

Economy and Enterprise

Overview and Scrutiny Committee

18 September 2023

Strategic Sites Update



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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report provides the strategic context for economic growth in County Durham and focuses on the role of employment land in delivering that growth. It sets out existing employment land in the county; the allocation of employment land for future development; strategic employment sites and progress on delivery; and the allocation of future land for employment growth.

Executive Summary

- 2 The County Durham Vision for 2035 is 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 supported. The Vision identifies that to help people to create more and better jobs we will develop major employment sites across the county to build a strong, competitive and lower carbon economy.
- 3 In December 2022 the council adopted the County Durham Inclusive Economic Strategy (IES). The IES sets out a vision for County Durham's future as 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. The strategy aims to raise aspirations in young people and deliver a step-change in economic growth, with the council's and its partners activity aligned to deliver an agreed future vision.
- 4 Working effectively with our neighbouring authorities can have a major impact on our shared economic prosperity. As a result of devolution this relationship will change significantly. On 28 December 2022 HM Government announced a "minded to" devolution deal with the seven

councils across the North East. To implement the deal, it will be necessary to establish a new Mayoral Combined Authority. In total, it is expected to provide £4.2 billion of additional investment to the region over 30 years, including a £1.4bn investment fund alongside significant funding for transport, education and skills, housing and regeneration.

- 5 The availability of suitable sites and property for business is one of the critical drivers in attracting businesses to create jobs in the county, as well as to enable existing businesses to expand and grow. A challenge for many local authorities is the transition from traditional industrial space that is no longer fit for purpose, and how we support the transition to modern quality employment space.
- 6 In delivering employment the role of the local authority is important in enabling development by creating the right conditions for growth, investment and employment. Durham County Council supports developers and businesses to create growth in a number of ways:
 - Having an up-to-date local plan with a clear land supply to meet the needs and opportunities for the county;
 - Providing a relevant economic strategy which identifies clear opportunities to support jobs and growth such as the development of the Inclusive Economic Strategy;
 - Supporting the transport system and accessibility for new sites for example through our enhanced support for subsidised bus services;
 - Securing funding for, and in some cases administering, skills and development programmes for example the UK Shared Prosperity Funded Programmes;
 - Applying for central funding and delivering investment to underpin vital infrastructure delivery, for example the Levelling Up Funding;
 - Directly supporting and delivering key sites and property where there is a clear case for investment for example Aykley Heads and NETPark;
 - Working in partnership with major institutions to unlock growth, for example the Durham County Council and Durham University MoU;
 - Providing comprehensive business support programmes including grants and access to finance to support business growth such as the Finance Durham Fund; and

- In appropriate commercial circumstances supporting the sustainability for developments through arrangements such as commercial headleases
 - Marketing our place as somewhere to live, work and invest, for example through Visit County Durham and Business Durham, working closely with Invest NE and the Department for Business and Trade.
- 7 To ensure the supply of new employment land the County Durham Plan, adopted in 2020, includes 300 hectares of new land that has been allocated for business and industry. These allocations were informed by evidence within the Employment Land Review (ELR) which identified how much employment land is required in the Plan period and where that land should be allocated. In addition to these new sites, there are a further 106 existing industrial estates across 1,500 hectares which are protected for employment uses.
 - 8 A number of the sites that have been allocated for employment uses are of such a significant size, or regional importance, that they are considered as 'strategic sites' in planning terms. These sites comprise 249 hectares of land at Aykley Heads, NETPark, Forrest Park, Integra 61 and Jade Business Park, and are central to delivering new investment into the County and providing the space for over 17,000 jobs.
 - 9 However, it is important to note that the strategic sites are only part of a portfolio of employment sites, alongside major existing employment locations such as Aycliffe Business Park – which covers 400 hectares alone - Peterlee Industrial Estate and Seaham Spectrum, as well as concentrations of employment in more localised markets around Bishop Auckland, Spennymoor, Consett, Stanley, Chester le Street and Durham City.
 - 10 DCC provides dedicated and intensive business support to all of these locations through Business Durham, to build business networks, to provide support to enable them to sustain and grow, and to identify and address any issues, such as the availability of suitable premises. The networks provide a key mechanism to gather intelligence on demand and supply from businesses and private sector landlords/developers, which feeds into the consideration of future employment site requirements and development.
 - 11 Through this intensive engagement Business Durham engages and supports over 1,000 business each year, and through this support and interventions safeguarded 798 jobs in 2022/23 and created a further 1,188 new jobs through direct intervention. 72 high growth start-ups

have been supported through the Durham City Incubator, and over 30 businesses have received investment to date through Finance Durham, and in 2022/23 14 inward investments were secured, generating an initial 199 jobs.

