Gloucestershire Economic Growth Scrutiny Committee	
Wednesday 17 November 2021 at 1.30 pm	
Council Chamber, Gloucester City Council	
AGENDA	

3	**MINUTES** (Pages 1 - 10) To confirm the minutes of the meeting on 15 September 2021.	Chair

Membership – *Cllr Rebecca Halifax, Cllr Dominic Morris, Cllr Robert Vines, Cllr Roger Whyborn, Cllr Matt Babbage (Chair), Cllr Sajid Patel, Cllr Alastair Chambers, Cllr Chloe Turner and Cllr Paul Baker Cllr Nicky Packer, Cllr Paul McCloskey, Cllr John Murphy and Cllr Gina Blomefield*

(a) **DECLARATIONS OF INTEREST** – Members requiring advice or clarification about whether to make a declaration of interest are invited to contact the Monitoring Officer, (Rob Ayliffe Tel:01452 328506/ e-mail: rob.ayliffe@gloucestershire.gov.uk) prior to the start of the meeting.

(b) **INSPECTION OF PAPERS AND GENERAL QUERIES** - If you wish to inspect minutes or reports relating to any item on this agenda or have any other general queries about the meeting, please contact: Sophie Benfield, Democratic Services Adviser ☎:01452 324094/ e-mail: sophie.benfield@gloucestershire.gov.uk

(c) **GENERAL ARRANGEMENTS**
1 Members are required to sign the attendance list.
2 Please note that substitution arrangements are in place for Scrutiny (see page 81 of the Constitution).

(d) Please note that photography, filming and audio recording of Council meetings is permitted subject to the Local Government Access to Information provisions. Please contact Democratic Services (Tel 01452 324202) to make the necessary arrangements ahead of the meeting. If you are a member of the public and do not wish to be photographed or filmed please inform the Democratic Services Officer on duty at the meeting.

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GLOUCESTERSHIRE ECONOMIC GROWTH SCRUTINY COMMITTEE

MINUTES of a meeting of the Gloucestershire Economic Growth Scrutiny Committee held on Wednesday 15 September 2021 at the Council Chamber - Shire Hall, Gloucester.

PRESENT:

Cllr Rebecca Halifax	Cllr John Murphy
Cllr Robert Vines	Cllr Gina Blomefield
Cllr Roger Whyborn	Cllr Sajid Patel
Cllr Matt Babbage (Chair)	Cllr Chloe Turner
Cllr Paul McCloskey	Cllr Paul Baker (Vice-Chair)

Officers in attendance: David Owen, Simon Excell, Colin Chick, Nigel Jobson, Andy Sanders and Neil Hopwood

Apologies: Cllr Dominic Morris, Cllr Nicky Packer, Mike Dawson, Angela Presdee and Cllr Alastair Chambers

2.   DECLARATIONS OF INTEREST

No declarations were received.

3.   MINUTES

The minutes of the meeting held on 9 June 2021 were approved.

4.   FUTURE OF THE HIGH STREET

The first presentation for this item was from Nigel Jobson, Chief Commercial Officer at Maybe*. Members noted the following points:

- Maybe* had been established in Gloucestershire for four years and aimed to provide businesses with the tools needed to engage their customers and reach new audiences digitally.
- It was also part of the Government's High Street Task Force which was a five year contract to supply social media data.
- The presenter had recently visited an Amazon Go store which was a good example of company's direction of travel. Amazon had realised physical retail was still a huge part of the sector (it accounted for 75-80% of all transactions in a retail environment) but there was still a need for change and modernisation.
- The store did not require the customer to touch anything apart from the items they were purchasing. Cameras would track the individual and charge via their amazon account once they left the store.
- One of the main benefits of this was Amazon could then feed this purchase into their 'suggestions' marketing, 25% of all their transactions resulted from making suggested buys to their customers linked to previous purchases.

