

Strategic Sites Update

Economy & Enterprise Overview and
Scrutiny – 18 September 2023

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The presentation sets out...

- County Durham economic context
- What employment land do we have?
- What are strategic employment sites?
- What are our other major employment sites?
- How do we support businesses and jobs?
- How do we attract investment?
- Conclusion and questions

County Durham Economic context



County Durham Economic Context



£9 billion economy (25% of NEMCA)



521,000 residents (27% of NEMCA)



182,000 jobs (20% of NEMCA)



93,000 high-skilled workers



15,000 businesses (22% of NEMCA)



20,000+ students

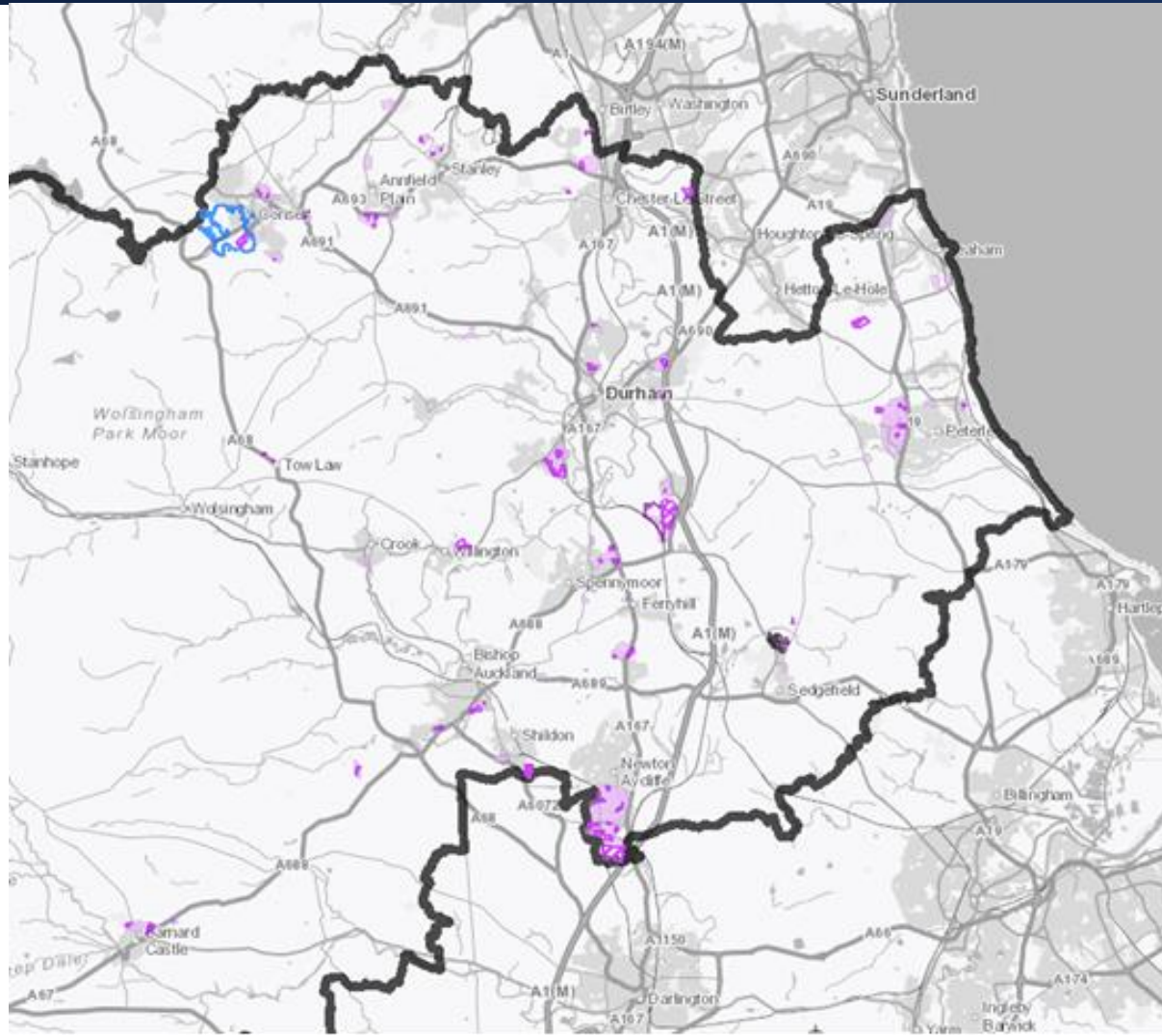
Opportunities

- Key sector specialisms
- Skilled workforce
- High land availability
- Strategic location
- Rail/road transport links
- World leading university
- North East Space Hub
- Devolution

