

## DURHAM COUNTY COUNCIL

### ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in the **Council Chamber, County Hall, Durham** on **Monday 3 October 2022** at **1.30 pm**

#### **Present:**

**Councillor B Moist (Chair)**

#### **Members of the Committee:**

Councillors E Adam (substitute for A Batey), G Binney, S Deinali (substitute for S Wilson), K Earley, D Haney, G Hutchinson, C Lines, R Manchester, C Marshall, C Martin, R Ormerod, A Reed and A Surtees

#### **Co-opted Members:**

Mrs R Morris and Mr E Simons

#### **Also Present:**

Councillors C Hood and D Sutton-Lloyd

### **1 Election of Vice-Chair**

The Chair noted he would need to leave the meeting and in the absence of the Vice-Chair asked for nominations to the position for the duration of the meeting.

**Moved** by Councillor B Moist, **Seconded** by Councillor D Haney that Councillor C Martin be elected Vice-Chair.

**Moved** by Councillor C Marshall, **Seconded** by Councillor A Surtees that Councillor S Deinali be elected Vice-Chair.

Upon a vote being taken the result was tied, the Chair exercised his casting vote in favour of Councillor C Martin,

#### **Resolved:**

That Councillor C Martin be elected Vice-Chair for the remainder of the meeting.

*Councillor B Moist left the meeting at 1.33pm*

**Councillor C Martin Vice-Chair in the Chair**

## **2 Apologies for Absence**

Apologies for absence were received from Councillors A Batey, A Jackson, J Miller and A Sterling and S Wilson.

## **3 Substitute Members**

Councillor E Adam substituted for Councillor A Batey and Councillor S Deinali substituted for Councillor S Wilson.

## **4 Minutes**

The Minutes of the meeting held on 28 June 2022 were confirmed by the committee as a correct record and signed by the Chair.

## **5 Declarations of Interest**

There were no Declarations of Interest.

## **6 Items from Co-opted Members or Interested Parties**

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

## **7 County Durham Employment Land and Strategic Sites Update**

The Chair introduced the Corporate Director of Regeneration, Economy and Growth, Amy Harhoff to give an update presentation on County Durham Employment Land and Strategic Sites (for copy see file of minutes).

The Corporate Director introduced Officers from her Directorate, including the new Head of Economic Development, Andy Kerr. Officers gave a comprehensive presentation noting points relating to the context for employment; strategic job creation; how employment was supported; the location of employment land; strategic and other employment sites; other potential sites; inward investment; attractors and barriers to businesses; key sectors to attract; and how to promote land and premises.

The Corporate Director summed up, noting that the County Durham Plan (CDP) identified a portfolio of employment land in those areas most likely to attract investment and businesses.

She noted that the strategic sites continued to deliver jobs and that Teams across the Council worked together to overcome barriers to delivery. It was noted that the Council worked proactively with a range of developers and agents across the County to address the shortage of industrial buildings and to stimulate market investment. The Corporate Director reiterated that the Council played a major role

in delivering new premises where markets were weaker and took a proactive approach, with dedicated resources to attract and coordinate support for inward investment.

The Chair thanked the Corporate Director and Officers and asked the Committee for their comments and questions.

Councillor K Earley noted Government 'development zone' proposals and asked whether the Council had a clear position in relation to such zones. The Corporate Director noted that the Government had asked for expressions of interest in relation to 'investment zones', with a tight deadline of 14 October for a response. She added that the strategic sites were an obvious starting point, though the proposals were in the process of being digested prior to a response being made.

Mrs R Morris commented that in relation to those areas in the county which do not have a strategic site, what is DCC doing to encourage growth in these areas. The Corporate Director noted that not all areas of the County had a strategic site, however, there was work to ensure all strategic sites were accessible from all parts of the County. She noted that key factors in achieving that were transport and skills and noted it may be helpful at a future meeting to give a more detailed overview of how residents can attract the best jobs, within and outside of the County, and also information on town centre investment to ensure that members have a more comprehensive picture.

