



Economy and Enterprise Overview and Scrutiny Committee

Date **Monday 25 February 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 10 January 2019 (Pages 3 - 16)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. North East Local Enterprise Partnership - Overview: (Pages 17 - 44)
 - (i) Report of the Director of Transformation and Partnerships.
 - (ii) Presentation by a member of the North East Local Enterprise Partnership Executive Team.
8. County Durham Skills Strategy - Progress Update: (Pages 45 - 66)
 - (i) Joint Report of the Director of Transformation and Partnerships, the Corporate Director of Regeneration and Local Services and the Corporate Director of Children and Young People's Services.
 - (ii) Presentation by the Strategic Manager Progression and Learning, Children and Young People's Services and the Economic Development Manager, Regeneration and Local Services.
9. Skills Development Support in County Durham - Progress on review recommendations: (Pages 67 - 84)
Report of the Director of Transformation and Partnerships.

10. Digital Durham Programme: (Pages 85 - 114)
 - (i) Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Resources.
 - (ii) Presentation by the Digital Durham Programme Director, Resources.
11. Overview and Scrutiny - County Durham Plan and Housing Strategy Workshop - 4 February 2019 - Overview and Scrutiny response to Housing Strategy: (Pages 115 - 136)
Report of the Director of Transformation and Partnerships.
12. 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
15 February 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 **Thursday 10 January 2019 at 9.30 am**

Present:

Councillor A Batey (Chairman)

Members of the Committee:

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

Co-opted Members:

Mr G Binney and Mrs R Morris

Also Present:

Councillor J Clare, K Shaw and J Turnbull

1 Apologies for Absence

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

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

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

4 Declarations of Interest

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

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

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

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

Resolved:

That the information be noted.

7 Homelessness/Homelessness Reduction Act 2017

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Resolved:

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

8 Selective Licensing- Overview

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

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

The Strategic Manager for Housing reminded Members as regards selective licensing being “where the whole or part(s) of a county/borough are subject to a designation under the Housing Act 2004”. She added that such designation would make it compulsory for all private rented accommodation in that area to have a licence from the Local Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Resolved:

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

9 Quarter Two, 2018/19 Revenue and Capital Outturn

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Resolved:

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

10 Quarter Two, 2018/19 Performance Management Report

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

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

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

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

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

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

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

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

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

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

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

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

Resolved:

That the report be noted.

Economy and Enterprise Overview and Scrutiny Committee

25 February 2019



North East Local Enterprise Partnership Overview

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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with some background detail on the North East Local Enterprise Partnership (North East LEP) prior to a presentation by a member of the North East LEP Executive Team.

Executive summary

- 2 At the meeting of the Economy and Enterprise Overview and Scrutiny held on the 26 June 2018 when discussing the committee's future work programme for 2018/19 it was agreed that the North East LEP would be invited to attend a future meeting of the committee to provide an overview of the work undertaken by the LEP and any future challenges and opportunities they have identified.
- 3 Arrangements have been made for Helen Golightly, Chief Executive North East LEP to attend the meeting on the 25 February 2018 and deliver a presentation focusing on:
 - Progress on delivering the North East Strategic Economic Plan 2014-24 (SEP) including the launch of the updated SEP on 14th February 2019 and the associated SEP programmes for the period 2019-2021.
 - An outline of the three main funding programmes managed by the North East LEP
 - Local Growth Fund
 - North East Investment Fund
 - Enterprise Zone infrastructure funding

- North East LEP capital investments in County Durham.

A copy of the presentation slides are attached as appendix 2.

Recommendations

- 4 That the Economy and Enterprise Overview and Scrutiny Committee comments on the information provided in the report and in the presentation.
- 5 That the North East LEP is invited to a future meeting of the committee to further share the work of the North East LEP.

Background

- 6 The North East LEP is a public, private and education sector partnership and is one of thirty-eight LEPs in the country. It is responsible for promoting and developing economic growth in the local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland.
- 7 The LEP is responsible for developing the Strategic Economic Plan (SEP) for the North East in collaboration with partners, as well as securing public funding to deliver economic growth in the North East. The LEP has been successful in securing £270m from the Local Growth Fund and £55m from Regional Growth Funding and Growing Places Funding, as well as substantial revenue funding to deliver skills activity across the North East. In addition, working with partners they have secured Government backing for the designation of 21 Enterprise Zone sites which offer tax benefits for business and have been instrumental in piloting and developing national careers benchmarks working with schools throughout the North East.

Assurance

- 8 Government undertakes an annual performance review with the North East LEP and sets out through its 'National Local Growth Assurance Framework' the standards and best practice to guide the operational management and decision-making arrangements that all LEPs are required to adhere to. The North East LEP is required to prepare and publish a local assurance framework and reviews this annually through its Board to ensure these remain compliant with the latest Government national framework requirements. The North East Combined Authority acts as the accountable body for the North East LEP. This relationship is documented in an 'accountable body agreement'.

North East LEP Strategic Economic Plan

- 9 The North East LEP is responsible for developing and delivering the Strategic Economic Plan (SEP), first prepared in 2014 for a ten year period. The plan is subject to regular monitoring and review, and guides strategic funding interventions and investments to support economic growth, improve productivity and to increase the number of those employed, particularly in higher quality jobs. The SEP is recognised by Government as the policy document that sets the strategic direction for the North East economy.
- 10 The SEP has two headline targets:
 - To increase the number of jobs in the North East economy by 100,000 between 2014 and 2024.
 - And for at least 70% of the new jobs, to be better jobs. (A better job is defined as being in managerial, professional and technical roles).
- 11 It also aims to close the gap in performance compared with other parts of the UK across four other key economic indicators with performance tracked regularly. These are:
 - Reduce the gap in private sector employment density by 50% by 2024
 - Close the gap in the employment rate for people aged 16-64 by 50% by 2024
 - Reduce the gap in economic activity for people aged 16 – 64 by 50% by 2024
 - Reduce the gap in productivity by 50% by 2024
- 12 Since the SEP was first published in 2014, good progress has been made towards the delivery of headline targets to deliver more and better jobs, while progress towards the ‘reducing the gap targets’ has been mixed. We are nearly half way through the delivery of this ten year plan and the number of jobs has increased by 64,600 of which 49,000 were better jobs.
- 13 Over the last five years, there has also been good progress in regard to both the employment and economic activity rates, improvements in the qualifications profile, growth in the size and dynamism of the business base, success in securing inward investment and increasing availability of housing, industrial and commercial property.
- 14 However, the North East continues to underperform, compared to England (excluding London) on many indicators, that still require action, including:

- Growing the jobs base and increasing the quality of available employment opportunities.
- Ensuring individuals have the skills and competencies to take up the available employment opportunities.
- Continuing to grow the business base and ensure the right support is available for businesses to grow.
- Investing and innovating to drive improvements.

Challenges

- 15 Whilst there have been notable improvements in most of the headline economic indicators, as outlined above, since 2014 there remain real challenges in sustaining this progress and eliminating the gap in regional economic performance. Relatively low productivity is a persistent feature of the UK economy including here in the North East. The reasons for this are not fully understood but are partially explained by low levels of business capital investment and limited growth in how efficiently labour is being used.
- 16 Currently Brexit is casting much uncertainty over the UK economy in general, with research forecasts suggesting that the potential negative impacts could be greater for the North East than in other regions given our relatively strong export focused economic base.
- 17 Research is currently being undertaken into the region's finance market and property markets to identify specific market gaps and barriers to growth and to guide future interventions including the direction of the North East Investment Fund that is currently under review.

Opportunities

- 18 The SEP and evidence base identifies four sectors where there are particularly well-developed regional capabilities and assets to build upon and grow:
 - Digital - digital technology transformation in business and commerce is cross cutting and fast moving, requiring actions on skills and investment across the economy.
 - Advanced manufacturing – including automotive and medicine manufacture.
 - Health and life sciences - Improving health and responding to population ageing.
 - Energy - Tackling climate change and promoting clean.

Plans are being developed with regional partners to help accelerate investment and realise the potential of these sectors.

- 19 Four identified service sectors that support the wider economy also offer significant opportunity for more and better jobs in the North East:
 - Education
 - Financial, professional and business services
 - Transport and logistics
 - Construction
- 20 A coordinated, integrated, partnership approach to each delivery plan will address market barriers and pursue opportunities that are considered essential to the success of the overall plan.

Outline of funding programme managed by the North East LEP

- 21 In support of the SEP the North East LEP manages three main funding programmes and these are summarised below.

Enterprise Zone (EZ) Infrastructure Investment

- 22 The first round of the Government's Enterprise Zones initiative was launched in April 2012 followed by a second round of sites that went live in April 2016, collectively there are now 21 EZ sites in the North East. EZs support economic growth by providing tax breaks and a range of interventions to help new and established businesses to expand. The sites are designated across the North East from Ramparts Business Park, Berwick Upon Tweed in the north to Jade Business Park, County Durham in the south. EZ sites can offer investor incentives either in the form of Business Rates Relief over a period of 3 years or Enhanced Capital Allowances against capital investment.
- 23 All EZ sites, both greenfield and brownfield, require infrastructure investment to improve their competitiveness e.g. remediate land where there have been previous economic activities or to provide essential new site access improvements, utilities and drainage etc.
- 24 From the date of EZ sites designation the North East LEP can retain the additional business rates generated from the site for a period of 25 years. Based on forecast EZ business rates income the EZ site owners (mainly local authorities and Ports) can borrow to invest in essential infrastructure with this subsequently repaid by future business rates income generated for the North East LEP.

North East Investment Fund (NEIF)

25 The NEIF is a loan fund supporting capital projects that encourage local economic growth and create jobs. The Fund was established with resources from the Government's Regional Growth Fund and Growing Places Fund and since 2012 has loaned over £65m million to 29 projects. As an evergreen fund, repayments and interest from all loans are recycled to support new projects. The fund is currently open to project expressions of interest and seeks to support projects that can demonstrate that they have been unable to secure the full amount required from commercial lending and other sources. Loans to date range in scale from £200,000 to £10m. From this fund a sum of £5,750,000 has been allocated in 2017 to a pilot North East Property Fund that is focussed on supporting small scale housing schemes that are having difficulty raising capital.

Local Growth Fund (LGF)

26 The North East LEP has received a total of £270.4m from three rounds of the Government's Local Growth Fund for the period 2015-2021. LGF is a capital programme that forms a key element of the North East Growth Deals agreed with Government between 2014 and 2017. To date 56 projects have been approved and approximately £200m expended. LGF is investing in projects that support one or more of the following strands of activity:

- Driving innovation and improving business support.
- Developing skills infrastructure and supporting economic inclusion.
- Creating new strategic economic assets and infrastructure.
- Enhancing strategic transport corridors and public transport infrastructure.

27 Over recent months, regional delivery partners have been working with the North East LEP on a promotional video to illustrate the impact of the LGF programme and benefits to local businesses and communities.

Projects

28 The presentation to accompany this report will illustrate a range of capital projects in County Durham and also schemes across the North East that are benefitting from investment through the North East LEP funding programmes. These will include the following case studies:

- National Formulation Centre, Sedgefield
- National Centre for Healthcare Photonics
- Auckland Castle Welcome Building
- Durham City business Incubator

- Houghall College, Durham
- Forrest Park LGF Newton Aycliffe
- Explorer office/ laboratory units
- North East Rural Growth Network

Future developments

- 29 Following the launch of the 2019-21 North East SEP programme on 14th February the immediate focus of the North East LEP will be to work with partners on the delivery the priority actions set out.
- 30 Strategically there are a number of prominent work areas in this programme including:
- Preparation and publication of the **North East Local Industrial Strategy** – In the context of the UKs National Industrial Strategy the North East LEP is currently preparing a Local Industrial Strategy to be published later in 2019. This will focus on productivity challenges and help position the North East to tap into opportunities under the Government's Sector Deals with key industries within the UK economy and provide context for future funding programmes such as the UK Shared Prosperity Fund.
 - Preparing for Brexit – for example, a toolkit with support aimed at North East businesses has recently been launched.
 - Work with regional partners to develop a pipeline of projects and prepare for the roll out of the UK Shared Prosperity Fund in England.
 - Strengthening of the role of the LEP Employment and Skills Board to take on the new Skills Advisory Panel function now required by Government to oversee local skills action plans.
 - Continue to develop the North East Growth Hub as the place for businesses to access services, events and support and to further develop the Business Support Provider Network.
 - Implementation of EZ infrastructure programmes by 2021.
 - Completion of the LGF 6 year programme in 2021.
 - Progress the SEP Evaluation Plan.

Conclusion

- 31 Members will receive an overview of the work of the North East LEP and what is planned for the future. It is proposed that the North East LEP is invited to a future meeting of the committee in 2020 to provide a progress update.

Background papers

- The North East Strategic Economic Plan can be viewed on the North east LEP website <https://www.nelep.co.uk/the-plan> and projects receiving funding in County Durham and elsewhere in north east can be viewed <https://www.nelep.co.uk/projects>

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Diane Close

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Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

