

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 26 September 2016** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Bell, J Clare, M Davinson, T Henderson, H Nicholson, A Patterson, P Stradling, O Temple and A Willis

Also Present:

Councillor M Dixon

1 Apologies for Absence

Apologies for absence were received from Councillors B Kellett, J Maitland, Mr T Batson, Mr I McLaren, M Nicholls, L Pounder and H Smith and Mr T Batson and Mr I McLaren.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the special meeting held 4 March, the meeting 28 June and the special meeting held 28 July 2016 were agreed as correct records and were signed by the Chairman.

The Overview and Scrutiny Officer, Diane Close noted that in relation to a performance query at the 28 June meeting regarding business unit occupancy rates, the information had been received from the Officer and was circulated to Members.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

There were no items from Co-opted Members or Interested Parties.

6 Media Relations

The Overview and Scrutiny Officer referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The articles included: the Council helping young IT hopefuls through its Apprentice Training Academy; business leaders urging a delay in the introduction of the apprenticeship levy; the cultural regeneration taking place in Durham over the summer period including the visit by the Flying Scotsman and the Kynren live show and the boost to the economy; the vital contribution made to the County Durham economy by rural businesses; and the revealing of the most visited attractions in the North East by a Visit England survey, with the most visited free attraction being Durham Cathedral and the most visited paid attraction being Beamish Museum.

Resolved:

That the presentation be noted.

7 DurhamWorks Programme (YEI Project) - Update

The Chairman introduced the Strategic Manager – Progression and Learning, Children and Young People's Services who was in attendance to give an update presentation as regards the DurhamWorks Programme (for copy see file of minutes).

The Strategic Manager – Progression and Learning reminded Members that the DurhamWorks Programme was the branding for the Council's Youth Employment Initiative (YEI), having funding of £17.04 million, comprising of £6.39 million YEI allocation, £6.39 million European Social Fund (ESF) allocation and £4.26 million of match funding. It was added that DurhamWorks would support over 5,800 young people in County Durham, aged 16 to 24 who were Not in Employment, Education or Training (NEET) or unemployed and resident in County Durham. Members were reminded of the delays on the part of the Department for Works and Pensions (DWP) in receiving the funding and that the programme was compressed into the period April 2016 to July 2018. Councillors were reminded of the 16 delivery partners involved and that there would be more delivery to come as the programme progresses.

The Committee noted that the delivery model meant that each young person received one-to-one support and access to employment advisors, peer mentors, transition advisors, volunteer mentors and apprenticeship mentors. It was noted that one of the main differences of the DurhamWorks Programme to others was that the support stayed with the young person up until July 2018. It was added that there was focus on helping vulnerable groups including: care leavers; those in contact with the Youth Offending Service; and teenage parents.

Members were referred to a slide showing the outputs from the DurhamWorks programme, with targets of 5,830 unemployed people having participated; 3,777 participants having gained a qualification or employment upon leaving; 1,982 being still participating in employment 6 months after leaving; and 875 still having continued in education or training programmes 6 months after leaving.

Councillors noted that the timeframes involved were very ambitious and there had been a tendering exercise in terms of partners and the sub-contractor framework for more specialist provision, for example for those with Special Educational Needs and Disabilities (SEND).

Members noted that in addition to the delivery partners and sub-contractor framework being in place, there was an Employer Engagement Strategy and also a comprehensive Marketing and Communications Plan, together with extensive performance management and quality assurance systems.

The Strategic Manager – Progression and Learning referred Members to the list of delivery partners so far and highlighted the work of Citizens' Advice County Durham in terms of offering opportunities for young people to join their advice line team, helping those young people gain valuable customer services skills and benefit the CAB in addition.

Members were informed that current performance showed 1,268 participants, with 56% being 16-18 year olds, and 44% being 19-25 year olds. It was added that the gender split was 62% male and 44% female and that 100 participants supported by Regeneration and Economic Development (RED) had progressed into employment, of which 46 were DurhamWorks generated opportunities.

