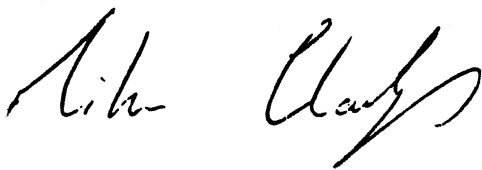


## **Learning & Economy Scrutiny Panel**

Councillors; 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 March 2008 at 4:00 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 December 2007 as a correct record. (Herewith 'A')

Attached Documents:

## MINUTES

### 3. **COUNTY DURHAM ECONOMIC STRATEGY (CDES) 2008-2013: "BUILDING OUR FUTURE"**

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

In addition a presentation will be given by The Head of Economic and Community Development on the above.

Please find attached Draft Executive summary document.

Attached Documents:

[COUNTY DURHAM ECONOMIC STRATEGY \(CDES\) 2008-2013: "BUILDING OUR FUTURE" 'B'](#)  
[DRAFT EXECUTIVE SUMMARY DOCUMENT](#)

### 4. **PERFORMANCE REPORT**

To consider the report of the Divisional Head of Human Resources. (Herewith 'C')

Attached Documents:

[PERFORMANCE REPORT C](#)

### 5. **PERIOD 9: BUDGETARY CONTROL**

To consider the report of the Head of Financial Services. (Report to follow Herewith 'D')

Agenda prepared by Gemma Donaghy Democratic Services 01207 218249

## **LEARNING & ECONOMY SCRUTINY**

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

### **Present**

Councillor D. Barnett (Chair)

Councillors A. Atkinson, D Barnett, G Beckwith, T. Clark, R. Cook, R. Ellis, K English, A. Shield, D. Walton, J. Williams.

### **Apologies**

Apologies of absence were submitted on behalf of Councillor J Docherty, B. Gray, L Marshall, P Murray, T Parry, W Tyrie.

### **In Attendance**

Councillor W Stelling.

## **18. DECLARATIONS OF INTEREST**

There were no declarations of interest submitted.

## **19. MINUTES**

**AGREED:** that the minutes of the meeting held on the 4<sup>th</sup> September 2007 were a correct record.

## **20. DCC CONSULTATION ON 2008/09 BUDGET PROPOSALS – YOUR COUNCIL YOUR SAY**

The Chair welcomed to the meeting The Deputy Treasurer, Robert Cornall from Durham County Council (DCC) who was in attendance to give a presentation on the Budget Consultation 2008/09.

The Deputy Treasurer advised that DCC are consulting the people of County Durham about the budget proposals and hope to have all feedback in by the end of the month to finalise the budget in February 2008, he advised that the

consultation is suggesting proposals only and the budget has not as yet been set.

He referred Members attention to the results from the 2006 resident's survey and pointed out some of the items respondents believed determined is a good place to live. He further advised that although not many residents had stated that race relation was a concern for a good place to live DCC believed race relation was important for the organisation so will pick up on this. The Deputy Treasurer also pointed out to Members, that groups representing young people had been identified from previous consultations as an area most in need of improvement.

He advised on the proposal of the increase of Council Tax by 3.9% which would contribute an extra £5.9 million towards costs, although the 3.9% was a planning assumption and DCC had yet to decide on the actual level to be charged. He also advised that the planning assumption for government funding for DCC was expected to be an increase of 2.5% generating around £3.5 million.

He advised of possible spending and saving options on the budget and referred Members to the summarised tables where the impact of each budget proposal was considered and what effect it has on the Council. He advised that they hoped to maintain service levels by spending less, and also try to minimise impacts where a saving had been made.

He then gave a brief overview of the additional 'one off' investment proposals in the light of an anticipated underspend in the budget and asked Members to consider whether they would want to fund these 'one off' proposals. He further referred Members attention to the survey appended to the report which would be used during consultation.

He then advised Members of a series of questions they may wish to consider in order to help the County Council analyse responses.

The Chair thanked The Deputy Treasurer for his presentation and gave Members the opportunity to ask him any questions.

Councillor Shield made reference to the consultation and asked if responses were divided into District areas or on a county wide basis. In response the Deputy Treasurer advised that if possible he would obtain this information and pass it on to Councillor Shield.

Councillor Atkinson stated that in his opinion he did not believe that there was any room for cutbacks in certain areas such as grass cutting, In response The Deputy Treasurer advised some Members of the County Council had also expressed this view, however, the proposal was for a small proportion cutback. Councillor Edwards asked if they had any plans to spend more on transport, he

advised they are hoping to maintain budgets and he did believe Public Transport needed improved but no additional money will be allocated.

Councillor Beckwith made reference to Human Resources and staff cutback he added that he was concerned about the amount of people who could lose jobs, however The Deputy Treasurer advised no one area would be targeted for job losses and it should not be a huge loss.

Councillor Shield commented on the break down performance and about the increase of Council tax and reflected on what the views of the residents might be when 19 of the proposals would undermine the performance and only 11 proposals would improve performance.

Councillor Stelling who was in attendance at the meeting stated his disappointment on the proposal for cutbacks within school crossing patrols and also cutbacks in the spraying of weeds both issues he believed were important to the public.

A discussion then ensued regarding the investment opportunity for learning disabilities and Councillor Beckwith queried why this issue was on both the investment opportunity and savings tables. The Deputy Treasurer advised the plan was to take a pro-active review of individual clients needs on a regular basis.

The Chair then gave officers the opportunity to ask The Deputy Treasurer any questions. The Head of Financial Services asked if the increased use of Council reserves would become a continuing trend in keeping Council Tax down. The Deputy Treasurer advised that generally Council reserves had been earned by the Council Tax payers it was felt appropriate that this money is returned in lowering year on year Council Tax.

The Deputy Chief Executive asked how it was intended to manage and account for the large amount of funding which would be received by the County Council in relation to the County Durham LAA pooled grant. Robert Cornall advised that DCC couldn't yet confirm the funding that would come in from this source or the details of how it would be managed. He confirmed that there was an expectation that current funding received by District Councils for management at a District level, such as NRF, would continue to be received and managed by the Districts during 2008/09.

The Chair thanked The Deputy Treasurer for the presentation and the question and answer session.

## **20     SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08**

The Performance Officer presented the report which informed Members 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.

She advised of the four red risk rated indicators that fall within the Learning and Economy Scrutiny remit which are as follows:-

- BVPI 11a - monitors the top 5% of the workforce who are women;
- BVPI 11b - monitors the top 5% of the workforce who are from BME communities;
- BVPI 12 - investigates the number of days lost as a result of absence from work and;
- BVPI 17a - monitors the percentage of local authority employees from ethnic minority communities.

She then referred Members attention to Appendix one of the report which outlined the updated Action Plan for BVPI 12 which included the initiatives being undertaken to address poor performance during Quarters 2 and 3.

The Divisional Head of Human Resources then gave a brief update, advising Members that the performance results were very encouraging and had moved up 2 quartiles. He highlighted the General Services Section who had a substantial amount of long term sickness, however did advise the overall performance results were still on target for this year.

