



Economy and Enterprise Overview and Scrutiny Committee

Date Monday 4 March 2024

Time 9.30 am

Venue Committee Room 2, County Hall, Durham

Business

Part A

**Items which are open to the Public and Press
Members of the public can ask questions with the Chair's agreement,
and if registered to speak.**

- 1 Apologies for Absence
- 2 Substitute Members
- 3 Minutes of the meeting held on 18 December 2023 and Special meeting held on 12 January 2024 (Pages 3 - 32)
- 4 Declarations of Interest, if any
- 5 Items from Co-opted Members or Interested Parties, if any
- 6 County Durham Skills Development
 - i) Report of the Corporate Director of Regeneration, Economy and Growth (Pages 33 - 44)
 - ii) Presentation by the Head of Economic Development and the Economic Development Manager (Pages 45 - 64)
- 7 Minutes from the meeting of the County Durham Economic Partnership Board held on 13 December 2023 (Pages 65 - 72)
- 8 Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Helen Bradley

Head of Legal and Democratic Services

County Hall
Durham
23 February 2024

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

Councillor B Moist (Chair)
Councillor A Surtees (Vice-Chair)

Councillors M Abley, A Batey, G Binney, R Crute, M Currah, D Freeman, P Heaviside, G Hutchinson, A Jackson, C Lines, L Maddison, R Manchester, J Miller, R Ormerod, I Roberts, K Robson, K Shaw, M Stead and A Sterling

Co-opted Members:

Mrs R Morris and Mr E Simons

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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 1A, County Hall, Durham** on **Monday 18 December 2023** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Surtees, A Batey, R Crute, D Freeman, P Heaviside, G Hutchinson, C Lines, K Shaw, M Stead and A Sterling

Co-opted Members:

Mrs R Morris and Mr E Simons

Also Present:

Councillor M Wilkes

1 Apologies for Absence

Apologies for absence were received from Councillors G Binney, M Currah and J Miller.

2 Substitute Members

There were no substitute Members.

3 Minutes

The minutes of the Special meeting on 6 October, Special Joint meeting on 3 November and meeting on 6 November 2023 were confirmed as a correct record and signed by the Chair.

The Chair referred to item 6 of the minutes of the meeting held on 6 November 2023 and advised that during the meeting it was agreed that the Corporate Director of Regeneration Economy and Growth would meet with Councillor B Moist and Councillor A Surtees to discuss information that was requested at the meeting. It was noted that a meeting date with the Corporate Director of Regeneration Economy and Growth would be requested.

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 Draft County Durham Housing Strategy

The Committee received a report of the Corporate Director of Regeneration Economy and Growth and presentation which provided an overview of the consultation on the Housing Strategy Principles and Priorities Paper and set out the content of the draft County Durham Housing Strategy (for copy of report, draft County Durham Housing Strategy and presentation slides, see file of minutes).

The Committee were provided with a detailed presentation that focused on:-

- An introduction which included detail of the consultation undertaken, the preparation of a feedback report for the consultation and confirmation that the feedback from the consultation had informed the development of the draft strategy;
- Overview and Scrutiny Workshop comments and responses;
- Housing Strategy Vision;
- Housing Strategy Principles;
- Housing Strategy Priorities;
- Next Steps which included confirmation of the consultation period and the production of a delivery plan.

Graeme Smith, Housing Development Manager provided Members with the background to the County Durham Housing Strategy and explained the two-stage consultation process confirming that the first stage of consultation had been undertaken from the 26 June to the 18 August 2023 and focused on the Principles and Priorities Paper, the first stage in the preparation of the housing strategy. This was presented as the 'Housing Conversation' with engagement taking place with residents and stakeholders to get their views. Included within this first stage of consultation was a workshop for all Overview and Scrutiny members. He continued that this stage of consultation had included: presentations to AAPs, the County Durham Association of Local Councils and the County Durham Partnership Groups; a rural housing event; various online consultation events; social media campaign and various group surveys. He confirmed that the comments made during this consultation stage had been set out in a separate feedback report which had been provided to members for this meeting and where possible have been used to inform the draft housing strategy.

He referred to the Overview and Scrutiny Workshop on the 10 July 2023 and the comments made by members and confirmed that those comments made by members had mirrored many of the comments from the wider Housing Conversation and highlighted how interesting and useful the comments had been particularly when developing the draft strategy. The Housing Development Manager then took members through several slides in the presentation detailing the comments made by members during the Overview and Scrutiny workshop and how they have been responded to within the strategy.

In relation to the Housing Strategy Vision, the Housing Development Manager confirmed that the consultation had determined that there was overwhelming support for the vision and highlighted the links within the vision to economic growth, health and wellbeing.

Concerning the Principles within the draft strategy it was highlighted that they have evolved through the consultation process and that they are still subject to consultation at this stage. The Housing Development Manager explained that the draft strategy contains seven principles that establish the foundation and rationale underpinning decisions and actions to deliver the vision.

In relation to the Priorities within the draft strategy, the Housing Development Manager commented that the purpose of the strategy is to set the context as to how the Council and partners will meet various housing challenges in the county and that the draft strategy includes five priorities for action, the key areas of intent.

In relation to next step, Graeme highlighted that consultation on the draft strategy is currently underway and that it closed on the 18 December and that following the consultation a second modified draft strategy will be produced reflecting the comments received during the consultation process from residents and stakeholders. In relation to the preparation of the delivery plan and monitoring he confirmed that the service will be including in the second draft of the strategy an element of delivery, showing how they will intend to deliver for a limited period of six months to a year. It was noted that the strategy would be adopted spring/summer 2024.

Mrs R Morris raised concerns with regards to the delivery plan and asked for clarity as to how actions within the strategy would be delivered. She commented that some of the issues identified within the strategy were more prevalent in some areas of the County and highlighted the need for the delivery plan to clearly identify performance in relation to the individual actions. The Housing Development Manager confirmed that the delivery plan would be structured around the priorities for intervention and actions would sit within the priorities identified, however there were other ongoing activities not related to the priorities that would also sit within the delivery plan. He confirmed that the strategy was a non-spatial document and provided an example of tackling empty homes across the County. However, in relation to certain priorities there would be a spatial element and made reference to second homes which was

an issue in rural parts of the County. He added that performance in relation to the actions identified in the delivery plan would be monitored and reported on an annual basis.

Councillor K Shaw referred to homes for the elderly and disabled and commented on the 10% benchmark for this type of development, which was only a starting point and highlighted that this percentage was not being delivered. The demand for housing for the elderly and disabled would continue to grow, with the current and future demand so great that the actions identified within the strategy and the delivery plan would not meet the need for this type of housing across the County. He commented that the Housing Strategy needs to identify a higher percentage figure to match the need for this type of housing.

He was concerned that registered providers were building new market cost housing, using land which had been transferred from local authority control as part of the LSVTs which had been identified to be used for the development of social housing and as a result this was reducing the number of affordable homes available within the County.

Councillor K Shaw also had concerns with the number of family homes within Durham City that were being transferred into Homes of Multiple Occupation (HMOs) for use as student accommodation which reduced the ability for local residents to access family housing. There was a need to establish future demand for student accommodation within Durham City and to monitor the impact on the mix of housing available within the City by working closely with the University, particularly identifying the potential for bespoke student accommodation developments on land in the University's ownership.

He concluded by highlighting the need to restrict and monitor the increase in charities purchasing multiple properties within a particular area for use by clients with complex needs and support requirements as this had a significant impact on the local community in relation to house prices and the ability for homeowners to sell their properties.

The Housing Development Manager responded that the 10% figure for the development of homes for the elderly was revolutionary when it was incorporated within the County Durham Plan and explained the struggle with regards to implementation with developers. It was anticipated that once mainstream developers see the demand in communities, more bungalows would be developed on sites within the County. It was noted that the 2019 strategy had been absorbed into the mindset of the wider housing delivery context. He added that registered providers were delivering bungalows through affordable homes schemes which was a positive step and were also adapting existing stock based on the future needs for 2035 through the County Durham Plan.

In relation to affordable homes, The Housing Development Manager confirmed that where it was specified that affordable homes had to be delivered, registered providers had to deliver affordable homes. In relation to the concerns regarding the use of land transferred to registered providers for social housing as part of the LSVT, being used to build new market cost housing, he would liaise with colleagues in Corporate Property and Land and query whether there were any restrictions placed on the use of the land when it was transferred.

Responding to the comment regarding HMO's, the Housing Development Manager advised that there were allocations in the County Durham Plan with new numbers being directed towards university estates with new HMO's restricted on the basis of concentrations. In relation to the issue of charities buying up properties in particular areas of the county, this was not identified as an issue when the County Durham Plan was developed, however, he confirmed that the Service Grouping would look at the strategy and the delivery plan to see what could be done to tackle the issue.

Councillor K Shaw praised the work of the team in relation to housing delivery across the County. He raised concerns that there was no longer DCC Members representation on the Boards of Registered Housing Providers operating within the County, which was a major issue in terms of accountability and highlighted that the issue needed to be addressed going forward.

The Chair made reference to the point raised by Councillor K Shaw regarding Registered Social Housing Providers building new market cost housing on land which had been transferred from local authority control as part of LSVTs, with the land intended to be used for social housing. He asked that the Vice-Chair and himself have a copy of the response provided by the Service Grouping. In relation to the lack of Members representation on Housing Providers Boards, he commented that there was a need to monitor and audit the level of service that Housing Providers were delivering.

Councillor P Heaviside queried the measures that would be taken to improve energy efficiency in new homes and existing homes within the County. The Housing Development Manager advised that Government had introduced a range of energy efficiency measures for developers in relation to new builds and the requirements were now included within building regulations. He highlighted that such measures in relation to new developments included the removal from gas usage to alternative energy sources such as Air Source Heat Pumps. He added that Registered Providers in the County were looking to decarbonise their existing stock, however incentives would need to be available to encourage both private landlords and private owners to introduce these measures.

The Chair commented that when he had received the report and draft strategy that he had raised concerns with regards to the lack of delivery within the draft strategy. He understood that that the strategy was planned to go to cabinet in June 2024 and that the delivery plan would follow six months later, therefore there would be a delay

in relation to the delivery of the priorities identified within the strategy. He was concerned that some of the priorities within the strategy would not be achieved. He added that the strategy needed to be a Council Housing Strategy and for there to be clear accountability in relation to the delivery of priorities. He referenced the need for all homes to be accessible and highlighted that homes needed to be brought back into use and timescales, enforcement and accountability needed to be identified. He referred to the delivery of 500 council homes and commented that there is a need to identify how this will be delivered and continued that in relation to the number of homes to be delivered annually. He queried if there was the required number of sites within the county. He commented on the need for empathy within the strategy and highlighted the need for appropriate processes to be in place when issues were not handled correctly. He asked that a second draft of the strategy come back to the Economy and Enterprise Overview and Scrutiny Committee together with the draft delivery plan, prior to both being considered by Cabinet in June.

The Housing Development Manager advised that the approach to the development of the strategy had been outlined in the presentation and that the strategy would be developed and agreed, with the delivery plan subsequently developed. However, following comments from Members the Service Grouping would provide an element of delivery in the second draft of the strategy. He highlighted that it would not be a full delivery plan at this stage and that the plan would need to be flexible to respond to change and commented that the delivery plan would be reviewed throughout the life of the strategy. He confirmed that the strategy was a DCC strategy and the delivery plan, once developed would identify accountability. It was intended that Registered Social Housing Providers and stakeholders would work with DCC to deliver the priorities within the strategy. He referred to principle five and accountability for bringing empty homes back into use and advised that he would look at the wording to make it stronger and add output detail. With reference to the number of homes to be delivered within the county, he confirmed that the County Durham Plan had identified 25,000 homes to be delivered up to 2035 and confirmed that land was allocated within the County Durham Plan for the development of homes with no barriers to those sites. He added that he would liaise with Overview and Scrutiny Officers with regards to the timeline for the second draft of the strategy to be brought back to the Committee for consideration.

Councillor A Surtees was aware of areas of land held by DCC and highlighted the need for DCC to review land that they hold that could be released for development if there was local demand for housing in a particular area and encouraged partnership working and development collaboration to address local community's needs. She continued by highlighting the need for the Council New Homes Building Programme to include the delivery of bungalows.

Councillor C Lines welcomed the opportunity to see the second draft of the strategy which would include an element of delivery and appreciated that the strategy had to be developed first. He added that he would like to see the strategy and the resulting

delivery plan highlight digital connectivity as a requirement and target hard to reach and rural areas within the County as this was a fundamental issue which needs to be tackled. The Housing Development Manager confirmed that he would look to broaden the technology aspect to include digital connectivity in rural areas and energy efficiency within the strategy.

Councillor R Crute suggested that an additional recommendation needed to be included to ensure that the revised draft County Durham Housing Strategy including the delivery plan will be considered by Members of the Economy and Enterprise Overview and Scrutiny Committee prior to being considered by Cabinet in June 2024.

Resolved:

- (i) That the content of the report and presentation be noted;
- (ii) That the revised draft County Durham Housing Strategy and Delivery Plan be considered by the Economy and Enterprise Overview and Scrutiny Committee prior to being considered by Cabinet in June 2024.

7 Homelessness and Rough Sleeping Strategy 2024 - 2029

The Committee received a report of the Corporate Director of Regeneration Economy and Growth and presentation which provided an update on the draft Homelessness and Rough Sleeping Strategy 2024-2029 (for copy of report and presentation slides, see file of minutes).

