets out how we plan to achieve that growth and who that growth will benefit. Some of this builds on the excellent work that is already taking place, but establishes clarity of direction and clear priorities to inform future

decision making and drive a step change in delivering economic growth for the county.

- 17 Once approved the IES will provide the bold ambitious long-term vision, and a framework as to how that vision will be delivered. The next stage of strategy development will be to create a detailed short to medium Delivery Plan through the County Durham Economic Partnership. Applying a Delivery Plan approach will allow the adoption of a long term vision until 2035 that provides clarity, consistency and confidence, but then allows flexibility in delivery. The development of a series of Delivery Plans throughout the vision period will enable regular reviews to respond to economic changes; allow priorities to be reassessed and recalibrated by future administrations; and actions to be refined based on whether outcomes are being achieved.

Inclusive Economic Strategy

Vision

- 18 The key to delivering an inclusive economy for County Durham is to have a clear, bold and ambitious vision for the future, developed in partnership, and to which all our partners have signed up to deliver. This long-term economic vision for County Durham in 2035 balances our need to growth with achieving prosperity for all. 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 realises their ambitions in a modern green economy firmly focused on the future.
- 19 By 2035 County Durham will be 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.
- 20 We will have strengthened the existing strong partnership working in the county, with agile support for businesses, residents, and places to transform the economies in all our communities - a catalyst 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.
- 21 The county will balance growth with prosperity for all and support for cost of living. 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.

Developing our Inclusive Economic Strategy

- 22 This is a strategy of our county, not of one organisation, and has been codeveloped in partnership. It takes a holistic view of what the economy needs so that all people and places can contribute to and benefit from growth and the county's success, whilst having a positive impact on the planet. Our first County Durham Inclusive Economic Strategy has been developed by the County Durham Economic Partnership with residents, businesses, anchor institutions, and the voluntary and community sector.
- 23 It focuses on inclusive economic growth and aligns with existing strategies and plans in place across the county, including council documents such as the County Durham Plan, Climate Emergency Response Plan, Digital Strategy, Poverty Action Plan and UK Shared Prosperity Fund Investment Plan, plus regional strategies from the North East LEP. It does not describe everything that is happening in the county or replicate other documents.
- 24 This strategy is deliverable and realistic. It will address immediate and long-term opportunities and challenges, giving a 2035 perspective. We will use this strategy as the vision and strategic framework to coordinate activity it is designed to be inclusive for new ideas as they emerge.
- 25 It recognises the excellent work we are already doing as partners across the county and identifies areas for further focus. This is about County Durham activity and where we have agency as a partnership, focusing on county-wide and place-based actions where it makes sense, rather than giving national or regional solutions.
- 26 We will codevelop in partnership our 4-year Delivery Plan, which will include our first set of detailed actions to deliver a step change for the county, as well as other documents. This will build on and coordinate the project and programme ideas that we have collated from the Big Econ-versation and stakeholder engagement. We will consider and add transformational projects and programmes as our Delivery Plan is refreshed and updated.

Our Focus

- 27 Our overarching focus for this strategy is to create more and better jobs in an inclusive, green economy.
- 28 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 2045 goal of net zero carbon County Durham

Delivering Our Vision

29 We have developed a strategic framework to co-ordinate delivery against our vision and ambition. This focuses on the five Ps: People, Productivity, Places, Promotion and Planet. It will be delivered through a sixth P: Partnerships.

People - We will support people into education, training, jobs, and to excel in business and their careers

- Priority 1: Raising skills levels, including higher and green skills, directly targeted to what employers need
- Priority 2: Overcome barriers into employment, including work readiness, skills, improved careers advice and guidance, and addressing poor health
- Priority 3: Increase in-work progression and upskilling linked to new opportunities
- Priority 4: Harness economic growth to Improve health and wellbeing outcomes and transform life choices

Links to Planet

30 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by promoting green skills and jobs pathways within the countywide Careers Service and expanding energy networks and partnerships.

Productivity - We will support business innovation, growth, and higher levels of productivity

- Priority 1: Harness the power of our major employment sectors and accelerate our opportunity sectors
- Priority 2: Provide excellent support at all stages for businesses to start-up, sustain, thrive and grow in County Durham

- Priority 3: Expand the thriving innovation ecosystem
- Priority 4: Drive good business practices, including improving health in the workplace

Links to Planet

- 31 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by developing a Green Park with Enterprise Zone status and encouraging the adoption of circular economy approaches amongst businesses and Build the retrofit evergreen fund to support more businesses to adapt their premises.