The Committee noted that marketing activities had been scheduled for October in order to try and capture any young people that had not gone to college or sixth form, with several different channels being utilised such as radio, bus stop advertising, a website, social media. Councillors noted a case study, highlighting how DurhamWorks had helped a young person into an apprenticeship and was delivering ongoing support to her. An example of the feedback from employers was also given, with Dunlop BTL, a manufacturer of bearings, transmissions and linkages explaining how "DurhamWorks was very helpful in helping to find the right people for the job".

The Strategic Manager – Progression and Learning noted that Members could help in a number of ways, including: to encourage unemployed young people to contact DurhamWorks for support; to encourage employers to contact DurhamWorks to discuss recruiting a young person and the financial incentives that may be available to them; and to share information about DurhamWorks within local networks.

It was added that there was a national issue in terms of changing the requirements for evidence of eligibility of participants. It was also noted that, as yet, DWP had not progressed any payments for the programme.

The Chairman thanked the Strategic Manager – Progression and Learning and asked Members of the Committee for their questions.

Councillor O Temple noted the information that had been given at the recent Skills Development Working Group and the opportunity Members had then to input as regards this. It was added that during those Working Group meetings it had been highlighted as regards the excellent work the Area Action Partnerships (AAPs) were undertaking, in areas such as Science, Technology, Engineering and Mathematics (STEM) apprenticeships, for example via the Derwentside STEM Hub and asked whether there was scope for partnerships between the AAPs and DurhamWorks.

The Strategic Manager – Progression and Learning noted there would be opportunities, through the 16 delivery partners and three sub-contracts, and would ask a member of the DurhamWorks Team to attend the next Derwent Valley AAP meeting in this respect. The Chairman added that it was an issue highlighted at the Skills Development meetings and that it was important to help to spread the word in terms of DurhamWorks.

Councillor A Batey asked whether all the employers involved were within County Durham or if some were cross-border. The Strategic Manager – Progression and Learning noted while most were within the County, some were outside of the County.

Councillor E Adam noted it was fantastic to see the large number of partners and the work involved and asked whether the 1,268 young people mentioned were people that had already been picked up from other referrals or were they totally new via DurhamWorks. The Strategic Manager – Progression and Learning noted it was a bit of both, a combination of those already having contact with Advisors, 16-18 year olds, with there being added value in terms of those aged 19-24 being picked up. Members noted that in the past there had been 10 Advisors, now 30, with specialists in terms of areas such as SEND and Care Leavers and this was helping with the increase in workload. It was reiterated that one of the differences in term of DurhamWorks in comparison to support in the past was that the support continued after a young person got a placement or job, working with them and the employer to help sustain their position. Councillor E Adam noted that the figure that Overview and Scrutiny would be interested in would be that of the number of young people into apprenticeships and jobs for longer periods, demonstrating that sustainability. The Strategic Manager – Progression and Learning added that the evaluation process would help to show how successful the programme had been. The specification for the evaluation is currently being developed in conjunction with Durham University. The Chairman wondered if it was possible to be able to highlight the GVA/productivity added by the programme to help demonstrate the effectiveness. The Strategic Manager – Progression and Learning noted there were proxies in terms of where jobs are created and in turn how this relates to GVA and therefore would speak to colleagues in this area as regards what information may be possible to share with members at a future meeting of the Committee.

Councillor A Patterson noted she had visited DurhamWorks and had been struck by the robustness of the quality assurance and the level of detail was very good. Councillor A Batey added she would like to thank all the staff for their hard work, especially in terms of the tight timescales given Government delays in terms of funding. Members agreed.

Resolved:

- (i) That the presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update report on the delivery of the DurhamWorks Programme at a future meeting of the Committee.
- (iii) That the Members of the Children and Young People's Overview and Scrutiny Committee be invited to future meetings of the Committee when an update on the DurhamWorks Programme is included on the agenda.

8 Durham Key Options - Update on Consultation

The Chairman introduced the Housing Team Leader, John Kelly who was in attendance to give an update as regards Durham Key Options (DKO) consultation (for copy see file of minutes).

The Housing Team Leader thanked the Committee for the opportunity to provide an update and reminded Members that the Housing Manager, Marie Smith had been in attendance in the summer to speak to Members in terms of the proposed changes to DKO.

