

Economy and Enterprise Overview and Scrutiny Committee

County Durham Economic Partnership

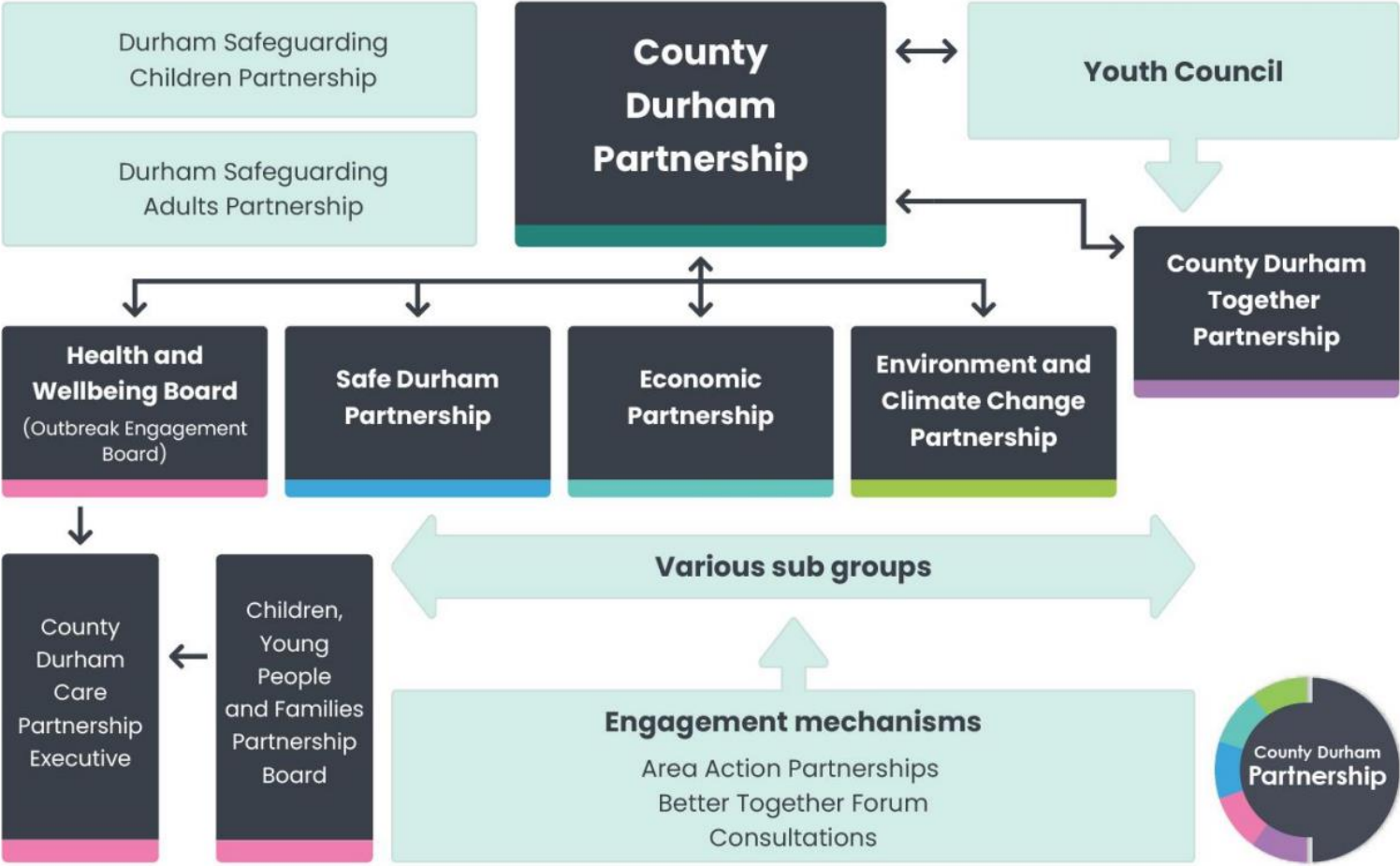
24 April 2023

Glyn Llewellyn – Chair, County Durham Economic Partnership

Sue Parkinson – Vice Chair, County Durham Economic Partnership



County Durham Partnership Structure



County Durham Economic Partnership



Key partner and facilitator



Business Enterprise and Skills Working Group
Chair: Sue Parkinson

County Durham UK Prosperity Fund Group
Chair: Sue Parkinson



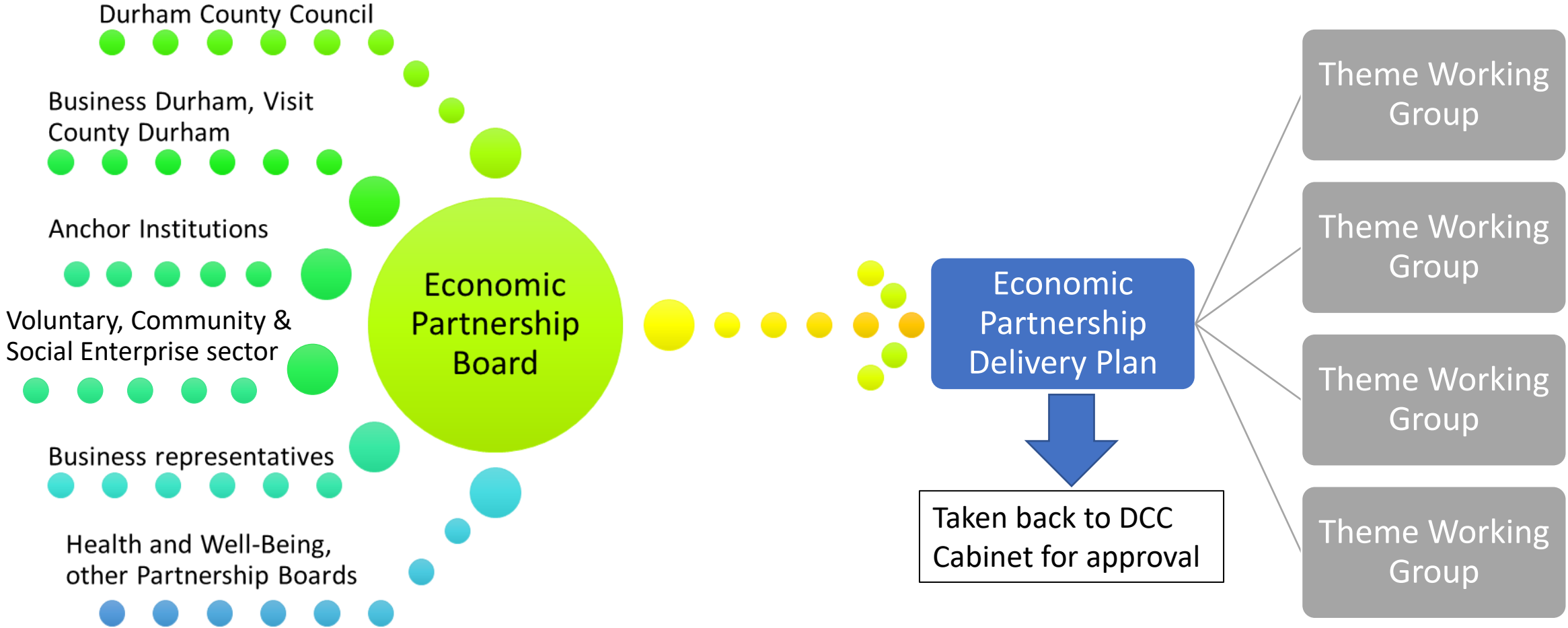
"The strategy was developed in partnership with a wide range of stakeholders, and it is important that it is taken forward as something that belongs to everyone. We need all our partners and anchor institutions working together to achieve our shared vision."

- "Now we have the strategy in place, we need everyone to work together to deliver it - from SMEs to large companies with investments in the area, everyone needs to play their part in ensuring it achieves its aims."

"The partnership between the council and the university offers us the opportunity to leverage the scale, capability and capacity of our organisations and associated partnerships to make a real, positive difference in the county and on the global stage."

