

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 Tuesday 26 June 2007 at 9.30 a.m.

PRESENT:

COUNCILLOR E MASON in the Chair

Members:

Councillors Armstrong, Chapman, Cox, Meir, Southwell and Stradling.

Co-opted Members:

Ms J Clark, Mrs O Brown and Mrs E Richardson.

Apologies for absence were received from Councillors Coates, Graham, O'Donnell, Shuttleworth and Young.

The Chairman congratulated Mrs Brown on receiving an M.B.E.

A1 Minutes

The Minutes of the meeting held on 12 March 2007 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 Future Priorities and Key Issues within the Sub-Committee's Remit - Discussion with Chris Tunstall, Deputy Chief Executive (Policy and Improvement) and the relevant Cabinet Portfolio Holder (Councillor Cox)

The Sub-Committee considered a presentation by Chris Tunstall, Deputy Chief Executive (Policy and Improvement) relating to future priorities and key issues within the Sub-Committee's Remit (for copy of slides of presentation see file of Minutes).

The presentation focused on the following:

- Context
- Structure
- Economic Policy
- Funding and Programmes
- Strategic Projects
- International Relations
- Key External Engagement
- What we have achieved in 06/07
- What we plan to do in 07/08
- What difference this will make
- What we contribute to
- The future of Economic Development and Regeneration

The Sub-Committee was informed that Economic Development and Regeneration had a gross budget of £2.3 million for 2007/08 with 34 members of staff.

In relation to the various sectors of the economy within the County, members were informed that manufacturing had declined although it is still the biggest sector.

He continued that in relation to the City regions they are a threat (a positive threat) as if there is growth in Cities this will spin off into the hinterlands however the downside is that they propose limited development of Netpark and Tursdale within the County.

In relation to the City Region Boards the Authority has representation on the Tyne and Wear Board however although engagement is taking place with the Tees Valley Board there is no representation on the Board to date.

With reference to Worklessness within County Durham members were informed that 15% of the population is defined as worklessness with the number of people in work lower than the national average, he continued that there is a need to break the culture in some areas of County Durham where generations of families have been in receipt of incapacity benefit payments.

The Sub-Committee was then informed of the key external engagement currently taking place and it was highlighted that Business Link North East (which provides one business link) covering the whole of the North East had been a positive move forward.

In relation to what has been achieved by the Authority in 2006/07 it was highlighted that it continues to "fight the County Durham corner" within the context of diminishing funding.

In addition various initiatives had been developed to address the worklessness agenda.

With reference to the action planned in 07/08 members were informed that the authority will continue to engage with and influence national, regional and city regional bodies to ensure the greatest possible return for County Durham, work will continue with key partners to develop initiatives to attract and retain graduates and increase higher level skills, explore how Durham County Council assets can be maximised for economic gain, ensure that the rural agenda is well represented and effectively manage funding programmes to deliver wide benefit.

In relation to the rural agenda, it was emphasised that there is a need to market the North East, with an overall brand. It was emphasised that work is taking place with the University and Business Link in an attempt to retain University graduates within the County. In addition reference was made to the GHK review, which focuses on where the Authority is going in relation to the Management of Economic Development, it was highlighted in the report that the Authority needs to "sweat it's assets more" in relation to Economic Development.

With reference to the numbers of claimants of incapacity benefits, the trend is still upwards and the figures are not reducing by the level needed.

In relation to the Regional Spatial Strategy it was emphasised that this is not a "good deal" for Durham, restricting development in both housing and business, however the Durham MPs are lobbying to try and change some of the recommendations proposed in this document.

With reference to the upward trend in the figures of those claiming incapacity benefits, Elaine Richardson, JobCentre Plus commented that the "Pathways to Work" scheme is the Government's major welfare reform and has been in place in Durham since 2006. She continued that a decrease in the figure of those claiming benefit will not be seen for some time as this scheme needs time to produce results as it is targeting/working with the "hard to reach groups".

The presentation concluded by the Deputy Chief Executive (Policy and Improvement) suggesting that Overview and Scrutiny look at new business start-ups and the Regional Spatial Strategy as potential Working Group projects.

Councillor Armstrong commented on the importance of partnership working particularly in relation to Local Area Agreements. He continued by emphasising the need for members to be involved in local target setting via the Local Area Agreement Board.

Members were informed that the lack of member representation on the Board had been highlighted as an issue and is currently being discussed with a view to resolving this issue.

The Head of Overview and Scrutiny suggested that a Working Group may want to look at the outcome from the Audit Commission Report on Economic Regeneration commenting on partnership working and the GHK Review Report.

With reference to the Audit Commission's Report concerning Economic Regeneration members were informed that the report will not be published until following Local Government Review.

In relation to graduates and the need to retain them, clarification was sought as to whether the focus is on graduates studying in County Durham or graduates where their family home is in County Durham.

It was confirmed that the Authority is concentrating on building a knowledge based economy with students targeted from throughout the Country.

Resolved:

That the presentation be noted.

A5 Area Tourism Management Action Plan

The Sub-Committee considered a presentation by Melanie Sensicle, Chief Executive of the Area Tourism Partnership concerning the Area Tourism Management Plan (ATMaP) (for copy of slides of presentation see file of Minutes).

