



## **Economy and Enterprise Overview and Scrutiny Committee**

**Date** Tuesday 24 September 2019  
**Time** 9.30 am  
**Venue** Committee Room 2 - County Hall, Durham

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### **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 27 June 2019 (Pages 5 - 18)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. North East Local Industrial Strategy - Progress Update:  
(Pages 19 - 36)
  - (i) Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Regeneration and Local Services.
  - (ii) Presentation by Regeneration Policy Team Leader, Regeneration and Local Services.
8. Ultra-Low Emission Vehicles - Overview and Progress:  
(Pages 37 - 66)
  - (i) Report of the Corporate Director of Regeneration and Local Services.
  - (ii) Presentation by Principal Policy Officers, Regeneration and Local Services.

9. Selective Licensing - Progress Update: (Pages 67 - 88)
  - (i) Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Regeneration and Local Services.
  - (ii) Presentation by Strategic Manager for Housing, Regeneration and Local Services.
10. Quarter Four, 2018/19 and Quarter One, 2019/20 Revenue and Capital Outturn: (Pages 89 - 114)

Joint Report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources – presented by the Finance Manager, Resources.
11. Quarter One 2019/20 Performance Management Report: (Pages 115 - 136)

Report of the Director of Transformation and Partnerships presented by the Strategy Team Leader, Transformation and Partnerships.
12. Minutes from the meeting of the County Durham Economic Partnership held on the 12 July 2019 (Pages 137 - 142)
13. 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  
16 September 2019

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

Councillor M Clarke (Chair)  
Councillor R Manchester (Vice-Chair)

Councillors E Adam, J Atkinson, A Batey, R Crute, S Dunn, D Hall, T Henderson, J Higgins, P Howell, S Iveson, L Maddison, J Maitland, R Ormerod, E Scott, P Sexton, W Stelling, T Tucker, M Wilkes and M Wilson

**Co-opted Members:**

Mr G Binney and Mrs R Morris

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**DURHAM COUNTY COUNCIL**

**ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2 - County Hall, Durham** on **Thursday 27 June 2019** at **9.30 am**

**Present:**

**Councillor M Clarke (Chair)**

**Members of the Committee:**

Councillors E Adam, J Atkinson, R Crute, S Dunn, T Henderson, J Higgins, P Howell, J Maitland, R Manchester, R Ormerod, E Scott, T Tucker, M Wilkes and M Wilson

**Co-opted Members:**

Mr G Binney and Mrs R Morris

**Apologies:**

Apologies for absence were received from Councillor(s) A Batey, D Hall, L Maddison and P Sexton

**Also Present:**

Councillor J Considine

**1 Apologies for Absence**

Apologies for absence were received from Councillors A Batey, D Hall, L Maddison and P Sexton.

The Chair noted his thanks, and those of the Committee, to Councillor A Batey for her work as the former Chair of the Committee and wished her well in her new role as Vice-Chair of Corporate Overview and Scrutiny Management Board. He also noted Committee's thanks to Councillor A Patterson for all her work as the former Vice-Chair of Corporate Overview and Scrutiny Management Board and wished her well in her new Cabinet role.

**2 Substitute Members**

No notification of Substitute Members had been received.

### **3 Minutes**

The minutes of the meeting held 26 March 2019 were agreed as a correct record and signed by the Chair.

### **4 Declarations of Interest**

There were no Declarations of Interest.

### **5 Items from Co-opted Members or Interested Parties**

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

### **6 Media Relations**

The Overview and Scrutiny Officer 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 building of the new Horden railway station, highlighting that work has started on the new £10.55m railway station at Horden, to provide an economic boost to east Durham – with the future work programme for the Committee proposing a visit by the Committee in April/May 2020; preparations for Seaham Food Festival in June to feature more than 100 stalls and showcases the café's, restaurants and bistros in the town centre; an IPPR study which noted that one in four workers in the north of England were paid less than the “real living wage” of £9 an hour, with women being most affected, with one in three women paid less than the real living wage compared with one in five men; and the Finance Durham Fund, managed by Maven, celebrating investments of £3.4m in two years, backing ten businesses and created and safeguarded more than 250 jobs so far.

#### **Resolved:**

That the presentation be noted.

### **7 County Durham Economic Partnership - Overview of Activity**

The Chair welcomed the Chair of the County Durham Economic Partnership (CDEP), Professor Brian Tanner who was in attendance to provide the Committee with an overview of the activity in relation to the CDEP (for copy see file of minutes).

The Chair, CDEP thanked the Chair and Committee for the opportunity to once again speak in relation to the work of the CDEP. He explained that the Members noted that in participation of the drafting of "Vision 2035" the CDEP vision was for: a County of enhanced prosperity and well-being; a modern and dynamic County characterised by excellent quality of place, competitive business, a highly skilled labour market and high levels of economic activity; and sustainable places that people want to visit and in which to live, work and invest. The Chair, CDEP noted that how we achieved this would be the issue and that, as in previous years, the top priority was to improve the employment rate.

Councillors noted that in order to help judge levels of success, five measures were looked at: employment rate; gross value added (GVA) per head; number of businesses; household disposable income; and employment deprived index deprivation.

The Chair, CDEP noted it was important to understand that the targets set out were for 2030, and that while there was progress in terms of the employment rate, the other measures had lost some ground. He noted the current performance in terms of the employment rate was 74.4 percent, above the 73 percent target for 2030, although below the national average of 75.3 percent.

It was noted that the GVA per head was below the 2030 target of 87 percent, 83.1 percent and had fell from a 2016 value of 84.5 percent. The Chair, CDEP explained that the target for the number of additional businesses by 2030 was 4,300 and the current performance was 2,240, 105 less than the 2017 figure. He noted that the disposable household income was below the 2030 target, however had remained roughly static over the last few years. Members noted that in terms of the employment deprived, the index of deprivation, there had not been any new data since 2015, coinciding with changes in benefits, the move to Universal Credit. It was noted that accordingly this measure may be removed.

Members were referred to a graph showing the change in employment rate over the period June 2016 to September 2018 and there was a steady increase over time, a real increase, not a "statistical blip". The Chair, CDEP noted that as the 2030 target had been reached it could be the time to shift focus from the employment rate to "better jobs" or perhaps better described as "more fulfilling jobs". Members were referred to a map of the County showing the large geographical disparity in terms of employment deprivation.

Councillor M Wilkes left the meeting at 9.40am

Councillors noted that GVA was a measure of the value added by the processes, products and services provided in County Durham, a measure of our productivity. Members noted a graph showing that there was a widening gap between the County Durham GVA and that of the North East and England.

The Chair, CDEP explained that this meant that the value of jobs in the County were low, or they were not very productive, or both. He added that figures in terms of the GVA per filled job and Members were referred to a further graph showing this trend over time from 2002 to 2017, with the projection of trend up to 2020 also shown. It was noted that the GVA per filled job reflected the quality of job and while the figure for County Durham was below the national average it was rising.

The Committee were informed as regards business survival rates for the County and noted that over the last five years there had been an average of 1,700 new businesses created each year, with an average of around 1,300 businesses failing each year, with 1,510 failing in 2017. The Chair, CDEP noted that this represented a large churn of businesses and there was a challenge in being able to help support and extend the life of businesses. It was added that three-year survival rates had increased since 2010, though there was approximately a one in two chance of a business failing in the first three years. Members noted it was how support to businesses in those initial stages was important in being able to maintain and sustain those businesses. The Chair, CDEP noted the work of Business Durham in terms of such support and noted that a large proportion of the programmes were EU funded.

Councillors noted that addressing mental health issues in small and medium sized enterprises (SMEs) was seen as being an important step to help with productivity. The Chair, CDEP explained that around 97 percent of businesses had less than 50 employees and therefore did not have the large human resources structures in place that could help deal with such issues. It was added that there was a need to address the issue, remove the stigma attached to mental health issues, and to identify where there was risk. Members noted that the Director of Public Health, Amanda Healy, was working with the CDEP in this regard, with a specific role grant funded for this year.

The Chair, CDEP noted a restructure of the CDEP Board, with a portfolio approach aligned with the National Industrial Strategy (NIS). It was explained that there were six portfolios linked to the six pillars of the NIS; Resources; Business Competitiveness; Ideas and Innovation; Infrastructure; Inclusive Growth; and People. It was added that there were also three cross-cutting portfolios: Public Sector; Voluntary Sector; and Business. The Chair noted that the Council's Corporate Director of Regeneration and Local Services, Ian Thompson was a non-portfolio Board Member.

The Committee noted that in terms of challenges ahead, there was the uncertainty around Brexit, with estimates showing that a no-deal was likely to have a greater negative economic impact on the North East than any other part of the UK and that it would be a major long-term impact.

The Chair, CDEP added that current uncertainty was also impacting, he noted anecdotal evidence that EU companies were working on a no-deal scenario and therefore their planning and investment would be on this basis.

He added that another issue was a low level of research and development (R&D) spend and also that businesses may not be equipped to face the impact of artificial intelligence.

The Chair, CDEP noted that challenges ahead included issues such as spend within higher education institutions and business, noting a substantially lower spend in the North East compared to other areas such as the East Midlands. He added that looking Innovate UK funding by location within the County, there was spikes within NETPark, Durham City and Newton Aycliffe, a high concentration geographically.

Councillors were informed that the UK Shared Prosperity Fund (SPF) was intended to at least match the €13 Billion that the UK regions would have received under the next EU Programme. The Chair, CDEP noted that Leaders of less-developed regions, including Councillor S Henig as Leader of Durham County Council (DCC), had wrote a letter to the Minister to urge Government to bring forward the plans in terms of matching EU funding and bring forward long overdue consultation on the matter.

Members were reminded of the partnership approach undertaken with a continuation of place-based investment, human capital and business growth. It was explained that the CDEP was working to: continue to understand and tackle barriers to investment; continue to respond to change and effectively collaborate; and to promote Durham as an area to do business and play to our strengths. The Chair, CDEP noted the continued delivery in terms of sites such as NETPark, Forrest Park, Aykley Heads and Integra 61. He added as regards business growth and the investment that had been made at Spectrum in Seaham and the work in terms of people, skills and growth, including DurhamWorks, Skills Support for the Unemployed and Department for Work and Pensions (DWP) Support. The Chair, CDEP concluded by noting the “Durham, Powered By People” brand was important in helping bring people into Durham to invest and work and build their businesses, with partners including: DCC; Business Durham; Durham University; North East Local Enterprise Partnership (NELEP); North East Chamber of Commerce; and Federation of Small Businesses (FSB).

The Chair thanked the Chair, CDEP for his update and asked Members for their questions and comments.

Councillor E Adam thanked the Chair, CDEP for his presentation and noted some good news, some uncertainty and many positives.

He asked as regards business survival rates, noting his concern at the number of failures, in terms of: were figures since 2010 as regards new businesses and was the annual figure always net positive; and how much help and support was given to those businesses that were failing.

*Councillor R Crute left the meeting at 9.55am*

The Chair, CDEP noted that the figure for new businesses up to July 2018 was 2,240. He added that year on year figures varied, and that 2018 had lost ground, being 105 fewer businesses than 2017, however, there was an on average increase in the number of businesses. In relation to business support he noted the excellent work of Business Durham and the facilities at Salvus House, Aykley Heads, with the Durham City Incubator, in partnership with Durham University and New College Durham, with a variety of businesses being offered support and mentoring. He added the mentoring was an important factor and should be encouraged as there was not an associated cost other than people's time. Councillor E Adam asked whether mentoring was enough. The Chair, CDEP noted that unfortunately some businesses would fail, for a variety of reasons, and that it was important to push the numbers of those surviving through a mix of activities and to ensure when EU projects come to an end that the support does not just stop.

Councillor R Ormerod agreed with the shift to "better jobs", however, asked how this would be achieved, noting that inevitably some jobs would not be high paid. He asked what the Council could actually do in improving the job quality offer. The Chair, CDEP noted that there was remuneration as an element, however, empowerment within a job was also important. He added that if there was no scope for creativity or innovation then this could be an issue. He referred to "The Deal", a scheme developed by Wigan Council as a model for new structures. The Chair, CDEP explained that in creating new high-level jobs, lower-level jobs should not be forgotten and indeed that the high-level jobs can often lead to those other jobs within supply chains.

Councillor E Scott noted that if jobs were not fulfilling, within which sectors were these new high-level jobs being created. The Chair, CDEP noted this was not clear and added that there were very few large employers within County Durham, with 88 percent of jobs being within microbusinesses which varied widely from town centre traders to high-tech start-ups. Councillor E Scott asked if anyone had the information as regards this. The Chair, CDEP noted that it may be possible to look at the details in terms of spend.

Mrs R Morris asked as regards the 74.4 percent employment rate and whether this was for the end of the quarter in December 2018. The Chair, CDEP confirmed this was the case.

Mrs R Morris asked if the figure in June would be different, given information from the NELEP noting a worrying drop in the region and was the County outperforming the region. The Chair, CDEP noted that County Durham was performing better than the region and quarter one statistics followed this trend. Mrs R Morris noted interest in the latest figures and asked as regards workforce, human growth and future jobs. She explained she was not sure she bought into “better jobs”, rather she felt that listening to industry to find out what skills they needed to fill jobs was important, having a skills base which she felt was not there in the County. She added that she felt that a good economic strategy was a good education strategy, looking to help train young people and retrain those over the age of 50 linking businesses, skills and education together, especially in the science, technology, engineering and mathematics (STEM) fields.

The Chair, CDEP noted the excellent FE College in Durham, New College Durham, with the work of the Principal, John Widdowson and his staff, including Dawn Fairlamb, Vice Principal – Economic Development and Student Progression. He added that the Vice-Principal was on the CDEP Board and was Portfolio Holder for People. He explained that careers advice in schools was under stress, central funding having disappeared, and school’s own budgets being squeezed. He noted that it was an issue and that in the past business leaders had been encouraged to come into schools. He noted that an issue in terms of mentoring was being able to find time within the school timetable.

Councillor P Howell asked for clarification in terms of the base regarding employment. He referred to the map which showed deprivation, the information being old, from 2015. He noted the map within the presentation showed high deprivation in Newton Aycliffe, however, there was the large industrial estate and a number of skilled jobs. He emphasised we needed up to date information in order to see what initiatives we needed. Councillor P Howell noted he was disturbed by the widening GVA gap between the County and both the regional and national figures. He added that he was worried in terms of the business survival rate, albeit being better than the UK average, and would welcome initiatives in this regard. The Chair, CDEP agreed as regards support for new businesses and reiterated that there had been no new data as regards deprivation, and no indication of any new data coming forward. He added that while this was employment deprivation, other measures of deprivation were similar and information on these could be found at the [durhaminsight.co.uk](http://durhaminsight.co.uk) website.

Councillor J Atkinson noted the 1,300 business failures and asked what processes were in place to ensure that those business start-ups were realistic and viable, what advice is given in this regard. The Chair, CDEP note that it was inevitable that some businesses would fail, and that businesses would be offered help as previously mentioned.

Councillor J Maitland asked as regards the measure relating to GVA, with the data being reported upon from 2017, she asked if we had received 2018 data yet, given it was now 2019. The Chair, CDEP noted that the 2017 data was the most up-to-date available from the Office for National Statistics (ONS). He added there was always a fluctuation in terms of numbers and that the CDEP looked at confidence intervals to ascertain where actual trends were occurring.

Councillor S Dunn reiterated a point he had made at a previous meeting in respect of being able to understand the number and types of jobs, and the number of people having multiple part-time jobs as this implied the statistics were skewed and multiple part-time jobs were not likely to be “better jobs”. He added that if there was not up-to-date statistics gathered nationally in terms of deprivation, would it be possible to look to evaluate this for the County ourselves to see which of our communities need help the most.

Councillor S Dunn noted the comparison with the East Midlands and looked at the investment strategy the Council was undertaking, in terms of Salvus House, Jade Industrial Park; NETPark, Integra 61 and Aykley Heads. He noted that he felt the strategy was correct, looking to invest now to be ready for those better-quality jobs in the medium and longer term. Councillor S Dunn noted concern in terms of the EU funding that would be lost and the impact this could have in terms of the large number of microbusiness in the County. He noted the prospect of “no-deal Brexit” and that Government had not yet guaranteed that the SPF would be allocated by deprivation and felt that without up-to-date deprivation statistics, Government may say it was not possible to use this as a criterion. The Chairman, CDEP noted [durhaminsight.co.uk](http://durhaminsight.co.uk) used the ONS data mentioned and noted he felt all the points raised were valid ones. The Chair agreed that a lot would depend upon how the SPF was allocated.

### **Resolved:**

That the report and presentation be noted.

## **8 Quarter Four 2018/19 Performance Management Report**

The Chairman thanked the Strategy Team Leader, Gemma Wilkinson who was in attendance to speak to Members in relation to the Quarter Four, 2018/19 Performance Management Report (for copy see file of minutes).

The Strategy Team Leader 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. It was added that currently there was a review in terms of the County Durham Vision and this would be reflected in future performance reporting.

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

In relation to “do residents have good job prospects” it was noted that a lot of the issues that had been covered by The Chair, CDEP in his presentation, including the employment rate for the working age population having increased. The Strategy Team Leader noted that the report had a breakdown of the employment rate statistics by several criteria: gender; private-sector; full-time; part-time; and with or without a disability.

She highlighted that the gap between the County Durham and national statistics in relation to the employment rate for those with an Equality Act core or work limiting disability and also noted that the County Durham employment rate for part-time was in line with national statistics. It was noted that the definition of part-time was made by the respondent themselves to the surveys carried out to collect the data, accordingly those working several part-time jobs and considering that as full-time equivalent may not be identified from the survey.

The Strategy Team Leader noted that while the gross average full-time weekly pay for those in County Durham had increased by 2.4 percent, the national increase was by 3.4 percent, a widening gap. It was noted the number of jobs safeguarded by Business Durham was set out, showing the statistics over the last five years, with a large figure in 2016/17 being as a result of the successful ResQ investment at Spectrum Business Park in Seaham.

The Committee were referred to the infographics relating to “is County Durham a good place to do business?” and it was explained that £4.3 million had been invested via Finance Durham in 2018/19, in 11 investments, with £2.75 million committed for 2019/20. Members were also asked to note the £17 million of inward investments and the value of £54.8 million in terms of GVA from jobs created or safeguarded from the activities of Business Durham. The Strategy Team Leader noted the business survival rates, showing the rate in County Durham over years one to four as being greater than the national rate. It was added that the County Durham Plan (CDP) had approximately 2,800 comments in response to the pre-submission draft, consultation having closed on 8 March 2019. Members noted that the CDP would be submitted to the Planning Inspectorate in June 2019, with an examination in public to be held later in the year.

The Strategy Team Leader explained that in terms of “do residents have access to decent and affordable housing?” statistics showed that the number of empty properties brought back into use had exceeded target and in relation to the duties under the Homelessness Reduction Act, the statistics were set out including an increase in the average number of days spent in temporary accommodation. She noted it had been anticipated that there would be an increase in demand following the introduction of the Act, however, it was not as much as expected. The Strategy Team Leader noted the number of net homes completed continued on an increasing trend and informed Councillors that the definition of affordable homes had been revised and this would be taken into account for reporting purposes.

In respect of “is it easy to travel around the county?” the Strategy Team Leader explained that figures showed the trend continued in terms of decreasing numbers of local passenger journeys on the bus network and a decreasing number of concessionary travel passenger journey. It was added that this mirrored national trends.

Members noted that the Transport Focus Bus Passenger Survey Autumn 2018, when compared to the same period in 2016, showed increased overall satisfaction, increased satisfaction in terms of value for money, increased satisfaction in relation to journey time, though with a decrease in satisfaction in relation to punctuality.

The Strategy Team Leader explained that there were a number of transport infrastructure works that had taken place or were in progress, including: Deerness Bridge; Horden Train Station; and those associated with the Cycling and Walking Delivery Plan 2019-2029. She added the results from the National Highways and Transport Survey 2018 were set out, with some variations in comparison to 2016, though with all County Durham satisfaction figures being above national figures.

In relation to “how well do tourism and cultural events contribute to our local economy?”, the Strategy Team Leader explained that the number of visitors to the County had increased, following the trend over the last few years, and highlighted our performance compared to regional neighbours. Members were asked to note the increased satisfaction with the visitor information network, 93 percent, and statistics relating to a series of events over the year: 2018 Tour Series; Brass Festival; Durham Book Festival; North Pennines Stargazing Festival; and the Bishop Auckland Food Festival.

The Chair thanked the Strategy Team Leader and asked the Committee for their comments and questions.

Councillor R Manchester noted the levels in relation to GVA and while there had been increases the gap to the national figure was widening. He asked was this due to the County having a lower starting point in terms of GVA. The Strategy Team Leader noted that there would be a variety of factors, including the value of jobs, and she would discuss with colleagues as regards this.

Councillor J Atkinson noted in relation to the Future High Street Fund, four County Durham towns were put forward, he asked why those four in particular. The Strategy Team Leader noted she would look into the matter and report back to Members.

Councillor P Howell noted low numbers of people engaged in terms of the job programmes set out in the report. The Strategy Team Leader noted that a number of the schemes began at different points in the year and dealt with different cohorts of people with differing backgrounds and issues. She added there were a number of reasons why people may drop out of such programmes and added further information on this would be brought to a future meeting.

Councillor E Adam asked if it was possible to drill down into the reasons as regards which businesses did survive at the regional level, as the regional figures were better than those for County Durham.

He also asked if we could try to understand why this was and also look at why businesses appeared to fail at year three. The Strategy Team Leader noted she would look into the issue and find information relating to specific geographies and business sectors.

Councillor P Howell commented that performance in relation to the percentage of unclassified roads requiring maintenance had increased and the bridge stock condition has also deteriorated, he asked what the service was doing in this respect, and how Members were made aware of issues in relation to bridges in their area. The Chair of the Environment and Sustainable Communities Overview and Scrutiny Committee, Councillor E Adam responded, noting that the highways maintenance had been picked up by the Environment and Sustainable Communities Overview and Scrutiny Committee and that the Member had received a response in relation to his query regarding a specific bridge. The Strategy Team Leader noted that she would feed into a future report the relevant information from the Transport Asset Management Plan. The Principal Overview and Scrutiny Officer, Stephen Gwilym suggested this would be the Local Transport Plan, not the Transport Asset Management Plan.

