

At a meeting of the PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on WEDNESDAY, 29TH FEBRUARY, 2012 at 5.30 p.m.

Present:-

Councillor Mordey in the Chair

Councillors Ellis, S. Foster, P. Gibson, Snowdon and Wilson.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Ball, Bell, Gallagher and Howe.

Minutes of the Last Meeting of the Committee held on 18th January, 2012

1. RESOLVED that the minutes of the last meeting of the Committee held on 18th January, 2012 be confirmed and signed as a correct record.

Declarations of Interest

There were no declarations of interest made.

Skills and Employment Demand Study

The Chief Executive submitted a report (copy circulated) providing a copy of the findings of the Sunderland Skills and Employment Demand Study 2011.

(For copy report – see original minutes).

Mr. Andrew Perkin, Lead Policy Officer for Economy and Sustainability and Mr. David Ord, Policy Officer were in attendance and provided the Committee with a detailed presentation on the skills and demand study undertaken in 2011 which aimed to provide an overview of the current and future demand for employment, skills and labour in Sunderland's key sectors.

The presentation detailed employment patterns, growth prospects, skills shortages and skills gaps. The survey highlighted the issues to be resolved and the next steps.

The survey also set the national context, detailed Government initiatives and the challenges to be faced. It highlighted that a consultation draft Skills and Employment Strategy would be available in July 2012 and a final Skills and Employment Strategy in place from October 2012.

Members commented on the importance of apprenticeships and the need to make them easier for young people to access in order to secure employment.

Better information and careers advice for young people was also required together with better links between schools and businesses so that businesses can advise schools what they need and the schools can look to address this and provide young people with the skills businesses are looking for in their employees.

In response to Councillor Wilson, Mr. Perkin stated that future jobs would be in the 'green' economy and the need to develop "green skills" had been highlighted so that individuals were skilled up for industry. Transport for workers in general and particularly for shift workers was critical and measures were being put together to support and encourage as much sustainable transport as possible.

Mr. Ord added that it was accepted that there needed to be better information and closer links between schools and businesses due to the changes in how careers advice was going to be provided and that businesses needed to advise schools of the opportunities available. He informed the Committee that the Government was looking to set up Apprenticeship Hubs.

In referring to the information detailed in the presentation, the Chairman enquired what the impact on the City's joblessness would be if 19,000 people were recruited over the next two years.

Mr. Perkin stated that it was vital to maximise the opportunities for the people who live in Sunderland so that they were able to access as many of the jobs as possible. He added that many of the posts would be full-time and linked to those sectors that were expected to grow over the next two years.

In response to the Chairman, Mr. Perkin commented that the Council needed to use its role and strategic influence to eradicate behaviour from employers who were guilty of filtering out people from disadvantaged backgrounds and were preventing them from gaining employment and to address the barriers.

Councillor Wilson added that it was important to put measures in place to be able to cut the chain in a sense, where several generations in some families had not worked to try to get the next generation out to work.

Ms. Janet Johnson, Deputy Chief Executive commented that changes to benefits in the Welfare Reform Act would mean significant levels of benefits across the whole City being pulled back from Sunderland residents and may make the above situation worse and not better.

The Chairman thanked the Officers for the presentation and it was:-

2. RESOLVED that the information contained in the report and the presentation together with the discussion brought out during the meeting be received and noted.

New Wear Crossing – Update

The Chief Executive submitted a report (copy circulated) advising that a progress report on the New Wear Crossing would be provided to the Committee and consideration given to the potential economic benefits for the City.

(For copy report – see original minutes).

Ms. Janet Johnson, Deputy Chief Executive and Mr. David Abdy, Project Director for the New Wear Bridge were in attendance at the meeting.

Mr. Abdy provided a detailed presentation to the Committee on the current position with regard to the New Wear Crossing informing of the Sunderland Strategic Transport Corridor (SSTC) overview, the strategic objectives, programme phasing, overview of the New Wear Crossing, the benefits to the City and the delivery timetable.

Members welcomed the presentation.

In response to Members questions, Ms. Johnson advised that sites in the development would come forward in time through the development of the SSTC programme. Those that were significantly further advanced were the ones where developers have specific plans and some finance behind them and included the Grove site and the Deptford site. Remediation of the Vaux site was underway, the site having been reclaimed and preparations were being made to put in temporary footpaths. Billboards would be put back up over the period of renovation as this was a source of funding. The development of the 26 acres site would take time and there would be a need however, to board the development as work was started to realign the road. Officers were doing all they could to take up opportunities as they present themselves. Work had also started on the Former Glassworks site.

In response to Councillor Wilson, Mr. Abdy confirmed that Officers were engaging with the major bus companies who had all offered support, were aware of the development proposals and the need to maintain public transport to existing businesses as the scheme develops.

In response to Councillor Snowdon, Mr. Abdy advised that they would be working with the Highways Agency so as not to add to the A19 traffic problems or the traffic congestion at Wessington Way.

The Chairman enquired whether any thought had been given to a name for the New Wear Bridge.

Mr. Abdy advised that a consultation exercise would be undertaken to choose a name for the New Wear Bridge and it would not be too long before the start date for the consultation period was known.

The Chairman thanked the Officers for the presentation and commented that exciting times lay ahead for the City for the next few years in terms of developments. The New Wear Bridge would provide a catalyst to this development in the City.

3. RESOLVED that the information contained in the report and the presentation, together with the discussion brought out at the meeting be received and noted.

Sub-National Economic Development and the North East Local Enterprise Board

The Chief Executive submitted a report (copy circulated) confirming arrangements for a special meeting of the Committee on Sub-National Economic Development and the role of the North Eastern Local Enterprise Board.

(For copy report – see original minutes).

Mr. Jim Diamond, Scrutiny Officer reported that a special meeting of the Committee had been arranged for Tuesday, 13th March commencing at 1.30 p.m. in the Council Chamber at the Civic Centre to which all Members of the Council had been invited.

Mr. Diamond advised that a detailed programme for the event was currently being developed and highlighted the speakers who had confirmed to date which included:-

- Gill Southern MBE, Director of Wessington Cryogenics;
- Angela O'Donoghue, Principal of Sunderland College;
- Dr. Gill Bentley, University of Birmingham;
- Vince Taylor, Head of Strategy and Performance, Sunderland City Council.

Mr. Diamond advised that Councillor Paul Watson, Leader of the Council had agreed to introduce the event.

The Chairman added that the Programme for the event would include a question and answer session at the end of the meeting.

4. RESOLVED that the arrangements for the special meeting of the Committee on Tuesday, 13th March, 2012 be received and noted.

Policy Review – Visit to the University of Sunderland

The Chief Executive submitted a report (copy circulated) confirming arrangements for a proposed visit on Monday, 12th March, 2012 to the University of Sunderland as part of the evidence gathering process for the Committee's policy review into Aim 1 of the Economic Masterplan.

(For copy report – see original minutes).

Mr. Jim Diamond, Scrutiny Officer circulated a copy of the proposed itinerary for the visit to the University of Sunderland.

5. RESOLVED that the arrangements for the visit be confirmed as detailed in the itinerary.

Work Programme 2011-2012

The Chief Executive submitted a report (copy circulated) appending the current work programme of the Committee's work during the 2011-12 Council year for the Committee's information.

(For copy report – see original minutes).

6. RESOLVED that the information contained within the Work Programme be received and noted.

Forward Plan – Key Decisions for the Period 1st March, 2012 – 30th June, 2012

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 March, 2012 to 30th June, 2012 which related to the Prosperity and Economic Development Committee.

(For copy report – see original minutes).

7. RESOLVED that the contents of the Executive's Forward Plan for the period 1st March, 2012 to 30th June, 2012 be received and noted.

The Chairman then closed the meeting having thanked everyone for their attendance and contribution to the meeting.

(Signed) M. MORDEY,
Chairman.

At an Extraordinary Meeting of the PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on TUESDAY, 13TH MARCH, 2012 at 1.30 p.m.

Present:-

Councillor Mordey in the Chair

Councillors Ball, Bell, S. Foster, P. Gibson, Snowdon and Wilson.

Also Present:-

Councillors Copeland, Forbes, Heron, Kay, McClennan, G. Miller, Porthouse, P. Smith, Thompson, H. Trueman, S. Watson, P. Watson, Wood and T. Wright.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Allan, Charlton, Emerson, Lauchlan, F. Miller, Oliver, Padgett, Rolph, Tate, D. Trueman, Wakefield, Walton and Williams.

Declarations of Interest

There were no declarations of interest made.

Sub National Economic Development and the North East Local Enterprise Board

The Chairman opened the meeting by introducing the Leader of the Council, Councillor Paul Watson who provided Members with a welcome address which outlined the aims of the North Eastern Local Enterprise Board (LEP) and the challenges it faced, his belief in the benefits of collaboration, the need to ensure the LEP made a difference and the unique strengths of, and the challenges faced by its component areas. In conclusion the Leader welcomed and introduced:-

- (i) Vince Taylor (Head of Strategy and Performance, Sunderland Council)

To provide a background to the establishment of LEPs at a national level North Eastern LEP – make up/membership/aims/resources.

Key aims and progress to date.

Key challenges for the future.

- (ii) Gill Southern (MBE, Director of Wessington Cryogenics (LEP Board Member))

To provide a perspective from the private sector.
The first hand experience of Board Members.
Key challenges and aims for the future.
What has been learnt?

- (iii) Dr. Gill Bentley (University of Birmingham)

To outline Government thinking underpinning the LEP
(political/economic)
Potential benefits/weaknesses of LEPs
Recent analysis of LEPs performance nationally
How effective can we expect them to be
Where do we go from here?

Mr. Taylor provided the meeting with a power point presentation highlighting:-

- (a) What is a LEP? namely:-

- a partnership of business and the public sector across a defined economic area;
- 50% of the Board must be business representatives;
- the Chair must be from the private sector;
- capacity and start up funding exists to support recruitment of a small staff and to develop local economic understanding – ultimately expected to fund themselves.

- (b) Why LEPs had developed:-

- as a result of the Local Growth White Paper 'Realising Every Place's Potential' this aimed at putting local business leadership at the helm of bodies that represent real economic geographies;
- supporting local authorities' existing role in fostering and sustaining growth;
- recognised that local communities and businesses were best placed to understand their own local economy; and
- in the 2010 Budget the Government announced its plans to abolish One North East and the other Regional Development Agencies and replace them with LEPs. Consequently during summer 2010 Councils were asked to put together LEP proposals.

