

Cabinet

14 December 2022

Adoption of the Inclusive Economic Strategy



Key Decision No. REG/08/22

Report of Corporate Management Team

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Councillor Elizabeth Scott, Cabinet Portfolio Holder for Economic Regeneration 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) that has been developed through the County Durham Economic Partnership (CDEP).

Executive summary

- 2 In December 2021, the Council's Cabinet agreed the process for developing a new Inclusive Economic Strategy (IES). This is a strategy of our county, not of one organisation, and has been codeveloped in partnership. It takes a holistic view of what the economy needs so that all people and places can contribute to and benefit from growth and the county's success, whilst having a positive impact on the planet. Our first County Durham IES has been developed by CDEP with residents, businesses, anchor institutions, and the voluntary and community sector. It sets a clear long term vision for the County's economy through to 2035, and will be delivered through a series of Delivery Plans formed and delivered in partnership through CDEP.
- 3 The IES is underpinned by a comprehensive evidence base (Appendices 3a and 3b) and an Economic Statement (Appendix 4) that establishes the state of our economy today and our opportunities and challenges in the future. This has informed the IES vision, priorities,

and areas of focus - such as our strengths in advanced manufacturing, key opportunity sectors for growth, and addressing the causes of economic inactivity around health. But the journey and partnership working to build the strategy have been as important as the final document. The Econversation – a new approach to public and stakeholder engagement that has provided a detailed understanding of the aspirations and priorities of our residents, partners and businesses and the barriers to creating economic growth that is inclusive for all. The draft strategy has also been considered by Economy and Enterprise Overview and Scrutiny Committee (OSC), and its feedback has been important in shaping the final IES (Appendix 6).

- 4 The new approach to engagement has also allowed us to re-energise relationships with partners such as CPI, the University and the further education colleges, alongside the CDEP which have been integral in developing the IES. More importantly, these partnerships are committed to being the key driving forces in delivering the future vision.
- 5 Our vision for County Durham's future is to have a sustainable, inclusive economy with a diverse range of jobs to meet all skill levels, with targeted training and learning programmes tailored to our employment specialisms and needs of business. The Strategy (Appendix 2) aims to raise aspirations in our young people and deliver a step-change in our economic growth with all our partners and activity aligned to delivering an agreed future vision.
- 6 To achieve this the IES sets a framework for an inclusive economy, focusing on People, Productivity, Places, Promotion and Planet:
 - People - We will support people into education, training, jobs, and to excel in business and their careers;
 - Productivity - We will support business innovation, growth, and higher levels of productivity;
 - Places - We will improve places and plan infrastructure so that people and businesses can access opportunities;
 - Promotion - We will promote our county, assets and opportunities to businesses, investors, visitors, developers and residents; and
 - Planet - Within each of the above headings we have specific actions related to green growth. The target for County Durham to become net zero has been brought forward to 2045. The Climate Emergency Plan sets out how we need to be at the forefront of the clean, green, industrial revolution. This strategy needs to complement these plans by investing in people, technologies, research and development, and business.

- 7 Our next steps are to develop a detailed Delivery Plan and monitoring framework to deliver against our Strategy. CDEP will engage stakeholders, residents, businesses, education providers, and communities in decision-making and the development of relevant actions and initiatives. The use of a Delivery Plan approach throughout the vision period will enable regular reviews to respond to economic changes; allow priorities to be reassessed and recalibrated; and actions to be refined based on whether outcomes are being achieved. This will ensure the IES remains a relevant and live document throughout its lifespan.
- 8 If Members are minded to adopt the IES, it will be formally launched in the new year. It will also be promoted across social media and on a dedicated web page and become the key document in DCC's Economic Development. Reflecting CDEP's key role in preparing the IES and owning its future delivery, where appropriate partnership members will also take the IES through their own approvals processes in parallel to it being signed off by Cabinet. CDEP is also in the process of undertaking a review of its Membership to identify any gaps in representation and Terms of Reference in light of the new Strategy and its role in developing and driving the Delivery Plan.

