

## **ECONOMY SCRUTINY PANEL**

Minutes of a meeting of the Economy Scrutiny Panel held in the Council Chamber, Civic Centre, Consett on 17<sup>th</sup> January, 2007 at 6.00 p.m.

### **PRESENT**

Councillor E. Edwards in the Chair

Councillors B. Armstrong, K. English, A.E. Hodgson, J.G. Ingham, W. Proud

### **APOLOGIES**

Apologies for absence were submitted on behalf of Councillors D. Bennett, T.E. Charlton, K. Howe, D.V. McMahon, C. Marshall, J. Wilson, C. Watson.

### **ANNOUNCEMENT**

Councillor E. Edwards advised that as Councillor T. Charlton was still unwell it be agreed that as Chair of Overview & Scrutiny he take the Chair in his absence.

He went on to wish Councillor T. Charlton a speedy recovery.

### **27. DECLARATIONS OF INTEREST**

There were no declarations of interest submitted.

### **28. MINUTES**

The minutes of the meeting held 11<sup>th</sup> October, 2006 were agreed as a correct record.

### **29. WHAT IS BEING DONE TO TACKLE WORKLESSNESS IN DERWENTSIDE**

The Chair introduced to the meeting Bernadette Topham of Derewntside Employment Team who was in attendance to give a presentation to members on what is being done on the subject within the District.

She advised that Derwentside Employment Team work in partnership with Derwentside District Council, Jobcentre Plus and the NHS to tackle worklessness and improve the employability of local residents.

She made references to figures that provide evidence to substantiate the need for this type of work in the area to help those receiving JSA and IB return to work.

She advised that a million people claiming Incapacity Benefit say they would like to get back into work and suggested that most people don't actually site health as the main barrier in returning to work. She suggested that following were the most common:

- Loss of confidence
- Lack of skills
- Lack of financial incentive

She went on to advise members that Derwentside Employment Team was working to do. She advised that the project was set up as a community outreach team to offer advice and support to the residents of Derewntside who are looking for work, and would not normally access the Jobcentre.

She advised she had eight members of staff currently on the team to offer advice and support when starting work, one to one confidential advise and back to work planning and job searching.

She advised that the team also offered help and advice on the following:

- Finding suitable training
- Better off calculations – help/guidance on claiming in work tax credits and other financial incentives
- Access to Pathways to work and the choices package for residents claiming IB.
- CV writing, job applications and Interview skills
- Managing and understanding health conditions (with partners)
- Self employment opportunities

She advised that to achieve the above objectives it involved working closely with partner organisations and the community and voluntary sector to secure every opportunity for the clients. She also advised that a number of community engagement events were organised to target those who would not normally access the jobcentre.

She concluded that since the team had been established their successes had been as follows:

- 120 residents registered
- 32 people back into work
- Help and management of recruitment of staff for Sopranos restaurant
- Good news stories

Councillor Proud then asked if the targets set were realistic in terms of what they had been doing so far.

In response Bernadette advised that she felt they were obtainable and had been set over a 2 year period. She advised that the project began six months later than originally anticipated, but had made good progress and suggested that hopefully more residents would come on board after the community engagement events had taken place.

Councillor Proud then requested that future figures and targets be brought back to the committee in months to come.

Councillor Armstrong asked as ward Councillor for Cornsay, if employers were being targeted outside of the District for the benefit of residents of such a ward as Cornsay who has closer links to Durham than Consett and Stanley. Bernadette advised that this was the case and residents could find out more about the opportunities available by attending one of the ten engagement events happening across the District in coming months.

The Chair then thanked Bernadette for her attendance and presentation.

### **30. VERBAL UPADTE ON REGIONAL ECONOMIC STRATEGY ACTION PLAN – COUNTY DURHAM ECONOMIC CORRIDORS**

The Director of Development and Asset Management provided members with an update Regional Economic Strategy and the County Durham Economic Strategy

One NorthEast published the Regional Economic Strategy (RES) for the North East of England on the 27<sup>th</sup> September 2006, setting out its vision and targets for the future prosperity of the region. The RES was accompanied by a draft Regional Economic Strategy Action Plan (RESAP) which aims to prioritise resources over the 2006/11 period.

The emerging County Durham Economic Strategy highlights the latent potential of County Durham to make a major contribution to the economic growth of the wider city region. Stanley and Consett are highlighted with other major towns in County Durham as important employment centres.

There are six main principles underpinning the new County Durham Economic Strategy:

- **A new and innovative approach to economic development**
- **Investing in areas of opportunity**
- **Strategic approach to interventions**
- **Emphasis on coordination of investment and action**
- **The need for spatial interdependence**

The contribution of Derwentside and County Durham as a whole is highlighted as providing considerable potential to increase the GVA of the Region.

The strategy for County Durham and the Region recognises that as in Derwentside there is a need to create and sustain more businesses, increase the level of economic participation, and modernise the employment base through new and re-investment.