Councillor E Adam asked as regards focus on high-skill, high pay jobs, supporting the larger sites and important opportunities in the green economy and how those were being encouraged. The Corporate Director noted the focus on high-skill, high-tech jobs at the strategic sites, but added there were also a number of mid-range jobs at the larger sites which would be required to meet current and future need. She added it was critical to support businesses in the value trade, in terms of training and investing in their employees to help people move into those higher skilled jobs. She noted a number of sites mentioned within the presentation already hosted a number of green economy businesses. The Inward Investment and Opportunities Director, Peter Rippingale explained that green economy was cross-cutting and not sector specific. He noted at Jade Business Park there were a number of such companies, with Corehaus delivering greener building technology, Sumitomo Electric Wiring System creating wiring looms for electric vehicles, and Power Roll producing photovoltaics. He noted that the green economy was not a secondary interest, it was value-adding, and noted discussions with the Centre for Process Innovation at NETPark as regards future battery technologies.

As regards inward investment, the Inward Investment and Opportunities Director noted that there was a much better chance of attracting such investment if there were buildings that were immediately available as many businesses were looking at 6-12 months turnaround to move, rather than looking for bespoke units to be made for them. He noted that there were exceptions to that, such as Rolls-Royce in terms of their modular reactors, with Bishop Auckland being on the shortlist of potential

locations. The Inward investment and Opportunities Director noted another aspect of attracting inward investment was the work of the Department for Business, Enterprise and Regulatory Reform via Invest NE England, for the LA7, Local Authorities within the Local Enterprise Partnership (LEP), he added that there was close working with Invest NE England.

Councillor C Lines noted the County contained many rural communities and added that further to the physical connection to strategic sites there was the issue of digital connectivity. He noted the change to working practices, with the rise of hybrid working and that he felt that model would endure. He added that therefore it was essential that there was access to fast, reliable broadband internet. He noted areas such as Bradbury and Mordon that were only two miles from NETPark, did not have 4G signal never mind high-speed internet, adding that issues such as those would hamper County Durham, if not resolved. He noted that the Government were pushing the rollout of high-speed internet and commented on the 10 year campaign of those in Bradbury and Mordon to get such internet and asked what the Council, through Digital Durham, were doing in terms of ensuring broadband connectivity. The Economic Development Manager, Graham Wood noted the Digital Durham Board spoke to internet service providers in terms of covering gaps in County Durham provision. He added that where there were gaps there was work ongoing in terms of the UK Shared Prosperity Fund (SPF) and Rural Prosperity Programme to get funding to build upon provision in those areas.

Councillor C Marshall congratulated the Regeneration, Economy and Growth (REG) Service for the large amount of work in terms of their high quality competitive bids to access "levelling up" funding. He asked as regards capacity within the REG Service and also adjacent services, such as Legal Services, and timescales in having s106 Agreements signed-off, as well as the capacity within the Assets Team. He also noted the huge impact of cuts in terms of the loss of EU funding, noting that while there was the UK SPF, he asked what the impact was upon skills development and low-carbon initiatives. Councillor C Marshall noted the success of Jade Business Park and added that it was an excellent example of speculative development and thanked all involved for getting the development done. He asked why there was a push for a developer to now lead on the site when the Council had led so successfully with the site providing rental income for the Council. He also asked as regards LEP clawback at Jade and also as regards the 4,000 jobs for the Aykley Heads strategic site and whether the jobs would be all private-sector or would that figure now include public-sector jobs as a result of the Council now being located at the site.

The Corporate Director thanked Councillor C Marshall and noted that capacity was always a challenge and was not unique to Durham County Council (DCC). She noted that it was seen nationally with shortages in specialist in skilled areas such as assets, legal and planning. She noted the work with colleagues in Resources in terms of attracting and retaining a valued workforce. She noted that if Members had any specific issues relating to planning, she would be happy to receive feedback on

any particular issues. She added that the key performance indicator (KPI) relating to planning showed good performance against national rankings. She noted that the work with developers was often complex and it was an important issue nationally in terms of resources. She added that DCC had a dedicated resource in terms of Business Durham and noted that she was very proud of their work helping businesses to have a seamless journey in terms of dealing with DCC. In relation to EU funding, the Corporate Director noted that funding was now coming to an end, with bids being submitted in respect of the UK SPF. She added that information relating to bids and potential bids were reported via the Council's UK SPF Group and at Cabinet.

In reference to the Aykley Heads strategic site, the Corporate Director noted that the 4,000 forecast jobs had been based on the floorspace at the planning stage. She added that identification of Plot C for potential DCC use would represent a part of those 4,000 jobs however the site would not be limited to the 4,000 job figure. She added that by releasing the building at The Sands, that would in turn create a number of jobs within the city centre.

