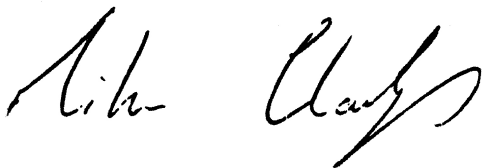


Learning & Economy Scrutiny Panel

A. Atkinson, D. I. Barnett, G. Beckwith, D. Bennett, D. Broadley, T. Clark, B. Cook, J. Docherty, E. J. S. Edwards, R. Ellis, K. English, B. Gray, L. Marshall, P. Murray, T. Parry, G. Reid, A. Shield, W. J. Tyrie, D. Walton, J. Williams, R. Young

Dear Councillor,

Your attendance is invited at a meeting of the Learning & Economy Scrutiny Panel to be held in the Council Chamber, Civic Centre, Consett on 4th December 2007 at 4 p.m. for consideration of the undernoted agenda.



MIKE CLARK

Chief Executive Officer

Agenda

1 DECLARATIONS OF INTEREST

To receive any disclosure by Members of personal interests in matters on the agenda, identify the item on the agenda, the nature of any interest and whether the Member regards the interest as prejudicial under the terms of the Code of Conduct.

2 MINUTES

To approve the minutes of this panel's meeting held on 4th September 2007 as a correct record.(Herewith 'A')

Attached Documents:

[MINUTES \(A\)](#)

3. DCC CONSULTATION ON 2008/09 BUDGET PROPOSALS - YOUR COUNCIL YOUR SAY

To receive a presentation followed by a question and answer session by Robert Cornall Deputy Treasurer DCC.

Attached Documents:

[DCC CONSULTATION ON 2008/09 BUDGET PROPOSALS - YOUR COUNCIL YOUR SAY](#)

4. SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08

To consider the report of the Director of Corporate Administration & Policy. (Herewith 'B')

The Performance Management Officer will present the report followed by an update on Attendance Management by the Head of Organisational Development.

Attached Documents:

[SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08 \(B\)](#)

5. DERWENTSIDE ECONOMIC DEVELOPMENT STRATEGY

To consider the report of the Deputy Chief Executive. (Herewith 'C')

Attached for your information is a copy of the draft Economic Development Strategy for Derwentside 2008-2013.

Attached Documents:

[DERWENTSIDE ECONOMIC DEVELOPMENT STRATEGY \(C\)](#)
[DERWENTSIDE ECONOMIC DEVELOPMENT STRATEGY \(ATTACHMENT\)](#)

6. DERWENTSIDE TRAINING - PROGRESS UPDATE

To receive a presentation on the above.

Agenda prepared by Gemma Donaghy, Democratic Services 01207 218249

g.donaghy@derwentside.gov.uk

LEARNING & ECONOMY SCRUTINY

Minutes of a meeting of the Learning & Economy Scrutiny Panel held on Tuesday 4th September, 2007 at 4.00 p.m. in the Council Chamber, Civic Centre, Consett.

Present

Councillor D. Barnett (Chair)

Councillors A. Atkinson, D. Broadley, T. Clark, R. Cook, J. Docherty, R. Ellis, L. Marshall, T. Parry, G. Reid, A. Shield, W. Tyrie, D. Walton, J. Williams.

Apologies

An Apology for absence was submitted on behalf of Councillor E. Edwards.

An apology was also received on behalf of Ginny Williams (Partnership Development Officer – DCC)

In Attendance

Councillors D. Llewellyn, S. Mellor, T. Pattinson, O. Temple, M. Westgarth.

7. DECLARATIONS OF INTEREST

Councillor J. Docherty asked if she need to disclose an interest in Item 3 as the Derwentside Employment Team hired rooms from Derwentside CVS in which she worked. She was advised that she did not have to declare an interest as such but asked that it be recorded in the minutes.

8. MINUTES

AGREED: that the minutes of the meeting held on 12th June, 2007 were a correct record.

Matters Arising: Minute No.6 Work Programme

The Executive Support and Scrutiny Manager circulated to Members a copy of a report and matrix which was devised following the meeting on the 9th July identifying the priorities for inclusion in the panels work programme. He advised that the Chair, together with the Deputy Chief Executive prepared a draft prioritised work programme in order that it could be progressed without waiting for the September meeting.

He advised that the programme was in draft format and capable of review by Members, he also advised that members may require to hold some 'Special' meetings of the panel to discuss certain issues on the Work Programme.

9. WORKLESSNESS

The Chair introduced to Members Bernie Topham from Derwentside Employment Team who was in attendance to give a presentation on progress and future plans for the Team.

Bernie Topham advised that to date over 750 residents had registered with the Team for help and support to access training and work. Out of that number 361 have been helped back into work.

She provided Members with the figures of Registrations by Benefit and Job Outcome by benefit as follows:

Job outcome Summary	IB/SDA	IS/LP	JSA	JSAPWD	JSA EX OFFENDER	JSA 50+	CARER	SSP	NONE	TOTAL
Actual 06-07	39	6	21	27	1		1	0	10	105
Apr-07	10	5	14	10	5	1	0	0	9	54
May-07	11	6	11	10	1	1	0	0	7	47
Jun-07	17	6	18	9	5	0	0	0	3	58
Jul-07	19	10	8	6	4	0	0	0	4	51
Aug-07										
Sep-07										
Oct-07										
Nov-07										
Dec-07										
Jan-08										
Feb-08										
Mar-08										
Grand Total	96	33	72	62	16	2	1	0	33	315

She advised that success had been achieved through Drop in Sessions organised at both Consett and Stanley and Confidence / Self Esteem Workshops. She advised that there had been a positive response to the sessions and advised that the next course was organised and was already fully booked.

In addition to those events she advised that Health and Lifestyle Events had also taken place and these had also been very successful.

She advised that awareness campaigns had been run such as advertising through posters, adverts on taxis, campaign through Doctors surgeries, newsletters and on their website.

She advised that in addition to engaging those not in work; employers had also been targeted.

In conclusion she advised that the future was looking very positive for Derwentside Employment Team and it was intended that Customer Focus Groups were to be planned, further Health & Lifestyle Events and it was hoped that the work with GP's in the District be expanded.

Discussion then ensued regarding the Welfare Reform and new legislation to be introduced by the DWP; Bernie Topham advised that in her opinion once the new legislation was bedded in it would only better the current situation.

Councillor Tyrie asked what efforts were being made to include the more rural areas of the District such as Langley Park, Esh and Lanchester.

In response Bernie Topham advised that the Team had initiated meetings with Durham Job Centre as most of the clients who lived in this area visited Durham more than Stanley or Consett, she advised that the Job Centre had been informed of the work of the Team and how to get in touch. She also advised that the Team visit these areas on a fortnightly basis in Community Venues and arrangements could be made for one on one meetings also in Community Venues.

The Chair thanked Bernie for her attendance and her presentation.

10. SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08

The Change & Performance Manager presented the report which informed Members of the action planning initiatives in place for the eight best value performance indicators (BVPIs) rated as red risk for the first quarter of 2007/08.

He gave a brief introduction to BVPIs and how they are monitored through the red, amber and green system.

He advised that four red risk indicators fell within the Learning & Economy Scrutiny remit as follows;

BVPI 11a that monitors the top 5% of the workforce who are women;

BVPI 11b that monitors the top 5% of the workforce who are from BME communities;

BVPI 12 that investigates the number of days lost as a result of absence from work and;

BVPI 17a that monitors the percentage of local authority employees from ethnic minority communities.

Councillor D. Walton entered the meeting at this point.

He referred members attention to Appendix 1 of the report which outlined the action plans put in place to bring the red risk indicators back into amber or green and addressed each indicator in turn.

Councillor Tyrie asked if it was possible to see the figures for ethnic minority workers for 2006/07.

The Change & Performance Manager in response advised that those figures were usually only available around the time of a Census; although he advised that information from the DWP suggested that in 2006/2007 there was 544 migrant workers within Derwentside, one of the highest populations in the North East.

Councillor Docherty made reference to BVPI 11a which monitors the top 5% of the workforce who are women and asked how many women were currently in top posts within the Council.

In response the Head of Organisational Development advised that there were five women in these posts currently but did advise that the higher ranked jobs do not have a high turnover rate and therefore was difficult to increase those figures.

The Change & Performance Manager also advised that the transfer of Derwentside Homes also had a significant impact on those figures.

AGREED: that Members note the content of the report.

11. SICKNESS MANAGEMENT

The Head of Organisational Development presented the report which provided Members with details of sickness absence for 1 April 2006 to 31 March 2007, this was compared with absence for the same period in the year 2003/04 to date.

He advised that analysis showed that the three major causes of absence over the last 12 months are the same as in previous years; as follows:

Stress / Anxiety
Back and Neck Injuries
Muscular Skeletal

He advised that of the three; stress accounted for 28% of the total absence within the Council and various support methods were available to those employees suffering from stress to enable a speedy and effective return to work. In addition he advised that awareness training is also being targeted in stress hot spots

within the Council and a range of training materials have been made available to employees in the form of workbooks and CD Rom.

He went on to address back and neck injuries which accounted for approximately 9% of absence this was compared to 16.36% in the previous year. He advised that the departure of Building Services to Derwentside Homes has had an impact upon this category as a large proportion of absences of this nature were in this area of work due to wear and tear and an aging workforce.

He then addressed Muscular Skeletal absences which accounted for 20% of the Council's overall absence compared to 17% in 2005/06. He advised that there had been a lot of work undertaken in relation to manual handling training and it was anticipated that this work would help reduce the incidence of muscular skeletal problems over the review period.

He then went on to address each Directorate as outlined in paragraph 3 of the report and whether their sickness levels had increased, decreased or stayed the same.

In conclusion he added that the data although showing a decrease in absence levels for last year to 10.44 days per employee, the trend has not however met the expected target of days lost which was disappointing.

He further added that the decision by Government to create a single unitary authority could have an effect upon staff morale and attendance. Directors however will continue to work to reduce absence levels and ensure that appropriate support and monitoring mechanisms are in place.

Councillor Shield added that in his experience in Private Sector monitoring recognition was often valued by employees for exceptional attendance, he also found that those who incurred stress at work were not often those in the higher end jobs.

The Head of Organisational Development advised that this option had been looked at around 18 months ago although it had been felt that this approach was not appropriate.

Discussion then ensued regarding triggers of stress and the counselling services available to staff.

Councillor J. Williams left the meeting at this point.

AGREED: that the content of the report be noted.

12. COUNTY DURHAM ECONOMIC STRATEGY (CDES) 2007 - 2013

The Head of Economic & Community Development presented the report which provided an update on the Draft County Durham Economic Strategy (CDES) 2007-2013; the purpose being to highlight any issues of significance to Derwentside; and to consider any actions that need to be taken. He further advised that the formal draft was not yet complete and this would be brought back to the panel for consideration at that time.

He provided members with some background information on the strategy that is being developed by the County Durham Economic Partnership. He advised that the strategy outlines a set of objectives and actions crucial to the long term regeneration of the County. The strategy makes it clear that the County faces a massive challenge in closing the gap with both regional and national economies. He advised that the reasons for the gap are explained as a combination of factors including:

- Lower than average levels of participation in the labour market;
- A mix of industries where high value employment such as manufacturing is in decline and growth only in low value added services; and
- Low productivity in sectors, except manufacturing.

He advised that Members must take into consideration that the preparation of the draft is taking place against a time of uncertainty in Local Government and in advance of the Comprehensive Spending Review (CSR) due in Autumn. However at the same time, the Government has published a Sub-national Review of Economic Development and Regeneration that emphasises the role of local councils and Regional Development Agencies in promoting economic prosperity.

The Chair asked if it was possible for a date to be set for the Draft strategy so a Special Meeting could be arranged.

The Deputy Chief Executive advised that the draft would be complete within the next 2 weeks then it would be put out for consultation for a 12 week period. He suggested that a 'Special' meeting be held in November for recommendations to be passed to Executive for their meeting in December.

AGREED: that Members note the content of the report and a 'Special' meeting be held in November to consider the final draft of the strategy.

13. COUNTY DURHAM COUNCILS REGENERATION INSPECTION

The Head of Economic & Community Development presented the report which provided an overview of the inspection of regeneration in County Durham recently undertaken by the Audit Commission.

He advised that the inspection recognised that agencies other than local councils have lead roles, statutory responsibilities and control substantial budgets for regeneration. The inspection did not cover these agencies that include, One North East, Job Centre Plus, GO-NE and the LSC.

He went on to advise that the inspection focused on how councils work together to address economic issues facing the county, namely:

- The competitiveness of existing businesses
- Worklessness and health
- Entrepreneurship and skills
- Town Centres and tourism
- Integration between housing, transport and economic development.

He then referred Members attention to paragraph 3 of the report which advised of some of the judgemental comments on the collective performance of councils.

He referred members then to paragraph 4 of the report which concluded the findings. He advised that he felt the benefits would be seen over the next few years and with the introduction of the County Durham Economic Strategy.

Councillor Docherty added that in her opinion some of the comments made were unfair to the Council as they have not taken into account that Derwentside is an area of high deprivation and it is difficult to go beyond what they are already asking to be achieved.

The Deputy Chief Executive advised that he agreed with the comments of Councillor Docherty in that the Councils have done okay but they still haven't closed the gap on Regional and National level. He advised members that a full copy of the document was available on the Audit Commission website.

AGREED: that members note the contents of the report.

14. ENTERPRISE PLACE – FUTURE OPERATION

The Head of Economic & Community Development advised that the report highlighted the progress made by Enterprise Place since it began in 2003 and to consider a number of issues concerning the future operation beyond April 2008 when the current funding for the project comes to an end.

He provided members with a brief overview of the project since it started in 2003 and advised that as Enterprise Place has been developed to become a valued organisation that provides enterprise education and workforce development for students and residents of Derwentside. The key partners of Enterprise Place are fully supportive of the need to sustain the project beyond March 2008 however they are unable to provide the funding required to do so.

He advised that the Manager of Enterprise Place was currently developing a business plan/exit strategy to continue the project.

In addition to this he advised as part of contingency planning, a new company called Enterprise Place Limited had been formed in advance of the end of public funding, to provide sufficient time to assess the long term sustainability of the project.

Councillor Docherty asked how many young people were supported once left school and what exactly was being done. She advised that she was of the opinion that there was scope for an area to be developed for school leavers and this could be developed for further funding.

The Head of Economic & Community Development advised that N.E.E.T.S was in place to target 16-19 year olds however it would be beneficial to develop this and include in the business plan.

Schools Regeneration Officer, Lester Crawford added that he felt the project should be encouraged and it was now becoming embedded into the curriculum around school in the District.

AGREED: that members note the contents of the report.

15. MANAGEMENT OF OFF STREET CAR PARKING WITHIN DERWENTSIDE.

The Head of General Services presented the report which provided members with information on car parking provision within the District and the pro's and con's of introducing car parking charges.

He also advised Members that a copy of a business case for the introduction of charges within Consett & Stanley Town Centre was attached to the report.

He advised that the business case had been set to reflect the current parking provision. However, the Development Agreement was now in place with Modus, who are looking to develop Stanley Town Centre, and the disposal of the Thorneyholme Terrace Car Park to the PCT for a new Health Centre, would have a significant effect on Stanley's parking arrangements in the short to medium term and some form of management of areas would be required.

Councillor Docherty added that she was of the opinion that Members had already agreed that car parking charges would not be imposed on these areas and as the plans for Stanley had not been secured more trade would be lost to the Metro Centre if charges were to be introduced.

Councillor Temple made comments in respect of short term car parking availability and the regeneration of shopping areas. He added that in his opinion a forum was required with the four key stakeholders; being DDC, DCC, owners of private car parks and Local Area Partnerships.

Councillor Marshall added that she felt traders had been forgotten in this scenario and the detrimental impact charges would have on their businesses.

Councillor Pattinson advised that he concurred with the comments of Councillor Marshall,

Councillor Stelling suggested that any discussion regarding car parking in Stanley should be put on hold until it was known what would be happening with the Modus Development. He advised that a steering group meeting had come up with the following suggestions:

- Revisit present facilities – e.g. increase the capacity of Albert Road car park, Consett;
- Place signage in Town Centres indicating where car parks were that were often left unused;
- Testo's Bingo car park should be open to public when not in use for patrons.

He further agreed that stakeholders should be involved in any future discussions regarding this matter.

Councillor W. Stelling left the meeting at this point.

