

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held **remotely via Microsoft Teams** on **Thursday 23 July 2020** at **9.30 am**

Present:

Councillor M Clarke (Chair)

Members of the Committee:

Councillors E Adam, J Atkinson, A Batey, R Crute, S Dunn, D Hall, T Henderson, J Higgins, S Iveson, L Maddison, J Maitland, R Manchester, R Ormerod, E Scott, P Sexton, M Wilkes and M Wilson

Co-opted Members:

Mr G Binney and Mrs R Morris

1 Apologies for Absence

Apologies for absence were received from Councillor T Tucker.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The minutes of the meeting held 21 February 2020 and special meetings held 27 February 2020 and 11 March 2020 were agreed as correct records and would be signed by the Chair, subject to the addition of Councillor M Simmons substituting for Councillor R Ormerod at the meeting held on 21 February 2020.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

There were no items from Co-opted Members or Interested Parties.

6 COVID-19: Economic Support and Recovery

The Chair welcomed the Managing Director (Interim), Business Durham, Sarah Slaven and the Regeneration Policy Team Leader, Glenn Martin who were in attendance to provide the Committee with an update presentation in relation to COVID-19: Economic Support and Recovery (for copy see file of minutes).

The Managing Director (Interim) thanked the Chair and Members and noted she would explain as regards the lockdown and immediate response to COVID-19 to support businesses, the emerging Impact of COVID-19 on the County's economy and the recovery plans and support moving forward.

In reference to the lockdown and immediate response to COVID-19 she informed Members of the Government's response including measures such as: the Job retention scheme (furlough); the Self Employed Income Support Scheme (SEISS); VAT deferral; Income Tax deferral; the Coronavirus Business Interruption Loan Scheme (CBILS); Bounce Back Loans; tax relief; support for the retail, hospitality, leisure and culture sectors; and the Statutory Sick Pay relief package.

The Managing Director (Interim) added that the Council was delivering the Government's COVID Business Grant Scheme with more than 8,764 small businesses supported, worth £97.9 million and with a 'Top-up' Local Discretionary Scheme being delivered to 362 businesses, worth £2.4 million. She added feedback from businesses had been very positive, with the Council being very proactive in contacting businesses.

It was explained that the Council was applying business rate reductions and discounts totalling over £49.8 million, with recalculation of business rates bills for more than 2,310 businesses and with 38 private nurseries receiving 100% Nursery Discount, totalling £378,000. She added there had been the introduction of immediate supplier payments and supplier relief for important vulnerable suppliers.

The Committee were informed that support offered via Business Durham included: rent deferrals for all Business Durham commercial tenants; responding to over 300 business enquiries; signposting of businesses to North East Growth Hub COVID-19 toolkit; weekly business intelligence gathering to feed into Civil Servants and NELEP Growth Hub; a fast track application process for Digital Drive County Durham grants to enable businesses to buy equipment to work remotely, noting a 153 percent quarter on quarter increase in uptake; and development of a Personal Protective Equipment (PPE) directory to support the County Council's suppliers and other businesses seeking PPE.

The Managing Director (Interim) explained that in terms of emerging insights/expected impacts there were several including producing business sectors at risk: non-food retailers; hospitality; cultural attractions; construction; and transport. She added that there would also be impacts upon small businesses; businesses without an online presence; the lower paid/skilled; younger people and women. It was noted that many businesses had stopped recruiting and that the North East was expected to be one of hardest hit regions. Members noted that the impacts would become clearer as Government support was withdrawn and data became available. The Managing Director (Interim) explained that there were opportunities in some areas, for example for: online retailers/delivery services; food retailers; some healthcare suppliers; and home entertainment. She added that businesses in many sectors were now open or reopening.

The Committee heard that emerging insights from two surveys included noting that 51 percent of businesses said they had experienced an impact on their revenue of greater than 50 percent, with that rising to 78 percent in the tourism sector. It was added that 25 percent of businesses said they were still closed, and 34 percent of tourism businesses did not know when they would reopen. Members learned that around 50 percent of businesses indicated they had used the furlough scheme and while the number of businesses making redundancies had initially been low that was now rising. The Managing Director (Interim) explained that many companies in the manufacturing sector had continued to operate, some adapting or innovating with new products, with some businesses expanding and continuing to invest.

In respect of recovery, the Managing Director (Interim) noted that a number of measures were being put in place including changes to roads and footpaths in town centres to support businesses reopening and to protect the public. It was added that leaflets had been delivered to town centre premises containing guidance and support in relation to opening safely. Members learned of webinars to support the retail sector, helping them embrace online selling and helping them to find new routes to market for their products or services. The Managing Director (Interim) noted that the new 'hyperlocal' destination marketing campaign would be launched by Visit County Durham and there would be the launch of the Jobs Fuse County Durham to support those losing their jobs and in fear of losing their jobs. She noted that there was a refocussing of existing business support programmes to support recovery, for example the Durham Business Opportunities Programme (DBOP) and that there was also support in terms of the anticipated increase in business start-up enquiries, through the Durham Ambitious Business Starts (DABS) programmes.