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

Not applicable

Procurement

Not applicable

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Appendix 2

Durham County Council Economy and Enterprise Overview and Scrutiny

25th February 2019

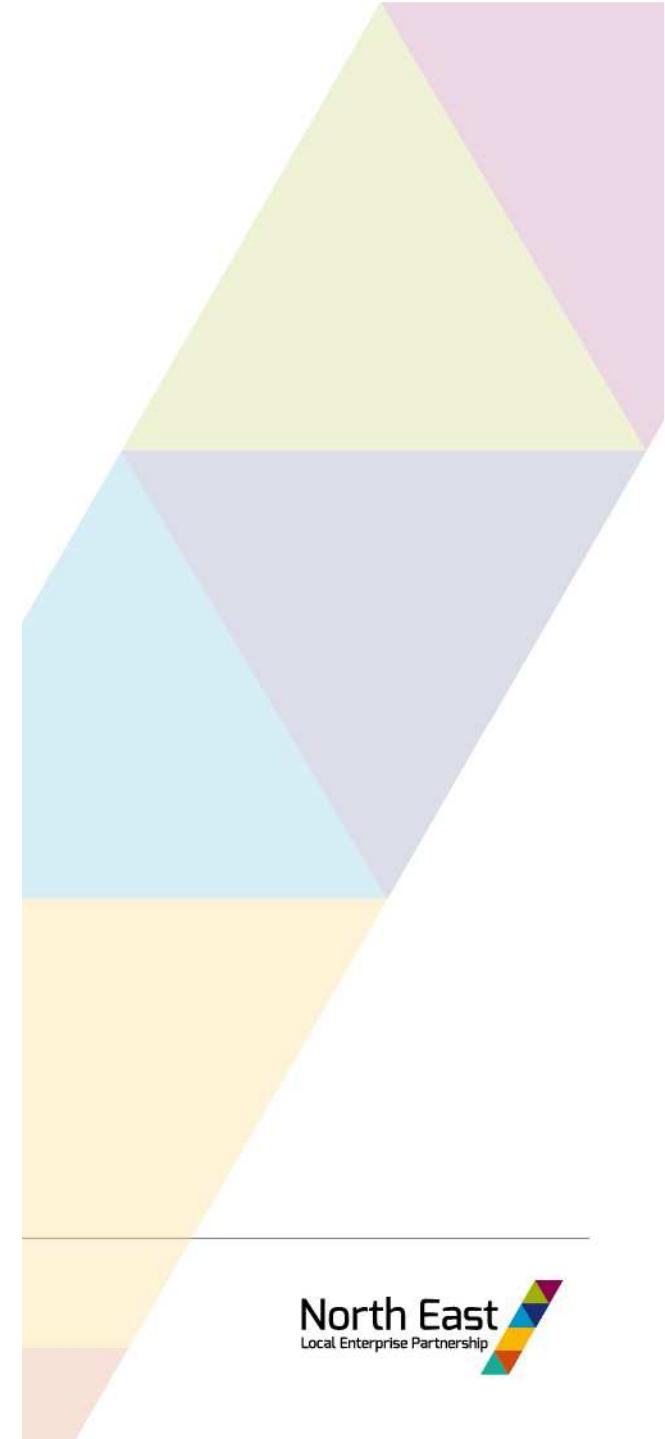
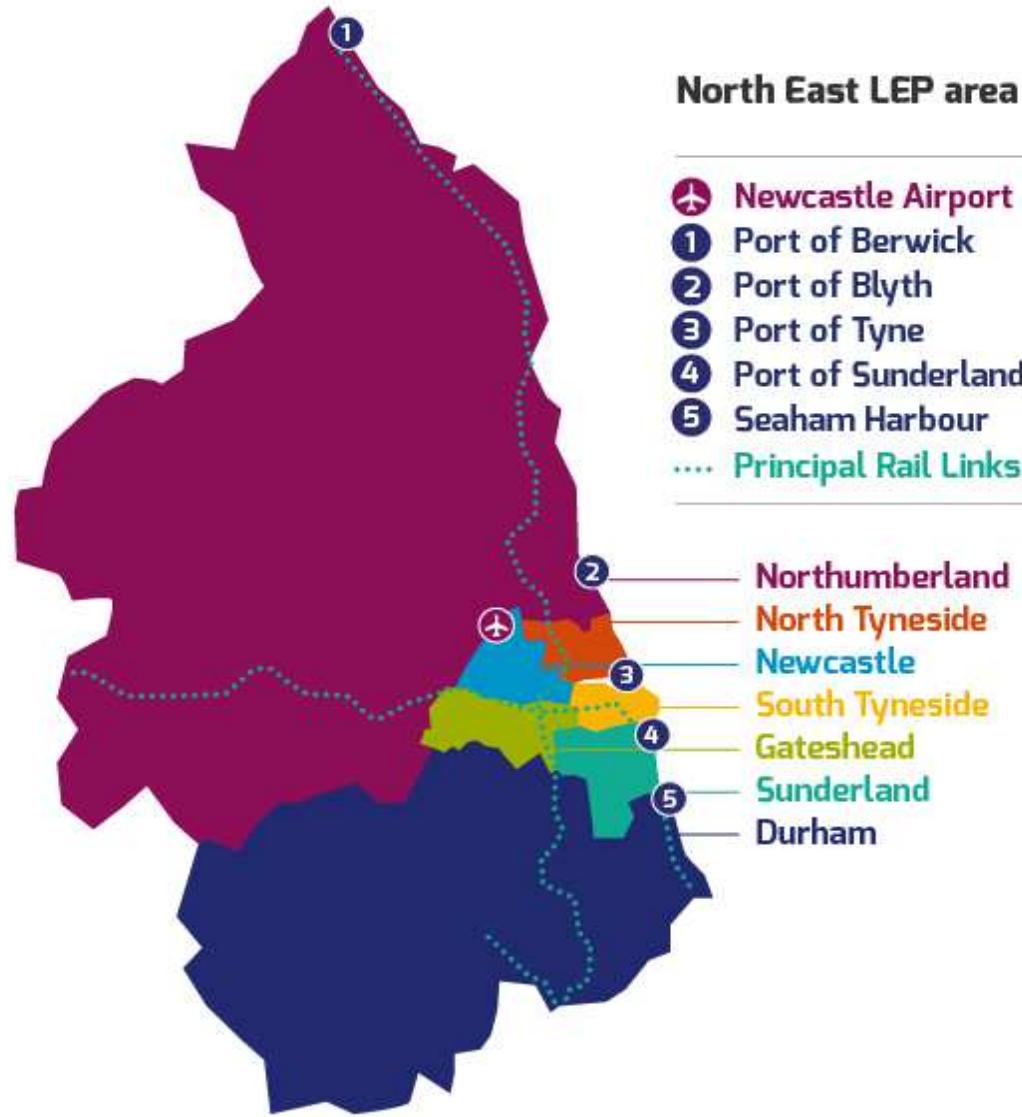


Purpose of Presentation

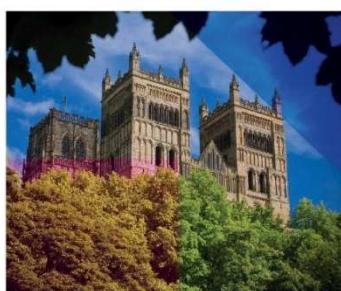
- 1. To briefly outline the role of the North East LEP including assurance systems**

- 2. To illustrate the range of capital projects in County Durham that have received support for North East LEP funding programmes**

Where do we cover ?



About the North East Local Enterprise Partnership



**What is the North
East Local
Enterprise
Partnership (LEP)?**

**SEP updated with a
Programme for
2019-21 - launched
on 14th Feb 2019**

**What is the North
East Strategic
Economic Plan
(SEP)?**

**Working on
'Local Industrial
Strategy' focus is
on increasing
productivity**

North East SEP 2019 - Four Priority Growth areas

- **Digital** - digital technology transformation in business and commerce (cross cutting in today's economy)
- **Advanced manufacturing** – e.g. automotive and medicine manufacture.
- **Health and life sciences** - Improving health and responding to population ageing.
- **Energy** - Tackling climate change and promoting clean growth

North East SEP 2019 - Four key enabling sectors

- **Education**
- **Financial, professional and business services**
- **Transport and logistics**
- **Construction**

North East SEP 2019-21 – Five Delivery Programmes

- Business growth
- Innovation
- Skills, employment, inclusion and progression
- Transport connectivity
- Investment and infrastructure



Three LEP managed capital investment funds

Fund	Budget	Period	Amount contracted
North East Investment Fund (revolving loan fund)	£55m (From Growing Places Fund and Regional Growth Fund)	2012 - onwards	£65m
Local Growth Fund (grant)	£270m (From 3 Growth Deals)	2015- 2021	£255m
Enterprise Zone (loan funded by business rate income)	Circa £450m (est) from Business Growth Income	25 years from 2012 EZ Rnd 1 2017 EZ Rnd 2 sites	£74m

Assurance and Scrutiny of LEP Funds

- All funds are managed in accordance with the North East LEP **Assurance Framework** – this follows national Government guidelines and best practice. LEP Board reviews this annually.
- **Government holds an Annual Performance Review with each LEP** – this covers performance in regards to Governance, Strategy and Delivery. Future years funding is dependent on a positive review.
- Locally our programmes are subject to **audit and inspection** e.g. recent audit completed for NECA examined processes for project monitoring and verification of project data collected.
- **The North East LEP Board and Investment Board receive regular updates on performance** for each funding programme.
- **All LGF approved projects are monitored** – data on expenditure, performance and milestones are reported locally and to Gov't.



National Formulation Centre, NETPark, Sedgefield

Project Name	National Formulation Centre, NETPark		
Description	Opened March 2018, The Coxon Building houses The Centre for Process Innovation's (CPI's) new National Formulation Centre at NETPark.		
Total Cost	£15.7m	LGF contribution	£8.9m
Current position	Centre is operational, with 10 business supported. Project has supported 39 new jobs to date, exceeding original forecasts.		



Houghall College, Durham

Project Name	Rural Skills Development, Houghall College, Durham		
Description	Major refurbishment and development of facilities to support land based industries		
Total Cost	£3.35m	LGF contribution	£1.12m
Current position	Opened by HRH Princess Anne in January 2017. More than 200 Level 3 and 130 apprenticeships have been delivered through the new facilities to date.		



Durham City Incubator, Salvus House

Project Name	Durham City Incubator		
Description	Acquisition of long-term vacant Salvus House at Aykley Heads and conversion into incubator / managed workspace over four floors.		
Total Cost	£3.9m	LGF contribution	£1.25m
Current position	Refurbishment works completed. Ground floor incubation space offers small offices / collaborative workspace. 120 jobs created to date.		



Auckland Castle Welcome Building

Project Name	Auckland Castle Welcome Building, Bishop Auckland		
Description	Highway / public realm improvements to facilitate development of Auckland Castle Welcome Building and Tower, increasing visitors to Bishop Auckland.		
Total Cost	£4.2m	LGF contribution	£1.7m
Current position	Welcome Building construction and public realm works completed. Project launched in October 2018		



NETPark Phase 3 infrastructure



Project Name	NetPark Infrastructure Phase 3a		
Description	1km internal highway constructed to open up phase 3 of NETPark, creating serviced plots for up to 11 businesses on 13 ha.		
Total Cost	£5.09m	LGF contribution	£5.09m
Current position	Works completed Nov. 2018. Site development plots to be marketed.		



HM Government

North East
Local Enterprise Partnership 

Forrest Park, Newton Aycliffe.



Project Name	Forrest Park, Newton Aycliffe		
Description	Provision of offsite highway access and electricity substation servicing new strategic employment site near to Hitachi Rail plant.		
Total Cost	£13.6m	LGF contribution	£13m
Current position	Highway and Substation works completed in 2017 with residual works completed in 2018. Masterplan developed. Roadside commercial development project expected to commence in 2019.		

Explorer – Grow on space for NETPark

Project Name	Explorer – NETPark, Sedgefield		
Description	Lab / office space development on NETPark, to provide grow on space from incubator / secure inward investment.		
Total Cost	£7.2m	LGF contribution	£3.2m
Current position	The buildings operational since January 2018. Two businesses employing 48 have taken up space – one in each of the buildings.		



Other projects supported in County Durham

National Centre for Healthcare Photonics –
recently completed on NETPark. To be
formally opened in March.

Integra 61, Bowburn – strategic
employment and housing site infrastructure
works in progress.

North East Rural Growth Network – 10
smaller scale developer / business growth
projects supported in County Durham to
date.

Durham Station cycleway – new cycle path
connection to County Hall

Hordon Rail Station – works expected to
start Feb 2019 for completion early 2020.



Further information on all North East LEP funded projects can be found here:

<https://www.nelep.co.uk/projects/>

Thank you



Economy and Enterprise Overview and Scrutiny Committee

25 February 2019



County Durham Skills Strategy – Progress Update

Joint report of Lorraine O'Donnell, Director of Transformation and Partnerships and Ian Thompson, Corporate Director of Regeneration and Local Services and Margaret Whellans, Corporate Director of Children and Young People's Services

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report provides members of the Economy and Enterprise Overview and Scrutiny Committee with an update on progress against the targets that were originally set in the Skills Strategy, as well as information about policy developments that will inform decisions regarding the future direction of a Skills Strategy for County Durham. This is prior to a presentation from the Strategic Manager Progression and Learning and the Economic Development Manager.

Executive summary

- 2 During meetings of the Economy and Enterprise Overview and Scrutiny Committee held during 2018 members have raised questions in relation to skills development within County Durham and the need to ensure that the skills being developed meet the requirements of employers both now and in the future.
- 3 The Committee carried out a review project in 2016/17 which looked at the support provided for skills development in County Durham, with an update on progress made in relation to the recommendations contained in the report scheduled for the meeting on the 25 February 2019. It was therefore considered timely that the committee invites the appropriate officers to the meeting of the committee on the 25 February 2019.

4 Arrangements have been made for Linda Bailey, Strategic Manager Progression and Learning, Children and Young People's Services and Graham Wood, Economic Development Manager, Regeneration and Local Services to attend the meeting on the 25 February 2019 and deliver a presentation focusing on:

- Background to the strategy and themes.
- Update on the Skills Strategy, including progress against targets.
- Policy developments influencing decisions regarding the future direction of a Skills Strategy for County Durham.

A copy of the presentation is attached as appendix 2.

Recommendations

- 5 That the Economy and Enterprise Overview and Scrutiny Committee note the information contained in the report and presentation.
- 6 That the Economy and Enterprise Overview and Scrutiny Committee include in its future work programme for 2019/20 a further progress update on the Skills Strategy for County Durham.

Background

- 7 In 2013, County Durham Economic Partnership's Business, Enterprise and Skills Working Group formed a task group to develop a new skills strategy for County Durham. The task group consisted of representatives from a broad range of key partners, including further education, higher education, government funding agencies, the National Careers Service, Jobcentre Plus, employer organisations and the Local Authority.
- 8 The Skills Strategy contains ten key priorities, separated into three distinct themes of workforce, business, and enabling, as follows:

Workforce

- Improve the qualifications and skills of County Durham residents.
- Develop skills to enable progression into employment.
- Improve skills to promote enterprise and entrepreneurial behaviour.
- Narrow the skills attainment gap in economically deprived communities.

Business

- Develop skills to meet demand of growth sectors.
- Increase the number of Apprenticeship opportunities.
- Stimulate demand for higher level skills to increase productivity and growth.

Enabling

- Develop high quality Information, Advice and Guidance.
- Develop market intelligence for employers, learners and providers in order to match supply with demand and to improve the relevance of skills provision.
- Support employers to utilise the skills funding system.

9 The Skills Strategy also contains a number of targets to be achieved by 2020, as follows:

- Reduce the proportion of 16-64 year old residents of County Durham who have no qualifications to 8.5%.
- Increase the proportion of 16-64 year old residents of County Durham with Level 3 qualifications and above to 51%.
- Increase the employment rate for 16-64 year old residents of County Durham to 68%.

Policy Developments

10 There are a number of significant national, regional, and local policy developments which have a direct impact on the skills needs of both businesses and individuals and, taken together, will influence decisions regarding the future direction of a skills strategy for County Durham. These include:

- North East Strategic Economic Plan – The North East Local Enterprise Partnership's (LEPs) Strategic Economic Plan was originally published in 2014 and subsequently refreshed in 2017. It sets out a number of interventions to generate 100,000 'more and better' jobs within the region's economy by 2024. The current version of the SEP is being updated and publication is expected in February 2019.
- Industrial Strategy: Building a Britain fit for the future – In 2017, the Government published its Industrial Strategy which sets out how it will help businesses to create better, higher paying jobs with investment in skills, industries and infrastructure. The North East Local Enterprise Partnership has subsequently been asked to develop a Local Industrial Strategy. This will set out the region's role in the UK Industrial Strategy, with a focus on industrial growth and improving productivity. It will align to the North East Strategic Economic Plan. The Government is aiming to agree Local Industrial Strategies by 2020.

- Introduction of Skills Advisory Panel which will support Mayoral Combined Authorities and LEPs fulfil their local leadership role in the skills system by helping them understand current and future skills needs and develop a clear approach to addressing skills and employment challenges within the local area. Skills Advisory Panels will be local partnerships aiming to strengthen the link between public and private sector employers, local authorities, colleges and universities.
- European Funding – As a transition region, County Durham is benefitting from the current European Structural and Investment Funds Programme (2014-2020). In preparation for the United Kingdom leaving the European Union, the Government has announced proposals to create a United Kingdom Shared Prosperity Fund, which will replace European Structural Funds. The objective of Shared Prosperity Fund is to tackle inequalities between communities by raising productivity, especially in areas whose local economies are furthest behind compared to the rest of the United Kingdom. The priorities identified in Local Industrial Strategies (including the North East) will be used to inform how the Shared Prosperity Fund is utilised in future. The Government has committed to consulting on its proposals, although further details are not available at this stage.
- Devolution - Since 2014, the Government has entered into agreements to devolve powers and budgets to local areas, including the Tees Valley Combined Authority in 2017 and the North of Tyne Combined Authority in 2018. In relation to skills training, from 2019 approximately 50% of the Adult Education Budget will be devolved to Tees Valley (as well as six other Combined Authority areas plus the Greater London Authority). They will be responsible for commissioning and funding the Adult Education Budget for learners who are resident in their areas. The expectation is that similar arrangements will be agreed with the North of Tyne Combined Authority from 2020. The Education and Skills Funding Agency will continue to distribute the Adult Education Budget in other areas, including County Durham.
- Adult Skills Funding – In recent years, there has been a real terms reduction in funding for adult skills combined with a shift in resources away from the public sector to the private sector, as a result of Government changes. This has led some¹ to argue that these developments may be exacerbating the skills / income gap between individuals from lower socio-economic groups (who are less likely to

¹ 'The Adult Skills Gap: is falling investment in UK adults stalling social mobility?' Social Mobility Commission, January 2019.

receive adult skills investment) and individuals from higher socio-economic groups (who are more likely to invest in their own skills).

