

Durham County Council

Overview and Scrutiny Committee

At a meeting of the Scrutiny Sub-Committee for Building A Strong Economy
held at the County Hall, Durham on **Monday 12 June, 2006** at **10.00 a.m.**

Present:

Councillor Graham in the Chair

Members:

Councillors Armstrong, Chapman, Cordon, Iveson, Magee, Marshall, Pye, Southwell, Stradling, Wade, Williams and Young.

Other Members:

Councillors Burlison, Douthwaite, Gray.

Cabinet Member:

Councillor Cox and Walker

Apologies were received from:

Councillors Chaplow, Coates, Maddison, Martin, Meir, O'Donnell, Simmons and Ms B Lewis and Ms S Harris (Co-opted Members).

1. Welcome

Councillor Graham, Chairman, welcomed Councillor Burlison, a new member of the Authority, to his first Scrutiny Sub-Committee meeting.

2. Minutes

The minutes of the meeting held on 13 March 2006 were confirmed as a correct record and signed by the Chairman.

3. Declarations of Interest

There were no declarations of interest.

4. Any items from Co-opted Members and interested parties

There were no items from Co-opted Members or interested parties.

5. Terms of Reference

The Sub-Committee considered a report of the Head of Overview and Scrutiny explaining the terms of reference of the Sub-Committee (for copy of report see file of Minutes).

Resolved:

That the report was noted.

6. Tourism Report

The Sub-Committee considered a report and executive summary of the Scrutiny Working Group together with a presentation concerning tourism in County Durham (for copy of reports and slides of the presentation see file of Minutes).

The Chairman of the Working Group, Councillor Pye, gave a presentation to explain the Scrutiny Report.

With reference to the recommendations, it was highlighted that the main recommendation relates to the new Area Tourism Partnership which has just been formed in County Durham. This partnership will be the key driver for tourism in County Durham in the future. The County Council is adjusting its support to tourism to meet the needs of the new partnership. The first recommendation, therefore, suggests that the County Council urgently needs to clarify its role and operation in relation to the Area Tourism Partnership. This includes determining the main markets, better co-ordination of support and publicity and monitoring and analysis to ensure that tourism, in fact, provides positive benefits for the County's economy. Other recommendations are targeted at the County Council and suggests a more corporate and focused approach to tourism within the County Council to provide

more effective support to the tourism industry. It was also recommended that performance indicators should be developed so the overall benefits can be assessed. Also it was suggested that the Strategic Vision should be revisited in relation to tourism and if it can be demonstrated that tourism will be a highly skilled and appropriately remunerated industry, the Council should be looking to promote this opportunity for local employment and sustainable businesses.

Councillor Iveson commented that there is a need to instil pride in those people who work in or have a career in tourism. She emphasised that there is a need for more people in the Tourism industry have the facility of speaking a foreign language.

Members were informed that in the evidence given to the Group the importance of the individual's experience was highlighted, if they were made to feel welcome they will stay for longer. There is a need for a skilled workforce in the tourism field however this would need to be accompanied by an appropriate level of remuneration.

It was emphasised that if the region is interested in improving the number of foreign visitors, then special provision has to be made to cater for their needs. There is a need to determine how important the foreign visitor is to the local tourism economy.

Councillor Cox, Cabinet Member, commented that the report will be looked at carefully by the Cabinet, particularly the recommendations.

Councillor Armstrong commented that the Authority gives £60,000 a year to the Area Tourism Partnership for marketing. There is a need to ensure that the Authority is getting value for money.

Councillor J B Walker continued that there is a need to ensure that the Authority is receiving value for money in relation to the funding which it gives to the Area Tourism Partnership.

He commented that the two local airports have no brochures or leaflets to attract tourists to County Durham, however, suggestions have been made to rectify this.

Members were informed that advertising was an issue being taken up by the Area Tourism Partnership.

Resolved:

That the report and presentation be noted.

