

Cabinet

15 November 2023

Adoption of the Inclusive Economic Strategy Delivery Plan



Key Decision No. REG/07/2023

Report of Corporate Management Team

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

**Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economy
and Partnerships**

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 The purpose of this report is to seek Cabinet's approval to adopt the County Durham Inclusive Economic Strategy (IES) Delivery Plan that has been developed through, and is owned by, the County Durham Economic Partnership (CDEP).

Executive summary

- 2 In 2022, the county's new Inclusive Economy Strategy was adopted by the council and the County Durham Economic Partnership (CDEP). The strategy set an ambitious vision for the county's economy to 2035, providing a long-term focus which will drive strategic projects that aims to make a transformational improvement to the county's underlying economic conditions.
- 3 This report focuses on the development of the Delivery Plan that aligns with the strategy and sets out how the actions we take over the coming years will support the achievement of our strategic ambitions. The Delivery Plan has been developed between March and September 2023 with strong engagement from CDEP partners. With support from DCC, the CDEP will oversee the implementation of the Delivery Plan, track outcomes, and oversee the modification of the approaches and actions taken.

- 4 The Delivery Plan is organised around the four core themes of the IES, People, Productivity, Place and Promotion, with the fifth cross-cutting theme of Planet. The actions in the Delivery Plan are identified using a 'logic chain' approach which ensures the actions relate to an ambition, have a lead, resources, and timescales identified where possible, and show linkages to other actions. We intend to maintain and evolve the Delivery Plan over the coming years to capture more project details and align project outcomes with data from national sources. It will be a live document so that it can adapt to respond to changing economic conditions.
- 5 The Delivery Plan is accompanied by a performance framework which identifies aspects of the county's economy that are below regional and national performance. It will be used to track and report overall changes in these conditions as well as improvements in economic inclusivity. It includes targets for 2035 which align with the overall principal to try to close the gap with national average levels of economic performance, setting out what success of the IES looks like.
- 6 The IES and Delivery Plan are also informing the development of a new Investment Plan which will be used to promote major projects and investment opportunities to prospective public and private sector investors.

Recommendation

- 7 Cabinet is recommended to:
 - (a) adopt the County Durham Inclusive Economic Strategy Delivery Plan presented in Appendix 2.

Background

- 8 In December 2022, the Council's Cabinet adopted the Inclusive Economic Strategy (IES) and agreed to the development of a detailed Delivery Plan and monitoring framework as the next steps in this process. The IES is a bold, ambitious, long-term strategy which focuses on harnessing our strengths and opportunities to make a step-change in our economic performance by 2035. It recognises the challenges and opportunities across the county and aims to ensure that as many as people benefit from growth as possible.
- 9 The ambition of the IES is for '*more and better jobs in an inclusive, green economy*' and has five thematic areas of focus – known as the '5 Ps'. Within this framework, the 'Planet' theme cross-cuts the other thematic areas of People, Productivity, Places, and Promotion. The council cannot deliver the strategy on its own but has a key role in strengthening existing partnerships, developing new partnerships, and facilitating and coordinating activities that will help to achieve the shared ambition.
- 10 The County Durham Economic Partnership (CDEP) is a thematic partnership under the umbrella of the County Durham Partnership and adopted the IES as its principal strategy in December 2023. During 2023, Council officers have worked with CDEP stakeholders, businesses, education providers, and voluntary and community sector organisations to prepare the Delivery Plan, which sets out what the practical steps being taken in the first three years to achieve the IES. The draft Delivery Plan (2023 - 2025) is attached in Appendix 2.

Delivery Plan Development

- 11 The CDEP, and wider County Durham Partnership, have been crucial in developing the IES and Delivery Plan. The process has engaged a wide range of partners and resulted in a Delivery Plan that is coordinated, inter-connected, and with a prioritised set of actions. Area Action Partnerships, the Youth Council, and other community organisations have been engaged at key stages to support the process and we have committed to engaging with them up to 2035 as 'critical friends' to help us check whether they are benefitting from the IES and where we need to modify our approaches.
- 12 In March 2023, a CDEP workshop was held to bring partners together to review the final IES, ongoing activities, and begin to identify new activities. Working groups involving a broad range of partners were organised around the IES themes of People, Productivity, Places, and Promotion. Due to the specific complexities of the priority, an additional group was established to consider 'Innovation' activities which sit under the Productivity theme but cuts across the five Ps.

