



**Economy and Enterprise
Overview and Scrutiny Committee**

Date Thursday 10 January 2019
Time 9.30 am
Venue Committee Room 2 - County Hall, Durham

Business

Part A

Items during which the Press and Public are welcome to attend. Members of the Public can ask questions with the Chairman's agreement.

1. Apologies for Absence
2. Substitute Members
3. Minutes of the Meeting held 6 November 2018 and Special Meeting held 7 December 2018 (Pages 3 - 18)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations:
Verbal Update by the Overview and Scrutiny Officer.
7. Homelessness/Homelessness Reduction Act 2017: (Pages 19 - 40)
 - (i) Report of the Corporate Director of Regeneration and Local Services.
 - (ii) Presentation by the Housing Manager, Regeneration and Local Services.
8. Selective Licensing- Overview: (Pages 41 - 72)
 - (i) Report of the Corporate Director of Regeneration and Local Services.
 - (ii) Presentation by the Strategic Manager Housing, Regeneration and Local Services.

9. Quarter Two, 2018/19 Revenue and Capital Outturn: (Pages 73 - 88)
Joint Report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources – Head of Finance and Transactional Services and Principal Accountant.
10. Quarter Two, 2018/19 Performance Management Report: (Pages 89 - 104)
Report of the Director of Transformation and Partnerships – Strategy Team Leader, Transformation and Partnerships.
11. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Helen Lynch
Head of Legal and Democratic Services

County Hall
Durham
2 January 2019

To: **The Members of the Economy and Enterprise Overview and Scrutiny Committee:**

Councillor A Batey (Chairman)
Councillor M Clarke (Vice-Chairman)

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

Co-opted Members:

Mr G Binney and Mrs R Morris

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 **Tuesday 6 November 2018** at **9.30 am**

Present:

Councillor A Batey (Chairman)

Members of the Committee:

Councillors E Adam, J Atkinson, M Clarke, R Crute, S Dunn, T Henderson, P Howell, S Iveson, I Jewell (substitute for A Patterson), P Jopling, L Maddison, J Maitland, R Manchester, R Ormerod, A Reed, E Scott and P Sexton

Co-opted Members:

Mrs R Morris

Also Present:

Councillor J Clare

1 Apologies for Absence

Apologies for absence were received from Councillors D Hall, A Patterson, L Taylor and M Wilson and Mr G Binney.

2 Substitute Members

Councillor I Jewell substituted for Councillor A Patterson.

3 Minutes

The minutes of the meeting held 25 September 2018 were agreed as a correct record and signed by the Chairman.

Councillor P Howell noted that he had met with Officers in relation to issues in terms of the quarterly budget report. He explained that Officers had agreed to look at the style of the presentation of quarterly budget reports.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

The Overview and Scrutiny Officer, 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: a major step in the development of the site at Forrest Park, Newton Aycliffe, with the installation of a new junction to better access the A1(M) and A167, as well as a new electricity sub-station; Ronco Engineering in Stanley winning orders with help from a £100,000 loan from the UK Steel Enterprise, helping to create an additional 6 jobs; delegates from across the country attending a “Revive and Thrive” Conference supported by Durham County Council (DCC); tourists were urged to “go wild” in County Durham, a campaign by Visit County Durham (VCD) aimed at showcasing rural attractions and activities to try to drive overnight stays.

Members noted that there were links to items on the Committee Work Programme, with a Special Meeting to be held on 7 December 2018 in relation to transport and VCD would be in attendance at the February 2019 meeting of the Committee.

Resolved:

That the presentation be noted.

7 EU Funding Update

The Chairman introduced the Funding and Programmes Manager, Claire Williams who was in attendance to provide the Committee with an update report in relation to European Union (EU) Funding (for copy see file of minutes).

The Funding and Programmes Manager reminded Members she had attended Committee last year and that the update was in terms of the position one year on. Councillors were reminded that County Durham was a “Transition Region” and therefore had a ring-fenced allocation of EU funding of £154 million over the period 2014-2020. It was added that this was split between just over £86 million European Regional Development Fund (ERDF) and approximately £54 million European Social Fund (ESF) and the allocation had recently been increased to this amount, following an uprating of the sterling value in August 2018.

Committee were reminded following the result of the referendum on membership of the EU, Government had stated it would guarantee funding up to the point of “Brexit”. The Funding and Programmes Manager added this position had been strengthened recently, with funding guaranteed up to the end of 2020, even in the event of a “no deal” Brexit.

Members noted the Open Calls, with up to five new applications from the County Council in the areas of: promoting research and innovation; enhancing the competitiveness of small and medium sized enterprises (SMEs) and supporting the shift to a low carbon economy.

It was added that further Open Calls may be launched in March 2019 if there was still ERDF resources available. The Funding and Programmes Manager referred to DCC projects as set out within the report, with those approved and full applications currently being appraised. She added a list of all ERDF and ESF projects that had been approved and were being delivered in the County was appended to the report. Members were reminded of the LEADER Programme and European Agricultural Fund for Rural Development (EAFRD) and associated projects in the County.

The Funding and Programmes Manager reminded the Committee that the Conservative Party's manifesto in 2017 set out a replacement for the money that local areas in the UK currently received through European Structural Funds. It was noted that the UK Shared Prosperity Fund (UKSPF) would be to "tackle inequalities between communities by raising productivity". Members noted that it was intended that the fund would be simpler to access than current EU funds, and Local Industrial Strategies (LIS) would be the mechanism in terms of identifying and prioritising funding needs. It was noted that the LIS would be developed by Local Enterprise Partnerships (LEPs), with a review of LEPs to be part of the process of strengthening their role in delivering economic growth.

The Committee noted the work undertaken by the Council in terms of preparing for the UKSPF, with a draft position having been drafted by the County Durham Economic Partnership's (CDEP) working group looking at the issue, setting out a number of "wants" for County Durham, including that County Durham does not receive less funding than it does currently, retaining a similar status to being a "transition region". Members noted a NELEP working group looking at future funding, identifying the level and types of funding that has come into the North East over the last 20 years, detail of the activities that have been supported and the benefits realised from it, with a view to this informing the expectations for future funding. The Funding and Programmes Manager noted an All Party Parliamentary Group (APPG) had been established to look at post-Brexit funding and information relating to this was also appended to the report.

The Chairman thanked Funding and Programmes Manager and asked Members for their comments and questions.

Mrs R Morris noted the work that had been undertaken in terms of EU funding and the work to ensure that resources stayed within County Durham. She asked if we understood the new context post-Brexit, examples given being direct flights to India being available from Manchester or what new horizons and industries would we want to attract to the County and what skills would be required for these and how would strategies be put in place to deliver them. The Funding and Programmes Manager noted that the Strategy Economic Plan would be refreshed and there would be the LIS, in the context of the NELEP and other partners.

Councillor R Crute noted it was almost impossible to predict where we could be, though he added that if the UKSPF was needs based rather than opportunity based this would be very good. He added that the LIS would be the template going forward, and it would be important for Overview and Scrutiny to know where this would fall in terms of Combined Authorities. He also asked as regards the table at section five of the report in terms of ERDF totals.

The Funding and Programmes Manager noted that there were issues in terms of exchange rate changes and would check figures and circulate further information to the Committee. The Chairman noted the Industrial Strategy would be an item tabled for the March meeting of the Committee.

Councillor J Atkinson noted no low carbon projects in the pipeline. The Funding and Programmes Manager noted that low carbon projects proved difficult in terms of demonstrating outputs that would allow for funding to be allocated and also in terms of obtaining match funding from partners. . Councillor J Atkinson asked as regards timescales. The Funding and Programmes Manager noted that funds had to be committed by 2020 and reiterated the many groups and forums by which the Council and partners were working to feed into the shaping of the UKSPF.

Councillor S Dunn noted his concern in terms of any LIS reflecting the needs of County Durham, as the County was very different in comparison with Tyneside and Teesside, and agreed with the point made by Councillor R Crute in terms of the UKSPF being needs based rather than opportunity based. He added that he had additional concerns in terms of a national agenda that appears to be more subjective than based on need, resulting in Durham missing out on funding.

Councillor E Scott noted that the fractured regional political position did not help and that perhaps there was a lack of ambition in only saying “to maintain levels as per current EU funding” rather than pitching ourselves as national players. Councillor R Crute agreed with the point adding that “fair funding formula” was a misnomer and that the Government should be pushed for more funding for County Durham, though the strong work of the Industrial Alliance and the APPG, will look to rebalance our regional economy, cross-referencing to the LIS in March 2019.

Councillor E Adam noted in reference to the point made by Councillor J Atkinson that the Environment and Sustainable Communities Overview and Committee (ESC OSC) had looked at low carbon projects, with the Council’s Sustainability and Climate Change Team Leader, Maggie Bosanquet to attend the ESC OSC on 5 April 2019 to provide a progress update, and with a special meeting of that Committee to be held on 30 April 2019 looking at the Carbon Management Plan.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receives further progress reports as the programme continues.

8 Regional Funding - Local Growth Fund and Investment Pipeline

The Chairman introduced the Project Development Team Leader, Heather Orton who was in attendance to provide the Committee with an update report in relation to regional funding, the Local Growth Fund (LGF) and the investment pipeline (for copy see file of minutes).

The Project Development Team Leader reminded Members she had last spoken to the Committee back in February and reiterated the position in terms of LEPs and growth deals for projects that supported economic growth. She explained that the deals represented a single investment pot approach, being opportunity and competition based. Members noted that while around £13 billion had been promised nationally, it had been confirmed that there would be no further LGF rounds and that future resources would be via the UKSPF.

The Committee noted the NELEP and partners had worked to develop a project pipeline and submitted projects to Government and Members were referred to the 2015-2021 programme as set out at paragraphs 6-10 of the report. It was noted for County Durham this included: infrastructure for Forrest Park; NETPark Infrastructure Phase 3; Horden Rail Station; NETPark Explorer; Auckland Castle welcome building and infrastructure works; Durham City Incubator; Jade Business Park; and Integra 61. Members were given a brief update on each of the projects.

The Project Development Team Leader explained that in terms of a County Durham Investment Pipeline the approach taken was to enable the County to be responsive to opportunities. She added that this could be in terms of: making sure any project proposals were “investment ready”; stimulating market investment; tackling barriers to growth; ensuring strong promotion of the County through and with bodies such as the Department of International Trade, the Northern Powerhouse; NELEP; Transport for the North and other direct Governmental Departments.

Councillors noted priorities identified going forward included: Durham City Park; Integra 61; Newton Aycliffe Business Park and Forrest Park; Horden Rail Station; Jade Business Park Enterprise Zone; Durham City Relief Road; NETPark; Auckland Project; and large housing sites.

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

Councillor P Sexton asked as regards Table 1 within the report, with underspends set out. The Project Development Team Leader noted there was a further year to go in this respect and further information would be reported back to Committee in due course.

Mrs R Morris noted “investment ready” and added she fully supported this. She noted that issues related to this included superfast broadband provision across the county and also the need to ensure the skills required in order for businesses to take up new opportunities. She highlighted the new International Advanced Manufacturing Park for Sunderland and South Tyneside and added that at many meetings with businesses, the first questions would be what broadband speed was available and whether the skilled workers they needed were available. The Project Development Team Leader noted she was not familiar with the work of Digital Durham, however she would take this point back to colleagues. She added in terms of investment ready regular meetings with organisations such as Northern Powergrid helped to ensure sites were ready for businesses to move in, for example the infrastructure works carried out at Forrest Park. Mrs R Morris noted she felt there was a need for a revised Skills Strategy. It was noted that the current strategy was for 2014-18 and the Officer would find out more in terms of 2019 and beyond.

Mrs R Morris added that there was a large number of SMEs and smaller microbusinesses within County Durham and noted that superfast broadband was critical in allowing those businesses to be able to deal nationally and internationally. The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that during the work of the Retail Support Working Group the issue of broadband had been brought up on several occasions and had been noted.

Councillor J Clare noted that Digital Durham ended with Phase Three having been completed. He noted that while there was no further funding in terms of this scheme, work would be undertaken to explore with Government what successor schemes would look like.

Councillor E Adam noted the “more and better jobs” vision of the NELEP, with 100,000 jobs by 2024 and asked how this would be achieved, given County Durham was not successful in terms of LGF Round Three. The Project Development Team Leader noted the delivery plan for this was the Strategic Economic Plan and that she would share the relevant links to this with Members. In reference to LGF Round Three she noted that it was effectively one award, being £47 million to the new International Advanced Manufacturing Park, with some smaller allocations alongside linked to skills. Councillors were reminded of the pipeline as set out at paragraph 13 of the report and priorities were to seek funding and investment.

Councillor S Dunn noted that “Durham City Park” sounded like a recreational park similar to Wharton Park in Durham City, not a business centre, and that the International Advanced Manufacturing Park at Sunderland had a more ambitious title. He added that the proposals to add 6,000 jobs to Durham should be shouted about and given a more inspiring name than “Durham City Park”. Councillor S Dunn noted an improvement in broadband speeds at some local schools and thanked Digital Durham in helping to enable “those little optional extras”.

Councillor R Crute noted the issue in terms of the name of “Durham City Park” and of any skills gap and commented that the committee could receive further detail via the CDEP. He added that physical connectivity should not be forgotten, and that transport links were also vital in terms of being able to get skills into the right areas, East to West connectivity, not just North/South. Councillor R Crute noted that a new Skills Strategy needed to be informed by business in terms of what skills they need, the level of skills and transport links. He added a performance indicator in the past that had been reported to Members had been in relation to public transport into Durham City by 8.30am. Councillor R Crute noted this may be an area to revisit, looking at buses, viability and that the CDEP could be asked for an update relating to skills development.

Councillor T Henderson wished to expand on Councillor R Crute’s point in relation to transport. He noted that in his area, Barnard Castle, there was not a direct bus to Durham City, with residents’ travelling by public transport having to travel to Bishop Auckland then on to Durham. He added that this was a barrier especially to young people, our workforce of tomorrow. He added that issues in terms of broadband in the Teesdale and Weardale areas meant that working from home in order to mitigate transport issues was not always possible.

Councillor S Dunn added that affordability was also an issue for young people in terms of transport, noting that within Tyne and Wear, young people could travel for £1 a day, whereas the cost of a bus ticket from Coxhoe to Framwellgate Moor was over £5. He added that such costs were forcing young people to look to travel by car and he added that young people under the age of 25 needed an affordable bus service, operating at the right times to enable them to get to work.

Councillor S Iveson asked how it had been allowed for issues such as transport, broadband provision and skills to appear to be lagging behind what we needed. Mrs R Morris noted that digital was the way retail and manufacturing was going and added that New College Durham were looking at virtual reality courses. She added that there was a need over the next 10-20 years to look to create centres within our rural communities, for example in terms of “agritech” looking to digitise farms to boost productivity. She gave the example of coding clubs in terms of being a way to help young people that would be demanding a digital culture in their future.

Resolved:

- (i) That the report be noted.
- (ii) That a progress report in relation to the development of the Local Industrial Strategy be presented to the Economy and Enterprise Overview and Scrutiny Committee later in the 2018/19 work programme.

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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 **Friday 7 December 2018** at **9.30 am**

Present:

Councillor A Batey (Chairman)

Members of the Committee:

Councillors E Adam, M Clarke, S Dunn, P Howell, S Iveson, P Jopling, J Maitland, R Manchester, A Patterson, E Scott and M Wilson

Co-opted Members:

Mr G Binney and Mrs R Morris

Also Present:

Councillors J Carr, C Martin and O Milburn

1 Apologies for Absence

Apologies for absence were received from Councillors J Atkinson, T Henderson, R Ormerod, J Clark and D Hicks from the Environment and Sustainable Communities Overview and Scrutiny Committee.

2 Substitute Members

No notification of Substitute Members had been received.

3 Declarations of Interest

Councillors A Patterson and P Jopling declared an interest in Item 6 as business owners.

4 Items from Co-opted Members or Interested Parties

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

5 Transport Policy and Activity - Overview

The Chairman introduced the Head of Transport and Contract Services, Adrian White and the Traffic Management Section Manager, Dave Lewin who were in attendance to provide the Committee with an overview of Transport Policy and activity (for copy see file of minutes).

