

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2 - County Hall, Durham** on **Thursday 10 January 2019** at **9.30 am**

Present:

Councillor A Batey (Chairman)

Members of the Committee:

Councillors E Adam, J Atkinson, M Clarke, R Crute, S Dunn, D Hall, T Henderson, P Howell, S Iveson, J Maitland, R Manchester, A Patterson, A Reed, P Sexton and M Wilson

Co-opted Members:

Mr G Binney and Mrs R Morris

Also Present:

Councillor J Clare, K Shaw and J Turnbull

1 Apologies for Absence

Apologies for absence were received from Councillors P Jopling and R Ormerod and from the Safer and Stronger Overview and Scrutiny Committee, Councillors B Avery, J Considine, C Hampson, L Kennedy and J Stephenson and Chief Fire Officer S Errington.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The minutes of the meeting held 6 November 2018 and the special meeting held 7 December 2018 were agreed as correct records. Councillor R Crute referred to the minutes of the meeting held on 6 November 2018 and reminded Members that any potential amendments to report formats and recommendations must be brought back to Committee for discussion prior to any changes being made.

4 Declarations of Interest

Councillors P Howell declared an interest in Item 7 – Homelessness / Homelessness Reduction Act 2017 and Item 8 - Selective Licensing as a private landlord.

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

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

The articles included: the Durham City Retail Awards, celebrating the achievements of shops and restaurants across Durham City; Refuse café, a valuable asset since opening in Chester-le-Street, Members having visited the café as part of the Retail Support Review; "Powered by people" a new scheme to bring more investment and jobs to County Durham by stressing the opportunities the region offers including connectivity to other parts of the country; and The Salvation Army and Four Places of Worship have launched a pilot scheme aimed at giving rough sleepers and the homeless a place of safety, a bed and something to eat in Durham City, linking to Item 7 - Homelessness/Homelessness Reduction Act 2017.

Resolved:

That the information be noted.

7 Homelessness/Homelessness Reduction Act 2017

The Chairman introduced the Housing Manager, Housing Solutions, Marie Smith who was in attendance to give an update on Homelessness and Homelessness Reduction Act 2017 (for copy see file of minutes).

The Housing Manager explained that in terms of Housing Solutions headline statistics there had been approximately 11,000 client contact, an increase of 11% in 2017/18 and that referrals came via partners, direct contact to Housing Advice Line and other teams. Members were referred to graphs setting out the headline statistics, including presentations, homelessness applications and duty owed. Councillors also noted total contacts in terms of advice, prevention or homelessness, with a split by gender. The Housing Manager referred to a graph setting out all presentations, 3,824, for the period April-September 2018 with: 1,853 advice/intervention; six duty accepted; nine no duty; 1,475 prevention cases; and 481 relief cases.

The Committee noted that in terms of Quarter One and Quarter Two 2018/19 there had been 427 cases prevented, with 120 cases relieved. Councillors noted the Homelessness Reduction Act 2017 was introduced on 1 April 2018 and extended clients' entitlement to help and placed a renewed focus on the prevention of homelessness. It was explained that reporting and recording mechanisms had been changed in order to align with the new duties: to prevent homelessness and to relieve homelessness.

The Housing Manager reminded the Committee of the requirement of the Homelessness Act 2002 and emphasised that Durham had always had a strong focus on homelessness and its prevention. Members noted the Homelessness Reduction Act 2017 required Local Authorities to review current and future levels of homelessness and the activities in place to assist people. It was added that the strategy to address homelessness now was part of the overall Housing Strategy. The Housing Manager noted that looking at County Durham, from the data it was identified that people sought housing advice mainly due to financial difficulty and that the main reason for homelessness was cited as loss of private rented accommodation. Councillors noted that the main client group requiring advice was single people, representing 60% of the total.

