

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 **Tuesday 28 June 2022** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Jackson, M Abley, A Batey, G Binney, J Cairns, K Earley, D Haney, C Hood, B Kellett (substitute for S Wilson), C Martin, R Ormerod, A Reed, I Roberts, A Sterling, A Surtees and M McKeon (substitute for C Marshall)

Co-opted Members:

Mrs R Morris and Mr E Simons

1 Apologies for Absence

Apologies for absence were received from Councillors C Marshall, R Manchester and S Wilson.

2 Substitute Members

Councillor M McKeon substitute for Councillor C Marshall and Cllr B Kellett substitute for Councillor S Wilson

3 Minutes of the meeting held 26 April and Special Joint meeting held 16 May 2022

The minutes of the meeting held on 26 April and the special joint meeting held on 16 May 2022 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-opted Members or interested parties.

6 County Durham Economic Partnership - Update:

The Committee considered a report of the Interim Corporate Director of Regeneration, Economy & Growth which provided an overview of the County Durham Economic Partnership (CDEP), including detail of governance arrangements, priorities identified, current activity and future plans (for copy of report and slides of presentation see file of Minutes).

The Chair welcomed S Parkinson, Vice-Chair of the CDEP who was in attendance to provide a presentation on the work of the partnership including detail of:

- The role of the CDEP Board and it's key areas of activity
- Partnership and collaboration work; including detail on the Shared Prosperity Fund and;
- Future priorities

Councillor Earley raised a point regarding the Shared Prosperity Fund guidance, and commented that he understood that it requires environmental/green topics/areas to be taken into account. He asked whether his interpretation was correct.

In response S Parkinson advised that his reading of this was correct and the CDEP was obliged to follow the guidance. She added that the partnership had an eye on net zero on everything they did. She further went on to provide some detail surrounding how the fund operates around the three core themes which are focused around 41 investment priorities where SPF can be invested and that within the three core themes there are green areas. She gave an example of DCC and the partnership taking a joint decision to focus on business start-ups then DCC with the support of the partnership could say that any proposals would need to understand the opportunities for Net Zero. However, there were some questions over how this would be commissioned, and whilst we want to support the start-up of any business, there was a challenge there as to how net zero was built into this.

S Parkinson reported that an event had been scheduled for the business community in respect of the Shared Prosperity Fund on 4 July 2022 and that a member briefing on the subject arranged for 8 July 2022.

Mrs M Morris, Co-optee noted that she was not aware of the event planned on 4 July and if possible, would like to be forwarded the link for invitation to attend. In addition, she asked that detail on the members briefing being held at County Hall also be forwarded to her. She furthermore asked why there was no representation from schools on the Partnership and in addition, in terms of new businesses a skills audit would be useful to help determine what skills businesses needed in the future.

In response S Parkinson advised that the 4 July event was for both partners and stakeholders and she would be happy to include Co-optees in the invitation. In response to other points made, she explained that membership was not in her gift to

amend, however took the point on board regarding education representation at school level and advised that she would feed this back to the partnership board. With regard to skills audits she acknowledged and appreciated how difficult the skills agenda is, noting this was a national issue and is also about the economy rebalancing. In terms of how the CDEP were addressing this she explained that opportunities were currently being reviewed, looking at opportunities in the UK SPF to undertake a piece of audit work.

Councillor McKeon asked several questions, the first being in relation to Trade Union engagement/representation on the partnership board, a query regarding transport being a barrier to employment particularly in rural areas, who could attend the UK SPF event on the 4 July and a further query regarding innovation, business ideas generated at Durham University and how these were being translated into business opportunities.

In response S Parkinson advised that the event on the 4 July is open for anyone to attend who has an interest in the UK SPF. She continued that transport was an important topic, however explained the issues arose due to bus companies being privately operated businesses, driven by profit. She added that without subsidy it was difficult for the partnership to address this topic. In response to the question and translating ideas into business opportunities, she provided an explanation as to how the partnership were able to support, influence and provide the vehicle to progress business ideas, including support provided through DurhamWorks. It was further asked whether any data was available on the economic benefits of Durham Works and S Parkinson advised that she could provide this data outside of the meeting. She confirmed that the Partnership Board does not have TU representation and assured members that she would raise this with the Board.

At this point the Chair commented that he was concerned that the partnership sets the economic strategy across the county however DCC has its own economic strategy how do they fit together.

S Parkinson responded that it is about ensuring that the separate strategies align.

The Chair then raised several questions relating to targeted outcomes, asking what was being done to address the below average economic performance of the county and suggested that in relation to the Shared Prosperity Fund that more focused work, investment and monitoring needed to be undertaken with funding focused on a small number of larger projects.

