

At a meeting of the PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on WEDNESDAY 15TH DECEMBER, 2010 at 5.30 p.m.

Present:-

Councillor Mordey in the Chair

Councillors Bell, Cuthbert, D. Forbes, P. Gibson, Howe, J.B. Scott, Snowdon, A. Wright and T. Wright.

Also Present:-

Councillor D. Tate – Chairman of the Management Scrutiny Committee.

Apologies for Absence

An apology for absence was submitted to the meeting on behalf of Councillor Old.

Declarations of Interest

Item 4 – Low Carbon Economy – Policy Review 1010/11: Offshore Wind

The Chairman declared a personal and prejudicial interest in the item as a Council appointed member of the Port Board and left the meeting during the consideration of the item.

Minutes of the Last Meeting of the Committee held on 17th November

1. RESOLVED that the minutes of the last meeting of the Committee held on 17th November, 2010 be confirmed and signed as a correct record.

Low Carbon Economy – Policy Review 2010/11: Offshore Wind

The Chairman welcomed and introduced Matthew Hunt, Port Director, who was present to provide Members with a presentation as evidence for their Policy Review of the Low Carbon Economy.

(For copy presentation – see original minutes).

Mr. Hunt informed Members that the Port of Sunderland was the United Kingdom's second largest municipally owned port. It represented a prime asset in the City's profile of a key destination for major commercial growth, stemming from the development of successful trade and business operations. Members were informed that:-

- the recommendations of the Department of Transport's Municipal Ports Review (2006) had been adopted;
- the new Port Board and Port Director had been appointed to enhance the commercial and operational decision making process;
- the single Port operation, comprising:-
 - Competent Harbour Authority;
 - Competent Pilotage Authority;
 - Landlord and development;
 - Stevedoring, warehousing and logistics;
- the potential for offshore renewable energy had been recognised in the Sunderland Economic Masterplan.

The Port facilities included:-

- Deepwater river berths close to the open sea with non-compulsory pilotage;
- Multi-use impounded dock system with vessel locking capability;
- Rail connections to Corporation Quay river berth and South Docks;
- Comprehensive cargo handling, warehousing and distribution services;
- Fully flexible, highly trained and well qualified workforce.

With regard to the development of the Port's market this would centre on:-

- Mixed dry bulks (steel scrap, grain, technical bulks);
- General and project cargo (e.g. Liebherr maritime and offshore cranes, self-propelled modular transport);
- North Sea Oil and gas industry support;
- Ship repair and marine engineering;
- Renewable energy and subsea engineering.

Mr. Hunt informed Members of the Market Opportunity with regard to offshore wind as a renewable energy. This centred on Round Three of the Crown Estates initiative and would target Zone 3 (Dogger Bank) which was one of 9 zones surrounding the UK. The Developer for Zone 3 which was the largest of the 9 Zones was Forewind which was a consortia comprising SSE, RWE, Statoil and StatKraft.

Parsons Brinckerhoff had carried out a market assessment of the potential Port of Sunderland expansion. This had identified the following four development phases:-

- pre-development marine surveys;
- manufacture;
- assembly and installation;
- operations and maintenance.

In conclusion Mr. Hunt advised Members of the Land Development Potential at the Port.

In response to an enquiry from Councillor Howe, Mr. Hunt advised that the oil operation at the Port had been closed by the business concerned due to changing patterns in the supply chain. It had been a market led decision.

Councillor T. Wright referred to the 150 acres of land at the Port and asked if this included the railway sidings. In addition he asked who owned the sidings and if they could be included in the Port's portfolio. Mr. Hunt replied that he was unsure of the current ownership, however, they were not owned by the Port.

Councillor Gibson referred to the planning regulations that seemed to curtail wind farm development when compared to other areas such as the South West United States and asked if it was possible that Port land could be developed for this purpose. Mr. Hunt confirmed that it was certainly a suggestion that was worthy of consideration going forward.

Councillor Cuthbert welcomed the plans to attract revenue from the offshore industry and in particular the plans to attract manufacturing industries. He referred to the loss of the oil contract and asked what percentage of the Port's business it represented. In addition he asked which of the Port's five market streams was in the best position to make up the loss. Mr. Hunt replied that he did not have the exact figure to hand but would supply it to Councillor Cuthbert. With regard to the market streams there was a danger in being too prescriptive, he believed he would be in a position to provide a more definitive answer in a year's time.

Councillor Cuthbert referred to the establishment of the new Port Board and asked if Mr. Hunt believed it to be the correct format as it currently stood. Mr. Hunt advised that he had been appointed on 1st June, 2010 and that the new arrangements had already been implemented by that stage, however, he informed the Committee that the Port's governance arrangements were one of the attractions in applying for the job. He stated that arrangements were working well and that the Board had been supportive in developing the five market development streams.

In response to an enquiry from Councillor A. Wright regarding the type of potential manufacturing that could be attracted, Mr. Hunt referred to the example of a wind turbine. This would comprise concrete and steel foundations, the tower/superstructure, gear box, blades, internal electronics and cabling together with an export cable to transmit the power. This would involve a whole host of manufacturing industries and organisations. The opportunities were huge and exciting and involved a variety of skills.

Councillor Bell highlighted the development potential in utilising the railway infrastructure at the Port given the Green Agenda to reduce freight capacity on the

roads. He also highlighted the potential to develop a small scale, rail fed container terminal.