- 12 The council also plays a key role in supporting businesses in securing external funding and at times investing directly in supporting infrastructure and continuing to invest in developing its own sites. This includes the £62m phase 3 investment at NETPark which is on site and due to complete next year, the recent completion of 10 new industrial units at Merchant Place, and the upcoming £7m development of new industrial units at South Church.
- 13 This work, coupled with the intensive inward investment approach, has helped contribute to the continued investment in and development of the County's allocated employment land. Since 2018 155 hectares of employment land has received planning permission, and 83 hectares have been built out, helping businesses to grow and supporting the creation of more and better jobs in the county.

Recommendations

- 14 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment on the information provided in this report.

Background

- 15 Members will recall that at the meeting of the Economy and Enterprise Overview and Scrutiny Committee held on 3 October 2022 a report and presentation was provided on the key strategic employment sites in County Durham. This report provides an update on progress and highlights the background as to why these sites were identified and how we market and deliver these and other employment sites and premises. Some of the sites are within the council's ownership and responsibility to develop and attract end users, and a number of others are led by the private sector.

Strategic context

County Durham Vision

- 16 The County Durham Vision for 2035 is 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 supported. The Vision identifies that to create more and better jobs we will develop major employment sites across the county to build a strong, competitive and lower carbon economy.
- 17 The County Durham Vision document outlines six specific objectives to achieve more and better jobs across the whole county, with the first objective being:

We will deliver a range of accessible employment sites across the county

New and expanded employment sites across the county which are accessible to the labour market, will attract new employers, allow expansion of existing businesses and respond to the changing needs of the business sector, as well as being located in areas of the county that offer good opportunities to attract investment, in line with the County Durham Plan.

Inclusive Economic Strategy

- 18 In December 2022 the council adopted the County Durham Inclusive Economic Strategy (IES). It's 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. The strategy aims to raise aspirations in young people and deliver a step-change in economic growth, with the council's and its partners activity aligned to deliver an agreed future vision.

- 19 To achieve this the IES sets a framework for an inclusive economy, focusing on People, Productivity, Places, Promotion and Planet:
- People - Supporting people into education, training, jobs, and to excel in business and their careers;
 - Productivity - Supporting business innovation, growth, and higher levels of productivity;
 - Places - Improving places and plan infrastructure so that people and businesses can access opportunities;
 - Promotion - Promoting the county, its assets and opportunities to businesses, investors, visitors, developers and residents; and
 - Planet - Within each of the above headings there are 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. The strategy complements these plans by investing in people, technologies, research and development, and business.
- 20 A detailed Delivery Plan and monitoring framework to support the IES is currently being prepared. Stakeholders, residents, businesses, education providers, and communities are being engaged in the development of relevant actions and initiatives to be included. Using a Delivery Plan approach 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.

Devolution

- 21 On 28 December 2022 HM Government announced a “minded to” devolution deal with the seven councils across the North East (i.e. Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland).
- 22 To implement the deal, it will be necessary to establish a new Mayoral Combined Authority (MCA) which covers the area of the seven councils and replaces the two existing combined authorities in the region – the North of Tyne Mayoral Combined Authority and the North East Combined Authority.
- 23 The “minded to” devolution deal would see a significant shift of powers, funding and responsibility from central government, which would enable the Councils to pursue their ambitions for inclusive growth. In total, it is

expected to provide £4.2 billion of additional investment to the region over 30 years, including a £1.4bn investment fund alongside significant funding for transport, education and skills, housing and regeneration. This funding would enable investment into projects which reflect local needs and opportunities, making a real difference for our residents, communities, and the local economy.

- 24 In recognition of the economic opportunities presented by County Durham joining the North East Mayoral Combined Authority, the Government propose a further investment in the North East area to drive place-based economic regeneration through a £20 million capital funding pot to be allocated over the current spending review period. Priority schemes for County Durham include the NETPark and Aykley Heads developments.

Existing employment land and support for businesses

- 25 The availability of employment land is key to ensuring the economic growth that is set out in the Inclusive Economic Strategy, and County Durham has significant existing land and land allocated for future employment uses. There are over 1,500 hectares of already developed employment land in the County Durham Plan that is safe-guarded from being redeveloped for other uses. There are the existing major employment locations at Aycliffe Business Park (which covers 400 hectares and is home to over 500 businesses alone, employing around 10,000 people), Peterlee and Seaham¹, as well as concentrations of employment in more localised markets around Bishop Auckland, Spennymoor, Consett, Stanley, Chester le Street and Durham City. Barnard Castle, in the rural west of the county, also contains some large employment sites and employers including Glaxo Smith Kline (GSK).
- 26 The industrial estates on the A19 at Peterlee and Seaham are also home to significant employers, particularly in the automotive and food and drink sectors. These existing major employment locations, together with large industrial estates at Consett, Stanley, Bishop Auckland, Spennymoor, and around Durham City (Belmont, Meadowfield and Bowburn) will continue to provide the bedrock of jobs for our communities.
- 27 Business Durham facilitates business networks focused on all of the main employment locations. These include Aycliffe Business Park Community, East Durham Business Network (covering the business parks/industrial estates at Peterlee and Seaham), Drum Business Park Group and the Bishop Auckland and Shildon Business Network. The purpose of these networks is to facilitate engagement and interaction

¹ For example, Peterlee North West Industrial Estate, Peterlee South West Industrial Estate, Spectrum Business Park

with the businesses located there, to connect businesses with support to enable them to sustain and grow, and to identify and address issues, such as availability of suitable premises. The networks provide a useful mechanism to gather intelligence on demand and supply from businesses and private sector landlords/developers, which feeds into the consideration of future employment site requirements and development.