Discussion then took place regarding the cost implications charges would have on shop workers and their salaries.

The Deputy Chief Executive advised that no formal decision had been taken on the car parking charges and reference to car parking had been outlined in the Corporate Plan for 2006-10 and the Medium Term Financial Plan.

Councillor Walton suggested that if discussions were to take place this be done on an individual basis for both Consett and Stanley as there were different parameters to consider.

Discussion then ensued regarding the infrastructure and how the community was supported. Members further discussed different options for parking such as a 'Park and Ride' or Blue Disc scheme; as used in other areas of the County.

Councillor A. Atkinson left the meeting at this point.

AGREED: that a meeting be held with Stakeholders to discuss options for the future provision of car parking within Consett & Stanley.

16. EXCLUSION OF PRESS & PUBLIC

RESOLVED: On the motion of Councillor D. Barnett, seconded by T. Clark that under Section 100(A)(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 9 of Part 1 of Schedule 12(A) of the Local Government Act 1972 (As amended).

17. CONSETT & STANLEY MARKETS

The Divisional Head of Land & Property presented the report which provided information to Members concerning the current situation with the Stanley and Consett Markets, in order that the future of both markets can be considered.

He provided Members with background information on both Markets and their operators. He then went on to talk about other markets within the District and how they are operated and to what success.

He concluded by providing members with information on current income levels from the markets and advised that it would be of benefit of both Consett & Stanley to ensure the continuation of both markets.

Discussion then ensued regarding the operators of the markets and the possibility of inviting new tenders to try and regenerate the markets. It was also noted that car parking and the quality of the stalls in both Stanley and Consett had detrimental impact on the success of the markets.

Councillor S. Mellor left the meeting at this point.

Councillor Pattinson also asked Officers to investigate the operation of a car boot sale on Front Street, Stanley. The Divisional Head of Land & Property advised that this would be investigated accordingly.

AGREED: that the Council invite tenders from market operators.

Conclusion of Meeting

The meeting closed at 6.25 p.m.

Chair.

Your Council Your Say

2008/09
Budget consultation

Making a difference where you live



Durham County Council Budget Consultation 2008/09

Contents

Foreword.....	3
1.0 The Context	4
1.1 Haven't I seen this before?.....	4
1.2 What the County Council does	4
1.3 What people have told us.....	6
1.4 Developing the budget	7
1.5 The approach we take.....	9
1.6 What we have achieved so far	9
1.7 What we want from you	10
2.0 Our planning assumptions	10
2.1 What we should prioritise	10
2.2 How much Council Tax we should charge.....	11
2.3 How much money we expect to receive from Government	11
2.4 The impact of inflation and other assumptions.....	11
2.5 Our base budget or starting point	12
3.0 Where we want to invest and spend more	12
3.1 Risk.....	12
3.2 How we propose to afford what we want to spend.....	13
3.3 The impact of spending and savings options on the budget	13
4.0 Our investment and savings options.....	14
4.1 Summarised spending and investment options	15
4.2 Summarised options for savings, efficiency gains, income and service reductions	20
4.3 Additional "one off" investment proposals for 2007/08.....	30
5.0 Providing us with your views	34
6.0 Glossary of terms	40

Foreword

This time last year we consulted with as many people as possible on our budget proposals. We found the process very useful and as a result of your comments, our thoughts changed and different decisions were made. The challenges for the County Council to consider increase each year, with potential changes to the structure of local government in County Durham and increasing requirements to deliver efficiencies and make savings. The County Council is the major provider of local authority services in County Durham – services which shape our County and affect the quality of life experienced by the people who live, work or visit here.

As a publicly accountable and democratically elected organisation, we again want to consult people in County Durham on our budget for 2008/09.

At this stage, this document contains only proposals and nothing is set in stone. Before we finalise the budget in February next year, we want to give you an early opportunity to comment on our initial suggestions and key issues, such as where we should invest, where we should cut back and what level of Council Tax increase we should set.

This document summarises the approach we are considering and provides detail on our initial investment and saving options.

Towards the end of the document, we pose a number of questions which you might like to consider to provide us with feedback. We also ask for your views on the priorities we should address in the budget and what level of Council Tax increase we should set next year.

Last year's consultation gave us a number of areas to think about and we were pleased with the level of response. As part of our drive to make the Council's decision-making more responsive, open and transparent, we welcome comments again from residents, businesses, community and voluntary organisations and our partner organisations. In addition, this year we would particularly welcome views from more children and young people, the voluntary and community sector and the County's business sector. We hope you will take this opportunity to help inform our budget decision making process and please let us know your views by 30 November 2007.

Cllr Albert Nugent
Leader of Durham County Council

Mark Lloyd
Chief Executive

November 2007

1.0 The Context

1.1 Haven't I seen this before?

Last year Durham County Council introduced a document like this to try to get views from as many individuals and organisations as possible, in order to help our Councillors decide how to focus spending on services and where to make savings and efficiencies.

We received 167 written responses to the consultation, along with a 2,300-signature petition and 220 completed priority score sheets. Responses came from individuals, associations or groups with a particular interest and a number of other Councils. Many of the written replies focused on one or two specific areas where savings were being proposed. A small number of respondents replied to the specific questions asked and some criticised the process.

Inevitably, much of the background information contained in this document is similar to that of last year, as it is designed to inform new readers about what the County Council does and how it goes about setting its budget.

1.2 What the County Council does

The County Council is an assembly of 63 county councillors, elected by people in County Durham to take decisions, represent their views and ensure that key services are delivered efficiently and effectively.

In many instances, the County Council is the 'statutory authority', the organisation responsible legally for planning and providing particular services which affect the public.

We provide many services direct to the public ourselves, but also 'commission' or hire other organisations to provide services on our behalf.

As an organisation, we have three main service groupings:

- **Adult and Community Services** – providing health and social care services for adults, cultural and leisure services such as libraries and museums and a range of community support services for particular groups of people and the wider community in County Durham.
- **Children and Young People's Services** – providing nursery, primary and secondary education for children and young people, transport to schools and colleges and youth services, education in the community, meeting children and young people's health and social care needs, supporting families, fostering and adoption, Child Protection and Building Schools for the Future (our redevelopment programme for secondary schools).
- **Environment** – looking after the environment of our countryside, towns and villages, controlling and planning development in the County, maintaining and developing the network of roads, cycle ways and footpaths, promoting and developing the use of public transport and disposing of household and commercial waste. Since last year this service has taken on responsibility for economic development and regeneration services.

In addition, we have three management and administrative support services and a commercial trading arm:

- Chief Executive's Office – providing corporate policy, strategy and research for the Council, human resources strategy and personnel services, public relations and management of major initiatives such as the Local Area Agreement and the County Durham Strategic Partnership.
- Corporate Services – providing legal and procurement services for the Council, managing the Council's property and assets, building design services, registration of births, deaths and marriages and democratic services such as support for councillors and the Council's various committees, including Overview and Scrutiny and decision-making bodies.
- County Treasurer – managing the Council's finances, audit and risk and providing specific financial services such as income and payments, payroll and pensions. During this year the service has taken responsibility for design and print, information and communications technology.
- Service Direct – providing highways and bridges maintenance and construction, street lighting, grounds maintenance, building maintenance and building specialist services, catering, cleaning, and vehicle management services for the Council on a contractual basis through open competition and procurement.

To give you an idea of the scale of services we provide and what we do, we:

Adult and Community Services

- help over 35,000 vulnerable people to remain independent in their own home
- care for more than 3,300 people in residential and nursing care
- provide more than 2.5 million hours of home care each year
- protect vulnerable adults from abuse and harm
- provide 39 static and 6 mobile libraries, loaning over 3.5 million library items each year
- provide free internet access in libraries
- run three museums – Binchester Roman Fort, DLI Museum and Art Gallery and Killhope Lead Mining Museum
- receive 3.6 million visits to libraries and attractions
- handle 840,000 information and advice enquiries annually
- raise £9.2 million in 2005/06 in social security benefits for the people of County Durham
- promote safer communities through partnership working

Services for Children and Young People

- improve the opportunities for all our children and young people
- educate almost 75,000 pupils in 292 schools
 - 12 nursery
 - 233 primary
 - 36 secondary

- 10 special
- 1 Pupil Referral Unit
- provide learning opportunities from three years old
- work to improve levels of pupil attainment
- safeguard and promote the welfare of our children and young people
- protect children and young people from neglect and harm
- support families and prevent family breakdown
- act as 'corporate parent' to care for 'looked after' children

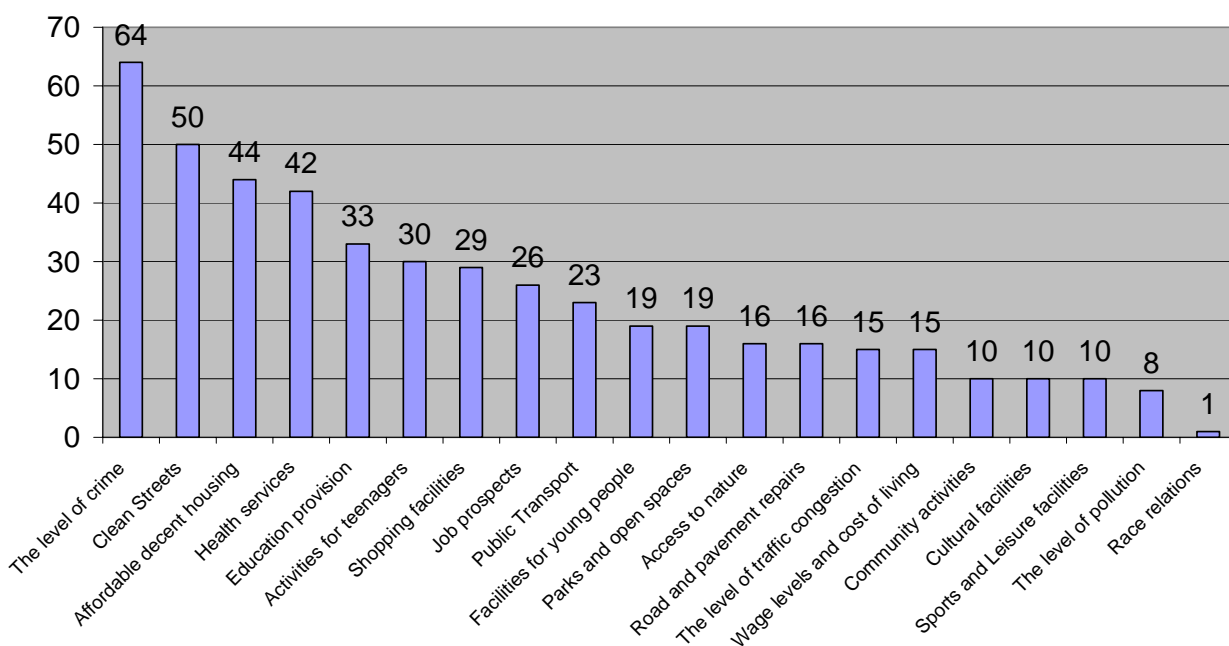
Environment

- maintain 3,699km (2,295 miles) of roads, 3,353km (2,144 miles) of footpaths and bridleways and 304km (189 miles) of railway paths and cycle ways
- improve the transport network and bus services
- maintain 83,000 streetlights and lit signs and 1,144 bridges
- handle 280,000 tonnes of waste annually of which 29% is recycled or composted
- safeguard the environment
- promote a safe and fair trading environment
- Assist businesses to create over 1,261 jobs (2005/06)
- Secure external funding to promote the local economy

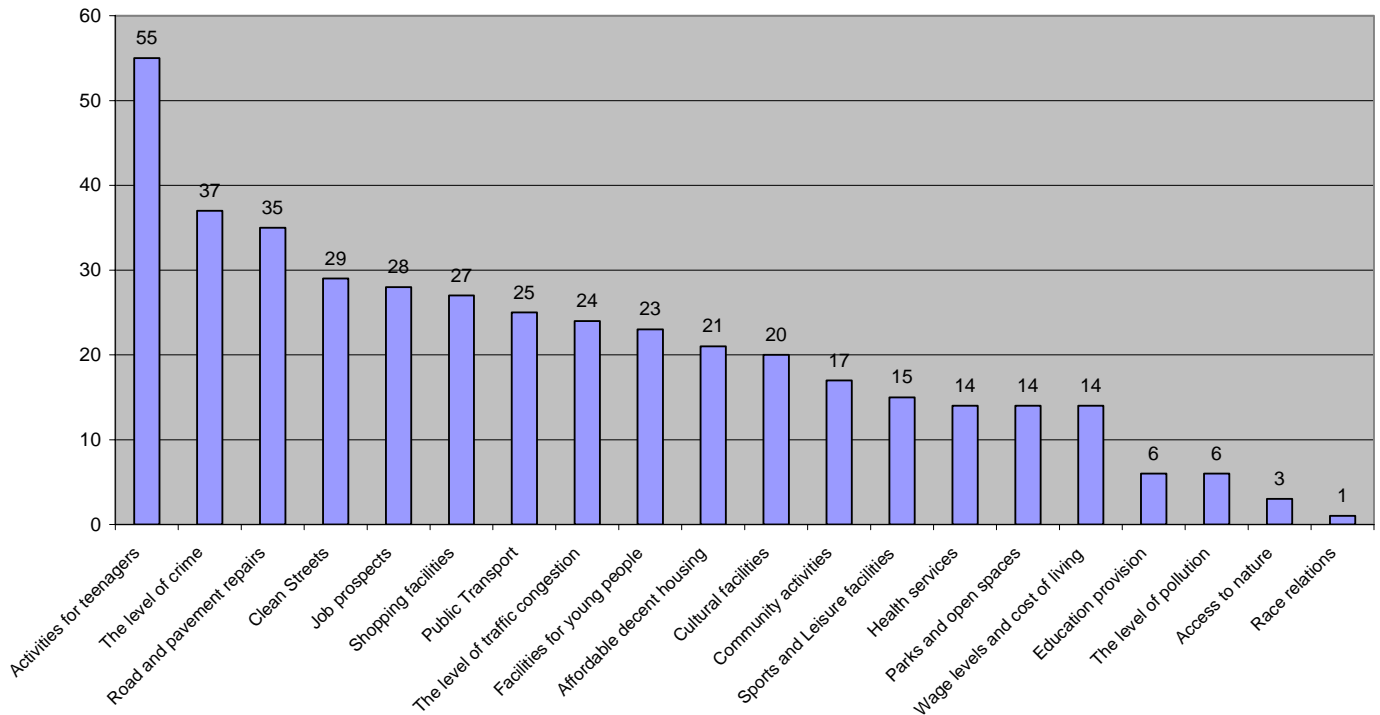
1.3 What people have told us

Every three years we conduct a residents' satisfaction survey to provide a view on satisfaction with council services. The 2006 survey was sent out to 6,000 residents and there were 2,936 responses, a 50% response rate. Respondents were asked to identify five things that make somewhere a good place to live, and similarly five things that they think need most improving. The results are shown below:

Thinking generally, which of the following would you say are most important in making somewhere a good place to live? (respondents could pick up to 5)



**Thinking about this local area, which of the following, if any, do you think most need improving?
(respondents could pick up to 5)**