In addition, he acknowledged the current skills shortage and asked as to whether the committee could work with the partnership to find out what work is currently taking place to link schools, FE colleges and universities with employers. He further made a point of clarification regarding the way in which the strategy was determined by Cabinet.

S Parkinson responded that the partnership is not an organisation, it is very much a partnership, a group who have an interest in the economy of County Durham, looking at doing things differently to achieve better outcomes. She continued that DCC's economic strategy is different from the County's Economic Strategy and continued that the partnership is driven by outcomes and has collective responsibility. She confirmed that in relation to the SPF, she would not want this funding spread too thinly and that the partnership's advice would be to concentrate funding on few and big rather than many and small.

Councillor Abley asked as to how the work of the partnership is currently translated into business opportunities.

In response, S Parkinson commented that the partnership has no money and no direct control over money/resources and that they can only influence partners. She continued that out of the European Programme, the DurhamWorks Programme (DWP) had been funded. She continued that this programme had existed because of EU funding allocated to the county which was the result of extensive lobbying. The DWP programme has created opportunities for 1000s of young people in the county and she suggested that members look at the Durham Enable website. She continued that the programme had given opportunities to those that need it most, to find education, training and employment.

Cllr Abley commented that he was not familiar with the DWP and could the information on the programme, the benefits to the county in pounds and jobs created be forwarded to him.

S Parkinson agreed to send all the outcome data on the DWP following the meeting.

Councillor Jackson asked as to whether the partnership has any targets and key performance indicators and if so could they be shared following the meeting. In addition, he referred to previous comments regarding transport and more specifically into enterprise parks and queried whether those business parks had ever been approached to consider subsidising transport links to their sites.

The Managing Director, Business Durham responded that the partnership does have key performance indicators and she would be happy to share those with members. She continued that in relation to transport to business parks, this topic had been discussed with business groups previously, noting that suggestions had been made about car sharing and companies working together however questions remained over whether the number to sustain routes would be there and also how this impacted upon net zero targets. She advised that work was ongoing looking at different options and conversations are taking place at NETPark to actively explore solutions.

Councillor Surtees expressed her thanks for the presentation noting her admiration for the Vice-Chairs passion and drive on this this topic. She noted however that the Shared Prosperity Fund was going to be a huge challenge for County Durham going forward, the County would not receive what was originally promised and the figure

had been significantly diluted and is nowhere near the amount of funding the county would have received via EU funding. It would be important to maximise on that limited funding, to do the best for the people of County Durham. In response S Parkinson agreed that the SPF did come with challenges noting that people and skills money could not be accessed until year 3 and of course more funding would be preferable, but ultimately Cabinet would determine its priorities for the allocation of this funding source.

The Chair at this point suggested that the committee write to the relevant Cabinet Portfolio Holders to request that when the UK SPF investment plan proposals are developed that this information is shared with the committee for their views and comments.

Resolved:

- (1) That the content of the report and presentation be noted.
- (2) That the Committee write to the relevant Cabinet Portfolio Holders and request that when the UK SPF investment plan proposals are developed that this information is shared with the members of the committee at a future meeting, for comment.

7 Inclusive Economic Strategy - Econ-versation Feedback

The Committee considered a report and presentation of the Interim Corporate Director of Regeneration, Economy & Growth which provided an overview of the comments received in response to the Big Econ-versation on the Council's new Inclusive Economic Strategy which had been undertaken between the 31 January and 22 April 2022 (for copy of report and slides of presentation see file of Minutes)

The Spatial Policy Manager provided a detailed presentation which provided information on the focus of the strategy and the timeline for its development. In providing a summary of the Big Econ-versation, 1,455 surveys had been completed and over 1,500 people had engaged through the conversations held at the 86 workshops and events across the County during that period.

He outlined the main messages as follows:

- County Durham needs more good quality jobs
- These need to be accessible to local people, through improved transport, especially in rural areas and inclusive skills provision
- More needs to be done to market and promote the county
- Investment in places is needed county-wide, particularly in smaller towns and villages
- Green economy and climate changes is seen by business to be an opportunity for growth, but caution this needs to not increase costs.

Regarding the Resident Survey, he explained that 1 in 3 respondents said they faced barriers to good skills training, jobs and career progression. Approximately one quarter of respondents with a disability worked full-time, compared to over half of non-disabled respondents. Further comments were received in relation to access to education, training and jobs, with the most common responses and reasons related to: poor transport connectivity; lack of well paid, highly skilled, secure jobs and career opportunities; lack of investment, town centre decline linked to reduction of local jobs and lack of investment in education and skills with limited provision.

Further to the comments received residents were asked to rate their priorities for the future. The following came out as the top three, with over 90% of respondents rating them as either important or very important:

- Improving town centres
- Training the workforce
- Supporting and ageing population

The Spatial Policy Manager went on to provide an overview of business responses specifically in relation to improving the productivity of their workforce, with 'availability of a suitably skilled workforce' coming out as the highest-ranking response. Improved transport infrastructure and access to finance were close behind.

