

Meeting: County Durham Economic Partnership Board

Date & Time: 25th September 2024 at 1pm

Venue: Conference Room G 104-106, County Hall, Durham/hybrid via Teams



Better for everyone

Present:	Name	Organisation/Pillar Rep
	Glyn Llewellyn (GL)	Chair
	Ailsa Anderson (AA)	Engineering & Manufacturing Network
	Alan Smith (AS)	Believe Housing (lead for Inclusive Growth)
	Andy Broadbent (AB)	New College Durham (lead for People)
	Andy Kerr (AK)	Durham County Council
	Reshma Begum (RB)	Federation of Small Business
	Alison Clarke (AC)	Culture Sport & Tourism
	Cllr Elizabeth Scott (Cllr ES)	Durham County Council
	Sue Parkinson (SP)	CDEP Vice Chair
	Rhiannon Bearne (RBearne)	North East Chamber of Commerce
	Glenn Martin (GM)	Durham County Council – presenting Item 6
	Deirdre Hughes (DH)	Presenting Item 9
	Andy Bailey (ACB)	Durham County Council
	Angela Brown (ABro) (Minutes)	Durham County Council
Also, in attendance via Teams:		
	Kirsty Wilkinson (KW)	Public Health, DCC
	Michelle Cooper (MC)	County Durham Community Foundation (VCS Voice)
	Richard Baker (RBaker)	Durham University (lead for Innovation)
	Kate Burrows (KB)	Durham Community Action (VCS Voice)
	Duncan Peake (DP)	Raby Estates
	Sarah Slaven (SS)	Business Durham (lead for Business Competitiveness)
	Alison Gittins (AG)	Durham Business Group

Apologies:		
	Amy Harhoff	Durham County Council
	Paul Marsden	Head of the Association of Secondary Schools

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1.	Welcome and apologies	GL welcomed everyone to the meeting, and initiated round table/screen introductions.		
2.	Minutes of the meetings: 5th June 2024	The Minutes from the meetings of 5th June 2024 were agreed as a true record of the meeting.		
3.	Matters Arising	There were no matters arising.		
4.	State of the Business <ul style="list-style-type: none"> <i>Northeast Chamber of Commerce – Rhiannon Bearne</i> 	<p>RBearne discussed the new quarterly economic survey for members/non-members. They are seeing an improvement in confidence overall but there are still some issues.</p> <p>Training investment operating capacity and export sales are up but have seen export orders decrease. Cashflow numbers are not as optimistic as they have been.</p> <p>Going into the budget at the end of October they will be looking at skills and continuing work around the Local Skills Improvement Partnerships which are led by the Chamber of Commerce nationally and alongside other partners.</p> <p>Currently looking at business rates and stability for organisations in relation to long-term financial certainty.</p> <p><i>Questions/Comments</i></p> <p>RBaker would be interested to know if the Universities were involved in the Local Skills Improvement Partnerships as he understood there were local skills investment plans. He mentioned they have launched the new MOU with the 4 FE</p>		

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	<ul style="list-style-type: none"> <i>Federation of Small Businesses – Reshma Begum</i> 	<p>Colleges in the region and they were trying to be more collaborative around skills and supply and looking into how they can work with sectors across the region in a more cross cutting way.</p> <p>RBearne replied that the local skills improvements plans do sit alongside the work of NECA, Local authority, and FE Colleges in particular. There are 2 in the region but do not cover the County Durham geographical area. RBearne will speak to RBaker outside the meeting in relation to this.</p> <p>AA mentioned she had attended Local Skills Improvement planning meeting and there was someone there from the University. They would find out who this was and let RBaker know.</p> <p>Action:</p> <ul style="list-style-type: none"> RBearne to contact RBaker in relation to Local Skills Improvement Plans. AA to find out who attended the Local Skills Improvement planning meeting and let RBaker know. <p>RBegum stated that some of the data from their Q2 survey was showing the opposite to what the NECC were seeing. After a really strong start in 2024, with businesses being quite buoyant they had unfortunately seen a drop in Q2 back down to below zero, but in a positive note, this was still above the national average. Businesses across the region noted that general economic conditions for tax burdens have fallen. Utility costs and labour costs are big barriers to growth over the next 12 months. Investment retention seems to have fallen but think that maybe due to nervousness of the business community in relation to the general election.</p> <p>Working towards the budget the FSB have made submissions to the new government largely based on the general election manifesto asking to help grow businesses and invest. The government have made changes to legislation for late payments which is great to see and will be helpful for small firms for due diligence. Since the last meeting the High Street Report has been launched, which RBegum agreed to circulate to Board.</p>	<p>RBearne</p> <p>AA</p>	