The Committee learned as regards the Government's plan for jobs, albeit with the details on how they would operate yet to be received.

It was noted that the assistance announced by the Chancellor of the Exchequer included: the Job Retention Bonus (up to £9.4 billion); the Kickstart scheme (£2.1 billion); boosting of worksearch, skills and apprenticeships (£1.6 billion); a reduced rate of VAT for hospitality, accommodation and attractions (£4.1 billion); the “Eat Out to Help Out” (£0.5 billion); an Infrastructure package (£5.6 billion); Public sector and social housing decarbonisation (£1.1 billion); the Green Homes Grant (£2.0 billion); and a temporary cut to Stamp Duty Land Tax (£3.8 billion).

The Managing Director (Interim) noted that feedback was that the Eat Out to Help Out scheme appeared to favour larger chains over smaller operators, though it had helped to build consumer confidence. She added that in terms of infrastructure and “Build Back Better”, there was £47 million for the North East, via the NELEP, to accelerate projects in the County and the region.

Members were informed of the work of the Local Resilience Forum (LRF) and its Strategic Response Group that had been set up to lead on the structured recovery work for County Durham and Darlington, chaired by Durham County Council’s Chief Executive, Terry Collins. It was added this work included developing a data framework to monitor impact and develop responses. The Managing Director (Interim) added that the North East COVID-19 Economic Response Group was established to lead the development of a phased recovery plan for the North East and the County Durham Economic Partnership (CDEP) was also developing an action plan.

The Committee learned of the next steps in relation to the economy, with activity including: coordinating activities with the North East Covid-19 Economic Response Group and other external partners; development of a CDEP action plan; utilising and enhancing existing resources and programmes to respond to the crisis; coordinating evidence-gathering and lobbying work with partners across the County; committing additional resources and bidding for regional and national resources; and continuing to monitor the ongoing impact in order to respond accordingly.

The Chair thanked the Managing Director (Interim) for her presentation. He noted, on behalf of the Committee that he would like to pass on condolences to anyone who had lost a family member, friend or colleague due to COVID-19. He added that the thoughts of the Committee were with them at this difficult time. He noted his thanks to Council workers, many of whom who were now working from home, some whilst shielding due to pre-existing health conditions.

The Chair also thanked fellow Councillors who had given their time in proactively engaging with their communities to deliver a range of actions such as delivering food parcels or telephoning isolated residents for a chat. He added that further economic support had been available thanks to an extension of the rules surrounding Members’ neighbourhood budgets, with Councillors now having more flexibility to fund initiatives that supported their communities during the unprecedented public health emergency.

The Chair explained that he had felt it was vital to bring the detailed initial report on the response to COVID-19 to Committee as the economic impact was very much within the Committee's thematic remit. He added that COVID-19 had rocked the economic position of County Durham and beyond, to its core, with every business, family, sole trader, large corporation, entrepreneur and student affected. He noted that students had effectively taken a year out, which would increase the number of young people entering the labour market in a one year period when compared to normal times, making searching for work more difficult.

The Chair hoped that the report would serve as a starting point for how the Committee took forward its scrutiny of COVID-19 and related issues for the remainder of the year, and into next year, with Members able to discuss the challenges and practicalities of how the Committee would do that at the next agenda item.

In terms of this report, the Chair noted that what stuck out to him was that almost 75 percent of businesses currently trading had noted their income had been affected by COVID-19. He added that it was not surprising, and it was likely many of the remaining 50 percent of businesses yet to re-open would also face similar challenges. He noted the recalibration of the economy had seen some products or services in very high demand, however, for everyone else it accelerated the difficulties that they faced. He noted that even the most optimistic would imagine that there would be many redundancies and business closures in the coming weeks and months.

The Chair noted that, due to the necessity for a swift and comprehensive lockdown which resulted in full Council meetings not being able to take place, Members from across the current "virtual Chamber" had little opportunity to comment on the Council processing over £100 million of public funds through its accounts and being passed on to local businesses. He added that in openly discussing how Durham County Council were seeking to support the local economy, he wanted the public to be reassured that the Council was working hard to support the economy and our enterprise, and that the money sent to the Council had been forwarded very quickly to our businesses to provide essential support.

The Chair noted that Members' questions and observations were vital in highlighting any small way that we could improve what we do as a Council, to offer whatever economic support we could to businesses who had never had more obstacles to their survival in front of them than what they faced today. He added that the County may yet face other serious economic challenges if a second lockdown was required and whilst it was hoped that would not occur, if the Committee's scrutiny helped to highlight areas where the Council could optimise its support, that would be a worthwhile discussion.

The Chair asked Members for their comments and questions on the report.

Councillor M Wilkes echoed the Chair's comments in how quickly support was delivered to businesses in the county and thanked the Officers for their work. He commended the Council's quick response in getting financial support out to local businesses, adding it was an excellent job and should be applauded. He noted that speaking to people in other parts of the country, this had not been the case elsewhere. In respect of the announcements relating to Government support, he felt that the proposed support was not enough and that some of the priorities put in place were perhaps not ones he would have chosen, giving an example of the Stamp Duty cut being a £15,000 tax cut for those selling a £2-3 million property. He added that he felt Government needed to revisit proposals as a lot of businesses were struggling and that more emphasis should be placed on this sector.