(c) the North Eastern LEP

- comprises Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland;
- NELEP priorities at inception were:
 - supporting Enterprise and Private Sector Business Growth
 - Building on Key Economic Strengths
 - Improving Skills and Performance
 - Strengthening Transport, Connectivity and Infrastructure
- consequently its mission statement declared – “through smart, enterprising leadership between the private, public and voluntary and community sectors we will rebalance the economy, and create Europe’s premier location for low carbon, sustainable, knowledge-based private sector-led growth and jobs;”
- its membership comprised:-

Paul Woolston, PwC LLP (Chair)

Dr. Arnab Basu, Chief Executive of Technology Business Kromek in Sedgefield

Michael Bellamy, General Manager of Cramlington oil and gas pipeline business PII

Fiona Cruickshank, Co-owner and Director, SCM Pharma

Andrew Hodgson, Chief Executive, SMD North Tyneside

(Vice Chair)

David Land, Engineering and Operations Director, ThyssenKrupp

Tallent, County Durham

Jeremy Middleton, Middleton Enterprises

Gill Southern MBE, Director of Wessington Cryogenics

Paul Varley, Managing Director of Carrillion Energy Services

Mayor Linda Arkley, Elected Mayor of North Tyneside Council

Professor Chris Brink, Vice-Chancellor of Newcastle University

Councillor Nick Forbes, Leader of Newcastle City Council

Councillor Simon Henig, Leader of Durham County Council

(Vice Chair)

Councillor Mick Henry, Leader of Gateshead Council

Councillor Iain Malcolm, Leader of South Tyneside Council

Angela O'Donoghue, Principal of City of Sunderland College

Councillor Jeff Reid, Leader of Northumberland County Council

Councillor Paul Watson, Leader of Sunderland City Council

- the LEP was currently finalising its staffing structure and developing a business plan to deliver economic growth by:

Co-ordinating RGF Round 3 in the region (£1bn nationally)

Allocating over £17m of Growing Places Fund

Influencing devolved transport funding

Lobbying Government – recognition for the North East

Priorities as determined by the Business Plan

Gill Southern proceeded to provide the meeting with a private sector perspective as a member of the LEP. She advised that Wessington Cryogenics was a family company established for a period of 28 years with a turnover of £10 million. The firm was passionate about the North East, it cared about manufacturing industries and their exports. The company was always prepared to look outside for good ideas.

Ms. Southern had previously been involved with the Local Strategic Partnership and was an ambassador for the City. All the Board Members of the LEP were unpaid volunteers. The LEP had been a slow build, this was because it had wanted to do its homework. There had been a real spirit of co-operation behind the scenes despite initial concerns as to whether Members would have a common dialogue. It was about learning from others within demanding timescales. The LEP had wanted to know what skills would be required for the future and where they would come from.

The LEP had established practical working groups with regard to Governance, Finance and Marketing. There had been a need to get everyone together to thrash out issues and find ways to cut through the red tape of individual organisations. The commitment of the Board Members had allowed them to roll up their sleeves and get involved. It had been a front loaded effort. Currently only 50% of Ms. Southern's time was spent on Wessington Cryogenic matters.

Gill Bentley then provided Members with a comprehensive power point presentation giving an academic perspective on the LEPs via a discussion as to whether they represented 'Strategic Enablers or Toothless Tigers'. This centred on:-

- the Government thinking underpinning the LEP both political and economic
- the potential benefits/weaknesses of LEPS
- recent analysis of LEPs performance nationally undertaken by the Centre for Cities
- how effective can LEPs be expected to be? Could they take action to rebalance the economy?
- what more would be required, for example:-
 - A major review of staffing and additional staffing
 - A funding review
 - Better linkage of local authority and LEP resources on ED
 - Clearer focus for SME's and Corporates and Social Enterprises
 - New Youth Job Creation Scheme and Graduate Schemes
 - Closer University focus and Collaboration
 - HCA Integration with LEPs
 - Skills Integration
 - Better locality and region assessment needs

Mr. Taylor, Ms. Southern and Ms. Bentley then proceeded to address questions and comments from members with regard to:-

- the extent to which the Government was interested in addressing the North/South divide
- the impression that the Government were prepared to set the LEPs up as 'fall guys' if economic development stalled
- work being undertaken by the LEP and Passenger Transport Authorities to develop a Transport Strategy
- the ability of the LEP to lobby Government and 'bang the drum' for the North East

In conclusion the Leader and Ms. Southern reminded Members of the North East's proud traditions both culturally and as industrial innovators from Cuthbert and Bede, via George and Robert Stephenson, Joseph Swan, Parsons, Doxford Marine Engineering, Pyrex Glass through to its position as a world leader in the production of electric vehicles. The LEP had already delivered and would continue to deliver. It was up to Elected Members working with their private sector partners to make a difference.

The Chairman having thanked Mr. Taylor, Ms. Southern and Ms. Bentley for their presentations it was:-

1. RESOLVED that the information provided be received and noted.

The Chairman then closed the meeting having thanked everyone for their attendance and contribution to the meeting.

(Signed) M. MORDEY,
Chairman.

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

18 April 2012

PORTAS REVIEW - UPDATE

REPORT OF THE CHIEF EXECUTIVE

STRATEGIC PRIORITIES: SP3: PROSPEROUS CITY

CORPORATE PRIORITIES: C101: Delivering Customer Focussed Services, C102: Being 'One Council', C103: Efficient and Effective Council, C104: Improving partnership working to deliver 'One City'

1. Purpose of Report

- 1.1 To receive a report on the proposals and implications for the Council of the Portas Review.

2. Background

- 2.1 On 17 May 2011 the Government announced that it had asked Mary Portas, a retail marketing consultant, to undertake an independent review into the future of our high streets. The report was published on 13 December 2011.
- 2.2 The purpose of the Portas review was to identify what the Government, local authorities, businesses and others can do together to promote the development of new models of prosperous and diverse high streets. The main aims of the review were to:
 - Examine the case for developing town centres that contribute to promoting economic growth, creating jobs and improving quality of life in local areas
 - Explore new business models for high streets relevant to the modern consumer
 - Recommend what action government, businesses and other organisations should take to create diverse, sustainable high streets where small businesses and independent retailers are able to thrive.
- 2.3 The final report contains 28 recommendations which are set out as an appendix.

- 2.4 The Government provided its response to the recommendations contained in the Porteus report on 30 March 2012.

3 Current Position

- 3.1 Lee Cranston, Head of Strategy (Economy and Place) will provide an update on the background to the report and its potential implications for the Council.
- 3.2 Members are invited to receive the report and ask questions on the information provided

4 Recommendation

- 4.1 That the report be noted.

Contact Officer : James Diamond 0191 561 1396
james.diamond@sunderland.gov.uk

PORTAS REVIEW – SUMMARY OF RECOMMENDATIONS

1. Put in place a "Town Team": a visionary, strategic and strong operational management team for high streets
2. Empower successful Business Improvement Districts to take on more responsibilities and powers and become "Super-BIDs"
3. Legislate to allow landlords to become high street investors by contributing to their Business Improvement District
4. Establish a new "National Market Day" where budding shopkeepers can try their hand at operating a low-cost retail business
5. Make it easier for people to become market traders by removing unnecessary regulations so that anyone can trade on the high street unless there is a valid reason why not
6. Government should consider whether business rates can better support small businesses and independent retailers
7. Local authorities should use their new discretionary powers to give business rate concessions to new local businesses
8. Make business rates work for business by reviewing the use of the RPI with a view to changing the calculation to CPI
9. Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table
10. Town Teams should focus on making high streets accessible, attractive and safe
11. Government should include high street deregulation as part of their ongoing work on freeing up red tape
12. Address the restrictive aspects of the 'Use Class' system to make it easier to change the uses of key properties on the high street
13. Put betting shops into a separate 'Use Class' of their own
14. Make explicit a presumption in favour of town centre development in the wording of the National Planning Policy Framework

15. Introduce Secretary of State "exceptional sign off" for all new out-of-town developments and require all large new developments to have an "affordable shops" quota
16. Large retailers should support and mentor local businesses and independent retailers
17. Retailers should report on their support of local high streets in their annual report
18. Encourage a contract of care between landlords and their commercial tenants by promoting the leasing code and supporting the use of lease structures other than upward only rent reviews, especially for small businesses
19. Explore further disincentives to prevent landlords from leaving units vacant
20. Banks who own empty property on the high street should either administer these assets well or be required to sell them
21. Local authorities should make more proactive use of Compulsory Purchase Order powers to encourage the redevelopment of key high street retail space
22. Empower local authorities to step in when landlords are negligent with new "Empty Shop Management Orders"
23. Introduce a public register of high street landlords
24. Run a high profile campaign to get people involved in Neighbourhood Plans
25. Promote the inclusion of the High Street in Neighbourhood Plans
26. Developers should make a financial contribution to ensure that the local community has a strong voice in the planning system
27. Support imaginative community use of empty properties through Community Right to Buy, Meanwhile Use and a new "Community Right to Try"
28. Run a number of High Street Pilots to test proof of concept

Prosperity Scrutiny Committee

Wednesday 18th April 2011

Performance Report Quarter 3 (October to December 2011)

Report of the Chief Executive

1.0 Purpose of the report

The purpose of this report is to provide Prosperity Scrutiny Committee with a performance update for the period October to December 2011 and set out the direction of travel for the Council's Corporate Performance Framework in light of recent national government changes for performance reporting.

2.0 Background

Performance reports provided to Scrutiny Committee prior to March 2011 were based on performance indicators from the previous government's national indicator list, with a particular focus on those prioritised within the Local Area Agreement. In October 2010 the Coalition Government announced the deletion of the National Indicator set and also announced that from April 2011 there would no longer be a requirement for council's to produce an LAA. Both announcements signalled a move towards self regulation and improvement with more flexibility to report against local priorities using a set of locally determined measures.

For 2011/12 and beyond, the Council's aim is that performance reporting should be focused on the key priorities for the People, Place and Economy of Sunderland. This new approach will be reflected in the performance reports and evolve and develop over 2011/12. Performance reports may include former national performance indicators reported to scrutiny committee adopted into the local performance framework for 2011 – 2012 (and those that continue to provide performance reporting relevant to the key issues and priorities for Sunderland will continue be part of the reporting framework for 2012 – 2013).

In addition as part of the Council's annual planning arrangements, consideration is also being given to identifying new localised performance measures which will also be needed to support a robust performance framework tailored to local needs. These will be reported to the relevant scrutiny committee as appropriate and some of these new measures will be reported in 2011/12, where information is available and adds value to the review of performance. Members should also be aware there are also some former national indicators that are no longer available and have therefore been removed from the performance framework.

Within the former national indicator set there was a very small basket of indicators that related to economy and prosperity. The last performance report presented to Prosperity scrutiny committee highlighted to members that in developing a localised performance framework for Sunderland, the Economic

Masterplan provides the key local target outcomes and that future performance reports would be structured around these.

Attached at Appendix 1 is an extract of the basket of indicators that the Council has identified within the self-regulation performance framework for 2011-2012 that demonstrate progress against priorities that fall within the remit of this committee.

3.0 Context

This performance report is provided within the context of an uncertain economic situation globally, nationally and locally. UK economic growth has been very slight over the last year, with Gross Domestic Product growth of just 0.7%.

The Office for National Statistics recently confirmed that the UK economy shrank by 0.3% in the final quarter of 2011. Consequently forecasters are speculating about whether we are likely to see a further quarter of negative growth in this first quarter of 2012, thereby technically placing the UK back in recession.

The Office for Budgetary Responsibility (an independent body set up by Government to give an assessment of public finances and the economy), is currently predicting that the UK will avoid this and achieve positive growth in first quarter of 2012. However, this has recently been called into question again by commentators after disappointing retail sales figures were reported for February, demonstrating both the uncertainty and the fragile nature of any growth that is taking place.