Recommendation

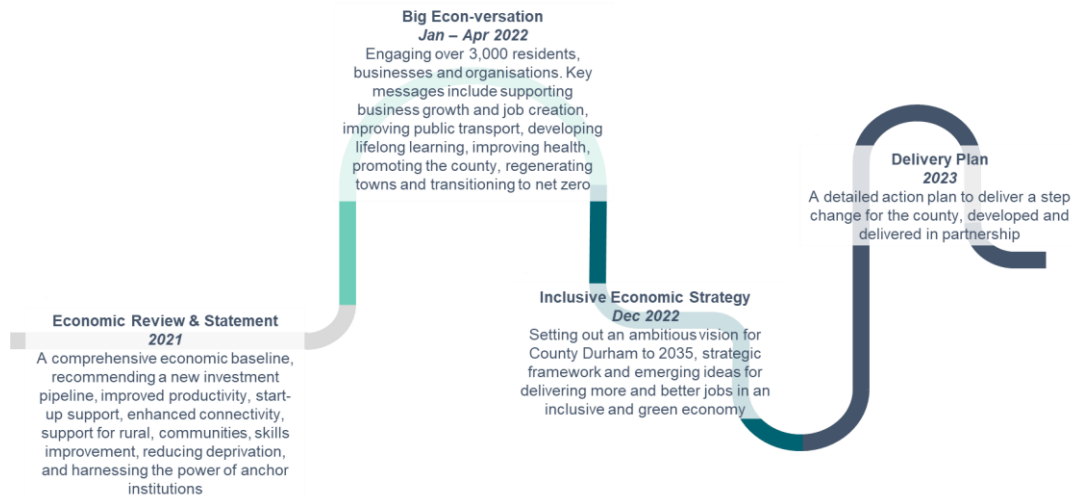
- 9 Cabinet is recommended to:
 - (a) adopt the County Durham Inclusive Economic Strategy presented in Appendix 2.

Background

- 10 The first stage in creating the IES was to produce a comprehensive economic evidence base to understand our economy (Appendices 3a and 3b). This was captured in an Economic Statement (Appendix 4) which provides the strong foundations to make evidence-based decisions about the future of our economy. The Statement provides clarity on how the economy is performing and what are the opportunities and challenges. This has informed the IES vision, priorities, and areas of focus - such as our strengths in advanced manufacturing, key opportunity sectors for growth, skills and education, and addressing the causes of economic inactivity around health.
- 11 The journey and partnership working to build the strategy have been as important as the final document. The Big Econversation (Appendix 5) was undertaken between 31 January and 22 April 2022 and developed a new approach to engaging with our communities and stakeholders. The engagement was widely promoted including through press releases, social media, case studies, a radio advert for Smooth NE, bus panels and digital media. There were also 86 events held and attended by over 1,500 people which identified key issues to be tackled and suggested some actions to address them. A total of 1,455 surveys completed including from 918 residents, 94 businesses and 443 young people were also received. Feedback received during the Econversation was sense checked in a number of CDEP led workshops held in July and following preparation of a draft strategy a round of targeted engagement was also undertaken in September.
- 12 It is this strategy that sets a long term vision for County Durham's economy - In 2020 the Council adopted the County Durham Plan, but CDEP was working to an historic Regeneration Statement prepared back in 2012. If the County Durham Plan looks at where growth will go, the Strategy sets out how we plan to achieve that growth and who that growth will benefit. Some of this builds on the excellent work that is already taking place, but establishes clarity of direction and clear priorities to inform future decision making and drive a step change in delivering economic growth for the county.
- 13 Once approved, the IES will provide the bold ambitious long-term vision, and a framework as to how that vision will be delivered. The next stage of strategy development will be to create a detailed short to medium Delivery Plan through CDEP. Applying a Delivery Plan approach will allow the adoption of a long term vision until 2035 that provides clarity, consistency and confidence, but then allows flexibility in delivery. The development of a series of Delivery Plans throughout the vision period will enable regular reviews to respond to economic changes; allow priorities to be reassessed and recalibrated by future

administrations; and actions to be refined based on whether outcomes are being achieved.