Councillor Shield asked how stress related long term sickness had been improved since discussed at the previous meeting. The Divisional Head of Human Resources advised that the Council had taken measures to provide stress awareness to employees, a student placement from university had conducted a survey of employees and plans to do a follow up survey were in place, to find out what are the main causes of stress. He also commented that he believed the Staff Briefings being held by the Chief Executive Officer regarding the LGR is helping toward assuring staff through the process.

A discussion then ensued regarding attendance figures within the private sector workforce, in response the Divisional Head of Human resources advised that the BVPIs only compared against other Councils and not the private sector.

**AGREED:** that the members note the contents of the report.

The Divisional Head of Economic and Community Development presented the report which highlighted the key elements of the draft Derwentside Economic Development Strategy 2008-2013.

He gave a brief overview of the material considerations affecting the Draft strategy commenting on where Derwentside fits in with One NorthEast's Regional Economic Strategy 2006-2016 and the County Durham Economic Strategy. It was noted that the consultation process for the draft County Durham Economic Strategy 2008-2013 was formally launched on December 3<sup>rd</sup> 2007 and that a special meeting of the Panel would be needed during January or February 2008 to provide an opportunity for Members to consider a response.

He then referred Members attention to the detailed summary of the Draft Economic Development Strategy set out as the appendix of the report.

The Divisional Head of Economic and Community Development advised of the key strategic aims of the draft which are as follows;

- Aim 1: Raise aspirations and levels of enterprise;**
- Aim 2: Increase the levels of new businesses formation;**
- Aim 3: Improve productivity and competitiveness of businesses;**
- Aim 4: Provide additional modern business floorspace and infrastructure;**
- Aim 5: Improve the employability, skill levels and participation of residents;**
- Aim 6: Improve the Town Centres of Consett and Stanley;**
- Aim 7: Improve Customer Communications.**

Councillor Shield commented on Aim 6 and the parking facilities in Consett and Stanley and questioned how they would improve the retail services. The Divisional Head of Economic and Community Development advised that the Council may use a private company like Modus to assist in improving the Town Centres he also advised that small shops and businesses can not compete against large companies such as Matalan and Morrisons and the town centre may require more niche markets.

Discussion took place regarding the current location of Consett Town Centre and how development was planned for retail outlets on regenerated land out side of the current High Street. Councillor Cook raised concerns that that the current High Street would decline. Councillor Walton commented on the lack of footpaths and signposts within the close proximity of Stanley Town Centre High Street.

**AGREED: / Rec ?**

1. That the draft Derwentside Economic Strategy 2008 – 2013 be noted, along with the comments made by members and a further report on the Draft Strategy be awaited.

2. That a special meeting of the Panel would be needed during January or February 2008 to provide an opportunity for Members to consider a response.

**Councillor A. Shield left the meeting at this point**

## **22     DERWENTSIDE TRAINING – PROGRESS UPDATE**

The Chair introduced the Training Service Manager from Derwentside Training, who was in attendance at the meeting to give a progress update for Derwentside Training.

The Training Service Manager gave members a brief background of Derwentside Training and gave examples of how their training programme contributes to the Council's Corporate Plan objectives.

He advised Members that Derwentside Training have gone from 5 members of staff to 18 and they presently deliver contracts for County Durham LSC, Job Centre Plus, ESF and NRF. He advised in August 2006 Derwentside Training successfully passed an OFSTED inspection with an overall grade 2 score. He commented that Derwentside Training were a self financing company with 100% external funding secured and with a projected income of £600,000 per annum.

The Training Service Manager gave examples to Members of the different programmes they provide at the centre, such as a gateway to work programme which helps people get back into work, basic skills programme where they engage with young people who are not in education, employment or training and Community education, supporting residents of Derwentside towards achievement and skills for life, literacy and numeracy qualification.

He advised that Derwentside Training also support LSC funded programmes such as train to gain and County Durham skills for life partnership.

He also advised that Derwentside Training support Union learn liaising with learning reps from Unison, GMB, and UCATT, they also offer specialist IT training to employees from DDC and Derwentside Homes. He commented that Derwentside Training hope to continue to deliver these programmes in the future.

The Chair thanked The Training Service Manager for his presentation and gave the Committee an opportunity to ask him any questions.

Councillor Clark questioned whether there was a limit to how many people Derwentside Training could train at any one time. Paul Kelly advised that there was no limit as such but they can not over trade either.



Councillor Ellis asked if Derwentside Training had seen any impact on services through the increased Eastern Europeans living within the District. In response The Training Service Manager advised that at present there had not been any such impact, however the team were keen to get persons from different cultures into the centre and possibly help with literacy and language.

### **Conclusion of Meeting**

The meeting closed at 5.50 p.m.

### **Chair.**



<b>Title:</b>	<b>County Durham Economic Strategy (CDES) 2008- 2013: “Building our Future”</b>
<b>To/On:</b>	<b>Learning and Economy Scrutiny 4th March 2008</b>
<b>By:</b>	<b>Deputy Chief Executive</b>
<b>Portfolio:</b>	<b>Economy</b>
<b>Status:</b>	<b>Report</b>

## **1. INTRODUCTION**

- 1.0 The purpose of this report is to provide a brief summary of the draft County Durham Economic Strategy 2008-2013 and to discuss some draft comments from Council Officers prior to there submission to County Durham Economic Partnership on 7<sup>th</sup> March 2008.

## **2. BACKGROUND**

- 2.1 The draft County Durham Economic Strategy (CDES) is being developed by the County Durham Economic Partnership (CDEP) with a formal period of consultation ending on 7<sup>th</sup> March 2008. The Council is an active member of the CDEP which was created in 1994 and has the responsibility for leading and driving forward the delivery of the Strategy.
- 2.2 The purpose of the Strategy is to set out an inspirational and challenging vision for the growth of the County Durham economy and to translate this into broad objectives and priorities. The Strategy will provide the framework for a more detailed Action Plan which will be prepared after the consultation period and will highlight delivery priorities over the next 3-5 years.
- 2.3 An executive summary of the draft County Durham Economic Strategy 2008-2013 is provided as an appendix to this report with the full version and a consultation summary available on [www.countydurhampartnership.co.uk/cdep](http://www.countydurhampartnership.co.uk/cdep)
- 2.4 The Strategy sets out a long-term vision for the economy of County Durham, namely:

*“By 2023 we want County Durham to have a modern economy with more jobs, higher income levels, a more skilled workforce and more businesses able to compete in regional and global markets”.*

- 2.5 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 64% 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 has been in decline and employment growth has been characterised by low value added services; and only in low value added services; and
  - Low average productivity in sectors, except manufacturing.
- 2.6 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:
- The Workforce skills base;
  - Levels of capital investment
  - Investment in R and D and levels of innovation; and
  - The degree of competitiveness within the local and other competitor marketplaces.
- 2.7 The Strategy states that 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: *closing the enterprise gap would require 6,000 additional businesses and would lead to 15,000 new jobs.*
  - Employment rate: *improving participation to national levels would require 17,000 residents to take up employment.*
  - Average earnings
  - Productivity per employee
  - Educational attainment
  - Residents qualified to NVQ3,4 and 5
- 2.8 The CDES has identified three strategic objectives and areas of intervention:
- to strengthen the competitiveness and productivity of our businesses and create an enterprise culture and performance which matches the best in England, increasing employment, per capita GVA and business start-up and survival rates
  - to enhance the employability and skills of our workforce – increasing productivity and economic participation and reducing social exclusion

