

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Friday 4 March 2022** at **9.30 am**

#### **Present:**

**Councillor B Moist (Chair)**

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

Councillors A Jackson, A Batey, G Binney, J Cairns, R Manchester, C Martin, J Miller, A Reed, I Roberts, A Sterling, A Surtees and P Jopling

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

Mrs R Morris

#### **Also Present:**

Councillor P Jopling

#### **1 Apologies for Absence**

Apologies for absence were received from Councillors M Abley, C Hood and C Marshall.

#### **2 Substitute Members**

There were no substitutes.

#### **3 Minutes of the meeting held on 20 December 2021**

The minutes of the meeting held on 20 December 2021 were confirmed as a correct record and signed by the Chair.

#### **4 Declarations of Interest, if any**

There were no declarations of interest.

#### **5 Items from Co-opted Members or Interested Parties, if any**

There were no items from Co-optees or interested parties.

## 6 Business Durham - Progress Report

The Committee considered a report and presentation of the Corporate Director of Regeneration, Economy and Growth which provided background detail on the activities of Business Durham Services highlighting the work and impact of the Councils investment in business support across the County working in partnership with the private sector (for copy of report and slides of presentation see file of Minutes).

The Managing Director Business Durham provided a detailed presentation which provided background information on Business Durham which supported the council's strategic priority to support County Durham's business community and attract inward investment.

Business Durham held a portfolio of 525 units across the County supporting over 450 businesses, with a 95.23% occupancy. She noted that space for new businesses was limited and noted the demand for good quality business accommodation. She further referenced NETPark noting that the importance of the Phase 3 of the development at this site which would commence later in the year.

Moving on the presentation provided detail on business engagement and support programmes available including ERDF programmes promoting growth, such as Durham Business Opportunities Programme, Digital Drive County Durham and County Durham Growth Fund.

The Managing Director Business Durham went on to discuss inward investment noting the successes to date and job creation, noting that this had exceeded target despite the ongoing pandemic. She explained that Finance Durham had invested £9.4 million in 19 companies, supporting over 500 jobs and helping to create a further 280.

Further details were then provided regarding Durham Start-ups and the good work these enterprise agencies did to assist unemployed people in starting businesses. The agencies included, Durham City Incubator, Durham Ambitious Business Start-ups, Future Business Magnates, Business Durham and Powered Durham People. Partnerships also played an important role noting the strong relationship with Durham University in assisting those young ambitious people with free resources and ways to test innovative approaches.

She further explained that the Future Business Magnates competition had been impacted by COVID and the inability to access schools, however a digital online platform launched in February would see this programme continue to work with Year 8 students to develop business ideas.

The presentation then went on to discuss innovation, and in particular where there was emerging markets and growth opportunities such as in the space sector. She

explained that the £20m North East Space Hub (NESH) and Disruptive Innovation for Space Capabilities (DISC) was to be located at NETPark Phase 3 and would help to further grow this sector and attract further business to the area.

The Managing Director Business Durham went on to provide a case study where Durham Business Recovery Grants had been awarded to support business administered by Business Durham. 347 applications had been approved for grants of £1,000 up to £40,000, and over 3,900 jobs in County Durham safeguarded.

R Morris, Co-optee added that she understood the importance of ensuring that talent raised through the universities in the area stayed in the area, likewise with companies grown in the area through university spin offs. She further raised a query regarding the space sector and whether there was any intention to link out further and take on board the good work which was well-established in this sector in North America.

The Managing Director Business Durham advised that the team had worked hard to build a good relationship with Durham University, however acknowledged that more work could be done to pull on the talent pool identified through education settings in helping realise career opportunities and linking up with partners to connect the two. She made reference to the Durham City Incubator Programme and the work undertaken with schools. She highlighted the positive outcomes which had been achieved through this programme.

With regards to space innovation, she explained that the North East was performing well in this sector and noted that the Space Hub proposed to be located at NETPark Phase 3, would provide £20 million of investment to allow that sector to grow. A lot of the businesses attracted here were homegrown, spinouts from the university and those looking to develop their business model here.

Councillor Reed added her thanks for the presentation, noting that she was delighted that Business Durham involved young people. She further commented in reference to the 69 business who were reported to have benefitted from enterprise and business start-ups, how many of those had been successful, what products they were providing and had this expanded chances of long-term employment.

In response the Managing Director Business Durham acknowledged the comments made by Councillor Reed regarding the strong tradition of manufacturing in County Durham's economy and the importance of building upon that and utilising the county's skill base. In relation to the query raised regarding business start-ups, she advised that this support often helped those businesses in knowing how to close their sales and this had helped them to grow as a business, however she would be able to provide further detail to Councillor Reed about those individual manufacturing businesses supported.

Councillor Surtees asked a number of questions relating to; the graduate programme, rural business units, ERDF funding, Support for businesses with submission of tenders for contract and how further support could be provided to the Future Business Magnates programme.

In response the Managing Director Business Durham provided details on plans to develop ideas to support an undergraduate programme working with higher education establishments. She also provided more detail on rural business units, potential sites, funding routes, demand and feasibility. In relation to the question raised regarding ERDF funding she explained that the team were actively exploring options should funding be withdrawn in the future.

Councillor Surtees added her congratulations to The Managing Director Business Durham on her recent appointment. She further commented on the portfolio of 525 business units across the County, noting the 95.23% occupancy rate. She commented that that she found this a little worrying given the 4.77% anticipated growth and asked whether the Aykley Heads strategic site had been removed from the strategy.

The Managing Director Business Durham advised that Aykley Heads remained a strategic priority site for attraction of private sector businesses.