Councillor T Tucker commented that 357 households had been supported under the Homelessness Reduction Act within 56 days and asked as regards those outside of the 56 days. The Strategy Team Leader that these household would fall under relief and referred Members to the link provided on the dashboard which would take them to the relevant information.

Councillor R Ormerod highlighted the recent success of the Durham City Ladies Football Team and attendances of 1,700 at New Ferens Park and noted he felt this was something we should be celebrating. The Strategy Team Leader noted she would highlight their success to the relevant colleagues.

Councillor S Dunn explained he felt it would be remiss if he did not mention the success of our tourism and cultural events, and the level of performance in comparison to our regional neighbours. He added that all involved should be congratulated for their work and the return upon the investment was excellent.

**Resolved:**

That the report be noted.

## **9 Refresh of the Work Programme**

The Chair asked the Overview and Scrutiny Officer to speak to Members in relation to the Review of the Committee's Work Programme (for copy see file of minutes).

The Overview and Scrutiny Officer explained that the report followed on from the report presented at the March meeting of the Committee and set out the 2019/20 Work Programme. She highlighted the work that had been undertaken by the Committee within the past year and noted the draft work programme was set out at Appendix Two to the report including issues such as: DurhamWorks; Digital Durham; Private Rented Sector; Business Durham, Masterplans; Transport Activity; the Housing and Homelessness Strategy; Local Industrial Strategy; and Selective Licensing.

The Overview and Scrutiny Officer noted potential visits for the Committee to Integra 61 and Horden Rail Station and Special meetings that would look at issues such as: an update on the recommendations from the Retail Support review and the Town and Village Centres Report; Selective Licensing; Employment Statistics; and Housing.

The Chair thanked the Overview and Scrutiny Officer and asked Members if they agreed the proposed work programme for the Committee as set out at Appendix Two of the report. He noted that of course the Committee would be flexible, in order to be able to look and any issues that may arise, noting the issues associated with Brexit.

Mrs R Morris noted she had no issues with the work programme as set out, however, she highlighted that an important issue would be to look to the types of jobs we wanted and needed for our County, to futureproof our young people. She added that she felt it was important to look at what skills we need, as seen from the business perspective, and to look at what barriers may be in place. The Chair noted this fitted with the meeting scheduled for February, looking at the Local Industrial Strategy.

Councillor P Howell noted he felt looking at budget reports in a timely manner was important, for example looking at Quarter One in June rather than September.

Councillor E Adam noted business failures within their first three years and asked was this something the CDEP or Business Durham were looking at. The Overview and Scrutiny Officer noted it was an issue being looked at.

**Resolved:**

That the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee for 2019/20 be agreed.

**10 Minutes from the County Durham Economic Partnership**

The Minutes of the meeting of the County Durham Economic Partnership held 26 April 2019 were received by the Committee for information.

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**24 September 2019**

**North East Local Industrial Strategy  
Progress Update**



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**Joint report of Lorraine O'Donnell, Director of Transformation and Partnerships and Ian Thompson, Corporate Director of Regeneration and Local Services**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with background detail on the progress of the North East Local Industrial Strategy prior to a presentation by Glenn Martin, Regeneration Policy Team Leader, Durham County Council.

**Executive Summary**

- 2 The committee will recall that at the special meeting of the Economy and Enterprise Overview and Scrutiny Committee held in March, members received an overview of the National Industrial Strategy, an overview of local industrial strategy guidance, and the development of the North East Local Industrial Strategy.
- 3 Arrangements are being made for a representative from the North East Local Enterprise Partnership to attend a future meeting of the Economy and Enterprise Overview and Scrutiny Committee to provide an in-depth overview of the North East Local Industrial Strategy.
- 4 The national Industrial Strategy was published in 2017 with the aim of boosting productivity which in turn should lead to better wages for workers. The strategy also outlines the need for Local Enterprise Partnerships and Mayoral Combined Authorities to develop Local Industrial Strategies (LIS). The North East Local Enterprise Partnership will be amongst the first in England to prepare a LIS and Business Durham, County Durham Economic Partnership and the Council are working together to engage with this.

## Recommendations

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and the presentation.
- 6 That the Economy and Enterprise Overview and Scrutiny Committee receives at a future meeting a presentation by the North East Local Enterprise Partnership on the development and progress of the Local Industrial Strategy.

## Background

- 7 Members will recall that at the special meeting of the Economy and Enterprise Overview and Scrutiny Committee held on 11 March 2019 the committee received an overview of the development of the LIS. At that meeting it was highlighted by members that they wanted to receive further progress updates on the development of the strategy. As a result, the committee agreed at its June 2019 meeting to include in its future work programme an update early in the work programme from the relevant Service Grouping followed by a further update from the NELEP in 2020.
- 8 Arrangements have been made for Glenn Martin, Regeneration Policy Team Leader to attend the committee on the 24 September 2019 to provide a presentation focusing on:
  - National Industrial Strategy
  - North East Local Industrial Strategy
  - UK Shared Prosperity Fund

A copy of the presentation slides is attached as Appendix 2.

## Context

### National Industrial Strategy

- 9 In November 2017, the Government published the [Industrial Strategy](#) which aimed to “*set out a long-term plan to boost the productivity and earning power of people throughout the UK*”. The vision for the strategy is fivefold:

Vision	Foundations
To be the world's most innovative economy	Ideas
Good jobs and greater earning power for all	People
A major upgrade to the UK's infrastructure	Infrastructure
The best place to start and grow a business	Business Environment
Prosperous communities across the UK	Places

- 10 The five elements of the vision form the basis for the five foundations of productivity which are ideas, people, infrastructure, business environment and places. In addition to these, the strategy identifies areas where the UK can take a lead in global technological development. These are known as the four 'grand challenges' of artificial intelligence, future of mobility, clean (e.g. low carbon) growth, and the ageing society.
- 11 A number of ['sector deals'](#) are also being agreed between the Government and the organisations that represent industrial sectors. Currently ten have been agreed for the following sectors:
- Aerospace
  - Artificial Intelligence
  - Automotive
  - Construction
  - Creative industries
  - Life sciences
  - Nuclear
  - Offshore wind
  - Rail
  - Tourism
- 12 Since its publication, the Industrial Strategy has been used as an umbrella under which a range of Government investments have been promoted. The strategy also makes several references to the economic opportunities that the UK will have after Brexit, but Brexit has clearly become the main challenge for the Government and economy.

## Local Industrial Strategy

- 13 The national Industrial Strategy also provides the framework for the development of 'Local Industrial Strategies' (LIS) which the Government expects Local Enterprise Partnerships or Combined Authorities to develop. In the North East the North East Local Enterprise Partnership (NELEP) will prepare the LIS, which will build on the evidence and

direction of the [North East Strategic Economic Plan](#) (NE SEP) but will focus on improving productivity, in line with the national strategy.

- 14 The NE SEP was based on a detailed [‘Independent Economic Review’](#) and the NELEP decided that much of this was still relevant evidence for the new LIS. NELEP also produces the [‘Our Economy’](#) report which identifies key aspects of the region’s economic performance against themes and targets set out in the SEP. Only two new pieces of evidence were commissioned; one of which investigated key industrial sectors and key assets in the region, and the other which investigated the region’s productivity performance.
- 15 In October, the Government published a [LIS policy prospectus](#) as well as updates on the progress towards LISs for [Greater Manchester](#) and the [West Midlands](#). These give an insight into what the Government expects LISs to include, how they link to the national Industrial Strategy, and an outline of the Government support available. The NE LIS will be amongst the first in the Country to be developed and is expected to be published towards the end of 2019.
- 16 County Durham has been involved in the development of the Local Industrial Strategy via a number of channels including the NELEP Boards and the North East Combined Authority (NECA). In July NELEP held a [NE LIS summit](#), which several Council officers attended, to discuss the content of the strategy. NELEP has established an ‘Evidence Forum’ which the vice chair of the County Durham Economic Partnership attends but which have taken place infrequently.
- 17 The NE LIS will sit between the national Industrial Strategy and the North East Strategic Economic Plan and its structure reflects this. It will be based on the five ‘foundations of productivity’<sup>1</sup> from the national strategy and four ‘areas of strategic importance’<sup>2</sup> identified in the NE SEP. The areas of strategic importance reflect economic strengths and challenges that are specific to our region.
- 18 Based on the early evidence we have seen thus far there are several areas where we would like to see improvements. These include representing rural areas, smaller towns and strategic business parks better. In addition, the NE LIS needs to support the development of infrastructure across the region and support improvements to connectivity and skills. It could also be more ambitious, demonstrate a stronger partnership approach to delivery, and provide a sound case for

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<sup>1</sup> Ideas, people, infrastructure, business environment, and places

<sup>2</sup> Manufacturing, digitalisation, energy, and health

UK Shared Prosperity Fund resources. The Council made these representations, via NECA, in early September 2019.

## **UK Shared Prosperity Fund**

- 19 In the context of 'Brexit', the NE LIS is important because the Government has proposed to align future funding streams to LISs. The Government already devolves several funding streams to LEPs and LEPs represent their respective local authorities in conversations with the Government. However, the amount of money received by Durham County Council via European funding programmes far outweighs resources from NELEP.
- 20 The current European funding programme is due to end in 2020 and, under Theresa May, the Government committed to continuing European-funded programmes that had commenced under the current programme. The 2017 Conservative Party Manifesto and national Industrial Strategy make commitments to introducing a new 'UK Shared Prosperity Fund' (UK SPF) to replace European funding. The Government intended to consult on this fund in 2018 but this did not occur.
- 21 In the meantime, some local authorities areas such as County Durham that receive significant European investment have been lobbying the Government to consult on the UK SPF and have developed a position on the conditions and management of the fund. The Council has primarily been working with the Industrial Communities Alliance (ICA) to develop a common position on the UK SPF and the ICA Secretariat has been lobbying MPs in all parties. Over the last year, there have been various Government Select Committee consultations that are relevant to this agenda which the Council has responded to directly and via the County Durham Economic Partnership as well as through other partnerships such as Britain's Leading Edge and the County Council's Network.
- 22 The Government has intimated that they will not consult on the UK SPF until Brexit has been resolved. There is also a risk that the Government will merge the UK SPF with other funds that are devolved to LEPs and may allocate funding on a competitive basis. This may mean funding is directed to areas where the Government can make the best short-term returns, rather supporting areas with deep-rooted socio-economic needs – which is the purpose of European funding.
- 23 Similarly, the Government has suggested creating a national pool of any undeployed European investment and invest these resources in-line with the national Industrial Strategy. It is imperative that any ring-fenced

EU resources committed to County Durham is not lost to a national pool.

### **Next steps**

- 24 The Council will continue to lobby the LEP and the Government through every available channel to try to mitigate the loss of funding. Our approach also takes into consideration other funding pressures that have been brought about by the Government's austerity measures over the last decade and ongoing changes to local government finance.

### **Background Papers**

- 25 The UK Industrial Strategy: [www.gov.uk/government/topical-events/the-uks-industrial-strategy](http://www.gov.uk/government/topical-events/the-uks-industrial-strategy)

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**Contact:** Glenn Martin

03000 263 423

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable

### **Finance**

The NE LIS is expected to provide the strategy against which the Government will devolve investment to NELEP and is vital to the economy of the region and County Durham; particularly given the impending loss of European funding.

### **Consultation**

Not applicable

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable

### **Human Rights**

Not applicable

### **Crime and Disorder**

Not applicable

### **Staffing**

The loss of EU funding may lead to the loss of staff on fixed-term contracts to deliver EU funded projects.

### **Accommodation**

Not applicable

### **Risk**

Not applicable

### **Procurement**

Not applicable

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# North East Local Industrial Strategy Progress Update

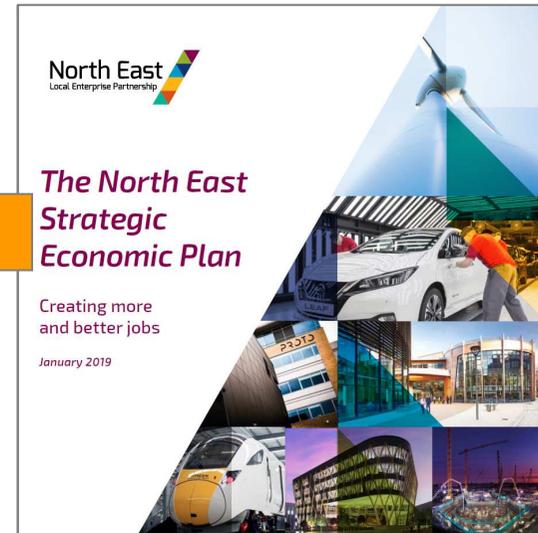
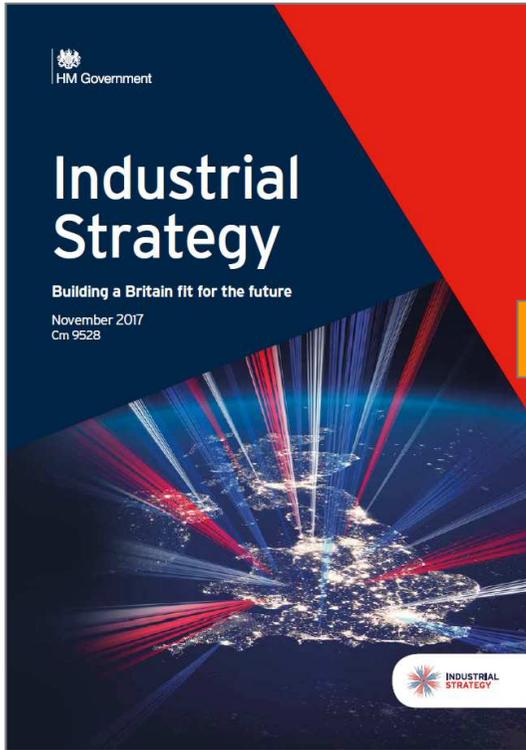
Economy and Enterprise  
Overview and Scrutiny Committee

Glenn Martin  
Regeneration Policy Team Leader

*Altogether better*



# Overview



*Altogether better*



## NE LIS Development Process

- **May:** Cross-Government panel to review LIS evidence. NELEP Board to review evidence, headline narrative and key propositions
- **June:** Cross-Government panel to review LIS headline narrative and propositions
- **Summer:** LIS consultation
- **Autumn:** LIS approval by Government

## NE LIS Structure

- 9 'proposition summary packs' circulated by NECA for comment
  - 5 based on National Industrial Strategy 'foundations' (ideas, people, places, infrastructure, business environment)
  - 4 based on the NELEP SEP 'areas of strategic importance' (manufacturing, digitalisation, energy, health)
- Due for sign-off by end of September

*Altogether better*



# NE LIS Engagement

- NELEP Board
- North East Combined Authority
- NE Local Industrial Strategy Evidence Forum
  - Via vice Chair of County Durham Economic Partnership
- NE Local Industrial Strategy Summit

## Purpose

*“Local areas in England are being asked to prepare Local Industrial Strategies to prioritise long-term opportunities and challenges to increasing local productivity. This prioritisation will help local areas decide on their approach to maximising the long-term impact of the **UKSPF** once details of its operation and priorities are announced following the Spending Review.”*

James Brokenshire, July 2018

*Altogether better*



# UK Shared Prosperity Fund

- Still awaiting official consultation
  - Originally due Autumn 2018
- Recent select committee consultations:
  - 2018: Rural Economy (BEIS)
  - May: Regional Growth (BEIS)
  - August: Devolution (MHCLG)
  - August: Regional Imbalances (Treasury)

## UK Shared Prosperity Fund

*“Although the Government has not yet published its consultation on the Fund, a number of organisations have already made comments about the possible design... most organisations seem to agree that the level of funding should be **at least maintained at its current level**, it should largely be **allocated based on need**, and **local authorities and partners should be closely involved.**”*

Commons Briefing papers CBP-8527, 3 September 2019

*Altogether better*



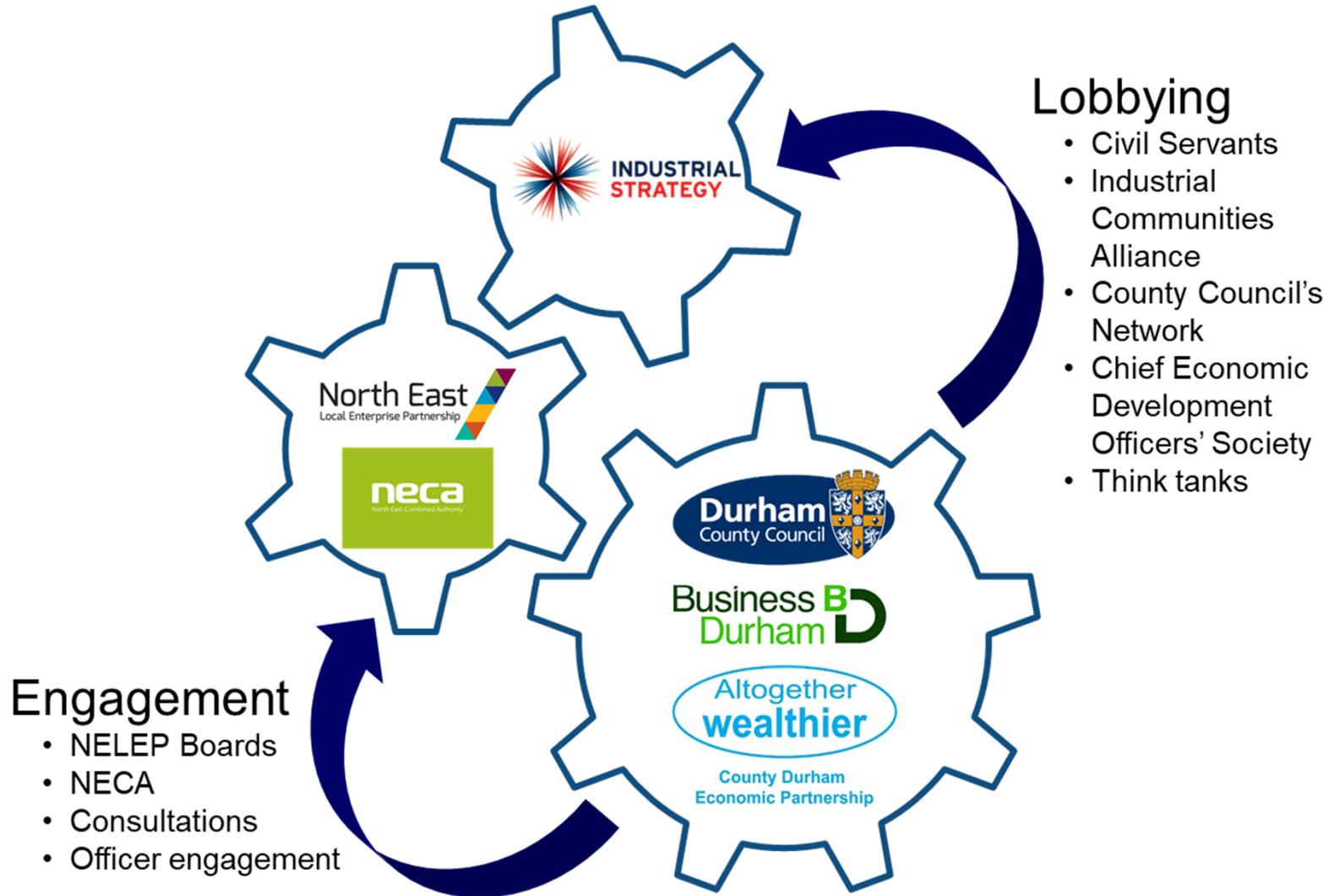
# Issues

- Unclear position of new Prime Minister and Chancellor on regional growth and funding
- Ongoing Brexit uncertainty:
  - Replacement of EU funding?
  - Merged with other funds?
  - Competitive bidding?
- Investment in combined authorities

*Altogether better*



# Influencing



**Economy and Enterprise Overview and Scrutiny Committee**

**24 September 2019**



**Ultra-Low Emission Vehicles – Overview and progress**

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

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 Firstly, to provide Members of the Economy and Enterprise Overview and Scrutiny Committee with an overview of what has been happening with regard to Ultra Low Emission Vehicles (ULEVs).
- 2 Secondly, to make members aware of the setting up, the function of, and the workstreams relating to the Ultra-Low Emission Vehicles Working Group (ULEV WG).
- 3 Thirdly, Members are asked to note the number of workstreams that have been created due to the significant growth and interest in work relating to Ultra Low Emission Vehicles (ULEVs). The work streams include:
  - A. Regional Low Carbon Strategy - Growth of ULEVs
  - B. DCC reducing emissions and declaring climate emergency
  - C. Existing DCC owned EV infrastructure and condition
  - D. Identifying sites for EV filling stations in County Durham
  - E. Community based funding project for Rural/Low Income Areas
  - F. Reviewing our Working and Pool Fleet
  - G. External funding (Transforming Cities/ERDF) for Park & Ride and EV infrastructure
  - H. Ultra-Low Emission Taxi infrastructure funds
  - I. Durham University (Erasmus) Project
  - J. ULEV Strategy development

- 4 Finally, members are asked to give their views on where DCC should be heading as an authority on this subject.

### **Executive summary**

- 5 Members will recall that in December 2018 the committee received a report and presentation which provided an overview of transport services at DCC. One slide was dedicated to work on Electric Vehicles which felt proportionate at that time.
- 6 Low emission transport has increasingly been on the political agenda as issues of air quality and the climate emergency have gained prominence. The council's Ultra Low Emission Vehicles Working Group (ULEV WG) has been meeting every three weeks since January 2019 to develop and progress work relating to the ultra-low emission transport work area and respond to opportunities for funding and enquiries about new ULEV infrastructure.
- 7 A number of workstreams have been created since the ULEV WG was established, including consideration of local and regional policy, the council's ULEV infrastructure and fleet, funding bids for ULEV infrastructure, opportunities to install EV filling stations at specific sites, and research into ULEV uptake and options to increase availability of charging infrastructure moving forward.