Delivering the plan

ECONOMIC PARTNERSHIP



Economy and Enterprise Overview and Scrutiny Committee

Inclusive Economic Strategy: Delivery Plan

24 April 2023

Andy Kerr – Head of Economic Development



County Durham today – our economy



**£8.8bn
GVA**



**14,105
businesses**



**23% business growth
(33% nationally)**

Between 2006 and 2020 our growth was 26.8%, but nationally the figure was 49.6%

There is a significant and growing gap between the county's and national performance, amounting to £3.2 billion per annum



**183,000
jobs**



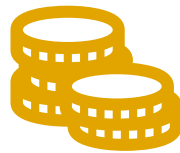
**533,100
residents
(largest LA in NE)**



**3.8% unemployment
(11.1% in 2012)**



**101,800
highly skilled
workers**



**£26,495
median wages
(£31,777 nationally)**



**22.2% youth
unemployment (12.9%
nationally)**

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

County Durham – opportunities

Major employment sectors

- Advanced manufacturing
- Health and social care
- Visitor and tourism

Major businesses

- Hitachi Rail Plant, Caterpillar and GlaxoSmithKline
- Knowledge & high-tech - Atom Bank and Waterstons

Key opportunity sectors for growth

- Green jobs
- Electronics
- Digital and creative
- Fintech
- Life sciences
- Satellite applications