Members noted the aims of the Homelessness Strategy were to: prevent homelessness through early intervention; increase access to and the supply of accommodation for those homeless or threatened with homelessness; and provide a range of support services to reduce the risk of households becoming homeless.

The Housing Manager noted that in relation to rough sleepers, there had been two bids for government funding, with one bid being unsuccessful and the second bid yet to be determined. It was added there was also a regional fund, with a bid to be submitted in respect of this shortly. Members were reminded of the work of the Bishop of Durham in helping to highlight the issue and the Outreach Worker based in Durham City who had worked with 60 people with a round 30 of those being housed. Members noted the strategic and operational working groups looking at the issue.

The Chairman thanked the Housing Manager and asked Members of the Committee for their comments and questions.

Councillor P Howell noted the main reason for homelessness being loss of private rented accommodation and asked was it a lack of provision or rather an attempt to “flip” a tenancy in order to achieve greater rent. He added he did not think this was the issue in our region, given that rent levels were down. The Housing Manager noted that this was an issue being looked at as part of the review and she would report back to Committee accordingly. Councillor P Howell noted that this fed into the discussions in terms of the next item on Selective Licensing.

Mrs R Morris noted the links to strategy and prevention, and added that there seemed to be a pattern, often those at risk had a lack of qualifications. She noted that through training it may be possible to “future-proof” and help those individuals to be less vulnerable. The Housing Manager noted that communication was a key element and that Welfare Reform Officers now looked at housing, employment and training, amongst other issues, and referrals to employment programmes could be made. It was added that those returning to the service would be noted, there would be six month review and case studies to ensure the work was effective long term and not just a “sticking plaster”. She added as regards a pilot scheme helping to support those people with drug and alcohol issues in order to help sustain their tenancies. Mrs R Morris noted cases where JobCentre Plus (JCP) had stated individuals must engage with training or job offers and added that there needed to be consistency. The Housing Manager noted that the Department of Work and Pensions (DWP) was a partner and would feed into the six week consultation regarding the strategy. The Chairman noted previous work of the Committee with involvement from JCP and noted this may be an area to look at in the future.

The Housing Manager noted that in the work with the DWP, there was a DWP Manager on the Homeless Group. The Chairman noted the work of Changing Lives initiatives, the Housing Manager noted that now accommodate was not the only issue, but also to look to help in terms of employment and/or training.

Councillor J Maitland asked if loss of tenancies could be attributed to issues such as Universal Credit (UC). The Housing Manager noted not so far, however, there was ongoing work in terms of the impact of UC, and that in addition the council had done a lot of preparation in terms of the roll out of UC. She added that while this had helped, further workshops with landlord for example would be beneficial.

Councillor D Hall asked if it could be possible to look to combat the shortage in terms of appropriate housing types through Section 106 Legal Agreements with developers or any other viable means. The Housing Manager noted a shortage of one bed properties and noted that there was ongoing conversations in respect of options such as conversions of properties and shared tenancies. She referred to pilot schemes by the County Durham Housing Group (CDHG). Councillor D Hall asked if there was any information as regards provision by area. The Housing Manager noted she would speak to colleagues in spatial planning as regards this but noted she was not aware of any major trends and that this was an element being looked at as part of the County Durham Plan (CDP).

Councillor J Atkinson asked if there had been any work with banks regarding access to affordable lending as debt was an issue for many people at risk of becoming homeless. It was noted there were financial inclusion schemes, and people were encouraged to work with Credit Unions and to seek support from our local Citizens' Advice Bureau. She commented that there had not been direct work with banks.