County Durham

What employment land do we have?

Distribution of Employment Land



182,000 jobs across
15,000 businesses with
300,000ha allocated for
future new employment
use

Location of Employment Land

- The County contains two principal market areas:
 - A1 Corridor – the key industrial location (including Durham City – the key office market)
 - A19 Corridor – secondary industrial and office location
- The Employment Land Review to support the County Durham Plan recommended land allocations be concentrated in these areas
- Also important to maintain a supply within the more localised markets such as Bishop Auckland, Consett, Barnard Castle and surrounding settlements

Employment Land allocated in County Durham Plan

In order to meet demand and to provide sufficient flexibility the County Durham Plan:

- Protects **106 existing industrial estates** for employment uses
- Allocates **300 hectares of new land** for business and industry
- Safeguards **78 hectares for the future expansion** of NETPark and Integra 61

The allocations consist of:

- undeveloped areas of land located on existing employment sites
- extensions to existing industrial sites
- new employment locations
- 'strategic sites' that are entirely new, significant in size or regionally important

Approved and Completed Employment Land

- Employment land continues to be approved and new employment land developed

Monitoring Year	Total Approved (hectares)	Total Completed (hectares)
2018/19	16	10.5
2019/20	62.4	17.3
2020/21	18.7	36.7
2021/22	29.9	5.5
2022/23	27.3	13.3
Total	154.3	83.3

Identifying future employment land

- County Durham Plan adopted October 2020
- National requirement to review every 5 years
- Levelling Up and Regeneration Bill currently going through parliament (expected enactment by end of October). Includes major reforms to local plan preparation process
- Secondary legislation and guidance expected next year
- As a result may look to begin review of the County Durham Plan later next year
- New Plan will require new evidence base including new Employment Land Review
- Will include up to date assessment of demand and supply of employment land and inform new allocations if required

County Durham

What are strategic employment sites?

What is a strategic employment site?

- Strategic employment sites are those that:
 - Have significant land identified for growth
 - Are in strategically important locations
 - Are of regional (and sometimes national) importance
 - Provide a clear high profile inward investment pitch for the County

Strategic Employment Sites



Where are the 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



NETPark

- Region's premier science park supporting high value jobs opened in 2004
- Over 40 companies employing over 600 people
- Phases 1 and 2 is fully occupied by 40 hi-tech companies and employing over 600 people
- Phase 3 starts on site next week, providing 1,250 new jobs and a further 2,000 plus in the local supply chain and ecosystem
- Once fully complete it would cover a 44 hectare site, providing between 3,000 and 4,000 jobs in high pay sectors
- Already home to Three national innovation centres: National Formulations Centre, National Centre for Healthcare Photonics & National Centre for Printable Electronics.
- Three National Catapult Centres – High Value Manufacturing; North East Satellite Applications Centre of Excellence; compound semiconductor
- Home to North East Space Hub