25,000
jobs in advanced
manufacturing



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

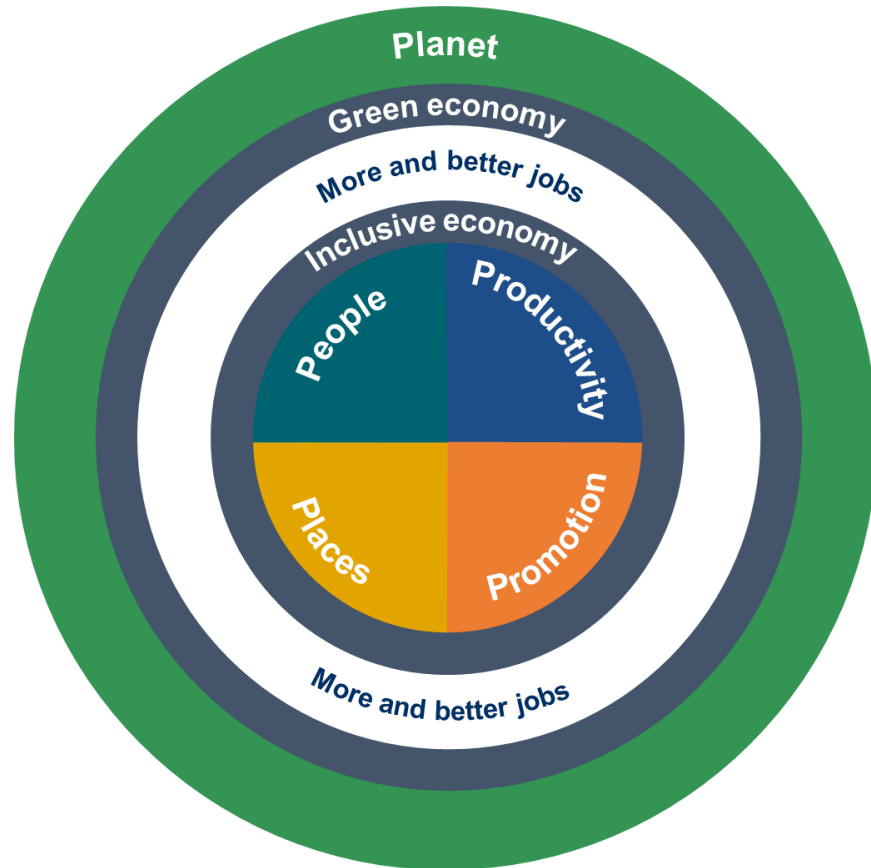


10,000+
jobs in tourism & supply
chain



16m visitors and
£827m spend

Vision: More and better jobs in an inclusive, green economy



- **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

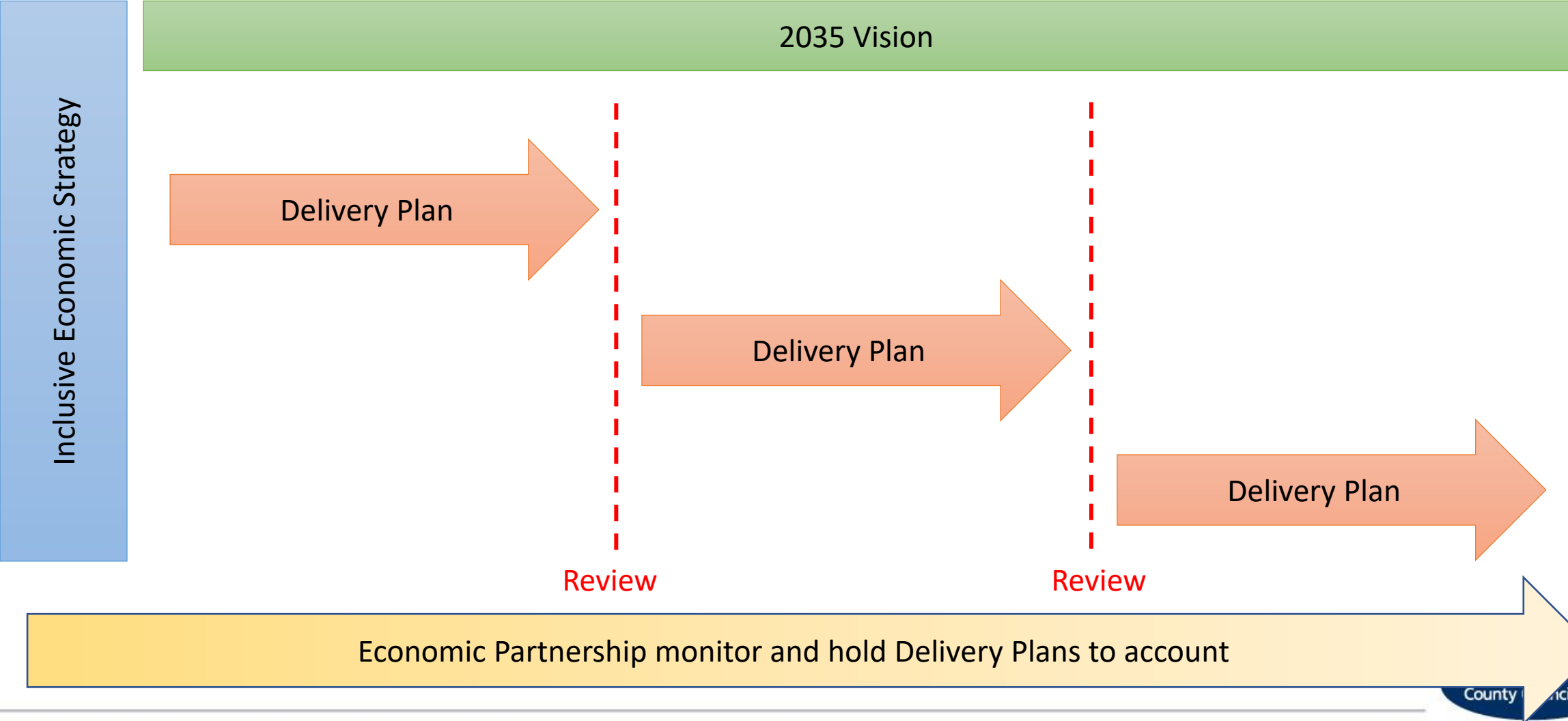
2035 Vision – key points

- A sustainable, inclusive economy with a diverse range of jobs to meet all skill levels
- Targeted training and learning programmes tailored to our employment specialisms and needs of business
- Our industrial heritage and landscape providing the green jobs of tomorrow