### **Recommendations**

- 8 Members of the Economy and Enterprise Overview and Scrutiny Committee recommended to:
  - (i) Consider and comment on the information provided in the report and presentation.
  - (ii) endorse and note the progression of all the workstreams set out in this report;
  - (iii) note the significant potential of the SOSCI project to fund EV charge points in rural and low-income areas (see workstream E);
  - (iv) support the development of a ULEV strategy in early 2020 (see workstream J).
  - (v) receive a further report and presentation at a future meeting of the committee detailing further progress made.

## **Background**

- 9 The International Panel on Climate Change's 'Special Report on Global Warming of 1.5°C' set out that limiting Global Warming to 1.5°C may still be possible with ambitious action from national and sub-national authorities, civil society, the private sector, and local communities. In response to this, the council declared a climate emergency on Wed 20th February 2019.
- 10 The UK Road to Zero strategy (2018) sets out the government's ambition to end the sale of new conventional petrol and diesel cars and vans by 2040. Since this was published, the latest 'UK-Net Zero' report, the Committee on Climate Change have advised Government that all new cars and vans should be electric (or use a low carbon alternative such as hydrogen) by 2035. An earlier switch over (e.g. 2030) would be desirable.
- 11 Road transport is estimated to contribute 3.0 Mt (37%) of the LA7 region's annual CO<sub>2</sub> emissions. The availability of ULEVs provides a significant opportunity for sustainable transport to play its part in large-scale emissions reduction across County Durham. The council have been developing formal and informal partnerships with public, private and voluntary sector partners to understand how best to deliver ULEV infrastructure.

## **Governance of ULEV Working Group**

- 12 To deal with the fundamental shift in national policy, workstreams and funding opportunities relating to ULEVs, the ULEV WG has been meeting every 3 weeks since the beginning of 2019. The working group includes officers from across the council with Spatial Policy, Transport, Low Carbon Team, Corporate Property and Land, Legal, Procurement, Funding and Programmes and Fleet.
- 13 The purpose of the group is so that DCC officers work in a joined-up manner when developing work linked to this agenda. The ULEV WG meets every three weeks. Outside this standing meeting, individual work areas meet as required to ensure progression of a specific workstream.
- 14 At a programme level, a highlight report is prepared for the Head of Transport and Contract Services following each meeting to provide an update on each of the workstreams. The highlight report will also note whether any further workstreams commence. This will also confirm reporting at a project level including the identification of relevant Heads of Service, funding updates and budgeting arrangements.

## **Workstreams of the ULEV Working Group**

### **A - The Regional Low Carbon Strategy (LCS) - Growth of ULEVs**

- 15 According to the Regional Low Carbon Strategy, there are only 2,500 ULEVs in the LA7 area, accounting for 0.3% of the region's car stock. Future uptake based on the UK Road to Zero policy until 2030 is modelled in the LCS. Exponential growth is predicted that has significant outcomes for planning EV infrastructure.
- 16 The LCS 'High Ambition Growth Scenario' predicts that there will be 219,000 EV cars in 2030 compared with 2,517 currently. Even with a 'Low Ambition Growth Scenario', it is predicted that there will be 85,000 ULEVs in the region in 2030 compared with 2,500 today. In the more rural areas including Durham, the LCS is predicting at least 20-40% of cars to be ULEVs.
- 17 The LCS advises that focusing exclusively on one charging option is not recommended; a diverse mix of charging solutions are expected to be necessary to cater to a range of needs (e.g. rapid charging hubs, on-street charging, destination charging and work charging) and should take account of local grid constraints, availability of space and dedicated parking bays, trip patterns etc. The LCS is nearly completed having been circulated to Economic Directors in early August 2019 for comments.

### **B - DCC reducing emissions and declaring climate emergency**

- 18 In 2010, the council and the County Durham Partnership agreed a target to reduce carbon emissions across County Durham by 40% by 2020 (based upon 1990 levels). This includes emissions from the domestic, business, commercial and transport sectors. The 40% target exceeds the Government target set in the Climate Change Act of a 37% reduction by 2020. By 2017, County Durham had achieved a total emissions reduction of 52% from 1990 levels. County Durham is currently on course to meet a 55% reduction by 2020, exceeding the national performance in 2017 by 9%.
- 19 The council have continued to lead the way. A climate emergency was declared on the 20th February 2019 and a climate emergency update report went to full council on July 17<sup>th</sup>, 2019. The Council now pledge to reduce carbon emissions by 60% by 2030 and to be carbon neutral by 2050. This report is likely to clarify that the Full Council see the electrification of transport as one of the key ways the council can respond to the climate emergency.

### **C - Existing DCC owned EV charging infrastructure and condition**

- 20 The council currently own 27 EV charge points (33 outlets) around the County and have an ongoing maintenance contract with 'Charge Your Car' to maintain the EV charge posts. Surveying of posts has demonstrated that around 50% of posts are not working correctly. Charge Your Car maintain our current posts but only at a premium call out cost. The ULEV WG believe there is an opportunity via procurement to organise a more cost-effective contract so that a new company will maintain, install and provide back office support for our current and future stock.
- 21 The ULEV WG are collecting baseline information on the existing stock but are also working towards an audit of EV infrastructure being delivered by the private sector. A spatial understanding of all charging opportunities is essential to best understand where to locate new facilities.
- 22 The emerging County Durham Plan proposed Policy 22 'Delivering Sustainable Transport' highlights the need to plan for adoption of alternative fuel vehicles and refers to the County Durham Parking and Accessibility Standards (2019), which require a higher provision of Electric Vehicle Charging Points at employment, residential, supermarket and other retail developments.

#### **D - Identifying sites for new EV filling stations in the county**

- 23 Following the EV roadshow that DCC hosted in November 2018, contact was made with a company that provides EV filling stations from 100% renewable electricity. They opened their first fast EV charging station in the UK in Sunderland in April 2019 and there is potential to provide these EV fuel charging stations in County Durham adjacent to roads with high traffic flows. The concept and the business model of these facilities provides a commercial opportunity for the council to create ongoing revenue.
- 24 The Corporate Property and Land Service have identified two potential sites owned by DCC or with partners (Forrest Park) that have high potential for a successful EV filling station in County Durham. The sites identified include land located at:
- Belmont Park and Ride
  - Forrest Park
- 25 The ULEV WG are in discussions with procurement regarding the best procurement model for the EV filling station sites and existing DCC infrastructure. The ULEV WG have already wrote to local members to inform about the proposals at Belmont Park and Ride.

## **E - Scaling on Street Charging Infrastructure (SOSCI) for Rural/Low Income Areas**

- 26 Innovate UK is a non-departmental public body, funded by the UK government. Innovate UK are funding projects that promote investment in on-street infrastructure. DCC are working in partnership with public and private companies on a £4m project that has the potential to deliver 100 new EV charging posts in Durham. The Scaling on Street Charging Infrastructure (SOSCI) fund could be a game changer for the roll out of EV infrastructure in County Durham. The rationale for the funding bid focuses on underserved areas where there is a shortage of off-street parking.
- 27 Cybermoor are leading on the bid with several partners from public, private and voluntary sectors. 100% of DCC involvement will be funded through the project so DCC's input into the bid has been provided with officer time to date. Cybermoor will co-ordinate community capital and interest to help finance charge posts but are asking that posts can be located in community car parks, some of which may be owned by DCC. The ULEV WG will be requesting more details from Cybermoor on a funding partnership as the inception meetings begin in October 2019. Members are asked to note the potential of the SOSCI project to fund EV charge points in rural and low-income areas.

## **F - Reviewing our Working and Pool Fleet**

- 28 Proposals are being considered by the fleet manager as to how the DCC fleet can contribute towards electric mobility in the county. Specifically, consideration is being given to how smaller vans can go electric. The key barrier is the lack of EV charging infrastructure across the county and how this may prevent the roll out of electric fleet cars. The ULEV WG have had a figure quoted (approx. 60k) to install 31 EV charging posts at all council fleet depots.
- 29 Likewise, opportunities to make the pool car fleet electric are also being explored. This is part of a wider review being undertaken by Energy Savings Trust (EST) that will review fleet mileage, pool car mileage and also the number of private mileage (grey fleet miles) being used by staff. Officers have met with the EST to discuss the scope of this project. At present, the use of pool cars accounts for approximately 3% of the council's total mileage. The outcomes of this review will set out how the council can be more efficient in terms of cost savings and reducing their carbon footprint.

## **G - External funding (Transforming Cities/ERDF) for Park & Ride and EV infrastructure**

- 30 External funding options are in development to help implement a cleaner, greener low carbon transport system for Durham City with its Park & Ride sites. There is potential for solar car ports to supply zero carbon electricity to run the bus service for the Park and Ride operations.

#### **H - Ultra-Low Emission Taxi Infrastructure Funds**

- 31 NECA have received £504k funding for 10 ULEV taxi chargers across the region. As part of the bid, it is proposed that a rapid charging post be installed at the OnePointHub in Chester-le-Street.

#### **I - Durham University (Erasmus) Project – ULEVS in Durham City**

- 32 Durham University students formed part of an Erasmus project dedicated to understanding the needs of EV users in Durham City. They were invited to County Hall to disseminate their findings. The student's findings have already been used to support a multimillion-pound SOSCI funding bid to further install an electric vehicle network across rural County Durham in off street locations (see workstream E).
- 33 During the dissemination event, we invited key partners and stakeholders to learn first-hand from the students. This strengthened our relationships with commercial companies in the electric vehicle field. This project has further highlighted the benefits of taking a customer centred approach to problem solving.

#### **J - ULEV Strategy development**

- 34 The council's approach to dealing with the growth of ULEVs has been guided by the ULEV WG which has reacted to external funding, learning and commercial opportunities. At present, there is no formal strategy on how to take this issue forward although the ULEV WG have developed a list of strategic themes that should be considered as part of a future strategy. It is proposed to commence the development of a County Durham ULEV Strategy in winter 2019.

### **Main implications**

- 35 The key message for members to note are:
- Rapid change is happening with policy, legislation and funding relating to ULEVs
  - There are many challenges and opportunities around the uptake of ULEVs
  - The Officers ULEV WG is already involved in many areas of work relating to the uptake of ULEVs

- Not providing public charging could be a major barrier for many residents
- The council have capitalised on funding opportunities to enable infrastructure delivery
- DCC are making good progress quickly but there are examples of other councils leading the way

## Conclusion

36 Members of the Economy and Enterprise OSC and the Environment and Sustainable Communities OSC will be aware of the work being undertaken in relation to Ultra Low Emission Vehicles (ULEVs) including the setting up, the function of and the various workstreams established.

## Background papers

- See Presentation, Appendix 2.

## Other useful documents

- None

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	Peter Ollivere	Tel: 03000 261915
	Maggie Bosenquet	Tel: 03000 265549

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## **Appendix 1: Implications**

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### **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

# Ultra Low Emission Vehicles (ULEVs)

Overview and Scrutiny – Economy and Enterprise,  
24<sup>th</sup> September

Peter Ollivere & Rebecca Winlo  
Spatial Policy

*Altogether better*



# Introduction

- Definition of ULEV (not only Electric Vehicles)
- Covering report and presentation – different contents
- Pace of change – new policy, legislation, and funding being developed at a national level
- DCC need an established approach to ULEVs in order to take fullest advantage of the opportunities
- Doing our duty to combat the climate emergency, and remaining competitive with other LAs

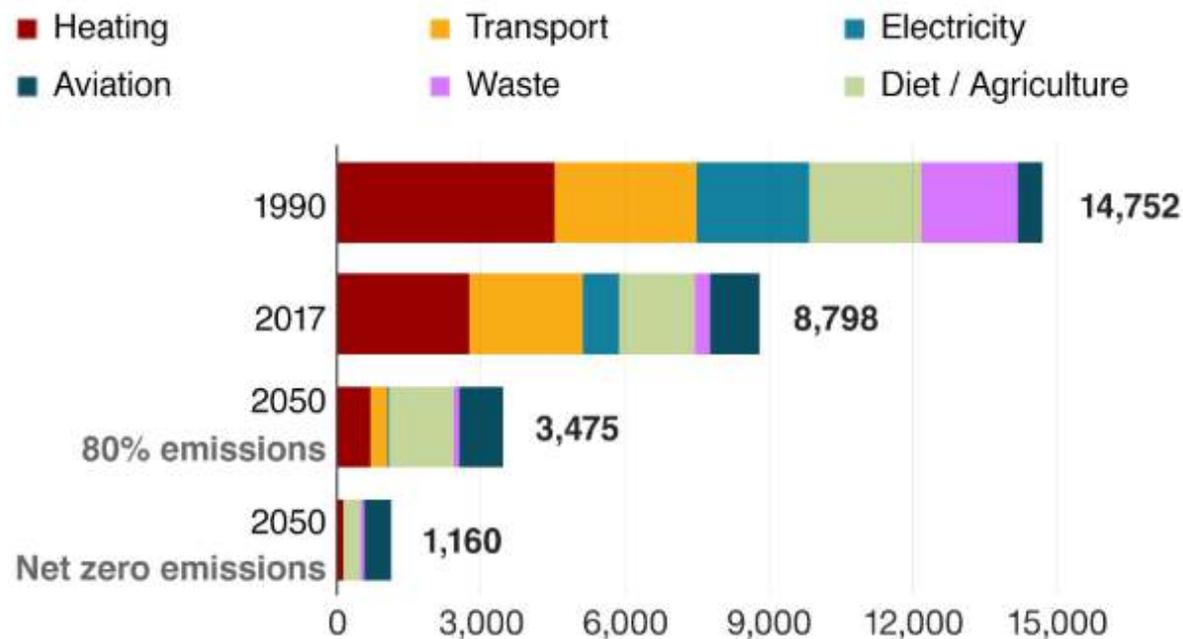
*Altogether better*



# Let's start with some good news!

## Household emissions in 1990, 2017 and 2050

Annual emissions, kilogrammes of CO<sub>2</sub>



Source: Climate Change Committee/BEIS (2019)



- UK – 44%CO<sub>2</sub> reduction
- DCC – 52%CO<sub>2</sub> reduction
- Transport – best opportunity to de-carbonise

*Altogether better*



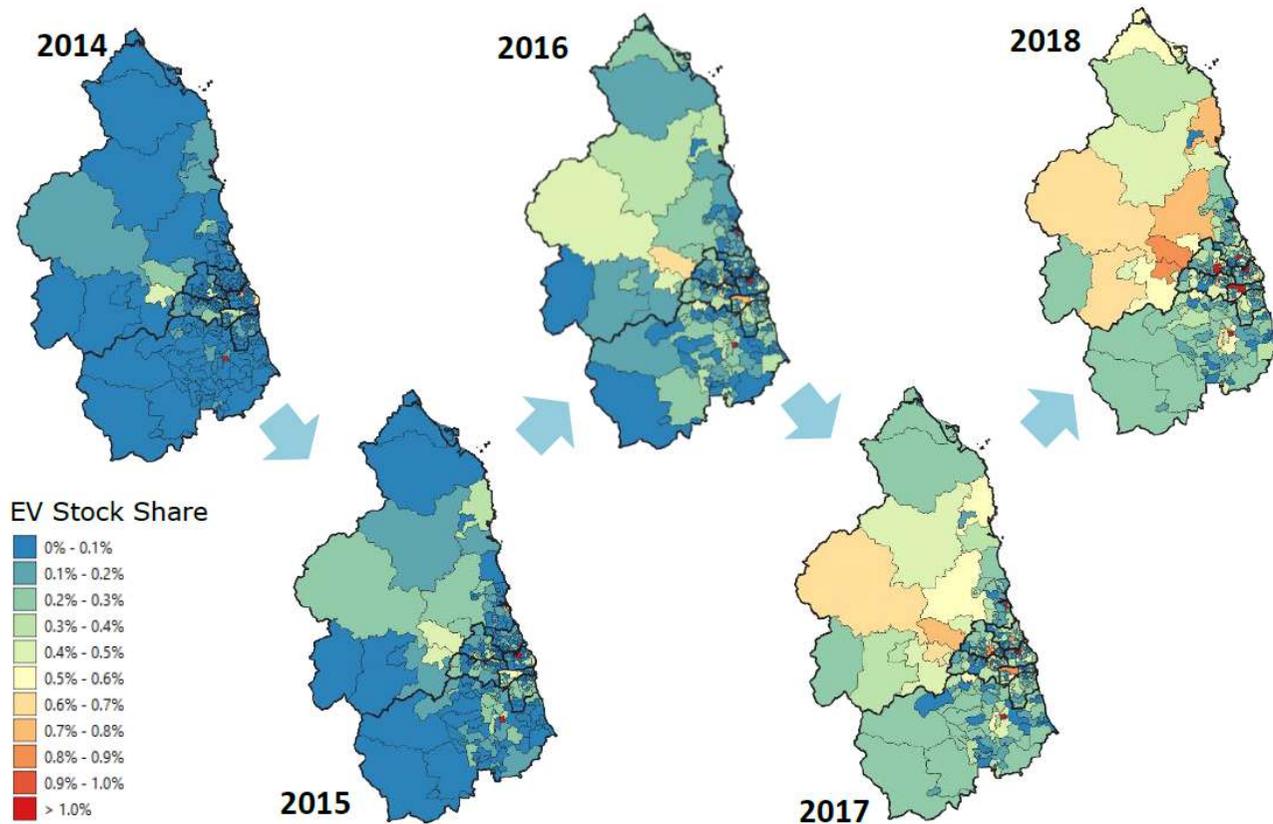
# Policy..... Headlines

- Road to Zero (2018) - 2030, gov wants 50-70% all car sales to be ULEV
- By 2040 –end the sale of new ‘conventional petrol and diesel’
- Ambitious enough? Norway for 100% zero emission cars for 2025 and in 2019, 50% of car sales were ULEVs
- 2019 - Newcastle, Durham, Gateshead, Sunderland, and Northumberland declared climate emergency
- 2019 – Low Carbon Strategy (LCS) predicts exponential growth in ULEVs

*Altogether better*



# Uptake of EVs in the Region – LA7



*Altogether better*

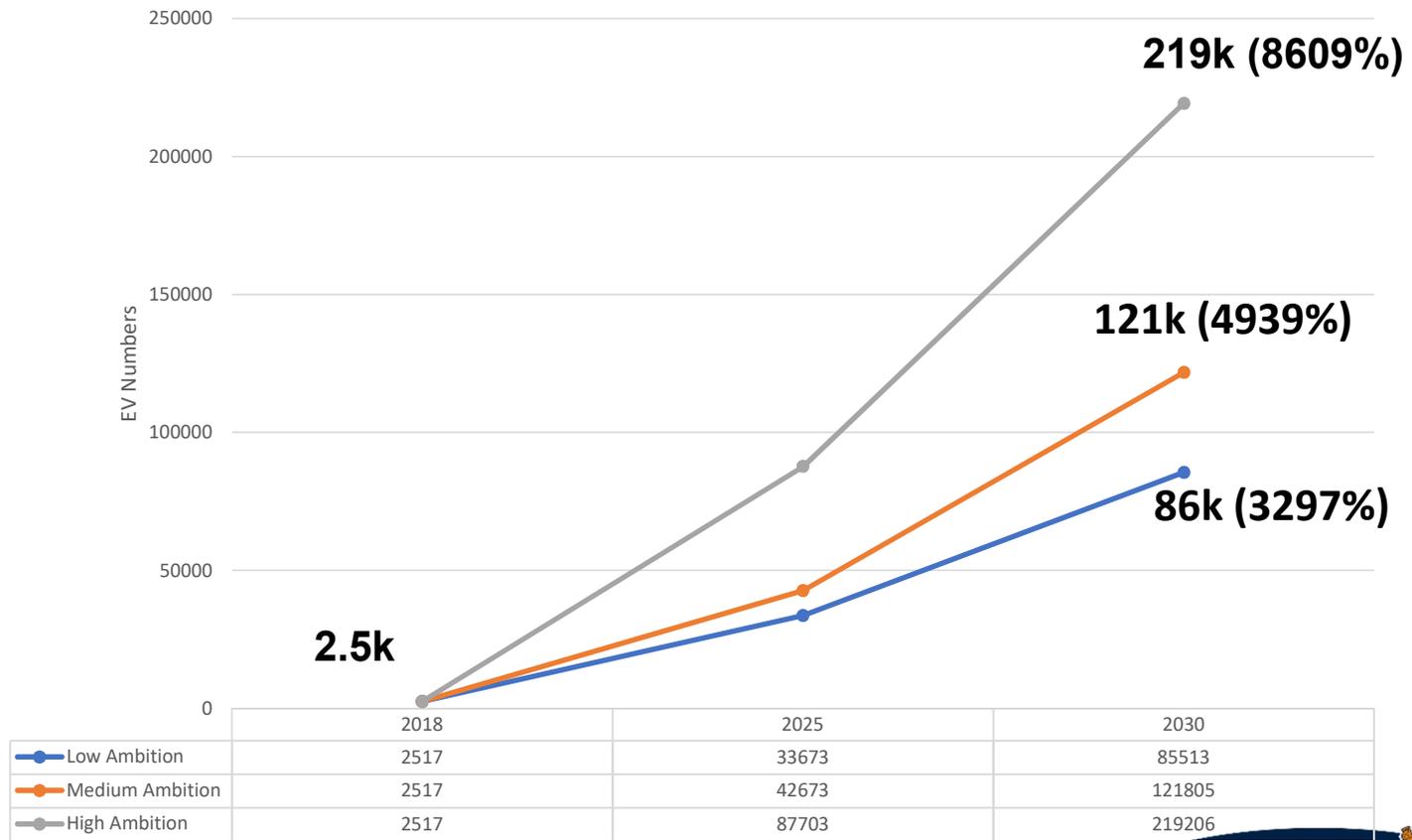
# LCS - Exponential Growth in EVs in LA7.

