

Economy and Enterprise Overview and Scrutiny Committee

10 September 2013



Regeneration Statement

Joint Report of Lorraine O'Donnell, Assistant Chief Executive and Ian Thompson, Corporate Director, Regeneration and Economic Development

Purpose of the Report

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with background information on the Regeneration Statement prior to the overview presentation outlining the Council's approach to regeneration.

Background

- 2 As part of the refresh of the Committee's work programme for 2012-2014, it was identified by Members that an overview would be provided in relation to the refresh of the Regeneration Statement which was considered by the Economy and Enterprise Overview and Scrutiny Committee at the meeting on the 24 September 2012. At that meeting it was agreed by Members that an update on the development of the Regeneration Statement would be included in the future work programme of the committee.
- 3 It was therefore thought timely particularly for new Members of the Committee to receive an overview presentation outlining the Council's approach to regeneration at the Committee meeting on the 10 September 2013.

Regeneration Statement

- 4 The County Durham Regeneration Statement was developed in 2009 and underpins the 'Altogether Wealthier' theme of the Sustainable Community Strategy for County Durham. It sets an integrated economic development, planning, housing and transport policy framework for County Durham and outlines the County Durham Economic Partnership's (CDEP) approach to delivering its ambitions. The Statement specifies the spatial, social and economic priorities over the coming years whilst recognising the tough economic climate that still exists and the altered landscape of economic development and regeneration.
- 5 The Regeneration Statement underpins the Sustainable Community Strategy and has framed the County Durham Plan, the County's Planning Framework, the Local Transport Plan, the County Durham Housing Strategy and the Business, Enterprise and Skills Strategy. Each of these plans and strategies are targeting delivery and channelling investment which makes the most of opportunities and tackles the key issues.

- 6 The initial County Durham Regeneration Statement that was developed in 2009 was welcomed by partners and set the direction of travel for Regeneration and Economic Development in County Durham. In 2012, following the experience and evidence which had been gained during the previous three year period it was considered time to reflect and refresh the Vision and restate our ambition of shaping a County Durham where people want to live, work, invest and visit whilst enabling our residents and businesses to achieve their potential.

Progress

- 7 The first Regeneration Statement developed in 2009 recognised the progress that had been made up to that point. Following Local Government Reorganisation it looked at what needed to be delivered in the following years. Although at the start of the recession, the economic climate of the County was changing significantly, when the first Statement was developed the full impact of the recession could not have been predicted. The pre-recession employment rate had been rising and was close to the national average, with 72% of the working age population in employment. Gross Value Added (GVA), which captures the productivity of an area, had declined since the 1990s and had remained static at around 61% of the UK average. Educational attainment was continuing to improve in the County, with the proportion of people with no qualifications reducing and those with low level qualifications increasing in line with regional and national rates. Higher level qualifications attainment still had a significantly wider gap between regional and national averages. A lot has happened since then, with the continuing stagnation of the economy, and major reductions in the public sector.
- 8 Despite the substantial challenges facing the County, a good start had been made. The emerging County Durham Plan provides a coherent Spatial Planning Framework, focused on areas of opportunity closely aligned to housing and economic development strategies. Masterplans are in place for the majority of main towns, with private sector interest and investment in key sites.
- 9 Council investment has been directed towards major projects such as the East Durham Rail Station which will improve accessibility to labour markets for the residents of East Durham, the DurhamGate development in Spennymoor which will lever in £200m of private investment and locate 2,000 jobs in the County, as well as additional business space in Consett, and housing renewal programmes across the County. Confidence has been further strengthened by the announcement of the location of the Hitachi train manufacturing facility in the south of the County.

- 10 The focus on Durham City as an under utilised economic asset is becoming well established. While the focus on Tourism has progressed despite the withdrawal of support and funding by ONE North East. Successful events such as Lumiere have been delivered which raised the City's profile and boosted the economy by over £4m over the four day event in 2011. Physical improvements to the market square, clear identification of sites for development and planning for further growth and transport options is underway.
- 11 The Statement has been used to identify key priorities for funding bids and future investment planning within wider regional and sub regional policy settings such as the North Eastern Local Enterprise Partnership (NELEP) and Tees Valley Unlimited.

Regeneration Statement 2012

- 12 A refreshed Regeneration Statement was agreed by Cabinet on the 24 July 2012 and recognised the progress made since 2009 and looked forward over the next 10 years to a challenging integrated programme of activity which takes advantage of key assets and tackles any constraints to growth
- 13 The refreshed Statement identifies the key issues facing the County as including a weakened local economy and high unemployment. The achievement of the pre-recession employment rate will require a substantial level of employment growth to replace and exceed the level of jobs lost through the economic downturn and public sector contraction.
- 14 In addition, the refreshed Statement suggests how these issues can be tackled through a partnership approach continuing to invest in opportunities across the County and capitalising on strengths including Durham City and Hitachi locating at Newton Aycliffe, aligning activity and leveraging private sector investment, to deliver the aims and objectives outlined in this Statement, to tackle the key issues facing the County. By building on and investing in our major assets, alongside complementary interventions this will support the County's potential for growth and connect areas of growth with deprived areas in need of regeneration. By following a phased approach across the County, utilising these opportunities we will be able to deliver the greatest impact for each locality and the whole of the County, using the resources available to us to best effect. Through a partnership approach we will:
 - Lift constraints on development and stimulate investment in the economic infrastructure needed to increase economic activity and wealth
 - Capitalise on Durham City's business and tourism potential to drive forward economic growth for County Durham
 - Invest in our major towns, continuing with our 'Whole Town' approach.
 - Drive forward the delivery of new homes with the right mix of services to support growth aspirations
 - Improve the range of choice and standard of existing public and private housing

- Invest in our human capital as a direct contributor to growth
- Address the needs of our most vulnerable residents, mitigating the impact of welfare reform.

15 As well as the refresh of the Statement, the 'Altogether Wealthier' Delivery Plan has also been refreshed to ensure that the necessary steps are taken towards achieving the ambitions of the CDEP for the County.

16 The presentation to the Economy and Enterprise Overview and Scrutiny Committee on the 10 September 2013 will provide an overview focusing on the following:

- Ambition and Objectives
- Challenges
- Opportunities
- Approach to Regeneration and Economic Development in County Durham
- Key Initiatives

Recommendations

17 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided during the presentation.

Background Papers

- Cabinet Report, 24 July 2012 – County Durham Regeneration Statement 2012
- Economy and Enterprise Overview and Scrutiny Report, 24 September 2012 – Regeneration Statement 2012

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Appendix 1: Implications

Finance – The Regeneration Statement outlines the approach for investment which includes Durham County Council’s capital programme.

Staffing – The Regeneration Statement shapes delivery as articulated through the operational planning framework.

Risk – None

Equality and Diversity – Equality and diversity principles have been an integral of policy development in relation to the Regeneration Statement. Detailed Equality Impact assessments have been and will be carried out for individual strategies or projects.

Accommodation – None

Crime and Disorder - None

Human Rights - None

Consultation – The Regeneration Statement has been consulted upon through the CDEP.

Procurement - None

Disability Discrimination Act - None

Legal Implications – None