What is certain is that unemployment remains high UK wide, and households still appear to be struggling from below inflation pay rises and high costs for commodities such as petrol. Within the UK the North East, which appeared to be outperforming others in early 2011, is now seeing unemployment grow much faster than the UK average. A recent report by Institute for Public Policy Research also suggests that economic recovery might be slowest in the North East.

However, exports from the North East grew to a record high in 2011 boosted by further growth at Nissan and in the chemical industry, according to figures released by UK Trade & investment. Sunderland has also seen a number of recent positive announcements, including that the new Nissan compact car will be developed in the city. The region also has continuing investment from the Regional Growth Fund and Growing Places Fund which have the potential to stimulate further economic growth.

4.0 Performance

The Economic Masterplan for Sunderland sets down the key outcomes needed for the city to promote the city's economy and prosperity. These are:

- More wealth creation

- More businesses making more money
- Higher employment particularly in target sectors
- More jobs in the city centre
- More people with high level qualifications
- Higher earnings of residents of the City
- Fewer people on out of work benefits

Outlined below is the latest available data in relation to each of these outcomes.

4.1 More wealth creation

A measure of wealth creation is Gross Value Added – GVA. Put simply, GVA is the value of goods and services produced by an area, sector or producer minus the cost of the raw materials and other inputs used to produce them. At the Sunderland level figures are mainly composed of the income made by employees (earnings) and the businesses (profits/surplus) as a result of production.

Data published in December 2011, relating to 2009 shows Sunderland's overall GVA in 2009 was £4,639m. This is the most recent figure available.

Factors that contribute to the gaps in productivity identified above include the size of the working age population compared to that of children and the elderly, the proportion of working age people economically active, average labour productivity (per hour worked) and hours worked per job.

GVA growth is a headline measure which reflects overall progress on economic development. Clearly these figures are several years behind and consequently do not reflect where the city is currently. The figure is complex and is affected by a number of factors, so it is difficult to predict what changes will have occurred since the onset of recession, but it can be assumed that in line with the UK economy, Sunderland's GVA will have declined somewhat following the trend of increasing unemployment, reduced Government spending, and reduced retail sales.

Key activities in recent months to support increased wealth creation include:

- The council continues to progress a number of significant investments including the new Wear Crossing, the Software Centre and the Vaux site.
- The council also continues to support potential investors to locate in the city. Between April 2011 and December 2011 the city received over 200 investment enquiries and awarded a substantial number of grants to businesses who made the decision to locate in Sunderland.

4.2 More businesses making more money

The Office for National Statistics produced Business Demography 2010 which provides statistics for active businesses; ones starting up (births) and closing down (deaths). The table below shows these figures for Sunderland compared with the UK.

Year	Active Businesses		Business Births		Business Deaths	
	Sunderland	UK	Sunderland	UK	Sunderland	UK
2008	5,785	2,325,770	620	267,445	645	222,560
2010	5,490	2,300,355	475	235,145	785	297,395

Figures for the number of active businesses in Sunderland declined by 5% over the two years 2008 to 2010, whilst the national figure only declined by 1%. Businesses starting up (births) in Sunderland also declined more steeply – by 23% compared to the national 12%. However, businesses closing down (deaths) did not increase as much in Sunderland, at 22%, as nationally at 34%. The decline in business births in Sunderland is a more significant factor than business deaths, in relation to the overall fall in the number of active businesses.

Members may wish to note that information about businesses were previously provided through a different data set (covering only VAT registered businesses) under the former national indicator set. The Business Demography figures also include enterprises that are solely PAYE (Pay as you earn) tax based, which were predominantly excluded from the older figures.

Key activities in recent months to support business growth includes:

- The Council continues to work with the University and organisations such as the North East Business Innovation Centre to support enterprise, through, for example, the Enterprise programme, business incubation and supporting Knowledge Transfer Partnerships.
- The Council continues to seek to provide appropriate property and facilities to support business development in the city.
- The contract for the construction of the Washington Managed Workspace has been let and this will be built on Turbine Business Park.

4.3 Higher employment particularly in target sectors

The percentage of working age people in employment in Sunderland for the quarter ended June 2011 was 63.2%. This has fallen since June 2009 when it had been 68.7%. In Sunderland the fall in employment over the two years to June 2011 was 5.5%. This was higher than the fall in the North East, of 1.7%; and higher than the national fall of 1.2%.

The Economic Masterplan (2010) identified key target sectors for which there is potential for business development / growth in Sunderland. The target sectors are: low carbon, offshore wind (engineering), software & digital, creative, and health and wellbeing.

The council is exploring the development of a new local performance measure to be included in the performance framework for 2012/13. This would measure growth in the target sectors.

Key activities in recent months to support higher employment in target sectors include:

- Progress continues with schemes such as the BT Broadband Infrastructure, the Enterprise Zone and the IBM Cloud, all of which will improve the infrastructure and incentives for business in the region. In particular the Enterprise Zone is targeted towards supporting industries in the low carbon sector and will offer businesses incentives to locate within the zone.
- Nissan has recently signed a Memorandum of Understanding with Gateshead College to create a Zero Carbon Centre for Excellence to help develop battery technology in the region. Gateshead College has been awarded a Regional Growth Fund (RGF) grant to develop the centre of Excellence in the Sunderland Enterprise Zone.
- The Software Centre is due to open and will provide accommodation for a number of software companies.
- The first stage of developing a Creative Industries Strategy has been completed with the presentation of the mapping exercise to identify what creative businesses there are currently, the barriers that exist to further development, and to provide a basis on which to identify those sub-sectors that could be supported in the future to fulfil the aims of the Economic Masterplan.

4.4 More jobs in the city centre

The Economic Masterplan highlighted that “City centres are recognised as important drivers of city economies. They provide not only a concentration of business, retail, leisure and institutional activity but are often the best locations for knowledge businesses, advanced business services and tourism.”

Aim 3 of the Masterplan is to improve Sunderland city centre’s performance as an economic ‘motor’ for the city and wider region.

In 2008 there were 21,164 people employed in the city centre (including the self employed). The most recent figures, for 2010, show that figure falling back somewhat to 19,212. Despite that reduction, the city centre's share of all Sunderland employment rose from 16.9% in 2008 to 17.1% in 2010.

The development of the city centre into an economic driver for the city requires the development of key sites including Vaux and Farringdon Row, to provide office jobs. At the current time the market for office development is weak but it is anticipated that development will come forward once the market improves. In the meantime the Council is making sure that preparations continue so development can be progressed as soon as possible once the market improves.

Activities mentioned above such as the new Wear Crossing, the Software Centre and work on the Vaux site support this outcome. The council’s continuing work to improve the city centre environment and do what it can to

support retailers and businesses in this difficult economic time. As part of this approach the Council has appointed a Retail Officer to support the sector.

4.5 More people with high level qualifications

The Economic Masterplan (2010) explained that “The city’s future depends on educated, enterprising and ambitious people with the skills to contribute to the city’s economy and the region’s labour market.” It also highlights that “Despite the creation of new jobs in the city in recent decades, Sunderland still suffers from high unemployment and a low skills base. Sunderland has a high percentage of people qualified to NVQ level 1 and 2 and fewer qualified to NVQ level 3 and 4 – with the latter more likely to earn higher wages. Many of the better paid jobs that do exist in Sunderland are taken by people who commute in from surrounding areas.”

The latest available data relates to the period Jan to Dec 2010. This shows 23.0% of the population are educated to NVQ level 4 which is an improvement of 2.1% against the previous year’s 20.9%. This continues a steady and constant improvement from 2004.

The table below shows the progress made in Sunderland in closing the gap in educational qualifications with the rest of Great Britain. In NVQ2 the gap in 2004 was 6% but by 2010 this has been reduced to 2.3%. In NVQ3 the gap was reduced from 10.2% to 4.5% and in NVQ4 the gap reduced from 10.7% to 8.3%.

People qualified to NVQ standard or equivalent

Year	NVQ2 and above			NVQ3 and above			NVQ4 and above		
	S’land	S’land (%)	GB (%)	S’land	S’land (%)	GB (%)	S’land	S’land (%)	GB (%)
2004	99,500	56.1	62.1	65,000	36.6	46.8	27,300	15.4	26.1
2005	104,300	58.7	62.9	67,300	37.9	47.1	29,400	16.5	26.5
2006	103,500	58.3	63.6	67,700	38.2	47.9	34,400	19.4	27.4
2007	115,000	64.8	64.2	77,200	43.5	48.4	39,000	22.0	28.5
2008	111,900	60.9	63.9	78,600	42.8	48.2	36,800	20.0	28.6
2009	113,800	61.9	65.4	78,400	42.6	49.3	38,400	20.9	29.9
2010	120,200	65.0	67.3	86,100	46.5	51.0	42,600	23.0	31.3

Members may wish to note that these figures are from the Office for National Statistics annual population survey, but are not comparable with those in the former National Indicators NI 163 to 165 that were previously reported to scrutiny. Although those used the same survey as a source; they covered a different age range as the retirement ages have changed; and they also apportioned "Other qualifications" differently.

During the period of time covered by the figures above, there has been substantial government investment, both capital and revenue, in education and learning across Great Britain. Schools have benefited from huge capital investment through the Building Schools for the Future (BSF) programme. It was also a period of expansion for colleges, who along with schools, benefited

from both capital and revenue investment through the 14-19 Reforms of the previous government. National Skills Academies were introduced and the period also saw a significant expansion for universities. However, the financial conditions in which higher establishments are operating has changed and this may impact on future performance.

In Sunderland, GCSE results have improved enormously over the past 10 years and generally 16-19 performance is improving. From GCSE to Level 3 Sunderland residents have demonstrated an increase in achievement. A new Academies model was introduced in the city and the city has benefited from strong strategic leadership in relation to learning and skills. The city has also benefited from a range of national programmes such as Skills for Life and Train to Gain, which along with all of the aforementioned, have had a cumulative impact in Sunderland in closing the gap in educational qualifications with the rest of Great Britain.

Building on these developments a Skills Strategy is being developed by a group of partners involved in business, enterprise and skills delivery, particularly the council, the University, Sunderland College and private training providers.

4.6 Higher earnings of residents of the City of Sunderland Council

The Economic Masterplan pointed out that “it is vital that more people are helped back into work and into better paid jobs.”

The earnings of Sunderland residents shows an increase of £6.30 in the average weekly pay in Sunderland in 2011 when compared to 2010 figures, taking the average wage to £422.70. This is lower than the North East region at £448.50 and lower than the national average at 498.30. The £6.30 increase in Sunderland, however, was higher than the regional increase of £5.10 and the UK figure of £0.20.

However, looking at the hourly rate for workers residing in Sunderland; that increased to £11.15; but still remains significantly lower than the national figure (£12.77) and slightly lower than that of the region (£11.41).

The weekly wage increase in Sunderland equates to less than a 2% increase, which, with the CPI measure of inflation running at around 5% over the last year, still equates to a reduction in spending power. Increased personal taxation will, in some cases, have also reduced take-home pay.

4.7 Fewer people on out of work benefits

The Economic Masterplan stated that “As part of getting people into employment we will: work with employers and jobseekers to match the right people with the right jobs; tackle issues that inhibit people from working; support people once they have a job; and encourage enterprise at a neighbourhood level.”