Figure 1 – IES development process



Inclusive Economic Strategy

The Vision

- 14 The key to delivering an inclusive economy for County Durham is to have a clear, bold and ambitious vision for the future, developed in partnership, and to which all our partners have signed up to deliver. This long-term economic vision for County Durham in 2035 balances our need to growth with achieving prosperity for all. At the same time as responding on the immediate challenges in front of us, we are focused on building a stronger County Durham, one where everyone realises their ambitions in a modern green economy firmly focused on the future.
- 15 By 2035 County Durham will be a sustainable, inclusive economy with a diverse range of jobs to meet all skill levels, with targeted training and learning programmes tailored to our employment specialisms and needs of business.
- 16 We will have strengthened the existing strong partnership working in the county, with agile support for businesses, residents and places to transform the economies in all our communities - a catalyst that mines our assets in new and imaginative ways and delivers recovery and renewal rooted in our place to reconnect people, places, history, culture, and land.

- 17 The county will balance growth with prosperity for all and support for cost of living. At the same time as responding on the immediate challenges in front of us, we are focused on building a stronger County Durham, one where everyone reaches their potential and we have a future focused economy. That is the focus of this long term strategy.

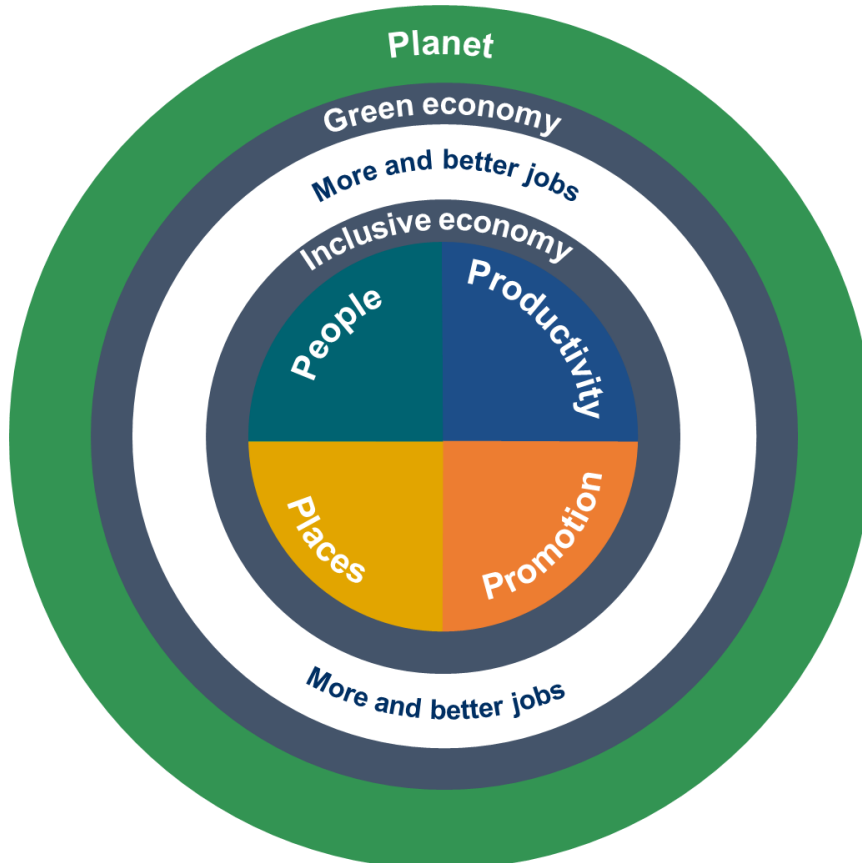
Developing our Inclusive Economic Strategy