Councillor M Wilkes referred to paragraphs 26 and 27 of the report and noted that 279 responses to a business survey had been received in April 2020, followed by 180 responses in June 2020, a reduction of 99 responses. He noted the responses indicated that around 50 percent of businesses did not think they could survive beyond the following three months and therefore he would be keen to know what those 99 businesses which had not responded were now doing, whether there had been an improvement by June or were many of those businesses no longer operating. He also asked as regards what follow up work was undertaken with those companies that had been in touch with the Council initially but had then not engaged with the second consultation.

Councillor M Wilkes noted an important point in relation to the Local Discretionary Grant, as set out in the Officer's presentation and contained within the agenda pack at page 40. He noted that while the Council had been very successful in getting out the first round of money to businesses in the order of £15,000 - £25,000, the report implied that the discretionary element was only half spent, from a total allocation of £5 million. He referred to Council rules relating to allocation and noted that those referred to Government noting that Councils should be prioritising those businesses with a rateable value of less than £51,000, however, it did not state that the Council should not be allocating any money at all to businesses with a rateable value above £51,000. Councillor M Wilkes explained that he felt there was a need for clarity on this matter as there were many family businesses across the County that, while may have received furlough payments for staff, had not received any allocation in terms of business rates grant. He gave examples of farms and adventure centres that would have quite high business rates valuations and as a consequence were receiving no support. He added that other types of single concern businesses, including larger public houses, ran by families or small partnerships, had also received no support from the grant scheme. Councillor M Wilkes explained that if there was any scope to be able to amend the grant scheme it needed to be done now as in the 84-85 days since it was announced, only half of the funds had been spent.

He noted another example of businesses not receiving any support through the grant scheme was nursery businesses that operated within schools, as the way they operated meant they did not have a business rate bill. He added there were many business types that had not received any allocation from the original allocations of £10,000 - £25,000 nor from the Council in terms of the discretionary scheme. He noted that he felt it was very important to push out help and support to those business as soon as possible. He concluded by noting that the situation was that, three months from the date of the monies being made available, only half of the £5 million had been spent and he felt the Council should look at the issue as a matter of urgency.

The Managing Director (Interim) noted that in respect of the surveys, the relevant link was sent out via the Business Durham website and business newsletters to all the business networks within the County and she added there had not been a consistent response in terms of those responding to the first survey and those responding to the second survey. She noted that at that time, businesses were being asked to complete many surveys from many organisations not only Business Durham, such as business networks and the Chamber of Commerce, and there may have been an element of "survey fatigue". She reassured Members that the surveys were not the only work Business Durham was undertaking and explained that they had reached out to every business that had engaged with Business Durham over the last two years to ask how they were coping with the crisis and to ask if there was any support that they needed, for example in terms of reopening plans. She noted that this proactive approach had been in addition to the surveys, which themselves were more to gather general information and statistics. The Managing Director (Interim) explained that from that piece of work signs were not yet being picked up that a significant number of businesses were going out of business and Business Durham continued to reach out proactively.

In respect of the grants and discretionary fund, the Managing Director (Interim) noted that it may be an issue that the Council's Business Rates Team could answer as they took the lead on that issue within the Council. She noted from discussions with other Local Authorities in the region that the discretionary pot had proven difficult to allocate for all Local Authorities, with part of the reason being that many of the applications being received were not eligible. She added some applications were being received from those that had already received an allocation, or did not meet the criteria, with Government requiring that the discretionary fund would go towards businesses with ongoing fixed property costs, with many applicants not meeting the relevant criteria. She explained that the Business Rates Team were in the process of amending the criteria for the discretionary fund and believed that the second phase was to be rolled out shortly. The Operation Director noted she was not aware of the details of those amendments and therefore information direct from the Business Rates Team would best inform Members on the matter.

She acknowledged the point in terms of businesses with a rateable value above £51,000 not being able to access the grant scheme, noting there were many such businesses within the County. She noted that if the cap were lifted to include such businesses, then there may not be sufficient funds within the pot to support all such businesses. She added that it was always a challenge where a scheme operated a threshold value and explained that the benefit of the scheme was how rapidly it was able to get money out to businesses, being structured around business rates.

Councillor M Wilkes suggested looking at brackets of rateable value, perhaps £51,000 to £100,000, or to look to support single firms rather than large chains, could be methods of being able to provide help for those businesses. He added that by putting in such additional criteria, rather than simply offering to all those businesses with a rateable value above £51,000, it would be possible to help those family businesses that were struggling. The Chair thanked Councillor M Wilkes and asked if Overview and Scrutiny Officers could put the queries to the Business Rates Team and for a response to be circulated.