Marie Smith, Housing Manager provided Members with a detailed presentation that focused on the background to the draft strategy; key points in relation to the draft strategy including how it differs from the existing strategy; detail of the four priorities within the strategy; detail of the consultation process; next steps including confirmation that a delivery plan would be produced and case studies showing various pathways for residents presenting to the service.

The Housing Manager confirmed that it is a statutory requirement for the authority to have a strategy in place and that an in-depth review had been carried out from April 2019-October 2022 of homelessness and rough sleeping across County Durham to form an evidence base which had been used to inform the draft strategy. She continued by informing members that a consultation had taken place with partners and members of the public earlier in the year on the proposed priorities for inclusion in the strategy.

She continued by highlighting that the strategy differs from the existing strategy as it has been informed by a more detailed evidence base than previously covering ten cohorts, looking at the issues for each cohort and identifying any gaps in the service offer. It was confirmed that around 7,500 people contact the housing service each

year claiming homelessness, it is then determined as to whether the authority owe them a duty. It was confirmed that more people are contacting the service sooner and therefore the service is strengthening its intervention support and that of the initial 7,500 contacting the service 2,500 are accepted as being homeless in line with the requirements of the legislation. The main reasons for homeless within the county are, end of private rented tenancy, domestic abuse and parent/friend no longer willing to provide accommodation.

The Housing Manager continued by highlighting that the Service has seen a large increase in the number of people requiring early advice to prevent a crisis situation, and that there has also been an increase in the number of people with complex needs accessing the service. In addition, access to some tenures can be more difficult for certain cohorts and there are pressures on temporary accommodation currently available.

In relation to the priorities of the draft strategy, the Housing Manager confirmed that conversations are ongoing to provide an explanation of what will be achieved in the first twelve months and that the service will come back to a future committee and confirm how they have performed in relation to the actions identified in the delivery plan.

In relation to next steps, the Housing Manager confirmed that the seven-week consultation period runs to the 18 December 2023, the second draft of the strategy will go to Cabinet in June, that a homelessness Forum will be established that will be led by Durham County Council and will focus on performance in relation to the delivery plan and it was confirmed that a delivery plan will be developed.

Councillor A Batey commented that the current approach to providing support was very much digital based with a lack of face-to-face contact and there was concern about clients having access to the necessary technology to enable them to access the required support. She continued by suggesting that there was a need to identify more opportunities for support to be provided via face-to-face contact with clients, particularly in view of the recent review of Durham County Council's Customer Access Point provision. Marie Smith, Housing Manager advised that work was taking place to make it as easy as possible to access current support via the Durham County Council website and contact on a face-to-face basis was available at various centres throughout the County.

Christopher Hepworth, Housing Manager added that work was ongoing exploring available office accommodation and whether staff were currently based at the appropriate locations. He continued that there were currently two dedicated Visiting Officers with more preventative face-to-face work being undertaken and that the team were heavily reliant on partners to refer clients to the support provision available.

Councillor A Batey felt there was a need to ensure that young people were aware of the support available both from a perspective that they may need to access the support but also so they could promote what support was available within their local communities. She suggested that information on available support be provided in schools and colleges throughout the County and that colleagues within the Housing Solutions Service may want to visit both schools and colleges to provide details of available support. Marie Smith, Housing Manager advised that in relation to preventative work undertaken, the team worked with Children Services and Schools, to promote the type of support currently available and confirmed that working with schools would be included within the resulting delivery plan.

Councillor C Lines commented on the significant increase in people contacting the service with complex needs and queried what additional pressure this placed on the service. Marie Smith, Housing Manager advised that there had been an increase of 13% in relation to people presenting with complex needs and confirmed that Officers had a list specifying what constituted complex needs. She added that the service work closely with partners such as Public Health when it is identified that those needs include domestic abuse, drug and alcohol dependency and noted that often individuals would present to the service six to seven times and the service would work with them each time to get the support that they require.

Councillor A Surtees referred to points raised by Councillor Batey and Councillor Lines and commented that reasons causing homelessness needed to be monitored and recorded as there was a cohort of people who were affected by the 'Cost of Living Crisis' that would require support. She added that the increase in the mortgage rate and general rise in living costs would create more homelessness in the future. She highlighted the need to continually promote the support available and suggested that information in relation to available support should be available generically in community venues throughout the County.

The Chair was concerned that people without electricity/broadband would not have access to the support network that was available online and highlighted that many people were vulnerable and required face-to-face contact and empathy which could not be provided via e-mail. He suggested that hubs to provide the necessary support be explored. In addition, he felt the strategy needed to be flexible to be able to respond to change and highlighted the need for a delivery plan to be developed to identify how the actions within the strategy would be delivered. The Chair then asked to meet Officers outside the meeting with regards to provision/schemes within the Chester-le-Street area.

Councillor K Shaw commented that the service had been one of the six best performing authorities in relation to responding to homelessness and had won the Local Authority of the Year awards in 2021, however the authority were now in the position of underperforming and were below regional and national performance figures and queried the reasons behind the change. Marie Smith, Housing Manager advised that the service dealt with high and complex caseloads which were

resource intensive, and Officers were working hard towards turning current performance around. She added that the changes with regards to how performance statistics were recorded was also a factor.

Christopher Hepworth, Housing Manager explained that the way data was recorded had changed since the Homeless Reduction Act and various welfare reform changes. Previously Durham County Council had recorded Discretionary Housing Payments which were classed as preventions. The service no longer administer these payments and therefore they no longer feature in the performance information. He added that the team had a quick turnover of staff with a large percentage of Housing Officers working with the team less than 12 months. It was noted that the team were in a better place, staff vacancies had now been filled, with the team having two visiting officers and new software had been installed to reduce the administrative burden, therefore performance would improve.

Councillor P Heaviside commented that a percentage of people presenting as homeless were ex-offenders and he understood that ex-offenders were unable to seek accommodation via Registered Social Housing Providers for ten years and, therefore had to seek accommodation via the private sector. He asked whether it would be possible to work with Social Housing Providers in the County to look at each case on an individual basis. Marie Smith, Housing Manager advised that two initiatives had been funded by Government to provide accommodation to ex-offenders which had proven to be very successful. Officers were having discussions with Social Housing Providers in the County and noted that one of the Housing Providers was very keen to pilot a scheme to provide accommodation to ex-offenders.

Resolved:

- (i) That feedback in relation to the draft strategy be shared with the Service Grouping to further revise the draft strategy and to develop a delivery plan for inclusion within the strategy;
- (ii) That the revised draft Homelessness and Rough Sleeping Strategy 2024-2029 including the delivery plan be considered by the Economy and Enterprise Overview and Scrutiny Committee prior to being considered by Cabinet in June 2024.

8 Supported Housing Improvement Programme / Non-Commissioned Supported Accommodation

The Committee received a report of the Corporate Director of Regeneration Economy and Growth and presentation which provided an update on the Supported Housing Improvement Programme (SHIP) working with non-commissioned supported housing providers across County Durham (for copy of report and presentation slides, see file of minutes).

Callum Aitchison, Supported Housing Project Co-ordinator provided Members with a detailed presentation that focused on providing background to the programme including why the programme was established with detail of the response to the challenges linked to the non-commissioned supported housing sector; context for County Durham, SHIP Funding, Objectives and Outputs of the scheme including detail of reviews and inspections undertaken with initial findings; and the strategic approach to supported accommodation being used across the county.

The Supported Housing Project Co-ordinator explained that there is no regulator of non-commissioned supported accommodation which means that providers can set up without the approval of the Local Authority with providers often setting up for commercial gain, often buying cheap properties in deprived locations with the issue highlighted in a BBC Panorama documentary in August 2021. He highlighted that supported housing accommodates the most vulnerable people, that are eligible for the higher rate of housing benefit and that nationally and regionally there have been increased reports of poor-quality accommodation.

He continued that the supported Housing (Regulatory Oversight) Act 2023 had been introduced to respond to the challenges linked to the non-commissioned supported housing sector and confirmed that this act had come into force in August 2023 and confirmed that further consultation will take place early in 2024, including in relation to draft regulations developed by the Department for Levelling Up, Housing and Communities and the Department for Work and Pensions. In relation to supported housing providers in County Durham, the Supported Housing Project Co-ordinator confirmed that we have 19 providers with 522 units providing transitional/short term supported accommodation for approximately 650 people. He confirmed that this is a growing sector in the county with the clients often having multiple needs. In relation to providers in the county, a lot of the properties tend to be located in the east and centre of the county.

In relation to the funding of the SHIP, the Supported Housing Project Co-ordinator confirmed that Government had made available a £20m funding pot to help tackle poor quality supported housing and improve the support and accommodation available, with Durham awarded £578,795 to implement the SHIP in March 2025. This funding had allowed the recruitment of staff to form a multi-disciplinary team of six staff to carryout property checks and to speak to tenants to determine the support being delivered. He confirmed that the team works closely with colleagues from Adult and Social Care.

In relation to the SHIP objectives it was highlighted that the programme would ensure the correct level of care and refer to the appropriate support agencies, provide value for money and ensure that providers are not submitting higher claims, support the upskilling of the providers workforce and work in collaboration to produce a Supported Accommodation Charter which providers would have to sign up to ensure that they meet the minimum standards required.

The Supported Housing Project Manager continued that the SHIP Delivery Plan included initial meetings with the 19 providers in the county, property inspections, reviews with tenants to ensure that they are getting the necessary support and care, feedback report with recommendations to the provider together with an action plan to tackle any issues identified, re-inspections and spot checks, an escalation process to be undertaken with partners with the last resort reducing or withdrawing the payment of housing benefit.

With reference to SHIP outputs, it was confirmed that in relation to reviews completed the current figure was 115 with 71 property inspections undertaken. In relation to current initial findings, they included a lack of tailored support, bed blocking with high numbers staying for four years plus, low staffing numbers with sometimes one and a half staff members to cover 30 properties, a lack of skilled support staff which results in staff not knowing how to make referrals and how to access partner agencies.

The Chair left the meeting, **Councillor A Surtees in the Chair**

Councillor A Batey was reassured to see established links with emergency services and asked how embedded the linkages were in the process and used the example of the fire service registering vulnerable households while undertaking home fire safety checks. She asked for clarification as to who would do referrals. The Project Co-ordinator advised that Housing Provider linkages with emergency services were already established, and they worked closely with the Fire Safety Community Manager. He confirmed that landlords take referrals directly from tenants as they would be aware of tenants needs and confirmed that support sessions were provided.

Councillor A Surtees commented that the programme was much needed and was not surprised by the findings. She highlighted low staffing numbers in some cases with one and a half staff to cover 30 properties which was not acceptable, however she was encouraged by the approach being adopted. She noted that the report and presentation had not touched upon the community disruption often caused by providers not delivering the support required by their tenants. She then highlighted that charities could claim funding to operate supported housing schemes, however Registered Providers do not currently have access to this funding. Councillor A Surtees concluded by suggesting that an update report come back to the Economy and Enterprise Overview and Scrutiny Committee to allow Members to review the progress of the programme and its findings. The Project Co-ordinator advised that Registered Providers could set up a charitable arm which would then allow them to access this funding and that this was currently being looked at by some providers.

Resolved:

- (i) That the contents of the report and presentation be noted;
- (ii) That a further update report is considered by the Economy and Enterprise Overview and Scrutiny Committee as part of the 2024/25 work programme.

9 Quarter Two Revenue and Capital Outturn 2023/24

The Committee received a joint report of the Corporate Director of Resources and Corporate Director of Regeneration Economy and Growth which provided details of the forecast outturn position for quarter 2 revenue and capital for Regeneration, Economy and Growth (REG) as at 30 September 2023 (for copy of report, see file of minutes).

Councillor D Freeman referred to the £1.793 million Leisure Centre income shortfall covered corporately from central contingencies and queried why this was not included in the budget. The Finance Manager explained that £1 million shortfall was related to post Covid reduced footfall which was planned to be addressed in the Medium Term Financial Plan next year. He added that £793,000 was in relation to the Leisure Transformation Programme as centres were being developed there were periods of closures and loss of income, therefore this would be picked up corporately so it would not impact on the service.

Resolved:

That the contents of the report be noted.

10 Quarter Two 2023/24 Performance Management Report

The Committee received a report of the Chief Executive Officer which provided an overview of progress towards delivery of the key priorities within the Council Plan 2023-27 in line with the council's corporate performance framework (for copy of report, see file of minutes).

Gemma Wilkinson, Strategy Team Leader presented the report and provided a summary of the main messages regarding performance for the Service Grouping, noting progress to date and areas that were being addressed.

Councillor R Crute referred to households prevented from homelessness and helped to stay in their home in the Housing Vulnerable People KPI data tables on page 277, and queried how the data was being recorded as the overall assessment and direction of travel indicator showed positive, however the figures were below the national and regional and were below the previous 12 month figures and suggested that they should be shown as red in the Rag rating. The Strategy Team Leader advised that she would take a closer look at the indicators and feedback to Councillor Crute.

Mrs R Morris commented that she understood that running a bus company was a business and if the service was not being used it would be removed, however she was concerned that services were lifelines for many elderly people in remote areas and queried if the Service Grouping was addressing this and what actions were

being taken to maintain bus services in rural communities. The Strategy Team Leader advised that she would take this question back to the service for a response.

Councillor C Lines referred to the multi-modal day ticket and queried when the uptake data would be available. He noted that the lack of bus services to connect to other modes of transport was an issue for the County. Councillor A Batey added that there would be a data lag due to the bus strikes and that it would probably be some time before realistic data could be captured with potentially a true analysis not being available until late spring. The Strategy Team Leader confirmed that the scheme is a regional scheme and advised that she would forward to members any available data.

