



Economy and Enterprise Overview and Scrutiny Committee

Date **Friday 21 February 2020**
Time **9.30 am**
Venue **Committee Room 2, County Hall, Durham**

Business

Part A

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

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held 10 January 2020 and Special meeting held 27 January 2020 (Pages 3 - 28)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. North East Skills Advisory Panel - Overview: (Pages 29 - 56)
 - (i) Report of the Corporate Director of Resources.
 - (ii) Presentation by the Skills Director, North East Local Enterprise Partnership.
8. Business, Enterprise and Skills Working Group of the County Durham Economic Partnership - Overview: (Pages 57 - 88)
 - (i) Joint Report of the Corporate Director of Resources and the Corporate Director of Adult and Health Services.
 - (ii) Presentation by the Chair of the Business, Enterprise and Skills Working Group of the County Durham Economic Partnership.

9. DurhamWorks Programme - Progress: (Pages 89 - 112)
 - (i) Joint Report of the Corporate Director of Resources and the Corporate Director of Children and Young People's Services.
 - (ii) Presentation by the Strategic Manager, Progression and Learning, Children and Young People's Services.
10. 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
13 February 2020

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

Contact: Martin Tindle

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DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Friday 10 January 2020** at **9.30 am**

Present:

Councillor M Clarke (Chair)

Members of the Committee:

Councillors E Adam, J Atkinson, A Batey, R Crute, S Dunn, D Hall, T Henderson, J Higgins, S Iveson, L Maddison, J Maitland, R Manchester, E Scott, T Tucker, M Wilkes and M Wilson

Co-opted Members:

Mrs R Morris

Apologies:

Apologies for absence were received from Councillor(s) P Howell and Mr G Binney

Also Present:

Councillor(s) J Clare

1 Apologies for Absence

Apologies for absence were received from Councillor P Howell and Mr G Binney.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The minutes of the meeting held 7 November 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, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The articles included: a report highlighting the tenth anniversary of Lumiere, noting over a million visitors since it began in 2009; Sedgefield business owners promoting the 'shop local' message; and funding provided to Durham Intelligence from the Finance Durham Fund, creating new jobs.

Resolved:

That the presentation be noted.

7 Strategic Employment Sites - Overview

The Chair welcomed the Strategy and Project Development Manager, Ray Brewis who was in attendance to provide the Committee with an update presentation in relation to Strategic Employment Sites in the County (for copy see file of minutes).

The Strategy and Project Development Manager noted the Regeneration Statements in 2010 and the 2014 refresh which identified priority needs for economic growth, with objectives to: nurture business creation, development and growth, aligned with key wealth creating sectors; create the right environment for innovation and growth; and promote County Durham as an attractive economic location for investment. He explained as regards progress at key sites: Forrest Park at Newton Aycliffe; Jade Business Park at Murton; NETPark Phase 3 at Sedgefield; and Integra 61 at Bowburn. The Strategy and Project Development Manager noted that it was recognised that it had taken a long time to get to this point in terms of strategic sites and therefore it would be appropriate to start the process in terms of looking for the next series of sites, in order to help secure external funding, in the next five years.

The Chair thanked the Strategy and Project Development Manager and noted that site visits to the strategic sites would be organised for April/May, dates to be confirmed with the Committee.

Councillor L Maddison commented that the presentation noted the funding arrangements for Forrest Park and Jade Business Park, however, not Integra 61. The Strategy and Project Development Manager noted that for the Integra 61 development there was an element of Local Growth Fund from the North East Local Enterprise Partnership (NELEP) of £1.5 Million with additional funding for the offsite junction 61 and access through the A688 of over £5 million which has £1.8 million of Highways England Funding the balance coming from DCC. Overall investment from the private sector is currently in the region of £189 million, which will increase to over £200 million once the current development becomes operational.

Councillor M Wilkes noted that the Integra 61 development was very impressive, however, the light pollution from the site at the moment was considerable and he hoped the situation was temporary. He added he was concerned as regards the effect on the supply chain of the 250 job losses announced by Hitachi and asked what the Council could do to support those people, the businesses affected and what employment opportunities there were for those employees who have lost their jobs. The Strategy and Project Development Manager noted help would be provided by Business Durham and the Government's task force that assists in this area. He noted a lot of the supply chain was from outside of the County and that Hitachi had noted there may be some opportunities for redeployment, albeit again outside of the County.

Councillors R Crute, D Hall and E Scott entered the meeting at 9.50am

Councillor M Wilkes asked as regards the capacity of Business Durham to provide assistance. The Strategy and Project Development Manager noted there was some capacity to assist and it would also depend upon what Hitachi would do in the first instance. Councillor M Wilkes noted it would be useful if the Committee could have information as regards the capacity of Business Durham to assist in situations where there are job losses.

Councillor E Adam noted the points within the presentation as regards the former Leamside line, running alongside the Integra 61 site and asked if there was potential in terms of links to Newton Aycliffe. The Strategy and Project Development Manager explained this was not the case, with Network Rail debating as regards the benefits of reopening the Leamside line or to develop new capacity. He noted issues being considered with the old line included bridges that would likely need to be replaced and that the route no longer followed modern housing developments. It was added that there was a possibility of Rail freight operating from a site alongside the Leamside line but additional work would be a required to create a spur and loop in order for trains to be able to get up to the necessary speed to join the main line.

Councillor E Adam asked as regards the investments made in the strategic sites, how much were loans, how much was regional funding and so on.

The Strategy and Project Development Manager noted from the Council perspective, funds would come from the Capital Programme, not via loans from the NELEP. He added Jade Business Park had been granted Enterprise Zone status and this then had an impact in terms of future business rates returning to the NELEP instead of the Council. The Strategy and Project Development Manager reiterated that Council involvement mostly related to highways infrastructure works to enable sites to be developed, with the contribution by the Council being less than that from regional funds and a lot less than from the private sector.

Councillor E Adam asked as regards any potential impact on our plans at Forrest Park, given the announcement from Hitachi. The Strategy and Project Development Manager noted it had not put plans back, however, it may affect market interest. He noted that strategic sites were advertised internationally by United Kingdom Trade and Investment (UKTI) for investment and the Council's commitment and capacity to promote these sites would not change.

Councillor J Maitland asked as regards the potential impact of Brexit. The Strategy and Project Development Manager noted this was difficult to tell, however, he noted that the UKTI had added the Jade and Forrest Park sites into their international 'pitch book' and "buzz" around the sites had not died down with the imminent Brexit position. He added he was not sure what impact Brexit would bring; however, the sites had been developed and the County was now well served with employment space.

Councillor S Dunn noted it had been a difficult year for Coxhoe in terms of the road works carried out at Junction 61. He added that the development at Integra 61 was welcomed and the 2,200 jobs across the site would be a great opportunity for local people. Councillor S Dunn explained that he would urge Officers to speak to businesses and maximise communication in order to get local people into all types of jobs, helping to reduce carbon footprint in terms of local people utilising public transport, walking and cycling routes. He added the unit being built on site was very large and lit up very brightly. Councillor S Dunn noted he would like assurance that the final external lights would avoid ongoing light pollution as the current situation was such the site was visible from all the surrounding villages. He noted the issue of trees at the site had been mentioned at the Environment and Sustainable Communities Overview and Scrutiny Committee and trees would be welcomed to act as a screen with the A688 and A1. Councillor S Dunn concluded by noting that the investment at the site was hugely welcomed and he thanks all those involved for their work. The Strategy and Project Development Manager noted that the lighting referred to was temporary and necessary for safe site operation as agreed in the construction management plan. He added that in relation to landscaping, this was within the planning application and that how to encourage use of public transport, walking and cycling was always an issue. Councillor S Dunn asked if we could encourage employers to recruit within the local area.

The Strategy and Project Development Manager commented that the employer had said that they would employ local however in some cases there could be conditions, though he did not know specifically in this case.

Councillor J Atkinson asked as regards timber frame buildings and demand. The Strategy and Project Development Manager noted that sustainability was becoming more and more of a factor in construction and housebuilding in particular, however, he would need to speak to colleagues in the Low Carbon Team for further details. In terms of durability, he believed the properties would have a 70-100-year lifespan, similar to that of modern brick-built properties.

The Strategy and Project Development Manager noted that there were commitments from Government in terms of sustainable housebuilding and large target numbers, and if these were to be met there would be a need to invest in the skills and infrastructure required to deliver that housing. He added there had been strong enquires from those type of construction companies for space at our strategic sites.

Mrs R Morris asked as regards for further information on the future strategy and plans to be developed over the last five years as eluded to previously. She noted that of the approximately 9,000 jobs mentioned within the report the majority were in the Durham City area and the south of the county, and asked as regards opportunities for similar sites in the north of the county, noting around 17,000 people commute out of the Consett area for employment. The Strategy and Project Development Manager noted that the market would invest in sites that met their needs and that having infrastructure in place was vital in being able to develop a strategic site. Mrs R Morris noted that infrastructure and a skills base, reskilling people if needed, was essential and asked if this was something that could be looked at for the north of the county. The Strategy and Project Development Manager noted that some sites had been looked at in the past, however, there was a need to be able to answer the questions of what businesses wishing to invest needed. Councillor J Clare noted that a lot of good work had been undertaken at the Drum Industrial Estate and asked if the Officer could send round information in this regard.

Councillor T Tucker asked as regards what the level of Council investment was in the sites. The Strategy and Project Development Manager explained that some investment had been direct, some indirect, noting the previous comments as regards the NELEP and business rates. He added that a useful percentage for a council investment was around 10 percent return on investment and that the Council had a very good commercial approach in this regard.

Councillor L Maddison asked as regards NETPark and the highways investments made regarding cycling, noting none made between Coxhoe and Sedgefield. The Strategy and Project Development Manager explained that he could find out as regards NETPark, however, there had been large investment in term of pedestrian and cycle access at Horden Rail Station, Integra 61 and Jade Business Park.

Councillor M Wilkes noted that paragraphs 43 and 44 of the report referred to a “flexible pipeline approach” and asked how much more could the Council put into this in terms of seed funding and other activities. The Strategy and Project Development Manager noted he felt as if the first phase was done in terms of strategic sites and that the next phase would be to look at future seed funding, infrastructure, and the appetite of the market. Councillor M Wilkes asked as regards when the Council would need to make decisions on the next phase of funding. The Strategy and Project Development Manager noted that he hoped the economic strategy, for up to 2050, would be looked at and developed this year and would include some firm investment proposals.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee undertakes two visits to various strategic sites in the county, as included in its 2019/20 Work Programme.

8 EU Funding - Progress

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

The Funding and Programmes Manager reminded Members she had attended Committee previously and that the update was in terms of the progress made since November 2018. Councillors were reminded that County Durham was a “Transition Region” and therefore had a ring-fenced allocation of EU funding of £155 million. It was added that this was split between just over £86 million European Regional Development Fund (ERDF) and approximately £69 million European Social Fund (ESF). The Funding and Programmes Manager noted the County also benefited from a share of £10.5 million European Agricultural Fund for Rural Development (EAFRD) funding to support rural development in the NELEP area had two LEADER programmes worth £4 million. She noted that a breakdown of allocations was set out at page 38 within the agenda pack.

The Committee were informed as regards a range of ongoing projects, set out within the report, and were referred to details relating to the LEADER programme, as requested by Councillor R Bell at Corporate Overview and Scrutiny Management Board. The Funding and Programmes Manager noted that the LEADER Programme was now closed to applications, with a total of 95 projects having been supported under the programme, mostly small and micro businesses. She explained that the evaluation of the project was underway and that the programme had been seen to be very good, the support received by applicants having been greatly valued. It was noted that the help provided to applicants in terms of developing business plans had been appreciated and businesses had asked for this type of support to continue.

The Funding and Programmes Manager explained that EAFRD was at Round 3 and that as there had been considerable attrition in the programme nationally, a Reserve Fund of pooled resources had been created. It was noted of £5 million within the NELEP area, around half had been approved to projects in County Durham.

Members were informed that there had been little detail received from Government in terms of the UK Shared Prosperity Fund (UKSPF) and that the Council was working with regional and national bodies in terms of lobbying in respect of the UKSPF.

The Chair thanked the Funding and Programmes Manager for her update and asked Members of the Committee for their comments and questions.

Councillor J Atkinson referred to paragraph 13 of the report and asked for further information in relation to the ERDF and ESF funds being “pooled at a national level”. The Funding and Programmes Manager noted that if funds were not committed or in the pipeline they would be pooled nationally. She added that an example was low carbon projects, where it had proven difficult in many Local Authority areas in meeting eligibility criteria and providing match funding, therefore uncommitted funding would then go into the national pool.

Councillor M Wilkes noted that if the UK had not been leaving the EU, it would have been likely that County Durham and Teesside would have been allocated more EU funding in the future. He added he did not feel that Government would provide funding in the future to the current EU level, and certainly not at any potential higher level. Councillor M Wilkes noted a lot of projects that would end by 2022 and that he felt that if there was not something put in place by Government during the period of transition, or Council funds were not used, there was a risk to projects and the staff associated with those projects. Councillor M Wilkes asked how much we would need to invest and match-fund to keep projects going and when would we need the money. He added he felt it would be a great loss to the Council if those highly skills officers were not retained.

The Funding and Programmes Manager noted that where possible we had looked to extend projects as much as possible, for example DurhamWorks. She added that 2022-23 was flagged in terms of service risk, and it was noted that there would be lobbying in terms of future funding.

Councillor R Crute noted in terms of the UKSPF that, time after time, there had been no answer from Government on the details. He reiterated that there had been lobbying by regional bodies, however, we were still unsure as regards the level of funding and the governance arrangements that would be in place. Councillor R Crute noted that in terms of Brexit, it would be after 31 January 2020 when the work would actually begin, and he had concerns as regards the amounts of funding and the governance arrangements. He highlighted the need to continue to lobby Central Government. Councillor E Adam noted that paragraph 22 of the report stated that the 2019 Conservative Party manifesto had reiterated the commitment as regards the UKSPF. He noted he was not convinced as regards a Conservative Government basing such a fund on need and referred to paragraph 24 mentioning mayoral combined authorities and LEPs adding he felt Government would work more closely with mayoral combined authorities.

Councillor E Adam also noted the number of jobs created through the LEADER programme and asked how many of those were sustainable and how they were monitored. The Funding and Programmes Manager noted that the LEADER Programme Team would monitor the outcomes, with evidence being required in terms of items such as wage slips. She added there was a requirement in terms of projects having to submit a post-project report after one year, however, longer term monitoring over three to five years was not undertaken. The Strategy and Project Development Manager noted that mayoral combined authorities could appear to have a louder voice in some cases and there was a need to be able to develop a bespoke argument for the North East, with Local Authorities, through organisations such as the County Councils' Network and others, to lobby Government. Councillor E Adam noted it would be important to hold Government to account as there had been many promises made to people in the North East during the general election campaign and Government would need to deliver upon them.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive further reports as the programme continues as part of 2020/21 Work Programme.

Councillors S Dunn and M Wilkes left the meeting at 10.45am

9 Quarter Two, 2019/20 Revenue and Capital Outturn

The Chairman introduced the Principal Accountant, Paul Raine to speak to Members in relation to the Quarter Two, 2019/20 Revenue and Capital Outturn (for copy see file of minutes).

The Principal Accountant reminded Members of the areas reported upon, the General Fund Revenue Account, and the Capital Programme for the Regeneration and Local Services Service.