- The key for any business was to identify who their customers were and how they could continually engage with them.
- Primark was another good example of using digital data to their advantage. They made the best use of social media by talking/replying directly to their customers and joining online conversations that involved their products/stores. They then used this as an opportunity to steer customers into their physical stores.
- Maybe* had an integration with Google My Business which enabled them to gather data on the 3.8m businesses who had a Google My Business profile (their locations/opening hours etc.). This was then linked with all other online data such as social media, Visa and MasterCard, WhatsApp etc. and put through Artificial Intelligence platforms.
- The result of which was filtered down, manageable data sets which allowed the user to understand the most engaging business or area or conversation, depending what they were focused on.
- The data for Gloucestershire's business performance online showed that the county ranked 119th out of 4000. This meant that only 25% of all Gloucestershire businesses (who had a Google My Business profile) were active on digital channels, and of that 25% (10,000 businesses) only 2,500 were posting and engaging on a regular basis.
- This meant that the majority of businesses were missing out on vital engagement with their current and future customers.
- With 71% of people in the UK regularly active on social media, and only 28% business nationwide using these platforms, there was clearly a huge disparity between resident and business use.
- The data sets produced by Maybe* could be manipulated in different ways so if a business was looking at the results, they could section off a particular area where their store was or their sector to compare with other businesses.
- It could also help users identify social media 'influencers' who could be useful to engage with in the future.
- Maybe* offered a variety of training packages, online webinars and help files for its users to understand how data could be beneficial to the future of their business.
- The overall message was businesses and locations needed to become more like Amazon. They currently engaged with 90% of all UK shoppers, had 15m subscriptions to Prime, saw a 50% revenue growth in 2020 and their 'suggestions' engine delivered 35% of all its sales. Simply because they knew each one of their individual customers and continued to regularly engaged with them.

Questions

4.1   A member asked whether there was any way to encourage businesses not on Google my Business to register. It was advised that there was still a genuine challenge around understanding the power of being digital. Maybe* had seen a positive response when they were able to shine a light on a success story within a local area, it was also important not to forget to use

physical mailing and street teams to access businesses less digitally acute. A good example of using mailbox drops was when UberEats started up, they would send out leaflets to say they were available in the local area and provided a QR code to download their app.

4.2   Maybe* had various initiatives up and down the UK depending on the level of digital engagement (ranging from those not engaged at all, to those who had a good level of understanding), the challenge remained encouraging businesses to actively engage and to invest time and money initially, to see a return later on.

4.3   Noting the reference to collecting visa data in the presentation, members were advised that this was done via a third-party provider. When the card was used by the customer, the transaction was tokenised and an encrypted code was attached to that card and the individual, before being destroyed. There was no danger of fraudulent gains through this data and it was completely GDPR compliant. This data was useful for Maybe* as it was an example of using Artificial Intelligence in its purest sense. It helped businesses understand the buying habits of its local market. Larger companies tended to use this data to customise local stores around their customer buying habits, and avoiding a blanket marketing approach across localities.

4.4   A shared that the reality was that the future of the high street was more likely to be about service industry and marketing for an audience of 'one'. It was added there was opportunity to reuse and repurpose vacant premises for this next phase e.g. large buildings that Debenhams would have inhabited could be split into multiple different occupiers.

4.5   In relation to local authorities, it was advised that this theory could be applied to any organisation who was interested in understanding the digital engagement of its consumers. The historical challenge for councils was that they did not necessarily have to be on the front foot as far as the direct communications with their customers. A lot of digital feeds from councils tended to be information broadcast, where as digital engagement would involve listening first and allowing the user to understand its consumers' views.

4.6   If GCC were to progress with this type of data analysis going forward, it was questioned what the starting point would be. In response, members heard that it should begin by understanding what a comparable area to Gloucestershire looked like (geographically or demographically) and set the footprint from there. It would be vital to understand the beating heart of each individual Gloucestershire town and how this could be used to improve the future of its high street.

4.7   Noting the issue of data overload, it was questioned how Maybe* would help small businesses work through the data available, making sure they did not

feel overwhelmed, and had the confidence to pick out the most appropriate and useful data.

4.8   In response, it was explained that the way Maybe* had built its platform, was to identify who the business in question needed to speak to each morning and use the AI to surface the most engaging posts. It was not about the business itself posting more but about understanding the posts already out there from digital users. It aimed to give businesses an efficiency tool rather than overloading them with masses of data.

The second presentation was received from Andy Sanders, Community an Economic Development Manager at Tewkesbury Borough Council. Members noted the following points:

- This presentation offered a different idea for revitalising the high streets through the use of existing heritage.
- Tewkesbury had applied to become a High Street Heritage Action Zone (HSHAZ). This was a project which offered the opportunity to boost economic growth and revitalise the high street using heritage as a catalyst.
- Tewkesbury was invited by Historic England to apply for HSHAZ status which came with four years of funding to invest into the high street. This was initially curtailed by Covid but the project was now underway.
- Slide 3 outlined the ambitions for the HSHAZ funding and slide 4 listed the five key focus' for the team (four of which being projects) to achieve these ambitions.
- The shopfront and upper floor scheme would aim to improve the frontage of existing shops, as well as repurposing many vacant upper floors. A list of targets had been produced and the team were working with landlords to seek agreement on possible improvements.
- Healings Mill was an empty iconic building currently in disrepair. This scheme did not seek to invest in the building itself, but to spend money de-risking it i.e. carrying out structural surveys etc. so any future investors knew the challenges involved. This building had been on the market for a number of years but had no interest since 2006.
- The Public realm project would consider how the town centre could be improved. There were no firm plans currently for this project but officers were clear something needed to be done. Tewkesbury Abbey, which was situated in the centre of town, received 1.4m visitors per year, it was therefore key to make sure these visitors wanted to stay and visit the high street after. This project would begin with a community consultation to understand what improvements residents would want to see.
- The final project was around bringing back traditional skills and materials that had been lost through the years e.g. traditional sign writing, repairing traditional windows etc. This would allow the town centre to maintain and revitalise its heritage, by also helping residents engage with the historic town centre and offering local training/employment opportunities.
- The Cultural Consortium was a follow on element to HSHAZ. It was aimed at bringing art, heritage and community organisations together to form a body