- 13 The working groups met regularly between March and July to:
- Identify and assess current activities
 - Assess gaps in provision
 - Identify collaborative solutions
 - Identify transformative actions
 - Develop a commitment with partners to implement the plans
 - Identified activities that would have positive impacts on the 'Planet' such as reducing energy use and carbon emissions
- 14 More than 40 external (e.g. non-council) partner organisations have been involved from businesses, education providers, and voluntary and community sector organisations. Organisations with specialist knowledge (e.g. Innovate UK) relevant to the IES priorities, and who do not ordinarily engage with the CDEP, were also engaged in the development of the Delivery Plans. Where relevant and realistic, partners were encouraged to take the lead on actions, and we plan to engage with these and other external partners in the delivery of the IES up to 2035.
- 15 During the development of the Delivery Plan, officers maintained a dialogue with council management teams. Progress on the IES and emerging actions has been reported to the Council's Economy and Enterprise Overview and Scrutiny Committee (E&EOSC) in April. An interactive workshop was held with E&EOSC in July to gain their input to help shape and identify the activities that are needed. A draft of the Delivery Plan was also considered by Scrutiny in October who endorsed the work behind it and suggested amendments, which have been addressed in the accompanying documents.
- 16 We need to take a pragmatic approach to the implementation of the IES, whilst maintaining a focus on our long-term ambition. We need to be cognisant of the resources and performance information we have available, as well as the changing political and economic circumstances in which we are operating. We will need to continually learn and adapt our approaches on the journey to our end date of 2035, and ongoing constructive critical challenge will be required throughout. A partnership workshop was held in September as a last opportunity to critique the delivery plan ahead of its adoption.
- 17 The approach we have taken to develop the Delivery Plan follows a logic-chain or theory of change model to ensure that the actions identified and intended impacts from them directly relate to the achievement of the priorities within the IES. The format of the delivery

plan follows this format to illustrate the relationship between the opportunities and challenges set out within the IES and the proposed activities and expected impacts, as follows:



- **Ambitions:** A description of what we want to achieve relating to the respective priorities of the IES
- **Actions:** A break-down of steps we will take to achieve the ambition.
- **Lead Partner:** Which organisation will take responsibility for overseeing the delivery of the actions, the resources secured to deliver the action, and the associated delivery timescales.
- **Links to other Priorities:** Identification of projects that contribute to other parts of the IES and Delivery Plan.

18 Once we have the Delivery Plan in place we will continually review and report the implementation and outcomes of actions. We expect the Delivery Plan to continue to evolve to include more detail on the implementation and outcomes of actions and integrate the process with existing project, finance, and performance monitoring systems that are already in use. A key challenge is to align project outcomes with economic data (which is often lagged) from government sources to ensure we have a coherent understanding of progress.

19 We have considered the impacts of actions on the Planet theme of the IES, identify actions and gaps and ensure close alignment with the Climate Emergency Response Plan. A Sustainability Appraisal has been undertaken to assess the social, economic, and environmental impacts of the Delivery Plan, which noted that together the IES and Delivery Plan are expected to have a positive impact on the sustainability of the county.

Proposed Delivery Plan

20 In line with the framework below, activities are identified under the key themes of People, Productivity, Places, and Promotion and the four priorities that sit within each theme. Activities that will deliver against the 'Planet' theme are also identified.



- 21 In some areas we are already delivering the change needed within our communities; in other areas we've identified gaps in provision and new activities that addresses this, including new transformative 'game changing' actions that will help achieve the ambition within the strategy. This is complemented by a wide range of 'business as usual' activities being undertaken by partners. The Delivery Plan captures existing key programmes of work and new and additional activities that will be delivered within the next three years. This includes a broad range of new activities that will be funded by the council, partners, and government departments, as well as devolved regeneration funding that we have secured via the UK Shared Prosperity Fund, Rural England Prosperity Fund, and Levelling Up Funds.
- 22 We will continue to identify opportunities for external funding in addition to the resources we have already secured and are particularly focused on securing more private investment in the county. The adoption of a clear delivery plan will build on the existing strategy to support stronger funding bids, by demonstrating a clear plan.
- 23 It should also be noted that the delivery plan will be an underpinning document for the Investment Plan which is expected to be taken to Cabinet in Spring 2024, and the Council may also consider that wider supporting plans on detailed priorities such as transport and skills support a robust approach.
- 24 A full list of the detailed actions to be delivered in the first three years of the IES is provided in the draft Delivery Plan attached as Appendix 2. A high-level summary of key actions under the P's are provided below:

People

Priorities	Summary of Activities
<i>1.1 Raise skills levels, including higher and green skills, targeted to employer needs</i>	<ul style="list-style-type: none"> • New training support programme • New Multiply and Communicate programmes • New digital inclusion skills programmes and improved community digital equipment
<i>1.2 Overcome barriers into employment, including work readiness, skills, improved careers advice and guidance, and addressing poor health</i>	<ul style="list-style-type: none"> • Continuation of Durham Works, Durham Enable, Reaching Out Across Durham, Durham Enable, and Durham Help • New careers framework • Maximise the take-up of the Mayoral Combined Authority Adult Education Budget • Workplaces project for year 10 to 12 pupils
<i>1.3 Increase in-work progression and upskilling linked to new opportunities</i>	<ul style="list-style-type: none"> • New workplace skills programme • Skills for jobs programmes • Skills bootcamps for green skills • Implementation of Local Skills Improvement Plan
<i>1.4 Ensure good health and wellbeing leads to economic inclusion</i>	<ul style="list-style-type: none"> • Employment support for key workers and vulnerable groups • Promotion of Better Health at Work scheme • Community wealth building

Productivity

Priorities	Summary of Activities
<i>2.1 Harness the power of our major employment sectors and accelerate our opportunity sectors</i>	<ul style="list-style-type: none"> • Targeted growth plans for opportunity and growth sectors • North East space cluster programme • Join-up support for inward investors
<i>2.2 Provide excellent support at all stages for our businesses to start up, sustain, thrive and grow</i>	<ul style="list-style-type: none"> • New Enterprising Durham Framework • New Productivity and Growth programme • Improve access to growth finance • Establish an annual business conference • InTUNE programme

<p>2.3 Expand the thriving innovation ecosystem</p>	<ul style="list-style-type: none"> • Research barriers to innovation (e.g. COM-B) • Expand venture capital access • Maximise supply chain opportunities with multinational manufacturers • Northern Accelerator programme • Expand VentureFest • Accelerating the Circular Economy (ACE) programme
<p>2.4 Drive good business practices, including improving health in the workplace</p>	<ul style="list-style-type: none"> • Capitalise on the new Procurement Bill • Investigate the potential to promote the BCorp model to improve business practices • Improve business engagement • Workplace Health Programme • Promote the Durham Living Wage

Places

<p>Priorities</p>	<p>Summary of Activities</p>
<p>3.1 Build vibrant and diverse towns and villages</p>	<ul style="list-style-type: none"> • Towns and Villages Programme • Place Labs Programme • Programme of Strategic Place Plans • Durham City Vision • Refreshed Housing Strategy • Major settlement infrastructure improvements, including Horden and Bishop Auckland
<p>3.2 Unlock employment land for high quality premises</p>	<ul style="list-style-type: none"> • Develop nationally and regionally significant sites – NETPark and Durham City Innovation District including Aykley Heads • Infrastructure and development of Jade Business Park, Forrest Park and Integra 61 • North East Mayoral Combined Authority Investment Zone - Clean Energy and Green Manufacturing • Undertake an employment land review
<p>3.3 Improve physical connectivity between places in the county</p>	<ul style="list-style-type: none"> • New Connectivity Strategy • Park and pedal scheme • Pilot on-demand bus services • Bus realtime and ticketing scheme • Implement Local Electric Vehicle Infrastructure (LEVI) Programme

3.4 Enhance digital infrastructure and connectivity	<ul style="list-style-type: none"> • Digital Durham Programme and Project Gigabit • Digital data collaboration with housing associations • New digital inclusion steering group • Microgrid pilot and digital community infrastructure programme • 5G infrastructure
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Promotion

