

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee

Wednesday 7 November 2018

PRESENT:

Councillor Morris, in the Chair.

Councillor Fletcher, Vice Chair.

Councillors Buchan, Carson, Churchill, Cook, Mavin, Stevens and Wheeler.

Also in attendance:

Paul Barnard (Service Director for Strategic Planning and Infrastructure), Councillor Coker (Cabinet Member for Strategic Planning and Infrastructure), David Draffan (Service Director for Economic Development), Councillor Evans OBE (Leader), Sally Farley (Strategic Transport Manager), Patrick Hartop (Head of City Deal), Helen Prendergast (Democratic Adviser), Kevin McKenzie (Policy and Intelligence Adviser), Amanda Ratsey (Head of Economy, Enterprise and Employment), Nina Sarlaka (Enterprise and Inward Investment Manager) and Robert Watson (Marine Business Technology Centre Director).

The meeting started at 2pm and finished at 4.30pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

26. **Declarations of Interest**

There were no declarations of interest made by Councillors in accordance with the code of conduct.

27. **Minutes**

The Committee agreed that the minutes of the meeting held on 5 September 2018 are confirmed as a correct record subject to the amendment (minute 22 refers) (Councillors Buchan, Carson, Churchill, Cook, Stevens and Wheeler left the meeting, as it was running over schedule and did not participate further in the meeting).

28. **Chair's Urgent Business**

There were no items of Chair's urgent business.

29. **Progress Report on the Development of the Oceansgate Enterprise Zone and a General Employment Update**

Councillor Evans OBE (Leader), David Draffan (Service Director for Economic Development), Patrick Hartop (Head of City Deal), Nina Sarlaka (Enterprise and Inward Investment Manager) and Robert Watson (Marine Business Technology Centre Director) presented the progress report which highlighted the development of the Oceansgate Enterprise Zone, as a key employment site in the City for marine businesses and a major centre for innovation and collaboration, together with a general update on employment trends and other key employment initiatives.

- (a) in 2014 as the flagship project of Plymouth and Peninsula City Deal, the Government allowed the Council to negotiate the transfer of 7.5ha of South Yard from the MOD to local authority ownership which enabled the development of Oceansgate as a major marine hub; in 2015 Oceansgate was designated as an Enterprise Zone;
- (b) the marine sector was Plymouth's largest and most productive sector directly employing around 7100 people which accounted for 21% of the UK's marine manufacturing sectors;
- (c) progress to date included –
 - the completion of Phase I in May 2018 which created 177 jobs (99 construction jobs) and accommodation comprising of Endurance Court and Endeavour House;
 - funding for Phase 2 was currently being assembled (£13.4m which included £2.2m of ERDF); construction was due to commence in April 2019 with completion in Spring 2020; accommodation provided would include one office and three light industrial units which would create 150 jobs (99 construction jobs);
 - the Devonport Naval Heritage Museum occupied a number of buildings on the site and the Council was in negotiations with the National Museum of the Royal Navy to relocate the museum to South Yard;
 - Phase 3 incorporated the waterfront which was the largest but most challenging phase; the Council's strategy was to attract a strong presence of innovative marine businesses that required access to in-sea test facilities;

- (d) employment headlines included -
- the City had marginally more people economically active (75.2% per 106,000) than nationally (74.8%);
 - claimant unemployment was at the lowest rate for 10 years (4,825);
 - workers in the City earned approximately £519.90 per week compared to £538.70 nationally;
 - the growth in the private sector, between 2011 and 2016 had been mostly in construction, accommodation and food services, self-employment and manufacturing;
- (e) the Council's employment interventions which aimed to create economic growth included –
- continuing to build additional factories such as Header Court;
 - support for the City Centre and Waterfront Business Improvement Districts;
 - drawing inward investment to create high value and volume jobs such as Fugro, Thales, BD and Sitel;
 - continued support for Plymouth Science Park;
 - business support through Business Relationship Programme, Growth Hub, Start UP, Growth Support Programmes;
 - sector support such as Marine Business Technology Centre, Connected Plymouth, Destination Plymouth, fisheries support, defence industry support;
 - provision of Plymouth City Council managed workspace at City and East End business centres;
 - ensuring that the Council's work with the voluntary and community sector, social enterprises, cooperatives and mutuals created inclusive economic growth.

The key areas of questioning from Members related to –

- (f) whether the link between the Marlborough Street shopping district and Oceansgate would be improved;
- (g) the risks associated with the delivery of Oceansgate Phase 3 due to the unavailability of EU funding;
- (h) the timescales associated with the delivery of the Devonport Naval Heritage Museum;
- (i) whether the Council would be putting in place measures to assist Barden Corporation UK relating to the recent decision to close the factory with the loss of 400 jobs;
- (j) whether work was being undertaken with the 1025 18 to 24 year old claimants regarding training and apprenticeship opportunities within the City;
- (k) with the predicted negative growth of the City's population (in the 16 to 64 age group) from 2018 to 2023 was the planned provision of housing developments still required;
- (l) why the electricity industry had seen a decrease between 2011 – 2016 in full time equivalent jobs within the City, when during this period the incinerator had come on-line.