- to develop economically competitive places and sustainable communities and create the conditions for long-term economic growth

2.9 The activity needed to address the three objectives has been highlighted under three areas:

- Competitive Business
  - Strengthening the competitiveness of existing businesses, particularly manufacturing
  - Diversify economic base by attracting more value added businesses, particularly in the knowledge economy.
  - Increase business birth rate
  - Draw more heavily on the University of Durham' strenghts
- Competitive People
  - Raising aspirations, participation and attainment
  - Building the skills of the workforce
  - Improving access to employment
- Competitive Places
  - A spatial framework to connect areas of economic growth with areas of need
  - Industrial, Business and Research Parks
  - Developing major centres
  - Improving infrastructure
  - Spatial priorities

2.10 The final section of the CDES sets out how the strategy will be delivered, including:

- How the County Durham Economic Partnership will demonstrate leadership
- How a much stronger and more powerful image will be built for County Durham
- What targets should be set to measure progress.

### **3.0 MATERIAL CONSIDERATION**

3.1 The preparation of the CDES is taking place against a period of uncertainty in Local Government and in a period when 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.

3.2 The Council has already taken a strong lead in contributing to the preparation of the CDES, acknowledging both the serious state of the County Durham economy, the need for transformational change and the key contribution that

Derwentside needs to play in supporting the growth of a modern, prosperous County Durham economy to 2013 and beyond.

- 3.3 An earlier draft of the CDES was considered by the Learning and Economy Scrutiny Panel in September 2007 at which some concerns were expressed that there was insufficient evidence to support some of the proposed spatial priorities of the Strategy and that there was not enough recognition of the key role or potential of existing and future employment sites in Derwentside.
- 3.4 A draft response to the CDES is provided as an appendix to this report and is set out within the prescribed questionnaire format.

#### **4.0 CONCLUSIONS**

- 4.1 The need for a CDES is clear as is the role of Derwentside within a prosperous economy for County Durham. The suggested comments to the County Durham Economic Partnership are supportive of the need for a strategy that will lead to a transformational change in the economy of County Durham. A number of positive suggestions have been made that demonstrate that there is a bigger role for Derwentside to play than currently identified.
- 4.2 Council Officers and Members will continue to work with the County Durham Economic Partnership to ensure the CDES is robust and relevant to the needs of Derwentside residents and businesses.

#### **5.0 RECOMMENDATIONS**

- 5.1 It is recommended that the Panel provides any additional comments to those outlined in this report.

**For Further Information Contact:**

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

## Appendix One

### County Durham Economic Strategy 2008-2013

#### The Council Response: Draft

**Please note that the Council comments are those highlighted in bold within the boxes shown.**

#### Proposed Vision

Do you agree with the proposed vision for the County Durham economy that:

*“By 2023 we want County Durham to have a modern economy with more jobs, higher income levels, a more skilled workforce and more businesses able to compete in regional and global markets.”*

Yes - The current vision as drafted is supported but needs to go further to specifically include reducing the number of economically inactive residents in County Durham. This would make a clear connection between the need to create more jobs but also to provide more opportunities for residents living in County Durham.

If you don't agree, what do you think our economy should be like in 2023?

Comments:

#### Challenges

\* Do you agree that low skills is the most important challenge facing our economy?

Yes - The biggest challenge is to improve the employability, skill levels and participation of all County Durham residents within a more modern, enterprising and knowledge based economy.

This requires an enterprising, skilled and motivated workforce that

can meet the demands of increased numbers of businesses based throughout the North East and County Durham, operating from modern premises within growing business sectors.

If you don't agree, what is the biggest challenge?

Select from: too few new businesses  
Loss of manufacturing and engineering jobs  
Lack of modern industrial premises  
Other

### **Employment**

\* The strategy suggests we should grow employment in manufacturing and engineering, environmental technologies, financial and business services and tourism. Do you agree?

Yes - The strategy correctly recognizes opportunities to grow employment in manufacturing and engineering, environmental technologies, financial and business services. The strategy does not however provide a sufficiently robust evidential basis to include tourism as a priority employment growth sector that could provide a high level of economic benefit to the County.

Derwentside provides an illustration of the continued importance of high value manufacturing and engineering to the local economy whilst at the same time showing the importance of developing a strategy to encourage and support more new businesses in more specific knowledge based sectors.

Are there any other sectors you would suggest as an alternative or as well?  
Comments:

### **Location**

\* The draft strategy suggests that the main locations for employment growth should be Durham City, the areas along the A19 and the A1(M), the area between Bishop Auckland and Darlington and North West Durham. Do you agree?



Yes – but there should be more consideration given to issues within the employment locations and the interaction of the employment areas with the city regions. This raises a number of issues for the Strategy to consider:

- Transport is a barrier to residents being able to access local job opportunities within local employment growth areas.
- Daily congestion on outward routes suggests there is already significant outward commuting from areas such as Derwentside.
- Derwentside for example has seen significant housing growth and now has an employment rate above the national average but there remains significant number of economically inactive residents and the need to create local job opportunities
- Derwentside has a VAT registration rate significantly above the regional average which has resulted from a combination of factors including new housing opportunities in Derwentside; accessibility to Tyne and Wear; modern business space and infrastructure; and targeted, quality business support.

The strategy does need a clear focus on local employment growth areas and the job opportunities that this could provide for local residents. At the same time, there needs to be greater focus on the opportunities of the City Regions as a route to employment growth and the increased economic prosperity this can bring to areas such as Derwentside.

The strategy suggests that Derwentside along with other districts needs to create 2-3,000 new jobs and a 100 new businesses a year to make a transformational shift in addressing the productivity gap of the County. Part of this equation is already happening in Derwentside through the creation of new businesses – the biggest challenge remains to provide significant new job opportunities within County Durham.

The main thrust of the strategy should be to support this challenge and it should not become deflected by identifying flagship projects such as Beamish and Barnard Castle with no evidence or justification on how they will meet this challenge and provide a level of economic benefit that justifies such recognition.

Derwentside has an economic model that is showing clear signs of improvement and stability in the local economy. Derwentside has also a number of challenges that remain including create new job opportunities and supporting inactive residents into work.

The Strategy does not need to be distracted by “flagship projects” and the signal that this sends in terms of resource allocation. The Strategy should concentrate on the places that will generate substantial economic impact for the County in Derwentside and other industrial locations such as Newton Aycliffe and Spennymoor.

### **Your Ideas**

County Durham needs some big ideas for the future - what's your big idea for the County's economy?

Plan for growth not decline. All areas of the County economy need to grow in terms of population, businesses and employment. Focus on what is already working. Need to grow more businesses that will add value to the economy. Need to meet the challenge to and major opportunities for growing business sectors across the County. Use best practice but not “flagships”. A strategy should not be seen as a pseudo investment plan.