- Further Education Reforms – The Government is introducing a number of reforms, which will impact on the Further Education landscape in the coming years. These include the introduction of T-Levels from 2020, a review of post-18 education and funding which is due to report in 2019, as well as the introduction of a national retraining scheme that was announced in the 2017 budget.
- County Durham Business and Enterprise Framework - County Durham's Business and Enterprise Framework was developed in 2015 in order to improve the productivity of County Durham's businesses and to support private sector growth. The Framework contributes towards the achievement of the SEP and is developed around three key areas, namely: Business Sectors; Business Competencies; and Business Geography. Skills development is an integral part of the Framework.
- In addition to the policy developments outlined in this report, there are broader changes within the global economy which will have an increasing impact on future skills and working practices. These changes are driven by technological advancements such as Artificial Intelligence and are often referred to as the Fourth Industrial Revolution. Technological advancements are also raising fundamental questions about the future nature of work. In response, the Government has commissioned a number of studies, including an independent review of employment practices in the modern economy².

Skills Strategy Targets - Progress

11 In terms of progress against the original targets set out in the Skills Strategy, one target has been exceeded (employment rate), one target is on track to being met (proportion of individuals who have Level 3 qualifications and above), and one target is proving to be challenging in terms of year-on-year fluctuations (proportion of individuals who have no qualifications). The latest available data shows that :

- The proportion of 16-64 year old residents of County Durham who have no qualifications was 10.9% (December 2017).
- The proportion of 16-64 year old residents of County Durham with Level 3 qualifications and above was 50.2% (December 2017).

² 'Good Work: The Taylor Review of Modern Working Practices', Department for Business, Energy and Industrial Strategy.

- The employment rate for 16-64 year old residents of County Durham was 74.4% (September 2018).

County Durham Economic Partnership – Business, Enterprise and Skills Group

- 12 The Business, Enterprise and Skills Group of County Durham's Economic Partnership is working with the North East Local Enterprise Partnership to inform the development of the North East Local Industrial Strategy as well as identifying priorities for the Shared Prosperity Fund.
- 13 As a result of uncertainty surrounding a number of important policy developments outlined in this report, County Durham Economic Partnership's Business, Enterprise and Skills Group will give further consideration as to whether a separate skills strategy for County Durham is required in future or whether it is more appropriate to place skills development within County Durham's Business and Enterprise Framework.

Next Steps

- 14 The Business, Enterprise and Skills Group of County Durham's Economic Partnership will consider whether a separate skills strategy for County Durham is required in future.

Main implications

- 15 The key messages for members to note are:
 - Progress is being made against some of the targets that were originally set in the Skills Strategy.
 - Due to uncertainty surrounding a number of important policy developments, County Durham Economic Partnership's Business, Enterprise and Skills Group is considering the future direction of a skills strategy for County Durham.

Conclusion

- 16 Members will receive an update on progress made in relation to the targets identified in the strategy together with detail of the future direction of travel for the strategy. The Economy and Enterprise Overview and Scrutiny Committee will continue to monitor the progress of the strategy with a further update report included in the work programme for 2019/2020.

Background Papers

- Durham's Skills Strategy 2014-2018.

Contact: Linda Bailey

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Graham Wood

Tel: 03000 262002

Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

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

Not applicable

Procurement

Not applicable

Appendix 2

County Durham Skills Strategy - Progress Update

Linda Bailey, Strategic Lead Progression and Learning &
Graham Wood, Economic Development Manager

Altogether better



County Durham Skills Strategy – Progress Update

- Update on County Durham Skills Strategy – progress against Targets
- Policy Developments
- Next Steps

Altogether better



County Durham Skills Strategy - Themes

Workforce

- Improve the qualifications and skills of County Durham residents.
- Develop skills to enable progression into employment.
- Improve skills to promote enterprise and entrepreneurial behaviour.
- Narrow the skills attainment gap in economically deprived communities.

Business

- Develop skills to meet demand of growth sectors.
- Increase the number of Apprenticeship opportunities.
- Stimulate demand for higher level skills to increase productivity and growth.

Altogether better

County Durham Skills Strategy - Themes

Enabling

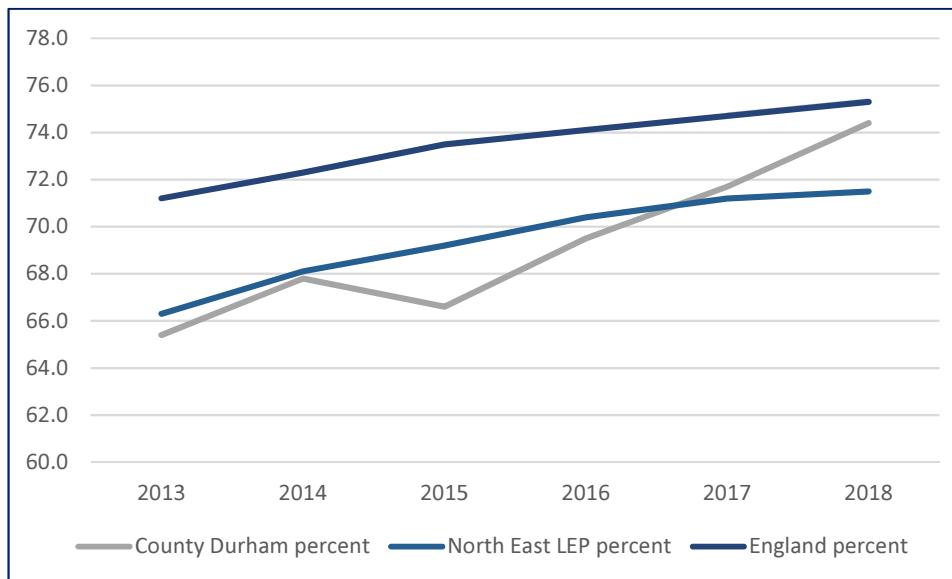
- Develop high quality Information, Advice and Guidance.
- Develop market intelligence for employers, learners and providers in order to match supply with demand and to improve the relevance of skills provision.
- Support employers to utilise the skills funding system.

Altogether better



Progress Against Targets

- Increase employment rate of 16-64 year old residents of County Durham to 68%

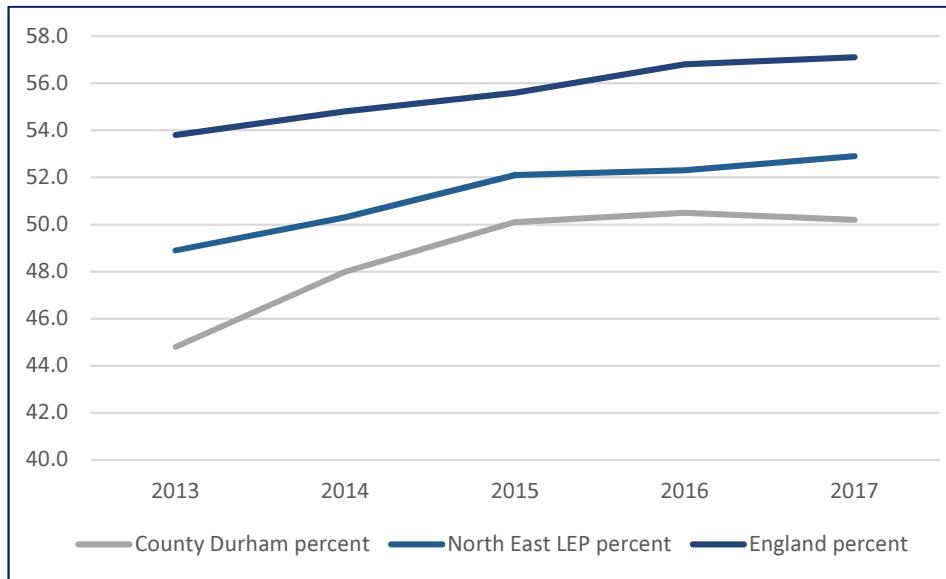


- Latest data shows that employment rate in County Durham (74.4%) was higher than for North East LEP (71.4%) but lower than for England (75.3%)

Altogether better

Progress Against Targets

- Increase the proportion of 16-64 year old residents of County Durham with Level 3 qualifications and above to 51%



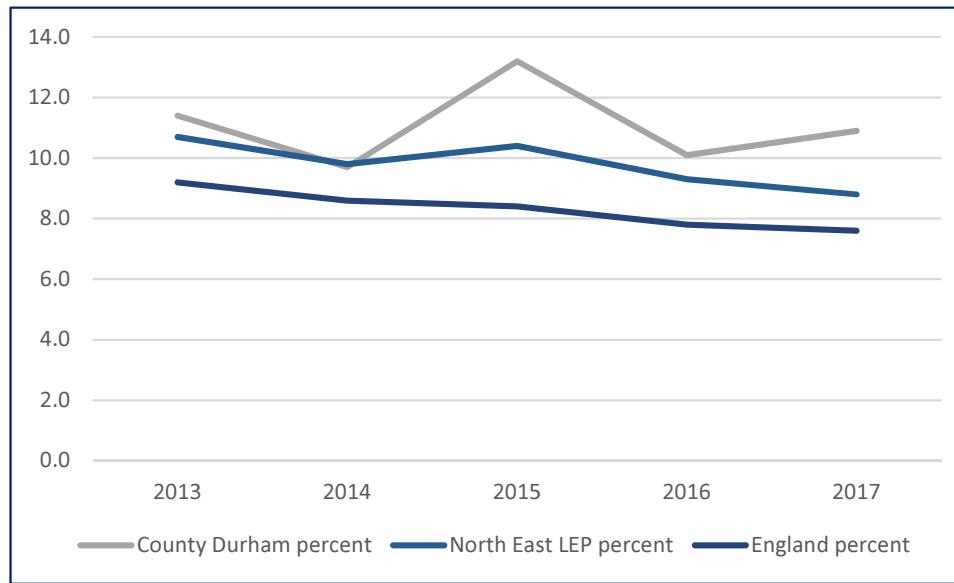
- Latest data shows that proportion with Level 3 qualifications and above in County Durham (50.2%) was lower than North East LEP (52.9%) and England (57.1%)

Altogether better



Progress Against Targets

- Reduce the proportion of 16-64 year old residents of County Durham who have no qualifications to 8.5%.



- Latest data shows that proportion with no qualifications is higher in County Durham (10.9%) compared to North East LEP (8.8%) and England (7.6%)

Altogether better



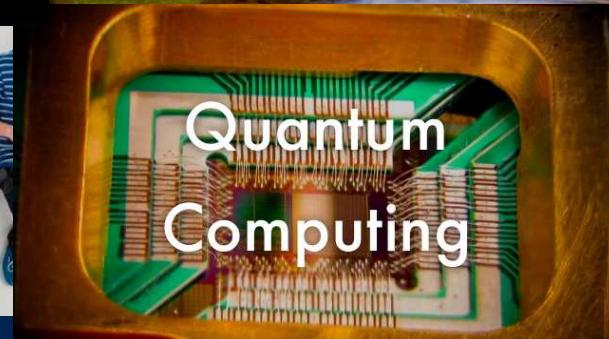
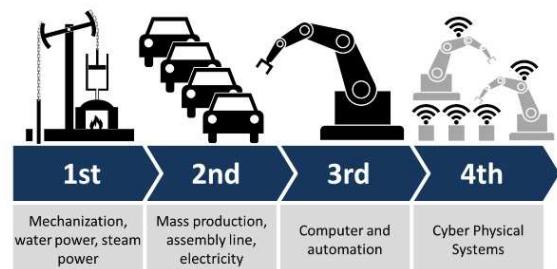
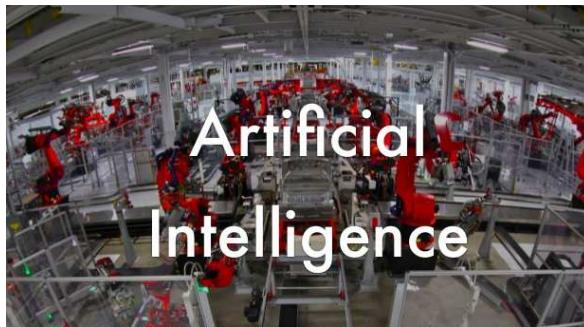
Policy Developments

- North East Strategic Economic Plan
- Local Industrial Strategy/Shared Prosperity
- Devolution of Adult Education Budget
- Further Education Reforms

Altogether better



The Future of Work



The story of automation will not be unemployment. It will be about education, progression, and redeployment.



Altogether better

10 jobs that did not exist 10 years ago

- App Developer
- Social Media Manager
- Uber Driver
- Sustainability Manager
- Cloud Computing Specialist
- Big Data Analyst
- Drone Operator
- YouTube Content Creator
- Driverless Car Engineer
- Millennial Generation Expert

Altogether better



Funding for Adult Skills Development

- National reduction in funding for adult skills (adult education budget) – 34% fall in real terms from 2010/11 to 2015/16 and more since.
- Introduction of Apprenticeship Levy.
- Individuals at a disadvantage in the labour market are less likely to receive adult skills investment.
- Employers are more likely to invest in those with higher skills
- Better-off individuals are also more likely to fund their own training.
- Some public funded training specifically targets those disadvantaged e.g. Adult Learning and Skills Service.

Altogether better

County Durham Business and Enterprise Framework

The screenshot shows the homepage of the County Durham Economic Partnership Business & Enterprise Framework website. The header includes the partnership's name and a logo for 'Altogether wealthier' with the subtitle 'County Durham Economic Partnership'. The main navigation menu has links for Home, Our Vision, The Framework, Partners, and Contact us, along with sub-links for Business Competencies, Business Sectors, and Business Geography. Below the menu is a large banner featuring three white boxes on a blue background. The first box contains a hexagonal icon and the text 'Business Competencies'. The second box contains a circular icon and the text 'Business Sectors'. The third box contains a location pin icon and the text 'Business Geography'. Each box has a brief description below it. At the bottom of the page, there is a section titled 'Measuring OUR SUCCESS' with three numbered items: 'Size of economy: £8.6 billion', 'GVA Per Filled Job: £46,000', and 'Number of businesses: 14,000'.

County Durham Economic Partnership
Business & Enterprise Framework

Altogether
wealthier
County Durham
Economic Partnership

Home Our Vision The Framework Partners Contact us

Business Competencies Business Sectors Business Geography

Business Competencies
Businesses grow on the basis of a range of corporate values and objectives and the abilities and experience.

Business Sectors
We have redefined traditional sectors in order to target business support in a way that is meaningful for partners.

Business Geography
This Business Geography Story Map forms a critical part of the County Durham Business & Enterprise Framework.