The Committee requested the following information –

- (m) the number of jobs per sector which indicated growth and the decline in number rather than shown in percentages;
- (n) analysis of data regarding the gender split for part time jobs in the City;
- (o) the provision of further detail relating to the north and south divide of the City, in terms of average weekly wages (as not performing as well as the national average).

The Committee noted the report.

30. **EU Funding and Shared Prosperity Funding**

Amanda Ratsey (Head of Economy, Enterprise and Employment) presented the report which highlighted the five main EU funding streams which form part of the Structural and Investment Funds, together with grants and contracts available from the EU.

- (a) the five main funding streams were as follows -
- the European Regional Development Fund (ERDF) which provided funding to support regional growth and reduce difference in economic performance between regions;
 - Interreg supported transnational projects with a goal to foster transnationals co-operation;
 - the European Social Fund (ESF) which invested in people, with a focus on improving employment and education opportunities across the EU; it also aimed to improve the situation of the most vulnerable people at risk of poverty;
 - the European Maritime and Fisheries Fund (EMFF) which supported the EU's maritime and fisheries policies for 2014 - 2020;
 - European Agricultural Fund for Rural Development (EAFRD) which supported European policy on rural development and provided funding for rural development programmes;
- (b) the draft Withdrawal Agreement anticipated that the UK would continue to participate until programmes ended in 2023; the Government announced a guarantee that it would cover all projects funded by the EU under the 2014 - 2020 programme;
- (c) the Government estimated that the EU funding streams were worth €1.495b to the South West region which was nearly 20% of the UK's total funding received;
- (d) the allocation of EU Structural Funds to the Heart of the South West LEP area (of which Plymouth was a part of) was £120m;
- (e) a UK Shared Prosperity Fund would be created specifically designed to reduce inequalities between communities across the four nations.

The key areas of questioning from Members related to -

- (f) the risks associated with not being able to secure an 'offer letter' for the Council's current projects being progressed through the EU's funding streams;
- (g) the risks also associated with the timescale of implementing the Shared Prosperity Fund;

- (h) whether the Council was pro-active in trying to secure the 'offer letters' in order to guarantee funding for the Council's current projects;
- (i) whether the City's MPs could provide assurance, that the projects currently awaiting approval within the EU's funding streams, were fully supported and that the 'gap' which occurred when EU funding ceased and the Shared Prosperity Fund was launched would be addressed.

31. **Strategic Transport Schemes Update**

Coker (Cabinet Member for Strategic Planning and Infrastructure), Paul Barnard (Service Director for Strategic Planning and Infrastructure) and Sally Farley (Strategic Transport Manager) provided an overview of the transport infrastructure.

The key areas of the report included –

- Road Investment Strategy 2;
- RIS 2 Investment Strategy for A38 (Plymouth Asks);
- Transforming Cities Fund;
- Sub-National Transport Body;
- Derriford transport scheme;
- Sendalls Way signals upgrade;
- Charlton Road signalised junction;
- Charles Cross scheme;
- Forder Valley link road;
- Forder Valley interchange;
- Northern Corridor junction phases 4-5 Mannamead Road;
- Eastern Corridor junction improvements 2017/18 – 2020/21;
- update – Woolwell to the George;
- WTTG programme;
- Morlaix Drive – progress update/programme;
- Pomphlett to The Ride.

The key areas of questioning from Members related to –

- (a) which Cabinet Member had responsibility for the Traffic Regulation Orders (TROs) and the Temporary Traffic Regulation Orders (TRROs);
- (b) whether a mechanism could be put in place to inform all Councillors of any strategic highway issues, TROs and TRROs.

Councillor Coker (Cabinet Member for Strategic Planning and Infrastructure) gave an assurance that the Committee's views on informing all councillors of strategic highways issues, TROs and TTROs, would be fed back to the Highways Team and the Strategic Infrastructure Board.

The Committee noted the report.

32. **Work Programme**

The Committee noted its work programme for 2018/19 and agreed to include the following items –

- (1) social cohesion (in terms of Brexit) scheduled for 9 January 2019;
- (2) Emergency Planning (in terms of Brexit) scheduled for 9 January 2019;
- (3) New Plan for Homes scheduled for 9 January 2019;
- (4) Environmental Legislation (in terms of Brexit) scheduled for 6 March 2019.

33. **Tracking Decisions**

The Committee noted the progress of its decisions.

This page is intentionally left blank