Councillor A Patterson asked as regards pressures on the service in relation to the new duties, noting around 4,500 for all of 2017/18 and with around 3,800 for the first six months following the new requirements. The Housing Manager noted that the previous three years figures for comparison were all "pre-new duty" and that from 1 April 2018 the Council had greater duties in this regard including in how those interacted with were recorded, even just for advice only. Councillor A Patterson asked for further information as regards what the level of recording and how many people we were helping. The Housing Manager noted that an example would be a contact via the Housing Action Line, the details then passing to a Duty Officer, looking to develop a personalised housing plan and then looking to whether the Council could assist or if the individual could be directed in order that they could help themselves. Councillor A Patterson asked as regards the impact those new duties had on the service. The Housing Manager reminded Members that when the service had been restructured, an additional three frontline staff had been put in place, and while caseloads had increased, there had been a lot of preparatory work undertaken and the figures appear to be "settling down". The Strategic Manager for Housing, Lynn Hall added that the administration burden had increased, and that through networks such as the Local Government Association and from discussions with colleagues from other Local Authorities this increased had been noted. She added that the impact was noted and was being fed back to Government.

Councillor D Hall asked if there had been any pressures in terms of homelessness presentation in Durham by individuals that originated from elsewhere in the country. The Housing Solutions Manager noted this was not an area that had been looked at, however, she would note the issue and would look for any information relating to this.

The Principal Overview and Scrutiny Officer, Stephen Gwilym reminded Members of the upcoming workshop session for Overview and Scrutiny Members in relation to the County Durham Plan and Housing Strategy on 4 February 2019. The Housing Manager noted a “drop-in” session at the end of February to be held in the Durham Room at County Hall, with information and the date to be circulated to Members.

Councillor R Crute reminded Members of the opportunity to look at issues at the 4 February workshop session and to make links to other plans, strategies and issues such as: skills, the industrial strategy; and shared prosperity fund.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the report and presentation.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee, as part of the refresh of the work programme for 2019/20, received a further progress report.

8 Selective Licensing- Overview

The Chairman asked the Strategic Manager for Housing to give an overview report on Selective Licensing (for copy see file of minutes).

The Strategic Manager for Housing introduced the Project Coordinator, Joanne Thompson who was in attendance to answer Members questions as appropriate.

The Strategic Manager for Housing reminded Members as regards selective licensing being “where the whole or part(s) of a county/borough are subject to a designation under the Housing Act 2004”. She added that such designation would make it compulsory for all private rented accommodation in that area to have a licence from the Local Authority. Members noted that for County Durham 100 percent coverage would be sought, looking to achieve this through six designated areas. Councillors noted designations could be made should an area be suffering from one or more of the following issues: low housing demand; anti-social behaviour; poor property conditions; high levels of migration; high levels of deprivation; and high levels of crime. The Strategic Manager for Housing noted a positive meeting with the Ministry for Housing, Communities and Local Government (MHCLG) as regards being able to achieve the 100 percent coverage. She added that while migration was not felt to be an issue, data would be looked at in this regard. Members noted that in any cases where more than 20 percent designation was being applied for, a business case must be made and the application be made to the Secretary of State. The Strategic Manager for Housing noted that Local Authorities may only make a designation if an area has a high proportion of the property in the private rented sector. It was added that 2011 Census data showed 223,803 households in Durham and that the Office for National Statistics data showed 28,142 in the private rented sector representing 12.57 percent, with a prediction to rise to 17.36 percent by 2015.

The Strategic Manager for Housing noted that in some areas, local knowledge had shown several areas of around 60 percent and therefore she felt confident that across the County the average would be greater than 20 percent. She further explained as regards the work ongoing with partners such as Durham Constabulary, the County Durham and Darlington Fire and Rescue Service (CDDFRS) and the Benefits Team as regards gathering data to be able to look at these issues.

The Strategic Manager for Housing noted that before proposing a designation a Local Housing Authority must: identify the problems affecting the area to which the designation would apply; provide evidence to support the existence of the problems; decide what other measures the Local Authority, with its partners, would take to eliminate or mitigate the problems; and assess what outcomes would be delivered through the making of a scheme. Councillors noted a Steering Group would oversee two sub-groups looking at: collecting data and to form the business case; and interim measures, concentrating on the existing three selective licensing areas. It was noted that the Steering Group included membership from the Council, Durham Constabulary, the Office of the Police, Crime and Victims' Commissioner (PCVC) and the County Durham and Darlington Fire and Rescue Service. The Strategic Manager for Housing noted that a further report with recommendations in terms of the business case would be considered by Cabinet.