Details were then provided regarding responses received from the Young People survey noting that 54% of respondents said they could not or were unsure they could pursue their chosen career or business idea in the county.

Moving on the Spatial Policy Manager explained that as part of the big Econ-versation, conversations were held with a diverse range of groups to ensure that the process was as inclusive as possible, the structure and format of the conversations varied and included attendance at meetings and events, presentations with Q&A, and workshops. A summary of the issues highlighted were included in the presentation but mirrored those already raised.

As a result of the Big Econ-versation the following potential areas of focus had been identified and would be worked on within the budget and funding available:

- Supporting business growth and job creation, particularly in opportunity sectors
- Improving public transport and access to facilities
- Developing a lifelong learning offer for residents
- Improving the health of residents and workers
- Promoting County Durham
- Building on recent investments to regenerate and reimagine town centres
- Transitioning to net zero through a just, flexible, and innovative approach that creates new jobs and safeguards existing ones.

Councillor Surtees expressed her concern over the small number of respondents, given the population of County Durham, noting that the results would not be truly

representative and robust enough to support the emerging strategy. She also suggested that the key priorities and issues identified did not appear to reflect the potential impact and detrimental effect that poverty has on the economy within the county and would have expected this to feature. She continued that she felt that there was not enough representative evidence and data to move forward. In addition, she was concerned that the branding and marketing of the Econ-versation had not promoted or stimulated the levels of engagement from local communities in the process. She therefore suggested that it should be rebranded and resurveyed with better explanations provided and the marketing pitched right.

The Spatial Policy Manager added that in his experience the level of return was not unusual for this type of survey, noting that many of the responses provided were already known to the authority. He further noted that the Poverty Action Plan would sit alongside the strategy and picked up on those issues that Councillor Surtees referred to.

Councillor Sterling commented that she agreed that the response rates were poor and she also felt that this had been a failed marketing campaign. She continued that she was surprised that there was not a bigger response from the older generation. She asked whether the committee could be informed of the total cost of the Econ-versation process and the cost per response and questioned as to whether the Econ-versation should be relaunched.

Councillor Sterling also commented that she was concerned that young people had identified that they would need to go out of the county to attend university, it was felt that a conversation needed to be undertaken with Durham University in relation to their entry requirements. It was also suggested that conversations need to take place within secondary and FE colleges to establish how they promote Durham University and children's aspirations to attend Durham University.

Councillor Abley commented that there is a lot of good information in the report and presentation and highlighted the need to have a mechanism in place to manage delivery of the priorities coming out of the Econ-versation. He continued that there is a need to continue to monitor and assess the effectiveness of those key actions to deliver the desired outcomes.

The Spatial Policy Manager confirmed that there will be a need to monitor delivery of the priorities and the actions in order to deliver the required outcomes.

Cllr McKeon agreed that a discussion needs to be held as to why it is difficult to get into Durham University and then asked as to how we engage with young people in care and also how do we get community ownership of the high street.

In response, the Spatial Policy Manager commented that in terms of community engagement as part of the Econ-versation engagement had taken place with Community Champions and community engagement is included as part of the future consultation process.

Cllr Kellett asked as to how we measure good quality jobs, as it is subjective.

The Spatial Policy Manager responded that the county needs to have a range of jobs and confirmed that it is a general principle and there is no specific definition of what constitutes a high-quality job. He continued that in addition to the information provided by the consultation and the survey, information from the Economic Review will also be used to feed through into actions within the strategy.

Mrs R Morris, Co-optee added that in her opinion she wouldn't want to see another survey undertaken and suggested that further views be sought when the strategy is shared.

Councillor Jackson commented that he would have expected all 126 members to respond and many of those may also have been able to provide business responses so would agree that the consultation had not been that successful. However, he continued by suggesting that the second stage of consultation should focus on the key findings of the Econ-versation.

In response the Spatial Policy Manager confirmed that six workshops were held with members and that they were also encouraged to complete the survey.

Councillor Batey in agreeing that the return rate did raise concerns, suggested that the results gathered should be presented back to the public which may encourage further feedback. She also noted the low number of responses from young people whose views were extremely relevant and she asked whether a geographical breakdown of the respondents could be provided, to establish if any areas were underrepresented. She further asked whether the Economic Review would feed into these findings.

In response the Spatial Policy Manager advised that the IES would sit alongside this and other documents as previously explained. Councillor Batey commented that she felt census data when available would also be valuable to informing the strategy.

The Chair commented that the IES was a living document and members would continue to have the opportunity to feed into the development of the Inclusive Economic Strategy.

Resolved:

That the content of the report and presentation be noted and that members comment accordingly.