Responding to a query from Councillor M Stead regarding the Selective Licensing Scheme, the Strategy Team Leader confirmed that 37% of private sector properties were now fully licenced, however 63% of properties covered by the scheme were not registered.

Resolved:

That the overall position and direction of travel in relation to quarter two performance, and the actions being taken to address areas of challenge be noted.

11 Minutes from the County Durham Economic Partnership Board

The Minutes of the County Durham Economic Partnership Board held on 26 October 2023 were noted for information.

12 Any Other Business

The Chair reminded Members that arrangements had been made for a Special meeting of the Economy and Enterprise Overview and Scrutiny Committee to be held on the 12 January to consider Masterplans and the Council New Homes Building Programme.

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Special meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Friday 12 January 2024** at **9.30 am**

Present:

Councillor B Moist (Chair)

Members of the Committee:

Councillors A Batey, G Binney, R Crute, M Currah, D Freeman, P Heaviside, G Hutchinson, C Lines, K Shaw, M Stead and A Sterling

Co-opted Members:

Mrs R Morris and Mr E Simons

1 Apologies for Absence

Apologies for absence were received from Councillors A Surtees, J Miller, R Ormerod, I Roberts and K Robson.

2 Substitute Members

There were no substitutes.

3 Declarations of Interest

There were no declarations of interest.

4 Items from Co-opted Members or Interested Parties

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

5 Masterplan Activity in County Durham

The Committee received a report of the Corporate Director of Regeneration, Economy and Growth that outlined the process for managing change to the physical fabric of settlements through masterplan activity. It set out what masterplan activity relating to the settlements and town centres had taken place in the County to date; provided an update on the delivery of schemes identified within the approved local masterplans for those areas and highlighted proposed opportunities to review and replace masterplans with Strategic Place Plans, in line with the principles and priorities of the Inclusive Economic Strategy (for copy see file of Minutes).

A Kerr, Head of Economic Development introduced the report that set out how the Council had delivered masterplans with great success over the years, having a clear vision that had secured government funding. Masterplans had been a key tool in leveraging funding however there was a new approach being developed that linked into the Inclusive Economic Strategy that focused on the local community being at the heart of the vision for their local communities. He continued that DCC would work with local people, businesses and stakeholders to establish visions for each place, with a rolling programme to guide future and existing investment through Strategic Place Plans. A range of new tools would be developed through innovative engagement methods. These new plans would formulate the economic role of each town and would be developed in line with IES principles.

G Wood, Economic Development Manager commented that the masterplans had empowered the Council to gain government funding since 2009 for active regeneration efforts across the County. Spatial planning had a huge input into the masterplans that were used to draw down external funding from Government such as funding that had been invested in Bishop Auckland and through the Levelling Up Fund with additional specific masterplans for housing and strategic sites across the county. The Town and Villages programme had broadened the spectrum for masterplans in the county and a programme of Targeted Delivery Plans had been completed across the county, providing mini masterplans for key residential settlements as part of the Towns and Villages programme. He noted that the report dictated what was in the masterplans, how they were put together and who were involved in their development. Masterplans had been developed across departments and had gone through a consultation process. The level of response to the consultation exercises varied dependent on the town with delivery plans giving the direction of travel at a community level.

He continued that the IES provided a new framework for improving economic performance in the county and acknowledged the importance of building vibrant and diverse towns and villages with the resulting delivery plan for the strategy considering the role that masterplans could play in driving delivery in our towns and villages. Central to the new approach to building successful places would be empowering local communities to be at the heart of shaping the future of their Towns and Villages.

The Economic Development Manager further explained that there would be an open brief to work through a draft vision that would go out to consultation to conclude in developing a delivery plan to take things forward as there was a requirement to broaden the community buy in with the design process. Reference was made to the commitment in the IES Delivery Plan to create a new vision and delivery framework for Durham City. There were also opportunities for lottery funding. Government funding had recently been allocated to Spennymoor, Shildon and Newton Aycliffe with a requirement to have a renewed masterplan. This had resulted in the above areas being identified for a pilot programme to test the Strategic Place Plan approach which if successful would then start to be rolled out across the County. He noted that it would take approximately 18 months to refresh the suite of master plans to cover the remainder of the County.

G Smith Housing Development Manager mentioned that the Targeted Delivery Plans (TDP) directed activities in specific areas. TDP areas were identified based on a cumulative ranking of a range of issues including deprivation, income and inequality and anti-social behaviour in an area. There were 7 TDP's in place at present that included New Kyo, Thicklely, Blackhall Colliery South, Stanley Hall West, Coundon Grange Deneside East and Wheatly Hill.

The Economic Development Manager added that town centre work had looked at other themes based on the last suite of spatial master plans that moved the town centre boundaries to focus on outlying villages and how to move forward.

Mrs R Morris commented that she was confused over the number of different masterplans and spatial plans there were. She felt that there should be clarity established quickly on what was proposed in the new approach of Strategic Place Plans and she was concerned that members had not been involved in the development or seen the format for the new Strategic Place Plans. She perceived that towns with surrounding rural villages within County Durham also required plans and highlighted the importance of the new approach considering the impact of various development projects on villages surrounding the major town centres. She continued by commenting that some big local community issues did not feature such as transport and it was crucial that it did feature. She referred to paragraph 33 in the report that highlighted vast amounts of money and queried how this fit in going forward. She thought that most local people wanted more jobs and employment in their local area which she could not see any mention of in the plans. She queried if the Committee could have a draft of the new Strategic Place Plans.

The Head of Economic Development responded that historically master plans were based on spatial plans that looked at different areas that were coloured coded on a map across the Council to illustrate need. The new application would include historic data but move away from the spatial aspect and move more towards the strategic side to work with communities on what they wanted. The new approach was a co-design model that would allow the plans to be defined by local people with

that vision being used to develop the spatial, investment and delivery plans for that particular area. In relation to the format for this new approach he confirmed that the Strategic Place Plans currently being developed were pilots and he highlighted that not 'one size would fit all' in relation to the development of future plans however what was provided by the new approach was a framework. The framework would define the future vision for the local area and if transport was identified as a priority for that area then plans would be tailored accordingly. Concerning the funding, this was funding which had been allocated to the identified areas with the requirement that a new masterplan was produced, this was why these areas had been identified to pilot the new approach.

Mrs R Morris agreed that the plans should focus on the Inclusive Economic Strategy but was concerned that when engaging with local communities the priorities/key components within the IES would be used as cornerstones for this engagement process. This would provide local communities with an opportunity for the priorities within the IES to be considered for inclusion within their resulting Strategic Place Plans.

The Economic Development Manager replied that they would look to do so and use the Inclusive Economic Strategy as a touch stone on how to take it forward. There would be an open brief with a period of direct engagement with local people to see what they wanted and how to develop that going forward. He highlighted that there would be a need for officers together with local communities to determine how identified local priorities interpret with the priorities within the IES and then report through to DCC.

Councillor K Shaw was concerned that these plans had been originally developed in 2020 that looked at different areas in the county putting plans together for council housing but to date it seemed no progress had been made in any area.

The Housing Development Manager responded that the TDPs were distinct from the Council House Delivery Programme. He continued that TDPs had been completed in a number of areas in the county and that they were developed as part of the Town and Villages Programme. He continued that these plans focused on residential settlements and used the example of Wheatley Hill where the focus had been anti-social behaviour. He continued that there was a list of activities identified in relation to TDPs that he could share with members.

Councillor K Shaw assumed TDP's looked at areas where there was the greatest need and asked how many TDP's there were.

In response the Housing Development Manager confirmed that there were 7 TDP's that looked at the unmet housing need in the area to bring forward. However, some of the settlements that had TDPs did not have areas for housing development.

Councillor A Batey commented that she was confused at the different elements referred to in the report concerning the new approach and had concerns that it would be difficult to relay to the community and wider public. She was curious as to why Chester le Street had been referred to in relation to investigating town centres as work had already been carried out within a focused steering group that looked at the retail offer of the town centre 6 years ago. She was unsure of timelines as to when work on different areas was refreshed and highlighted the need for the local area to be looked at as a whole including links to transport to town centres from rural villages. She then continued that Pelton and Great Lumley were referenced within the Town and Villages programme and that whilst work in Great Lumley had progressed in relation to shop fronts, Pelton had not. She continued that areas which had featured within the T&V Programme no longer seemed to feature and asked whether the programme had changed in relation to areas of focus and queried if there was a pecking order. She highlighted that there were several vacant units within Chester-le-Street and although she was not the local member for Chester le Street the town had been hit hard with banks reallocating from the town centre and there being many vacant units. She questioned as to how this seepage from the main towns could be prevented and wondered how we could support our villages when businesses were leaving our town centres.

The Head of Economic Development stated that existing masterplans would be refreshed but now the service would be addressing the Strategic Place Plans that would require a process to work through to outline needs. He highlighted that we had an approach going forward within the IES and that we were looking to develop pilot programmes for Spennymoor and Shildon/Newton Aycliffe, they were top priority as they had received £30million government funding that required a renewed masterplan as part of the funding criteria. It was unclear when or what would be included in the next phase.

The Economic Development Manager added that Masterplans were not the answer to all issues and made reference to the strategic sites being developed throughout the county and the Town and Villages programme which again had been rolled out across the county. He continued that Masterplans looked at town centres and villages as part of the employment strategy to establish how things could be delivered to capture the needs of an area, they were one tool used by DCC. Masterplans worked well to engage with the community and were dependent upon funding whether internal or external via government to resource the programme. Rural England also provided funding to help look at rural areas. He concluded by confirming that the current process was vast, complicated and that it was part of a sequence.

Councillor A Batey thought that a meeting with Officers and Chester le Street Councillors would be beneficial to discuss where we were at and how we were progressing in relation to the various programmes and schemes together with detail of the various priorities within the Chester-le-Street area.

The Head of Economic Development asked Councillor A Batey if it was in terms of the sequencing and how the work delivered, progressing and planned is linked together.

Councillor A Batey responded that she was unclear as to why, the priority was as it was and the process being followed.

Councillor C Lines acknowledged that there would be difficulties and inconsistencies with local engagement and suggested that the neighbourhood plan approach could be helpful with this element. He informed the committee that the neighbourhood plan had been followed for Sedgefield with the plan being owned by the local community and led by the Town Council, local businesses and local groups. This created a huge buy in as there was a passion to deliver policies within the framework with guidance provided by Durham County Council throughout the whole process ensuring alignment with the local plan.

The Head of Economic Development confirmed that there was synergy with the local neighbourhood plan model and the new approach of Strategic Place Plans. The actual approach required co-design with diverse open engagement.

Councillor C Line suggested the approach could use the neighbourhood plan model as it included the principle of local collaboration, that was open, transparent, builds relationships and develop trust to allow the project to work well.

The Head of Economic Development agreed that it was that type of model they wanted to create that did not follow a top-down approach.

Councillor B Moist commented that he was delighted that there was to be a refocus on masterplans to move away from the spatial element. He did understand that there was a requirement for a spatial element to secure grant funding. He continued that he anticipated that the move to local targeted outcomes to regeneration and commented that Chester-le-Street was a hub for several villages and that there was a need to link issues such as transport and other common themes that apply. He was concerned that there was a total of £113 million allocated to regeneration programmes in the county with £73 million of the total funding being allocated to Bishop Auckland, a concentration of so much in one particular area with only £60m for the remaining areas of the county across the five year period, although he was delighted that Bishop Auckland had received national recognition. He continued that he wondered how priority areas were chosen and that the focus should be on areas with the most need.

He felt that Members would like a better understanding of where their area ranked. He continued that the new Strategic Place Plans approach was a 'step in the right direction' and that he would not want to see a talking shop going forward and highlighted the need for the focus to be on delivery. He thought there was a requirement so see how delivery could be achieved.

He was satisfied that the focus would be from the ground up but felt that members should have more input as they had an abundance of local knowledge and commented that member involvement was essential when developing the Place Plans. He wanted regeneration in County Durham to be area focused, appropriately costed with accountability and the resources to allocate targets with agreed time scales. He noted that the current status of Masterplans projects was 'progressing' with very few complete which he could not understand. He mentioned that although the £1.6million project to refurbish the culvert at Chester le Street had been completed it had been an Environment Agency led project rather than a Durham County Council project. Work had also been undertaken to remodel the marketplace in Chester le Street but had then been left where more could have been done.

Councillor K Shaw agreed with the points made by previous members, they were all valid. He was disappointed that very little progress had been made in relation to the Town and Villages Programme which had been put together in 2021. He continued that originally meetings had been held with all members for them to develop a 'shopping list' when it came to regeneration projects in their division. The schemes had then been costed with money set aside to deliver the schemes identified. However, these projects had not been delivered and were having to be re-costed because of the delay in delivery. He could not believe that the plans and budgets for the project put forward in 2020 had not been delivered.

Councillor B Moist stressed that the role of scrutiny was to scrutinise activities of the Council in delivering public services. He questioned why these activities had not been delivered. He suggested that this needed to be addressed with Executive Members and that there was a need to start asking questions of the relevant Cabinet members.

Councillor K Shaw thought that it was down to the change in administration as to why projects were not delivered.