Measuring OUR SUCCESS

01 Size of economy: £8.6 billion
02 GVA Per Filled Job: £46,000
03 Number of businesses: 14,000

Altogether better



Next Steps

- County Durham's Business, Enterprise and Skills (BES) Group working with North East LEP to influence Local Industrial Strategy and UK Shared Prosperity Fund.
- Introduction of Skills Advisory Panel.
- Outcome of Review of Post-18 Education and Funding, including, direction of National Retraining Scheme.
- BES Group to consider future of Skills Strategy.

Altogether better

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Economy and Enterprise Overview and Scrutiny Committee

25 February 2019



Economy and Enterprise Overview and Scrutiny Review of Support provided for Skills Development within County Durham

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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The report provides members with an update on the progress made in relation to the recommendations contained within the Economy and Enterprise OSC review group report of support provided for skills development within County Durham.

Executive summary

- 2 The Economy and Enterprise Overview and Scrutiny Committee in 2014/15 were concerned about ensuring that young people in the county had the necessary skills to meet the requirements of local employers.
- 3 As a result in October 2015 the committee agreed the terms of reference for a review focusing on investigating and understanding the role and performance of DCC and key partners in supporting skills development in County Durham.
- 4 The review group held nine meetings during which it received evidence from various partners and local businesses. The group also visited new College Durham and two training providers in the county.
- 5 The review report was considered by Cabinet at the meeting on the 19 October 2016 and made several recommendations as detailed in paragraph 11 and included in the template attached as appendix 2.

6 Members will be aware that as part of the review process we ask that detail of progress made against the recommendations be provided to the committee, normally three updates per review. The committee has received two previous updates.

Recommendation

7 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to consider and comment upon the progress made in relation to the recommendations contained in the Scrutiny review report.

Background

8 At a special meeting of the Economy and Enterprise Overview and Scrutiny Committee held on 29 October 2015 members agreed the terms of reference for the review with the aim of investigating and understanding the role and performance of DCC and key partners in supporting skills development. It was agreed that the review would:

- Consider and understand the current approach to skills development at a national, regional and local level.
- Examine the existing occupational profile of County Durham including the skill base of residents within County Durham and compare to the regional and national skill base.
- Consider and understand the role and performance of DCC and key partners in supporting skills development within the county including detail of various projects/initiatives.
- Examine how DCC engages with key partners including the National Careers Service, Business and Education Board, FE colleges, specialist learning providers, employers and the County Durham Economic Partnership (CDEP) to support skills development within the county.
- Identify any barriers to employment for a variety of specific sectors including: employers; adults; young people including young people who are not in education, employment or training (NEETs).
- Examine any actions identified to address barriers.
- Identify and consider future skill priorities for the county.

- 9 A review group consisted of 13 members from the membership of the Economy and Enterprise Overview and Scrutiny Committee. Evidence was gathered over nine meetings and three visits providing members with the opportunity to see 'first hand' the type of skills support provided by partners in the county.
- 10 In addition to the report being considered by Cabinet in October 2016 the report was also shared with the Business, Enterprise and Skills Working Group of the County Durham Economic Partnership at the meeting on the 24 November, 2016.
- 11 The review made the following recommendations:
- That the Council robustly analyses the impact of the introduction of the Apprenticeship Levy and the statutory apprenticeship target on Durham County Council and further apprenticeship opportunities in the county.
 - That Durham County Council monitors the progress of the North East Area Based Review and the full devolution of the Adult Education Budget within the context of future FE provision within County Durham.
 - That Durham County Council (DCC) via the Regeneration and Economic Development (RED) Service Grouping is pro-active in promoting with SMEs and training providers in the county the various top up grants available from the County Durham Apprenticeship Programme (CDAP) together with the availability of support to employers to assist in applying for the various available top ups.
 - As part of the monitoring arrangements for the DurhamWorks Programme the Council ensures that the Economy and Enterprise Overview and Scrutiny Committee receive updates on the progress, performance and delivery of the programme.
 - That Durham County Council is pro-active in promoting with schools the importance of providing young people with good quality Careers Education, Information, Advice and Guidance (CEIAG) together with an opportunity for meaningful work experience placement with local employers, and continues to monitor take up of provision by schools.
 - That the Area Action Partnerships (AAPs) continue to develop local skill projects and initiatives and where appropriate share across the AAP network and work with the Children and Young People's Services Service Grouping to determine whether any elements of individual AAP projects can be used to complement the DurhamWorks Programme.

- That key partners within the county be encouraged through the County Durham Economic Partnership (CDEP) to use the same labour market tools and share data so that there is a consistent approach to predicting employer's future skill requirements.
 - That the Business and Education Board build upon the success of 'Get the Buzz' week by continuing to work with partners to identify and develop future opportunities for business and education engagement across County Durham.
 - That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:
 - (a) A summary of AAP activity currently undertaken across the county focusing on skills development.
 - (b) A summary of activity undertaken to develop further opportunities for business and education engagement.
 - (c) An update on the progress of the three local apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub Programme and the CDAP).
- 12 Members heard when receiving the last update that some of the recommendations are no-longer relevant however members will be updated on those recommendations which still apply.

Conclusion

- 13 Members will receive detail of the progress made in relation to those recommendations which are still relevant.

Background papers

- Support provided for skills development within County Durham - Review Report 2016.

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Diane Close

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Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

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

Not applicable

Procurement

Not applicable

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Appendix 2

OVERVIEW AND SCRUTINY WORKING GROUP REPORT – SKILLS DEVELOPMENT WITHIN COUNTY DURHAM REVIEW OF RECOMMENDATIONS CONSIDERED BY CABINET ON 19 OCTOBER 2016.

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
1) That the Council robustly analyses the impact of the introduction of the Apprenticeship Levy and the statutory apprenticeship target on Durham County Council and further apprenticeship opportunities in the county.	<p>The Council introduced a corporate co-ordinated approach to the council's apprenticeship programme in May 2018 which is managed by the Organisational Development/Workforce Development team within People and Talent Management.</p> <p>Work is on-going with service managers to identify apprenticeship opportunities for new and existing employees through high quality apprenticeship programmes across all service areas of the council that are linked to career pathways to support workforce development and workforce planning. This co-ordinated and planned approach ensures that the apprenticeship levy is maximised and progress is made towards the public sector apprenticeship target.</p> <p>In respect of wide apprenticeship delivery across the County, it is at present difficult to ascertain the impact of the recent raft of apprenticeship reforms on general apprenticeship delivery across County Durham. With reforms commencing in May 2017 and a data lag from the Education Skills Funding Agency, it will take several quarters to be clear on the absolute and comparative changes to apprenticeship take up and completion.</p>	Alison Lazzazera	Ongoing
		Graham Wood	Ongoing

	Headline figures reported in November 2018 by the Education and Skills Funding Agency at a national level show that there were 375,800 apprenticeship starts in the 2017/18 academic year, compared to 494,900 and 509,400 in 2016/17 and 2015/16, a decrease of 24.1 and 26.2 per cent respectively.		
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
2). That Durham County Council monitors the progress of the North East Area Based Review and the full devolution of the Adult Education Budget within the context of future FE provision within County Durham.	<p>Recommendation in relation to the North East Area Based Review no longer applies – the Government's Area Based Review process has completed.</p> <p>There are a number of other reforms and developments that are impacting on Further Education, including reform of technical education - introduction of T-Levels and a Government review of post-18 education and funding. This review is due to report in 2019 and is focusing on ensuring the education system for those aged 18 and above is accessible to all, is supported by a funding system that provides value for money, incentivises choice and competition across the sector, and encourages the development of skills that we need as a country.</p>	Linda Bailey	Ongoing

	<p>For the academic year 2019-20, the Adult Education Budget will be devolved to six Combined Authority areas (including Tees Valley) and the Greater London Authority – they will be responsible for commissioning and funding the Adult Education Budget for learners who are resident in their areas. Therefore, the Adult Education Budget will be split between an ESFA (Education and Skills Funding Agency) funded budget for the ESFA to distribute and seven devolved budgets for the Combined Authorities / Greater London Authority to distribute.</p> <p>The North of Tyne Combined Authority was established in October 2018 and the expectation is that the Adult Education Budget will be devolved to it from 2020/21.</p>		
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
3) That Durham County Council (DCC) via the Regeneration and Economic Development (RED) Service Grouping is pro-active in promoting with SMEs and training providers in the county the various top up grants available from the County Durham Apprenticeship Programme (CDAP) together with the availability of support to employers to assist in applying for the various available top ups.	<p>The Economic Development Team have been active in promoting apprenticeship take up amongst SMEs since the development of the Apprenticeship action Plan and associated launch of the County Durham Apprenticeship Programme in November 2011.</p> <p>In that time over 1076 residents have accessed apprenticeship opportunities supported through the programme, with 711 Companies creating apprenticeship opportunities.</p>	Graham Wood	Ongoing

	<p>Funding for the subsidy was sourced from Apprenticeship Grant for Employers (AGE) derived from the SFA with a £1,000 top up offered by DCC.</p> <p>The AGE funding concluded in July 2017 and all DCC funds supporting this programme have at present been committed.</p> <p>With the delivery of the first phase of the Durham Works Programme a series of support grants to business for the creation of employment opportunities for young people were available and these were the main tool currently offered to local companies to assist in bringing forward apprenticeship roles.</p> <p>A Learning, Working and Earning Grant continues to be available to employers (SME) as part of the extended DurhamWorks Programme. 446 Learning, Working and Earning Grants have been awarded since the commencement of DurhamWorks.</p>	Linda Bailey	Ongoing
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
4) As part of the monitoring arrangements for the DurhamWorks Programme the Council ensures that the Economy and Enterprise Overview and Scrutiny Committee receive updates on the progress, performance and delivery of the programme.	<p>Updates on the DurhamWorks Programme were provided to the Economy and Enterprise Overview and Scrutiny Committee on 26th September 2017 and 26th June 2018.</p> <p>The Local Authority has been successful in securing additional funding to extend DurhamWorks until July 2021.</p>	Linda Bailey/Helen Radcliffe	Ongoing

	The aim is to support over 10,000 young people by the end of the Programme. The latest performance information shows that 5,292 young people (whose eligibility has been verified) have been supported by DurhamWorks – a significant proportion of which have a self-declared vulnerable characteristic. 3,400 young people have been supported to participate in Education, Employment and Training. The number of young people who have completed the programme is 2,792, of which over 90% have progressed into a positive destination. DurhamWorks continues to evolve and a number of exciting new sector routeways are being established in areas such as Adult Health and Social Care, Digital, Manufacturing, Hospitality and Customer Service.		
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
5) That Durham County Council is pro-active in promoting with schools the importance of providing young people with good quality Careers Education, Information, Advice and Guidance (CEIAG) together with an opportunity for meaningful work experience placement with local employers, and continues to monitor take up of provision by schools.	The Local Authority continues to deliver a range of Work Related Learning and Enterprise activities to primary and secondary schools on a traded basis. Schools are encouraged to access opportunities to develop their CEIAG e.g. Regional Careers Leaders Network (North East Local Enterprise Partnership) etc.	Linda Bailey	Ongoing

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>⑥) That the Area Action Partnerships (AAPs) continue to develop local skill projects and initiatives and where appropriate share across the AAP network and work with the Children and Young People's Services Service Grouping to determine whether any elements of individual AAP projects can be used to complement the DurhamWorks Programme.</p>	<p>AAPs have continued to support a range of employability and Apprenticeship projects.</p> <p>During 2016/17 AAPs have collectively funded 58 projects with a main theme of employability, enterprise and skills outputs. The total amount of funding allocated by AAPs has been £600,847. These figures include 7 projects funded out of the AAPs Welfare Reform funding.</p> <p>We are seeing a number of schemes being developed this year and Employability, Enterprise and Skills is a priority for 6 of the 14 AAPs during 2018-2019. This is down from 8 AAPs having this priority in the previous year.</p> <p>Priorities will be reviewed over the coming months for the next AAP operational year from April 2019.</p> <p>All 14 AAPs still have Children and Young People as a priority so there's scope in this priority to also look at skills development amongst young people.</p> <p>The second phase of Durham Works funding has also been a very positive step and AAPs have engaged well with Durham Works staff to understand how that funding can be applied locally to 16-25 yr olds.</p>	AAPs	Ongoing

The European Community Led Local Development (CLLD) Programme has commenced in targeted areas within North and South Durham.

5 AAP areas are covered by CLLD (Chester-le-Street, Stanley, Derwent Valley, Spennymoor and Bishop Auckland). The Community Led Local Development (CLLD) programme is a funding stream of approx. £3.6m over 4 years to target employability and entrepreneurship in the Counties most deprived wards.

Projects are being supported through this funding and to date over £480,000 is 'in contract stage' to be awarded to a range of employability focused projects.

Due to the existence of Durham Works this funding is to be focused at people aged 25 yrs and older. The CLLD money can't target the same client group as Durham Works as they are both funded through the EU.

We have also seen innovative use of AAP money piloting work with after school clubs around the creation of 'Coding Clubs' to teach basic computer coding. These are proving very popular as a way of teaching new emerging skills to a young audience.

Review Recommendation Page	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>8). That key partners within the county be encouraged through the County Durham Economic Partnership (CDEP) to use the same labour market tools and share data so that there is a consistent approach to predicting employer's future skill requirements.</p>	<p>The development of accurate, timely and predictive Labour Market Information remains a significant challenge for the skills system in general.</p> <p>DCC and colleges have access to various LMI tools which can profile recent skills requirements and cross reference information when working on joint initiatives. However predicted skills requirements - particularly where new investments or emerging technologies are concerned remains problematic.</p> <p>Linked to the development of the Local Industrial Strategy process being led by the North East LEP, work is ongoing at a regional level to develop a Skills Advisory Panel linked to the LEPs Employment & skills Board. The panel will provide the opportunity to gather interpret and disseminate information relating to skills delivery and labour market requirements, ensuring there is a strong focus on future skills needs across the area</p>	CDEP	Ongoing

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
8) That the Business and Education Board build upon the success of 'Get the Buzz' week by continuing to work with partners to identify and develop future opportunities for business and education engagement across County Durham.	Recommendation no longer applies – the Business and Education Board was disbanded, following service restructure within the Local Authority. However, volunteers (Ambassadors) continue to be recruited from County Durham businesses in order to support the delivery of Work Related Learning and Enterprise activities in primary and secondary schools across County Durham.	Linda Bailey	
Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
9) That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following: <ul style="list-style-type: none"> • A summary of AAP activity currently undertaken across the county focusing on skills development. • A summary of activity undertaken to develop further opportunities for business and education engagement. • An update on the progress of the three local apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub Programme and the CDAP). 	<p>See Recommendation 6</p> <p>See Recommendation 8</p> <p>Teen Parents Apprenticeship Programme utilising funding from public health team and linking with the existing One Point Teen Parent Programme a focused intensive support programme resulted in 19 teen parents (male and female) progressing into apprenticeship opportunities.</p>	AAPs Graham Wood	Ongoing Ongoing Concluded

County Durham Apprenticeship Programme
The Apprenticeship Programme was launched in November 2011, with the aim of assisting in the creation of apprenticeship opportunities for unemployed residents who live in Co Durham and who are aged between 16-24 years.

The programme has provided an incentive to employers (SMEs or Social Enterprises) who may be considering recruitment and offers financial support as well as advice and guidance from the Council, Education Skills Funding Agency (ESFA) and associated training providers.