Councillor R Crute, Chair of the Corporate Overview and Scrutiny Management Board, asked as regards how the initiatives already underway to support local businesses and the economy would be sustained, and also how Local Authorities would be funded in the long-term. He noted previous reliance on European funding in this regard, including European Social Fund (ESF) and European Regional Development Fund (ERDF), and asked, given that the response to the impact of COVID-19 would be long-term, what the Shared Prosperity Fund (SPF) would look like and whether it was still a Government priority. He noted that it would be important to understand whether the SPF would comprise of new money, as if the current EU funding was being used to support businesses then its equivalent would still be needed in order to sustain those schemes. Councillor R Crute asked as regards further information relating to the lobbying of central Government in respect of longer term financial settlement, as the Authority was receiving scattered pots of money and doing the best it could with those, however, there was no way to plan ahead effectively. He added it was his view that the Chancellor of the Exchequer should use the Comprehensive Spending Review (CSR) in the Autumn to announce a long-term financial settlement to enable Local Government, and their business support sections, to navigate through the uncertainty ahead. He noted that he felt that the Scrutiny function had a role to play in that lobbying and he felt it would be important for the Committee to consider that and to add its support to that lobbying for a longer term financial settlement for Local Government from the CSR. He added it would also be important to understand how the SPF would replace European funding as while that may have been how the SPF was to have come into effect, if Government now had different priorities it could look very different.

The Managing Director (Interim) noted there was currently no further information as regards the SPF, or indications as regards the amount or whether it would be new money.

She added that clarity on those points was something being lobbied for within the NELEP COVID-19 Response, with that document setting out what was done with the current funding, how much would be needed in the future and what it would be used for. She reminded Members that County Durham had benefited in terms of ringfenced European funding and an enhanced intervention rate as a “Transition Region” and it would be important to lobby in that regard. She added that, with County Durham as a Transition Region, providers of regional schemes had a requirement for them to identify how much of a programme would be delivered within County Durham, whereas previously a provider may have been able to deliver against their targets within another part of the region alone, without including County Durham. The Managing Director (Interim) noted that in lobbying in relation to the SPF it would be important to keep that ringfenced element for the specific needs of County Durham. She reassured Members that it was very high on the agenda and the Council was working with other Local Authorities in the region, and the NELEP, in terms of lobbying. She noted that Government had mentioned in their election campaign the “levelling up agenda” and added she felt that the SPF would be key in terms of that.

In respect of longer term funding and financial settlement for Local Government, the Managing Director (Interim) noted that this was perhaps a topic for the Corporate Director of Resources to speak on, however, she agreed that it was important in terms of recovery moving forward.

Councillor E Scott commented that the Bank of England had noted predictions for the “worst recession on record” and added that commercial premises were going to be badly affected and asked what the Council was doing in respect of its large development sites, for example Aykley Heads, in terms of futureproofing from major impacts such as a pandemic, and also in preventing such developments becoming a “white elephant”.

The Managing Director (Interim) noted that over the period April to June, Business Durham properties had recorded their best quarterly occupancy figures for many years. She added that an element of that was businesses pivoting to help provide items required by the healthcare sector as a result of the pandemic and she explained that Business Durham were currently inundated with enquires and had five new business lettings that week. She noted that the office market was a concern, with businesses realising their staff could work well from home, however, she noted she felt that there would be a hybrid approach in future and it would not be the end of offices, rather offices would be used in a different way. She added that currently social distancing required additional space to accommodate staff. In reference to the Aykley Heads site, the Managing Director (Interim) explained she felt there was an opportunity to design in the “new normal” and the future of work in terms of the designs of the buildings.

She noted an advantage in terms of the parkland setting and the opportunity for walking and cycling to work, linking to the green economy, and for the County to position its offer at Aykley Heads in terms of what that new work would look like. She added that it was a positive that there were opportunities to be able to look to design in terms of the future, in contrast to some established city centre office offers with high rents that would struggle to be able to adapt to any new approaches required for the future. The Managing Director (Interim) noted that business parks would need to be digitally enabled and in future there would be a need to be able to provide a hybrid approach in terms of working remotely and within offices.

Councillor L Maddison asked as regards how it was felt the “hyperlocal” destination marketing campaign would work in County Durham, and whether it would focus on the larger attractions within the County or also look to include areas at the town level. She also asked as regards any work ongoing with transport companies in terms of helping them to help the economy, getting people to where work was, noting the problems bus companies were experiencing at the moment. Councillor L Maddison asked if the Council was working with small businesses to share any opportunities for them to work together within County Durham.

The Managing Director (Interim) noted that the “hyperlocal” campaign was led by Visit County Durham (VCD) and explained that the idea was to build confidence in consumers so that they would visit our tourism attractions, whilst recognising that we may not see as many external visitors to the County. She added that the campaign looked to target local people and to encourage them to go out and spread across all our visitor attractions, not just the most well-known. She noted that many of our outdoor attractions had reported large numbers of visitors, such as Hardwick Park and High Force, as people felt more confident in those outdoor settings. It was added that more details relating to the campaign could be sought from VCD for Members’ information.

In terms of transport, the Managing Director (Interim) explained that it was a key concern and a lot of work was ongoing through the Council’s Public Transport Team in terms of offering support to those businesses and to enable them to continue to operate services. She added that it was also important in terms of how those services played a key role in getting people into town centres for shopping and leisure and in being able to access work. She added that from September there would be an additional important role in terms of allowing access to schools and colleges for students and that work on this element was currently ongoing. The Managing Director (Interim) noted if there were any specific questions the Interim Head of Transport and Contract Services, Dave Wafer, would be able to provide a more detailed response.