Councillor M Stead commented that he thought there had been delivery and that there was a need to take a wider view across the county. He continued that he had found the including of a RAG reading in previous reports showing progress and delivery very helpful. He suggested that a wider view was required if external funding was awarded and that if there was external funding available for a specific area then it made sense to progress in that area and that area took priority to access the available funding. He noted that Town Centres could not be addressed in isolation and required partnership working and not to rely on the private sector for financial aid as was the case in Bishop Auckland. He continued that it was wrong to push one particular area during meetings and queried why Councillor B Moist continued to make reference to his ward of Chester le Street at every meeting he attended. He continued that Chester-le-Street had a World Class Cricket Club, that could not be said of any other town in the county and continued that Newton Aycliffe

his local community had a Golf Club however this was paid for by local residents via the Council Tax.

Councillor B Moist commented that he was sorry if the member felt that Chester-le-Street was mentioned too many times however he was aware of the issues and concerns in relation to Chester-le-Street and that he would gladly speak to Councillor M Stead outside of the meeting. He confirmed that the focus of the committee was on the economy of County Durham. He acknowledged that he mentioned his ward as an example of how proposals could relate and that he was concerned for every resident and had no favouritism.

Councillor R Crute felt that Members had a valid point in raising their own areas when discussing masterplans as this local input was vital.

Councillor M Currah commented that any future criteria for Strategic Place Plans needed to be transparent with a pecking order. He continued that the funding allocated to Shildon/Newton Aycliffe and Spennymoor was unexpected however going forward there was a need for a transparent criteria that would be applied across the county.

The Head of Economic Development noted that it was important to work through government funding as a priority when allocated but it was disheartening to be told where to spend the money as it should be down to the Local Authority to define the transformation for the community.

Mrs R Morris commented that she would be interested to see how the planet theme within the Inclusive Economic Strategy would play into discussions with local communities and gave the examples of food production, retrofitting and energy production. She continued that DCC had a role to raise the priorities within the IES with local communities, identifying areas for inclusion in their Strategic Place Plans that they may not have previously thought about.

The Head of Economic Development noted that the approach was for the local community to take the lead and responsibility for the macro effects on everything and not just at a local level but also on a national level. These would be different in each area and would need to be worked through but if they were local priorities they would be addressed and responded to.

He continued that clear and achievable outcomes should be identified as some could present challenges that were unattainable. He gave an example of local communities wanting banks to be brought back to the high street which would not be achievable.

Councillor B Moist thanked Officers for the report and commented that it was a step forward. He recognised that there was no magic wand and a pot of money

available for regeneration in divisions and therefore the Council should take advantage of any money that it could get.

Resolved

- i) That the previous programme of masterplan development and associated scheme delivery undertaken across County Durham be noted.
- ii) That the proposals to refresh the approach to the development of masterplans through a new programme of Strategic Place Plans in line with the principles and priorities of the Inclusive Economic Strategy be agreed.
- iii) That the Chair of the Economy and Enterprise Overview and Scrutiny Committee write to the relevant Cabinet Portfolio Holder expressing the various concerns raised by members in relation to the report and request that a response is provided to those concerns.

6 Council House Delivery Programme: Update

The Committee received a report of the Corporate Director of Regeneration, Economy and Growth that provided an update on the Council House Delivery Programme that set out the context to the programme outlining the objectives of the programme along with the delivery approach, current stage of the programme and next steps (for copy see file of Minutes).

G Smith, Housing Development Manager gave a detailed presentation on the Council House Delivery Programme that provided the background, the objectives, the approach to the delivery of the programme, the sites that had been identified, the key challenges faced by the programme and the next steps.

In relation to the background the Housing Development Manager highlighted that in 2020 the Council had agreed to begin a council House delivery programme to deliver up to 500 homes by 2026 with phase 1 and phase 2 sites agreed by Cabinet in 2021. However, the progress of the programme had been impacted by macro-economic factors including the Covid 19 pandemic, the war in the Ukraine and the global energy crisis, impacting on both the construction industry costs and the Council's budgetary position. In July 2023, Cabinet approved an updated business case for the programme which responded to the three macro-economic factors above and included a revised financial model.

The Housing Development Manager confirmed that the objectives of the programme were to deliver affordable housing, homes for older people and to reduce the cost of the provision of temporary accommodation in the county. In relation to providing affordable homes it was highlighted that the programme provided an additional source of supply to meet the shortfall in affordable housing provision which was around 40% each year. County Durham had seen a demographic shift with the

number of older people increasing with a projected increase of 65.6% between 2016- 2035 of those aged 75 and over.

In relation to temporary accommodation members were informed that the Council's cost of providing temporary accommodation had increased from £10,343 in 2016/17 to £806,179 in 2022/23 and that this was the result of several factors including new responsibilities placed upon the Council through the Homelessness Reduction Act.

In relation to the approach to delivery to overcome challenges within the programme, the Housing Development Manager confirmed that this included an updated financial model based on revised assumptions, delivering bungalow accommodation alongside a range of house types to meet identified needs although bungalows remained the core intention and a move towards a design and build' approach to development.

It was confirmed that the report considered by Cabinet in July 2023 identified three sites with other phase 1 and 2 sites to be progressed subject to viability considerations. In relation to rural delivery, three distinct model delivery approaches had been identified which included identifying suitable land to purchase or to swap, making use of existing buildings or the purchase of s106 units where there was no interest from Registered Providers.

In addition, it was intended that alongside development a programme of acquisition would be undertaken to acquire homes to help meet our housing needs. It was highlighted that key challenges to the programme included the viability of the development, the viability of some of the sites allocated in terms of the topography and scale of the sites. The Housing Development Manager confirmed that the procurement exercise for the appointment of a contractor was going through the required process now and would conclude in the first quarter of 2024.

Councillor C Lines observed within the report that the costs associated with temporary accommodation had increased at an alarming rate. He asked if Officer's thought this trend would continue and whether this was a result of the extension of the duties placed on the Authority under the Homelessness Act and if it would impact on budget pressures.

The Housing Development Manager responded that they were stark figures. There were several factors that had impacted and caused the increase in costs including the additional duties that had been placed on the Council through the Homelessness Reduction Act 2017.

I Conway, Programme Lead (Council House Build) added that along with the extra duties from the Homelessness Reduction Act 2017 other factors had increased the cost of temporary accommodation that included the settling in period following the stock transfer of council houses to the Registered Providers in 2015. During the initial transfer both organisations had similar policies but over time the Registered

Providers developed their own policies that saw each organisation deal with homelessness in different ways.

During Covid the government embargoed tenants from being evicted for any reason but following the pandemic landlords started serving section 21 notices to evict tenants who had not paid rent. Registered Providers having their own policies which made them more critical when assessing applicants and refused to house people if they had previously had bad experiences with that applicant in the past. This left the duty of care on the Local Authority to find alternative provision with some applicants being left in temporary accommodation for longer periods than in the past.

The Housing Development Manager in response to Councillor C Lines' enquiry believed that the trend would continue to increase. However, the Council had put measures in place to respond to the issue. This included a refresh to both the Housing and Homelessness Strategies. It was also noted that the council house delivery plan would provide an opportunity to prove 'move on accommodation' to support bringing households out of temporary accommodation. The Council had looked to create its own temporary accommodation by acquiring properties to reduce costs.

Councillor A Batey was aware of pressure on the Council's budget and queried if there was any interest in using either existing unoccupied buildings or untenanted buildings that landlords wanted to sell in rural areas as temporary accommodation.

The Programme Lead (Council House Build) confirmed that the Council was looking at a strategy for County Durham to look at the high levels of empty properties that potentially could be put back into use as council houses.

The Housing Development Manager verified that it was proposed that there would be 130 council houses in the Council's ownership by the end of the year. Any acquisition undertaken by the Council would need to be assessed to ensure they were financially viable. There would be 32 units for supported accommodation for rough sleepers as part of a targeted programme.

Councillor A Batey commented that in relation to the rural delivery slide and making use of existing buildings had the council done any work looking at vacant terraced housing owned by private landlords who may want to sell their properties.

The Programme Lead (Council House Build) made the Committee aware that although there were 10,000 vacant buildings across County Durham which seemed a complete waste of resources not all would be financially viable to use and would require a lot of money spent on them to bring them up to the required standard. He continued that some of these empty properties were normal churn however for those that were not there was a range of activities ongoing to bring empty properties back into use across the county.

The Housing Development Manager continued that empty properties were assessed in relation to location, whether the property met the housing need of a particular location, current state of the property and it was then determined as to whether it was viable to bring the property back into use.

The Programme Lead (Council House Build) continued that some properties were not within DCC's resource to bring back into use viably and confirmed that there was government funding available for specific targeted programmes in relation to empty homes which DCC was tapping into.

Councillor A Batey queried if there were financial constraints on housing associations for them not to look at new builds.

Councillor D Freeman asked as to why the registered providers in the county were not addressing the housing need by building the new homes required and queried as to whether it was land availability preventing them from building the required new homes.

The Housing Development Manager commented that there was a shortfall of affordable homes in the county and the council house delivery programme provided an additional source of supply to meet affordable housing needs. He continued that potentially registered providers also had to direct resources towards their existing stock. It was noted that registered providers often operated across local authority boundaries. It was thought that if the Council built their own council homes they could manage them directly which would support a reduction in the cost of the provision of temporary accommodation.

The Programme Lead (Council House Build) commented that there were business plan issues in relation to new builds that needed to be considered as significant borrowing would be required resulting in them representing a greater risk for registered providers in their business plans. At the same time there were financial pressures to deal with issues such as decarbonisation and in retrofitting within their existing stock. He added that the Council were at a stage where they could look to build new properties without the pressure to also maintain an ageing housing stock.

Councillor K Shaw explained that he was the former portfolio holder for housing and was disappointed that the Council had not progressed the Council House Build work since 2021. He noted that between 2017 and 2018 Theresa May, Prime Minister had highlighted a national housing crisis and the Registered providers were in a standstill position, with housing needs not being met with 11,000 residents on the housing list. The only way to meet that need was a total change of direction for Councils to start building their own homes. He added that previously Government legislation had prevented borrowing in relation to transferred housing stock. He noted that there had been £70 million to build 500 homes from 2021 to 2026 and if

progressed when originally planned Council homes could have been delivered by now so the opportunity had been missed.

He continued that Registered providers were now using their land to build market housing which again reduced the number of affordable homes available within the county. He concluded by questioning as to why when cabinet had approved this programme in 2020 there had been no development, a two-year delay when nothing had progressed.

The Housing Development Manager responded and put into context that following approval in 2020 and allocation of sites in 2021 it was determined at the cost estimate stage that some of the sites were not viable. This led to the business models, costs estimates, designs and layouts for the sites having to be reviewed.

The Programme Lead (Council House Build) explained that all the prep work on the site layouts, pre-planning applications, costings and issues had to be revised due to the changes in the market as it was found that new builds were no longer affordable using the existing financial model. Following soft marketing exercises the approach to tendering, bespoke house designs and financial modelling had to be reconsidered. Although it appeared that there had been no progression on the project Officers had worked continuously to encompass the additional work of refreshing every element of the original plans. He advised that presently the project was at the procurement stage which took several months. There was an expectation that tenders would be submitted to engage the contractors to develop the programme as quickly as possible. He highlighted that there had been several factors across the timescale in question which had prevented the scheme from progressing as quickly as originally envisaged.

Councillor K Shaw commented that he acknowledged the points made by officers however he could not understand following all the necessary preparatory work being undertaken in 2020 and the project ready to proceed with the relevant finances in place how it had not progressed any further within the time scales from 2021 until 2026. He continued by expressing concern and disappointment that four years later with two years delay the project had failed to deliver any of the proposed 500 homes.

Councillor R Crute commented that the delay was not a criticism of Officers as they were bound by policy decisions and external factors. He commented that what was to be considered was set in front of them. He continued that where we find ourselves today was the result of political decisions and highlighted that the increase in interest rates had resulted in the programme having to be remodelled. He continued that the project formed part of the wider DCC Capital Programme of £700 million that had cost £900 million and he questioned why the initiative had appeared to be given a lower priority than other elements of the top heavy programme with undeliverable schemes.

He continued by expressing concern that the project could assist significantly in addressing the ongoing levels of revenue costs being incurred by DCC as part of its responsibilities in relation to homelessness and lift the pressure on the revenue budget. He was aware that it was down to political choice where the priorities lay. He continued that in considering how the large capital programme was funded through borrowing and the ongoing high levels of interest applied to this borrowing, he suggested that priority within the capital programme should be given to those initiatives which would deliver savings against the revenue budget whilst at the same time provide valuable homes for residents of County Durham. Mr E Simons noted that the report had indicated within the business case review that there was a reduction in the capital costs within the programme. He queried why that was as he knew from a background in construction that the costs of bricks had not gone down.

The Programme Lead (Council House Build) explained that the cost per unit had increased to between £180,000 to £220,000 from around £140,000 per unit with a corresponding knock on for the cost of the project overall. The other factors helping to balance the revised plan included the projected increase in funding from Homes England from £35,000 per unit to £49,000 per unit, changing the loan from the initial annuity loans to maturity loans and changing borrowing over a longer time frame of 40 years instead of 30 years as recommended by Savills. He continued that he believed that the remodelled programme could be delivered without as much capital input from DCC with £4.5m held to one side to be used to assist where the viability of a site required additional subsidy or any unforeseen risks materialise. .

Mr E Simons asked if Savills had remodelled the life cycle of the cost of design as he knew that over the cycle costs could escalate at the tail end of the build.

The Programme Lead (Council House Build) commented that an element for repair and maintenance had been included in the programme with an increased amount from the rental income to pay for major repairs in the future. Savills had recommended an increase rental income set aside within the Major Repairs Reserve for each property from £700 per unit to £917 per unit per annum.

Councillor B Moist questioned that if there was £70 million in budget for 500 houses how many council homes had been delivered to date within the 5 year period.