The Principal Accountant referred Members to the information relating to Quarter Three 2018/19 with the service reporting a forecast underspend of approximately £0.452 million, against a revised budget of £61.511 million. Members noted the major variances were set out within the report and that the service grouping was on track to maintain spending within the cash limit and more details were contained within Appendix Two to the report.

As regards the Capital Programme, the Principal Accountant explained that the revised budget stood at £67.042 million, with a breakdown of the major capital projects given at Appendix Three to the report. Members noted the spend to date of £12.372 million.

The Chairman thanked the Principal Accountant and asked Members for their comments and questions.

Councillor J Atkinson noted the pension deficit contribution of approximately £792,000 and asked for further details. The Principal Accountant noted that the scheme was to cover all persons and that when contributions are made, they go directly to the pension fund. He added as more people have left the Authority, for example early retirement or MTFP savings, there were less contributions to the scheme.

Councillor E Adam noted at page 72, Appendix Two of the report, there was reference to Economic Development and an overspend on employment and skills support. He asked why the money had not been recovered. The Principal Accountant noted that he would make enquires as regards this, though he believed it had been reported back to Committee. Councillor E Adam could not recall it having been reported to Members at Committee. The Principal Accountant noted that he believed the programme was outcome based, with funds contingent upon those outcomes.

Councillor J Atkinson noted a forecasted variance in the Business Durham budget and asked for more information. The Principal Accountant noted that this was due to high occupancy and additional income, adding that the budget was prudent and based upon good pricing to ensure good levels of occupancy.

Councillor T Tucker noted the “unbudgeted temporary staff” set out within the Corporate Land and Property section and asked what this was for. The Principal Accountant noted consultancy, temporary or agency would not be budgeted within staffing budgets and added he would look to find out more information. Councillor T Tucker noted this would be helpful as there was a number of staff vacancies listed within the same paragraph as those unbudgeted staff and the consultancy spend.

Councillor J Atkinson asked in relation to the consultancy agency overspend cost of £210,000 as set out on page 74, for more detail to be provided, a breakdown of what makes up that cost/overspend.

Resolved:

That the report be noted.

10 Quarter Two 2019/20 Performance Management Report

The Chairman thanked the Corporate Scrutiny and Strategy Manager, Tom Gorman who was in attendance to speak to Members in relation to the Quarter Two, 2019/20 Performance Management Report (for copy see file of minutes).

The Corporate Scrutiny and Strategy Manager reminded Members of the different types of indicators reported, Tracker indicators and Target indicators and the performance reporting arrangements for 2019/20 were via a number of key performance questions (KPQs).

Members were asked to note that following the introduction of the new vision for the county, focussing on: ‘more and better jobs’; ‘long and independent lives’; and ‘connected communities’, the existing performance report had been aligned with the three new ambitions, together with a fourth of ‘better Council’, with the report to be reviewed over the coming months to ensure it captured all elements of the new vision.

The Corporate Scrutiny and Strategy Manager explained that the latest Index of Multiple Deprivation for England showed County Durham to be in the top 40 percent most deprived, ranked 48 out of 151, compared to 59 out of 152 in 2015. It was noted that the county had relatively high levels of deprivation in terms of income, employment and health, the 26th most deprived in England, though with lower levels of deprivation in aspects such as education, crime, barriers to housing and the living environment.

In relation to “do residents have good job prospects” it was noted that there were some positives, with the employment rate for the working age population being relatively high, though there was a large gap between those with and without a disability.

Members noted that the Council was applying for Disability Confident Leader status and this could help the Council and local businesses in terms of addressing this issue. The Corporate Scrutiny and Strategy Manager noted the improvement in the 16-24-year-old employment rate, adding there was large confidence interval in this case.

The Corporate Scrutiny and Strategy Manager noted the lag in respect of Tourism data, that presented being that for 2018, and explained as regards improvement in the number of overnight stays, albeit with a slight reduction in the number of day visitors. He reminded Members of the benefit of overnight stays, with those visitors contributing more to the economy. The Corporate Scrutiny and Strategy Manager noted that 2018 had a number of issues that had negatively impacted, including: “the Beast from the East”; the Football World Cup; and the summer heat wave. He added a positive was an increase of 24 new accommodation establishments, representing 1,268 additional bed spaces.

In relation to Housing, the Committee were informed of 116 empty properties brought back into use in the first half of the year, against an annual target of 200 and reminded that the Council’s response in terms of consultation on increasing the levels of Council Tax on empty properties had been submitted. The Corporate Scrutiny and Strategy Manager noted that the use and length of stay of temporary accommodation had increased, with further information to be reported at Quarter Three.

The Committee were informed that from 16 December 2019 the Council took over the enforcement of bus lanes from the Police and were given an update of works to relieve congestion at Gilesgate.

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

Councillor J Atkinson asked as regards Paragraph 10 of the report, “connected communities” and what it meant. The Corporate Scrutiny and Strategy Manager noted that it was one of the three ambitions within the Vision that had been agreed following consultation with the public. It was noted that external consultants used during the process had identified a unique sense of community within the County and therefore it was an aspect to build upon. Councillor R Crute noted that the ambitions within the Vision were not to be taken in isolation, they were all interlinked.

Mrs R Morris referred to the apprenticeship figures and noted some young people seemed to be constantly “in training”. She understood figures were a snapshot, however, she noted that the figures did not seem to change. Mrs R Morris noted the context of Brexit and the need to be futureproof and ready with young people equipped with the skills we actually need.

She noted that the minutes of the County Durham Economic Partnership, included in the agenda pack did not include any mention of such issues. The Corporate Scrutiny and Strategy Manager noted that in terms of the percentages of young people in apprenticeships falling, this could be seen positively or negatively, a number of young people could be moving into employment or further or higher education. He added in terms of those not in education, employment or training (NEETs) there had been a deterioration in the figure, being worse than regional and national levels. Mrs R Morris noted her concerns as regards the UKSPF and what the eligibility criteria would be, and that in some cases it could be linked to progress on certain issues, such as apprenticeships. The Overview and Scrutiny Officer noted there would be a Special Meeting on 27 February 2020 with more detail in relation to apprenticeships and young people who were NEET.

Councillor E Adam noted Paragraph 2 on page 86 of the report referred to “good job prospects” and he added that he felt that there was little progress in terms of income, employment and health and that reduced Government funding over the last nine years impacted upon these areas. He noted that the Government should be held to account on their manifesto and we should take the opportunity to lobby via our local MPs. Councillor J Clare noted an issue was the low starting base in a lot of those areas mentioned and therefore it was more difficult to catch up with the levels of the south-east of England for example.

Councillor T Tucker noted concern as regards the numbers associated with being able to help to people to stay in their own home and the figures listed appeared to be missing around 5,000 people. The Corporate Scrutiny and Strategy Manager noted that the infographic had simply listed the elements from the sub-set most relevant to the Committee, however, it would be possible to get a further breakdown. The Chair reminded the Committee of an upcoming Special Meeting at 1.00pm on 27 January with a focus on Housing and suggested that this information be provided at that meeting.

Councillor D Hall referred to Performance Indicator 106 and asked how the target was set in relation to affordable properties being delivered and whether we had comparator figures from other Local Authorities in the region. Officers noted this would be looked at with a response prepared for circulation to the Committee in due course.

Resolved:

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

11 Minutes from the meeting of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held 8 November 2019 were received by the Committee for information.

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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 **Council Chamber, County Hall, Durham** on **Monday 27 January 2020** at **1.00 pm**

Present:

Councillor M Clarke (Chair)

Members of the Committee:

Councillors E Adam, J Atkinson, A Batey, R Crute, S Dunn, J Higgins, S Iveson, L Maddison, R Manchester, R Ormerod, E Scott, T Tucker and M Wilkes

Co-opted Members:

Mr G Binney and Mrs R Morris

Also Present:

Councillors J Clare, J Considine and S Quinn

1 Apologies for Absence

Apologies for absence were received from Councillor M Wilson.

2 Substitute Members

No notification of Substitute Members had been received.

3 Declarations of Interest

Councillor M Wilkes declared an interest in Items 5 and 6 as a private landlord.

4 Items from Co-opted Members or Interested Parties

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

5 Engagement with Social Housing Providers operating in County Durham - Overview

The Chair welcomed the Strategic Manager for Housing, Regeneration and Local Services, Lynn Hall, who was in attendance to provide the Committee with an update presentation in relation to engagement with social housing providers operating in County Durham (for copy see file of minutes).

The Strategic Manager for Housing reminded Members that the Committee had requested information in respect of engagement with social housing providers and she explained as regards Durham Key Options (DKO), the Council's choice-based lettings scheme, noting around 20 percent of the housing stock owned and managed by the 31 larger social housing providers or registered providers (RPs) and 80 percent being private rented stock (PRS). It was added the main RPs included: Believe; Karbon, Livin; DAMHA; Home Housing; Accent Housing; Bernicia; and North Star responsible for 18 percent of housing provision.

Councillors were informed of the three main methods of engagement being the Housing Forum, the DKO Board and through specific projects. In terms of the Housing Forum, the Strategic Manager for Housing explained its role was to act as the strategic partnership within County Durham in terms of housing policies and strategy. She added that the membership comprised of representatives from: County Durham Strategic Housing Authority; Public Health; Durham County Council (DCC) Commissioning; DCC Planning; RPs operating within the County; Homes England; and the DCC Cabinet Member for Housing. It was added there would be themed meetings and task and finish groups as appropriate.

In relation to DKO, the Strategic Manager for Housing explained that the number of voids was at the lowest level to date, with the rolling turnaround of properties being an improved approach. She added that the numbers in terms of those applying via DKO were static, with around 13,000 people applying each year.

The Strategic Manager for Housing noted that the first meeting of the refreshed Housing Forum had looked at a number of issues including the low demand for three-bed properties, which could include factors such as the spare room subsidy. She added other issues raised included: matching housing stock to applicants in terms of affordability; the limitations on social landlords in terms of incentives unlike the PRS; customer engagement, noting one in ten applicants did not respond to offers; and consistency in systems and partnerships, to ensure restructures and staff turnover would not lead to delays.

The Committee were informed that the DKO Board had looked at priorities and had agreed to: raise awareness of the DKO service; evidence areas of lower demand for social housing and scope with RPs possible interventions; review the customer journey; review the allocations policy in relation to affordability for social housing; and to improve the accessibility of the mobile website.

The Strategic Manager for Housing referred to specific projects that had been undertaken, including “New Start” working with Believe Housing to provide social housing and access to DKO to those that would ordinarily be excluded due to a previous tenancy breach. She explained as regards the links to Housing and Homelessness Strategies and the outcomes which included financial independence and supporting access to local services.

The Chair thanked the Strategic Manager for Housing and asked the Committee for their comments and questions.

Councillor M Wilkes asked as regards the surplus of three-bed properties and the age of former Local Authority stock. He noted the price difference of rent between those and the equivalent properties in the private rented sector (PRS) and added there may be an opportunity to convert those low-demand three-bed properties to four- and five-bedroom homes, those type being in demand and not usually offered by the PRS and where they are offered, very expensive very expensive to rent. The Strategic Manager for Housing noted the issue, adding there had been discussions in terms of converting three bed properties to two bed, however there were regulations in relation to the spare room subsidy which impacted. The Housing Manager, Marie Smith noted the issue would be picked up, with the Strategic Manager for Housing adding it would be mentioned at the next meeting of the Housing Forum.

Councillor E Adam noted he was surprised as regards the low-demand for three-bed properties and that a task and finish group had not been set up by the Housing Forum to look at this issue. He asked what incentives were available in terms of social housing, and whether there were specific areas where the issue of low-demand for three-bed properties was more pronounced.

Councillor T Tucker entered the meeting at 1.16pm

Councillor E Adam asked whether all RP partners engaged with the Council and whether Places for People was a provider the Council engaged with. The Strategic Manager for Housing noted there was a lot of data, however, it was not known if there was a direct link in relation to the spare room subsidy. She added that there was low-demand for three-bed properties across the whole County, though there were more empty three -bed properties in rural areas. In relation to incentives, Members were asked to note the Local Lettings Agency report approved at Cabinet recently and in addition some options in terms of Discretionary Housing Payments. The Strategic Manager for Housing noted that the majority of RPs did engage with Council including Places for People.

Councillor M Wilkes noted he understood there were over 1,000 empty social properties within the County, yet at Committee performance reports highlighted the number of voids was at its lowest level and asked if there was a figure in terms of the number of empty social housing properties. He noted the proposals for around 30,000 new properties in the County Durham Plan over the next 15 years, reiterating the number of existing empty properties.

The Strategic Manager for Housing noted the figure mentioned of around 1,000 properties was correct, however, she would look to get the most up-to-date figures for Members. She added that there would be a number of those properties empty for regeneration reasons.

Councillor M Wilkes noted recent consultation as regards increased Council Tax charges for empty properties and asked if RPs were classified as charities and whether they would be exempt from those increased charges. He added that he felt if there was not that extra pressure to turn a property around, some hard to let properties may remain empty. The Strategic Manager for Housing noted most were charities and therefore would be exempt from such charges for six months, however, they would be payable after that.

Councillor J Atkinson asked why three-bed properties could not be converted to two-bed. The Strategic Manager for Housing noted it linked to the spare room subsidy, providers had asked the question and Government had advised providers not to circumvent the small room subsidy.

Councillor T Tucker noted the shortage of two-bed properties and the number of three-bed properties in low-demand. She asked as regards what incentives there were for families in two-bed properties who needed to move to a three-bed property, for example if they had two children of the opposite sex over the age of 10 years old. She explained that the incentives within the PRS such as decoration, white goods, and furniture were all elements that helped take out the cost of those elements for tenants. The Strategic Manager for Housing noted the issue was raised at the first meeting of the Housing Forum, access to social housing and why people chose to use the PRS. She added that the PRS would adapt to what people wanted and therefore it would be to ask RPs to have a degree of flexibility. The Housing Manager, Marie Smith noted that in terms of the allocation policy, once a family had two children over 10 years old of the opposite sex, they would be quite high in terms of eligibility for a larger property. She added that if they did not have the finances to facilitate a move, there were options as mentioned previously in terms of a one-time discretionary housing payment, though discussions were ongoing as regards the type of support available which can be provided by RPs to possible tenants.

Councillor M Wilkes recalled visiting properties in the past, in connection with Durham City Homes and noted that the quality of carpets and flooring were often an issue and asked what incentives and help was made available in this regard. The Strategic Manager for Housing noted an example where Karbon Homes would offer two weeks rent-free to help in terms of the cost of moving into a property, and some providers offered decoration vouchers.

Councillor T Tucker asked, given the number of empty properties within the County, would it not be possible to utilise them to help young people in supported living and those families that were being housed in bed and breakfast accommodation. She added that she felt any provision of a “soft-landing” utilising those empty properties would be more cost effective. The Strategic Manager for Housing noted such properties were used in some cases; however, it was something that would be progressed with RPs and via the new Local Lettings Agency.

Resolved:

That the report and presentation be noted.

6 Housing and Homeless Strategies and Delivery - Progress

The Chair welcomed Officers who were in attendance to give an update presentation in relation to the Housing and Homeless Strategies and the delivery of projects and services (for copy see file of minutes).