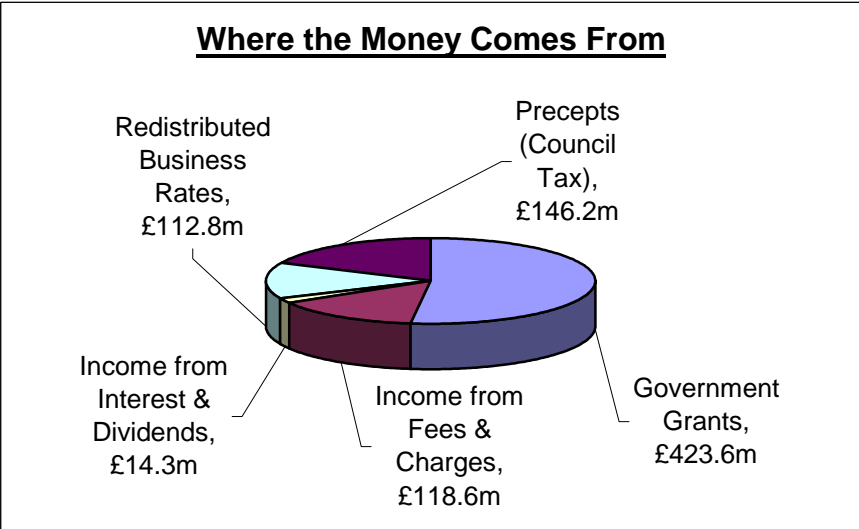
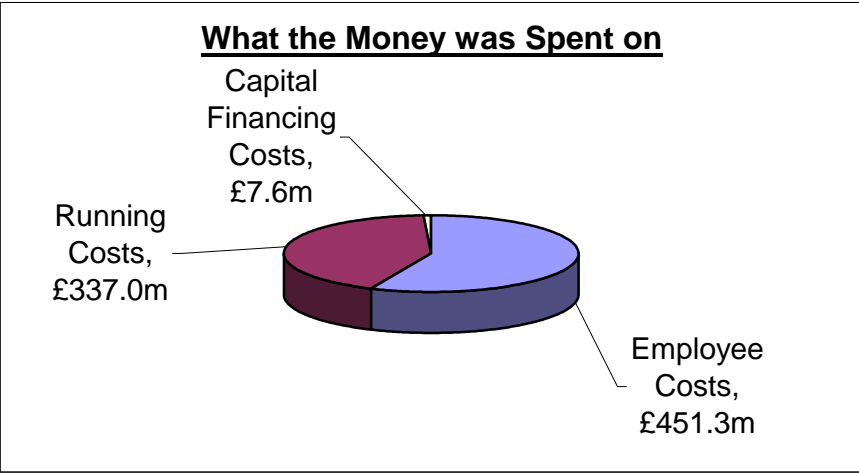
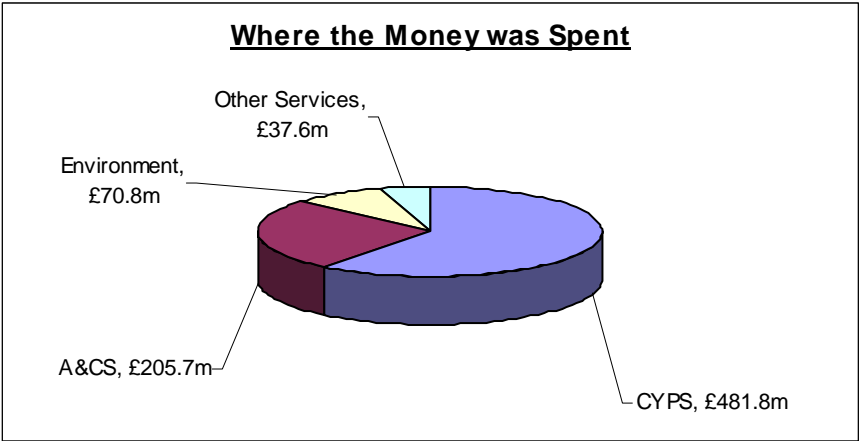


Residents were also asked their opinion of council services. Overall satisfaction with the Council was 48%. This represents a drop of four percentage points compared with the last survey in 2003, and compares with a national drop in satisfaction with councils of two percentage points over the same period.

1.4 Developing the budget

The budget sets out what services the Council is planning to provide, how much they will cost and how it intends to pay for them. It takes into account how much funding the Council will receive from the Government and other sources of income and identifies how much money the Council needs to raise from the Council Tax.

The pie-charts based on 2006/07 income and spend below, give you an idea of how we spend our money and where we get it from.



Budgets are prepared each year in the light of what the Council needs to do and the amount of funding available to us. To provide slightly longer term financial planning, the Council also prepares a three-year 'Medium Term Financial Plan' which helps to inform the development of the annual budget. Our current Medium Term Financial Plan covers 2007/08 to 2009/10.

1.5 The approach we take

In developing the budget for consultation this year, our starting point is our current budget and our budget strategy, which is to keep Council Tax increases as low as possible while taking into account:

- County Council priorities;
- demographic changes and inflationary pressures;
- efficiency targets and other efficiency savings;
- Government priorities and guidelines;
- the impact of proposals on service users and Council Tax payers.

We have set out a series of planning assumptions concerning:

- the level of priority the Council should give to different services;
- how much money we expect to receive from the Government and other sources;
- the impact inflation will have on our service costs;
- what we think is a reasonable level of Council Tax increase to start planning around.

We have prepared a 'base budget', which describes how much we think it will cost the Council next year to provide the same levels of service as this year.

In the light of these assumptions, we have identified areas in which we believe we need to invest or spend more to meet unavoidable pressures on services or to develop and improve services further.

To balance these investments, we have looked at how we can reduce costs through efficiency savings, increasing income and in some instances, cuts or reductions in service.

In all of our options, we strive to achieve greater 'value for money', ensuring that wherever possible we improve services whilst keeping costs as low as possible.

In the following pages we set out our assumptions, outline our suggestions for investment and detail how we could save money and reduce costs to better afford the investments we believe we need to make.

1.6 What we have achieved so far

In order to meet the Council's priorities and ambitions the budget process makes us focus on savings and the amount of Council Tax we need to balance the budget. Over a number of years we have tried to protect services and keep Council Tax down. Increases in Council Tax over the last 4 years have all been below the Government target of 5%, while we have delivered efficiency savings as measured under Government guidelines (Gershon Review) of £19.1m with a further £7.2m to come in 2007/08.

1.7 What we want from you

We need to know what you think about our initial budget options. The document should help you form a view on some of these issues we face. We have provided a series of questions that we would like you to comment on in Section 5, page 34. These questions are also available on line at www.durham.gov.uk. This will help us to collect your views, but we have also provided contact details on page 34 where you can write or email us on any issues you may wish to raise relating to this document.

2.0 Our planning assumptions

2.1 What we should prioritise

Improvement Priorities

Currently, the Council has six priority areas for improvement:

- **Protecting and supporting vulnerable children** – focus on children and young people staying safe and reducing the incidence of children at risk.
- **Improving educational attainment/achievement** – focus on achievement at Key Stage 4 (GCSE), attainment of children in care at KS4 and narrowing the gap between boys and girls.
- **Protecting/supporting vulnerable adults** – focus on preventative services for adults with learning disabilities and older people.
- **Improving health** – focus on outcomes where the Council has a direct influence, either as an employer or as a key partner working with others on the health improvement agenda.
- **Promoting economic well-being** – focus on improving economic activity in County Durham reflecting a combination of reducing the number of people claiming incapacity benefit, job creation and focus on the knowledge economy.
- **Quality of the Environment** – focus on waste management, footpaths, our contribution to the climate change agenda and public transport.

Areas for Additional Investment

We aim to improve each of the areas outlined above by managing our existing resources as effectively as possible. However, amongst these six areas, there are five which we believe are so important, that they merit additional investment to develop services further. These are:

- Vulnerable children and young people
- People with learning disabilities
- Older people to retain their independence
- The transport infrastructure and reducing the rate of decline in public transport.
- Building Schools for the Future

2.2 How much Council Tax we should charge

Last year we increased Council Tax by 2.9% for the financial year 2007/08. Taking into account general inflation and the financial pressures which the Council and people face, we are basing our initial suggestions for the budget on a Council Tax increase of 3.9%, which we have used as a planning guideline in our Medium Term Financial Plan and is below the 5% increase which the Government has previously indicated is reasonable.

A 1% increase on Council Tax generates just over £1.5 million, so the 3.9% increase proposed would provide us with around £5.9 million to contribute towards additional costs and any increases in investment.

The 3.9% increase is a planning assumption and we have yet to decide on the actual level to be charged.

2.3 How much money we expect to receive from Government

We are analysing the Comprehensive Spending Review from Government which shows the worst allocation of funding to local government for 10 years and are awaiting the final settlement of funding for local government (due December 2007). All indications are currently that local government will receive an increase in funding which is much lower than in recent years. Local Authorities are being asked to make annual efficiencies of 3% and their funding is likely to be reduced accordingly. Our planning assumption is that government funding for Durham County Council will increase by 2.5% in 2008/09, around £3.5m.

2.4 The impact of inflation and other assumptions

During the course of next year, we expect the Council's budget to have to cope with:

Price inflation	2.0%
Salary cost inflation	2.5%
Pensions contributions increase	4.8%

In addition, we expect the 'Dedicated Schools Grant', which is the money the Government gives us to spend exclusively on schools and pupils, to increase by between 3% and 4%.

2.5 Our base budget or starting point

In the current year, the County Council's 'budget requirement' is £293 million. This is the amount which is met from general Government grants and Council Tax.

The gross expenditure on services however, is around £950 million. The difference is accounted for by specific grants, including the Dedicated Schools Grant, and other income.

Taking into account existing levels of spending, commitments from decisions we have already made, Government directives and what we currently know about inflation and energy costs, we expect that it will cost us £12.299 million more to provide the same level of service in 2008/09 as in 2007/08.

3.0 Where we want to invest and spend more

We believe that we need to invest and spend more to improve key services, meet our legal obligations and to realise our ambitions and aspirations for County Durham.

In developing suggestions for investment or spending, we have taken into account:

- our legal responsibilities
- growth and changing patterns of demand from the most vulnerable people we need to support and help
- our overall priorities for improving and investing in services

Based on our initial suggestions, we are looking to invest or spend £6.916 million more on services next year. We have outlined our specific suggestions in Section 4.1.

3.1 Risk

In addition to the options we have developed so far, it is likely that we may need to spend more and invest in the following areas:

- Equal Pay and Job Evaluation – to meet the costs of equal pay claims and our programme to develop a fairer pay structure for the Council.
- Redundancies – to meet potential redundancy payments for staff arising from some of our savings options.
- Waste – the costs of waste disposal and the need to recycle is growing driven by UK and EU legislation. We currently believe this will impact after 2009/10.

It is possible that we will still be uncertain about what these areas might cost when we have to make the final decisions about the Budget. We will nevertheless make appropriate provision based on the latest information available at that time.

3.2 How we propose to afford what we want to spend

We have developed options for how we might afford our suggested investments and spending increases.

Taking into account what we expect to receive from Government and other sources, the 3.9% increase in Council Tax we have used as a planning assumption and our priorities for improving services, we have considered how we can:

- make savings and operate more efficiently;
- make more savings in our management and administrative support services, in order to afford spending increases and avoid cuts in our main 'front-line' services;
- maximise the use of grants and other sources of funding;
- reduce levels of service where we think the impact will not be that significant on the public.

Based on our initial calculation of our base budget and suggestions for investment, we are looking to make savings and reduce cost by £7.458 million next year. We have outlined our specific options in Section 4.2.

In addition we are proposing to use the Council's reserves to minimise the need for service reductions so we can continue to provide services. During 2006/07 we received a £10m one off dividend from our investment in Newcastle Airport and underspent on other areas by £5m. Consequently we believe it is prudent and fair to spend this money on delivering services to the people of County Durham during 2008/09. This spending of reserves in 2008/09 amounts to £3.9m, an increase of £1.3m over last year.

3.3 The impact of spending and savings options on the budget

Taking into account the assumptions we have made and our initial spending and savings options, the impact on the Council's budget for 2007/08 would be:

	Increase in available resources from 2007/08	£000	Calculation
A	Government grant increase	3,515	
B	3.9% Council Tax increase	5,875	
C	Use of reserves	1,326	
D	Other income	1,041	
E	Total increase in available resources	11,757	A + B + C + D
	Impact of spending and savings		
F	Increases in base budget	-12,299	
G	Net resources available	-542	E + F
H	Possible savings	7,458	
I	Total amount available for investment	6,916	G + H
J	Investment options	6,916	

This table assumes that all the potential savings in section 4.2 are achieved in full and that all the potential investments in section 4.1 are made. **Adjustments to either will clearly need to be balanced by changes elsewhere in our budget.**

4.0 Our investment and savings options

We must stress that at this stage these are very much preliminary ideas for consideration. When we have a stronger view of our budget proposals we will conduct separate and parallel consultation processes where they involve service and staffing reductions, in order to ensure fair procedures and legal requirements are met.

To help to assess the impact of each of the budget proposals, we have considered what effect they would have on the Council's improvement and investment priorities and our service performance.

This is shown in the tables below where the following abbreviations are used:

Improvement Priority

VA	Protecting and supporting vulnerable adults
EC	Promoting economic wellbeing
QE	Quality of the Environment
EA	Improving educational attainment
IH	Improving health
VC	Protecting and supporting vulnerable children

Areas for Additional Investment

VC	Vulnerable children and young people
PLD	People with learning disabilities
OP	Older people to retain their independence
TI	Transport infrastructure and reducing the rate of decline in public transport
BSF	Building Schools for the Future

Impact

I	Improves performance
M	Maintains current performance
U	Undermines performance

4.1 Summarised spending and investment options

Item	Title	Summary	2008-09 £	Improvement Priority	Areas for Additional Investment	Impact
Adult and Community Services						
1	Supporting people with learning disabilities	To meet the costs of supporting an increased number of people with learning disabilities.	1,200,000	VA	PLD	M
2	'Supporting People' loss of income	To cover the cost of services previously met by grants which have now changed.	550,000	VA	PLD/OP	M
3	Supporting older people (over 65) who care for people with learning disabilities	Providing support to older carers to help them to continue to support their adult children with a learning disability.	500,000	VA	PLD/OP	M
4	Ageing population - additional capacity	Increasing our capacity to provide care and support to enable growing numbers of older people to remain in their own homes.	850,000	VA	OP	I

Item	Title	Summary	2008-09 £	Improvement Priority	Areas for Additional Investment	Impact
5	Learning Disabilities - external care pressures	Increasing costs of caring for an ageing population of people with learning disabilities, alongside increasing need to provide placements for people either moving out of long stay, institutional establishments, being discharged from hospital or whose carers are over 65 and who are no longer able to care for them.	500,000	VA/EC	PLD	M
6	Supporting people with learning disabilities leaving school	Increasing costs of supporting people with learning disabilities who are leaving school. The trend is that the number will increase, as there has been a marked increase in the number of young people diagnosed as being autistic in the last five years.	450,000	VA	PLD/VC	M
7	Reduction in Grants	Compensating for reduced levels of Government Grants for maintaining clients in residential and nursing care.	250,000	VA	OP	M
8	Improving Day Services	The continuation of Day Service Improvements, which meets the individual and diverse needs of people with learning disabilities. The improvements help to meet the Government's 'Valuing People' Agenda and avoid the Council incurring significant capital costs in ensuring that our large older day centres meet Health and Safety requirements.	400,000	VA	PLD	I

Item	Title	Summary	2008-09 £	Improvement Priority	Areas for Additional Investment	Impact
Children and Young People's Service						
9	Direct Payments	To meet the costs of increasing demand for statutory payments to parents who choose to support children with disabilities at home.	80,000	VC	VC	I
10	Transport for Looked After Children to contact visits and school	To meet increased demand for transport for children in care, associated with court orders which require transport to parental visits and school.	40,000	VC	VC	I
11	University Allowances	To meet the increasing demand for the Council to assist children in care to attend university.	30,000	VC	VC	I
12	National Minimum Fostering Allowance	The additional cost of increasing the level of payments paid to foster carers, in line with the Government's proposed minimum levels.	210,000	VC	VC	I

Item	Title	Summary	2008-09 £	Improvement Priority	Areas for Additional Investment	Impact
13	Criminal Records Bureau checks	The additional cost of implementing three yearly 'police checks' on people who have access to children, in line with latest guidance.	20,000	VC	VC	I
14	Building Schools for the Future	Costs of the support team developing the programme to rebuild/redevelop all secondary schools in the County.	176,000	EA	BSF	I
Environment						
15	Inflation in highways maintenance and civil engineering costs	Supplementing the highways maintenance budget, to cope with increasing levels of inflation, which have seen the costs of civil engineering works increase by 31% over the last five years.	386,360	QE/EC	TI	M
16	Minerals and Waste Development Frameworks	Meeting the costs of our statutory requirement to update the Development Plan for Minerals and Waste and hold an Examination of Development Plan documents, in line with Best Value, Government Office and Planning Inspectorate requirements.	130,000	QE/EC	-	M

Item	Title	Summary	2008-09 £	Improvement Priority	Areas for Additional Investment	Impact
17	Public Transport Inflation	Additional increase in bus operator costs	143,750	QE/EC	TI	M
18	Landfill Tax	Cost of increases in the tax levied on putting waste in landfill sites	1,000,000	-	-	M
TOTAL INVESTMENT AND INCREASES IN SPENDING			6,916,110			