The Committee noted that Officers had visited both Liverpool and Newham, where 100 percent selective licensing scheme had been developed, with Liverpool's being pre-legislation and the Newham proposals being via the Secretary of State. It was explained that Liverpool had noted not to underestimate the amount of work involved, and a map was set out of the properties Liverpool was aware of prior to selective licensing and after to highlight the significant increase. The Strategic Housing Manager noted that while an upfront resource allocation would be required, it was thought the administration of the service could be self-funding if the licencing conditions were "right". It was stressed that good data collection was essential, and Liverpool had taken two years from initial conception to implementation. Members noted that the Newham submission had been completed by wards, however, for Durham it would be by Middle Layer Super Output Area (MSOA) as this would enable easier comparison to national statistics collated in this way.

The Chairman thanked the Strategic Manager for Housing for her presentation and noted the Portfolio Holder for Housing, Councillor K Shaw was in attendance. Councillor K Shaw thanked the Officers for their work and the presentation to Committee and noted he would be happy to answer any questions from Members of the Committee.

Councillor J Atkinson asked as regards any scheme being self-funding, whether this was from any licence fee. The Strategic Manager for Housing noted this was the case, however the level of fee was not yet known, and that the licensing conditions themselves were being looked at first.

Councillor E Adam asked as regards why we did not currently have information concerning the extent of private landlords within the county. The Strategic Housing Manager noted that no current legislation had any requirements in terms of those landlords to register and while Local Authorities would have some information through some of its departments, such as benefits, it would not be a complete picture.

Councillor E Adam noted he was staggered that this was the case and noted the vast difference in the numbers before and after selectively licensing in Liverpool as shown on the maps within the presentation. He added that the majority of private landlords were not bad landlords and noted that perhaps the approach would represent a “big stick” for some. The Strategic Manager for Housing noted that there was a need to be able to tackle bad landlords and that while the authority may think it has an idea as regards the scale, the example of Liverpool thinking it may have around 30 percent private landlords with the actual percentage being much higher.

The Chairman noted that her work prior to being a County Councillor, she had been involved in selective licensing in the Hendon area of Sunderland. She explained the amount of work involved in getting the scheme in place. She added that the benefits and improvement that had been seen had justified the hard work and the resource allocations that had been made. She added that while the County Council may not have the funding available that the Sunderland scheme had at that time, back in 2010, she felt that selective licensing would still have huge benefits and noted that all Members would know of areas within their Divisions where there are issues. The Strategic Housing Manager noted that another reason for seeking 100 percent coverage was to not lead to a situation where problems simply moved, into the areas not covered by a selective licensing scheme.

Councillor P Howell noted from his own experience he had been surprised, similar to Councillor E Adam, in that there was no national register for private landlords. He noted that good landlords were equally frustrated with bad landlords and they tended to give all private landlords a bad reputation. Councillor P Howell asked as the move to selective licensing progressed would this in turn mean that resources would move over too, away from the Landlord Accreditation Scheme. He noted his personal experience of the scheme related to the issue of the accreditation stickers, where stickers had been issued though he had not had a visit from Officers as regards the quality of his property. The Strategic Housing Manager confirmed that if the application for 100 percent coverage was successful then the accreditation scheme would be replaced. She added that she would feedback to relevant colleagues Councillor P Howell’s experience of the scheme.

The Strategic Housing Manager added that the licence fee would look to help fund the requisite checks and explained that in Liverpool where the number of properties had been much greater than anticipated they had a “self-declaration” process, with drop-in and audit visits to help promote accurate declarations. It was added that for Durham it could depend upon the numbers of properties involved, once the numbers of properties was known.