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		<p>Action:</p> <ul style="list-style-type: none"> • RB will share the High Street Report with Board members. <p><i>Questions/Comments</i></p> <p>Cllr ES asked what the main points were in the High Street Report. RBegum replied that it is a lot of what you would expect. She then summarised as follows:</p> <ul style="list-style-type: none"> • There is a lot of talk about retail, hospitality and leisure having been at the receiving end of a lot of the challenges, so across these sectors the focus is on support and new ways of revitalising high streets. • The FSB recognises that it's not about traditional high streets as once were and it's also about creating thriving places. • There are parking issues in some areas which is a challenge for some high streets. • There is also a recommendation about bringing together multiple pots of funding and using best practice to provide value and improved effectiveness. <p>GL thought there had been a change of environment in High Street now. RBegum agreed and said that one size does not fit all therefore er need to be pragmatic with the way we apply recommendations.</p> <p>DP mentioned that the LSIP had no representation in relation to the visitor economy and this can impact on funding on FE colleges and he asked if this was because the NE Automated alliance was leading it?</p> <p>AA said there are various streams, but she had only spoken about skills in the advance manufacturing stream. She will take back to Paul Butler and Mark David who are leading on this and ask him to contact DP.</p> <p>AB said that as the college fed into what LSIP should cover he was surprised the visitor economy was not covered but mentioned that neither was education.</p> <p>DP asked if the LSIP should aligned with the IES and if this will happen under NECA?</p> <p>AB replied that it should be.</p>	RBegum	

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	<ul style="list-style-type: none"> Engineering and Manufacturing Network – Ailsa Anderson 	<p>RBearne informed the Board that most LSIPS run to end of financial year were set up to focus on key sectors. A decision will then be made after this to decide what happens to them.</p> <p>RBegum said NECA done work on destination Northeast England partnership that will deliver a regenerative tourism framework which will highlight skills need that are needed for the tourism industry. So, it is something that NECA are aware of and are working on</p> <p>AA felt that generally Q3 information mirrors what both have said so far with 6/10 companies expecting better growth, however orders are down. Export orders are down slightly, but this is expected to improve.</p> <p>Recruitment challenges are easing and are filling vacancies now. The movement of people to different companies has also slowed.</p> <p>Pay settlements are averaging nationally around 4% but in Northeast 50% are 4% or above.</p> <p>The main problem is the lack of candidates with the right technical skills. Around 71% are businesses are looking to recruit in the region.</p> <p>The main reasons why cannot fill posts are as follows:</p> <ul style="list-style-type: none"> 5% - insufficient candidates 10.5% - lack of qualifications 3.7% - lack of technical skills 4.2% - lack soft skills <p>Although confidence is high, with change in government, this has not caused the boost they expected.</p> <p>The autumn statement is pushing the manifesto to get the Industrial Strategy Council moving. 2 people have been proposed for the position of chair, however no one has been appointed as yet.</p> <p>Proposals are costed to make sure SME's are aware of what changes will cost them.</p> <p>The biggest one is that owners are moving to employers to explain why they cannot flexibly work.</p>		

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	<ul style="list-style-type: none"> Alison Gittins – Durham Business Group 	<p>Another big push is the apprenticeship levy. Potentially thresholds may come down. There is a concerted effort to increase thresholds so businesses can draw down for apprenticeships.</p> <p>Good news is the regional report come out and the Northeast and Northwest are standing out for outputs and orders, which is really positive, and we seem to be doing better than other area, Pharma stand out as outperforming others in this area.</p> <p>Events are fully booked for first time ever. An Executive Group event is happening at Raby Castle next week and then another event at Hardwick Hall. Also have a breakfast event for 80 people booked for tomorrow.</p> <p>People are embracing the network more than ever. Seeing a surge in start ups with 6 new ones recently.</p> <p>There are still lots of challenges around, but the business community is coming together more than ever.</p> <p>GL asked AG if she could prepare a note to circulate to the Board on how businesses in Durham are doing? AG agreed to do this.</p> <p>Action:</p> <ul style="list-style-type: none"> AG to prepare note on how businesses in Durham are doing to circulate to Board members 	<p>AG</p>	
<p>5.</p>	<p>Place Brand Work – Alison Clark</p>	<p>AC presented to the Board on the Place Branding Project.</p> <p><i>Questions/Comments</i></p> <p>RBearne felt that the presentation was excellent and the good work carried out so far was timely.</p>		

