

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 **Monday 7 November 2022** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Jackson, M Abley, A Batey, G Binney, K Earley, D Haney, G Hutchinson, C Martin, A Reed, I Roberts, A Sterling, A Surtees, M Stead (substitute), J Nicholson (substitute) and S Deinali (substitute)

Co-opted Members:

Mrs R Morris and Mr E Simons

Also Present:

Councillor K Shaw

1 Apologies for Absence

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

2 Substitute Members

Councillor M Stead substituting for Councillor R Ormerod and Councillor S Deinali substituting for Councillor J Miller.

3 Minutes of the meeting held 3 October 2022

The minutes of the meeting held on 3 October 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 Inclusive Economic Strategy - Update

The Committee considered a report and presentation of the Corporate Director Regeneration, Economy and Growth which provided an update on the development of the emerging Inclusive Economic Strategy (IES) (for copy of report and slides of presentation see file of Minutes).

The Corporate Director Regeneration, Economy and Growth introduced the agenda item and informed members that the Chair of the County Durham Economic Partnership who was due to be in attendance to present some of the slides was unfortunately ill and therefore those slides would be presented by Andy Kerr, Head of Economic Development.

The Corporate Director continued by explaining that the timing of the strategy was very important as it showed leadership on the part of Durham County Council with the IES showing the county's future readiness. She then highlighted that the IES is not a Durham County Council Strategy and confirmed that it is a partnership document which gives a unified direction across the county. The Corporate Director confirmed that the strategy is draft at this stage and that it was being presented to Overview and Scrutiny with a view to providing an opportunity for members to comment and provide feedback which would be used to help shape the future development of the document. It was highlighted that the document is a living document which will be regularly reported to Overview and Scrutiny and that it is inclusive in design, development and delivery.

The Corporate Director of Regeneration, Economy and Growth and the Head of Economic Development then provided a detailed presentation which explained the councils approach to the development of the IES, including how the council were working in partnership. It further provided detail regarding how the information collected from the big Econ-versation along with evidence previously gathered and captured in the Economic Statement had shaped the strategy, confirmation of the vision for the strategy including key points together with detail of how it would be delivered (the delivery framework) and how it would drive forward change for County Durham.

The Chair commented that a lot of what is included in the strategy had been mentioned previously with the only additions the use of the word inclusive and an emphasis on the green economy. He continued by highlighting his concern that the economy of County Durham is shrinking however he recognised that the draft strategy was only the start of the process.

Councillor Sterling commented that she was disappointed that points raised at the meeting in June, when the committee considered the feedback from the Econ-versation had seemingly been ignored. She reiterated her concerns about the low numbers engaged with during the consultation including the 'Big Econ-versation'

and commented that the strategy had moved forward on a poor evidence base. She further noted concerns in relation to engagement with limited companies as the engagement response rate of 0.24% was extremely low.

In addition, she questioned the level of engagement during the consultation process with businesses and companies led by women. Noting that a large proportion of SMEs in the county were led by women and that the strategy document needed to reflect this particular element of diversity within the county.

Councillor S Deinali left the meeting.

She further raised points relating to supporting home working and the provision of hubs for those who were unable to work at home. In relation to further education, she further noted previously raised concerns regarding the entry level at Durham University and accessibility for County Durham students. She continued that consideration should be given to reducing the entry requirements for County Durham students.

The Corporate Director Regeneration, Economy and Growth noted the points raised by Councillor Sterling regarding diversity and added that she would re-sense the document in relation to diversity. She further explained that the development of the strategy was a journey and the council were just at the beginning of this process. Regarding the response rates she advised that there were a number of business events undertaken and that detailed engagement feedback had been used to inform the draft strategy and suggested that this could be circulated. The Corporate Director confirmed that she would take the comments back.

Mike Allum, Spatial Policy Manager confirmed that the consultation process had involved various groups in the County Durham Economic Partnership and business networks as well as engagement at various jobs fairs and events with SMEs and sole traders.