The Head of Transport and Contract Services explained that transport was a huge topic and that nationally the emphasis for transport was in delivering growth, with the key document being the UK Industrial Strategy in terms of the remit of the Committee. It was added that connectivity was very important for the economy, with issues being how to deliver using information technology and artificial intelligence, and with clean growth. Members noted at a national level there were important schemes in terms of a third runway for Heathrow in London, and High Speed Rail II, noting the capacity issues, as previously mentioned at Committee, on the East Coast Mainline. The Head of Transport and Contract Services added that the Chancellor had announced a new scheme within the Budget in relation to easing congestion on local roads, however it was not yet clear which roads may be able to benefit from this scheme.

In terms of sub-national policies, it was explained that Transport for the North (TfN) had produced a Strategic Transport Plan, with transport to drive economic growth in the North. Members were reminded of the Northern Powerhouse, with an aim to boost Gross Value Added (GVA) and jobs. It was noted that the aim was to boost advanced manufacturing, digital and health care amongst others. The Head of Transport and Contract Services reiterated the point made at previous meetings of the Committee that in looking to improve rail travel times the case must be made to not remove Durham as a stop when looking to improve Newcastle to Leeds travel times. Members were reminded of the context of the devolution agenda, with separate North and South of Tyne Combined Authorities, with a Joint Transport Committee, with a North East Transport Plan being developed to replace the Durham Local Transport Plan. Councillors noted that connectivity was seen as an enabler of more and better jobs, with the Local Enterprise Partnership (NELEP) having the role in terms of funding, namely the Local Growth Fund (LGF). The Committee noted that the NELEP would also have the future responsibility in terms of delivering the Local Industrial Strategy (LIS), which would determine what projects received funding from the proposed UK Shared Prosperity Fund (UKSPF) that would replace EU funding post-Brexit.

The Head of Transport and Contract Services referred Members to the governance arrangements in place for the Joint Transport Committee, with the delegations back out to Local Authorities in terms of responsibility for public transport and concessionary fares. Councillors were reminded that local transport policy would be within the County Durham Plan (CDP), with there being objectives linked to economic ambition, providing the right infrastructure and safe and sustainable transport. It was added that issues and schemes included: Durham City Sustainable Transport Policy; Horden Rail Station, Sherburn Road Link Road; and safeguarding routes for the Leamside Line, Bowburn Relief Road and "Corridor of Interest" for Barnard Castle Relief Road.

Councillors were informed of key funding streams which included the previously mentioned LGF and the UKSPF. It was added additional funding included: the New Stations Fund, with £3.5 million for the Horden Rail Station; Housing Infrastructure Fund; Transforming Cities Fund; National Roads Fund; the Local Transport Plan, the Integrated Block and Highways Maintenance Block.

The Head of Transport and Contract Services noted that in terms of delivering infrastructure there were a number of schemes including: the A19/A179 at Sheraton; Junction 62 of the A1(M) at Forrest Park; Junction 61, Integra 61, A1(M)/A688; Horden Rail Station; Jade Enterprise Zone; Sherburn Retail Link; Newton Aycliffe housing growth; and Local Walking and Cycling Infrastructure Plans.

The Traffic Management Section Manager reminded Members that Local Transport Plan 3 (LTP3) was the policy in terms of sustainable travel, economic/transport corridors, the “whole-town” approach, revenue support and maintaining the transport asset. Members noted several delivery areas including bus infrastructure, casualty reduction and electric vehicle charging infrastructure amongst many others. The Committee noted the success of the introduction of contactless payment for Pay and Display parking meters, with 32% of all payments being made this way. Other successes included new technology to improve road safety, cycle ways, bus infrastructure and driver and public transport information signage.

The Traffic Management Section Manager noted challenges included issues such as bus accessibility across the county, and electric vehicle charging. Members noted the Government’s “Road to Zero” strategy, with parking and accessibility standards for new development revised alongside the CDP. It was added that the issue had been a huge topic of discussion at a recent British Parking Association meeting in London, with elements including capacity issues in terms of the grid and the pace of change of technology.

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

Councillor P Jopling noted that there was a desire to see businesses flourish in the North East, and the expansion of large site was one way to enable this. She added that she felt there was an issue in terms of accessing these large sites, with there being congestion, and asked if there was any links to our smaller sites. The Head of Transport and Contract Services noted that it was not that employment sites were being developed where there was areas of congestion, and where area of congestion were identified we would look to try and tackle it. He added that some of our smaller employment and retails sites did not have issues with congestion, therefore resources would be targeted accordingly. Councillor P Jopling noted that she felt that we should push these smaller sites in terms of jobs, noting issues with congestion for example in travelling from Crook to Newton Aycliffe. The Head of Transport and Contract Services noted that in terms of the smaller sites, colleagues from Business Durham would work to look at what could be achieved, balancing against the needs and demands for both smaller and larger sites.

Councillor J Maitland referred to the Jade Business Park at Murton, with only one road in and out of the site and asked if this would be an issue, and could there be a link to the A690 in the future.

The Head of Transport and Contract Services noted there were no plans currently, however, capacity had been added at the junction referred to in terms of that development, Dalton Park and the Garden Village at Seaham, with the issue to be revisited in future if required.

Mrs R Morris noted she did not envy the task of Officers, with there being many layers of Government and policies to navigate. She noted that she could not see how we had arrived at the current strategies, how schemes would get on to the lists of priorities, and how the Council prioritised sites and schemes. The Head of Transport and Contract Services noted that there was work that was undertaken in terms of traffic flows and data, with counting equipment on most roads. He noted that closer to the main arterial routes of the A19 and A1(M) there was more congestion and that in terms of local schemes it was difficult to get Department for Transport (DfT) funding, those schemes relying upon LTP3 which was £2.7 million with a great number of issues to be addressed. He added that if roads such as the A692, A693 and A694 were included in the new Major Roads Network funding this could be helpful. Mrs R Morris asked if there was evidence that had been put forward to produce the lists for the new funding scheme and if the detail on the criteria used to determine priorities could be shared with the committee. The Chairman noted issues in terms of congestion at the new roundabout on the A693.

Councillor A Patterson noted the information in terms of regional governance arrangements and asked as regards the assets portfolio and implications for County Durham. The Head of Transport and Contract Services reminded Members that regionally the Metro and Tyne Tunnel were not a liability for Durham, with the responsibility sitting with NECA, the NECA constitution protecting Durham in this regard. He added that this issue was being looked at, however, the position should not change in terms of this protection for Durham. Members noted that issues were more in relation to when Government looks at how schemes were funded, with the devolved authorities being able to access funding streams and match funding.

Councillor C Martin noted he did not believe TfN was a good deal for County Durham, looking more to connecting cities such as Leeds and Newcastle. He added that he would like to see at least one train per hour at Chester-le-Street station, and asked if the Council made such points and objections at the various regional meetings. The Head of Transport and Contract Services noted the Council did object where appropriate, with issues that were raised including capacity on the East Coast Mainline. He explained that there were possible options in terms of removing freight, running more trains and links to the Leamside line in terms of freight could be in Durham's favour. Councillor C Martin noted his concern was the need to demolish houses in order for the Leamside line to be used, and that the "quick win" of trains not stopping at Durham in order to reduce the Leeds to Newcastle travel time may be an option that is put forward. The Head of Transport and Contract Services noted the Leeds to Newcastle travel time as a high level output from TfN, with Durham having strongly objected in terms of any plans to not stop at Durham, in the context of 2.6 million journeys from Durham being important to our economy. He added there was transport agglomeration benefits from such schemes, Councillor C Martin noted this was only a "trickle-down effect".

Councillor P Howell noted we were awaiting the list of which roads were listed in terms of the new Major Road Network fund and asked should we not be submitting out preferences to Government in terms of this.

He also asked as regards: what representation we had in respect of our local airports at Newcastle and Durham Tees Valley; the rail station at Darlington, with the Durham Tees Valley Mayor noting changes at the station that would affect Newton Aycliffe and Bishop Auckland; and information in terms of which areas of the county were not served by buses, and whether there was any issues of need and demand not matching provision. The Head of Transport and Contract Services noted that the Council did respond to the Government's consultation in respect of the Major Road Networks fund, pointing out many anomalies such as half of a road being included and several "stub ends". It was added that responses had been via several means, the Council itself, NECA and TfN, however each had a particular view.

The Head of Transport and Contract Services noted that in relation to our local airports, the issue in the past had been Durham Tees Valley losing its flights to London, linking back to capacity issues at London Heathrow. Members were reminded of representation via the Portfolio Holder for Economic Regeneration, Councillor C Marshall. In respect of the points raised in terms of Darlington Rail Station, the Head of Transport and Contract Services noted he had been involved on behalf of the Council noting there would be a split in terms of the station to the West for travel to Bishop Auckland and the new station to the East for the Tees Valley. He reiterated the capacity issues in relation to the East Coast Mainline and the arguments the Council put forward in terms of retaining stops in our area. The Head of Transport and Contract Services explained that in terms of the bus network, £2.7 million was used to support out bus network, with a lot of this being used to extend commercial services beyond hours of profitability and to fill gaps in service provision, for example the Link2 scheme.

Mr G Binney noted he was very interested in the longer term aims, for example in relation to zero emission vehicles. He asked if the responsibility in terms of charging points sat with local authorities noting that County Durham had the most charging points per person in the country. He also asked as regards technology such as: hydrogen vehicles, including trains; smart or self-drive vehicles; and quick charging for vehicles such as taxis. Mr G Binney noted he felt there was an opportunity for County Durham to tap into the innovation and advanced technology in terms of jobs. The Traffic Management Section Manager noted companies such as Fastned, "fuel stations" and the technology that was changing all the time. He noted Government looking at use of lampposts in terms of locating charging points, however, it was noted this could lead to issues in terms of grid capacity and the number of points/lampposts not being sufficient for the number of households and vehicles. The Traffic Management Section Manager noted Government funding in terms of charging equipment in car parks, and discussions at the British Parking Association in terms of whether this was the right approach, with technology being such that charge to 80% of capacity could soon be as little as five minutes. Members noted that it was felt that the private sector would focus on the main routes and that local authorities would pick up gaps in more rural areas. The Traffic Management Section Manager noted technology applicable to the Council's electric vehicles such as vehicle-to-grid where electric vehicles communicate with the power grid to sell demand response services by either returning electricity to the grid or by throttling their charging rate. The Head of Transport and Contract Services noted that Northern Rail were very interested in hydrogen trains.

Councillor J Clare commented that a group of Officers are looking at the issues relating to the Council, and the removal of electric vehicles subsidies had seemed to reduce the urgency in terms of infrastructure. He added that work in industry relating to private vehicle fleets would have an impact in terms of pollution.

The Chairman noted that in our area many of the old mining villages had a number of terraced streets, and the issues in terms of charging points as raised by the Traffic Management Section Manager would come into play. She added that planning policy would also be important in this regard. The Traffic Management Section Manager noted that Spatial Policy led the Officer group.

Councillor S Dunn noted the investment being made at Integra 61 was very good, however there needed to be material improvements in certain places, for example at Thinford and at Hett. He also noted that bus services in some areas were very good, however, not in all areas, with bus companies having noted that impacts in terms of traffic delays then had knock on effects on small communities. Councillor S Dunn noted that bus timetable information was very important in being able to plan journeys as were trying to provide integrated tickets across providers. Councillor S Dunn noted that the cost for young people was prohibitive and commented a £1 day ticket being available in the Tyne and Wear area. The Head of Transport and Contract Services noted he would look at the issue of electronic displays not having real time information. He added that there was work in terms of integrated tickets with bus companies, noting this worked in London, though this was through Transport for London. The Head of Transport and Contract Services agreed in terms of the cost of tickets for young people, noting that the fares in Tyne and Wear were heavily subsidised and benefited from economies of scale and relatively short journeys. He added that this was an issue that the Council campaigned nationally not just in terms of schoolchildren, but young people in respect of being able to access job opportunities. Members noted that in reference to congestion and traffic effecting travel times, the Head of Transport and Contract Services explained that there were bi-monthly meetings with Arriva, with the Council helping to analyse the data collected by their vehicles. Councillor S Dunn noted that the trackers fitted to the buses need to “talk” to the bus stops to ensure the details listed on electronic signage reflected actual times rather than the scheduled timetable. The Head of Transport and Contract Services noted the recent Bus Services Act 2017 set out that companies should share data.

Councillor E Adam asked in terms of the Major Roads Network funding, noting his fear that, as with many “new” funding schemes, the money would simply be “top sliced” from other funding streams. He added that he felt the way to tackle congestion was through good public transport and asked how much funding was allocated in terms of the Walking and Cycling Infrastructure Plans as this would have additional positive impacts in terms of the environment and health. The Traffic Management Section Manager noted that in previous years there had been around £500,000 per year for the cycling and walking infrastructure through LTP3 and similar amounts in the future were likely. He added that there had been around £100,000 investment in terms of accessibility and bus shelters. The Head of Transport and Contract Services noted he was an avid cyclist, however, he was aware that County Durham was a large rural county and therefore there was a need for a mix of transport types. He noted that there was a requirement for a Walking and Cycling Plan to be able to access funding for appropriate journeys, approximately 5 miles.

Councillor E Adam noted that the use of cycles should be encouraged, linking to bus and train journeys, and if it could be achieved in London then he did not see why it could not work elsewhere.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee as part of the refresh of the committee's work programme for 2019/20 receives a further progress report on transport policy and activity.

6 Scrutiny Review - Support Provided to the Retail Sector by Durham County Council

The Chairman asked the Overview and Scrutiny Officer, Diane Close to speak to Members in relation to the draft report and recommendations in relation to the Support Provided to the Retail Sector by Durham County Council (for copy see file of minutes).

The Overview and Scrutiny Officer reminded Members of the background to the review, with the topic being identified in 2017, with the review beginning in December 2017. It was explained there had been 11 meetings and a number of site visits, with the evidence base set out within the draft report.

The Committee were informed of the work in terms of the key findings of the report and draft recommendations as set out within the presentation document. Members noted the 11 recommendations relating to: the County Durham Town Centre Survey; the County Durham Plan; IT connectivity; masterplans; business support; targeted business support; training opportunities; business rate relief; traffic and parking management; and Area Action Partnerships.

The Chairman thanked the Officers involved from Overview and Scrutiny and the relevant services, as well as partners and the Members of the working group itself. She asked the Committee for their comments and questions.

Councillor J Clare noted that he had been the Members to ask as regards this topic to be the subject of a review by the Committee. He noted he was delighted with the report, identifying the large number of activities undertaken by the Council and partners. He added that beyond this cataloguing there was a number of practical and achievable recommendations set out, and he noted that the report chimed well with the "Town and Village Centres – Way Forward" report that was due to be considered by Cabinet next week. Councillor J Clare noted that it was also clear that there was work to be done by entrepreneurs and retailers in terms of training of staff and the visitor economy. He also extended his thanks to Officers, Members and the Chairman for all their hard work and asked that his thanks was also recorded.

Councillor E Scott echoed the comments of Councillor J Clare in thanks to the Chairman for her efforts in relation to the review and noted that the Town Centre Survey data was incredibly detailed and suggested that it be shared with Members for their information.

The Chairman thanked Members for their kind comments and noted that the review had shown that there were a variety of issues and that there was not a “one size fits all” approach that could be taken.

Councillor E Adam noted the large amount of work that the Council was doing in terms of the retail, however, he did not see the linked issue of transport mentioned specifically within the report. The Chairman noted that issues in terms of rural areas was linked in with those areas’ Masterplans, and some issues such as “bay blocking” of car parking where areas were in a commuter area or close to employment centres had been identified. She added that to look at transport in depth would have warranted a separate piece of work. Councillor E Adam noted the approach taken by the authority to Christmas parking schemes with the issues previously mentioned in terms of free parking.

Councillor P Jopling noted when looking at the effects of out of town developments, they appeared to increase congestion and asked if the excellent schemes in terms of business rate relief had been captured within the report and what had been discussed in terms of being able to influence rent levels. The Chairman noted there had been Officers from the Council’s rates section in attendance to provide information. She added that Letting Agents had attended a meeting and had explained the difficulties faced in terms of lettings, for example first floor spaces above shop units. The Chairman hoped that individual Masterplans could look to their area as regards the most appropriate actions to take and to tease out the relevant issues specific to each town centre.