Priorities	Summary of Activities
4.1 Develop a clear brand and place marketing	<ul style="list-style-type: none"> • Develop County Durham place branding and deliver an activation programme • Develop and deliver an ambassador programme to support activation of the brand • Inform North East place branding
4.2 Attract more inward investment	<ul style="list-style-type: none"> • Foreign direct investment strategy • Regional business events programme • North East Creative Industries Plan • New conferencing offer in Durham City
4.3 Grow a year-round visitor economy	<ul style="list-style-type: none"> • Regional Destination Development Partnership • Feasibility for a new family attraction • Complete major visitor infrastructure projects • Establish a biannual sci-art festival • Reduce the carbon emissions associated with the visitor economy
4.4 Enhance cultural and creative infrastructure	<ul style="list-style-type: none"> • Lead NEMCA portfolio for culture, creative, tourism, and sport • Development of regional Screen Industries Partnership • Feasibility for a new culture zone • Heritage X project • New Place Labs • Skills development for creative sector • Support a regional Cultural Observatory

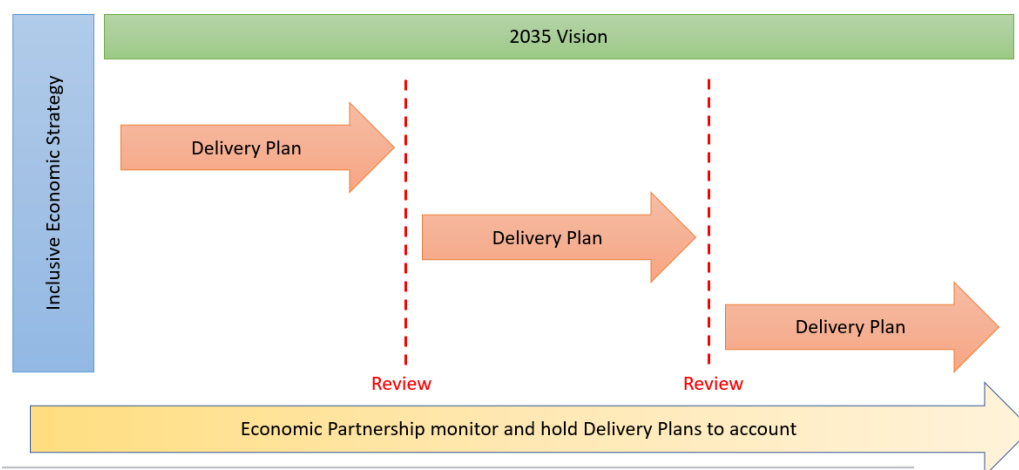
Planet

25 The Planet theme of the IES is embedded throughout the IES and Delivery Plan to ensure all possible activities and partners are working collaboratively to reduce carbon emissions. The performance framework includes an indicator to help us track changes in carbon emissions as well as indicators for the county's green economy which we intend to grow up to 2035 – see below. There are also numerous

actions in the Delivery Plan which recognise the need to reduce wider negative environmental impacts on air quality, water quality, habitats, and so on.

Implementation

- 26 The Delivery Plan will be a live document, responsive to changing circumstances, and new activities will be added as opportunities emerge and when bids for new activities are successful.



- 27 As a council and partnership, we will prepare for and respond to opportunities to secure new external funding for economic activities from government departments, the North East Mayoral Combined Authority (NEMCA), and the private sector. It is anticipated that there could be significant changes to the external funding available once NEMCA is established after the election of a mayor in May 2024. The next general election and government spending reviews may also lead to policy and funding changes and new opportunities. We therefore expect to undertake a formal review of the Delivery Plan when new government policies are introduced and once various pieces of regional research to support NEMCA have been completed. We anticipate this review to take place in early 2025 but in the meantime are currently preparing a portfolio of strategic projects which align with NEMCA priorities which we will seek NEMCA support from NEMCA.
- 28 We are also in the process of preparing an Investment Plan which relates directly to the IES Delivery Plan. The aims and objectives of the Investment Plan are to:
- Present a case for investment in Durham which connects work being done on the county's brand identity, as well as the potential for inclusive and sustainable development that delivers on local as well as national priorities.

- (b) Articulate a clear and shared view of investment priorities, including desired socio-economic outcomes.
 - (c) Design and undertake a logical, credible process for synthesising potentially investable projects, identifying priorities for investment, and the types of investment suitable to priority projects.
 - (d) Consider new partnership approaches or solutions to delivering major projects with multiple funding sources, and private sector leverage.
 - (e) Foster stakeholder support and buy-in to the process and its outputs, within County Durham and beyond.
- 29 Initial scoping work for the Investment Plan was completed primarily in June-July of 2023, with the project expected to run through February 2024. The final Investment Plan will be produced in February 2024, articulating the county's investment proposition well in advance of NEMCA mayoral elections in May 2024, and ahead of investment pitching opportunities at MIPIM (March) and UK REiif (May).