The Inward Investment and Opportunities Director noted that Phase 1 at Jade Business Park was 'proof' that it could work and therefore DCC had led on the site in order to build up the credibility of the site. He added it was always likely that if the site had proven successful that DCC would not then lead on Phase 2 and that it would then be for the private sector to lead. Councillor C Marshall noted some income for DCC from Jade Business Park. The Inward Investment and Opportunities Director noted there was a formula from the LEP in terms of a percentage of the Business Rates coming back to them as a quid pro quo.

Councillor C Marshall commented that there was a lack of political leadership in the area that was holding the County back. He added the Overview and Scrutiny Committees were being asked to look at areas for cuts and therefore he would propose that Councillors E Scott and J Rowlandson, as the relevant Portfolio Holders, attend the next Committee to explain the work they were undertaking to attract and support inward investment to the county; get the best deal from the UK SPF bidding process following the loss of EU funding of around £150 million and delays in responding to Councillor's e-mails and the length of time taken to respond.

The Chair noted that he felt it should be through the Chair of the Committee, Councillor B Moist to determine which meeting of the committee the Cabinet Portfolio Holders are asked to attend. Councillor C Marshall confirmed again, that the Cabinet Portfolio Holders should be required to attend the next scheduled meeting of the committee. The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that there were mechanisms for Overview and Scrutiny to request Portfolio Holders to attend meetings to answer questions. Councillor C Marshall asked if the Committee should put it to a vote. The Chair of the Committee noted that Councillor B Moist had been in conversation with Councillor E Scott regarding her future attendance at committee.

The Overview and Scrutiny Officer, Diane Close noted that the Councillor B Moist had spoken with Councillor E Scott and she had been given future dates of the Committee.

Councillor C Marshall **moved** that the Portfolio Holders be requested to attend the next meeting of the Committee, he was **seconded** by Councillor S Deinali.

The Principal Overview and Scrutiny Officer noted that the meeting in November would look at the Economic Strategy and that there would likely be considerable debate on that item.

The Chair **moved** an amendment that the Portfolio Holders attend a meeting of the Committee within the next six months, at the discretion of the Chair of the Committee, Councillor B Moist. Councillor C Marshall noted that the Economic Strategy and Portfolio Holders could be given an hour each on the next agenda if the Committee felt it was a priority. Councillor R Ormerod **seconded** the Chair's amendment to the motion.

Councillor A Surtees noted that the Economic Strategy may throw up questions for the Portfolio Holders and suggested that it would be appropriate that they attended the next meeting, or the meeting after, as Overview and Scrutiny had a role to hold Cabinet to account.

In reference to the amendment, that the Portfolio Holders be invited to the Committee within the next six months, at the discretion of the Chair, upon a vote being taken, the motion was **LOST**.

Councillor D Sutton-Lloyd raised a point of order, noting he was a substitute for Councillor M Abley, with an e-mail from their Group Leader having been sent to the Chair and Clerk at 1.26 pm. The Committee Services Officer noted that the Constitution set out that any notification of substitution was required to be received one hour before the start of the meeting.

In considering the motion that the Portfolio Holders be formally requested to attend the next meeting of the Committee, upon a vote being taken, the motion was **CARRIED**.

Councillor A Surtees thanked the Corporate Director and her Officers and asked as regards quotations for outside contractors being only for two weeks and asked how that worked in terms of increasing costs. She noted shock in terms of the UK SPF, with the County only securing £30 million across three years and also the fact that people and skills funding did not feature until year 3. She also raised huge concerns in relation to the Inclusive Economic Strategy, that the comments received from the Econ-versation were not truly reflective. She continued by asking as to how we will support developing skills going forward, especially in relation to those with disabilities.

The Corporate Director noted that in terms of costs, there was not only inflation, there were increased costs across the board, as reflected in the cost of living crisis. She noted work in terms of managing schemes and highlighted that survey returns, are part of much larger activities and represented a point in time and that engagement would be ongoing through to delivery of the strategy.