4.2 Summarised options for savings, efficiency gains, income and service reductions

Item	Name	Summary	2008-09 £	Impact
Adult and Community Services				
1	In-House Home Care Service	Review of staffing levels to take account of lower levels of current demand.	183,000	M
2	Respite Care eligibility criteria	Ensuring access to respite care on the basis of assessment and annual allocation linked to need.	25,000	M
3	Consistent application of eligibility criteria - Older People	Continued review of clients' needs and provision against published criteria for services.	185,000	M
4	Home Care – shopping	Using internet shopping service for home care clients rather than staff visiting shops.	50,000	M
5	Supported Housing - review of staffing and support	Ensuring that clients are empowered and are able to maximise their independence and where they are, reducing staffing support accordingly.	200,000	M
6	Service Level Agreements (Learning Disabilities Commissioning)	Review of all service level agreements with organisations who commission support for people with learning disabilities to evaluate relevance, usage and value for money	100,000	M
7	Service Level Agreements (Mental Health Commissioning)	Review of all service level agreements with organisations who provide support to people with Mental Health needs to evaluate relevance, usage and value for money	75,000	M

Item	Name	Summary	2008-09 £	Impact
8	Service Level Agreements (Learning Disabilities In-house Provider)	Review of supplementary service level agreements within in-house provider services to evaluate relevance, usage and value for money	40,000	M
9	Independent sector day care	Savings made by regulating the fees charged by independent providers of day care services.	50,000	M
10	Physical Disabilities care	Savings made by regulating the fees charged by independent providers of care services.	10,000	M
11	Learning Disabilities residential care	Savings made by regulating the fees charged by independent providers of residential care services.	25,000	M
12	Handyperson Service Level Agreement	Reduction in services provided through the Home Improvement Agency and Handyperson Services, following a review by the Supporting People Partnership. Assumes a 20% saving from 2007/08.	40,000	M
13	Integrated health, housing and social care teams	Review of management and support costs - assumes saving of contribution to Sedgefield Head of Integration post.	30,000	M
14	Learning Disability Statutory Responsibilities	Consistent application of eligibility criteria to ensure the County Council adheres to and can maintain its statutory responsibilities for people with high level needs.	200,000	M
15	Learning Disability - Care Package Review	Pro-active review of individual clients needs on a regular basis	500,000	M
16	Extending Hired Transport Review (within our remit)	Encouraging independent travel has allowed transport contracts to be renegotiated/terminated	60,000	M

Item	Name	Summary	2008-09 £	Impact
17	Shift from Residential to Domiciliary services	Increased use of domiciliary services in preference to residential care.	42,000	I
18	Coming Home	Project to bring Learning Disabilities clients back to County Durham from care facilities outside the County when appropriate.	100,000	I
19	Mental Health Day Service Provider	Review of in-house provision	50,000	M
20	Section 117 Aftercare (Learning Disabilities)	Ensuring application of charging for people discharged for S117 orders.	30,000	M
21	In-house Provider Efficiency Savings	Reducing car allowance/travelling and reducing Equipment/Furniture/Materials	170,000	M
22	Purchase of Nursing Care	Continued reduction in purchase of nursing care. Assumes reduction of five beds.	82,000	I
23	Welfare Rights - Publications and general office expenses	This will include a switch to free rather than purchased materials.	15,000	M
24	Review of Research Support Services	Potential savings based upon current Service restructure.	6,000	U
25	Social Inclusion Staffing	Review of staffing as part of Service restructure process.	42,000	U
26	Planning and Performance Services Budget	Budget used for specialist training – budget cut.	10,000	U

Item	Name	Summary	2008-09 £	Impact
27	Inter Sector Training Allocation	Reduction in respect of direct costs for training – remaining infrastructure will support strategic development of training programme and attracting inward involvement	51,000	M
28	Training Budget	Cut in training provision to reflect changes in staffing levels.	36,000	U
29	Planning and Performance Staff Reduction	Savings achieved from restructuring.	20,000	M
30	Finance and Business Support Staff	Efficiency savings generated from Service restructure	160,000	M
31	Additional income from Reassessments	Income generated from Invest to Save posts	100,000	M
32	Reduction in budget for General Office Expenses	Reductions in spend – little impact	50,000	M
33	Reduction in budget for telephones	Reductions in spend – little impact	50,000	M
34	Charge developers for Archaeological services	Introduce charge for Archaeology services.	12,000	M
35	DLI Museum and Durham Art Gallery -Review operation of DLI and Durham Art Gallery.	DLI and Durham Art Gallery to be operated differently. Total review of DLI staffing structure required. May affect accreditation.	35,000	U
36	Marketing – Review service as a result of restructure and improve income generation	Review a number of functions in this section and improve income generation.	14,000	M

Item	Name	Summary	2008-09 £	Impact
37	Information and Community Development.	Review structure, reduce service.	30,000	U
38	CREATE	Review service delivery and serve more user groups, generating income where possible. If income cannot be improved the team may lose posts.	13,000	U
39	Pontop Centre	Removal of set up costs allowed for initial year of day service improvements in Derwentside	160,000	M
Children and Young People's Service				
40	Early Years	Funds previously used on an Early Years database are no longer required	17,300	M
41	SureStart	Specific grant is to be used to meet Support Services costs and accommodation costs	96,000	M
42	Early Years	Foundation Teaching Early Years providers to be met from grant	91,530	M
43	Redundancy costs	Costs associated with school staff redundancy payments to be met from Dedicated Schools Grant	100,000	M
44	Transport	Fewer pupils in schools should reduce transport costs.	55,000	M
45	Integrated Transport Unit	More efficient transport management for pupils and students.	30,000	M
46	Inflation	Cash limit grant funded projects	5,040	M
47	Revenue budget contribution	Reduced contribution to Education and Business Learning Organisation and Continuing Professional Development Infrastructure.	51,640	M
48	Post-16 Transport	Revised post-16 transport policy from September 2006	500,000	M
49	Community Buildings	Removal of resources added as a one year fund in 2007/08	250,000	M

Item	Name	Summary	2008-09 £	Impact
50	Service Management Structure and support functions	More efficient Service Management Structure and support functions	97,150	M
51	Supplies and Services	Reduced spend on Supplies and Services	59,800	M
52	Curriculum Initiatives	Removal of budget as initiatives have ended	49,000	M
53	Secondary School Examination Performance	Provide improvement funding via grant	200,000	M
54	Payment for Skills budget	Reduced demand on Payment for Skills budget	40,000	M
55	Day Nursery Provision	Alternate arrangements for Day Nursery Provision	64,600	M
56	Day Care and Child Minding Provision	Reduced demand on Day Care and Child Minding	50,000	M
57	Staff turnover	Reduced spend due to staff turnover and vacancies	41,880	M
58	Adoption – “Invest to Save”	Savings from alternative provision	350,000	M
59	Woodham prevention of exclusion service to DSG spell out	Woodham prevention of exclusion service funded via grant	22,000	M
60	Investing in Children	Income generation	10,000	M
61	Youth Engagement Service	Rationalised support services	10,000	M
62	Grants	Remove small grants budget	3,300	M
63	Youth Engagement Service	Provision for software costs – no longer required	12,000	M

Item	Name	Summary	2008-09 £	Impact
Environment				
64	Landfill Tax	Landfill tax savings arising from increased rates of recycling.	150,000	M
65	Rechargeable works	Increase in income from rechargeable works undertaken on behalf of developers and from statutory undertakings	77,400	M
66	Parking charges	Increased income from parking charges and enforcement of parking restrictions in Durham District	60,000	M
67	Travelling Expenses	Reduction in car mileage	8,850	M
68	Supplies and Services	General efficiency measures	21,500	M
69	Bus Service data monitoring	Improved performance monitoring through introduction of Electronic Ticket Machine (ETM) technology	7,500	M
70	Community Highways Workers	Withdrawal of current service provision	76,000	U
71	Surface Dressing Road Markings	After surface dressing work has been carried out, charge the road marking recovery work to the Capital budget	105,000	U
72	Grass Cutting on Highway Verges	Reduction in the frequency of the grass cutting programme	100,000	U
73	Weed Spraying	Reduction in the extent of the programme	85,000	U
74	Winter Maintenance	Reduction in the number of pre salting routes carried out – exact routes to be determined	200,000	U
75	Street Lighting – painting programme	Reduction in the frequency of street lighting column painting	70,000	U
76	Street Lighting Improvement Programme	Reduction in the programme of street lighting column replacements, improvements and meeting requests	62,000	U
77	Street Lighting	Reduction in street lighting Column Testing Programme	10,000	U

Item	Name	Summary	2008-09 £	Impact
78	School Crossing Patrols	Deletion of existing unfilled posts and service rationalisation	26,500	M
79	Road Safety Information and Publicity	A cut in the service currently provided would be partially offset through redirection of funds from the Specific Road Safety Grant	40,000	M
80	Salaries and Wages	Various staff related restructuring proposals	91,000	M
81	Countryside Service – Sites, Rangers and Ecology	Reduction in works programmes	11,000	U
82	Hardwick Park	Reduction in running costs	6,000	M
83	Countryside Service - Access and Rights of Way	Reduction in Works Programmes	10,000	U
84	Community Forest Project	Removal of financial contribution	21,750	M
85	Trading Standards Service	Reduction in Food Sampling programme	45,000	U
86	Economic Development and Regeneration	Reduction in Supplies and Services budget.	2,000	M

Item	Name	Summary	2008-09 £	Impact
	Chief Executive's Office			
87	Change Programme	Reduction in the Change Programme budget	34,000	M
88	Business Support Division	Rationalisation of staffing.	46,000	M
89	Human Resources	Reduction in travelling expenses and supplies and services.	34,000	M
90	Human Resources	Increased income from Service Level Agreements with outside organisations.	13,500	M
Corporate Services				
91	Staffing	Rationalisation of staffing	59,500	M
92	Legal Services	Increase charges for external work above the rate of inflation.	15,000	M
93	Corporate & Democratic Services	Increase charges for external work above the rate of inflation and additional income generation.	33,500	M
94	Estates	No longer a requirement for the condition survey budget.	88,000	M
95	Estates	Increase income from disposal and capital fees.	32,000	M

Item	Name	Summary	2008-09 £	Impact
96	Estates	Reduce the amount to be spent on repairs and maintenance.	100,000	U
97	Estates	Reduction in supplies and services.	4,500	M
98	Corporate Procurement	Increased income from Service Level Agreements with outside organisations.	3,000	M
99	Registration Service	Increase in non statutory fees above the rate of inflation.	7,000	M
County Treasurer				
100	Staffing	Rationalisation of staffing due to system changes	108,000	M
101	Supplies and Services	Reduction in recruitment of staff budget	25,000	M
102	Customer Services	Reduction in call charges following conversion of sites to VOIP (voice over internet provision).	27,000	M
103	Customer Services	Reduction in ICT maintenance contract which is possible due to recent replacement of PC's and servers.	50,000	M
104	Customer Services	Saving in energy costs due to introduction of new PC's.	73,000	M
105	Customer Services	Rationalisation of staffing.	59,000	M
106	Customer Services	Durham Net – DCC's share of trading surplus on network provider jointly owned with Derwentside District Council.	103,000	M
	Total Savings		7,458,740	

4.3 Additional “one off” investment proposals for 2007/08

These are the one off investment proposals which are under consideration, in the light of the anticipated underspend in our budget for the current year.

Proposal 1

Adult and Community Services

£100,000

Prevention of domestic abuse

Proposed that funding be allocated to support:

- Raising Members' awareness of domestic abuse issues
- Reviewing training opportunities for staff
- Reviewing the effectiveness of publicity materials
- Research about domestic abuse in Lesbian, Gay, Bisexual and Transgender (LGBT) Groups and Black and Minority Ethnic (BME) communities
- Assess the need for perpetrator programmes for women and members of the LGBT community

The proposal is to allocate funding on a ‘one off ‘ basis to purchase training, awareness raising campaigns, research and supporting the development of specialist perpetrator programmes.

Proposal 2

Environment

£40,000

Additional funding for the Parish Paths Partnership.

The Parish Paths Partnership has been running for 15 years, and has been highly successful in involving local communities in the management and improvement of their local public rights of way.

A set of practical guidelines to the Parish Paths Partnership is currently in production, offering practical advice to Parish and Town Councils and community groups on achieving value for money and cost-effective management of paths, including finding other sources of funding. The costs of printing and distributing these guidelines will be **£3,500**.

The Parish Paths Partnership is over-subscribed, and its current budget allocation of £41,000 a year is insufficient. Additional funding of **£36,500** during 2007/08 would enable a much wider range of projects to be undertaken by Parish and Town Councils and community groups across the County, offering excellent value for money and strengthening the relationship with this tier of local government.

Proposal 3

Environment
£50,000

Legal Costs.

It is very likely that during 2007/08 the Authority will face significant and unavoidable legal costs for specialist research, expert advice and legal representation at Public Inquiries. Where the Authority has made a Committee or delegated decision to make a legal Order to modify the Definitive Map, or to divert, extinguish or create a public right of way, there is a duty to present that Order professionally and in full at any Public Inquiry that may result. Some of these cases are extremely complex, and the landowners often have the resources to employ top legal representatives.

Proposal 4

Environment
£80,000

Lime Kiln Gill Improvements/Heritage Coast Support

- Lime Kiln Gill Improvements - The creation of a car park at beach level in Lime Kiln Gill, Horden, to improve access to beach level for older people and those with disabilities and to minimise car break-ins and thefts by ensuring greater visibility of cars parked at beach level to visitors on the foreshore.
- Heritage Coast Support - To maintain the momentum for improvements along the coast that increase the quality of life for residents and develop the tourism potential additional resources are required.

Proposal 5

Children & Young People's Service
£20,000

Academic Mentoring

The Mentoring programme for Looked After Children is delivered in partnership with the University of Durham, Collingwood College. The scheme was established in 2003 and is managed by a Steering Group made up of Officers from Children and Young People's Services, an Elected Member and the Principal and Vice Principal of Collingwood College.

The scheme provides one to one support for looked after children aged between 10-18 years from October through to the end of April. The mentor and mentee meet on a fortnightly basis and undertake activities that are of mutual interest. Some mentors will also provide academic support to help the young person with their school / college work.

The mentoring relationship provides the young person with an opportunity to build a relationship with another young person involved in higher education and to undertake new experiences that promote their personal and social development.

The Scheme has been subject to an external evaluation together with annual feedback from participants. Conclusions stated that the Scheme contributes to the overall personal development of the young person and provides an opportunity for looked after children to build a trusting relationship with another young person who is not part of their care planning team and also presents as a positive role model.

Students from the University are recruited in May and undertake a comprehensive training programme before they are matched with a mentee. They are also subject to an Enhanced CRB check and references.

During 2006/07 there were 42 successful mentoring relationships.

Although interest in the Scheme continues to grow, particularly with younger children aged 11 years and above, continued development is limited by financial constraints. The additional funding of £20,000 will provide financial support for 30 additional mentoring relationships.

Proposal 6

Children & Young People's Service
£60,000

Priorities for Post 16 Learning

To develop procedures/strategies for identification of priorities for improving Post 16 curriculum and teaching and learning. The additional funding will enable a contract of prioritised support to schools which will mirror the current Key Stage 4 (Secondary) Beyond Expectations Team.

Proposal 7

Children & Young People's Service
£30,000

IT Impact Centres

Impact is a key Stage 4 alternative education programme for 180 young people. The programme is delivered across seven centres across the County, many of which are community-based buildings.

The young people attending Impact currently have the opportunity to study 6.5 GCSE equivalent courses, increasing to a minimum of 9.5 GCSEs from September. The young people attending the programme are referred by their school and span the full ability range.

Currently, six of the seven centres do not have access to a network of computers with Internet access. The young people rely on lap top computers for IT work within specific lessons only and travel to libraries and other public amenities if they need to research work on the Internet. Many of the young people do not have access to a PC at home and therefore depend on their time within education to use office type computer packages.

The lack of ICT provision is undoubtedly having a limiting effect on the ability of the young people to gain the skills required to be competent in computer use, but also to use the internet as a tool to enrich their studies rather than play games.

Impact has the opportunity to get involved in further curriculum developments which are to be piloted from September 2007 including E learning and web based curriculum tests such as ALAN (Adult Literacy and Numeracy) and Key Skills. However this will be problematic unless we can ensure access to high quality ICT resources.