- 28 In addition to these networks, the Council has developed long-term relationships with existing businesses in the county through an account-managed approach led through our Business Durham Service. Supporting over 1,000 businesses each year, this provides an opportunity to regularly talk through the growth plans of individual companies and identify in good time where this will involve a premises requirement. Options might include expansion of existing premises on the same site, taking additional units nearby or relocating to new premises that better meet the longer term growth requirements of the business.
- 29 A key tool that Business Durham offers to help with this is an online property database which keeps an up-to-date picture of available land and premises, searchable using the following attributes: freehold and leasehold; office and manufacturing/warehousing; by size; by location. As well as being used by Business Durham staff to help local and inward investment enquiries, it is also available on the Business Durham website for any businesses to search themselves.
- 30 These existing sites are also subject to ongoing redevelopment and expansion, as property holders respond to the changing demand for the type of employment units and space needed by business. On **Aycliffe Business Park**, there has been the recent development of Station Place at Merchant Park, with the council supporting the private sector-led development of 10 new industrial units by taking a headlease. Completed in November 2022 the units, which total 50,000 sqft, are being managed by Business Durham. Further development by Merchant Anglo could see an additional 300,000 sqft of space available in the next twelve months with funding from the North East LEP's Commercial Property Investment Fund.
- 31 In Bishop Auckland the council is working to bring forward a proposed development of 40,000 sqft of small industrial units at **South Church Enterprise Park**, funded by the council with grant support from the Stronger Towns Fund. Work is underway to quantify costs after construction inflation, identify the size of the funding gap and source funds to fill the gap. If successful work would begin on site in Spring 2024 with practical completion twelve months later. The units will be managed by Business Durham as part of a project working closely with

the South Durham Enterprise Agency to support new businesses in the area.

- 32 At **Bracken Hill Business Park in Peterlee**², FI Real Estate is acquiring vacant Contact Centre properties with a view to re-purposing them for general industrial/distribution uses. It has made a start with the demolition of a large office built for Orange over 20 years ago and the construction of a courtyard of small industrial units.

Future employment land

- 33 In addition to existing employment land it is important that the council allocates a strong ongoing supply of land for future growth. In addition to protecting 1,500 hectares of existing employment land in the 2020 County Plan there is also 300 hectares of new land allocated for development for business and industry. The allocations consist of undeveloped areas of land located on existing employment sites, extensions to existing industrial sites and a number of entirely new employment locations.
- 34 The Plan was developed using a detailed evidence base, the key study being the Employment Land Review (ELR). The ELR provided a review of the county's current position in terms of employment land supply (in both qualitative and quantitative terms) and an understanding of the anticipated growth trajectory of the county's economy and the implications regarding demand for employment land over the Plan period. The ELR provided an analysis of the current stock of employment space and historical trends, considered in the context of provision within the North East. It also looked at the commercial property market signals within the county and providing an overview of the commercial markets, including the relative attractiveness of each and the key drivers of demand. This analysis came from Lambton Smith Hampton, a leading commercial property market agent in the North East.
- 35 The analysis found that locations with good access to the A1(M) or the A19 complement and compete with other locations within Tyne and Wear and Teesside. It found that within these locations, bespoke industrial and warehouse units can be viably developed in periods of sustained growth. It also found that in locations that are more distant from the strategic highway network, rents are lower and private sector industrial development often relies on higher public sector gap funding or incentives such Enterprise Zones. The ELR therefore found that the county contains two principal market areas:

² A 21 hectare industrial estate located to the south of Peterlee South West Industrial Estate