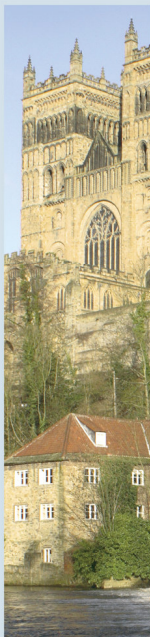
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## Appendix Two

A summary of comments on the Strategy made by the Derwentside Partnership at a meeting on 7<sup>th</sup> February 2008 are set out below and will be considered by the County Durham Economic Partnership as part of the consultation process:

- Getting people back into work is a priority; still significant numbers of residents not participating in the labour market in Derwentside.
  - Need to recognise more fully the travel to work patterns and the inter relationship and connectivity with the Tyne and Wear Conurbation.
  - Strategy must deliver a change of culture and mindset of those who are unemployed.
  - The economy of Derwentside has improved dramatically with an employment rate above the national average, significant increases in new businesses and impact of new housing
  - Derwentside has shown a number of innovative and successful ways of working to address long term economic and cultural issues but some concern on the Strategy in that it appeared that it would be 'all things to all people' and did not recognize many examples of good practice (the Engineering Diploma and AB@H) and successful and aspirational projects within Derwentside such as Enterprise Place and Emerge.
  - Concern that an example of good practice such as Enterprise Place could be lost with and other examples of best practice that have received national acknowledgement but have not been included in the document.
  - Strategy did not recognize the existing and future potential of the community and voluntary sectors
  - Recognised that unless people's culture and aspirations changed, this strategy would never be successful.
  - Major issues regarding transport within the County and Derwentside and it is hoped that Nexus would work with the new authority to extend links within the county.
-

DRAFT



# “Building our Future”

County Durham  
Economic Strategy  
2008-2013

County Durham  
Economic  
Partnership



Executive summary

## Executive Summary

### 1. Why do we need an economic strategy?

This is a summary of the draft Economic Strategy for County Durham. It has been prepared by the County Durham Economic Partnership (CDEP) – a group of more than 50 public, private and voluntary sector organisations working to promote economic development and regeneration across the County.

Access to secure, well paid employment is vital to the future of County Durham's people and its communities. We have some world class economic assets upon which we can build – including the City of Durham, Durham University and NETPark, which is the most important location for science and technology businesses in the North East.

We are also making progress in some important areas

- the number of young people obtaining five good GCSE's is increasing and the gap between our performance and the UK as a whole is narrowing
- there are increasing numbers of adults qualified to NVQ Level 2, with the basic skills to compete for jobs
- survival rates for new businesses are better than the national average – although not enough people are starting up a business or becoming self-employed.

Despite this, the long-term decline of our traditional industries, global pressures on manufacturing and the challenges faced by our rural businesses mean that we face an uncertain future. At present the gap in performance between the County Durham, North East and UK economies is widening. Today our Gross Value Added per capita – the value of the goods and services produced in County Durham – is amongst the lowest in the UK, and lower than areas like Cornwall or the Highlands which have benefited from massive financial support from the European Union.

The CDEP wants to create a more prosperous County where our businesses are creating more, high quality jobs for local people, and where County Durham residents can access training and well paid jobs. To do this we need to build consensus with businesses, local government, the Regional Development Agency and the public about the kind of economy we want in the future – and how we should work together to realise this.

The draft strategy sets out our long-term vision for the economy – where we want to get to by 2025 – and the actions we need to put in place over the period to 2013 to get there. These include proposals to develop the role of the University, NETPark and other economic assets; tackle the effects of the decline in our traditional industries and to reduce inequalities in access to learning, skills and employment.

A full version of the strategy is available on the CDEP website

[www.countydurhampartnership.co.uk](http://www.countydurhampartnership.co.uk)

## 2. Our vision

The County Durham Vision was agreed in February 2004 and sets out the following high-level vision for the County:

*By 2023 “Dynamic Durham” is known for its strong economy, commitment to lifelong learning, enhanced environment and its strong, healthy and safe communities. It is a great place to live, work, visit and invest.*

So what might a prosperous, successful economy look like?

It is 2023....and County Durham is a modern dynamic economy and part of a thriving and prosperous North East, characterised by high levels of employment and income; a skilled workforce and businesses, competing in regional and global markets. Our economy is now one of the most productive in the UK.

We achieved this by building on our economic strengths – particularly manufacturing and engineering – and helping our key businesses to do more research and development in County Durham. We also transformed the industrial estates where they are based, improving their environmental quality and creating new opportunities for low cost energy.

Much of our success was founded on the links we created between our businesses, Durham University and other institutions. NETPark provides strong evidence of this collaboration and is now one of the largest and most successful science and technology parks in the North. Durham University's research strengths in electronics, photonics, plastics and other materials have driven the growth of our knowledge economy – along with geothermal energy and other environmental technologies.

Durham City, with Newcastle and Doxford Park, has one of the highest concentrations of financial and business services employment in the North East. Its attractiveness as a business location was driven by efforts to open up strategic employment sites including Mount Oswald, which also houses a range of technology-driven business.

Durham City is also a world class tourism destination. Building on our existing assets, we improved the quality of the City Centre, developed new shopping and cultural facilities and a major programme of events and festivals. Durham is now at the heart of an expanding network of visitor attractions including Beamish; the renewable energy village at Eastgate which has transformed the economy of Weardale and along the Heritage Coast at Seaham.

Our major centres – including Bishop Auckland, Peterlee and Barnard Castle – provide a wide range of retail, office and leisure based employment for the hinterlands which they serve. Here, and in other priority neighbourhoods, we have revitalised our housing market, creating truly sustainable communities which are safe, secure and well-managed and provide more affordable housing for sale and rent. Our Building Schools for the Future programme has created new schools at the heart of our communities providing facilities and services for young and old alike.

Developing our manufacturing and engineering businesses and growing new sectors of the economy has created a stronger market for new businesses, and there has been a significant growth in business start ups. Our efforts to create a ‘can do’ attitude to enterprise amongst young people, women and other important groups have paid real dividends.

Improved educational attainment – driven by our investments in new schools – and adult skills have provided the bedrock for a more productive, high skilled economy and attraction knowledge-based businesses and workers. Now, everyone between the age of 16 and 35 is in work or in some form of education, employment or training.

Junction improvements have been made to the A19 and A1, to cater for growth, and the second Tyne Tunnel is now open. These, along with regular fast train services connecting Tyne and Wear and the Tees Valley, have improved access to jobs and for visitors to the County. Bus services between the villages and the main centres are also much improved; now almost 50% of journeys to work, school or college are made using public transport.

Our population is increasing, and increasingly diverse. Many more young people and working age families are remaining in or moving to the County, attracted by new jobs, by a wide choice of housing in safe, secure communities and by the quality of our schools. People want to live, work and play here.

### Our objectives

Realising the vision will require a step change in the productivity of our businesses; in the skills of our workforce; in our ability to work together in partnership and to influence our regional, national and European partners in their policies and investment.