Citywide, the percentage of people receiving key out of work benefits increased from 17.2% in quarter 2 (July to September 2011) to 17.4% in quarter 3 (October to December 2011), this however, was a decline on the figures for the same period last year (October to December 2010) when figures were at 17.7%.

The latest available figures for the number of people claiming out of work benefits in the worst performing neighbourhoods were released in December 2011. These show a small and consistent decline in each quarter from Q4 2009 (32.1%) to the latest quarter Q2 2011 at 30.4% – a total decline of 1.7%.

Over the next few years Welfare Reform will bring about changes to out of work benefits particularly in relation to those claiming incapacity benefits and employment and support allowance (ESA). The reforms are likely to bring about a shift for some from long term benefits to Job Seekers Allowance and some coming off benefits altogether thereby impacting on the overall number of claimants of out of work benefits. Under new legislation, by March 2014 all current claimants of incapacity benefits will be re-assessed and subsequently fall into one of the following three groups. The three groups and the anticipated impact on figures are outlined below:-

Support Group – Those who are deemed to have sufficiently serious health problems or disabilities and receive unconditional support. Individuals who fall into this category will see minimal change to their benefits, with some receiving a slight increase. National guidance indicates that approximately 30% of current incapacity benefit claimants are expected to fall into this group.

Work-related activity group (WRAG) – All claimants in this group will be required to attend work-focused interviews, and expected to engage in activity to prepare them for work. The underpinning assumption is that ESA for this group should only be a temporary benefit, pending the claimants return to work. National guidance indicates that approximately 40% or 5,421 of current IB claimants will move into the WRAG.

Fit for work – Those who fail to qualify for ESA and are therefore deemed as 'fit to work'. National guidance indicates that approximately 30% or 4,066 of current IB claimants, will be assessed as able to work.

Of those fit for work, national guidance estimates that approximately 50% will move on to Job Seekers Allowance, 20% onto another benefit and 30% per cent will move off benefits altogether.

Despite the national economic climate, the city continues to create jobs. In recent months the following jobs have been announced:

- Nissan has announced that they will be developing their new compact car in the city generating around 1600 jobs including in the supply chain.
- A French manufacturer has taken over the TWR Washington plant which it is anticipated will create 130 jobs in the city

- The new Lear factory at Rainton Bridge is expected to bring 300 jobs to the city.
- Unipres UK in Washington will take on 316 new staff after its successful Regional Growth Fund bid.
- Aerial lift maker Tanfield is to recruit around 50 staff at its Washington factory within months

Other key activities in recent months to help people get work include:

- There is a significant amount of work being undertaken to understand community resilience in Sunderland, and the impact of welfare reform, which areas will be hardest hit, and what actions the Council and its partners can take to mitigate the effects.
- Whilst the Work Programme has taken over support to individuals into employment, the Council continues to provide business start up support and advice.

5 **Future performance reporting**

Future performance reports will continue to monitor performance improvement against the key outcomes for prosperity as set out in the Economic Masterplan. These outcomes, however, represent the longer term economic aspirations for the city against the backdrop of a changing economy. Performance improvements are expected to be achieved over the 15 year period covered by the Economic Masterplan. Accordingly the performance measures for the key outcome areas are either not available or not expected to be updated on a quarterly basis with most as annual indicators or less frequent e.g. every two years.

To supplement the annual performance data against the key outcomes future quarterly performance reports will focus on performance against key actions and activities that will contribute to achieving the key outcomes. Sunderland City Council will work with partners through the Economic Leadership Board to improve performance against the key outcomes through the delivery of the Economic Masterplan. Below sets out the five aims of the Economic Masterplan and the approach to proposed outcomes and key performance indicators that will be used to measure progress against these aims.

- **Aim 1 A new kind of university city** – Performance measures for this aim will look at the role of the education institutions (schools, college, University) in developing the skill base within the city as well as the development of entrepreneurship in relation to new businesses and innovation.
- **Aim 2 A national hub of the low carbon economy** – Performance measures for this aim will measure the extent of low carbon business development as well as Sunderland as a low carbon place.
- **Aim 3 A prosperous and well-connected waterfront city** – Performance measures for this aim will measure the extent to which the city centre is developing a stronger economic and employment role for the city.

- **Aim 4 An inclusive city economy for all ages** – This aim particularly focuses on measuring participation in the economy for specific groups and improvements in the physical environment of the city to increase its attractiveness.
- **Aim 5 A one city approach to economic leadership** – This is the overarching aim to develop overall prosperity and so its performance measures are those for the Economic Masterplan as a whole (see 4.0 above).

4. Recommendation

That the committee considers the continued good progress made by the council and the Sunderland Partnership and those areas requiring further development to ensure that performance is actively managed.

Contact Officer: Kelly Davison-Pullan
Title: Lead Officer for Corporate Performance
Telephone: 0191 566 3048 / 07795 238 059

Report Key

	Performance last year		Performance this year			Q3 performance commentary	
Performance Indicator	Q3 2010/11	Q4 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12	Q3 <> Q3	Commentary
The percentage of relevant land and highways that is assessed as having deposits of litter that fall below an acceptable level (NI195a)	5.00 %	3.00 %	1.33 %	2.33 %	2.38 %	✓	Surveys conducted every The litter score is slightly may be down to the fact city centre between Chris time we have surveyed th undoubtedly its busiest tir lanes in the city centre w

This is a Q3 comparison against Q3 last year. The symbols mean:

Bigger is better and performance has improved



Smaller is better and performance has improved



Performance is stable



Bigger is better and performance has declined










Smaller is better and performance has declined








Information is not available



Prosperity & Economic Development

Performance Indicator	Q3 2010/11	Q4 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12	Q3 <> Q3	Commentary
Total gross value added (LPI081a)	£4,763,000,000	£4,763,000,000	£4,763,000,000	£4,763,000,000	£4,639,000,000		Data relates to the 2009 calendar year.
Median weekly wage by place of residence (LPI086)	£416.40	£416.40	£416.40	£416.40	£422.70		Latest data relates to 2011 and is based on provisional data published by Office of National Statistics (ONS) in March 2012.
The percentage of the working age population (16-59 for females and 16-64 for males) who are in employment (NI151).	64.90 %	63.90 %	63.90 %	63.80 %	63.20 %		Data relates to June 2011 as published on the NOMIS website.
The percentage of the working age population who are claiming out of work benefits (NI152).	17.70 %	17.30 %	17.20 %	17.20 %	17.40 %		Latest data relates to August 2011.
The percentage of the working age population who are claiming out of work benefits in the worst performing neighbourhoods (SOA's with over 25% claimant rate) (NI153)	31.10 %	31.10 %	30.70 %	30.70 %	30.40 %		Latest data relates to Q2 2011 - published 1/12/2011
% of Population aged 16-64 qualified to at least NVQ 1 or equivalent (NPI021)	78.80 %	78.80 %	78.80 %	78.80 %	80.10 %		Latest data relates to 2010
% Population aged 16-64 qualified to at least NVQ 2 or equivalent (NPI022)	61.90 %	61.90 %	61.90 %	61.90 %	65.00 %		Latest data relates to 2010

Performance Indicator	Q3 2010/11	Q4 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12	Q3 <> Q3	Commentary
% Population aged 16-64 qualified to at least NVQ 3 or equivalent (NPI023)	42.60 %	42.60 %	42.60 %	42.60 %	46.50 %		Latest data relates to 2010
% Population aged 16-64 qualified to at least NVQ 4 or equivalent (NPI024)	20.90 %	20.90 %	20.90 %	20.90 %	23.00 %		Latest data relates to 2010
Total number of business births (NPI025)	600.00	600.00	600.00	600.00	475.00		Data relates to December 2010.
Total number of business deaths (NPI026)	740.00	740.00	740.00	740.00	785.00		Data relates to December 2010.
Total number of active businesses (NPI027)	5,750.00	5,750.00	5,750.00	5,750.00	5,490.00		Data relates to December 2010.

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

18 APRIL 2012

ANNUAL REPORT

Report of the Prosperity and Economic Development City Scrutiny Committee

1. Purpose of report

- 1.1 To approve the Prosperity and Economic Development Scrutiny Committee report as part of the overall scrutiny annual report 2011/12.

2. Background

- 2.1 In line with last year's arrangements, the annual report will be a single combined report of all seven scrutiny committees. The annual report will outline the developments in the scrutiny function and provide snapshots of the outcomes achieved during the last 12 months.

3. Prosperity and Economic Development Scrutiny Committee 2011/12

- 3.1 The proposed report is attached at appendix 1 for members consideration. The report provides a very brief snapshot of the some of the main work undertaken by the committee during 2011/12. It should be noted that the report is written from the perspective of the Chair of the Committee reflecting over the year.

4. Conclusion

- 4.1 The Committee has delivered another successful work programme in 2010/11, which is reflected in the annual report. The Scrutiny Committee has worked well with Council Directorates, stakeholders and partner organisations to deliver the work programme. The Scrutiny Committee has tackled a number of key issues throughout the year and looked to work with officers and stakeholders to provide solutions and improvements to services delivered across the city.

5. Recommendation

- 5.1 That Members approve the Prosperity and Economic Development Scrutiny report 2011/12 for inclusion in the Overview and Scrutiny Annual Report 2011/12.

6. Background Papers

6.1 2011/12 Agendas

Contact Officer: Jim Diamond, Scrutiny Officer, 561 1396

Prosperity and Economic Development Scrutiny Committee

At the start of the year – when the Committee was considering which issues to include in its work programme – we had pretty much unanimous support to focus on what we considered to be two of the key priorities for the city; namely the progress being made on Aim 1 of the Economic Masterplan – the development of a new kind of University City and the work and challenges facing the North Eastern Local Enterprise Board.

We approached these topics in different ways. In the case of the Aim 1 of the Economic Masterplan, the Committee chose to undertake an in depth review over the course of the year. For examining, the North Eastern Enterprise Partnership, we considered that the issues involved could best be tackled through a one off special meeting. I think that this flexibility of approach was important in allowing the Committee to tailor its approach to the particular needs of the issue at hand.

The Committee's review of Aim 1 of the Masterplan set out to examine the measures being taken by the Council, the University and all of our partners to support the development in Sunderland of a new kind of University City. The review also looked at the influence and impact that the University has on the city's economy at the present time and the potential for this to be increased. The Committee examined the way in which the Council and the University can more fully integrate the University into the city's economy, including business start up and growth; the development of workforce skills through education and retention and the potential for research to support business growth through innovation, graduate placement and management and staff development.

As part of its evidence gathering process, the Committee undertook a visit to the University of Sunderland to examine at first hand the kinds of projects and initiatives being developed and to speak to the academic, staff and students involved. We also visited Sheffield Hallam University in order to consider and contrast the approach of another University.

In our work, we were supported throughout by staff and academics from the University and we would particularly like to thank the University's Vice Chancellor and Chief Executive), Deputy Vice Chancellor and Deputy Chief Executive and the Assistant Director for their support and guidance during the review.

The Committee's report includes a number of significant recommendations. Firstly, that the Council and University should continue to investigate means of developing partnership working around Aim 1 of the Economic Masterplan in order to coordinate work on business growth and economic development and to make the most of available resources. We also consider that the University should look to further develop its links with the City's business community and increase its understanding of the needs of local businesses and the ways in which it can respond with appropriate expertise, support and guidance including through a large scale networking event or a high profile trade fair. We suggest that the University and Council should continue to work together to ensure that business advice and guidance is provided in a coordinated and complementary manner along the lines of a one stop shop approach.