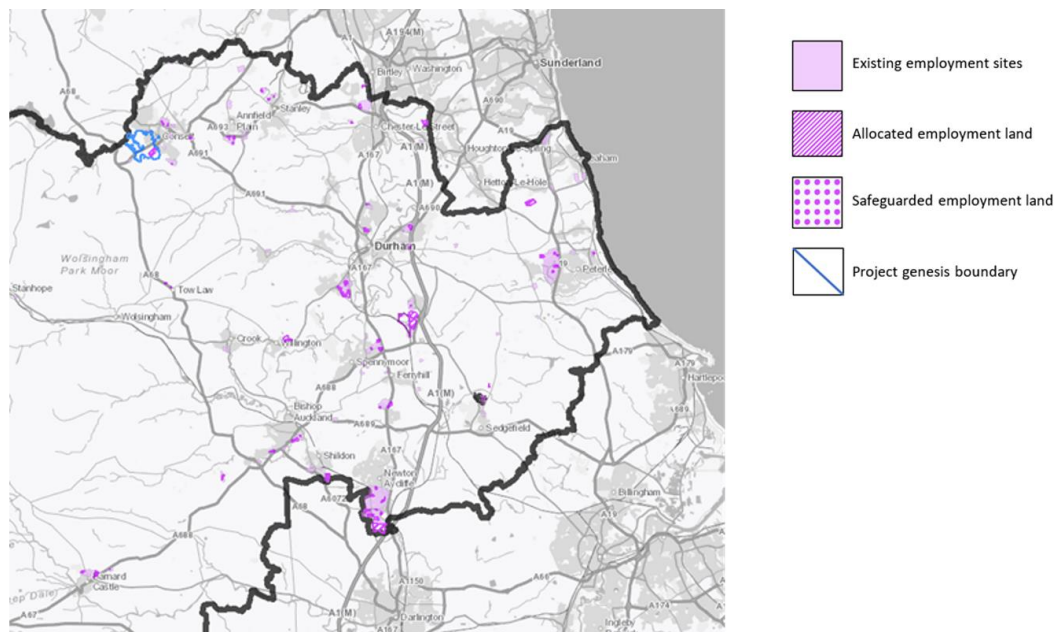
- A1 Corridor – the key industrial location (including Durham City – the key office market); and
- A19 Corridor – secondary industrial and office location.

36 These findings were also backed up by an assessment of employment land take up which showed that the most significant developments over the past 15 years had taken place within the A1(M) and A19 Corridors.

37 However, provision in these locations is also supported by a number of more localised markets that, with some notable exceptions, primarily serve the needs of the towns and villages in their immediate vicinity. These included Bishop Auckland, Consett, Barnard Castle and surrounding settlements.

38 In light of this evidence the ELR concluded that the Plan should concentrate employment land allocations within the two principal markets, whilst maintaining a supply of land within the more localised markets. These conclusions then informed the distribution of all employment land allocations in the County Durham Plan.

Figure 1 – employment land allocation in the County Durham Plan



Strategic Employment Sites

39 Of the 300 hectares allocated for future development around 250 hectares of are identified as strategic employment sites. Strategic employment sites are single locations that have significant land identified for future growth, are in strategically important locations, are

of regional (and sometimes national) importance, and provide a clear high profile inward investment pitch for the County. These sites are central to delivering new investment in to the County and have the potential to provide over 17,000 jobs:

Figure 2 – Strategic employment sites

	Potential site size	Potential floorspace (m2)	Current jobs	Potential total jobs
NETPark	77 hectares	114,000	700	4,000
Aykley Heads	15 hectares	38,000		4,000
Jade	19 hectares	65,000	160	1,000
Forrest Park	55 hectares	160,000	35	3,280
Integra 61	83 hectares	266,000	1,000 plus	5,000
Total	249 hectares	643,000 m2	1,895 plus	17,280

- 40 The council’s involvement in each site varies, depending upon the ownership of the site and what is needed in terms of public sector support and infrastructure to enable the development to happen. One of the council’s key roles in the delivery of these sites and all employment land is the approach to inward investment which is set out later in this report.
- 41 Due to their size and scale strategic sites are planned to provide land for the County Durham Plan period up to 2035 and beyond, they can therefore take many years to assemble and be developed out. The following provides a summary of the strategic sites and update on their delivery. Full details of these sites can be found in Appendix 2.

Figure 3 – Map of strategic employment sites



- 42 **Forrest Park** is located adjacent to Junction 59 of the A1(M) south of the existing Aycliffe Business Park which has historically been a key location for inward investment and expansion of existing businesses. A Joint Venture between the Council and the Forrest Family, Forrest Park provides 55ha of land which has the potential to support up to 3,280 jobs once developed. The Council and the North East LEP have funded £13m of enabling infrastructure works to create a new signalised junction and electricity substation, in order to open up the site for development.
- 43 Outline planning permission was granted in 2019 for up to 163,450sqm of employment space with supporting ancillary uses. Since 2019 a Euro Garages service station, and units for Greggs and KFC have been delivered on the site, and a reserved matters application was submitted in May 2022 for the erection of 8 industrial units that will deliver 79,419sqm of Class E(g)(ii)(iii), B2 and B8 floorspace. This was subsequently approved in October 2022. Richardson Barberry are preparing to bring this first phase forward and will be submitting detailed development proposals in quarter 3 23/24. The site will target businesses in the warehousing, logistics and manufacturing sectors.
- 44 **NETPark (North East Technology Park)** is one of the UK's premier science, engineering and technology parks, owned and developed by the council. Located near Junction 60 of the A1(M) just north of Sedgefield, NETPark is home to over 40 companies, including Kromek, Filtronic, IBEX Innovations and Polyphotonix and over 700 employees in specialist R&D, science-based, and high-tech sectors. It also benefits

from having three National Catapult Centres on site – the High Value Manufacturing Catapult, the Satellite Applications Catapult and the Compound Semi-Conductor Catapult – as well as Durham University’s Centre for Advanced Instrumentation and Orbit, the University Enterprise Zone.