Councillor P Howell noted the work undertaken and that on many occasions there had been conflicting evidence, demonstrating indeed that “one sized did not fit all”. He added that in some cases it was not necessarily for the Council to lead, rather to “get out of the way” and allow landlords and retailers to take up whatever initiatives they wished to. He noted the recommendations within the report, and suggested that attaching timescales would be helpful in ensuring delivery against the issues. The Chairman noted that it would be for each town centre to feed issues into their Masterplans. Councillor P Howell noted he endorsed the point made by Councillor E Scott in terms of circulating the link to the Town Centre Survey data. The Chairman noted the data was very detailed and useful and that Officers would share the link.

Mrs R Morris reinforced that the report was excellent and that she felt that a proactive approach was key and that regular reports back to the Committee on progress relating to the recommendations would be important.

Councillor A Patterson noted that broadband provision was a cross-cutting issues and that an update is to come back to committee in February in relation to the Digital Durham Programme.

Resolved:

- (i) That the report of the Scrutiny Review Group looking at the Support Provided to the Retail Sector by Durham County Council be approved.
- (ii) That the report of the Review Group be submitted to Cabinet for consideration at its meeting on 16 January 2019 and to a future meeting of the County Durham Economic Partnership.

Economy and Enterprise**Overview and Scrutiny Committee****10 January 2019****Homelessness and Homelessness
Strategy progress update****Report of Ian Thompson, Corporate Director of Regeneration and
Local Services****Electoral division(s) affected:**

Countywide

Purpose of the Report

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with headline statistics relating to homelessness and of progress made in relation to the Homelessness Strategy prior to a presentation delivered by Marie Smith, Housing Manager, Regeneration and Local Services.

Executive Summary

- 2 This report provides a summary and headline statistics in terms of the number of people contacting Housing Solutions for housing advice and the levels of homelessness over the last three years.
- 3 The Homelessness Act 2017 resulted in a new code of guidance being issues to Local Authorities. This suggested a review of homelessness and the development of a strategy to address the current issues.
- 4 This report will summarise the results of the review and outline the timetable for consultation on the draft strategy. In addition an overview will be provided in relation to the changes in service delivery since the introduction of the Homelessness Act in April 2018.

Recommendation

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.

- 6 That the Economy and Enterprise Overview and Scrutiny Committee as part of the refresh of the work programme for 2019-2020 receives a further progress report.

Background

- 7 The Economy and Enterprise Overview and Scrutiny Committee have previously received progress reports and presentations on the Homelessness Strategy with the last update provided to members at the meeting on 26 February 2018. It was agreed by members at that meeting that the committee would receive detail of progress as part of the committee's work programme for 2018/19.
- 8 Arrangements have been made for Marie Smith, Housing Manager to attend the meeting on the 10 January 2019 to deliver a presentation focusing on Homelessness and the Homelessness Strategy covering:
- Contacts to Housing Solutions;
 - Homelessness: headline statistics;
 - Homelessness Reduction Act 2017: update and statistics;
 - Review of homelessness and Homelessness strategy and;
 - Rough sleeping in Durham City.

A copy of the presentation is attached as appendix 2.

Homelessness and Homelessness Strategy

Contacts to Housing Solutions

- 9 The first point of contact for Housing Solutions is The Housing Advice Line. The number of clients contacting the Housing Advice Line is monitored and analysed to inform future service development.
- 10 Clients are provided with one off advice by Housing Advice Line officers or are referred for further assistance to a range of specialist officers. These include Gypsy Roma Traveller (GRT), Private Sector Housing, Homeless Advice and Prevention, Home Improvement Agency (HIA), Regeneration & Warmer Homes, Durham Key Options choice based lettings scheme & Family Intervention support. Clients who are homeless or threatened with homelessness are referred to a Housing Officer for a more detailed assessment.

- 11 The number of clients contacting the service for general housing advice over the last three years has increased. This may be due to the service growing in size after acquiring a range of specialist teams providing support and advice functions to clients. In 2017/18, 4597 clients contacted the service claiming homelessness either through the housing advice line or a referral from a partner agency for housing advice, prevention or homelessness.
- 12 In response to the Homelessness Reduction Act 2017 the delivery of the front line service was reviewed to ensure compliance and improved service delivery. A new structure was implemented in April 2018 to strengthen the level of support provided to clients who are homeless or threatened with homelessness and recording mechanisms altered to align with government requirements.

Homelessness: headline statistics

- 13 The number of completed homeless applications have fluctuated over the last three years. In 15/16 458 were completed and in 16/17 528 were completed and in 2017/18 there were 492 homeless applications completed.
- 14 Housing Solutions have adopted a preventative approach over the last five years and offer a range of prevention tools for clients. This means assisting clients to remain in their home where possible or help them to find alternative accommodation. The prevention tools include but are not limited to:

Joint protocol for 16/17 year olds;

- Remain Safe target hardening scheme;
- Pre eviction protocol working together with landlords;
- Family intervention case work to assist households with complex needs;
- Prevention fund to assist clients access accommodation; and
- Use of the Discretionary Housing Payment to provide a top up for short fall in rent.

- 15 The number of clients prevented from becoming homeless has increased year on year. In 2015/16 there were 1237 clients helped to stay or move home, in 2016/17 1333 clients and in 2017/18 1541. It is considered that the increase is as a result of a continued focus on early intervention as well the introduction of new services and improved recording.

The main prevention tools used to assist clients to remain in their existing home have been consistent over the last three years: resolving housing benefit problems, supporting victims of domestic abuse and use of the Rent Deposit Guarantee Scheme.

- 16 The main three reasons for homeless applications has remained consistent over the last three years: Loss of rented or tied accommodation, domestic abuse and parents no longer willing to accommodate.
- 17 The main reason for clients contacting the service for general housing advice is due to financial difficulty.

Homelessness Reduction Act 2017: update and statistics

- 18 The Homelessness Reduction Act 2017 was introduced on 1st April 2018. The legislation extends clients' entitlements to help and places a renewed focus on the prevention of homelessness. Reporting and recording mechanisms have changed in order to align with the new requirements under the act which are: duty to prevent homelessness and duty to relieve homelessness. When a client presents to Housing Solutions they are placed into one of these categories depending on their circumstances.
- 19 From April 2018 to September 2018 3824 clients presented through the Housing Advice line or were referred by another agency due to homelessness or the threat of homelessness. Of these cases 427 have been prevented from becoming homeless whilst 120 have been relieved from their current situation. 1853 received advice or early intervention work.
- 20 The figures are higher than the same time period last year but this is due to the changes brought about by the Homelessness Reduction Act and all clients now requiring to be placed in two categories and assessed via a personalised housing plan.
- 21 A review of the changes to service delivery is currently ongoing to understand the impact, success and identify areas for improvement.

Review of homelessness and Homelessness strategy

- 22 Housing Solutions have developed a Homelessness Strategy which is a separate document as well as part of the overall Housing Strategy for County Durham. This has been developed in response to the Homelessness Reduction Act 2017 and a revised Code of Guidance.

- 23 Housing Solutions have reviewed homelessness in County Durham over the last three years and the strategy sets out the strategic approach, key priorities and actions towards preventing homelessness across County Durham over the next three years.
- 24 The purpose of the homelessness review was to determine the extent to which the population in the County is homeless or at risk of becoming homeless, assess the likely extent in the future, identify what is currently being done and by whom to prevent and tackle homelessness and consider existing resources.
- 25 The Homelessness Review, which informed the strategy considered trends over last three financial years, 2015/2016, 2016/2017 and 2017/2018 and involved a mixture of desktop research, staff surveys, partner events, consultations and benchmarking with other authorities. The review will be available as a separate document to be read alongside the strategy.
- 26 The three aims of the strategy are:
- Prevent homelessness through early intervention;
 - Increase access to and supply of accommodation for those who are homeless or threatened with homelessness;
 - Provide a range of support services to reduce the risk of households becoming homeless.
- 27 A range of issues and actions are identified in the strategy and aligned to these three aims.
- 28 Monitoring of progress towards achieving the actions set out in the action plan will be undertaken with partners via the Housing Support Group. On an annual basis the action plan will be updated and new actions may be identified to support the strategy. An annual homelessness report will be produced and made available to the cabinet member and various corporate groups.
- 21 The Homelessness Strategy is progressing through Cabinet alongside the Housing Strategy and County Durham Plan and will be out to consultation in the New Year for six weeks.

Rough Sleeping

- 29 In late 2017 Housing Solutions responded to concerns around Rough Sleeping in particular in Durham City.

- 30 The service co-ordinated a multi-agency strategic group to explore solutions to the issue of Rough Sleeping in Durham City and as a result of this an outreach worker was funded by Housing Solutions.
- 31 The Rough Sleeper outreach worker is managed by Changing Lives – a homelessness charity and provides assertive outreach to entrenched Rough Sleeper in Durham City. The pilot will last initially for one year and so far the worker has engaged with 67 clients; of these 30 have moved on and 54 clients have engaged with Housing Solutions for housing advice, support and assistance.
- 32 The Government are encouraging local authorities to bid for funding to assist with tackling Rough Sleeping and Durham have currently placed a bid and are awaiting a decision. Further funding has been made available and Durham will be submitting a further bid for a regional rough sleeper coordinator to establish an assessment centre and assist with move on and support.

Conclusion

- 33 Following consideration of the report and presentation members of the committee will be aware of: the services and support provided by Housing Solutions; the headline homelessness statistics and the preventative approach adopted in County Durham; the requirements of the Homelessness Reduction Act and the impact on service provision; the review of homelessness in County Durham and the development of the Homelessness Strategy and the approach used to prevent rough sleeping in Durham City.
- 34 Members of the Economy and Enterprise Overview and Scrutiny will continue to monitor the progress of Homelessness Strategy and the work of the Housing Solutions Service in addressing homelessness in the county with a further progress report to be included in the committee's work programme for 2019/2020.

Background papers:

Homelessness Code of Guidance 2018

Contact: Marie Smith 03000 264724

Appendix 1: Implications

Legal Implications

Compliance with homelessness legislation

Finance

Not applicable

Consultation

The Homelessness Strategy will be subject to consultation

Equality and Diversity / Public Sector Equality Duty

An EIA has been carried out

Human Rights

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

Not applicable

Procurement

Not applicable

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Economy and Enterprise Overview and Scrutiny Committee

10 January 2019

**Homelessness Update
Marie Smith Housing Manager**

Altogether better



Scope of presentation

- Contacts to Housing Solutions and headline statistics
- Homelessness Reduction Act – update
- Review and Strategy
- Rough Sleeping

Altogether better



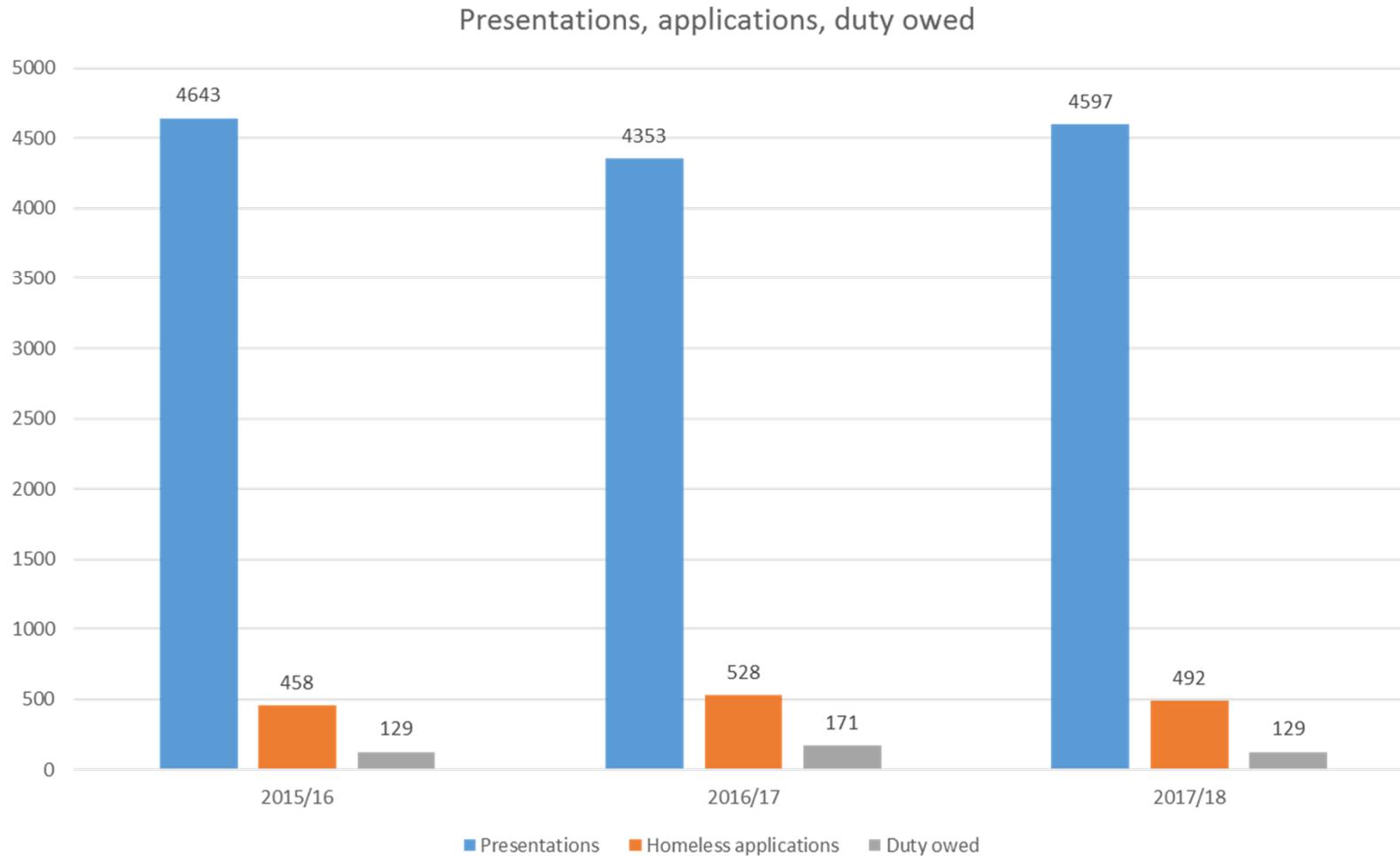
Housing Solutions Headline Statistics

- Approximately 11,000 clients contact the service
- Increase of 11% in 17/18
- Referrals from partners, direct contact to the Housing Advice Line and other teams