Members noted that key changes included: the under occupancy charge or "bedroom tax", with 14% for one spare bedroom and 25% for two spare bedrooms; affordability issues; greater competition from the private rented sector; housing stock not matching need; the introduction of Local Housing Allowance (LHA) rates from April 2018, for all new tenants post-April 2018, noting pensioners were not exempt. Members were referred to figures in terms of LHA rates and average rents in Durham and Sunderland for comparison, highlighting the deficits in terms of LHA and average rent.

The Housing Team Leader noted in terms of the impact to DKO from 2018 that: 45% of lettings in 2015-16 were to single applicants (2062 from 4622); 1 in 3 of the total lets to single people were to under 35s; 43% of lets to 16 to 24 year olds were single; 29% of lets to 25-34 years olds were single; 600 single, under 35s on the register receive housing benefit; and one-third of register are pensionable age.

Members were reminded of the rationale behind the proposed changes in order to: have fewer bands; remove quotas; have only two medical tiers; have time limits in terms of 12 months for Band 1; remove the low award for "threatened with homelessness"; remove "wanting larger accommodation" outside of overcrowding criteria; prevent those adequately housed from moving on DKO within 12 months of a move; assess all arrears and not just those above the 8 week guideline: and align size eligibility with affordability of rent. Councillors noted the reasons highlighted in the presentation and were referred to a graph showing those in favour of the changes as set out within the consultation, with more than 74% in favour of all the proposed changes. Members were referred to comments made during the consultation in terms of the voluntary sector noting that the proposed changes would make the process easier for vulnerable groups to navigate and in relation to rent arrears staff would be able to look at each case in its own right and discretion would still be used to assess genuine reasons for arrears.

Members were informed that other points to note included: the advertising of low demand properties; 5 weekly bidding cycles beginning each working day; and the proposed improvements to the application form, reducing it from 32 pages to 20, and also the removal of the cover sheet. The Housing Team Leader took Members through the current DKO's application form highlighted where possible amendments may be made and asking members for comments. It was confirmed that the form would be circulated to committee members following the meeting providing an opportunity for them to suggest possible amendments.

The Chairman thanked the Housing Team Leader and asked the Committee for their comments and questions.

Councillor O Temple noted concern as regards "any arrears", rather than the existing 8 weeks and added that while there may be discretion, a number of tenants may find themselves in "technical arrears" due to how their rent is paid and therefore felt that perhaps a 4 week arrears level was perhaps better, with the reduction to zero being counterproductive.

The Housing Team Leader explained that information from landlords reference forms would include information on past arrears and that at this point there was not an intention to look into further investigations in terms of an individual's rent arrears and it was not to try and disqualify people from eligibility, rather to help understand the reasons behind arrears and therefore be in a position to provide advice and identify any support available. It was added that there would be a 6 month review of the revised policy and if any issues in terms of arrears came through this would be looked at.

Councillor J Clare referred to the LHA rates and noted pensioners were not exempt and asked whether everyone would be affected post-April 2016. The Housing Team Leader noted that it would affect all new tenants post-April 2016. Councillor J Clare noted he feared this had the potential to drive people towards private landlords and was pleased that there were triggers in place to be able to help tenants. Councillor J Clare asked in terms of what was the process should a person fall into arrears when in receipt of full housing benefit, and also what the situation was in terms of the demand for bungalows. The Housing Team Leader noted that in the past where people could afford 2-bedroom bungalows, these were the preference; however, in the future this may change as a result of LHA changes.

In relation to the proposed changes to the application form the Chairman asked if the proposals to remove the additional language panel from the application form had been looked at by the Council's Equalities Team. The Housing Team Leader noted that colleagues from Equalities and Legal Services were being asked in terms of what could be possible in terms of providing a supplement as and when required. The Overview and Scrutiny Officer noted should Members have any additional comments on the application form they could forward them to her by 10 October so that they could be taken into account when considering the content of the new DKO application form.

Resolved:

- (i) That the presentation and report identifying the proposed DKO Policy changes to be considered by Cabinet at the meeting on 19 October be noted.
- (ii) That comments made by the Economy and Enterprise Overview and Scrutiny Committee on the content of the new DKO Application Form be fed into the revision process.