- 45 Following the council’s approval to invest in the £61.6M Phase 3 development at NETPark, Kier Construction were appointed to deliver the project and works commenced on site at the beginning of July 2023. The North East LEP is providing £3.9M funding towards the scheme, which will see the development of 232,150 sqft of laboratory, clean room and office space to enable companies to grow, scale-up and commercialise their operations. The development will be completed in early 2025 and is expected to support the creation of 1,250 high-value jobs and contribute £625M of GVA to the county’s economy over the next 10 years. A comprehensive marketing campaign is underway and there is strong interest in the development currently with 11 active enquiries.
- 46 In addition to Phase 3 there is a further 16ha of land allocated for development in the County Plan, and 16ha of land safeguarded for future growth. Once fully built out NETPark could provide 77ha and up to 4,000 high value jobs, supporting significant further jobs across the County in the wider supply chain and eco-system.
- 47 **Integra 61** is a site of significant scale (83 hectares), located adjacent to the A1(M), Junction 61. It is home to Amazon, a 2,000,000 sqft unit (186,000sqm). In the Summer of 2022, work on site began on 5 new industrial warehouse units, totalling 640,000 sqft, in a venture between developers, Sunrise and Citrus Group. Construction has made good progress and the units ranging from 43,000 to 298,000 sqft, are due to be complete in September 2023. The development of the site includes a number of ancillary uses including Costa Coffee and Greggs. There are currently estimated to be in excess of 1,000 jobs on site with the potential to create up to 5,000 jobs.
- 48 A further phase of development of approximately 62 hectares is safeguarded in the County Durham Plan. However, this is on the western side of the Leamside railway line so would need a suitable access providing to release this area of land. Together with the Bowburn Relief Road this project was included in a recent bid to round two of the government’s Levelling Fund. Unfortunately, this was unsuccessful as no local authority that had been successful in round one (such as DCC) received a round two allocation. However, the council will continue to pursue alternative options to fund and unlock phase 2.

- 49 **Aykley Heads** is located within Durham City in close proximity to the city centre and railway station. It provides an opportunity to develop a Durham Innovation District, linked to the new University Business School and Milburngate development, and providing high quality employment space with the potential to accommodate 414,000 sqft of development floorspace and up to 4,000 jobs. The council is working with Durham University on a joint vision for the site and procurement of an investor/development partner is to commence in September 2023 (subject to Cabinet approval to do so) with the appointment of a partner in early 2025.
- 50 Aykley Heads is uniquely positioned to capitalise on these characteristics and serve as a driving force for County Durham's future economic growth; a world class University; existing elements of an innovation ecosystem; and scope to scale up significantly and create an Innovation District of regional, national, and international significance that delivers huge benefits to the residents of Durham and the long-term economic prospects of the area.
- 51 In 2014 a masterplan for Durham City was adopted which supported the aim of establishing a business district in the city. In support of this, Cabinet agreed in 2015 the principle of releasing the Aykley Heads site for a Strategic Employment Site. This decision was linked to the proposed relocation of the Council's Headquarters (HQ).
- 52 An Outline Business Case for the relocation of the HQ was approved in 2016. The development of this OBC and the potential for relocation from County Hall to a new HQ allowed a development and delivery strategy to be developed for Aykley Heads, including the preparation of a masterplan for the site.
- 53 An outline planning application for delivering the Aykley Heads masterplan comprising 414,000 square feet of development floorspace was submitted in 2020 and subsequently approved in January 2021.
- 54 **Jade Business Park** is a 19ha site reclaimed from Hawthorn Colliery and Cokeworks, located just off the A19, south of Murton. A first phase of development was funded directly by the council to provide seven new industrial units totalling 155,000 sqft. Five of these have been let to inward investors and one of the two existing companies moving to the Jade units could have moved out of the county had the unit not been available.
- 55 Due to the challenges of inflation and construction costs phase two has not yet progressed through private speculative development. However, The council continue to work with interested prospective occupiers for future phases and a funding agreement has been put in place with

NELEP to bridge the abnormal costs expected from ground conditions in readiness for an improvement in the investment market.