Places - We will improve places and plan infrastructure so that people and businesses can access opportunities

- Priority 1: Build vibrant and diverse towns and villages
- Priority 2: Unlock employment land for high quality premises
- Priority 3: Improve physical connectivity between places in the county
- Priority 4: Enhance digital infrastructure and connectivity

Links to Planet

- 32 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by promoting Durham as a compact county by exploring the development of 20-minute neighbourhoods and encourage biodiversity and protecting nature by enhancing green space and supporting woodland expansion and urban greening.

Promotion - We will promote our county, assets and opportunities to businesses, investors, visitors, developers and residents

- Priority 1: Develop a clear brand and place marketing
- Priority 2: Attract inward investment in the sectors and places it makes sense
- Priority 3: Grow a year-round visitor economy
- Priority 4: Enhance cultural and creative infrastructure

Links to Planet

- 33 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by encouraging active travel as part of the visitor economy offer.

Delivering Our Strategy

- 34 The Inclusive Economic Strategy is an ambitious economic strategy to 2035. It sets out our vision for a new economic future and has a clear focus on how we will deliver this through 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.
- 35 To make it a reality will require new ways of working, collaboration and funding from us all as partners. The shift (and reduced funding) as we move to UK Shared Prosperity Fund requires us to think differently to build the resources we need to deliver this long term strategy. This means that as a county we need to leverage as much external investment as possible through bids into relevant funding calls, by attracting private sector investment, and by creating the conditions for local growth and investment. The Council is able to tailor programmes and use funding to achieve the ambition and priorities set out in this Strategy.

Delivery Plan

- 36 Our next steps are to develop a detailed Delivery Plan and monitoring framework to deliver against our Strategy. The Economic Partnership will engage stakeholders, residents and communities, including Community Champions and Area Action Partnerships, in decision-making and the coproduction of relevant actions and initiatives.

Monitoring Progress

- 37 We want to monitor our progress in delivering more and better 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.
- 38 The table below summarises a set of high-level outcome measures that reflect the priorities in this strategy and we will use to monitor progress. We will also link to the metrics included in the Climate Emergency Plan to monitor our progress in the Planet pillar.

Pillar	Outcome measures
People	<ul style="list-style-type: none"> • Residents with high level skills (NVQ Level 4 & 5) • Residents who are economically inactive but want a job • Residents in employment • 18-24 year old residents in employment • Disabled 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 • County Durham Procurement Family budget spend in the county
Places	<ul style="list-style-type: none"> • Proportion of neighbourhoods in the most 10% most deprived nationally • Town centre vacancy rate • Public transport connectivity • 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
Planet	<ul style="list-style-type: none"> • Link to metrics included in the Climate Emergency Plan

Conclusion and Next Steps

- 39 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.
- 40 We are incredibly grateful to the individuals, communities and organisations who have been part of the development of this strategy. This is only the first step on our inclusive economic journey.
- 41 We invite you to be part of turning this into a reality now, identifying where and how you want to be involved in delivery. We will be setting

up the Citizen Panel to ensure that residents have their say throughout, and the Economic Partnership will work with the broad partner base to codevelop actions.

- 42 We've already achieved so much in the county. This strategy sets out our path for the next decade and how we will, in 2035, be 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.

Background Papers

- Draft Inclusive Economic Strategy (attached)

Author(s)

Mike Allum mike.allum@durham.gov.uk

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. Targetted consultation on the emerging draft strategy was also undertaken 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.

Appendix 2 – List of related strategies and work

- Inclusive Economic Strategy Delivery Plan
- UK Shared Prosperity Fund (UKSPF) Investment Plan
- Poverty Action Plan
- Approach to Wellbeing Self-Assessment Framework
- Child and Young People’s Strategy
- Strategic Partnership Approach to Early Help
- Joint Health & Wellbeing Strategy
- Framework for good workforce mental health in County Durham businesses
- Better Health at Work award
- County Durham Pound
- County Durham Plan
- Towns and Villages Programme Investment Plan
- Masterplans
- Place Strategy
- Local Transport Plan
- Local Cycling and Walking Infrastructure Plans
- North East Bus Service Improvement Plan
- Digital Strategy
- Digital Durham
- Project Gigabit
- Connectivity Strategy
- Internationalisation Strategy
- Culture Durham and Visit County Durham work
- Durham 2025 Cultural Programme
- Climate Emergency Recovery Plan