The Policy Officer, Spatial Policy, Steph Rich referred Members to graphs highlighting the housing market in County Durham, with 242,160 dwellings in the County and the percentage split in terms of property type also in comparison with the region and England. Members also noted a map noting median house prices by Electoral Division, the Policy Officer noting lower house prices in County Durham when compared to the North East, which in turn had lower prices than in England. The Policy Officer noted that when looking at the data the picture was granular, in that there were areas with high median house prices next to areas with lower median house price levels.

The Committee were reminded of the new County Durham Housing Strategy which had been adopted in July 2019 which looked to support new development, improve existing stock, and linked in with other plans, including the County Durham Plan (CDP). The Policy Officer noted the Housing Strategy had several key messages: to put people first; raise standards in the PRS; meet the needs of our older people; work with those communities most effected by long term empty properties; and maximising the delivery of affordable housing. Members were referred to a diagram setting out the outcome areas in relation to the aims and objectives of the Housing Strategy and the Policy Officer explained then explained the high-level action plan supporting the Housing Strategy.

She added that the action plan sets out actions in line with each outcome up to 2025, those actions to be delivered in partnership. Members were asked to note the action plan would be subject to annual review, enabling the ability to react to emerging issues.

The Housing Manager, Marie Smith reminded the Committee that having a Homelessness Strategy was a statutory requirement of the Homelessness Act 2002 and that the Homeless Reduction Act of 2017 had required local authorities to review their current and future levels of homelessness and the activities in place to assist people.

She reminded Members that County Durham had always had a strong focus on homelessness prevention and therefore the Act had helped in providing a framework to existing good practice.

The Housing Manager, MS explained that the Homelessness Strategy linked to the Housing Strategy and the CDP and the refresh had allowed use of 2015 to 2018 statistics. It was noted from the review and development of the new strategy that a number of key issues had emerged including: the main reason for clients seeking housing advice being financial difficulty; the main reason for homelessness being loss of private rented accommodation, primarily through arrears; and the main client being single people, 60 percent, the group being predominately male.

Councillors were informed of the numbers of homelessness presentations an increase in 2018/19 to 7,279, though it was with the newer statistic including early prevention and intervention. It was explained that the main reason for homelessness was loss of private rented tenancy, with the majority being single person households. The Housing Manager, Marie Smith noted the breakdown of the figure: 2,349 those threatened with homelessness within 56 days; 840 homeless; and 4,090 advice and intervention cases.

The Committee were informed of the three areas of the Homelessness Strategy, Prevent, Supply and Support. The Housing Manager, Marie Smith noted the support aspect was important in being able to help reduce the risk of households becoming homeless. Members were reminded of the duty to refer, with a regional portal and local commitment having been developed, and partnership with Crisis on a tenancy sustainment model and training. It was explained that the early intervention was an issue being looked at by the Housing Manager, Laura Williams. The Housing Manager, Marie Smith explained that in terms of supply, the Council worked in partnership with housing providers as part of the Rapid Rehousing Pathway and in addition there was the Local Lettings Agency. Members noted the New Start model, the pilot previously mentioned with Believe Housing. Councillors were informed of support, including working with the community and voluntary sector and commissioned services. The Housing Manager, Marie Smith commented that the support offer had been reviewed, including intensive intervention, and Tenancy Sustainment Officers had been appointed.

Members learned of the Rough Sleeper Initiative and appointment of specialist roles, and the Rapid Rehousing Pathway funding “Somewhere Safe to Stay”.

The Housing Manager, Marie Smith explained that an internal Housing Board met to consider the Council’s housing function, under the Head of Development and Housing, Stuart Timmiss, with the relevant Officers from Regeneration and Development, Spatial Policy and Housing Solutions, with the Housing Solutions Manager the lead Officer. In relation to Housing Solutions, Members noted the main areas of work, included: assisting with improving properties, empty properties and housing management standards; helping clients to access a home; and enabling clients to stay at home and live independently.

It was added that performance highlights included: 12,264 contacts to the service; 1,913 properties improved or brought back into use; 186 empty homes brought back into use; 1,007 households helped to stay at home; and 1,036 households helped to find alternative accommodation.

The Housing Manager, Marion Rucker noted she would give an overview of the work carried out by her colleague, Housing Manager, Laura Williams in terms of homelessness prevention and support. The Housing Manager explained that under the Homelessness Reduction Act there were duties to prevent, relieve and provide relief, the latter representing the ‘main housing duty’.

The Committee were asked to note another area of work of the Housing Manager, Laura Williams was supporting those leaving care, with County Durham having an excellent record in this regard, being in the top five for England for the first three Quarters of 2019/20. The Housing Manager, Marion Rucker noted the success of Project Beta, a partnership between Housing Solutions, the Probation Service and Darlington Borough Council. She explained that the project worked with high risk prisoners being released from prison, providing suitable, affordable accommodation and a support package to help prevent reoffending and the risk of homelessness. It was noted there had been a 100 percent success rate to date.

Councillors were asked to note the areas of activity included: work with MARAC; welfare reform, having three team members working on this in terms of affordability and benefits; intensive support for clients with complex needs; and support at a lower level to help clients to help them remain in tenancy. The Housing Manager, Marion Rucker continued that the Homelessness Reduction Act 2017 came into effect in 2018 and the figures for 2018/19 were as previously mentioned. She noted that the Council’s Housing Solutions Team had been in the top five of all Local Authorities for the prevention of homelessness in the first three quarters of 2019.

The Housing Manager, Marion Rucker noted emerging issues included: increasing complex needs; the risk of harm/homelessness; the Safeguarding Adults Board considering a task and finish group to explore support and how departments work together; trend and gap analysis following the Homelessness Reduction Act; and improved working with hospitals in terms of helping people pre-operation to help prevent those being homeless in their own home.

The Housing Manager, Marion Rucker then explained that her area of work related to special projects including the Rough Sleeper Initiative, working with 11 Local Authorities in the region, DCC leading on a North East bid for £700,000 of funding. She added in relation to the Rapid Rehousing Pathway there were bids in relation to £628,420 for the North East bid which included ten Local Authorities, and £253,538 for the Durham Local Lettings Agency. It was noted that there were two regional staff working on the issue of rough sleeping.

In respect of rough sleepers in the region and County Durham, the Housing Manager, informed the Committee that figures for 2018 had shown 58 rough sleepers in the region and 12 within County Durham. It was noted that it had been suspected those figures were not entirely accurate and therefore, utilising Government “whatever it takes” funding, an engagement process was undertaken with rough sleepers. In the period July to December 2019 it was identified there had been 699 rough sleeping incidents in the region, those being new, returners and entrenched, with 108 of those being within County Durham. Members were referred to a map highlighting where staff were based within the region and noted partnership working with organisations including Humankind in terms of: a Regional Coordinator; and Outreach Worker; a Substance Misuse Officer; a Prison Accommodation Officer; the Somewhere Safe to Stay Hub, temporary accommodation for those without a priority need for up to seven nights; and two Tenancy Sustainment Officers. It was noted that the annual target up to October 2020 was to help sustain 80 tenancies, with the figure to date being 20.

The Housing Manager, Marion Rucker reiterated as regards regional funding bids of approximately £1.7 million with notification of success having been received today. She explained as regards the Cold Weather Fund, a Government fund providing £44,000 to provide a Rough Sleeper Navigator and a personalisation and housing fund, for example to help with initial rent while benefits were being put in place. It was noted that 32 rough sleepers were housed in November/December 2019.

The Committee were reminded of the Local Lettings Agency, approved by Cabinet in January 2020, and that *“A Local Lettings Agency is a scheme that secure access to decent, affordable private rental accommodation for households in need and on low incomes who would previously have been unlikely to access social housing”*.

The Housing Manager, Marion Rucker explained there was a number of areas where the Local Lettings Agency could help access to social housing, such as: those with complex needs that were excluded from the Housing Register; those requiring fast housing under prevention duties; and rapid rehousing for rough sleepers.

Councillor J Stephenson left the meeting at 2.11pm

Councillors were asked to note the provision would be leasehold via private landlords, with five-year guaranteed rent, with a break clause after three years, the Council helping to minimise the risk to the landlord.

It was added that a scoping exercise with social providers would be undertaken and DCC could look to look at properties for buy to lease, subject to the requisite checks and surveys, with long term purchases as a possibility for the future. The Housing Manager, Marion Rucker commented that the Local Lettings Agency would provide daily support and allocation of properties to medium/high support tenants would be via a 'making every adult matter' (MEAM) approach. She added that £100,000 of the funding would be made available to target empty properties, with help for private landlords to get properties up to a rentable standard, with loans of up to £4,000, repayable via rent.

The Housing Manager, Marion Rucker continued that in respect of the work with the PRS there had been a service review and that there was a new Private Rented Sector Policy and a joined up one council approach to rogue landlords. She added that there was a "Dial b4 you Serve" helpline for private landlords, giving advice before a Section 21 Notice to quit was served, looking at anything that could be done to prevent a tenancy ending.

The Housing Manager, Alan Hunter informed members that he worked in housing regeneration and that his team has responsibility in relation to empty homes and the Homes Improvement Agency (HIA). He explained that there had been a lot of work undertaken in County Durham, working in partnership with social landlords, Government and internal DCC departments in order to lever in the maximum amount of resources.

He added that key achievements had included £2.5 million of DCC and European Regional Development Fund (ERDF) to improve 220 fuel poor homes with innovate external wall insulation and partnership work with Bernicia Homes, facilitating the continued regeneration of Dean Bank, Ferryhill. Members were informed of some demolition work at Chilton to enable bungalow development in partnership with Esh and Livin, which included 16 bungalows, medical centre and further development.

Councillors learned as regards master planning activity at Horden, following the withdrawal of Accent Housing from Horden and Blackhall, and the delivery of several group repair schemes, most recently at Dawdon and Easington.

The Housing Manager, Alan Hunter added that the Team had delivered various services including: Managing Money Better, with 629 households assisted saving a total of £182,000 off energy bills; Warm Homes Discount; and fuel debt write off in 2019. He explained that in relation to energy efficiency, 942 households were assisted using £1.27 million of Energy Company Obligation (ECO) funding for new boilers and insulation measures and noted the Warm Homes Campaign had received both regional and national awards. The Housing Manager, Alan Hunter noted there had been a successful bid for £600,000 from Homes England for a purchase and repair initiative, a buy to lease scheme.

The Housing Manager, Alan Hunter referred the Committee to several slides highlighting the actual works carried out, with before and after photographs at: Wembley, Easington – Phase 3 Group Repair Scheme; Dawdon – Phase 10 Group Repair Scheme; Wheatley Hill – regeneration; Craghead – award winning work with solid wall insulation, brick effect render, windows, doors, roofs, solar panels, environmental improvements and boundary walls; and South Moor, Stanley – housing and environmental improvements, master planning, Sustainable Urban Drainage, heritage and energy efficiency improvements.

Members were asked to note a photograph of the Housing Regeneration Project Manager, Adrian Cattle-Jones and partners showing works as part of the Solid Wall Insulation Innovation (SWI) Project at Gordon Lane, Ramshaw, Bishop Auckland providing external, stone effect, thermally efficient insulation.

Councillors were informed that Lynne Grange of the NE First Credit Union had delivered the Managing Money Better Project in Durham for a number of years and had won National Energy Action's national Heat Hero Award for assisting fuel poor households in the County.

The Housing Manager, Alan Hunter continued by reminding the Committee of the type of work undertaken by the HIA to help vulnerable people to remain in their own home for as long as they wish to do so, including: ramps, enabling access; level access showers; stair lifts; through floor lifts; internal alterations; extensions; and property improvements. Councillors noted the performance highlights relating to works with 2017/18 having 579 completed Disabled Facilities Grants (DGFs) with a spend of £3.7 million and ten completed Home Improvement Loans, compared to 2018/19 having 557 completed Disabled Facilities Grants (DGFs) with a spend of £3.75 million and 13 completed Home Improvement Loans. The Committee were referred to slides setting out photographs from a case study, demonstrating the types of works carried out.

Members noted that the Empty Homes Team was now within the Housing Regeneration Team and worked with landlords/owners to encourage them to get their empty properties back into use.

The Housing Manager, Alan Hunter noted the types of activity included: investigations to identify owners; financial assistance in terms of move-in grants and interest free loans; and advice, negotiation with and support for owners. He reminded Councillors that enforcement was a tool that was available, however, only used as a last resort. The Committee noted key achievements in relation to empty homes, with annual targets having been achieved or exceeded since 2014, with 169 properties having been brought back into use in the financial year to date. The Housing Manager, Alan Hunter added other achievements included: assisting in the recovery of Council Tax debt; provision of financial assistance; several successful interventions with several problematic empty homes; a visit from the Shadow Secretary for State for Housing; delivery of the Empty Homes Roadshow; and the development of the Empty Properties Protocol.

Councillors were referred to before and after photographs of empty properties brought back into use at Trimdon Station and Waterhouses. The Housing Manager, Alan Hunter concluded by referring to the ongoing delivery of the projects previously mentioned and in relation to the regeneration of the former Easington Colliery School site, empty since 1997, and with consultation with residents suggesting 98 percent were in favour of demolition.

Councillors L Maddison and R Ormerod left the meeting at 2.28pm

Councillor T Tucker asked as regards rent arrears and how benefits were now paid, whether it is direct to applicants and if they could request payments be made direct to landlords. The Housing Manager, Marie Smith commented that tenants could apply for Alternative Pay Arrangements (APA) or request direct payment to landlords under Universal Credit (UC) however this is only on a temporary basis. She added that arrears figures were not increasing overall, however, work was ongoing in relation to this issue and on the impact of UC. She noted a Government pilot scheme involving payments direct to landlords. The Housing Manager, Marion Rucker noted that the Council offered advice to those individuals in the PRS that chose to keep the 'housing benefit' element of their UC, providing support and explaining the potential consequences of arrears. The Housing Manager, Marie Smith noted that for the new Local Lettings Agency the 'housing benefit' element was required to be paid directly, otherwise this would be a breach of their tenancy agreement.

Councillor M Wilkes noted the reorganisation within the Housing Solutions service and its timing, very close to budget setting. He referred to page 39 of the agenda papers which set out the key messages of the new Housing Strategy including "*work with those communities most effected by long-term empty properties*". Councillor M Wilkes reminded the Committee of his motion at Council approximately two years ago which had cross-party support and was successful in gaining funding to provide an increase in staffing, namely three additional Empty Homes Officers, in order to bring more empty homes back into use.

He noted the positive outcomes since the additional staffing resource had been put in place, however, he had concerns that following the retirement of the Empty Homes Manager, with the post not being advertised and the work split amongst other Managers. He added this was a significant loss in resources. Councillor M Wilkes noted examples of long-term empty properties in his Division and the amount of Officer time that was required in dealing with such cases. He added that he did not feel it was right that the area, in which an increase of staffing had been agreed, was now subject to a decrease in resources. Councillor M Wilkes noted he felt a replacement should be recruited and that he would look for support from Members of all parties. The Strategic Manager for Housing noted she had been part of the decision-making process and noted it had been felt the team would be able take on the work from the post, and that resources had been kept on the frontline.

Councillor E Scott noted the gap referred to in relation to support services and asked where the resources came from in terms of funding and people. The Strategic Manager for Housing noted that previous funding, "Supporting People Fund" had ended and therefore there would be a look at budgets and need. She reminded Members of the funding bids mentioned by the Housing Manager, Marie Smith and the continued need to lobby Government.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee includes a further update on the development of Durham County Council's Housing and Homelessness Strategies and the delivery of regeneration and empty homes projects by Housing Solutions in its 2020/21 Work Programme.

