



# Expression of Interest for Great British Railways, Head Quarters

County Durham Bid  
Submission 2022

## Context

1. Describe the location of your application and your proposed headquarters site



County Durham is at the very heart of North East England, with Durham City central to that. Its location means the city boasts a working age population of 486,600 people in 30 minutes-drive, and 1,480,000 in an hour.

County Durham is a collaborative environment with major institutions regularly working together to support initiatives. This application is therefore supported by organisations including North East England Chamber of Commerce, NELEP, Invest North East England, Hitachi Rail, and Durham University who said:

*“Durham University is delighted to support this proposal to locate the Great British Railway Headquarters in Durham City. Durham has a rich transport heritage and is the perfect location for the HQ in the heart of the city’s employment area and aligned to the World Heritage Site.*

*“We look forward to working with Durham County Council and Great British Railways in ensuring that the new HQ is a success.”*

In many ways, Durham is the country’s best kept secret, something we want to change. The area has made huge strides to embrace modern business opportunities. Home to some of the finest scientific, engineering and manufacturing businesses in the country, Durham is determined to also offer its residents greater office-based employment opportunities.

Ready to occupy in 2022 and on the banks of the River Wear, we propose Milburngate as the location for Great British Railways (GBR) Head Quarters (HQ). It provides a unique opportunity to take advantage of high specification commercial property in the North East’s most prestigious development.

Milburngate offers brand-new Grade-A office space in the heart of Durham City, with stunning views towards the Durham Castle and Cathedral World Heritage Site. The proposed location offers several hotels, restaurants, a cinema and bars providing an ideal place for those stopping over for business.

The site will provide 53,701 square feet (sq ft) of Grade A office accommodation, available in flexible floor plates of 10,445 sq ft and suites from 3,948 sq ft upwards.

The development at Milburngate provides evidence of our determination to build on Durham City's already growing HQ reputation. Home to Northumbria Water, Waterstones, Atom Bank, North East England Chamber of Commerce, Durham Constabulary, HM Passport Office, National Savings & Investments, HM Land Registry, and Atom Bank, this growing community offers locals employment opportunities not traditionally seen in the area.

Milburngate is close to a larger development, Aykley Heads, which demonstrates the city's ambition to provide more Grade A accommodation suitable for bigger, bespoke buildings for larger HQs. This new business park is key to the development of Durham as a prestigious location for HQs and value adding businesses in the digital sector. Locating the GBR HQ here would send a signal to the investment market that Durham's time has come.

The HQ will offer another routeway for our school, college and university graduates to remain in Durham, supporting the local economy and stimulating further growth. It would be a clear demonstration by the government that a small city, on the up, can be entrusted to house a HQ of national importance acting as a catalyst for further north-shoring of government departments, adding Durham to the network of those already in the region.

American travel writer, Bill Bryson called it 'a perfect little city', The Independent named it as one of the best cities in the world to visit in 2020, and Condé Nast's Traveller magazine readers voted it the 'Best city in the UK'. A captivating city with winding cobbled streets and a prominent peninsula crowned with the dramatic Durham Cathedral and Castle World Heritage Site, one of the most stunning city panoramas in Europe.

Not only would Durham City provide a spectacular backdrop for the HQ, showcasing the County's history and countryside, it would offer a significant vote of confidence for the exciting developments planned by the council and its partners, acting as a further catalyst for attracting more developments and more jobs.

Durham is a centre of learning and innovation, an ancient city with a very modern twist. Home to England's third oldest, World 100 ranked Durham University, and in contrast, home to Atom Bank, the first bank built for smartphones without branches and the first digital only challenger bank to be fully licenced. A perfect illustration of a city making the most of its history and its future.

In County Durham, Hitachi is producing trains linking towns and cities across Britain. It would make a fitting location therefore for Durham to link to regional hubs and the wider network representing the manufacturing might of County Durham.