Derwentside and the County will need to make a substantial contribution if the Region is to create around 20,000 new businesses. A focus on the need for enterprises that support higher skills could reduce this figure, as supporting self-employment primarily as an exercise in promoting economic inclusion, although important, will not substantially contribute to an increase in regional productivity.

## Strategic Economic Corridors

The work being undertaken to revise the County Durham Economic Strategy has identified three strategic economic corridors in the County which already have a significant business base and have the potential for significant further investment. This is likely to include re-investment by successful companies and a large number of these businesses are in high value activities, with companies exporting to national and international markets.

### Consett – Stanley – Chester le Street Corridor

The Consett / Stanley / Chester le Street Corridor is an important investment location in its own right, close to the heart of the Tyne and Wear City Region. It is an area of considerable economic opportunity and offers investors and companies further choice with regard to where to invest in the North East. The Corridor is already the base to a number of very successful companies. The Corridor has a number of important commercial and retail centres, although a long period of under-investment has resulted in some centres not realising their full potential. There are a number of major employment locations with the Corridor including a number of high quality industrial estates (Derwentside has 30 industrial estates with over 5 million square feet of floorspace). It is an area which can make a major contribution to the City Region and the regional economy.

Activity will include a number of major investment proposals with the potential to add value to the regional economy, and attract significant private sector investment to the region. These include:

- **Strategic site/premises investment:** Enhancements to the strong network of strategically important employment sites including Tanfield Lea and Tanfield Lea North Industrial Estate; Drum Industrial Estate and the Riverside Business Park;
- **Urban renaissance:** Major commercial developments and environmental enhancements to create an urban renaissance in Consett and Stanley town centres, including proposals for housing market renewal and retail re-development, plus a masterplanning exercise of strategic significance in Sacriston and Chester-le-Street, which will better link the town to development at the Riverside;
- High quality support for a **strategic tourist zone** incorporating Beamish, the proposed major sports / leisure centre in Consett and Riverside County Cricket Ground.

Councillor Proud advised that he thought it was encouraging to hear that One North East will continue to run but discouraging that the Local Government Review was so unsettling, he went on to ask how the team will carry on to plan work when the future of local Government is so uncertain.

The Director of Development & Asset Management added that even though the future is uncertain it is important that the District is recognised for having an important economic corridor.

31. **VERBAL UPDATE ON THE DERWENTSIDE ECONOMIC STRATEGY 2007-2012**

The Head of Economic & Community Development provided members with an update on the progress of the Economic Development Strategy for 2007 – 2012.

He advised that a SWOT analysis carried out by Derwentside Economic Development Forum for had identified the following:

- Employment levels increasing
- Low levels of unemployment
- Strong manufacturing sector
- Quality of life and the environment
- New housing availability
- Improving business infrastructure
- Economic Development track record
- Good place to start business
- Assisted area status

He advised that it had also identified weaknesses as following:

- Low levels of self employment
- No net increase in VAT registrations
- Increasing levels of unemployment
- High levels of IB claimants
- Low wage levels
- NVQ4 plus educational attainment
- No industrial or office property market
- Major urban centres

He then advised that this presented certain opportunities for Derwentside such as:

- City region Growth ( employment opportunitites
- Increasing labour supply within the EU
- Housing market growth
- Knowledge based and lifestyle start-ups
- Increased demand fro local retail services
- LEGI
- Interaction with local universities.

He suggested that they may be some threats such as:

- Growth of cities
- Reduced public sector investment
- Higher levels of outward commuting

- Reduced availability of housing and employment sites
- Globalisation and the impact of low cost manufacturing
- Reduced local employment opportunities
- Outward migration of young people
- Housing affordability
- Increasing levels of deprivation

He added that there were a number of key issues to take from these findings as follows:

- The need to increase the number of new businesses
- Existing businesses must be competitive
- A more knowledge based economy needs to retain and develop businesses with skilled workers
- Derwentside must provide employers with people who have employability skills and competencies needed by business
- Derwentside must retain a competitive local economy benefiting from the growth of the city region.
- Derwentside should not become a dormitory town of the Tyne & Wear City Region
- Derwentside must provide modern business premises and infrastructure to retain and grow businesses
- Derwentside must provide a good quality of life with improved major centres.

He advised that following this the Economic Development Forum had produced a number of aims relating to the findings of the analysis as below:

Aim 1	Raise aspirations and levels of enterprise
Aim 2	Increase levels of new business formation and self employment
Aim 3	Improve productivity and competitiveness of businesses
Aim 4	Provide additional modern business floorspace
Aim 5	Improve the employability and participation of residents
Aim 6	Improve the Town Centres of Consett and Stanley
Aim 7	Improve customer communications

Councillor Proud then added that from the presentation he had noticed that there was a common thread identified that there was a lack of skills and training.

The Chair thanked the Head of Economic & Community Development for his update.

### **Conclusion of meeting**

The meeting closed at 7.00 p.m.

### **Chair.**