**Low Ambition:**  
no new policies,  
only gradual fall  
battery costs;

**Medium**  
50% ULEV sales  
share in 2030,

**High Ambition**  
70% ULEV sales  
share in 2030.

EV Projected Growth



*Altogether better*



# DCC – Internal Working Group

DCC ULEV working group has been meeting regularly since the beginning of the year to discuss key issues and opportunities around ULEVs

Many different teams represented:

- Spatial Policy
- Transport
- Low Carbon
- Corporate Property and Land
- Legal
- Procurement
- Funding & Programmes
- Fleet
- Some workstreams link up to NECA projects, e.g. OLEV funding for EV taxi charging

*Altogether better*



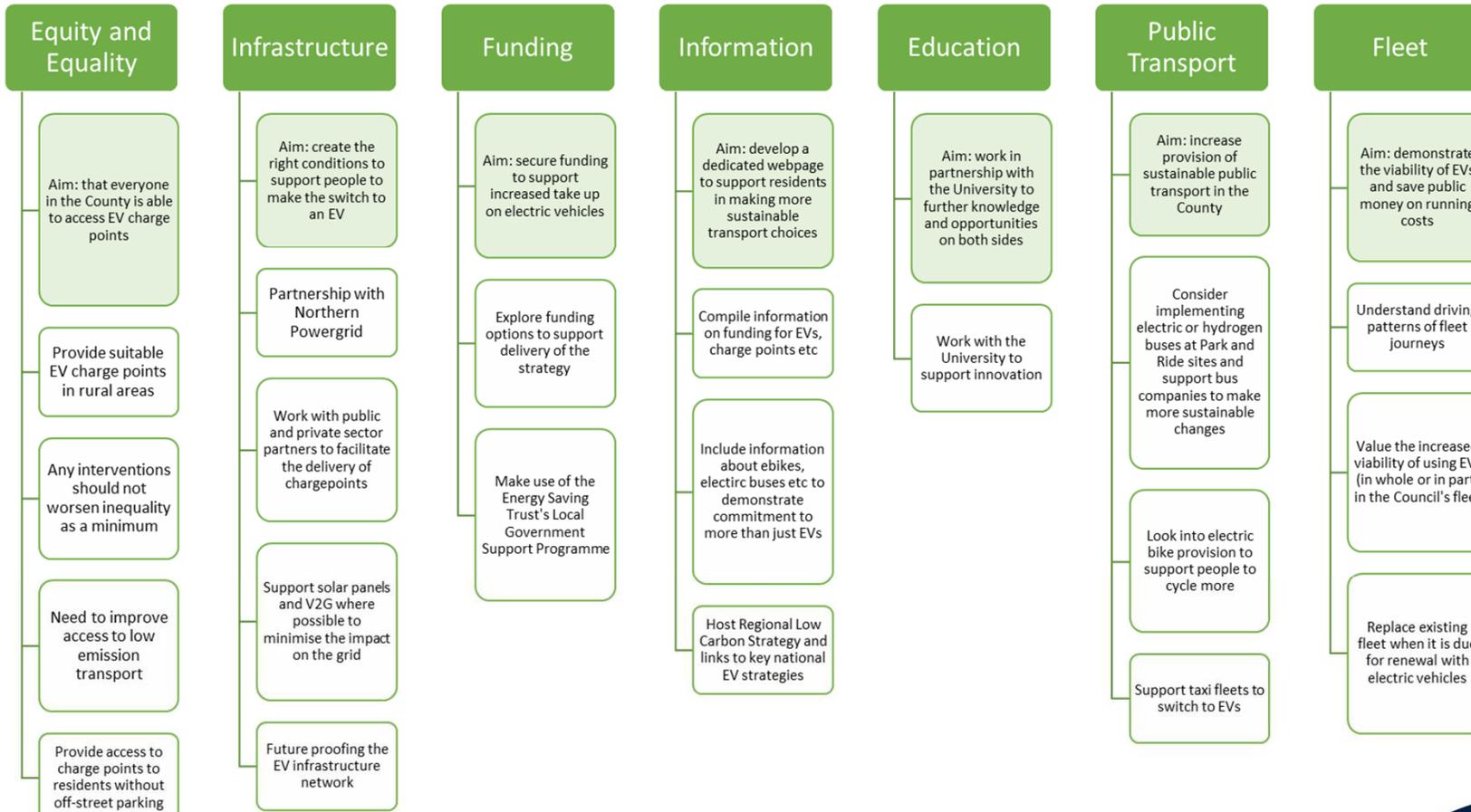
# Workstreams – Set out in detail in report

- A. Regional Low Carbon Strategy - Growth of ULEVs
- B. DCC reducing emissions and declaring climate emergency
- C. Existing DCC owned EV infrastructure and condition
- D. Identifying sites for EV filling stations in County Durham
- E. SOSCI - Community based funding project for Rural/Low Income Areas
- F. Reviewing our Working and Pool Fleet
- G. External funding (Transforming Cities/ERDF) for Park & Ride and EV infrastructure
- H. Ultra-Low Emission Taxi infrastructure funds
- I. Durham University Project on Driver Behaviour
- J. ULEV Strategy development

*Altogether better*



# ULEV Policy for DCC



*Altogether better*



# Equality in County Durham

AIM: that everyone in the county is able to access EV charge points

- Any interventions should not worsen inequality as a minimum
- Need to improve access to low emission transport i.e rural areas
- Provide access to charge points for residents without off-street parking

PROJECT: Scaling on Street Charging Infrastructure (SOSCI)

- SECURED £2m of funding to deliver charge posts (CPs) across County Durham
- Community based pilot to locate CPs within 5 mins drive of terraced streets i.e. no off-street parking

*Altogether better*

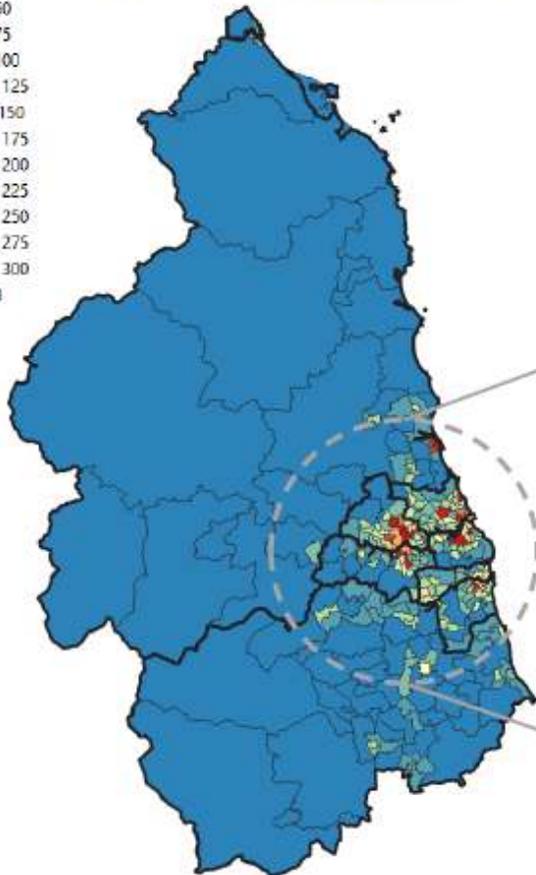


# Equity...do you have off-street parking?

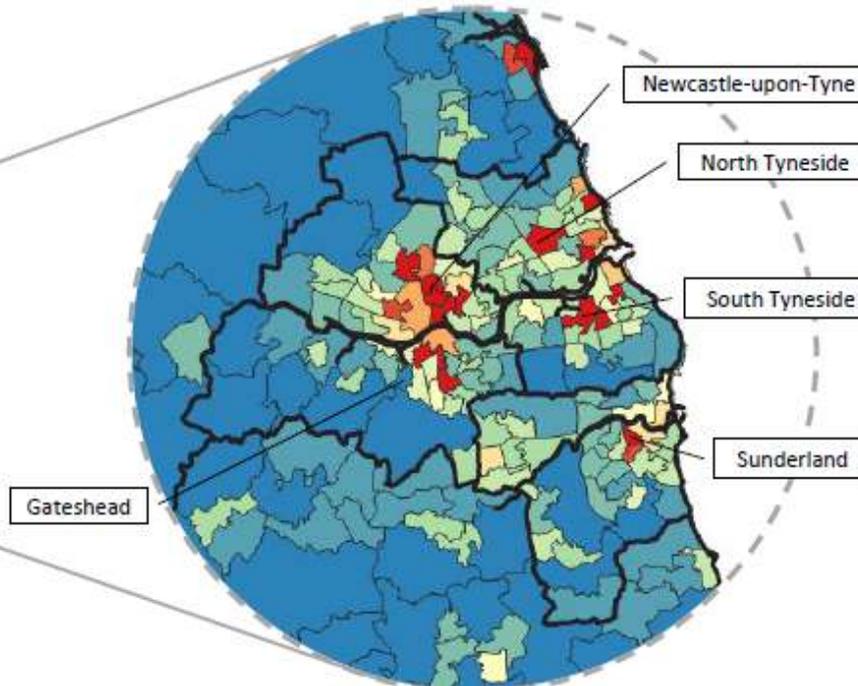
EVs Per km<sup>2</sup>



On-Street EVs, High Ambition 2030



- Accounting for access to off-street parking across the region, it is estimated that by 2030 there could be between 40,000 - 75,000 EVs parked on-street under the Medium and High Ambition scenarios
- Figures show density of On-Street EVs under High Ambition in 2030 – these are mainly clustered in the urban centers



**40% of houses in County Durham are terraces**

*Altogether better*



# Infrastructure

AIM: create the right conditions to support people to make the switch to an EV

- People need to access electricity in order to charge cars – biggest barrier in most surveys is concerns with ChargePoint availability, numbers, and reliability
- Work with public and private sector partners to deliver of charge points
- What is the Councils role in future proofing the EV infrastructure network

## PROJECTS:

- EV fillings stations? Where and who?
- SOSCI – where to locate ?
- DCC – Existing Post Renewal – 50% not working properly – who will do this?



*Altogether better*

# Funding and Programmes

AIM: to secure funding to support increased take up of electric vehicles

- Its key to explore funding options to support delivery of ULEV infrastructure

PROJECTS:

- SOSCI – where to locate?
- ERDF/Transforming the Cities funding for Park and Ride- facilitate electric buses?



**European Union**

European Regional  
Development Fund

*Altogether better*



# Information and Education

AIM: work with the University and partners to further knowledge and opportunities on both sides

- Work with the university to support innovation
- Learning Events – Make Great Britain Green Event

PROJECT: Durham University Driver Behaviour

- EV drivers do not experience range anxiety, but potential drivers do
- Quality and accessibility of charging infrastructure is an issue
- People driving set A to B journeys were more likely to drive an EV with women less likely to drive EVs due to less predictable\* driving habits



# DCC - Fleet and Pool Cars

AIM: reduce carbon emission, demonstrate the viability of EVs, save public money on running costs

- Savings on whole life costs with lower maintenance and fuel costs
- DCC have 3,344 staff who claim for mileage travelled on business in their own cars for the Council (grey fleet mostly petrol cars)
- 400 regular users of a pool cars and 27 'diesel' pool car to cater for these trips

PROJECT: replace existing pool and fleet with EVs when they due for renewal

- Energy Saving Trust now undertaking a review of our grey mileage and estimating substantial carbon and financial savings if we manage our grey mileage better
- Procurement of new fleet vehicles must demonstrate business case for not choosing EV's (but we still have very few EV's)

*Altogether better*



# Cllr Marshall and DCC – Learning EVs



*Altogether better*



# What are other councils doing? Dundee

- Largest electric fleet in the country, 95 vehicles so far or 40% of total fleet
- 15% of taxis are electric with target of 25% in next few years
- Free parking scheme for owners of EVs
- 2 rapid charging hubs (filling stations) in the City Centre with
- The council boasts having the most EV's of any local authority
- CO2 levels have reduced by 1000 tonnes so far..
- Free electricity for residents!

*Altogether better*



# North Somerset Council

Won £2m OLEV funding in 2016-

- 150k to convert 48% of its van and car fleet to electric vehicles and now has 34 electric vehicles which staff can use:
- 30k worth of grants awarded to business to install charge points
- Discounted parking permits in Bath City Centre for ULEVs
- Procured a partnership with Consett's 'Elmtronics' who installed 34 dual EV chargers and a further 22 dual units to the neighbouring Local Authorities - part of the West of England (WOE) CA
- The WOE CA part of a wider £7m package - 'Source West' is a ULEV partnership with projects relating to EV Car Clubs, EV trials, business grants, fleet conversion, EV freight consolidation and electric taxis.

*Altogether better*



# Summary of ULEV Presentation

- Rapid change is happening with policy, legislation and funding
- There are many challenges and opportunities around the uptake of electric vehicles
- The Officers ULEV WG is already involved in many areas of work relating to the uptake of ULEV
- Not providing public charging could be a major barrier for many residents
- The council have capitalised on funding opportunities to enable infrastructure delivery
- DCC are making good progress quickly but examples of other councils leading the way

*Altogether better*



Officers would  
welcome  
questions,  
thoughts &  
discussion

*Altogether better*



## Economy and Enterprise Overview and Scrutiny Committee

24 September 2019

### Selective Licencing - Progress



## Joint report of Lorraine O'Donnell, Director of Transformation and Partnerships and Ian Thompson, Corporate Director of Regeneration and Local Services

### Electoral division(s) affected:

Countywide

### Purpose of the Report

- 1 The purpose of this report is to update members on the progress made in relation to Durham County Council's business case for county wide selective licencing and to inform members of next steps prior to a presentation by the Strategic Manager for Housing.

### Executive summary

- 2 Members will recall that at the Economy and Enterprise Overview and Scrutiny Committee held in January an overview presentation was provided in relation to Selective Licensing and detail of the business case. At the March meeting of the committee when discussing the future work programme, it was highlighted that further progress updates on the development of the scheme would be included in the committee's work programme for 2019/2020.
- 3 In addition, as part of the committee's future work programme it is intended that a special meeting will be held during the Selective Licensing consultation period to which all Overview and Scrutiny members will be invited. This special meeting will provide Overview and Scrutiny members with the opportunity to comment on the proposed scheme. A further update on the development of the scheme and detail of feedback from the consultation will be scheduled into the work programme for early 2020.
- 4 Arrangements have been made for Lynn Hall, Strategic Manager for Housing to attend the committee and provide a presentation focusing on: what selective licencing is; detail of the work to date on the business case for selective licencing; progress to date on evidence report, interim arrangements and next steps (appendix 2).

- 5 County Durham has a population of almost 224,000 households across 290 settlements. The county stretches from the North Pennines Area of Outstanding Natural Beauty (AONB) in the west to the North Sea Heritage Coast in the east.
- 6 The county has a dispersed settlement pattern of towns and villages which is a legacy of the rise and fall of mining, steel and other heavy industries. The housing offer in the county reflects issues of its post-industrial history. Whilst there are some beautiful places to live in the county, with a mix of traditional, older housing and more modern family accommodation which are well connected to labour markets and for which very strong demand is clearly evident, there remains a general oversupply of poorer quality terraced housing. In localised areas, this stock can be subject to lower demand and can be associated with higher than average proportions of longer term empty properties.
- 7 The Housing Act 2004 gave local authorities the powers to introduce Selective Licensing of privately rented homes in order to tackle problems in their areas that result from low housing demand and/or significant anti-social behaviour. This means that landlords who rent out properties in an area that is subject to Selective Licensing are required to obtain a licence from the local authority for each of their properties in order to rent them out.
- 8 Selective Licensing is a discretionary scheme for local authorities and covers privately rented properties. The Housing Act 2004 allows local housing authorities to designate areas for Selective Licensing to support the improvement of privately rented properties, providing certain conditions are met.
- 9 In areas designated, landlords must apply for a licence if they want to rent out a property, this includes landlords who rely on lettings agents to manage their properties on their behalf. This means the council can check whether they are a “fit or proper person” to be a landlord or letting agent, as well as making other stipulations concerning management of the property and appropriate safety measures. The stipulations are listed in the licence conditions and the conditions are at the discretion of the local authority although there are 5 mandatory conditions.
- 10 Failure to do this could result in a fine and/or a criminal conviction. There are positive impacts for both tenants and landlords associated with selective licencing in problematic areas.

- 11 In April 2015 additional criteria was introduced which extended the conditions for designating an area to include: areas experiencing poor property conditions; an influx of migration; a high level of deprivation; and high levels of crime, thus enabling local authorities to make effective use of Selective Licensing to address specific problems in certain areas.
- 12 Under the amendments introduced in 2015, should a local authority decide to make a designation that covers more than 20% of its geographical area or more than 20% of the private rented stock, an application to the Secretary of State will be required.
- 13 In October 2018 Durham County Council's Cabinet agreed to:
  - Authorise the Corporate Director for Regeneration and Local Services to consult relevant stakeholders on the proposal to introduce Selective Licensing across the county;
  - Request the Corporate Director for Regeneration and Local Services to prepare a business case on the merits of Selective Licensing across the County and to report to a future meeting of the Cabinet.

## **Recommendations**

- 14 The Economy and Enterprise Overview and Scrutiny Committee is asked to note and comment on the information provided in the report and presentation.
- 15 That the Economy and Enterprise Overview and Scrutiny Committee continues to receive progress updates on the development of the scheme.
- 16 That the Economy and Enterprise Overview and Scrutiny Committee as agreed in its work programme 2019/2020 holds a special meeting providing an opportunity for all Overview and Scrutiny members to comment on the proposed scheme.

## **Background**

- 17 The Economy and Enterprise Overview and Scrutiny Committee has previously received an overview of the proposed Selective Licensing scheme. As part of the development of the committee's future work programme members identified that they wanted to receive both further progress updates on the development of the scheme and an opportunity for Overview and Scrutiny to be included in the future consultation on the proposed scheme.

- 18 The Housing Act 2004 gave local authorities the powers to introduce Selective Licensing of privately rented homes in order to tackle problems in their areas that result from low housing demand and/or significant anti-social behaviour. This means that landlords who rent out properties in an area that is subject to Selective Licensing are required to obtain a licence from the local authority for each of their properties in order to rent them out.
- 19 Selective Licensing is a discretionary scheme for local authorities and covers privately rented properties. The Housing Act 2004 allows local housing authorities to designate areas for Selective Licensing to support the improvement of privately rented properties, providing certain conditions are met.
- 20 In areas designated, landlords must apply for a licence if they want to rent out a property, this includes landlords who rely on lettings agents to manage their properties on their behalf. This means the council can check whether they are a “fit or proper person” to be a landlord or letting agent, as well as making other stipulations concerning management of the property and appropriate safety measures. The stipulations are listed in the licence conditions and the conditions are at the discretion of the local authority.
- 21 Failure to do this could result in a fine. There are positive impacts for both tenants and landlords associated with selective licencing in problematic areas. It can lead to:
- more reliable, longer term tenancies,
  - better quality and safer property standards,
  - less empty properties,
  - reduced levels of homelessness,
  - increased property and rent values,
  - safer, more pleasant areas to live due to lower levels of crime, littering and other anti-social activity.

Landlords have access to:

- help to deal with problem tenants,
- a tenant referencing scheme to vet prospective tenants,

- support and advice on how to be a better landlord,
  - opportunities to join landlords' forums and be involved in the development of future local initiatives.
- 22 In April 2015 additional criteria was introduced which extended the conditions for designating an area to include: areas experiencing poor property conditions; an influx of migration; a high level of deprivation; and high levels of crime, thus enabling local authorities to make effective use of Selective Licensing to address specific problems in certain areas.
- 23 Under the amendments introduced in 2015, should a local authority decide to make a designation that covers more than 20% of its geographical area or more than 20% of the private rented stock, an application to the Secretary of State will be required.
- 24 For Selective Licensing to work effectively, it should form part of a wider strategic approach to an area. Local authorities should ensure Selective Licensing compliments other measures where other measures alone are not enough to tackle the underlying housing problems of a specific area.
- 25 Selective Licensing must be consistent with the Council's overall housing strategy and be co-ordinated with procedures for homelessness, empty homes, anti-social behaviour and housing market renewal activity. The authority must also demonstrate the role of other partners such as police and social services in ensuring the designation reaches its goal.
- 26 A designation can run for a maximum of five years and the administration of the scheme can be funded from the licence fee.
- 27 The Government announced in June 2018 that they will use independent commissioners to complete a review of how Selective Licensing is used and find out how well it is working. The commissioners will gather evidence from local authorities and bodies representing landlords, tenants and housing professionals and the findings will be published in Spring 2019.

## **County Durham Housing in Context**

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

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

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

### **Conditions for applying for a selective licence designation**

- 38 The Housing Act 2004 (amended 2015) sets out the conditions required for a selective licencing designation. The designation may be made if the area to which it relates satisfies one or more of the following conditions:

- low housing demand;
- anti-social behaviour;
- poor property conditions;
- high levels of migration;
- high levels of deprivation; and
- high levels of crime.

- 39 In considering whether to designate an area for Selective Licensing on the grounds of the above, consideration should be given to whether the area has a high proportion of property in the private rented sector. Nationally the private rented sector currently makes up 20% of the total housing stock in England, according to the most recent English Housing Survey of 2015/16.

- 40 In addition, when considering whether to make a Selective Licensing designation the local authority must first identify the objective it intends designation will help it achieve. It must also consider whether there are any other courses of action available that would achieve the same objective.

- 41 It is also important in any application to demonstrate how Selective Licensing will work in partnership with other existing initiatives (e.g. landlord accreditation). Selective Licensing itself is not a stand-alone tool.

- 42 Overall, the Government intends that Selective Licensing be used only where absolutely necessary and whilst it is often seen as the only solution in local communities, the criteria surrounding it means that it is a complex and extremely time-consuming approach, but where appropriately used it can be part of an overall solution to particular challenges.

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

### **Consultation requirements**

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

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

### **Selective Licensing in County Durham**

51 Previously there were three designations in operation across County Durham:

- Dean Bank, Ferryhill
- Chilton West, Chilton
- Wembley, Easington Colliery

52 The Dean Bank and Chilton West designations came to an end in March 2018 and the Wembley designation expired in July 2019. All three designations will have run for a period of ten years.

53 All three areas were initially designated for licensing by the former district councils on the grounds of low housing demand and significantly high levels of anti-social behaviour. The designations formed part of a wider master plan for the areas and had originally contained an element of housing renewal such as selective clearance and group repair alongside a multi-agency approach to managing the issues in the areas.

54 The number of properties in each designation were/are; Dean Bank, 648; Chilton, 154; Wembley, 197. This is the total number of dwellings per designation as opposed to total number of licenced properties.