During the presentation the following issues were highlighted.

- What the ATMaP does
- Timescale
- Who is involved
- What does it contain
- Next Steps

Members were informed that there is a need for a plan to ensure that the organisations and businesses involved in the development and promotion of County Durham as a visitor destination are working in a co-ordinated approach (a co-ordinated approach rather than working in silo's). The plan translates strategy and planning into action, identifies priorities to deliver regional and sub-regional tourism strategies and to deliver parts of regional and sub-regional economic development strategies.

With reference to timescale it was highlighted that the document is active and updated every six months.

In relation to the contents of the document, members were informed that the plan contains an analysis of what makes a successful visitor economy, priorities for the ATP in managing and developing ATMaP, an annual plan of activities, identification of lead and supporting roles and clear statement of ATP role, set of targets based on regional tourism objectives and challenges for County Durham in developing the visitor economy.

She concluded by informing the members that the full draft document will be reviewed by the ATMaP Committee with the draft document going to ATP board in July and the draft document circulated to the economic partnership members as soon as possible.

It was highlighted that the first ATMaP will be agreed and dated in September.

Councillor Mason requested clarification as to what constitutes the biggest threats to tourism in the County.

Members were informed that competition from other regions in the UK and low cost flights to Europe pose the biggest threat to tourism in County Durham.

He continued that there are additional threats to the coast ie minewater pollution over which the Authority has no control.

Melanie Sensicle confirmed that there is a need to get all partners signed up and on board with ATMaP.

Elaine Richardson, JobCentre Plus commented that there are various schemes available to encourage individuals to set up in tourism. In addition she continued that should jobs be developed in the tourist sector via various projects it would be useful if early contact could be made with JobCentre Plus so that work can start as soon as possible with potential employees.

Members continued by expressing their concern in relation to public transport in County Durham.

It was confirmed that public transport travelling east to west in the County is a particular problem however it was also recognised that the existing public transport network is not adequate.

Councillor Armstrong informed members that Overview and Scrutiny is looking at an integrated transport plan working with District Councils in relation to this issue.

The Head of Overview and Scrutiny commented that as a result of the Working Group report "Wish you were here" a proposal for one-off funding to support a feasibility study looking at promoting the growth of business tourism in the area by providing world class conference facilities was being looked into.

Councillor Armstrong suggested that there is a need for those employees working in tourism to speak a foreign language.

Members were informed that there is a need to improve the quality of customer service given to visitors.

It was agreed that the Chief Executive would provide an update to members of the progress of the ATMaP in December 2007/January 2008.

Resolved:

That the presentation be noted and that an update on the progress of the ATMaP be given to a future meeting of this Sub-Committee.

A6 Report of the Worklessness Scrutiny Working Group

The Sub-Committee considered the report of the Worklessness Scrutiny Working Group (for copy of report see file of Minutes) prior to submission to the Cabinet Briefing and the Cabinet Committee.

Resolved:

That the report be noted.

A7 Building a Strong Economy - Quarter 4 Performance 2006/07

The Sub-Committee considered a report of the Head of Economic Development and Regeneration concerning a performance update for quarter 4, 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).

In addition a revised appendix 1 was circulated at the meeting to members providing the most current information available (for copy of report see file of Minutes).

Members were informed that there are no statutory performance measures for economic development however in an attempt to ensure value for money and improve services the Chief Executive's Office has played a leading role in the Chief Economic Development Officers Society and the Audit Commission's work on Performance Indicators for Local Authority Economic Development and in doing so the Authority has been at the forefront of national attempts to establish meaningful measurements which will enable future targets to be established.

With reference to priorities, areas for improvement aligned to this Corporate Aim, Promoting Economic Well-being, within this theme there are three outcomes that have been identified as areas we want to improve.

- Reduction in the level of Worklessness
- Increased entrepreneurial activity
- More people with skills to meet current and future business needs

It was highlighted that the latest data for the "Skills indicator" is for December 2005 which states that 181,000 people have the equivalent of NVQ Level 2 across County Durham, this is 2.7% above the 2004 baseline of 176,300. The Authority has commissioned some independent research (a Countywide Skills Survey) the results of which have been encouraging showing 81% of 19 - 65s in the County with NVQ Level 2 or above.

The areas of improved performance are as follows:

- Number of people in self-employment
- VAT De-registrations
- NVQ Level 2
- % increase in NVQ Level 4 or equivalent
- Number of Incapacity Benefit claimants

Councillor Mason commented that in relation to VAT de-registrations, there is a temptation to organise accounts so that VAT does not have to be paid.

Members were informed that a study had been commissioned on overcoming barriers stopping VAT registration in an attempt to look at how the Authority can help with this issue.

With reference to NVQ Level 2 where NRF funding had been used for the purpose of increasing the numbers with this qualification it has proven to be very successful, would it not be advantageous to target funding at non NRF funded areas.

Elaine Richardson from JobCentre Plus commented that funding is being targeted in relation to NVQ Level 2 qualification, in non NRF funded areas. In addition she informed members that JobCentre Plus has a number of projects helping individuals who want to establish a business.

Resolved:

That the report be noted.