We must focus our efforts on actions which will truly make a difference. The Economic Strategy identifies three key objectives:

- to make our businesses more competitive and productive, and rebuild a culture of enterprise across the County
- to improve the employability and skills of our workforce
- to improve the economic competitiveness of our major towns.

Creating a more competitive economy will support the development of truly sustainable communities, where people want to live. In turn, this will help to attract and retain the skilled, entrepreneurial workforce that will drive our economy in the future, and increase County Durham's contribution to a more prosperous North East.

## Measuring progress

How will we know if we are succeeding? The Economic Strategy aims to close the gap in performance between the County Durham economy, the North East and the UK – and we will measure our progress against eight ‘headline’ targets:

- to raise County Durham’s *Gross Value Added* from £5.5 billion in 2004 to £6.7 billion by 2012/13
- to achieve a net increase of at least 1,400 more *VAT registered businesses* between 2006 and 2013
- to narrow the gap in investment in research and development by the private sector and Government
- to create 9,000 more *employee jobs* between 2005 and 2012/13
- to reduce the number of residents on incapacity benefits by 4,000 to 32,230 by 2012/13
- to increase the proportion of working age adults in employment from 71.8% at the end of 2006 to 73% by 2012/13
- to increase the number of working adults qualified to at least *NVQ Level 3* to 51% by 2012/13
- to increase the number of working age adults qualified to at least *NVQ Level 4* to 25% by 2012/13
- to sustain average gross weekly earnings at 85% of the GB average by 2012/13.

These outcomes are realistic within the current regional policy framework and the level of resources available to the Partnership to stimulate and support economic growth. However, to truly narrow the gap, we County Durham would need to

- achieve growth in GVA in excess of 4% per annum – almost double current regional growth rates – to achieve our aspirational GVA target of £8 billion by 2012/13
- double current start up rates to increase the number of net additional VAT registered businesses from 200 to 400 per annum
- achieve massive increases in the proportion of our adult workforce educated to NVQ Level 3 (55%) and NVQ Level 4 (35%)
- to increase *average gross weekly earnings* for County Durham residents to 90% of the GB average from 85% in 2006



### 3. Our priorities

The strategy sets out a number of priorities under the themes of Competitive Business, Competitive People and Competitive Place.

#### Competitive Business

Priorities include

- diversifying our economy by developing our science and technology base through further growth of *NETPark*, working with Durham University to capitalise on its research and development strengths and growth of the renewable/geothermal energy sector through projects including the *GREAT Institute* and *Eastgate*
- working with our existing businesses to improve their productivity and increase workforce skills.
- improving the availability and take-up of broadband by developing a County-wide *wi-fi network* with the potential to be rolled out across the North East.

#### Competitive People

Priorities include:

- raising the aspirations of young people for work and learning
- *raising awareness of enterprise* by young people and other key target groups to increase the number of people interested in starting a business or becoming self-employed
- helping people to re-enter, and remain in work.

#### Competitive Place

Priorities include:

- transforming *Durham City's* role as a centre for tourism and financial/business services
- developing County Durham's tourism economy through key projects at Beamish, Barnard Castle and Eastgate and developing new opportunities for business tourism
- realising the potential of County Durham's *major urban and rural centres* to provide sustainable employment and services for the wider hinterlands which they serve
- supporting our smaller towns and villages to become sustainable.

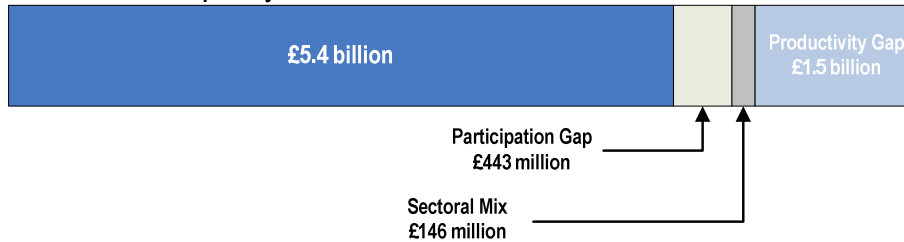
## 4. Our challenges

Our economy faces some very significant challenges. Today, the County Durham economy is underperforming as a result of low levels of business productivity and enterprise; a low skills base and large numbers of working age adults not participating in the labour market.

### Potential GVA



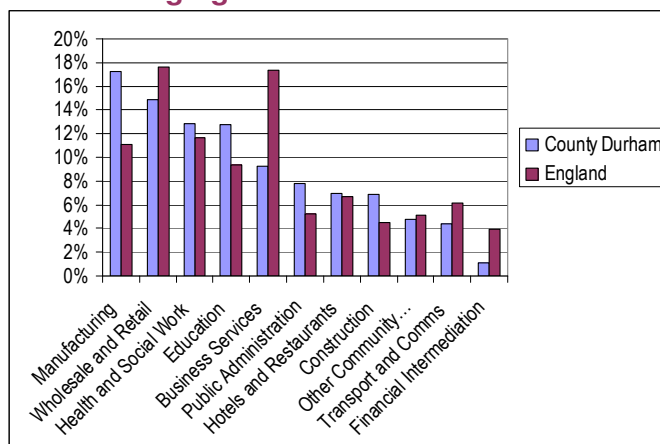
### Actual GVA and Gap Analysis



Our economy is not concentrated in a large conurbation, unlike other parts of the region. Our businesses and other economic assets are distributed right across the County – which also means that we have:

- a commercial property market which still remains characterised by *market failure* in some locations although Durham and a handful of other locations are witnessing increased investment by the private sector
- poor quality public transport, and limited east-west highways connections, which constrain the ability of County Durham residents to *access employment and training*.

### Sectoral Mix; Manufacturing Boosting Employment, Future Prospects are Challenging



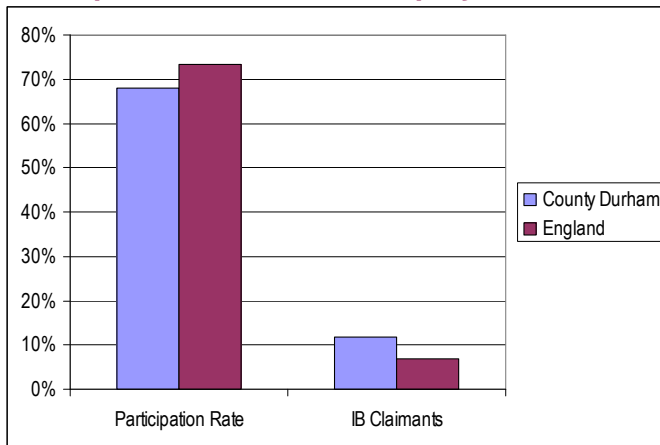
Source: Annual Business Enquiry, 2005

Despite significant employment losses (17,000 in less than 10 years), manufacturing remains County Durham's most significant sector.

County Durham is particularly weak in Business Services and Financial intermediation.