The Managing Director (Interim) noted in respect of working with small businesses to share opportunities, there were a number of strong business networks within the County that were excellent in bringing together the local businesses in their area.

She gave an example of the Do Business Network, formerly the Derwentside Business Network, which had been helping businesses in their area work together on opportunities, as well as supporting their community.

She explained that Business Durham looked to support those networks in their activities including putting companies in touch with one another based on their needs. Members learned that through the Durham Business Opportunities Programme (DBOP) one of the strands of support related to businesses in the construction sector supply chain, helping those businesses get into some of the larger construction projects within the County. It was noted there was help for small businesses in terms of being able to put forward tenders and that the support was intended to help businesses create jobs and support growth.

Councillor L Maddison noted an opportunity in terms of the new Amazon fulfilment centre at Bowburn, with physical bus infrastructure in place, and asked if there were any bus companies involved in setting up routes to help take advantage and provide transport links for workers. The Managing Director (Interim) noted there was a meeting scheduled tomorrow between Amazon and various services within the Council, and the issue of transport as the top agenda item. She added that there were active commercial discussions ongoing with operators and it was hoped there would be solutions found to help take advantage of the opportunities the development brings in terms of jobs.

The Principal Overview and Scrutiny Officer, Stephen Gwilym noted a number of points relating to the impact of COVID-19 on the economy had been raised by Members, including on tourism, transport, culture and leisure. He added that in developing the work programme for the Committee, the newly appointed Corporate Director of Regeneration, Economy and Growth, Amy Harhoff had indicated she would wish to attend a meeting of the Committee to provide Members with more information on areas that may not have been covered in detail in today's presentation. The Chair noted the Committee welcomed the Corporate Director to her new post and looked forward to her attending Committee in due course.

Councillor E Adam thanked the Managing Director (Interim), and all involved for the unprecedented levels of work undertaken in terms of business support to help keep County Durham working. He asked for more information relating to recently released data sets in respect of job prospects and youth unemployment, noting those were large areas of concern for County Durham. He added that from those recent data sets it was shown that areas such as Easington were now within the 10 percent youth unemployment bracket, with an expectation for that to expand within the County. Councillor E Adam asked what work was being undertaken to encourage employers to take on young people and what work would be undertaken with the education sector with local colleges and training providers.

The Managing Director (Interim) noted there was concern as regards the impact on the training opportunities for young people and employment moving forward.

She explained that the situation was a work in progress, with a huge amount of work going on within colleges to get young people back onto their training programmes from September onwards, looking at remote working and rota based systems.

She noted from conversations with New College Durham there was a lot of work ongoing and referred Members to a presentation they had received previously relating to the DurhamWorks programme which helped young people into employment and helped prevent young people becoming NEET (not in education, employment or training). It was noted the DurhamWorks team had submitted a number of bids for funding to extend and enhance schemes and to enable the support to continue, joining up to offer support to young people before they leave school to help prevent them becoming NEET. The Managing Director (Interim) noted that the DurhamWorks programme had been a real highlight and was a programme the County should be proud of in terms of the approach in tackling the issue and in how it worked closely with partners. She noted this linked to the issue of encouraging our businesses to take on young people, with some businesses being concerned as regards the attitude and skills of young people, and added DurhamWorks had a role to play in being able to help prepare young people and to give reassurance to those businesses that the young people were ready to start work and that there would be ongoing support for businesses in the initial stages of employing a young person. Members noted that Business Durham had worked with DurhamWorks in identifying sectors where it was known there would be employment opportunities within the County to help prepare young people for those opportunities, similar to sector routeways. The Managing Director (Interim) explained that COVID-19 had put a pause on progress and the Council was mindful of approaching businesses to ask if they could employ an additional young person at a time where they may be struggling to continue to employ existing staff. She added that as recovery moved forward it would be important to work with businesses to see if young people could be a good fit for them and help provide a solution for businesses to aid in their recovery. She emphasised that the issue was high on the agenda for the Council and partners.

Councillor J Atkinson thanked the Managing Director (Interim) for her presentation and the hard work undertaken by Business Durham and partners in helping businesses in the current crisis, noting the fluctuations in the markets as an indicator of potential recovery. He noted several businesses operating on trading estates within his Electoral Division and asked if there were issues in terms of serial applicants for funding, how we would reach those businesses that were not coming forward for assistance, and how Councillors could help in terms of getting information out to businesses in their local area. He also noted there could be potential for investment in companies that were good ongoing concerns, with customers, however, were struggling with cash and asked if this was something Business Durham was looking out for and helping businesses with.

The Managing Director (Interim) noted Business Durham looked to get information out to businesses as much as possible and added that if Councillors received any queries, they could direct businesses and individuals to Business Durham and also the NELEP COVID-19 Toolkit. She added that many business networks were looking at new ways of communicating, for example through video meetings using software such as Teams, and it was noted there was increased attendance at the virtual meetings and webinars as they often proved easier for businesses having no travel time. She added that she felt that such virtual meetings would not replace all face-to-face networking entirely.