The long term plan to increase ICT facilities for Impact involves establishing fully equipped IT suites in three Impact bases, the locations of which will allow for easy access by all Impact centres:

- New Murton Nursery base to serve the centres in the East
- E Café Ferryhill to serve the mid and south west Durham centres
- Stanley to serve the two Stanley centres

The decision to develop suites in accessible geographical areas rather than within each centre will ensure that financial resources can be used to equip them to a higher standard. The suites will provide:

- 10-15 networked computers with printers
- Broadband access to the Internet

The Murton base will be established as a Centre of Excellence as it provides the highest standard of facilities used by Impact. In order to maximise the use of this centre it will also be used as a venue to deliver out of hours education programmes to groups of young people including looked after children.

Proposal 8

Children & Young People's Service
£50,000

E Learning Pilot

To identify a cohort of young people across the Local Authority who are at risk of not achieving their expected Key Stage 4 (secondary examination age) outcomes for a variety of social and health reasons and to provide on line teaching and qualifications to supplement the excellent current provision by broadening the curriculum offer.

5.0 Providing us with your views

In order to give us time to consider your comments before we make our final budget decisions early next year, we need to know what you think by **Friday, 30 November 2007**.

We have split the questions we are asking into a number of areas. We would ask that you try and answer all the questions in areas 5.1 to 5.4. These questions are available on line at www.durham.gov.uk and we would prefer you to respond in that way although we are happy to accept your responses in writing or by email as well.

In addition you are welcome to comment on any aspect of our budget consultation process by writing to:

County Treasurer
Durham County Council
County Hall
Durham
DH1 5UE

e-mail: treasurers@durham.gov.uk

5.1 The following questions help us to analyse responses:

	Yes	No
About You		
Do you Live in County Durham?		
Are you responsible or partly responsible for the Council Tax in your household?		
Are you a Business Rate Payer		
Are you aged below 25?		
Are you aged between 25 and 60?		
Are you aged over 60?		

		Yes	No
About Our Services			
Do you or your household use any of the following services?	Museums and Cultural Events		
	Libraries		
	Social Work for older people and those with physical disability		
	Residential and nursing care for older people and those with physical and or learning disabilities		

		Yes	No
About Our Services			
Do you or your household use any of the following services?	Home care for older people and those with physical disability		
	Respite care for older people and those with physical and or learning disabilities		
	Day Care for older people and those with physical and or learning disabilities		
	Residential Care		
	Fostering and Adoption		
	Services to children with disability		
	Preventative and family support services		
	Home to School and College transport		
	Community Associations		
	Schools		
	Youth Services		
	Public Transport		
	Countryside – Country Park and Picnic Sites, rights of way, cycleways and bridleways		
Do you think Durham County Council is a well managed Council?			
Do you think Durham County Council Makes good use of its resources?			
Do you find consultation exercises like this useful?			

5.2

The following questions are a guide to help you to develop your response to “Have Your Say”

	Yes	No
Section 2.1 Page 12 – Do you agree that we have chosen the right improvement priorities as below? If not, please let us know your thoughts and why you do not agree. Please tick		
Protecting and Supporting Vulnerable Children		
Improving Educational Attainment/Achievement		
Protecting/Supporting Vulnerable Adults		
Improving Health		
Promoting Economic Wellbeing		
Quality of the Environment		

Thoughts		
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	Yes	No
Section 2.1 Page 13 – Do you agree that we have chosen the right areas for additional investment? If not, please let us know your thoughts and why you do not agree.		
Vulnerable Children and Young People		
People with Learning Disabilities		
Older People to Retain their independence		
A transport infrastructure and reducing the rate of decline in public transport		
Building Schools for the Future		
Thoughts		

Section 4.1 Page 15 – Do you agree with our suggested areas for specific investment? If not, please let us know your thoughts and why you do not agree.		
Thoughts		
Section 4.2 Page 20 – Do you agree with our suggested areas for making savings? If not, please let us know your thoughts and why you do not agree.		
Thoughts		
Section 4.3 Page 30 – Do you think that the proposals for one off investment should be implemented now, in future years or not at all? (a form is provided to respond to this question)		
Thoughts		
Section 2.2 Page 1 – Do you think that the proposed Council Tax increase is reasonable?		

If you have answered "No" to the last question would you complete the following two questions

	Higher	Lower
If "No" do you think Council Tax should be higher or lower than 3.9%		
Where do you think we should make additional savings or spend additional resources?		
Answer		

5.3 From the following list of our key services, please indicate how important each of the services is to you by ticking the appropriate box

Service	Very important	Important	Less Important	Not important	Don't know
Adults and Community Services – Budget £205m					
Museums and Cultural Events					
Libraries					
Services for older people and those with physical disability including:-					
Residential and nursing care for older people and those with physical and or learning disabilities					
Home care for older people and those with physical disability					
Respite care for older people and those with physical and or learning disabilities					
Welfare Rights					
Community Safety					
Community Support					
Day Care for older people and those with physical and or learning disabilities					
Children's' & Young People's Services – Budget £205m (excluding schools)					
Residential Care					
Fostering and Adoption					
School Improvement (tests and exams)					
Services to children with disability					
Preventative and family support services					
Home to School and College transport					
Support to Community Associations					
Youth Services					
Environment Services– Budget £71m					
Highways and Footpath maintenance					
Street Lighting					
Public Transport					
Traffic Management - accident investigation and prevention, Road Safety and Safer Routes to Schools					
Countryside – Country Park and Picnic Site maintenance. Rights of Way, cycleway and bridleway maintenance					
Waste Disposal					
Trading Standards					
Economic Development and Regeneration					

5.4

Do you think that the proposals for one off investment should be implemented now, in future years or not at all? (For details see section 4.3)

Proposal	Description	Value £	Now	Future	Not at all
1	Prevention of domestic abuse	100,000			
2	Funding for parish paths partnership	40,000			
3	Legal Costs	50,000			
4	Heritage Coast	80,000			
5	Academic Monitoring	20,000			
6	Post 16 Learning	60,000			
7	IT Impact Centres	30,000			
8	E Learning Pilot	50,000			

6.0 Glossary of terms

Base budget	The base budget is the previous year's budget increased for inflation and adjusted for existing commitments – inescapable, contractual or statutory obligations – and known reductions or savings.
BREEAM	Building Research Establishment Environmental Method is an assessment of the sustainable credentials of new buildings. .
Budget Requirement	The approved expenditure of the County Council, net of estimated income and use of reserves, to be met from Revenue Support Grant, re-distributed Business rates and council tax.
Building Schools for the Future	A Department for Education and Skills capital programme which aims to rebuild or renew every secondary school in England over a 10-15 year period.
Capital Programme	Our plan of future spending on capital projects such as buying land, buildings, vehicles and equipment.
Collection Fund	A fund managed by each district council, separately from its own accounts to receive Business Rates income and Council Tax income.
'Coming Home'	An initiative to accommodate adults with learning disabilities who are currently in placements outside of County Durham in placements within the County.
Community Placement Officers	Officers working within learning disabilities day services locating clients in appropriate placements within the community.
CPA – Comprehensive Performance Assessment	A process used by the Audit Commission to assess how well authorities are performing.
Corporate and Democratic Core	The costs of activities in which a local authority engages because they are elected multi-purpose authorities including all aspects of members' activities, as well as the provision of information for public accountability.
Council Tax	A tax charged on domestic householders based on their property band.
County Durham Development Company	A Company wholly owned by the County Council to promote, encourage and secure economic development in the County.

County Durham Strategic Partnership	The local strategic partnership for County Durham, which brings organisations from the public, private, community and voluntary sectors organisations together to identify what needs to be done to improve quality of life in an area and to coordinate efforts between different organisations to do so.
CREATE	Is a mobile service which carries out recreational and activity programmes developed to help keep older people and people with a disability mentally and physically active. CREATE is an abbreviation of the activities carried out: Craft and art, Reminiscence, Exhibitions, Activities, Training, Exercise.
Day Service Improvement Model	Re-provision of day care services for adults with learning disabilities in the community in response to 'Valuing People'.
Dedicated Schools Grant	A Department for Children, Schools and Families (Central Government) specific ring fenced grant which provides funding for schools and other services for pupils managed by the Local Authority.
DCSF	Department for Children, Schools and Families, a Central Government Department
Direct Payments	Payments to clients or their guardians, with an assessed need, who have exercised their right to make their own care arrangements.
Driver Improvement Scheme	A training scheme, operated in partnership with the Police, for drivers with minor driving offences. The scheme is paid for by the drivers and offers them an alternative to the Court process.
Durham Learning Resources	A specialist library and museums service for schools in County Durham and Darlington.
Efficiency Targets	The Government requires the County Council to achieve a cumulative efficiency target measured in cash terms, of 2.5% per annum of its revenue budget over the years 2005/06 to 2007/08. At least 50% of this total must relate to cashable efficiency gains.
Enterprise Resource Planning System	An Enterprise Resource Planning System is an integrated business wide information system covering all financial, payroll and human resources processes with a clear integration into Customer Relationship Management.
Fair Access to Service criteria	Guidance from the Department of Health to local authorities on eligibility criteria for adult social care services, based upon evaluation of individuals; assessed needs and likely risks.

'Fair Cost of Care'	A methodology agreed between the County Council and care home providers for identifying fees which give residential and nursing care home providers a fair return.
Fines Park	Formerly a County Council residential home for adults with learning disabilities latterly used as an office base for in-house learning disabilities services management staff.
Independent Mental Capacity Advocacy Service	Advocacy service to provide independent advice to mentally impaired, incapacitated service users specified by the statutory guidance to the Mental Capacity Act.
Job Evaluation	The method the Council is using to review its pay structures to ensure that staff receive equal pay for work of equal value.
Local Area Agreement	An agreement between central Government and key partners in a local area, which allows local partners to decide how central Government funding should be spent in an area, to address local service improvement priorities.
Looked After Children	Young people who are either living in Children's Homes, in foster care, or at home subject to a care order.
Medium Term Financial Plan	Our three year plan for spending on the day to day running of services and our assumptions of likely resources available.
Mineral and Waste Development Frameworks	A set of planning documents which have to be produced by Planning Authorities as a requirement under the Planning and Compulsory Purchase Act.
Preventative Support	Services to support vulnerable adults at home and delay or prevent admissions to hospital or residential/nursing care.
Reserves	Sums set aside with the agreement of the Auditor to finance future spending for purposes falling outside the definition of a ' <i>provision</i> '. Reserves set aside for stated purposes are referred to as ' <i>earmarked reserves</i> '.
Sensory impairments	Hearing or sight problems.
Service Level Agreement	A type of contract between a contractor and a service provider. It details what services are to be provided and to what quality level.
Substance Misuse	Service for dealing with clients abusing drugs, alcohol or other volatile substances (e.g. solvents).
Supporting People	Funding stream provided by the central government Department for Local Government and Communities for housing related support services for vulnerable people.

Urban and Rural Renaissance	The Urban and Rural Renaissance programme is a programme of measures to regenerate and revitalise the centres of many of the County's towns and villages through physical improvements to the public realm and streetscape.
Valuing People Agenda	Government White Paper designed to improve support for people with learning disabilities and their families.
Walking Routes to School	Where a walking route to the nearest school is designated unsafe the Local Authority assesses what, if any, measures need to be put in place to provide a safe walking route, or provides free travel.
WorkAble Solutions	A service to assist adults with disabilities to find paid employment and provide ongoing support to help them remain in employment.

If you need this information summarised in another language or format such as Braille or talking tape, please call the number below.

إذا اردت معرفت ملخص هذه المعلومات باللغة العربية اتصل علي الرقم التالي

Arabic

আকারে এই তথ্যটি পেতে নিচের নম্বরে ফোন করুন:

Bengali

假如您需要這份資料的中文摘要，請致電下面的號碼。

Chinese

यदि आप यह जानकारी का संक्षेप हिन्दी में चाहते हैं, तो कृपया निचे दिए हुए नम्बर में सम्पर्क करें।

Hindi

Jezeli potrzebujesz streszczenia tych informacji w jezyku polskim zadzwon prosze na ponizszy numer

Polish

ਜਾਂ ਤੁਸੀਂ ਇਹੁ ਖਬਰ ਦਾ ਨਿਚੋੜ ਪੰਜਾਬੀ ਵਿਚ ਚਾਹੁੰਦੇ ਹੋ, ਤਾਂ ਕਿਰਪਾ ਥੱਲੇ ਦਿੱਤੇ ਹੋਏ ਨੰਬਰ ਤੇ ਸੰਪਰਕ ਕਰੋ।

Punjabi

اگر آپ کو یہ معلومات اردو میں درکار ہیں تو اس نمبر پر کال کیجیے۔

Urdu



(0191) 383 3520

TITLE:	SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08
TO/ON:	LEARNING AND ECONOMY SCRUTINY 4TH DECEMBER 2007
BY:	DIRECTOR OF CORPORATE ADMINISTRATION AND POLICY
PORTFOLIO HOLDER:	DEPUTY LEADER
STATUS:	REPORT

1 PURPOSE OF REPORT

- 1.1 The purpose of this Report is to inform the panel of the action planning initiatives in place for the five best value performance indicators (BVPIs) rated as a red risk for the third quarter of 2007/08.
- 1.2 In particular reference is made to the four red risk rated indicators that fall within the Learning and Economy Scrutiny remit. These indicators include: BVPI 11a that monitors the top 5% of the workforce who are women; BVPI 11b that measures the top 5% of employees who are from BME communities; BVPI 12 that investigates the number of days lost as a result of absence from work and BVPI 17a that monitors the percentage of local authority employees from ethnic minority communities.

2 BACKGROUND

- 2.1 The final Year End Performance Monitoring report for 2005-06 introduced a traffic light risk rating system to identify the Best Value Performance Indicators where anticipated performance was deemed to be at risk of falling into or remaining within the bottom performing quartiles nationally.
- 2.2 An advantage of the current Performance Monitoring Risk Rating System is that it enables risk ratings assigned at the beginning of the financial year to be amended throughout the year to reflect slippages or significant improvements in overall performance. This re-assessment process is carried out at quarterly intervals throughout the year and reported to the Executive Committee.

All red risk indicators are required to complete an Action Plan and all completed Action Plans must be referred to the relevant Scrutiny Panel. A description of each the BVPIs that have been assigned a red risk rating for Quarter 3 2007/08 is detailed below along with the relevant Scrutiny Panel to whom they should report. In addition the frequency of reporting is included to reflect anticipated changes for each indicator throughout the year.

BVPI	Title	Scrutiny Panel	Frequency
11a	% women in to 5% earners	Learning/Economy	A
11b	% BME in top 5% earners	Learning/Economy	A
12	Days lost to absence	Learning/Economy	Q
17a	% BME LA employees	Learning/Economy	A
213	Homelessness prevention	Environment/Health	Q

A = Annually

Q = Quarterly

3 RELEVANT MATERIAL CONSIDERATIONS

- 3.1 Action Plans are produced for each of these indicators at the start of the financial year for inclusion in the Quarter 1 Performance Monitoring Report to Executive. This ensures that poor levels of performance are addressed at an earlier stage in the financial year.
- 3.2 Three of the red rated indicators that report to the Learning and Economy Scrutiny Panel are required to update the panel on an annual basis and an update with regard to BVPI 11a, 11b and 17 a was presented to the Panel in September 2007. BVPI 12 that monitors the number of days lost to absence is monitored on a quarterly basis and a short summary of performance to date for this indicator is given below:
- **BVPI 12** – The average number of days lost to absence during the second quarter of 2007/08 is 4.42 days per employee and performance has improved in comparison to the same period in 2006/07 when the figure was 5.66 days. This represents an improvement in performance of almost 22% and the absence rate for the first six months of 2007/08 has demonstrated a continuous rise in performance to date and now sits within the second best performing quartile nationally based upon the ‘All England’ quartile boundaries for 2005/06. If this trend continues then it is anticipated that a year-end target of 10 days will be significantly exceeded.
- 3.3 The current Action Plan for BVPI 12 has been updated to include any initiatives being undertaken to address poor performance during Quarters 2 and 3 and is included for Members information in Appendix 1 of this report.

4 RECOMMENDATIONS

- 4.1 Members of the Learning and Economy Scrutiny Panel are requested to note the content of this report.