Councillor D Hall noted the potential data sources as stated by the Officer and asked if consideration of the landlord deposit schemes as another potential source of information had been considered. The Project Coordinator noted that it would be perhaps that there would be a need for different licence conditions in terms of different areas. The Strategic Manager for Housing noted that indeed five or six areas may have different reasons, however, if low demand could be demonstrated across all areas, this could be a condition.

Councillor S Dunn asked as regards a definition of MSOAs and why the submission would not be based upon wards.

The Strategic Housing Manager noted that nationally data was gathered in MSOA and therefore this led to easier comparison in terms of comparing issues such as health, and comparing to our neighbouring Local Authorities and statistical similar Local Authorities. She added that the information could be translated to wards if Members found this useful, the information being very similar in comparison. The Project Coordinator noted this should be possible once colleagues from IT had integrated a number of systems.

Councillor A Patterson thanked the Officers and the Cabinet Member for their hard work in this area and their attendance at Committee to give Members this information. She noted she supported the 100 percent coverage as proposed and asked if any of the information relating to the challenges Newham had faced in submitting a bid to MHCLG could be informative to Durham in preparing its business case. The Strategic Manager for Housing noted there was some information that had proven useful, as well as the positive discussions with the MHCLG themselves as regards the proposed 100 percent coverage. She added that the key to being successful would be the work done up-front in terms of the business case.

Councillor R Crute noted the “buy-in” from other areas of the public sector, Durham Constabulary, County Durham and Darlington Fire and Rescue Service and the Office of the Police Crime and Victims Commissioner and asked if they had been suitably convinced of the benefits of such a scheme that they had considered a resource contribution towards bringing the scheme in, noting a comparison with spending such as within Public Health where a spend of £1 could be demonstrated to have a benefit of £2.50 for example. Councillor R Crute noted he too did not want any selective licensing scheme to be a “big stick” that punished all landlords and noted that Durham needed and wanted good landlords. He gave an example where he had witnessed advertisements within Belfast Airport for properties in Easington. The Strategic Manager for Housing noted that there had not yet been the input from partners at this point. Councillor K Shaw noted that initial discussions with the PCVC had been positive, with recognition of the issues. He added that in terms of Newham, one of their large issues was that of overcrowding. Councillor K Shaw noted that it was felt for Durham issues may relate to empty properties and absentee landlords. Councillor K Shaw noted if he was a landlord he would welcome selective licensing, with information from Liverpool noting an increase in reputation for landlords, increases in house prices, and improvements in many areas, with anti-social behaviour reduced by 40 to 60 percent.

Councillor R Crute noted that Members would be aware via their local Police and Communities Together (PACT) meetings that many private landlords do want selective licensing as they see the benefits for themselves as well as for the Local Authorities and its partners. The Strategic Manager for Housing noted that Liverpool had asked their landlords to respond to the scheme and that the majority had welcomed it. Councillor P Howell noted he endorsed the comments of Councillors K Shaw and R Crute and added he felt the benefits of a 100 percent coverage selective licensing scheme would be far better than any accreditation scheme.

Councillor J Atkinson added he agreed with the comments made so far by other Members and asked as regards the “business case sub-group”, whether there was landlord representation.

The Strategic Manager for Housing noted there was no direct representation on the sub-group, however, there were focus groups for the existing selective licensing areas and their input would be included. She added that as part of the formal business case there was a requirement for a process of consultation. The Chairman added that this should include involvement of Local Members. Councillor K Shaw noted that while the accreditation scheme had its successes, it was a voluntary scheme and that it did have an associated cost.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the report and presentation.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee include within its work programme for 2019/20 a progress report in relation to the business case for introducing Selective Licensing.

9 Quarter Two, 2018/19 Revenue and Capital Outturn

The Chairman introduced the Head of Finance and Transactional Services, Paul Darby and the Principal Accountant, Paul Raine who were in attendance to speak as regards the Quarter Two, 2018/19 Revenue and Capital Outturn (for copy see file of minutes).

