

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 March 2007** at **10.00 a.m.**

PRESENT:

COUNCILLOR L O'DONNELL in the Chair.

Members:

Councillors Armstrong, Coates, Iveson, Meir, Pye, Stradling and Wade.

Co-opted Member:

Councillor M Iveson

Other Members:

Councillors Barker, Gray and Hodgson

Apologies for absence were received from Councillors Bell, C Carr, Chaplow Graham and Young and Mrs E Richardson (Co-opted Member).

A1 Minutes

The minutes of the meeting held on 11 December 2006 were confirmed as a correct record and signed by the Chairman.

A2 Declarations of Interest

There were no declarations of interest.

A3 Items from Co-opted Members or interested parties

There were no items raised from Co-opted Members.

A4 Building a Strong Economy Quarter 3 Performance Report 2006/07

The Sub-Committee considered a report of the Head of Economic Development and Regeneration providing a performance update for Quarter 3, 2006/07 for the Authority's Corporate priorities and other performance indicators relevant to the Corporate aim, Building a Strong Economy (for copy of report see file of Minutes).

It was highlighted to members that Economic Development is an area that is difficult to attribute quantitative measures to a local authority due to the necessity for a multi-agency approach to delivery. However, despite these difficulties, the Authority has a leading role in the Chief Economic Development Officer's Society and the Audit Commission's work on Performance Indicators for Local Authority Economic Development, with the Durham County Council's Economic Development Team leading the national CEDOS benchmarking exercise this year.

With reference to the County Durham Economic Strategy, Members were informed that this is currently being reviewed by the County Durham Economic Partnership and an update will be given to Members shortly on the strategy.

In addition, Members will be given quarterly updates on Local Area Agreement data with Members also receiving Audit Commission and CEDOS performance indicator updates on an annual basis. It was confirmed that this data will be presented to Members in the Quarter 4 Performance Report.

Members were informed that there is one priority area for improvement aligned to this Corporate aim and that within this theme there are three outcomes identified as areas for improvement which are as follows:-

- Reduction in the level of worklessness – it was highlighted that there is a data lag and it is anticipated that improvement in performance will only take place in quarter 3.
- Increased entrepreneurial activity – the figures show an upward trend.
- More people with the skills to meet current and future business needs – in order to know if we are succeeding the authority is measuring:-
 - NVQ Level 2 (LAA stretch target)
 - % of the working age population claiming job seekers allowance – Durham has had higher rates of Incapacity Benefit claims than Job Seekers Allowance, partly because of poor health, but partly also because of intergenerational factors; however, the results this quarter shows a reversal of this trend.

- Maintain County GVA – it was highlighted that there is a three year data lag on this indicator so the figure of 64% is for 2004. Economic Development and Regeneration are currently working with partners engaged in the Local Area Agreement – to establish proxy measures for this indicator that will indicate direction of travel in advance of updated data being released.

In relation to the GVA, Members requested clarification as to when more current information would be available.

It was confirmed to Members that they would receive GVA information on a quarterly basis, starting within the next few months.

With reference to increased entrepreneurial activity, clarification was sought as to how information is collected on those individual business that do not claim VAT.

Members were informed that this is a gap in the current process and the only way to capture this data would be via a survey.

It was emphasised that an individual can have a thriving Company which falls below the current threshold of £56,000.

Resolved:

That the report be noted.

A5 County Durham Economic Strategy - Progress

The Sub-Committee noted a verbal report of the Chief Executive's office giving the progress to date in relation to the County Durham Economic Strategy.

Members were informed that the County Durham Economic Strategy was presented to the County Durham Economic Partnership Board on 25 January 2007. The strategy drawn together by a multi-consultancy team but currently led by EKOS consultants, contains some key central themes that are emerging and not yet fully agreed. These are:

- The concept of a geographical prioritisation of development in a few strategic 'corridors'
- Tackling 5 Key Challenges:
 - Promoting Enterprise
 - Productive Business
 - Increasing Skill Levels within the Workforce
 - Increasing Workforce Participation
 - Tackling Deprivation

The Board considered the County Durham Economic Strategy and requested that the following actions be taken in order to take the strategy to the next level (i.e. going out to public consultation).

- EKOS to write a consultation framework, detailing how to consult with the public, what timescales the authority will work to etc.
- EKOS to write a monitoring framework, giving better detail on how we will be measured and what performance indicators will be used.
- A new chapter to be written around 'delivering accelerated growth' to acknowledge how far behind we are compared to the national picture and what we are going to do to achieve real change.
- There was a feeling that there needed to be more robust analysis around why the corridors were chosen. The analysis is made as to the likely requirement for new jobs and additional floorspace in the next ten years, which sectors they are likely to be in and crucially which areas of County Durham these sectors are strong in.

The papers will be presented to the Officer Delegated Group at their meeting on 13 March 2007, with a report coming back to the next meeting of the Sub-Committee.

The Head of Overview and Scrutiny requested clarification as to when the 12 week consultation period will begin.

Members were informed that it is hoped that the consultation process will begin in Summer 2007; however, there is a possibility that the Officer Delegated Group may reject some of the proposals suggested by EKOS.

Resolved:

That the update be noted.

A6 Presentation – Update - Area Tourism Partnership

The Sub-Committee considered a presentation by the Chief Executive of the Area Tourism Partnership updating Members of the current situation regarding the Tourism Partnership (for copy of slides of the presentation see file of Minutes).

