



County Durham
Economic Partnership

MINUTES

Meeting	County Durham Economic Partnership Board
Date of Meeting	Tuesday 12 th July 2016
Time	13.00 – 15.00
Venue	Spectrum Business Park, Durham County Council, Seaham

Attendees:

Brian Tanner	Chair
Sue Parkinson	Vice Chair & Chair of the Business, Enterprise & Skills Group
Cllr Eddie Tomlinson	Chair of Rural Working Group
Cllr Neil Foster	Cabinet Portfolio Holder for Economic Development and Regeneration, Durham County Council
Jon Gluyas	Durham University
Simon Goon	Business Durham
Barbara Gubbins	County Durham Community Foundation
Michelle Gorman	Visit County Durham
Carole Daniell	Job Centre Plus
Sarah Robson	Chair of Housing Forum
Sam Pye	Work Experience
Simon Hanson	FSB
Andy Palmer	Head of SPP, Durham County Council
Heather Heward	North East Local Enterprise Partnership
Tarryn Lloyd Payne	Strategy & Partnerships, Durham County Council
Angela Brown	Strategy & Partnerships, Durham County Council

1. Welcome

BT welcomed everyone to the meeting today and mentioned Sam Pye who was on Work Experience and in attendance and also thanked HH for attending today. BT mentioned that the meeting was to focus on the EU Programme and the intention was still to do this after the unexpected result of the referendum with a focus on projects and areas in need of development rather than the unknowns of national policy.

BT highlighted the need to keep linkages between partners so that projects and pipeline coming forward are strengthened. Need to look at gaps and other opportunities.

2. Apologies

Stephen Howell	Head of Sport & Leisure, DCC
Ian Thompson	Director of Regeneration and Economic Dev
Neil Graham	Chair of Durham City Board
Arun Harish	CPI
Geraldine Kay	Derwentside Homes
Alison Gittins	Durham Business Club

3. Minutes of the last meeting

These were agreed as a true record.

4. Matters Arising

There were no matters arising and all actions are complete.

5. Economic Bulletin and Performance – Brian Tanner

BT introduced the Economic Bulletin and accompanying paper. As previously discussed the Bulletin is aimed at providing latest available information on the health of the economy and the CDEP Economic performance. It is a valuable update and the data have been chosen to show the current health of the economy.

BT highlighted the following:

- County Durham tracks the national trend quite well.
- House prices in the County and GVA index per head was low compared to that of England.

The board discussed the following:

- Ensure agreed performance measures and strategies through working groups are aligned with the bulletin.
- Recognising that economic data is available across different timescales the bulletin didn't have to be constrained to CDEP Board meetings deadlines. However, it was agreed that in order to support the "intelligence and performance" role of the board it was recognised as useful to align to board meetings where possible.
- Further analysis would be welcomed.

BT asked the Board if they endorsed the bulletin and agreed for it to be circulated across the partnership.

Action: The Board endorsed the Economic Bulletin and agreed circulation across the CDEP's Partnership

6. Wider Context for Investment in County Durham – Andy Palmer

AP gave a presentation to the Board. AP set the strategic context in terms of investment that is either being developed or has been developed in regards to County Durham. Investment themes include:

- Skilled and Educated People
- Innovative Businesses
- Better Infrastructure

Investment themes were set against NELEP, NECA, Local Growth Fund allocations and projected investments for the County. Further details are contained within the presentation. The board discussed our own CDEP Ambitions and Measures of Success in relation to those of the regional economic plan and how we are supporting the SEP ambition for “More and Better Jobs”

7. European Programme – Heather Heward, Programme Manager, Northeast Local Enterprise Agency

HH gave a presentation in regards to updating on European Structural Investment Funds but wanted to highlight that there are daily changes so she could only update on what was known on the day..

The ESIF fund is made up of 3 funds ERDF/ESF/EAFRD. The potential commitments are £194m. £89m of this is contracted and the rest is in the pipeline. There is currently £242m without projects against the funding. Figures provided are accurate as at 6th July 2016.