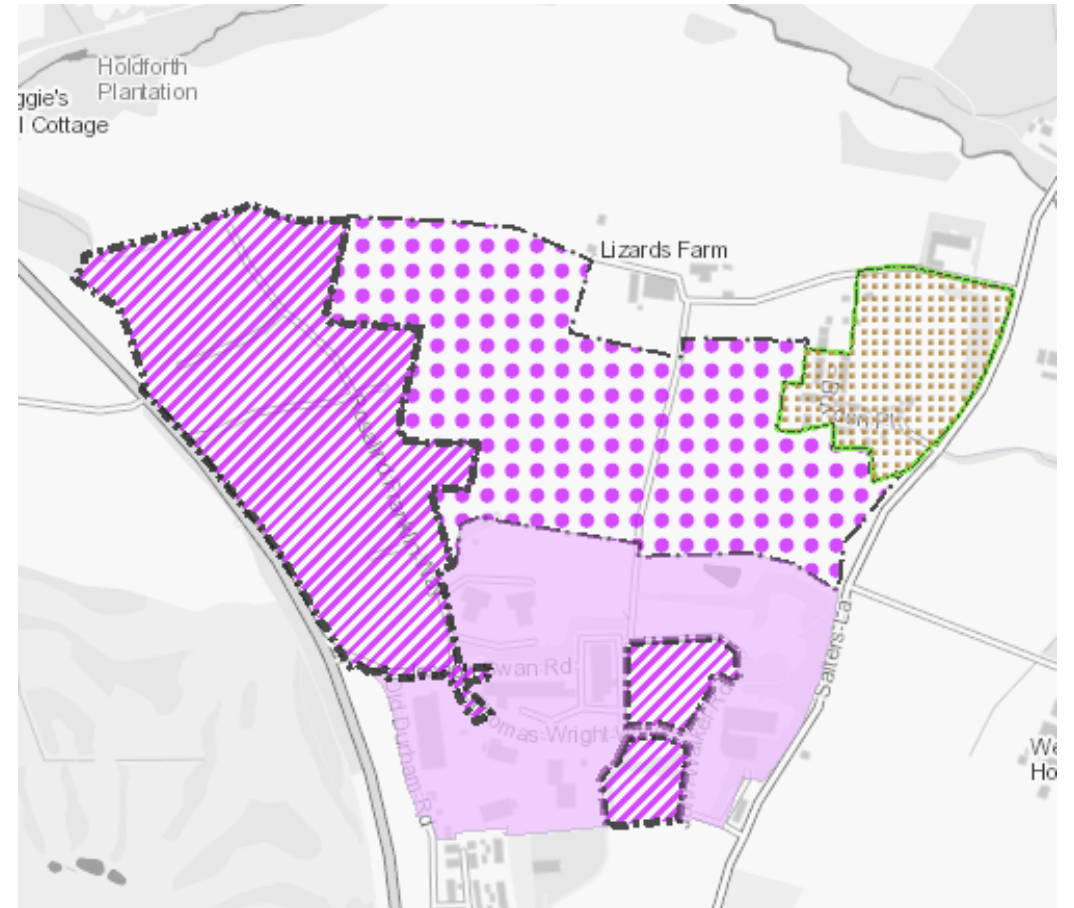
NETPark phase 3

- £61.6m investment in new lab space and scale-up production facilities
- 232,150 sq feet of workspace that could expand the space cluster
- Potential for a North East Space Hub
- Work will start on site in July 2023
- First units will complete in January 2025
- Creating up to 1,250 new skilled jobs and £625m of GVA



