

# DURHAM COUNTY COUNCIL

## ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in the **Council Chamber, County Hall, Durham** on **Monday 8 July 2024** at **9.30 am**

### **Present:**

**Councillor S Zair (Chair)**

### **Members of the Committee:**

Councillors A Surtees, A Batey, R Crute, P Heaviside, G Hutchinson, C Lines, B Moist, R Ormerod, K Shaw, M Stead, A Sterling and L Fenwick (substitute for J Miller)

### **Co-opted Members:**

Mrs R Morris and Mr E Simons

### **1 Apologies for Absence**

Apologies for absence were received from Councillors G Binney, M Currah, R Manchester and J Miller.

### **2 Substitute Members**

Councillor L Fenwick was substitute for Councillor J Miller.

### **3 Minutes**

In relation to the minutes of the meeting held on 22 April 2024, Councillor B Moist requested that the last paragraph on the Draft County Durham Housing Strategy be revised to read 'the delivery of 500 new build council houses'.

With the above amendment, the minutes of the Special joint meeting held on 12 April and the meeting held on the 22 April 2024 were confirmed as correct records and signed by the Chair.

### **4 Declarations of Interest**

There were no declarations of interest.

Councillor A Surtees declared an interest following the presentation of the UK Shared Prosperity Fund Update as a Trustee of the Welcome Centre in Easington which was mentioned as a recipient of funding from the UK Shared Prosperity Fund.

## **5 Items from Co-opted Members or Interested Parties**

There were no items from Co-opted Members or interested parties.

## **6 Strategic Place Plans**

The Committee received a report of the Corporate Director of Regeneration Economy and Growth and presentation which provided an update on: the background in relation to Strategic Place Plans (SPPs); what an SPP is; the process in developing a SPP; detail of the SPP pilots focusing on the Spennymoor pilot together with detail of the engagement undertaken with various community groups, the development of the investment plan and detail of the additional data required to develop the SPP; routes for seeking and allocating funding and going forward the delivery of future SPPs highlighting the role of ongoing pilots, the transfer of Area Action Partnerships (AAPs) to economic development and an assessment of their role in developing SPPs in the future, the need for Cabinet to identify resources, the creation of a matrix approach to guide decisions in the future delivery of the programme and current thinking on factors to be considered when prioritising future delivery (for copy of report and presentation slides, see file of minutes).

The Head of Economic Development reminded Members that a previous report to the committee in January, providing an update on masterplan activity in the county, had highlighted to Members that SPPs were to replace Masterplans and that this change in approach was in line with the principles and priorities of the Inclusive Economic Strategy (IES).

He continued that central to this new approach is empowering local communities to shape the future of their Towns and Villages with engagement taking place with local people, businesses, and stake holders to establish a shared vision for each place. He highlighted that the plan will be a live document and will be supported by a combination of a Spatial Plan, Investment Plan and Delivery Plan.

In relation to the process, he commented that it will start with an open brief which involves direct engagement with local people and stakeholders to identify what they want for their area with open discussions highlighting any challenges. The next stage will be shaping/development of the vision with this part of the process led by DCC. A stakeholder group will develop the draft vision through a series of workshops which will be facilitated by DCC. This stage will then be followed by further public consultation focusing on the draft vision with various methods of consultation used including social media, questionnaires, and public engagement events. The fourth stage involves the refining of the vision based on public engagement and the adoption of the vision for that place by Cabinet with the final stage in the process involving the development of the delivery plan based on the adopted vision which is owned by the stakeholder group and adopted by Cabinet.

He continued that three Strategic Place Plans pilots are being undertaken within the county to help refine the approach, understand the resources needed and the timescales involved. The pilots are taking place in Spennymoor, Shildon and Newton Aycliffe and Durham City. It was confirmed that Spennymoor had received government funding of £20m through the Long Term Plans for Town Programme, Shildon and Newton Aycliffe had received National Heritage Lottery Funding and Durham City had been chosen as Cabinet had agreed to create a new version for Durham as detailed in the IES.