Performance Framework

- 30 The IES made a number of proposals for monitoring economic growth at county level. This was supported by the Economic Review which was completed in late 2021 and the Big Econ-versation which was undertaken and analysed in the first half of 2022. Durham Insight provides a detailed resource and broad range of economic indicators from a wide range of sources. Alongside more regular updates, it has been updated throughout the last year with new data and analysis from the 2021 Census.
- 31 The various sources of data and pieces of analysis will be combined into a comprehensive system for tracking national, regional, countywide and local improvements which will be integrated into the council's [Durham Insight](#) platform. We will also work with colleagues to ensure the new corporate / partnership consultation platform will be maximised to ensure we continue to hold conversations with local people and communities to understand and respond to their needs, ideas, and perceptions of the economy. We will also continue to work closely with Business Durham, Visit County Durham and external partners such as the FSB, North East Chamber of Commerce, and Durham Business Club to understand business conditions as they change over the coming years and ensure the IES is aligned to them.
- 32 Throughout the development of the IES and supporting documents there has been a consistent narrative about the need to close the gap

with average national levels of economic performance across a range of indicators. The scorecard in the delivery plan uses data which can be compared consistently at local, county, regional and national levels to evaluate our performance, needs, and opportunities. Speaking to expert colleagues and partners, we agreed that the lowest geographical level for data should be parliamentary constituencies because data at smaller geographies is published less frequently and can be less reliable. We are aware, however, that these boundaries are under review and will switch to data for the new boundaries when it is published.

- 33 The most recent data, used in the scorecards, shows that employment rates are relatively high, and unemployment is low compared to regional and national rates despite the challenging economic conditions over the last few years. However, the county is characterised by poor health, lower education and skills levels, lower skilled jobs, and lower wages than regional and national averages. There are pockets of the county in east, north and south Durham where these conditions are most prominent and where conditions changed very little over the last few decades. The challenges in these areas have been compounded in recent years by Covid and the heightened costs of living caused by high inflation and high interest rates. The Delivery Plan responds to these challenges in a number of ways including a variety of employability and enterprise schemes, town and village regeneration programmes, and actions to improve wages, and encourage businesses to support the welfare of their staff.
- 34 The IES evidence, engagement, priorities, and actions have helped us to identify headline targets for 2035 that align with the strategy's main ambition. These headline targets for 2035 help articulate what success of the IES looks like, as follows:
- (a) **More jobs:** 13,500 more people in employment or self-employment (6% increase)
 - (b) **Better jobs:** 30,000 more people in managerial, professional and associate professional (e.g. 'highest skilled') jobs (32% increase)
 - (c) **Inclusive growth:** Higher levels of employment or self-employment in all parts of the county (particularly in the Bishop Auckland, Easington, Durham City, Sedgefield constituencies)
 - (d) **Green growth:** 400,000 tonnes of CO₂ emitted from transport, heat, and electricity (an 80% reduction from 2019 of 2.2m tonnes CO₂e)
- 35 It is important to note that these are bold ambitious targets which would require the County to outperform projected or forecast economic trajectories. Achieving these targets would require a step change in a number of factors that would influence productivity such as an increase

in the overall skills attainment in the county, significant government funding and increased private sector investment. However, it is important that we do articulate our aims, and that these are bold and ambitious. Whilst some of the factors that would allow these to be achieved are ultimately beyond the council or local and regional stakeholder control, we will continue to use all the levers available at a local level and innovative partnership working to drive that step change.

- 36 We will use the economic data alongside project data to bid for support from regional and national bodies in line with our priorities and ensure we align actions with policies and funding as they change over time. We will continue to ensure we monitor improvements in the sectors where we have strengths such as manufacturing and associated industries such as logistics. We will also capture opportunities to attract support to diversify our sectoral and business base to make the county less prone to economic downturns.
- 37 We will introduce a new reporting system for monitoring changes in local economic performance and use this to prioritise and target projects. We will also use this analysis to inform our dialogue with the proposed NEMCA and government departments to help us target investment and secure private investment in places that have opportunities that have been overlooked by investors.
- 38 We are also developing our understanding of how to define and monitor the 'green economy'. Research that we completed earlier this year gives us a benchmark of 600 businesses and 11,000 jobs that are involved in the green economy. The research suggests our strengths relate closely to the county's expertise in manufacturing and engineering and the integration of local businesses in a range of products and services that are delivered in local, regional, national, and international markets. However, we need to work with partners and experts to better understand the various aspects of green businesses and green growth and how to best monitor and support them and achieve our climate emergency targets.
- 39 Alongside high-level targets and economic data we will monitor and report the outcomes of projects and work to find solutions for more closely integrating data from national (usually survey-based) and local sources (e.g. projects and consultations).