*Councillor D Haney left the meeting at 2.44pm*

The Economic Development Manager noted Councillor A Surtees was correct in terms of the SPF and only drawing down against skills at Year 3, April 2024. He added that until then, existing EU funding would be drawn upon, to be completed by December 2023. He added that therefore it was how to reshape funding for the financial year, with £2.8 million approved for Multiply programmes. He explained that the Council, together with colleges and education providers looked towards supporting those looking to move immediately into the labour market. He added for those with disabilities, the last EU funded programme was Durham Enable and added that this area was a priority within the SPF in addition to mainstream.

Councillor A Surtees noted she had understood that the Econ-versation survey and consultation had closed. The Corporate Director noted the survey results were from the summer and explained that there was ongoing dialogue and engagement and that the document was very much a living document, alongside sister documents such as the Transport Strategy.

Councillor K Earley asked if there were opportunities in relation to larger open sites in terms of solar farms, noting the cost per MWh in respect of the Rolls-Royce units and solar. He noted given the instability in the energy market and increasing gas prices, and asked if solar farms could be an option, noting he had attended a Pension Fund Conference recently and the markets were reflecting on such issues. The Corporate Director noted that it was an issue being looked at nationally. The Spatial Policy Manager, Mike Allum noted that the CDP had supportive policies and that there was work ongoing in relation to a Solar Power Supplementary Planning Document (SPD), which could be completed by the end of the year.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Portfolio Holders for Economy and Partnerships and for Resources, Investments and Assets be formally requested to attend the next meeting of the Committee.

*Councillor C Lines left the meeting at 2.52pm*

## **8 Quarter Four 2021/22 Revenue and Capital Outturn and Quarter One 2022/23 Revenue and Capital Outturn**

The Committee considered a report of the Corporate Director of Resources in relation to the Quarter Four Revenue and Capital Outturn 2021/22 and Quarter One Forecast of Revenue and Capital Outturn 2022/23 (for copy see file of minutes).

Councillor S Deinali commented that there were a number of new indicators within the performance report and asked how the KPIs for DCC measuring the increase in bus services to key employment sites and tourism sites fitted with current budgets and future budgets and any government funding coming forward and with reference to the Bus Back Better scheme. The Finance Manager, Resources and Regeneration, Ian Herberson noted he would look to provide a written response to the question.

Councillor A Surtees asked as regards budget pressures in respect of temporary housing and asked if that was a result in the lifting of the eviction ban and Section 21 Notices. The Finance Manager noted that the Housing Manager, Lynn Hall has previously said that private sector evictions has had an impact.

### **Resolved:**

That the reports be noted.

## **9 Quarter One 2022/23 Performance Management Report**

The Committee considered a report of the Corporate Director of Resources which presented progress towards achieving the key outcomes of the council's corporate performance framework (for copies see file of minutes).

Mr E Simmons asked as regards the information relating to unemployment levels. He noted that a good deal of time seemed to be focussed on encouraging large employers to come to the strategic sites, however, with employment in the County being around 96 percent, how were we encouraging people to come from outside of the County, with skills we needed, alongside work to help retain those that study at Durham University. He added there was the national debate as regards an aging workforce and asked how we were working to secure employment for an aging workforce. The Economic Development Manager noted that Employment Services at the Council noted a key cohort was the over 50s, with Durham Employment and Skills working with the National Skills Agency in terms of developing skills for those wanting to move into a different employment sector.

Councillor S Deinali noted that public transport, especially to the key employment sites, was important and noted many reports of buses running late and being cancelled.

She asked if a response would look at rural areas and access to employment sites or visitor sites, and what the priorities were. The Corporate Director noted that it was a challenge for County Durham, with viability issues relating to services to a number of sites. She added there were a few ways of looking to address issues, including through planning assessments and viability, with some being via condition. She noted that there had been work ongoing as regards bus services, with agreement from Cabinet in March 2022 in terms of diverting funding savings from concessionary travel towards rural services that were at risk having a reduced service as a result of the pandemic. The Corporate Director noted that in terms of employment sites, the Bus Services Improvement Plan, with DCC and the other six NE Local Authorities had submitted to Government for additional funds for services to businesses.

**Resolved:**

That the report be noted.

**10 Minutes of the meeting of the County Durham Economic Partnership**

The Committee considered the minutes from the County Durham Economic Partnership Plus Board meetings held on 24 June and 22 July 2022 (for copy see file of minutes).

**Resolved:**

That the minutes be noted.