NETPark future development potential

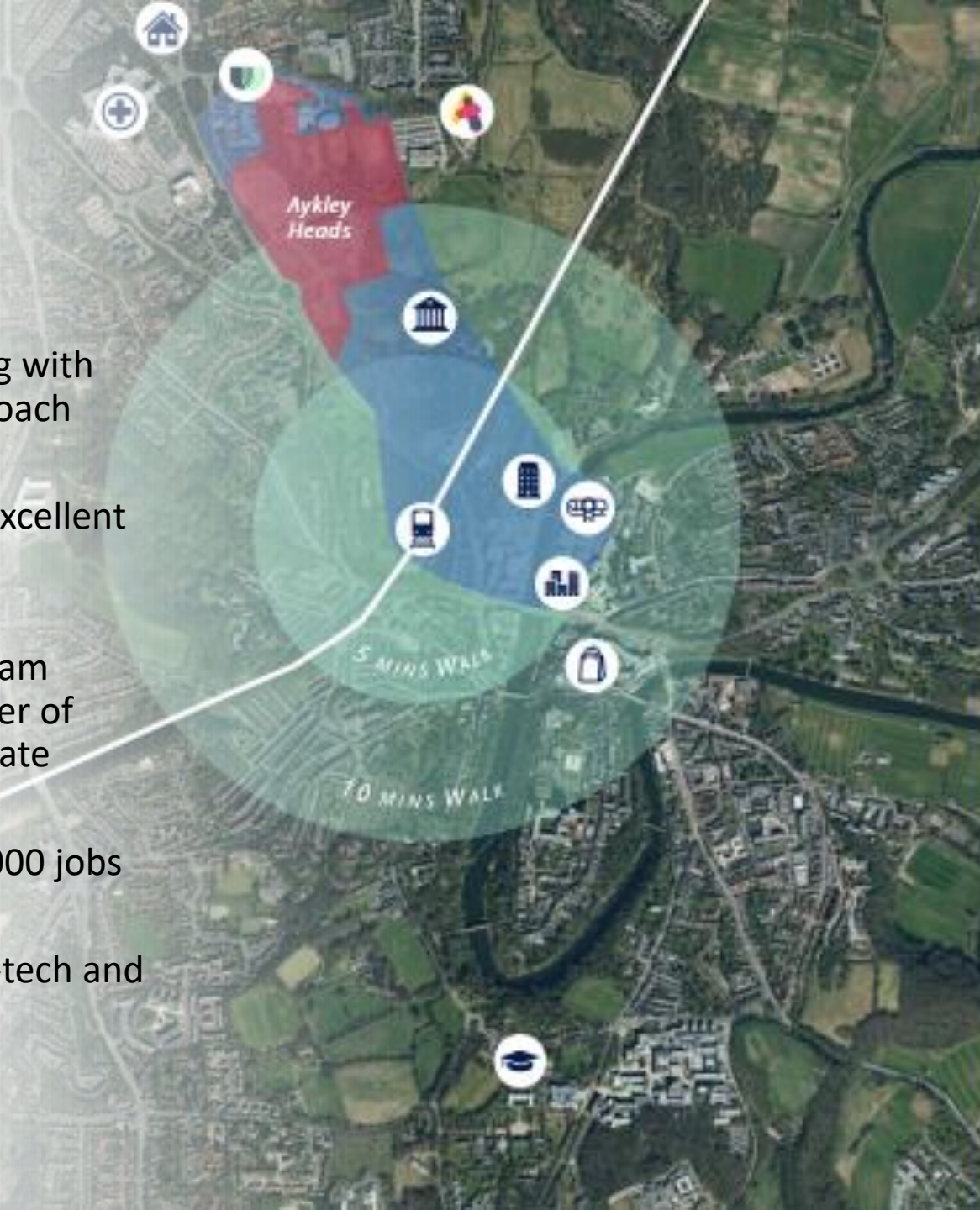
- Phase 3b – a further 16 hectares
- Phase 4 - 16 hectares safeguarded in the Local Plan
- 28 further hectares of undesignated land to the north for future potential development
- Total development potential of 77 hectares



Durham Innovation District

Aykley Heads – 15 hectare site

- Major new 60 ha Innovation District, partnering with Durham University to create a triple-helix approach
- Centred around Durham railway station, with excellent north/south and cross-country connectivity
- Build around existing anchors institutions Durham University Business School, Atom Bank, Chamber of Commerce, NHS, new DLI Museum & Milburngate
- £100m plus development with potential for 4,000 jobs
- Focused on key capabilities in data science, fin-tech and geo-thermal
- Taking to the market in Summer 2023



- Durham Train Station
- Durham Light Infantry Museum
- Milburngate
- HMPO & NS&I
- Durham Business School
- Durham University
- Durham City Centre
- Durham Hospital
- Snipperley Park
- Atom Bank
- Waterstones
- East Coast Mainline

- Campus style mature woodland setting
- Part of a city centre innovation development zone
- Two epicentres within 20 minutes walk, either side of the station
- Key links to University Business School
- Potential to build an existing high-profile occupiers
- Major new residential