- 18 This is a strategy of our county, not of one organisation, and has been codeveloped in partnership. It takes a holistic view of what the economy needs so that all people and places can contribute to and benefit from growth and the county's success, whilst having a positive impact on the planet. Our first County Durham IES has been developed by CDEP with residents, businesses, anchor institutions, and the voluntary and community sector. The emerging draft strategy was also considered by the Economy and Enterprise OSC and their input helped shape the final version of the strategy (as set out in Appendix 6).
- 19 The IES focuses on inclusive economic growth and aligns with existing strategies and plans in place across the county, including Council documents such as the County Durham Plan, Climate Emergency Response Plan, Digital Strategy, Poverty Action Plan and UK Shared Prosperity Fund Investment Plan, plus regional strategies from the North East LEP. It does not describe everything that is happening in the county or replicate other documents.
- 20 This strategy is deliverable and realistic. It will address immediate and long-term opportunities and challenges, giving a 2035 perspective. We will use this strategy as the vision and strategic framework to coordinate activity, it is designed to be inclusive for new ideas as they emerge.
- 21 It recognises the excellent work we are already doing as partners across the county and identifies areas for further focus. This is about County Durham activity and where we have agency as a partnership, focusing on county-wide and place-based actions where it makes sense, rather than giving national or regional solutions.
- 22 We will codevelop in partnership a series of short to medium term Delivery Plans throughout the lifetime of the strategy, which will include detailed actions to deliver a step change for the county. This process will also identify any further supporting strategies or plans needed to realise the IES. This will build on and coordinate the project and programme ideas that we have collated from Our Big Econversation and stakeholder engagement. We will consider and add transformational projects and programmes as our Delivery Plan is refreshed and updated.

Our Focus

- 23 Our overarching focus for this strategy is to create **more and better jobs in an inclusive, green economy**.

Figure 2 – IES areas of focus



- 24 This means:
- More jobs, in the county's broad business base;
 - Better jobs, to ensure that residents can access secure work that pays a living wage;
 - Inclusive, to ensure that the benefits of growth are shared fairly amongst our people and places;
 - Green, to ensure that activity contributes to the 2045 goal of net zero carbon County Durham.

Delivering Our Vision

- 25 We have developed a strategic framework to co-ordinate delivery against our vision and ambition. This focuses on the five Ps: People,

Productivity, Places, Promotion and Planet. It will be delivered through a sixth P: Partnerships.

Figure 3 – The 5 “P’s” strategic framework



People

- 26 We will support people into education, training, jobs, and to excel in business and their careers:
- Priority 1: Raise skills levels, including higher and green skills, directly targeted to what employers need;
 - Priority 2: Overcome barriers into employment, including work readiness, skills, improved careers advice and guidance, and addressing poor health;
 - Priority 3: Increase in-work progression and upskilling linked to new opportunities;
 - Priority 4: Ensure good health and wellbeing leads to economic inclusion.

Links to Planet

- 27 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by promoting green skills and jobs pathways within

the countywide careers service priority, with a focus on preparing young people for careers at an early stage.

Productivity

- 28 We will support business innovation, growth, and higher levels of productivity:
- Priority 1: Harness the power of our major employment sectors and accelerate our opportunity sectors;
 - Priority 2: Provide excellent support at all stages for businesses to start-up, sustain, thrive and grow in County Durham;
 - Priority 3: Expand the thriving innovation ecosystem;
 - Priority 4: Drive good business practices, including improving health in the workplace.

Links to Planet

- 29 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by developing a Green Park with Enterprise Zone status and encouraging the adoption of circular economy approaches amongst businesses and build the retrofit evergreen fund to support more businesses to adapt their premises.

Places

- 30 We will improve places and plan infrastructure so that people and businesses can access opportunities:
- Priority 1: Build vibrant and diverse towns and villages;
 - Priority 2: Unlock employment land for high quality premises;
 - Priority 3: Improve physical connectivity between places in the county;
 - Priority 4: Enhance digital infrastructure and connectivity.