The Economic Development Manager then explained in detail the Spennymoor SPP case study. It was highlighted that there are some particular elements within the Spennymoor case study which will not be replicated elsewhere including the establishment of a Town Board to shape the co-design of the Spennymoor vision. The Board will work alongside the community and its stakeholders, supporting the process of ongoing engagement. The remainder of the requirements of the programme are in line with the SPP approach.

The Economic Development Manager then provided Members with detail of how the process for the development of a SPP had been undertaken in relation to the Spennymoor Pilot which included a three-month period of engagement activities undertaken with schools, a Stakeholder Engagement Programme, on street engagement, business drop in sessions and public engagement events. It was highlighted that in relation to the timeline for the case study it would take 7-8 months from the start of the vision through to the delivery of that vision with the plan scheduled to go to government in August. In relation to the development of an Investment Plan for the case study the Economic Development Manager confirmed that a matrix tool has been developed for the Town Board to support decision making on interventions they may wish to include in the town plan. It is designed to be a useful tool to aid discussion and ensure that all aspects of the project are considered. It was highlighted that through the Long Term Plans for Town Programme (LTPT) Government has issued a list of one off investments with some requiring a business case identifying interventions that provide value for money. The Economic Development Manager then highlighted the various additional data required for the development of a SPP which include a Town Centre survey, possibly a series of car park surveys and asset and investment mapping.

In relation to delivering future SPPs it was highlighted that future cabinet reports will be needed to identify resource and the future programme, consideration of a matrix approach to guide decisions on the roll out of the programme with the pilots helping to refine the approach and determine the exact need for resource and timescale for delivery.

The Head of Economic Development concluded by asking Members of the committee for comments on the list of factors for prioritisation when determining the roll out of future SPPs.

Councillor A Sterling referred to the Spennymoor case study and queried the reason why engagement had only involved one primary and one secondary school, and in relation to the business drop-in session, with only 11 engagements undertaken, she asked for clarification as to whether Business Durham had been involved in the process. She continued by asking for confirmation as to the number of days when the on-street engagement session had taken place and that engagement had been undertaken with older residents. She added that she agreed with settlement size being a factor for consideration in prioritisation, however emphasised there was also a need to consider the potential growth of settlements by looking at planning applications.

The Head of Economic Development confirmed that going forward, more on-street engagement would be undertaken. He added that generally it was older residents that engaged in consultation processes and that younger people aged between 30-40 tended to be the hard to reach category. In relation to the suggestion that settlement growth be factored into future prioritisation, he confirmed that a separate criteria could be created. The Economic Development Manager added that there was only one secondary school in Spennymoor and that the primary school was the feeder school for that particular secondary school. In relation to engagement with young people, a fun day was held which was a further engagement opportunity together with a park run. In relation to engagement with businesses, Business Durham fed into the process the points made by larger businesses within the county, however all businesses had been visited and in addition there were opportunities for online engagement. He continued by highlighting that, the Team had also visited community centres to ensure that both young and older resident groups were involved in the engagement process.

Councillor A Sterling commented that the use of social media was a great tool, however she highlighted the danger of potentially getting wish lists. She continued by adding that she would encourage more active on-street engagement as this was a great form of engagement with residents.

The Head of Economic Development confirmed that he agreed with the comments from the member, highlighting the importance of community engagement.

Councillor A Batey thanked Officers for the presentation and commented that it would be interesting to see the priorities of the new Government. She added that the Committee had previously developed a list of priorities in relation to town centres having undertaken a mapping exercise of various towns within the County. She noted that Durham County Council had a large amount of current data and hoped that existing data would also be used in the SPP process. She continued that Chester-le-Street had a considerable outdoor leisure offer, however the Leisure Transformation Programme had not progressed in relation to the proposals for Chester-le-Street. She continued by highlighting the need for local Members to be central in the development of SPPs for their local communities and the need for DCC to provide feedback to all those engaged in the consultation process. The Head of Economic Development agreed that feedback to those who have engaged

in the process was essential and confirmed that Spennymoor had created Working Groups to focus on particular elements of the vision.