We consider that there is scope for the University to further promote its profile in the city and better publicise and market its considerable strengths and successes including through the development of a promotional document summarising its contribution to the local economy and economic regeneration in the city and the region. We consider it important that the University conduct further research into the factors surrounding the levels of retention of students; including the influence of the local jobs market and job opportunities and continue to work with partners in order to monitor and react quickly to help meet local skills requirements and to continue to develop links with local Further Education Colleges and schools. Finally, we think that the Council and the University should work closely together to develop ways of linking and integrating the city campus to the rest of the city and improve the quality of the public realm.

The other main issue examined by the Committee during the year involved examining the aims and progress of the North Eastern Local Enterprise Board. To consider this, the Committee arranged a special meeting which was open to all members of the Council and involved the Leader of the Council, LEP board members and contributions from a Lecturer from the University of Birmingham. I think that the special meeting proved a great success; allowing members of the Council to consider and discuss the important work of the LEP and its implications for the future economic prosperity of the city.

All in all, it has been another very busy and productive year for the Committee. I would like to take this opportunity of thanking my colleagues for all their hard work and enthusiasm and I feel sure that the progress we have made can be built upon in the year ahead.

Councillor Michael Mordey
Chair of the Prosperity and Economic Development Scrutiny Committee

DRAFT

**PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE
18 APRIL 2012**

**A NEW KIND OF UNIVERSITY CITY – A REVIEW OF AIM 1 OF THE
ECONOMIC MASTERPLAN - DRAFT REPORT**

STRATEGIC PRIORITIES: SP5: Attractive and Inclusive City

**CORPORATE PRIORITIES: CIO1: Delivering Customer Focused Services,
CIO4: Improving Partnership Working to Deliver ‘One City’.**

1 Purpose of Report

- 1.1 To receive the draft final report of the Committee’s policy review into Aim 1 of the Economic Masterplan – A New Kind of University City.

2 Introduction

- 2.1 On 15 June 2012, the Committee agreed to undertake a policy review into Aim 1 of the Economic Masterplan – A New Kind of University City. The Committee felt that it was important to look into this issue in view of the important role played by Aim 1 of the Economic Masterplan in promoting the economic prosperity of the city.
- 2.2 The final draft of the report has been prepared for consideration by the Committee. Once agreed the final report will be submitted to the meeting of the Cabinet on June 2012.

3 Terms of Reference

- 3.1 At its meeting on 27 July 2011, the Committee agreed the following terms of reference for the policy review:-
- i. To consider what the Council and its partners should be doing to support the development of a new kind of University City;
 - ii. To gain an understanding of the influence that the University has on the city’s economy at the present time and the potential for this to be increased.
 - iii. To look into the way in which the University of Sunderland can be more fully integrated into the city’s economy, including business start up and growth;
 - iv. To investigate the development of workforce skills through education and graduate retention;

- v. To investigate the potential for research to support business growth through innovation, graduate placement and management and staff development;
- vi. To investigate the experiences of a similar University and the role it plays in its own city's economy.

4 Membership of the Committee

- 4.1 The membership of the Prosperity and Economic Development Scrutiny Committee consisted of Councillors Michael Mordey (Chair), Dianne Snowden (Vice Chairman), Ellen Ball, Richard Bell, Sheila Ellis, Stephen Foster, John Gallagher, Peter Gibson, George Howe, Lilian Walton, Amy Wilson.

5 Methods of Investigation

- 5.1 The following methods of investigation were used for the review:
 - (i) Evidence from relevant Council officers and partner organisations;
 - (ii) Visit to University of Sunderland
 - (iii) Visit to Sheffield Hallam University.

6 Sunderland Economic Masterplan

- 6.1 As a starting point for the review, the Committee looked the overall aims and objectives of the Sunderland Economic Masterplan, the key challenges faced and the implications of Aim 1 of the Plan.

Economic Masterplan

- 6.2 The Economic Masterplan sets out to:-
 - help set the direction for the City's economy over the next 15 years;
 - establish how Sunderland will earn its living and what it would look like on the ground;
 - identify key actions that public, private and voluntary sector partners need to take to ensure a prosperous and sustainable future
- 6.3 The overall economic vision and strategy is for Sunderland to be 'an entrepreneurial University City at the heart of a low-carbon regional

economy.” This vision statement seeks to convey a number of messages about Sunderland:-

- the university will play a new role in the city’s economic development;
- the city will be a vibrant and attractive place where enterprise is encouraged;
- it will be at the heart of a newly designated “Low Carbon Economic Area” and must develop new infrastructure as part of this;
- its future is tied to the wider economy and the city must be collaborative and outward looking.

6.4 The Masterplan proposes that to become more prosperous, Sunderland must focus on a number of important sectors and on the city centre and do this by developing a low carbon economy. To achieve this it must make more of four key assets:-

- Nissan, to exploit electric vehicle technology and become a world leader in producing electric vehicles;
- The University of Sunderland to redefine the city as a place where knowledge is a part of the way of life;
- the Port to enable the servicing of new offshore wind farms;
- Using specific development sites to create a new business district in the city centre, more retail sites and an electric vehicle industry.

6.5 In order to attain this vision, five aims have been identified:-

- Aim 1 - a new kind of University City;
- Aim 2 - a national hub of the low-carbon economy;
- Aim 3 - a prosperous and well-connected waterfront city centre;
- Aim 4 - an inclusive City economy - for all ages;
- Aim 5 - a one City approach to economic leadership

Key Challenges

6.6 The key challenges to be addressed by the Masterplan include:-

- the City Centre is underpowered as an economic driver;
- there is a too narrow range of industries, career opportunities and well paid jobs;
- the City has been better at attracting international companies than local growth;
- Sunderland is a City within a University but not a University City;
- the City has a prevalence of low skills;
- there is a limited housing choice.

- 6.7 Worklessness, economic inactivity and a low resident skills base all provide major challenges to the City and form the backbone of the issues the Economic Masterplan is attempting to address.
- 6.8 Since the decline of the major industries of shipbuilding, coalmining and glass making, 20,000 new jobs have been created over the last 20 years. The city's economic output per resident is higher than the North East average and has been rising faster than the national average. However, Sunderland still suffers from relative weakness in the local economy as well as wages that are lower than the rest of the UK.
- 6.9 The city has relatively high levels of worklessness with 20.3% of the population on benefits compared to 14.2% for Great Britain overall and 18.7% for the North East. The city also has a high percentage of residents qualified to NVQ1 and 2 levels when compared with the UK average but a smaller percentage qualified to NVQ level 3 and 4. Consequentially, earnings (and spending power) are lower than average.

Sunderland Skills and Employment Demand Survey 2011

- 6.10 In order to get a better understanding of issues surrounding skills and employment demand in Sunderland, the Committee received a report on the Sunderland Skills and Employment Demand Survey. The Survey was undertaken in order to obtain an overview of the current and future demand for employment, skills and labour in the City within key sectors and gather intelligence and data on recent workforce trends and labour forecasts.
- 6.11 The survey highlighted a number of areas of skill shortages and skills gaps in the local economy:-

Skills shortages:

- One fifth (21%) of businesses that had recently tried to recruit had experienced difficulties. This compares with 22% amongst employers based outside Sunderland;
- Over half of Sunderland employers surveyed had experienced difficulty in recruiting to skilled/technical roles;
- The most frequently cited skills that employers struggle to access are 'technical skills' (36%) related to the sector;
- The employers that reported the highest proportion of difficulties were those in medium sized businesses (between 50 and 99 employees);
- The main reported impacts of skills shortages include an increased workload for others, lost business and increased operating costs;

Skills gaps

- 18% of employers in Sunderland's key sectors reported skills gaps. This is higher than the comparative figure for the outside Sunderland area of 16%;
- A slightly smaller proportion of employers in Sunderland reported skills gaps than the proportion that reported skills shortages in Sunderland, suggesting that this is a bigger issue for more employers than skills shortages;
- As with skills shortages, the sector with the largest proportion of employer reported skills gaps was Transport & Logistics;
- Just over half of employers reported skills gaps in skilled and technical roles;
- A difficulty in keeping up with change was the most frequently cited reason for skills gaps;
- As with skills shortages, a larger proportion (36%) of medium sized businesses in Sunderland (with between 50 and 99 employees) perceive skill gaps in their workforce than smaller or very large businesses;
- Increased workload for others, increased operating costs and lost business were the most frequently reported impact of skills gaps in Sunderland.

- 6.12 The survey highlights that much needs to be done to address skill shortages and gaps and in the local economy.

7 Aim 1 of the Economic Masterplan – A New Kind of University City

- 7.1 The Committee then went on to look in more detail at the aims and objectives of Aim 1 of the Economic Masterplan.
- 7.2 Aim 1 of the Economic Masterplan sets out the aim for Sunderland to be a vibrant, creative and attractive city, with a strong learning ethic and a focus on developing and supporting enterprise, with the University of Sunderland at its heart.
- 7.3 Universities are seen as vital instruments in the creation of a knowledge based economy. If graduates can be retained they can create a more skilled labour force. University research and technological developments have the potential to be commercialised in collaboration with local industry for their mutual benefit. Universities can also help to drive cultural change in the city through engaging with their business and resident communities.
- 7.4 The new kind of University City envisaged in the Economic Masterplan is based on **collaboration** between the public sector, private enterprise, the University of Sunderland and other related institutions. We need to make use of the city's assets to create wealth and jobs and the University has

an important role in this by helping to promote enterprise, improving the city's reputation and influencing and fostering cultural change.

7.5 The University has an important role in helping to build the foundations for this by:-

- promoting enterprise
- improving the city's reputation and influence
- fostering cultural change

Promoting Enterprise

7.6 A new City Enterprise and Innovation Strategy will provide a model for promoting innovation in the city and collaboration between the city council, university and other organisations that support business improvement. This will establish a framework of support for businesses at all levels including:-

- more support for new businesses such as offering advice and after care to people looking to start their own businesses;
- a new unified business network, which will ensure that all businesses in Sunderland have access to a range of business support networks;
- targeted support for established small and medium sized enterprises;
- targeted support to attract outside investment;
- ensuring the appropriate mix of business premises and capital infrastructure (broadband connectivity, transport links etc) is developed and maintained;
- better access to business services (finance, legal and accounting support).

7.7 The programme will ensure the development of industry standard premises and facilities to support university/business collaboration on innovation and business growth. The programme will target investment in infrastructure to support collaborative research, innovation, business support and inward investment.

7.8 The University also has a key role in supporting innovation within the priority sectors of the Masterplan. This includes two key facilities – the new Ultra Low Carbon Vehicle Testing and Development Facility at Nissan's Washington site and the Sciences Complex on the City Campus.

7.9 As a result of investment secured through the Sunderland Software City initiative, new enterprise centres at the North East Business and Innovation Centre and at Toward Road are being created. Both centres

will show case the city's software sector and provide accommodation and services infrastructure for the industry.