### **Summary**

55 In order to submit an application to the Secretary of State for Selective Licensing, further work needed to be undertaken on the volume of premises affected to ensure the statutory requirements are met.

56 It is proposed that Selective Licensing will be used in Durham as part of an overall solution to the challenges within the PRS. Other measures will continue and it is hoped that Selective Licensing will drive forward the improvement of the PRS stock.

57 Selective Licensing is only one tool to tackle issues in the PRS, however this does give the powers to intervene and enforce positive change in property management - in turn help reduce the volume of reactive complaints.

- 58 The initial data collected shows different issues in different areas across the county from Horden seeing a high number of PRS properties to Shildon seeing a high number of empty properties.

### **Next Steps**

- 59 All the data is now being analysed to inform an evidence report which will be used in the statutory consultation.
- 60 It is the intention to present this evidence report to cabinet in November and members will be consulted as part of the consultation requirements following cabinet.
- 61 Following consultation, a business case will be developed and submitted to the Secretary of State for consideration.

### **Interim Measures**

- 62 A range of interim measures have been put in place leading up to the submission of the business case:
- **Focus Group of Landlords** – has been set up to collate information and contribute to the development of the business case including fees and licence conditions.
  - **Landlord Data collection** – various teams internal and external to DCC currently work and hold landlord information. In line with data protection required a shared database will be developed.
  - **Landlord Accreditation** – the current landlord accreditation scheme will continue and following a positive press statement it is hoped further landlords will sign up to accreditation prior to the introduction of county wide Selective Licensing. This is now being offered free to landlords within the former Selective Licensing designations.
  - **Tenant Training** – Training for tenants will be offered. Housing Solutions staff have been trained by crisis on their tenancy training module to deliver this training. The training programme is to be development with landlords to ensure it includes elements of training they feel is required
  - **Tenant Support** – Support is to be offered to landlords and tenants who are struggling with Universal Credit

## **Conclusion**

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

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**Contact:** Lynn Hall

Tel: 03000 265728

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## **Appendix 1: Implications**

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

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

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

**Equality and Diversity / Public Sector Equality Duty** – Not Applicable

**Human Rights** – Not Applicable

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

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

**Accommodation** – Not Applicable

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

**Procurement** – Not Applicable

## Appendix 2

# Lynn Hall

Strategic Manager for Housing  
Selective Licensing

*Altogether better*



# What is Selective Licensing

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

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

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# Selective Licensing Powers

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

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# Selective Licensing work to Date

- Data collection using information from
  - DCC teams
  - Police
  - Fire
- Fees
- License conditions

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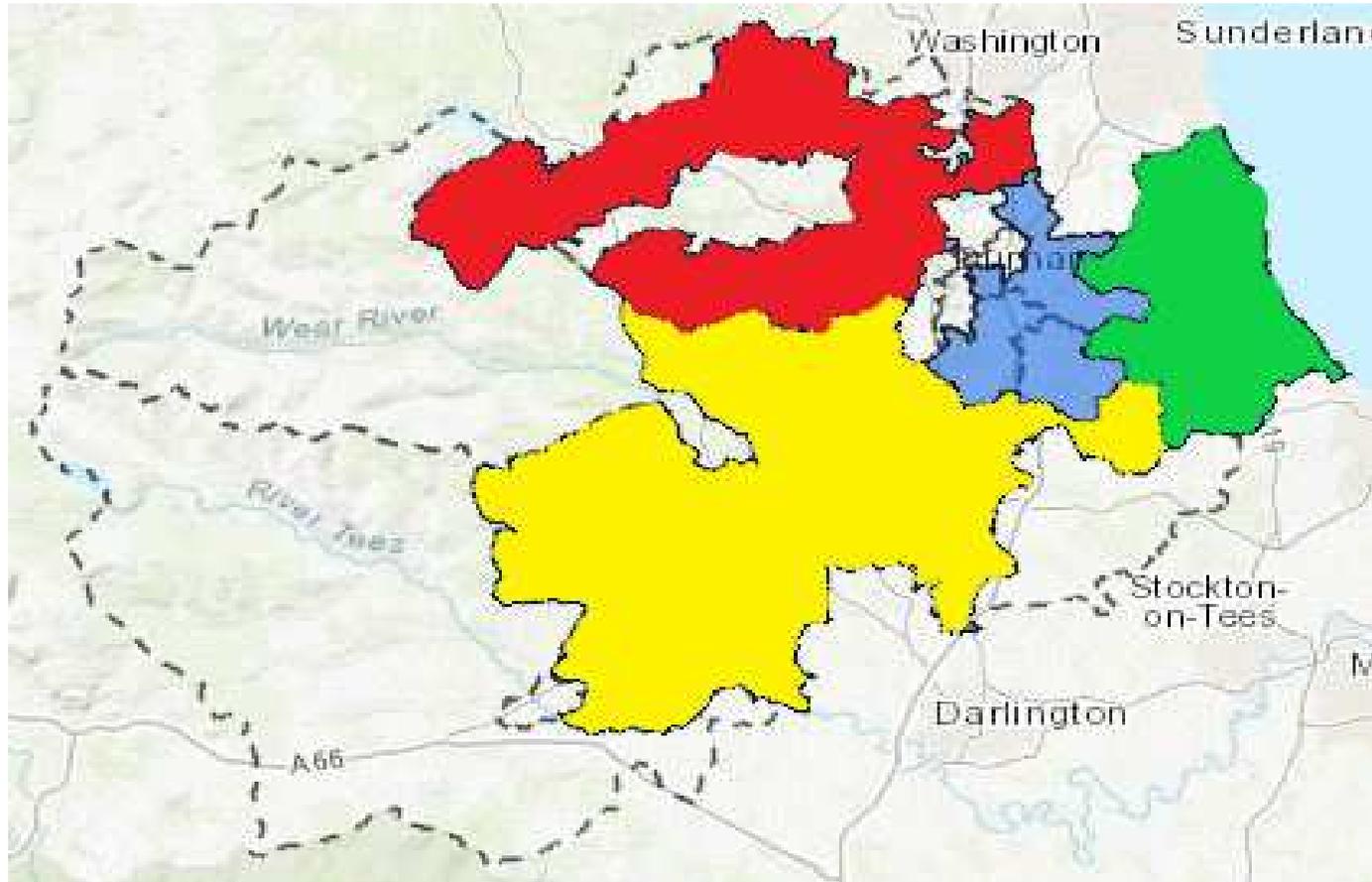
# Selective Licensing – interim work

- **Focus Group of Landlords** – has been set up to collate information and contribute to the development of the business case including fees and license conditions.
- **Landlord Data collection** – various teams internal and external to DCC currently work and hold landlord information. In line with data protection required a shared database will be developed.
- **Landlord Accreditation** – the current landlord accreditation scheme will continue and following a positive press statement it is hoped further landlords will sign up to accreditation prior to the introduction on county wide selective licencing. This is now being offered free to landlords within the former selective licensing designations.
- **Tenant Training** – Training for tenants will be offered. Housing Solutions staff have been trained by crisis on their tenancy training module to deliver this training. The training programme is to be development with landlords to ensure it includes elements of training they feel is required
- **Tenant Support** – Support is to be offered to landlords and tenants who are struggling with Universal Credit

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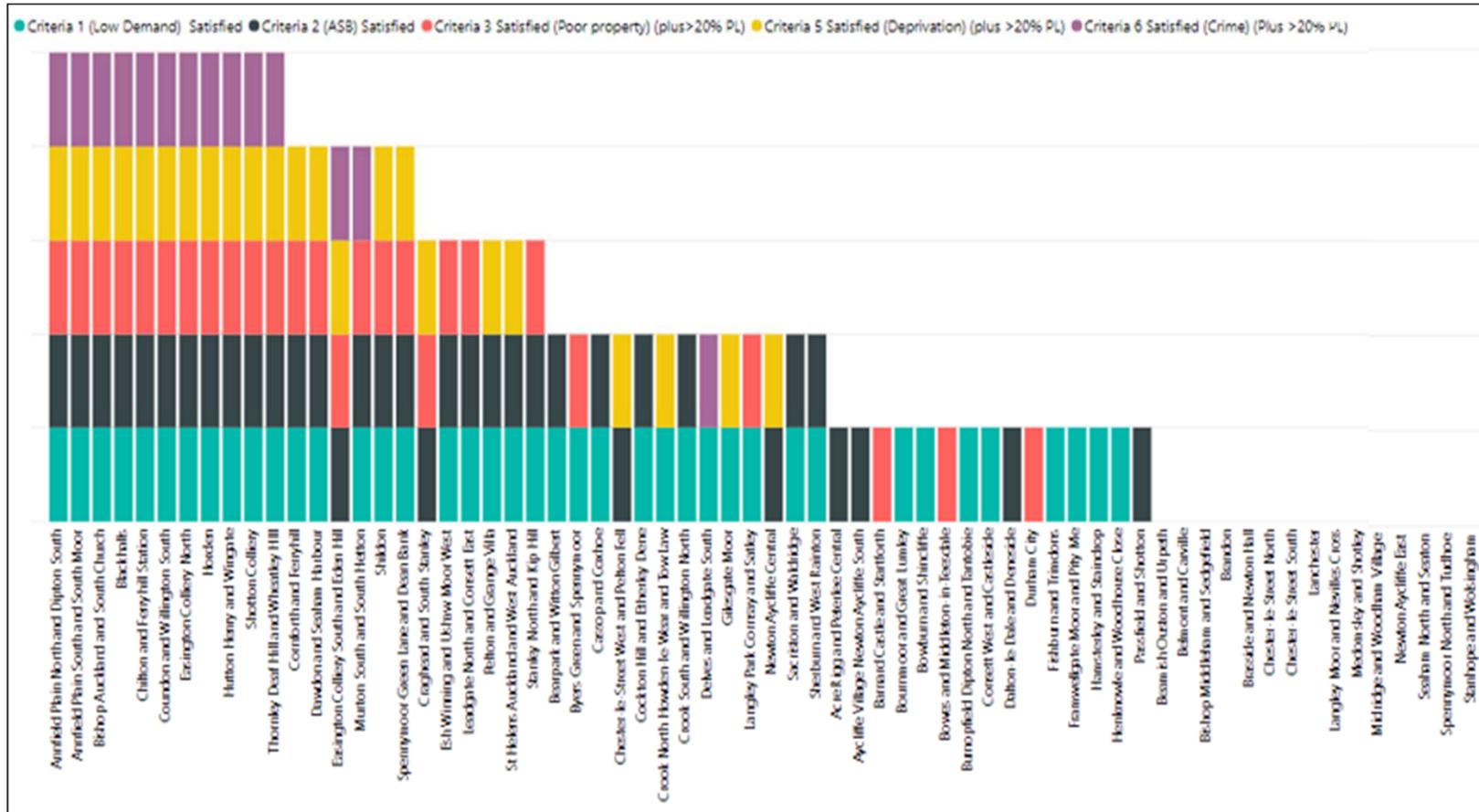
# Selective Licensing – possible designations



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# Selective Licensing – Data



# Next Steps

- Cabinet on November
- Consultation – Dec 19 to Feb 20
  - Designations
  - Fees
  - License conditions
- Submissions to Secretary of State
- Implementation

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**Economy and Enterprise Overview and  
Scrutiny Committee**

**24 September 2019**



**Regeneration and Local Services  
(Regeneration and Economic  
Development) – Quarter 4: Revenue  
and Capital Outturn 2018/19**

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**Report of Corporate Directors**

**John Hewitt, Corporate Director of Resources**

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

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide details of the outturn position for this service area highlighting major variances in comparison with the budget as at 31 March 2019.

**Executive summary**

- 2 This report provides an overview of the final outturn position as at 31 March 2019. It provides an analysis of the budgets and outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis.
- 3 The updated position is that there is an underspend of £1.481 million, against a revised budget of £58.079 million.
- 4 The revised service capital budget is £42.438 million with expenditure of £31.930 million.
- 5 Details of the reasons for under and overspending against relevant budget heads is disclosed in the report.

## Recommendation(s)

- 6 Economy and Enterprise Overview and Scrutiny Committee is requested to note the contents of this report.

## Background

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

- (a) Revenue Budget - £58.079 million (original £55.814 million)
- (b) Capital Programme – £42.438 million (original £56.832 million)

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

- Use of strategic reserves for redundancies for MTFP savings +£276,000
- Use of Cash Limits – Economic Devpt. & Housing +£114,000
- Use of Cash Limits – Transport & Contracted Services +£90,000
- Use of Cash Limits – Planning & Assets +£245,000
- Use of Selective Licensing Reserve +£59,000
- Use of Planning Reserve +£40,000
- Use of Funding & Programmes Reserve +£30,000
- Use of Match Fund Reserve +£215,000
- Use of Economic Employability Reserve +£9,000
- Transfer to International Relations Reserve -£9,000
- Transfer to Housing Solutions Reserve -£43,000
- Use of Warm and Healthy Homes Reserve +£51,000
- Use of Welfare Assistance Reserve +£125,000
- Use of Business Durham Programme Reserve +£5,000
- Use of Business Growth Fund +£148,000
- Use of Inspire Programme Reserve +£125,000
- Use of Homelessness Reduction Reserve +£189,000
- Use of FIP Reserve +£98,000
- Use of Transport Infrastructure Reserve +£900,000
- Use of Community Transport Reserve +£38,000
- Use of Business Growth Fund +£12,000
- Transfer to Family Improvement Programme -£22,000
- Transfer to Homelessness Improvement -£460,000

- Use of Care Connect Reserve +£75,000
- Reduction in Concessionary Fares -£45,000

9 The summary financial statements contained in the report cover the financial year 2018/19 and show: -

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

### Revenue Outturn 2018/19

10 The service is reporting a cash limit underspend of **£1.481 million** against a revised budget of **£58.079 million**.

11 The following two tables show the budget analysed by subjective category (type of expense), and then by Head of Service area.

### Service Budget – Subjective Analysis £'000

	2018/19 Budget £'000	Actual £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR4 £'000	MEMO: Cash Limit Variance QTR3 £'000
Employees	29,401	29,141	(260)	(502)	(762)	(755)
Premises	6,635	5,552	(1,083)	1,062	(21)	136
Transport	803	891	88	(1)	87	28
Supplies and Services	10,719	11,100	381	1,526	1,337	1,907
Agency and Contracted	19,421	20,242	821	97	918	1,018
Central Costs	39,993	31,414	(8,579)	8,984	405	348
<b>GROSS EXPENDITURE</b>	<b>106,972</b>	<b>98,341</b>	<b>(8,631)</b>	<b>11,166</b>	<b>2,535</b>	<b>2,112</b>
<b>INCOME</b>	<b>(48,893)</b>	<b>(60,258)</b>	<b>(11,365)</b>	<b>7,350</b>	<b>(4,015)</b>	<b>(3,389)</b>
<b>NET EXPENDITURE</b>	<b>58,079</b>	<b>38,083</b>	<b>(19,996)</b>	<b>(18,515)</b>	<b>(1,481)</b>	<b>(1,277)</b>

## Service Budget - Analysis by Head of Service £'000

Head of Service Grouping	2018/19 Budget £'000	YTD Actual £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR3 £'000	MEMO: Cash Limit Variance QTR2 £'000
Corporate Director	219	245	26	2	28	1
Economic Development & Housing	6,014	18,791	12,777	(12,604)	173	149
Planning & Assets	4,261	6,127	1,866	(2,783)	(917)	(814)
Transport & Contracted	3,829	3,967	138	(926)	(788)	(603)
Central Managed Costs	43,755	8,953	(34,802)	34,826	24	(10)
<b>NET EXPENDITURE</b>	<b>58,079</b>	<b>38,083</b>	<b>(19,996)</b>	<b>(18,515)</b>	<b>(1,481)</b>	<b>(1,277)</b>

### Cash Limit Outturn – Explanation of Over and Under Spending

12 The main reasons accounting for the outturn position are as follows:

- (a) Transport was £0.788 million underspent. This is mainly due to underspends in Sustainable Transport (£0.659 million) which include MTFP savings of £0.247 million in 2019/20 made early, efficiency savings and increased income in Care Connect (£43,000), and increased parking income within Strategic Traffic (£0.126 million).
- (b) Planning and Assets was £0.917 million underspent, mainly resulting from additional planning fee income of £737,000, staffing underspends of £181,000 due to delays in filling vacant posts, additional income of £92,000 at Freemans Hydro and £124,000 further income received within Assets. This is offset by additional costs relating to £50,000 on an Archaeology collection relocation from Bowes Museum, £55,000 for corporate property health checks, and £112,000 for the 'Powered by People' campaign.

(c) Economic Development and Housing was overspent by £0.173 million. Within this overall position, Business Durham was underspent by £0.229 million in the year due to a net increase in rental income and reduced costs; this surplus will be taken to an earmarked reserve to provide additional resources for business growth projects, leaving a net nil balance. Economic Development was overspent by £0.192 million, largely on the employment & skills contract, due to less than expected outcome payments. Housing Solutions was underspent by £0.197 million in the year, due to savings on staff, savings on GRT site costs, and additional income in Housing Initiatives; this surplus will be taken to an earmarked reserve to provide additional resources for important initiatives relating to preventing homelessness, leaving a net nil balance. Physical Development is overspent by £15,000 due to additional project development costs. There are combined net underspends on staff in other service areas of £34,000.

- 13 **Appendix 2** provides a more detailed breakdown of variations across the service area contained within the revenue budget.
- 14 In summary, the service grouping has successfully maintained spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2018/19 which amount to £0.880 million.

### **Capital Programme**

- 15 The capital programme makes a significant contribution to the regeneration ambitions of County Durham. The programme is relatively large and diverse and is managed by project delivery officers throughout the service.
- 16 The capital programme was revised in May for budget re-phased from 2017/18. This increased the 2018/19 original budget. Further reports to the MOWG detailed further revisions, for grant additions/reductions, budget transfers and budget re-profiling into later years. The revised budget now stands at **£42.438 million**.

17 Summary financial performance is shown below.

<b>Service</b>	<b>Original Annual Budget 2018/19 £000</b>	<b>Revised Annual Budget 2018/19 £000</b>	<b>Actual Spend to 31 March £000</b>	<b>Remaining Budget £000</b>
Economic Dev & Housing	25,676	18,425	16,282	2,143
Planning & Assets	18,001	18,119	9,401	8,718
Transport & Contracted	13,155	5,894	6,247	(353)
<b>Total</b>	<b>56,832</b>	<b>42,438</b>	<b>31,930</b>	<b>10,508</b>

18 Officers continue to carefully monitor capital expenditure on a monthly basis. Actual spend for the year amounts to **£31.930 million**. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the capital programme.

19 The key areas of spend to date have been on Structural Capitalised Maintenance (£5.477 million), Major Transport Schemes (£4.332 million) and Disabled Facilities Grant payments (£3.990 million).  
Background papers

- Cabinet Report (10 July 2019) –Revenue and Capital Outturn 2018/19 – Period to 31 March 2019.

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**Contact:** Philip Curran

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable.

### **Finance**

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

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

Not applicable.

### **Accommodation**

Not applicable.

### **Risk**

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

### **Procurement**

Not applicable.