The Programme Lead (Council House Build) stated that no new build council homes had been delivered to date however 6 new homes had been acquired from Chapter Homes and other older properties had also been acquired.

Councillor B Moist asked when it was thought that 0% of the proposed Council homes would be delivered and commented that this may be a question posed to the Cabinet Portfolio Holder.

The Programme Lead (Council House Build) advised that the Council was currently out to tender for a contractor to start the programme. The Council would be in early discussions with the appointed contractor to agree the development programme in detail and the pipeline of sites.

The Housing Development Manager clarified that it was proposed to have 42 units on the first two sites following the procurement process and have a contractor in place later this year.

The Programme Lead (Council House Build) added that the Council would have an additional 130 homes by the end of the year through the acquisition process.

Councillor B Moist felt that strategies should be written with realistic targets rather than unreasonable targets that told people what they wanted to hear. He noted that if you failed to prepare, you prepared to fail. He was shocked that there had been plans to build 500 homes within 5 years and that none had been delivered. He noted that the Capital programme for regeneration had the biggest budget however he saw no point in spending money if programmes were not going to be delivered. He was not sure of the implications but suggested that potentially some Capital Programme monies should be redirected to those activities that were needed now. He continued that he had taken on board the macro-economic issues highlighted in the presentation however we had to live with these issues and deliver for the residents. He then proposed that the relevant Cabinet Portfolio Holders should be invited to a future meeting for members to ask questions and raise concerns which had been highlighted at the meeting.

Councillor R Crute suggested that due to the size of the committees work programme the Chair of the committee write to the relevant Cabinet Portfolio Holders expressing the concerns raised by members during the meeting, asking that a response was provided to the various concerns raised by members.

Councillor Stead asked for clarification that when the sites had been originally identified that they were in the wrong areas with some sites having issues with Japanese Knot Weed, the size of the sites, some were small scale and would therefore cost more to develop. He continued that Chapter homes had been successful in their site allocations.

The Programme Lead (Council House Build) confirmed Councillor M Stead's query that some sites that had been allocated were deemed unviable and that Japanese knot weed had been found on one site.

Councillor M Stead asked who identified land with no amenities.

The Programme Lead (Council House Build) noted that some land allocated had been sold to help fund the capital programme. It was beneficial that any land used would be required to be attractive to entice investors which had not been the case

with some allocated sites as they were deemed unfit upon assessment as they were on hills or had slopes and were more costly to develop and therefore attract a lower or no capital receipt. He confirmed that Chaytor Road and Greenwood Avenue had been allocated Brownfield Land Release Fund to help with some of the site abnormalities.

Councillor M Stead commented that Chapter Homes had built two sites successfully.

The Programme Lead (Council House Build) stated that the Council had generally identified more viable sites for the Chapter Homes as the aim of the organisation was to be able to achieve the development of the site and achieve a developer profit which could be returned to the Council as shareholder to relieve budget pressures elsewhere.

The Housing Development Manager commented that the initial site allocation for the council house programme was on the basis that they were acceptable for housing development in principle and that once the viability had been investigated it was found that there were issues with some of the sites which required further investigation.

Councillor B Moist thought that other options could also be explored for Council Houses and gave an example of Newcastle Council who were looking to bring back previously transferred housing stock into their ownership.

Resolved

- i) That the report and presentation be noted.
- ii) That the Chair of the Economy and Enterprise Overview and Scrutiny Committee write to the relevant Cabinet Portfolio Holder expressing the various concerns raised by members in relation to the report and presentation and request that a response is provided to those concerns.

**Economy and Enterprise Overview and
Scrutiny Committee**

4 March 2024

County Durham Skills Development



**Report of Amy Harhoff, Corporate Director of Regeneration
Economy and Growth**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report sets out the current progress in supporting skills developments across County Durham in line with the Inclusive Economic Strategy and Delivery Plan.
- 2 Specifically, the report highlights recent policy changes and reflects current funding opportunities presented by the County's UK Shared Prosperity Fund allocation in addition to work underway at a regional level as part of the Devolution of the adult skills budget.

Executive summary

- 3 Improving the skills base of the County Durham workforce remains a key priority in achieving our productivity and economic growth aspirations set out in the Inclusive Economic Strategy (IES).
- 4 Interventions at a local and regional level generally follow national priorities which include increasing STEM skills, digital capability, and ensuring sufficient workers with Health and Social Care skills to address current and predicted workforce gaps.
- 5 Addressing emerging green skills pressures has perhaps the highest of the current priorities reflecting rapidly changing technologies and the need for upgraded skills in a range of sectors currently addressing their low carbon activities. Joint activity between Government and industry is helping support this area of development.
- 6 The agreement of the North East Devolution Deal provides a renewed impetus for co-ordinated skills activity across the region. With an initial

focus on the devolution of key skills budgets to a local level by August 2024, and further work to establish a clear regional Skills Strategy which addresses the needs of residents and business will shortly be commenced to support future skills commissions and initiatives.

- 7 Across County Durham beyond having an active role in the development of the emerging regional skills infrastructure, the Inclusive Economic strategy and aligned UK Shared Prosperity Funding (UKSPF) is providing the opportunity to target additional investment into programmes to boost basic skills, provide residents with appropriate skills to access work and enhance current workplace skills to boost productivity and individuals' progression opportunities.

Recommendation(s)

- 8 Economy & Enterprise Overview and Scrutiny committee is recommended to:
 - (a) Note the work undertaken in developing and embedding the Local Skills Improvement Plan;
 - (b) Note the development, commissioning and delivery of skills initiatives in line with the People Theme of the Inclusive Economic Strategy.

Background

- 9 The report Skills Delivery and support for the Inclusive Economic Strategy, presented to Economy & Enterprise Overview and Scrutiny Committee in December 2022, provided details of a range of policy interventions and areas of priority that helped shape the skills component of the Inclusive Economic Strategy (IES).
- 10 Theme groups drawn from across the Economic Partnership were established to explore the detail and points of influence around these priorities culminating in the development of the IES Delivery plan approved by Cabinet in November 2023.
- 11 This work also provided a strategic framework for the development of skills responses as part of the UK Shared Prosperity Investment Plan and reflected recent developments in the skills system at both a national and regional level.

National Skills Priorities

- 12 The overall vision for skills at a national level is set out in Skills for Jobs: Lifelong Learning for Opportunity and Growth (January 2021) which sets out the broad ambitions for improving England's skills system, including boosting apprenticeships, traineeships and basic skills (English, maths and digital) to meet employer needs and individual aspirations.
- 13 To support this work, the Unit for Future Skills (UFS) was established, building on the work of the Skills and Productivity Board. The UFS was established to assist in long term planning and the development of data driven insights on skills and jobs. The UFS' initial priorities included improved data dashboards showing careers pathways and local skills demands (at a Local Enterprise Partnership and Mayoral Combined Authority level).
- 14 Articulated through various strands of activity, specific national skills priorities are:
 - **STEM skills:** Science, technology, engineering, and mathematics remain a major focus, particularly in areas like artificial intelligence, cybersecurity, and green technologies.
 - **Digital skills:** Proficiency in digital tools and technologies is crucial across all sectors, with initiatives like the "Digital Bootcamps" program aiming to upskill individuals.
 - **Green skills:** The transition to a net-zero economy requires new skills in areas like renewable energy, energy efficiency, and sustainable construction.

- **Healthcare and social care:** Filling workforce gaps in these sectors is critical, with programs like the "Nursing and Midwifery Bursary" attracting new talent.

15 These priorities are delivered through a number of initiatives, specifically:

- **Lifetime Skills Guarantee:** This offers adults over 19 in England the chance to access up to four free level 3 qualifications (equivalent to A-levels).
- **Apprenticeships:** Expanding and improving apprenticeship programs across various sectors and skill levels is a core focus.
- **T Levels:** These new technical qualifications are designed to provide employer-led alternatives to A-levels for 16-19 year olds.

Spotlight on Green Skills

16 National, policy as well as the specific regional and local skills focus includes a specific focus on what are commonly referred to as "Green Skills" but more specifically are the wide range of skills required to support the transition to a low carbon economy.

17 In effect this area of skills developments covers two main areas which align with a resolution foundation publication 2022 which set out information about "green jobs" and "brown jobs" in the UK. Broadly, their definition of green jobs relates to activities consistent with delivering the net zero transition. Those jobs that require significant change to be consistent with net zero are classified as brown.

18 To ensure sufficient focus and capacity is directed toward this issue, Government and industry have created a Green Jobs Delivery Group to set out plans to grow a green workforce. co-chaired by the Rt Hon Graham Stuart, Minister of State in the Department for Energy Security and Net Zero, and Michael Lewis, CEO of Uniper.

19 The opportunities and risk of emerging skills gaps for Green / Brown jobs have led to this area being one of the priorities through emerging upskilling / reskilling programme including skills bootcamps and Free Courses for Jobs. These programmes are further supported at a regional level by more targeted interventions and provider investments.

Regional Skills Developments

20 As highlighted in the 2022 scrutiny report, there are several regional skills initiative and structures which are now beginning to increase their influence over the identification and delivery of skills at a local level.

These include the development of Local Skills Improvement Plans (LSIPs) and the work in support of the North East Devolution deal.

Local Skills Improvement Plan

21 LSIPs are initiatives launched by the UK government to address skill gaps and equip individuals with the knowledge and expertise needed in their local economies. LSIPs:

- **Are plans created by employers:** Developed by Employer Representative Bodies (ERBs), drawing on employer feedback and evidence. For the NECA footprint, the North East Automotive Alliance (NEAA) have been identified as the ERB.
- **Focus on local needs:** Summarise current and future skill requirements within the designated area.
- **Set out actionable steps:** Identify actions relevant providers can take to adapt their post-16 technical education and training offerings to match those needs.

22 A key aim for LSIPs is to assist in aligning training activity with jobs – ensuring an alignment between provision and local demand. In doing so, LSIPs assist in equipping individuals with the skills needed to secure good jobs and enhance their careers and ultimately boost local economies by helping address skills shortages and helping build a more qualified workforce.

23 The LSIP covering County Durham was developed through 2023 and is specifically focussed on five high impact sectors which closely align with our IES priority sectors:

- Digital
- Advance Manufacturing
- Construction
- Health and Health Science
- Transport and Logistics

24 In addressing issues across these high impact sectors consideration has been given to a range of strategic drivers. These include:

Green Jobs

25 The UK Governments Green Jobs Task Force (2020) define a 'green job' as a broad term used to define a job that either directly contributes

to, or indirectly contributes to, achieving net zero emissions and other environmental goals. Four of the five high impact NELSIP sectors are explicitly included as key sectors by the Green Jobs Task force.

- 26 The Task Force specifically identify Automotive as a sector experiencing growth, driven by climate targets and legislation. The construction energy-efficient retrofit sector is also identified as expecting to grow in the short to medium term.

Digitisation

- 27 Digitalisation is transforming all sectors, and redefining many. Commercial models are evolving into cloud-based services that offer professional consulting, shared services, online retail, and other streamed content, as well as other leisure activities, such as gambling and gaming.
- 28 Digitalisation is central to the NELSIP since it is a key enabler to better jobs. However, demand for advanced digital skills in the NE is trailing the rest of the UK, apart from skills relating to Machinery Technology, reflecting the relative density of advanced manufacturing in the region. This requirement should be reflected in skills development, but it should also be recognised that there is a link to a shift in higher value product development that typically requires advanced digital skills capability in areas such as Software & Programming, Digital Design, and Data Analysis.
- 29 Following detailed engagement with businesses, five common requirements were identified as cross cutting the high impact sectors. These are:

Digital skills – seen as critical and no longer an option in the workplace. Basic digital skills are now an essential requirement for most jobs as electronic devices are integral to processing information and work in all sectors. More advanced digital skills are required to leverage technical skills in higher level roles enabling productivity and innovation.

Foundation numeracy and literacy skills - are becoming increasingly important in more digital workplaces. Local initiatives to support this priority are detailed later in this report.

Transferrable behavioural skills (soft employability skills) - are key to helping people interact and enabling the development of technical skills.

Emerging technologies and sustainability are increasing the importance of higher-level technical skills, which enable innovation, the adoption of new technologies, and productivity. In a tight employment market

employers are alert to the importance of “growing their own” talent, but the supply of Level 3+ technical skills is insufficient to support growth.

Creating a compelling proposition that attracts people to jobs and careers in the sector - Long-standing traditional perceptions of some sectors can present a barrier to attraction, and greater emphasis on positive career opportunities associated with sustainability and digitalisation, plus well-informed aspirational vocational career guidance will be important. Further initiatives to support this priority are detailed later in this report.

- 30 The North East LSIP report was submitted to government in May 2023 and approved in September. Since then, the NEAA has been working with businesses along with education and training providers to implement the findings of the report and ensure regional skills needs are addressed.
- 31 Additional resources have been provided to help drive implementation with East Durham College selected as the lead provider in the delivery of the Local Skills Improvement Fund (LSIF), which will implement the recommendations on the NELSIP final report.
- 32 The £3.6million-pound LSIF will be used to develop post-16 technical training by upskilling teaching and college leadership and management staff, develop new training programmes and courses, improve college facilities, and provide state-of-the-art training equipment. East Durham College are being supported by other colleges within the LSIP region as well as leading independent training providers.

