

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 **Friday 30 October 2020** at **9.30 am**

Present:

Councillor M Clarke (Chair)

Members of the Committee:

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

Co-opted Members:

Mrs R Morris

Also Present:

Councillors B Avery, D Bell, O Milburn and F Tinsley and Mr T Bolton

1 Apologies for Absence

Apologies for absence were received from Mr G Binney. Apologies were also received from Members of the Environment and Sustainable Communities Overview and Scrutiny Committee, Councillors B Coult and K Hawley and Mrs P Holding

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The minutes of the meeting held 23 July 2020 were agreed as a correct record and would be signed by the Chair

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 Impact of COVID-19 on Regeneration, Economy and Growth Service - Overview

The Chair welcomed the newly appointed Corporate Director of Regeneration, Economy and Growth, Amy Harhoff who was in attendance to provide the Committee with an overview presentation in relation to the impact of COVID-19 on the Regeneration, Economy and Growth (REG) Service (for copy see file of minutes).

The Corporate Director, REG thanked the Chair and Members and noted she was delighted to attend her first meeting of the Committee and looked forward to the Members' discussion. She noted that there were a number of items on the agenda that related to the economic impact of COVID-19 and the activity across the county to support the resilience and recovery of economy. The Committee noted that the first report related to the more strategic impacts and the response of the Council with subsequent items looking at Business Durham and Visit County Durham in more detail, two critical areas as part of the recovery.

Members noted the report covered two key areas: REG as an area within the Council, what it was responsible for and some of the activities and impacts upon the business sector as part of the response to the pandemic; and strategically as regards the impacts across the county itself and the Council's support activities.

The Corporate Director, REG noted the report within the pack was "at a point in time" and she explained that the nature of the pandemic was such that the Council's ability to respond was quite different to any other issue seen before. She noted the difference between the responses to previous economic issues, recessions and the decline in industry, explaining the economic impact of the pandemic with the underpinning reason being a health crisis yet to be resolved. It was noted that regular updates on the recovery and resilience of the economy would be brought back to Committee.

The Committee noted the impact in relation to areas including: Transport; Culture and Sport; Tourism; Development and Housing; Corporate Property and Land; and Business Durham. The Corporate Director, REG referred to the report and presentation slides, highlighting the current context, areas that are doing well and the impacts on retail and hospitality sector. She informed Members of the impacts upon town centres, the visitor economy and transport.

She added that an Agile Resilience Plan had been developed by the Council with the County Durham Economic Partnership (CDEP) providing a pragmatic and positive approach to supporting the resilience of businesses and employees and comprised of four key priorities: Resilient Businesses; Resilient People; Resilient Visitor Economy and Resilient Town Centres.

The Chair thanked the Corporate Director, REG and asked Members for their comments and questions.

Councillor R Bell referred to town and village centres and to paragraph 29 of the report which stated the Community Economic Development Team had seen a shift in its work from project oversight to retail business support. He noted many schemes, such as Targeted Business Improvements (TBI), were time-limited and he asked if those schemes could be extended as many trades/contractors were very busy in terms of home improvement works and it was therefore difficult to get project works commenced. He added that in addition to extending schemes to ensure funds were not lost, he asked if it would be possible to further shape them in terms of the hospitality sector. Councillor R Bell noted he had raised these issues at an Area Action Partnership (AAP) meeting attended by the Head of Development and Housing and asked whether attendance at AAP meetings represented all of the consultation in respect of the Town and Villages Programme, a £20 million fund, or whether ideas from Councillors would also be taken into account and if plans for the spend would come back to Overview and Scrutiny.

Councillor T Tucker commented in relation to public transport connectivity to job sites, including to the development at Integra 61, many young people were unable to get to some locations to work night shift and could not afford their own transport. She asked whether investment in public transport was being looked at to enable people to access employment opportunities.

Councillor E Adam noted the report had not seemed to focus on small and medium-sized enterprises (SMEs) that were key for the County Durham economy, including the self-employed and asked what the impact of the pandemic had been on those types of businesses and what support had been taken up by our existing businesses.