**Generally, the local economy is becoming more heavily skewed towards lower value added activities.**

### Participation: Too Few in Employment



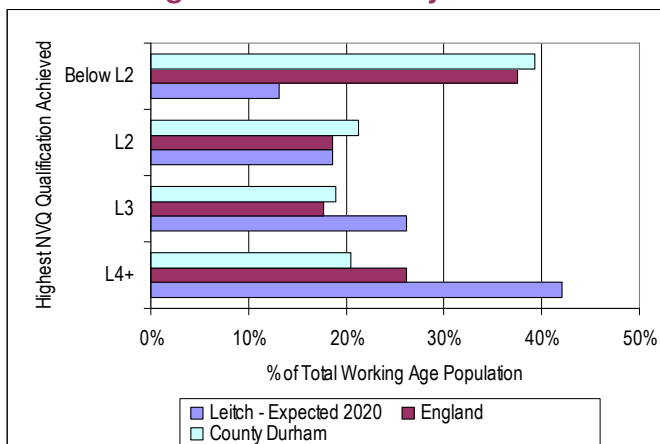
Source: DWP 2006, LFS 2004

The participation gap consists of lower rates of economic activity and higher unemployment.

Improving participation to national levels would require **17,000 residents to take up employment**.

High levels of incapacity benefit (IB) claimants and other forms of inactivity increase the difficulty of lowering worklessness.

### A Knowledge Based Economy and the Skills Gap: The 2020 Workforce



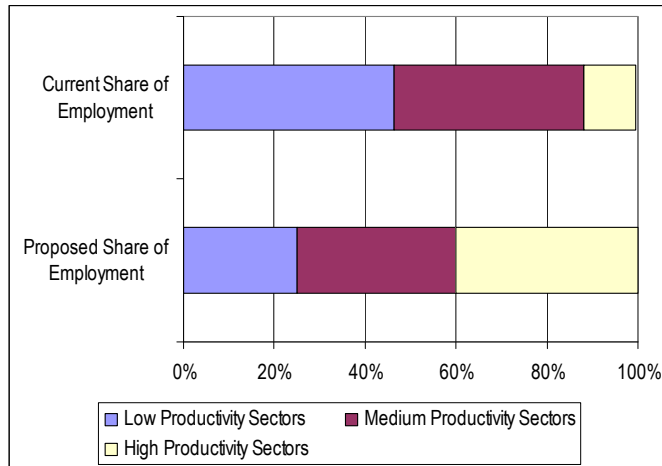
Source: Annual Population Survey, 2005

The availability of skilled labour is essential for a high productivity, knowledge based economy.

County Durham currently has a lower skills base than England, particularly for graduate level skills.

Leitch predictions for 2020 would require a doubling of people with Level 4 qualifications in County Durham – **an increase of 64,260 graduates** in the workforce.

## A Competitive Employment Structure: A Massive Shift to High Value Added



Source: Annual Population Survey 2006, Leitch Review of Skills

Closing the productivity gap will require a **significant shift of employment from low to high value added employment sectors** (including Financial and Business Services).

Medium productivity employment would decline but to a much lesser extent – from 42% to 35% of total employment.

These are in line with the Leitch predictions that over 40% of the workforce will require NVQ L4+

## 5. Implementation

Once the Economic Strategy is finalised, the CDEP will develop an Action Plan which will set out how we will deliver these priorities over the next three years and in the longer term where necessary. Both the Strategy and the Action Plan will be subject to assessments for their impact on sustainability and equalities.

<b>TITLE:</b>	<b>SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08</b>
<b>TO/ON:</b>	<b>LEARNING AND ECONOMY SCRUTINY 4<sup>TH</sup> MARCH 2008</b>
<b>BY:</b>	<b>DIRECTOR OF CORPORATE ADMINISTRATION AND POLICY</b>
<b>PORTFOLIO HOLDER:</b>	<b>DEPUTY LEADER</b>
<b>STATUS:</b>	<b>REPORT</b>

## **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 final 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 the final quarter of 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.

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

**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 third quarter of 2007/08 is 7.54 days per employee and performance has improved in comparison to the same period in 2006/07 when the figure was 8.74 days. This represents an improvement in performance of almost 14%.

The projected year-end performance for this indicator is 10.05 days, which will, however fall marginally short of a year-end target of 10 days. Absence rates have demonstrated an improvement throughout 2007/08 each month to date in comparison with 2006/07 and in the second quarter, performance for this indicator sat within the 2<sup>nd</sup> best performing quartile nationally based upon the 2006/07 'All England' quartile boundaries. The current rate of performance for Quarter 3 has however slipped and the indicator now sits within the 3<sup>rd</sup> performing quartile nationally. In view of this a red risk rating will remain for BVPI 12 for the remainder of 2007/08.

- 3.3 The current Action Plan for BVPI 12 has been updated to include any initiatives being undertaken to address poor performance during Quarters 3 and 4 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](mailto:anne.smith@derwentside.gov.uk)

**Background papers – Derwentside D.C.** Quarter 3 Performance Monitoring Report 2007/08; Audit Commission BVPI Results 2006/07 at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

Directorate: Executive Director				Director: Mike Clark / Ian Jones					
Scrutiny: Learning and Economy									
BVPI	Title			Performance		Corporate Aim			
BV 12	Number of days/shifts lost to absence			2004/05	2005/06	2006/07		Together with our partners achieve organisational excellence	
				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 7.54	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			

<b>Action Plan BVPI 12 Quarter 2 2007/08 (continued)</b>					
<b>Action/Milestone</b>	<b>Responsible Officer</b>	<b>Deadline</b>	<b>Actual Date completed</b>	<b>Resources Required</b>	<b>Outcome/Impact</b>
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 <sup>th</sup> 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. <b>Update:</b> Audit Commission visit during February 2008 – awaiting report and recommendations
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 <b>Update:</b> On hold due to resource issues
Increase stress awareness and training	I Jones	October 2007	December 2007	£4,000 from corporate budget	Inclusion in annual development plan <b>Update:</b> Workbooks and CD produced; Workshop to be held during May/June 2008
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



Our ref: LS  
Ask for: Lucy Stephenson  
Tel: 01207 218249  
Email: [l.stephenson@derwentside.gov.uk](mailto:l.stephenson@derwentside.gov.uk)  
Date: 26<sup>th</sup> February 2008



**Councillors:-**

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

Dear Councillor,

**RE: LEARNING & ECONOMY SCRUTINY – 4<sup>TH</sup> MARCH 2008, 4.00 P.M.**

I refer to the previously circulated agenda and enclose for you attention:

**ITEM 5: CORPORATE BUDGETARY CONTROL REPORT PERIOD 9, 2007-2008.**

Please bring these papers with you to the meeting.

Yours faithfully



**M. CLARK**  
**Chief Executive Officer**



<b>TITLE:</b>	<b>Corporate Budgetary Control Report Period 9, 2007-2008</b>
<b>TO/ON:</b>	<b>Learning and Economy Scrutiny March 4th 2008</b>
<b>BY:</b>	<b>Joint Report of the Chief Executive Officer, the Director of Corporate Administration &amp; Policy, the Director of Environmental Services, the Director of Development &amp; Asset Management and the Head of Financial Services</b>
<b>STATUS:</b>	<b>Report</b>
<b>PORTFOLIO:</b>	<b>Learning &amp; Economy</b>

## **1. SUBJECT MATTER AND PURPOSE**

- 1.1. Following the authority's budgetary control guidelines, this report highlights revenue budget variances on an exception basis only. Therefore only those differences of over £1,000 or 10% are reported.
- 1.2. The report covers those items of income and expenditure within the General Fund that differ significantly from the budget for the period 1 April 2007 to 31 December 2007.
- 1.3. It also contains an update on the Capital Programme position and progress against efficiency targets.