Devolution and Skills

- 33 The North East Devolution deal includes specific actions and funding linked to the development, delivery and improvement of a locally responsive education and skills system by the North East Mayoral Combined Authority (NEMCA). This includes the following key deliverables:
 - 34 Careers Education and Guidance for each and every young person (Sept 2024). Proposals seek to build on the Local Enterprise Partnerships Careers Hub work and ensure that young people and adults have access to high quality careers advice and resources.
 - 35 Adult Skills (May 2024). One of the earliest areas of activity developing in preparation for the new Combined Authority has been the development of an adult education budget strategy and commissioning framework to ensure that funding is in place for Colleges, Councils, and Independent Training Providers to undertaken enrolments for academic year 2024/5.

- 36 In developing this £60 million plus proposition the existing AEB and Community Learning activity is to be supplemented by devolved funding supporting the Skills bootcamp and Free Courses for Jobs programmes ensuring that there remains a focus on skills progression through level 2 and onto level 3 in key sectors underpinning the region's economy.
- 37 The intended 2024/5 Funding allocations have been communicated to Colleges and Councils while over 200 responses were received to a procurement for additional training delivery during December 2023.
- 38 With the immediate priority of supporting the stable operation of the North East provider network addressed, the Employment Inclusion and Skills portfolio plan also includes the development of a longer term Regional Skills Strategy which will inform future skills commissions. Work on this will commence imminently with the strategy set for consideration by NEMCA.

Local Skills Initiatives

Inclusive Economic Strategy

- 39 As previously reported, the Inclusive economic strategy includes a people theme which focusses on supporting people into education, training or jobs and to excel in business and their careers.
- 40 The strategy and resultant delivery plan has been developed in conjunction with Partners from the County Durham Economic Partnership and with wide input from stakeholders across the County. The Delivery plan, approved by Cabinet in November 2023 highlights four key people priority areas, two of which relate to skills. These are;
- 41 Raise Skills Levels – In addition to the activity currently underway across the county in delivering Adult Education Budget contracts, activity developed under this theme seeks to provide a focus on skills progression to level 2 and from level 2 to level 3. There is a continued focus on aligning both new and existing provision with key and growth sectors.
- 42 A new workforce skills programme has been commissioned using UKSPF monies and is currently mobilising with two college partners as leads each with their own delivery partnership. Combined these commissions seek to provide upskilling opportunities to 1300 individuals by 31 March 2025.
- 43 Also remaining in focus under this ambition is the need to ensure residents with low skills / no formal qualifications can be supported and progress. As part of the national programme, the £2.8 million County Durham Multiply contract seeks to support 2300 residents in improving

their numeracy skills during 2023/4 with taster engagements (less than 2 hours) significantly ahead of profile, while longer upskilling interventions currently lagging profiled expectations.

- 44 Recognising the gap in associated literacy provision, additional UKSPF resources have been aligned to the creation of a literacy and digital skills programme called Communicate. This Programme launched in January 2024 seeks to support 750 residents countywide.
- 45 Progression and upskilling – Activities supported under this ambition include the UKSPF workforce skills programme noted above alongside work in identifying and addressing skills gaps for key and emerging sectors. This includes drawing on business intelligence and advocacy in the development of emerging regional skills strategies / commissions and the delivery of the LSIF programme in the North East.
- 46 Specific sector focussed activities through both the devolved Adult Skills budget and during 2024/5 through the UKSPF programme will provide further opportunities for skills development and conversion to support key /growth sectors such as the delivery of Skills Bootcamp activities.
- 47 A range of further interventions including the development of a careers framework for County Durham have been included in the IES Delivery plan and UKSPF delivery programme reflecting the priorities raised by Scrutiny committee, partners and key stakeholders.
- 48 In respect of a Careers Framework, a tender for the work has been issued and is currently live. This work will involve examining the current provision, engaging with those active in the landscape and devising strategies to deploy in the hope that the interventions enhance the life chances of people in the County. The development of the County Durham Careers Framework will support wider regional developments building on the careers Hub work delivered by the North East LEP and set to be taken forward as part of the NEMCA Employment Inclusion and Skills portfolio.

Conclusion

- 49 The County's skills profile, while improving demonstrates a need to retain a focus on improving workforce skills, continuing the shift in emphasis from Level 2 to level 3 skills and the increasing demands for skills at Level 4 and above.
- 50 A range of project opportunities and process adjustments have been made to help align skills delivery and further embed the link between providers and businesses. The most recent example of this realignment is the announcement of LSIPs which for the NECA footprint was completed in May 2023 and is to be reviewed annually. This provides

both evidence backed plans and an accompanying process to ensure that local skills needs are taken into account by local skills providers.

- 51 Alongside regional developments, work with partners and stakeholders has further developed the IES delivery plan with a range of specific actions relating to People and Skills. These actions and the wider ambitions they support have also informed the allocation and commissioning of UKSPF activity.

Background papers

None

Other useful documents

[Skills delivery and supporting the Inclusive Economic Strategy .
Economy & enterprise OSC December 2022](#)

[Skills for Jobs: Lifelong Learning for Opportunity and Growth.
Department for Education January 2021](#)

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Appendix 1: Implications

Legal Implications

The Skills and Post 16 Education Act places a duty for all skills providers - including the Council, to co-operate with Employer Related Bodies in the development and review of Local Skills Improvement Plans.

Finance

£2.74 million is currently available to the Council to deliver skills through the Adult Education Budget Contract. Countywide more than £12.5 million is available to providers on an annual basis. The transition to a devolved Adult Skills Budget will see c£64 million available to providers across the NEMCA Footprint.

County Durham's shared prosperity programme provides over £4 million of funding for bespoke skills commissions up to 2025. A further £2.8 million allocation was made to deliver the County Durham Multiply programme.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

County Durham SPF Skills programmes have been brought forward following an open procurement exercise in December 2023.

A further regional procurement event has also been undertaken for devolved skills delivery through contacts for service covering Adult Education, Skills Bootcamps and Free Course For Jobs programmes.

County Durham Skills Development

Economy & Enterprise Scrutiny Committee
4 March 2024



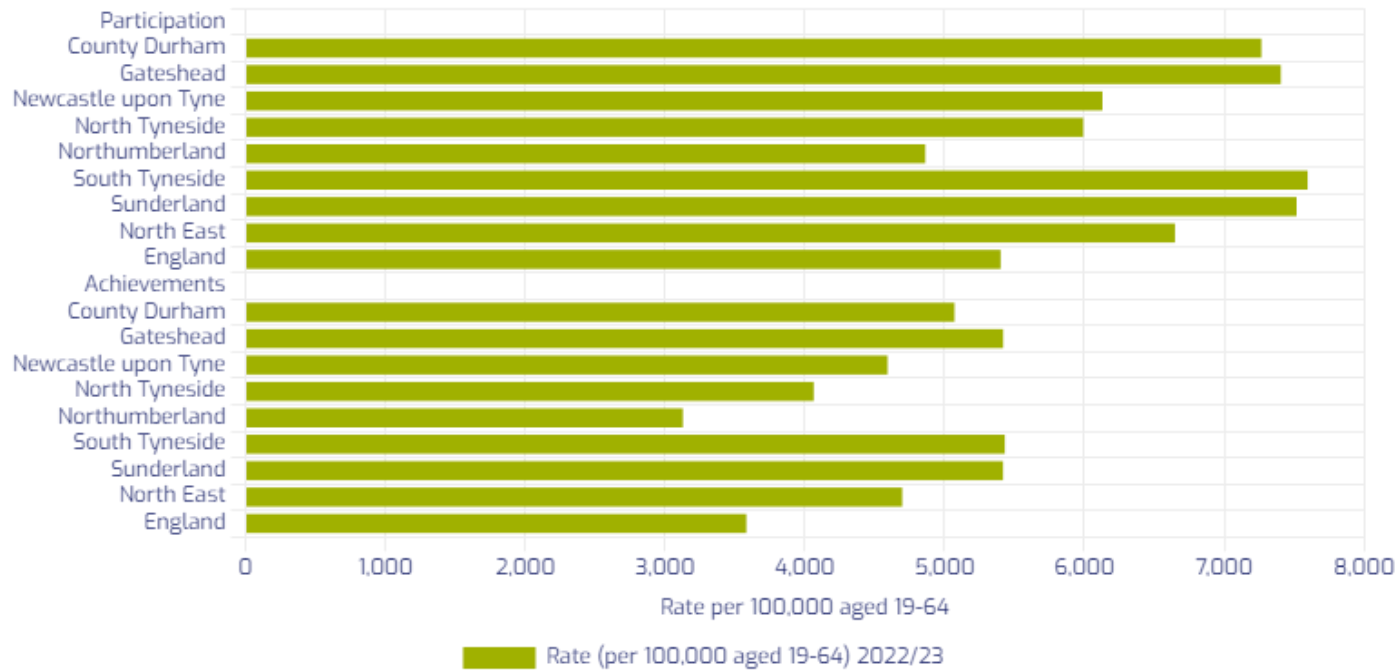
- Baseline Position
- Emerging Skills Issues
 - Spotlight on Low Carbon Skills
- Regional Skills Focus
 - Skills Devolution
 - LSIP
 - Apprenticeship Framework
- I.E.S Skills Priorities
 - Skills Commissions
 - Careers Framework
- Shared Prosperity Commissions

Baseline Position

Qualifications (Jan 2022-Dec 2022)

	County Durham (Level)	County Durham (%)	North East (%)	Great Britain (%)
RQF4 And Above	100,100	33.7	36.7	45.7
RQF3 And Above	175,700	59.1	60.4	66.9
RQF2 And Above	249,200	83.8	84.2	85.8
RQF1 And Above	261,700	88.0	88.1	88.5
Other Qualifications	12,000	4.0	3.9	4.7
No Qualifications	23,800	8.0	8.0	6.8

Source: ONS annual population survey
 Notes: For an explanation of the qualification levels see the definitions section.
 Numbers and % are for those of aged 16-64
 % is a proportion of resident population of area aged 16-64



Emerging Skills Issues

- Skills for Jobs : Lifelong Learning for Opportunity and Growth – ambitions include boosting apprenticeships, traineeships, and basic skills (English, maths, digital) to meet employer needs and individual aspirations.
- Continues focus on the development of Technical education – T levels inc the move towards 2nd generation T levels.
 - Building Services Engineering for Construction ,Design, Surveying and Planning for Construction, Onsite Construction, Digital Business Services, Digital Support Services, Digital Production, Design and Development, Education and Early Years (formerly Education and Childcare)
- Lack of employer awareness about technical qualifications
- Range and quantum of Green Skills (skills for a low carbon economy)

Skills for a Low Carbon Economy

- Green jobs cover diverse sectors like renewable energy, construction manufacturing and agriculture.
- Technical skills in areas like wind turbine maintenance, energy efficiency design, and sustainable farming are in high demand.
- Soft skills like critical thinking, innovation, and collaboration are equally crucial for green transitions.



Source: Deloitte: Blueprint for a green workforce transformation. (2022)

Skills for a Low Carbon Economy

- As 80% of the 2030 workforce are already in employment, the green skills transition will mainly involve upskilling existing workers. Further Education (FE) colleges, formal training and qualification providers, employers, and Higher Education providers will play key roles in delivering this training.
- Government and industry have established a Green Jobs Delivery Group to set out plans to grow a green workforce. co-chaired by the Rt Hon Graham Stuart, Minister of State in the Department for Energy Security and Net Zero, and Michael Lewis, CEO of Uniper.
- Local Skills Improvement Plans (LSIPs), developed by local authorities in partnership with FE colleges, identify local skills gaps and strategies to fill these.
- There are several UK Government schemes focused on upskilling, though not all are specific to green skills.

Skills Boot Camps are free courses of up to 16 weeks for adults aged 19+, which focus on digital, technical, and green skills.⁴⁶

Free Courses for Jobs allows eligible adults aged 19+ to gain a free Level 3 qualification

The Green Skills Gap and Opportunities



- The UK currently faces a green skills gap, with demand outstripping the available workforce.
- This gap presents both a challenge and an opportunity for individuals and businesses to upskill and thrive.
- Government initiatives, industry partnerships, and individual training programs are crucial for addressing the skills gap.

NEMCA -The Low Carbon Economy

The wider North East region currently has around 7,600 individuals employed in the low carbon and renewable energy economy. Businesses in the sector have a high turnover relative to the size of workforce.

The low carbon workforce is expected to grow considerably in response to the drive to Net Zero and global demand. This growth potential is based on distinctive strategic assets in electrification, offshore wind and heat networks. Modelling suggests:

- The direct wind supply chain could reach 3,500 jobs and provide £140m in GVA in the next 10 years [Cambridge Econometrics].
- 3,300 to 13,300 net additional jobs could be created from the heat networks pipeline in the NEMCA economy by 2033 [Steer ED].
- A Government study found that aiming for Net Zero by 2050 could create an extra 27,000 direct jobs in the wider North East region through key opportunities in Energy, Transport, Buildings and Carbon Capture.

There is significant domestic demand to support sector growth. The number of licenced plug-in vehicles in the wider North East has increased 8% per quarter since 2009, while renewable electricity generation in the wider North East has increased at a faster rate than in England, excluding London.