Councillor Batey noted the reassuring updates on job creation and inward investments. Regarding the Future Business Magnates, she applauded the fantastic opportunities that it offered to Year 8 pupils and asked if there were any patterns emerging as to which schools had succeeded so that those could be highlighted to other schools. The Managing Director Business Durham advised that she could provide this information following the meeting. In addition, she noted that due to the impact on COVID on classroom teaching the competition had been scaled back for a period, however it was hoped that normal service could resume and Year 7 students were already being introduced to the competition through Freshers ahead of their next academic year.

Councillor Moist asked the Managing Director Business Durham if there was one thing that could be done to secure enterprise and funding in County Durham what would the one thing be. In response the Managing Director Business Durham advised that it was crucial to ensure that the county was able to deliver ample supply of good quality premises.

In response to a number of questions from Councillor Jackson regarding European Rural Development Funding and the digital drive, the sale of land for business use and business start-up loans the Managing Director Business Durham advised that despite a difficult couple of years, there were no concerns regarding the Digital Drive and funding to support business growth in this area. Regarding the sale of land for business use, she advised that they were working with Corporate Property and Land as to how they can accelerate the process for acquiring land for business.

Moving on to discuss the topic of loans to small businesses the Managing Director Business Durham advised that Finance Durham were available to help with financial investments in local businesses based in the county, with equity or loan type finance being offered.

**Resolved:**

That the contents of the report and presentation be noted.

## **7 Inclusive Economic Strategy**

The Committee considered a report of the Corporate Director Regeneration, Economy and Growth which provided an overview of the process that was being followed to develop a new Inclusive Economic Strategy for the council (for copy of report and slides of presentation see file of Minutes).

The Spatial Policy Manager provided a detailed presentation which highlighted the purpose of the Inclusive Strategy and its role in:

- Balancing economic growth with the need to reduce carbon emissions
- Define priorities for growth
- Enhance and create opportunities
- Align with the County Durham Vision 2035
- Demonstrate levelling-up needs
- Support county deal negotiations
- Support the development of an Investment Plan for the UK Shared Prosperity Fund

The presentation also provided detail on the 3-stage development process which had been agreed by Cabinet in December, noting that the final stage to complete was the Inclusive Economic Strategy which would be developed based upon 'Our Big Econ-versation' and would also reflect the evidence in the Economic Review. Some examples of the findings were included in the presentation for information.

The Spatial Policy Manager went on to provide details of the proposed framework all of which had the bigger objective of supporting the planet. They were as follows:

- People
- Prosperity
- Places
- Promotion
- Partnerships

It was explained that the Big Econ-versation would run from January to 22 April 2022, with consultation on the strategy expected during the Summer to Autumn with adoption of the strategy in Late 2022. Examples of the events already held and

those planned were detailed in the presentation along with some of the feedback already received.

The Chair thanked the Spatial Policy Manager for his presentation. He went on to add that he felt it of crucial importance Economy & Enterprise Overview and Scrutiny Committee were involved in every stage of the process and commented that reference had been to a Steering Group for the strategy and he requested that the Economy and Enterprise Overview and Scrutiny Committee is represented on that group.

Councillor Surtees added that she felt it would have been beneficial for scrutiny to have sight of the survey before it had gone out as she found that some of the topics would be totally alien to many people and she worried that they may struggle to engage as a result.

In response the Spatial Policy Manager advised that the survey was supported by a facilitation pack, including a simplified document of questions. In addition, the information hosted on the website had been produced in plain English.

Councillor Surtees continued that the consultation needs to be done correctly and for this to happen, whatever literature is used as part of the consultation process needs to get local people engaged.

Councillor Miller commented that he felt that public transport was such a huge part of this conversation, the key role that it plays in growing the economy and jobs, good public transport provision is essential for residents to access employment. He continued by asking how big an impact would it have if County Hall remained on the Aykley Heads site.

Councillor Moist commented that it had been confirmed earlier in the meeting that the Aykley Heads site is still a strategic site.

R Morris, Co-opted Member commented upon the climate agenda, the profound questions this raised, science innovation, job security noting that all of which would help determine the direction of travel.

Further discussion ensued regarding the way in which the information had been shared and given that some members were not aware of this, Councillor Batey noted her concern as to whether this would be picked up by all organisations, noting that she was not aware that Parish Council's or AAPs in her area had yet received the information.

The Spatial Policy Manager advised that it was to be circulated to parish councils via CDALC. In addition, all AAPs were being visited.

Councillor Cairns noted that she agreed that the survey should have been shared before it was published, however despite that it was really important now that members pushed this, encouraged feedback and where possible got children involved.

**Resolved:**

That the content of the report and presentation be noted and comments and feedback received fed into 'Our Big Econ-versation'.

**8 Quarter 3 2021/22 Performance Management Report**

The Committee considered a report of the Corporate Director of Resources which presented an overview of progress towards achieving the key outcomes of the council's corporate performance framework and highlighted key messages to inform strategic priorities and work programme for the period in and to the end of quarter three, October to December 2021 (for copy see file of Minutes).

G Wilkinson, Strategy Team Leader provided a detailed presentation of the key performance highlights including those relating to More and Better Jobs and Connected Communities covering both the latest position in relation to local, regional and national and Council Services.

Councillor Reed asked in relation to the satisfaction of the condition of highways, whether unclassified roads were included in the maintenance programme. In response the Strategy Team Leader advised unclassified roads were included within the planned maintenance, however she would need to refer this question to the service for a more detailed response, she would also ask for the definition and figure on the number of unclassified roads to be clarified, further to a question from Councillor Jackson.

**Resolved:**

That the content of the report be noted.

**9 Minutes of the meeting of the County Durham Economic Partnership held on 1 December 2021**

**Resolved:**

That the minutes of the Economic Partnership Board held on 1 December 2021 be noted.