**Economy and Enterprise Overview and
Scrutiny Committee**

21 February 2020

North East Skills Advisory Panel

**(North East Local Enterprise
Partnership)**



Report of John Hewitt, Corporate Director of Resources

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with some background detail on the Skills Advisory Panel prior to a presentation by Michelle Rainbow, Skills Director, North East Local Enterprise Partnership (North East LEP).

Executive summary

- 2 The Economy and Enterprise Overview and Scrutiny Committee when undertaking its 2018/19 work programme has raised questions in relation to the development of skills and skill requirements regionally and locally.
- 3 When considering its future work programme for 2019/2020 members requested that a meeting was arranged where they could receive detail of activity undertaken by the Business, Enterprise and Skills Group of the County Durham Economic Partnership. In addition, members requested that an invitation be extended to the North East LEP for a representative to attend the same meeting to provide detail of work which is ongoing at a regional level to develop skills including detail of the establishment of the Skills Advisory Panel.
- 4 Arrangements have been made for Michelle Rainbow, Skills Director, North East LEP to attend the meeting on the 21 February 2020 and deliver a presentation focusing on:
 - Skills Advisory Panel – purpose, structure and remit
 - Findings – skills data analysis

- Area of focus and further evidence requirements

A copy of the presentation is attached as Appendix 2.

Recommendations

- 5 That the Economy and Enterprise Overview and Scrutiny Committee comment on the information provided in the report and in the presentation.

Background

- 6 The North East Local Enterprise Partnership (North East LEP) provides strategic economic leadership for the region, working with partners and facilitating the delivery of the North East Strategic Economic Plan (SEP). The SEP is recognised by government as the policy document that sets a strategic direction for our regional economy.
- 7 It outlines our medium-term economic plan and helps identify interventions and investments to support economic growth, and to create more and better jobs. Our aim is to create 100,000 more jobs for the North East economy and to ensure that 70% of these jobs are better jobs.
- 8 The North East LEP is leading on the delivery of a strategy for skills, employment, inclusion and progression which will strengthen the North East's position as a globally competitive region through ensuring the supply of skilled people meets demand from a growing and prosperous business base. It will do this by shifting the skills market in the North East
- 9 Skills, Employment, Inclusion and Progression is one of five inter-related priorities outlined in our North East Strategic Economic Plan 'More and Better Jobs.'
- 10 The long-term ambition in the North East is that demand for skills and the quality of jobs continue to improve, leading to higher productivity. To deliver this, the North East must be a place where:
 - individuals, regardless of age or employment status, have a good understanding of the employment opportunities available in the North East and the pathways to access them.
 - that employers have strong links with education and training providers leading to responsive and inclusive provision that meets local needs
 - all partners understand the importance of skills in improving productivity and living standards.

This is an ambitious vision that will require substantial changes to deliver. By 2024, our ambition is that these principles are understood across the region and that there has been significant progress made towards their achievement, providing a strong base to build on in future years.

Aims and remit of the Skills Advisory Panel

- 11 The Skills Advisory Panel (SAP), previously the Employment and Skills Board will oversee and advise on programme implementation and development. With the aim of driving new thinking around employability, skills, inclusion and progression the Employment and Skills Board will bring together ambitious business and voluntary and community sector representatives with members of the North East Local Enterprise Partnership Board and other key partners in the employability and skills arena.
- 12 The SAP will pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. This includes both immediate needs and challenges and looking at what is required to help local areas adapt to future labour market changes and to grasp future opportunities. This will help colleges, universities and other providers deliver the skills required by employers, now and in the future.
- 13 The SAP members shall be appointed by the North East Local Enterprise Partnership Board to progress the objectives set out in the Skills, Employment, Inclusion and Progression Programme and the North East Local Industrial Strategy (LIS) as agreed by the North East Local Enterprise Partnership Board. Any further or future objectives and terms of reference will be developed by SAP and agreed by the North East Local Enterprise Partnership Board.
- 14 The role of the SAP is advisory. Decisions will either be made by the Local Enterprise Partnership board based on recommendations by the SAP or by the SAP where there has been delegated authority by the Local Enterprise Partnership board.
- 15 The SAP shall consist of the following members:
 - The member of the North East Local Enterprise Partnership Board with responsibility for skills
 - A representative or the portfolio holder from the North East Combined Authority (NECA) – Councillor Simon Henig together with a DCC officer as an observer.
 - A representative or the Portfolio holder from the North of Tyne Combined Authority (NoTCA)
 - Up to six employers with a commitment to skills investment and strong business leadership experience reflecting key sectors.
 - A representative of the area's FE institutions

- A representative of the area's universities
 - A representative from the key organisations and partnerships which support the theme;
 - Education and Skills Funding Agency
 - Department for Education
 - Department of Work and Pensions
 - BEIS / MHCLG
 - Schools NorthEast
 - Trades Union Congress
 - North East Learning Providers
 - North East Chamber of Commerce
 - Federation of Small Business
 - CBI
 - VONNE
 - The North East Local Enterprise Partnership Chief Executive
 - The North East Local Enterprise Partnership Skills Director
 - Other individuals may be co-opted by the Employment and Skills Board for their knowledge of business operations and growth
- 16 All members will serve for a period of up to three years and will be committed to at least one year's membership of the SAP. Membership will be reviewed annually by the North East Local Enterprise Partnership Board to ensure that it best reflects the requirements for the delivery of its skills, employment, inclusion and progression programme.
- 17 The Skills Advisory Panel will
- produce robust and authoritative evidence-based skills and labour market analysis which clearly identifies existing local skills and employment challenges, and identifies key areas of future needs relating to projected local employment growth areas
 - develop a sophisticated understanding of both the local labour market and skills provision in the local area, the extent to which labour mobility within, or into, a local economy can address skills needs, and the projected gaps between skills needs and skills provision
 - build knowledge of the range of both local, regional and national employment provision that exists or is planned

- present the analysis at board level and sharing it with the wider employer and provider communities to ensure that their perspective on the local labour market and local employment and skills system is reflected in the prioritisation the board takes forward
- provide analysis to inform the development and the implementation of the 'People' element of Local Industrial Strategies Build on this

18 In addition, the SAP will build on the high-quality analysis to develop a clear approach to addressing skills and employment challenges within the local area, including by looking ahead to likely skills priorities in the coming decade.

19 The presentation attached provides details of the evidence and analysis undertaken to date. It also provides details of the additional research being undertaken and next steps in the development of the approach to address the challenges.

Conclusion

20 Members will be aware of the work undertaken by the North East LEP in relation to skills development at a regional level.

Background papers

[North East Strategic Economic Plan](#)

North East Strategic Economic Plan – executive summary

[Our Economy 2019](#)

Our Economy – executive summary

Other useful documents

Contact:	Michelle Rainbow	Tel: 0191 561 5439
	Diane Close	Tel: 03000 268 141

Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

Not applicable

Procurement

Not applicable

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**Presentation to:
Economy and Enterprise Overview and Scrutiny
Committee**

21 February 2020





Michelle Rainbow – Skills Director

North East Local Enterprise Partnership

A decorative graphic on the left side of the slide, consisting of a vertical stack of four colored triangles pointing to the right. From top to bottom, the colors are: olive green, dark blue, yellow, and teal. The right side of the slide is a solid maroon background.

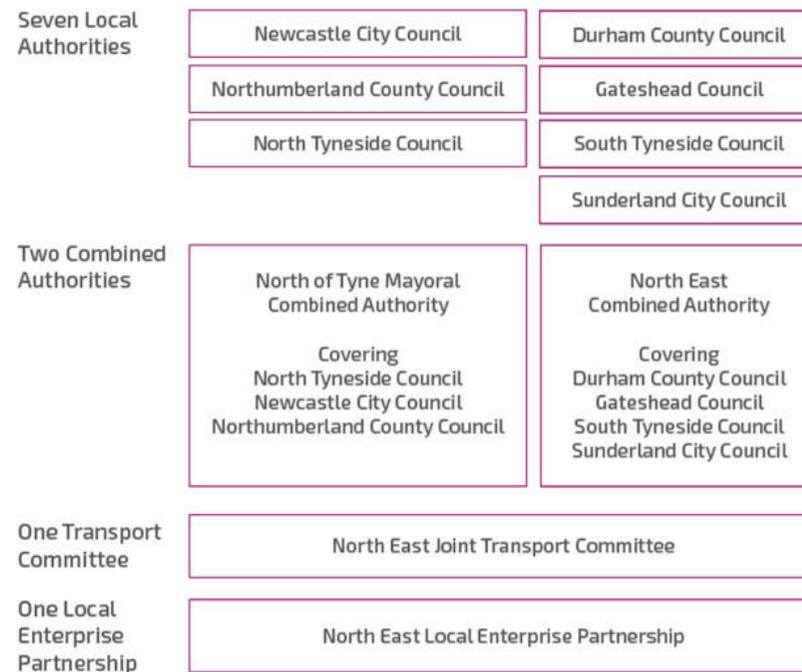
Skills Advisory Panel Analysis of North East skills

North East LEP - Key roles

- Development and oversight of evidence-based regional economic strategies and plans
- Economic leadership, co-ordination and influence – in and for the North East
- Taking action through programmes of delivery
- Securing and prioritising investment.



North East governance



North East LEP governance

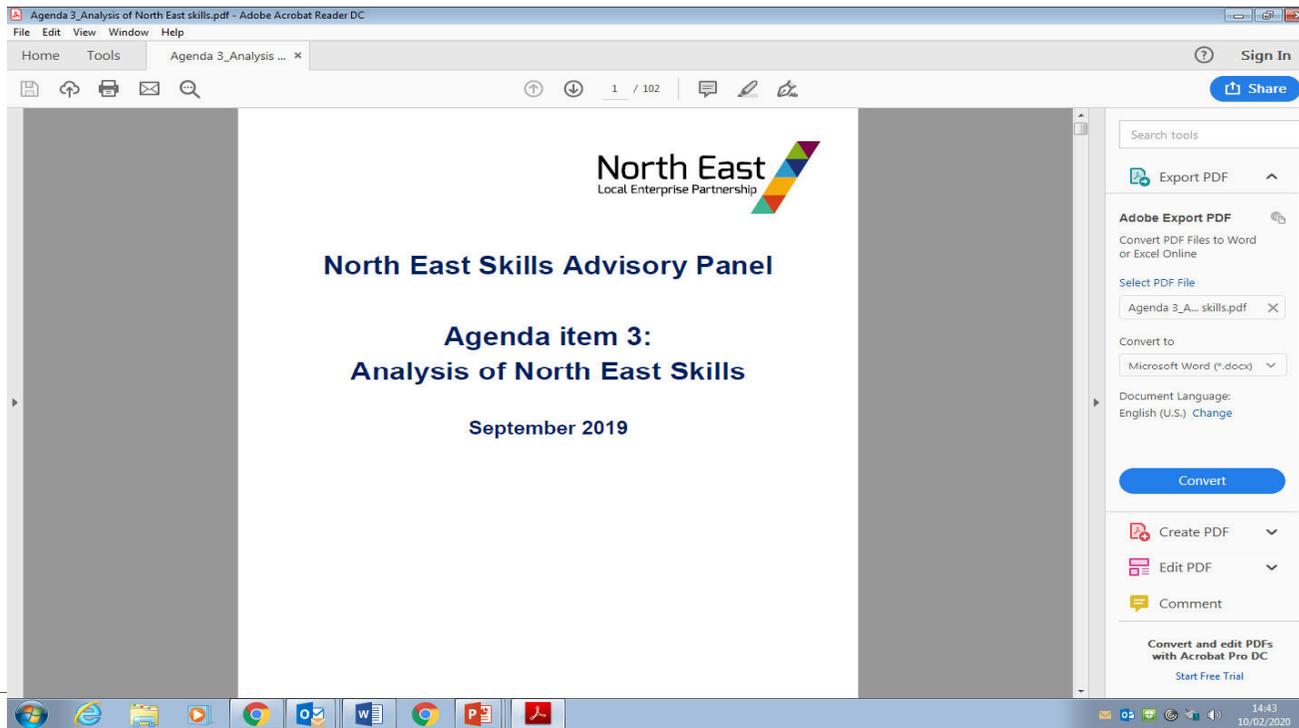
Advice, oversight and decision making.



Skills Advisory Panel

- *“Skills Advisory Panels aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges.”*
- Analytical framework
 - Analysis and definition of the local landscape
 - Analysis of skills demand
 - Analysis of skills supply
 - Mapping of demand and supply
 - Conclusions
 - Skills priorities for local area
 - Mechanisms for delivering these priorities

Analysis to date



Key findings and implications – understanding demand for skills

- Provision must meet the current and future skills needs of North East employers
 - Report sets out areas of highest demand, where North East is overrepresented, where demand has grown over recent years and projected growth
 - How can we ensure that all of these needs are being met?

Key findings and implications – meeting employer demand

- Increasing demand for roles that require higher level skills
 - North East has lower qualifications profile than England excluding London – but making progress
 - Almost half of those leaving school at KS5 go onto higher education, with further 20% going onto further education or apprenticeship
 - Those in work less likely to receive training than nationally
 - Need to
 - Ensure provision being accessed by young people meets needs of employers
 - Need better understanding of destinations – suggest this is a priority for future research
 - Improve understanding of training needs of current workforce and how to address
 - Use profile of skills shortages to help shape programme



Key findings and implications – meeting needs of whole community

- Significant variation between local authority areas
 - Need to ensure provision reflects needs of communities within North East
- Large physical size and geography means greater consideration needs to be given to location of provision
- North East has poorer labour market outcomes (higher unemployment and inactivity, lower employment) than England excluding London and North of England
 - Need to ensure provision supports individuals to get into work and progress
 - Outcomes vary by gender – need to work through implications for provision

Key findings and implications – responding to wider trends

- Skills provision must ensure it is responding to global trends impacting on North East
- Globalisation
 - Need to understand potential skills implications from ‘homeshoring’
 - Need to ensure have skills response(s) in place to respond to no deal Brexit (especially in relation to manufacturing)
 - Need to ensure continued supply of high skilled workers
- Digital skills
 - Need to ensure all job seekers have mix of digital and non-digital skills
 - Need to ensure digital skills being developed meet North East-specific needs
 - Need to ensure provision to develop the digital skills of those already in workforce



Key findings and implications – responding to wider trends (cont.)

- Automation
 - Mixed evidence on risk from automation
 - Need to have provision in place to retrain those that lose jobs as a result of automation
 - Need to ensure North East has skills to secure (high skill) jobs created by automation
- Ageing society
 - Need to support older workers to remain engaged in workforce and productive
 - Need to ensure that skills are available to meet needs created by older age groups

Further research

Commissioned – Future Skills Needs Analysis in key sectors or areas where there are likely to be rapid changes.

Underway and due to complete by early Spring 2020

Energy / Offshore Wind

Digital skills in health and social care

Digital skills in tourism and culture

Due to commence Feb 2020

Asset mapping – assets, provision and resources.





**Skills, Employment,
Inclusion & Progression**

Delivery & programmes underway

Skills, Employment, Inclusion and Progression

Response to the evidence-based challenges and opportunities:-

- Deliver North East Ambition – provision of outstanding careers guidance from primary, secondary, FE and HE and into working life.
- Deliver Education Challenge – reduce the gap and enable all young people to be educated in good or outstanding schools
- Improve Skills Progression – high quality opportunities in apprenticeships, FE and HE, integration - employers into the system, clear progression routes based on good LMI
- Increase Youth Employment – employment + additional skills / qualifications = better jobs.