- Innovation, from our world leading university to R&D in all our jobs to increase productivity, fuel growth, and to create more and better-quality jobs.
- Inward investment targeted in emerging green jobs, electronics, digital, fintech, life sciences and satellite
- An inter-connected economy of headquarters, research, supply chains, logistics creating a range of jobs at all levels
- Improving access to employment through improved health, transport links, flexible working, and digital connectivity
- Growth in high value tourism that underpins jobs and services for local communities

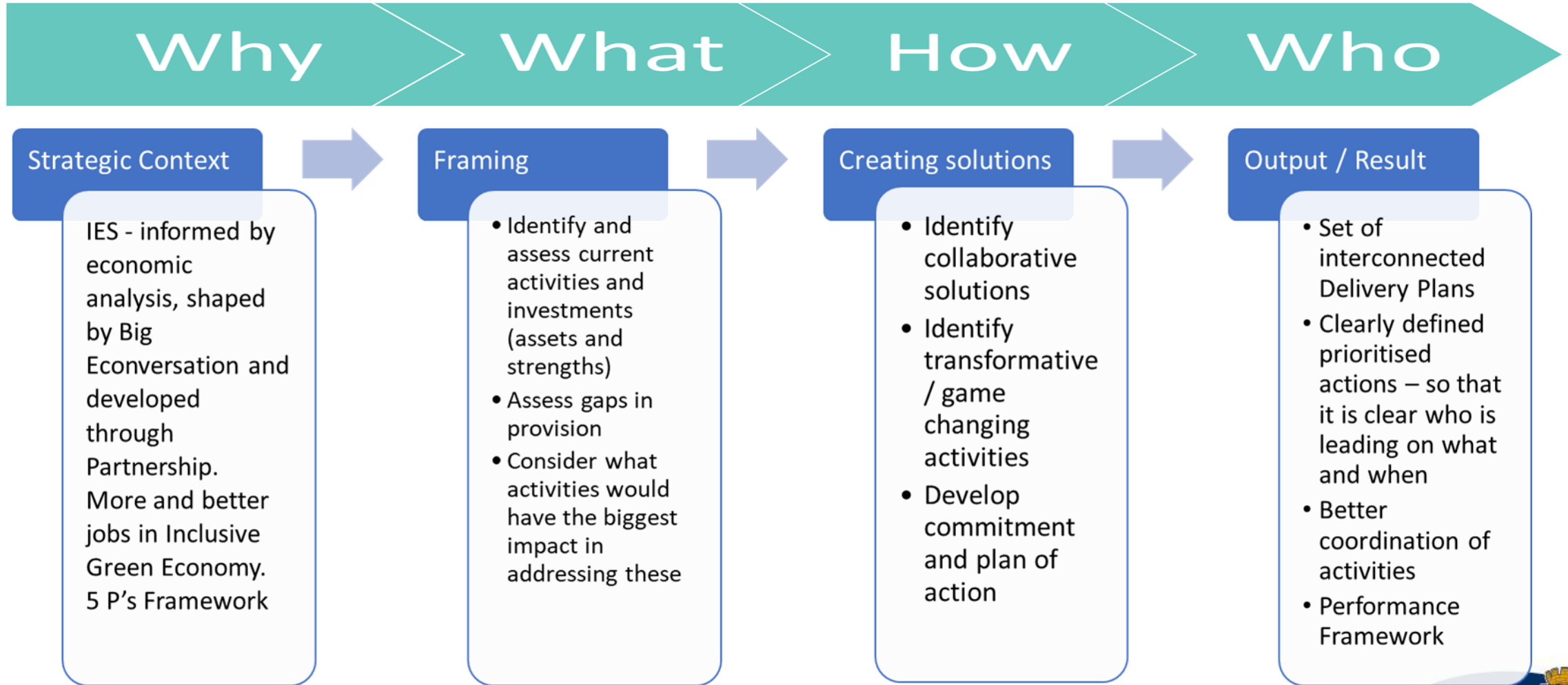
Delivery Framework - The 5 “P’s”