At the end of March 2017 there have been 1,076 starts across a variety of sectors, with the most popular apprenticeship frameworks being;

- Business Administration – 181 (L2 = 130, L3 = 50, L4 = 1)
- Engineering – 143 (L2 – 61, L3 = 82)
- Joinery – 78 (L2 = 68, L3 = 10)
- Electrical – 62 (L2 = 42, L3 = 20)
- Construction – 52 (L2 = 35, L3 = 17)

Of the 1,076 starts to date, 674 (63%) are aged 16-18 years, with 398 (37%) between 19-24 years. The range of statistics indicates that we are making good progress in terms of focussing on the younger age range which continues to be a priority of the Skills Funding Agency.

	<p>As at 31 December 2018 the council employed 222 apprentices across a range of occupational areas and levels, 103 which were service based and a further 119 in maintained schools.</p> <p>The retention rate for apprentices gaining employment with the council in service areas from 1 April to 31 December 2019 was 68%. Further work is being progressed to monitor the progression of apprentices and to support them into employment.</p> <p>As at 31 December 2018 160 existing employees were upskilling through an apprenticeship, 148 which were service based and 12 in maintained schools.</p> <p>An Apprenticeship Strategy is currently being developed to outline what we want to achieve as an employer and the positive action we will take over the next three years to increase the number and range of apprenticeships within the council as part of our wider Workforce Development Strategy.</p> <p>ICT Apprenticeship Hub activity has been incorporated into the wider approach to identifying and supporting apprenticeship recruitment across the Authority</p>	Alison Lazazzera	Ongoing
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Economy and Enterprise Overview and Scrutiny Committee

25 February 2019



Digital Durham Programme

Joint report of Lorraine O'Donnell, Director of Transformation and Partnerships and John Hewitt, Corporate Director Resources

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with an update on the Digital Durham Programme.

Executive summary

- 2 The Economy and Enterprise Overview and Scrutiny Committee has received several updates on the progress of the Digital Durham Programme with the last update provided to committee on the 5 April 2018. It was agreed at this meeting that a further progress update would be included in the committee's work programme for 2018/19. The progress reports have focused on providing detail of work undertaken to improve broadband availability to the business sector, including the rural business sector in the county.
- 3 In addition, as part of the skills development scrutiny review project, members of the Economy and Enterprise skills development review group were informed of Durham County Council's ICT Apprenticeship Hub Programme and requested that they be kept updated on the progress of that programme.
- 4 Arrangements have been made for Alan Patrickson, Digital Durham Programme Director, to attend the Economy and Enterprise Overview and Scrutiny Committee on the 25 February 2019 to provide a presentation focusing on:
 - Back ground to the Digital Durham Programme
 - Progress with contracts 1&2

- Current position
- Planning for Phase 3

A copy of the presentation is attached as appendix 6.

Recommendations

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment on the contents of this report and presentation.
- 6 That the Economy and Enterprise Overview and Scrutiny Committee receives a further progress report on the development of the Digital Durham programme.

Background

- 7 Access to superfast broadband is a growing part of everyday life, both at work, at home and when mobile.
- 8 The benefits of high speed Internet access can be seen in terms of collaboration, the range of information available, education, shopping, finding employment, social activities and in service provision.
- 9 From a DCC perspective, superfast broadband allows citizens to conveniently interact with the council through digital services.
- 10 Businesses can sell goods and services across global markets through Internet marketing and online stores, reducing the need to move to more expensive premises or locations. In turn, this maintains employment and supports local economies.
- 11 A recent Government study describes these benefits. “The Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme” is available on line ([Link](#).)
- 12 In 2012, the Government set up Broadband Delivery UK (BDUK) within the Department for Culture, Media and Sport (DCMS), which set out to raise the levels of access to superfast broadband services across the UK by providing funds to local bodies. Digital Durham is the main programme in the North East region.
- 13 In 2018, the national programme reached 95% coverage of the UK and the Government stated:

- “The £1.7 billion Government rollout of superfast broadband to areas deemed “not commercially viable” by industry has so far reached more than 4.5 million UK premises that would otherwise have been left in the connectivity slow lane, the majority of which are in rural areas. In addition to the huge benefits to our day-to-day lives that superfast speeds offer, this closing of the “digital divide” has also delivered a significant boost to local economies - creating around 50,000 new local jobs and generating an additional £8.9 billion in turnover in the areas covered by the Government rollout between 2013 and 2016.”

Programme Background

- 14 The Digital Durham Programme was initially made up from 2 contracts, described below, governed by an agreement between Digital Durham and BDUK.
- 15 The Digital Durham Programme was initially made up from 2 contracts, described below, governed by an agreement between Digital Durham and BDUK.
- 16 The basis of each contract was that BDUK carried out a procurement exercise and appointed a company who would contract with all local bodies (such as Digital Durham) to deliver agreed targets. OR were successful in their bid and became the national provider.
- 17 After a national procurement exercise, BDUK appointed Openreach (OR) as the delivery partner and plans were developed in conjunction with local bodies to provide fibre-based connectivity to properties. This would enable service providers, such as TalkTalk and Plusnet, to offer broadband services directly to customers.
- 18 The Digital Durham Team carried out ‘demand stimulation’ activities to inform communities and residents when the new services were available and how to order them. These activities included leafleting, attendance at community events, websites and social media updates.
- 19 In delivering connectivity to homes and businesses, OR also had to upgrade their core backbone networks to provide additional capacity and resilience. This core network also supports the commercial activities of OR outside of the Digital Durham Programme.

Contract 1 – April 2014 to June 2016

- 20 The area covered by this contract consisted of County Durham, Gateshead, Sunderland and the five Tees Valley authorities, with DCC as programme manager.

- 21 The overall budget for Contract 1 was £25.4 million.
- 22 At the end of June 2016, the programme had enabled access to fibre-based broadband to 105,333 premises and superfast access to 89,225 premises, against targets of 104,716 and 88,437 respectively.
- 23 In County Durham alone, the provision was 69,239 and 61,372, respectively.
- 24 Take up of these services reached 48% for fibre-based broadband (15Mbps) and 28% for superfast broadband (24Mbps), with a rising trend of 1% per month.
- 25 In terms of funding, after accounting for contractual efficiencies, underspend and gainshare, BDUK's final assurance shows over £7million remains available to the programme for investment in superfast broadband.

Contract 2 – July 2016 to September 2018

- 26 The programme area was slightly different to the previous contract and includes County Durham, Gateshead, Middlesbrough, Redcar and Cleveland, South Tyneside and North Tyneside, with DCC as the accountable body.
- 27 The programme aimed to make fibre-based broadband services available to 27,976 premises and superfast broadband (24Mbps+) available to 24,461 premises.
- 28 The overall budget available for Contract 2 is circa £9 million.
- 29 To date, 27,432 additional premises have access to fibre-based broadband services and 22,274 have access to superfast broadband services.
- 30 OR Missed the target for Contract 2 by 2,731 and are developing a remedial plan.
- 31 Since Contract 2 commencement in 2016, take up figures are 27% for fibre-based broadband and 12% for superfast.
- 32 Of the £9million funding, it is estimated that all of this will be used to fulfil the contract.

Gainshare

- 33 Once take-up of new broadband services reaches a set level (20% for Contract 1 and 30% for Contract 2), Digital Durham receives income from OR for any additional connections that are made using the new infrastructure. This is known as Gainshare.
- 34 The Gainshare mechanism also incentivises local bodies to stimulate demand that will drive take up of services and 'earn' Gainshare.
- 35 Gainshare is paid to Digital Durham at the end of the contract period, in 2023.
- 36 This funding can be used for further investment in the development of broadband services, however BDUK will be entitled to claim 50% of gainshare that is not used for this purpose. This is in recognition of their initial capital contribution.
- 37 Other authorities have used the assurance of these funds to underwrite loans that will be repaid from Gainshare at the end of their contract period

Current Position

- 38 At the closure of Contract 2 in September 2018, around 5,000 properties remain without access to fibre-based or superfast broadband service. This represents around 2% of the premises in County Durham.
- 39 These premises are generally located in rural areas and would be costly to connect. Contracts 1 and 2 each had a cap of £1,700 per property, and this level was set nationally. This limit meant that many rural premises could not be connected, as the cost would be well above the level of the cap, due to the construction costs of long cable ducts.
- 40 According to Government figures, this would place County Durham 231st in the UK for superfast coverage, and 10th in the North East region. See Appendix 2.
- 41 The maps in Appendix 4 show:
 - Areas within County Durham that are considered to be within the most 30% deprived nationally.
 - Areas of County Durham classified under Basic Broadband criteria.
 - Areas of County Durham classified under Next Generation Access criteria.

Open Market Review (OMR) 2018

- 42 As any additional contract would involve new funding, a new Open Market Review (OMR) is needed to comply with State Aid regulations.
- 43 This is the third full OMR process that has been carried out and information has been gathered through consultation and review with service providers, BDUK, Ofcom and the public. The area covered 10 local authorities, over 1 million premises and more than 55,000 postcodes.
- 44 The information that has been gathered will be reviewed and used to develop a new baseline of coverage, detailing the premises remaining without access to superfast broadband, together with plans from commercial providers to develop their infrastructure. This will allow an area for further intervention to be identified.
- 45 The OMR was completed in November 2018 and analysis work is underway.

Approach

- 46 There are a number of factors to consider in developing an approach to the development of the Digital Durham programme: National targets and Government drivers, European targets, Ofcom regulation and DCC aspirations.
- 47 The Government's target to extend superfast broadband to 95% of the UK was reached in December 2017. Without contracts 1 and 2, Durham wouldn't have reached the national target.
- 48 In addition, through the Universal Service Obligation (USO), everyone in the UK will have the legally enforceable right to high speed broadband (10Mbps or faster) by 2020. This right will be managed by Ofcom, who will challenge service providers where necessary.
- 49 A link to the Ofcom report, 'Achieving decent broadband connectivity for everyone' can be found [here](#).
- 50 The report describes the regulator's definition of decent broadband, the scale of the problem of delivery, who should benefit from the USO, financial concerns (cost, price and affordability) and potential providers. Several Annexes provide supporting evidence and modelling.
- 51 The European Union (EU) has 3 strategic connectivity objectives for 2025:

- All main socio-economic drivers, such as schools, universities, research centres, transport hubs, all providers of public services such as hospitals and administrations, and enterprises relying on digital technologies, should have access to extremely high – gigabit – connectivity (allowing users to download/upload 1 gigabit of data per second).
- All European households, rural or urban, should have access to connectivity offering a download speed of at least 100 Mbps, which can be upgraded to gigabit services.
- All urban areas as well as major roads and railways should have uninterrupted 5G coverage, the fifth generation of wireless communication systems. As an interim target, 5G should be commercially available in at least one major city in each EU Member State by 2020. A target speed of 50Mbps is referenced.

Potential Funding

- 52 Subject to approvals from the Digital Durham Strategic board, partner councils and external funding bodies, there could be £10.7 million to extend superfast broadband coverage further. This consists of:
- County Durham - Potential for additional £1.1m funding from EAFRD Rural Broadband Fund.
 - Underspend from Contract 1 of up to £7m.
 - Unused Basic Broadband (infill funding) of up to £596,000.
 - Potential Contract 1 gainshare (underwrite/loan) of up to £2m - pending decision.
- 53 Note that each of the individual authority contributions and associated matched funding will be spent within their geographic area.
- 54 Of this £10.7million funding, £8,030,214 can be spent directly within County Durham.
- 55 The table in Appendix 5 summarises the potential funding available for Contract 3.

Projected Costs

- 56 Once Contracts 1 and 2 are complete, around 2% of the premises in County Durham will remain without access to broadband services less than 15Mbps. This amounts to around 5,000 premises.

- 57 In the existing cost models, the government allocated £1,700 per premise, which indicates an estimated cost of £8.5million for the remaining properties.
- 58 However, the experience of installing broadband over the past 5 years has shown that £1,700 per premise isn't enough to reach properties in very rural areas or areas that have poor data networks.
- 59 To reach a budgetary position, a figure of £2,500 per premise has been used, and this brings the estimated funding requirement to £12,500,000 to reach 100%.
- 60 Estimating accurate costs is difficult, as it is subject to many unknown conditions: blocked/collapsed ductwork, wayleaves, poor quality and direct buried cable with no existing ductwork.
- 61 Using the c.£8million of potential funding, it is estimated that an additional 2,600 premises could be connected. This would take coverage to around 99% in County Durham.
- 62 Impact of additional funding:

Additional Investment	Additional premises
£8,000,000 (current funding)	2,600
£9,000,000	3,000
£10,000,000	3,400
£11,000,000	3,800
£12,000,000	4,200
£13,000,000	5,000

Potential Issues/Risks

- 63 The Digital Durham Programme Risk Register is included as Appendix 3 and highlights a number of risks with the existing programme. Any new development would be subject to similar risks.

Other Technologies

- 64 Currently, superfast broadband can be provided through cabled connections, wireless solutions and mobile networks.

- 65 Whilst fibre optic cabling is regarded as most desirable and future proof, due to its speed/capacity and reliability, wireless networks can also deliver broadband at gigabit speeds and will be considered for Contract 3.
- 66 Current 4G mobile phone networks can deliver lower speed broadband and will be considered for premises without access to either fibre optic or wireless connectivity.
- 67 In many cases, 5G can offer faster services and lower latency than fibre-based broadband, but the technology is more suited to densely populated urban areas. 5G is relatively short range and consequently needs many more base stations/antennae to provide coverage.
- 68 4G and 5G Services will complement, rather than replace, the cabled infrastructures deployed by the programme.

Option to End Investment in Superfast Broadband

- 69 There is a further option to end the Digital Durham programme once Contract 2 is closed.
- 70 If this were to happen, monies would be returned to BDUK and partner local authorities. Around £2.75million capital would be returned to DCC, together with a reduced salary cost of £28,676 pa. 2 Jobs would be lost from the Digital Durham Team.
- 71 However, around 5,000 premises in the County would remain without access to superfast broadband services and without any commercial plans for installation. Several thousand citizens would not be able to gain the benefits associated with high speed Internet access.
- 72 As commercial services develop in areas with good infrastructure, the broadband gap will increase as 1000Mbps Ultrafast services are delivered.
- 73 As no other local body has indicated that they will cease investment, Durham would fall from their position in the broadband ‘league’ and may have the lowest coverage in the region.

Next steps

- 74 There are a number of planned activities that are underway to support the development of a strategic plan for the future of Digital Durham:
- Financial close of Contract 1: The ‘Deep Dive’ assurance process is now complete and it is expected that the closure will be finalised by the end of September.

- Contract 2: OR are developing a plan to meet the targets set out in Contract 2. This is expected before the end of September.
- The results of the 2018 OMR are being reviewed to establish a baseline of coverage, commercial plans and intervention area. This is expected by the end of November.

75 Once the outcomes of these activities is known, a further report will recommend an approach to Contract 3 or closure of the programme.

Conclusion

76 The issue of ensuring that businesses have access to superfast broadband featured strongly within the recently completed Scrutiny review report 'Support provided to the retail sector by DCC'. Members will have received a progress update on the support provided to the business sector by the Digital Durham Programme and future options to support the business sector of County Durham.

Background papers

- Digital Durham Programme papers

Other useful documents

Contact: Steve Hodgson

Tel: 03000 260019

Appendix 1: Implications

Legal Implications

Not applicable

Finance

A budgetary figure of £12.5million is estimated for 100% coverage of County Durham. Available funding is £8,030,214. A capital bid for £5million has been made to fund work towards this target. The total cost of the additional staff who support the Digital Durham programme is £63,676 and partner authorities contribute £35,000 pa towards this cost.

