

Minutes of the meeting of General scrutiny committee held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Monday 8 October 2018 at 2.00 pm

Present: Councillor WLS Bowen (Chairman)
Councillor BA Baker (Vice-Chairman)

Councillors: JA Hyde, AW Johnson, PP Marsh, A Warmington and SD Williams

In attendance: Councillors DG Harlow (Cabinet Member) and NE Shaw (Cabinet Member)

Officers: R Ball – Acting Director - Economy and Place, and N Webster – Economic Development Manager.

Invitees: G Hamer – Director of the Marches LEP, and Mr P White of Metro Dynamics.

16. APOLOGIES FOR ABSENCE

Apologies were received from Councillors SP Anderson and JM Bartlett.

17. NAMED SUBSTITUTES

Councillor JA Hyde substituted for Councillor SP Anderson and Councillor PP Marsh for Councillor JM Bartlett.

18. DECLARATIONS OF INTEREST

Agenda item 7: Economic Development Strategies Review

Councillor Bowen declared a non-pecuniary interest as a governor of Hereford and Ludlow Technical College.

19. MINUTES

RESOLVED: That the minutes of the meetings held on 2 July and 18 July 2018 be approved as a correct record.

20. QUESTIONS FROM MEMBERS OF THE PUBLIC

None.

21. QUESTIONS FROM MEMBERS OF THE COUNCIL

None.

22. ECONOMIC DEVELOPMENT STRATEGIES REVIEW

The Committee considered whether there were any recommendations to be made to the executive on the general ambition and vision of the Marches Local Enterprise Partnership draft strategic economic plan (SEP).

The Economic Development Manager (EDM) reminded the Committee that a SEP had originally been developed by the LEP in 2014 in consultation with the constituent authorities. It was now time to review the document. The document was important in that it set the LEPs priorities in support of which funding bids were submitted to government. The LEP had secured more than £105m to support economic growth. Herefordshire had secured about 50% of that funding for priorities within the county as they were aligned with the SEP. It was important to ensure that Herefordshire's priorities continued to be reflected in the SEP. The Committee could play an important role in this process by ensuring the SEP reflected the County's assets and needs.

The Director of the Marches LEP (DLEP) commented that the LEP Board had commissioned an external company to draft the SEP. The review of the SEP was timely as the Government was reviewing its future investment in economic development having regard to the withdrawal from the European Union. The LEP needed to make the case for investment in the Marches area to government and the SEP was the vehicle to do this. Predominantly the LEP had dealt with capital investment but in future, with the end to European funding, this would include revenue projects as well. However, the focus of the SEP would be on capital investment. It was important that Herefordshire, Shropshire and Telford and Wrekin made their economic development priorities for the next 5-10 years clear. The SEP would be a foundation and the next stage following its completion would be the development of the local industrial strategy. That would focus on areas where there was a need to improve productivity in the industry base. It was intended to finalise the SEP before the end of the year. She noted that the SEP was also a source of economic data that many partners found useful in supporting their own bids for funding.

Mr P White (PW) gave a presentation based on slides that had been circulated as a supplement to the agenda papers.

In discussion the following principal points were made:

- The DLEP confirmed that the document was being discussed with relevant government representatives. In the annual conversation the LEP was required to hold with them to discuss progress they had endorsed the LEPs intention to produce the SEP to provide clarity on future investment proposals. They would also be part of the consultation process.

She had briefed local MPs that the LEP was starting this process and the draft document would be sent to them when it was at a more advanced stage. The government was still looking for "shovel-ready" projects. The LEP was working with officers on infrastructure projects through, for example, Midlands Connect. Three projects in the LEP area had been included in the major road projects submitted to government by Midlands Connect. The LEP was engaged in lobbying a range of partners in support of projects.

- PW commented that he believed from contact he had had on another project that the work on the SEP reflected government expectations in relation to economic strategies. That influenced the emphasis on business sectors, priorities and key strengths of the area that would contribute to the national economic development.

- In response to a question about the inclusion of risks, the DLEP acknowledged that risks such as availability of migrant labour for agricultural enterprises and the ability to develop new technologies and mechanise processes needed to be reflected as a challenge. This could be included with the economic data in an annex to the SEP.
- The EDM commented that it would be important to highlight the potential for positive outcomes for the local economy such as the creation of higher skilled jobs supporting new technologies, working with businesses to turn challenges into opportunities.
- The DLEP confirmed in relation to the criteria for ranking projects that the LEPs accountability and assurance framework included a stringent process for prioritising projects and assessing value for money. Transport proposals were subject to a Department of Transport process.
- Reference was made to the contribution of the voluntary sector referred to at paragraph 6.42 of the report. PW commented that nationally instances of volunteering were recorded statistically in a particular way; he would confirm that the numbers quoted in the paragraph were consistent with the relevant definitions. However, the principal point was that the area had very high levels of economic engagement, higher than the rest of the country. Non-traditional forms of economic activity such as social enterprise and organised voluntary caring were a big part of the economy and in dispersed ageing populations this was important and would be a growth area. How to support the different aspects of that as it continued to grow and the nature of employment and technologies changed would need to be considered. Business support networks would need to consider how this wider economic model could be supported.

The DLEP commented that the LEP was aware of the importance of seeking to secure funding for the health and social care sector. Health and digital care was one of the strands within the document and there were two key advocates on the LEP Board. She would expect proposals to be included within the local industrial strategy.

- The DLEP confirmed that an action plan for the Marches energy strategy was being developed and that would be reflected in the SEP.
- PW also noted the importance of recognising the four grand challenges set out in the government's industrial strategy which had funding attached to them in both the SEP and the local industrial strategy.
- The DLEP noted in relation to anaerobic digesters that, whatever the pros and cons this was a matter of national policy. In terms of the LEP there was a usp for the area in that there was the potential for technology associated with them could be sold on globally.