The Managing Director (Interim) noted that in respect of finance for businesses, there was the Council's Finance Durham Fund, and the North East Fund that is provided via funding from ERDF and the European Investment Bank. She added there were loans available for strong businesses with orders, those that may have ran out of money dealing with the impact of COVID-19, through the North East Fund and the Small Grants Fund ran by NEL Fund Managers, with offers to match up funding with the Bounce Back Loan Scheme.

The Managing Director (Interim) explained it was still not clear how the current situation would unfold, however, she reiterated that there were opportunities and noted she had recently given an interview to BBC Radio Tees in which she had discussed a business at NETPark that had recently won funding and was working with several European partners in relation to satellite technology that would improve telecommunication systems. She highlighted that within parts of the economy there would be opportunities which may have been paused as a result of COVID-19, but would still be there in the future. She added that it was the role of Business Durham to help the businesses in County Durham take advantage of those opportunities and to help maintain a positive outlook for the future.

Mrs R Morris thanked the Managing Director (Interim) for her very useful presentation and noted one issue that seemed to have come forward was the emphasis on the digital world, something that had been known previously, with COVID-19 accentuating that fact. She added her support for the work in terms of opening town centres, however, she noted that County Durham was a rural county and while a lot of business and individuals in rural areas would be willing to undertake more of their work digitally, they would need good internet connectivity and it was known that several rural areas in the County did not have good enough internet provision to support this. Mrs R Morris noted that would disadvantage those areas in terms of the digital world we were moving into and while the Council could play a role, it would be for regional and lobbying committees to play a bigger role in terms of the roll out of fast internet utilising technology such as fibre to the home. Mrs R Morris noted she was concerned for rural communities and asked, not only in terms of digital connectivity, what support could be given to our rural areas so that they did not miss out.

The Managing Director (Interim) agreed that it was a very important point and it was one that the Council had emphasised at a regional level in terms of any lobbying to take into account the needs of rural areas, working with other Authorities such as Northumberland who faced similar challenges. She explained the Rural Services Network had produced a document to lobby Government, setting out what rural areas needed and there was a consultation, to which the County Council was pulling together a response, that looked at not only businesses, but also communities and that had captured information as regards needs, useful in terms of lobbying Government. The Managing Director (Interim) agreed in terms of the importance of digital connectivity and lobbying for that “last mile” of connectivity, adding that the NETPark based company she previously mentioned had explained to her that fibre internet connections would be eventually be replaced by satellite connections and it was encouraging that there was a company within the County which was involved in the development of that technology as a commercial proposition. She added that it was important to lobby in terms of ensuring rural communities did not miss out and information would be fed back to the Committee in terms of the work undertaken. Mrs R Morris noted that an area to emphasise was the environmental element, in trying to get people off the road in their cars, encouraging working from home and promoting electric buses. She added that hitting those criteria could help in terms of the arguments being put forward when lobbying.

Councillor M Wilkes noted he fully supported the comments from Mrs R Morris and added that there were connectivity issues in non-rural areas, citing an example at Newton Hall within his Electoral Division, only one mile from Durham City centre. He added he had spoken to the Council’s Digital Durham Team as he received comments from a number of residents in terms of issues with internet speeds and capacity, those residents not being able to work from home effectively. He noted that while the speeds mentioned were around 12 Mbps and that could seem fast to some, it was not sufficient and noted there were speeds of up to 1,000 Mbps in places such as South Korea. He added he hoped for further roll out of fibre to the home, however, he emphasised that it was important that there was a need for support from Government and private companies. He reiterated that it was not just the rural areas, there were 14 towns within County Durham and every one of them had broadband issues.

Councillor L Maddison noted the work of Digital Durham in some of the rural areas in Spennymoor to improve the very low speeds and help residents access grants to improve connectivity and help businesses access larger grants. She thanked the Digital Durham Team for their help in that regard. Councillor A Batey, Vice-Chair of the Corporate Overview and Scrutiny Management Board, reminded Members that Digital Durham regularly reported to the Economy and Enterprise Overview and Scrutiny Committee and Members were aware of the changes to the Digital Durham programme of work.

The Managing Director (Interim) noted that through the Digital Drive programme, Business Durham worked closely with Digital Durham to help groups of businesses that may be having difficulty with accessing grants. She added that a good digital infrastructure was now just as important as a good electrical connection and needed to be built in as an essential service going forward and noted Business Durham would continue to work with Digital Durham.

Councillor S Dunn noted a thriving front street within his village, Coxhoe, and thanked the Managing Director (Interim) for all the support given to local businesses and noted the very positive responses to that support. He noted that beyond the front street trading activities, there were a number of small businesses and self-employed individuals and asked if the previously mentioned surveys had gone out to the self-employed, and what support was available for those individuals. In reference to “hyperlocal”, he understood that this was in reference to tourism, however, he noted that it could be very useful for local communities, especially those in rural areas, to identify the number and types of local businesses and services that could be provided locally, without travelling, and to try and encourage local people to support their most immediate communities helping to make their local businesses more resilient.