Skills, Employment, Inclusion and Progress

Response to the evidence-based challenges and opportunities:-

- Improve Labour Market Activation – commission of holistic approaches – integration of services so people facing health barriers are fit for work, have a clear path to progression and that organisational culture prioritises wellbeing.
- Ensure Connected Communities – reduce isolation due to geography and skills (focus on digital connectivity)
- Help deliver Fuller Working Lives – reduce inactivity levels in our older workforce , help older employees develop new skills, encourage flexible employment and specific support to those outside the labour market.

Thank you - any questions?

Contact details

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Economy and Enterprise Overview and Scrutiny Committee

21 February 2020

Business, Enterprise and Skills Working Group - Overview



Joint Report of John Hewitt, Corporate Director of Resources and Jane Robinson, Corporate Director of Adult and Health Services

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with an overview of the activities undertaken by the Business, Enterprise and Skills Working Group of the County Durham Economic Partnership.

Executive summary

- 2 The Economy and Enterprise Overview and Scrutiny Committee during 2018/19 raised questions in relation to skill development regionally and locally and skill requirements in County Durham. When considering the committee's future work programme, it was agreed by members that the North East Local Enterprise Partnership (NELEP) would be invited to a future meeting of the committee to explain the role of the Skills Advisory Panel and activity undertaken. In addition, it was also agreed that the committee would receive an overview of the various activities undertaken by the Business, Enterprise and Skills Working Group of the County Durham Economic Partnership particularly in relation to skills.
- 3 Arrangements have been made for Sue Parkinson, Chair of the Business, Enterprise and Skills Working Group of the County Durham Economic Partnership to attend the meeting on the 21 February 2020 and deliver a presentation highlighting the work of the group.

Recommendations

- 4 Members are asked to note and comment upon the information provided within the report and presentation.

Background

- 5 The County Durham Economic Partnership (CDEP) Board has responsibility for setting the overall strategy for economic development and regeneration activity in County Durham. It is the main conduit between the County Durham Economic Partnership and the North East Local Enterprise Partnership.
- 6 The Business Enterprise and Skills (BES) group is a subgroup of the County Durham Economic Partnership which is charged with improving the business stock in County Durham, the growth of business and the associated yield of jobs, and the improvement of the infrastructure for business. The BES has a related role in helping to ensure that educational establishments deliver courses and opportunities that provide the right skilled people for our labour market.
- 7 The presentation will highlight the role of the CDEP Board, and the work carried out by the BES Working Group over the last year, specifically focusing on the following areas:
 - CDEP Board remit
 - Role of Members
 - Role of Sue Parkinson
 - The links between skills and business growth
 - Adult participation in learning
 - Government priorities
 - CDEP approach to resources
 - Skills support for the workforce
 - Skills support for the unemployed
 - Town centres
 - Challenges
 - Opportunities
 - County Durham Care Academy

Conclusion

- 8 The Economy and Enterprise Overview and Scrutiny Committee will be aware of the activities undertaken by the Business, Enterprise and Skills Working Group particularly in relation to skills development and identifying skill requirements in the county.

Background papers

- None

Other useful documents

- None

Contacts: Andy Bailey	Tel: 03000 264712
Diane Close	Tel: 03000 268141

Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

Not applicable

Procurement

Not applicable

Business Enterprise and Skills (BES) Working Group Update

Presentation to the EEOSC

Sue Parkinson, Chair of the BES and Vice Chair of
the CDEP Board

21st February 2020

**County Durham
Economic
Partnership**

CDEP Board Remit

Setting the overall strategy for economic development and regeneration activity in County Durham. It is the main conduit between the County Durham Economic Partnership and the North East Local Enterprise Partnership. Its roles include:

- Providing a Voice for County Durham in international, national and regional forums
- Developing a coherent Vision and Narrative for Economic Regeneration in County Durham
- Setting a performance framework for Economic Development and Regeneration in County Durham
- Setting the spatial policy framework for regeneration and economic development
- Setting thematic priorities for investment to stimulate economic activity
- Setting a coherent investment and Delivery Plan for Economic Development and Regeneration activity
- Providing Leadership in respect of the Durham European Transitional Programme
- Identifying key risks to the economy of the County and identifying mitigating initiatives
- Facilitating stakeholder relations to improve economic performance

**County Durham
Economic
Partnership**

Roles of Members

Independent Chair – Brian
Tanner

Pillars

Resources – Sue Parkinson
Business Competitiveness –
Sarah Slaven
Ideas and Innovation -
Jon Gluyas/Tim Hammond
Infrastructure - Adrian
White/Glenn Martin
Inclusive Growth - Bill Fullen
People – Dawn
Fairlamb/Michelle Rainbow

Voices

Public Sector – Cllr Carl
Marshall alternating if
relevant with other
councillors who have relevant
portfolios

VCS - Joanna
Laverick/Michelle Cooper
Business - Simon
Hanson/Alison Gittins

**County Durham
Economic
Partnership**

Sue Parkinson

- Vice Chair CDEP
- Chair of the BES
- Represent the Partnership on the ESIF committee
- Partnership Lead for Resources

County Durham
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Skills and Business Growth Linked

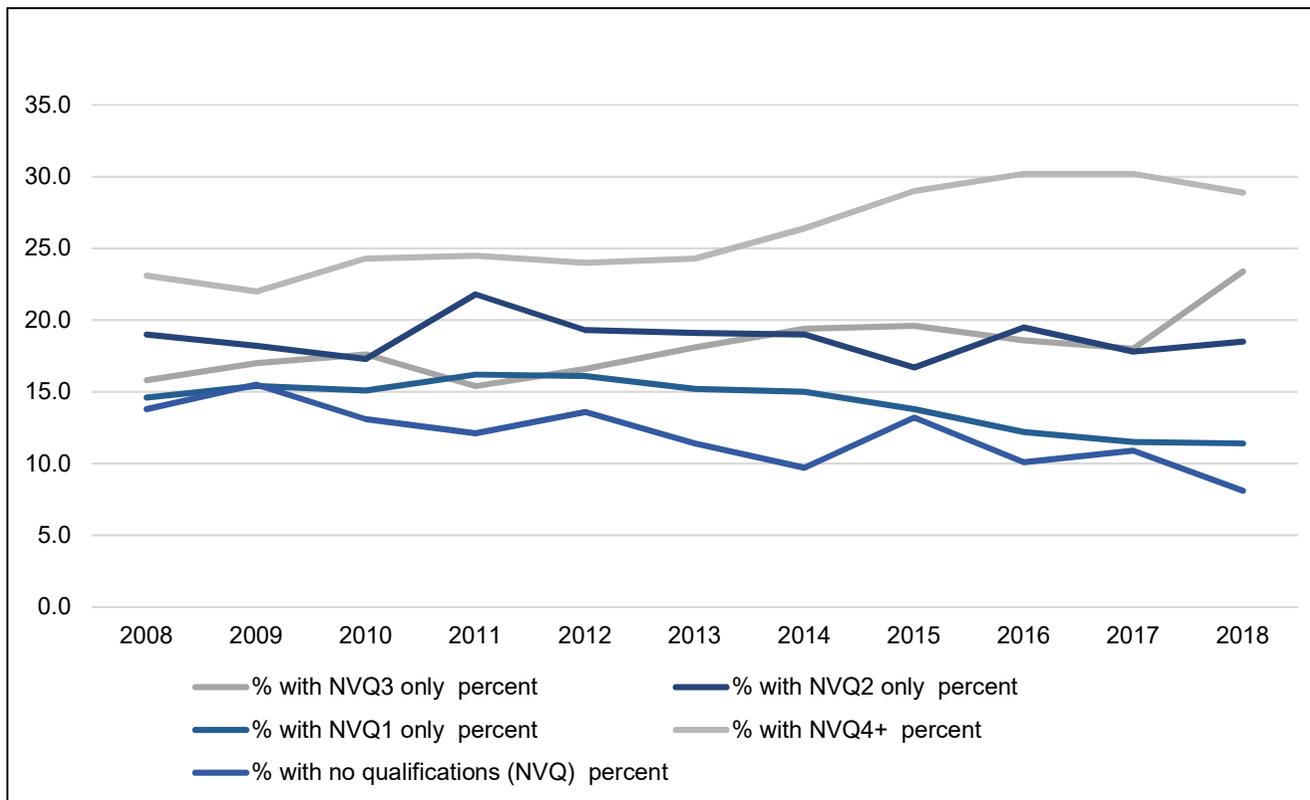
- Specific areas of focus
 - Demand side led
 - Supply side led

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Partnership

Skills Context

- Skill levels are improving at Level 3 and above.
- However, gap remains at Level 4 and above compared to regional and national averages.
- Expectation is that proportion of individuals with no / lower skill levels will reduce in time – linked to demographic trends.

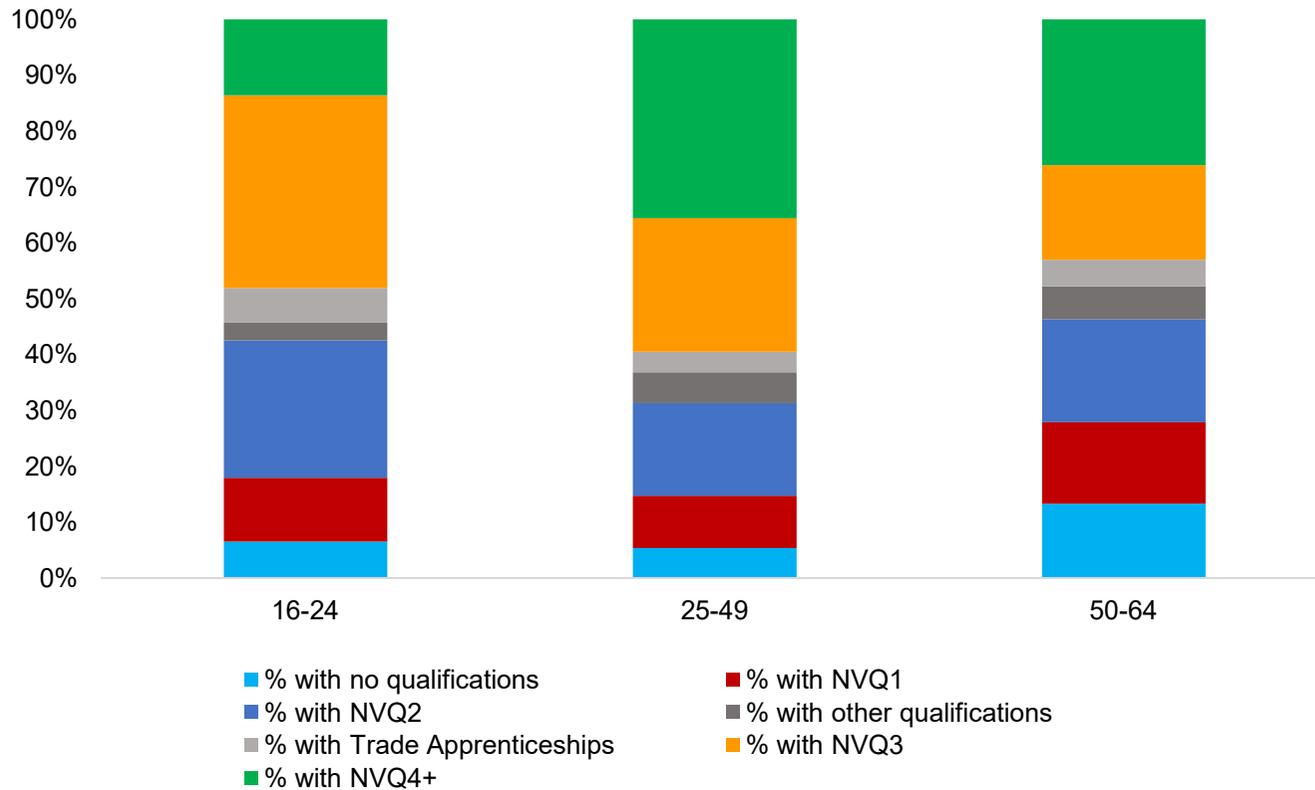
Skill Levels in County Durham: Trend



Source: Annual Population Survey, ONS



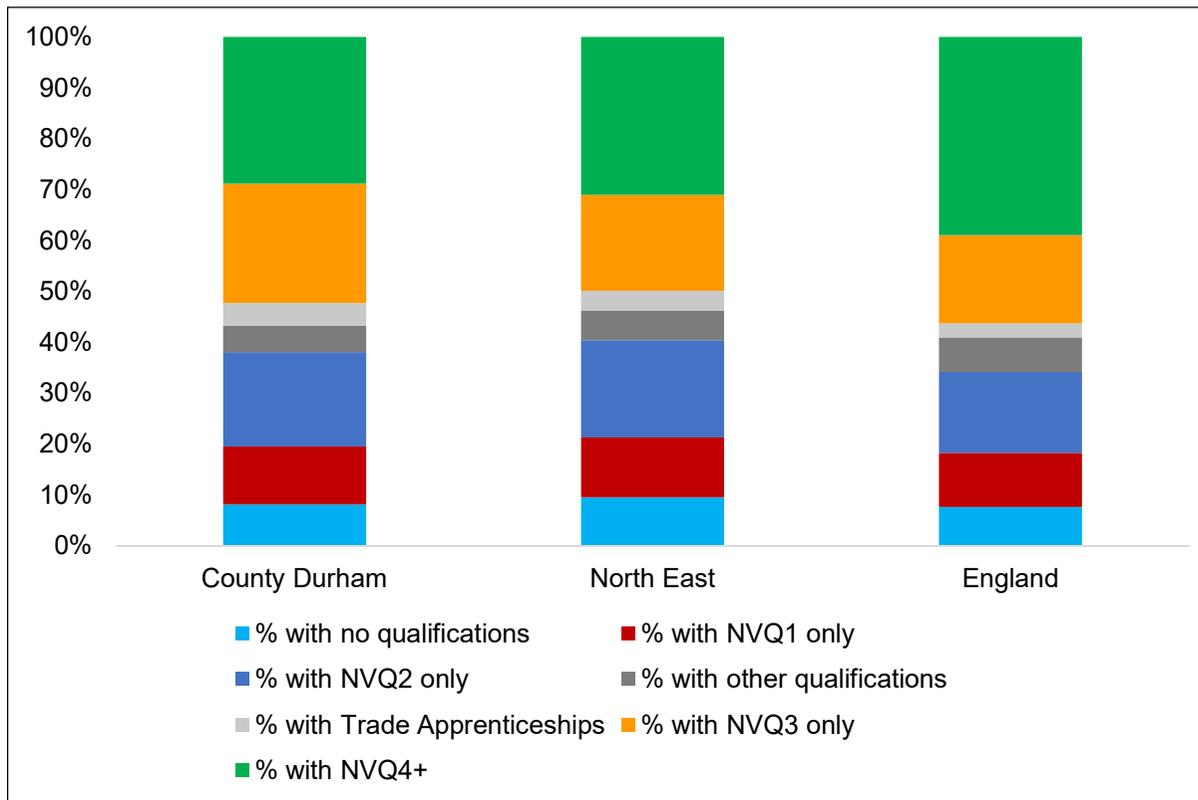
Skill Levels in County Durham: By Age



Source: Annual Population Survey, ONS.