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		<p>DP applauded DCC for doing this piece of work and it had been great to see the place branding work emerge. He asked how this work would align with the IES Delivery Plan? As a business community we need to be having conversations to ensure branding is included in the IES Delivery Plan.</p> <p>RBaker agreed with DP and felt it was a useful exercise so far. He said the perception research feels right. One message given at the Place Board is that it is about taking the time to make sure the right ideas are incorporated.</p> <p>SS shared similar point to RBaker and agreed it was an important piece of work to do. It is equally as important that we make sure we have the right engagement strategy in place in terms of all partners we want to engage with and how we embed this in. We have an active programme of activity over the next 12 months to make sure that happens. If we are going to deliver what we are trying to achieve we do need to have an action in IES Delivery Plan that is all about that piece of work.</p> <p>Action:</p> <ul style="list-style-type: none"> • ABrown to share presentation slides after the meeting today 	<p>ABrown</p>	
<p>6.</p>	<p>IES Delivery Plan Progress – Glenn Martin</p>	<p>GM gave an overview of the IES Delivery Plan</p> <p><i>Questions/Comments</i></p> <p>SP mentioned that the IES Delivery Group is a subgroup of the CDEP Board and would like them to see this presentation. We also need to consider the governance structures of other partners (not just DCC Cabinet) as this is a partnership document.</p> <p>At the Delivery Group we need to be looking at what that focus is.</p>		

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		<p>RBaker said it was a useful update and would like the presentation circulated. Need to check data and it would be useful to understand if we have more clarity on what the local growth plan is as always seem to be ahead of the game. If there is a local growth plan, then what are our own plans trying to achieve to underpin that for investment purposes. This depends on what the plan is going to be as we all have our own ideas on what we want for County Durham.</p> <p>AS said that we need to be looking at the Government budget in October and where this will impact the Economic Strategy.</p> <p>Action:</p> <ul style="list-style-type: none"> • ABrown to circulate presentation after the meeting today • GM will give more detailed update at the next CDEP Board meeting on the IES Delivery Plan progress. 	<p>ABrown GM</p>	
<p>7.</p>	<p>Update on Devolution & UK Government Policy Developments – Andy Kerr</p>	<p>AK gave an update on Devolution and UK Government Policy Developments.</p> <p>The narrative is that we are not expecting things to change with the review. The government want a big consultation on the National Planning Policy Framework (NPPF). There are overly ambitious targets that sit in these. 300,000 homes to be built in a year, which we have never done apart from when we were building 150,000 council houses per year. The Private Sector housebuilding in this country plateaued at 150,000 homes throughout with the notion that changes to planning will release all these new homes, which seems to be quite floored.</p> <p>The consultation is out at the moment, and we will be feeding back to NPPF. We need to know as a region what a spatial plan will look like. A lot of challenges are influenced by house builders.</p> <p>The Local Growth Plan issue has not identified to NECA what it is yet. They have indicated that it will be 3-5 investable propositions around where key sectors are, so one of key focus for us is different sectors. We have been pushing on a little in the advanced manufacturing sector and NECA have narrowed this to EV, but we think it should be broadened out. Space is one of our key themes as well as others.</p>		

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		<p>The Government could say we have devolution so if it's a priority to us then they may expect us to fund it. We also need to align to the Industrial Strategy on a national level.</p> <p>County Durham (NECA) On the verge of submitting a business case for infrastructure funded through NE Investment Zone. There is around £80m in first 5 years of investment. There is already a big ask been approved around skills in Sunderland and Nissan and another big offshore ask coming. We need the NETPark Phase to grow to enable inward investment opportunities so looking at a £12m business case into Durham at the moment which we are hoping to submit that would be ahead of the £20m we had already secured through devolution deal.</p> <p><i>Questions/Comments</i> AS – Consultation closed last night for NPFF. Hopefully it will enable those house builders to progress developments that have been blocked by previous governments. There is a shortage of housing. Targets for Durham are up from 1200 to 2200 per year. So that's a 67% increase across the region, which is a big ask. The Government have already increased their targets to make sure their commitment is achieved. There is a skills shortage which underpins this and there are not the kind of trades there to meet these targets. Also, we need money from government to be able to build. The right to buy bill will put tremendous amount of pressure on private landlords, which may cause issues and challenges around place elements on IES.</p> <p>SP – Interested to know if we have a limit for capital investment. We really need to keep eye on how revenue flows side by side on this.</p> <p>MC - With all this development will you push hard on meaningful social value and community engagement? Labour has pushed back the act to next year at the earliest and the risk (not least to County Durham Pound project) is yet more</p>		