Durham is a great place to unwind, with fantastic riverside walks, superb cafés, artisan workshops, boutiques, galleries and museums. An array of locally produced food and original crafts can be found in the shops and markets, and a unique calm and tranquillity can be found in the city's many green spaces. The city centre theatre, a host of award-winning restaurants, chic café-bars, and cinemas catering for a variety of tastes, Durham City has something for everyone.



## Levelling Up

2. Describe how your application will align with and demonstrate Levelling Up



We have a vision for County Durham to generate more and better jobs across the County. The GBR HQ will help us to deliver on our economic statement by:

- Providing employment on one of our accessible employment sites in the heart of the city, catalysing others to join them
- Helping us build a strong, competitive economy and being a premier place to do business by demonstrating Durham as an attractive location for HQs to relocate
- Encouraging visitors to the new HQ to spend leisure time in the city and wider County broadening the experience for residents and visitors
- Ensuring young people have access to good quality education, training, and employment. The area offers all three, but providing the opportunity of jobs within a national HQ, would inspire and encourage more local talent, our brightest and best school, college, and university graduates to remain here enriching the economy and motivating others that to get on, they need not move away
- Helping people into rewarding work. Ensuring fewer people are affected by poverty and deprivation and providing opportunity to access more and better jobs at the new HQ.

The Gross Value Added (GVA) of the County Durham economy has grown by £2.6 billion over 15 years at a growth rate of 44% to £9 billion. This is significantly below the national rate of 64%, the new HQ could help to address the gap.

The overall gap between the County's performance and national performance is growing. At £16,925 our GVA per capita is 56% of the national average of £30,239. If we had matched national levels of growth in the last fifteen years, it would be around 10% higher at around £18,400. It is vital

that we attempt to close the gap with national performance to improve local wages and quality of life.

We are encouraging private enterprise with significant growth in new businesses and attracting others to the area, a prestigious announcement of the new HQ would further support this, providing the evidence that the Government has confidence in the city and encouraging others to consider the area as a viable option.

A supporter of our bid, Jim Brewin, Head of UK & Ireland, Hitachi Rail, said,

*“As a major employer and investor within County Durham, Hitachi Rail has invested in the economy and people of the North of England, both improving rail travel in the area and economic growth.*

*“We appreciate the strong manufacturing culture and rail heritage of County Durham, which were major factors for us when deciding the location for our train manufacturing facility in the North East. Our investment in Newton Aycliffe has created highly-skilled jobs, which has delivered manufacturing, supply chain and skills benefits. It has helped to create a strong foundation for future economic growth in County Durham, and the wider region.*

*“Locating the new Great British Railways HQ in County Durham would bring similar benefits to the area – creating even more highly-skilled jobs and further boosting the local economy. It would also support the Northern Powerhouse Rail and Levelling Up agendas, creating opportunities for local people and strengthening the North East’s reputation and capabilities as a rail manufacturing hub in the UK.*

*“With the 200<sup>th</sup> anniversary of the birth of the railways in the North East approaching in 2025, and the location of the Locomotion in Shildon, it is clear GBR HQ must make its home in the North East.”*

GBR HQ in Durham would match exciting projects like our £50m expansion of NETPark, the region’s only science park, supported by our partners CPI and Durham University, as well as our collaboration with developer Citrus Group in creating the region’s biggest logistics site at Integra 61.

The County’s growing mixed economy of life sciences, advanced manufacturing, satellite applications, digital and fintech, electrification and advanced material electronics, offers opportunities which would be complemented by the introduction of more office-based employment.

Projects are underway in the County which will see in the region of £555m being invested, this includes money from the Stronger Towns Fund, the Levelling-up Fund and the Council’s Towns and Villages Programme.

Durham has and continues to reposition itself as an excellent destination for a variety of businesses. The location of the HQ in the city would provide the catalyst to encourage more office-based businesses, raising the profile of the city as a viable option for those seeking to relocate their central operations.

The creation of skilled and professional office-based staff would provide an improved opportunity for local people to secure this type of employment. More jobs in the city centre will increase footfall in the surrounding retail and hospitality businesses further enhancing job opportunities and demand for business start-ups in those sectors.

Support functions and services such as catering, cleaning and office supplies would further enhance employment opportunities.