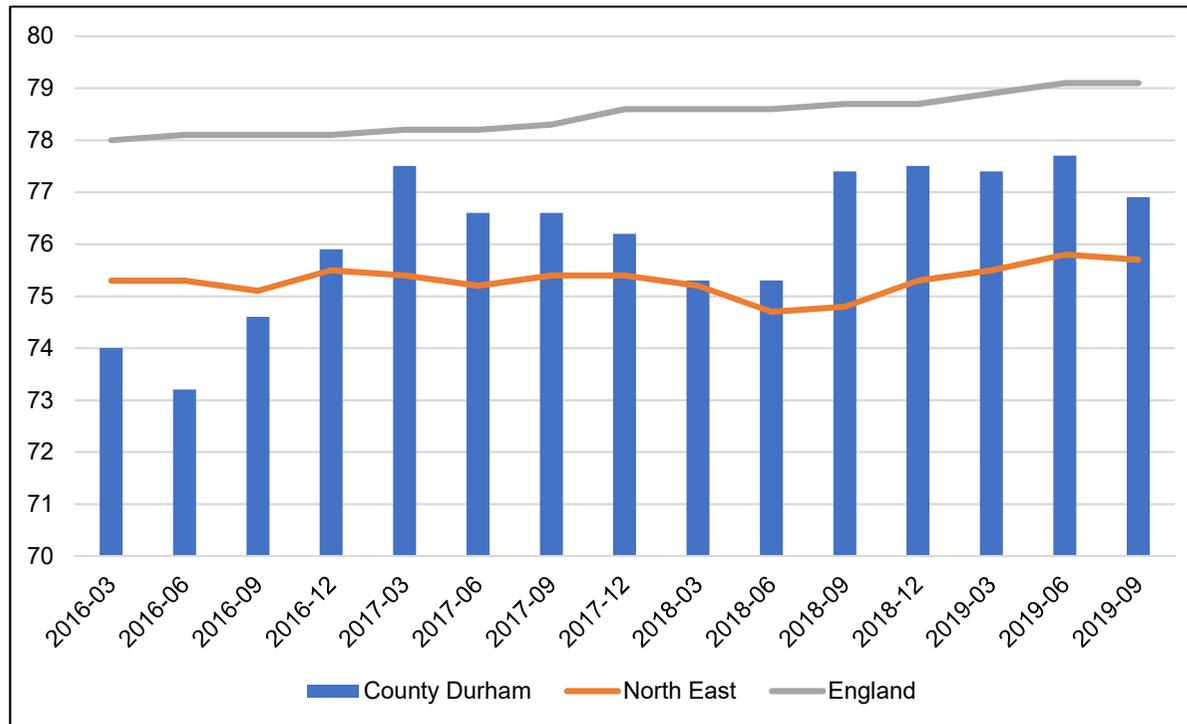
Skill Levels: Local, Regional and National Comparison



Source: Annual Population Survey, ONS December 2018



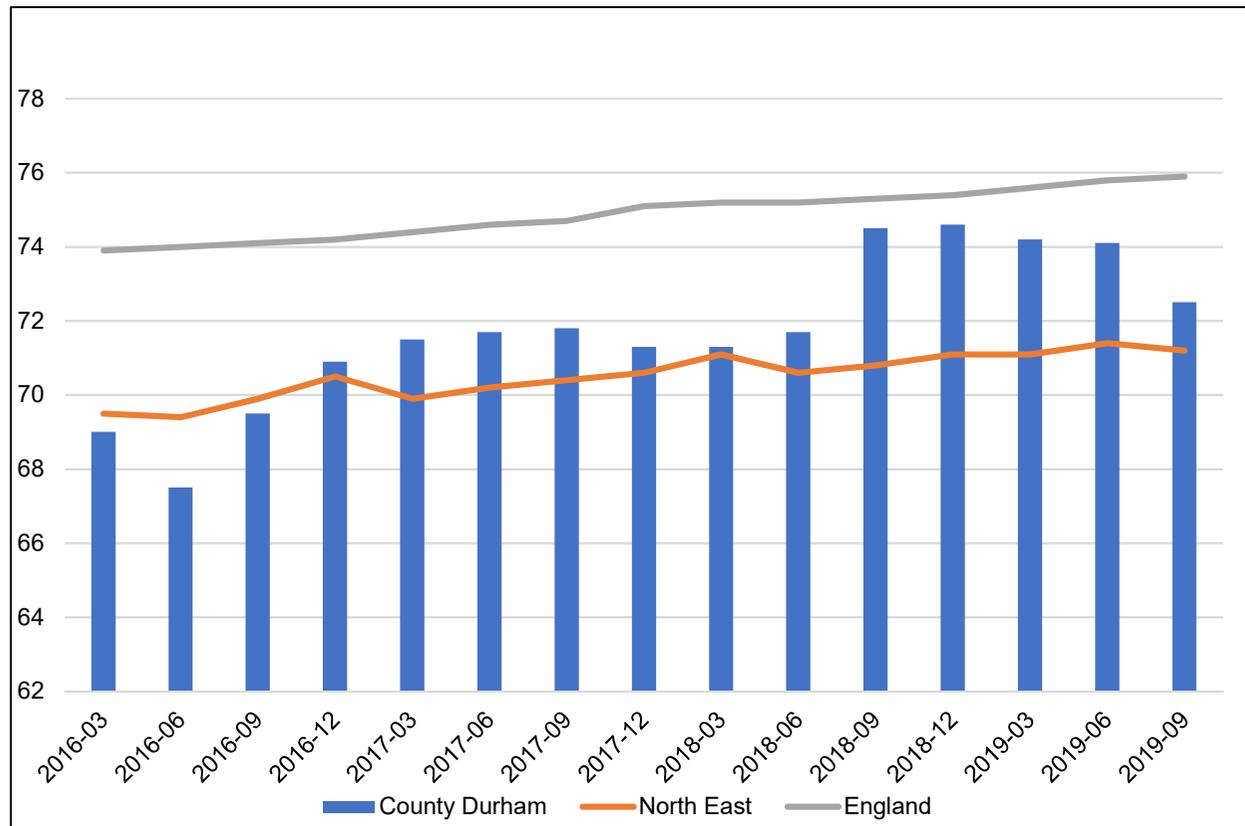
Economic Activity: Local, Regional and National Comparison



Source: Annual Population Survey.



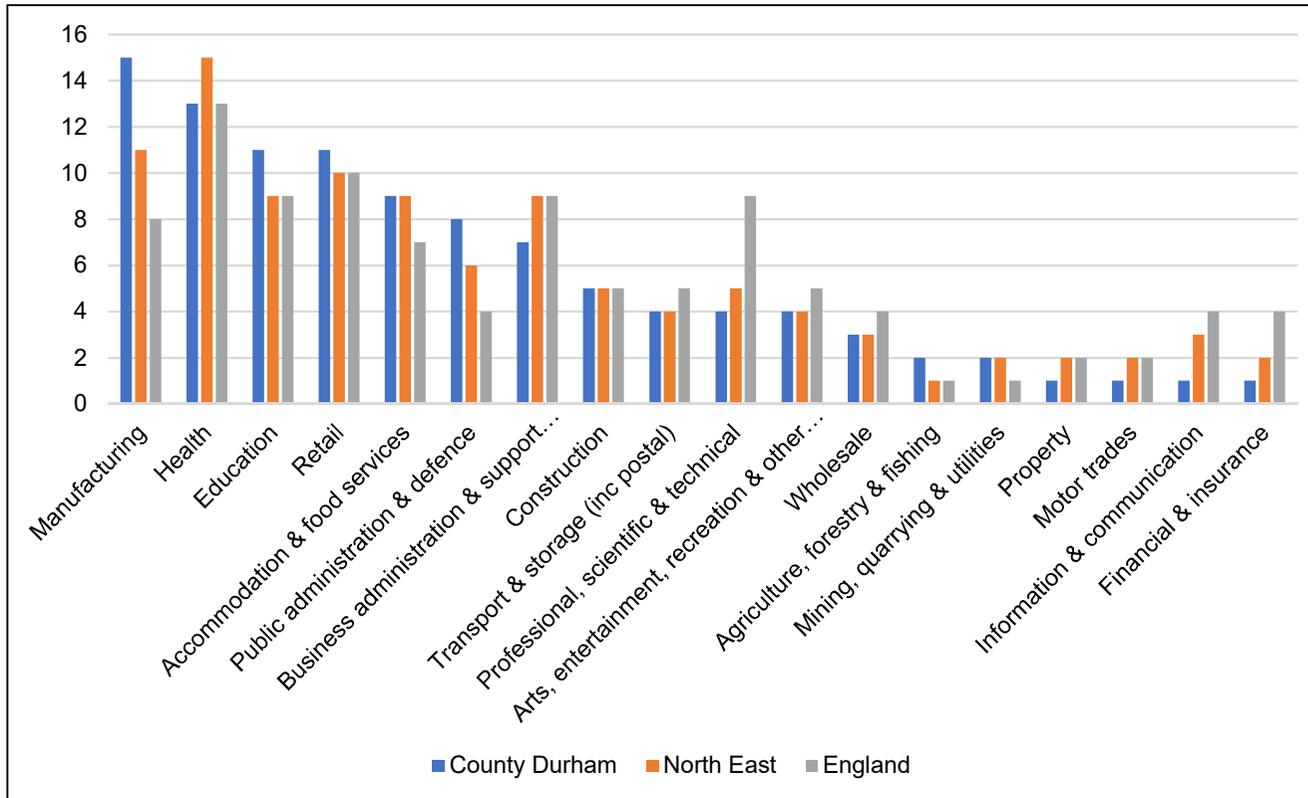
Employment Rate: Local, Regional and National Comparison



Source: Annual Population Survey.



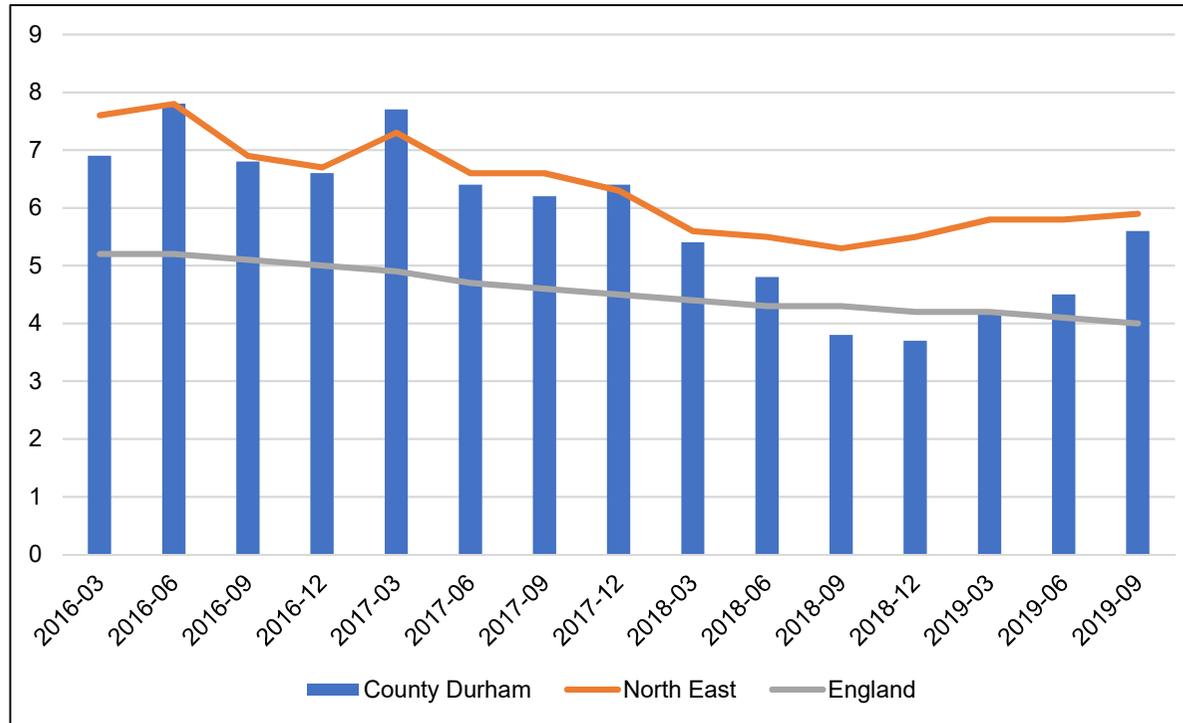
Employment by Industry: Local, Regional and National Comparison



Source: Business Register and Employment Survey, ONS 2018



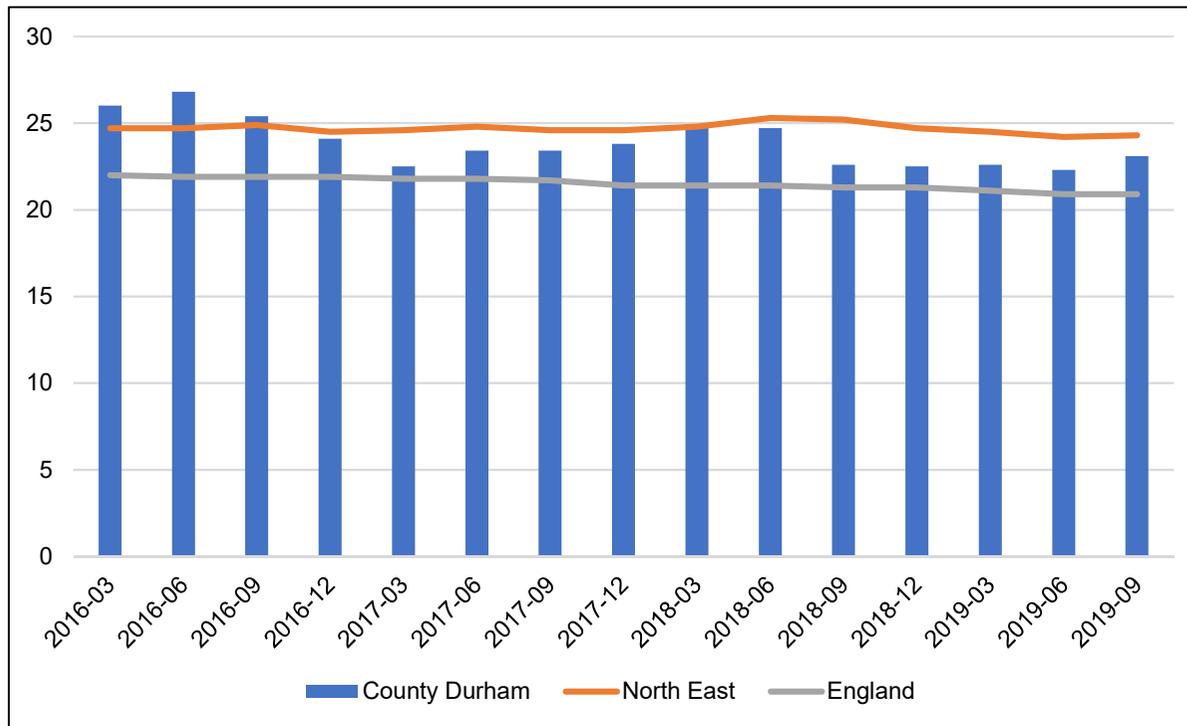
Unemployment Rate: Local, Regional and National Comparison



Source: Annual Population Survey.



Economic Inactivity: Local, Regional and National Comparison



Source: Annual Population Survey.



