

Scrutiny Sub-Committee for Building a Strong Economy

13th March 2006



Meeting with the Cabinet Member for Economic Development

Report of Head of Overview and Scrutiny

Purpose of Report

1. To explain the areas covered in a discussion between Members of the Economy Scrutiny Sub-Committee and the Cabinet Portfolio Holder for Economic Development.

Background

2. One of the Scrutiny roles is to seek to “hold the executive to account”. As part of this process, a series of meetings have been arranged between Scrutiny Sub-Committee Members and relevant Cabinet Portfolio Holders to provide the opportunity for discussion and debate about key issues.
3. The meeting with Councillor Brian Walker, Cabinet Portfolio Holder for Business and Tourism took place on the 17th January 2006. Councillor Walker has Cabinet responsibility for the Economic Development of County Durham. He represents the County Council over a full range of Economic Development and Business Support Partnerships, both regionally and within County Durham. He also has responsibility for the Council’s contribution to the development of tourism and leads on work to secure resources from Europe and also national and regional resources for the support of businesses and economic development in the County.
4. To structure the discussion, a number of areas had been identified in advance. The issues raised and the responses are set out below:

Tourism

Question: *How confident are you that the new Area Tourism Partnership will be able to deliver significant improvements in the County's tourism economy? Will the County Council have to change its approach to assist the partnership?*

The aim is to increase the number of people employed in tourism. How can we seek to ensure that tourism in County Durham is high quality, including the career structure and remuneration of employees involved in tourism?

Answer: It was considered that the introduction of the Area Tourism Partnership was a positive step. The detailed arrangements about representation were currently being discussed. There were some

views that the quality of experience in hotels and accommodation in the region needed to be improved, particularly in terms of “meeting and greeting” skills and there was some consideration being given to the role of foreign languages as part of customer care for foreign tourists.

It was recognised that there might be an opportunity to exploit the low cost flights coming from Rome to the North East to seek to attract more Italian tourists. It was also noted that more could be done in terms of publicising Durham on the North Sea ferries coming into North East ports.

The issue of the pay structure within the tourist industry was raised. It was indicated that there were discussions going on within the hospitality sector. There was general agreement, however, that improvement in pay in the tourist industry was not an easy issue to address. In terms of the Area Tourism Partnership, the County Durham Development Company would be a key player for the County Council. The quality of tourist leaflets was raised and the need to speak regularly to tourists to understand their likes and dislikes.

Knowledge Economy and NetPark

Question: *The County's policies are seeking to increase the numbers of new businesses in the County, increase the percentage of people working in research on knowledge-based employment and increase the number of higher paid jobs. Is it possible to say yet whether these aims are being fulfilled?*

Are young people from our schools and colleges benefiting from the Council's strategy?

Answer: NetPark was developing ahead of its targets. The next stage of the project was to involve more private sector investment. It was important to be considering the benefits to County Durham of the NetPark investment. The strategies in relation to NetPark indicated that there should be benefits for young people in our schools and colleges and this was an area which would need to be monitored. It was explained that a major science exhibition had taken place recently attended by a large number of school children which had been very successful. Some discussion took place about the retention in County Durham of high quality graduates from Durham University. NetPark was seen as a key opportunity to seek to attract and retain high quality skilled people. **It was suggested that a further visit should be made to NetPark to allow new Members to see the development.**

Sustainability and the local economy

Question: *Do you think we are doing enough to support local businesses to provide long-term sustainability for the County's economy?*

Answer: There was agreement that the Council had to have careful regard to local businesses with a view to long-term sustainability. It was recognised that some major developments had been introduced in the past at significant cost which in the end did not prove sustainable, usually in the light of global market pressures. This reinforced the need to ensure that our economic policies fully embraced local businesses who could provide long-term stability and economic activity.

Worklessness

Question: *Worklessness continues to be an issue in County Durham. We have an aim to match the national average. Are there any plans to introduce further initiatives to address worklessness in the County?*

Answer: An announcement had been made by the Department for Work and Pensions about tightening up the rules in relation to incapacity benefit. This provided a focus for discussion about this question. The role of Job Centre Plus in seeking to assist people back to work was raised. The County Council's role as employer was also considered.

Europe

Question: *How will changes to European grants impact upon the economy of County Durham?*

Answer: With the new membership of the EEC it was still not clear precisely the impact on County Durham in terms of European grants. It was estimated that there could be a sum of £600m in European grants over a six-year period which could be affected by changes in the EEC rules. Discussions were taking place with Government about replacement funding if European funding was to be removed. It was appreciated that the County was on the border-line in relation to criteria for European funding. It was clear, however, that over the longer term there would be changes in European grants and plans need to be made to adjust to this change.

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ATTENDANCE LIST: Meeting 17th January

Councillor Ray Pye (in the Chair), Councillors Armstrong, Lethbridge, Coates, Cordon, Southwell.

Apologies from Councillor Young.