8 Quarter 4 2021/22 Performance Management Report:

The Committee considered a report of the Corporate Director of Resources which presented an overview of progress towards achieving key outcomes of the council's corporate performance framework and highlight key messages to inform strategic priorities and work programmes (for copy see file of Minutes).

Cllr Jackson asked for clarification as to when enforcement in relation to the Selective Licensing Scheme would commence in circumstances where the landlords were not registered with the scheme. In response the Strategy Team Leader advised that she would need to check the timeline with the team and report back to members, however noted that there would be some exceptions to the scheme.

Mrs R Morris, Co-optee referred to the data presented along with global figures and noted the fall in unemployment levels. She asked for detail as to what type of jobs those recently gaining employment had gone into as she felt this would be useful to understand. Furthermore, she raised a point regarding the claimant count and commented that Bishop Auckland and Easington areas were highlighted within the report however there may be several other areas underperforming. She therefore asked whether there was some form of league table which showed how areas were performing that could be shared with members. She also commented that this information would be useful in giving direction when looking at the SPF allocations.

The Strategy Team Leader agreed to follow up with the relevant service areas/teams to get the information requested by the committee and also to provide the link to Durham Insight which provided good statistical information across all themes and geographical locations.

Resolved: that the content of the report be noted.

9 Refresh of the Work Programme 2022/23:

The Committee considered a report of the Corporate Director Resources which provided an updated work programme for 2022/23 (for copy see file of Minutes).

The Scrutiny Officer advised that Appendix 2 of the report outlined the proposed programme noting that it currently offered flexibility to respond to emerging issues with currently five scheduled meetings identified and two joint special meetings with the Environment and Sustainable Communities OSC focusing on integrated transport and the tourism and cultural offer. The report asked the committee to identify a topic for in-depth or light touch review and reference was made to paragraph 17 of the report, informing the committee that discussion had taken place at a meeting of the Overview and Scrutiny Management Board suggesting that the various thematic OSCs may wish to consider undertaking a focused piece of work in

relation to MTFP 13 looking to identify further efficiencies or areas of income generation.

Further to that discussion, Ian Herberson, Finance Manager for Resources and Regeneration was in attendance and provided a brief presentation on the development of the MTFP(13), the current role of scrutiny in its development and the proposed process to developing savings options. He commented that it was at the discretion of the committee to determine as to whether they undertake this focused piece of work and that existing work programme priorities would need to be considered.

The Chair added that this was brought forward as simply a suggestion and wasn't something that the committee had to take on as the work programme of the committee was the key priority. Councillor Earley commented that he didn't suspect there was a huge amount of savings in relation to the Service that could be explored within the remit of this committee.

Councillor Batey added that she did not see this topic as something which sat within the role of this committee and was something very much the role of Cabinet. She further noted that routes already existed for members to feed comments back into Cabinet on MTFP proposals. In addition, the committee has a large work programme to deliver which needs to be the priority. She further asked what the view of the Chair of Overview and Scrutiny was on the topic.

The Chair clarified that the focused piece of work would be additional and that delivering the work programme is the priority of the committee.

Councillor Martin commented that scrutiny's role was key in promoting policy development and whilst the impacts on the MTFP were all down to money, by giving thematic scrutiny committee's the option to feed into the process this provided a further opportunity for wider discussions.

Councillor Batey commented that she was very mindful of the time commitment for an additional piece of work and the resources required, from a members and officer perspective and she felt that there are other key areas which the committee need to be focusing on.

Further discussion took place regarding a resolution of the Overview and Scrutiny Management Board and it was noted that Cabinet had responded positively to the request for attendance at thematic committees where the need arose.

Councillor Batey further asked whether there would be any additional meetings added to the diary noting that if the draft Inclusive Economic Strategy was not available in September this would then need to be considered at another meeting.

The Principal Overview and Scrutiny Officer advised that the report brought to the committee work programme options and flexibility to respond to emerging issues. He furthermore noted the various mechanisms available to the committee in order to discharge their responsibilities outside of the scheduled meetings.

The Chair confirmed that the committee would be focusing on the delivery of the work programme, that was the key priority for the committee and that if during the delivery of the work programme and the consideration of the quarterly budget reports they identified any potential savings then this information would be passed onto the appropriate Service Grouping.

Resolved:

- a) That the Economy and Enterprise OSC received and commented on the proposed draft work programme.
- b) That the Economy & Enterprise OSC work programme for 2022/23 and the flexibility it offered to respond to emerging issues is agreed.
- c) That the Economy and Enterprise OSC does not undertake the suggested focused piece of work in relation to MTFP 13 and that the committee considers identifying an area of focused review during the delivery of the 2022/23 work programme.
- d) That any areas of savings, identified during the consideration of the quarterly budget reports are forwarded to the appropriate service grouping for consideration during the MTFP 13 process.