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that would be used to seek extra investment for 'people' orientated elements e.g. events/festivals.
- The Body was made up of ten organisations and was being led by the Roses Theatre. They had managed to secure £80K worth of funding for their first project on light boxes in shop windows.
- The final slide outlined how the HSHAZ status could benefit the town centre.

Questions

4.9   It was questioned how officers were promoting vacant upper floor areas in the town centre. Members noted that there was a list of 50 target premises where landlords would be contacted directly.

4.10   A member from Gloucester City noted that one of the main differences between the high streets was Tewkesbury centre had on-street parking, whereas Gloucester did not. It was discussed that whilst pedestrianisation could have a positive impact on the experience of pedestrians using the high street, it also had an adverse impact on footfall as it caused shoppers an inconvenience having to park far away.

4.11   It was noted that pedestrianisation was a controversial subject in Tewkesbury. There had been a trial of closing the high street to vehicles three times a year on a Sunday for the markets. Whilst visitors often noticed the amount of traffic making it difficult for pedestrians to navigate around the high street safely, the idea of permanently closing the centre to traffic had been continually rejected by local businesses and residents.

4.12   Noting the above response, a member suggested another idea to improve pedestrian experience could be to widen the pavements. Any improved approach should recognise the need to work with the traffic but also to offer prioritisation for pedestrians in some way.

4.13   On a final point, a member highlighted how independent shops were particularly thriving at the moment and questioned what could be done to encourage and support these. It was advised that there were various incentives around business rates for SMEs which varied from district to district. Tewkesbury was particularly supporting local businesses through work with its local Growth Hub, for example.

4.14   The Committee requested a summary of this discussion to be shared with the Gloucestershire Economic Growth Joint Committee as the decision-making body to highlight some areas of further investigation they could look into.

ACTION: Democratic Services

5.   GFIRST LEP ITEM

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The Chair invited David Owen, Chief Executive and Neil Hopwood, Projects and Infrastructure Manager at the GFirst LEP to present this item and Members noted the following points:

- Slide 2 showed a list of all the capital projects that had received investment from the £101m of Local Growth Funding that had come into the county since 2014.
- This funding stream was due to come to an end in March 2022.
- Slide 3 showed the investment split by BEIS categories.
- Unemployment in the county rose dramatically at the start of the pandemic and had been steadily reducing in the past 6 months. In 2019 during the last recession, unemployment reached its highest rate at 3.6%, during the start of Covid it was over 5%. At the time of this meeting it had reduced to 3.5%.
- Slide 5 showed the uplift in GVA for the county since 2015. The left-hand graph really highlighted the disproportionate affect London and the South East had on averages for other local authority areas. If these were removed from the datasets, Gloucestershire would be seen as performing very well on GVA compared to other areas. This was the ongoing levelling up challenge for the UK.
- Slide 6 showed the leverage funds that had been brought into the county as a result of the Local Growth funding. This meant that due to the £101m invested by the LEP on various projects, there had been an additional return of around £700m value for Gloucestershire's economy.
- In addition, many of the projects were only just starting off so the long-term impact of many of these projects would see a significant increase in leverage funds over the next 5-10 years.
- All capital investment decisions went through the LEP's Independent Investment Panel. It constituted of a range of experienced individuals who were able to make decisions on investments based on evidence and data, rather than emotion. Many of the projects were chosen on their ability to have this multiplier effect e.g. unlocking future investments and bringing in leverage funding.
- A prime example of this was the Golden Valley project. £22m was allocated from the Local Growth fund for the improvements to the Golden Valley roundabout. This helped to unlock the future development for the overall project and meant it could be prompted as a 'live' project to future investors. The future return on the whole project had been estimated at around £1b.
- The 'Getting Building Fund' would now follow as an interim funding pot but future to this, the LEP were currently unaware of what funding would follow.
- Whilst it was known there would not be another local growth deal, the LEP keenly awaited the outcome of the current Comprehensive Spending Review. There had been discussions that whatever locality funding would be released, it would be extremely tight for anything unrelated to Health & Social Care.
- The second part of the presentation was focused on the Local Transport Hub. This was a legacy project from the Local Transport Board and had primarily been funded by Gloucester City Council and the private sector.

