



Cabinet

Date **Wednesday 10 October 2012**
Time **9.30 am**
Venue **Committee Room 2, County Hall, Durham**

Public Question and Answer Session

9.30 a.m. to 10.00 a.m.

An opportunity for local people to have a 30 minutes informal question and answer session with Cabinet Members.

Cabinet Business

10.00 a.m. onwards

Part A

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

1. Minutes of the meeting held on 12 September 2012 (Pages 1 - 4)
2. Declarations of interest

Key Decision:

3. Medium Term Financial Plan (3), Council Plan and Service Plans 2013/14 - 2016/17 - Joint Report of Corporate Director, Resources and Assistant Chief Executive [Key Decision: Corp/A/10/12/1] (Pages 5 - 28)

Ordinary Decisions:

4. Implications for Durham County Council of the Government's Policy Programme - Report of Assistant Chief Executive (Pages 29 - 72)
5. County Durham Partnership Update Report - Report of Assistant Chief Executive (Pages 73 - 88)
6. Corporate Peer Challenge - Report of Assistant Chief Executive (Pages 89 - 106)

7. A167 / B6300 Sunderland Bridge Junction Improvement - Report of Corporate Director, Regeneration and Economic Development (Pages 107 - 116)
8. Bus Service Retendering - Report of Corporate Director, Regeneration and Economic Development (Pages 117 - 124)
9. New Tenancy Strategy and Tenancy Policy for Durham County Council - Report of Corporate Director, Regeneration and Economic Development (Pages 125 - 170)
10. Transfer of Public Health Functions to Durham County Council - Report of Corporate Director, Children and Adults Services (Pages 171 - 178)
11. NHS Reforms - Report of Corporate Director, Children and Adults Services (Pages 179 - 188)
12. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.
13. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

14. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
2 October 2012

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors N Foster, L Hovvels, M Nicholls, M Plews, C Robson, B Stephens, C Vasey and B Young

Contact: Ros Layfield

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DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held in the Council Chamber, Council Offices, Spennymoor on **Wednesday 12 September 2012 at 10.00 a.m.**

Present:

Councillor S Henig in the Chair

Cabinet Members:

Councillors Foster, Hovvels, Napier, Nicholls, Plews, Robson, Vasey and B Young.

Other Members:

Councillors K Thompsn, Todd, and Williams.

An apology for absence was received from Councillor Stephens.

1 Minutes

The Minutes of the meetings held on 11 and 24 July 2012 were agreed as a correct record and signed by the Chairman (for copy see file of Minutes).

2 Declarations of Interest

There were no declarations of interest.

**3 Tax Discount on Unoccupied Properties.
Key Decision CORP/R/12/01**

The Cabinet considered a report of the Corporate Director, Resources which set out a proposed Local Council Tax Support Scheme (LCTS) to be implemented from 1 April 2013 and proposed a number of technical changes to Council Tax discounts on empty properties in order to generate additional council tax income for the Council with effect from 1 April 2013 (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

**4 Introduction of a Countywide Allotment Lettings Policy
Key Decision NS/16/12**

The Cabinet considered a report of the Corporate Director, Neighbourhood Services which provided an update following the consultation exercise undertaken in relation to the introduction of a countywide allotment lettings policy, and sought authorisation for the updated policy to be formally adopted (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

5 The County Durham Plan: Evidence Base

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development which sought approval for a number of evidence base documents that support the preparation of the County Durham Plan (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

6 Quarter 1 2012/13 Performance Management Report

The Cabinet considered a report of the Assistant Chief Executive which presented progress against the council's corporate basket of performance indicators (PIs) and report other significant performance issues for the first quarter of 2012/13 (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

7 Update on the delivery of the Medium Term Financial Plan 2

The Cabinet considered a report of the Assistant Chief Executive which provided an update on the progress made at the end of the first quarter this year on the delivery of the 2012/13 to 2015/16 Medium Term Financial Plan (MTFP 2) (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

8 Forecast of Revenue and Capital Outturn 2012/13 for General Fund and Housing Revenue Account – Period to 30 June 2012

The Cabinet considered a report of the Assistant Chief Executive which provided a forecast of 2012/13 revenue and capital outturn for the period to 30 June 2012 for the Council's General Fund and Housing Revenue Account (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

9 Social Care Reform

The Cabinet considered a report of the Corporate Director, Children and Adults Services which provided a summary of the following documents published by the Department of Health on 11th July 2012 (for copy see file of Minutes):

- Reforming Care and Support White Paper
- Draft Care and Support Bill
- Progress Report on Social Care Funding

Resolved:-

That the recommendations contained in the report be approved.