The Corporate Director, REG noted, in respect of extension of time-limits, that where funds were directly within the Council's control, such as the town and villages programme, then they could be kept under review to be able to respond to the needs of businesses, adding that being able to spend funding within a given timescale was sometimes a challenge. She explained that where funding was not from the Council, such as from central Government, there were often tight timescales associated with this funding, noting an example being some infrastructure funding associated with the pandemic having to be spent within six months.

She reiterated that where the Council had discretion it would keep timescales under review pragmatically, where the Council did not it was more of a challenge.

In respect of the Town and Villages consultation, the Corporate Director, REG noted AAPs had been given a strategic overview so they would have visibility in terms of the process, with that to be followed by more detailed workshops so that each AAP would have the time to talk in detail about their area and their aspirations for the funding. She added that a report would be brought back to Cabinet in the new year that would set out the proposals for the initial programme of investment.

The Corporate Director, REG noted in reference to public transport, and specifically at the Integra 61 development, that negotiations were ongoing with Amazon in terms of supporting shift patterns outside of normal public transport operating times and that she would provide an update to the Committee. In reference to SMEs, she noted that with over 11,000 SMEs across the county it was a very important area, it would be important to look at a more detailed analysis and would be an area to undertake further action with a focused piece of work. She also commented that she would share the focused piece of work with the Committee.

Councillor E Scott asked as regards how town and village support was prioritised, with not all towns and villages being impacted equally and not all business sectors being impact equally.

Mrs R Morris asked as regards the resilience plan, in particularly in terms of the “skilling up” of young people and asked what type of skills would be developed with young people and with groups identified to help those young people. She also asked as regards what training there would be in terms of ensuring the right pathways into employment, noting jobs in areas such as digital, environmental and climate change would be important going forward.

Councillor B Avery noted his thanks for the work and efforts of leisure centre staff during the pandemic, however, he noted that he had not seen the numbers coming back to use the facilities since reopening and asked what work was being undertaken to encourage people to return to using leisure centres.

The Corporate Director, REG noted in terms of priorities, the next step would be to understand the drivers for decline within each town, noting the losses in the high street impacting Durham City, and to engage with businesses and to look where the Council had priorities and investments that could support them. She added that there was work to do in terms of town centres to ensure that a very strong case was put to Government in terms of the significant levels of investment that would be required. In respect of skills, she agreed it was an important issue and that the areas highlighted of digital and climate change were important, as well as the county’s strength in manufacturing, and it was important that young people had the skills to access jobs in those areas.

The Corporate Director, REG noted as part of the work in the next phase, within the rules relating to skills funding, there would be a focus on making sure packages were tailored to enable young people to be able to access jobs.

In terms of leisure centres, the Corporate Director, REG explained that they were, on average, at 60-70 percent capacity partly as a result of demand, partly as a result of measures to ensure social distancing. She noted that there was a fine balance in terms of encouraging people to use the Council facilities, important for communities and the viability of the centres, but also in terms of the public health message. She added that communications were regularly put out and aimed to strike a balance in terms of encouraging use and balancing demand at centres, noting that could be reviewed and a further update could be provided to the committee on leisure in the future.

Mr T Bolton noted the lockdown had highlighted the opportunities for people to visit locations within the county, for example the heritage coast at Seaham, and he had noted an upturn in the number of visitors to such locations including Teesdale and Weardale. He asked as regards Visit County Durham, and partners, were they looking at the opportunities in respect of selling the outdoor assets within County Durham that were accessible during the pandemic.

Councillor J Atkinson noted information and advice relating to the pandemic would often change and be updated and asked if there was any summary or link to information which could be provided to help businesses.

Councillor F Tinsley noted the information in respect of a 50 percent reduction in bus use and asked as regards how those providers were being supported on a daily basis, and more strategically in terms of quality contracts and reregulation of the industry, noting the renationalisation of some parts of the train industry. He noted a recent report by the House of Commons Library in terms of regional economic indicators which had shown County Durham had taken a 12 percent hit to its Gross Value Added (GVA) figure as a result of COVID-19 and suggested that County Durham would not recover back to its quarter four 2019 GVA figure until 2030, he asked for the Corporate Director's view on that assessment.