9 Quarter 4, 2015/16 and Quarter 1, 2016/17 Revenue and Capital Outturn

The Chairman introduced the Finance Manager, Resources, Azhar Rafiq to speak to Members in relation to the Quarter 4, 2015/16 and Quarter 1, 2016/17 Revenue and Capital Outturn (for copy see file of minutes).

The Finance Manager noted for the Quarter 4 2015/16 Revenue and Capital Outturn the areas that were reported upon were the General Fund Revenue Account and the Capital Programme for the RED Service.

Members noted the service had reporting a outturn position with a cash limit underspend of £1.816 million against a revised annual General Fund Revenue Budget of £27.391 million, in comparison to the Quarter 3 estimated this represented a variance of £0.295 million. Members noted the variances within the budget, with the detailed explanations as set out within the report. The Committee were informed that the service grouping delivered the Medium Term Financial Plan (MTFP) savings for 2015/16 of £1.3 million.

The Committee were reminded that subsequent to the transfer of housing stock, a separate ring-fenced HRA was no longer required, although it was noted that there had been some residual transactions reflecting a short period of activity in 2015/16.

As regards the Capital Programme 2015/16, the Finance Manager explained that the actual spend to date had been 93% of budget, and that some projects were implemented over a number of years and a breakdown of the major capital projects was given at Appendix 2 to the report. It was added that as usual for the outturn report; the Finance Manager had included a further narrative in terms of the major RED capital schemes at Appendix 3 for Members' information.

The Chairman thanked the Finance Manager, noting the breakdown and narrative of capital schemes was always useful and interesting, and asked Members for their questions on the Outturn 2015/16 finance report.

Councillor A Patterson asked as regards the figure of £742,000 in terms of office accommodation. The Finance Manager noted this had been raised at a previous Committee and the Overview and Scrutiny Officer explained that a breakdown had been circulated to Members for information and could be forwarded accordingly.

The Chairman asked the Finance Manager to speak in relation to Quarter 1, 2016/17.

The Finance Manager noted for the Quarter 1 2016/17 Forecast of Revenue and Capital Outturn the areas that were reported upon were the General Fund Revenue Account and the Capital Programme for the RED Service.

Members noted the service was reporting a cash limit underspend of £0.299 million against a revised General Fund Revenue Budget of £26.113 million. Members noted the variances within the budget, with the detailed explanations as set out within the report. The Committee were informed that the service grouping was on track to deliver the Medium Term Financial Plan (MTFP) savings for 2016/17 of £1.118 million.

As regards the Capital Programme 2016/17, the Finance Manager reminded Members that the usual spend profile was such that there was greater spend at the year end, with a breakdown of the major capital projects being given at Appendix 2 to the report.

The Chairman thanked the Finance Manager and noted Members would watch with interest in terms of income from assets.

Resolved:

That the reports be noted.

10 Quarter 1, 2016/17 Performance Management Report

The Chairman thanked the Performance and Improvement Team Leader, G Wilkinson who was in attendance to speak to Members in relation to the Quarter 1, 2016/17 Performance Management Report (for copy see file of minutes).

The Performance and Improvement Team Leader reminded Members of the different types of indicators reported, Tracker indicators and Target indicators.

Councillors noted that some of the key achievements in Quarter 1, representing April to June 2016, included improvement in planning applications determined within deadline; the number of affordable homes being delivered had exceeded target, albeit less than in Quarter 1 2015/16, this being due to legislation changes reducing grant levels; and Business Durham activities had created or safeguarded 1,387 potential jobs achieving the annual target within Quarter 1.

Members noted information relating to Tracker Indicators including: the number of net homes completed, 336 in comparison to 246 in Quarter 4 2015/16; the number of homelessness preventions, 363 being in line with the previous quarter, however significantly higher than Quarter 1 2015/16, 276; and the number of acceptances of statutory homelessness duty had increased from 36 in Quarter 1 2015/16 and 28 last quarter to 48 this quarter.

Members noted progress with Council Plan actions, such as the continuing work in terms of the delivery of Auckland Castle Trust's projects and the delivery of the Chapter Homes Business Plan 2015-2019.