The board discussed the latest information on thematic themes.

- Consideration of project pipelines and available investment
- Implications of unresolved project criteria/eligibility within Low Carbon
- CLLD, which despite progress, is now at risk
- Any projects that are contracted will proceed as planned. Exceptions are EARFD/ LEADER which is linked to DEFRA and are they are still working in Purdah conditions.

Brian Tanner thanked Heather Heward for the presentation and discussion.

8. County Durham EU Investment Programme – Sue Parkinson

SP updated Board members on the EU Investment Programme.

Initial concerns in regard to the County Durham element of the Investment Plan and establishing a route for our viewpoint to be heard by NELEP and ESIF Committee have been overcome and we can thankfully say we are now very well linked-up.

The County Durham EU Investment Plan (distributed for the meeting) is to keep partners updated on latest investment position. Of particular note is the inclusion of the CDEP business case in regards to reallocation of funding from Low Carbon to SME Competitiveness and CLLD resources.

In relation to projects it highlights the latest position in regard to project pipeline development being developed.

P.15 shows the ring-fenced allocation for Durham. It is intended to be updated after every ESIF committee to look for synergies and ensure effective management of remaining allocations.

SP expressed her personnel thanks to all EU Workstream leads for all their hard work and commitment to get us to this stage.

Comments/Questions

The board welcomed seeing all information together at a national, regional and county level and thought it would be useful to have an understanding of timescales. HH informed the Board that they are having daily discussions to try and work out the timescales. DCLG Local team are keeping them updated as best they can but are nationally driven by a Central Policy team linked to the Treasury. Projects in the pipeline are spending at risk and clarification is needed quickly.

The board further discussed possible scenarios and importance in regards to continued development of the project pipeline. It was important to keep this work progressing irrespective of whether future funding might or might not be available.

9. County Durham Investment Portfolio – Andy Palmer

AP gave a presentation on the position of other public investment. AP reminded the board on where the County's economy had come from in the last few years, including;

- Witnessed a fragile economy recovery over recent years but we are making progress
- Have had continued challenge of securing private and public sector investment
- Challenging times ahead
 - Brexit and changing government in UK
 - Unknown impact upon the economy, terms and conditions of access to the European market, plans for regional devolution, national policies and replacements for EU structural funds
- However resources are available to support economic growth
- Must continue to work with private sector and partners to support confidence and opportunities

It was felt that confidence has been low for the last 9 months and it is thought to be lowest since 2012. There are big pressures that are not being addressed. The growth has not necessarily been where investment is needed most. Going forward we must continue to work with private sector partners to address our local challenges.

These challenges are laid down in the strategic economic plan. As a local partnership we need to agree how we organise ourselves in aligning, agreeing and prioritising available and potential resources.

The board discussed the current investment programme being shaped by the NECA and NELEP. As a £300m programme the board agreed the significant opportunity. The board discussed opportunities within our existing approach for increased collaboration and prioritisation. The Board agreed that investments would continue to be processed through relevant working groups and would not be best served through a separate "infrastructure" group. It was also agreed we should be making links with other groups that can feed in. All agreed we need to use current groups to make these links.

SP welcomed this continued approach of Partnership involvement and it should be used when and as best it can be

Next Steps where highlighted as:

- NELEP/Government Challenge Session on outline LGF programme planned 12th July 2016
- Continued shaping and influencing the programme developed through the NELEP prior to submission on 28th July 2016 – in consultation with NECA, partners and LAs
- Project EOIs form an investment pipeline and subsequent processes will be announced to demonstrate shortlisting, business case development etc.
- Inform the refinement of priorities and ambitions of the SEP refresh through consultation events in July 2016

10. Partner and Working Group Updates

BT invited the chairs to provide updates:

Cllr Eddie Tomlinson – Rural Working Group

The Rural Working Group met on 14th June. The group discussed the BES Strategy for Co Durham; it was very useful to see the clusters of rural business /sectors in the County, as there is excellent diversity and not just in West Durham Dales. The LEADER programme has received 140 enquiries to date, 8 of these have gone to full application. The Rural group also received an update on NEFRAN. Craig Wilson updated the group on the Durham Tourism Management Plan which had now been circulated to partners. The CLA gave an update which was to help members on a pre vote situation for EU referendum as farmer would be affected either way.