The Corporate Director, REG noted the outdoors spaces of County Durham were promoted and agreed there were many fantastic assets accessible during the pandemic such as High Force and the beach at Seaham. She noted a balance was struck in terms of encouraging safe visits and "staycations", and to encourage County Durham residents to visit those outdoor places. It was noted a caveat was to respond in terms of health guidance from Government and to movement between areas. In respect of the amount of information and changing advice relating to the pandemic for businesses, the Corporate Director, REG noted the hard work undertaken to put out coherent messages, adding that she would welcome feedback on communication.

The Corporate Director, REG noted in terms of bus use that the Council had very close relationships with bus operators and reminded Members that the Council was responsible for the commission of where it subsidised services.

She added that the Council worked to ensure as much service and network cover as possible, within the confines of the funding. She noted it was vital to maintain the funding of that critical service, especially given around one in three of the population did not have access to a car. The Corporate Director, REG noted in terms of the strategic level and regulation of bus services, the Council continued to work with operators to make sure services were good across the county, noting strong satisfaction levels from the public of around 90 percent. She added there were no specific plans in the county in terms of looking at re-regulation, though there was provision with the appropriate Act to look at the issue under certain circumstances.

The Corporate Director, REG noted the issue relating to GVA and recovery and 12 percent being a significant number, however, while it was possible to have credible estimates, she explained that there was a lot of work to be undertaken looking at County Durham locally to understand the impact and it would be important to push hard to ensure it was not 2030 by the time the economy returned to the 2019 level.

Resolved:

- (i) That the content of the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report, detailing the impact of COVID-19 on key areas of the Service Grouping, at a future meeting.

7 Business Durham - Progress Report

The Chair welcomed the Managing Director (Interim), Business Durham, Sarah Slaven who was in attendance to provide the Committee with a progress report relating to Business Durham (for copy see file of minutes).

The Managing Director (Interim) gave a presentation setting out the 2019-20 performance of Business Durham, activity highlights, and the impact of COVID-19 and support for businesses.

She noted the high levels of occupancy of Business Durham units and highlighted the number of jobs created and safeguarded by Business Durham, 2,108, with around 40 percent of those being new, 60 percent safeguarded. It was explained that 1,040 businesses had been engaged with, with 403 intensively assisted. Members noted information relating to £3.4 million of funding secured for businesses, inward investment, contracts, start-ups and enterprise engagement, including activities such as the Future Business Magnates programme.

The Managing Director (Interim) noted activity at Jade Business Park with good levels of interest in remaining units and explained as regards European Regional Development Fund (ERDF) programmes including: Digital Drive County Durham; the County Durham Growth Fund; Durham Business Opportunities Programme (DBOP); and the Durham City Incubator (DCI). Members learned of the South Africa Trade Mission undertaken in 2019 which had generated over £500,000 worth of contracts, however, for 2020 a virtual mission was held in September, with over 80 companies participating with a “return” virtual mission taking place on 5 November for companies in the North East to find out about opportunities within South Africa.

The Committee noted activities undertaken in terms of supporting businesses in the wake of the impact of COVID-19. The Managing Director (Interim) noted the previous presentation and gave information relating to; occupancy levels holding up well; some sectors seeing opportunities to expand; 654 businesses being engaged since April; support being offered in relation to grants and advice; a COVID Business Support Brochure; business restructuring support; the rapid response service; start-up capacity; and future opportunities.

The Chair thanked the Managing Director (Interim) and asked the Committee for their comments and questions.

Councillor T Tucker asked as regards confidence in the enquires in relation to investing in County Durham, the interest in units at Jade, Integra 61, the proposals for Aykley Heads, and how enquires were turned into investments.

Councillor F Tinsley asked, given the importance shown in respect of ESF and ERDF programmes and only having 30 months left of that funding, what evidence there was in terms of Government replacing EU funding and whether bids to the Shared Prosperity Fund (SPF) were able to be placed yet. He added that it was important not just to replace what the County had received in terms of EU funding, with County Durham being a transition region but in addition the GDP of the County would have fallen below 75 percent of the EU average and therefore County Durham would have been eligible for further EU funding. He asked as regards any evidence in terms of Government not only replacing what County Durham got in terms of EU funding, but also in terms of what the County would have got had the UK remained a member of the EU.

Councillor P Sexton asked as regards how difficult was it to be able to change strategies based upon the data received, being able to change trajectory and strategy to be able to optimise efforts in a very difficult environment.