Councillor Surtees added that she agreed with the comments made, further adding that there was no reference to the 2021 census results and data and that the strategy should reflect relevant information drawn from the census. In addition, she raised a point regarding SMEs and the availability of premises and asked how the number of available units could be increased, when capital investment had been paused and whether this would result in a lack of units/ premises for future business use.

Councillor Surtees further commented that she was concerned that the strategy did not include a future employment site in the East of the county and furthermore, she felt that the full implications of poverty weren't addressed within the strategy. In conclusion she expressed her concern regarding the level of funding from the UKSPF, compared to the amount of EU funding County Durham received previously

and questioned how the council hoped to achieve the actions contained in the Delivery Plan.

The Corporate Director Regeneration, Economy and Growth explained that business premises were self-financing and whilst the capital programme was being reviewed, they were confident in achieving the aims within the strategy. She further added that the strategy would be refreshed to reflect 2021 census data. In relation to the comments made about poverty she explained that the strategy would sit alongside the new Poverty Action Plan and sister documents as part of a bigger plan for County Durham.

Further to Councillor Surtees's comments regarding funding, A Kerr, Head of Economic Development added that whilst it was accepted that there were significant challenges ahead, it was important to continue to look forward and be bold in our plans to push investment by promoting what we have to offer in County Durham.

Councillor Earley indicated that he was looking forward to seeing more detail around the plans for investment and promoting the green economy and also suggested that the strategy should include how Durham University graduates were to be retained in the economy once they have graduated.

Mrs R Morris, Co-optee suggested that the Delivery Plan is reviewed annually and then made a number of comments on the draft strategy which focused around the 'People' element of the framework, noting the importance of ensuring that structures were in place for conversations to take place between the key players in relation to skill requirements and development in the county, to ensure that the skills developed, met employers' skill requirements. She also suggested that there was a need for schools to have in place good quality and timely careers advice, which could be accessed at an earlier age by pupils in secondary schools.

She went on to ask whether all County Durham colleges/training bodies would be involved in delivering the new skills and opportunities that the strategy aimed to deliver and how this would be achieved. She also added that the county would benefit from the development of a skills strategy.

In conclusion Mrs R Morris added that she too supported the comments previously made about supporting women in business and felt that more could be done to match worldwide attainment.

In response the Corporate Director Regeneration, Economy & Growth noted Mrs Morris' comments and agreed that they could aim to be clearer on delivery and agree that the timescale for review could be implemented at 1 year instead of the proposed 2 years. In addition, she commented that skills is a difficult system to navigate however it has to be tackled and agreed that the existing skills strategy for Durham was outdated and required work. The Corporate Director confirmed that a Skills Strategy will be developed.

The Economic Development Manager commented that any strategy would have to ensure alignment at a regional level.

Councillor Reed in referring to Places and Priorities, suggested that in addition to industry being located on various strategic and industrial sites throughout the county, that it should also provide the opportunity for industry to be located in our towns and villages in order to help bring back vibrant towns, doorstep employment and utilise vacant industrial brownfield sites. She also agreed that access to public transport in the county was essential, particularly in relation to the remote and rural parts of the county to enable residents to access all available employment opportunities.

In response the Head of Economic Development noted that a lot of work was being done to listen to business needs, what they required from employment sites and ensuring that any sites identified for development were attractive to business and that we have the right skills base. He continued that we would have to look at what sister strategies we put in place to support the IES and commented that transport will be one of three sister strategies.

Councillor Shaw asked what the transport investment for County Durham would be as a result of a LA7 devolution deal. In response the Corporate Director Regeneration, Economy & Growth noted that she could not discuss the LA7 deal given that this was still subject to live negotiations, however transport remained a priority for the council, with proposed rail improvements planned, looking at the reopening of Ferryhill Station, the development of a Bus Services Improvement Plan and strategic projects such as the Leamside Line. The Corporate Director confirmed that she would tighten up the emphasis on transport in the document

Councillor Martin expressed his enthusiasm for discussing this topic in the meeting and noted that there were several areas of the strategy which he particularly liked including: the proposed approach in relation to the improvement of town and village centres; that the Strategy was developed to sit alongside sister plans/strategies with reference made to the poverty action plan, skills strategy/plan and transport plan/strategy.