Links to Planet

- 31 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by promoting Durham as a compact county by exploring the development of 20-minute neighbourhoods and

encourage biodiversity and protecting nature by enhancing green space and supporting woodland expansion and urban greening.

Promotion

- 32 We will promote our county, assets and opportunities to businesses, investors, visitors, developers and residents:
- Priority 1: Develop a clear brand and place marketing;
 - Priority 2: Attract inward investment in the sectors and places it makes sense;
 - Priority 3: Grow a year-round visitor economy;
 - Priority 4: Enhance cultural and creative infrastructure.

Links to Planet

- 33 Delivering our ambition for more and better jobs in an inclusive, green economy by reaching net zero by 2045 through a just transition that creates good jobs, by encouraging active travel as part of the visitor economy offer.

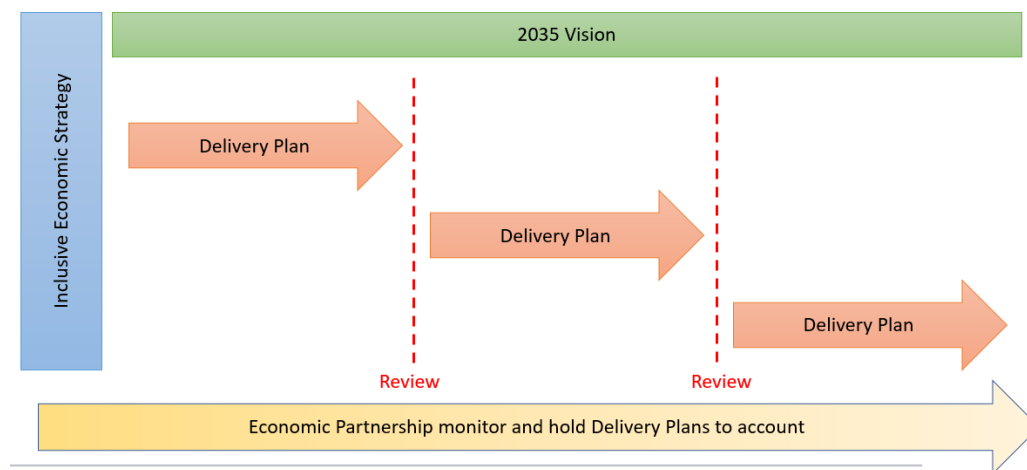
Delivering Our Strategy

- 34 The IES is an ambitious economic strategy to 2035. It sets out our vision for a new economic future and has a clear focus on how we will deliver this through more and better jobs in an inclusive, green economy. It will create a strong identity for the county, develop our strengths, address inequalities, and better connect residents to existing and new opportunities. This could have enormous positive impact both locally and for the UK economy.
- 35 To make it a reality will require new ways of working, collaboration, and funding from us all as partners. The shift (and reduced funding) as we move to UK Shared Prosperity Fund requires us to think differently to build the resources we need to deliver this long term strategy. This means that as a county we need to leverage as much external investment as possible through bids into relevant funding calls, by attracting private sector investment, and by creating the conditions for local growth and investment. The best way to achieve this is through all our partners working towards a clear vision.