Adult Participation in Learning

- Despite growing recognition of importance of lifelong learning, there has been a decade of decline in the number of adults participating in learning.
- According to the Learning and Work Institute, just one third (33%) of adults say they have participated in learning during the previous three years.
- The best performing region is the South East (39%) and the worst performing region is the North East (24%).
- This decline corresponds with a significant reduction in investment – between 2009/10 and 2018/19, government spending on adult learning (excluding Apprenticeships) decreased by 47%.

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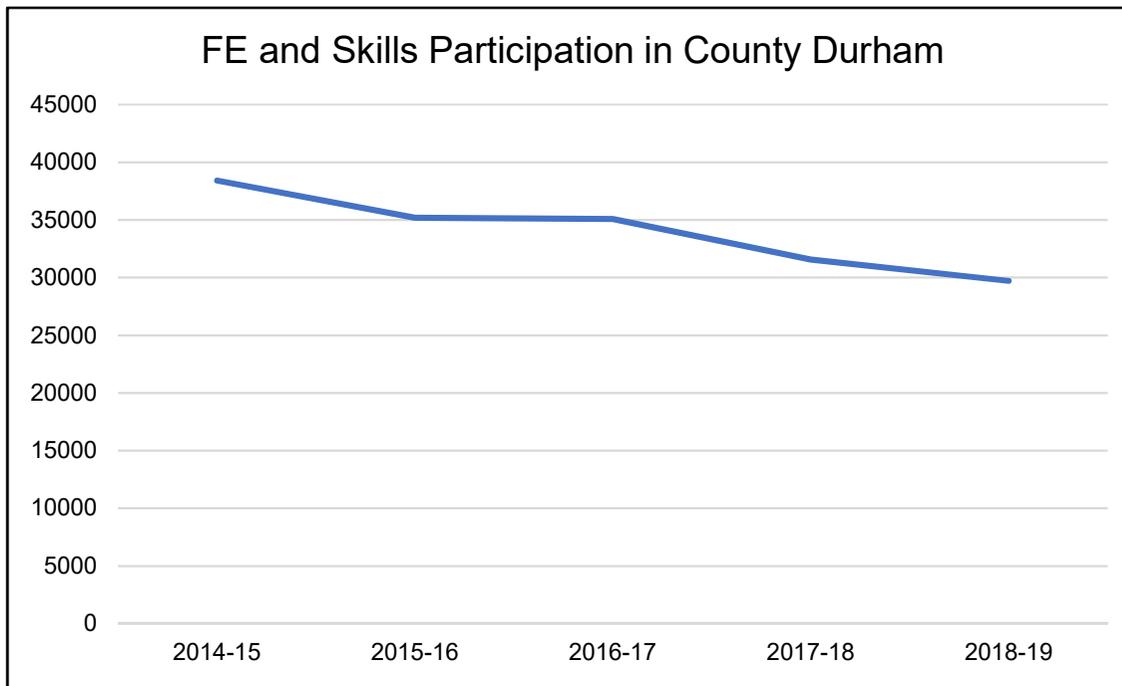
Adult Participation in Learning

- According to Ofsted, the number of adult learners taking part in education and training is declining – from 1.96m learners in 2014-15 to 1.57m learners in 2018-19, representing a 20% reduction.
- The budget allocated to adult education courses is declining – by £105m from 2017-18 to 2018-19 (total funding: £1.145bn).
- Factors such as lower unemployment rates nationally and the move towards Universal Credit may account for some of the decline in the number of adult learners.

FE and Skills Participation - Aged 19+

	2014/15	2015/16	2016/17	2017/18	2018/19
County Durham	38,410	35,200	35,080	31,570	29,710
North East	181,190	163,920	158,430	146,500	136,230
England	2,613,680	2,324,680	2,236,790	2,179,070	2,068,200

Department for Education: FE and Skill Learner Participation

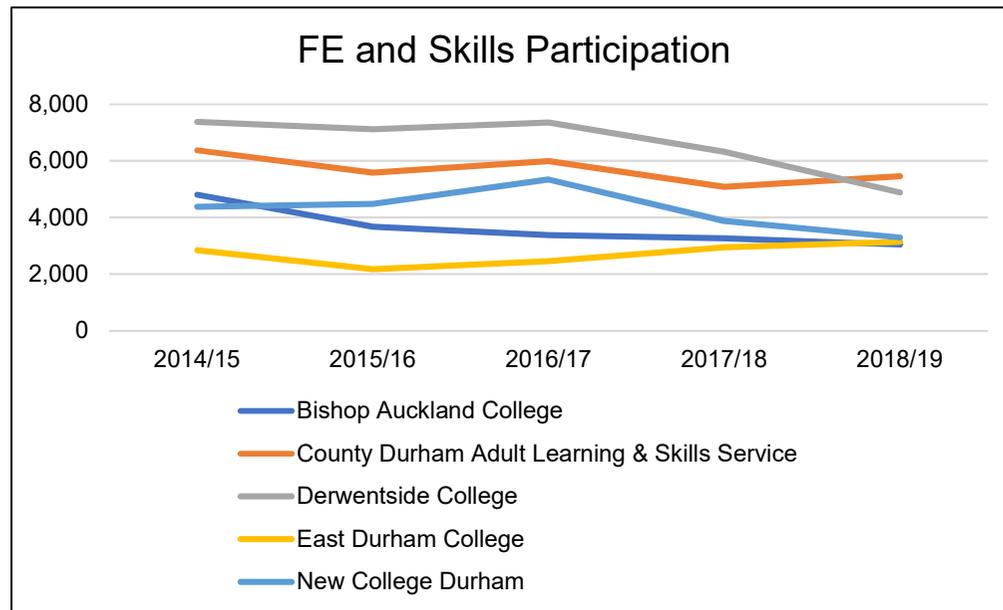


**County Durham
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Partnership**

FE and Skills Participation – By Provider

	2014/15	2015/16	2016/17	2017/18	2018/19
Bishop Auckland College	4,800	3,670	3,380	3,260	3,040
County Durham Adult Learning & Skills Service	6,370	5,580	5,990	5,080	5,450
Derwentside College	7,380	7,110	7,350	6,320	4,880
East Durham College	2,840	2,170	2,460	2,940	3,140
New College Durham	4,380	4,480	5,340	3,870	3,290

Department for Education: FE and Skill Learner Participation

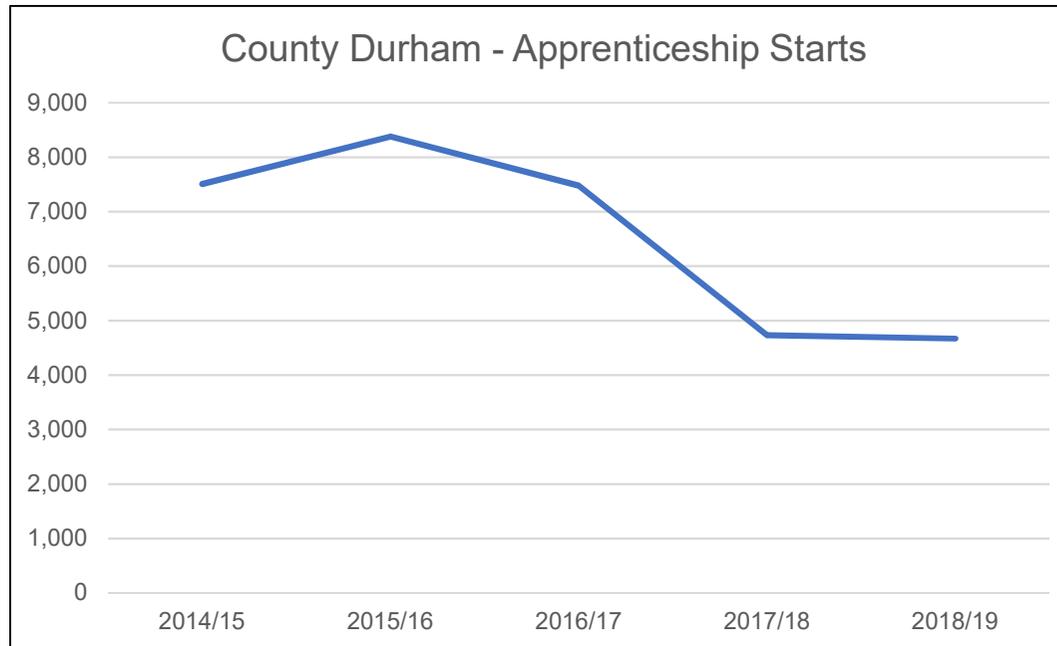


**County Durham
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Partnership**

Apprenticeships

	2014/15	2015/16	2016/17	2017/18	2018/19
County Durham	7,510	8,380	7,480	4,730	4,670
North East	35,220	38,210	33,940	22,640	23,260
England	494,200	503,900	489,100	371,200	389,600

Department for Education: Apprenticeship and Traineeship Data



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Government Priorities

- National Skills Fund
- National Retraining Scheme
- UK Prosperity Fund
- New Capital Funding
- Digital Entitlement
- ESOL Strategy
- Post-18 Education Funding
- T-Levels
- Institutes of Technology

**County Durham
Economic
Partnership**

CDEP Approach To Resources

Upstream intervention for downstream results:

- Influence (eg NEA)
- Lobby (eg Durham works conference)
- Represent (eg ESIF Committee)

Sweating the assets:

- Embedding cross referrals (eg Durham Business engagement Protocol)
- Joining up work (eg ESFA Co-financing Tripartite meetings)
- Using match funding

Seeking external funds:

(eg Business Basics Fund)

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Skills Support for the Workforce

- Funded by European Social Fund
- Aims to support employees
- Reduce Skills Gaps
- Tackling Barriers to learning
- Aiding succession planning
- Part programme to support leadership & management skills and response to redundancy

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Economic
Partnership**

Skills Support for the Unemployed

- Funded by the European Social Fund
- Aims to support unemployed / inactive residents gain the skills required to re-engage with the labour market with a focus on upskilling or retraining
- Often linked to Employment support programmes
- Includes short course and un accredited training eg CSCS cards

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Town Centres

- Funded by £3.6 billion Towns Fund
- £1 Billion Future High Streets Fund
- Stronger Towns Fund
- Historic High streets
- Pilot programmes to develop landlord registers of empty property

County Durham
Economic
Partnership

Challenges

Skills – potential shortage

Labour force – potential shortage

Automation – linked to above

Poor literacy and numeracy levels

Demographic challenges

Europe

Economically inactive

Reduction in Adult Education

Tourist Industry

Food Processing

Care

**County Durham
Economic
Partnership**

Opportunities

- Flexible national agenda
- Reduced resources bring with them an imperative to focus and collaborate
- European Reserve Funding
- Opportunity to design Shared Prosperity to meet local need.
- Devolution
- Government's Levelling Up Agenda

**County Durham
Economic
Partnership**

County Durham Care Academy

03000 266 115 careacademy@durham.gov.uk www.durham.gov.uk/careacademy

- County Durham Care Academy launched in September 2019 to address issues affecting adult care sector – recruitment / retention of staff.
- County Durham Care Academy offer:
 - Potential Workforce Scheme – facilitating effective recruitment.
 - Existing Workforce Scheme – training, information and guidance for adult social care provider staff and unpaid adult carers.
- Use of technology and innovation e.g. distance learning

County Durham
Economic
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Questions?

**County Durham
Economic
Partnership**

**Economy and Enterprise Overview and
Scrutiny Committee**

21 February 2020



**DurhamWorks Programme – Youth
Employment Initiative**

**Joint report of John Hewitt, Corporate Director of Resources and
John Pearce, Corporate Director of Children and Young People’s
Services**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with an update on the DurhamWorks Programme - Youth Employment Initiative, prior to an update presentation by Linda Bailey, Strategic Lead, Progression and Learning, Children and Young People’s Services.

Executive Summary

- 2 The Economy and Enterprise Overview and Scrutiny Committee receives regular updates on the progress of the DurhamWorks Programme, the most recent of which took place on 26 June 2018.
- 3 Linda Bailey; Strategic Lead: Progression and Learning will attend the meeting on 21 February 2020 to deliver a presentation that will focus on:
 - DurhamWorks Performance
 - Evaluation of the Programme
 - Employer Engagement and DurhamWorks Grant
 - New European Funded Programmes

A copy of the presentation is attached as Appendix 2.

Recommendations

- 4 Members are asked to note and comment upon the information provided within the report and during the presentation.
- 5 That the Economy and Enterprise Overview and Scrutiny Committee includes a further progress report on the DurhamWorks Programme in its 2020/21 work programme together with consideration of the interim and final evaluation reports when available.

Background

- 6 DurhamWorks is a European funded, Durham County Council led partnership programme that supports young people aged 16-24 who are NEET (Not in Education, Employment or Training).
- 7 The total funding allocated to support unemployed young people in County Durham was originally £17.04m, with an anticipated end date for the Programme of July 2018. However, in recognition of the proficient manner in which DurhamWorks was being delivered, the Department for Work and Pensions allocated an additional £12.0m of funding and extended the Programme until July 2021.
- 8 Therefore, the total amount of funding allocated to County Durham is £29.04m and, as a result, nearly 10,000 young people who are NEET will have received support by the time the Programme ends.
- 9 The DurhamWorks model encompasses a young person-centred approach, which enables them to access 1-1 individualised support, engage in a range of activities in order to develop their confidence, resilience and broader skills, as well as access opportunities to enable them to progress into the labour market.

Programme Outputs

- 10 The overall target is to engage 9,930 young people into DurhamWorks, with 65% progressing into a positive destination such as employment, training, education and / or gaining a qualification. The latest performance data (January 2020) shows:
 - 7,168 young people have started the Programme;
 - 3,901 young people have completed the Programme;
 - Of those who have completed, 3,429 have progressed into a positive destination such as employment, training, education and / or gaining a qualification – a progression rate of 87.9%.

Programme Evaluation

- 11 Evaluation of DurhamWorks has taken place across two phases. Phase one evaluation (as outlined in the report of 26th June 2018) focussed on all elements of the DurhamWorks Programme, with particular emphasis on the type and level of support that young people were receiving. The research company that was procured to undertake an in-depth consultation also developed a Social Return on Investment model which demonstrated that for every £1 invested in DurhamWorks, £2.69 of social and economic value was created for beneficiaries.

- 12 The second phase of evaluation is due to commence in March 2020 and will focus on the following priorities:
- Achieve an understanding of the effectiveness of support provided to young people by comparing the experiences of those who are currently engaged in the Programme with those who have completed and progressed.
 - Research whether DurhamWorks activities have increased employment opportunities for young people and led to an improvement in the perceptions of young people by employers.
 - Re-run the Social Return on Investment model, with the addition of distance travelled data that was not included in the original model, to reflect the Programme's value towards the end.
- 13 An interim evaluation report will be produced in August 2020, to enable any initial recommendations to be implemented within the Programme. The final evaluation report will be produced in March 2021 prior to the programme finishing in July 2021.
- 14 The Department for Work and Pensions invited Durham County Council to host a high profile event, in order to share our experience of delivering a Youth Employment Initiative funded programme, highlighting areas of good practice as well as challenges. The event took place in February 2020 and was attended by representatives from a range of Local Authorities, Local Enterprise Partnerships, partner organisations, as well as the Department for Work and Pensions.

