

At a meeting of the ECONOMIC PROSPERITY SCRUTINY COMMITTEE held in the CIVIC CENTRE, SUNDERLAND on TUESDAY, 19TH JULY, 2016 at 5.30 p.m.

Present:-

Councillor David Snowdon in the Chair

Councillors Blackburn, Curran, M. Dixon, G. Galbraith, E. Gibson, Marshall, Taylor and Turner.

Also in attendance:-

Councillor Wood

Mr Jim Diamond, Scrutiny Officer

Mrs Christine Tilley, Community Governance Services Team Leader

Mr Vince Taylor, Head of Strategy and Performance

The Chairman welcomed everyone to the meeting.

Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Porthouse and W. Turton.

Minutes of the Last Ordinary Meeting of the Scrutiny Committee held on 27th June 2016

A copy of the minutes of the last ordinary meeting of the Scrutiny Committee held on 27th June, 2016 was submitted.

(For copy report – see original minutes).

1. RESOLVED that the minutes of the last ordinary meeting of the Scrutiny Committee held on 27th June, 2016 (copy circulated), be confirmed and signed as a correct record.

Declarations of Interest (including Whipping Declarations)

There were no declarations of interest made.

Implications for Sunderland of the EU Referendum

The Chief Executive submitted a report (copy circulated) attaching a copy of the report of the Sunderland Economic Leadership Board on the implications for the economy of Sunderland of the EU referendum.

(For copy report – see original minutes).

Mr Vince Taylor, Head of Strategy and Performance made a presentation to the Committee providing information on Sunderland Exports and Inward Investment highlighting that 40% of the North East region's exports came from Sunderland. He provided details of North East exports by country group from 2015 which showed that the greatest number were going to the European Union and the largest number by industry were from the 'machinery and transport' sector.

Mr Taylor briefed the Committee on the likely impact on international trade between the UK and the EU following Brexit and the key findings of the above report for the Sunderland economy, which concluded that it would be significant and largely negative for the city.

The presentation also provided details of regeneration projects that have benefitted from EU funding in the city in recent years, together with details of regeneration funding previously allocated up to 2020. Key findings in relation to labour mobility and other economic factors such as the currency risk, the effect of the likely depreciation of the pound and the fact that greater revenues from exports were unlikely to offset the effect of tariffs on manufactured goods such as automobiles were also detailed and the point was made that it was unclear whether substitute funds would be provided on the same scale.

In response to Members' questions, Mr Taylor advised that a great deal of lobbying of Government was going on by various groups which were likely to be most affected by the decision to leave the EU such as farmers, universities and sectors in industry such as car manufacturing. He felt that the fact that the biggest car manufacturer in the country was located in Sunderland, was something which could not be ignored and there would be a great deal of concern that foreign-owned exporters become less competitive. Mr Taylor added that generally, where there were goods of interest to two countries, one in the EU and one not, who were wanting to trade, that it would be beneficial to both that there were no tariffs and they were able to trade freely, for example those where cars are manufactured.

Mr Taylor stressed the importance of the role of the International Advanced Manufacturing Park in getting companies to work together to reduce costs. Mr Taylor advised that when the impact of the decision to leave the EU became clearer and businesses had had the opportunity to assess the situation and determine what they were seeking, that a review would be taken as to how things were developing. He anticipated that by the autumn the position would be clearer for the country as a whole.

Mr Taylor advised that clarity had been sought with respect to funding in relation to the Combined Authority and the proposal for Devolution and other areas in the country were moving forward with it.

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

2. RESOLVED that the information contained in the report of the Sunderland Economic Leadership Board and presentation be received and noted.

The Head of Area Arrangements, Scrutiny and Member Support submitted a report (copy circulated), attaching for Members' information, the current work programme for the Committee's work during the 2016-17 Council Year.

(For copy report – see original minutes).

Mr James Diamond, Scrutiny Officer advised that the work plan had been updated to include the additional issues the Committee had agreed it wished to give consideration to at the last meeting of the Scrutiny Committee. He confirmed that arrangements were being made with the Port Manager for the Committee to visit the Port and would be coordinated with the tides.

Councillor Dixon enquired how much the Council was contributing to the City of Culture Bid and Mr Diamond undertook to find out and provide this information.

Full consideration having been given to the report, it was:-

3. RESOLVED that the information contained in the work programme be received and noted.

Notice of Key Decisions

A copy of the Executive's Notice of Key Decisions for the 28 day period from 21st June 2016 (copy circulated) was submitted.

(For copy report – see original minutes).

4. RESOLVED that the Notice of Key Decisions be received and noted.

The Chairman then closed the meeting having thanked Members and Officers for their attendance.

(Signed) D. SNOWDON,
Chairman.