Other employment sites in the County Durham Plan

- 56 The ELR for the County Plan also made recommendations regarding the location of other employment land.
- 57 The north of the county includes areas within the A1 Corridor, most notably around junction 63 and Chester-le-Street. Drum Industrial Estate is located just north of Chester-le-Street and has been a popular location for businesses, given its good access onto the A1(M) via Junction 63. The site has developed significantly over the past 20 years and only 4.5ha of land remains undeveloped that will provide future opportunities for investment. The developer, Argon Properties, has recently put in a planning application for development of the site for Bidfood Ltd who would occupy a 134,000 sqft warehouse employing 240 staff.
- 58 The council have previously explored the potential to further extend Drum Industrial Estate, given its prominent position within the A1 Corridor and its popularity to the market however it is constrained by Green Belt. Other locations in proximity to Chester-le-Street are also constrained by Green Belt and also flood risk. Whilst a strategic site within this location would no doubt be successful, existing constraints mean this is unlikely.
- 59 North West Durham's industrial and office market is focused primarily in and around the towns of Consett and Stanley. The ELR found that the area largely serves a local occupier need partly as a result of its distance from the strategic road network. The most significant area of land allocated is at Hownsgill Industrial Estate in Consett which has seen recent investment including recent speculative development at Bessemer Court providing 14 units and 3,872 sqm of industrial floorspace.
- 60 Elsewhere, land exists on Greencroft Industrial Park and the industrial estates at Tanfield Lea where there are undeveloped plots rather than a single large site. The Plan's employment land allocations reflect these and the land allocated within this area is above the future land requirements recommended within the ELR. The recent success of Hownsgill may however justify a need to consider further land allocations through a future review of the County Durham Plan.

Identifying future employment land

- 61 It is acknowledged that the ELR was completed in 2018 and that the picture regarding the supply and demand for employment land will have

evolved, reflecting land take up and more recent market conditions. A revised ELR will therefore be required to inform a future review of the County Durham Plan and will guide the identification of any additional strategic employment sites and employment land allocations. Whilst the 300 hectares of allocated land provides a significant supply of land, and focus remains on attracting inward investment and securing infrastructure funding, it is important that consideration continues on future land supply.

- 62 It is considered that there is sufficient land availability in the short and medium term including at the key strategic sites across the county with a significant pipeline of development currently seeking financing. In the medium term we will need to look at land availability (this will involve new sites and repurposing sites that have old, tired buildings developed in the 1970s and 80s) for the next iteration of the Employment Land Review. Work is due to commence on reviewing the County Durham Plan next year as the new national planning reforms come in to place. This will provide an obvious opportunity to undertake a new Employment Land Review which will provide an updated picture of the supply of employment land across the county and the projected demand for new land and premises. This will then inform future employment land allocations and policies within the new County Durham Plan.
- 63 Whilst it is acknowledged that the site allocations will provide the main locations for new business and industrial development, other policies within the Plan do however provide further flexibility for employment uses to come forward through the Employment Site Exceptions Policy. Further to this there are other policies within the Plan that would allow employment proposals to come forward on unallocated sites.

Attracting Inward Investment

- 64 As noted earlier in this report one of the key roles the council has in delivering new jobs is in attracting inward investment to the County. The report has set out the business support that is provided in enabling existing businesses to expand and grow, but inward investment is also a key activity with the following objectives:
- To promote and drive interest in the key sectors to intermediaries and potential occupiers;
 - To raise the profile of County Durham nationally;
 - To support applications through processes and provide guidance such as planning;
 - To support and navigate funding and finance options; and

- To offer skills and support programmes.

- 65 To ensure a clear and dedicated resource to support inward investment, the council takes a proactive approach, providing a targeted inward investment function through its Business Durham service which acts as a gateway across a range of council services and wider partners to support investment. In terms of attracting enquiries, it works with Invest North East and the Department of Business and Trade (formerly the Department for International Trade) taking a sector based approach and pitching for relevant enquiries. Resulting firm enquiries are then dealt with through a bespoke approach with a plan tailored to the specific needs and drivers of each potential inward investor. All enquiries have different needs, but common requirements tend to revolve around land and premises; finance; skills; supply chain; and legal requirements e.g. planning and permits. In 2022.23 Business Durham received 59 inward investment enquiries, secured 14 Inward investment projects, and created 199 direct jobs from those projects.
- 66 This is an approach through which the council has also successfully attracted major inward investors into the county, for example Hitachi Rail Europe locating their UK manufacturing facility at Aycliffe Business Park. Global economic factors and the national government policy environment have a significant impact on the extent to which international businesses are looking to locate into the UK, meaning that it is increasingly important to focus on sectors in which the county and North East region have strength and capability, and we are seeing early signs of success with this strategy, for example in relation to the Space and Satellites sector.
- 67 Inward investment includes attracting business to the county from other parts of the UK, particularly where they are looking for locations to expand their operations. The comprehensive business support services that Business Durham offers can play a key part in businesses making the decision to locate in the county, for example through access to grants and investment finance. The council's Finance Durham Fund which is managed by Maven Capital Partners, has been particularly useful in this regard making eight investments in businesses moving into the county, for example Power Roll locating at Jade Business Park.
- 68 Jade Business Park provides a good example of the role of the council in proactively addressing identified shortages of industrial buildings, working closely with a range of developers and agents, to enable companies in the county to expand and to attract inward investor occupiers. Most of the companies at Jade Business Park accessed financial support towards their move from Finance Durham and/or the County Durham Growth Fund grant, and all receive ongoing support

from Business Durham, bringing in other DCC departments as appropriate, for example to assist with access to employment and skills.