Employer Engagement

- 15 Creating employment opportunities for young people is a significant focus of the DurhamWorks Programme. This involves approaching employers, to generate opportunities such as employment with training, Traineeships, Supported Internships, job trials, and work experience. A number of events have also been held in order to encourage employers and voluntary organisations to provide more opportunities for young people who find it more difficult to access the labour market, including young people who have SEND (Special Educational Needs). New employment sector and job role provision has recently been procured, in order to broaden the current DurhamWorks offer to young people. It is expected that this provision will be available from April 2020.

DurhamWorks Grant

- 16 Linked to the Opportunities Creation activities, a DurhamWorks Grant is available to SME employers, in order to encourage them to recruit a young person. The current grant award is worth up to £5,000 for a twelve month period, which can support up to 50% of the young person's salary costs, providing the employer contributes at least £1,000 towards the salary of the young person. The job opportunity must also have some form of training attached to it.
- 17 The overall number of DurhamWorks grants awarded so far is 472. In terms of future developments, the current twelve month grant will be replaced in May 2020 by a six month grant worth up to £2,500. This will be available until November 2020 and reflects the end date for the Programme.

New European Funded Programmes

- 18 The current DurhamWorks Programme is funded until July 2021. However, new European funded programmes (DurhamDirections and DurhamEnable) are due to commence in 2020, subject to approval.
- 19 DurhamDirections is a £10m programme that will support over 6,000 young people aged 15 – 24 who are at risk of becoming NEET / are NEET between August 2020 and December 2023. This will ensure that young people will continue to receive 1-1 individualised support to make a sustained transition into Education, Employment and Training.
- 20 DurhamEnable (Supported Employment Service) is a £3.6m programme that will support over 900 individuals who are aged 18 and above and have learning, physical and mental health barriers to employment between July 2020 and December 2023.

Broader Indicators

- 21 The following table shows the latest data in relation to the proportion of 16-17 year olds who are NEET and the proportion of 16-17 year olds whose destination is Not Known, compared to the same period since 2015 (which covers the time frame for the delivery of DurhamWorks). In December 2019, there were 414 16-17 year olds who were NEET and 127 16-17 year olds whose destination was Not Known.

County Durham	16-17 year old NEET	16-17 year old Not Known	16-17 year old NEET and Not Known
December 2019	4.0%	1.2%	5.3%
December 2018	4.7%	2.3%	7.0%
December 2017	5.1%	1.8%	6.9%
December 2016	4.4%	1.4%	5.8%
December 2015	6.5%	1.6%	8.1%

Source: Local Authority Client Caseload Information System

- 22 The following table shows the latest data in relation to the estimated proportion and number of unemployed 16-24 year olds in County Durham, compared to the same period since September 2015. This data is based on a sample survey, which means it provides an estimate of population characteristics rather than an exact measure. It is also important to note that the data relating to the period October 2017 – September 2018 is considered unreliable because the sample size was very small.

County Durham	16-24 Year Olds Unemployed - Number	16-24 Year Olds Unemployed - Rate
September 2019	5,500	16.2%
September 2018 ¹	2,900	8.7%
September 2017	5,400	16.6%
September 2016	5,800	15.4%
September 2015	6,400	18.6%

Source: Office for National Statistics - Annual Population Survey.

¹Survey sample for October 2017 – September 2018 very small which impacts on confidence level.

- 23 As highlighted in the previous report (26 June 2018), a direct correlation cannot be drawn between unemployment / NEET data and the impact of DurhamWorks because of the multiple factors that affect youth participation in the labour market, as well as issues regarding the collation of some data sets (as outlined in paragraph 19).

Conclusions

- 24 This report has outlined the significant progress that is being made to successfully deliver DurhamWorks. The latest performance data demonstrates that the Programme is on course to achieve its targets and, therefore, maximise the funding that has been allocated to County Durham. Feedback received from young people who have been supported by DurhamWorks highlights the positive impact that the Programme has had on their lives – many of whom are vulnerable and require additional help and support that DurhamWorks has been able to provide.

Background papers

- None

Other useful documents

- None

Contact: Linda Bailey

Tel: 01325 375940

Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

Not applicable

Procurement

Not applicable

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DurhamWorks

To improve your future



Linda Bailey
Strategic Lead for Progression and Learning
Durham County Council



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DurhamWorks - Youth Employment Initiative

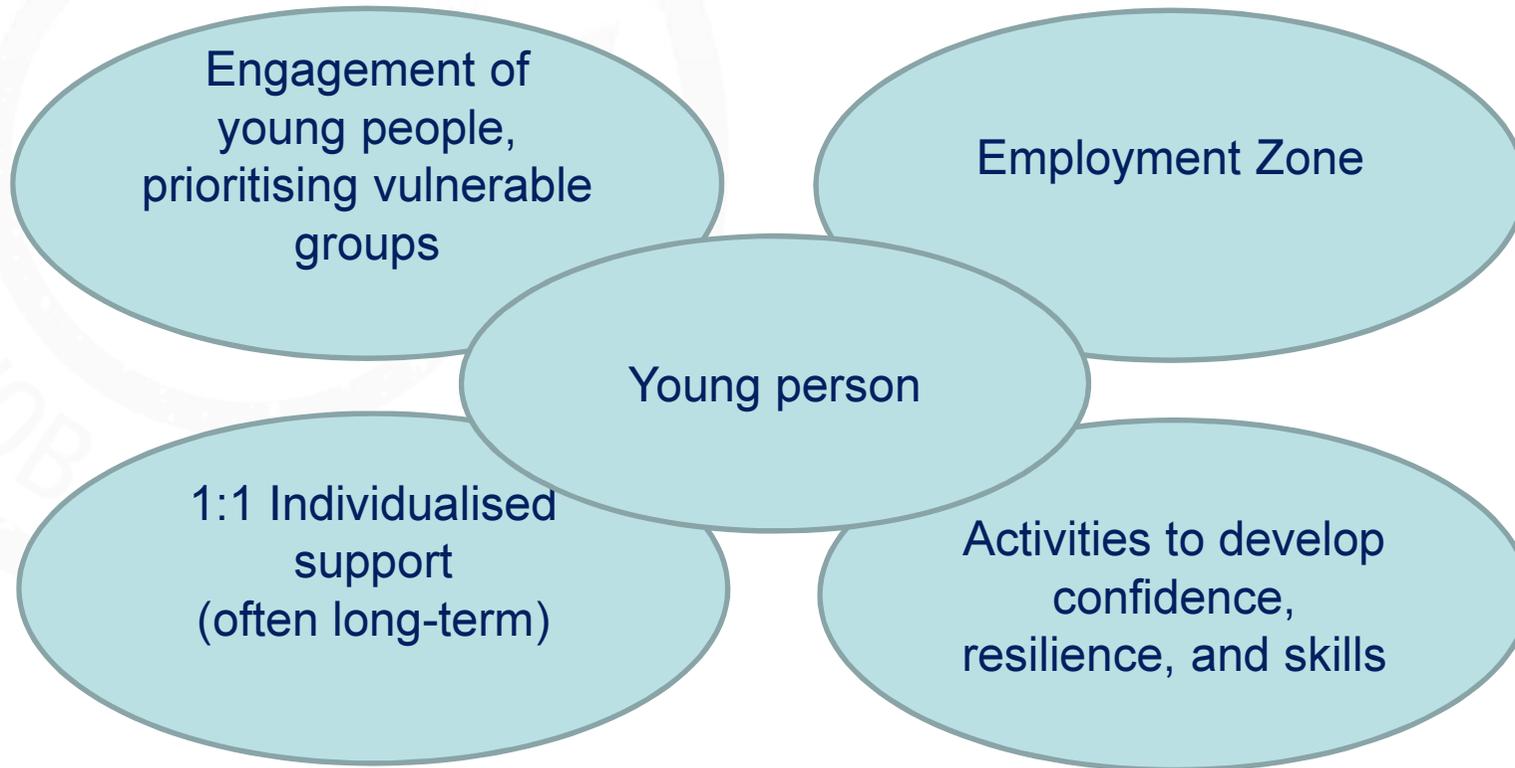
- £29.04m (£10.89m YEI + £10.89m ESF + £7.26m match funding).
- Target: 9,930 young people aged 16 to 24 who are NEET/ unemployed and resident in County Durham.
- Outcomes = 65% into employment, training, education and/or gaining a qualification.
- December 2015 - July 2021.
- Partnership between Durham County Council and a wide range of Partners.
- Delivery in local communities.



DurhamWorks
To improve your future



The DurhamWorks Model



DurhamWorks
To improve your future



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Delivery Partners



County Durham



FOUNDATION OF LIGHT

DurhamWorks
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Subcontractors

thirteen
Managing and building homes


The Cornforth Partnership
Working for our communities


GROUNDWORK
CHANGING PLACES
CHANGING LIVES

DurhamWorks
To improve your future


RAW digital talent
Discovering and developing digital talent.


first point


Optimum Skills Limited

north east autism society


F+A+N+E
TRAINING SERVICES
Food Hygiene
Health & Safety
First Aid


European Union
European Social Fund


Durham County Council

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Performance – December 2015 – January 2020

- Starts = 7,168 (72.2% of total number of 9,930)..
- Completions = 3,901 (54.4% of all participants).
- Progressions = 3,429 (87.9% as a proportion of completions).
- Of which, 2,372 (69.2%) have progressed into employment.

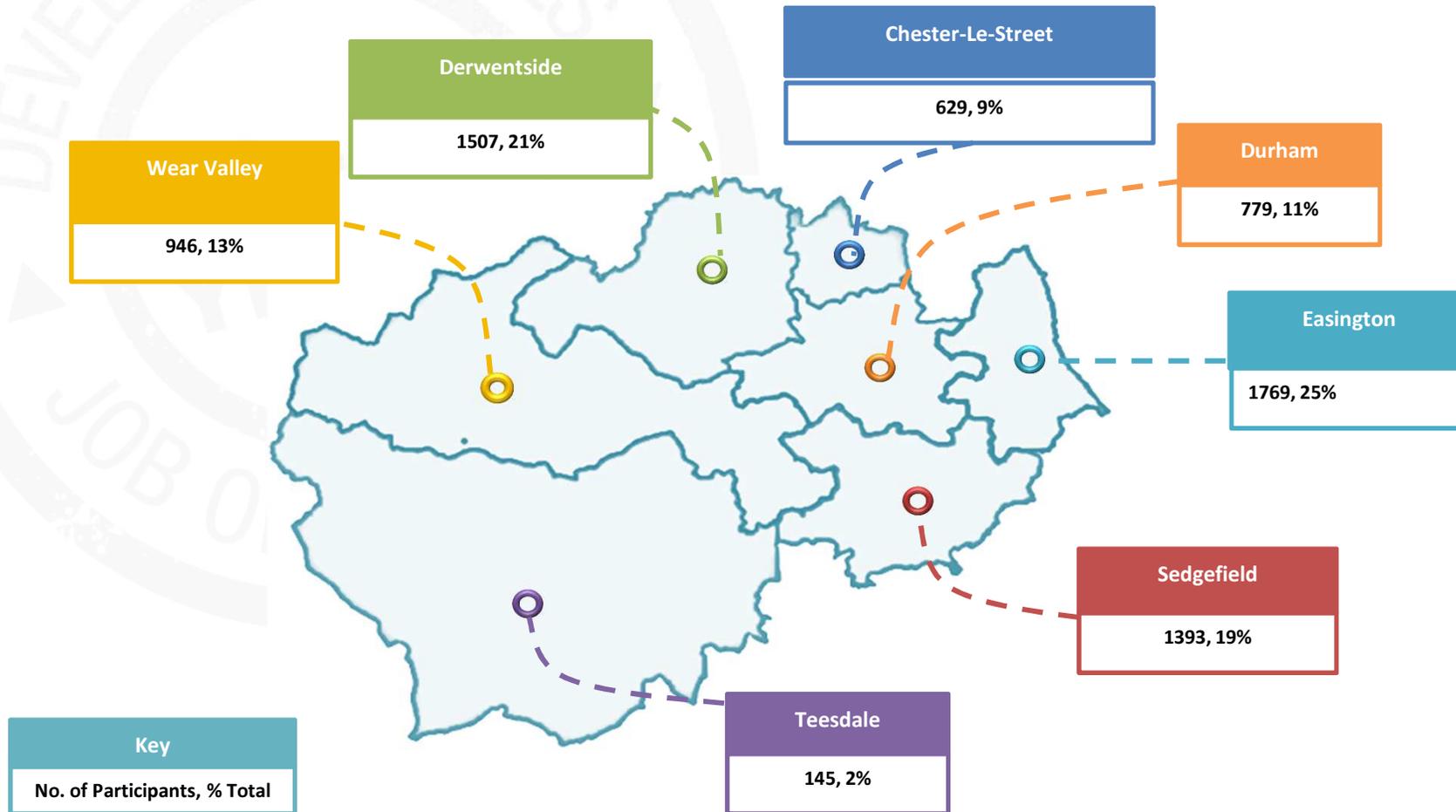


DurhamWorks
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Participants by Area



DurhamWorks
To improve your future



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DurhamWorks Grant

- Available to SMEs (businesses and not for profit organisations).
- Priority given to opportunities that support young people who are further away from the labour market .
- Current grant is worth up to **£5,000** for a twelve month period – can support up to 50% of young person's salary costs as long as employer contributes at least £1,000 towards their salary.
- 472 grants awarded.
- From May 2020, current twelve month grant will be replaced by a six month grant worth up to £2,500.

DurhamWorks
To improve your future



DurhamWorks – What's worked?

- Long term, individualised support has enabled thousands of young people to develop the confidence and skills to progress.
- Focus on 16-24 year olds.
- Increase in participation in education, employment and training, most notable for vulnerable groups, e.g. increase in participation of those with SEND (with EHCP) has risen from 67.5% in December 2017 – 77.6% in December 2019.
- Ease of access to support through a flexible and community- based approach.



DurhamWorks
To improve your future



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- Collaborative model with collective ownership of outcomes.
- Strength of partnership across County Durham supported the strategic integration of DurhamWorks with other interventions.
- Specialist provision, often delivered by small VCS providers.



DurhamWorks
To improve your future



Supported by the European Union Youth Employment Initiative

- Longevity of programme has allowed innovation and responsiveness.
- Evaluation in stages enabled adaptation throughout the programme.
- Positive social and economic return on investment - for every pound invested in DurhamWorks, £2.69 of social and economic value is created.
- Strong and sustainable brand.



DurhamWorks
To improve your future



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What young people say

“More people should sign up. It's a unique opportunity to better yourself.”
(Groundwork)

“I feel that all of the advisors and trainers have gone above and beyond to help with anything I need.”
(CACD)

“They have always been good with me.”
(Cornforth)

“Everything about the scheme was just fantastic and I couldn't be more grateful for everybody's help.”
(RAW)

“Making new friends and helped with anxiety and confidence .”
(SHAID)

DurhamWorks
To improve your future



DurhamWorks – What hasn't worked/lessons learnt?

- Employer engagement - good networks with existing business facing teams are essential.
- Need to continually refresh engagement with key partners (e.g. JCP).
- Collaboration between Delivery Partners/Sub-Contractors, who often compete, can be problematic.
- Organisational values are critical.
- Attracting those aged 20-24 is an ongoing challenge.

DurhamWorks
To improve your future



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Next steps

- DurhamWorks – Stage 2 Evaluation
 - Examine the effectiveness of support provided to participants. To what extent is the length of support a determining factor of success?
 - Consider the extent to which DurhamWorks has created employment opportunities for participants and improved the perceptions of young people by employers.
- DurhamWorks - Stage 3?

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