Councillor Stead added that he too liked the report, noting key areas which he felt were of importance such as, the need to attract major employees as well as SMEs to the county and that continued work with Durham University and colleges would be essential to delivering the skills needed for the future. He did however note his disappointment regarding the return on the surveys and asked how those conversations were undertaken with businesses and if they were recorded. In response Mike Allum, Spatial Policy Manager advised that a template was used to record feedback from conversation sessions, and these were available for each event.

The Corporate Director of Regeneration, Economy and Growth responded that engagement did not just consist of surveys it was a lot more and she confirmed that the Strategy Review and Delivery Plan would come back for consideration by Overview and Scrutiny.

Cllr Abley asked whether the committee could be involved in pulling together the Delivery Plan. He also commented that young people chose to go elsewhere to university and he thought that there was already a scheme in place to assist County Durham students to access Durham University and stated that in his opinion the entry requirements should not be lowered.

Councillor Batey in noting her experience on the various topics raised noted that she agreed with comments made, however she appreciated that there were certain barriers to overcome in achieving some of the points raised mainly regarding careers advice, noting the constraints of the curriculum in schools. Transport and associated costs with delivering big schemes remained a concern given the potential loss of funding and she noted that it would be crucial to ensure that all areas in the county have IT connectivity to facilitate working from home for residents, micro businesses and for SMEs in the county. In addition, she had further concerns as to whether the National Power infrastructure has the necessary capacity to support new ways of working especially in those more remote areas of the county. In conclusion she noted that she had not heard much about the Durham Pound, social value and wealth creation and suggested that this needed to be strengthened within the strategy.

The Corporate Director of Regeneration, Economy and Growth confirmed that the emphasis on these issues will be included in the document.

C Knight, Integrated Passenger Transport Manager at this point provided some background to the development of the Bus Service Improvement Plan by Transport North East, noting the ongoing work with the Bus Board to deliver innovative transport solutions to ensure adequate access to employment opportunities across the county. The BSIP covered the LA 7 footprint and had originally bid for around £800m funding and had received an indicative allocation of around £160m subject to conditions.

The Chair noted the amount of work that had gone into the development of the Strategy. However, he also commented that he had concerns that the strategy is a partnership strategy owned by the County Durham Economic Partnership and questioned as to what control/influence DCC would be able to exercise in relation to the delivery of the actions in the Delivery Plan and to ensure that there was an appropriate level of associated accountability therein. He continued that the strategy makes reference to new ways of working and then asked how we will move to this new way of working and whether all DCC departments will be working together to deliver those actions in the Delivery Plan for which DCC is responsible.

The Chair continued by saying that he was concerned about delivery of the skills element of the Delivery Plan and asked what influence we have with partners to get them to deliver on the actions identified in the plan. He also felt that there was a lack of direction within the strategy in relation to which green industries would be targeted for development in the county. He then requested that the committee has early involvement and consideration of the Delivery Plan which will identify relevant actions and where responsibility sits for the delivery of those actions. He concluded by noting his disappointment that the Chair of the County Durham Economic Partnership was not available to attend the meeting as he felt that his input would have been valuable and requested that the Chair of the Partnership attends the next meeting of the committee or advises which meeting of the committee he can attend, for members to be given the opportunity, to ask how the partnership will achieve the successful implementation of the IES.

The Chair asked, that the committee, in addition to the recommendation contained in the report, agree the following two further additional recommendations:

- That the comments made by members today are captured and formulated into a formal Overview and Scrutiny response which will be circulated to the members of the committee and then shared with the Service Grouping to help further develop the Strategy, And
- The committee recognises that without the Delivery Plan in place the Strategy cannot be implemented and would therefore request that the Delivery Plan is presented to the committee, if possible, within a six-month period.

