



County Durham
Economic Partnership

MINUTES

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| Meeting | County Durham Economic Partnership Board |
| Date of Meeting | Monday 5 th November April 2012 |
| Time | 14.00 - 16.00 |
| Venue | Thorn Lighting, Spennymoor |

Attendees:

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| Brian Tanner | Chair |
| Tarryn Lloyd Payne | DCC, Principal Strategy & Partnerships Officer |
| Angela Brown | DCC, Partnership Support Officer |
| Cllr Eddie Tomlinson | Chair of Rural Working Group |
| Cllr Neil Foster | Cabinet Portfolio Holder for Economic Development and Regeneration |
| Stewart Watkins | Business Durham |
| Paul Chapman | Jobcentre Plus |
| Jack Richardson | Jobcentre Plus |
| Jonathan Walker | North East Chamber of Commerce |
| Brian Manning | Esh Group |
| Sue Parkinson | Chair of the Business, Enterprise & Skills Group |
| Ian Thompson | Director of Regeneration and Economic Development |
| Sarah Robson | Chair of Housing Forum |
| Graham Wood | Economic Regeneration Manager |
| Andy Palmer | DCC, Strategy, Programmes & Performance |
| Barbara Gubbins | County Durham Community Foundation |
| Adrian White | DCC Head of Transport |
| Deborah Staines | DCC, Principal Strategy & Partnership Officer |
| Christine Yule | Durham Business Group |
| Ray Hudson | Durham University |
| Geraldine Wilcox | Derwentside Homes |

Guest Speaker

Ed Twiddy North East LEP

1. Thorn Lighting – Martin Thompson

Martin Thompson gave a tour of Thorn Lighting and a presentation to the Board members.

2. Welcome

Brian Tanner welcomed everyone to meeting.

3. Apologies

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| John Widdowson | New College Durham |
| Melanie Sensicle | Visit Durham |
| Ivor Stoliday | Visit Durham |
| Stephen Howell | Cultural Partnership |

4. Minutes of the last meeting

The minutes were **agreed** as a true record.

5. Matters Arising

Item 6: Ed Twiddy will give an update today.

Item 7: Employment figure trend is included in the report for this month.

Item 11: CDP Away day – Sue Parkinson gave an update:-

- Ed Twiddy talked about the economy in general and asked for thoughts on how the public sector and private sector could be working together.
- Social Enterprise was discussed and asked what we could bring to the economy.
- Renewal of the Sustainable Communities Strategy – What we have done well as a partnership as there is no money available what would be the benefits of working together.
- CDP Board are working on a programme for next year, with branding of County Durham and how to get new people on board. Also how to come together better as a learning partnership.
- How do we go forward, it was agreed that the themes were the best way to go with the CDEP being a very important part of this.

Item 11: Graham Wood is meeting with Barbara Gubbins to focus on the apprenticeship programmes.

Item 15: The CDEP, RGF bid was not successful but RGF bid in conjunction with the NELEP was successful. More information will be made available through due process.

6. Chairs Remarks

Brian introduced himself as the new Chair of the County Durham Economic Partnership and initiated round the table introductions.

- In the last quarter (May-July), the unemployment rate for the North East is estimated to have fallen from 11.1% to 10.4%, the lowest level since the same period in 2011.
- However, JSA claimants in County Durham increased by 102 people (0.6%) between August and July and 3.5% compared to August 2011.
- Currently across the County there are around four JSA claimants per job centre plus vacancy.

GDP Growth

- The economy has emerged from double-dip recession, growing by 1% in the third quarter of 2012
- However, the ONS pointed out that GDP growth – the strongest rate since the third quarter of 2007 – had been artificially boosted by two short-term factors: the Olympic Games, which fell in July and August, and the bounce-back from June's extra bank holiday for the Queen's diamond jubilee.

- There is no room for complacency on growth. This further emphasised by the unemployment statistics and continued local job redundancy announcements.

RGF

130 bids have been successful from round 3. 6 Companies in County Durham have won bids.

- Actem (UK) Limited – Seaham
- Caterpillar – Peterlee
- CAV Aerospace Limited – Consett
- Ebac Group Limited – Newton Aycliffe
- NSK Bearings Europe Ltd – Peterlee
- TRW Systems Ltd – Peterlee

Further joint bid has been awarded to the North East Local Enterprise Partnership NELEP which will be discussed in update from Ed Twiddy.

Lord Heseltine's Review

- On the 31st Oct Michael Heseltine published *No stone unturned in the pursuit of growth*, his personal report on how economic growth can be more effectively encouraged in the UK.
- Relationships between the CDEP working groups and the NELEP are important as emphasised by Ed's presentation.

County Durham:

- A meeting with CDEP Board Chairs took place on 5th September and there was a strong appetite to continue working in partnership and to review the remit and priorities to focus on issues that could be achieved.
- A CDEP led County Durham Plan workshop took place and was very well attended. A letter was formed as a response from the CDEP in relation to the County Durham Plan. Brian thanked everyone for their comments in relation to this response.
- *Lumiere 2013*: Lumiere will return to Durham in 2013 from 14th-17th November. This is good news County Durham.