10 Redesign of County Durham Care and Support Day Services

The Cabinet considered a report of the Corporate Director, Children and Adults Services which presented findings following the review of County Durham Care & Support (CDCS) in house day services, reported the outcome of a consultation on a proposed re-design and reconfiguration and made

recommendations in light of the need to make services more inclusive; ensure value for money; and meet the requirements of the Medium Term Financial Plan (MTFP) (for copy see file of Minutes).

The Corporate Director, Children and Adults Services highlighted amendments to the report, one in paragraph 62 which should read: The consultation on the redesign of CDCS day services has identified that a majority of service users believe that the changes proposed would have a negative impact on them (31.9% thought the impact would be major and a further 20.6% thought it would be minor). Their concerns focus largely on the sustainability of the alternative premises; changes to meals arrangements; and the difficulty of changing services for vulnerable people and affecting their established routine. The other amendment to the Equality Impact Assessment on page 275 which referred to question 9 of the consultation questionnaire which should read:

- Over a half of respondents felt that the proposed changes would have a major or minor negative impact.

Resolved:-

That the amendments to the report be noted, and the recommendations contained in the report be approved.

Cabinet

10 October 2012

**Medium Term Financial Plan (3),
Council Plan and Service Plans
2013/14 – 2016/17**



Key Decision CORP/A/10/12/1

Report of Corporate Management Team

**Don McLure, Corporate Director Resources and Lorraine O'Donnell,
Assistant Chief Executive**

Councillor Alan Napier, Cabinet Portfolio Holder for Resources

Purpose of the Report

- 1 To provide Cabinet with an update on the following:
 - (i) 2013/14 Budget Planning and Changes since 11 July Cabinet Report.
 - (ii) The Government's proposed Business Rate Retention Scheme and its impact on Durham.
 - (iii) Development of 2013/14 – 2016/17 MTFP (3) Model.
 - (iv) Development of Council Plan and Service Plans.
 - (v) Equality Impact Assessments.
 - (vi) Consultation Process.
- 2 The report also seeks approval for Corporate Directors to continue to utilise delegated powers where relevant to action savings plans to ensure financial targets are met.

Executive Summary

- 3 The Government published its consultation on the Business Rate Retention (BRR) scheme on 17 July 2012. The consultation provides an indication of how baseline funding levels will be calculated and also how the BRR scheme will work in the future. The Government have indicated that they will not be publishing a response to the consultation which is disappointing and will mean the council will not receive certainty on the financial impact of BRR until the Finance Settlement is received in December.
- 4 The MTFP (3) report to Cabinet on 11 July 2012 identified that the council was forecasting a reduction in Government funding of £7.03m. The content of the consultation indicates that:

- (i) The baseline position is likely to be worse than forecast and the reduction is forecast to now increase to £11.6m. Should this forecast be accurate, this will mean a cumulative forecasted reduction in Government Support for the six year period 2011/12 to 2016/17 of £131.5m which equates to a 34% reduction. After taking into account estimated base budget pressures and growth in some priority services, the cumulative level of cash savings to be delivered over this six year period is £182.4m which equates to a 42% net revenue budget reduction over this period.
- (ii) There is likely to be significant uncertainty of funding streams well into 2013/14.
- (iii) There will continue to be greater uncertainty of funding in the future and the government's incentive for local authorities to increase income from business rates through economic development and regeneration may not be as evident as initially thought.