Sue Parkinson – BES Working Group

In addition to the EU Programme development SP highlighted that the BES Framework is now published in document form but would like this to be an interactive document online aligned with the skills strategy. Business Durham is looking at ways of hosting this due to the limitations within the CDEP web site.

Sarah Robson – Housing Forum

The Housing Forum met on 20th May, the meetings are now being held quarterly. There was discussion around devolution and what it means for the housing sector as this is unclear at present.

There are major changes to local housing allowance which will affect the amount of housing benefit for people renting in the Private Sector. There are caps on this in Durham, but these charges depend on geography. People under the age of 35 have been dropped to single person's room rate so an increase in house sharing is expected. There are lots of concerns especially around the impact on young people and on prospective development opportunities.

Barbara Gubbins – VCS

As public spending cuts, welfare reform etc. continue to bite then the need for the kind of crisis response services that the VCS delivers becomes more evident. Threats of an impending economic crisis looming after the EU Referendum give rise for concern.

Funding for infrastructure support becomes more difficult to access. Only East Durham Trust left as locally-based infrastructure organisation.

ESF small grants programme has been awarded to Gateshead Council and we are not aware of who will deliver in Durham as yet

There is a strong move by north east funders to review practices to support the voluntary sector now that there is less infrastructure support. The Big Lottery are reviewing their processes and reconsidering 'quality' of bids in favour of quality of the idea/project.

Progress has been made by Business in the Community, Cranfield Trust, community foundations to harness more in kind / strategic support from the private sector for VCS.

Funding may be impacted by BREXIT / falling markets if endowments decrease in value.

An Integrated Needs Assessment (INA) is being developed for County Durham.

Discussion sessions have been organised by DCC for those involved in supporting or writing funding applications, to explore the types of data that may be required from the new approach to data collection.

Carole Daniell – Job Centre Plus

Offered a part in a new government initiative for support in schools. Experienced staff members of JCP will help with the labour market area. Work experience opportunities/CVs extra support and help in schools.

Graduates are starting to register with JCP. Don't want them to get used to being unemployed. Offer condensed to 6 weeks talking to Durham Works to get buy-in from employers as to how they can support that. Any input on this would be greatly appreciated.

Michelle Gorman – Visit Co Durham

In relation to Brexit, Tourism have set up an emergency support group to oversee the market. In the short term it is hoped to have a positive impact on the visitor economy because of the weakness of the pound.

Simon Goon – Business Durham

Future Business Magnates awards were held last Friday, the students came up with House of Co Durham which showed 20 inventions which was very impressive.

Action: SG to circulate “House of County Durham”

Simon Hanson – FSB

Open power house research report, devolution agenda for NE area and Tees Valley. Brexit is “exercising the mind” and FSB now aligned with 10 other business groups to get voice heard.

Jon Gluyas – Durham University

, Trying to get the Vice Chancellor to attend the next CDEP Board meeting. He has now been in place for 9 months. The University has reviewed the position of the Stockton campus; this will be developed into an international foundation centre. The plan is to grow University numbers by 25%.

In relation to Low Carbon there is a bid going forward around heat works. There have been 3 or 4 workshops held involving Councils to help move this forward. Hoping to have ½ day workshop for Durham soon.

11. Any Other Business

BT thanked everyone for attending today's meeting.

12. Date and Time of next meeting

11th October 2016 at 1pm at County Hall, Durham