Helen Golightly, Chief Executive at NELEP said: *“We are delighted to back County Durham’s bid to bring Great British Railways’ new HQ to the region. This would create fantastic opportunities for County Durham and the wider region, bringing new highly skills jobs to the area, boosting the local economy and also contributing to the Government’s levelling up agenda for the North East.”*

### **Connected And Easy to Get To**

3. Describe how your location is well connected to the rest of Great Britain and how people will access your site



Durham is well connected by rail, road, and air. The East Coast Mainline, Cross-Country and TransPennine routes all call at the city's station, providing access to towns and cities across the country. The motorway network, the A1(M), is only 10 minutes from the centre. Two international airports are 45 minutes away, while cycle ways, three park and ride hubs, and a central bus station provide a variety of options for workers, students and visitors.

The city is in easy reach of Tees Valley, Tyne and Wear and Northumberland bordering them and Cumbria to the west. Over 1.4 million people can easily access Durham within a 60 minute-drive with connection to the major towns and cities of the region much less than that.

110 trains call at Durham Rail Station daily, with LNER (42 trains), Cross Country (36) and TransPennine (32) providing a gateway to the rest of Britain. The following table provides a selection of the journey times, with direct access to cities in Scotland, the North, Midlands, South West and South East.

<b>Durham to:</b>	<b>Travel Times</b>
York	50 mins
Leeds	1 hr 12 mins
Edinburgh	1 hr 45 mins
Manchester	2 hrs 9 mins
Central London	2 hrs 50 mins
Glasgow	3 hrs 0 mins
Liverpool	3 hrs 2 mins
Birmingham	3 hrs 10 mins

A new bus station is currently being developed in Durham City Centre and is due to become operational to passengers in Spring 2023. As a major transport hub for the region and the County, the new facility will provide first class facilities and help improve access to public transport which will benefit both local businesses and residents. There is an abundance of cycling options to reach the centre with dedicated cycle lanes on the road network and cycle routes across the city.

As a brand new, state of the art office, Milburngate is being delivered to current building regulations and is fully compliant with duties on accessibility and equality.

Durham County Council works closely with Durham and Darlington CCG and Durham University, with which a memorandum of understanding has been developed. This enables a joint approach with regeneration projects in the city.

The County Council has a long and established tradition of collaboration with public and private sectors on development projects. Recent examples include working with developer Citrus Group to enable the largest distribution centre development in the region to be constructed. Collaborating with Highways England to make significant augmentation of junction 61 of the A1(M) involving motorway services, businesses and Amazon, the major tenant of the development bringing 3,000 jobs at peak periods.

The Milburngate development is ideal for the new HQ being in the heart of the city, the product of a partnership approach with developers, the construction teams and site tenants. Planning construction impacts, mitigating against disruption and ensuring local-residents and businesses are informed and engaged all reflect on how we 'do business', with our partners.

Our green transport credentials support our approach to sustainable development of the city in cooperation with our stakeholders. The £10.4m development of the bus station, our long-established park and ride services, proximity to the rail station and provision of cycle lanes and cycle ways, all developed in partnership with businesses at their heart, demonstrate our collaborative approach.



## **Opportunities for Great British Railways**

### **4. Showcase the opportunities your location offers Great British Railways**



Durham is home to train builder Hitachi. Having GBR HQ based here, alongside the manufacturer of trains running through the city, and other major cities nationwide, will provide an enviable demonstration of a joined-up approach to rail services in the country.

The railways are not just about the commuters or leisure users, they provide a link to communities. The location of the HQ here would provide a fitting recognition of the thousands of workers living in and around Durham employed directly or through the supply chain.

Furthermore, a focal point for GBR in the North East would help to demonstrate Government's determination to invest across the North and counter claims by critics that Northern Powerhouse Rail stops at Leeds. It would cement its commitment to levelling up to customers, the private sector and the wider transport industry.

The region has a long, successful history of being pioneers of transport, be it shipping, aircraft, motor vehicles – buses, cars and trains. The location of the HQ in Durham would further strengthen those ties and provide an opportunity for those sectors to collaborate on the planning of a joined-up approach to sustainable transport.