Resolved:

- i) That the content of the report and presentation be noted and any views on the Draft Inclusive Economic Strategy be passed on.
- ii) That the comments made by members during the meeting are captured and formulated into an Overview and Scrutiny response, which will be circulated to the members of the committee and then shared with the Service Grouping to help further develop the Strategy.
- iii) That the committee recognises that without the Delivery Plan in place the Strategy cannot be implemented and would therefore request that the Delivery Plan is presented to the committee, if possible, within a six-month period.

7 Questions of relevant Cabinet Portfolio Holders in relation to:

The Chair welcomed Councillor Rowlandson, Portfolio Holder for Resources, Investment and Assets, who had been invited to attend the meeting, following a request by Councillor Marshall at the Economy and Enterprise OSC held on the 3 October, that the relevant Cabinet Portfolio Holders, attend the next meeting of the committee, to answer three questions, with the questions stated on the agenda for

the meeting. It was noted that Councillor E Scott, Portfolio Holder for Economy and Partnerships was also invited, but had been unable to attend the meeting and rendered her apologies.

The Principal Overview and Scrutiny Officer explained that three questions had been raised at the previous meeting which were summarised on the agenda. The Chair welcomed Councillor Rowlandson to provide a response to each question. Councillor Rowlandson responded as follows:

Question 1 - The Cabinet Portfolio Holder's role in attracting and supporting investors to the county.

Councillor Rowlandson explained that in his role and to date he had undertaken the following:

- Instigated the Inclusive Economic Strategy to give clear direction to future inward investment activity which had previously not been in place.
- Ensured stability and direction in Business Durham by appointing a CEO a post which had been left vacant by the previous administration.
- He had fronted meetings with potential investors together with Business Durham
- Visited major employers and businesses in the region and confirmed that a meeting was arranged with the Director of GlaxoSmithKline to encourage the use of local businesses for their supply chain.
- Had a meeting on 3 November with investors at Station Place Newton Aycliffe about the continued development of the site and further ambitions in the area.
- Attended meetings of the Business Durham Advisory Board to guide the inward investment strategy. He commented that Cllr Marshall receives invites to the Board but has only attended once in 18 months.
- Attended inward investment events such as UK REIIF (UK Real Estate Investment and Infrastructure Fund). He highlighted that this is the first time County Durham has attended this prestigious event with a stand. Officers and the Cabinet Portfolio Holder were on the stand over three days and had contact with well over 100 businesses.
- Through Cabinet, he was ensuring the continued commitment to major investments such as NETPark Phase 3 was undertaken.
- Ensuring the ongoing support for Finance Durham, an evergreen fund supporting businesses to locate and grow in the County
- Supported the UK City for Culture bid seeing the county short- listed for the first time and featured on prime-time national media.
- Supported and developed a new way to engage with the business community through the Econ-versation.

Question 2 - What has been the Cabinet Portfolio Holder's input into the UK SPF bids for Durham County Council.

Councillor Rowlandson provided the following response on behalf of Councillor Scott.

“Councillor Scott has been fully involved in the process; She was a key board member of County Durham Economic Partnership that led the process of developing the Investment Plan; She had introduced the stakeholder event on 4th July, which launched the extensive stakeholder engagement; She was involved in the thematic working groups of local stakeholders. In addition, she was involved in regional consultation events and round-table discussion with the main business representative organisations and had reviewed key strategies, for example the County Durham Vision, feedback from the recent Big Econ-versation and the emerging priorities in the Inclusive Economic Strategy”

Question 3 - To provide an explanation for delays in Portfolio Holders responding to Councillors e-mails and the length of time taken for responses to be received.

Councillor Rowlandson explained that he was not aware of any outstanding responses in relation to his portfolio, however, should any member wish to make a complaint against any Portfolio Holder that they could do so via the complaint's procedure/process.

It was noted that in relation to question 3, Councillor Marshall at the previous meeting had provided no specific detail and subsequently no further information had been provided, Councillor Moist therefore suggested that the relevant Cabinet Portfolio Holder be contacted outside of the meeting regarding any issues concerning specific unanswered emails.

Resolved:

That the responses from Councillor Rowlandson be noted.