The Head of Finance and Transactional Services thanked the Committee for the opportunity to speak, noting he would present the regular Quarter Two update, discuss issues that had been raised in terms of the reporting format, and provide some informal training as regards the information contained within the outturn report.

The Head of Finance and Transactional Services noted that the outturn reports presented at Overview and Scrutiny Committees gave an overview of the management of those accounts which related to the remit of that Committee. It was explained that the cash limit set out the element of the budget that the Council could control, with the remainder being outside of the cash limit. The Head of Finance and Transactional Services noted while there were a large number of areas outside of the cash limit, these were set out as a requirement of total cost accounting, including recharging and consumption of assets. Members noted that it was Overview and Scrutiny role to look at those areas within the cash limit, and that the Council's Audit Committee had responsibility in terms of all of the budget. The Head of Finance and Transactional Services noted examples of services that recharged which included human resources, payroll and he added that as Resources had a lot of these sections that provided services for other departments and directorates then there was a recharge to each service. He added this was an element for the Audit Committee to consider.

The Head of Finance and Transactional Services noted that in terms of Overview and Scrutiny, in looking at the cash limit there was the opportunity to hold budget managers to account as regards performance and to look at outcomes against the investments made and query underspends and overspends.

The Head of Finance and Transactional Services referred Members to the report setting out the position at Quarter Two, to the end of September 2018. He explained that it included the forecast for the end of the year, and this would fluctuate and was effectively reset quarterly by Cabinet, as a result of drawn down, any additions or changes or/and one-off income or transfers. Members noted an example given of Business Development was a grant may cover a number of years and the funds are earmarked and transferred and spent over a number of years.

The Committee were referred to paragraph 12 of the report which set out the controllable budget within the cash limit, with the position being positive in comparison to Quarter One. It was explained that the reports to Overview and Scrutiny contained more granular detail, and each Overview and Scrutiny Committee had the same reporting style, based upon consultation with Members. He added that if a change was sought to the reporting style then this would need to be looked at in the context of all of the Overview and Scrutiny Committees. Members noted that when comparing the budget reports considered by Durham's Overview and Scrutiny Committee with those from other Local Authorities, there was much more detail in Durham's reports. The Head of Finance and Transactional Services noted that indeed Members may feel there was too much detail within the reports, and that should that be the feeling then Officers could look again to reach the right balance.

It was explained that the subjective analysis was set out in line with the Accountancy Code of Practice and that from a total budget of £58.437 million, with a cash limit of £12.688 million. Councillors noted the breakdown by service area and that Appendix 2 to the report set out the sums outside of the cash limit and it was explained that variances would be addressed by the Audit Committee.

The Head of Finance and Transactional Services noted that in considering the amount within the cash limit, Members were looking at the true position in order to hold budget managers to account. He added that as the year continued through to Quarter Three the budget position would become clearer, and that it should be noted that in Quarter One, there would be a "light touch" as there would still be ongoing work in terms of the closing of the accounts from the previous financial year.

The Chairman thanked the Head of Finance and Transactional Services and asked Members of the Committee for their comments and questions.

Councillor P Howell asked as regards the final column in the table at paragraph 12 to the report, whether it was the position at the end of Quarter One or year end. The Head of Finance and Transactional Services noted it was the forecast position for the year end, based upon the position at the end of Quarter One. He added that there was the high level breakdown within that table, and more detailed breakdown by service area within Appendix 3. He asked if the table and explanation as set out in the report was sufficient.

Councillor R Crute thanked the Head of Finance and Transactional Services for his work in terms of the reporting style and coming along to Committee to help explain the various elements. He added he felt that the level of data contained within the report was sufficient and that rather it had been a lack of sufficient understanding.

