

Minutes of the Economy Overview and Scrutiny Panel

County Hall, Worcester

Friday, 29 July 2022, 10.00 am

Present:

Cllr Matt Dormer (Chairman), Cllr Karen Hanks (Vice Chairman),
Cllr Martin Allen, Cllr Bob Brookes, Cllr Ian Hardiman and Cllr Richard Udall

Also attended:

Cllr Marc Bayliss, Cabinet Member with Responsibility for Economy,
Infrastructure and Skills

Gary Woodman, Interim Assistant Director for Economy
Susan Crow, Economic Growth & Investment Manager
Steph Simcox, Deputy Chief Finance Officer
Dave Corbett, Management Information Analyst
Sheena Jones, Democratic Governance and Scrutiny Manager
Emma James, Overview and Scrutiny Officer

Available Papers

The members had before them:

- A. The Agenda papers (previously circulated);

(Copies of document A will be attached to the signed Minutes).

1 Apologies and Welcome

The Chairman welcomed everyone to the meeting.

Apologies were received from Panel members Allah Ditta, Tony Muir and Craig Warhurst.

2 Declarations of Interest and of any Party Whip

Cllr Martin Allen declared a disclosable pecuniary interest (in respect of Agenda item 4) as he rented a unit on the Shrubhill Industrial Estate, which was owned by the County Council.

During Agenda item 4, Cllr Richard Udall declared that he was a member of a trade union, Bectu.

3 Public Participation

None.

4 Overview of the Economy in Worcestershire

The Cabinet Member with Responsibility (CMR) for Economy, Infrastructure and Skills was pleased to attend the first meeting of the new Overview and Scrutiny Panel for economy and looked forward to being scrutinised on his remit.

The CMR provided a summary of the Agenda Report, and highlighted the fact that overall, Worcestershire's economy was a microcosm of the national economy, although there were pockets with higher than average concentration of industries. Worcestershire's economy was quite resilient but did not have many sectoral 'highs' which would mean higher productivity in some areas.

In terms of the workforce, whilst COVID had impacted negatively, the good news was that much had been reversed and much more quickly than expected. Nationally, numbers of job vacancies exceeded people, and in Worcestershire there were some pinch points where sectors struggled to recruit, which the Council sought to address through a range of initiatives to promote employment.

The Council was engaged in a whole range of activities to help people in the workplace, support businesses and stimulate growth in Worcestershire, working with the district councils. Skills based work with the Local enterprise Partnership (LEP) also helped young people at school and it was hoped to share more information with the Panel in the Autumn to show the Council's support with apprenticeships.

The Council had significant engagement in the Employment Land Programme and current plans included the development vision for Shrub Hill Quarter in Worcester which was a considerable economic opportunity. Transport infrastructure projects were also set out in the Report.

The Council very much took the lead to promote tourism and sought to promote assets which historically may not have been sold as a package, since the real opportunity came from encouraging people to stay overnight.

The Chairman invited questions and the following main points were raised:

- The Chairman asked how many apprenticeships there were at the County Council and also the district councils, and the CMR agreed it was important to promote such opportunities within the Council workforce itself, not just to the local economy. He undertook to obtain these figures, which were part of the remit of the CMR for Corporate Services and Communication.

- A Panel member asked whether the Council was doing enough to support older people back into the workforce, including those who had been out of work for some time. The Council's Assistant Director for Economy explained that Restart was the national scheme delivered by the Department for Work and Pensions, and this was supported locally by the Council working with local providers of such support, to ensure the work was co-ordinated with employers – the good news was that the job seeker claimant count had dropped.
- A Panel member referred to two levelling-up indicators which showed that productivity in Worcestershire was below UK average and household income per head was similar to the UK average but both resident and workplace pay were below UK average. He expressed concern that the two indicators were linked and asked what was being done, which may involve partnership working with representative bodies? The CMR stressed that the cause of Worcestershire's low productivity was not low wages, nor a comment on residents' productivity, but was a reflection of the county's industrial mix which was biased towards low productive and lower wage salaries. He suggested a shift was needed towards a greater mix, for example Worcester had a strong retail base and retailers performed as well as other areas. The lack of manufacturing industry, which was higher in productivity, meant that average productivity rates were lower than elsewhere. Warwickshire was an example where the industrial mix meant productivity and average salaries were 15% higher than Worcestershire and over time, this was where the CMR wanted the Council's interventions to be focused.
- In response to a query about the Council's work with representative bodies such as trade unions, the CMR observed that union membership in Worcestershire was higher in the public sector, which limited the reach with local businesses, although engagement would take place wherever this was possible and he was receptive to following up any links members may have. At this point Cllr Udall declared an interest that he was a member of a trade union.
- A Panel member welcomed the employment generated at Worcester Six business park but sought the CMR's views on job losses in other areas of the county for example St Johns in Worcester, where residents were worried about loss of land to housing. The CMR reassured the Panel that he was very keen for employment sites to be retained and although not a planning authority, the County Council was keen to work with district councils to ensure there was the right amount and quality of employment land - he was keen for more B2 land use (industrial and manufacturing).
- The CMR was not aware that the Council had objected to any planning applications which affected employment land use, but the aspiration was to retain sites so that people did not have to commute elsewhere which was also better for the environment.
- The Chairman sought clarification on the projected job figure of up to 5000 jobs for the Shrub Hill Station project, and queried whether this took account of job losses during the regeneration of the site? The CMR advised that although the Council owned the land known as Shrub Hill Industrial Estate (3.93 hectares), the Shrub Hill quarter comprised up to

20 hectares which although not suitable for all business types, the ambition was for much denser population of working and living. The Chairman agreed it was an exciting project for a neglected area and that the site would be attractive to technology businesses wanting urban links.