Consultation

On the 1 September 2018, the programme completed an Open Market Review (OMR) regarding Contract 3. This consultation is designed to allow telecommunications companies to consider the Digital Durham area, progress with infrastructure development and advise the programme of their plans. As a public consultation, any resident can also comment, registering demand or issues with service delivery. This will help to inform plans for future developments and investment.

Equality and Diversity / Public Sector Equality Duty

Increased broadband coverage enables improved access to services that are provided digitally.

Human Rights

Not applicable

Crime and Disorder

Not applicable

Staffing

There is currently a small team of four people working full time on the programme. Two of these positions are temporary contracts, one of which is funded from the partner authorities.

Accommodation

Not applicable

Risk

The programme has a risk register. As Contract 1 has overachieved on its objects there are no major risks.

Procurement

Procurement of services has been done through a national exercise. This has been carried out by Central Government and is subject to European State Aid regulations.

Appendix 2: Regional Comparisons Based on EU broadband definitions.

Regional Rank	National Rank	Council	Superfast 30Mbps+	Ultrafast 100Mbps+	Full Fibre
1	47	South Tyneside	99.00%	78.90%	0.00%
2	112	Sunderland	98.10%	54.90%	0.30%
3	128	North Tyneside	97.90%	63.50%	0.30%
4	146	Redcar and Cleveland	97.60%	90.20%	0.30%
5	159	Newcastle upon Tyne	97.30%	66.40%	2.60%
6	161	Hartlepool	97.30%	90.10%	0.00%
7	164	Middlesbrough	97.20%	93.00%	0.30%
8	189	Stockton-on-Tees	96.50%	89.70%	0.40%
9	209	Gateshead	96.00%	70.20%	1.00%
10	231	County Durham	95.50%	2.20%	0.50%
11	260	Darlington	94.50%	86.50%	0.80%
12	308	Northumberland	92.70%	2.50%	2.50%

NB Only Newcastle and Northumberland are outside of the Digital Durham Programme

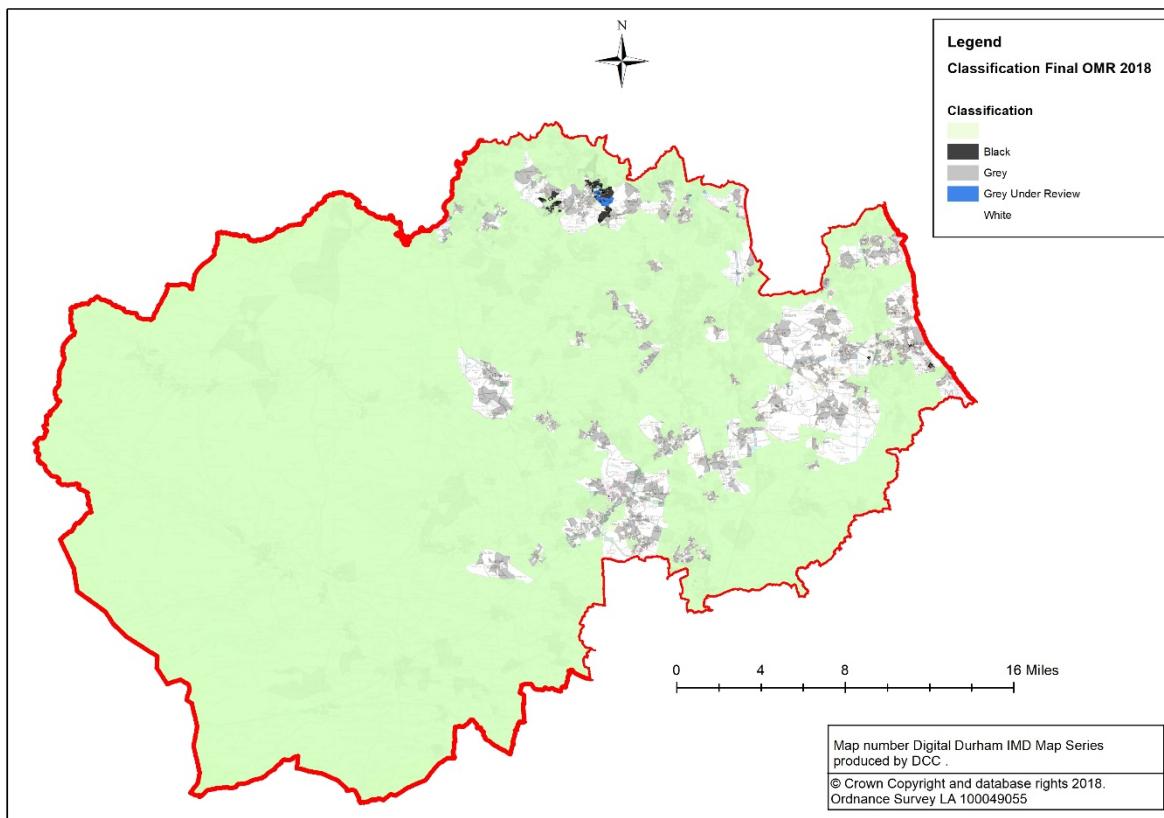
Appendix 3: Risk Register

Risk ID	Description of risk	Cause	Impact description	Controls
3	There is a risk of a long term resource requirement, leading to partners having to fund resource beyond the expected life of the programme.	1. Additional Contract 2 funding 2. Contractual requirement to manage contract for 7 years.	DCC resources required beyond currently expected timescales	1. Governance. 2. Monitoring of delivery partner, contractual arrangements via tender.
24	Poor Level of Take Up of SFBB services	Lack of resource for demand stim activities Ineffective Demand Stim strategy Inconsistent approach to Demand Stim across LA's Ineffective Digital Inclusion Strategy	Take up fails to achieve floor target and/or clawback target. Consequentially limit on re-investment fund and impact wider programme benefits	Defined Stakeholder Map. Initial Demand Stimulation Resource engaged on programme. Demand Stim Workstream Defined.
26	Communities in the Programme Area may not be covered by either the commercial programme or BDUK programme with no mechanism for bringing them into the latter	1. Cabs dropping out of commercial programme 2. New build activity in programme area post OMR 3. Premises connected to Cab but cannot currently get speed uplift 4. OMR incorrectly defined	Reputational - dissatisfaction from communities excluded from the SFBB programme. Coverage - DCC are constrained to delivering optimal coverage in the IA.	None
27	Programme Benefits cannot be fully realised and/or accurately baselined and measured	Lack of clarity around benefits measures. Lack of definition of Business Change activities (and owners) to realise the benefits Lack of overarching ownership to maximise the benefits	Failure of realise Government objectives of the programme. Failure to realise Council Benefits (i.e. transformed services) Low credibility of claimed benefits	Stakeholder engagement. Demand stimulation.
34	Coverage of Stockton Town centre does not meet Council expectations.	STC had not appreciated exactly what was planned to be delivered in Contract 1.	Late changes to deployment plan. Money spent that cannot be recovered.	Existing contract

35	Commercial rollout progressing extremely slowly	Resources diverted from Commercial Programme onto BDUK programme	People in planned commercial areas will not have access to SFBB	Contract management.
36	Lack of match against Contract 2 allocations	Many councils particularly Tees Valley have been unable to match their indicative allocations	Coverage will not hit 95% target in many areas. In Tees Valley many domestic prems will remain white.	BDUK

Appendix 4: Geographical Coverage

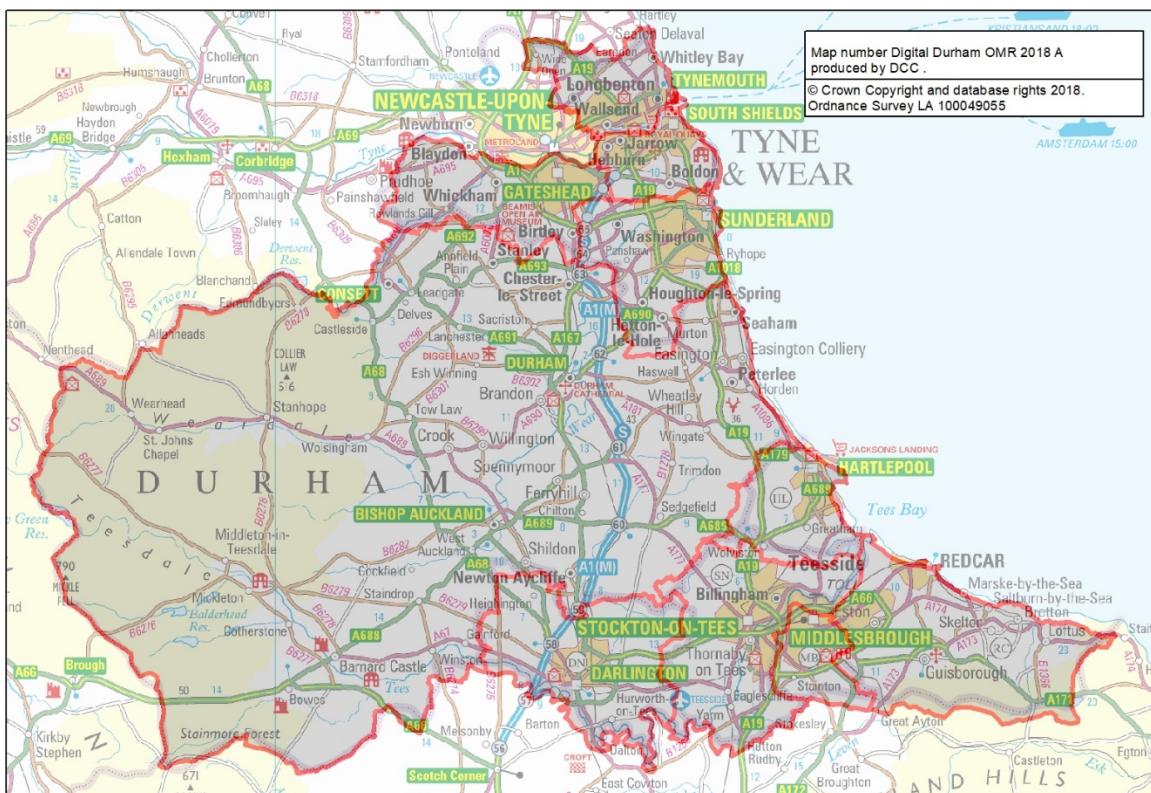
County Durham: Areas of Deprivation



- Areas visible are areas within County Durham are considered to be within the most 30% deprived nationally. The green blocked out areas are not within the lowest 30%.
- OMR 2018 definition of superfast broadband is 30Mbps.
- The public consultation has recently concluded and submissions are being reviewed to determine whether any classifications need to be changed. There may be changes of less than 20 postcodes of the circa 15,000 in County Durham.
- White areas cannot access speeds of 30Mbps.
- Grey Under Review areas (shaded dark blue) are areas where coverage may not be provided and could be considered for public funding to provide improved broadband speeds in the future. Clarity is being sought on reasons why plans or data may change.
- Grey areas can access speeds of 30Mbps or more from one provider, including through publicly funded work from Digital Durham.
- Black areas can access speeds of 30Mbps or more from multiple providers, including through publicly funded work from Digital Durham.
- The change in the definition of superfast broadband has significantly changed the broadband map.

For basic broadband,

- A postcode is classified grey if there is only one broadband infrastructure operator providing basic broadband services of with speeds greater than 2Mbps to that postcode
- A postcode is classified black if there are at least two broadband infrastructure operators providing basic broadband services with speeds greater than 2Mbps to that postcode
- All other postcodes remain white.



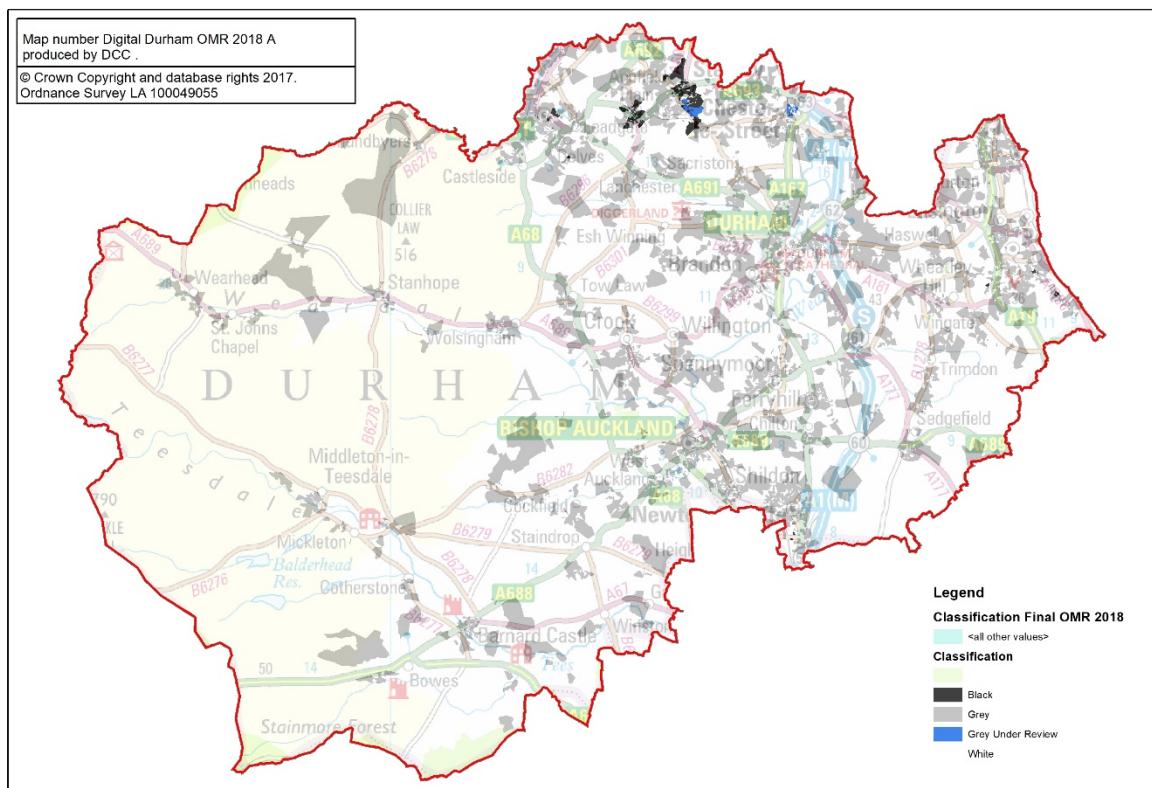
All postcodes within Digital Durham are classified as 'Basic Grey' or 'Basic Black' for this third procurement because of the availability of a basic broadband provision via the Better Broadband Scheme¹

¹ <https://basicbroadbandchecker.culture.gov.uk/guide-to-better-broadband-subsidy-scheme.pdf>

For Next Generation Access Broadband (30Mbps+)

- A postcode is classified grey if there is only one broadband infrastructure operator providing NGA services (with speeds greater than 30Mbps) to that postcode
- A postcode is classified black if there are at least two broadband infrastructure operators providing NGA services (with speeds greater than 30Mbps) to that postcode
- All other postcodes remain white.

In addition, the proposed intervention area includes a number of “under review” areas (coloured blue on the map). These areas have previously been indicated to have planned commercial coverage for NGA broadband (i.e. mapped as grey or black NGA), but those plans have been reported through the OMR as being ‘at risk’ of not being completed. These areas will be subject to continued monitoring and verification of supplier plans within the 3 year period by Digital Durham and in the event that these commercial plans fall away these premises will be mapped as white NGA and form part of the proposed intervention area and eligible for intervention via this aid measure.



The mapping analysis of existing and planned coverage (within the next 3 years) has identified significant remaining ‘white NGA’ areas. The outcome of the OMR is summarised in terms of NGA White, Grey, Black and ‘Under Review’ premises.