- It was another very good example of one project unlocking a lot of future investment and development land.
- The LEP placed huge value on the 'Partnership' aspect of their work in order to make this level of impact for the economy possible.

Questions

5.1   It was queried how much European funding had contributed to the Local Growth projects. Members heard that about £36M of EU revenue funding had been received, the Growth Hubs had been a particular beneficiary of EU funding. The existing tranche of EU funding was due to end in December 2022. The UK Govt. had committed to underwriting any underspend on the existing tranche, but the LEP waited to see what would plug this funding gap in the future.

5.2   Referencing the 16,000 additional jobs created by these projects, a member questioned where the workforce would come from, noting the ongoing national skills shortage at the moment.

5.3   Officers agreed that there was a huge skills shortage in the UK at the moment. The reality for Gloucestershire was there were currently 14,000 unemployed adults of working age, and 35,000 job vacancies available. Even assuming therefore you could match all those unemployed to a job vacant, there would still be a big shortage. The biggest challenge for businesses at the moment was attracting and keeping staff.

5.4   In addition, the county continued to struggle to attract young people. One of the benefits resulting from the pandemic for Gloucestershire was the shift to more blended working patterns. It provided a prime location for residents who only needed to travel into the bigger cities for a few days a week (due to its good transport connections) but also maintain a work life balance.

5.5   Members noted that the aspirations for the Golden Valley project was for the benefits to reach all areas of the county, and beyond to local areas. Its aim was to put this part of the county on the global map as an area of specialism in cyber tech.

6.   GLOUCESTERSHIRE ECONOMIC GROWTH JOINT COMMITTEE UPDATE

The Chair invited Cllr Tony Dale, Chair of the Gloucestershire Economic Growth Joint Committee (GEGJC), to give the Committee an update on the morning's meeting. Members noted the following points:

- Representatives from the Gloucestershire Food Partnership gave a presentation on Gloucestershire's Farming and Food Sector. This included contribution to the local economy, and the challenges and opportunities ahead.
- The Partnership built on the strength of the County as well as the work already going on across public, private, research and voluntary sectors.

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- The Gloucestershire agri-food sector, representing the "end to end" food chain, employed just over 50,000 people, or 14.9% of the workforce compared to 13.2% nationally.
- Tourism also made a direct contribution to the sector, with 32% of tourists' spending in Gloucestershire being devoted to food and drink, generating £340m annually.
- The County's agri-food sector had the potential to address some of the environmental and social challenges we face including climate change, social inequality, and nature recovery.
- Challenges facing the sector include the end of the Basic Payment Scheme, which by 2028 will remove nearly £40million of support every year for Gloucestershire farmers.
- The climate change emergency is also a challenge faced by the sector.
- Initiatives to support growth in this sector could include partnership working to enhance Gloucestershire's food supply chains and encouraging more demand for Gloucestershire produce by introducing a 'produced in Gloucestershire' campaign.
- Colin Chick provided an update on the GCC economic recovery plan. In particular, the Committee was informed about the Employment and Skills Hub, which would provide a "single front door" offer, working in a more coordinated way to get people into employment and education.
- The update from the GFirst LEP noted that Ruth Dooley had been appointed as the new Chair and four new Board members have also been appointed.
- 107 grants have now been awarded to businesses across Gloucestershire from the Additional Restrictions Grant (Discretionary Scheme) to help get more of them online and trading online.
- On the Business Rate Pool, there had been a £3.66m gain for 2020/21 - £731k of this had been distributed to the Strategic Economic Development Fund.
- In the long term the future of the pool was dependant on potential government reforms, but there has been no update on this currently.

Cllr Dale also added that they would be delighted to look into some of the suggestions from today's discussion around future of the high street, in particular how to encourage independent shops and the discussion around pedestrianisation.

7. GLOUCESTERSHIRE COVID-19 ECONOMIC RECOVERY PLANNING

Members noted that the dashboard had been presented in full at the GEGJC meeting and this item was for noting.

8. WORK PLAN

Members noted the future items in the attached work plan and suggested the following to be added:

- Food and farming strategy – this had been presented to the GEGJC morning meeting. Members were particularly interested in the public procurement aspects, health/social benefits as well as carbon emission reductions
- Following this morning's discussion on the Future of the High Street item, it was queried whether it would be worthwhile engaging with the independent retail sector.

CHAIR

Meeting concluded at 15:30.

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