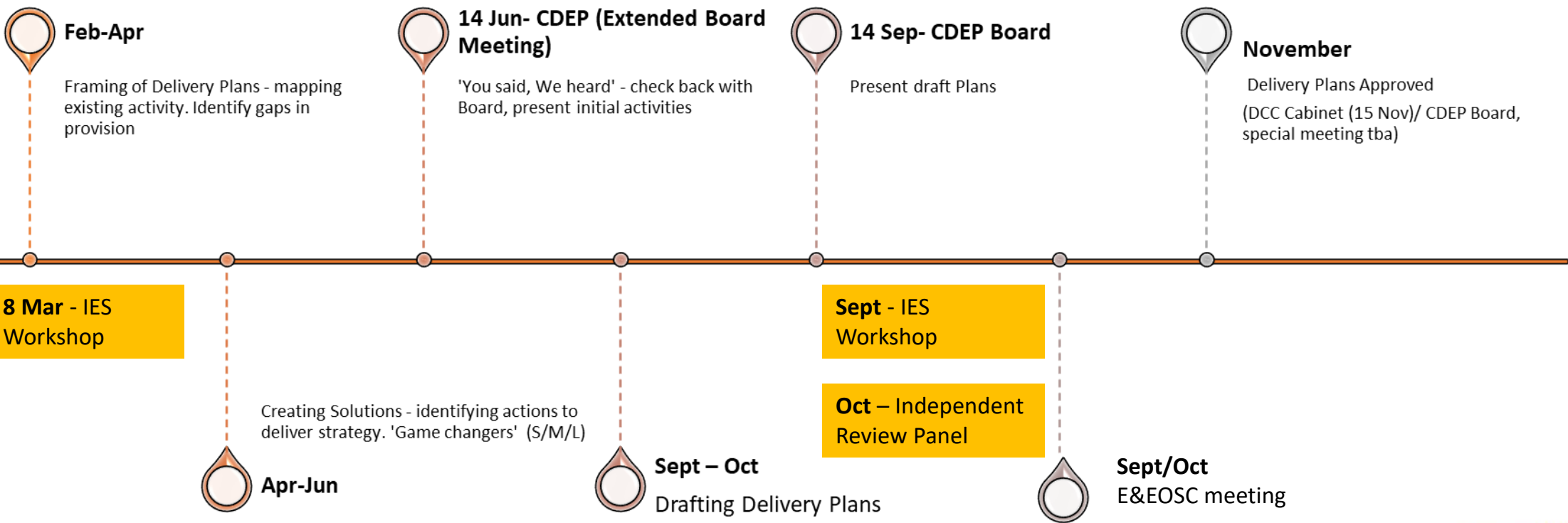


Delivering the Inclusive Economic Strategy



IES Delivery Plan Approach





Thematic Working Group | Terms of Reference

'People' Thematic Working Group Terms of Reference		
1	Name of Group	'People' IES Delivery Plan Thematic Working Group
2	Accountable To	CDEP Board
3	Aims and Purpose	Develop and manage the delivery plan for the IES 'People' theme. Oversee the commencement and delivery of projects and monitor the achievement of deliverable economic, social and environmental outcomes. Present progress reports to the IES Delivery Plan Core Team and the CDEP Board on progress.
4	Chair	Graham Wood, Durham County Council
5	Vice Chair	Andrew Broadbent, New College
6	Membership	Durham Learn, FE Colleges, Job Centre+, DWP, Education and Skills Funding Agency, VCS (DCA, Groundwork), Independent Providers (Springboard), Housing provers (Livin, Tyne Group), Public Health, Business Durham
7	Members' Responsibilities	<p>(Short - Medium Term)</p> <ul style="list-style-type: none"> Identify existing and planned activities that will deliver the IES 'People' priority. Initiate and coordinate projects, reporting progress to CDEP Board. Realise the strategic outcomes for the IES as overseen and updated from time to time by the Board. Oversee and drive forward the delivery plan and activity to ensure wider momentum is maintained. Identify measurable indicators and monitor progress towards the delivery of IES vision and objectives.
8	Frequency of Meetings	4 weekly (approx.)