Appendix 5: Summary of Potential Funding Available for Contract 3.

Funding	Programme Value	Durham Value	Source	Notes	Status	Date Available
Contract 1 efficiency savings	Up to £7m	£4,579,200	Contract 1 efficiency savings	Programme Value - Around £1m is earmarked for upgrades that were not completed in the timescale for contract 1 but not needed for the successful delivery of required targets. The remaining £6m is available for extending broadband coverage. Should it not be used for superfast broadband coverage, BDUK require their 50% contribution back. Specific amount will be confirmed on contract 1 closure.	Confirmed	Q3 2018
Unused basic broadband funding	£596,000	£342,819	Contract 1 - changes to basic broadband target delivery by BDUK	Should it not be used for superfast broadband coverage, BDUK require their 50% contribution back. Specific amount will be confirmed on contract 1 closure.	Confirmed	Q3 2018
Loan against clawback	Up to £2m	Dependent on authorisation from DCC governance processes	Contract 1	BDUK tracker estimates clawback to already have reach a total of £5.660m from Contract 1 and £2.291m from Contract 2. However, £2m has been declared as part of the public consultation for the most recent OMR. This figure was used as there was no decision in place in relation to the principle of loaning against clawback.		Q3 2018
European Structural funds (EAFRD)	£1,108,195	£1,108,195	European funding via Rural Payments Agency		Decision pending	Final claim to be made no later than March 2020.
Totals:	£10,704,195	£8,030,214				

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Economy and Enterprise Overview and Scrutiny Committee

Update on the Digital Durham Programme and Related Projects.

Altogether better

Presentation

- Background to the Digital Durham Programme
- Progress with Contracts 1 and 2
- Current Position
- Planning for Phase 3
- Questions

Altogether better



Background to Digital Durham

- Aim: To improve access to superfast broadband services for residents and businesses
- Part of Government's national programme
 - Broadband Delivery UK
- Durham County Council are the lead authority
- Several other Local Authorities are partners
- Openreach are the contractor
- Total budget £34.4m
- Timeframe: 2013 - 2022



Department for
Digital, Culture,
Media & Sport

openreach



Altogether better

Contract 1

- Timeframe: 2013 – 2016
- Local Authority Partners: Darlington; Gateshead; Hartlepool; Middlesbrough; Redcar & Cleveland; Stockton; Sunderland
- Budget: £25.4m (£13.9m public funding for Durham)
- Targets:
 - 104,716 properties (fibre based connection at any speed)
 - 88,437 properties (superfast download speeds of >24Mbps)
 - 20% take up of services
- Achievements:
 - 105,333 properties (+617) / 89,223 properties (+786)
 - 503 fibre cabinets and 13 (fibre to the premise) PONs delivered
 - 53% take up (Dec 2018)

Altogether better



Contract 2

- Timeframe: 2016 – 2018
- Local Authority Partners: Gateshead; North Tyneside; South Tyneside; Tees Valley Combined Authority (Middlesbrough/Redcar & Cleveland)
- Budget: £9m (£2m public funding for Durham)
- Targets:
 - 27,976 properties (fibre based connection at any speed)
 - 24,461 properties (superfast download speeds of >24Mbps)
 - 30% take up of services
- Achievements (Dec 2018):
 - 26,919 properties (1,057 shortfall) / 22,311 properties (2,150 shortfall)
 - 223 fibre cabinets and 36 (fibre to the premise) PONs delivered
 - 38% take up

Altogether better



Current Position

- Total Number of Premises: 1,020,911
- Total Number of Target Premises: 154,444
- Superfast Coverage from Contracts 1 and 2: 111,544 Remaining Premises: 38,589 (potentially 41, 853 – 3,264 under review)
- Total Funding: £34.4m
- Total Spend: £23.4m
- Remaining Funding: c.£11m

Altogether better



Planning for Phase 3

- Definition of superfast broadband has increased from 24Mbps to 30Mbps
- Originally anticipated c.13k premises would have less than 24Mbps
- Change in definition to 30Mbps means c.20k properties are without superfast
- County Durham Superfast Coverage: 95.2% (65% in 2013)
- Phase 3 Programme Funding: up to c.£12.2m
- County Durham: up to c.£8m

Altogether better

Planning for Phase 3

- Timeline of activities:
 - February 2019: Discussion with BDUK – delivery options
 - March – April 2019: Open Market Review to establish new baseline
 - May 2019: Proposal to Digital Durham Board
 - June 2019: Develop Procurement
 - July 2019: Begin Phase 3

Altogether better



Questions

Altogether better

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**Economy and Enterprise
Overview and Scrutiny Committee****25 February 2019****Overview and Scrutiny County Durham
Plan (CDP) and Housing Strategy
Workshop****Report of Lorraine O'Donnell, Director of Transformation and Partnerships****Electoral division(s) affected:**

Countywide

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with a copy of the Overview and Scrutiny response which has been fed into the ongoing Housing Strategy consultation.

Executive Summary

- 2 When considering the future work programme of the Economy and Enterprise OSC at the meeting held on the 5 April, 2018 committee members identified as an area of future focus the emerging CDP (the local plan for County Durham) and it was suggested that the committee take the lead at ensuring Overview and Scrutiny's involvement in the further development of the plan.
- 3 Following the initial discuss of the work programme at the April meeting further conversations took place with the Chair and Vice-chair and it was suggested that Overview and Scrutiny workshops were arranged for the various consultation stages of the Plan and that one of the workshops include detail of the emerging Housing Strategy. This would provide Overview and Scrutiny members with the opportunity to comment on the Housing Strategy with comments made by members during the workshop forming the Overview and Scrutiny response to the strategy.
- 4 The work programme for the Economy and Enterprise Overview and Scrutiny Committee was agreed by the committee at its meeting on the 26 June 2018 and identified two Overview and Scrutiny CDP workshops with the second workshop providing an opportunity for Overview and Scrutiny members to comment on the Housing Strategy.

- 5 Members will recall that the first CDP workshop was held on the 9 July 2018 and focused on the Preferred Options stage of the plan with comments made by members during the workshop forming the Overview and Scrutiny response which was fed into the consultation. The Economy and Enterprise OSC received a copy of that response at its meeting on the 25 September 2018.
- 6 On the 4 February 2019 a further Overview and Scrutiny workshop was held providing feedback from the CDP Preferred Options consultation, changes made to the plan following the consultation, detail of the Pre-Submission draft consultation and next steps. In addition, the workshop provided an opportunity for members to comment on six priorities within the emerging Housing Strategy with those comments forming the formal Overview and Scrutiny response to the strategy.

Recommendation

- 7 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note the formal Overview and Scrutiny response to the Housing Strategy attached as Appendix 2.

Background

- 8 Arrangements were made for the Overview and Scrutiny County Durham Plan and Housing Strategy Workshop to be held on 4 February 2019. All Overview and Scrutiny members and co-optees were invited to the workshop with 28 members and 5 co-optees attending.
- 9 The programme for the workshop included:
 - A presentation by Stuart Timmiss, Head of Development and Housing focusing on the CDP providing detail of: the key issues in relation to the Pre-Submission draft; consultation arrangements for the plan; objectives of the plan; changes to key areas in the plan following feedback from the Preferred Options consultation; other policies in the plan, the Pre – Submission draft consultation and next steps.
 - A further presentation by Stuart Timmiss, Head of Development and Housing focusing on the Housing Strategy providing detail of: background to the Housing Strategy; key messages in the strategy; how it will be delivered; consultation and next steps.
 - Focused group discussions on the following priority areas contained in the Housing Strategy: Raising the standard of the private rented sector; bringing empty homes back into use; delivering high quality, affordable homes; infrastructure for communities; homes in rural areas and provide more housing to meet the needs of older people.

- 10 During the group discussion section of the workshop notes were taken of the comments made by both members and co-optees in relation to the areas highlighted above. The notes have been collated into an Overview and Scrutiny response attached as appendix 2.
- 11 The response captures the key points raised across all six themed areas and has been signed off by the Vice-Chair of the Corporate Overview and Scrutiny Management Board and the Chair and Vice-chair of the Economy and Enterprise OSC and has been shared with those members and co-optees who attended the workshop.
- 12 The Overview and Scrutiny formal response has been sent to Spatial Policy, Regeneration and Local Services on the 14 February 2019 to be fed into the ongoing Housing Strategy consultation which runs from the 25 January 2019 to the 8 March 2019.
- 13 It is proposed that the Economy and Enterprise OSC will continue to monitor the development of both the CDP and the Housing Strategy with further progress updates included in the committee's work programme for 2019/2020.

Conclusion

- 14 The workshop has provided a further opportunity to update Members and co-optees of the key issues in the Pre-Submission draft, the consultation arrangements for the plan, changes to key areas in the plan following feedback from the Preferred Options consultation, detail of the Pre-Submission draft consultation and next steps. In addition, the workshop provided a further opportunity for Overview and Scrutiny members to comment on the plan.
- 15 In relation to the Housing Strategy, the workshop provided members and co-optees with detail of background to the strategy, key messages and priorities, how the strategy will be delivered, consultation and next steps. The workshop also provided members and co-optees with the opportunity via the formal Overview and Scrutiny response to influence the further development of the strategy.
- 16 Members of the Economy and Enterprise Overview and Scrutiny will continue to monitor the progress of both the CDP and the Housing Strategy with further progress reports included in the committee's work programme for 2019/2020.

Background papers:

Overview and Scrutiny Response to Housing Strategy.

Contact: Stephen Gwillym

Tel: 03000 268140

Diane Close

Tel: 03000 268141

Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

An extensive consultation is being undertaken by the ReaL Service Grouping in relation to both the Pre-Submission draft stage of the CDP and the Housing Strategy.

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

Not applicable

Procurement

Not applicable

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Appendix 2

Economy and Enterprise OSC

Overview and Scrutiny County Durham Plan/ Housing Strategy Workshop

4 February 2019

Overview and Scrutiny Response to the Housing Strategy

The following members and co-optees attended the workshop:

Members: Councillors E Adam, J Atkinson, A Batey (Chair), M Clarke, J Considine, G Darkes, D Hall, T Henderson, P Howell, I Jewell, P Jopling, L Kennedy, R Manchester, L Maddison, J Makepeace, O Milburn, J Nicholson, A Patterson, S Quinn, A Reed, E Scott, A Shield, J Stephenson, K Thompson, J Turnbull, A Willis, C Wilson and M Wilson.

Co-optees: D Balls, G Binney, S Errington, P Holding and R Morris.

Below are the issues raised by Overview and Scrutiny members and co-optees during the themed group work focusing on the Housing Strategy.

Group 1 – Private Rented Sector Issues/messages

- Issues identified at Ferryhill regarding absentee landlords and housing standards in the private rented sector. Concern about blight, absence of prosecutions for ASB and disrepair. Suggestions that demolition of such properties could be considered and that more council action was needed.
- Similar issues experienced at Pelton/Grange Villa but with CAT intervention and multi-agency involvement the issues were addressed with engagement of members and the local residents.
- Does the Council have registers of all empty properties in the County and also absentee landlord details? We need a register of private sector properties. There was reference to the information of this nature being pulled together as part of the application for a private sector selective licensing scheme.

- More use of estate walkabouts needed to identify empty housing or housing/environmental blight. Support for more enforcement powers and a county wide selective licensing scheme for private sector rented housing.
- Under a selective licensing scheme breach of licensing conditions or failure to register would be and has been prosecuted.
- Concern about falling/inadequate housing standards within the private rented sector.
- Where properties are inspected they need to be subject to formal inspection.
- Concerns about the number of private sector landlords that are in fact merely speculative investors.
- Concern expressed that the Council needs to tackle problem tenants in the private rented sector and their movement from 1 settlement to another.
- This is not just about landlords but also tenant responsibilities and lettings agents also.
- Lettings agents are as responsible as Landlords.
- A selective licensing scheme for County Durham should be introduced which gives the Council and Partners the appropriate opportunities for enforcement action/prosecutions.
- The Council will only know who all property owners are when the preparatory work is done for the Selective Licensing scheme.
- The selective licensing scheme needs to include the appropriate staffing resource to support and manage the scheme.
- Does the housing team have the capacity to inspect private sector rented properties?
- The Council should adopt a targeted approach to those areas which have the most obvious issues associated with private sector rented properties.

- The selective licensing scheme must adopt this approach and needs to note and manage potential tenant dispersal.
- The selective licensing scheme must be evidence based and will be a fee based scheme when introduced.
- The Council should ensure that all prosecution/enforcement action is pursued to the fullest extent and across all services. The Council and partners need to be proactive in the use of enforcement powers and ensure that statistics and information regarding such work is published and made available to Local Councillors and the public.
- What can the Fire Service do regarding fire safety standards – This can only be applied to Houses in Multiple Occupation.
- We need multi agency work addressing private sector rented properties and the work done to combat blight.
- Concern at the time taken to address ASB/Housing blight/environmental issues when reported to the Council and Service groupings.
- Concern at the siting of caravans on private sector and RSL properties.
- Important to protect tenants against illegal evictions/unacceptable behaviour by landlords.
- Problems associated with transient tenants and the associated environmental blight/ASB. Who is responsible? Landlords? Need enforcement powers to ensure that landlords remove such environmental waste.
- The landlord accreditation scheme is to be welcomed but experience of the service is not good.
- Will a fee based approach add to the risk of Landlords not registering under the scheme?
- Concern that the level of fees must be appropriate and not a disincentive for private sector landlords registering under the scheme.
- Reference made to a teams around properties approach to address associated Environmental, health ASB and Neighbourhood problems.
- It is important that assistance is available to landlords under both the Selective Licensing Scheme and the landlord accreditation scheme.

- It is important that inexperienced landlords are supported.
- Illegal evictions and unscrupulous landlords are a concern.
- Could private sector rented properties be offered to RSLs to manage? – Buy to lease/rent schemes.
- What can the LA do to attract funding to address private sector housing standards and empty homes?
- LA should take more advantage of “buy back” for private sector rented properties.
- Could a private sector landlord’s forum be established to share best practice and information across the sector?
 - It is important that the County Council secures pledges of support from landlords in the private rented sector for its Selective Licensing application.

Group 2 – Empty Homes

Issues/messages

- New builds mean people no longer want to live in old terraces; even though the terraces may be better built and actually the rooms bigger. This results in terraced housing being by-passed and no longer used as starter homes. The progression from these old starter homes “up the housing ladder” has gone, aspirations have changed.
- There is a lack of infrastructure around homes that are empty so bringing them back into use can be an issue.
- New developments can cause village and community conflict as people move into the area and take the new developments.
- The decrease in desirability of old terraces means that they go to landlords and then further problems with absent landlords and empty homes can occur.
- Need to look at whether there is any legislation to make owners bring back empty homes. The problem can be that there are whole streets empty so where do you start? Legislation may be more effective with the odd house in the street that is empty rather than whole streets.