Altogether better



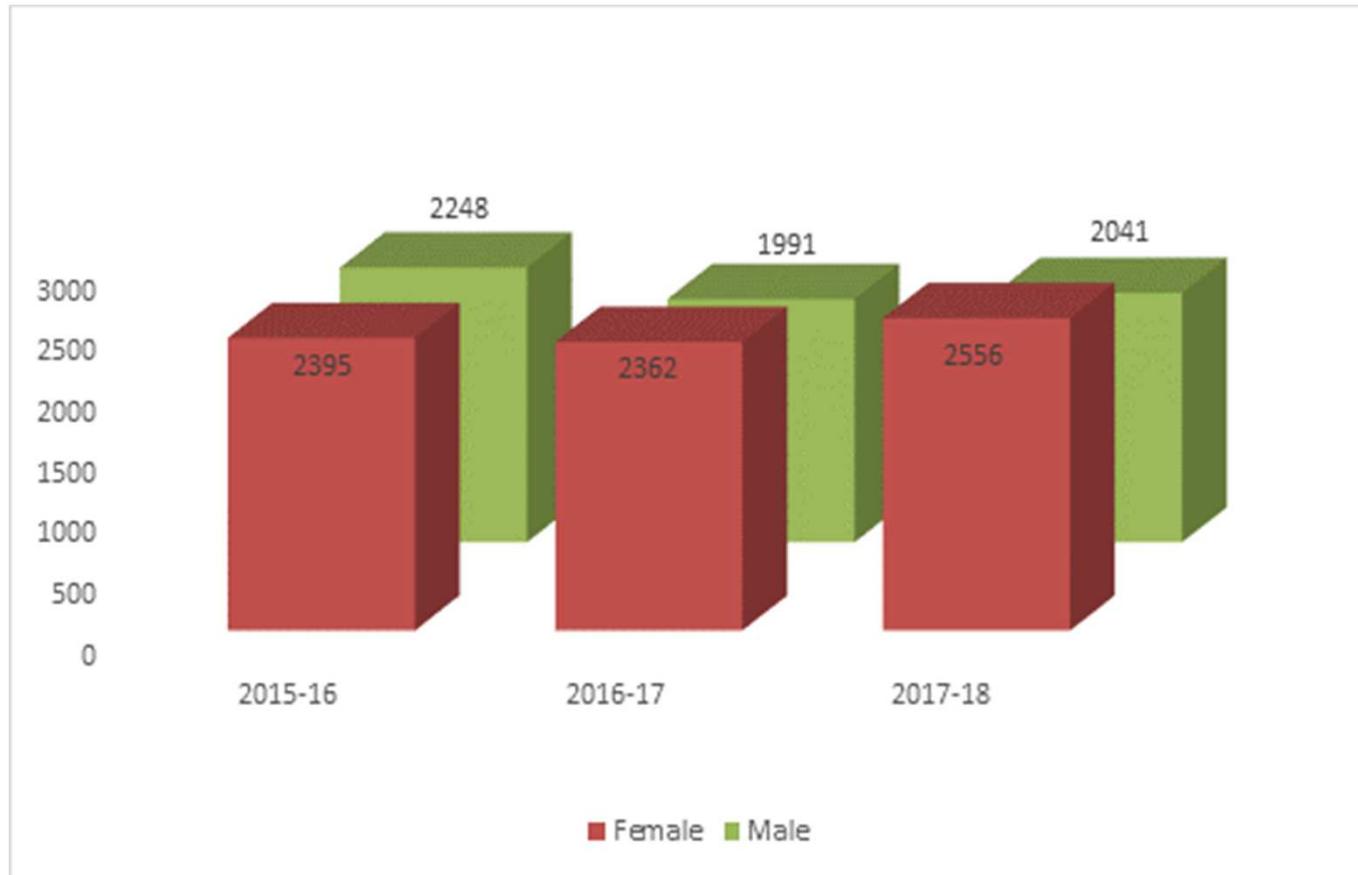
Housing Solutions Headline Statistics



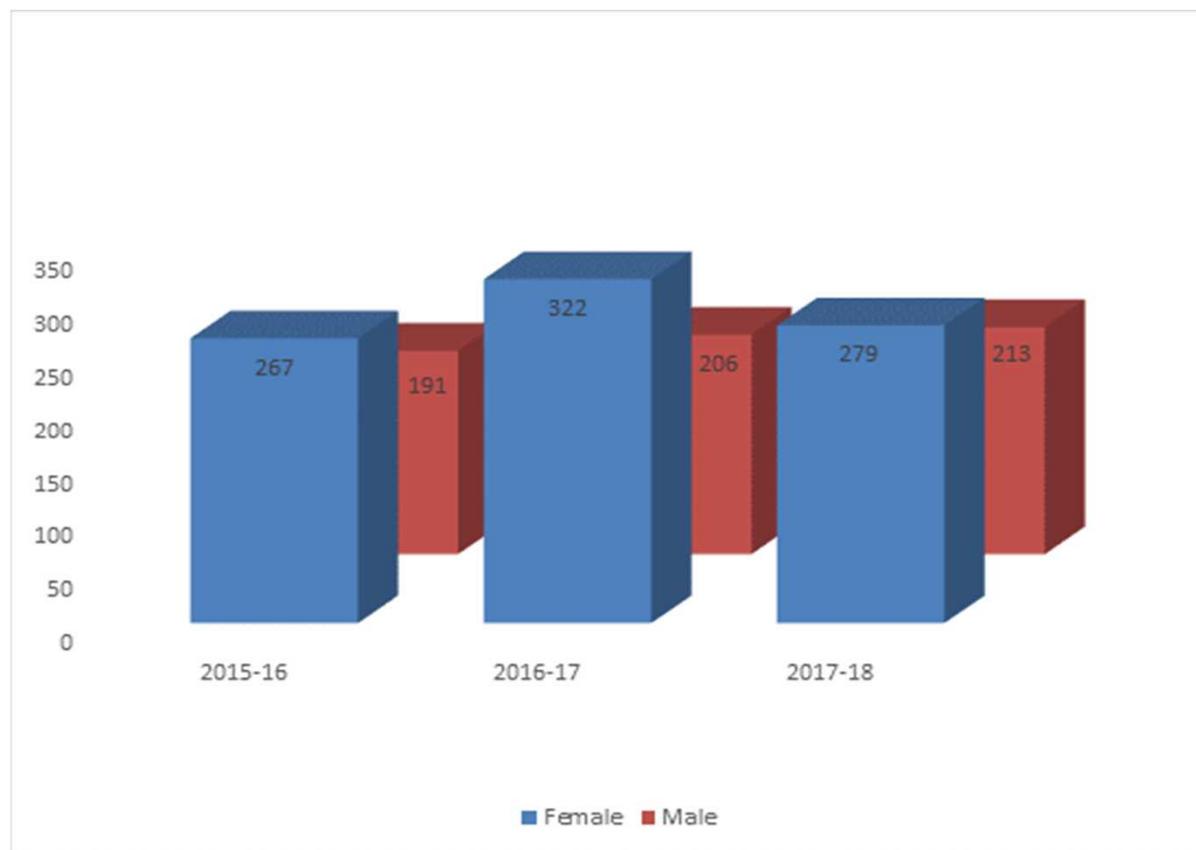
Altogether better



Total contacts for advice, prevention or homelessness



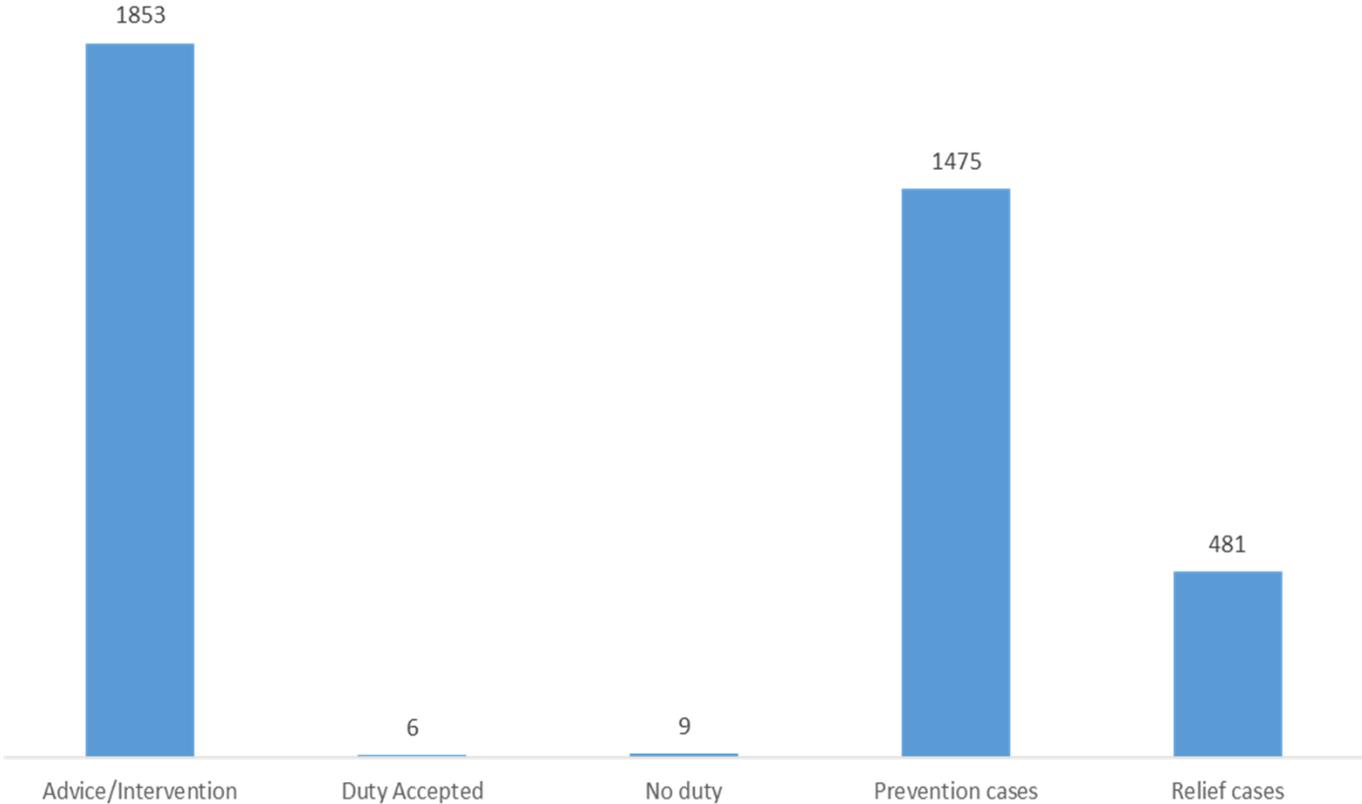
Total homeless applications completed



Altogether better

Homelessness Reduction Act - update

All presentations (3824) April-September



Altogether better



Homelessness Reduction Act - update

- Q1 & Q2 cases prevented: 427
- Q1 & Q2 cases relieved: 120

The Homelessness Reduction Act 2017 was introduced on 1st April 2018. The legislation extends clients' entitlements to help and places a renewed focus on the prevention of homelessness. Reporting and recording mechanisms have changed in order to align with the new requirements under the act which are: duty to prevent homelessness and duty to relieve homelessness.

Altogether better



Homelessness strategy

- Requirement of the Homelessness Act 2002
- Durham always had a strong focus on homelessness and its prevention
- Homeless Reduction Act of 2017 required us to review current and future levels of homelessness and the activities in place to assist people
- Strategy to address homelessness now also part of the overall Housing Strategy

Altogether better



Homelessness strategy

- Clients in the county seek housing advice mainly due to financial difficulty
- Main reason for homelessness – loss of private rented accommodation
- Main client group requiring advice in Durham is single people - 60% of people

Altogether better



Homelessness Strategy

PREVENT homelessness
through early intervention

Increase access to and
SUPPLY of
accommodation for those
who are homeless or
threatened with
homelessness

Provide a range of
SUPPORT services to
reduce the risk of
households becoming
homeless

Altogether better



Rough sleeping

- Update on funding bids
- Outreach worker
- Latest figures
- Joint working

Altogether better

Questions or comments?

Altogether better



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**Economy and Enterprise Overview and
Scrutiny Committee**

10 January 2019

Selective Licencing - Overview



**Report of Ian Thompson, Corporate Director of Regeneration and
Local Services**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The purpose of this report is to update members on the recent report to Cabinet seeking the approval of the business case for county wide selective licencing and to inform members of next steps prior to a presentation by the Strategic Manager for Housing focusing on: what selective licencing is; detail of the business case for selective licencing; next steps and learning from existing selective licencing schemes (appendix 2).

Executive summary

- 2 County Durham has a population of almost 224,000 households across 290 settlements. The county stretches from the North Pennines Area of Outstanding Natural Beauty (AONB) in the west to the North Sea Heritage Coast in the east.
- 3 The county has a dispersed settlement pattern of towns and villages which is a legacy of the rise and fall of mining, steel and other heavy industries. The housing offer in the county reflects issues of its post-industrial history. Whilst there are some beautiful places to live in the county, with a mix of traditional, older housing and more modern family accommodation which are well connected to labour markets and for which very strong demand is clearly evident, there remains a general oversupply of poorer quality terraced housing. In localised areas, this stock can be subject to lower demand and can be associated with higher than average proportions of longer term empty properties.

- 4 The Housing Act 2004 gave local authorities the powers to introduce selective licensing of privately rented homes in order to tackle problems in their areas that result from low housing demand and/or significant anti-social behaviour. This means that landlords who rent out properties in an area that is subject to selective licensing are required to obtain a licence from the local authority for each of their properties in order to rent them out.
- 5 Selective licensing is a discretionary scheme for local authorities and covers privately rented properties. The Housing Act 2004 allows local housing authorities to designate areas for Selective Licensing to support the improvement of privately rented properties, providing certain conditions are met.
- 6 In areas designated, landlords must apply for a licence if they want to rent out a property, this includes landlords who rely on lettings agents to manage their properties on their behalf. This means the council can check whether they are a “fit or proper person” to be a landlord or letting agent, as well as making other stipulations concerning management of the property and appropriate safety measures. The stipulations are listed in the licence conditions and the conditions are at the discretion of the local authority although there are 5 mandatory conditions.
- 7 Failure to do this could result in a fine and/or a criminal conviction. There are positive impacts for both tenants and landlords associated with selective licencing in problematic areas.

It can lead to:

- more reliable, longer term tenancies,
- better quality and safer property standards,
- less empty properties,
- reduced levels of homelessness,
- increased property and rent values,
- safer, more pleasant areas to live due to lower levels of crime, littering and other anti-social activity.

Landlords have access to:

- help to deal with problem tenants,
- a tenant referencing scheme to vet prospective tenants,
- support and advice on how to be a better landlord,
- opportunities to join landlords' forums and be involved in the development of future local initiatives.

- 8 In April 2015 additional criteria was introduced which extended the conditions for designating an area to include: areas experiencing poor property conditions; an influx of migration; a high level of deprivation; and high levels of crime, thus enabling local authorities to make effective use of selective licensing to address specific problems in certain areas.
- 9 Under the amendments introduced in 2015, should a local authority decide to make a designation that covers more than 20% of its geographical area or more than 20% of the private rented stock, an application to the Secretary of State will be required.
- 10 For selective licensing to work effectively, it should form part of a wider strategic approach to an area. Local authorities should ensure selective licensing compliments other measures where other measures alone are not enough to tackle the underlying housing problems of a specific area.
- 11 Selective licensing must be consistent with the Council's overall housing strategy and be co-ordinated with procedures for homelessness, empty homes, anti-social behaviour and housing market renewal activity. The authority must also demonstrate the role of other partners such as police and social services in ensuring the designation reaches its goal.
- 12 In October 2018 Durham County Council's Cabinet agreed:
 - Authorise the Corporate Director for Regeneration and Local Services to consult relevant stakeholders on the proposal to introduce Selective Licensing across the county;
 - Request the Corporate Director for Regeneration and Local Services to prepare a business case on the merits of Selective Licensing across the County and to report to a future meeting of the Cabinet.

Recommendations

- 13 The Economy and Enterprise Overview and Scrutiny Committee is asked to note and comment on the information provided in the report and presentation.
- 14 That the Economy and Enterprise Overview and Scrutiny Committee include in its work programme for 2019/20 a progress report in relation to the business case for introducing Selective Licensing.

Background

- 15 The Housing Act 2004 gave local authorities the powers to introduce selective licensing of privately rented homes in order to tackle problems in their areas that result from low housing demand and/or significant anti-social behaviour. This means that landlords who rent out properties in an area that is subject to selective licensing are required to obtain a licence from the local authority for each of their properties in order to rent them out.
- 16 Selective licensing is a discretionary scheme for local authorities and covers privately rented properties. The Housing Act 2004 allows local housing authorities to designate areas for Selective Licensing to support the improvement of privately rented properties, providing certain conditions are met.
- 17 In areas designated, landlords must apply for a licence if they want to rent out a property, this includes landlords who rely on lettings agents to manage their properties on their behalf. This means the council can check whether they are a “fit or proper person” to be a landlord or letting agent, as well as making other stipulations concerning management of the property and appropriate safety measures. The stipulations are listed in the licence conditions and the conditions are at the discretion of the local authority.
- 18 Failure to do this could result in a fine. There are positive impacts for both tenants and landlords associated with selective licensing in problematic areas.