- 69 The success of Phase 1 has set the conditions for a next phase of speculative development or bespoke development for an end user. Teams from across the council are working together to enable the private sector developer to bring forward Phase 2 at Jade Business Park. It has involved close working between planning, ecology, transport, CPAL and Economic Development. A multi-disciplinary project board chaired by Business Durham was established meeting every four weeks to map progress against all inter-dependencies ensuring all parties were aware of the economic development objectives. Each internal service was also clearly identified as working with external partners including the private developer, national Highways and the North East LEP. This has put the site in a strong position to react credibly to significant enquiries.
- 70 In practical terms no inward investment enquiry will make progress without appropriate land and premises and the number of investors wanting a building ready to move into far outstrips those wanting a bespoke unit building with the consequent impact on timescales. It is important therefore to have a stock of suitable buildings available and a good relationship with landlords, developers and agents.

Conclusion

- 71 This report sets out the importance of having an appropriate supply of employment land to enable the delivery of economic growth. The council has a clear strategic vision to deliver this growth, and significant new investment opportunities through devolution. Crucially, through the County Durham Plan it also has significant allocations of new employment land that complements its large existing employment land base, which continues to adapt to the needs of modern business, and a process for identifying and allocating further employment land in the future.
- 72 Of the 300 hectares of new employment land allocation in the Plan, the majority is concentrated on strategic sites that have been carefully identified based on an assessment of their attractiveness to business and ability to maximise economic outcomes. The delivery of these sites, and other allocated employment land, is being enabled by the council through a mixture of direct delivery, securing external investment, and attracting inward investment to support the creation of more and better jobs in the county.

Background papers:

- [Inclusive Economic Strategy](#) - Inclusive Economic Strategy
- [County Durham Plan](#) – County Durham Plan
- [County Durham Vision](#) – County Durham Vision

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Appendix 1: Implications

Legal Implications

None.

Finance

None.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Climate Change

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None.

Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor						
<p>Forrest Park</p> <p><u>Location:</u> Off Junction 59 of the A1(M) at Aycliffe Business Park</p> <p><u>Website</u> https://forrestpark.co.uk/</p>	<p>A 55 hectare site with planning consent for more than 1.75 million sq. ft of industrial/distribution accommodation.</p> <p>This will comprise 11 Industrial Units ranging in size from 46,000 – 575,000 sqft, a 50,000 sqft trade park of 7units ranging in size from 5,000 -10,000 sqft, and a 60 bed Hotel & Pub development</p> <p>It forms an extension to Aycliffe Business Park, creating the largest industrial estate in the North East region.</p>	<p>A Joint venture – Forrest Park (Newton Aycliffe) Ltd – between DCC and the Forrest Family.</p> <p>Development Partner is Richardson Barberry</p>	<p>DCC and NELEP funded £13m infrastructure works to create a new signalised junction and electricity substation, in order to open up the site for development.</p>	<p>10-15 Year Development Programme</p> <p>Outline planning permission granted for 1.75m sqft buildings on the site mostly for general industrial, storage and distribution uses, with some roadside retail, food and trade counter use at the site entrance.</p> <p>A reserved matters application has now been submitted (summer 2022) for the erection of 8 industrial units that will deliver 79,419sqm of Class E(g)(ii)(iii), B2 and B8 floorspace. Site preparation works are proposed and details are</p>	<p>Aimed at businesses in the warehousing, logistics and manufacturing sectors.</p> <p>Front Plot – Petrol Filling Station, retail units and KFC drive thru restaurant</p>	<p>Target 3,200 jobs</p>

				expected in Q3 23/24.		
Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor (continued)						
<p>NETPark Phase 3</p> <p><u>Location:</u> Just off the A177 at Sedgefield</p> <p><u>Website</u> https://www.northeasttechnology park.com/</p>	<p>A 26 hectare site to expand the existing science park, with 13 hectares of serviced land available for the next phase of development.</p> <p>232,150 sqft of new laboratory, office, production and storage space being developed to facilitate the growth of existing NETPark tenants and attract new inward investment.</p>	<p>DCC owns the land and the existing buildings at NETPark are managed by Business Durham.</p> <p>DCC agreed to invest in the £61.6m Phase 3 development, with £3.9m from NELEP</p>	<p>The NETPark site has been developed by DCC over 15 years with European funding support and funding from the NELEP Local Growth Fund.</p> <p>NELEP provided £5.1m funding to put in a road and site servicing to open up the land for the Phase 3 development.</p> <p>NELEP added a further £3.9m to fill a viability gap as construction inflation hit in 2023.</p>	<p>Start on Site July 2023 with units available from Jan 2025.</p>	<p>Science and technology businesses, including in the semi-conductor, advanced electronics, space and satellite, and health and life sciences sectors.</p> <p>Tenants to date (Phases 1 & 2): 40 businesses including Kromek, Filtronic, Ibex Innovations, Polyphotonix, PragmatlC, Wootzano, Evinco Technology, Redditch Medical, Northumbria Pharma.</p> <p>Interest from several tenants in taking new facilities on Phase 3</p>	<p>Target (1,250 jobs (Phase 3))</p> <p><u>To date:</u> 700 jobs</p>