For further information contact Anne Smith, Performance Management Officer, Telephone 01207 218208 or e-mail anne.smith@derwentside.gov.uk

Directorate: Executive Director		Director: Mike Clark / Ian Jones					
Scrutiny: Learning and Economy							
BVPI	Title	Performance			Corporate Aim		
		2004/05	2005/06	2006/07	Together with our partners achieve organisational excellence		
BV 12	Number of days/shifts lost to absence	11.02 days	12.01 days	11.36 at 4/12/06 10.44 at 31/3/07			
Responsible Officer	Ian Jones	2006/07 Quarterly Performance		Qtr 1 2.75	Qtr 2 5.66	Qtr 3 Not collected	Qtr 4 10.44
Named Officer responsible for performance data collection	Lesley Allison	Direction of travel		↻	↻		
		2007/08 Quarterly Performance		Qtr 1 2.11	Qtr 2 4.42	Qtr 3	Qtr 4
		Target		Qtr 1 2.5	Qtr 2 5.22	Qtr 3 7.5	Qtr 4 10
		Target achieved		✓	✓		
Monitoring Frequency	Monthly	Reporting Frequency		Monthly			
Action Plan							
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact		
Review Sickness monitoring protocols & develop Action Plan	I. Jones	Jan 2007 May 2007 Sept 2007	Ongoing	Within existing resources	Regular reporting to Learning Scrutiny		
Review Occupational Health provision	I. Jones	Dec 2006	Ongoing		More efficient and effective service resulting in improved management of sickness		

Action Plan BVPI 12 Quarter 2 2007/08 (continued)					
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact
Explore best practice of neighbouring Authorities	C. Budd (Policy Unit)	Dec 2006	Ongoing	Within existing funding	Review of internal policies and procedures and Report to Learning Scrutiny
Organise a Performance Clinic with Directors and Divisional Heads to discuss sickness management	T. Gorman	April 2007	18 th April 2007		
To work with the Audit Commission who are currently looking at sickness levels across the North East with a view to developing a Best Practice Guide	I. Jones	Ongoing	Ongoing	Within existing funding	To have a more effective service to address sickness and absence rates.
Review feedback and suggestions from Performance Clinic	I Jones	July 2007	July 2007		Draft improvement plan produced
Pilot improvement plans in General Services	I Herdman	September 2007	Delayed		Development of revised management processes
Increase stress awareness and training	I Jones	October 2007	December 2007	£4,000 from corporate budget	Inclusion in annual development plan
Develop health education programme	I Jones	October 2007	Ongoing	Staff time and marketing materials	Health education in place, reduction in absence due to better understanding and earlier intervention
Action Plan	I Jones	December 2007	December 2007		Feedback upon pilot project and improvement plan to Learning Scrutiny

Title:	Derwentside Economic Development Strategy 2008-2013
To/On:	Learning and Economy Scrutiny 4th December 2007
By:	Deputy Chief Executive
Portfolio:	Economy
Status:	Report

1. Introduction

- 1.1 The purpose of this report is to highlight the key elements of the draft Derwentside Economic Development Strategy 2008-2013 and to agree any comments to be put forward as part of the consultation process.

2. Background

- 2.1 The draft Derwentside Economic Development Strategy 2008-2013 has been formulated by the multi-agency Derwentside Economic Development Forum, a sub-group of the Local Strategic Partnership (LSP). It is intended that a final draft of the strategy will be presented to a full meeting of the Derwentside Partnership during February 2008.
- 2.2 The draft strategy has already been subject to wider stakeholder consultation up to the end of November 2007. A full copy of any comments provided up to this date will be provided at the meeting.

3. MATERIAL CONSIDERATIONS AND OPTIONS

- 3.1 The Economic Development Forum has considered the need for a Derwentside Economic Development Strategy beyond 2007 and whether or not it could provide benefit to local residents, businesses and partner organisations. It concluded that an economic development strategy for Derwentside does allow a local focus to be given to structural economic issues that need to be addressed over a long period of time.
- 3.2 A strategy for Derwentside provides a clear framework when addressing opportunities and potential threats from regional and sub-regional growth strategies based on the city regions. Fundamentally, a strategy for Derwentside provides an opportunity to gain ownership and commitment from local, county and regional partner agencies, in addressing issues of concern to Derwentside.
- 3.3 One NorthEast published the Regional Economic Strategy (RES) 2006-2016 for the North East of England on the 27th September 2006, setting out its vision and targets for the future prosperity of the region. The RES was accompanied by a draft Regional Economic Strategy Action Plan (RESAP) which aims to prioritise resources over the 2006/11 period. The contribution of County Durham as a

whole is highlighted in the RES as providing considerable potential to increase the GVA of the Region but it does not adequately highlight the significance of Consett and Stanley as important employment centres.

- 3.4 The County Durham Economic Partnership is in the process of presenting a draft County Durham Economic Strategy (CDES) for public consultation which could require a special meeting of Learning and Economy Scrutiny during early 2008. The draft CDES highlights the latent potential of County Durham to make a major contribution to the economic growth of the wider city region. There are five main principles underpinning the new County Durham Economic Strategy:
- **A new and innovative approach to economic development**
 - **Investing in areas of opportunity**
 - **Strategic approach to interventions**
 - **Emphasis on coordination of investment and action**
 - **The need for spatial interdependence**
- 3.5 Earlier drafts of the County Durham Economic Strategy identified three strategic economic corridors in the County which already had a significant business base and had the potential for significant further investment. The Consett – Stanley – Chester le Street Corridor was identified as an important investment location close to the heart of the Tyne and Wear City Region. It was considered as an area of substantial economic opportunity, offering investors and companies further choice with regard to where to invest in the North East. A number of concerns have been expressed that the current draft of the County Durham Economic Strategy no longer highlights the Consett – Stanley – Chester le Street Corridor and the major contribution the area can make to the County Durham and regional economy.
- 3.6 In addition to the above, a number of significant issues have been identified by the Economic Development Forum that strengthens the need for an effective local economic development strategy for Derwentside. Although unemployment has reduced slightly since last year, there remain significant numbers of people on Incapacity Benefit. Derwentside still needs more new business start-ups and more modern business space. At approaching three times the national average, Derwentside still has a higher proportion of people employed in manufacturing rather than service industries. Derwentside has a strong engineering sector but still needs to improve the productivity and competitiveness of all local businesses to enable them to compete in a global market and provide job opportunities for local people. Some Derwentside companies still have problems recruiting local staff which in some cases has seen significant numbers of people coming to the area from across the European Union.

3.7 In response to the issues identified by the Economic Development Forum and from detailed discussions with twenty local businesses, a draft Economic Development Strategy has been prepared for the period 2008-2013. A full copy of the draft strategy is available in the members library with a detailed summary set out as an appendix to this report.

4.0 Conclusion

4.1 A Derwentside Economic Development Strategy is needed to make sure a local economic development agenda is set rather than responding to Regional and County agenda that may not be to the benefit of Derwentside. The new County Durham Economic Strategy has yet to be finalised and it is important that the Derwentside Economy Development Strategy is able to consider what impact this could have on the area.

4.2 Major issues such as worklessness have yet to be fully addressed and will require a sustained approach from agencies that can be brought together and united behind a local economic development strategy.

4.3 The Economic Development Forum is committed to a review of the strategy and to the need to develop a strategy for 2008 and beyond and to drive forward the continued economic development of Derwentside.

5.0 RECOMMENDATIONS AND REASONS

5.1 It is recommended that:

- the current draft of the Derwentside Economic Development Strategy 2008-2013 is considered for discussion and debate;
- consideration is given to any stakeholder comments on the draft strategy; and
- any agreed amendments or additions are put forward as part of a revised draft strategy for consideration by the Derwentside Partnership.

For Further Information Contact:

Peter McDowell, Head of Economic and Community Development – Tel: 01207 218239 or email: p.mcdowell@derwentside.gov.uk

APPENDIX

Key Strategic Aims of the draft Derwentside Economic Development Strategy 2008-2013

Aim 1: Raise aspirations and levels of enterprise.

The need for young people to have the attitude and expertise to succeed in the global economy remains a key driver to the long term economic prosperity of Derwentside. Raising aspirations and levels of enterprise in all age groups from primary school to post sixteen is needed to ensure people are properly equipped to make the transition from school to the workplace.

Actions

- Sustain and embed enterprise education at primary and secondary level
 - Establish post 16 and community based enterprise awareness
 - Further develop employer engagement in education
-

Aim 2: Increase the levels of new business formation

The net number of new businesses being established in Derwentside, as measured through the increase in VAT registrations, has gradually increased over the period 2000-2006 but remains significantly below the national average. The priority for Derwentside is to help create increased levels of new businesses that add value to the economy. This can be achieved through providing effective enterprise support with appropriate modern premises and infrastructure. In particular, there is a clear opportunity to attract high-technology new businesses to the area, building on links with local universities and providing long-term, highly skilled, sustainable job opportunities for the area.

Actions

- More knowledge based hi-tech businesses
 - Enhanced enterprise support and aftercare for value adding businesses
 - A business start-up network including the community and voluntary sector
-

Aim 3: Improve productivity and competitiveness of businesses

Competitive advantage remains the key to the long term success of any business. Long term employment opportunities for local residents are more likely to come if Derwentside can develop more competitive businesses and to ensure existing businesses maintain competitive advantage.

Derwentside already has a range of globally successful businesses with competitive advantage but needs more. A number of factors will contribute to this long term challenge, including the availability of people with the right skills; the availability of

modern premises and infrastructure; and an environment that supports business growth and innovation.

Actions

- Supporting an effective Business Link for Derwentside
- Intensive targeted support for businesses.
- Sustained knowledge transfer through University and business co-operation
- Extending business clustering and collaboration
- E-procurement support

Aim 4: Provide additional modern business floorspace and infrastructure

The availability of modern business floorspace is critical to developing modern, competitive, knowledge based businesses which in turn provides the basis of a robust, self contained local economy.

Demand studies show a need for modern, quality premises in Derwentside. The issue of critical concern is the ability of the commercial market to meet this need. It remains the case that the commercial property market continues to fail in Derwentside with the need for the public sector to undertake direct developments of office and factory space or provide gap funding to bridge the difference between cost and value.

Actions

- Direct development of modern offices and factories
- Support for public/private development partnerships
- Improvements to selected failing industrial sites

Aim 5: improve the employability, skill levels and participation of residents

Derwentside has seen substantial reductions in Job Seeker Allowance claimants in recent years but significant numbers of residents remain on inactive benefit such as Incapacity Benefit. The newly established Derwentside Employment Team has provided additional support for residents seeking to return to work with a clear long term aim of providing support for those claimants who are not newly registered for IB support. Self employment has been shown to provide an attractive opportunity for residents returning to the workplace.

Employers still face a range of recruitment difficulties. Improving the employability and skill levels of all residents, including those on inactive benefit, remains a priority to meet the needs of business.

Actions

- Long term support for residents into work
- Local delivery of support services, including health, education, employment

and training.

- Support for residents to self employment
-

Aim 6: Improve the Town Centres of Consett and Stanley

Derwentside has two town centres of Consett and Stanley that together provide a range of retail, leisure and other support services for local residents. The centres provide a range of local employment opportunities and their commercial vitality is critical to the long term objective of achieving a self-contained, robust local economy for Derwentside.

Actions

- Improved retail offer
 - Renewal of the urban core
 - Improved physical environment
 - More enterprising independent retailers.
-

Aim 7: Improve Customer Communications

Effective promotion of Derwentside as a quality business and residential location is one of the most critical factors that will determine the development of a robust local economy that can attract and sustain businesses over a sustained period of time. Effective communication and understanding customer needs is paramount.

Actions

- Invest in Derwentside Campaign
- A bigger business network for Derwentside
- A co-ordinated business support service with Business Link
- Improved e communication and web based promotion

An Economic Development Strategy for Derwentside

2008-2013

Draft for consultation October 2007

An Economic Development Strategy for Derwentside 2008-2013



AN ECONOMIC DEVELOPMENT STRATEGY FOR DERWENTSIDE	1
AN ECONOMIC DEVELOPMENT STRATEGY FOR DERWENTSIDE 2008-2013	1
1.0 INTRODUCTION	4
2.0 DERWENTSIDE TO-DAY	6
3.0 A VISION FOR 2008-2013	8
Business Consultation	9
4.0 POLICY CONTEXT	10
Regional Economic Strategy and the County Durham Economic Strategy	10
Strategic Economic Corridors	13
Consett – Stanley – Chester le Street Corridor	14
County Durham Local Area Agreement	15
Derwentside Community Strategy 2006-2010	16
LEGI (Local Enterprise Growth Initiative)	16
5.0 KEY STRATEGIC AIMS OF THE DERWENTSIDE ECONOMIC DEVELOPMENT STRATEGY 2008-2013	17
Aim 1: Raise Aspirations and levels of enterprise.	17
Aim 2: Increase the levels of new business formation	19
Aim 3: Improve productivity and competitiveness of businesses.	21
Aim 4: Provide additional modern business floorspace and infrastructure	23

Aim 5: Improve the employability, skill levels and participation of residents

25

Aim 6: Improve the Town Centres of Consett and Stanley

27

Aim 7: Improve Customer Communications

29

TECHNICAL APPENDIX

30



Introduction

1.0 The draft Derwentside Economic Development Strategy has been prepared by the Derwentside Economic Development Forum, a sub-group of the Derwentside Local Strategic Partnership, comprising the following members:

- Business Link North East
- County Durham Development Company
- Job Centre Plus
- Derwentside Industrial Development Agency
- Derwentside College
- Derwentside Engineering Forum
- Enterprise Place
- Derwentside Business Network
- County Durham Childrens and Young Peoples Services
- Project Genesis
- The Derwentside Partnership
- The Derwentside Head Teachers
- One North East
- Derwentside District Council
- Groundwork Trust
- The Green Corridor
- County Durham PCT

- 1.2 The 2001-2006 Derwentside Economic Development Strategy sought “to create an increasingly self-reliant and robust local economy that would improve the prosperity and quality of life of residents of Derwentside”. The challenge was to develop new approaches to business development, training and education and create a robust local economy that was more knowledge based.
- 1.3 Recent employment growth has been a positive development but underlying economic weaknesses still need to be addressed Derwentside if progress towards a more modern and sustainable economy is to be maintained.
- 1.4 Derwentside retains a relatively high level of manufacturing activity with many successful, international companies involved in high value added activities. Retaining these companies will be as important as developing new businesses. Progress has been made since 2000 but the challenge to create a more knowledge based economy with globally competitive businesses remains.



2.0 Derwentside To-day

- 2.1 Derwentside has a total population of 86,500 with some 39,200 residents economically active. Just over half of these residents also work in Derwentside. A quarter of people working in Derwentside live outside the area. The District is served by the town centres of Consett and Stanley.
- 2.2 The commercial vitality of Consett has improved dramatically over the last five years with substantial residential development and an improved retail offer in the Town Centre.
- 2.3 Plans are being put in place to regenerate Stanley Town Centre that aim to improve the quality of the retail offer; diversify uses to include more office and residential areas; and improve the overall image of the Town Centre.
- 2.4 Derwentside's current economic base is a good mix of engineering firms, food businesses, and hi-tec companies offering job opportunities to local people. The number of people employed in the manufacturing sector is over twice the North East average and some three times above the national average. Wage levels remain low compared with both the North East and Great Britain average.
- 2.5 An Industrial Development Programme has successfully assisted 266 businesses to start up or expand in Derwentside since 1979. A total of 8180 new jobs have been created with 51% coming from new businesses and 85% from the manufacturing sector.
- 2.6 Local research has identified that businesses in Derwentside are experiencing labour shortages that in some instances has resulted in companies recruiting from Poland and other EU countries. This has highlighted local skill shortages in a number of skilled and semi-skilled occupations.

- 2.7 Derwentside is a popular place to live, offering a good quality of life in a semi-rural environment. There are areas of deprivation, with significant numbers of people on Incapacity Benefit living in areas with housing problems. Efforts to improve Derwentside's economy need to ensure that the most deprived of our communities, where there are still skills shortages, benefit to the maximum from an improved local economy.
- 2.8 The Local Enterprise Growth Initiative (LEGI) provides an opportunity to encourage more new businesses in the most deprived areas and to support and sustain growing businesses throughout the District.
- 2.9 Unemployment in Derwentside based on JSA (Job Seekers Allowance) claimants remains slightly above the County average but significantly below the average for the North East. Employment levels continue to rise but remain around the average for the North East and significantly below the average for Great Britain.
- 2.10 The number of people with NVQ1-2 qualifications is above the national average with the number of people with NVQ3-4 qualifications below the national average.
- 2.11 The number of VAT registered businesses per 10,000 population remains above the average for the North East but significantly below the average for Great Britain. The net growth in the number of VAT registered businesses remains slow with an increase from 1455 in 2000 to 1625 at the end of 2005.



