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MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Economy and Development Select Committee held
at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Thursday, 26th April,
2018 at 10.00 am**

PRESENT: County Councillor P.Pavia (Chairman)
County Councillor D. Blakebrough (Vice Chairman)

County Councillors: J.Becker, D. Dovey, R.Roden, B. Strong,
A. Watts and V. Smith

OFFICERS IN ATTENDANCE:

Kellie Beirne	Deputy Chief Executive
Cath Fallon	Head of Economy and Enterprise
Hazel Ilett	Scrutiny Manager
Paula Harris	Democratic Services Officer
Mark Hand	Head of Planning, Housing and Place Shaping
Rachel Lewis	Planning Policy Manager
James Woodcock	Business Insights Manager

1. Apologies for absence.

County Councillor A. Davies and M. Feakins.

2. Declarations of Interest.

None.

3. To confirm the minutes of the previous meeting.

The minutes from the previous meeting held on the 15th March 2018 were agreed by the committee and signed by the Chair.

4. Public Open Forum.

There were no members of the public wishing to address the committee.

We were joined in the Chamber by County Councillors Gwilym Williams, Karen Laurie Parry and Roger Williams from Powys County Council who were observing.

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5. Economies of the future analysis update.

Context:

To present the findings to date of the current 'Economies of the Future Analysis' for discussion.

Key Issues:

Monmouthshire is entering an exciting time in its history. With the approval in the Cardiff Capital City Region ('CCR') to establish a Joint Cabinet to oversee the Region's economic growth City Deal agenda, and the announcement by UK Government to remove the Severn Bridge Tolls in 2018, Monmouthshire is set to be a key economic growth area in the CCR.

However;

- Over 40% of the resident population out-commute;
- House prices are rising with South Monmouthshire prices increasing by 10% in comparison to the 2% Wales average over the last five years and average house prices £80,000 more than the Welsh and UK average;
- By 2035 there will be 184% more people over 85 years old whilst population levels of young people are set to diminish;
- The Local Authority's budget is set to decrease by a further £14m over the next four years.

In order to capitalise on the forthcoming regional opportunities and address our economic issues at a county level, in December 2017 research was commissioned to help the Authority build on its current economic development strategy and identify a new strategy that is future ready. The research takes the Baseline Economic Analysis for South East Wales 2015 and the Monmouthshire Digital Maturity Analysis of 2016 as its baseline data, considers the priorities and actions detailed in the current Monmouthshire Business Growth and Enterprise Strategy and then identifies economic opportunities and growth sectors that will provide jobs for our communities in the future.

The research also considers the centricity of Monmouthshire in terms of its proximity to the English borders of the South West including Bristol and Gloucester and the West Midlands on its north-eastern border, whilst also identifying the supporting housing and commercial infrastructure that will be required to facilitate identified economic growth sectors and inform the future Local Development Plan.

Specifically the research has focused on:

- The most appropriate growth sectors that will provide the economies of the future for Monmouthshire;

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- The provision of a detailed observational study of the accommodation and locational needs of the identified growth sectors;
- An assessment of the suitability and deliverability of existing employment sites as identified by the Local Development Plan;
- Other potential employment sites that can be put forward as options for consideration in the Local Development Plan process;
- An indication of the skills sets that will be required to address the growth sector needs and whether it is feasible for Monmouthshire citizens to meet these needs or whether the County needs to look to attract labour from elsewhere, if so where?;
- An assessment of whether current population levels can sustain the economic growth required in the county;
- Potential inward migration required to develop and sustain the identified growth sectors;
- Potential locations for a new settlement that can be put forward as options for consideration in the LDP revision process.
- Modelled scenarios and associated ambition targets, to include current and predicted geodemographic segmentation analysis;
- The additional infrastructure required to service the changing demographic and economic landscape over and above residential and commercial property.
- An assessment of the identified economic and population impact on existing retail sectors, taking account of the 'Monmouthshire Retail Expenditure Forecasts Update 2016' with a view to identifying potential growth and development opportunities for the county; and the
- Impact of inward migration on indigenous population and house prices and the mitigation that will need to be built in to offset any negative impact.
The purpose of the research is to provide a draft, scalable inward investment strategy that will determine the most cost effective method to attract these new growth sectors into Monmouthshire.

3.4 The report provides an overview of findings to date which will form the basis of a Member's Seminar on the 11th May 2018. However, detailed below are some key statistics which have been found to date namely:

- Economy (Gross Value Added) in the last 15 years has performed below its full potential – lower growth than comparators since 2006 - this is mirrored by employment trends;

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- Small scale of the economy, when compared to CCR, in terms of population, employment and number of businesses;
- Population age structure is strikingly low on working age groups in relation to comparators which means that it is not geared towards strong economic growth;
- Median age is 48 – the oldest in CCR (Cardiff, the youngest, has a median age of 34) - which if unchanged will result in the future economic inactivity rate growing.

Initial conclusions therefore, are as follows:

- Current employment forecasts are low – driven by low population growth, demographic age profile and scale of economy;
- Significant growth will therefore need to come from out of county i.e. inward migration and inward investment;
- The economy can do better than the baseline but not from its existing structure.

