



**County Durham Business & Enterprise Framework**

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**Report of Corporate Management Team**

**Ian Thompson, Corporate Director of Regeneration and Local Services**

**Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration**

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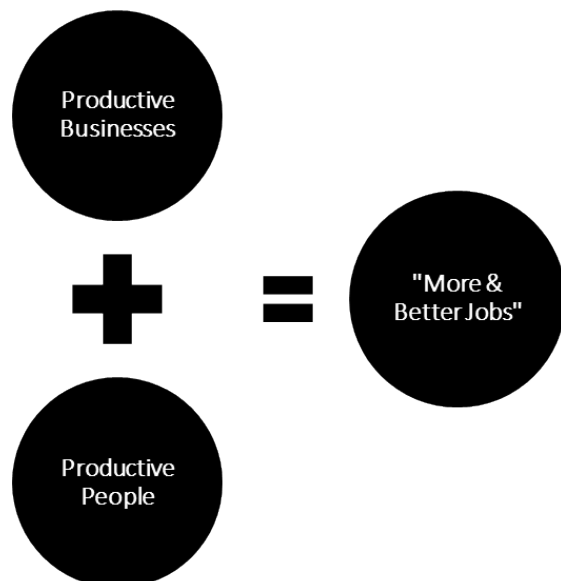
**Purpose of the Report**

- 1 This report provides an overview of the Business and Enterprise Framework which has been developed by the CDEP Business, Enterprise and Skills Working Group to replace the Business, Enterprise and Skills Strategy (2012). CDEP Board is asked to adopt the framework and CDEP partners will be expected to do the same.

**Background**

- 2 The Business and Enterprise Framework has been developed in response to complex, changing, and uncertain economic and political conditions (e.g. 'Brexit'); during which we maintain committed to supporting businesses. Whereas the usual approach would be to develop a strategy, partners felt strongly that a more flexible approach is needed in the current circumstances and hence a framework was proposed.

- 3 The framework focuses on improving the productivity of our businesses and workforce in order to overcome key economic weaknesses. It will contribute directly towards the achievement of the North East's Strategic Economic Plan and its ambition to generate "More and Better Jobs". The 'Competencies' that the Framework uses will help us to support businesses and individuals to identify opportunities to achieve more.



- 4 The Framework fits within the County's suite of regeneration and economic development strategies; below the umbrella of the Regeneration Statement and alongside the County Durham Plan and other thematic strategies such as the Skills Strategy.
- 5 The end product will be an online portal which partners can use to access and share evidence and good practice with the aim of supporting businesses and enterprises to be more efficient, grow, and employ more people.

## Vision

- 6 The Framework's vision is:

***“to grow the private sector in County Durham by improving Gross Value Added Per Filled Job by £1,200 per annum to achieve a target level of £49,000 by 2020. We will do this by extending sectors, increasing the number and quality of private sector jobs, encouraging innovation, and improving market access.”***

- 7 Given that the County's private sector base is relatively small, partners decided that the framework should specifically focus on generating more private sector jobs in the county. This will help to generate more businesses and jobs, diversify the County's industrial profile, and develop supply chain relationships.
- 8 The over-arching weakness in the County's economy is its productivity gap with the national average and other parts of the UK. Partners identified that effective business and enterprise support should help improve the efficiency of businesses; and therefore their productivity. At headline-level the Framework therefore focuses on improving the overall productivity of the County; below this, the business competencies analysis (see below) will help individual businesses to improve their productivity.

## Overview of the Business & Enterprise Framework

- 9 The Framework has three key components which provide both an evidence-base and provide the basis for improving business and enterprise support:
  - a. **Business sectors:** Bespoke analysis was undertaken which identified eight distinct industrial sectors in the private sector based on supply chain relationships and business interactions which will help to tailor business support to different sectors.
  - b. **Business geography:** Maps were developed for the County to identify geographic clusters of businesses and employment hotspots for the eight sectors, which will be used to target business support.

- c. **Business competencies:** Analysis identified different competencies (e.g. financial awareness, management skills) that are key to successful businesses, which will be used to identify and fine-tune business and enterprise support for businesses in the County. This method and analysis was been identified by NELEP as good practice and will be used to support the regional Growth Hub.

- 10 The Framework aligns with the regional Strategic Economic Plan (SEP) by recognising that productive businesses and productive people (business owners and staff) support the achievement of *'more and better jobs'*; the strapline for the SEP.

### **Delivery and Implementation**

- 11 As identified above, partners are keen that the Business and Enterprise Framework can be flexed as economic, political and organisational conditions change. The Framework will be developed as an online resource which will involve the development of a brand or identity and interfaces for different partners and users. This will enable the Framework to be kept up-to-date, giving it longevity, and allowing it to develop over time as user's needs change. It will also allow us to monitor and report progress towards the Framework's objectives and update its evidence base.
- 12 This process is a new way of developing strategies and will be used as a pilot for future economic and regeneration strategies. The development of the online framework will be financed by Durham County Council on the condition that CDEP partners contribute towards its development and use.
- 13 We will also continue to work with NELEP to align the Framework with the NELEP Growth Hub and share experience and good practice. It will also enable us to refine the Business Competencies analysis and address gaps in the support that is available for businesses and enterprises in the County.

### **Monitoring Performance**

- 14 The headline measure for the Framework relates productivity to jobs. A measure that is commonly used is 'Gross Value Added per Head' - which relates to the total population of the county; including those under-16, retirees, those in further and higher education and others not actively seeking work. For the purposes of this framework, however, the measure of 'Gross Value Added Per Filled Job' was selected; which directly relates productivity to the numbers of jobs in the county.
- 15 A range of other measures will also be used to track progress including a mix of national statistics such as 'business stock' and 'self-employment' and project-based indicators such as 'jobs created'. Periodic reviews will be undertaken to track progress towards the vision and economic targets

of CDEP as well as re-mapping new business data to identify changes in sector geography. The County's quarterly economic bulletin has also been aligned to the Framework to help monitor progress.

### **Next Steps**

16 The next steps are to:

- Translate this Framework into an online resource that can be continuously developed
- Refine the business competencies analysis
- Monitor and report the County's performance using the agreed measures and targets
- Encourage relevant CDEP partners to adopt the Framework.

### **Recommendations**

17 Cabinet is asked to approve the contents of this report and endorse the next steps to implement the Business and Enterprise Framework.

### **Background papers**

Draft Business and Enterprise Framework

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## **Appendix 1: Implications**

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### **Finance –**

Operating the Framework as an online resource will require ongoing finance which is yet to be determined.

### **Staffing –**

The management and review of the Framework will require an ongoing commitment of resources which are yet to be determined.

### **Risk –**

No specific implications have been identified.

### **Equality and Diversity –**

No specific implications have been identified.

### **Accommodation –**

No specific implications have been identified.

### **Crime and Disorder –**

No specific implications have been identified.

### **Human Rights –**

No specific implications have been identified.

### **Consultation –**

No specific implications have been identified.

### **Procurement –**

No specific implications have been identified.

### **Disability Discrimination Act –**

No specific implications have been identified.

**Legal Implications** – Operating the framework as an online resource may require the storage of a limited amount of personal information.