3.0 A Vision for 2008-2013

- 3.1 The Economic Development Forum has an agreed vision for the period to 2013 to see “Derwentside as an enterprising and competitive knowledge based economy”.
- 3.2 A SWOT analysis has highlighted key issues that must be addressed by the Derwentside Economic Development Strategy 2007-2012 to achieve the vision of the Economic Development Forum:
- Derwentside must increase the number of new businesses that can add value to the local economy.
 - Existing businesses must be competitive to trade globally and provide local employment opportunities.
 - A more knowledge based economy needs to retain and develop businesses that demand skilled workers at higher wage levels.
 - Derwentside must provide employers with people who have employability skills relating to the competencies needed by business.
 - Derwentside must retain a competitive local economy benefiting from the growth of the city regions and not become a dormitory commuter town of the Tyne and Wear City Region.
 - Derwentside must provide modern business premises and infrastructure to retain and grow businesses.
 - The Town Centres of Consett and Stanley must continue to improve with a better retail offer and a diversified commercial base providing more job opportunities for local residents.

Business Consultation

3.3 A series of interviews were held with twenty local businesses as part of the process to develop the Derwentside Economic Development Strategy 2008-2013. The companies included a range of sizes and types and included four companies that had relocated to Derwentside.

3.4 The main findings of the consultation are as follows:

- The availability of premises and an assessment of the quality of life were the main reasons to locate in Derwentside.
- Recruitment remains the key issue in relation to people within businesses.
- The majority of businesses do not see crime as a cause for concern.
- Premises and associated transport issues were a significant concern to businesses.
- Cashflow was seen as the main concern for companies with financial issues.
- Business support services were seen as meeting most business needs but a series of detailed comments highlight room for improvement.



4.0 Policy Context

Regional Economic Strategy and the County Durham Economic Strategy

- 4.1 One NorthEast published the Regional Economic Strategy (RES) for the North East of England on the 27th September 2006, setting out its vision and targets for the future prosperity of the region. The RES was accompanied by a draft Regional Economic Strategy Action Plan (RESAP) which aims to prioritise resources over the 2006/11 period.
- 4.2 The draft County Durham Economic Strategy (CDES) is currently being developed by the County Durham Economic Partnership and sets out a long-term vision for the economy of County Durham, namely:

By 2023 County Durham will be a modern dynamic economy, a key part of a thriving and prosperous North east, characterised by high levels of employment and income with residents and businesses taking advantage of opportunities in the County and regional economy.

- 4.3 The strategy outlines a set of objectives and actions crucial to the long term regeneration of the County. It makes it very clear that the County faces a massive challenge in closing the gap with both regional and national economies. In 2004, output per head in County Durham was 81% of the regional average and 62% of the national average. The reasons for the gap are explained by a combination of factors including:
- Lower than average levels of participation in the labour market;
 - A mix of industries where high value employment such as manufacturing is decline and growth only in low value added services; and
 - Low productivity in sectors, except manufacturing.

4.4 The strategy estimates that increasing participation (employment) to national levels and changing the mix of industries would only address some 28% of the gap. The productivity gap is the most significant issue to be addressed and includes key factors such as:

- Workforce skills
- Capital investment in research, development and innovation
- Business competitiveness in global markets

4.5 The output gap is unlikely to be bridged in the life of the strategy up to 2013. To make significant progress, County Durham needs to exceed regional and national indicators by 2023. The headline indicators are:

- Number of enterprises
- Employment rate
- Average earnings
- Productivity per employee
- Educational attainment
- Residents qualified to NVQ3,4 and 5

4.6 The CDES has identified four strategic objectives and areas of intervention:

1. To develop an enterprise culture

- changing attitudes to business and encouraging enterprising behaviour
- increasing number of new businesses

2. A competitive economy

- supporting a sustainable manufacturing base
- developing new sectors
- improving workforce skills
- providing modern business space

3. To increase economic participation and reduce social exclusion

- targeting worklessness

- addressing areas of multiple deprivation

4. To create conditions for growth

- long term and innovative actions taking account of European, national and regional policies
- improved image and branding of county Durham

4.7 The CDES recognises the need to differentiate the differing needs and opportunities of different parts of the County by developing a Spatial Framework for Action. This includes:

- Durham City – visitor destination and knowledge based investment location
- The East Durham A19 Corridor – a major employment location for both city Regions
- Bishop Auckland Darlington Corridor – linking to Darlington and the Tees Valley City Region
- North and West Durham – an investment location close to the Tyne and Wear City Region.
- The A1 (M) corridor – linking the County to both City Regions
- University of Durham – part of Science City and inter-action with business and NETPark.

4.8 A draft Action Plan is under preparation to translate the CDES into operational objectives and outcomes. The Action Plan will identify programmes and projects to be delivered over the next five years plus. The Action Plan also sets out the contribution the County will make to the Regional Economic Strategy (RES) and the City Region Plans for Tyne and Wear and Tees Valley.

4.9 There are five main principles underpinning the new County Durham Economic Strategy:

- **A new and innovative approach to economic development**
- **Investing in areas of opportunity**
- **Strategic approach to interventions**
- **Emphasis on coordination of investment and action**
- **The need for spatial interdependence**

4.10 The contribution of Derwentside and County Durham as a whole is highlighted as providing considerable potential to increase the GVA of the Region. The strategy for County Durham and the Region recognises that as in Derwentside there is a need to create and sustain more businesses, increase the level of economic participation, and modernise the employment base through new and re-investment.

4.11 Derwentside and the County will need to make a substantial contribution if the Region is to create around 20,000 new businesses. A focus on the need for enterprises that support higher skills could reduce this figure, as supporting self-employment primarily as an exercise in promoting economic inclusion, although important, will not substantially contribute to an increase in regional productivity.

Strategic Economic Corridors

4.12 The work being undertaken to revise the County Durham Economic Strategy has identified three strategic economic corridors in the County which already have a significant business base and have the potential for significant further investment. This is likely to include re-investment by successful companies and a large number of these businesses are in high value activities, with companies exporting to national and international markets.



Consett – Stanley – Chester le Street Corridor

4.13 The Consett / Stanley / Chester le Street Corridor is an important investment location in its own right, close to the heart of the Tyne and Wear City Region. It is an area of considerable economic opportunity and offers investors and companies further choice with regard to where to invest in the North East. The Corridor is already the base to a number of very successful companies. The Corridor has a number of important commercial and retail centres, although a long period of under-investment has resulted in some centres not realising their full potential. There are a number of major employment locations with the Corridor including a number of high quality industrial estates (Derwentside has 30 industrial estates with over 5 million square feet of floorspace). It is an area which can make a major contribution to the City Region and the regional economy. Activity will include a number of major investment proposals with the potential to add value to the regional economy, and attract significant private sector investment to the region. These include:

- **Strategic site/premises investment:** Enhancements to the strong network of strategically important employment sites including Tanfield Lea and Tanfield Lea North Industrial Estate; Drum Industrial Estate and the Riverside Business Park;
- **Urban renaissance:** Major commercial developments and environmental enhancements to create an urban renaissance in Consett and Stanley town centres, including proposals for housing market renewal and retail re-development, plus a masterplanning exercise of strategic significance in Sacriston and Chester-le-Street, which will better link the town to development at the Riverside;
- High quality support for a **strategic tourist zone** incorporating Beamish, the proposed major sports / leisure centre in Consett and Riverside County Cricket Ground.

County Durham Local Area Agreement

4.14 Local Area Agreements (LAAs) are part of the government's 10-year strategy to build a new relationship between central and local government. LAA's are for three years and set out the priorities for a local area within an agreed framework that is structured around four blocks:

- Children and Young People
- Economic Development and Enterprise
- Healthier Communities and Older people
- Safer and Stronger Communities

4.15 The Agreement focuses on outcomes for an area, simplifying the number of funding streams from central government and giving the local area much greater freedom to spend on local priorities. It aims to enable local authorities and their partners to deliver national outcomes in a way that reflects local priorities, particularly those identified in Community Strategies, which in turn reflect other strategies.

4.16 Local Area Agreements seek to:

- Improve central / local relations
- Improve service delivery
- Improve efficiency
- Improve partnership working
- Enable local authorities to provide better leadership

4.17 County Durham finalised its LAA on 16th March 2006 and has agreed a set of outcomes and targets to be achieved by 2009. Outcomes contained in the Economic Development and Enterprise block and reflected in this strategy are:

- ED&E 1 - Supporting employers to successfully tackle worklessness
- ED&E 2 - Increased entrepreneurial activity
- ED&E 3 - Competitive businesses that raise the GVA of the County
- ED&E 4 - A population with the skills to meet current and future business needs
- ED&E 5 - A supply of business space that meets current and future business needs

Derwentside Community Strategy 2006-2010

4.18 The Derwentside Community Strategy aims to improve the social, economic and environmental well-being of the area and to develop a diverse, thriving economy that offers opportunity and encouragement to all. The Strategy recognises the need for a strong and robust economy to improve the prosperity and welfare of residents and businesses. In particular, the employability of all residents provides a major challenge to all economic development, education and health support agencies. Strong, effective multi-agency work will be required to remove any barriers to work and to provide a robust local economy with good job opportunities for all residents able to work.

LEGI (Local Enterprise Growth Initiative)

4.19 The Office of the Deputy Prime Minister (ODPM) approved the Be Enterprising LEGI Programme for the four Districts of Derwentside, Easington, Sedgefield and Wear Valley on 23rd February 2006 under round 1 of the LEGI Programme. A planned £31m, ten year strategy with confirmed funding of £10.2m over the period up to March 2009. The vision of the Be Enterprising Programme is that by 2016, Derwentside, Easington, Sedgefield and Wear Valley Districts will be the most enterprising communities in the North East and the fastest improving area for enterprise and productivity in England.

4.20 The Programme is directed towards increasing levels of enterprise and participation in enterprise activities within the four district localities targeted at communities and businesses that fall within the 96 Super Output Areas (SOA) that are within the 10% most employment deprived SOAs in England within the ODPM's 2004 Index of Deprivation. The outcomes for the Programme are to increase:

- Total entrepreneurial activity to the national average
- The number of young people considering starting a business or self-employment
- Business productivity and survival rates
- Spend and activities of mainstream business support service providers in deprived neighbourhoods
- VAT business registrations to exceed the County average

5.0 Key Strategic Aims of the Derwentside Economic Development Strategy 2008-2013

Aim 1: Raise Aspirations and levels of enterprise.

- 5.1 The need for young people to have the attitude and expertise to succeed in the global economy remains a key driver to the long term economic prosperity of Derwentside. Raising aspirations and levels of enterprise in all age groups from primary school to post sixteen is needed to ensure people are properly equipped to make the transition from school to the workplace.
- 5.2 Effective private sector engagement in enterprise education will be vital to ensure the right support and opportunities are provided for young people to excel in the workplace.
- 5.3 Developing a clear method of measuring increased aspirations and levels of enterprising behaviour will be important in providing a quantitative assessment of the impact of this key policy area. Specific improvements in enterprise education attainment and participation provide a clear starting point including the accreditation of enterprise education in Derwentside through GCSE and other appropriate routes

Indicators	Baseline (2007)	Annual LAA target	Annual EDF target	2012 EDF Target
GCSE Enterprise Education	0		% or actual number	tbc

Actions	Local Champion	Lead Delivery Agencies	Activity Targets
Sustain and embed enterprise education at primary and secondary level	Enterprise Place	<ul style="list-style-type: none"> • Enterprise Place • County Council C&YP Services • One North East • Derwentside Engineering Forum 	<ul style="list-style-type: none"> • Level of sustained repeated use of Enterprise Place by Derwentside Schools • A whole school enterprise in education policy and strategy in every Derwentside School • A District-wide network to promote and support effective enterprise in education
Establish post 16 and community based enterprise awareness	Enterprise Place	<ul style="list-style-type: none"> • Derwentside College • Universities • Enterprise Place 	<ul style="list-style-type: none"> • A co-ordinated campaign of awareness raising • A co-ordinated programme of post-16 enterprise education
To further develop employer engagement in education	Enterprise Place	<ul style="list-style-type: none"> • Derwentside Schools 14-19 Partnership • Derwentside Engineering Forum • Derwentside Business Network • Durham EBP • Enterprise Place 	<ul style="list-style-type: none"> • Increase the number of businesses involved • Increase the number of students involved in activities with employers • Increase the number of work experience placements

Aim 2: Increase the levels of new business formation

- 5.4 The net number of new businesses being established in Derwentside, as measured through the increase in VAT registrations, has gradually increased over the period 2000-2006 but remains significantly below the national average. The creation of more new businesses remains a priority for the Regional, County and Derwentside Economic Development Strategies. The priority for Derwentside is to help create increased levels of new businesses that add value to the economy. This can be achieved through providing effective enterprise support with appropriate modern premises and infrastructure. In particular, there is a clear opportunity to attract high-technology new businesses to the area, building on links with local universities and providing long-term, highly skilled, sustainable job opportunities for the area.
- 5.5 Increasing the rate of self employment is important to the local economy but not at the expense of displacing existing businesses. Self employment is a key component in the response to worklessness and tackling the employability of local residents. The availability of resources through the Be Enterprising LEGI (Local Enterprise Growth Initiative) programme provides an opportunity to increase the rate of new business formation in disadvantaged areas and provide additional support that adds value to support already available through Business Link.

Indicators	Baseline (2005)	Annual LAA target	Annual EDF target	2012 EDF Target
Increase in new VAT registrations per annum	155	Baseline plus nine	Baseline plus ten	215

Actions	Local Champion	Lead Delivery Agencies	Activity Targets
More knowledge based hi-tech businesses	DIDA	Business Link North East DIDA	Develop clear linkages with Netpark. Secure additional hi-tech business lettings for Innovation Centre.
Enhanced enterprise support, mentoring and aftercare for value adding businesses.	DDC	Business Link North East DDC DIDA	Extend the capacity and range of aftercare support through the Emerge programme for new businesses.
A business start up network including the community and voluntary sector	DDC	DDC DIDA CVS	Create a business start-up network in Derwentside, including the community and voluntary sector, as part of the LEGI Be Enterprising Programme.

Aim 3: Improve productivity and competitiveness of businesses.

- 5.6 Competitive advantage remains the key to the long term success of any business. Long term employment opportunities for local residents are more likely to come if Derwentside can develop more competitive businesses and to ensure existing businesses maintain competitive advantage.
- 5.7 Derwentside already has a range of globally successful businesses with competitive advantage but needs more. A number of factors will contribute to this long term challenge, including the availability of people with the right skills; the availability of modern premises and infrastructure; and an environment that supports business growth and innovation.
- 5.8 Supporting business growth and innovation requires a range of actions at a local level. Measuring the impact of these actions needs to be recorded through the increased GVA (Gross Value Added) that a business can make to the local economy. The LAA recognises the County needs to significantly improve its GVA in order to narrow the gap between itself and England. The targets are to avoid further decline in the County GVA relative to the England average, avoid decline in the numbers of VAT de-registrations and increase the number of businesses by (1%).