12,227

licenced plug in
vehicles in the
North East:

£2.7
billion

turnover in North
East region low
carbon economy:

>59%

proportion of
renewable energy
generated in the
North East by
onshore wind:

Regional Skills

Employment Inclusion and Skills portfolio

- Individual workstreams operational since Summer 2023
- Skills workstream (Adult Education) first task group formed to develop plans ensuring allocations of funding for AY24/25

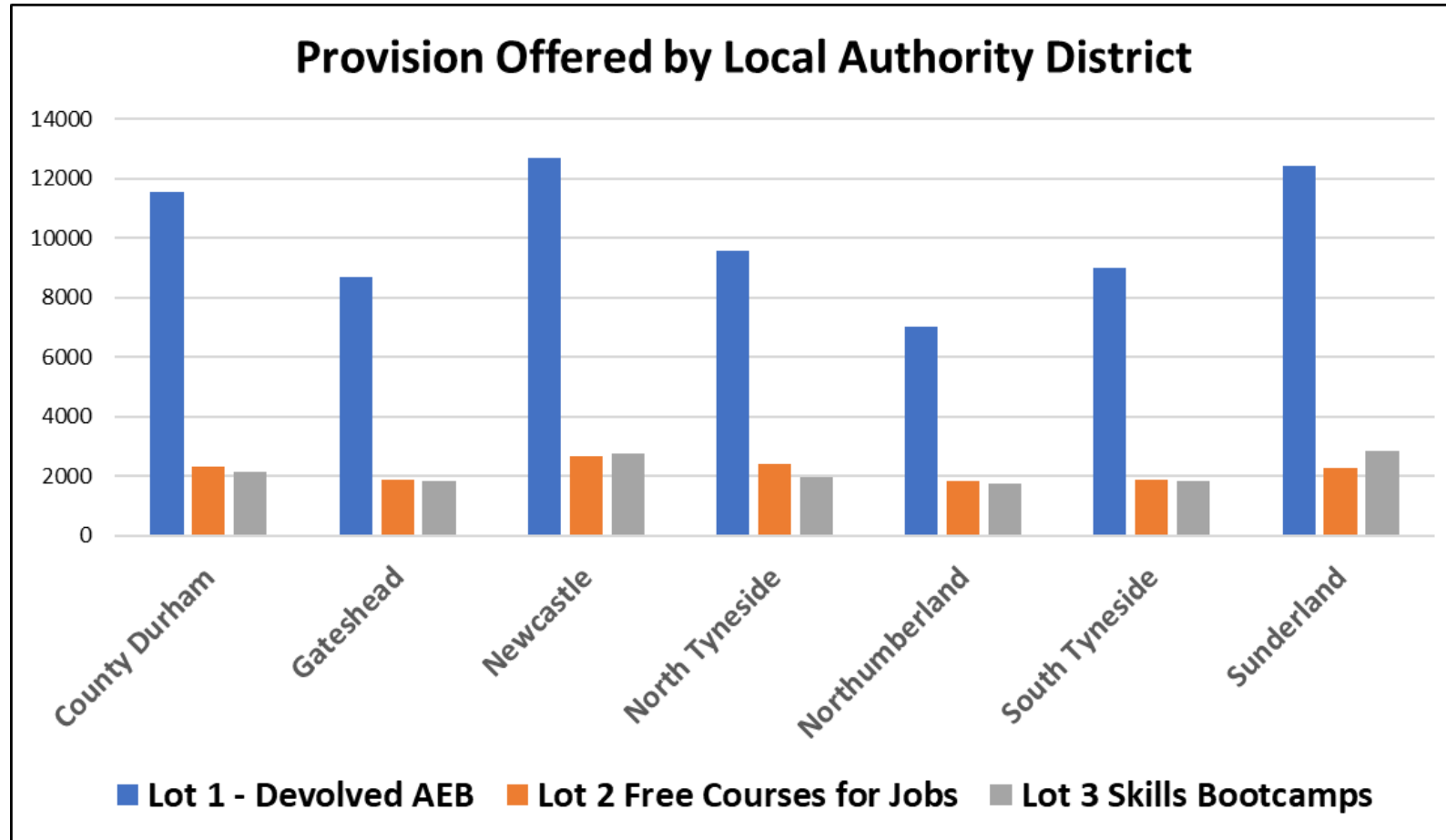
Key Milestones

- Regional Skills Strategy – Sept '24
- Skills Commissioning – May '24

Regional Skills

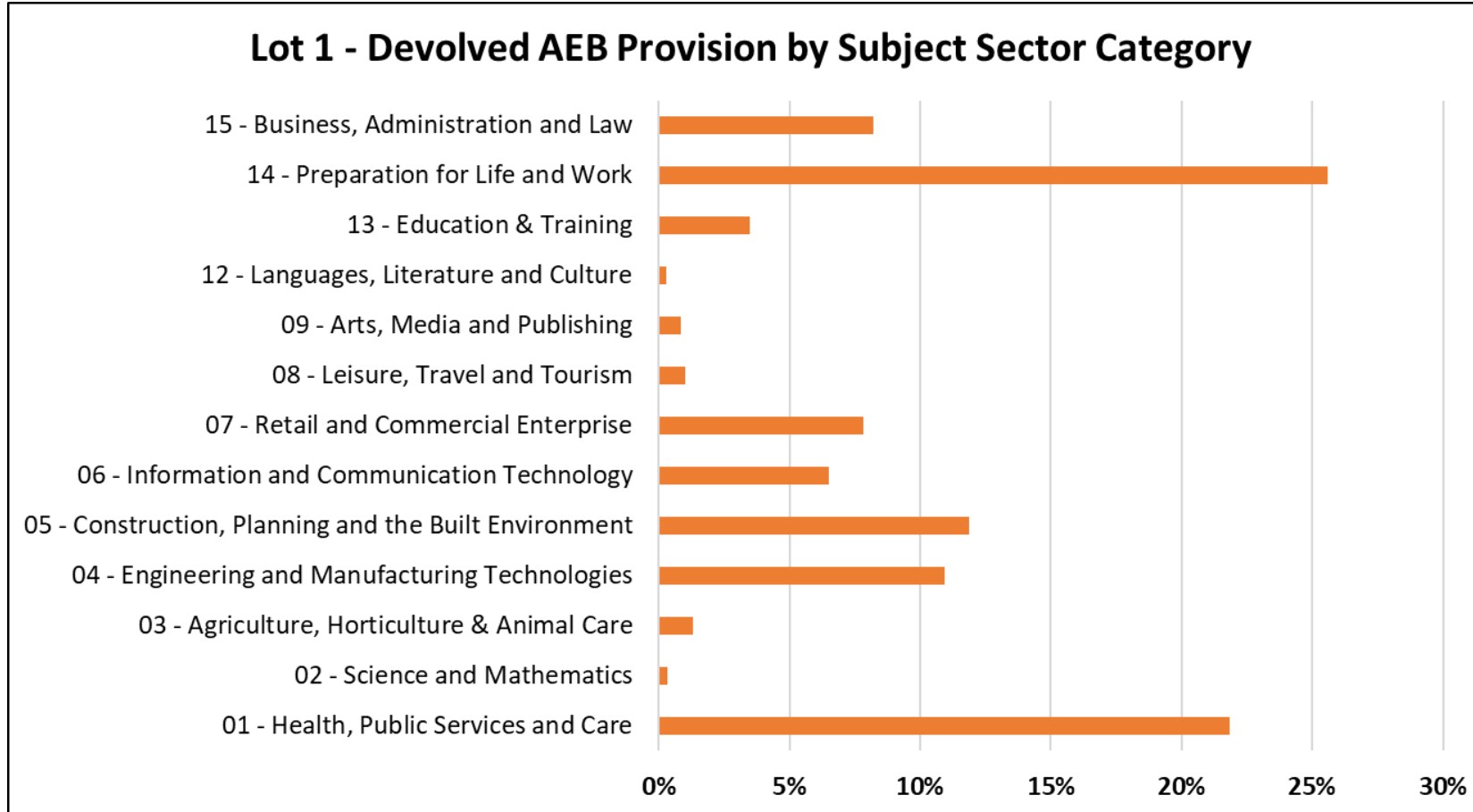
- 2x large scale provider events 2023
- Indicative allocations confirmed to grant funded providers February 2024
- Procurement for contracted services providers December 2023, award January 2024
- Skills bootcamps call off competition Feb 2024 go live May 2024
- Launch 'Call Off' competition in Lot 1 Devolved AEB & Lot 2 Free Courses for Jobs – March 2024
- Adult skills allocations / Free Courses for Jobs commence August 2024
- Continued dialogue with DfE over NE long term skills priorities

Regional Skills



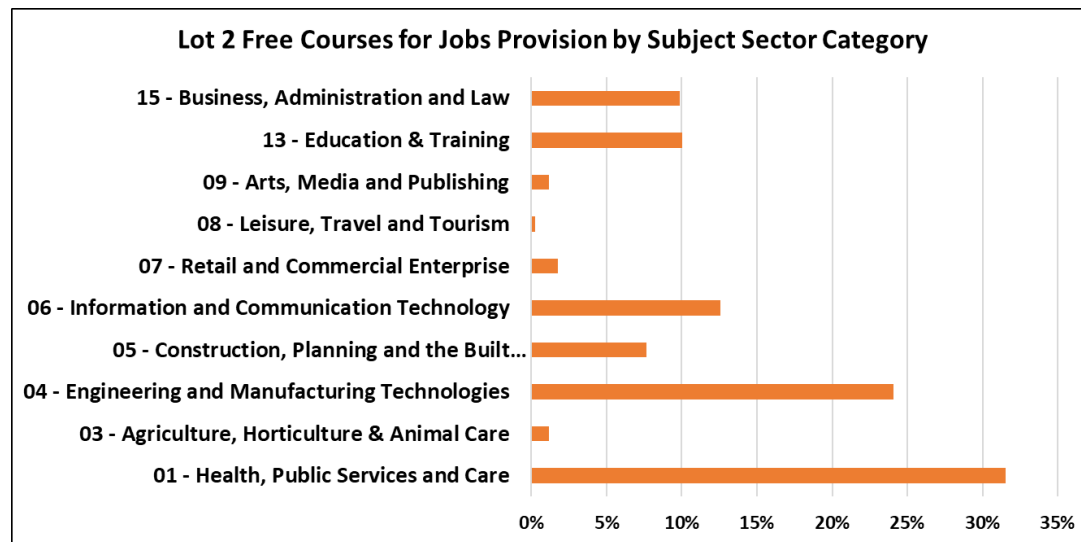
Regional Skills

Provision of AEB by subject category

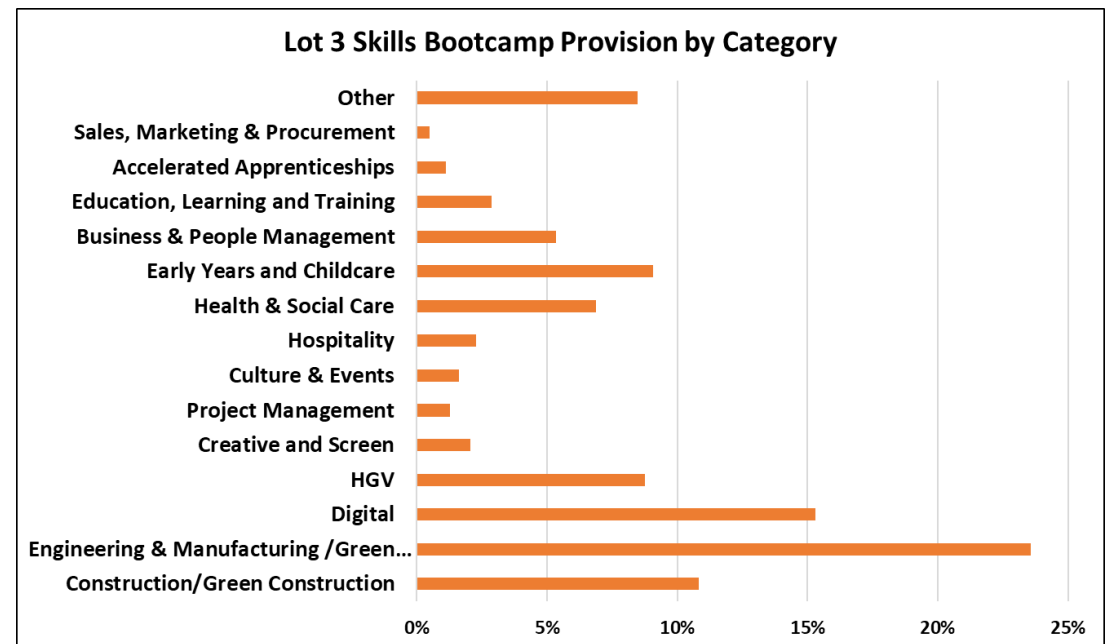


Regional Skills

Lot 2 Provision by Subject Sector Category



Lot 3 Bootcamp Provision by Category



North East Local Skills Improvement Plan (NELSIP)



NELSIP
North East
Local Skills
Improvement
Plan

delivered by the
NORTH EAST
**AUTOMOTIVE
ALLIANCE**

Funded by
UK Government

The image features a collage of four smaller images at the top: a person in a lab coat, a person in a hard hat, a person in a suit, and a person in a hard hat. Below these is a large image of a factory floor with yellow robotic arms working on a blue surface.

- Local Skills Improvement Plan developed with employers, approved by government
- Focus on 5 high impact sectors
 - Digital
 - Advance Manufacturing
 - Construction
 - Health and Health science
 - Transport and Logistics
- Delivery process
- Delivery supported by £3.6 million LSIF Funding

NELSIP Priorities



NELSIP deployment

1.

Provide essential digital skills required by all learners at the appropriate level, including upskilling & reskilling support for employers and adult learners and ensuring a work-ready supply of specialist digital skills.

2.

Align 16+ technical education and training provision to ensure the key technical skills required by the five LSIP sectors are prioritised.

3.

Increase the supply of level 3+ technical skills to meet current and future regional requirements.

4.

Collaborate to deliver key technical skills for regional growth.

5.

Employer focussed - Enable employers, including SMEs, to identify their technical skill requirements, and access high quality technical skills development for their current and future workforce.