Ambition	<p style="text-align: center;">Place</p> <p style="text-align: center;">We will improve places and plan infrastructure so that people and businesses can access opportunities.</p>			
Priorities	Build vibrant and diverse towns and villages	Unlock employment land for high quality premises	Improve physical connectivity between places in the county	Enhance digital infrastructure and connectivity
Key Actions	<ul style="list-style-type: none"> • Explore the economic role of each of our town, enhance attractions and physical and digital connectivity. • Expand the leisure, culture and event offer • Repurpose vacant retail units into flexible space for start-ups, small businesses and entrepreneurs. • Ensure that housing is used as an economic enabler, embedding new low carbon construction methods and improving energy efficiency 	<ul style="list-style-type: none"> • Attract international headquarters, research and innovation, and support growth in fintech, life sciences and digital services, focused on growth locations such as the Aykley Heads development • Deliver phase 3 of NETPark, providing up to 270,000 sq ft of new laboratory, office production and storage space, allowing for science, engineering and technology companies to grow, scale up and commercialise their operations • Take early advantage of new investment opportunities in our major employment and opportunity sectors by developing an economic growth and investment pipeline for the county • Encourage innovation and enterprise in our rural communities by supporting rural diversification 	<ul style="list-style-type: none"> • Carry out an in-depth piece of work led by the Council on developing further solutions to physical and digital connectivity through a Connectivity Strategy • Explore innovative solutions, such as demand responsive transport, low / no cost electric bike rentals, electric vehicle car clubs and e-bike hubs • Develop a plan for commercial operators to transition to electric bus fleets, building on the electrification of Park and Ride • Encourage modal shift to public transport and behaviour change, both within the county and for residents to commute across the region, such as through the delivery of fares initiatives, ticketing and subsidised fares, as well as by utilising Council planning guidance to encourage delivery of sustainable transport options • Deliver on our carbon emission targets by reducing the volume of freight on the road by supporting the development of an intermodal rail freight interchange 	<ul style="list-style-type: none"> • Create digitally enabled towns and villages to increase technology uptake, encourage innovation, and improve access to digital services and skills by exploring initiatives such as municipal data networks and digital community hubs, and the adoption of innovative new technologies, including 5G and next generation satellites • Hardwire digital connectivity and inclusion considerations in regeneration and development projects
Planet	<ul style="list-style-type: none"> • Promote Durham as a compact county by exploring the development of 20- minute neighbourhoods expansion and urban greening • Encourage biodiversity and protecting nature by enhancing green space and supporting woodland 			
Proposed Devolution Deal	<ul style="list-style-type: none"> • Building on High Street Fund and Town Deals to support levelling up • Regional Wealth Fund • Housing and Land Board at NTCA to be expanded • Rural Economic Investment Programme • Lead Authority for planning and delivery of UK Shared Prosperity Fund from 2025/6 • 	<ul style="list-style-type: none"> • Power to designate Mayoral Development Areas and establish Mayoral Development Corporations to help drive regeneration and expediate housing delivery on complex schemes • Housing and Land Board at NTCA to be expanded • Housing and land acquisition powers (including compulsory purchase) to support housing, regeneration and infrastructure • Power to draw up a new Spatial Development Strategy for the Combined Authority areas – • Brownfield Infrastructure and Land Fund and Place Regeneration fund (£20m) 	<ul style="list-style-type: none"> • New Local Transport Plan • City Regional Sustainable Transport Fund £563m • Bus Service Improvement Plan £163.5m • Bus franchising powers, pay grants to bus operators and grant to constituent authorities for exercising transport functions • Road Investment Strategy 2 & 3 • Great British Railway Transition Team • Strategic Infrastructure Plan (Incorporating Rural Infrastructure Plan – food security) • Institute of Future Mobility to bring together NE universities and colleges with the region’s transport sector to support innovation and R&D • Rural Growth Stewardship and Net Zero Joint Plan 	<ul style="list-style-type: none"> • Digital Connectivity Fund (to support the adoption & scale up of advanced digital services and technologies) • Digital Adoption Accelerator – national centre of excellence for 5G use-case development and adoption • Project Gigabit programme • Local Digital Skills Partnership with DCMS • Explore options to mobilise the strength of the National Innovation Centre for Data