The Managing Director (Interim) noted the units on offer at Jade and Integra 61 were aimed at providing manufacturing units, with those enterprise zones in other areas of the region offering office space having known issues in terms of occupancy.

She noted that the offer in County Durham played to existing strengths in terms of manufacturing and was reflected in the types of inward investment enquires being received. She noted she had some confidence in terms of enquiries and noted the support in place, including the County Durham Growth Fund, that could help support an inward investor.

In relation to EU funding, the Managing Director (Interim) noted there had been no guarantees as regards Government replacing those funds and it had been hoped that information relating to the Comprehensive Spending Review (CSR) would have been announced, however, the pandemic had impacted upon the timescale for the CSR. She noted that it would be important to be able to demonstrate that County Durham had made best use of the available funding to date and to have proof of how it had made a difference in terms of jobs created and the productivity of businesses. She noted that in terms of planning, it was very different to previous challenges, the current situation being driven by a health crisis.

She explained that the Council's support programmes were aimed to be as flexible as possible, noting that early in lockdown an exercise had looked at all the offers for businesses and how they could be refocussed in terms of what businesses were likely to need as a result of the pandemic. Members were reminded that businesses needed good information, access to markets and customers and a skilled workforce and therefore there was a need to be flexible in terms of the support being offered. She added that Business Durham, and the Council, needed to be aware of where there were gaps and to lobby Government where appropriate. The Managing Director (Interim) reiterated that there was a need to ensure we did not lose sight of the opportunities that there would be in the future by being so focussed on the immediate challenges.

Councillor J Atkinson asked if there was a contact where businesses and contractors could reach information quickly in relation to COVID-19 business advice and guidance. The Managing Director (Interim) noted that they could contact the Business Durham enquiry line and explained that in terms of the support offered to the self-employed, a strand for microbusinesses had been launched this month, through the DBOP, focussing on how to get new customers, supporting marketing and offering one-to-one advice.

Resolved:

- (i) That the content of the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee, as part of the refresh of the Committee's work programme for 2021/22, receive a further progress report on activity undertaken by Business Durham including support to aid recovery of the business sector resulting from the COVID-19 pandemic.

8 Visit County Durham (VCD) - Activity and Support Provided During Pandemic and Recovery Plans

The Chair welcomed the Managing Director, Visit County Durham (VCD), Michelle Gorman who was in attendance to provide the Committee with a progress report relating to the activity and support provided during the pandemic and recovery plans (for copy see file of minutes).

The Managing Director VCD, noted that she would normally present the Committee with an annual update on figures and progress against performance, however, this presentation would focus on the impact of COVID-19, the work undertaken to support the sector and future recovery plans. Members noted the destination performance information and the regional context in terms of the visitor economy and the projections for 2020 having: a 56 percent fall in economic impact, from £5 billion to £2.2 billion; a 48 percent fall in visitor numbers from 72 million to 38 million; job losses of 35,900, from 62,800 to 26,900.

She explained this would equate to a loss of 8.77 million visitors for County Durham, a drop of 45.5 percent in terms of spend in the local economy from £955 million in 2019 to £520.44 million in 2020, and a 46.1 percent fall in the number of jobs supported in the county, a loss of 5,587 jobs.

The Managing Director VCD, noted the support for the sector including working in partnership with industry partners, the County Durham Economic Partnership, Business Durham, teams within the Council, the North East Tourism Alliance, the North East LEP, sector bodies, and Visit England/Visit Britain. She added it also included; monitoring the impact of COVID-19 on the sector; lobbying for industry support; and regular e-mail communications signposting to Government and official sources of support, advice and guidance, funding and grant programmes, and industry training delivered by partners.

The Committee noted that other elements of support included: the COVID-19 content hub, updated daily; regular telephone calls to businesses; the weekly Wednesday Grapevine; B2B social media channels; training and support tailored to business needs; monthly strategic Partner meetings; virtual networking meetings; support for the travel trade and group travel; and an appropriate and responsive approach to destination marketing.

The Chair thanked the Managing Director VCD and asked the Committee for their comments and questions.

Councillor F Tinsley noted that while it was worrying that the number of visitors had halved, the spend had halved, and the number of jobs in the sector had halved it was important to understand how to get back from that position and asked whether new marketing strategies were being developed based upon what was anticipated the world would look like from 2021 onwards.