5 It is concerning at this stage that the council's 2013/14 baseline funding position is unknown with complex assumptions having to be made to estimate the position. More concerning however is that the consultation would indicate that the council will be detrimentally impacted by BRR. Key areas for consideration in this regard are as follows:

- (i) **'Damping'** – the council currently contributes £9.7m to the national 'damping' funding process in 2012/13, which is the system to protect other councils who would be significantly worse off financially under the local government formula grant system if the damping system was not in place. This sum was forecast to reduce to £8.7m in 2013/14 and over time this sum was expected to continue to reduce year on year and thereby gradually increasing the Government grant paid to the council to the level which the formula grant system calculates we should have.

A number of technical adjustments to baseline formula grant are recommended within the business rates retention consultation, which according to our early calculations will actually result in an estimated £4.3m increase in Government grant but unfortunately will also result in an increase in the council's damping contribution by £2.7m to an estimated £11.4m when compared to the forecasted £8.7m in 2013/14. The Council's forecasted grant increase because of these adjustments will be only £1.6m rather than the £4.3m.

It also appears that the government now has no intention to gradually reduce the effects of damping over time and will not review again until it next looks to revisit the business rates baseline which could be several years hence. The council should be lobbying strongly against this proposal in its response to the BRR consultation.

- (ii) **Retention of Business Rates Collected** - early Government correspondence about the new BRR system indicated that councils would be able to retain additional business rate income raised locally.

The key selling point of the BRR scheme was the incentive to retain additional business rate income to be able to invest in local services. The consultation document confirms however that councils will only be able to retain 50% of the total business rates it collects locally therefore diluting the incentive by 50%. Of greater concern however, is that Department of Communities and Local Government have indicated that any increase in business rates collected nationally may result in a corresponding reduction in Revenue Support Grant paid to councils in the future. Such a policy would re-distribute funding to areas where business rates significantly increase from areas where business rates either decrease, stay the same or increase slightly.

- (iii) **New Homes Bonus** – from 2013/14 grant allocations, the Government intends to top slice funding from councils core grant to redistribute as New Homes Bonus. Previous MTFP reports to Cabinet have identified that the council has lost £1.69m in funding overall due to the introduction of New Homes Bonus for 2011/12 and 2012/13. The top slicing of New Homes Bonus from core council funding in the future will continue to redistribute funding to areas of significant house building growth from those where house building growth is more depressed and the loss of funding including 2013/14 is forecasted to increase to £3.3m.
- (iv) **Other Adjustments** - a number of other recommendations in the consultation result in core funding being top sliced without any clarity on how/when and if the funding will be re-distributed.

6 It is recognised from the content of the consultation that the council's baseline position will not be favourable, that the re-distributional impact of the BRR scheme are unlikely to benefit the council and that the council will continue to face a significant period of uncertainty as regards the forecasting of funding streams in the medium term. The council should respond strongly against the unfair elements highlighted in the BRR consultation document and lobby alongside ANEC and SIGOMA.

7 The introduction of the BRR scheme is likely to result in more affluent areas having greater opportunity to benefit with core local authority funding no longer being linked to an assessment of need. It is apparent that the majority of government policies impacting upon local government finance have the similar impact of re-distributing funding from deprived areas to affluent areas. The examples detailed below all have this re-distributional effect.

- (i) Original 2010 CSR - analysis produced by the Association of North East Councils (ANEC) of the CSR 2010 funding reductions illustrated that deprived areas faced significantly higher levels of government cuts than affluent areas
- (ii) New Homes Bonus - core local authority funding has been cut to finance the New Homes Bonus. Affluent areas continue to experience greater levels of house building ensuring that these areas benefit from this funding at the expense of deprived areas.

- (iii) Regional Development Fund (RDF) - although the north east received an allocation from the RDF the majority of this funding was targeted upon the south east and especially London
- (iv) Local Council Tax Support Scheme (LCTSS) - in the future local authorities will be financially responsible for any uptake in the public accessing council tax benefit. This risk transfer from government to local authorities is likely to have a greater impact upon deprived areas.
- (v) Public Health - the government has recommended a formula methodology to re-distribute the budgets Primary Care Trusts presently spend on Public Health. This methodology would result in a significant shift of funding from deprived areas to affluent areas. In the case of Durham the funding would be reduced by circa 40% - 50%.