## **2. BACKGROUND**

- 2.1. The report is part of a package of measures designed to monitor and improve financial performance. As outlined in the authority's annual Budget Book the Council has named budget holders, monthly monitoring meetings with spending managers, extra focus on budgets with higher risk, quarterly reports to members, mid-year Probable Outturn and year end Actual Outturn reports.
- 2.2. This report encompasses all Directorates, and allows Members to consider the effect of budget variances on a corporate basis.
- 2.3. Explanations and projections for budget variances have been provided by the relevant budget holders within section 3 of this report

## **3. RELEVANT MATERIAL CONSIDERATIONS/OPTIONS**

- 3.1. The monitoring information is split into three sections for this report :

### **1. General Fund Services**

- Appendix 1 provides the list of significant variances for General Fund services together with comments explaining how they have arisen.
- A recurring theme is that of salary savings from vacant posts – the authority has a target of £200,000 in the current year's budget and this should be met given the current level of vacancies. This target has been increased to £300,000 for 2008-09 as it is anticipated that staff turnover may be more volatile in the run up to local government reorganisation.

## **2. Efficiencies**

- Appendix 2 analyses the efficiencies anticipated in the council's Forward Look Annual Efficiency Statement and shows the period 9 assessment of how they are progressing.
- It shows that the council is currently well ahead of its target.

## **3. Capital Programme**

- Appendix 3 provides an update on available capital resources together with a list of schemes which have been resourced via the Asset Management Group monitoring process. Current spend against those schemes is also provided. Unspent amounts from these approvals at the year end will be carried forward as slippage into the new financial year.
- Capital spend during the current year is well down on the last few years, mainly because all of the housing schemes passed over to Derwentside Homes after the stock transfer, but also because the larger projects are at the early stages of needing council expenditure e.g. Consett Sports Facilities and Tanfield Lea Business Centre.
- Members have received a number of updates looking ahead to future capital resources and the report to Council on 26<sup>th</sup> February showed that sufficient capital resources should be available for the 2008-09 programme.
- Monitoring takes place using project managers in the form of a monthly monitoring meeting with individual managers of schemes.

## **4. RECOMMENDATIONS**

4.1. That the report be noted for Members information

## **5. BACKGROUND PAPERS**

5.1. Probable Outturn Report – Executive 11<sup>th</sup> December 2007

5.2. General Fund & Capital Programme Estimates 2008-09 – Special Council  
26<sup>th</sup> February 2008

For further information regarding this report contact Dave Watson, Divisional Head of Financial Services on ext. 8353.

	Budget To Date	Actual Exp/(Inc) to Date	Variance	Projected Year End Variance	Comments
<b>Executive Director</b>	£	£	£	Adv/Fav	
<b>Directorate Management</b>					
Salaries	188,063	183,304	-4,759	FAV	Vacant Post
<b>Press &amp; Public Relations</b>					
Salaries	32,205	27,059	-5,146	FAV	Change in working arrangements
Printing, Stationery etc...	29,498	28,305	-1,193	FAV	Change in working arrangements
Subscriptions - Daily news service	0	13,060	13,060	ADV	New service - cost partially offset by savings above
<b>Personnel Management</b>					
Salaries	77,363	86,715	9,352	ADV	CMT Restructure

	Budget To Date	Actual Exp/(Inc) to Date	Variance	Projected Year End Variance	Comments
<b>Deputy Chief Executive</b>	£	£	£	Adv/Fav	
<b>Directorate Management</b>					
Salaries	81,195	90,835	9,640	ADV	CMT Restructure
<b>Development Section</b>					
Salaries	186,000	125,033	-60,967	FAV	Vacant Posts
<b>Community &amp; Regeneration</b>					
Salaries	131,467	108,253	-23,214	FAV	Vacant Posts
<b>Land &amp; Property</b>					
Salaries	368,790	356,453	-12,337	FAV	Vacant Posts
Fees & Charges	-114,375	-56,060	58,315	ADV	Due to a change in the profile of Capital Receipts.
<b>Industrial Estates</b>					
Rental Income	0	-11,061	-11,061	FAV	Rental share from Jointly Owned sites
<b>Stanley Market</b>					
Rent Received	-45,000	-41,767	3,233	ADV	Reduction in anticipated income from Market
<b>Consett Bus Station</b>					
Departure Charges	-28,350	-21,573	6,777	ADV	Dispute re Departure Charges

	Budget To Date	Actual Exp/(Inc) to Date	Variance	Projected Year End Variance	Comments
<b>Corporate Policy &amp; Administration</b>	£	£	£	Adv/Fav	
<b>Directorate Management</b>					
Salaries	64,118	73,745	9,627	ADV	CMT Restructure
<b>Customer Services Management</b>					
Salaries	51,338	40,552	-10,786	FAV	Staff member budgeted full time but working reduced hours
<b>Customer Services</b>					
Salaries	251,693	228,893	-22,800	FAV	Vacancies.
Staff Advertising & Recruitment	0	2,927	2,927	ADV	Adverts re Vacant Posts
<b>Cashiers &amp; Telephonist</b>					
Salaries	152,295	135,652	-16,643	FAV	Vacancies.
<b>Legal Services</b>					
Salaries	95,482	107,257	11,775	ADV	CMT Restructure
<b>Performance Review</b>					
Salaries	85,980	92,567	6,587	ADV	Salary adjustments across division
<b>Policy Development</b>					
Salaries	114,720	107,119	-7,601	FAV	Vacant Post
<b>Democratic Services</b>					
Salaries	95,543	100,262	4,719	ADV	Amendment to structure
Postages	7,785	541	-7,244	FAV	Increase in electronic service delivery
<b>SPICE</b>					
Salaries	23,025	9,949	-13,076	FAV	Vacant Post
<b>Licensing</b>					
Salaries	127,890	69,035	-58,855	FAV	Vacant Posts



<b>Finance</b>	<b>Budget To Date</b>	<b>Actual Exp/(Inc) to Date</b>	<b>Variance</b>	<b>Projected Year End Variance</b>	<b>Comments</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Adv/Fav</b>	
<b>Finance Management</b>					
Salaries	118,147	111,131	-7,016	FAV	Vacant Post
<b>Accountancy</b>					
Salaries	243,330	245,732	2,402	ADV	Savings in vacant post offset by Agency Staff payments to cover shortage
<b>Risk Management/Internal Audit</b>					
Salaries	173,835	161,030	-12,805	FAV	Vacant Post
<b>Revs &amp; Bens</b>					
Salaries	1,183,572	1,153,288	-30,284	FAV	Vacant Posts