Brian outlined to the board his vision for ensuring the Board do not just meet for information sharing; but becomes a platform for working together on clearly agreed objectives and priority "projects" where the partnership can bring added value.

The CDEP should be seen as a voice for the county in relation to Economic Development and provide a framework for collaborative bids for funding. It should focus on things we can achieve rather than worry about the things we have no control over. We should build on the strengths.

7. North East Local Enterprise Partnership – Ed Twiddy

Ed Twiddy gave an update to the Board members on the North East Local Enterprise Partnership NELEP.

The NELEP was formed just over a year ago to drive economic growth across Northumberland, Tyne and Wear and County Durham. With resources kept to a minimum the scope of the LEP will very much focus on working with partners

and aim to shape strategic direction of existing resources and work with government to bring new resources to the NELEP area as they arise.

The North East has an advantage in only having two LEP areas. This advantage is also increased through Durham having a unitary authority and an excellent inheritance from a very efficient previous RDA, which had key assets, which the Government wants to maximise the use of.

Ed Twiddy, updated the Board of the announced Economic Review, which will look to the next 18 years of economic activity in the North East LEP area. The review team led by Lord Adonis have been asked to recommend key strategic interventions that need to be put in place over the next five years to ensure we achieve our full potential. In addition to a literature review to summarise what evidence already exists and benchmark the North East's current position, there will be two calls for evidence. The themes are:

- The North East in UK, European and global markets
- Labour markets and skills
- Infrastructure and land markets
- Private and social enterprise
- Capital markets
- Public policy

The evidence base will be brought together and considered by the review team, who will report their recommendations in Spring 2013.

Sue Parkinson asked the question 'how the CDEP could collaborate with the LEP? And what do you feel collectively are the priorities for Co Durham?

- Working directly/indirectly through finance/joint working/business investment. The LEP is there to be strategic and set direction for public and private sector bodies across the area.

Cllr Tomlinson, Chair of the Rural Working Group reported that an element of the partnership already has strong links with the NELEP through NEFRAN and the Rural Growth Pilots.

The Chair, thanked Ed for attending and welcomed the opportunity to build future collaboration between the NELEP and County Durham.

8. Thematic Focus: Housing – Geraldine Wilcox

Geraldine Wilcox (As Vice Chair of the Housing Forum) gave a presentation to the group

The presentation covered:-

- Housing Context
- Issues and Challenges
- Housing in Durham
- Strategic Housing Direction
- Moving forward

Geraldine mentioned Housing cross cuts across lots of themes as for example it covers:-

- Children living in poor conditions.
- Mental Health
- Cold Housing
- Fuel Poverty

We are in the midst of a deepening housing crisis. We need to build an additional 230,000 homes a year just to keep pace with new demand (Barker Report 2006) as there is a widening gap between housing supply and household growth. The number of households will grow by 232,000 per year until 2033 but only 115,000 new homes were completed in 2011, the lowest number since the War. In County Durham it is estimated that we need to build an additional 30,000 new homes to meet demand by 2030 and last year 740 new homes were built.

There are 19,000 applicants on County Durham's Housing Register for social rented housing but the grant available to subsidise new social housing has been halved and there is currently no indication that grant will be available to fund new homes for social or affordable rent post 2015 when the current grant funded government affordable homes programme ends.

Home ownership has suffered as mortgage lenders have become more risk averse since the credit crisis requiring an average 30% deposit and lending has halved since 2007. The average age of a first time buyer is currently 37 and is expected to reach 40 by the end of the decade. As well as facing difficulties in accessing a mortgage, would be first time buyers are deterred from buying by an uncertain economic backdrop of frozen wages, job insecurity and rising unemployment.

In line with the rest of the UK, County Durham has a growing aging population which will require appropriate specialist housing to meet age related and health needs. There will be a 61% growth in 65 + households by 2031 in Durham.

The Private Rented Market is the only tenure that has expanded and is expected to grow to be 20% of the housing market by 2020. The Montague Report published August 2012 suggests growth in this sector might be the solution to the housing Crisis.

Homelessness could increase in next 5 years especially amongst younger people and people of working age most adversely effected by the Welfare Reforms and changes in their housing Benefit as amongst home owners if the economic recession continues.

Challenges for CDEP

- How do we facilitate /fund the development of new homes at a time when private finance (mortgages and lending to developers) is restricted by the Banks and public subsidy has been cut severely?
- How do we provide for an aging population? Investment in older person accommodation?

Sarah Robson (Chair of the Housing Forum) mentioned that there are risks going forward as there is an increase in right to buy properties which takes away stock from Social Housing. Welfare Reform is always a major crisis and there is a need to work with partners to ensure the best results to deal with this.

Ray Hudson informed the Board that there was research being carried out on mortgages and the results of this were that a third of people have interest only mortgages at present which means 'people are essentially renting their homes from the building societies'.

9. EU Structural Fund – Andy Palmer

Andy Palmer gave an update presentation to the Board in relation to EU Structural Fund.