Aykley Heads

Market ready
proposition



Strategic location of regional and national significance



Excellent transport links



Partnership with globally significant research university



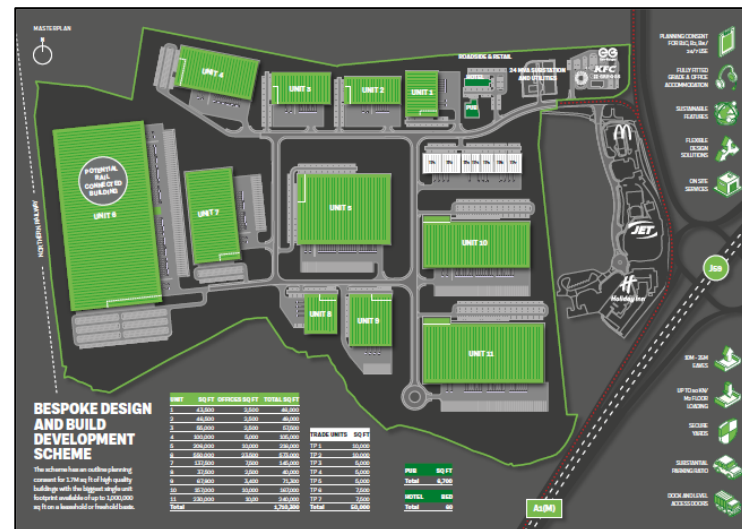
Existing innovation led employers and sectors



Single council owned site and ready for delivery

Forrest Park, Aycliffe

- 55 hectare site
- Potential for 160,000 of floor space
- Up to 3,280 jobs
- Outline planning permission was granted in 2019
- Already delivered a new Euro Garages service station, a Greggs and a KFC
- Reserved matters application was approved October 2022 for the erection of 8 industrial units
- Barberry Richardson are preparing to bring this first phase forward and will be submitting detailed development proposals in quarter 3, 23/24
- will target businesses in the warehousing, logistics and manufacturing sectors



Integra 61, Bowburn

- 83 hectares
 - Up to 280,000 sqm of floor space
 - Mixed use development
 - 5,000 potential jobs overall
-
- Amazon opened in 2020 in a 186,000sqm (2 million sqft) unit creating 1000 jobs
 - Work underway on 5 buildings, in a venture between developers, Sunrise and Citrus with units totalling 640,000 sqft and ranging from 43,000 to 298,000. To be complete September 2023
 - Costa Coffee and Greggs also completed on the site



Jade Business Park, Murton

- 19 hectares
- Enterprise Zone
- Up to 1200 jobs
- First phase funded by the Council - 7 units totalling 15,000 sqm built in 2020 now fully let to Corehaus, Sumitomo Electric Wiring Systems, Power Roll, ARGLA, Sphera, RG Distributors
- Developer to fund Phase 2, further 51,000sqm
- Developer and agents are pursuing enquiries for large, single occupants on the large plot to the east of Phase 1
- 160 current jobs on site, next phase has the potential to generate 1000 jobs



County Durham
What are our other major
employment sites?



Where are our other major existing employment sites?

- 1,500 hectares of existing employment land is protected in the County Durham Plan
- Aycliffe Business Park which covers 400 hectares and is home to over 500 businesses alone, employing around 10,000 people
- Peterlee North West Industrial Estate, Peterlee South West Industrial Estate, and Seaham Spectrum Business Park
- 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

Additional recent and future developments

Council involved in the development of other sites in the County including:

- Station Place at Merchant Park - 10 new industrial units completed in November 2022 and managed by Business Durham under a head lease
- Further development by Merchant Anglo could see an additional 27,870 sqm of space available in the next twelve months
- Development of 4,000sqm of small industrial units at South Church Enterprise Park due on site Spring 2024
- Planning application at Drum Industrial Estate to develop the remaining 12 acre site for occupation by a business looking to relocate & expand its Gateshead operation
- At Bracken Hill Business Park, FI Real Estate looking to re-purpose former call centres for general industrial/warehousing uses. Made start with the demolition of a large office and construction of a courtyard of small industrial units

Rural employment land

- Employment exception site policy included in County Durham Plan
- The Rural England Prosperity Fund (REPF) is integrated into the UK Shared Prosperity Fund (UKSPF)
- Supports activities that specifically address the particular challenges rural areas face
- Funds capital projects for small businesses and community infrastructure
- A total of £600,000 is available, recently undertook a call for projects
- Funding also available to develop and promote the visitor economy
- Improving infrastructure through Project Gigabit, a £6.6m contract to provide over 4,000 rural Teesdale properties with full fibre gigabit-capable broadband by late 2025

County Durham

How do we support businesses and jobs?