The EDM commented that the ability of the farming sector to demonstrate the ability to diversify and be at the forefront of change was important for the sector's future and was one of the county's strengths.

- Economic development appeared to be heavily focused on Hereford, Shrewsbury and Telford. It was suggested that opportunities for the market towns merited further support.

In relation to existing industrial parks and the extent of their use, the EDM noted that the Leominster industrial estate was a private development with its own economic model. He agreed that it was important that the smaller parks in the county were supported for the benefit of the County's economy as a whole. They were generally well occupied, in the main by smaller locally based businesses and the economic development team were looking to encourage businesses to locate there and seeking to improve the parks, for example through the provision of broadband.

PW commented that he considered there would be advantage in having a strategic programme for employment sites.

In relation to market towns given their importance and recognising how different each one was, initial discussions had considered developing a phased programme of activity, working with local businesses and partners to identify local strengths, opportunities and challenges. This would include identifying whether there were any priorities that needed to feature in the overall strategy for the LEP area and whether there were any more local priorities, noting that some towns would already have town plans in place. Any thoughts on this aspect were welcome.

- A member observed that retention of businesses and growth of new businesses would assume even greater significance if local authorities were given the power to retain business rates.
- It was suggested that as the SEP was a submission to government competing for funding with other LEPs care should be taken to avoid too much detail on matters that it would be more appropriate to discuss at county level.
- The cabinet member – economy and communications commented on support currently offered to market towns and to the rural areas and work to secure investment. He highlighted the availability of broadband as a key issue for rural businesses and under the Fastershire project sums of money had been reserved specifically for this purpose. Regular meetings were also held with the top 25 businesses in the county to discuss the challenges they were facing.
- The cabinet member - finance and corporate services suggested that there was scope for the SEP to be more distinctive highlighting the local/regional context and the unique opportunities in the area. In general terms account also needed to be taken of the decline in the proportion of the population in the county of working age and the implications of this for matters such as training and how to attract people of working age to move into the county. The SEP could highlight the variety of housing available, and the lifestyle on offer which did provide a point of difference with other areas.
- PW commented that in being clear about why people should come to the area there was a need for clarity on what they would do once they were here. In addition to referencing housing and lifestyle the areas distinctive business strengths needed to be highlighted. Several of these strengths linked to challenges facing the country and could therefore attract particular interest at national level.

(The meeting adjourned between 3.30-3.35pm.)

- In relation to planning policy and economic growth the acting director commented that the council's core strategy supported economic growth and the aim was to have policies and practices in place that supported businesses.
- A member suggested an east-west Leominster bypass should be pursued.
- The DLEP advised that funding for primary and secondary school infrastructure was not within the LEP's remit. The LEP had been involved with secondary schools and colleges in support for the development of a curriculum relating to local business needs.
- The DLEP confirmed that additional content on housing need and provision would be included in the SEP, acknowledging that there were particular issues regarding affordability.
- A member suggested that raising the average wage should be the county's objective and the SEP represented an opportunity to achieve this.

The EDM commented that this was an example of an area where the council would work with the LEP, with infrastructure secured via the LEP enabling the council to bring forward housing and employment land.

- It was suggested that a further report to the committee in 6 months time would be useful. The DLEP commented that she would readily report back to the Committee on progress noting that it was likely that the draft local industrial strategy would also be available for scrutiny in the middle of 2019. Attendance at the Committee as it saw fit would be in keeping with government encouragement to LEPs to improve engagement with scrutiny. The potential for some joint scrutiny work across the LEP area, possibly on a 6 monthly basis, was also being explored.

RESOLVED:

- That (a) the executive be encouraged to ensure that in developing the strategic economic plan the plan includes more detail on market towns, supporting service centres and the voluntary sector and energy projects and reflects the unique selling points of the county; and**
- (b) the Director of the LEP be invited to discuss with the Statutory Scrutiny Officer when it might be timely for the Committee to give consideration to progress on the strategic economic plan or other Marches LEP matters and the Statutory Scrutiny Officer be authorised following consultation with the Chairman and Vice-Chairman to put forward any matters requiring consideration by the Committee as part of its work programme.**

23. WORK PROGRAMME

The Committee reviewed its work programme.

The Children and Young People Scrutiny Committee had recommended that the Committee review the reducing youth offending delivery plan, being produced by the Herefordshire Community Safety Partnership (CSP), and also scrutinise the CSPs approach to youth crime and anti-social behaviour.

There was a consensus that the numbers of reoffenders was very small and this issue should not be considered in isolation but, if feasible, incorporated into any wider consideration of community safety matters.

It was reported that a meeting had taken place between the Statutory Scrutiny Officer and the Acting Director – Economy and Place to review when it would be timely to consider the large number of items listed on the work programme but as yet unallocated to a particular meeting. The conclusion reached was that most of those items could not be considered until the summer of 2019 and would therefore need to be reviewed as part of the next annual work programming session. In effect the two remaining items were community safety and aspects of the Local Government Association peer review. A number of deletions were also proposed as set out in the appendix.

In relation to the peer review a Member expressed a particular wish to look at the relationship with town and parish councils and the partnership with the voluntary sector where their work meant a reduction in the need for statutory services.

In discussion of the previous item it had been noted that proposals for scrutiny of Local Enterprise Partnership related matters would be forthcoming.

RESOLVED: That the draft work programme, as set out at appendix 1 to the report be approved as amended.

24. DATE OF NEXT MEETING

Friday 30 November 2018 at 10.15 am.

The meeting ended at 4.13 pm

Chairman