Indicators	Baseline	Annual LAA target	Annual EDF target	2012 EDF Target
County GVA contribution relative to average for England	68 (2002)	68	68	68
Maintain level of VAT de-registrations	115	115	115	115
Increase the number of VAT registered businesses	1605 (2005)	Baseline plus 59	Baseline plus 59	1899

Actions	Local champion	Lead Delivery Agencies	Activity Targets
Supporting an effective Business Link for Derwentside	DDC	Business Link DDC DIDA	Active support and participation in the delivery of Business Link North East
Intensive and targeted support for productivity, ICT, marketing and HR.	DDC	DDC DIDA	Developing additional business support services when demand is clear and opportunity anticipated.
Sustained knowledge transfer through university and business co-operation	DEF	DEF DIDA	Building on existing links with Durham University Engineering School and DEF with consideration to extend model to other universities in the Region.
Extending business clustering and collaboration	DEF	DEF	Extend the membership of DEF and establish alliances with other associations
e-procurement support	DDC	DDC Business Link	Promoting business opportunities through use of e procurement techniques

Aim 4: Provide additional modern business floorspace and infrastructure

- 5.9 The availability of modern business floorspace is critical to developing modern, competitive, knowledge based businesses which in turn provides the basis of a robust, self contained local economy.
- 5.10 Derwentside has over 5.5m sq.ft. of business floorspace but with only 33% classed as modern there remains a significant proportion of available stock that is of is poor quality, or is inappropriate to the needs of business sectors with strong growth potential. Derwentside has high levels of occupancy across all types of property with modern space at 98% reflecting a shortage of certain types of business, including high quality offices and large modern factories.
- 5.11 Demand studies show a need for modern, quality premises in Derwentside. The issue of critical concern is the ability of the commercial market to meet this need. It remains the case that the commercial property market continues to fail in Derwentside with the need for the public sector to undertake direct developments of office and factory space or provide gap funding to bridge the difference between cost and value.
- 5.12 The LAA has suggested an additional 131,000 sq ft of floorspace is needed across the County and 80% occupancy levels in business floor space will measure the effectiveness of this outcome. Derwentside has achieved on average in excess of 30,000 sq.ft. of additional modern business floorspace over the last five years.

Indicators	Baseline	Annual LAA target	Annual EDF target	2012 EDF Target
Modern floorspace developed (sq.ft)	1,750,000 sq.ft	4250 sq.ft.	30,000 sq ft	1,930,000 sq.ft.
Modern floorspace occupancy	98%	80%	85%	85%

Actions	Local Champion	Lead Delivery Agencies	Target Activity
Direct public sector development of modern, quality offices and factories.	DDC	DDC Groundwork Trust DIDA	Direct development at Tanfield Lea Business Park, Consett Business Park and Greencroft Industrial Estate.
Public/private development partnerships	DDC	DDC	Secure Gap funding schemes at Greencroft Industrial Estate and Consett No. 1 Industrial Estates. Office developments to Consett Town Centre/Project Genesis.
Improvements to selected failing industrial sites	DDC	DDC ONE NE	Re-development of Tanfield Lea Industrial Park (former Ever Ready building).
Identification of future employment sites	DDC	DDC	Complete study to identify future employment land requirements, including suitability of current sites and identification of potential new sites.

Aim 5: Improve the employability, skill levels and participation of residents

5.13 Derwentside has seen substantial reductions in Job Seeker Allowance claimants in recent years but significant numbers of residents remain on inactive benefit such as Incapacity Benefit. Supporting the return to work of appropriate Incapacity Benefit claimants has become a high national and regional priority. The roll-out of JobCentre Plus' Pathways To Work initiative across all of the County from April 2006 has provided significant support for Incapacity Benefit (IB) Claimants seeking to return to work. The newly established Derwentside Employment Team has provided additional support for residents seeking to return to work with a clear long term aim of providing support for those claimants who are not newly registered for IB support. Self employment has been shown to provide an attractive opportunity for residents returning to the workplace.

5.14 Employers still face a range of recruitment difficulties. Improving the employability and skill levels of all residents, including those on inactive benefit, remains a priority to meet the needs of business.

Indicators	Baseline	Annual LAA target	Annual EDF target	2012 EDF Target
Increase self employment rate	6.5% (3,400)	0.1% increase	0.1% increase	7.4% (3850)
Reduce Incapacity Benefit Claimants	6,100 claimants	230 reduction	230 reduction	4720
Increase employment rate	70.0 (37,300)	0.25%	0.25%	71.5%
Reduce JSA count	2.4% (1246)	Prevent an increase	0.1% reduction	1.9% (1000)
Increase NVQ2 attainment	63% 32,700	3% increase (1000)	3% (1000)	39045

Actions	Local Champion	Lead Delivery Agencies	Target Activity
Long term support for residents into work	DDC	DDC JC+ Groundwork Trust	Maintain the remit of the Derwentside Employment Team alongside Job Centre plus.
Local delivery of support services including health, education, employment and training.	DDC	PCT Derwentside College Derwentside Training CYP	Co-ordination of support services through local access points.
Support for residents to self employment	DDC	DDC JC+	Targeted support for inactive residents as part of the response to addressing worklessness, including LEGI Enterprise Coaches.

Aim 6: Improve the Town Centres of Consett and Stanley

- 5.15 Derwentside has two town centres of Consett and Stanley that together provide a range of retail, leisure and other support services for local residents. The centres provide a range of local employment opportunities and their commercial vitality is critical to the long term objective of achieving a self-contained, robust local economy for Derwentside.
- 5.16 Stanley town centre has been the subject of a number of recent investments, including completion of the new Louisa Centre Pool, the construction of a new Bus Station and a new entrance from Front Street. A Development Agreement for a major redevelopment of the Core Retail Area in Stanley has been agreed. Further phases of work to continue the regeneration of Stanley town centre will be planned, including the potential for office and residential development.
- 5.17 Consett Town Centre continues to be the subject of development proposals for further retail and leisure proposals that will provide significant employment opportunities and continue to improve the commercial vitality of the area.

Indicators	Baseline	Annual LAA target	Annual EDF target	2012 EDF Target
Private sector investment/additional modern retail space?		n/a		
Town Centre user satisfaction (Consett)	75% (2004)	Above county average (65%)	80% satisfaction	80% satisfaction
Town Centre user satisfaction (Stanley)	56% (2005)	Above county average (65%)	Above county average (65%)	Above county average (65%)

Actions	Local Champion	Lead Delivery Agencies	Target Activity
Improved retail offer	DDC	DDC	Increase the supply of modern retail floorspace working with private sector partners.
Renewal of urban core	DDC	DDC	Promote appropriate mixed use development opportunities, including office, retail, leisure and residential uses, in Consett and Stanley Town Centres.
Improved physical environment	DDC	DDC	Promote streetscape and other environmental improvements to support development opportunities.
More enterprising independent retailers	DDC	DDC BL NE	As part of the Be Enterprising LEGI Programme support new and existing independent retail businesses to provide a distinctive retail offer in Consett and Stanley town Centres.

Aim 7: Improve Customer Communications

5.18 Effective promotion of Derwentside as a quality business and residential location is one of the most critical factors that will determine the development of a robust local economy that can attract and sustain businesses over a sustained period of time. Effective communication and understanding customer needs is paramount.

Indicators	Baseline	Annual LAA target	Annual EDF target	2012 EDF Target
Campaign impact	tbc		tbc	tbc
Derwentside Business Network membership	50 (2007)		10 additional members	110 members

Actions	Local Champion	Lead delivery Agencies	Activity Target
Invest in Derwentside Campaign	DDC	DDC	A co-ordinated investment campaign for Derwentside with specific property based promotions.
A bigger business network for Derwentside	DBN	DDC	To extend the membership and activities of the Derwentside Business Network.
A co-ordinated business support service	DDC	DDC	To maintain an effective business support network for Derwentside in partnership with Business Link North East.
E - communication	DDC	DDC	Improved web based promotion, communication and inter agency co-ordination.

Technical Appendix

Derwentside Population and Employment

	Male	Female	Total	Derwentside (%)	NE (%)	GB (%)	
Population	41,900	44,900	86,500				June 2006 (nomis)
Working Age (16-64)	27,400	25,500	52,900	61.1	62.0	62.2	June 2006 (nomis)
Economically Active	22,600	19,700	42,200	78.1	76.0	78.6	Dec 2006 (nomis)
Economically Active - in employment	20,700	18,800	39,500	72.8	70.7	74.3	Dec 2006 (nomis)
- Self employed	4,400	1,500	5,900	10.9	6.1	9.3	Dec 2006 (nomis)
JSA Claimant Count	799	309	1108	2.1	2.9	2.2	August 2007 (nomis)
Economically Inactive	4,700	6,700	11,400	21.9	24.0	21.4	Dec 2006 (nomis)
Economically Inactive-Not wanting a job	3,800	5,300	9,200	17.6	17.8	16.0	Dec 2006 (nomis)

The JSA rate for the District is just below the national average having been marginally above the national average during the early part of 2007. .

The fact that the JSA rate for the District remains equal or very close to the national average is very significant when compared to previous historic levels and when compared to some other indicators that show the District performing significantly above or below the national average.

The number of JSA claimants when taken with the number of Incapacity Benefit claimants still shows some 12% of the Districts working age population not in work. This is at a period when companies continue to have recruitment issues especially for low wage manufacturing jobs that has seen a marked increase in the number of EU migrants coming to the District.

Although there has been no significant rises in JSA claimants over recent months with no major business closures in the District, there remains a concern that the impact of low cost manufacturing from overseas competitors has still to have a marked impact and that sectors such as food processing, whilst relatively stable as a business sector, employs a significant number of local residents in businesses with international ownership.

Jobs density (number of jobs per working age population)

	Derwentside (jobs)	Derwentside (density)	N.E. (density)	GB (density)	
Jobs density	27,000	0.5	0.74	0.84	June 2005 (nomis)

Employment by Occupation (March 2006)

	Derwentside (numbers)	Derwentside (%)	N.E. (%)	GB (%)	
Managers and Officials	6,200	15.8	12.3	15.0	Dec 2006 (nomis)
Professional	2,900	7.3	11.0	13.0	Dec 2006 (nomis)
Associate Technical	5,900	14.9	13.4	14.3	Dec 2006 (nomis)
Admin and Secretarial	4,100	10.3	12.3	12.1	Dec 2006 (nomis)
Skilled Trades	5,300	13.6	11.4	10.9	Dec 2006 (nomis)
Personal service	3,800	9.7	8.4	8.0	Dec 2006 (nomis)
Sales	2,500	6.3	9.7	7.7	Dec 2006 (nomis)
Process Plant and machine operatives	3,600	9.0	8.8	7.3	Dec 2006 (nomis)
Elementary occupations	5,100	13.0	12.4	11.4	Dec 2006 (nomis)

Jobs by Industry

	Derwentside (numbers)	Derwentside (%)	N.E. (%)	G.B. (%)	
Total jobs	23,300				June 2005 (nomis)
- Full-time	16,400	70.4	66.4	67.9	June 2005 (nomis)
- Part-time	6,900	29.6	33.6	32.1	June 2005 (nomis)
Manufacturing	6,200	26.6	12.3	11.1	June 2005 (nomis)
Construction	1,700	7.1	5.8	4.6	June 2005 (nomis)
Distribution, hotels	4,700	20.2	22.3	24.1	June 2005 (nomis)
Transport	1,400	5.9	5.1	6.0	June 2005 (nomis)
Finance, IT and other business services	1,600	6.8	15.6	20.7	June 2005 (nomis)
Public Admin	6,300	27.1	32.5	26.9	June 2005 (nomis)
Other	1,300	5.5	5.1	5.2	June 2005 (nomis)
Tourism related	1,800	7.5	8.4	8.1	June 2005 (nomis)

Derwentside shows a higher level of skilled jobs compared to the national rate and with almost two and a half times the number of people employed in manufacturing than at a national level.

The Derwentside workforce is still dominated by the manufacturing sector. The global economy has impacted on low cost assembly and seen jobs switched to lower cost bases. Derwentside has retained a high level of skilled workers and a high proportion in manufacturing. At the same time there are recruitment issues with companies needing to recruit at minimum wage levels. One consequence of this has been the inward migration of eastern European labour.

Earnings by residence

	Derwentside (pounds)	North East (pounds)	Great Britain (pounds)
Gross weekly pay	353.4	393.6	449.6
Hourly pay	8.89	9.95	11.26

	2002		2003		2004		2005		2006	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Derwentside weekly pay	341	259	348.8	278.6	355	302	351.7	264.1		
County Durham	384.2	282.8	381.6	293.9	393	313	390.2	267.7		
North East	383.9	281.8	392.9	295	410	317	399.4	244.7		
Great Britain	432	331.4	448	344.6	461	357	443	269		

The district remains significantly below the North East and Great Britain male wage levels and there has been significant trend for this gap to be closed.

The increase in male wage levels is broadly ahead of the county average but around the same level as the North East and Great Britain average increase. The overall male wage level remains substantially below the County Durham, North East and Great Britain levels.

The average female wage continues to fluctuate and although substantially lower than the average male wage level is above the North East average and only slightly below the national average.

A significant measure of an economy changing from low cost production to a more knowledge based would be a significant rise in wage levels and a closing of the gap with the national average. This is not the case and highlights the need for sustained improvements to the Districts economy and its business base.

The impact of EU migrants coming to the district and the impact that this has had on wage levels is difficult to quantify but could be a causal factor for wage levels remaining low.

Qualification levels (Dec 2006)

	Derwentside (numbers)	Derwentside (% working age)	N.E. (%)	G.B. (%)
NVQ4 and above	10,300	19.8	22.7	27.4
NVQ3 and above	21,300	40.9	42.7	45.3
NVQ2 and above	32,800	63.1	64.1	63.8
NVQ1 and above	41,500	79.8	79.2	77.2
Other	4,300	8.2	6.5	8.5
None	6,200	12.0	14.3	13.8

Education and lifelong learning (Dec 2005)

% of pupils attaining 5 A*-C passes	Derwentside (%)	Co. Durham LEA (%)	England (%)
2003/04	41.6	44.6	52.9
2004/05	46.5	46.6	53.7
2005/06	47.8	51.3	57.1

VAT registrations

	2000	2001	2002	2003	2004	2005
Derwentside	130	140	140	165	160	160
County Durham	815	840	855	915	925	910
North East	4255	4125	4355	4790	4460	4505
Great Britain	175185	165750	172605	185335	179580	173595

VAT de-registrations

	2000	2001	2002	2003	2004	2005
Derwentside	120	115	110	120	125	115
County Durham	675	715	660	740	750	755
North East	3655	4000	3815	3990	3850	3600
Great Britain	150305	148970	152960	164245	174780	

VAT Business stocks

	2000	2001	2002	2003	2004	2005
Derwentside	1455	1485	1505	1540	1575	1625
County Durham	9030	9155	9345	9520	9635	9795
North East	44145	44270	44810	45610	45960	46865
Great Britain	1700900	1717690	1737335	1758450	1767430	1792080

VAT registrations per 10,000 population (%)

	2000	2001	2002	2003	2004	2005
Derwentside	15.28	16.43	15.83	18.69	17.44	tbc
County Durham	16.46	17.01	17.34	18.51	17.81	tbc
North East	16.73	16.24	17.16	18.86	16.86	tbc
Great Britain	30.63	28.86	29.95	32.04	30.49	tbc

The number of VAT registrations in the District remains constant with no increase in actual numbers for the last three years. The level in the County and the North East has fluctuated in the same period with a steady decrease at a national level.

Derwentside has shown a relatively constant position over the last five years with a slight reduction in the number of de-registrations at a district level compared to a slight increase at a county level. The North East has also shown a slight decrease in more recent years but not at the rate of decrease shown nationally

Derwentside remains marginally below the County Durham rate of registrations per 10,000 population but above the rate for the North East. Derwentside has on occasion been below both the County and North East rate.

Derwentside continues to remain close to the average for the County but although relatively closer to the national average, remains a considerable distance apart. The VAT registration threshold does not record the start up of some smaller businesses but remains a key indicator of enterprise activity.

The need to increase the number of VAT registered businesses remains a priority for the district, the County and the Region. The rate of increase in Derwentside has improved over the last five years but has not increased at a rate that would move significantly closer to the national rate.

A SWOT Analysis for Derwentside.

Opportunities and threats

Opportunities	Threats
Growth of city regions <ul style="list-style-type: none"> Access to employment opportunities 	Growth of city regions <ul style="list-style-type: none"> Higher levels of outward commuting
Increasing labour supply within EU	Reduced public sector investment in Derwentside
Housing market growth	Reduced availability of housing and employment sites
Knowledge based and lifestyle start-ups	Globalisation and the impact of low cost manufacturing
Increased demand for local support services	Reduced local employment opportunities
Local Enterprise Growth Initiative (LEGI)	Outward migration of young people
Interaction with local universities	Housing affordability
	Increasing levels of deprivation

Strengths and Weaknesses

Strengths	Weaknesses
Employment rate increasing	Low levels of self employment
Low levels of unemployment	No significant increase in VAT registrations
Strong manufacturing sector	Increasing levels of unemployment
Quality of life and the environment	High levels of incapacity benefit claimants
New housing availability	Low wage levels
Improving business infrastructure	Below average NVQ4 plus educational attainment
Economic development track record	Recruitment and skill levels
Good place to start a business	No industrial and office property market
Assisted Areas Status	