Ambition	<p style="text-align: center;">People</p> <p style="text-align: center;">We will support people into education, training, jobs, and to excel in business and their careers.</p>			
Priorities	<p>Raise skills levels, including higher and green skills, directly targeted to what employers need</p>	<p>Overcome barriers into employment, including work readiness, skills, improved careers advice and guidance, and addressing poor health</p>	<p>Increase in-work progression and upskilling linked to new opportunities</p>	<p>Ensure good health and wellbeing leads to economic inclusion</p>
Key Actions	<ul style="list-style-type: none"> Align skills provision and training with County Durham and regional major employment and opportunity sectors to create routes into work and talent pipelines Provide a wide range of training routes for residents, including through schools, FE, apprenticeships and HE and ensure these are widely understood by young people to understand future skills pathways and working age residents Enable FE, HE and training providers to respond to skills gaps and employer demands by improving the quality of intelligence on local skills needs Ensure that the skills system responds to residents with lower skills levels and communities furthest from the labour market Refresh and update a Skills Strategy for the county, defining its purpose and how it will be developed and delivered through the Delivery Plan 	<ul style="list-style-type: none"> Target residents with specific and often intergenerational barriers to employment and unlock employment opportunities in the county, for instance by exploring initiatives such as an intermediate labour market (specially created jobs) and ringfencing Develop a countywide approach to Careers, Information, Advice and Guidance, raising awareness of training and career pathways and opportunities in our major employment and opportunity sectors, working with young people from primary education age upwards Respond to new ways of accessing services through a network of physical and virtual integrated employment and skills services hubs 	<ul style="list-style-type: none"> Respond to skills and labour demands in the health and care sector, a major employer offering quality employment across a broad range of skill levels, by advancing skills and employment pathways Ensure that employers can understand and diagnose their skills and training requirements to empower their workforce and support the productivity and growth of their business Promote lifelong learning and progression opportunities for residents linked to new technology and jobs, for instance in the green and digital economy 	<ul style="list-style-type: none"> Work with employers to build and maintain healthy workplaces, including active transport for commuting journeys Ensure that the health and economy agendas continue to be aligned and work together to deliver positive outcomes for all, building on existing good practice such as where embedded mental health practitioners working alongside job coaches Champion public sector service providers to improve individual and community health and wellbeing outcomes through better data sharing and joint working
Planet	<ul style="list-style-type: none"> Promoting green skills and jobs pathways within the countywide Careers priority, with a focus on preparing young people for careers at an early stage 			
Proposed Devolution Deal	<ul style="list-style-type: none"> Adults Education Budget £1.8bn (£60m a year) from academic year 2024/25 – will need its own commissioning plan. Current arrangements with colleges, LA, providers etc. Skills bootcamp not guaranteed beyond 2023/4 but commitment to skills agenda and consistent approach to funding Local Skills Improvement Plan (LSIP) to be aligned to the CA area 	<ul style="list-style-type: none"> Expansion of NTCA and DWP Delivery Statement to create a new Framework Agreement – design and delivery of future contracted employment programmes Commitment to mental ill health and sustainable employment from DWP and DHSC 	<ul style="list-style-type: none"> Adults Education Budget £1.8bn (£60m a year) 	<ul style="list-style-type: none"> Radical Prevention Fund – shaping existing funding away from acute services and into preventative actions Expand NTCA’s Child Poverty Prevention Pilot Combined Authority will work closely with Police and Crime Commissioners for Durham and Northumbria to develop strong partnership arrangements to join up community policing and place-based services and priorities. Place based Health and Care – Integrated Care Boards and Partnerships = Social Care – embedding approaches across the region Healthy Ageing and Golden Triangle partnerships between North East, Edinburgh and Glasgow Health and Preventions

Ambition	Productivity We will support business innovation, growth, and higher levels of productivity.			
Priorities	<p>Harness the power of our major employment sectors and accelerate our opportunity sectors</p>	<p>Provide excellent support at all stages for businesses to start-up, sustain, thrive and grow in County Durham</p>	<p>Expand the thriving innovation ecosystem</p>	<p>Drive good business practices, including improving health in the workplace</p>
Key Actions	<ul style="list-style-type: none"> Promote identified high growth opportunity sectors through targeted inward investment and skills and training, showcasing career opportunities to young people and attracting entrepreneurs to the region Foster collaboration and attract more businesses and investment in our specialisms by linking in to, and in taking a lead in, regional and national sector and ecosystem support networks and building multifaceted peer-to-peer networks (for example across our green economy) Support our SMEs to grow through access to supply chain and exporting opportunities, and ensure that SMEs are linked into university research to unlock new product and process innovation Support cluster development by ensuring new and small businesses in opportunity sectors have access to finance, high quality incubation, coworking and flexible space in identified locations Promote our research and business strengths, such as around geothermal, to attract and secure funding to the county 	<ul style="list-style-type: none"> Ensure businesses have access to a 'single front door' to access the business support they need at the right time, from marketing to access to finance to exporting advice Attract investors to work with the county to invest and grow the business and enterprise base, including alternative business models Promote networking and collaboration, bringing together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth Explore innovative ways to encourage entrepreneurship and enterprise in local communities 	<ul style="list-style-type: none"> Build a leading UK innovation district, capitalising on existing spatial assets to create a corridor stretching from Durham City to NETPark Maximise the county's role in national R&D funding and programmes, ensuring that entrepreneurs and business understand the breadth and depth of support available Increase the level of start-ups and spin-outs that start and grow in the county, through more accelerator programmes and wider support 	<ul style="list-style-type: none"> Build on the existing County Durham Poun collaboration to strengthen our role as a nation's leader in community wealth building to support thriving communities and local economies by leveraging the collective power of local anchor partners, including continuing to use our spend to support local supply chains, and exploring our role as employers and the use of our land and assets Encourage good practices across our diverse business base, including wages, training, job security, social value, and health and wellbeing, potential through a Good Employment Charter Explore the impact and opportunities to raise wage levels and productivity by setting up a living wage taskforce
Planet	<p>• Develop a Green Park with Enterprise Zone status • Encourage the adoption of circular economy approaches amongst businesses • Build the retrofit evergreen fund to support more businesses to adapt their premises • Develop a Green Park with Enterprise Zone status • Encourage the adoption of circular economy approaches amongst businesses • Build the retrofit evergreen fund to support more businesses to adapt their premises</p>			
Proposed Devolution Deal	<ul style="list-style-type: none"> Devolution Trailblazer Deal – holistic package of powers, roles, functions and strategic relationships to grow private sector at a local level. Housing and Land Board at NTCA to be expanded 	<ul style="list-style-type: none"> Devolution Trailblazer Deal – holistic package of powers, roles, functions and strategic relationships to grow private sector at a local level. Rural Exemplar in Northumberland and possibilities to expand Integration of NELEP within the Combined Authority – assets, staffing and functions. Will comprise a Business Board 	<ul style="list-style-type: none"> Devolution Trailblazer Deal – holistic package of powers, roles, functions and strategic relationships to grow private sector at a local level. Inclusive Innovation Deal programme – region's world class research into jobs, skills and inclusive growth outcomes. Expanding Innovation Accelerator pilots UK Infrastructure Bank Electricity Networks Strategic Framework – future energy system for Net Zero Accelerate sites for green industry, leisure and housing to unlock accelerated growth National Centre for Geothermal Energy at Seaham Garden Village 	