## Appendix 2: Revenue Budget Variances – Outturn 2018-19

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
Economic Development & Housing	Head of Economic Development	Underspend on staff budgets.	(19)	
	Physical Development	There is a net overspend of 15k on professional fees and project development costs offset by additional recharge income and staff savings.	15	
	Visit County Durham	(15k) VCD - Miscellaneous underspends on Supplies for marketing, development and delivery.	(15)	
	Business Durham	<p>Business Durham has a net nil budget projected.</p> <p><b>(39k)</b> Business Space Mgmt &amp; Admin - Underspend on Staff re vacancies</p> <p><b>121k</b> Business Space South - Underspend on industrial sites of (128k) due to underspend on Premises (108k) Income (33k) and bad debts (4k) offset by overspend on Supplies 17.</p> <p>Overspend on Salvus House of 249k due to under recovered income.</p> <p><b>(16k)</b> Business Space Dales - Overspend on Staff 13k and Supplies 4k offset by underspend on Transport (3k) and over recovered Income for sales and rentals (30k).</p> <p><b>55k</b> Business Space North - Overspend on Premises 182k due to refurbishment works at Derwentside Business Centre and Stella Gill offset by reduced debt written-off (12k) and over recovered income of (115k).</p> <p><b>(280k)</b> Business Space NETPark - Underspend on Premises (7k) and Supplies (142k) due to surplus budget allocated here and over recovered rental income (131k) at Institute, Explorer 1 &amp; 2 and Plexus 1 &amp; 2.</p> <p><b>(50k)</b> Business Growth - Underspend on Staff due to restructure and vacant posts and reduced marketing spend.</p> <p><b>(106k)</b> Business Development - Underspend on Staff due to restructure and vacant posts and reduced Supplies spend.</p> <p><b>86k</b> Business Durham Corporate - Overspend on Supplies 52k and unallocated MTFP savings 34k.</p> <p><b>229k</b> Business Durham net underspend at Q3 and Q4 taken to reserve..</p>	0	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
	Economic Development	<p><b>220k</b> Durham Employment &amp; Skills (DES) - Under recovered income of 267k on Work &amp; Health Programme REED Contract caused by contract implementation delays and reduced outcome payments. Under recovered income of 182k on Organisational Training &amp; Development due to loss of Apprenticeship Levy income. Under recovered income in SSU, Work Programme Consett and other areas of 113k. Offset by net underspend of (34k) on miscellaneous variances offset by Staff vacancy savings of (205k) and Employability Reserve applied of (103k).</p> <p><b>(26k)</b> Employability - Underspend due to vacant substantive post and additional Durhamworks income.</p> <p><b>32k</b> Economic Development Management - Overspend on Groundwork match funding for Environment Taskforce.</p> <p><b>(37k)</b> Community Economic Development - Underspend due to vacant post.</p> <p><b>3k</b> International Relations - minor variance.</p>	192	
	Housing Solutions	<p>Housing Solutions has a net nil budget position.</p> <p><b>149k</b> Management &amp; Admin - Staff vacancy savings (77k) offset by overspends on Transport 23k and Supplies 44k. Also Q3 transfer to reserve of 159k.</p> <p><b>(140k)</b> GRT Sites - Underspends on Premises (57k) and Supplies (40k) and over recovered income (43k).</p> <p><b>(41k)</b> Improvement - Underspend of (41k) due to increased income from Darlington HIA and Landlord Accreditaion service.</p> <p><b>(60k)</b> Initiatives - Underspend of (60k) on Prevention Grant offsets expenditure on core staff plus underspends on HTASS and Homeless Support Grant.</p> <p><b>92k</b> Activities - Overspend largely on Bed &amp; Breakfast accommodation.</p>	0	173

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
Spatial Policy, Planning Assets & Environment	Head of SPPAE	<p><b>£112k</b> Inward Investment Brand Development (Powered by People)</p> <p><b>£55k</b> Corporate Property Health Check</p> <p><b>£50k</b> one off transfer to Culture &amp; Sport re: Archaeology at Bowes Museum</p> <p><b>£16k</b> funding of two posts</p> <p><b>£23k</b> Milburngate Bridge advice</p>	256	
	Spatial Policy	Minor variances across service	(2)	
	Planning Development	<p><b>19/20 Savings Achieved</b></p> <p><b>(£240k)</b> overachieved income in Planning fees</p> <p><b>Other</b></p> <p><b>(£410k)</b> further underspend on Planning Development - over-achieved income (£737k), less £240k savings above, offset partially by £200k contributions to other services from planning fee increase, £10k supplies (inc dispute settlement at Ouston) and (£124k) staffing underspends</p> <p><b>(£209k)</b> underspend on Building Control - (£92k) staffing, delays filling vacancies, supplies &amp; services etc (£42k) &amp; over-achieved income (£75k).</p> <p><b>(£42k)</b> underspend on Business Dev Support, mainly staffing</p> <p><b>£57k</b> overspend on Dangerous Structures re Waldrige Club (charge placed on land)</p> <p><b>(£21k)</b> underspend on Appeals</p>	(865)	
	Environment & Design	<p><b>£35k</b> Landscapes - overspend re: under-achieved income of £15k &amp; £20k re: FBRG grants not claimed in 17/18 (from cash limits - agreed by Head of Service).</p> <p><b>(£36k)</b> Design &amp; Conservation - underspends on supplies &amp; services and delay in filling vacant post.</p> <p><b>£0k</b> Sustainability - underspends re: additional grant income for REBUS/LOCARBO added to reserve for future match-funding purposes.</p> <p><b>(£7k)</b> Ecology - over-achieved survey income.</p> <p><b>£14k</b> Heritage Coast - overspend relates to ineligible items for grant claims (may be recovered in 19/20).</p>	6	
	Assets	<p><b>£58k</b> overspend on staffing due to 14 additional fixed term posts, part offset by vacancies</p> <p><b>(£80k)</b> additional income in Asset Management, £40k from CDHG but not forecast</p> <p><b>(£35k)</b> underspend at The Tommy Armstrong Centre where lease has now expired</p> <p><b>(£53k)</b> underspend North Road Durham, no response if to be repaid to MHCLG</p> <p><b>(£92k)</b> underspend on Freemans Hydro, (£35k) additional income and (£58k) repairs</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p>budget not needed  <b>(£14k)</b> additional income at Freemans Reach  <b>£82k</b> overspend at Northumbria House, Waterstones moving in but 1 year rent free  <b>(£23k)</b> underspend at Priory House. Tenant had rent free period but will be start paying from 08/02/2019 (full year income will be £94k)  <b>(£97k)</b> underspend on Surplus Property, (£40k) utilities and (£57k) additional unknown income  <b>£40k</b> overspend Property Surveys, inc £34k Tech Serv design fees on £70k spend  <b>£36k</b> overspend on Reclamation sites, £15k repairs and £18k compensation  <b>£20k</b> overspend elsewhere across the service</p>	(158)	
	Strategy Policy Partnerships & Support	<p><b>(£105k)</b> underspend on staffing due to delays in recruiting to two new posts and a vacant post  <b>(£23k)</b> underspend on Income re: secondment to NECA to end of July  <b>(£26k)</b> underspend on training and supplies</p>	(154)	
	Funding and Programmes	No variance	0	<b>(917)</b>
Transport	Management	16k Minor variance pending a re-allocation of savings	16	
	Strategic Transport	<p><b>Creation of Earmarked Reserve for Rights of Way (£140k),</b>  <b>Employees - (£12k) underspend</b> - due to vacant posts, reduced hours and flexible retirement offsetting vacancy savings and MTFP  <b>Premises - (£56k) underspend</b> - £44k overspend on rates, offset by savings on repairs (£29k), (£8k) underspend on Electricity and (£54k) underspend on Water charges. (£9k) underspends on other utilities, cleaning and rents  <b>Transport - £49k overspend</b> - due to fleet system charges, budgets to be realigned for 19/20  <b>Supplies and Service - £249k overspend</b> - due mainly to cost for traffic signals, communication devices &amp; computer equipment. Plus costs for Claypath TM and Bus Shelters.  <b>Third Party Payments - £311k overspend</b> - mainly due Scarlet band contract increase £89k and NSL minimum wage £30k. £66k overspend on contract costs at Park &amp; Ride  Costs for reimbursements &amp; Operation of sites.</p>	38	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p>£64k overspend on Parking Shop for Reimbursements. £25k overspend on Rights of Way Footpath maintenance. £14k overspend on Bus Shelters. £6k overspend on computer costs in Traffic Highways Development.</p> <p><b>Central Support - (£25k) underspend</b> - Related to recharge for winter maintenance for on-off street Parking</p> <p><b>Income - (£564k) over-achievement on income</b> - mainly due to (£222k) on and off street parking income. Additional (£32k) income from Park &amp; Ride. Additional (£156k) income from enforcements. (£13k) additional income on Bus Shelters and Bus Stations. Additional (£70k) for income in relation to Traffic Signals. Additional (£50k) income in Traffic mainly from Recharges. Plus additional (£19k) from various income across the service.</p>		
	Sustainable Transport	<p><b>Employees - (£87k) underspend</b> - due to vacancies and reduced hours offsetting unallocated MTFP Saving £20k.</p> <p><b>Transport - (£37k) underspend</b> - due mainly to vehicles being disposed of and not replacing old vehicle currently in use.</p> <p><b>Supplies &amp; Services - (£72k) underspend</b> - mainly due to (£39k) reduction in costs for DBS checks, (£10k) underspend on Information to the Public and (£14k) underspend on telephone costs and other general underspends (£9k) across the service.</p> <p><b>Third Party Payments - (£135k) underspend</b> - mainly due to (£139k) underspend on Local Bus Services.</p> <p><b>Central Service - £132K overspend</b> - Related to recharge around Adult/RED Fleet to Bus &amp; Rail Services</p> <p><b>Income - (£352k) over-achievement</b> - Reduced income £136k from recharge for Adult fleet and £31k for reduced DBS income, covered by (£290k) increased income from Bus and Rail contracts. (£212k) additional income from recharge for Concessionary Fares. And some general over-recoveries (£27k) across the service.</p>	(481)	
	Care Connect	<p><b>Use of Earmarked reserve £67k for Home to Hospital Additional, Raizers, Falls Pilot and OT. Repayment (£75k) to reverse drawdown in Q3 and Additional (£65k) reserve created for Equipment replacement.</b></p> <p><b>Employees - (£139k) underspend</b> - due mainly to vacant posts not being filled and control of overtime levels in service.</p> <p><b>Transport - £51k overspend</b> - increased</p>	(174)	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p>dayworks charges on older vehicles prior to replacement &amp; spot hire charges.</p> <p><b>Supplies &amp; Service - £207k overspend</b> - due to £214k purchase/rental of additional equipment, £7k overspend on advertising, £31k overspend on mobile devices and line rental costs and general overspends (£13k) across the service. Offset by (£57k) underspend on telephone related costs in CCTV.</p> <p><b>Third Party Payments - (£76k) underspend</b> - £50k decrease in costs in localities and (£26k) underspend for CCTV.</p> <p><b>Income - (£13k) over-achievement on income</b> - Additional (£14k) income in CCTV, &amp; £1k under-recovery across localities.</p>		<b>(603)</b>
Central	Corporate Director and Central Costs	Minor variances	(9)	<b>(9)</b>
<b>TOTAL</b>				<b>(1,277)</b>

## Appendix 3: Capital Programme 2018-19

Scheme	Revised Annual Budget 2018/19 £'000	Actual Spend to 31 March £'000	Remaining Budget £'000
<b>ECONOMIC DEVELOPMENT &amp; HOUSING</b>			
Industrial Estates	2,871	2,871	0
Durhamgate	2,856	3,023	(167)
North Dock Seaham	30	30	0
Office Accommodation	2,416	505	1,911
Town Centres	1,865	1,857	8
Minor Schemes	168	168	0
Disabled Facilities Grant / FAP	4,355	3,990	365
Housing Renewal	2,814	2,788	26
Chapter Homes	1,050	1,050	0
<b>TOTAL ECONOMIC DEVELOPMENT &amp; HOUSING</b>	<b>18,425</b>	<b>16,282</b>	<b>2,143</b>
<b>PLANNING &amp; ASSETS</b>			
Renewable Energy Schemes	385	466	(81)
Capitalised Structural Maintenance	5,150	5,477	(327)
North Pennines - Peatland	3,037	1,407	1,630
REAL – Beamish Project	3,683	1,392	2,291
REAL – Housing Development	435	500	(65)
Minor Schemes	50	109	(59)
WCTC	0	50	(50)
Strategy and Programmes Minor Schemes	5,379	0	5,379
<b>TOTAL PLANNING &amp; ASSETS</b>	<b>18,119</b>	<b>9,401</b>	<b>8,718</b>
<b>TRANSPORT &amp; CONTRACTED SERVICES</b>			
Local Transport Plan	2,212	1,917	295
Transport Major Schemes	3,682	4,332	(650)
CCTV	0	(2)	2
Minor Schemes	6	0	6
<b>TOTAL TRANSPORT &amp; CONTRACTED SERVICES</b>	<b>5,894</b>	<b>6,247</b>	<b>(353)</b>
<b>Total</b>	<b>42,438</b>	<b>31,930</b>	<b>10,508</b>

(1) FAP – Financial Assistance Programme

# Economy and Enterprise Overview and Scrutiny Committee

24 September 2019



## Regeneration and Local Services (Regeneration and Economic Development) – Quarter 1: Forecast of Revenue and Capital Outturn 2019/20

### Report of Corporate Directors

John Hewitt, Corporate Director of Resources

Ian Thompson, Corporate Director Regeneration and Local Services

### Electoral division(s) affected:

Countywide

### Purpose of the Report

- 1 To provide details of the forecast outturn budget for this service area highlighting major variances in comparison with the budget, based on the position to the end of quarter 1 (30 June 2019).

### Executive summary

- 2 This report provides an overview of the updated forecast of outturn, based on the position at quarter 1, 2019/20. It provides an analysis of the budgets and forecast outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis.
- 3 The updated position is that there is a forecast underspend of £0.820 million, against a revised budget of £59.407 million.
- 4 The revised service capital budget is £67.092 million with expenditure to 30 June of £5.671 million.
- 5 Details of the reasons for under and overspending against relevant budget heads are disclosed in the report.

### Recommendation(s)

- 6 Economy and Enterprise Overview and Scrutiny Committee is requested to note the contents of this report.

## Background

- 7 County Council approved the Revenue and Capital budgets for 2019/20 at its meeting on 20 February 2019. These budgets have subsequently been revised to account for changes in grant (additions/reductions), budget transfers between service groupings and budget re-profiling between years (in terms of capital). This report covers the financial position for the following budgets of the services within the scope of this committee;
- (a) Revenue Budget - £59.407 million (original £61.069 million)
  - (b) Capital Programme – £67.092 million (original £65.238 million)
- 8 The original service budgets have been revised in year to incorporate a number of budget adjustments as follows:
- Transfer of Business Support -£1,856,000
  - Auto Enrolment into the LGPS +£194,000
- 9 The summary financial statements contained in the report cover the financial year 2019/20 and show: -
- (a) The approved annual budget;
  - (b) The actual income and expenditure as recorded in the Council's financial management system;
  - (c) The variance between the annual budget and the forecast outturn;
  - (d) For the revenue budget, adjustments for items outside of the cash limit (outside of the Service's control) to take into account such items as redundancies met from the strategic reserve, capital charges and use of / or contributions to earmarked reserves.

## Forecast Revenue Outturn 2019/20

- 10 The service is reporting a cash limit underspend of **£0.820 million** against a revised budget of **£59.407 million**.
- 11 The following two tables show the budget analysed by subjective category (type of expense), and then by Head of Service area.

### Service Budget – Subjective Analysis £'000

	2019/20 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR1 £'000
Employees	39,584	9,779	39,324	(260)	(236)	(496)
Premises	12,824	4,463	12,562	(261)	0	(261)
Transport	1,409	329	1,434	24	0	24
Supplies and Services	11,385	2,566	14,071	2,686	(369)	2,317
Agency and Contracted	26,857	7,221	29,076	2,218	(91)	2,127
Central Costs	45,198	74	45,337	139	0	139
<b>GROSS EXPENDITURE</b>	<b>137,257</b>	<b>24,432</b>	<b>141,804</b>	<b>4,547</b>	<b>(697)</b>	<b>3,849</b>
<b>INCOME</b>	<b>(77,851)</b>	<b>(18,370)</b>	<b>(81,860)</b>	<b>(4,009)</b>	<b>(660)</b>	<b>(3,389)</b>
<b>NET EXPENDITURE</b>	<b>59,407</b>	<b>6,062</b>	<b>59,944</b>	<b>537</b>	<b>(1,357)</b>	<b>(820)</b>

### Service Budget - Analysis by Head of Service £'000

Head of Service Grouping	2019/20 Budget £'000	YTD Actual £'000	Forecast of outturn £'000	Variance (under) / over spend £'000	Items Outside Cash Limit – Transfers to / From Reserves £'000	Cash Limit Variance QTR1 £'000
Corporate Director	192	56	195	3	0	3
Development & Housing	6,249	1,837	7,583	1,334	(1,238)	96
Business Durham	55	1,154	(69)	(124)	(120)	(244)
Corporate Property and Land	619	842	52	(567)	0	(567)
Transport & Contracted	2,320	2,066	2,222	(98)	0	(98)
Central Managed Costs	49,972	107	49,961	(11)	0	(11)
<b>NET EXPENDITURE</b>	<b>59,407</b>	<b>6,062</b>	<b>59,944</b>	<b>537</b>	<b>(1,357)</b>	<b>(820)</b>

## Cash Limit Outturn – Explanation of Over and Under Spending

12 The main reasons accounting for the outturn position are as follows:

- Transport is forecast to be £0.098 million underspent This is mainly due to underspends in Sustainable Transport (£0.118 million) due reduced costs on local bus routes and the replacement of less economic buses and efficiency savings in Care Connect (£0.184) million, offset by anticipated traffic management costs and reduced parking income (£0.225m).
- Corporate Property and Land is forecast to be £0.567 million underspent. This is mainly due to savings from vacant posts (£0.257m), an underspend on utilities of £0.231 million and additional workloads in Building Services producing an extra £0.194 million income. This is offset by an £80,000 overspend on the Catering service and £35,000 unachieved MTFP savings. The staffing structure within this newly created service is currently being reviewed by the recently appointed Head of Service.
- Development and Housing is forecast to be overspent by £0.096m. This is mainly due to Durham Employment & Skills (DES) forecasting an overspend of £0.411m due to under recovered contract income. This is partially offset by additional planning fee income of £0.157m, and an underspend in Housing Solutions of £0.195m.
- Business Durham is forecast to be £0.244m underspent. There is increased contract income of £0.027m in Operations and minor miscellaneous savings of £0.006m in Corporate and Innovation & Marketing. Business Space has an underspend of £0.211m due to increased income across industrial estates and other trading areas.

13 **Appendix 2** provides a more detailed breakdown of variations across the service area contained within the revenue budget.

14 In summary, the service grouping has successfully maintained spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2019/20 which amount to £0.487 million.

### Capital Programme

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

- 16 The capital programme was revised in May for budget re-phased from 2018/19. This increased the 2019/20 original budget. Further reports to the MOWG detailed further revisions, for grant additions/reductions, budget transfers and budget re-profiling into later years. The revised budget now stands at **£67.092 million**.
- 17 Summary financial performance to the end of June is shown below.

<b>Service</b>	<b>Original Annual Budget 2019/20 £000</b>	<b>Revised Annual Budget 2019/20 £000</b>	<b>Actual Spend to 30 June £000</b>	<b>Remaining Budget £000</b>
Development and Housing	22,363	23,006	2,754	20,252
Business Durham	13,597	13,991	373	13,618
Corporate Property and Land	8,678	8,500	1,926	6,574
Transport & Contracted Services	20,600	21,595	618	20,977
<b>Total</b>	<b>65,238</b>	<b>67,092</b>	<b>5,671</b>	<b>61,421</b>

- 18 Officers continue to carefully monitor capital expenditure on a monthly basis. Actual spend for the first 3 months amounts to **£5.671 million**. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the capital programme.
- 19 The key areas of spend to date have been on Disabled Facilities Grant payments (£1.030 million) and Structural Capitalised Maintenance (£1.152 million). Other areas of the programme are profiled to be implemented during the remainder of the year and at year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

### **Background papers**

- Cabinet Report (11 September 2019) – Forecast of Revenue and Capital Outturn 2019/20 – Period to 30 June 2019.

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable.

### **Finance**

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

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

Not applicable.

### **Accommodation**

Not applicable.

### **Risk**

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

### **Procurement**

Not applicable.

## Appendix 2: Revenue Budget Variances – Quarter 1 2019-20

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
Development & Housing	Head of Development & Housing	<p><b>£45k</b> Funding Local Plan x2 temp posts G4 &amp; G8</p> <p><b>£30k</b> BDS - Temp post re: land registry project (18 months); Local Plan - estimate of 2019/20 expenditure - TBC; Planning - Legal Advice re state aid - (affordable housing S106) - TBC; SPD - Supplies budget (provisionally agreed at £50k per year) - TBC.</p> <p><b>£24k</b> Funding for NPP apprentices and subscriptions in supplies.</p> <p><b>£8k</b> Overspend on staff re efficiency saving.</p>	107	
	Planning Development	<p><b>(£97k)</b> underspend on Planning Development - over-achieved income (£157k); partially offset by £37k overspend on staff (note - historic saving lost re transfer of vacancies to Business Support); saving of (£2k) on car allowances; overspend of £25k on supplies and agency largely relating to professional fees.</p> <p><b>(£52k)</b> underspend on Planning Appeals due to savings in supplies on legal and professional fees.</p> <p><b>(£53k)</b> underspend on Building Control - (£59k) staffing, delays filling vacancies; (£8k) saving on car allowances; (£24k) saving on supplies and agency; £37k loss on under recovered income re latest projection.</p> <p><b>£58k</b> overspend on Dangerous Structures re miscellaneous repairs.</p>	(144)	
	Spatial Policy	Small staff saving re pension budget.	(5)	
	Economic Development	<p><b>£411k Durham Employment &amp; Skills</b> over budget due to £173k overspend on Work &amp; Health programme contract due to under recovered income; also £247k overspend on SSU and Work Programme due to under recovered income. Staff saving 9k due to pension budget.</p> <p><b>(£12k) Employability</b> under budget due to staff saving on vacancy.</p> <p><b>(£11k) Community Econ Dev</b> under budget due to staff saving on secondments.</p> <p><b>(£11k) International Relations</b> under budget due to staff saving.</p>	377	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
	Physical Development	Small saving re pension budget.	(6)	96
	Housing Solutions	<p><b>(£66k) Core Funded</b> under budget (£91k) staff saving re vacancies offset by £25k overspend on transport and supplies.</p> <p><b>(£84k) GRT Sites</b> underspend largely on premises costs.</p> <p><b>(£49k) Housing Improvement</b> staff saving and over achieved income from Darlington HIA contract.</p> <p><b>£39k Activities</b> overspend mainly due to bed &amp; breakfast costs and Out of Hours contract costs.</p> <p><b>(£35k) Housing Initiatives</b> saving on staff, supplies and additional fee income.</p>	(195)	
	Strategy & Project Development	<p><b>(£32k)</b> underspend on staffing due to delays in recruiting to vacant post;</p> <p><b>£3k</b> overspend on pool cars;</p> <p><b>£26k</b> overspend on supplies on legal and other professional fees;</p> <p><b>(£35k)</b> over achieved income.</p>	(38)	
	Funding and Programmes	No variance	0	
	Business Durham	Operations	<b>(27k)</b> Operation - Underspend is additional income from DIT KAM contract.	
	Corporate Costs	<b>(4k)</b> Corporate - Overspend on Cricket Box to be met from Real cash limit and minor variance on supplies.	(4)	
	Innovation and Marketing	<b>(2k)</b> Innovation & Marketing - minor variance.	(2)	
	Business Space	<p><b>25k</b> Business Space Mgmt &amp; Admin - Overspend of 26k on Staff re apprentice post and efficiency saving not met and overspend of 19k on supplies, offset by (20k) additional pension budget.</p> <p><b>(16k)</b> Business Space South - Underspend on industrial sites of (123k) due to underspend on Premises (84k) and additional Income (39k). Offset by overspend on Salvus House of 107k due to under recovered income.</p> <p><b>(24k)</b> Business Space Dales - over recovered Income for sales and rentals.</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p><b>(94k)</b> Business Space North - Overspend on Premises 80k due to refurbishment works at Derwentside and Tanfield Business Centres offset by over achieved income of (174k).</p> <p><b>(102k)</b> Business Space NETPark - Overspend on Premises 50k and Supplies 14k offset by over recovered rental income of (166k) across all sites.</p>	(211)	<b>(244)</b>
Corporate Property & Land	Head of CPAL	<b>(£43k)</b> underspend on staffing due to postholder starting mid year	(43)	
	Assets	<p><b>(£26k)</b> underspend on Staffing - 7 vacancies, There are 11 unbudgeted temporary staff, offset by 6 vacant posts and a number of posts where staff are working reduced hours</p> <p><b>(£20k)</b> underspend re rent of land North Bondgate as lease has been surrendered</p> <p><b>(£50k)</b> underspend for unbudgeted rental income in Assets General</p> <p><b>£41k</b> overspend on Surveyor Fees income based on 19/20 disposal programme</p> <p><b>£116k</b> overspend at North Road Durham due to previous years' rental income to be paid to HCA</p> <p><b>(£24k)</b> underspend at Millennium Square for unbudgeted rent received from tenant</p> <p><b>£25k</b> overspend on Property Surveys which have also overspent in previous years</p> <p><b>(£60k)</b> underspend on Freemans Hydro scheme repairs</p> <p><b>£28k</b> overspend at Northumbria House where tenant receiving rent free period until Sept 19</p> <p><b>(£96k)</b> underspend at Priory House, receiving income which is not budgeted for</p> <p><b>(£29k)</b> underspend on Reclamation Sites where income was previously coded to Surplus Property</p> <p><b>£15k</b> overspend on various other premises/ supplies and services</p>	(80)	
	Buildings & Facilities Management	<p><b>(£22k)</b> underspend on R&amp;M</p> <p><b>(£126k)</b> underspend on Construction</p> <p>Financial results are encouraging however more work is required to justify the divisional outputs in both Construction &amp; R&amp;M service. In Construction the main issue is the lack of a works programme for each division for the second half of the year. In R&amp;M the income levels require analysis to ensure that the labour resources are working to their assessed capacity.</p> <p><b>£35k</b> overspend on unachieved MTFP savings</p> <p><b>(£14k)</b> underspend in Business Development re maternity leave</p>		