The North East region and Durham in particular, are committed to improving transport connectivity, the HQ locating here would provide a boost to those plans and ensure people not traditionally engaged or able to engage in influencing decisions in the area gain a voice.

Durham City has a Business Improvement District which supports the city centre businesses including retail. We work with that group and ensure that they are invited to take part in any activity impacting on the centre and businesses located there.

We collaborate with the Discovering Durham CIC which supports micro and small businesses and local food producers, the HQ would provide an excellent opportunity to engage this group further.

Durham has a growing group of businesses involved in tackling climate change, we're well connected with the business community across the County and will provide the necessary opportunities and contacts for GBR to participate and be fully engaged with all relevant networks.

Our proposed site - Milburngate, is approaching completion of Phase one. Phase two has planning permission for a further 175,000 sq ft of office space, so there is a great opportunity to expand onsite within the planned development should it be necessary.

With one of the best universities in the world, a top 100 university, an able and highly qualified group of graduates could be encouraged to stay in the city contributing to a more sustainable and prosperous county and make a significant contribution to the future success of GBR.

## **Railway Heritage & Links to The Network**

5. Demonstrate the location's railway heritage and current network links



County Durham has an unparalleled position in the early foundations of rail, home to some of its greatest pioneers, including William Hedley, Timothy Hackworth, Edward Pease and George and Robert Stephenson, all actively involved with the railway developments of the region's coal mining industry.

County Durham, therefore, has a rich railway heritage dating back over 200 years and includes the introduction of locomotives created by George Stephenson between 1820-22 for the Hetton Colliery Railway.

We celebrate our proud rail heritage at the National Railway Museum, Locomotion. Located in Shildon, the world's first railway town and the workplace of railway pioneer Timothy Hackworth it is part of the Science Museum Group and is run in partnership with Durham County Council.

Linking County Durham, the birthplace of the railways with the future of rail travel in Great Britain, a Durham HQ would be a fitting acknowledgement of the pioneering engineers who changed the world through the industrial revolution.

The museum is home to famous vehicles from railway history like the Deltic prototype and the original Sans Pareil which competed against Rocket in the Rainhill Trials of 1829.

Work to create a new building for the Locomotion collection is due to start next year which will increase the number of rail vehicles on display to approximately 120, creating the largest rail vehicle museum in the country.

The HQ in Durham would provide the platform to tell the first story of the railway which would encourage more visitors to the museum, benefitting the county and providing more job opportunities.

Stephenson's locomotives and railway served as models for the Stockton and Darlington Railway, then in County Durham, (S&DR). Opening in 1825, it was the world's first railway to use steam trains built by George Stephenson to transport passengers and connect coal mines in County Durham.

S&DR was succeeded in 1854 by North Eastern Railway (NER) which developed a reputation for innovation as well as being a pioneer in architectural and design matters.

The region's rail history has been preserved by County Durham's Beamish, the Living Museum of the North which includes some of the early locomotives which are on display.

The first Railwayman's Institution was established in Shildon in 1833 by Timothy Hackworth, the first Superintendent of the Stockton & Darlington Railway, after noticing that most of his workers could neither read nor write. The Shildon Rail Institute remains in the town and links to the HQ will be established, recognising the contribution those pioneers made to enable the railway of the now, and of the future.

Also looking to the future, County Durham is one of the few areas to have successfully been awarded three Restoring Your Railways projects in Consett, Ferryhill and the Weardale Railway. In addition, we are still pursuing the reopening of the Leamside Line to passenger services as we strongly believe that rail services are a fundamental building block to economic success.

The region has an estimated 3,000 people employed in the rail-related industry, with County Durham having the largest key cluster - 53.5% of North East rail employment.

The number of companies involved in the rail sector in the North East has grown year-on-year, increasing from 20 companies in 2010 to 60 in 2019 (Office for National Statistics, 2020)

County Durham is home to two rail OEMs – Hitachi Rail and Vivarail.