- 7.10 These measures should result in an improved enterprise culture and a more competitive city. There should be growing recognition of Sunderland as a centre for innovation and research and development in priority sectors such as software and low carbon. We should also see improved business collaboration with knowledge institutions and a greater proportion of skilled people living in the city

Improving the City's Reputation and Influence

- 7.11 The city's ability to market itself is linked to the strength of its economic leadership. The people responsible for the major economic investment and spending decisions made in the public, private and not for profit sectors need to become a strong team. The Economic Leadership Programme will use best leadership models to create regular opportunities for new learning and collaborative working supported by external experts and advisors.
- 7.12 The Communications Strategy contained in the Masterplan should help to ensure that all investors and stakeholders understand the need for economic development, the mechanisms that create growth and the planned outcomes for the various sectors and constituents of the city.
- 7.13 Outcomes should include improved leadership, innovative institutions linking regional, national and international opportunities and an increase in business and graduate retention.

Fostering Change

- 7.14 The City will provide better support to creative industries through the development of a Creative Industries Sector Plan. A City Centre Events and Festivals Strategy will be developed, together with opportunities to engage students further in city centre activities.
- 7.15 The City will also develop a Widening Participation Strategy to promote education opportunities to residents of Sunderland aligned to employment in the city and the wider region. A key part of this will be to raise the profile of the University and College in schools.
- 7.16 This should all result in a stronger learning culture and a more attractive city centre.

8 A New Kind of University City

- 8.1 The Committee then went on to examine the progress being made in developing the concept of a New Kind of University City, the impact of the University on the local economy and the work being undertaken by the Council, the University and their partners to make this a reality. In doing so, the Committee visited the University of Sunderland and took the opportunity to speak with Professor Fiddler, Pro Vice Chancellor and Chief Executive. We also met with a range of academic and non academic staff, spoke with local students and saw at first sight the range of facilities on offer.
- 8.2 The Committee also visited Sheffield Hallam University and this proved a highly useful opportunity to compare, contrast and exchange ideas on good practice. For both of these visits, the Committee was accompanied by Mr David Donkin, Assistant Director of Sunderland University whose advice and guidance proved invaluable.

Background

- 8.3 During our visit to the University, Professor Fiddler reminded us that the College had been established over 100 years ago and that during its development had always reflected the areas industrial base – engineering, shipbuilding, glass manufacturing. The University had therefore always been an active player in the local economy and promoted an industrial and vocational approach –though now reflecting the changing nature of the local economy with the predominance of science and knowledge based industries. The University therefore maintained close links with major companies such as Nissan and firms in the software and media sectors.
- 8.4 It was considered that the University and the City Council had established good joint working and maintained a very positive working relationship - a relationship based on openness and trust and a recognition of the strengths that each party can bring. The University was very supportive of the Economic Masterplan and had been very involved in the development of the Enterprise and Innovation Strategy.
- 8.5 The University also makes an active and important contribution to the key priority areas set out in the Economic Masterplan, including the development of a software city, the delivery of a low carbon economy and the promotion of the cultural and creative sector.
- 8.6 Prof Fiddler noted that there was some uncertainty in the Higher Education sector about the overall impact over changes to the funding model. Possible changes to teacher training and healthcare professional training could add to this uncertainty. Within the Higher Education sector there was developing a greater competition for university funds and a

tendency to concentrate on particular research intensive universities in particular parts of the country.

- 8.7 The University was always seeking to maximise its use of the European Regional Development Fund (ERDF) and this was now the principal source of funding for new projects and initiatives in terms of the promotion of skills and enterprise.

Economic Impact of the University

- 8.8 The University has a major impact on the economic well being of the city; both as an educational institution and as a business and investor in the city.
- 8.9 The University is a major employer. It directly employs 1700 people and sub contracts services creating further indirect employment within the City. The University sees it as important to try to procure services from within Sunderland and then from within the region in order to make the most of the local economic multiplying effect and create more wealth within Sunderland and the North East.
- 8.10 The students and staff provide significant spending power to businesses located within the City. Annual turnover is around £m turnover a year. It is estimated that the students alone bring £50m to the Sunderland economy. The large student population can also have significant impact on tourism. For example, during the 1 week graduation at Stadium of Light, the city received around 16,000 visitors.
- 8.11 The University currently has 14,000 students on the campus, 8,500 of which are undergraduates. This includes students from over 30 different countries across the world. The presence of a high number of international students was of considerable economic benefit to the city. As well as the direct economic benefit that they contributed to the economy while studying at the University, there is also the potential contribution they made when they subsequently obtained employment and were in a position to choose to direct investment back into the city.
- 8.12 It is estimated that 24% of students live in the Sunderland and around 80% of students are from the North East or immediate locality.
- 8.13 The University through its investment has had a significant impact on the regeneration of the city. Indeed, the University has invested £35m in the City Centre over the past 5 years.

Skills and Widening Participation

- 8.14 One of the key issues in developing the local economy will be the need to boost the level and types of skills in the city and in this the University is clearly a key player.
- 8.15 David Donkin referred to the work going on to try to promote the attractiveness of science careers. The University was working with 6th forms to get companies in to talk about employment opportunities in science areas. It was important that career path to science related career was not considered unfashionable if we were to help to redress an imbalance in the national and local economy.
- 8.16 The Council and the University have an important role in working together to try to widen levels of participation in further and higher education. A great deal of work was going on to try to anticipate where jobs will be in the future and helping to equip people with the necessary skills. This could only be done by widening the participation agenda and building on the existing strong links with schools.
- 8.17 The Committee considers that in order to further the economic growth and prosperity of the city, the University should continue to work with partners in order to monitor and react quickly to help meet local skills requirements and to continue to develop links with local Further Education Colleges and schools;

Retention

- 8.18 The economic impact of the University will obviously be greater if the city is able to retain a high proportion of its graduates. Retaining a high proportion is an important component to the long term health of the local economy. Prof Fiddler noted that the University has 70% student retention rate in the area and that the principal reason why students choose to leave is because of the conditions of the local labour market. In essence, the problem for Sunderland and the whole of the North East is that they often do not have enough high quality jobs for graduates who are thereby forced to move elsewhere. This was also likely to be a growing problem given the economic recession and increasing levels of unemployment among young people.
- 8.19 It is important for the city continues to try to create sufficient high quality employment opportunities and an entrepreneurial environment which helps encourage students to stay in the area. In a number of areas such as software and the cultural and media, opportunities exist for the development of entrepreneurship, self employment and the creation small scale businesses. It is felt that there was a growing recognition among young people of the potential of self employment and the University has

developed a range of programmes and provides advice for whom this is an attractive option.

- 8.20 However, there are other methods of improving the opportunity of graduates gain employment in the area such as short term placements with local employers, Knowledge Transfer Partnerships and the Graduate Internment Scheme. These schemes are important not only in improving rates of retention but in also providing the student with vital work experience and the firm with hopefully fresh ideas and innovation.

Knowledge Transfer Partnerships

- 8.21 Knowledge Transfer Partnership is a UK wide programme enabling businesses to improve their competitiveness and productivity. This involves forming a partnership between a business and the University enabling access to skills and expertise. This involves projects being undertaken by students recruited to work on a specific project.
- 8.22 The aim of knowledge transfer is to enhance knowledge and skills and the stimulation of innovation through collaborative projects. This should facilitate the transfer of knowledge and the spread of technical and business skills. It should also provide company based training for graduates to enhance their business and specialist skills and increase the extent of interactions between firms and Universities
- 8.23 David Donkin confirmed that Knowledge Transfer Partnerships have been a big success and should deliver significant economic benefits for the city. Such a transfer of knowledge should lead to additional private sector investment and job creation either through the commercialisation of Intellectual Property and spin off businesses.

Graduate Internship Scheme

- 8.24 The Graduate Internship Scheme involves a graduate being placed in a business in order to develop appropriate skills and experience for a graduate level career. The scheme is open to small and medium sized private sector organisations. The scheme enables businesses, the University and graduates to work together to deliver a practical approach to graduate employment. Business receive a financial contribution to employ a recent graduate on a six moth fixed term contract. They also receive high quality graduate expertise and new ideas and energy in the workplace. The graduate receives a six month paid graduate level job, the opportunity to develop a range of skills essential to career development and valuable work experience that should help to secure future employment. Again, David Donkin referred to the popularity and potential of the Graduate Internship Scheme.

- 8.25 While the condition of the local jobs market and the prospect for employment is a key factor in encouraging retention, it is important to remember that there are a number of other factors at work including the availability of high quality housing and education, good shopping facilities, access to an attractive local environment and a vibrant cultural scene.
- 8.26 Clearly the issue of student retention is a major issues for the long term economic welfare of the city. We feel that it would be useful for the University to conduct further research into the factors surrounding the levels of retention of students; including the influence of the local jobs market and job opportunities.

Buildings

- 8.27 During our visit to the University, we saw at first hand the scale of the capital investment in the city. We also met with Phil March, Director of Facilities who outlined the progress made to date and the plans for the future.
- 8.28 This has included:-
- £8.5m investment in Phase 1 of the Sciences Complex supporting the University's excellence in Pharmacy and Health through improved facilities and equipment;
 - The Gateway – a £4m regeneration of the 1960's teaching building to create a one stop shop for student support services;
 - £12m investment in CitySpace to provide an innovative campus hub for sports, social and events activities;
 - £5m phased programme for regeneration of the campus library to provide an innovative and accessible learning environment;
 - £2m investment in new equipment at the David Puttnam Media Centre to further enhance the centre which now incorporates a 200 seater cinema, radio station and TV studios;
 - Sports and social facilities for students, staff and the Sunderland community
 - Exhibition, performance and conference capability
 - Design awards
- 8.29 The University has also established an events and conferences business under the "Unispace" brand which was launched in Autumn 2011. This aims to raise the profile of Sunderland as an events destination and create demand for complimentary facilities (such as hotel and leisure). It is an important vehicle for making people more aware of facilities such as the Murray Library which has a tiered lecture theatre seating up to 250 delegates and substantial social space, the National Glass Centre which

has meeting and events faculties for up to 300 delegates and the Prospect Building at St Peters Campus which has 3 state of the art lecture theatres seating up to 384 delegates.

8.30 The University has also a number of planned developments for year ahead, including:-

- £6.8m investment in the Priestman Building
- New café, exhibition and gallery space
- Public realm improvements
- £2.5m investment in the National Glass Centre – relaunch planned for 2013;
- High quality exhibition and gallery space
- New 125 bed hotel on the city campus
- Improved student accommodation
- Visitor attraction enhancements
- Development of an outdoor theatre on the open space at the City campus
- Creative industries hub

8.31 One area that it was felt could be developed was the need to take measures to encourage the public to make better use of the facilities at the University. While a great deal of development had taken place, it seemed likely that many would be unaware of the kinds of facilities available. We feel it is very positive that the University is so keen to attract a greater number of people to make use of the University's facilities for outside events.

Public Realm and Linkages to the City Centre

8.32 From our visit, we saw the way in which the University has already worked with the Council to improve the standard of public realm in the city. The Committee also look forward to further progress in this area. During our visit to Sheffield Hallam University, we were very impressed by the way in which public realm works had improved the attractiveness and quality of the local environment and contributed to the on going regeneration of the city. We feel that the improvements in public realm in the city are a concrete example of the University using its capital assets to help regenerate the city centre.