Mrs R Morris asked for clarification as to whether the approach only applied to towns in the County and whether it included the wider area. She continued that her local community had a Neighbourhood Forum Plan and asked where such a plan, would fit into the new approach. She queried the data that would be used for the vision document for the area, noting that in County Durham there was a large percentage of the population not located in towns and commented that these areas would have different issues to towns. The Head of Economic Development explained that it was not a one size fits all approach with each area requiring different support/intervention. The approach would look at each place separately and gave the example that if an issue identified during the process was the loss of shops in an area, then potentially what would be needed in the future was more local housing to retain local shops. He added that data and approach were equally important and used the example of parking and the need to understand the issues and perceptions as they were both equally as important.

Councillor B Moist highlighted that the Economy and Enterprise Overview and Scrutiny Committee had pushed for the move from Masterplans which were spatial plans to SPPs. He noted that SPPs would be developed across the twelve main towns in the County and noted that Spennymoor, Shildon and Newton Aycliffe and Durham City had been chosen as pilot areas. He referred to Durham City being chosen as a pilot area and raised concerns that SPPs could be held up for years with issues in relation to the development in Durham City and the Aykley Heads site. He continued that by Durham City being one of the pilot areas, the process/approach was Durham centric and highlighted that there were other areas in the County which should be included sooner in the rollout plan for SPPs. He expressed concern that there were no timescales for the roll out of future SPPs and highlighted that in his opinion the Durham City SPP would take the majority of the available funding. He commented that Bishop Auckland was an area currently doing well and that SPPs were a positive move, however more work was needed with regards to delivery and roll out to towns in North and West Durham. He referenced detail provided to Members in the presentation on the delivery of future SPPs and the transfer of Area Action Partnerships (AAPs) to the Regeneration, Economy and Growth Service Grouping and commented that AAPs did not have expertise in regeneration and the reach into businesses and local communities, highlighting that Members have these links and local knowledge and therefore should play a key role in the development of SPPs. He concluded by saying that delivery would be slow and that Durham was falling behind, both nationally and regionally.

The Head of Economic Development commented that in relation to two of the pilot areas, funding was available from various Government funding pots, and concerning Durham City private investment and the existence of an engaged business base had contributed to it being identified as a pilot area. He confirmed that work was being undertaken to identify timescales and resources and that AAPs would become more engaged with the local community. He confirmed that in

relation to future SPPs Cabinet and/or Government would need to be approached for future resources.

Councillor B Moist further added that there had been no consultation with Members in relation to Durham City being included as a pilot area and that the decision had just been taken. There was a need for more targeted help around the County and Cabinet needed to be pressed to look at other areas of the County for SPPs roll out.

Councillor C Lines highlighted the need for data within the County Durham Plan and Neighbourhood Plans to be taken into account and used to drive local discussion during the development of future SPPs. He asked whether existing plans would be a fundamental part of future place plans. The Economic Development Manager confirmed that plans/data which already existed would be the starting point for discussions. He added that there was a wide range of teams involved in the process across the Council including the Spatial Policy Team who were familiar with issues at local level. Councillor C Lines added that it would be beneficial to go back to groups previously engaged in Neighbourhood Plan development.

Councillor G Hutchinson commented that he had been involved in the Spennymoor pilot. He referred to representation on the Town Board and commented that he felt that there should be more Member involvement at Board level. He added that many Croxdale residents were unaware of the pilot and development of the SPPs, highlighting that it was vital that local residents be involved in the process. He felt that the level of on-street engagement was relatively low and there was a need to involve residents in the process as early as possible. The Economic Development Manager advised that funding had been provided through the Long Term Plans for Towns (LTPT) fund and highlighted that Government had prescribed the number of Member representatives on the Board and confirmed that the Board had five allocated elective official places.

Councillor A Surtees thanked Officers for the presentation and commented that funding of £20m for the Spennymoor pilot did not extend to neighbouring settlements. She suggested that discussions take place with the current Government to see if this could be changed. She continued that she would want the SPP to look at the whole place and used an example across the east of the county, where the general perception is that Seaham gets all of the funding. She commented that SPPs provided the opportunity to look at areas not just towns and that prioritisation needed to include Lower Super Output Areas (LSOA). She asked whether in relation to the Spennymoor pilot the transport needs of Tudhoe and Page Bank had been considered. In relation to Masterplans she commented that she could not think of a plan that had been taken through and fully delivered and highlighted the importance going forward, that SPPs cover an area, not just a town. She felt the process needed to be inclusive and concluded by highlighting that her local AAP takes an holistic approach and were very much aware of what was happening at the local level.