- In terms of long-term aspirations, a Panel member asked whether the northern orbital was being considered, and also co-operative development? The CMR gave reassurance that he and Officers always welcomed input on supporting co-operatives. There were conflicting views on the orbital route, however consideration continued to be progressed and whilst substantial funding from Government would be required, there had been success with this in the past.
- A concern was raised about electricity supply affecting businesses, for example lack of sufficient supply to a small business unit preventing its expansion plans. The Assistant Director for Economy advised that the Council and the LEP had been part of work with Western Power to look at pinch points how to ensure the power network was sufficient and applicable. With reference to a specific issue raised at Droitwich, he would look into what practical support was possible.
- The Vice-Chairman referred to the success of the Here2Help Business Programme and asked whether it would continue and evolve, and the Economic Growth and Investment Manager advised that the Council hoped to continue the Programme, with a report being discussed by Cabinet in September.
- When asked why more was not done to promote tourist opportunities of Worcestershire's waterways, the CMR reminded the Panel that Worcester had hosted the Inland Waterways Festival the previous year, however he and the Officers agreed the County Council had a lot of work to do to tell the story of Worcestershire and canals were a part of that.
- Cllr Udall referred to an issue he had raised at Council recently, regarding the potential for the Council to use its assets as landowner to do more to develop and sustain the rural economy, such as working with farms, small holdings and local colleges on training opportunities, which councils such as Norfolk had done. The CMR agreed this was a fair point and referred to his work with Cllr Kent (as portfolio holder for property) including meetings with the National Farmers Union. The CMR was always happy to consider further ways to support, although most of the Council's assets were small, and may not have the required footprint.
- In response to a number of comments about a lack of smaller business units in the county, the CMR advised that the mix of units and support for small and medium sized businesses was being looked at as part of the Directorate's Strategy, although one issue was that smaller units cost more to build and businesses of that nature tended to want more flexible terms. Everyone agreed there was also a role for district councils in this respect, with Wyre Forest and Wychavon cited as having had success.
- The Chairman highlighted the central role of the district councils in regeneration, a view he believed was shared by the Panel.

- Cllr Brookes highlighted the importance of linking Worcestershire's tourism assets, and sought support for Droitwich's brine baths, which were due to reopen following recent planning permission and were a unique selling point for the area – the CMR was happy to look at such opportunities.
- Panel members reported positive feedback on several infrastructure schemes, including the Churchfields Urban Highway Improvement Scheme and the Upton-upon-Severn roundabout.
- Regarding feedback from Cllr Allen about the need for pedestrianisation in Upton, the CMR would liaise further after the meeting.

5 Performance 2021/22 and Year-End Budget Monitoring

The Panel had received information for performance and budget monitoring.

Performance Information for Quarter 4 (January to March 2022)

The Management Information Analyst for the Environment and Infrastructure (E&I) Directorate explained that the performance dashboard was a starting point for the Panel, with many indicators reflecting the Corporate Plan. He cautioned that data behind many of the PIs did not change very quickly. Agenda Item 4 (Overview of the Economy) included further detail.

The Panel agreed that the following information would be added to future information:

- figures for business survival rates
- journey times from additional stations (currently only Worcester used) – especially those where there have been improvements

Cllr Brookes queried the accuracy of the public message in respect of reporting and publicity for fibre to the property (FTTP), following his own experience where it was advertised on a cabinet very close to his home, but was not in fact available. The Assistant Director explained that the Council's Team was aware of areas with hard to reach properties, and had schemes in place, however he would arrange a response for Cllr Brookes on this issue of communication.

Year End Budget Information for Quarter 4 2021/22

The Head of Finance explained that the information for this meeting related to both economy and environment, however with the establishment of a separate Panel for scrutiny of economy, the information would be separated for subsequent meetings. For 2021/22 the Economy and Infrastructure Directorate had an underspend and the Agenda included information and explanation of variances and the capital programme.

In response to a query from the Vice-Chairman about projections for budget figures for streetlighting, which were already showing an underspend from use of more led lighting, the Head of Finance agreed this was a good news story, although cautioned that the recent escalation in energy costs would have a negative impact and that staff were therefore reviewing whether led rollout could be made quicker.

6 Work Programme

The following additions were made to the Work Programme:

- County Council processes for scrutinising contracts involving County Council funding
- Town centres
- The item on the Levelling up agenda and the impact on Worcestershire (including the Towns funding allocated to Worcester and Redditch) was expanded to include all main towns in Worcestershire

The Panel was also keen for some public meetings to be held in the district council areas to explore the respective roles in regeneration of the District and Borough Councils and the impact of the regeneration and business support initiatives in each area.

The meeting ended at 11.20 am

Chairman