He also asked as regards a breakdown of “staycation” versus foreign visitors to the County and whether marketing was tailored to that. He noted the importance of language and students and as regards developments such as at Bishop Auckland and noted Government proposals to not allow travel into the UK using a European ID Card and advised that VCD should lobby Government on this issue as the additional cost of a passport may put off potential EU visitors post-Brexit.

Mr T Bolton noted in his local area, Teesdale, holiday cottages had welcomed many visitors since lockdown had been lifted. He noted those visiting would often bring their own food and supplies and asked if there were any links between the Council and holiday cottage providers, or an association, to be able to link local suppliers with holiday cottage providers.

The Managing Director VCD noted VCD was looking at new marketing strategies, with consumer behaviour having changed adding she felt the change was a permanent change. She explained that the short to medium-term trend of what people would be looking for included: outdoor tourism, health tourism; and activities and experiences with friends and family. She added that our own heritage and culture in County Durham would be very important and this was an area County Durham should continue to capitalise on. Members noted outdoors and heritage and culture were key propositions for County Durham to benefit from, as well as eco-tourism going forward.

The Managing Director VCD noted the North East did not receive a large number of international visitors, with only 3 percent of those international visitors visiting County Durham. She noted work with the North East Tourism Alliance, and Visit England and Visit Britain, in terms of trying to get international visitors to go beyond London and to visit the regions. She reminded Members of the marketing activities that had been undertaken by VCD over the last few years in this regard, including the Northern Saints Trail.

The Managing Director VCD noted, in terms of the point raised as regards EU ID Cards, VCD was working with North East Tourism Alliance in terms of lobbying Government on this matter on behalf of Destination Management Organisations and the Tourism industry, to ensure we were not at a competitive disadvantage compared to other global destinations.

In respect of holiday cottages, there was work undertaken with accommodation providers in terms of encouraging use of local food and drink suppliers and producers, under the “Taste Durham” initiative, noting there was an opportunity with the shift in consumer behaviour towards local produce.

Resolved:

- (i) That the content of the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee includes in its work programme for 2021/2022 a further progress report detailing the performance of Visit County Durham in marketing the county, continued support delivered to the sector and detail of further recovery plans.

9 Regeneration and Economic Growth - Quarter One - Forecast of Revenue and Capital Outturn 2020/21

The Chairman introduced the Finance Manager, Resources and Regeneration, Ian Herberson to speak to Members in relation to the Quarter One Forecast of Revenue and Capital Outturn 2020/21 (for copy see file of minutes).

The Finance Manager noted that the previous items had spoken to the impact of the pandemic and that this report would give the financial context, noting the teams and services within the remit of the Committee had been hit harder than most. He noted his thanks to the Corporate Director, REG and all the teams and staff that had provided regular information, in the context of how busy services were in terms of responding to the impacts of the pandemic, and monthly returns being required by Government in relation to the financial impact.

The Finance Manager referred Members to the information relating to Quarter One 2020/21 with the service reporting a forecast underspend of approximately £0.617 million, against a revised budget of £52.843 million. He explained paragraph four of the report noted a forecast of COVID-19 related expenditure of £16.210 million, offset by COVID-19 related savings of £4.213 million with more detail being set out at paragraphs 13-18 of the report. He noted the approximately £12 million was currently being funded corporately, either via central Government grants or corporate reserves, and therefore the COVID-19 related sums were excluded from the forecast.

As regards the Capital Programme, the Finance Manager explained that the lockdown had impacted upon the delivery of capital schemes, however, they were now picking up. He concluded by noting paragraph 14 of the report set out a breakdown of spend by Head of Service.

The Chair thanked the Finance Manager and asked Members to note that the Council's Head of Corporate Finance and Commercial Services, Jeff Garfoot had given a detailed report on the Council's finances at the Corporate Overview and Scrutiny Management Board held on 29 October 2020.

The Chair noted, however, that he had concern that a lot of issues relating to COVID-19 were uncertain and added that he felt that a fair settlement from Government was needed, to enable the Council to plan its services in relation to the challenges as mentioned by the Officers at the meeting.

Resolved:

That the report be noted.