Hitachi made history by becoming the first Japanese train manufacturer to enter the UK market with their rail vehicle manufacturing facility in Newton Aycliffe, employing over 1,200 staff at its peak.

Initially responsible for the Azuma fleet, the company also built five electric trains which were launched by FirstGroup in October 2021. Known as Lumo, this new 100% electric rail service is running between London and Edinburgh in a bid to encourage greener and more affordable travel between the capitals. Hitachi has recently been awarded a joint venture with Alstom to deliver trains for HS2, continuing to contribute to the modernisation of Great Britain's railways.

Vivarail set up a manufacturing and R&D base in the County in 2017 with a mission to bring green energy technologies to commuter transport. Its motivation was based on the engineering skills which are strong in the County.

In the wider NE region, the Centre of Excellence in Rolling Stock (CERS) aims to meet the current and future demands of the GB rail industry for research and innovation to support the next generation of railway vehicles through collaboration between Universities of Newcastle, Huddersfield, Loughborough, Bristol, Cambridge, Nottingham and London. The CERS links with other centres in the UK Rail Research and Innovation Network to provide a 'one-stop shop' for all rolling stock development.

The pioneering spirit remains in Shildon today with plans to create a world-first zero-emission transport system. Being developed by Urban.Mass, using driverless electric "pods" which can travel

on both road and rail, the firm believe the system will increase connectivity in cities worldwide, cutting congestion, air pollution, costs and carbon emissions.

The world's first operational system will open in 2025 at Locomotion, exactly 200 years after the world's first passenger locomotive, Stephenson's engine, made its first journey on the same site. Shildon will act as a test bed for how affordable, and quickly deployable mass transit can "level up" communities across the UK.



## Value for Money

6. Describe how your location will offer Great British Railways good value for money

County Durham offers a highly competitive option for grade A office properties providing cost savings compared to many UK locations as per the table below:

○ Location	○ Prime Rent (per sq ft)
○ Durham	○ £23.00
○ Newcastle	○ £26.00
○ Leeds	○ £34.00
○ Glasgow	○ £35.00
○ Edinburgh	○ £38.00
○ Birmingham	○ £39.00
○ Bristol	○ £38.00
○ Manchester	○ £38.50
○ East London	○ £40.00

**Cushman & Wakefield, 2021**

Durham makes economic sense when considering a relocation. Costs for business property are low, and for those staff who will relocate from other areas, house property prices are much lower than many other areas across the country so relocation packages can reflect that. The average house price in County Durham is £121,625, compared to the average house price in England of £280,000.

Technology should present an opportunity, with meetings held virtually, travel expenses shouldn't be a significant burden over any other location. There are other government departments nearby such as the Passport Office. Locating to Durham could offer GBR and the other departments the opportunity to collaborate on purchasing to keep costs down through economies of scale.

There is a strong local supply chain which can provide a variety of locally produced consumables providing an environmentally friendly and cost-effective choice.

Locating in Durham would generate enormous public value returns to GBR itself and to the local and wider economy.

The investment in Durham would provide a major economic boost to the area. The jobs it would create providing local people an opportunity to find work not generally associated with the city, offering a choice, and reducing commuting outside the area.

A ripple effect of more employment within the city centre would generate a significant boost to the hospitality sector based there. This in turn would generate further employment opportunities as well as encouraging business start-ups.

By choosing Durham, the government would signal further investment as part of the levelling up initiative. It would provide clear evidence of opportunity being offered across the region, adding

Durham to the list of locations government jobs have been placed, further balancing investment in the north.

County Durham is not burdened with congestion issues, the city is green in both colour, and environment with the River Wear its healthy heart surrounded by mature woodland, an abundance of parks with glorious countryside a few minutes away. The area is not overcrowded and provides employees and residents the space to breathe, with an outstanding work-life balance.

## Public Support

7. Demonstrate how the national headquarters will be welcomed by the local public



The public has shown their positive reception of inward investment and the employment opportunities they bring to our communities. A perfect example of this being the recent location of Amazon's warehouse on the outskirts of the city.