Delivery Plan

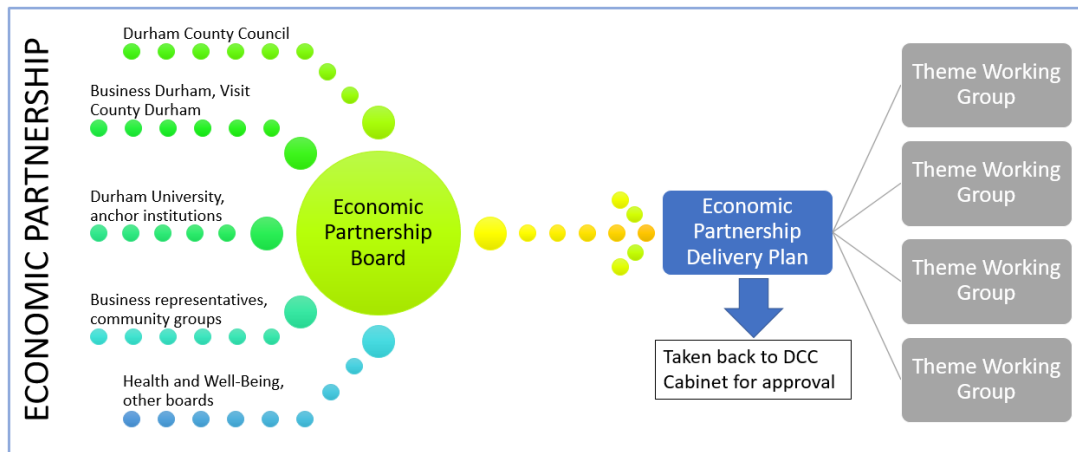
- 36 Our next steps are to develop a detailed Delivery Plan and monitoring framework to deliver against our Strategy. Whilst the IES sets the strategic direction and framework, this approach will apply the use of a series of short to medium term Delivery Plans throughout the lifespan of the IES that will contain the detailed actions and activity, with clearly identified leads and accountability, to realise the strategic vision. This will provide the certainty of long term clarity for partners, businesses and investors, whilst allowing the IES to remain a flexible and live document, with regularly review periods to respond to economic changes; allow priorities to be reassessed and recalibrated by future administrations; and actions to be refined based on whether outcomes are being achieved.

Figure 4 – Delivery Plan approach



- 37 Development of the first Delivery Plan will begin in the new year following the adoption of the IES. DCC's Economic Development service area will be working collaboratively with CDEP to draw together all key stakeholders and delivery partners to develop innovative, clear and tangible actions that will drive transformative outcomes for our economy and communities. The proposed approach is for CDEP to hold overall accountability for developing the Delivery Plan, with targeted working groups aligned to the IES themes responsible for developing the actions, KPIs and identifying lead organisations.

38 **Figure 5 – Delivery Plan development process**



39 It is envisaged that the process to produce the first comprehensive Delivery Plan will take nine months to ensure that it has responded to the significant structural changes currently taking place through the transition to UK Shared Prosperity Funding, Devolution and the uncertain national economic outlook. Under direction by CDEP a number of targeted working groups of key partners will collaborate from January through to the summer to define and design clear actions, outcomes and measures, and who will be accountable for each. The emerging Delivery Plan will also be taken to Economy and Enterprise OSC for consideration and feedback.

40 Once this process is complete, the Delivery Plan will be brought back to Cabinet for approval. It is important to note that during this process the significant existing economic development work, inward investment, and commitment to the delivery of strategic employment sites will continue at pace. The Delivery Plan is intended to build on this baseline to create a step-change in delivery.

Monitoring Progress

41 We want to monitor our progress in delivering more and better jobs in an inclusive, green economy. We will take a bold and innovative approach to transforming our economy – trying new ideas and evaluating them to understand what works.

42 The table below summarises a set of high-level outcome measures that reflect the priorities in this strategy and we will use to monitor progress. These measures will then be refined and quantified during the Delivery Plan phase. We will also link to the metrics included in the Climate Emergency Plan to monitor our progress in the Planet pillar.

| Pillar | Outcome measures |
|---------------------|---|
| People | <ul style="list-style-type: none"> • Residents with high level skills (NVQ Level 4 & 5) • Residents who are economically inactive but want a job • Residents in employment • 18-24 year old residents in employment • Disabled residents in employment • Healthy life expectancy of residents • GVA per capita • Employee jobs earning Real Living Wage or higher |
| Productivity | <ul style="list-style-type: none"> • Number of jobs • Proportion of higher-level jobs • Job density • Number of businesses • GVA • GVA per filled job • County Durham Procurement Family budget spend in the county |
| Places | <ul style="list-style-type: none"> • Proportion of neighbourhoods in the most 10% most deprived nationally • Town centre vacancy rate • Public transport connectivity • Employment land take up • Occupancy rate of council business premises • Premises with gigabit connectivity |
| Promotion | <ul style="list-style-type: none"> • Visitor expenditure • Number of visitors • Number of inward investment projects secured and value |
| Planet | <ul style="list-style-type: none"> • Link to metrics included in the Climate Emergency Plan |