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		<p>tokenistic social work will happen. If you are smart then skills and money can be gained at a time when we are short of both. Biodiversity is key too.</p>		
8.	<p>Rural Issues – Duncan Peake</p>	<p>DP gave an overview on Rural Issues.</p> <p>GL mentioned that it had previously been agreed to form a subgroup to look at rural issues.</p> <p>DP mentioned that there are sometimes false perceptions what rural is all about. Farming is particularly important to rural area, but it is not the whole picture. There is the visitor economy and small businesses that exist in all the market towns and villages up and down the county, so its important that we understand that.</p> <p>The rural economy is in microform. It needs to be able to change and adapt like any other economy. There are huge constraints placed upon anybody operating in the rural sector and need to bear in mind that 1 in 4 business are located in rural areas.</p> <p>So a sizeable proportion of our SME's will be operating in the rural environment where they have all sorts of landscape and environmental planning designations that prevent change.</p> <p>Something touched on at last meeting was the feeling of many people particularly in the farming community that things are done to them, and they have no influence on lives or business. This is something we need to be conscious of.</p> <p>There are opportunities. We now have a labour government that has come in and focusing on growth. However, there was little reference to the rural economy in the Labour Party manifesto so feel we need to be lobbying in the policy area to make sure things like the land use framework which is being considered by government now doesn't end up being another constraint on those operating businesses in rural areas.</p>		

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		<p>There are all sorts of opportunities around renewables and energy which rural business can exploit so these areas need to be looked at.</p> <p>More locally the issues really effecting rural businesses are rural crime and lack of affordable housing so we need to consider this in the planning policy.</p> <p>Digital connectivity is also still an issue and although there has been progress made, the procurement of rural broadband through DCMS has not gone well.</p> <p>A lot of people are moving to the countryside to enjoy retirement and do not want change and there are a lot more objections to new building developments within these rural areas.</p> <p>Devolution is an opportunity particularly around farming and rural business. The Government just sees the rural economy on a national level. With more devolution, people who know their own areas can make the best decision for their areas, so if there is opportunity to lobby for more devolution in areas, then the rural economy would be a good area to focus on.</p> <p><i>Questions/Comments</i></p> <p>GL mentioned that there will be a special meeting of the board organised to discuss the issues. To be hosted at Raby Castle on the 4th November.</p> <p>KB - Recognition of the contribution of volunteer & community led community businesses/social enterprises within the rural economy is also important, and to the local economy as a whole. Rural affordable housing is a key issue for the ACRE network. Totally agree with DP on the policy issues here. DCA is working with DCC teams, but our Rural Housing Enabler is working very hard to get engagement and traction with Parish Councils on this issue.</p>		
9.	All-age Careers Framework for Co Durham – Deirdre Hughes	<p>DH gave a presentation to the Board</p> <p><i>Questions/Comments</i></p>		

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		<p>Cllr Scott –Will the report tell us how are or what things should be? DH replied that it has to have action plan that goes with it. Think could do a lot more around innovation for County Durham. DG requested that the Board please engage with them to make it a compelling narrative.</p> <p>Action:</p> <ul style="list-style-type: none"> • ABrown will circulation presentation after the meeting today 	<p>ABrown</p>	
<p>10.</p>	<p>Any Other Business</p>	<p>MC mentioned that it would be good to have a voice from he voluntary sector in these meetings and maybe ensuring there is an agenda item to hear from that sector too?</p> <p>Action:</p> <ul style="list-style-type: none"> • SS to pick up with ACB and ABrown outside the meeting and flag with SP and GL. 	<p>SS</p>	
<p>11.</p>	<p>Date and time of Next Meeting</p>	<p>4th November 2024 – Special Board meeting on rural issues @ Raby Castle</p> <p>4th December 2024 – CDEP Board - at 1pm venue TBC</p>		