Supporting businesses and creating and safeguarding growth

- Business Durham directly manages a property portfolio of 503 units, including offices and industrial
- Direct capital investment and delivery of new space (eg £62m NETPark phase 3)
- Aykley Heads about to be taken to the market as a new innovation district
- Support private sector delivery of other strategic sites (Jade phase 2, Forrest Park, Integra 61)
- Deliver comprehensive package of support to existing business to grow and business start-ups
 - Engage and support circa 1,000 businesses each year
 - Safeguarded and created 1,986 jobs in 2022/23
 - Durham City Incubator has supported 72 high growth start ups
 - 30 businesses have received investment through Finance Durham to date
- Deliver and administer UK SPF programme

Supporting private sector growth

The market delivers jobs and the County Council alongside central government support the conditions for growth. In County Durham there are a number of activities to enable and facilitate employment and overall inclusive growth:

- Ensure an up-to-date local plan with a clear land supply to meet the needs and opportunities for the county
- Deliver the Inclusive Economic Strategy to support jobs and growth
- Support the transport system and accessibility for new sites for example our enhanced support for subsidised bus services
- Secure funding for and in some cases administer skills and development programmes for example UK Shared Prosperity Programmes

Providing investment and funding

- Apply for central government and devolution funding to unlock development
- Directly support or deliver key sites and property where there is a clear case for investment for example Aykley Heads and NETPark
- Provide comprehensive business support programmes including grants and access to finance to support business growth such as Finance Durham
- Support businesses and development in more difficult market areas

Business networks

- Business Durham facilitates business networks focused on the main employment locations across the County:
 - Aycliffe Business Park Community,
 - East Durham Business Network (covering the business parks/industrial estates at Peterlee and Seaham)
 - Drum Business Park Group
 - Bishop Auckland and Shildon Business Network.
- Effective mechanism to engage and interact with the businesses located there, to connect businesses with support to enable them to sustain and grow, and to identify issues, such as availability of suitable premises.
- Gather intelligence on demand and supply to identify future employment site requirements and development.

Account management approach

- Provides an opportunity to regularly talk through the growth plans of individual companies in the county and identify in good time where this will involve a premises requirement.
- Helping companies to explore options, e.g. 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.
- Provide a publicly available online property database which keeps an up-to-date picture of available land and premises
- Provide direct support to relocate business to new premises as their business grows e.g. Pragmatic

County Durham

How do we attract investment?



Attracting Inward Investment

Key considerations in attracting inward investment:

- Land and premises opportunities
- People and skills
- Cost effective location
- Strong business base
- Supply chain opportunities in key sectors
- Transport and connectivity
- Lifestyle

How do we support inward investment?

- Promote and drive interest in the key sectors to intermediaries and potential occupiers
- Raise the profile of County Durham nationally, e.g attendance at UKREiiF
- Bespoke approach tailored to the needs of each enquiry, including:
 - Up to date information on land and premises options
 - Support and provide guidance such as planning and legal requirements
 - Support and navigate funding and finance options, e.g. Finance Durham Fund
 - Offer skills and employment support programmes
- Number of Inward investment enquiries (2022/23) = **59**
- Number of Inward investment projects secured (2022/23) = **14**
- Jobs created from inward investment projects secured (2022/23) = **199**

Conclusions

Conclusions



County Durham is the major driver of the North East economy, with a functioning economy that crosses the Tees Valley and York and North Yorkshire MCAs



We have huge opportunity for innovation led growth



Clear strategy, allocated land and an existing skills base



Our strategic sites continue to deliver new jobs



Teams across the Council work to overcome barriers to delivery and support inward investment