Governance and Implementation

- 40 Cabinet will continue to have a key role in reviewing the impact and outcomes of the Delivery Plan through an annual update report, and in shaping any changes that are needed to ensure the Delivery Plan remain a flexible and live document. The council's Economy and Enterprise Overview and Scrutiny Committee have also had ongoing oversight of the development of the Delivery Plan and will continue to be

integrated into the process for overseeing the implementation and future reviews.

- 41 The County Durham Economic Partnership (CDEP) will continue to oversee the IES and Delivery Plan and CDEP partners will be encouraged to adopt the Delivery Plan through their formal approval processes. The Delivery Plan identifies which partners are leading the on the delivery of key actions, and this will be given oversight and be held to account by the CDEP board through 6 monthly oversight meetings. To support partners in the delivery consideration will be given to creating focused sub-groups under each of the 5 Ps within the IES strategy. Individual working groups or task groups will also be set-up to develop ideas into projects, which have well-defined resources, timescales, and outcomes.
- 42 However, it should be noted that members of CDEP are voluntary representatives, and driving forward the Delivery Plan will largely depend on the ongoing commitment of the council to work with partners, facilitate progress, and maximise outcomes and the resulting economic benefits. In order to capitalise on the significant new partnership working that has emerged through the development of the Delivery Plan and to ensure a laser focus on realising the transformative actions set out in the plan, it will be important to review work priorities and dedicate the officer resource needed to drive forward this delivery.

Conclusion and Next Steps

- 43 Cabinet is asked to consider and agree the contents of this report, the attached Delivery Plan, dedicated staff to drive delivery, and the process for implementing, monitoring, and updating the Delivery Plan.

Background Papers

- 44 For more information on the development of the Inclusive Economic Strategy, see the DCC Cabinet papers on the Inclusive Economic Strategy from December 2022.

List of appendices

- Appendix 2: Inclusive Economic Strategy Delivery Plan (2023 - 2025)

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Appendix 1: Implications

Legal Implications

The IES Delivery Plan will aid negotiations for the devolution of powers from the Government.

Finance

The IES Delivery Plan 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

The IES Delivery Plan has been developed in partnership with CDEP partners and DCC colleagues using evidence from the Economic Review and Our Big Conversation. The Economy and Enterprise Overview and Scrutiny Committee has provided a local voice during the development of the Delivery Plan. The Delivery Plan identifies the need for further partnership working to develop ideas into projects and consultation with local residents and businesses will help us to evaluate successes and needs.

Equality and Diversity / Public Sector Equality Duty

A full Equalities Impact Assessment was undertaken as part of the development of the IES. There are existing inequalities across our county, for example in health, education, connectivity, skills and employment. This Strategy will focus on removing the barriers that residents face to employment, from skills to transport to health, addressing the inequality experienced between and within some of our places and ensuring that the benefits of growth are shared fairly amongst our people and places.

The IES aims to attract investment, create new and better jobs, and support new enterprise and innovation opportunities across the county whilst having a positive impact on local environments. The impacts of the Delivery Plan will be regularly assessed and reported, and we will have a performance framework in place to identify the economic performance of different areas of the county in order to design suitable projects and actions.

Climate Change

The green economy is a key element of the IES and actions which have impacts on the Planet are identified throughout the Delivery Plan. The Performance Framework mirrors the headline objective in the County Durham Climate Emergency Response Plan to substantially reduce carbon emissions by 2035.

Human Rights

None.

Crime and Disorder

None.

Staffing

Monitoring the implementation of projects, identifying and starting new projects, monitoring and reporting performance, managing consultations, and managing the CDEP requires significant staff time and resources. To drive forward and implement the Delivery and achieve the IES internal resources within the council are being reviewed.

Accommodation

None.

Risk

None.

Procurement

None.