8.33 During our discussions, both Prof Fiddler and Phil March stressed the importance of developing linkages between the University and the town centre. The University see the need to encourage students to come to the City and to join the University to the city centre. This includes opening up a route from St Peters to link with Minster Square. The University was also

keen that the Council and the University should work together to improve any barriers to access and the road network around Chester Road and St Michael's Way.

- 8.34 Clearly, the level of resources available to progress such work is limited at the present. However, the Committee was impressed by the commitment of the Council and the University to make progress and work together in order to make the most of available resources and to deliver and continue to deliver on their plans.

A couple of quotes summarise the progress made that has been made:-

“the design of the new City Campus has changed the landscape of the centre of the city. It has made the University accessible to the public. The University is saying it is more than just an educator. It is saying it is a true civic partner and is proactively encouraging its community to interact with it.”

“ the University has been instrumental in delivering regeneration on a wider civic scale. The on going investment in the City Campus in particular has seen further integration of the University and its students and staff into the city centre, adding to the vibrancy and supporting its economic well being.”

- 8.35 The Committee was also impressed by another example of joint working that is developing links within the city. In this case it is the low carbon bus partnership between the University, the Council and Nexus. The bus service is clearly popular with local students and will hopefully be the first in further initiatives to improve transport links in the city.
- 8.36 As well as the more direct economic benefits that the University provides for the city, there are also a number of other equally significant indirect benefits. These include support for local businesses through business advice, promoting local competitiveness and innovation, research and development, the provision of accommodation and facilities, knowledge transfer and placements and help with business start ups.

Engaging with Business

- 8.37 During our visit the University, we discussed the importance of developing links with local businesses in order to provide advice, guidance and support where it was required. We saw at first hand the range of schemes and initiatives aimed at promoting business development within the city. We also heard about the importance of working in partnership in order that we can best find out the needs of business and who would be the right people to assist. Often companies are not totally clear as to the help which

they require and that it was frequently a question of having a general discussion about overall needs and teasing out the kind of help that could be required. David Donkin noted that a great deal of time was devoted to actually recruiting companies as compared to actually delivering assistance and that this balance needed to be reversed. It was hoped that the Enterprise Hub should help by co-locating the people who actually work and provide advice to business.

Innovation Vouchers

- 8.38 Another way in which the University seeks to engage local business is through the introduction of Innovation Vouchers. Innovation Vouchers allow companies to buy support from the University which can be put toward the cost of designing products, improving processes and developing business models. While only recently introduced, the vouchers had so far proved a great success.
- 8.39 It was recognised that more needed to be done to encourage business to work with the University. At the present time only a relatively small percentage of firms actually collaborate with the University and there was therefore considerable scope to expand. It was often the case that business was only interested in working with the University when they felt that there was a clear, tangible benefit to them – even though experience had shown that businesses that collaborate with universities generally perform better than those who do not.

SCM Pharma

- 8.40 As an example of the way in which the University has developed links with the business sector in an innovative and exciting way, the Committee spoke with a representative from SCM Pharma. SCM Pharma work in the pharmaceutical industry developing drugs for other companies. Due to the nature of their industry, the company work in a tightly controlled environment. Following an informal discussion with representatives from the University, the firm took some available space at the University in order to undertake research. The firm was attracted by the excellent reputation of the University in Pharmacy and the excellent facilities on offer. However, the firm was not only attracted by the University's academic excellence but also by the vocational approach and the high standard of support. Being on site allowed the firm to have close access to the academic knowledge available and helped promote the transfer of ideas and innovation. While many small firms had innovative ideas, they often needed assistance to develop their ideas and transform their knowledge into something practical.

- 8.41 The experience of working with SCM Pharmacy demonstrated the benefits of focusing on areas of academic excellence and the considerable capital outlay that had been directed to Pharmacy. We were told that the University had invested £8m into their sciences complex and laboratories and were able to offer the very best facilities for teaching, learning and research in pharmaceuticals and related science subjects.
- 8.42 During a tour of the facilities, the Committee saw at first hand the considerable investment in equipment which meant that laboratory was now the best in the country. It was felt that these provide students with access to the best facilities available which not only equips them for the world of work but makes it more likely that they will be able to obtain subsequent employment.
- 8.43 The Committee was most impressed by this interesting and innovative approach to working with local businesses. It was felt the University should do all it can to better publicise and promote these successes.

Institute of Automotive and Manufacturing Advanced Practice (AMAP) and support for the Automotive Sector

- 8.44 During our visit to the University, we spoke to Adrian Morris, Operations Manager on the role and support to business provided by AMAP, particularly in the automotive industry.
- 8.45 AMAP specialises in research and development, knowledge transfer and teaching. They work with major companies such as Nissan but also work with smaller firms. This work is centred on the practical application of knowledge and they provide firms with practical support and also students with practical experience and placements.
- 8.46 In terms of research and development, AMAP work with a range of partners from the private and public sectors. Recent work includes car travel range extension using on board hydrogen generation, an evaluation of the EV Fleet and research and development into the use of fuel cells.
- 8.47 In terms of knowledge transfer, the University has managed a project with Nissan and their supply base known as GRASP (this has recently been replaced by Sunderland Campus). In this, 14 students studying for Masters Qualifications were placed with Nissan – and all were subsequently offered job contracts.
- 8.48 AMAP also offer Knowledge Transfer Partnerships (KPT's) and are currently seeking Regional Growth Fund support to work on a large multi company scheme.

- 8.49 AMAP carries on extensive contracting work and is much in demand for the high quality of its faculties and expertise areas such a quality management systems. AMAP also provides expertise and guidance to teaching areas such as MSc LSV technologies, BEng/BSc and Foundation degrees. The University has also recently launched a new academic programme in low carbon technologies
- 8.50 In the future, the AMAP would be looking to develop closer links with local FE Colleges so their work can be extended and developed.

Culture and Creative Industries

- 8.51 The Committee heard that in field of Cultural and Creative Industries, the University was working closely with the Council in order to develop a strategy that will help support and encourage new businesses. The Cultural and Creative sector was seen as an area of the local economy with considerable growth potential for the future.
- 8.52 During our visit to the University, we spoke to Shirley Wheeler, from the Design Department on the development of Creative Industries in the city and the work of the Design Hothouse.
- 8.53 The emphasis was on adopting a flexible approach and tailor student learning plans and business solutions to the needs of individuals and organisations. The University had commissioned work on the creative services sector. This found that there were approximately 640 companies in the creative industries sector. 80 were individuals rather than businesses. Around 2,500 people were employed in creative industry and the turnover was in the region of £136m. However, it was recognised that there remained a great deal of potential for creating new jobs.
- 8.54 A lot of work was concentrated on the fields of accessories and jewellery and this had demonstrated good employment prospects. Work was going on to further develop regional connections with businesses.
- 8.55 The University also operated a project entitled Hot House which provided an opportunity for students to work with local businesses on design and packaging. However, it was stressed that every project was intended to provide a learning opportunity for the student and potentially provide a useful placement experience. Any firm was closely vetted but this ensured that success rates were high and that the students received a positive learning experience.
- 8.56 The Committee also heard about a project entitled Media Safi whereby two former students had set up their own NEET training business and were located within the University. The scheme used creative techniques

to enable people to “learn by stealth”. The project had been highly successful and had been nominated for awards. The Committee were greatly impressed by the innovative and exciting nature of the project.

8.57 The Committee was most impressed by the facilities on offer at the David Puttnam Media Centre which now incorporates a 200 seater cinema, radio station and TV studios. The facilities clearly have a lot of potential provide a high quality learning experience for students and as a resource for the people and businesses in the city. The Media courses have strong reputation nationally and most students are able to access jobs. However, it was vital that job opportunities were available locally, otherwise graduating students would be forced to leave the area.

8.58 The Committee also spoke with the Tobias Barker, President of the Students Union on their role in the creative and music field and their input in the development of the local economy in general. It was noted that the University was a major entertainment provider in the city and that the student population contributed greatly to the economic well being and vibrancy of the city centre. It was hoped that this could be further build upon through strengthening the link between the student union building and the city centre. It was noted that existing links included:-

- Music in Sunderland Group (links with SPLIT, Independent, City Council, Sunderland LIVE)
- Stadium of Light Concerts Marketing Group
- Nighttime Economy (North Shore, Passion, Freshers, Walkabouts)
- Volunteering (Red House, Groundworks, Book Aid for Africa)

8.59 In terms of future plans the Student Unions prioritised the:-

- Development of a physical presence in the city centre – Students Unions building
- Position North Shore as a city venue
- Increase volunteering and community work
- Extend the student voice into the city (as residents)
- Increased community involvement and outreach
- Increased retention of graduates to area

Software Hatchery

8.60 During our visit to the University, the Committee also undertook a tour of the University’s Software Hatchery Incubator. It was noted that the University has significant expertise in software and is a key partner in the Software City initiative. The Software City initiative aims to develop:

- The skills of the areas IT workforce
- Support to allow companies to grow more quickly
- Connections that can make the area a hub for new start ups.

- 8.61 The Hatchery Business Incubator provides support for people who were interested in starting a business. The scheme allows students to set up mini projects and work with other students to support one another. The scheme was designed to develop useful and practical projects but also develop a person's employability skills and make them more attractive to potential employer.
- 8.62 The Software Hatchery provides office space, faculties and mentoring to graduates and entrepreneurs with innovative software business ideas. It also provides the opportunity for networking with potential funders, developers and partners.
- 8.63 At the present time, 32 students use the hatchery. Employment prospects in the field of software are strong with a high success rates for new companies. Once new ventures have grown sufficiently then their development path would be to software city. It was hoped that people involved in the Hatchery would go on and expand into a network of self supporting groups.
- 8.64 While student start-up companies were currently small in numbers in the grand scheme of things they did have the potential to grow particularly in terms of start-ups in the software and creative and cultural sectors of the economy.