An alternative approach will therefore be required in order to develop radical policies that enable higher economic growth and increase productivity.

Member Scrutiny:

A Member of the committee commented on the need for balance in what we develop and what we preserve so that we get the right sort of developments for the County. It was asked if we had data from residents as to why they moved to and stay in Monmouthshire.

The report states that forty percent of residents travel out of the county for work and it was asked if we had a breakdown of the employment profile and does it suggest what jobs we do need to develop in Monmouthshire.

The population age structure suggested a large gap forming with the number of over seventy fives increasing which will put a massive pressure on our social care services, which is already under stress. It was asked what are the barriers to working age people living in Monmouthshire, particularly the under forty fives.

The question of digital inclusion was raised with people wishing to work from home and set up small businesses and currently the lack of infrastructure is a huge block.

A Member commented that when talking to residents their reason for living in Monmouthshire is mainly due to the quality of life. The issue for the existing population of Monmouthshire is affordability and the growing deprivation and child poverty which needs to be addressed. When talking of a new settlement within the county it was asked how we could ensure affordable housing is available, will we be building council or social houses and how many would be built.

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A Member commented on the deprivation in their ward with approximately thirty percent of children living in deprivation and asked what is the future strategy for greater social mobility in Monmouthshire.

With recent changes such as the abolition of bridge tolls and the CCR deal it was questioned if the baseline data correct.

It regard to the economy of Monmouthshire slipping in the last fifteen years in in terms of growth when compared with comparators, it was asked if the comparators were rural or semi-rural counties like ourselves and what metrics we have on their development.

A Member noted the young people leaving the county to go to university and returning to the county as a focus but asked what we were doing to address the skills shortage in trades, especially with construction jobs needing to be filled imminently.

In regard to the perception of underperformance it was asked what have been the critical issues which have seen our economy underperform and has further analysis been undertaken from the research.

Committee's Conclusion:

It was felt that getting the right balance is crucial and an integral part of the LDP process.

Members praised the synergy between planning and economic development colleagues and hoped that would increase positive outcomes.

The challenges and barriers to growth need to be addressed, namely broadband and this committee will speak to Welsh Government at the 19th July on this matter.

Affordability and affordable housing is an issue but as raised by a member of the committee there are challenges on both ends of the spectrum.

Further survey work needs to be done with residents to understand the economic draws for themselves and their families. Inequalities and the need for social mobility to be addressed.

The development of the curriculum and identifying the skills shortages needs to be focussed on.

It is hoped that the Committee has provided feedback to inform the Member's workshop to be held on the 11th May 2018.

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6. Presentation on the City Deal - Progress Update.

The Committee received a presentation on the progress of the City Deal from Kellie Beirne, Deputy CEO.

Member Scrutiny

A Member asked what we are doing to create a community for worker from the high value jobs and are we pitching Monmouthshire as an attractive environment.

In regard to a cyber security academy, it was asked if we have timescales for the implementation.

It was asked if there was any interaction between the Bristol and Cardiff city deals.

The growth of the semi-conductor industry was applauded and it was asked if we are encouraging associated industries into the locality.

A Member asked what is the life span of the semi-conductor industry and would the Brexit deal effect the growth.

It was asked how we would address any skills gap so that high level jobs are created and filled locally.

In regard to the evidence of growth, it was asked why we are not being included in the second phase broadband roll out to avoid falling further behind.

Entrepreneurs need pace and it was asked if the City Deal will be an enabler.

The major impact on the south of the county has been recognised however there are concerns of how the north of the county will benefit and it was asked how we could best obtain benefit for all.

The Severnside economy was raised as a concern and it was asked what we can do to best encourage technology businesses into the area.

It was asked if we have contingencies in place if the market changes.

In regard to future governance it has been identified that we need a formal joint scrutiny arrangement and members were advised that an elected member from MCC would need to be nominated to sit on the joint scrutiny committee. The scrutiny manager will bring a report to the next committee meeting outlining the role.

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7. List of actions arising from the previous meeting.

Noted.

8. Economy and Development Forward Work Planner.

We received the Economy and Development Select Committee Forward Work Programme. In doing so, the following points were noted:

- Workshops on the 11th and 15th May.
- Marketing Monmouthshire
- Broadband
- People Strategy
- Digital Strategy
- Strategic assessment management plan including the asset invest policy
- Procurement Policy
- Commercialisation Strategy
- Finance Strategy

County Councillor Jez Becker advised that on the evening of the 14th 2018 Lord Clement Jones will be at the Drill Hall to discuss A.I. and the effect on the economy and all are welcome.

9. Council and Cabinet Business Forward Work Programme.

We received the Council and Cabinet Business Forward Plan and noted its content.

10. Next meeting.

The next Economy and Development Select Committee meeting will be held in the Council Chamber, County Hall, Rhadyr, Usk, on Thursday 7th June 2018 at 10.00am.

The meeting ended at 12.17pm

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