The Head of Economic Development thanked Members for their comments which had been very helpful and that going forward, the prioritisation criteria would need to look at the biggest impact on surrounding settlements.

**Resolved:**

That the report and presentation be noted with Members comments on the Strategic Place Plans shared with the Service Grouping.

## **7. UK Shared Prosperity Fund Update**

The Committee received a report of the Corporate Director of Regeneration Economy and Growth which provided an update on the UK Shared Prosperity Fund Programme and the Rural England Prosperity Fund for County Durham, including governance and performance management arrangements and an update on programme implementation and delivery (for copy see file of minutes).

The Funding and Programmes Manager reported that County Durham had been granted a UKSPF allocation of £30,830,618 and an additional £2,803,077 allocation for Multiply, a new adult numeracy programme. The County also had a further capital allocation of £3.5m through the Rural England Prosperity Fund (REPF), a rural top up to UKSPF providing capital grants to address the challenges that businesses and communities in rural areas face. She continued by confirming that against the grant allocation of £34,342,919 UK SPF and £3,512,301 Rural England Prosperity Fund, £34,349,306 has been committed to various projects to date. It was highlighted that a further 7% (£2,324,775) is due to be approved shortly to projects in development.

The Funding and Programmes Manager then provided an overview of the various projects which have either been delivered or are being delivered across the county through the three core investment priorities of the UKSPF and REPF: Communities and Place, Supporting Local Businesses and People and Skills.

Members were informed by the Funding and Programmes Manager that in relation to the Multiply Programme, this is delivered by DurhamLearn and 11 Partners with significant outcomes including increased participation, enhanced workplace numeracy skills, progression to further education, increased confidence and better support for children's education.

Concerning the REPF, the Funding and Programmes Manager confirmed that an open call was launched in July 2023 for projects to deliver capital investments to develop, extend, restore or refurbish local tourist assets and infrastructure to improve the visitor experiences. The minimum grant request was £50k, with a maximum of £100k. A total budget of £600k was allocated for this call with 23 Expression of Interest forms received by the deadline and following a period of project development undertaken by the UKSPF Team, 9 full applications totalling £760,703 were received. The prioritisation exercise resulted in seven applications

being approved totalling £608,578 with one project subsequently withdrawing resulting in £532,773 committed.

The Funding and Programmes Manager concluded by commenting that the future of the UKSPF is unclear beyond the end of this current financial year. The lack of confirmation on the continuation of this funding and the amount local areas will receive poses a significant risk to the ability to deliver current UKSPF funded activities like employment support and business growth activities. This impact will be felt as early as Summer 2024 as projects start to curtail activity. It was confirmed that the County Durham Economic Partnership (CDEP) is advocating for at least one year bridging allocation to allow UKSPF funded activity to be continued.

Councillor A Surtees declared an interest as a Trustee of the Welcome Centre in Easington which was mentioned in the report as a recipient of the UK Shared Prosperity Fund.

Responding to a query from Mr Simons regarding how the benefits and impact of various projects are communicated to the wider public, the Funding and Programmes Manager advised that they captured outcomes and benefits at project level through performance management and confirmed that in addition the Inclusive Economic Strategy Delivery Plan looks at how actions are delivered with an ongoing evaluation of projects. It was noted that Durham had been chosen as a case study by Government which would provide further information relating to the benefits of various projects and again, this would be reported. With regards to communication, a considerable amount of comms and marketing had been undertaken around specific projects and programmes such as the Business Productivity Growth Programme to ensure that business were aware of the support, events and business networks available. Individual activities were provided with their own press release, however it may not be identified as resulting from the UK Shared Prosperity Fund and this was something that needed to be look into.

With regards to comments from Councillor A Surtees regarding whether grant funding would be defrayed in 2025 if not spent, the Funding and Programmes Manager confirmed that funding will be defrayed if there is an underspend however she advised that the individual projects are indicating that current available funding will be spent. In addition, it had been requested that continuation funding be rolled forward and she confirmed that the team were looking at where funds could be reallocated, if they were unable to roll funding forward.