Councillor Howe welcomed Mr. Hunt's upbeat attitude but expressed concern at the competition from Blyth, Port of Tyne, Teesport, Seaham and Humberside, all of which he believed to be well established and ahead of Sunderland. Mr. Hunt acknowledged that the competition was very strong, however, the current challenging economic climate was tough for all Ports. There was a need to establish and be clear about niche positions. For example, the Dogger bank Offshore Wind initiative would provide pre development opportunities, manufacturing, assembly and maintenance opportunities. These were all tangible opportunities but Sunderland couldn't afford to be complacent.

The Chairman having thanked Mr. Hunt for his presentation, it was:-

2. RESOLVED that the report and presentation be received and noted.

Low Carbon Place task and Finish Group Work Programme 2010-11

Claire Harrison, Assistant Scrutiny Officer, presented a report of the Chief Executive (copy circulated) which provided Members with the current Work Programme for the Committee's Low Carbon Place Task and Finish Group for the 2010-11 Council Year.

(For copy report – see original minutes).

The Chairman, in response to an enquiry from Councillor Gibson, advised that it was hoped the retrofit visit would be rescheduled for January 2011. Members were also advised that representatives from the University would now be appearing before the full Committee rather than the Task and Finish Group.

3. RESOLVED that the Low Carbon Place Task and Finish Group Work Programme for 2010-2011 be received and noted.

Performance Report Quarter 2 (April-September 2010)

The Chief Executive submitted a report (copy circulated) which provided the Committee with performance information in relation to the following issues:-

- Progress in relation to the LAA targets and other national indicators;
- Progress in relation to the Economic Challenges Policy Review and Working Neighbourhood Strategy Policy Review Recommendations;
- the results of the annual MORI residents survey which took place during May to July 2010.

(For copy report – see original minutes).

Gillian Robinson, Corporate Performance Monitoring Manager, presented the report and with regard to the MORI survey advised that most residents spoke well of Sunderland City Centre. Over three in five thought it was good, compared with one in five who rated it poorly. Frequent visitors tended to be more positive; two thirds of those who came at least once a month (67%) said that the City Centre was good overall.

With regard to the individual aspects of the City Centre, satisfaction was highest with footpaths and pedestrian areas, things to do in the evening and signposting – about two in three people said these were good. Three in five also said this about the general cleanliness of the City Centre, its leisure and entertainment facilities and the shopping facilities, the cleanliness 'net' good rating increased from +27 in 2006 to +44 in 2010.

Opinion was much more divided on new buildings and developments with only two in five people rating these as good and one in five considering them poor. Similarly, only three in ten gave future plans for the City Centre a favourable rating, compared with one in five who rated these negatively.

Young people aged 16-24 spoke particularly well of the City Centre. For example, they were much more likely than residents aged 65+ to rate as 'good' the City Centre overall (81% compared with 53%) and shopping facilities (81% compared with 48%).

On the other hand, affluent residents were more critical. People in social grades A and B were more likely than the City norm to rate the shopping facilities as poor (38% compared with 25% overall), as well as future plans for regeneration (26% compared with 19%) and the City Centre overall (33% compared with 20%). Owner-occupiers were also more negative than others, which may be because they are more likely to be in grades A and B. For instance, three in ten (30%) said shopping facilities were poor, considerably more than among either social tenants (19%) or private sector rents (14%).

Attitudes also varied geographically, Coalfield residents being more satisfied with the City Centre than the Sunderland average (69% compared with 63%). Conversely, people were more critical in North and East Sunderland. For example, dissatisfaction with shopping facilities was greater in these areas than the City Norm (33% in the North and 34% in the East compared with 25% overall).

Members attention was then drawn to Appendix 2 of the report which provided an overview of the position for relevant national indicators and any retained local indicators.

In conclusion, Ms. Robinson briefed the Committee on progress to date in implementing the recommendations from the Committee's Policy Review into Economic Challenges and Working neighbourhood Strategy.

Councillor Cuthbert welcomed the report but working in a job dealing with statistics he expressed concern that a lot of the statistics presented in the report were confusing at first glance. In particular, he pointed to the example of the pie charts on

page 15 of the agenda. Ms. Robinson acknowledged this point and advised that the statistical data and charts in that section of the report had been supplied by Ipsos MORI.

The Chairman having thanked Ms. Robinson for her presentation it was:-

4. RESOLVED that the report be received and noted.

Forward Plan – Key Decisions for the Period 1st December, 2010 to 31st March, 2011

The Chief Executive submitted a report (copy circulated) to provide Members with an opportunity to consider those items on the Executive's Forward Plan for the period 1st December 2010 to 31st March, 2011 relating to the Prosperity and Economic Development Scrutiny Committee.

(For copy report – see original minutes).

Jim Diamond, Scrutiny Officer, presented the report and advised that item 01409, 'to approve the employment strategy' would not now be submitted to Cabinet in January. It would, however, be submitted to this Committee in January prior to any consideration by Cabinet.

Councillor T. Wright referred to item 01477 'to approve the appointment of contractors to deliver the Marine Walk public realm improvements'. He noted that a lot of retailers in the area were not happy with the proposals and hoped that officers were talking to them and appropriate consultation had been carried out. Councillor Rolph requested that item 01451 'to agree the Low Carbon Homes Strategy' was brought to the Committee if appropriate. Mr. Diamond confirmed that this would be the case.

Work Programme 2010-11

The Chief Executive submitted a report (copy circulated) which attached for Members' information the Committee's current programme of work for the 2010-11 Council year.

(For copy report – see original minutes).

6. RESOLVED that the Committee's Work Programme for 2010-11 be received and noted.

The Chairman then closed the meeting having thanked everyone for their attendance and wished Members and Officers a Merry Christmas and a Happy New Year.

(Signed) M. MORDEY,
Chairman.