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- 20 Under the amendments introduced in 2015, should a local authority decide to make a designation that covers more than 20% of its geographical area or more than 20% of the private rented stock, an application to the Secretary of State will be required.
- 21 For selective licensing to work effectively, it should form part of a wider strategic approach to an area. Local authorities should ensure selective licensing compliments other measures where other measures alone are not enough to tackle the underlying housing problems of a specific area.
- 22 Selective licensing must be consistent with the Council's overall housing strategy and be co-ordinated with procedures for homelessness, empty homes, anti-social behaviour and housing market renewal activity. The authority must also demonstrate the role of other partners such as police and social services in ensuring the designation reaches its goal.
- 23 A designation can run for a maximum of five years and the administration of the scheme can be funded from the licence fee.
- 24 The Government announced in June 2018 that they will use independent commissioners to complete a review of how selective licensing is used and find out how well it is working. The commissioners will gather evidence from local authorities and bodies representing landlords, tenants and housing professionals and the findings will be published in Spring 2019.

County Durham Housing in Context

- 25 County Durham has a population of almost 224,000 households across 290 settlements. The county stretches from the North Pennines Area of Outstanding Natural Beauty (AONB) in the west to the North Sea Heritage Coast in the east.

- 26 The county has a dispersed settlement pattern of towns and villages which is a legacy of the rise and fall of mining, steel and other heavy industries. The housing offer in the county reflects issues of its post-industrial history. Whilst there are some beautiful places to live in the county, with a mix of traditional, older housing and more modern family accommodation which are well connected to labour markets and for which very strong demand is clearly evident, there remains a general oversupply of poorer quality terraced housing. In localised areas, this stock can be subject to lower demand and can be associated with higher than average proportions of longer term empty properties.
- 27 Long term empty properties can be clustered in particular locations, tenures or even settlements. The council understands the impact that long term empty homes can have on a community and will work to bring stock back into use where possible.
- 28 It is recognised that without local or government funding to tackle housing regeneration in deprived communities these areas will continue to decline. Lack of funding is likely to constrain the ability of local areas to respond to regeneration needs.
- 29 Prior to Large Scale Voluntary Transfers (LSVTs) in Durham social housing stock was brought up to the decent homes standard then following LSVT social housing providers have continued investment in their stock and areas.
- 30 Following austerity savings in local government, the resource available to services within the private rented sector (PRS) continues to reduce and as a result, quality can lag in the PRS. Without any investment, it will continue to do so.
- 31 A new Housing and Homelessness Strategy for County Durham will be published later this year. This will show how the proposed selective licencing will be co-ordinated with procedures for homelessness, empty homes, antisocial behaviour and housing market renewal activity.
- 32 This application for selective licencing will demonstrate the role of other partners such as police and social services in ensuring the designation reaches its goal.
- 33 There is already commitment shown from the police and from Durham Police Crime and Victims Commissioner as well as support from Phil Wilson MP who is currently taking a private members bill through parliament for more mandatory regulation within the PRS.

- 34 At recent town and villages regeneration meetings attended by the Portfolio Holders for Economic Regeneration and Strategic Housing and Assets, the issues within the PRS were consistently raised by local Members.

Conditions for applying for a selective licence designation

- 35 The Housing Act 2004 (amended 2015) sets out the conditions required for a selective licencing designation. The designation may be made if the area to which it relates satisfies one or more of the following conditions:
- low housing demand;
 - anti-social behaviour;
 - poor property conditions;
 - high levels of migration;
 - high levels of deprivation; and
 - high levels of crime.
- 36 In considering whether to designate an area for selective licensing on the grounds of the above, consideration should be given to whether the area has a high proportion of property in the private rented sector. Nationally the private rented sector currently makes up 20% of the total housing stock in England, according to the most recent English Housing Survey of 2015/16.
- 37 In addition, when considering whether to make a selective licensing designation the local authority must first identify the objective it intends designation will help it achieve. It must also consider whether there are any other courses of action available that would achieve the same objective.
- 38 It is also important in any application to demonstrate how selective licensing will work in partnership with other existing initiatives (e.g. landlord accreditation). Selective licensing itself is not a stand-alone tool.
- 39 Overall, the Government intends that selective licensing be used only where absolutely necessary and whilst it is often seen as the only solution in local communities, the criteria surrounding it means that it is a complex and extremely time-consuming approach, but where appropriately used it can be part of an overall solution to particular challenges.

- 40 If the problems of anti-social behaviour are only associated with a small number of properties, Interim Management Orders (IMO) should be considered rather than a selective licensing designation. In certain circumstances the local authority is empowered to make Interim Management Orders in respect of privately rented properties.
- 41 This authorises the council to take control of the residential property, however, it should only be used as a last resort for the most problematic of properties and only for one or two properties in a street, not for whole streets of properties.
- 42 Once an IMO has been made, the council effectively becomes the temporary landlord of the premises concerned. Whilst it does not obtain any interest in the property, it becomes responsible for its proper management and for ensuring that any immediate health, safety or welfare concerns are dealt with as soon as possible. Once an IMO has been made, the landlord may not become involved in the management of the property or create tenancies or licences. However, the council may only issue new tenancies and licences with the approval of the landlord. IMO's are therefore only a single measure in the council's response to issues in the private rented sector.

Consultation requirements

- 43 In seeking to progress a selective licensing designation, local authorities must take reasonable steps to consult persons who are likely to be affected and consider any representations made in accordance with the consultation. Consultation should include local residents, including tenants, landlords and where appropriate, their managing agents and other members of the community who live or operate businesses or provide services within the proposed designation.
- 44 Consultation should be widely publicised using various channels of communication. Once the consultation has been completed the results should then be published and made available to the local community, including a summary of the responses received and should demonstrate how these have either been acted on or not, giving reasons.
- 45 If a designation does not require confirmation from the Secretary of State the local authority must consult for at least ten weeks. If however, confirmation is required, the suggestion is still to consult for at least ten weeks unless there are special reasons for not doing so.
- 46 Any consultation will be completed before a further report and business case are presented to Cabinet.

- 47 Where a designation does not require confirmation from the Secretary of State, it cannot come into force until three months after it is approved by the council. Where it requires confirmation, it cannot come into force until three months after it has been confirmed by the Secretary of State.

Selective Licensing in County Durham

- 48 Previously there were three designations in operation across County Durham:
- Dean Bank, Ferryhill
 - Chilton West, Chilton
 - Wembley, Easington Colliery
- 49 The Dean Bank and Chilton West designations came to an end in March 2018 and the Wembley designation is due to expire in July 2019. All three designations will have run for a period of ten years.
- 50 All three areas were initially designated for licensing by the former district councils on the grounds of low housing demand and significantly high levels of anti-social behaviour. The designations formed part of a wider master plan for the areas and had originally contained an element of housing renewal such as selective clearance and group repair alongside a multi-agency approach to managing the issues in the areas.
- 51 The number of properties in each designation were / are; Dean Bank, 648; Chilton, 154; Wembley, 197. This is the total number of dwellings per designation as opposed to total number of licenced properties.
- 52 Table 1 shows the percentage of private rented properties across the three designations as at autumn 2017. All of the localities have seen an increase in the percentage of properties within the PRS within the lifetime of the designations.
- 53 The following information is a summary of data available for some of the areas in Durham and is intended to give a snap shot of the varying issues within a selection of the villages. The full business case will include data collection for all of Durham and from all of our partner organisations as well as DCC data.

Table 1

% private rented stock across three designations			
	2008	2012	2017
Dean Bank	34%	41%	45%
Chilton	41%	35%	51%
Wembley	53%	68%	71%

Initial Data Intelligence

- 54 According to the 2011 census, the number of households in Durham was 223,803 with 28,142 within the Private Rented sector (12.57%).
- 55 Information from the Office of National Statistics (ONS) indicates the private rented sector would continue to grow with numbers reaching in excess of 41,000 by 2015 (17.36% of the households in Durham). See table 2.

Table 2

PRS predictions									
	2012		2013		2014		2015		
	No.	%age	No.	%age	No.	%age	No.	%age	
North East	169,505	14.33%	183,780	18.48%	193,583	16.25%	197,034	16.44%	
Durham	32,707	13.93%	37,889	16.06%	40,790	17.23%	41,279	17.36%	

- 56 There is no information available to show the breakdown of the numbers of private rented properties within local areas in Durham.

57 There are areas in Durham where the numbers of private rented properties is increasing at a higher rate than that predicted in table 2, for example Horden.

Table 3

Year	RSL (empties)	PRS	O/Occ	Empty (inc in PRS figure)
2014	199	292	163	174
2017	43	479	132	163
%age change	-78%	64%	-19%	-6%

58 In 2015 social housing provider, Accent disposed of properties by auction with the majority of these going into the PRS. As a result we have seen an increase of 64% of properties in the private sector in this area, although at this point many remain empty.

59 However, using local intelligence table 3 below shows Horden (numbered streets area) and Easington Colliery (A & B streets) have a high percentage of private rented accommodation, significantly higher than the regional and County Durham average shown in Table 2.

Table 4

Area	%
Horden (numbered streets area)	72.17
Easington Colliery (A & B streets)	74.09
South Moor	46.56
Dene Valley	41.06
New Kyo	45.15

60 The number of long-term empty homes across Durham is currently 6,410 as at mid May 2018; this figure does not include social housing stock or student accommodation.

61 Table 5 below shows the top 10 areas with the highest number of empty properties. Some areas such as Barnard Castle have a high proportion of holiday lets and this should be taken into account when comparing areas.

Table 5

Long-term empty properties	
Area	Number
Shildon and Dene Valley	330
Weardale	314
Barnard Castle West	258
Easington	212
Ferryhill	188
Horden	179
Evenwood	167
Trimdon and Thornley	165
Deerness	163
Bishop Auckland Town	160

- 61 Table 6 below shows the worst 10 areas for fly tipping – an activity very often prevalent in areas with high levels of empty properties. Overall, there were 7,674 incidents of fly tipping across the County in 2017-2018.

Table 6

Fly Tipping 2017-18	
Elvet and Gilesgate	405
Bishop Auckland Town	323
Pelton	286
Shildon and Dene Valley	284
Ferryhill	252
Horden	248
Woodhouse Close	245
Blackhalls	231
Coudon	209
Crook	201

- 62 The number of reported and confirmed incidents of ASB across County Durham for 2017-2018 shows 587 cases. Table 7 below highlights the top 10 worst affected areas.

Table 7

Anti-Social Behaviour	
Trimdon and Thornley	86
Peterlee East	85
Elvet and Gilesgate	79
Willington and Hunwick	75
Shildon and Dene Valley	70
Ferryhill	65
Sacriston	63
Bishop Auckland Town	57
Chester-le-Street West Central	55
Coxhoe	55

- 63 In addition to the above mentioned ASB cases and fly tipping, there have been a number of cases dealt with for the following variety of issues which also could be associated with ASB:

Table 8

Other Reported Incidents	
Abandoned Vehicles	1,316
Sharps	37
Litter	354
Dog Fouling	736
Untidy Gardens	3,598
Noise Nuisance	2,512
Total	8,553

- 64 If we include the figures in table 8 together with the numbers for fly tipping (7,674) and ASB (587) this provides an overall figure of 16,814 reports / incidents in 2017-2018.
- 65 In considering whether an area suffers from a high level of crime in the context of a potential selective licensing designation, the local authority should give consideration to whether the area has displayed an increase in crime over a relatively short period, such as in the previous 12 months.

- 66 Police figures for 2017-2018 show an increase in overall crime across County Durham, rising from 46,550 crimes in 2016-17 to 66,357 crimes in 2017-2018. A rise of almost 20,000 crimes (42.5% increase).
- 67 Local housing authorities can address poor property conditions through their powers in Part 1 of the Housing Act 2004, which are not extensive. The Housing Health and Safety Rating System (HHSRS) gives local authorities powers to target health and safety issues within a property and the curtilage of a property. The HHSRS is used by local authorities to assess the condition of homes and is an assessment of 29 hazards.
- 68 The HHSRS comprises of two categories: Category 1 hazards which oblige local authorities to take action or insist the landlord takes action to rectify the problem; where Category 2 hazards are found, local authorities have the discretionary power to act.
- 69 In 2013, Building Research Establishment (BRE) were commissioned by DCC to provide information on key housing and domestic energy variables with a focus on private sector housing. We do not have any up to date property condition surveys, however, by using the information from the BRE as a proxy it shows that a significant number of properties in County Durham suffer from: Category 1 hazards; disrepair; and fuel poverty due to a combination of low household income and thermally inefficient housing stock. See table 7.
- 70 It should be noted that disrepair is not part of HHSRS; it was included in the BRE model as the decent homes standard was still a provision for the private rented sector. This is no longer the case therefore to determine the condition of properties in an area a stock condition survey would be necessary.

Table 9

Ward	Dwellings	HHSRS Cat 1 Hazards			Disrepair	Fuel Poverty	Low Income Households	SAP
		All Hazards	Excess Cold	Falls Hazards				
Barnard Castle West	3,052	37%	23%	8%	10%	17%	18%	46
Weardale	3,103	35%	18%	9%	10%	15%	21%	47
Evenwood	3,080	32%	15%	9%	8%	14%	24%	50
Blackhall	2,851	29%	16%	7%	7%	15%	29%	51
Crook North and Tow Law	2,563	29%	10%	11%	10%	13%	28%	53
Craghead and South Moor	2,994	24%	4%	12%	10%	10%	37%	59
Coundon	591	22%	5%	10%	8%	11%	34%	57
Easington	2,875	23%	11%	7%	7%	13%	33%	54
Horden	2,621	21%	7%	8%	6%	11%	39%	57
Chilton	3,205	20%	4%	10%	8%	10%	34%	59
Ferry Hill	3,136	18%	2%	9%	7%	9%	36%	61
Seaham	3,149	16%	5%	6%	5%	8%	22%	58

- 71 The 2014/15 English Housing Survey found that 29% of private rented properties would fail the Government's decent homes standard (DHS) compared to 14% of social housing. The DHS is a non-statutory standard which is most frequently referred to in relation to the social rented sector.
- 72 Shelter's 2014 report, Safe and Decent Homes, found that over 6 in 10 private sector renters (61%) have experienced at least one of the following problems in their home over the past 12 months: damp, mould, leaking roofs or windows, electrical hazards, animal infestations and gas leaks. With 10% saying their health had been affected because of their landlord not dealing with repairs and poor conditions in their property in the last year.
- 73 All social housing stock throughout County Durham now meets the Decent Homes standard and Registered Providers continue to invest in their stock with a number including stock improvement programmes in their business plans.
- 74 In addition, some social housing providers are looking at new development opportunities across the county which will see the provision of modern, high specification, thermally efficient dwellings being built which will help to raise standards even further in the social rented sector.

- 75 The initial data collected shows different issues in different areas across the county from Horden seeing a high number of PRS properties to Shildon seeing a high number of empty properties although some areas do appear in the top 10 of each condition.
- 76 Further data collection will be required to provide a strong business case which will include migration, health and fire service data. In addition, local intelligence will also be included.

Selective licencing in other neighbouring local authorities

- 77 The majority of the neighbouring authorities (shown below) have selective licencing designations in parts of their authority areas which are due to expire from October 2018 onwards, therefore no evaluation of their effectiveness has been completed to date:
- Redcar and Cleveland
 - Gateshead
 - Newcastle
 - Hartlepool
 - Middlesbrough
- 78 In 2014 the Chartered Institute of Housing (CIH) on behalf of Sunderland City Council completed an evaluation of the selective licence designation in Hendon. The report highlighted there was strong evidence that levels of crime and ASB had reduced since the introduction of the designation.
- 79 There was also an initial impact on the reduction in the number of empty properties; however, that number has since risen again.
- 80 CIH's overall view was that the scheme had been successful in tackling a range of issues. However, there still remained a number of challenges i.e. the need to continue to bring down the number of empty properties and long standing management issues.
- 81 Since the government changed legislation and required local authorities to seek consent from the Secretary of State for designations that cover more than 20% of its geographical area or more than 20% of the private rented stock, the London Borough of Newham is the only local authority to have introduced a selective licensing designation covering 100% of their PRS market.