Mrs R Morris commented that she was pleased to see that there is a careers framework to help improve skills within the county however she noted that it was targeted at specific groups and commented that it needs to be wide ranging and not just target those groups that are economically inactive, the framework needs to apply to everyone. She continued by highlighting that it needs to link to schools and in relation to apprenticeships, she commented that currently there is not the take up, as young people were unaware of the opportunities apprenticeships offer. The Economic Development Manager confirmed that there was a focus on primary and



secondary schools to ensure that schools, children and parents were aware of the future opportunities and pathways available. He confirmed that a meeting was to be held shortly to further progress the framework and that it applies to all ages. He highlighted apprenticeships are a central element and would be linked with the ongoing work of the Combined Authority.

Responding to queries from the Chair regarding who would be delivering the town centre vitality events programme and whether they included all County Durham town centres, the Economic Development Manager advised that there were a range of activities undertaken as part of the vitality programme and referred to a recent exercise to procure external providers to deliver twelve events across the County.

**Resolved:**

That the contents of the report be noted.

**8. Refresh of the Work Programme 2024/25 for Economy and Enterprise Overview and Scrutiny Committee**

The Committee received a report of the Director of Legal and Democratic Services which provided an updated draft work programme for 2024/25 (for copy see file of minutes).

The Overview and Scrutiny Officer highlighted that the work programme had been informed by key documents including: the County Durham Vision; the Council Plan; Cabinet's Notice of Key Decisions; performance and budgetary control data; various partnership plans and strategies and local priorities. She referred to paragraphs 13 and 14 of the report that looked back at the areas of focus for the Committee during 2023/24 and commented that some areas from the previous work programme had been carried forward for inclusion in the draft 2024/25 work programme providing Members with a further opportunity to consider and monitor progress.

It was explained that to deliver the draft work programme, the Committee would need five scheduled meetings which run from July to March 2025, one Special meeting, three Joint Special meetings with the Environment and Sustainable Communities Overview and Scrutiny Committee, one workshop, two site visits and a briefing report. It was noted that the work programme would have to be delivered in a shorter timescale due to the pre-election period commencing in March for the local elections in May 2025.

Going forward, the Overview and Scrutiny Officer emphasised the need for the work programme to be flexible to accommodate any emerging issues, changes in policy and additional items which may arise throughout the year.

Councillor K Shaw referred to the impact of HMO properties across the County, noting the increase in change of use planning applications coming forward in recent years to provide student accommodation at the detriment of much needed family

homes. He was concerned about community cohesion across the County with the growing number of domestic properties being lost in areas that were already under special measures due to deprivation, low property values and anti-social behaviour. He highlighted the increase in applications for social housing with 10,000 applicants currently on waiting lists.

He requested that the Committee undertake a piece of work on HMOs to look at control measures that could be introduced, the numbers within the county and the impact on amenities. He concluded by commenting that HMOs would link in with other housing related topics already identified in the draft work programme for 2024/25.

Councillor R Crute supported Councillor K Shaw's request as HMOs and housing issues in relation to private sector landlords and the impact of Section 21 no fault eviction notices had become a major issue within the County. He added that part of the role of scrutiny was to amplify the voice of the public and there was a need to respond to concerns that had been expressed across the County. He noted the reduced timescale to deliver the work programme as a result of the pre-election period commencing in March and suggested an informal information session could be included within the work programme, inviting all Overview and Scrutiny Members.

The Principal Overview and Scrutiny Officer advised that there were a number of housing related topics already identified within the future work programme such as the Selected Licensing Scheme and the Supported Housing Improvement Programme. He highlighted the need to be mindful not to blur lines of responsibility with regards to Planning Committees and the regulations in place concerning HMOs. He advised that he would discuss with the Service Grouping to ensure that the HMO element would be included in a future housing focused meeting.

**Resolved:**

- i) That the topic of HMOs be included within the 2024/25 work programme.
- ii) That the Economy and Enterprise Overview and Scrutiny Committee work programme for 2024/25 and the flexibility it offers to respond to emerging issues be agreed.

## **9 Minutes of the County Durham Economic Partnership Board**

The Minutes of the County Durham Economic Partnership Board held on 28 February 2024 were noted for information.