9 Conclusion

- 9.1 The 'new kind of university city' envisaged in Aim 1 of the Economic Masterplan is based explicitly on collaboration between the public sector, private enterprise, the University of Sunderland and other related institutions. If there is a predominant and reoccurring theme to our review, it has been the importance of collaborative working between the Council, University and their partners in order to make the most of the expertise of individual organisations and also to make the most of available resources.
- 9.2 The University occupies a key role in the local economy. The contribution of students, both local and international and those who choose to work in the region after completing their studies helps to shape the local economy and its culture. A large proportion of the income of many businesses in the leisure, retail and catering industries is derived from the student population and this is essential for a vibrant city centre and nighttime economy. The University is a willing partner in the Economic Masterplan and is seeking ways to increase its impact on the local economy.
- 9.3 The Council and the University should continue to work closely together in order to improve the buildings and public realm of the city. There is scope to improve linkages and connections with the city centre. In this way, the University will be better linked with the rest of the city. Both the University and Council are working closely to help secure a more vibrant city centre.
- 9.4 The retention of graduates is an important issue for the city. It is clear that insufficient economic opportunities are responsible for younger people leaving Sunderland to find higher skilled and higher paid employment opportunities elsewhere. It is important that we know more about the factors influencing retention rates and the means by which they can be increased.
- 9.5 There is a clear need for the Council and the University to work together with business to improve skill levels and local growth. Workforce skill levels are a critical contributor to the success of any business and many within the north east suffer from skill shortages and require up to date high level skills to remain innovative. The University is a key element in the skills supply chain with local businesses integrating placements, internships and employment opportunities for its students and graduates to help promote innovation and growth.
- 9.6 The recent recession has highlighted the need to create new economic opportunities for the city. The North East region, especially its construction and manufacturing industries have been hit hard. The city's economy will need to be stronger and more resilient if it is to provide jobs for future generations. The Economic Masterplan points the direction for the

- economic opportunities for the city; including software, offshore energy generation and electric vehicle production.
- 9.7 Intellectual capital is vital to the future economic prosperity of the city. Sunderland has a strong further and higher education sector. As we have seen, the University already does much to support business innovation for example through the Institute of Automotive and Manufacturing Advances Practice and the Sunderland Media Centre. It also has a Software Hatchery and “Creativeworks that supports start up businesses in creative industries.
- 9.8 Universities can also help to drive cultural change in the city through engaging with their business and resident communities. The University of Sunderland is particularly well placed for this since it already has an entrepreneurial orientation and is well regarded by local business and government.
- 9.9 It is important for the Council and the University to make the business community more aware of the ways in which they can work with and benefit business. The University can play a role in business support within the City - but we must be mindful that this is not the core role of the University which is and will always be teaching.
- 9.10 More effective marketing of University services to business can increase the proportion of local businesses collaborating with the University. Methods to increase participation could include University-led business clubs and sector specific support networks.
- 9.11 The University can develop a more open approach to innovation making the results of its research more accessible to local companies at an earlier stage in an effort to improve products and services and their route to market more quickly.
- 9.12 In terms of publicity and marketing there is a role for Universities to get the message across that the University has an important role to play.
- 9.13 The University can monitor the need for new types of qualification in a changing local economy and respond with products at appropriate levels, for example, new Foundation Degrees, new high level apprenticeships and a wider range of professional qualifications.

10 Recommendations

1. The Council and University continue to investigate means of developing partnership working around Aim 1 of the Economic Masterplan in order to coordinate work on business growth and economic development and to make the most of available resources;
2. That the University, Council and other delivery partners continue to work together to ensure that business advice and guidance is provided in a coordinated and complementary manner along the lines of a one stop shop approach;
3. That the University looks to further develop its links with the City's business community and increase its understanding of the needs of local businesses and the ways in which it can respond with appropriate expertise, support and guidance including through a large scale networking event or a high profile trade fair;
4. That the University should work to promote its profile in the city and better publicise and market its considerable strengths and successes including through the development of a promotional document summarising its contribution to the local economy and economic regeneration in the city and the region;
5. That the University conduct further research into the factors surrounding the levels of retention of students; including the influence of the local jobs market and job opportunities;
6. That in order to further the economic growth and prosperity of the city, the University continue to work with partners in order to monitor and react quickly to help meet local skills requirements and to continue to develop links with local Further Education Colleges and schools;
7. That the Council and the University work closely together to develop ways of linking and integrating the city campus to the rest of the city centre, improve access to the University around Chester Road and St Michael's Way and continue to improve the quality of the public realm.

WORK PROGRAMME 2011-12

REPORT OF THE CHIEF EXECUTIVE

Strategic Priorities: SP3 – Prosperous City

Corporate Priorities: CIO1: Delivering Customer Focused Services, CIO4: Improving partnership working to deliver ‘One City’.

1. Purpose of the report

- 1.1 The report attaches, for Members’ information, the current work programme for the Committee’s work during the 2011-12 Council year.
- 1.2 The work of the Committee in delivering its work programme will support the Council in achieving its Strategic Priorities of a Prosperous City, support delivery of the related themes of the Local Area Agreement, and, through monitoring the performance of the Council’s services, help the Council achieve its Corporate Improvement Objectives CIO1 (delivering customer focussed services) and CIO4 (improving partnership working to deliver ‘One City’).

2. Background

- 2.1 The work programme is a working document which the Committee can develop throughout the year. The work programme allows Members and officers to maintain an overview of work planned and undertaken during the Council year.

3. Current position

- 3.1 The work programme reflects discussions that have taken place at the 16 June 2011 Scrutiny Committee meeting. The current work programme is attached as an appendix to this report.

4. Conclusion

- 4.1 The work programme developed from the meeting will form a flexible mechanism for managing the work of the Committee in 2011-12.

5 Recommendation

- 5.1 That Members note the information contained in the work programme and consider the inclusion of proposals for the Committee into the work programme.

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE WORK PROGRAMME 2011/2012

REASON FOR INCLUSION	JUNE .06.11	JULY 27.07.11	SEPTEMBER 12.9.11	OCTOBER 26.10.11	DECEMBER 14.12.11	JANUARY 18.01.12	FEBRUARY 29.02.12	APRIL 18.04.12
Cabinet-Referrals and Responses			Response to the 10/11 Policy Review – Low Carbon Economy			Wearmouth Masterplan - Consultation		
Policy Review	Annual Work Programme and Policy Review 2011/2012 (JD)	Policy Review - Scoping Report - Aim 1 of Economic Masterplan – University City (JD) Policy Review – Scene Setting (JD)	Policy Review – Evidence Gathering (JD) Visit to Port (JD)	Policy Review - Evidence Gathering – Links with Business	Policy Review – Evidence Gathering (JD) Visit to example of best practice – Sheffield Hallam University (VT)	Policy Review – Evidence Gathering (JD) LEP Special Meeting – Proposal (JD/VT)	Policy Review Progress Report (JD) Visit to University of Sunderland (JD)	Policy Review: Draft Report (JD) Portas Report (Lee Cranston)
Performance			Performance Q1 (Mike Lowe) Progress on Previous Policy Reviews (JD)		Performance Q2/ Policy Review Progress (Mike Lowe)			Performance Q3 (KDP)
Scrutiny	City Centre Improvement Programme – Support for Business(GF) Seaburn Masterplan (KL) Forward Plan (SA)	Work Programme (JD) Forward Plan (JD)	Work Programme (JD) Forward Plan (JD)	North East Chamber of Commerce (Jonathan Walker) Review into Tourism – Feedback (JH) Port of Sunderland – Feedback from Visit (JD) Work Programme (JD) Forward Plan (JD)	Welfare Benefits (Fiona Brown) Work Programme (JD) Forward Plan (JD)	Work Programme (JD) Forward Plan (JD)	New Wear Bridge Crossing (VT) Work Programme (JD) Forward Plan (JD)	Sub National Economic Development - LEP (Vince Taylor) – (Special Meeting) Work Programme (JD) Forward Plan (JD)
CCFA/Members items/Petitions								

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

FORWARD PLAN – KEY DECISIONS FOR THE PERIOD

REPORT OF THE CHIEF EXECUTIVE

18 April 2012

1. Purpose of the Report

- 1.1 To provide Members with an opportunity to consider those items on the Executive's Forward Plan for the period 1 April 2012 – 30 July 2012.

2. Background

- 2.1 The Council's Forward Plan contains matters which are likely to be the subject of a key decision to be taken by the Executive. The Plan covers a four month period and is prepared and updated on a monthly basis.
- 2.2 Holding the Executive to account is one of the main functions of Scrutiny. One of the ways that this can be achieved is by considering the forthcoming decisions of the Executive (as outlined in the Forward Plan) and deciding whether Scrutiny can add value in advance of a decision being made. This does not negate Non-Executive Members ability to call-in a decision after it has been made.
- 2.3 Members requested that only those items which are under the remit of the Committee be reported to this Committee. The remit of the Committee covers the following themes:-

Inward Investment and Business Support; Regeneration; Improving employability; Encouraging economic prosperity; Boosting the skills and knowledge level of the workforce; City Centre; and Marketing & Tourism.

- 2.4 In the event of Members having any queries that cannot be dealt with directly in the meeting, a response will be sought from the relevant Directorate.

3. Recommendation

- 3.1 It is recommended that the Committee considers the Executive's Forward Plan for the period 1 April 2012 to 30 July 2012.

4. Background Papers

- 4.1 Forward Plan for the period 1 April 2012 – 30 July 2012.

Contact Officer: Jim Diamond, Scrutiny Officer
0191 561 1396
james.diamond@sunderland.gov.uk

Forward Plan - Key Decisions for the period 01/Apr/2012 to 31/Jul/2012



**E Waugh,
Head of Law and Governance,
Sunderland City Council.**

14 March 2012

Forward Plan: Key Decisions from - 01/Apr/2012 to 31/Jul/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to Contact	Officer	Tel No
01561	To approve the Highway Maintenance Programme for 2012/13.	Executive Director of City Services	18/Apr/2012	Member with Portfolio for Attractive and Inclusive City; Utility Companies; Elected Members;	Meetings; Correspondence	Via the Contact Officer by 20 March 2012 - Environment and Attractive City Scrutiny Committee	Key Delegated Decision and Report	Graham Carr, Highway Asset Manager	5611298
01558	Agreed to dispose of Council property at St Marks Road.	Deputy Chief Executive	18/Apr/2012	Head of Law and Governance	Report on disposal	Via the Contact Officer by 20 March 2012 - Management Scrutiny Committee	Cabinet Report	Nick Wood	5612631
01567	To approve the 2012 Strategic Housing Land Availability Report (SHLAA)	Cabinet	18/Apr/2012	Cabinet, Council Directorates	Circulation of draft Cabinet paper	Via the Contact Officer by 20 March 2012 - Environment and Attractive Scrutiny Committee	SHLAA Report	Neil Cole	5611574

Forward Plan: Key Decisions from - 01/Apr/2012 to 31/Jul/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to Contact	Tel No
01569	To approve the 2012 Employment Land Assessment Update	Cabinet	18/Apr/2012	Cabinet, Council Directorates	Circulation of draft Cabinet paper	Via the Contact Officer by 20 March 2012 - Environment and Attractive Scrutiny Committee, Prosperity and Economic Development Scrutiny Committee	ELA Report	Neil Cole 5611574
01566	To approve the Local Development Framework Core Strategy Draft Preferred Option.	Cabinet	18/Apr/2012	Cabinet, Council Directorates	Circulation of draft Cabinet paper	Via the Contact Officer by 20 March 2012 - Environment and Attractive Scrutiny Committee, Prosperity and Economic Development Scrutiny Committee, Sustainable Communities Scrutiny Committee	Core Strategy Preferred Option, Sustainability Appraisal, Rejected Options Report	Neil Cole 5611574
01568	To approve the 2012 Retail Needs Assessment Update	Cabinet	18/Apr/2012	Cabinet, Council Directorates	Circulation of draft Cabinet paper	Via the Contact Officer by 20 March 2012 - Environment and Attractive Scrutiny Committee	Retail Needs Report	Neil Cole 5611574

Forward Plan: Key Decisions from - 01/Apr/2012 to 31/Jul/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to Contact	Officer to be considered	Tel No
01564	To approve the new Landlords Accreditation Scheme.	Cabinet	20/Jun/2012	Cabinet, Service Users and Ward Members, Portfolio Holders	Briefings and/or meeting with interested parties	Via the Contact Officer by 21 May 2012 - Sustainable Communities Scrutiny Committee	Full Report	Alan Caddick	5662690