The Chief Executive highlighted the following during the presentation:

County Durham Tourism Partnership

- Remit - strategic leadership for and co-ordination of tourism, county-wide

- Not-for-profit, private-sector-led company
- Funders: ONE, districts and county council, private sector
- Total budget c £650k per annum

It was emphasised that the partnership is a not-for-profit company led by the private sector, the remit is the strategic leadership of tourism in the County, co-ordinating a very wide range of organisations. Funding comes from a variety of sources, but the main funder is the Regional Agency through single programme with the District Councils and the County Council providing 20% match funding. In addition they have income targets to reach for private sector income.

Update On

- Strategic planning and research
- Partnership development and support
- Marketing and information
- Visitor experience

The Chief Executive highlighted that the purpose of her attending the meeting of the Sub-Committee is to update Members on what is going on in the County in terms of tourism.

Strategic Planning and Research

- Area Tourism Management Plan
- Understanding our customers
- Image and reputation
- Working within Tourism Network North East
- Working within CDEP

It was highlighted that a considerable amount of time had been spent working within the regional network influencing decisions, putting the County Durham perspective into regional plans and strategies and commenting on specific strategies. Working with the network comprises approximately 16 meetings in a three month period.

Partnership Development and Support

- 3 sectoral networks established, 2 more on the way
- Traditional and on-line communications for industry
- Industry events
- Raising the profile of tourism in sub region

The Chief Executive informed the Sub-Committee of the establishment of the Durham Attractions Group, which comprises over 35 attractions, large and small, working together on a range of projects aimed at the day market, including a VIP pass and attractions pass.

In December the launch of the 'Grapevine' took place, a quarterly printed communication which tells the industry what the partnership is doing, highlights best practice, notifies the industry of issues and upcoming events.

Marketing and Information

- New marketing tools
- 4 tactical campaigns
- Press and PR work
- Joint marketing
- Destine
- Distribution
- Travel trade work

Members were informed that work is about to begin on the County Mini Guide, this is a piece of print designed for visitors once they are in County Durham.

In addition, a data driven website has been launched, this is only an interim version, the full version will be launched in April.

Also 4 tactical campaigns are planned; 'hidden gems, outdoor and active, deep peace and Durham City breaks. The Partnership is also working on rationalising print distribution in the County, as currently there are 5 companies distributing literature in a confused and haphazard way to the benefit of no one.

Visitor Experience

- Product development – events, Culture 10, Made in Durham,
- Audit work to support development, e.g. attractions opening hours
- Quality – CDTP regional lead
- Customer service

The Members were informed that the County is taking the lead on events at a County level and have convened a County wide events group that has produced 4 bids for culture, 10 funding in 2008, this is important because Durham hasn't maximised regional opportunities in this area previously.

In addition, there is the Made in Durham innovative project, aimed at support for our Visitor Information Centres and supporting a positive image of the County.

It was highlighted that in the recent audit of attractions, County Durham is in the main closed from October to April.

County Council and Tourism

- Council active in visitor experience, product development and information services
- Scrutiny not focusing on these areas currently
- Can CDTP help with scrutinising County Council activity in tourism?
- What will LGR mean for tourism
- How can CDTP help raise profile of importance in current climate of uncertainty?
- Significant cut in financial support over 18-month period
- CDTP working with senior officers on future support for CDTP
- Some good partnership working, particularly with Cultural Services staff
- Strong support from economic partnership

It was confirmed that many of the County Council officers are actively engaged with the Partnership, with the DLI Museum and Killhope part of the attractions group. Staff at Bishop Auckland are trying hard to engage with the TOVIC Group; however, the Durham Dales Centre are not engaging currently with the most important regional development for staff information, Destine and have not been able to input into the regional Visitor Information Study.

It was emphasised that the County Durham Tourism Partnership would work with the Authority to scrutinise the Council's work in the tourism area if required.

With reference to funding by the Authority, there are various budgets that are spent that have an impact on tourism, including the Environment Department, Culture and Leisure, but these are not dedicated tourism budgets.

It was highlighted that the budget that the County Council did dedicate to tourism stood at £520K in 2005, in March 2006 the Authority closed the tourism team down and cut the County Council's budget allocated to tourism to £200K, in the budget year 2006/07 just 35% of the remaining £200K nominally allocated to tourism was spent to the benefit of tourism and in the coming year just 12% is likely to be spent for the benefit of tourism. In addition the core contribution of £60K, is £5K less than given to the Tourist Board.

The Chief Executive concluded by emphasising that tourism is worth £589 million a year to the County's economy and supports 12,000 jobs.

In relation to the Durham Coastline, clarification was sought as to the amount of publicity currently given to this, particularly in relation to Seaham.

It was confirmed that whilst the Coastline is publicised, including Seaham, the facilities currently available are not of the level required by tourists; however, work is ongoing and it is anticipated that in the future the Coastline, including Seaham, will be a major tourist attraction. In addition, various campaigns are running in parallel, highlighting the coast.

Clarification was requested as to what work is currently being undertaken regarding attracting foreign visitors.

It was confirmed that various tourist information is being produced in six languages.

Councillor Coates commented that he was concerned about the lack of hotel accommodation in East Durham.

It was acknowledged that this is a problem and there is a need to get all 'key players' on board in relation to establishing good quality hotel accommodation.

Councillor Pye commented that there is a need to get tourists into the County from across the 'border'.

The mini guide undertakes a crucial role in attracting visitors to the County from across the various borders, it was emphasised that the guide is being distributed widely.

Resolved:

That the up-date be noted.