6. Presentation by Bob Ward – Head of Economic Development and Regeneration ‘County Durham Economy’ – An update

The Sub-Committee considered a report of the Head of Overview and Scrutiny together with a presentation by Bob Ward, Head of Economic Development and Regeneration providing an update on the County Durham Economy (for copy of report and slides of presentation see file of Minutes).

It was highlighted that manufacturing forms the major business base, with work in the public sector being the next highest source of employment. In relation to graduate employment with the exception of Durham City, the other areas in the County are 10% below the national level of graduate employment.

The presentation demonstrated that 35% of the County are in the most needy areas for health with life expectancy 1.4 years below the national average. In addition average earnings in the County have fallen for males.

It was highlighted that Durham was recognised as the most deprived Shire County.

The Key investment priorities were outlined which included NetPark, Eastgate, Durham City and Beamish Open Air Museum.

Other economic issues facing the County Durham Economy were:-

- The Continued impact of globalisation.
- The Loss of European and other funding.
- The Northern Way.
- The Regional Economic Strategy and the Regional spatial strategy.
- Enterprise/cultural diversity.
- Worklessness.
- The condition of commercial infrastructure.

The overall position was that the manufacturing base of the County is generally healthy, however, worklessness together with average earnings declining are major issues which need to be addressed. There is also the issue of young people leaving the county and an ageing population.

With reference to unemployment it was highlighted that some people are eliminated from employment by culture, or lack of training, etc.

Councillor Marshall highlighted the need to attract businesses/industry to areas where high levels of unemployment exist.

The Sub-Committee was informed that in terms of employment this was very much dependent on the private sector. The Authority can influence this but cannot direct, and therefore very often people needed to travel to jobs rather than bringing jobs to "deprived" areas.

Resolved:

That the report and presentation be noted.

7. Notes of visit to NetPark

The Sub-Committee considered a report of the Head of Overview and Scrutiny explaining that a group of Members of the Economy Scrutiny Sub-Committee had visited NetPark on the 8 May 2006 (for copy of report see file of Minutes).

The Head of Overview and Scrutiny informed the Sub-Committee that following a request from Members, arrangements were made for Members of the Economy Scrutiny Sub-Committee to visit NetPark at Sedgefield.

It was confirmed that NetPark currently had 7 tenants and was high profile with its connections to the local universities and had been successful in attracting potential market leader companies which were being established. There were long-term plans for significant expansion at NetPark. The next phase of development over the next 5 years would be particularly important but significant external funding would be required. Members had been taken to view units which were occupied.

Councillor Wade commented that not all people could work in high quality jobs and there was a need to consider employment for all local people including those with less skills.

Councillor Young asked whether jobs would be filled locally.

The Sub-Committee was informed that currently there are not a large number of jobs filled by local people, however, it is hoped that more local people will be employed as the site develops.

Resolved:

That the report be noted.

8. Performance Management Report

The Sub-Committee considered a report of the Head of Corporate Policy providing an end of year performance update (2005/06) for Best Value performance indicators (BVPIS) and key performance indicators relevant to the Corporate Aim of Building a Strong Economy (for copy of report see file of Minutes).

The Sub-Committee was informed that the figures produced are relatively new and that it is planned to improve the quality of the information provided in the future.

It was confirmed that this information would look at the impact of the County Durham Development Company.

Resolved:

That the report be noted.

9. Forward Plan

The Sub-Committee considered a report of the Head of Overview and Scrutiny with updated details of the sections of the Council's Forward Plan falling within its jurisdiction (for copy of report see file of Minutes).

Resolved:

That the report be noted.

10. Work Programme

The Sub-Committee considered a report of the Head of Overview and Scrutiny giving an update on the Work Programme for the Sub-Committee (for copy see file of Minutes).

It was suggested that one of the projects to be undertaken by the Sub-Committee could relate to the Northern Way.

A session to consider the work programme for all the Sub-Committees would be taking place shortly.

Resolved:

That the report be noted.