Background

8 The MTFP (3) report to Cabinet on 11 July 2012 highlighted the following:

- (i) There was significant uncertainty in relation to the 2013/14 Government grant settlement the council would receive due to the implementation of the BRR scheme from 1 April 2013.
- (ii) The council would need to agree an approach to the Local Council Tax Support Scheme (LCTSS) from 1 April 2013.
- (iii) Based upon an assumed reduction in Government grant of £7.03m at that time, a balanced position was possible if £19.97m of savings were approved.
- (iv) The proposed approach to Council and Service planning, consultation and equality considerations.
- (v) A timetable was agreed for the development and approval of the MTFP (3), Council Plans and Service Plans.

9 This report provides updates where additional information is now available.

Business Rate Retention Scheme

10 The Government published the BRR consultation on 17 July 2012. The consultation period ended on 24 September 2012, whilst the document itself is over 200 pages long and contains 83 consultation questions. Unfortunately the Government has already announced that they will not be publishing a response to the consultation. This will mean that no local authority will receive clarity as to the impact of the changes until the draft Local Government Finance Settlement is received, hopefully early in December 2012.

11 The MTFP report to Cabinet on 11 July provided detail of what was known at that time in relation to BRR. The key points highlighted are detailed overleaf:

- (i) The council was still forecasting a reduction of Formula Grant in 2013/14 of £7.03m. Insufficient detail was available at that time to determine if this figure needed to be updated.
- (ii) Councils would retain 50% of business rates collected locally (the local share) with the Government receiving 50% (the central share).
- (iii) It was forecast that the council would definitely be a 'top up' authority i.e. the 50% local share of business rates would be lower than the 'baseline funding level' requiring the payment of a 'top up' from central government sources which would be funded by 'tariff' councils whose 50% local share of business rates would be higher than their baseline funding levels.
- (iv) A safety net would be introduced if a council's baseline funding reduced by around 10% due to a loss of business rate income in any one year.
- (v) A number of other significant funding streams were to be included in BRR e.g. Early Intervention Grant, Learning Disability and Health Reform Grant and Council Tax Support Grant.

12 The consultation document received in July confirms a number of the points identified above but other issues raised in the consultation are likely to have a detrimental impact upon the council's funding baseline and increase the Government grant reduction forecast for 2013/14. The key issues impacting upon the council's baseline funding position are detailed below:

- (i) **New Homes Bonus** – from 2013/14 the Government intends to deduct from the BRR scheme an annual sum for the New Homes Bonus. The Government is consulting on top slicing £2bn nationally from BRR in 2013/14 to fund the New Homes Bonus over the next four year period. If the full £2bn is not required the residual sum would be paid back to councils on a proportionate basis. The sum paid nationally for New Homes Bonus in the last two years is shown below:

	£m
2011/12	199
2012/13	231

Based on these figures it is forecast that the sum required in 2013/14 nationally will be around £300m.

In addition the government is consulting on top slicing £345m from the £2bn to finance capitalisation and safety net amounts (see below) leaving an estimated £1.355bn to be redistributed to councils in 2013/14. Using the council's forecast 2013/14 share of Formula Grant nationally of 1.17%, the council would receive £15.95m of the redistributed sum. New Homes Bonus grant allocations for 2013/14 are likely to be confirmed in December 2012/January 2013.

The key impact on the council's assumption for the reduction in overall Government grant for 2013/14 is that in the future any sum paid as

New Homes Bonus is being deducted from the national control total for local government. By introducing this policy the Government is taking funding from councils core grant and paying it back as New Homes Bonus. As a consequence, council areas with relatively high housing growth will be winners in this regard and councils with relatively low housing growth will be losers. Between 2011/12 and 2012/13 the council has lost £1.69m in funding due to the re-distributional effects of the New Homes Bonus. Based upon a forecast New Homes Bonus for the council in 2013/14 of £1.6m it is forecast that the loss in funding due to the re-distributional effect will increase to an estimated £3.3m in 2013/14.