Environmental Services	Budget To Date	Actual Exp/(Inc) to Date	Variance	Projected Year End Variance	Comments
	£	£	£	Adv/Fav	
<b>Directorate Management</b>					
Salaries	80,963	90,626	9,663	ADV	CMT Restructure
<b>Environmental Health</b>					
Car Allowances/Leased Car Costs	30,368	18,876	-11,492	FAV	Vacant Posts leading to a reduction in the number of leased cars
Air Pollution Income	-12,000	-9,212	2,788	ADV	Reduction in number of controlled processes
<b>Building Control</b>					
Salaries	177,893	159,358	-18,535	FAV	Vacant Post and ERVR
Car Allowances	16,665	11,875	-4,790	FAV	Due to Vacant Posts and changed working practices
Building Control Fees	176,250	165,461	-10,789	FAV	Level of applications lower than anticipated
<b>Planning</b>					
Salaries	224,002	228,320	4,318	ADV	Cross over of staff due to handover arrangements
Staff Advertising & Recruitment	0	4,844	4,844	ADV	Advertising Costs re Vacant Post
Publicity & Marketing	18,720	32,246	13,526	ADV	Greater than anticipated levels of applications received requiring advertisement
Fees & Charges	-348,750	-265,218	83,532	ADV	Lower than anticipated overall level of applications.
<b>Planning Support</b>					
Other Income	0	-9,008	-9,008	FAV	Sale of maps, plans etc...
<b>Development Plans</b>					
Salaries	128,040	131,486	3,446	ADV	Minor adjustments across the division
<b>Land Charges</b>					
Salaries	42,188	44,196	2,009	ADV	Additional working to meet targets
<b>Other Highways</b>					
Footpath Repairs	37,928	46,612	8,684	ADV	Budget set post LSVT - needs reviewing
Christmas Decorations	13,750	16,715	2,965	ADV	Storm Damage replacement
<b>Cemeteries</b>					
Interment Fees	-74,130	-85,414	-11,284	FAV	Higher than anticipated level of income.

Directorate 2007/2008 Efficiency Summary Of Progress Against Target To Pd 9	Division	Efficiency	Expected £	Profiled £	Actual £	Variance £	Reason
Corporate Activity		Business Process Re-engineering	105,600	79,200	0	-79,200	First pilot area now completed, but unable to assess any potential savings accrued as yet
		SLA's With Derwentside Homes	0	0	323,212	323,212	Not included In Forward Look Statement, as the information was not available at that time. Some of these agreements are now in their termination period and will not continue next year.
Development & Asset Management	Corporate Procurement	Careline Rentendering	0	0	201,237	201,237	New initiative this year
		Procurement savings	62,400	46,800	115,990	69,190	Various new contracts entered into
		Shared services for Corporate Procurement with Chester Le Street	11,000	8,250	30,000	21,750	New Agreement entered into this year
	Land & Property	Capacity to generate additional fees	35,000	26,250	39,442	13,192	Extra Fees due to additional Land Sales
		Rental income for surplus capacity from various external organisations	13,000	9,750	84,853	75,103	£71k Rental Income from Derwentside Homes
		Investment income from disposal of surplus assets	196,000	147,000	179,669	32,669	Further disposals of surplus lands Actual profiled same as target as cant calculate until year end
Corporate Policy & Admin	Printing	Improved Council Tax Collection	14,000	10,500	10,500	0	
	Executive	Capacity to generate additional external surplus	20,000	15,000	55,094	40,094	Additional print works
		Policy restructure	25,000	18,750	18,750	0	Cost saving. Therefore assumed to accrue evenly throughout the year
Information Services		IEG 6	115,000	86,250	86,250	0	
		Supplying Key Members Of Staff With Blackberries	4,500	3,375	1,980	-1,395	Estimate wrong. S/B £2,640 for year
		New Mobile Telephone Contract	25,500	19,125	28,713	9,588	Estimate wrong. S/B £13,080 as contract expires this financial year. Also, greater number of handsets leading to greater savings per unit. Actual variance therefore is £18,903
		On-Line Systems Developed In-House (Maintenance Contract Cost Saving)	5,000	3,750	3,750	0	Annual maintenance saving so accrues evenly over year
Environmental Services	General Services	Grass Cutting contract	26,000	19,500	19,500	0	Contract. Therefore savings accrue evenly throughout the year.
Finance	Revs & Bens	Continued improvement of Council Tax collection rates	34,300	25,725	66,384	40,659	Higher Council Tax Debit
		Collection Of Previous Years Council Tax Debts	11,100	8,325	21,322	12,997	Higher Council Tax Debit
Executive Director	HR	Shared Services with Wear Valley for G.Smith services	14,000	10,500	12,949	2,449	Additional works undertaken for LeisureWorks, DDDVF and Derwentside Homes
			<b>717,400</b>	<b>538,050</b>	<b>1,299,595</b>	<b>761,545</b>	

<b>Capital Receipts</b>	<b>£m</b>	<b>£m</b>	<b>Spend 31/01/08</b>
per Balance Sheet 31/3/07		12.273	
add: receipts to date as at 6th February 2008		3.057	
		<b>15.33</b>	
<b>Approved Schemes - resources released</b>			
Balance of Stanley Bus Station	0.612		0.615
Belle Vue Swim Centre - Changing Room Tiling	0.040		0.037
Former Drift Mine at Hamsterley	0.065		0.022
Verge Hardening - year 2 of 3 year programme	0.040		0
Making Safe Dangerous Headstones - Yr 2 of 3	0.150		0
Replacement of Corporate Servers - Yrs 1 & 2 of 3	0.172		0.172
Allensford Toilets	0.060		0.066
Relocation of Printing Section	0.050		0.119
Members Online	0.014		0
Tanfield Lea Business Centre	1.900		0.133
Additional Mandatory DFG	0.520		0.552
Provision of Sports Facilities in Consett	5.939		0.123
Consett Bus Station	0.020		0.023
New Cemetery at Moorside	0.436		0.018
Industrial Incentives	0.075		0
Flood Relief Works	0.100		0.068
Office Accommodation	0.250		0.107
Green Waste Bins - AMG 16/01/08	0.108		0
Design & Planning Fees - AMG 16/01/08			
Cemetery Improvement Works	0.010		0
Town & Village Centre Regeneration	0.020		0
Capital Initiative Fund	0.020		0
Corporate Servers - AMG 6/02/08	0.085		0
Louisa Centre Flooring - AMG 6/02/08	0.090		0
Capital Incentives- AMG 6/02/08	0.075		0
Dangerous Headstones - AMG 6/02/08	0.230		0
Capital Initiative Fund - AMG 6/02/08	1.230		0
Energy Efficiency - AMG 6/02/08	0.150		0
Consett Sports Project - AMG 6/02/08	0.800		0
		<b>13.261</b>	<b>2.055</b>
<b>Slippage etc</b>		<b>-0.530</b>	
<b>Ringfenced receipts - Watling Wood</b>		<b>-0.025</b>	
<b>Balance of LSVT Set up costs</b>		<b>-0.633</b>	
<b>Capital Receipts Available as at 6th February 2008</b>		<b>0.881</b>	