The Managing Director (Interim) noted the surveys were sent out via all the channels available to Business Durham and that most of the responses that were received were from the self-employed or businesses with fewer than five staff. She added that in terms of support offered to the self-employed, it was available through Business Durham and the five enterprise agencies within the County, and Members could direct individuals to Business Durham should they need support. The Managing Director (Interim) reminded Members that while there was not a specific solution in terms of helping the self-employed, they would need support similar to larger businesses in terms of accessing finance and identifying customers and opportunities. She noted that the Durham Business Opportunities Programme (DBOP) would have a specific strand focussing on helping microbusinesses, including self-employed individuals, to find new opportunities and markets. The Managing Director (Interim) noted that the Durham Ambitious Business Starts programme not only encouraged business start-ups, but also supported those businesses that were within their first 12 months of trading. She added the types of support included one-to-one support and the opportunity to work with other businesses in similar situations to provide peer-to-peer support.

In terms of the marketing campaign, the Managing Director (Interim) noted that, while she had referred to the tourism element within the presentation, the report made reference to an element of ERDF funding, from the reopening High Street Safely Fund, which could be used for marketing and campaigns not only to businesses, but also for consumer facing marketing, for example a “buy local campaign”.

She added that this was being looked at not only in terms of shops on the high street, but for all small businesses within an area to encourage to buy local. It was noted other elements were to help businesses to get their products to consumers where customers were not willing to travel into town centres, and to help businesses join together to share costs in terms of promotion. She explained that this was an issue high on the agenda of the Federation of Small Businesses. Councillor S Dunn noted that if Members could be given details of such schemes as they came on board that would be most useful.

The Chair thanked the Managing Director (Interim) and Regeneration Policy Team Leader for the report, presentation and answers to questions and referred Members to the recommendations as set out within the report. He also thanked, on behalf of the Committee, all Council staff and partners that continued to provide support to the business sector in County Durham during the pandemic.

Resolved:

- (i) That the content of the report be noted.
- (ii) That the Committee's comments in respect of COVID-19 funding and the Shared Prosperity Fund be passed to the service grouping and Cabinet Portfolio Holders and that they be included when lobbying Government for future funding for County Durham.
- (iii) That the Committee receive further reports on evidence of the impacts of the COVID19 crisis as part of the Committee's 2020/21 Work Programme.
- (iv) That the Committee receive further updates on the initiatives designed to minimise the impacts of the crisis as part of the Committee's 2020/21 Work Programme.

7 Refresh of the Work Programme 2020/21 for the Economy and Enterprise Overview and Scrutiny Committee

The Chairman asked the Overview and Scrutiny Officer, Diane Close to speak to Members in relation to the refresh of the Work Programme 2020/21 for the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The Overview and Scrutiny Officer explained that the report set out the proposed work programme for the Committee for 2020/21 at Appendix 2 and highlighted that the work programme was designed to be flexible in order to accommodate items that may arise throughout the year, and to provide the Committee with the opportunity to respond to any further issues arising as a result of the COVID-19 pandemic. It was added that as meetings were taking place remotely, agendas would be focussed, with the Chair and Vice-Chair agreeing that the work programme should be prioritised to identify which key items would be discussed at Committee and which issues could be dealt with via briefing notes for Members.

She added the briefing would still provide an opportunity for Members to ask questions and receive responses by the relevant service grouping.

The Overview and Scrutiny Officer noted the work programme for 2020/21 included items as identified by Members when delivering the work programme for 2019/20, together with any new areas that had been identified. She added the work programme set out agenda items proposed for discussion at Committee and those that would be provided as briefing notes. It was reiterated that the newly appointed Corporate Director of Regeneration, Economy and Growth had suggested attending a future meeting to give an overview of the impacts of COVID-19 on the service grouping and to give further details to Members on tourism, culture, leisure and sport.

The Chair thanked the Overview and Scrutiny Officer and assured Members that the changes to the work programme were not to take away the opportunity for debate, however, the approach was a practical one in relation to COVID-19 and the use of remote meetings.

Councillor M Wilkes referred to page 63 of the agenda pack, a "Town and Village Centres, Way Forward" report and noted that around 3-4 years ago he, and colleagues from the Liberal Democrat Group, had put forward proposals for villages regeneration money, with a year later the Cabinet Member bringing forward a £10 million regeneration fund, which was doubled at the start of 2020 to £20 million. He noted that a problem was the number of schemes was set at 22, far fewer than councillor M Wilkes had hoped for, and of those only 11 had been scoped and very little of the money had been spent. While he did not know if the Way Forward report was going to look into that particular issue, Councillor M Wilkes noted that if it was, the proposed date of January 2021 to look at the issue was too far off, given the £10 million was made available in March 2019 had not yet been spent. He noted that of the 22 schemes put forward so far, one of the key inclusions was the regeneration of many front streets and added one of those schemes was put forward by himself and his colleagues, relating to Framwellgate Moor front street. Councillor M Wilkes noted that waiting over a year, and with the scheme not having yet been scoped, was putting the Council in a position where it would not be able to help high streets get themselves going again as the country came out of the current crisis. He reiterated that he felt very strongly that the issue should be brought forward as soon as possible as he felt it was not acceptable that the funds had not been scoped, or spent, over a year and a half after the reserve was set up.