10 Quarter One, 2020/21 - Performance Management Report

The Chair thanked the Corporate Scrutiny and Strategy Manager, Tom Gorman who was in attendance to speak to Members in relation to the Quarter One, 2020/21 Performance Management Report (for copy see file of minutes).

The Corporate Scrutiny and Strategy Manager noted his thanks to the staff within the services covered by the report for their cooperation in collecting the relevant performance information, especially given the increased pressures as a result of the pandemic.

He added that due to the temporary suspension of Council meetings, the report covered two quarters, quarter four 2019/20 and quarter one 2020/21. Members noted that COVID-19 had impacted upon the economy, as set out within the previous reports, and the Corporate Scrutiny and Strategy Manager reminded the Committee of key dates in relation to the pandemic, with lockdown being implemented on 23 March 2020, gradually easing throughout quarter one with 15 June being when high streets and shopping centres were allowed to reopen. He added that subsequent to quarter one, on 4 July the hospitality sector including pubs and restaurants were allowed to reopen. He explained that the UK had suffered the biggest slump on record, with GDP falling by 20.4 percent over the April to June period, the largest of any G7 nation, and as it was the second consecutive fall in GDP, the UK was officially in recession.

The Corporate Scrutiny and Strategy Manager noted that the fall had been sudden and dramatic and some of the national and official performance indicators had a significant time-lag, and while they indicated a trend, they had become less useful. He noted this had been recognised and therefore, where possible, local statistics had been developed to be able to provide Members with a more up-to-date picture in the absence of current national figures.

The Corporate Scrutiny and Strategy Manager noted the report followed the usual format and reported against ambitions within the Council Plan, as agreed by Council at its meeting held on 21 October 2020.

He noted in reference to the key question “do residents have good job prospects”, linked to the ambition of “more and better jobs”, that employment rate was an area where official statistics had a three month lag, and represented a rolling 12 month figure, and therefore it was unlikely that the true impact would be seen for a couple of quarters.

He explained that estimates had therefore been produced, based upon regional, monthly labour force survey data, and those changes had been applied to the County Durham employment rate and an estimate for the current rate was 70.9 percent for June 2020, below the regional and national rates. He noted the effect of COVID-19 was somewhat masked by the support packages put in place, such as the Government’s job retention scheme, with around 64,000 having been furloughed, with an increase of 5,000 in quarter two. Members noted that in addition to the furlough scheme, self-employed people accessing income support schemes totalled around 14,000 in quarter one, around 71 percent of those self-employed within County Durham, with this having increased by around 800 in quarter two. The Corporate Scrutiny and Strategy Manager noted the furlough scheme ended in October and therefore the impact would not be known until the following month and thereafter.

The Committee noted that estimates of unemployment were that it could rise to 27,000 by March 2021, from around 14,000 in December 2019. The Corporate Scrutiny and Strategy Manager noted that in relation to redundancies, the British Chamber of Commerce found nationally that 13 percent of respondents to a survey had been made redundancies since the start of the pandemic, with a further 33 percent intending to make redundancies over the coming months. It was noted the national redundancy rate had risen to 8.2 per 1,000 employees compared to 4.1 in the previous year. It was added that the claimant count rate had also risen, from 5.1 percent in March 2020 to 8.2 percent in June 2020, in line with regional and national trends in this regard, though it had remained static since that dramatic increase. He noted a 74 percent increase in universal credit claims by those aged 18-24 year on year, the report noting young people and women having been disproportionately affected. The Corporate Scrutiny and Strategy Manager noted that in response, working with the DWP, Jobs Fuse had been launched to help those unemployed as a result of COVID-19.

In relation to the key question, “is County Durham a good place to do business”, much of the activity had been covered by the Managing Director (Interim) in her report. He noted that the latest survey of businesses by the Office for National Statistics (ONS) had shown seven percent of industries had temporarily closed, and 15 percent had reported a 50 percent reduction in turnover.

The Corporate Scrutiny and Strategy Manager noted an increase in home improvements, many shops offering home delivery services, and diversification with specific mention within the report of JSB Enterprises diversifying into the production of PPE equipment and 170 new jobs being created at Seaham linked to the national track and trace programme.