- Legislation should look at enforced sales where there are empty homes as a result of absent landlords.
- Selective Licensing will be a positive- welcomed by all.
- The strategy focus is on long-term empty homes, which is seen as a move in the right direction.
- CPO takes a long time and that is if the owner wants to work with the council so this may not be an option to tackle all empty homes.
- There is concern that the accreditation scheme will be misused if checks aren't robustly made. The scheme is voluntary so this can be open to abuse. We need selective and focused targets to show that the council will make sure landlords adhere to it. There is the danger that the private sector will attach to this good scheme and then the good landlords will leave because of what it has become, without checks.
- There are concerns with people who have lived in their house for a long time and find themselves living next to undesirable tenants. They can't move and can't do anything.
- Empty homes have an impact on neighbours such as where an empty home has drainage issues with waste seeping into the neighbouring houses or pointing issues. If the landlord is absent then how can it be rectified and so the landlord of the neighbours have to constantly do repairs.
- How do we help housing groups and associations? There is a buy back scheme but they may not be picking it up if it is off their radar.
- What about homelessness and empty homes, could that be a solution? There is an accommodation project with this in mind as housing people in b&b's as temporary accommodation is expensive.
- Some areas are impossible to bring back and so can't be saved and the only option is demolition but some are viable. How do we decide what houses to address and not waste money on areas that are beyond saving?
- Need to be careful that initiatives don't just displace the problem rather than address it.

- Regeneration needs to be of good quality to ensure sustainability including the management of the process. Integrity of the process is key.
- DCC has 3 enforcement officers so the authority is moving forward in the right direction.
- One problem with empty houses is that they tend to stay empty for a relatively long period which brings associated problems such as anti-social behaviour.
- It is felt that another issue is that the owners of the empty properties can be difficult to contact and when you do contact them it is difficult to get them to do anything about their houses. Enforcement needs to be stepped up to combat the blatant manipulation of policies and regulations that are in place.
- Need to look at why homes are empty too- is it that there are landlords who can't afford to refurbish or let them out or is it that there are absent landlords bulk buying and sitting on cheap stock. There is a problem with finding suitable tenants, if landlords have bad tenants who damage the property, landlords won't necessarily have the money to refurbish to rent out again and so it stays empty because the landlord just can't afford to do anything with it.
- Problem with rows of terraced housing in former pit villages sold off to private landlords.
- We should look at what the breakdown of empty homes in the county, what type of houses and what condition the properties are in such as are they deemed uninhabitable etc.
- There is also the issue of low demand in areas, which explains empty homes and would question if we should bring these homes back into use and the cost and whether they are viable.
- The Accreditation Scheme is a good thing as it sets minimum standards. Selective Licensing should also help with the rental sector.
- Most landlords are desperate for tenants, a lot will let them out to people who fail credit checks and don't have good references.
- CPO could reward the worst if there is the situation whereby the council buys back at market value.

- An area based approach is not a bad thing- those that need it most should get it because it could be our area next. We need a multi-agency approach in areas with large proportions of empty homes and then regarding the odd house that is empty we can have an intervention on singular empty homes.
- We need to work with housing associations to ensure best practice with this strategy on empty homes including groups with large housing stock.
- 106's - offsite affordable housing is a positive so that areas in need of quality affordable housing get it.
- Identify hotspots and incorporate this multi-agency working.
- Share best practice - including between authorities.
- Look at the wider aspect - areas on the margins not just solely on hotspots so that we can also see progress from our investment rather than black holes.
- We should also investigate what impact new developments have on an area- with new developments do people from the terraces move into them leaving the terraces empty or are the new developments filled with people migrating to the area meaning those in the terraces can't move up?- Is this a problem or not?

Group 3 – Affordable Homes

Issues/messages

- Support for the percentages of Affordable Homes proposed in the emerging County Durham Plan (varies across county from 10% to 25%).
- Need to ensure that the distribution of Affordable Homes is equitable across the county that it varies in type of housing offered and payment options including intermediate or social rent. The Affordable Homes offer needs to meet the needs of the local communities.
- Need to consider that the Affordable Homes being developed meet the needs of County Durham residents.
- Need to look at how we can increase the delivery of Affordable Homes completed on an annual basis. The Housing Strategy will help ensure that the framework is in place to ensure that we deliver more than just reliance of private developers.

- As well as the Housing Strategy, an opportunity to explore develop an Affordable Housing Strategy or Action Plan for the delivery of Affordable Housing across County Durham. This could provide a greater understanding regarding different models of delivery to be explored. Including whether DCC could look at Chapter Homes model of delivery and consider building own affordable homes in the county for both sale and rent.
- In relation to 'Right to Buy' properties providers should be encouraged to buy back however there is the issue of additional cost to the provider as they would be required to buy the property back at full market value. Recognised that we need to control what happens to these properties and restrict the numbers going to private landlords.
- Need to look at community led development in the county and build upon work currently being done, provides a 'bottom up approach' to housing, ensuring that future development meets the needs of the local community.
- The CDP and the Housing Strategy need to have a flexible approach in relation to Affordable Homes so that it can react to the changing needs of local communities.
- Suggest comparing our performance in relation to the delivery of Affordable Homes with other local authorities in the North East.
- Agreed need to explore whether financial contributions from developers can be used to bring empty homes back into use in the county and ensure that they are affordable.
- Need to look at creating Affordable Homes in the county for people to live in for the long-term not just to get residents on the property ladder.
- Work with registered providers to provide more affordable homes for rent. In addition, look at how we can work with registered providers to bring more homes which are in disrepair back into use allowing social housing providers to take over the management of these homes.
- Need to lobby Government in relation to requiring student accommodation to pay Council Tax via Business Rates.
- Concern that Affordable Housing is often high density which creates issues in relation to parking, need to ensure that design principles are adhered to.

- Need to ensure that the running costs of Affordable Homes such as energy costs are affordable to reduce fuel poverty.
- Challenge in increasing the number of affordable homes in rural areas of the county, issue with young people leaving rural areas as they cannot afford to rent or buy property.
- Need to consider growing further the tourism offer in our rural areas such as B&B accommodation which would result in more jobs in our rural areas and increase the ability of residents to either buy or rent Affordable Homes.
- Important to continue to develop skills in the county. If residents have skills desired by employers even if they are made unemployed they will find another job quickly but need housing in place to help them.
- Need to promote the support DCC currently provides to bring empty homes or homes requiring repair and modernisation back into use.

Group 4 - Infrastructure

Issues/messages

- The Western relief road is key to the infrastructure of County Durham and it was suggested that the road should incorporate a cycle track. Members were advised that the road will be accompanied by a cycling route. Discussion arose around the number of vehicles moving from developments to areas of employment and the impact this would have.
- The employment sites will be centred on the A19 and A1 and it was suggested this should also include the A68. Members were concerned about the congestion had hoped that the relief road would help to ease this especially around the Neville's Cross area and in Durham City Centre too. Members inquired how the relief roads were financed and were advised that this was through developer contributions and funding pots.
- Members advised that while this plan would provide comfort to some with a reduction in the number of housing sites there would be others who would challenge the sites still included. Members discussed that there had to be housing to get jobs, but it was a chicken and egg situation.
- There are issues with school places especially primary schools which had resulted in some cases children could not get into the local school and would have to travel further distances to attend school.

Development was maxing out capacity at the nearest schools and parents were then directed to schools further away. The number of developments and parents' freedom of choice impacted upon the availability of school places, but members suggested that the 2 mile radius for primary schools was too big and in some cases where village schools had closed children could be travelling more than 2 miles. Members suggested that the decision should be based on the density of the area. Members were advised that guidance was given by colleagues in Education Services.

- There are threats to GP's surgeries in the county with approximately 30% under threat due to lack of staff and this would impact on infrastructure. Members were advised that the authority was in discussion with CCGs. Members were concerned that GP surgeries do not comment on planning applications as the consultation is done with a communication officer of the CCGs and GPs themselves do not get a chance to comment. Members suggested there should be stronger relationships and more engagement with CCGs.
- Members were concerned that houses are being developed in the county with no supporting infrastructure e.g. a school closed but planning permission was given to build family homes and arrangements were made for children to attend schools elsewhere. 'It feels like the infrastructure is not planned'. Members were advised that infrastructure is being planned but the challenge for officers at DCC and partners is 'how do you deliver the infrastructure?'
- Members highlighted the importance of schools, GP surgeries, retail developments and amenities especially in rural areas.
- There was discussion about how to attract GPs to work in rural locations as there was a preference from GPs to live in urban areas. It was not only about GP surgeries but accident and emergency provision in rural areas were also under-provided and too far to travel. Members suggested that a potential solution was to train nurses as nurse practitioners. Members were concerned that CCGs do not respond to planning applications although engagement has taken place there was more work to be done, there were 70 GP practices in County Durham covered by 2 CCGs.
- There were concerns in relation to transport links to schools, colleges and places of employment and suggested that infrastructure should follow development. Members highlighted issues with public transport in areas where the last bus was before 8pm and in some rural areas there was only one bus per week in each direction. Sunday service was also a

problem for people who worked on a Sunday as public transport started later and was not as regular as weekdays.

- It was suggested that the amount of parking on developments should be addressed to create more parking. Members were advised that the parking standards have been revised recently to allow more parking at residential locations. Members discussed the width of roads on new developments and it was also highlighted that older estates cannot cope with the amount traffic today as they were developed in an era when there was little traffic.
- Issues with car parking in Durham City and that when the new DCC HQ is built there will be a reduction in available parking and suggested an extension of the park and ride scheme to enable shoppers and tourists to park. Members were advised that there would be an extension at Snipey and Belmont park and ride venues and Stonebridge would be added as a park and ride venue. Members suggested that Durham City needs further regeneration to become more vibrant and increase employment in the city. Members also commented that the Bus Station on North Road was inadequate and should be more welcoming. Members were advised that work is ongoing to improve the North Road bus station on its current location.
- Members suggested that the impact of schools and GP services were inter authority/cross border issues and that we had a duty to co-operate with neighbouring authorities.

Group 5 – Homes in rural areas

Issues/messages

- Infrastructure an issue including bus routes and schools etc. together with Wifi, Internet and mobile phone connectivity. Need to ensure that the infrastructure including transport and broadband connectivity is in place to retain people within their area and support the sustainability of local businesses and services.
- Sufficient land and land value, transport and accessibility.
- Affordability of housing – Young people are unable to stay within rural communities.
- Support the focus on homes for elderly and affordable housing.
- Exceptions policy for affordable housing in rural areas supported.

- Ageing population and a need to meet needs.
- Improve quality of jobs and transport infrastructure.
- Lack of older person housing, in particular bungalows means that there are limited opportunities for older people to downsize. This means that existing housing is not available to young families. Need opportunities for young people to get on the housing market but also housing for the elderly people.
- Lack of housing and opportunities means that young people move away and then don't return. This leads to an ageing demographic within villages.
- Commuter villages/towns - Not the local employment or work for owners within recent housing developments.
- Not sufficient mix of housing within rural communities. Need sustainable mixed developments that are affordable, accessible and meet the needs of all (.local need).
- Transport links in rural communities need improving as difficult to travel between rural villages to larger areas eg Middleton-in-Teesdale.
- Transport and accessibility particularly an issue for young and older people.
- High number of 2nd home or holiday rentals.
- Resident pressures against development within rural areas
- Affordable Housing – 10% minimum, need to be more proactive to meet people's needs.
- Social Landlords – Buying houses on estates can cause conflict with short term rentals and not sustainable. Welcome the potential to address these issues.
- Within Weardale and Teesdale where there is farming heritage there has historically been generations of families operating what was the family business but now younger people seeking wider opportunities away from the area and do not return.

- Consideration needs to be given to the density of houses and car parking infrastructure, it is noted that this will be addressed through policies within the CDP.
- Concerns about the suitability of properties for retirement homes.
- Consideration of mix of developments and assisted schemes for bungalows.
- Need to understand the nature of the area in relation to design. Design needs to be attractive.
- Private landlords with short term rentals risk decline and disruption with communities.
- Use of CPOs to develop existing empty or derelict plots.
- Access to GP and Health Services.

Group 6 – Homes for older people

Issues/messages

- Lack of suitable accommodation for older people – no-one wants to build bungalows and there is little rented accommodation for older people particularly if they require improved access eg wider access for wheelchairs etc.
- It was felt that changes to age limits within the lettings policy have meant that housing which was previously limited to being older people's accommodation is now available to a wider age group – sometimes to the detriment of older people and their established community. Younger people tend to have different lifestyles and this can cause issues locally leading to older people wanting to move and losing their sense of community and facing isolation. Example given of a street where a younger person was housed amongst a group of older people bungalows. The older people used a local community centre but after the young neighbour moved in, the older people moved out and the community centre eventually closed.
- It was recognised that some people may wish to live in a mixed age community rather than all older people living in one area.
- Reference was made to small projects in Langley Moor for the deaf and visually impaired that provides specialist facilities for all age groups and are successful.

- Dementia friendly housing – specialist housing to cater for increase in numbers of the population expected to be diagnosed with dementia. Also need to make outside areas dementia friendly too.
- Housing should be designed for people with their future needs in mind - as people age their housing needs change and they may require e.g. a downstairs bathroom. If housing could be designed to be flexible people could stay in them longer.
- Older people are often reluctant to move from their homes and they need to be able to stay in them longer with necessary adaptations. It was recognised that these could be costly and social landlords are reluctant to make adaptations unless they receive funds from the local authority.
- Aged Miners homes are recognised as being very good – large, well designed and maintained. They have room for family members to stay to assist with any caring.
- There was concern that Universal Credit rules had in some instances lead to younger people being asked to leave the family home and subsequently being allocated bungalows reducing this stock for older people.
- The suitability of bungalows size and number of bedrooms was discussed, as rooms could be very small and it was suggested that two bungalows could be developed into one larger.
- Members suggested that properties should be built which can then be adapted which would make the most of the existing housing stock in the future.
- Extra Care Homes were seen as a good option for some as residents could keep their own furniture, have own space, with some meals provided and cleaning included in the rent. The Elms in Chester le Street as an example. Also recognised that some people don't want to move from their villages and communities and as people get older they are generally more reluctant to leave their homes and communities. This means facilities should be delivered across the county to cater for need.
- Transport and general accessibility to facilities is key. Not just homes to be accessible but the surrounding locality – dropped kerbs is a key issue.

- Concern that developers insist that building bungalows is not economically viable for them. DCC needs to be much firmer with them. Members suggested that in only Registered Housing Providers (Livi... was identified) are prepared to build bungalows and it was commented that DCC should offer them land to build more. Importance to enforce planning policy to ensure that developers build 10% older people housing on their developments.
- It was recognised that not all older people want bungalows as they might have difficulties with maintaining a garden.
- Important to consider the wider infrastructure – transport, access to GP surgeries, local shops etc.
- Importance of succession planning for older properties.
- People do not want to move out of a bungalow into a house once they have lived in a bungalow.
- Difficulties around ensuring who is let a property. Issues with anti-social behaviour which produces conflict with surrounding residents.
- Not just older people that may require adaptations to properties – younger people with disabilities may also need wider door frames, adequate turning circle in bathrooms etc.
- The needs of a person determines what type of property they require. Specialist facilities could be supported housing or extra care. The OT assessment determines what the needs are.
- The 10% element for older people means meeting their needs – this could include additional rooms to enable multi-generational living, level access flats, or housing for specialist needs such as extra care in Chester le Street.
- It was confirmed that level access flats do not pose more of a fire risk. A fire risk is more likely due to issues such as mental health challenges, drugs and alcohol misuse, smoking and those living alone. Domestic sprinklers can be fitted to properties where there are vulnerable people.
- Members highlighted their concerns that the viability of sites is seen as a problem and how this is determined. Members were keen to stress they could be trusted to know their own communities and felt they had to challenge the planning service. County councillors and parish

councillors had a wealth of local knowledge in terms of the needs of their community.

- It was queried why the Fire & Rescue Service were not statutory consultees on planning matters apart from the location of hydrants. It was confirmed that building regulations covered safety matters etc.
- The Council needs to be stronger with developers around affordable homes and it was confirmed that all allocations in the Plan have been tested against the policies to ensure they are viable.