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		<p><b>(£32k)</b> underspend in Compliance due to a general saving of £14k on supplies budgets; a £52k overachievement of income for SLAs; a £35k overspend on staffing re Apprentices</p> <p><b>(£17k)</b> staffing underspend due to vacant posts mid year, partially offset by agency</p> <p><b>£46k</b> overspend on closed buildings (Stanhope Town Hall, Claypath, Front St Stanley, Clevesferye, Croft St, Hopper House)</p> <p><b>(£10k)</b> underspend at Cuthbert resource centre, lease ended but retained budget</p> <p><b>(£231k)</b> underspend on utilities</p> <p><b>(£25k)</b> underspend re additional income for 02 mast at County Hall</p> <p><b>(£11k)</b> underspend on other areas FM</p> <p><b>£80k</b> overspend in Catering confirms the need to revise the model to operate as the County Hall shop does currently.</p> <p><b>£25k</b> overspend in Cleaning due to unachievable staff turnover savings.</p>	(302)	
	Building Design	<p><b>(£180k)</b> underspend forecast on staffing this is due to vacant posts.</p> <p><b>£38k</b> overspend on Supplies which is not forecast to generate additional income</p>	(142)	<b>(567)</b>
Transport	Management	(17k) Minor variance across the area.	(17)	
	Strategic Transport	<p><b>Employees - 55k overspend</b> - Predominantly staff turnover savings requirement £52k, some other minor overspends across the service</p> <p><b>Premises - (£43k) underspend</b> - £44k overspend on rates, offset by savings on repairs (£7k), (£22k) underspend on Electricity and (£52k) underspend on Water charges. Plus some minor underspends across the service</p> <p><b>Transport - £23k overspend</b> - due to overspend on repairs to bus shelters</p> <p><b>Supplies and Service - £172k overspend</b> - Additional £150k spend on providing parking &amp; traffic control anticipated, £10k overspend on events security, £18k overspend communication devices and computer software. Plus some minor underspends across the service.</p> <p><b>Third Party Payments - (£63k) underspend</b> - (£20k) underspend on Park &amp; Ride sites. (£32k) underspend on On &amp; Off Street parking. Plus some additional small underspends on Bus Stations.</p> <p><b>Central costs - £3k overspend</b> - due to recharges for CCTV.</p> <p><b>Income - £74k under-achievement</b> - mainly due £138k reduced income in On &amp; Off Street</p>	221	

Head of Service	Service Area	Description	(Under) / Overspend £000	(Under) / Overspend £000
		parking, £75k related to closure of Sands Car Park in quarter 4. Offset by additional (£68k) income from Traffic Signals, plus some minor variances across the service		
	Sustainable Transport	<p><b>Employees - (£95k) underspend</b> - due to vacancies in Adult Fleet and reduced hours across service.</p> <p><b>Transport - (£62k) underspend</b> - due mainly to vehicles being disposed of and not replacing old vehicle currently in use.</p> <p><b>Supplies &amp; Services - (£63k) underspend</b> - mainly due to (£9k) reduction in costs for DBS checks, (£19k) underspend on Printing and (£24k) underspend on telephone costs and other general underspends across the service.</p> <p><b>Third Party Payments - (£98k) underspend</b> - mainly due to (£107k) underspend on Local Bus Services and some general overspends across the service.</p> <p><b>Income - £200k under-achievement</b> - Reduced income £167k from recharge for Adult fleet (because of underspends on employees and other budgets) and £38k less income from DfT for Rural Bus Services, and some general over-recoveries across the service.</p>	(118)	
	Care Connect	<p><b>Employees - (£122k) underspend</b> - due mainly to vacant posts not being filled and control of overtime levels in service.</p> <p><b>Premises - (£12k) underspend</b> - due to electricity saving.</p> <p><b>Transport - £32k overspend</b> - due to increased dayworks charges on older vehicles prior to replacement and spot hire charges.</p> <p><b>Supplies &amp; Service - (£67k) underspend</b> - due mainly to (£60k) underspend on mobile devices and line rental costs and general overspends underspends in the service.</p> <p><b>Third Party Payments - (£32k) underspend</b> - due to (£12k) decrease in costs in localities and (£20k) underspend in costs for CCTV.</p> <p><b>Central costs - £7k overspend</b> - due to writing off of bad debts in year.</p> <p><b>Income - £10k under-achievement on income</b> - Additional (£5k) income in CCTV offsetting reduced £15k income across localities.</p>	(184)	<b>(98)</b>
Central	Corporate Director and Central Costs	Minor variances	(8)	<b>(8)</b>
<b>TOTAL</b>				<b>(820)</b>

## Appendix 3: Capital Programme 2019-20

Scheme	Revised Annual Budget 2019/20 £'000	Actual Spend to 30 June £'000	Remaining Budget £'000
<b>DEVELOPMENT &amp; HOUSING</b>			
North Dock Seaham	50	0	50
Office Accommodation	2,955	324	2,631
Town Centres	3,919	671	3,248
Minor Schemes	168	0	168
Disabled Facilities Grant / FAP	4,621	1,030	3,591
Housing Renewal	1,403	419	984
Housing Development	3,435	110	3,325
Chapter Homes	6,355	200	6,155
Strategy and Programmes Minor Schemes	100	0	100
<b>TOTAL DEVELOPMENT &amp; HOUSING</b>	<b>23,006</b>	<b>2,754</b>	<b>20,252</b>
<b>BUSINESS DURHAM</b>			
Industrial Estates	13,991	373	13,618
<b>TOTAL BUSINESS DURHAM</b>	<b>13,991</b>	<b>373</b>	<b>13,618</b>
<b>CORPORATE PLANNING AND LAND</b>			
Structural Capitalised Maintenance	5,450	1,152	4,298
Minor Schemes	50	50	0
REAL – Beamish Project	3,000	724	2,276
<b>TOTAL CORPORATE PLANNING AND LAND</b>	<b>8,500</b>	<b>1,926</b>	<b>6,574</b>
<b>TRANSPORT &amp; CONTRACTED SERVICES</b>			
Local Transport Plan	2,289	273	2,016
Transport Major Schemes	19,306	345	18,961
<b>TOTAL TRANSPORT &amp; CONTRACTED SERVICES</b>	<b>21,595</b>	<b>618</b>	<b>20,977</b>
<b>Total</b>	<b>67,092</b>	<b>5,671</b>	<b>61,421</b>

(1) FAP – Financial Assistance Programme

**Economy and Enterprise  
Overview and Scrutiny Committee**

**24 September 2019**

**Quarter One 2019/20  
Performance Management Report**



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

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

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

**Performance Report for quarter one, 2019/20**

- 2 The performance report for quarter one, 2019/20 is attached at Appendix 2. It is structured around a set of key questions aligned to the Altogether Wealthier priority theme and includes the key performance messages from data available this quarter along with visual summaries and data tables for each key question.

**Future Performance Reporting**

- 3 As our current vision, which forms the basis of this performance report, is over nine years old and many of the original aims have been achieved, we are developing a new set of proposed ambitions that better reflect the needs and opportunities of County Durham. This new vision will be launched in the autumn and the format and content of this performance report will be modified to align to the new ambitions.

## Executive summary

- 4 Our focus on investment that creates more and better jobs continues. Three further inward investments were confirmed this quarter and we are developing new business sites with the potential to create thousands of jobs, creating new infrastructure, investing in our roads so they are on par with those nationally, and building on our growing tourism and cultural activity. We have put in place effective programmes to engage and support both businesses and people across the county, and we are successfully accessing additional funding to maximise our impact. Although the medium-term employment rate remains positive and the employment rate for young people (aged 16-24) is higher than regional and national levels, we are concerned about the employment gap between those with a disability and those without, and the relatively low employment of older people (50-64).

## Risk Management

- 5 Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change programme and is incorporated into all significant change and improvement projects.

There are no key risks in delivering the objectives of this theme.

## Recommendation

- 6 That the Economy and Enterprise Overview and Scrutiny Committee considers the overall position and direction of travel in relation to quarter one performance, and the actions being taken to address areas of underperformance.

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**Contact:** Jenny Haworth

Tel: 03000 268 071

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable.

### **Finance**

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

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

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

### **Human Rights**

Not applicable.

### **Crime and Disorder**

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

### **Staffing**

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

### **Accommodation**

Not applicable.

### **Risk**

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

### **Procurement**

Not applicable.

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*Altogether better*

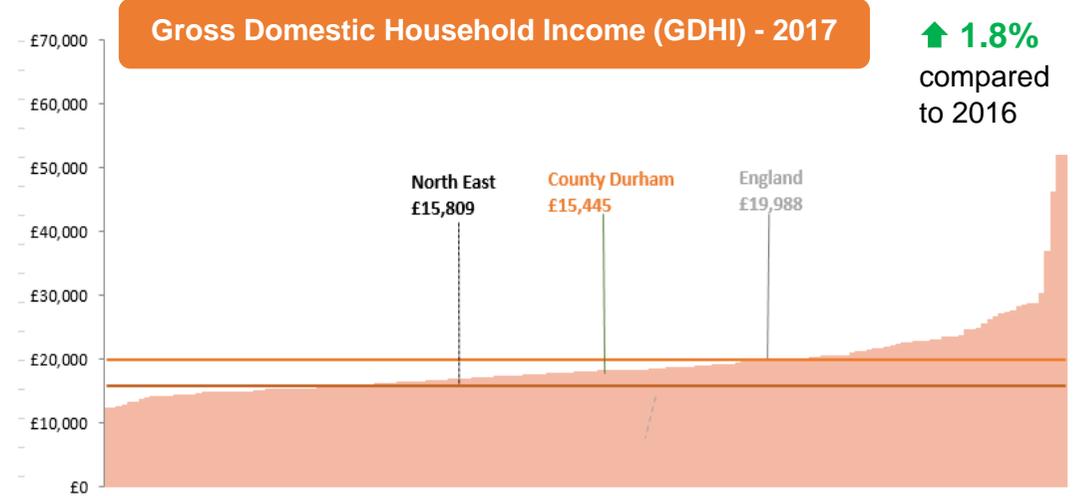
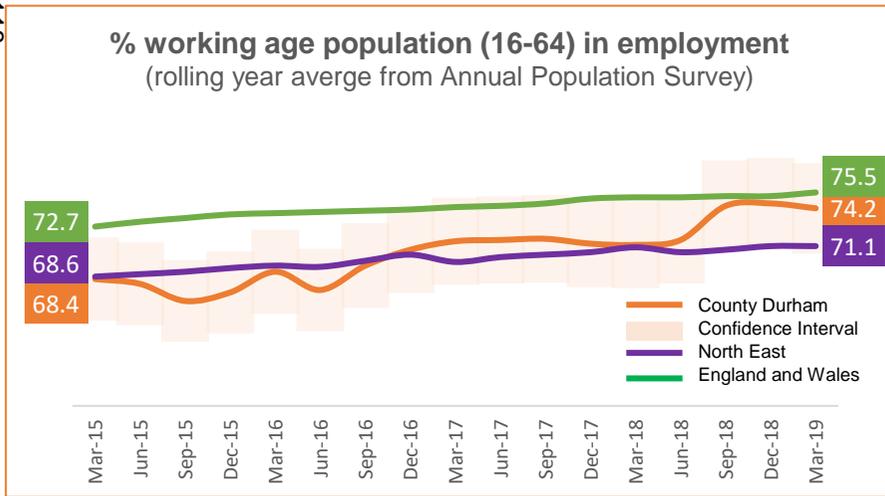


# Durham County Council Performance Management Report

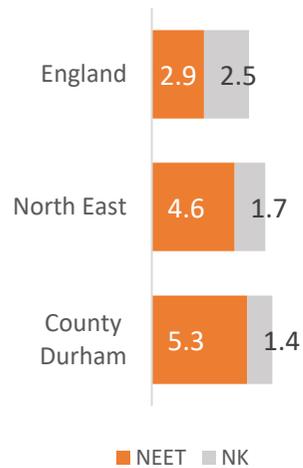
## Quarter One, 2019/20



Do residents have good job prospects?



### % 16 – 17 year olds NEET / Not Known



### Key employment rate stats:

(Apr 18-Mar 19)

	County Durham	National
Male	78.9%	80.1%
Female	69.7%	70.8%
Private sector	75.6%	79.0%
Part-time	24.4%	24.6%
Without a disability	83.7%	81.1%
With Equality Act core or work limiting disability	47.7%	54.2%

Additional employment rate information available via Durham Insight and Index of Deprivation in County Durham (Employment Domain)



2,312 jobs created & 117 jobs safeguarded\* as a result of Business Durham activity during quarter one

1,106 people registered & 285 people supported into employment / self-employment via Employability Programmes to date

\*Job safeguarded: must be a permanent, paid, full time equivalent (FTE) job which is at risk



## Altogether Wealthier

- 1 The priority theme of Altogether Wealthier is structured around the following five key questions:
  - (a) Do residents have good job prospects?
  - (b) Is County Durham a good place to do business?
  - (c) Do residents have access to decent and affordable housing?
  - (d) Is it easy to travel around the county?
  - (e) How well do tourism and cultural events contribute to our local economy?

### Do residents have good job prospects?

- 2 The employment rate has remained relatively static at 74.2% and continues to exceed our target (73%). However, as the rate is an estimate from a sample survey it is possible that the increase since June 2018 is due to random sample variation, as it is within the estimated confidence intervals (+/- 2.8%). We will be closely monitoring the data over the coming months.
- 3 However, the employment rate varies across population sub-groups. A 36 percentage point gap exists for the employment rate of those with an Equality Act core or work limiting disability and those without. This is the 17<sup>th</sup> highest of 125 authorities. Currently a Disability Confident Employer, we will apply to become a [Disability Confident Leader](#) in autumn 2019. Our proposed leadership action plan sets out how we will enhance support for our staff and how we will support local businesses to become disability confident. This will include engaging with local employers (especially SMEs with limited capacity), sharing good practice and providing bespoke support to help local employers attract and retain their disabled staff.
- 4 The employment prospects of young people (16-24) have steadily improved since 2012. In 2019, almost three in five young people (57%) are employed, compared to two in five (38%) in 2012, and is above the national (54%) and regional (50%) averages. However, the rate is lower than other age groups and its pre-recession rate of 61%.
- 5 The increased proportion of young people not in education, training and/or employment (NEET) is partly due to figures being at a transition point, as academic programmes close and young people have yet to confirm a new destination, i.e. employment or continuation of training.
- 6 All young people who are NEET are referred to DurhamWorks which specialises in helping vulnerable young people, including those with Special Educational Needs and Disabilities (SEND), care leavers and those supervised by the Youth Offending Service. To date, 6,245 young people have been supported and, of the 52% who have completed their supported intervention, 88% have progressed to EET.

Is County Durham a good place to do business?

Apr-Jun 19	Business Durham Activity	compared Apr-Jun 18
3	inward investments secured	↑ 3
28	businesses received intensive support received	
86.1%	Business Durham floor space occupied	↑ 3.7pp
£12.6	GVA from jobs created/safeguarded (million)	↑ £1.5m

**£690,000** grant request submitted to European Regional Development Fund (ERDF) in May 2019 for a new project to support ambitious business start-ups

**Finance Durham (FD)**  
To date:

**£3.4m** investment in business

**12** investment deals through FD fund

**•96.2%**

- major planning applications determined within 13 weeks
- (target 90%)

**County Durham Plan**

Submitted to Planning Inspectorate in June.

Examination in Public to commence October 2019.



**LEADER Programme** - EU initiative to support rural business to create jobs and support the economy



**Durham Coast & Lowlands**  
40 projects worth **£1,308,042** approved to date (91% of programme allocation). If approved, 3 projects at full application stage will commit remainder of programme allocation.

**Businesses Supported**  
(quarter one)

**11** as a result of Development and Housing targeted business improvement schemes

**15** through Community Economic Development Team who provide advice, grant support and access to training

**North Pennines & Dales**

**43** projects worth **£1,611,305** approved to date (83% of programme allocation).  
6 projects at full application stage.  
If approved, 2% of budget to allocate by end quarter two.



Additional information on businesses is available via [Durham Insight](#)

- 7 Having recognised more action is required to further increase young people in EET, we have undertaken various consultative activities including peer led discussions with young people and workshops involving key stakeholders. Feedback has helped develop a new vision and key aims for a revised partnership plan.
- 8 Employment across the 50 to 64 age group, where there is a relatively lower number of workers, is 68%. This is comparable with the regional rate but lower than nationally (72%).
- 9 Three inward investments were confirmed during quarter one: Orchidsoft Limited (an intranet software specialist), Maveco Stone Machinery Ltd and a company that wishes to remain confidential.
- 10 Work on our new headquarters commenced in August, paving the way to develop Aykley Heads as a multi-million pound business district, creating up to 6,000 jobs and boosting the local economy by £400 million.

## **Is County Durham a good place to do business?**

- 11 Bishop Auckland has been shortlisted for the second phase of the government's 'Future High Street Fund', which aims to renew and reshape town centres, and will bid for a share of £675 million. In addition, the masterplan for Bishop Auckland town centre has now been approved. It sets out how key spaces are used, how to access and navigate the town centre and the impact of developing visitor attractions on its infrastructure.
- 12 Forrest Park in Newton Aycliffe, with the potential to create more than 3,000 jobs, is one of 11 projects selected by the Department for International Trade to showcase Britain's key business sectors and investment opportunities at an international level.
- 13 The LEADER funding programme, helping businesses and organisations develop, diversify and grow in rural areas across the county, is delivered through two area based schemes (Durham Coast and Lowlands and North Pennine Dales). Examples of success are: Taylored Fit Physio renovated and adapted an unused chapel in Langley Park into a new physio and health centre (£56,388, created five jobs); Moorcock Inn, Weardale constructed a glamping site with 12 camping pods, facilities block, café and shop selling local produce (£124,763, created five jobs); and, Parlourmade, Teesdale purchased and installed a new cheese store / ripening room and washing facility (£5,695) and a robotic milking system (£65,636).