Councillor L Maddison referred to Retail Support and Masterplans also being scheduled for January 2021 and noted when she had made enquires as regards those items going to Cabinet in September 2020. She noted that given the situation within our towns across the County, she felt that discussions on the matter should take place earlier as Members needed to get on top of all the issues linked to regeneration in order to try and revitalise those businesses effected. She asked if those items could be brought forward on the work programme.

The Chair noted the requests and referred to the work programme document which set out several big issues tabled for the September meeting of the Committee including: the private rented sector and selective licensing: the impact on housing from COVID-19; and the budget outturn. Councillor R Crute noted that while there was a need to retain some flexibility within the work programmes for the thematic Committees, it was always the case that reports were brought to Committee when they were ready. Councillor R Crute asked if the Committee was assured of the slots as allocated by Committee Services in the diary and noted some of the agendas appeared somewhat top heavy, with up to five items. He asked if there was an ability to rebalance the distribution of items across the Committee dates allocated, if required. The Chair noted that the proposed work programme was such to have the most flexibility early within the programme, to allow time to deal with the issues arising from COVID-19, and also the March meeting would be in the period leading up to purdah and there would be a need to consider issues before that period. The Chair added that should Members feel an issue should be brought forward then it would be appropriate to check with the service grouping to ascertain if they would be able to bring forward a presentation at that point.

Councillor E Adam referred to the point he had raised in the previous item relating to youth unemployment and education and noted DurhamWorks was scheduled for Committee in February 2021, he did not see reference to what the Committee would be looking at in terms of the monitoring of performance figures in that regard. He also asked what work DurhamWorks would be undertaking within partners, schools, colleges and training providers, recalling a previous reports that had looked at what the Council could do in terms of working with our schools and colleges had highlighted that there was a need to work in closer partnership. Councillor E Adam noted there appeared to be a lack of links to encourage children to remain or go back into education and he felt that this would be important in terms of preventing young people becoming NEET. He asked for more information as regards whether it would be just DurhamWorks at that meeting or would it also include information in terms of youth unemployment. The Overview and Scrutiny Officer noted there had been an intention to look at statistics more widely, however, in having to deliver a very focussed work programme, the performance reports would contain the information in relation youth unemployment and more generally employment within the County. She highlighted that while dates were set out within the work programme, some were marked as "to be confirmed", as the September to December Committee Diary had yet to be finalised. It was added that once dates were known, further discussions and consultation would take place with the Chair and Vice-Chair and with the Members of the Committee.

Councillor J Atkinson noted page 59 of the agenda pack referred to the Skills Advisory Panel of the NELEP and asked if the item was a report on an issue that would be scrutinised. The Chair noted that there would be an opportunity for Members to put questions on the matter.

Councillor D Hall asked as regards the issue of Climate Change and whether there would be a joint meeting or review to look at what could be done outside of the Council with businesses and communities, and whether any “quick wins” could be identified within the support being offered to businesses. The Overview and Scrutiny Officer noted that as part of the work programme for the Environment and Sustainable Communities Overview and Scrutiny Committee there would be work looking at the Climate Emergency Response Plan, funding streams to work with local businesses and the issue of air quality. Councillor E Adam, Chair of the Environment and Sustainable Communities Overview and Scrutiny Committee reassured Members that it was an issue that would be looked at with a full report to come back to that Committee, and with Economy and Enterprise Overview and Scrutiny Committee Members being welcome to attend the appropriate meeting.

Councillor M Wilkes suggested that, with only a few items being able to be considered at each Committee meeting due to time constraints, it could be useful on particular issues, such as those mentioned relating to youth unemployment, town and villages regeneration and Masterplans, to set up small working groups, depending upon Officer time and availability, to look at the issues and feedback via report. He noted this may be preferable to having many items on a Committee agenda so that Members would have the opportunity to look at these areas in detail. The Chair noted that he, and the Vice-Chair, would have discussions with Scrutiny Officers and the Chair and Vice-Chair of the Corporate Overview and Scrutiny Management Board in terms of taking on board Members’ comments in relation to the work programme.

The Principal Overview and Scrutiny Officer noted the situation in terms of Officers working from home and the utilisation of remote meetings. He provided assurance to Members that, in terms of the corporate diary of meetings agreed earlier in the year, there would be a review of the resources and capacity that has been taken up in terms of remote meetings and also the timeframes and meeting capacity to ensure that as much of the work programme could be delivered within the remainder of the municipal year, taking into account the possibility of reshuffling items to bring forward to Committee if at all possible.

Resolved:

- (i) That the comments of the Committee on the proposed Work Programme for the Economy and Enterprise Overview and Scrutiny Committee for 2020/21 be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee Work Programme for 2020/21, and the flexibility it offers to respond to emerging issues, be agreed.