Members were made aware of the work and measures in relation to the reopening of town centres, the delivery of leaflets to town centre businesses in respect of guidance on opening safely and webinars were held to help support the retail sector in terms of embracing online selling and finding new ways to market their products. The Corporate Scrutiny and Strategy Manager noted a recent news article that referred to Durham City as the fourth worst in the country in terms of vacant units, after York, Newcastle and Worcester, and from local surveys it had been noted that there was a larger impact in this respect where there were a greater number of national chains.

In respect of business support, it was noted grants totalling around £100 million had been distributed to around 9,000 businesses and a total equivalent to £49 million had been distributed in terms of business rate reductions. The Corporate Scrutiny and Strategy Manager noted there was a scheme for small businesses, not liable for business rates, and this represented an amount of around £5 million, benefiting around 300 businesses.

He noted that the previous report had detailed the information in relation to tourism and noted that in terms of housing, COVID-19 restrictions had meant some construction sites had to close temporarily, and therefore the number of homes completed had reduced. Members noted a reduction in presentations to the Housing Solutions service, however, that was expected to rise once the Government's eviction ban was lifted. Members were reminded of the discretionary housing payments and noted housing was an issue included within the work programme of the Committee.

In respect of travel, it was noted the Park and Ride service had been closed as a result of lockdown, reopening on 29 June, with a 50 percent reduction in use and there had been a reduction of patrons on bus services to around 10 percent of normal use, with services being affected as a result of reduced driver availability due to COVID-19.

The Chairman thanked the Corporate Scrutiny and Strategy Manager and asked as regards the infographic on page 116 of the report, noting a forecast of unemployment rising from 14,000 to 21,000 and asked if there were any figures relating to employability programmes available. The Chair also noted that schemes such as the Durham Ambitions Start-ups Scheme (DABS) would be vital moving forward, and detail of newly registered businesses during the pandemic may prove useful.

Councillor R Crute, Chair of the Corporate Overview and Scrutiny Management Board, noted the in-roads made in terms of highways repairs and backlogs and asked if there was any data in terms of footpath repairs. He noted that this linked to the Council Vision in terms of connected communities and also in terms of information from health colleagues that obesity was a factor in relation to increasing the severity of COVID-19 and therefore he felt the Council should be doing as much as it could to help keep communities as open and as accessible as possible through maintaining footpaths and encouraging residents to walk. He continued that he was concerned that the current condition of footpaths may be deterring residents from undertaking exercise by walking. He asked if there was any detail in relation to footpath maintenance that could be shared with Members.

Councillor R Manchester noted the reduced amount of people accessing the help of the Housing Solutions team, however, given that the Government ban on evictions would come to an end, he asked whether there was enough capacity in terms of housing supply.

The Corporate Scrutiny and Strategy Manager noted that in terms of unemployment, it was an issue not wholly within the remit of the Council to address and some of the schemes that were mentioned were in partnership and while he did not have figures to hand in relation to schemes and DABS, they could be circulated to Members. He added that it would also be an issue to consider whether what was being done was enough and that would be part of the resilience plan being developed in partnership with other agencies, which may be an area that the Committee may wish to look at further.

In terms of footpath statistics, the Corporate Scrutiny and Strategy Manager noted he would look into the issue and get the information for Members, adding that there was a backlog of repairs amounting to £179 million, and agreed it may be a case that priorities had changed in terms of people needing to use footpaths more.

In respect of the question relating to housing capacity, the service had undertaken work to estimate what the impact of the eviction ban coming to an end, whether this would result in a large number of people coming forward to access services and it may be appropriate to go back to the service for an update.

The Chair noted that roads and footpaths performance information would be available at the meeting of the Environment and Sustainable Communities Overview and Scrutiny Committee held on 16 November 2020.

The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that there would be a further meeting of the Committee in December, with a focus on housing, which would include information relating to Housing Solutions, and therefore the query raised by Councillor R Manchester, whilst a response will be provided following this meeting more detail can be provided at the meeting on the 7 December. He added that by December there may be better understanding of what the impact of lifting the eviction ban will be.

Resolved:

That the Economy and Enterprise Overview and Scrutiny Committee notes the overall position and direction of travel in relation to quarter one performance, the impact of COVID-19 on performance, and the actions being taken to address areas of underperformance including the significant economic and well-being challenges because of the pandemic.