6.

Prioritise Social Inclusion – aligned approach to enable those from under-represented and disadvantaged groups to develop the skills needed and provide the support required to remove barriers to access good jobs and careers.

Priorities 1 & 2 are broadly addressed by:

- NE Local Skills Improvement Fund (NELSIF) – Supporting four sector skills workstreams. (Digital, Advanced Manufacturing, Construction, Health & Health Science.)
- Alignment of Accountability Agreements to LSIP priorities through FE Governance

Four of the NELSIP priorities require three systemic challenges to be addressed.

The underlying issues related to these challenges are complex and often interrelated. Addressing them will involve the cooperation and support of a diverse set of stakeholders.

IES Skills – 1.1 Raise Skills levels

Ambition	Action	Lead	Timescale	Resource
Address skills gaps / raise skills levels	Commission new training support programme	DCC	To March 2025	£4 million UKSPF secured
Raise skills levels to meet business needs	Ensure residents skills needs are articulated in regional skills strategies and commissioning	DCC / NEMCA	From AY 2024/5	Regional allocation of C£64 million
Improve literacy, numeracy and digital skills	Deliver the Multiply programme to 19+ y.o.	DCC	To March 2025	£2.8 million of UKSPF secured
	Deliver the Communicate programme to support Literacy & Digital Skills	DCC	To March 2025	£800,000 UKSPF
Residents equipped with skills to access services and progress in work	Develop Digital Inclusion programme	DCC	To March 2025	
	Improve access to online benefits	DCC	To March 2025	
	Link with community hubs to provide better access to ICT and upskilling opportunities	DCC	To March 2025	UKSPF Community Infrastructure programme inc enhanced digital capability
	Link to digital elements of the LSIP	DCC	To March 2025	£3.6 million LSIF funding regionally

IES Skills – 1.3 Progression and Upskilling

Ambition	Action	Lead	Timescale	Resource
Address skills gaps for key and emerging sectors	Commission a new workplace skills development programme	New College Durham / East Durham College	To March 2025	From £4 million UKSPF allocation
	Shape and support the roll out of the skills for jobs programme	New College Durham	To March 2025	From £4 million UKSPF allocation
	Embed the findings of the NELSIP to support key growth sectors identified in IES	All Providers		£3.6 million LSIF allocation regionally
Provide local people with Technical Training needed to secure employment within high demand / growth sectors	Deliver skills bootcamps for green skills providing bespoke training solutions to bridge skills gaps within high demand sectors	New College Durham	To March 2025	Devolved Skills programme
	Development of new teaching facilities aligned to key /Growth sectors eg Cleanroom facilities - EDC / the HUB - NCD	Providers		LSIF / Provider investments
Others				
	Work with anchor institutions to maximise utilisation of the apprenticeship Levy	DCC / Anchor Institutions	By March 2025	Apprenticeship Levy u/s
	Commission a new careers framework for County Durham	DCC	By Sept 2024	UKSPF commission

UKSPF – commissioned skills programmes

Multiply / Communicate

- Multiply activity delivered across four engagement themes 2023-25
 - Direct delivery, to parents, via Community organisations & in the work place,
 - Currently showing 3199 engagements (less than 2 hours support) FY2 compared to target of 2300
 - 490 progressing into learning (more than 2 hours intervention)
- Communicate programme launched January 2024 to track alongside Multiply activity
 - Delivery Partners secured
 - 750 beneficiaries by March 2025

Access to work and Workforce skills

- Access to work delivered Countywide by New College Durham
- Workforce skills – tailored support for the employed.
- Delivered By
 - New College and partners 663 beneficiaries by March 2025
 - East Durham College and partners 637 beneficiaries by March 2025

County Durham Skills Development

Questions?

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Meeting: County Durham Economic Partnership Board

Date & Time: 13th December 2023 10.00am

Venue: Hybrid meeting - The Boardroom, New College Durham/Online via Teams



Present:	Name	Organisation/Pillar Rep
New College		
	Glyn Llewellyn (GL)	Chair
	Alan Smith (AS)	Believe Housing (Lead for Inclusive Growth)
	Alison Gittins (AG)	Durham Business Group
	Andy Bailey (ACB)	Durham County Council
	Andy Broadbent (AB)	New College Durham (Lead for People)
	Andy Kerr (AK)	DCC Head of Economic Development
	Colleen Peters (CP)	New College Durham
	Duncan Peake (DP)	Raby Estates
	Michelle Cooper (MC)	County Durham Community Foundation (VCS Voice)
	Paul Marsden (PM)	Head of the Association of Secondary Schools
	Reshma Begum (RB)	Federation of Small Businesses
	Richard Baker (RBaker)	Durham University (Lead for Innovation)
	Sarah Slaven (SS)	Business Durham (Lead for Business Competitiveness)
Also, in attendance	Sarra Scougall (SarraS)	Durham Works, DCC
	Ramsay Taylor (RT)	Durham Works, DCC
	Kirsty Wilkinson (KW)	Public Health, DCC
Online Via Teams		
	Ailsa Anderson (AA)	Engineering & Manufacturing Network
	Angela Brown (ABrown) (minutes)	Durham County Council
	Alessandra Coda (AC)	Metro Dynamics
	Claire Williams (CW)	Funding & Programmes DCC
	Helen Radcliffe (HR)	Durham Works, DCC
	Kevin Fenning (KF)	Metro Dynamics

	Sue Parkinson (SP)	CDEP Vice Chair
Apologies:		
	Amy Harhoff	Durham County Council
	Andy Bailey	Durham County Council
	Cllr Elizabeth Scott	Durham County Council
	Kate Burrows	Durham Community Action (VCS Voice)

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
1.	Welcome and apologies	GL welcomed all to the meeting. Apologies were received and recorded		
2.	Minutes of CDEP Board meeting on 26th October 2023	Minutes of 26 th October 2023 were agreed as a true record		
3.	Matters Arising	There were no matters arising.		
4.	Chair's Opening Remarks	GL informed the Board that it is important for people to attend the meetings on a regular basis and reminded the Board that the next meeting is 28 th February. He reminded Board members that we now had an opportunity to launch the IE Strategy and further increase business involvement, given that the IES is now live		
5.	UKSPF Update – Sarah Slaven	<p>SS mentioned at the last Board meeting it was agreed we would start inviting people to update on work that has been delivered so that all Board members are aware of what is being delivered in the County.</p> <p>SS presented on the Durham Business Growth Programme</p> <p><i>Questions/Comments</i></p> <p>AB mentioned that there was a lot of excellent work being done there and asked how linkages between business and people/skills work</p> <p>SS replied that as part of business reviews skills needs were identified</p> <p>DP asked in relation to evaluation it seems that the support is direct financial support or non-financial support but where is the long-lasting legacy best delivered? SS replied that, in practical terms, the benefit which accrues from non-financial support of</p>		

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Page 67	Richard Baker	<p>itself creates a legacy in the individual business. There was also an opportunity to better understand the balance/measure of impacts GL asked DP what the affects would be from his perspective DP felt that financial support encourages businesses to invest earlier than planned, but also think non-financial support is equally welcomed. He would welcome the findings of the evaluation in terms of legacy</p> <p>RB asked in relation to the engagement with businesses whether these are predominantly businesses supported in previous programmes or new to support. He felt that ideally it would be advisable to try to outreach to businesses that we have not heard from before.</p> <p>SS confirmed that she would obtain that information and share it with board members</p> <p>MC asked where business support to the VCS fits. SS advised that, when supporting VCS, they are mindful that there are also resources from communities and place partners for this</p> <p>AA asked if there were any obstacles that would prevent companies from accessing support. SS said they have tried to make it streamlined for companies to express interest then there would be interaction with all businesses of all sizes and all sectors are potentially eligible</p> <p>GL asked AG if the Durham Business Group members were aware of this. AG replied that the Growth Fund will be showcased at next event at Ramside where they would be expecting around 130 attendees</p> <p>Action:</p> <ul style="list-style-type: none"> • SS to report on mix of enquiries <p>RBaker presented on Innovating Together in the Northeast (In-Tune) – This is a regional programme and gave credit to County Council and Combined Authority for enabling this activity.</p>	SS	

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		<p><i>Questions/Comments</i></p> <p>DP mentioned that access to the Arrow Programme for SME's is quite daunting and asked for an explanation of the process. RBaker confirmed that, each University has an out facing business development manager to seek out potential users of the Arrow Programme, who will then introduce potential projects to an innovative associate located with the academic departments. The academic with then in turn either solve the issue, work on the project themselves or seek alternative support from their department</p> <p>MC – advised that she used to do carry out that role at Manchester University and felt there could still be an issue of translation to the business community.</p> <p>GL asked PM how this information would be of use within the school sector – PM found it an interesting topic, and would be interested in exploring the real links are, informing the young people of opportunities, skills, and knowledge they need to access and being connected for children of County Durham</p> <p>RBaker agreed that there was a need look to consider how these fits within the overall skills strategy.</p> <p>HR advised the Board that –UKSPF funding is being applied to developing a careers framework for Durham which should be finalised by Summer. This would lead to communications activity so that people know where to access Careers advice, which links with the Inclusive Economic Strategy and aligns with NECA priorities, particularly in respect of the strand on supporting young people and adults with improved career information.</p> <p>RBaker would be keen to speak to HR in relation to this</p>	<p>HR</p>	

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
Page 69	<p>Helen Radcliffe (Presentations from Sarra Scougall & Ramsay Taylor)</p>	<p>Action:</p> <ul style="list-style-type: none"> • HR to speak to RBaker <p>HR advised that her Service has responsibility for the delivery of people and skills management of UKSPF, with some £5m of funding to support residents who are economically inactive who are a long way from the labour market and £4m skills funding, which is to support workforce development, people who are unemployed and closer to the Labour market. There is also access to Funding of £2.8m under the Multiply programme to support adults to improve their maths skills, as well as a smaller amount of funds through the Communicate programme, which is concentrates on English skills. All will end in March 2025</p>		
	<p>SarraS – Multiply & Communicate</p>	<p>Sarra, the Multiply and Communicate Manager gave an update on the detail of these two programmes.</p>		
	<p>Ramsay Taylor – Durham Enable Supported Employment Service</p>	<p>Ramsay Taylor, the Durham Enable Manager, gave an update on Durham Enable Supported Employment Service, which was originally funded under ESF.</p> <p><i>Questions/Comments</i></p> <p>MC was supportive and asked whether schools in deprived areas were targeted. SarraS confirmed that this was the case, with initial concentration being on schools that have highest premium rate. There has been a lot of schools come forward to express interest.</p> <p>CP also expressed support, and mentioned the flexibility for funding streams RB asked about the pathway for anyone wishing to consider enterprise and SarraS responded that all support was relevant to individual needs</p>		

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		<p>Action:</p> <ul style="list-style-type: none"> • All presentations to be circulated to Board members • It was agreed to circulate RT video to Board members due to lack of time 	<p>AB AB</p>	
6.	<p>County Durham Investment Framework – Andy Kerr/Eleanor Springer</p>	<p>AK, KF and AC gave a presentation to the Board on the County Durham Investment Framework, <i>Questions/comments</i></p> <p>DP felt that this was a very welcome development and pointed out that the role of the private sector should not be underestimated.</p> <p>RB likewise felt that of the role of Durham County Council in in championing projects should not be underestimated.</p> <p>AK informed the Board that this is a live document which was still in development and GL concluded that these areas can be developed concurrently with implementation</p>		
7.	<p>County Durham Together Partnership and links to the Economic Partnership – Kirsty Wilkinson</p>	<p>KW gave a presentation to the Board from the County Durham Together Partnership and the links to Economic Partnership</p> <p><i>Questions/Comments</i></p> <p>MC felt the role of the Community should not be undervalued, and that the presentation had been particularly useful in that regard</p> <p>GL suggested to the Board that it would be extremely useful to get any feedback on the presentation</p> <p>Action:</p> <ul style="list-style-type: none"> • Board members to feed back to KW on this 	<p>ALL</p>	

Item No.	Subject	Discussion and Decision	Lead Officer(s)	Timescale
8.	Inclusive Economic Strategy – Delivery and Implementation – Claire Williams	<p>CW gave an update to the Board on the Inclusive Economic Strategy – Delivery and Implementation. She mentioned that since the last meeting this has now been approved by Council and agreement had been reached to set up a new Delivery Group under the Board which will meet 4-6 times per year and will report to the CDEP Partnership Board twice per year. The intention is to have the first meeting during January/February, which Sue will chair. Terms of Reference are to be developed.</p> <p><i>Questions/Comments</i></p> <p>SP commented that any plan had to be flexible to work in changing environments, and thus the Board, via the Delivery Group, having arrangements to review progress against emerging challenges and opportunities would be welcome. She felt that this was a promising idea and was happy to support</p> <p>GL agreed that the Board needed to be involved in the process</p> <p>DP asked if this will be a standing agenda item for this Board, which CW confirmed</p> <p>RB asked if consideration had been given to membership and SP suggested that membership should be flexible so that the appropriate people were involved in relation to appropriate topics, in addition to core membership drawn from Board members or their nominees.</p> <p>Action:</p> <ul style="list-style-type: none"> • CW and SP to contact appropriate people to gauge interest in membership. Any Board member wishing to be involved was asked to contact CW or SP 	<p>CW & SP</p>	
9.	Any Other Business	<p>If anyone could offer venue for the next meeting on 28th Feb 2024 that would be much appreciated</p>		
	Date and time of Next Meeting	28th February 2024 @ 1pm Venue TBC		

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