Liverpool City Council

- 82 Liverpool City Council has implemented a city wide selective licensing scheme approximately 4 years ago (prior to government changing consent requirements for such work) with the aim of tackling low demand and driving up standards in the private rented sector.
- 83 The scheme was introduced with a belief that nearly 25% of the city's housing stock was in the private rented sector although the census and ONS information suggested 23.3%. Since the introduction of the city wide scheme the figure is believed to be around 30%.
- 84 There were huge demands put upon mainstream services such as health and police and the council was receiving circa 4,000 complaints per annum about properties in the private rented sector.
- 85 Since its inception, over 43,000 licences have now been issued across the city and the council's intelligence on private landlords and the city's private rented accommodation has increased significantly which anecdotally has seen an improvement in property standards and a decrease in complaints thus far.
- 86 Furthermore, Liverpool have seen in excess of 100 successful prosecutions as well as warnings and cautions. Over 10,000 compliance checks have been completed with over 76% found to be non-compliant.
- 87 Although there appears a high level of non-compliance and subsequent prosecutions, Liverpool City Council feel that there is a subsequent positive direction of travel as they are seeing conditions and management practices improve within the PRS.
- 88 Liverpool now have far improved engagement with PRS landlords and greater knowledge of properties and are seeing an improvement in the quality of the PRS offer within the city.
- 89 Appendix 2 shows the number of landlords Liverpool were aware of before and after the introduction of city wide selective licensing. These maps clearly show a huge difference in the knowledge of where private landlords operate.

Summary

- 90 In order to submit an application to the Secretary of State for Selective Licensing, further work needs to be undertaken on the volume of premises affected to ensure the statutory requirements are met.
- 91 It is proposed that Selective licensing will be used in Durham as part of an overall solution to the challenges within the PRS. Other measures will continue and it is hoped that Selective Licensing will drive forward the improvement of the PRS stock.
- 92 Selective Licencing is only one tool to tackle issues in the PRS, however this does give the powers to intervene and enforce positive change in property management - in turn help reduce the volume of reactive complaints.
- 93 The initial data collected shows different issues in different areas across the county from Horden seeing a high number of PRS properties to Shildon seeing a high number of empty properties. Although some areas do appear in the top 10 of each condition.
- 94 The data information from Liverpool clearly shows with the introduction of mandatory selective licencing, Durham could have a much-improved engagement with PRS landlords and greater knowledge of properties and see an improvement in the quality of the PRS offer within the county.
- 95 Further data collection will be required to provide a strong business case which will include migration, health and fire service data. In addition, local intelligence can also be included.

Interim Measures

- 96 There are a range of interim measures to be put in place leading up to the submission of the business case:
- **Working Group** – has been set up to collate and consider all data collection and contribute to the business case.
 - **Referencing** – tenant referencing is currently undertaken in the 3 selective licencing designations and consideration will be given to the continued use of this valuable information in these areas and subject to Police resources, also across the wider DCC area.

- **Landlord Data collection** – various teams internal and external to DCC currently work and hold landlord information. In line with data protection required a shared database will be developed.
- **Landlord Accreditation** – the current landlord accreditation scheme will continue and following a positive press statement it is hoped further landlords will sign up to accreditation prior to the introduction on county wide selective licencing.

Conclusion

- 97 Members will be aware of the selective licencing proposals for County Durham.
- 98 Overview and Scrutiny will continue to monitor the further progress of the proposed scheme via updates on the development of the scheme to be included in the committee's work programme for 2019/20.

Background papers

- Guide to Selective Licencing for Local Authorities

Contact: Lynn Hall

Tel: 03000 265728

Appendix 1: Implications

Legal Implications – Under the Housing Act 2004 the introduction of Selective Licensing requires the Council to demonstrate that the conditions triggering eligibility for the imposition of such restriction are applicable in all or part of the area. If more than 20% of the Council's area is to be the subject of Selective Licensing, approval is required from the Secretary of State

Finance - Interim measures to be funded from reserves. New licensing activity will be funded from the license fees, although any further issues encountered will be flagged in the business case.

Consultation - Consultation required with staff, local residents and members.

Equality and Diversity / Public Sector Equality Duty – Not Applicable

Human Rights – Not Applicable

Crime and Disorder - The aim of this approach is to reduce crime and antisocial behaviour in certain geographical areas.

Staffing - Within existing staffing resource although further reports maybe presented highlighting additional staffing implication.

Accommodation – Not Applicable

Risk - The areas may decline if selective licensing designation is not introduced. An application requiring Secretary of State approval might not be approved. Landlords opposed to Selective Licensing could mount a legal challenge

Procurement – Not Applicable

Lynn Hall

Strategic Manager for Housing
Selective Licencing

Altogether better



Overview of Selective Licencing

Altogether better



What is Selective Licencing

Selective licensing is where the whole or part(s) of a county/borough are subject to a designation under the Housing Act 2004.

The designation makes it compulsory for all private rented accommodation in that area to get a license from the local authority.

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Selective Licencing Powers

- Housing Act 2004 gave local authorities the power to introduce SL of PRS homes
- A designation can be made of an area is suffering from one or more of:
 - low housing demand;
 - anti-social behaviour;
 - poor property conditions;
 - high levels of migration;
 - high level of deprivation; and
 - high levels of crime.
- If the a designation covers more than 20% of its geographical area or more than 20% of the private rented stock, an application to the Secretary of State will be required.

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Selective Licencing

- Local Authority may only make a designation if the area has a high proportion of property in the private rented
 - 2011 census data -number of households in Durham was 223,803
 - ONS data - 28,142 within the Private Rented sector (12.57%) with a prediction of rising to in excess 41,000 by 2015 (17.36%)
- Local Authority must consider when making a designation:
 1. The objective the designation will achieve
 2. Whether there are any other courses of action available to it that would achieve the same objective or objectives

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Selective Licencing – Business Case

- Before proposing a designation the local housing authority must:
 1. Identify the problems affecting the area to which the designation will apply
 2. Provide evidence to support the existence of the problems.
 3. Decide what other measures the LA with its partners will take to eliminate or mitigate the problems
 4. Assess what outcomes will be delivered through the making of a scheme

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Next Steps

- Steering Group set up which will oversee sun groups to:
 - Collect data and form business case
 - Interim measures
- Membership from DCC, Durham Constabulary , PVCV and DurhamFire and Rescue
- Further report to cabinet with recommendation

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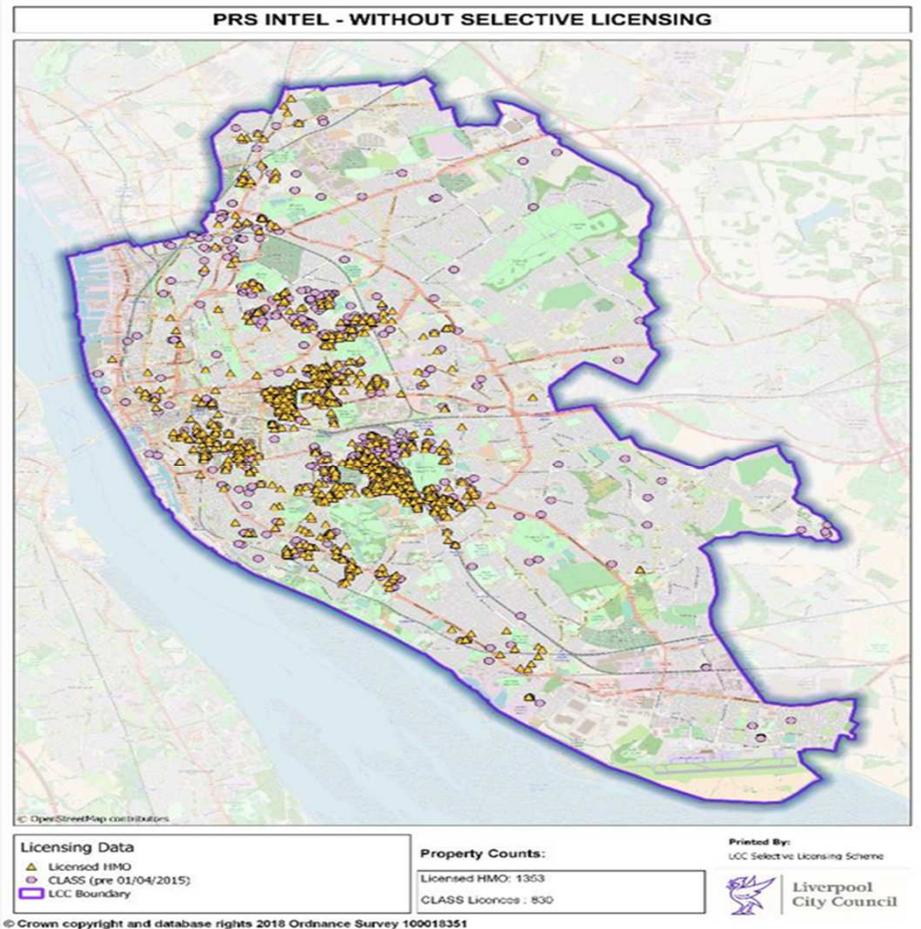
Learning to date

- Visit to Liverpool and Newham
 - Mustn't underestimate the amount of work involved
 - Upfront resource required
 - Administration of scheme can be self funding if we get licence conditions right
 - Good data collection
 - Liverpool took 2 years from initial thought to implementation
 - Put the right work in upfront will see success
 - Newham completed submission in ward areas
 - Different reasons in different wards
 - Will hopefully stop challenges from MHCLG

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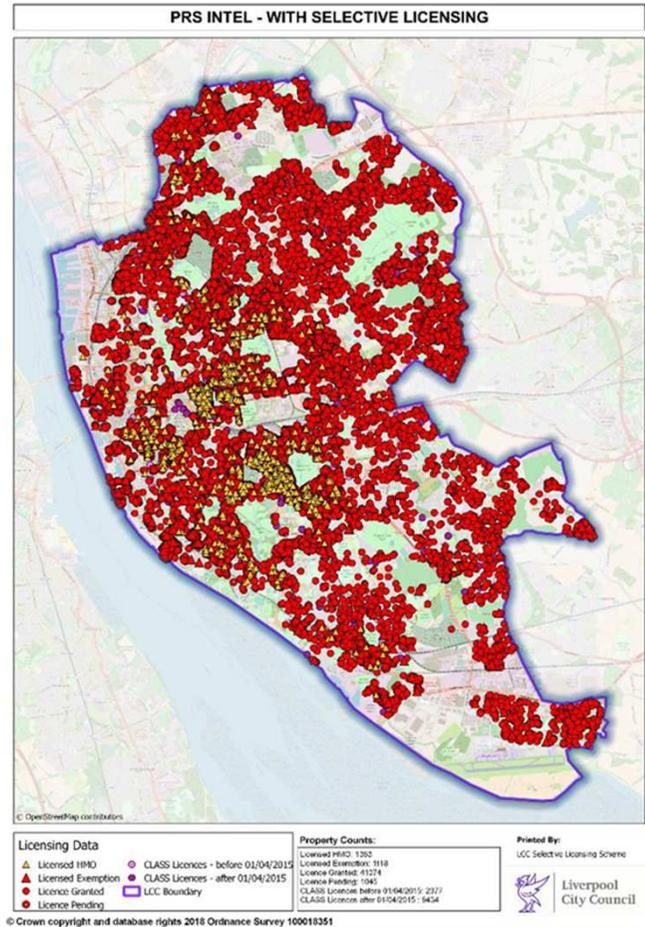


Liverpool – before Selective Licencing



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Liverpool – after Selective Licencing



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**Economy and Enterprise Overview and
Scrutiny Committee**

10 January 2019



**Regeneration and Local Services
(Regeneration and Economic
Development) – Quarter 2: Forecast of
Revenue and Capital Outturn 2018/19**

Report of Corporate Directors

John Hewitt, Corporate Director of Resources

**Ian Thompson, Corporate Director Regeneration and Local
Services**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide details of the forecast outturn budget for this service area highlighting major variances in comparison with the budget, based on the position to the end of quarter 2 (30 September 2018).

Executive summary

- 2 This report provides an overview of the updated forecast of outturn, based on the position at quarter two, 2018/19. It provides an analysis of the budgets and forecast outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis.
- 3 The updated position is that there is a forecast underspend of £1.128 million, against a revised budget of £58.437 million.
- 4 The revised service capital budget is £44.790 million with expenditure to 30 September of £11.106 million.
- 5 Details of the reasons for under and overspending against relevant budget heads is disclosed in the report.
- 6 The style and format of the report has been amended to reflect comments received at the previous meeting. The budgets have been split into controllable "cash limit" budgets and those outside of the cash limit. Members' views on these changes are welcomed.

Recommendation(s)

- 7 Economy and Enterprise Overview and Scrutiny Committee is requested to note the contents of this report and provide any views on the revised presentation style and format of the report.

Background

- 8 County Council approved the Revenue and Capital budgets for 2018/19 at its meeting on 21 February 2018. These budgets have subsequently been revised to account for changes in grant (additions/reductions), budget transfers between service groupings and budget re-profiling between years (in terms of capital). This report covers the financial position for the following budgets of the services within the scope of this committee;

- (a) Revenue Budget - £58.437 million (original £55.814 million)
- (b) Capital Programme – £44.790 million (original £56.832 million)

- 9 The original service budgets have been revised in year to incorporate a number of budget adjustments as follows:

- Use of strategic reserves for redundancies for MTFP savings +£112,000
- Use of Cash Limits – Economic Development & Housing +£100,000
- Use of Cash Limits – Transport & Contracted Services +£10,000
- Use of Cash Limits – Planning & Assets +£245,000
- Use of Selective Licensing Reserve +£59,000
- Use of Planning Reserve +£100,000
- Use of Funding & Programmes Reserve +£23,000
- Use of Match Fund Reserve +£141,000
- Use of Economic Employability Reserve +£55,000
- Use of International Relations Reserve +£5,000
- Use of Housing Solutions Reserve +£286,000
- Use of Warm and Healthy Homes Reserve +£51,000
- Use of Welfare Assistance Reserve +£208,000
- Use of Business Durham Programme Reserve +£428,000
- Use of Business Growth Fund +£148,000
- Use of Inspire Programme Reserve +£125,000
- Use of Homelessness Reduction Reserve £189,000
- Use of FIP Reserve +£98,000
- Use of Transport Infrastructure Reserve +£202,000
- Use of Community Transport Reserve +£38,000

- 10 The summary financial statements contained in the report cover the financial year 2018/19 and show:
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the revenue budget, adjustments for items outside of the cash limit (outside of the Service's control) to take into account such items as redundancies met from the strategic reserve, capital charges and use of / or contributions to earmarked reserves.

Forecast Revenue Outturn 2018/19

- 11 The service is reporting a cash limit underspend of **£1.128 million** against a revised budget of **£58.437 million** split between controllable budget of £12.688 million and £45.749 million outside the cash limit.
- 12 The following two tables show controllable budget analysed by subjective category (type of expense), and then Head of Service area.

Controllable Budget – Subjective Analysis £'000

	2018/19 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR2 £'000	MEMO: Cash Limit Variance QTR1 £'000
Employees	26,990	13,187	26,716	(274)	183	(91)	144
Premises	4,505	2,945	4,601	96	(12)	84	(44)
Transport	805	434	755	(50)	0	(50)	(24)
Supplies and Services	7,796	4,478	7,923	127	455	582	(8)
Agency and Contracted	19,431	8,281	20,255	824	0	824	768
Central Costs	1,745	791	2,319	574	0	574	279
GROSS EXPENDITURE	61,272	30,116	62,569	1,296	627	1,923	1,115
INCOME	(48,584)	(24,762)	(51,756)	(3,171)	120	(3,051)	(1,510)
NET EXPENDITURE	12,688	5,354	10,813	(1,875)	747	(1,128)	(395)

Controllable Budget - Analysis by Head of Service £'000

Head of Service Grouping	2018/19 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR2 £'000	MEMO: Cash Limit Variance QTR1 £'000
Corporate Director	225	113	225	0	0	0	0
Economic Development & Housing	6,706	3,264	5,743	(963)	797	(166)	(257)
Planning & Assets	3,306	1,908	2,672	(634)	(7)	(641)	(122)
Transport & Contracted	2,429	61	2,165	(264)	(43)	(307)	(2)
Central Managed Costs	22	8	8	(14)	0	(14)	(14)
NET EXPENDITURE	12,688	5,354	10,813	(1,875)	747	(1,128)	(395)

13 The following two tables show those sums outside the cash limit (outside of Service control) analysed by subjective category (type of expense), and then by Head of Service area.