It was added that the key performance issues for the theme included the number of apprenticeship starts through DCC schemes having fallen significantly, though it was noted that it was expected that the number of starts would increase once funding was in place.

Members noted the Tracker Indicators set out within the report including: a slight increase in the employment rate, with the number of Job Seekers Allowance (JSA) claimants aged 18-24 remaining steady; and a substantial decrease in those accessing JSA for one year or more. Councillors noted that the gross disposable income per income head had increased, however was below the North East level and still significantly less than the national figure.

Councillors noted several key Council Plan actions that had not achieved target included: defining and agreeing a proposal for North Road in Durham delayed from March 2017 to June 2017 due to extended negotiations; delivery of the traffic flow improvements in Durham City being delayed from September 2017, with no target date set as yet; delivery of access improvements to Durham Rail Station being delayed from October 2016 to March 2017, due to the interruptions in the groundworks; and securing a developer for the North East Industrial Park at Peterlee had been delayed from October 2016 to July 2017 as further work was undertaken in ground investigations and development strategy.

The Chairman thanked the Performance and Improvement Team Leader and noted that the employment rate had gone up in terms of the tracker indicator referred to at Paragraph 7c(i) of the report, however the number of people had decreased. The Performance and Improvement Team Leader noted she would look at this.

Councillor M Davinson asked as regards the occupancy of Business Durham properties, whether the target would change for next year following the sale of Millennium Place and Bracken Hill. The Performance and Improvement Team Leader noted that this would be an issue to be looked at in discussions with by Business Durham and would be addressed accordingly. Councillor M Davinson added that in respect of the landlord accreditation scheme referred to in paragraph 7b, and the requirement for landlords being a member of the scheme prior to accessing support via the Financial Assistance Policy, this had the potential to deter landlords from joining the scheme. There is a need for DCC to look at how it markets the scheme, highlighting the benefits of the scheme to private landlords and the support provided by DCC to those landlords that join the scheme. Councillor J Armstrong noted that this may be an issue for the Portfolio Holder to give a view on, and the Chairman commented that the issue would be raised with the Cabinet Portfolio Holder asking for a response to be provided to Members of the Committee. The Performance and Improvement Team Leader explained that there had been recent presentations on the scheme, with Councillor J Clare adding that “good” landlords that would sign up to such schemes were not the main issue and therefore care must be taken to ensure that the requirements of the scheme are not acting as a deterrent.

Councillor J Clare noted there appeared to be a mismatch between the Business Durham occupancy performance and the information received in the budget report showing an under achievement in income in relation to asset management, was there an issue in terms of targets needing to be aligned. The Performance and Improvement Team Leader noted she would speak to Business Durham in this respect.

Councillor A Patterson noted the number of apprenticeship starts and asked if there was an element of double counting in terms of those via DurhamWorks and the County Durham Apprenticeship Programme. The Performance and Improvement Team Leader noted she would need to check, however, noted the figures in the performance report referred to those via Regeneration and Economic Development however there could be some overlap between the two programmes.

Resolved:

That the report be noted.

11 Scrutiny Review of Support Provided for Skills Development within County Durham

The Overview and Scrutiny Officer referred Members to the attached draft report of the Support Provided for Skills Development within County Durham Working Group, noting the meetings and visits that had taken place and that the Working Group had agreed the draft report and recommendations at its last meeting. Members were asked for their comments prior to the report being scheduled for submission to Cabinet.

Councillor M Davinson asked whether it could be made clear which AAPs had attended the Working Group meetings, and that the examples set out in the report represented their input rather than all AAPs. This was noted. Councillor A Patterson noted that there was reference to Willington Community Action and added sadly this was no longer operating. Councillor M Davinson noted his thanks to the Overview and Scrutiny Officer and the Chairman added the Committee's thanks to the Overview and Scrutiny Officer and his own thanks to the Members of the Working Group in respect of their contributions.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee agree the report of the Scrutiny Working Group looking at the support provided for skills development within County Durham.
- (ii) That the report of the Scrutiny Working Group be submitted for consideration by Cabinet at the meeting on the 19 October 2016 and to a future meeting of the County Durham Economic Partnership.

12 Minutes of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held 12 July 2016 were received by the Committee for information.