					to scale up their manufacture.	
Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor (continued)						
<p>Integra 61</p> <p><u>Location:</u> Bowburn at Junction 61 off the A1 and opposite Durham Services</p> <p><u>Website:</u> https://integra61.co.uk/</p>	<p>83 hectare mixed use site adjacent to the A1(M).</p> <p>£300m mixed use development will provide a total of three million sqft of industrial and logistics space, 300 new homes and 50,000ft² of roadside opportunities, including a family pub/restaurant, hotel, drive-thru, trade counter units, car showrooms, a care home and a nursery.</p>	<p>Citrus Group is the owner and developer of the site, supported by agents Avison Young and Colliers.</p>	<p>NELEP and DCC funded £7m infrastructure works to improve access to the site and address congestion and safety issues.</p>	<p>Phase 1 recently completed with Amazon taking 2,000,000 sqft at a cost of circa £150m.</p> <p>In Summer 2022, work on site began on 5 buildings, totalling 640,000 sqft, due to be ready for September 2023.</p>	<p>Aimed at being a premier industrial and logistics hub.</p> <p><u>Tenants to date:</u> Amazon has located its second robotics fulfilment centre in the North East at the site, one of the largest distribution centres in the UK, creating around 1,000 jobs.</p>	<p>Target 5,000 jobs</p> <p><u>To date:</u> 1000+ jobs</p>

Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A1 Corridor (continued)						
<p>Aykley Heads</p> <p><u>Location:</u> Durham City</p>	<p>A 62 hectare site that would be made available for development by the relocation of the council from the site.</p> <p>Opportunity to develop an Innovation District and high quality office space at a successful business location, home to existing occupiers including Atom Bank, Waterstons, Durham Constabulary and the North East Chamber of Commerce, amongst others.</p>	<p>Site owned by DCC.</p> <p>Durham University are interested in being a key partner.</p> <p>Soft market testing was undertaken in 2022 which showed strong investor/developer confidence. A report is being prepared for Cabinet which if approved will see procurement of a partner to take forward Aykley Heads. The procurement exercise will run from September 23 to November 24. Development on the site could</p>	<p>Development of the first building on the site 'Plot C' is being funded by DCC. The Council also propose a Joint Venture Partnership with an investor/developer to develop the site out.</p>	<p>Work began on Plot C in March 2021 and is now nearing completion.</p> <p>Cabinet Report for September 2023 with a view to procure an investor/development partner..</p>	<p>Vision is to attract innovation and knowledge-rich businesses, including those in the fintech and digital sectors.</p>	<p>Target up to 4,000 jobs with future potential for a further 2000 jobs, subject to necessary consents</p>

		commence in 2025.				
Strategic Site	Description	Owner/Developer	Public sector role	Timescale	Sector/Industry	Jobs
A19 Corridor						
Jade Business Park <u>Location:</u> Murton next to Dalton Park retail outlet off the A19 <u>Website:</u> http://www.jadepark.co.uk/	19 hectare site reclaimed from Hawthorn colliery and cokeworks. <u>Phase 1:</u> 7 new industrial units, totalling 155,000 sqft. Tenants benefit from Enterprise Zone (EZ) status (5 years business rates discount) <u>Phase 2:</u> Capacity to deliver a further 550,000 sq ft of industrial space	DCC owns the freehold and funded the speculative development of Phase 1. Units built by Highbridge Developments, which has an option agreement on the land; supported by Regional agent HTA and National agent CBRE.	As one of the Enterprise Zone (EZ) sites in the region, NELEP funded £11m infrastructure works. DCC funded the £14m development of the Phase 1 units, which are managed by Business Durham. Phase 2 will be developed directly by Highbridge Developments with 10% gap funding from DCC and NELEP	Phase 1 units completed August 2020 and now fully let. Outline planning permission for Phase 2 approved October 2022.	Aimed at businesses in the advanced manufacturing, technology and distribution sectors. <u>Tenants to date:</u> Sumitomo Electric Wiring Systems Europe (SEWS-E) – <i>manufacture of wiring components for the automotive sector</i> CoreHaus – <i>manufacture of innovative modular housing solutions</i> Power Roll – <i>manufacture of lightweight, low-cost solar film for renewable energy generation</i> ARGLA – <i>design and manufacture of bespoke architectural glass</i> <i>Low Carbon Materials – innovative use of plastic</i>	Target 1,000 jobs <u>To date:</u> 160 jobs

					<i>waste in construction material.</i> <i>RG Distributors – sale and distribution of catering equipment.</i>	
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