Sums Outside the Cash Limit – Subjective Analysis £'000

	2018/19 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR2 £'000	MEMO: Cash Limit Variance QTR1 £'000
Employees	2,297	1,323	2,297	0	0	0	0
Premises	2,153	400	2,153	0	0	0	0
Transport	0	0	0	0	0	0	0
Supplies and Services	3,172	0	3,172	0	0	0	0
Agency and Contracted	0	0	0	0	0	0	0
Central Costs	38,202	0	38,202	0	0	0	0
GROSS EXPENDITURE	45,824	1,723	45,824	0	0	0	0
INCOME	(75)	(0)	(75)	0	0	0	0
NET EXPENDITURE	45,749	1,723	45,749	0	0	0	0

Sums Outside the Cash Limit - Analysis by Head of Service £'000

Head of Service Grouping	2018/19 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR2 £'000	MEMO: Cash Limit Variance QTR1 £'000
Corporate Director	(6)	8	(6)	0	0	0	0
Economic Development & Housing	518	667	518	0	0	0	0
Planning & Assets	920	522	920	0	0	0	0
Transport & Contracted	583	360	583	0	0	0	0
Central Managed Costs	43,734	166	43,734	0	0	0	0
NET EXPENDITURE	45,749	1,723	45,749	0	0	0	0

- 14 The main components of the sums outside the cash limit are Capital Charges (£24.865 million) and Central Support Costs (£12.137 million). Appendix 2 shows all items classed as outside the cash limit, and details which service within the County Council is responsible for them. During the first 3 quarters of the financial year, forecasts for these items are shown as per budget, and then the actuals are shown at year-end.

Cash Limit Outturn – Explanation of Over and Under Spending

- 15 The main reasons accounting for the outturn position are as follows:
- Transport is forecast to be £0.307 million underspent. This is mainly due to underspends on bus and rail contracts (£0.293m) and efficiency savings in Care Connect (£0.140m), which is partially offset by increased costs within Strategic Traffic (£0.086m).
 - Planning and Assets is £0.641 million underspent, mainly resulting from additional planning fee income of £0.650 million and additional asset management income of £0.221 million offset by £50,000 spend on an Archaeology relocation from Bowes Museum, £55,000 spend on a corporate property health check and £0.125 million spend on the design and development of Inward Investment brand.

- Economic Development and Housing is forecast to be underspent by £0.166 million. Within this overall position, Business Durham is underspent by £35,000 due to a net increase in rental income, while Economic Development is overspent by £22,000 on the employment & skills contract. Housing Solutions is underspent by £0.120 million due to savings in the GRT sites budgets and additional income in Housing Initiatives. Physical Development is underspent by £41,000 due to staff savings and additional income. There are combined net overspends on staff in other service areas of £8,000.

16 **Appendix 3** provides a more detailed breakdown of variations across the service area contained within the revenue budget.

17 In summary, the service grouping has successfully maintained spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2018/19 which amount to £0.880 million.

Capital Programme

18 The capital programme makes a significant contribution to the regeneration ambitions of County Durham. The programme is relatively large and diverse and is managed by project delivery officers throughout the service.

19 The capital programme was revised in May for budget re-phased from 2017/18. This increased the 2018/19 original budget. Further reports to the MOWG detailed further revisions, for grant additions/reductions, budget transfers and budget re-profiling into later years. The revised budget now stands at **£44.790 million**.

20 Summary financial performance to the end of September is shown below.

Service	Original Annual Budget 2018/19 £000	Revised Annual Budget 2018/19 £000	Actual Spend to 30 September £000	Remaining Budget £000
Economic Dev & Housing	25,676	21,640	6,819	21,957
Planning & Assets	18,001	14,962	3,227	15,771
Transport & Contracted	13,155	8,188	1,060	12,792
Total	56,832	44,790	11,106	33,684

- 21 Officers continue to carefully monitor capital expenditure on a monthly basis. Actual spend for the first six months amounts to **£11.106 million**. **Appendix 4** provides a more detailed breakdown of spend across the major projects contained within the capital programme.
- 22 The key areas of spend to date have been on Durhamgate (£1.848 million), Structural Capitalised Maintenance (£1.845 million). Other areas of the programme are profiled to be implemented during the remainder of the year and at year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Background papers

- Cabinet Report (14 November 2018) – Forecast of Revenue and Capital Outturn 2018/19 – Period to 30 September 2018.

Contact: Philip Curran

Tel: 03000 261967

Appendix 1: Implications

Legal Implications

Not applicable.

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

Not applicable.

Human Rights

Not applicable.

Crime and Disorder

Not applicable.

Staffing

Not applicable.

Accommodation

Not applicable.

Risk

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements.

Procurement

Not applicable.

Appendix 2: Sums Outside the Cash Limit

Sums Outside the Cash Limit (£'000)

Item	Annual Budget		Responsible Service
Employees			
Local Government Pension Deficit	1,715	A charge to services to improve the funding level of the Pension Fund.	Corporate
Unfunded Pensions	479	The cost of early access to pension costs by (mainly) former district employees.	Corporate
Apprenticeship Levy	103	Government levy to increase the numbers of apprenticeships across the country.	Corporate
	2,297		
Premises			
Repairs & Maintenance	0	All centrally controlled repairs and maintenance.	Direct Services
Design Service Recharge	119	Recharge for the costs of the Design Team in Technical Services.	Technical Services
Carbon Reduction Costs	564	Cost of allowances to ensure the Council's carbon footprint does not increase.	Corporate
Depot Recharges	58	Recharge for the use of central depots.	Direct Services
Office Accommodation	1,412	Central recharge for administrative buildings.	Direct Services
	2,153		
Supplies & Services			
Insurance Premiums	3,172	Costs of insuring council property/goods	Corporate
	3,172		
Central Costs			
Capital Charges	24,865	Depreciation etc.	Corporate
Central Support	12,137	Central department support eg Legal, HR	Resources
Customer Services Recharge	1,200	Recharge of the costs of the Customer Services Team based on enquiry numbers.	Resources
	38,202		
Income			
Recharge to Corporate Mgt.	(75)	Reimbursement to services for time spent by senior officers on corporate issues.	Corporate
	(75)		
TOTAL	45,749		

Appendix 3: Revenue Budget Variances – Quarter 2 2018-19

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
Economic Development & Housing	Head of Economic Development	Minor variance	2	
	Physical Development	There is a net overspend in Management on professional fees and project development costs of 50k offset by additional recharge income & staff savings of (91k).	(41)	
	Visit County Durham	There is an overspend of £7k on employee costs due to unachieved staff turnover savings.	7	
	Business Durham	<p>Business Durham has an overall underspend of (£35k).</p> <p>Business Space is over budget by £25k. There is an underspend of (£145k) for NETPark due to additional rent received in respect of the Institute, Incubators, Discovery 2 and other units. Business Space South is over budget by £100k as a result of under recovered income for Salvus House pending the property being fully occupied. The Dales Centre is over budget by £8k due to staffing costs net off by additional income on business units. Business Space North is over budget by £82k due to refurbishment works at Derwentside BC. The Management cost centre is Under budget by (£20k) due to Vacancies within the new structure budget.</p> <p>Business Growth, Development and Corporate have a net under spend of (£61k) as a result of vacant posts due to a recent restructure.</p>	(35)	
	Economic Development	There is an overspend of £90k in Employment & Skills due to delays with the outcome payments for the		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p>new service contract, the issue is currently being investigated by the DWP. The delivery fee is being received but referrals are less than anticipated.</p> <p>There is an under spend of (£22k) on Employability due to backdated Durham Works monies and vacant substantive post budgets.</p> <p>These are offset by underspends of (£46k) in Community Economic Development, International Relations and ED Management largely due to miscellaneous savings and over achieved income.</p>	22	
	Housing Solutions	<p>There is an over spend of £53k in Housing Solutions Management for staff costs offset by other savings.</p> <p>GRT site budgets are underspent by (£99k) due to savings on Premises and Supplies & Services costs and additional income generated, which will be offset by future spend on small scale site improvements.</p> <p>Housing Initiatives, Activities and Improvement are underspent by (£73k) due to underspends on Supplies & Services and additional income from Darlington HIA and landlord accreditation.</p>	(120)	(166)
Spatial Policy, Planning Assets & Environment	Head of SPPAE	<p>£125k Inward Investment Brand Development</p> <p>£53k Corporate Property Health Check</p> <p>£50k one off transfer to Culture & Sport re: Archaeology at Bowes Museum</p> <p>£14k Other minor variances</p>	242	
	Spatial Policy	£17k overspend unachieved staff turnover savings	17	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
	Planning Development	<p>19/20 Savings Achieved (£240k) overachieved income in Planning fees</p> <p>Other (£299k) underspend on Planning Development - over-achieved income (£610k), offset partially by £200k contributions to other services from planning fee increase & £111k supplies (inc dispute settlement - Evergreen Caravan Site & Ouston).</p> <p>(£157k) underspend on Building Control - (£106k) staffing, delays filling vacancies, supplies & services etc (£40k) & over-achieved income (£10k).</p> <p>(£42k) underspend on Business Dev Support - (£28k) staffing and (£14k) supplies</p> <p>£44k overspend on Dangerous Structures re Waldrige Club (charge placed on land)</p> <p>£10k overspend on Appeals</p>	(684)	
	Environment & Design	<p>£7k overspend Design & Conservation, including £30k re works at Locomotion</p> <p>(£39k) underspend Sustainability - (£27k) additional grant income re REBUS/LOCARBO & (£15k) underspend on solar maintenance</p> <p>£52k overspend Landscapes - overspend inc £20k re: Field Boundary Restoration Grants not spent in 17/18, £18k underachieved income (re: bad budget) & £14k Lidar and photography</p> <p>£28k overspend Archaeology including events/publications at Binchester</p> <p>£19k overspend Ecology including £20k re Living Walls feasibility study</p>	67	
	Asset Management	<p>£63k overspend on staffing due to 9 additional fixed term posts, part offset by vacancies</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p>(£133k) additional income in Asset Management, (£58k) on asset disposal programme and £75k additional rent and SLA income not budgeted</p> <p>£25k underachieved income on High Street Spennymoor and Millenium Square due to unoccupied office space</p> <p>(£42k) underspend at The Tommy Armstrong Centre where lease has now expired</p> <p>(£111k) underspend on Freemans Hydro, (£43k) additional income and (£68k) repairs budget not needed</p> <p>(£14k) additional income at Freemans Reach</p> <p>£86k overspend at Northumbria House, Waterstons moving in but 1 year rent free</p> <p>(£13k) underspend at Priory House. Tenant had rent free period but will be start paying from 08/02/2019 (full year income will be £94k)</p> <p>(£70k) underspend on Surplus Property, (£40k) utilities and (£30k) additional income</p> <p>£4k overspend elsewhere across the service</p>	(205)	
	Strategy Policy Partnerships & Support	<p>(£53k) underspend on staffing due to delays in recruiting to two new posts</p> <p>(£24k) underspend on Income re: secondment to NECA to end of July</p>	(77)	
	Funding and Programmes	No Variance	0	(641)
Transport	Management	18k Minor variance pending a re-allocation of savings	18	
	Strategic Transport	<p>(27k) Under budget due to vacancy savings</p> <p>52k Over budget due to an increase in business rates for car parks and bus</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		stations and contract cleaning 39k Over budget on supplies and services mainly due to traffic management costs 187k Over budget mainly due to a scheduled Park and Ride contract increase and minimum wage increases to contractors (165k) Over achieved on car parking income arising from works in Durham City	86	
	Sustainable Transport	(84k) Under budget due to staff vacancies (28k) Under Budget due to vehicle disposal (28k) Under budget due to reduced DBS costs 161k under achieved income mainly due to a reduced charge for the adult fleet. (293k) Under budget on bus and rail contacts	(272)	
	Care Connect	(45k) Under budget on employee costs due to staff vacancies and projected overtime. (38k) Under budget on other costs mainly due to service efficiencies on CCTV and community alarms communication equipment offset by the costs of bad debts (57k) over budget on SLAs for CCTV and income in localities	(140)	(307)
Central	Central Costs	Minor variances	(14)	(14)
TOTAL				(1,128)

Appendix 4: Capital Programme 2018-19

Scheme	Revised Annual Budget 2018/19 £'000	Actual Spend to 30 September £'000	Remaining Budget £'000
ECONOMIC DEVELOPMENT & HOUSING			
Durhamgate	2,871	1,848	1,023
Industrial Estates	5,725	1,252	4,473
North Dock Seaham	30	0	30
Office Accommodation	3,244	208	3,036
Town Centres	2,077	741	1,336
Minor Schemes	168	84	84
Disabled Facilities Grant / FAP	3,799	1,524	2,275
Housing Renewal	2,676	1,042	1,634
Chapter Homes	1,050	120	930
TOTAL ECONOMIC DEVELOPMENT & HOUSING	21,640	6,819	14,821
PLANNING & ASSETS			
Renewable Energy Schemes	485	187	298
Structural Capitalised Maintenance	5,708	1,845	3,863
North Pennines - Peatland	3,037	151	2,886
REAL – Beamish Project	5,086	1,016	4,070
REAL – Housing Development	435	10	425
Minor Schemes	76	18	58
Strategy and Programmes Minor Schemes	135	0	135
TOTAL PLANNING & ASSETS	14,962	3,227	11,735
TRANSPORT & CONTRACTED SERVICES			
Local Transport Plan	2,665	513	2,152
Transport Major Schemes	5,523	547	4,976
TOTAL TRANSPORT & CONTRACTED SERVICES	8,188	1,060	7,128
Total	44,790	11,106	33,684

(1) FAP – Financial Assistance Programme

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**Economy and Enterprise
Overview and Scrutiny Committee**

10 January 2019

**Quarter Two 2018/19
Performance Management Report**



Report of Lorraine O'Donnell, Director of Transformation and Partnerships

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To present progress towards achieving the key outcomes of the council's corporate performance framework for the Altogether Wealthier priority theme.

Performance Report for quarter two, 2018/19

- 2 The performance report for quarter two, 2018/19 is attached at Appendix 2. It is structured around a set of key questions aligned to the Altogether Wealthier priority theme and includes the key performance messages from data available this quarter along with visual summaries and data tables for each key question.
- 3 [Consultation](#) is currently underway in order to develop a new vision for County Durham. Between 22 November 2018 and 18 January 2019 the public are being asked to provide their views on our proposed high level aims. This feedback will then be used in order to develop a draft Durham 2030 Vision, which will be subject to further consultation between February and March. In line with this, we will be reviewing our six 'Altogether' priority themes in order to better reflect our new priorities.

Executive summary

- 4 There has been an improvement in the medium-term employment trend, but household income remains a cause for concern. Median gross weekly household earnings for full-time employees are £68 below the national average and this gap has recently widened. Since 1 April, 641 jobs have been created or safeguarded by Business Durham and further projects, with the potential to create many more jobs, are being developed.

Although households accessing Housing Solutions has remained constant, we are expecting increases during quarters three and four due to the 'duty to refer' (obligation to refer those who are homeless or threatened with homelessness to Housing Solutions). Durham Town Hall is now open for visitors every Saturday from 10am to 3pm, to showcase its heritage, its collections and its history.

Risk Management

- 5 Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change programme and is incorporated into all significant change and improvement projects.
- 6 There are no key risks to successfully delivering the objectives of this theme.

Recommendation

- 7 That the Economy and Enterprise Overview and Scrutiny Committee receive the report and consider any performance issues arising herewith.

Contact: Jenny Haworth

Tel: 03000 268071

Appendix 1: Implications

Legal Implications

Not applicable.

Finance

Latest performance information is being used to inform corporate, service and financial planning.

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

Equality measures are monitored as part of the performance monitoring process.

Human Rights

Not applicable.

Crime and Disorder

A number of performance indicators and key actions relating to crime and disorder are continually monitored in partnership with Durham Constabulary.

Staffing

Performance against a number of relevant corporate health indicators has been included to monitor staffing issues.

Accommodation

Not applicable.

Risk

Reporting of significant risks and their interaction with performance is integrated into the quarterly performance management report.

Procurement

Not applicable.