Local people have demonstrated their support of the retailer's move in regenerating an area that needed investment. The jobs it has created along with the impact it has had on local businesses, supporting the local community in and around the centre is considered positively. The impact of GBR HQ moving to Durham could be equally impactful, demonstrating that high quality jobs in the city are its future.

Local communities are aware of Government investment announced in nearby Darlington and how that is and will provide positives to that area. Feedback from staff at the Darlington Economic Campus, relocating to the North East is hugely positive, we are confident that the same would hold true in Durham. The county has not yet enjoyed investment of this sort and it would provide evidence that levelling-up is happening in County Durham too.

Like all highstreets, Durham's city centre trade has been impacted by the pandemic and the move to online retail. The city needs increased footfall and a development in the centre could be the positive injection that would encourage more retailers to set up in Durham and be enough for those already here to become more sustainable. The location of GBR HQ would be the catalyst to spark a recovery in the retail sector in the city that still boasts a considerable number of local independent retailers.

Businesses have regularly demonstrated their commitment to the area and the welcoming approach they show new businesses locating here. Their support of cultural activity such as the biannual Lumiere event, the County's bid to be City of Culture 2025, the many festivals and sporting events

demonstrate the extensive commitment to Durham. Our networking groups clearly demonstrate a willingness to embrace new businesses to the area and GBR would be equally welcomed.

GBR HQ coming here would support our County Durham Vision 2035, particularly the objective of a strong, competitive economy and being a premier place to do business. New and different jobs to those mostly found in the area would provide clear benefits, visitors to the new HQ would provide a further boost to the visitor economy.

The council is currently conducting a consultation exercise on its 10-year Economic Strategy. Local people and businesses are being asked about their aspirations for the local economy, and what they see as important aspects for the future prosperity of themselves as individuals and as business leaders. Whilst the consultation continues, early feedback mirrors the council's desire to create more and better jobs.

For example, only a third of respondents agree that residents currently have access to a good variety of jobs, and when asked whether it is important to attract higher paid jobs to the area 81% said it was important/very important. When asked about the importance of retaining young people 83% said it was very important.

GBR HQ locating to Durham would address these issues by delivering, over time, more variety to the local jobs market, by providing higher paid high-quality office jobs and giving opportunity to our young people who want to pursue an office-based career.

The County has enjoyed significant entrepreneurial growth with over 5,000 businesses registered in the last 12 months, more than its regional neighbours. County Durham is rightly seen as a location full of pioneers and entrepreneurs, often through necessity. Locating the new HQ in Durham would provide an addition to the opportunities available to residents in the area, particularly those with an interest in working for a national organisation like GBR.

John McCabe, chief executive, North East England Chamber of Commerce said: *"The opportunity to have our region as the location for the first Great British Railways headquarters would be extremely fitting. It would give us a chance to capitalise on our long-standing and proud railway heritage, stretching back almost two centuries. The commitment to have the base here would also be a very practical demonstration of levelling up. The North East has a number of incredibly strong bids and this is an obvious region to play host to this facility. We wish all of the North East bids well in this process."*

We submit this bid in the firm belief that Durham is the best place to locate GBR HQ. Our area boasts a heritage and history of the railways that no other can match, pioneering the technology of 200 years ago to open mass transit for everyone. The rich pioneering spirit continues today as we produce trains used on our network, we now connect towns and cities with our trains as we did 200 years ago. The HQ would provide a significant economic boost to the area, offering more and better-quality jobs, enabling our brightest and our best to remain in area, to help our efforts in levelling up.

The quality-of-life Durham offers is hard to beat. A UNESCO World Heritage Site in view at Milburngate, 'a perfect little city' as Bill Bryson calls it. Cost effective for business and for staff, with a high calibre pool of labour. Easily accessible from across Britain, a welcoming group of businesses and welcoming residents.

In short, GBR choosing Durham would make a significant difference to the lives of so many in the city and wider area, signalling opportunity for residents and opening the door for more investment, more jobs and a closing of the economic gap we are working so hard to narrow.

**Wordcount: 4,990 excluding Bibliography**



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