County Durham Economic Partnership

- 43 Reflecting CDEP's key role in preparing and owning the IES, and its future delivery, it is proposed that the partnership's members also take the IES through their own approvals processes in parallel to it being signed off by Cabinet. CDEP will also be undertaking a review of its Membership to identify any gaps in representation and Terms of Reference in light of the new Strategy and its role in developing and driving the Delivery Plan. It will also look to agree the approach to future oversight of the future Delivery Plan.

Conclusion and Next Steps

- 44 The IES is an ambitious long-term economic strategy to 2035. It provides a wider strategy for the economy, businesses and residents, complementing our overall vision, spatial strategy and plans to reduce the impacts of climate change, health and wellbeing, and poverty, and is fully integrated with regional and national policy.
- 45 Should Cabinet adopt the strategy then it will be launched formally in the New Year through a series of internal, external and partnership events. It is vital that the IES becomes a key driver of DCC activity, and that staff not only in Regeneration and Economic Growth, but across the council are fully aware of the vision, how we intend to get there, and the role that they play in its delivery. This will be achieved through a series of briefings at all levels and through internal communications messaging to articulate the strategy, and by involving operational teams in the development of the masterplan.
- 46 Externally a series of stakeholder and partner events are being planned for the winter and spring to communicate the strategy, the delivery plan process, and to engage new and existing partners to help drive forward the vision. It will also be used as a catalyst to develop new networks, such as a Developer Forum, by highlighting the scale and ambition of the opportunities in County Durham and generate private sector interest and investment.
- 47 We are incredibly grateful to the individuals, communities and organisations, and scrutiny committee who have been part of the development of this strategy. This is only the first step on our inclusive economic journey.

Background Papers

None.

List of appendices

- Appendix 1 – Implications
- Appendix 2 – County Durham Inclusive Economic Strategy
- Appendix 3a – County Durham Economic Review
- Appendix 3b – County Durham Economic Review update
- Appendix 4 – County Durham Economic Statement
- Appendix 5 – Econ-versation feedback report
- Appendix 6 – Detailed response to points raised by Economy and Enterprise OSC
- Appendix 7 – IES Equalities Impact Assessment

Author(s)

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Appendix 1: Implications

Legal Implications

The Inclusive Economic Strategy will aid in negotiations for the devolution of powers from the Government.

Finance

The Inclusive Economic Strategy 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

Our Big Econ-versation ran from 31 January to 22 April 2022. Targeted consultation on the emerging draft strategy was also undertaken across September. The draft IES was also considered at Economy and Enterprise OSC and this input helped to shape the final version.

Equality and Diversity / Public Sector Equality Duty

A full Equalities Impact Assessment is set out in Appendix 7, but in summary the Inclusive Economic Strategy (IES) is intended to support everyone in the county but certain groups such as older persons, young people, disabled persons, GRT community, women and cohorts of males may be more positively impacted than other groups ensuring that inequalities are addressed, helping deliver an inclusive economy. It focuses on inclusive economic growth and aligns with existing strategies and plans in place across the county.

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 focusses on the city, towns, rural areas and the coast in order to attract investment and create better jobs in all parts of the county. It also identifies place-based and socio-economic 'Inclusive Economy Cohorts' as part of the Delivery Plan, to ensure that we maximise the impact of the strategy and its actions effectively and target the people and places that need them the most.

Climate Change

The Planet and the green economy is one of the key elements of the IES and each pillar has a section which considers net zero and other environmental considerations.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

Consultants Metrodynamics were procured to support Our Big Econ-versation, develop a county deal proposal, and draft the new Inclusive Economic Strategy.