Moving forward the next steps outlined and supported by the board included:

- Lobbying for “local programme” and ringfence resources
- Development of CDEP Investment Plan
- Pipeline of projects and joined up investments
- Working within the NELEP and Tees Valley on wider programme of key investments

Action: AP to develop CDEP Investment Plan approach in line with wider investment plan opportunities in the region.

10. Employment Report – Paul Chapman

Paul Chapman gave an update to the Board.

The report outlines the changes in available vacancy information from DWP.

- The Welfare Reform Act sets out the Governments intentions for stronger and clearer system of conditionality and sanctions. In line with the draft regulations set out earlier this year DWP are changing the way JSA can be affected if claimants do not meet the conditions for receiving it.
- JSA Changes: The new regulations introduce a regime of fixed period sanctions, which will replace the existing sanction rules and move claimants closer to the sanction regime planning for universal credit. It is intended that DWP intend to bring new changes from 22nd October 2012.
- Universal Job Match will be launched on 19th November 2012. This is DWP’s new, free online job posting and matching service. It will replace current vacancy management service, employer direct and employer direct online for companies and it replaces the jobcentre plus jobs and skills search facility for jobseekers. New technology will help speed up the recruitment process for companies and jobseekers by automatically matching jobseekers CV’s and skills to jobs posted online.

Flexible Support Fund – This puts greater emphasis on local partnership working to draw out a coordinated and strategic approach to addressing identified need. It will allow jobcentre plus to fund activity and services where the adviser or support menu is not sufficient to achieve work entry.

Action – Job Centre Plus to work through the Business, Enterprise & Skills Working Group to identify any further opportunities for maximising available resources within the JCP.

Graham Wood also provided a further update on the Apprenticeship Programme.

152 apprentices to start. This has more than exceeded the initial target. There is still a great deal of work to be done before the 2nd round can be rolled out.

Barbara Gubbins mentioned that a meeting about Skills and Opportunities took place with both people from the Private and Public Sector. The County Durham Community Foundation have received £1m from Jonathan Ruffer to help tackle social deprivation and create jobs in the area. There are no conditions attached to

the grant as to how the money should be spent. Barbara stated that there will need to look at where the gaps are then the funding will be put to the Board of Trustees who will then make a decision.

Action – Barbara has suggested presenting to an appropriate working group as the programme of support develops. Sue Parkinson offered the BESWG for this.

11. City Skills – Graham Wood

Graham Wood updated the Board about The City Skills Programme.

The City Skills Fund is part of the 'City Deal' process aims to tackle key blockages of economic growth and is targeted at England's 8 Core Cities as drivers of economic growth. The purpose of the Fund is to enable effective partnership working across the core city and wider Local Enterprise Partnership (LEP) area to address key skills issues. Newcastle City Council has been awarded £500,000 from the City Skills Fund to develop skill priorities and a skills plan for the core city/LEP area, covering the 5 Tyne and Wear Local Authorities and Northumberland and Durham.

Further information on the programme was contained within an attached report. GW mentioned that any support would be welcomed to help utilise the partnership structures. Further discussion and direction would be coordinated through the Business, Enterprise & Skills Working Group.

12. Business, Enterprise & Skills – Sue Parkinson

Sue Parkinson had nothing more to add other than what was already written in the report.

Action: The Board endorsed the recommended functions and have agreed that Business Enterprise and Skills Group will now be formed.

13. Working Group Chairs Update

Business and Enterprise

Sue Parkinson mentioned the integration of the skills into the B&EWG to form the new Business Enterprise and Skills Group.

Development of Social Enterprise and the benefits it has, will be presenting to the County Durham Partnership Board.

NEFRAN out to tender at present £1.5m is to be invested into Rural areas. Building up relationships with Durham City Bid and also Crowd Funding initiatives.

Housing

As Sarah Robson had to leave the meeting early Geraldine Wilcox gave update on the Housing Forum. The County Durham Plan was on the last Agenda, there was also an update on flooding in Co Durham and the impact it had on the County. There was a presentation on Collective Fuel Purchasing Scheme. Welfare Reform was discussed; this is a standard item on the agenda and compliments the Countywide approach.

Rural

Cllr Tomlinson informed the Board that Business hubs creation was underway and they had received money for Middleton-In-Teesdale and are working on what means in delivering it.

Building up good relationships with Local Nature Partnership and AONB Northern Uplands, they are also reviewing how they can engage more with the LEP, communities and AAP.

Networking CLA business element membership about land ownership, and they are going to write out to see if this list can be shared with other members of the Rural Working Group.

VCS

Barbara Gubbins mentioned that the new infrastructure of the partnership was working effectively. There are problems with the voluntary sector reducing hours of paid staff. This is apparent through the increased volume of people accessing services (e.g. Suicide support and animal welfare).

Companies need more volunteers coming forward, especially young people who need experience to put on their CV's.

14. Date and Time of next meeting

4th February 2013, 2pm Location TBC

Future meetings

13th May 2013, 1pm Location to TBC