He thanked the Head of Finance and Transactional Services again for clarifying the report and agreed that the information that Overview and Scrutiny Committees had been receiving was sufficient, and any additional information was superfluous as those elements not being considered by Overview and Scrutiny would be addressed by the Audit Committee. Councillor R Crute added he felt that a glossary of terms and formal training would be helpful. He reminded Members of a previous training session that had not been well attended and added if Members felt it would be beneficial that he would speak with Overview and Scrutiny Officers in terms of arranging a bespoke training session and highlighted the importance, that if a training session is arranged that Members attend. Councillor R Crute reminded Members of the difficulties of some other Local Authorities, including Northamptonshire, and the criticism of their Officers and Members in holding budgets to account. The Chairman agreed and asked for opinions from other Members. Councillor J Atkinson noted he felt that within the Overview and Scrutiny meetings the report should be as simple as possible to allow Members to digest the information. He added he felt following the explanation from Officers today that the reports as previously considered by Committee were sufficient and that should Members require any additional information he felt Officers were more than happy to provide this if requested.

Councillor P Howell thanked the Officers for all their work in terms of clarification in respect of the budget reports. He noted that his initial concern had been as regards having clarity in terms of both the overall budget and the cash limit, with that split being useful. He added he felt there was no conflict with the Audit Committee in looking at the processes and noted the other Overview and Scrutiny Committees would look at other elements of the budget and that the task would be for the Economy and Enterprise Overview and Scrutiny Committee to look at the cash limit of £12.688 at Quarter Three and then at Quarter Four comparing like for like elements. The Head of Finance and Transactional Services noted that as the other Overview and Scrutiny Committees considered other elements from the budget this was why figures were not changed in-year as this could confuse those elements reported to the other Committees. Councillor P Howell noted he understood this, it was the apparent volatility of the budgets that had been an issue.

Councillor J Clare noted the role of Overview and Scrutiny in looking at budgets and noted the large adjustments that often took place in the final quarter, due to spending profiles. He added that he understood as some concerns when looking at the large sums such as housing and economic development, however, the information as set out within Appendix 3 was where he felt the information came alive and this was the part that helped Members understand what was actually going on. Councillor S Dunn noted he felt the new report was very clear, however, he would not wish any change to the information as set out in Appendix 3, agreeing that this was one of the more important sections in being able to understand what was happening within each service.

Councillor R Crute suggested that further discussions would be undertaken with relevant officers concerning the development of a training session for Overview and Scrutiny Members.

Mrs R Morris asked as regards the "light touch" for Quarter One and asked if this period was not one to have even more scrutiny. The Head of Finance and Transactional Services clarified that light touch did not mean any less thorough, and that the process was that of a risk-based analysis.

He added that as that time of year represented the period where the previous year's accounts were being closed, that area would be receiving focus, however, the appropriate depth of work was carried out. The Head of Finance and Transactional Services noted that the cash limits helped avoid a rush of spending each March and helped plan better for the medium-term. Councillor P Howell noted he agreed with the Head of Finance and Transactional Services as regards the focus at Quarter One, with the close down of accounts. He noted he was confident of Officers not taking their "eye off the ball" and agreed with Councillors in support of continuing to receive the information as set out within Appendix 3. The Chairman explained that the views of Members would be taken on board and a training session arranged for a future date.

Councillor P Howell noted changes in figures and asked if they related to changing demands and also as regards a figure of £125,000 for inward investment brand development. The Head of Finance and Transactional Services commented that this may relate to advertising that appeared in train stations promoting County Durham as a tourism destination and was not included in the base budget.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the report and presentation.
- (ii) That the view of the Economy and Enterprise Overview and Scrutiny Committee in terms of the report style and format be noted.
- (iii) That a training session for Overview and Scrutiny Members in relation to budget reporting be arranged for a future date, details to be circulated in due course.