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

**Housing advice and support**

(Apr–Jun 19, compared to same period last year)

<b>546</b>	properties improved, adapted or brought back into use	↓ 6%
<b>3,019</b>	households accessed Housing Solutions	↓ 3.5%
<b>260</b>	households helped to stay in their homes	↑ 29%
<b>249</b>	households helped to move to alternative accommodation	

**Net homes completed**  
(Apr–Jun 19)

**401**

↑ 20 (5%)  
compared to same period last year

**532** affordable homes delivered (2018/19)

**234** rental units

**100** shared ownership

**198** affordable rent and development management properties

Additional housing information available via the [Durham Insight – Housing factsheet](#)



Number of households supported under Homelessness Reduction Act (HRA) during quarter one

**167** prevention

**125** relief (within 56 days)

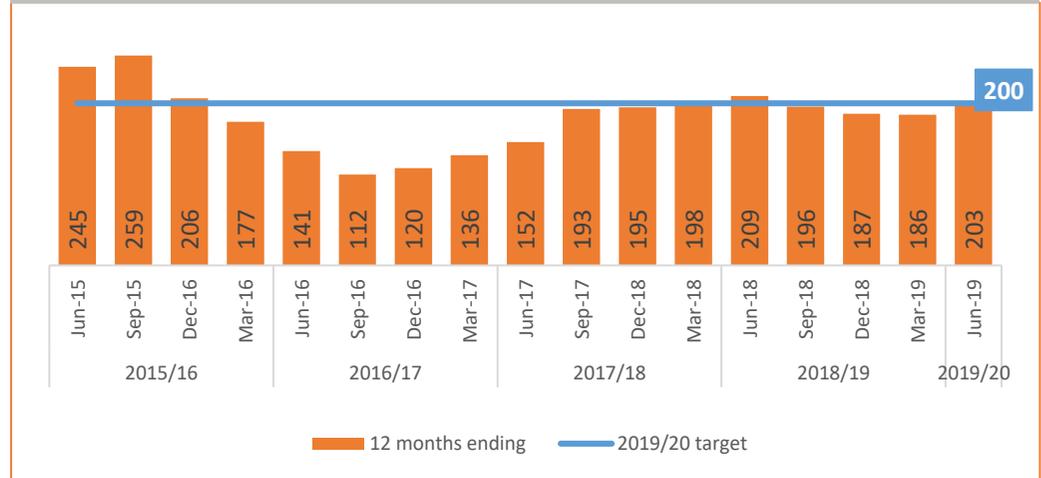
**7** main duty (to secure accommodation)

**15.4**

Average days spent in temporary accommodation (Apr–Jun 19)

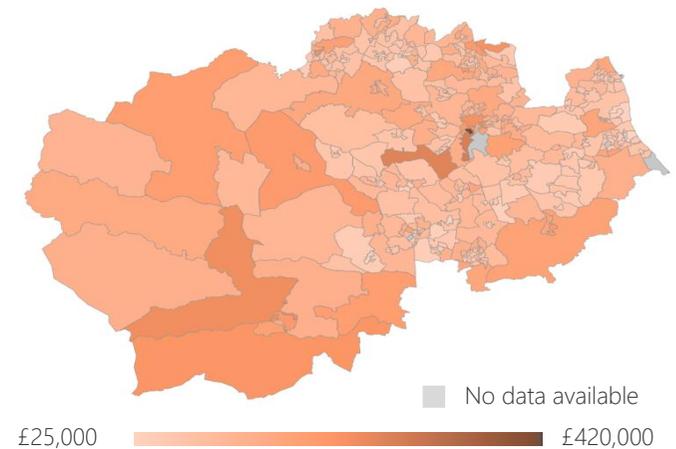
↑ 2.6 days from same period last year

Empty properties brought back into use following LA intervention



County Durham median house price by lower layer super output area (year ending Dec 18)

Source: [ONS](#)



## Do residents have access to decent and affordable housing?

- 14 Feedback received from consultation on the [Housing](#) and [Homelessness](#) Strategies has been considered and, where appropriate, included within the final documents which have now been approved. We included an additional section in the Housing Strategy relating to support, adaptations and housing products for people with disabilities, a section on 'health' as a cross-cutting theme, and health and housing related case studies.
- 15 We are continuing to work on a business case to widen selective licensing across the county. The scheme will require private landlords to obtain a licence for each of their properties. Data collection and cleansing is complete, and we are now analysing the findings which will be reported to Cabinet in October ahead of consultation.
- 16 An Assessment Centre (based at the Fells, Plawsworth) and a Stay Safe Hub have now opened following a successful bid for regional funding. The initiative gives rough sleepers immediate access to accommodation and supports them in finding a more permanent place to stay. Once housing is secured, the funding allows for tenancy support, helping vulnerable people maintain their tenancy through regular visits, assistance with bills, cleaning and establishing the tenancy.
- 17 We have also been successful in securing almost £250,000 of funding from the Rapid Rehousing Programme to establish a lettings agency that will help secure housing for homeless people.
- 18 The definition of affordable housing<sup>1</sup> has widened, and grant rates increased, in response to government legislation. It is now defined as social rented, affordable rented and intermediate housing provided to specified eligible households whose needs are not met by the market, and can be a new build or private sector property purchased for use as an affordable home. Increased partnership working with registered providers and Homes England has contributed to the high number of affordable homes delivered.
- 19 The Chapter Homes development at Eden Field, Newton Aycliffe is scheduled for completion in August 2019. The final phase has been released and only six of the 143 homes are yet to be reserved.
- 20 Fewer properties have been improved, adapted or brought back into use due to a 33% decrease in Disabled Facilities Grants, which are demand led and dependant on internal referrals. However, 145 future adaptations are committed and 151 applications in progress.

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<sup>1</sup> See Annex 2 of the [National Planning Policy Framework](#)

4. Is it easy to travel around the county?

Overall condition of A, B & C roads

Good / stable

55/148 national rank

Declined

91/116 national rank

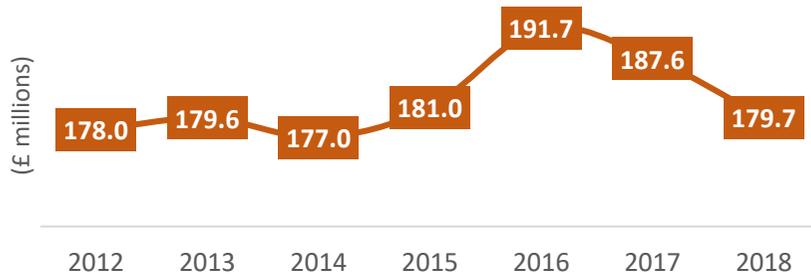
Overall condition of unclassified roads

National Highways and Transport Survey: satisfaction with...

	Overall (local)	Highway maintenance	Street lighting
Durham	57%	53%	62%
North East	56%	51%	67%
National	53%	51%	65%

Confidence interval – 3%

Highways Maintenance Backlog



Bridge Stock Condition - Principal roads

Good to fair

80.7% (+0.7pp)

Good to fair

79.9% (-1.1pp)

Bridge Stock Conditions - Non-principal roads

Cycling and Walking Delivery Plan 2019-29



1. Renovations and improvements to the A167 cycle path running from Cock o' the North roundabout to Merryoaks are now complete.
2. Work included; resurfacing, signage improvements and the closure of a layby to make the area safer.



Local passenger journeys on the bus network (compared to 2016/17)

2016/17 - 23.52 million	2017/18	2018/19
	-142,444	-273,895

## **Is it easy to travel around the county?**

- 21 The latest Transport Asset Management Plan (TAMP) 2018, which sets out our long term plan for managing highways, indicates our maintenance backlog is decreasing which is, in part, due to investment made in carriageways and footways resurfacing.
- 22 The condition of A, B and C roads has improved and is now rated close to the national average. Structures such as bridges and tunnels are generally in 'good to fair' condition and the backlog has now stabilised after increasing in recent years mainly due to collection of improved data.
- 23 Whorlton Suspension Bridge is closed to traffic (but not pedestrians or cyclists) following a routine inspection which identified a safety issue. As a scheduled monument, the repairs require permission from Historic England, so the duration of the closure is not yet known. Engineers have also started repairing a large sinkhole that unearthed a Victorian railway bridge alongside the A691 at Blackhill in Consett. Works are expected to take two to three weeks.
- 24 Having retained our maximum Department for Transport Band 3 efficiency rating in 2019 (only two of 119 Highway Authorities in England achieved this) we will continue to access maximum funding from the DfT's Incentive Fund going forward.
- 25 Construction works to create a 139-space car park and bus stops at Horden Rail Station has started. Work to develop the station, which will feature two 100-metre platforms with shelters connected by an accessible footbridge, will begin in September.

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

- 26 £1.3 million grant from the Coastal Communities Fund will go toward the £2.2 million project to create a Crimdon Coastal visitor and events hub, which will consist of a café, public toilets, and a community, educational and volunteer space. The council will provide match funding.
- 27 Despite the first day of Seaham Food festival being cancelled due to strong winds and torrential rain, almost 15,000 people attended the second day and traders reported selling two days of produce in a single day and town centre businesses reported a bumper day's trade.
- 28 Unfortunately, the Velo North Series, scheduled to take place in September 2019, has been cancelled as it was unable to attract sufficient riders to justify the event going ahead.

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

**Durham Pride (May 2019)**

- 6th Pride event in Durham
- Around **20,000** attendees



**Seaham Food Festival (June 2019)**

- **15,000** attendees
- **100+** traders



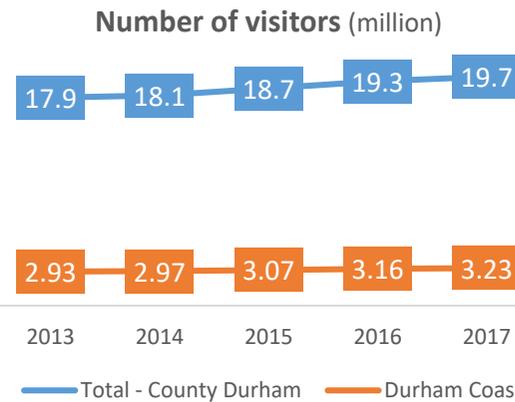
**Pyjamarama (June 2019)**

- *Book trust event encouraging children to read bedtime stories*
- **778** children and **284** adults attended
- **48** events and activities held
- **46** children signed up to become a new library members



**Cricket World Cup (July 2019)**

- **3** matches held at Durham County Cricket Club
- Durham hosted one of eight city fan zones



Generated by the visitor economy	Employed in tourism
<b>£866.7m</b>	<b>11,682</b>
<b>↑4.9%</b>	<b>↑ 4.7%</b>

<b>93%</b> satisfaction with visitor information network (2018/19)	<b>↑ 2pp</b> compared to 2017/18
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**Durham County Records Office**

During 2018/19:

**1.1m** interactions with archive services

**77** groups visited

**80** outreach activities undertaken

**36** exhibitions staged



**Durham History Centre**

Mount Oswald Manor House will be brought back into use, adding a high quality, visually appealing extension.

Phase 2 consultation ended 28 July 2019.

Feedback from **193** respondents will be used to develop the project.

More information is available [here](#).

- 29 Peterlee leisure centre and library has re-opened following a £2 million improvement programme. This included refurbishing the pool changing rooms, reception space, parking facilities and the creation of the new library facility.
- 30 New ticket prices have been introduced at the Gala cinema, including a £20 family ticket and £5 cinema tickets regardless of the day or time.
- 31 Consultation on plans for a new Durham History Centre closed in July 2019. We are currently analysing feedback from 193 respondents, but initial findings suggest the majority of respondents like the design. The project will bring into one central location historic records, photographs and objects, bring Mount Oswald Manor House back into use, provide space for exhibitions, activities and events and provide enhanced registration services. It is anticipated that a planning application will be submitted in autumn 2019.

## Key Performance Indicators – Data Tables

There are two types of performance indicators throughout this document:

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

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

### KEY TO SYMBOLS

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

### National Benchmarking

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

### North East Benchmarking

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

More detail is available from the Strategy Team at [performance@durham.gov.uk](mailto:performance@durham.gov.uk)

## ALTOGETHER WEALTHIER

### 1. Do residents have good job prospects?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
1	% of working age population in employment	74.2	Apr18 – Mar 19	Tracker	71.2	75.5	71.1			Yes
				N/a	GREEN	AMBER	GREEN			
2	Per capita household disposable income (£)	15,445	2017	Tracker	15,166	19,988	15,809			Yes
				N/a	GREEN	RED	RED			
3	Number of gross jobs created or safeguarded as a result of Business Durham activity	2,429	Apr-Jun 2019	Tracker	379					Yes
				N/a	GREEN					
4	% of 16 to 17 year olds in an apprenticeship	7.8	as at Jun 2019	Tracker	9.8	5.8	7.6	7.7		Yes
				N/a	RED	GREEN	GREEN	GREEN		

## ALTOGETHER WEALTHIER

### 2. Is County Durham a good place to do business?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
5	Gross Value Added (GVA) per capita in County Durham (£)	16,718	2017	Tracker	16,513	27,430	20,121			No
				N/a	GREEN	RED	RED			
6	Number of registered businesses in County Durham	17,150	2018	Tracker	17,120					No
				N/a	GREEN					
Page 129	Value (£M) of new contracts secured	0	Apr-Jun 2019	Tracker	New indicator					Yes
				N/a	N/a					

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

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
8	Value (£M) of GVA growth from jobs created	12.6	Apr-Jun 2019	10 <b>GREEN</b>	11.1 <b>GREEN</b>					Yes
9	Number of Inward Investments secured	3	Apr-Jun 2019	Tracker N/a	0 <b>GREEN</b>					Yes
10	% of Business Durham business floor space that is occupied	86.1	Apr-Jun 2019	Tracker N/a	82.4 <b>GREEN</b>					Yes

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

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
11	Number of properties improved, adapted or brought back into use	546	Apr-Jun 2019	Tracker N/a	447 N/a					Yes
12	Number of empty properties brought back into use as a result of local authority intervention	73	Jul 18– Jun 19	50 <b>GREEN</b>	56 <b>GREEN</b>					Yes
13	Number of net homes completed	401	Apr-Jun 2019	Tracker N/a	381 <b>GREEN</b>					Yes
14	Number of affordable homes delivered	532	2018/19	200 <b>GREEN</b>	473 N/A					Yes

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

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
15	Number of households accessing the Housing Solutions Service	3,019	Apr-Jun 2019	Tracker	3,138					Yes
				N/a	N/a					
16	Number of households helped to stay in their home	260	Apr-Jun 2019	Tracker	202					Yes
				N/a	N/a					
17	Number of households helped to move to alternative accommodation	249	Apr-Jun 2019	Tracker	117					Yes
				N/a	N/a					

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

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter	
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different		
18	% of A roads where maintenance is recommended	2.6	2018	Tracker	2.6	3				2016/17	Yes
				N/a	GREEN	GREEN					
19	% of B and C roads where maintenance is recommended	4.7	2018	Tracker	4.7	6				2016/17	Yes
				N/a	GREEN	GREEN					
20	% of unclassified roads where maintenance is recommended	21	2018	Tracker	20	17				2016/17	Yes
				N/a	AMBER	RED					
Page 1 of 1	Highways maintenance backlog (£millions)	179.7	2018	Tracker	187.6						Yes
				N/a	GREEN						

## ALTOGETHER WEALTHIER

### Is it easy to travel around the county?

Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
22	Bridge Stock Condition – Principal Roads	80.7	2018	Tracker	80.0					Yes
				N/a	<b>GREEN</b>					
23	Bridge Stock Condition – Non-Principal Roads	79.9	2018	Tracker	81.0					Yes
				N/a	<b>AMBER</b>					

## ALTOGETHER WEALTHIER

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

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

## Other additional relevant indicators

ALTOGETHER BETTER FOR CHILDREN AND YOUNG PEOPLE										
1. Are children, young people and families in receipt of universal services appropriately supported?										
Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
28	Average point score per A level entry of state-funded school students	33.4	2017/18 (academic year)	Tracker	31.9	32.4	32.5			No
				N/a	GREEN	GREEN	GREEN			
30	% of 16 to 17 year olds who are not in education, employment or training (NEET)	5.3	Apr-Jun 2019	Tracker	5.1	2.9	4.6			Yes
				N/a	RED	RED	RED			
4. Are we being a good corporate parent to Looked After Children?										
Ref	Description	Latest data	Period covered	Comparison to						Data updated this quarter
				Period target	12 months earlier	National figure	North East figure	Nearest statistical neighbour	Period covered if different	
65	% of care leavers aged 17-18 in education, employment or training (EET)	Data being validated	Data being validated	Tracker	N/a	N/a	N/a	N/a		No
				N/a	N/a	N/a	N/a	N/a		
66	% of care leavers aged 19-21 in education, employment or training (EET)	Data being validated	Data being validated	Tracker	N/a	51	52	58		No
				N/a	N/a	N/a	N/a	N/a		

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**MINUTES**

<b>Meeting</b>	County Durham Economic Partnership Board
<b>Date of Meeting</b>	Friday 12 <sup>th</sup> July 2019
<b>Time</b>	13.00 – 15.00
<b>Venue</b>	The Board Room, New College Durham

**Attendees:**

Brian Tanner (BT)	Chair
Sue Parkinson (SP)	Resources
Brian Archer (BA)	Business Competitiveness
Bill Fullen (BF)	Inclusive Growth
Dawn Fairlamb (DF)	People
Jon Gluyas (JG)	Ideas and Innovation
Kate Burrows (KB)	VCS
Ray Brewis (RB)	Durham County Council
Andy Palmer (AP)	Durham County Council
Andy Bailey (ACB)	Partnerships, Durham County Council
Angela Brown (AB)	Partnerships, Durham County Council

**Speakers**

Glenn Martin	Durham County Council
Jenny Haworth	Durham County Council
Tom Gorman	Durham County Council

**Apologies**

Ian Thompson (IT)	Without Portfolio
Jo Laverick (JL)	VCS
Simon Hanson (SH)	Business

### 1. **Welcome**

BT thanked everyone for attending. He welcomed Kate who was attending for Jo Laverick and Tom Gorman and Jenny Haworth who were presenting on the vision. He gave special thanks to DF for hosting the meeting

### 2. **Minutes of last meeting**

The minutes from the meeting in April were circulated in advance of the meeting and were agreed as a true and accurate record

*Matters Arising:*

- Following Catherine John's suggestion to have workshop to make sure that we are all joined up moving forward it was agreed to keep this on hold.
- Youth Aspiration event Andy and Brian have spoken to Glenn Robinson and Andrea Petty and this will be progressed and will reappear at a later date

### 3. **The County Durham Partnership 'Vision'**

Jenny Haworth presented on the Vision for County Durham.

She mentioned that this is the final stage of a 3-stage consultation to refresh the existing vision. The was focus on looking at what has changed in County Durham and what has progressed.

The next steps are for the Vision Document to be signed off at the CDP Board meeting in September. The CYP Strategy and the County Durham Plan will flow from this

Jenny encouraged the Board members to read the vision document

Questions/comments

It was asked who the audience was for the video? JH mentioned it had been pushed through the County Durham Partnerships to all partners. The consultation is live on the County Council website for everyone to comment on. It has also gone out to all AAP meetings in the Community for anyone that doesn't engage through Social Media.

BT felt it was best for the Board to look at the 2 questions and have a discussion and then submit a CDEP response

- Question 1 – Do you agree that our vision strikes the right balance of priorities and ambitions for the county?
- Question 2 – We all need to work together to achieve our aspirations. How can we work together to achieve this?

It was asked what is meant by more and better jobs as people have different ideas of this. The NE Strategic Plan aims to create more and better jobs, but this assumes that 70% of these new jobs will be higher level jobs. We need to understand exactly what is meant by more and better jobs and as this will drive actions.

It was mentioned that it is not difficult to get people into work, but there is still poverty in a lot of jobs.

JH mentioned that they will take this back and look to articulate this better as the message needs to be made clearer.

In relation to Housing there is an element for older people, but we need to be considering housing for younger people, especially younger people with low employment levels. We are in imminent danger of building too many bungalows, which what people may not really want. The Vision document seems to miss technical advances. It feels a bit like an 'analogue vision for a digital world'. JH mentioned that more affordable housing and low carbon is mentioned in the context of younger people. In relation to Older people, the group has worked with people on the Housing Strategy and there were concerns over the aging population. The issue is not about building bungalows for the over 65s but about the changing demographics. JH will take the comment away. In relation to the digital aspect, JH agreed that the technological backdrop is not fully reflected and something more should be added.

In relation to Economic Growth it is important to be inclusive, so no one is left behind. We need to be mindful that people are living longer and staying in their own homes but it is not just the physical side that needs attention. It is also infrastructure that sits with this as people could end up being trapped in their own homes.

It was mentioned that the video gives a very good impression of the County. There is an opportunity over the next few decades to use flooded mines for geothermal energy, so this makes the County unique. This is being pursued at County, Regional and LEP level, JG will provide JH with information regarding this.

BT concluded he would try and give a response based on this discussion but if individuals want to make their own submissions they are more than welcome.

**Action: BT to submit response from CDEP Board**

#### **4. Economic Current Position**

GM gave a presentation to Board members on the current economic position. He mentioned that it possibly overlaps with JH slides on vision and BT slides on identifying goals.

GM is happy for board member to give feedback and happy to take any questions on board.

Summary:

- High employment rate.
- Manufacturing, business services and tourism growing.
- Education, occupations and productivity still lagging.
- Low growth in business stock.
- Town Centres struggling.

GM mentioned he had focused on looking at the data from 2012 onwards as this is when most of the indicators suggest we have grown.

- The employment rate is now up to nearly the national average.
- The quality of jobs – part time is down by 5% and full time is up by 2%.
- Unemployment is down.

New data for Town Centre vacancies will be available soon.

BT informed the Board that this information will be rolled into the discussion on identifying goals.

## 5. Funding Strategy Resources

SP gave an update on Funding Strategy resources. She informed the Board that it has been agreed that funding is to be a standard item on Thematic Partnership Board agendas.

SP mentioned that her report represents the suggested approach to the subject which will be taken by the CDEP, for consideration by the Board and subsequent implementation.

The suggested approach is in 3 stages set out below. They are ranked in order of priority, so it follows that the highest priority will command the largest amount of effort.

- Upstream Intervention for Downstream Results – influencing/lobbying/representing – It is proposed that the Partnership identifies and agrees a small number of opportunities and concentrates its efforts in being fully involved with them against a pre-determined plan of action. Of necessity, this will mean that not every opportunity is proactively targeted.
- Sweating the Assets – Embedding Cross Referrals/Joining up Work – it is proposed that, where individual partners become aware of funding available to them, they bring this to the Partnership at the design stage so that opportunities for joint working can be identified and built into programme development.
- Seeking External Funding – It is proposed that the Partnership continues to receive these and act upon them as appropriate, but that this is done within the context of identified Partnership priorities.

First job all had was a treasury committee enquiry – Sent to Board and GM was pulling response together.

SP asked the Board that, if they identify any funding opportunities, could they please let SP and the Secretariat know. DCC has given a resource to support the relevant funding opportunities.

BT asked for approval from Board member for course of actions for the approach to funding. This Board endorsed this

### **Action: The Board endorsed course of action for approach to funding**

## 6. Identifying Goals

BT informed the Board that all members had provided a plan on a page for their portfolios and what was clear from discussions were that there was feeling that we need to be doing things in the right order.

The presentation mentioned the Regeneration Statement 2012-2022 and felt the time is right to be thinking about a refresh or new strategy. SP and SH need to set goals then think about the strategy.

We had 12 key ambitions, and we probably will not take this approach again. We need to be working together to add value.

We need to set goals. It was asked what type of goals as this phrase means different things to different people. We need to be looking at the previous regeneration statement. The measures we had were agreed through committee and the purpose was to have a very good balance. We need to make sure that our goals are balanced and inclusive and need to be choosing measures that can be monitored. Need to look at inclusive growth and not just growth. It was suggested that we need strategic aims and then key performance measures can be simplified. It was felt that we should look at the wider economy and list projects and who is responsible. Then we can see if there are any gaps in investment. It was felt that keeping it simple was the best approach.

As the strategy will inform and drive better decision making it is felt that a stronger argument for money for Durham is needed

It was felt we need to make sure we have the right balance to maximise leverage.

The starting point would be to agree the aims of the structure. We also need to know what the economic drivers are that improve the quality of life.

It was agreed that SP, BA, BT and ACB will meet to discuss ideas how to take this forward.

**Action: SP, BT, BA and ACB to meet to look at ways to take this forward**

## **7. Updates from Working Groups**

Due to insufficient time on the agenda there were no updates from Partners.

## **8. Any Other Business**

There was nothing to discuss.

## **9. Date and Time of next meeting – Friday 8<sup>th</sup> November at 1pm**

BT thanked everyone for attending and gave a special thanks to DF for hosting the meeting at the College.

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