Ambition	<p style="text-align: center;">Promotion We will promote our county, assets and opportunities to businesses, investors, visitors, developers and residents.</p>			
Promotion Priorities	<p style="text-align: center;">Develop a clear brand and place marketing</p>	<p style="text-align: center;">Attract more inward investment in the sectors and places it makes sense</p>	<p style="text-align: center;">Grow a year-round visitor economy</p>	<p style="text-align: center;">Enhance cultural and creative infrastructure</p>
Key Actions	<ul style="list-style-type: none"> • Build the County Durham Brand, aligned with the distinctive strengths, assets and opportunities identified in this strategy • Grow our profile as a major destination for innovation, business and investment by attracting academic and business conferences and events, aligned to our major employment and opportunity sectors and research strengths 	<ul style="list-style-type: none"> • Develop a new strategic approach to inward investment, aligned to our major employment and opportunity sectors, promoting our strategic national and international sites and assets, attracting corporate R&D headquarters and supporting innovative SMEs • Capitalise on our role at the heart of the North East by considering developing a regional Internationalisation Strategy promoting our sectoral strengths in energy and advanced manufacturing, tourism, trade and international investment, and maximising our links to international gateways in the Port of Tyne, Newcastle Airport, and Teesport 	<ul style="list-style-type: none"> • Maximise the potential of all places as visitor destinations by ensuring that they have the right infrastructure to meet their needs, such as accommodation, attractions and leisure facilities • Improve productivity in the culture, heritage and leisure offer in the county by using new technologies, for instance 5G and digital 	<ul style="list-style-type: none"> • Strengthen our asset base and capacity by delivering capital projects, including Riverbanks, Millennium Place and the transformation of the Durham Light Infantry Museum • Deliver an ambitious county-wide cultural programme as a legacy of shortlisted UK City of Culture bid • Strengthen the resilience of our communities through citizen-led cultural and community projects
Planet	<ul style="list-style-type: none"> • Encourage active travel as part of the visitor economy offer 			
Proposed Devolution Deal	<ul style="list-style-type: none"> • Inclusive Economy Board • Housing and Land Board at NTCA to be expanded • Destination Management Organisation 	<ul style="list-style-type: none"> • Devolution Trailblazer Deal – holistic package of powers, roles, functions and strategic relationships to grow private sector at a local level. Supporting global export potential and international trade 	<ul style="list-style-type: none"> • Destination Management Organisation – accreditation pilot £2.25m to extend the partnership and develop North East as a must visit destination • Expand the role of North East in future national and international events – strong reputation to hold forthcoming events such as Rugby World Cup 2025 and 2028 UEFA European Football Championship 	<ul style="list-style-type: none"> • Culture and Creative Zones to harness cultural, economic, social and educational capital of the region • Development of a Cultural Framework to make most of regional natural, cultural and heritage assets • Borderlands Growth Deal and maximising UNESCO World Heritage Sites • Historic England’s High Street Action Zone programme • Develop a vehicle to support and promote grassroots sport and physical activity. The football Foundation investment, government and FA into grassroots facilities across the UK over 3 years. • Continue to work with DCMS to develop film and media sector in the region

Investment Plan for County Durham

Will set out the strategic investments required to deliver our ambitions (regeneration, infrastructure and economic growth)

- Action orientated investment plan to sit alongside the inclusive economic delivery plans for the county
 - Identify phased project delivery and investment required
 - Consider funding mechanisms and delivery routes such as NEMCAs Devolution Deal, UKSPIF, DCC and partners resources, private finance or private investment to bring forward delivery
 - Investment agreements with strategic investors and opportunities to promote/seek further investment within the county

Will be used to showcase County Durham and support our strategic dialogue with investors and government

- First Phase:
 - Clarifying objectives for the investment plan
 - Identifying what types of investment opportunities we have to fit our needs and opportunities
 - Finalising the projects and timescales in which we wish to deliver
 - Assessing investability
- Second Phase:
 - Developing the Investment Plan
 - Promoting investment opportunities