10 Quarter Two, 2018/19 Performance Management Report

The Chairman introduced the Corporate Scrutiny and Performance Manager, Tom Gorman who was in attendance to speak to Members in relation to the Quarter Two 2018/19 Performance Management Report for the Altogether Wealthier theme (for copy see file of minutes).

The Corporate Scrutiny and Strategy Manager reminded Members of the different types of indicators reported, Tracker indicators and Target indicators and the performance reporting arrangements for 2018/19 were via a number of key performance questions (KPQs), aligned to the "Altogether" framework of six priority themes.

Councillors noted the five area of focus for "Altogether Wealthier" were: do residents have good job prospects; do residents have access to decent and affordable housing; is county Durham a good place to do business; is it easy to travel around the County; and how well do tourism and culture events contribute to our local economy. Members noted that there would be infographics relating to performance under each of those areas.

In relation to "do residents have good job prospects" it was noted that the per capita household income had reduced slightly in comparison to the previous year reported, however the median gross weekly household earnings had increased in the period 2017 to 2018.

Members noted the percentage of the working age population in employment had increased, better than the regional level, less than the national figure. It was added that the Durham trend was an increasing level, with the regional figure having a downward trend. Members noted figures set out in relation to jobs created and safeguarded through Business Durham activities and the gross value added (GVA) comparison of Durham, regional and national averages. Members were informed the correct value of £16,513 as reported in the table, erroneously set out as £16,294 within the graph.

The Corporate Scrutiny and Strategy Manager noted that the number of empty properties brought back into use through Local Authority intervention was slightly down in comparison to the previous year. Members noted however that figures were on track to exceed the annual target within six months and therefore this target may need to be looked at for the future. The Committee noted the figures in relation to the Bishop Auckland Food Festival and the Durham at War project, highlighting the work of Visit County Durham (VCD) and partners. The Corporate Scrutiny and Strategy Manager noted the VCD website contained a number of excellent facts sheets as regards these and a number of other areas, and information on how their performance was calculated.

The Corporate Scrutiny and Strategy Manager noted that the Housing Strategy had been scheduled to be considered at Cabinet in December, however, it had been delayed until January in order to incorporate issues in terms of Selective Licensing.

The Chairman thanked the Corporate Scrutiny and Performance Manager and asked Members for their comments and questions on the performance report.

Mrs R Morris asked as regards apprenticeships, noting that rates were reported as “green” and therefore on track. She noted concern as regards those young people aged 16-17 who were not in education, employment or training (NEET) and asked what specifically was being undertaken in terms of helping those young people into apprenticeships. She also asked if there was comparison data from our statistical neighbours. The Corporate Scrutiny and Strategy Manager noted that comparison data was provided where available and that he would also investigate as to work being undertaken to direct young people who are NEET into apprenticeships and then circulate the information to Members.

Councillor J Atkinson asked what work was undertaken, for example in schools, to counter any negative attitude in terms of the apprenticeship route in comparison to an academic route. The Chairman noted that this was an issue that had been looked at previously by a Working Group of the Committee, and she noted that young people themselves view apprenticeships as an attractive option.

Mrs R Morris noted that she felt that issues for those young people that are NEET at age 16 often began much earlier and added she felt it was important to be able to identify those young people early and provide assistance so that they do not become disengaged from the education system. The Chairman agreed and noted the work of the Strategic Manager Progression and Learning, Linda Bailey and her team in this regard. Councillor J Atkinson welcomed the improving attitudes and reminded Members of the opportunities within the County, including the University Technical College and South West Durham Training. The Chairman noted that it may be possible to have an update within the work programme.

Councillor A Reed asked if young people were paid under those apprenticeships and noted that in some cases young people were being persuaded by their parents to take up certain courses and schemes in order to attract funding. The Chairman noted that when the Working Group of the Committee had visited several colleges and training facilities it had been noted that they were all very good and encouraged young people to pursue apprenticeships and supported them in order to ensure the apprenticeships were sustained.

Resolved:

That the report be noted.