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Altogether better



Durham County Council Performance Management Report

Quarter Two, 2018/19



Do residents have (1) good job prospects and (2) is County Durham a good place to do business?

Page 94

Job Prospects

Durham

National

Year on year comparison

Per capita household disposable income

↓ £15,325 (2015)
£15,221 (2016)

↑ £19,744 (2015)
 £19,878 (2016)

▲ Durham - 0.7%
 ▲ National + 0.6%

Median gross weekly household earnings (full time employees)

↑ £490 (2017)
£503 (2018)

↑ £552 (2017)
 £571 (2018)

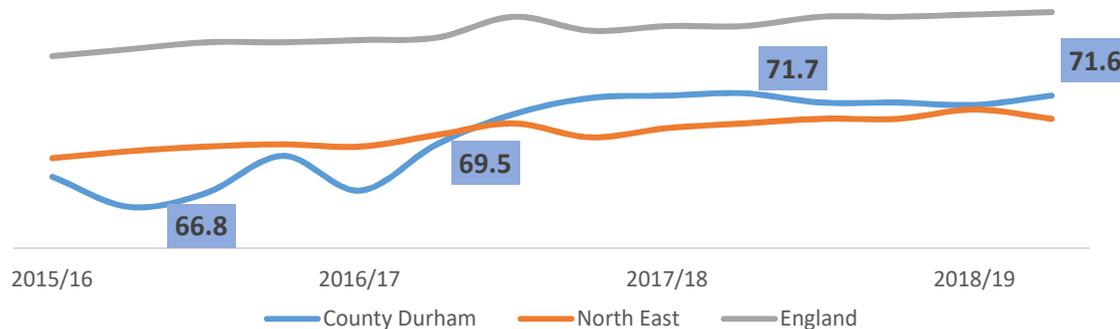
▲ Durham + 2.7%
 ▲ National + 3.4%

GVA comparison to regional and national averages



Gross Value Added – The Value of goods and services produced in an area, industry or sector of an economy.

% of working age population in employment



County Durham Plan

- Consultation around preferred options has ended
- 4,000 responses will be considered as part of the pre-submission draft plan work which will be presented to Cabinet in December for approval to consult in early 2019

£7.7m	Gross value added from jobs created
£6m	ERDF grant submitted
£1m	private sector investment secured
82%	of Business Durham floor space occupied
1	Inward Investment Secured from Duchy Homes



Plans for the site to be delivered across three phases, beginning with the northern zone (phase 1) in 2019. The site has the potential to attract:
700,000+ sq. ft. of development
6,000 new skilled jobs (approx.)

Altogether Wealthier

- 1 The priority theme of Altogether Wealthier is structured around the following five key questions:
 - Do residents have good job prospects?
 - Is County Durham a good place to do business?
 - Do residents have access to decent and affordable housing?
 - Is it easy to travel around the county?
 - How well do tourism and cultural events contribute to our local economy?
- 2 Since the last report, four new indicators have been added to support the key question 'Is County Durham a good place to do business?'

Do residents have good job prospects?

- 3 Households with low incomes remain a cause for concern, as although median gross weekly household earnings for employees across County Durham have increased, the gap between full time employees across County Durham and the national average has widened.
- 4 Creating highly skilled employment locations continues to be a key priority, and during quarter two, a detailed phased development plan of Aykley Heads strategic employment site, with the potential to attract up to 6,000 new jobs, was approved by Cabinet.
- 5 In addition, Business Durham is working to secure several potential inward investment projects that, if they proceed, will create many jobs.

Is County Durham a good place to do business?

- 6 Business Durham has applied to the European Regional Development Fund (ERDF) for a £6 million capital grants programme for businesses 'County Durham Growth Fund'. If successful, this would provide grants of up to 40% to businesses investing at least £100k in capital equipment or new premises to support their growth.
- 7 One inward investment from luxury house builder Duchy Homes was secured, creating eight jobs with more envisaged.
- 8 Overall occupancy of Business Durham's portfolio remained relatively constant despite a high turnover of tenants (especially in the Consett office sector): 19 businesses leaving and 17 new lettings. A chemical development company moved to Discovery One (NETPark) and five new tenants moved to the Dales Centre following a sustained marketing campaign over the last twelve months.

- 9 Luciano's Italian Restaurant in Peterlee secured £1 million private sector investment in conjunction with a target business improvement grant, creating 16 full time equivalent jobs and resulting in the complete refurbishment of the Oaklands pub.
- 10 During quarter two, we engaged with 314 businesses. Providing support for individual companies, engagement through the business park communities, the Durham 2sday networking event, Digital Drive County Durham Programme and Durham Business Opportunities Programme.
- 11 The Durham Business Opportunities Programme engages with businesses that don't typically take up business support and connects them to development opportunities. During quarter two, its programme of delivery supported 46 childcare businesses and 13 creative businesses. It also procured support for food and drink businesses and delivery is about to start.

ALTOGETHER WEALTHIER

Do residents (3) have access to decent and affordable housing? Is it (4) easy to travel around the county? How well (5) do tourism and cultural events contribute to our local economy?

Decent & Affordable Housing

(Data Jul-Sep 18) compared to previous quarter

469 properties improved / adapted / brought back into use

3,112 households accessed Housing Solutions Service

289 households helped to stay in their homes through homelessness prevention work **↑ 43%**

278 households helped to move to alternative accommodation **↑ 138%**

(Data Apr-Sep 18) compared to same period previous year

111 properties brought back into use following Local Authority intervention **↓ 2%**

659 net homes completed **↓ 13%**

£533,081 Net economic impact

£354,154 Net visitor spend



Launched in 2014, the Durham at War Project is set to end in December. Over the last 4 years it has achieved

£475,100 grant awarded by Heritage Lottery Fund

100,000 website users (approx.)

16,000 volunteer hours spent on the project

300 Registered volunteers (approx.)

171 events organised / participated in by staff

Coastal Tourism

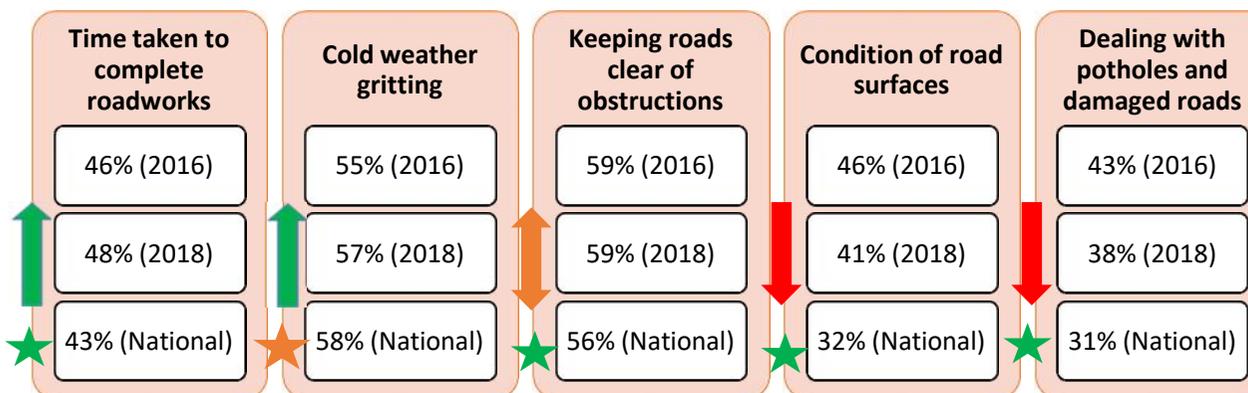
3.23 million visitors in 2017, an increase of 2.2% from 2016

Ease of travel around the county

National Highways and Transport Survey: Satisfaction with... (1 Oct 17 to 30 Sep 18 – compared to same period 2016)

- **£1.5 million** project to replace the bridge
- Work completed August 2018

Deerness Bridge



More information on the junction improvement works at A19 / A179 [here](#)



Do residents have access to decent and affordable housing?

- 12 We are monitoring the impact of the Homelessness Reduction Act (HRA) and are currently producing a six-month review report. Minor changes have been made to service delivery in response to initial findings and further trials and training are ongoing.
- 13 The duty to refer, a statutory obligation to refer on certain public bodies those who are homeless or threatened with homelessness to Housing Solutions, was introduced in October 2018. Consequently, we expect the number of households accessing Housing Solutions to increase during quarters three and four.
- 14 The new relief stage introduced by the HRA requires intensive support. Therefore, in the Sedgefield and Durham areas, we are trialling new ways of working, whereby housing officers deal with either prevention or relief cases only. We will review this pilot in January 2019.
- 15 Both the draft Housing Strategy and Homelessness Strategy will be presented to Cabinet in December following consultation.

Is it easy to travel around the county?

- 16 Detailed design work for the car park and rail station at Horden is nearing completion and Network Rail have now submitted a planning application.
- 17 The government, in the latest budget, committed £420 million extra funding to be given to local highways authorities immediately to tackle pothole and bridge repairs, and £150 million to improve local traffic hotspots such as roundabouts. We will use our allocation to resurface unclassified roads.
- 18 Results from the 2018 National Highways and Transport Survey (NHT) indicate that satisfaction continues to exceed¹ national levels.

How well do tourism and cultural events contribute to our local economy?

- 19 Bishop Auckland Food Festival 2018 generated a 969% return on our investment.
- 20 A new operating model is now in place for Durham Town Hall. The building is open for visitors every Saturday from 10am to 3pm, to showcase its heritage, its collections and its history. New interpretation, information panels, audio tours and digital content combine to create an engaging visitor experience.

¹ NHT Survey, performance is significantly better if performance is 4% or more above average and significantly worse if performance is 4% or more below average.

Key Performance Indicators – Data Tables

There are two types of performance indicators throughout this document:

- (a) Key target indicators – targets are set as improvements can be measured regularly and can be actively influenced by the council and its partners; and
- (b) Key tracker indicators – performance is tracked but no targets are set as they are long-term and/or can only be partially influenced by the council and its partners.

A guide is available which provides full details of indicator definitions and data sources for the 2017/18 corporate indicator set. This is available to view either internally from the intranet or can be requested from the Strategy Team at performance@durham.gov.uk

KEY TO SYMBOLS

	Direction of travel	Benchmarking	Performance against target
GREEN	Same or better than comparable period	Same or better than comparable group	Meeting or exceeding target
AMBER	Worse than comparable period (within 2% tolerance)	Worse than comparable group (within 2% tolerance)	Performance within 2% of target
RED	Worse than comparable period (greater than 2%)	Worse than comparable group (greater than 2%)	Performance >2% behind target

National Benchmarking

We compare our performance to all English authorities. The number of authorities varies according to the performance indicator and functions of councils, for example educational attainment is compared to county and unitary councils however waste disposal is compared to district and unitary councils.

North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e. County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-On-Tees, South Tyneside, Sunderland, The number of authorities also varies according to the performance indicator and functions of councils.

More detail is available from the Strategy Team at performance@durham.gov.uk

ALTOGETHER WEALTHIER
1. Do residents have good job prospects?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
1	% of working age population in employment	71.6	Jul 17-Jun 18	Tracker	71.7	75.1	70.6			Yes
				N/a	AMBER	RED	GREEN			
2	Per capita household disposable income (£)	15,221	2016	Tracker	15,496	19,878	15,595			Yes
				N/a	AMBER	RED	RED			
3	Number of gross jobs created or safeguarded as a result of Business Durham activity	262	Jul-Sep 2018	Tracker	186					Yes
				N/a	GREEN					
4	% of 16 to 17 year olds in an apprenticeship	9.8	As at 30 Jun 2018	Tracker	9.5	6.2	8.5	7.6		Yes
				N/a	GREEN	GREEN	GREEN	GREEN		

ALTOGETHER WEALTHIER
2. Do residents have access to decent and affordable housing?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
5	Number of properties improved, adapted or brought back into use	469	Jul-Sep 2018	Tracker	New indicator					Yes
				N/a	N/a					
6	Number of empty properties brought back into use as a result of local authority intervention	111	Apr-Sep 2018	74	113					Yes
				GREEN	AMBER					
7	Number of net homes completed	659	Apr-Sep 2018	Tracker	758					Yes
				N/a	RED					

ALTOGETHER WEALTHIER

2. Do residents have access to decent and affordable housing?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
8	Number of affordable homes delivered	473	2017/18	200	322					No
				GREEN	GREEN					
9	Number of households accessing the Housing Solutions Service	3,112	Jul-Sep 2018	Tracker	New indicator					Yes
				N/a	N/a					
10	Number of households helped to stay in their home	289	Jul-Sep 2018	Tracker	New indicator					Yes
				N/a	N/a					
11	Number of households helped to move to alternative accommodation	278	Jul-Sep 2018	Tracker	New indicator					Yes
				N/a	N/a					

ALTOGETHER WEALTHIER

3. Is County Durham a good place to do business?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
12	Gross Value Added (GVA) per capita in County Durham (£)	16,513*	2016	Tracker	16,362	27,060*	19,542*			No
				N/a	GREEN	RED	RED			
13	Number of registered businesses in County Durham	17,120	2017	Tracker	16,585					No
				N/a	GREEN					
14	Value (£M) of new contracts secured	0	Jul-Sep 2018	Tracker	New indicator					Yes
				N/a	N/a					

ALTOGETHER WEALTHIER
Page 102
Is County Durham a good place to do business?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
15	Value (£M) of GVA growth from jobs created	7.7	Jul-Sep 2018	6	New indicator					Yes
				GREEN	N/a					
16	Number of Inward Investments secured	1	Jul-Sep 2018	Tracker	New indicator					Yes
				N/a	N/a					
17	% of Business Durham business floor space that is occupied	82.0	Jul-Sep 2018	Tracker	New indicator					Yes
				N/a	N/a					

*provisional data

ALTOGETHER WEALTHIER
4. Is it easy to travel around the county?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter	
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different		
18	% of A roads where maintenance is recommended	3	2017/18	Tracker	3	3				2016/17	No
				N/a	GREEN	GREEN					
19	% of B and C roads where maintenance is recommended	4	2017/18	Tracker	3	6				2016/17	No
				N/a	AMBER	GREEN					
20	% of unclassified roads where maintenance is recommended	21	2017/18	Tracker	20	17				2016/17	No
				N/a	AMBER	RED					
21	Highways maintenance backlog (£millions)	187.6	2017	Tracker	191.7						No
				N/a	GREEN						

ALTOGETHER WEALTHIER

4. Is it easy to travel around the county?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
22	Bridge Stock Condition – Principal Roads	80.0	2017	Tracker	83.8					No
				N/a	RED					
23	Bridge Stock Condition – Non-Principal Roads	81.0	2017	Tracker	83.7					No
				N/a	RED					

ALTOGETHER WEALTHIER

5. How well do tourism and cultural events contribute to our local economy?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
24	Number of visitors to County Durham (million)	19.71	2017	Tracker	19.3					No
				N/a	GREEN					
25	Number of jobs supported by the visitor economy	11,682	2017	Tracker	11,158					No
				N/a	GREEN					
26	Amount (£ million) generated by the visitor economy	866.71	2017	Tracker	806					No
				N/a	GREEN					

Other additional relevant indicators

TOGETHER BETTER FOR CHILDREN AND YOUNG PEOPLE

1. Are children, young people and families in receipt of universal services appropriately supported?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
28	Average point score per A level entry of state-funded school students	33.0*	2017/18 (Academic Year)	Tracker	31.9	31.1	30.8	30.7	2016/17 Ac Yr	Yes
				N/a	GREEN	GREEN	GREEN	GREEN		
30	% of 16 to 17 year olds who are not in education, employment or training (NEET)	5.1	Apr-Jun 18	Tracker	4.8	2.7	4.0			No
				N/a	RED	RED	RED			

4. Are we being a good corporate parent to Looked After Children?

65	% of care leavers aged 17-18 in education, employment or training (EET)	85.9	As at 30 Sep 2018	Tracker	New definition	62	66	64	2016/17	Yes
				N/a	N/a	GREEN	GREEN	GREEN		
66	% of care leavers aged 19-21 in education, employment or training (EET)	51.6	As at 30 Sep 2018	Tracker	New definition	50	50	50	2016/17	Yes
				N/a	N/a	GREEN	GREEN	GREEN		

*provisional data