- (ii) **Capitalisation / Safety Net Top Slice** – the Government is recommending that in 2013/14 £345m is top sliced from the BRR scheme to provide budget for the following:

	£m
Capitalisation	100
BRR Safety Net	245

Every year councils ask for permission to capitalise excessive revenue costs e.g. equal pay settlements, redundancy payments etc. The recommendation is for the control total to be reduced by £100m to enable the Government to finance such requests. The council does not qualify for capitalisation at the present time due to the current level of reserves held. On that basis the council would lose circa £1.1m of funding and would receive nothing in return.

It is expected that the BRR Safety Net to cover significant in year reductions in business rates yield, would be financed by a levy which will be charged against authorities who see excessive increases in business rate income. The Government have identified however that the levy generated in 2013/14 will not be known until the end of 2013/14 i.e. if any Safety Net payments are required in 2013/14 the Government will have no budget available. On this basis, the Government is recommending that £245m is top sliced from the local government control total. If some or all of the £245m is not required this would be reimbursed to councils on a proportionate basis. This will not be confirmed however until the January/February of the financial year in question.

At this stage for modelling purposes it is felt prudent to assume that the council will not receive any of this funding back from the Government.

- (iii) **Early Intervention Grant** – the Government is recommending a number of adjustments to the Early Intervention Grant (EIG) which is utilised extensively to provide services to support children across the county. In 2012/13 the council received £24.788m from the national total of £2.36bn. The following changes are recommended in the consultation.

- Funding will be removed from the EIG to create a new grant which will be paid as part of the Dedicated Schools Grant (DSG) from

2013/14 to support 2 year old nursery placements. The DfE has not identified how this funding, which was previously part of EIG will be distributed, but based upon the national total of £534m it is forecast that the council will receive circa £5.22m. Children and Adult Services will face an increase in demand for 2 year old nursery placements as part of this policy during 2013/14. At this point this additional pressure is forecast to cost an additional £1.5m. On that basis the councils baseline position for EIG in 2013/14 should have been an estimated £26.288m

- The Government is looking to top slice £150m from the national total for EIG and will retain this centrally to support early intervention and children’s services without any commitment at this stage. At this stage it is prudently assumed that the council will not receive any of this retained funding as a non ring fenced grant.
- A sum nationally of £1.726bn will be added to the BRR total from EIG. The council’s share of this will be circa £18.12m.

Overall the forecasted impact on Durham is as follows:

	£m	£m
Current EIG – 2012/13		24.788
Add new statutory pressure for two year olds		1.500
Standstill position		26.288
Less		
Sum added to BRR	18.125	
Sum received in DSG	5.220	
		23.345
Reduction in funding for the council		2.943

- (iv) **Local Authority Central Spend Equivalent Grant (LACSEG)** – previous reports to Cabinet have detailed the funding top slice from Formula Grant for the Government to be able to transfer funds to Academy Schools to enable them to finance functions which were previously funded by local authorities. The sum top sliced from the council up to 2012/13 is £2.3m. A number of councils, including Durham, legally challenged this process and were successful. The DfE have already agreed to refund £0.64m in relation to 2011/12.

In an attempt to resolve their problem, the DfE have published a consultation on a process for the future. The key features of the consultation are as follows:

- DfE have utilised Local Authority 2011/12 Section 251 Statements (a Government return that details education spending for each council) to determine that £1.2bn is spent nationally on the functions which Academies will have to provide themselves. (It is likely that many councils will challenge this calculation.)
- The £1.2bn will be deducted from the BRR scheme and transferred to the DfE with the sum deducted from each council being determined by their number of pupils compared to the national total.

- In 2013/14 the DfE will pay grants to Academies and Councils based upon the percentage of pupils in Academies in the county. It is forecast that the sum deducted from the council's baseline funding position will be £11.6m, whilst the council would receive £8.7m from the DfE based upon 25% of pupils being in Academies. The £2.9m loss (£11.6m less £8.7m) exceeds the £2.3m currently top sliced. As such the revised arrangements for 2013/14 result in an increase in the LACSEG top slice of £0.6m. In addition the LACSEG position will continue to deteriorate as more schools in Durham convert to Academies.

- (v) **Technical Adjustments to Baseline Formula Grant** – the Government is consulting upon making a number of amendments to data items which underpin the current formula grant system. The key changes relate to data for Concessionary Fares, Rurality and population changes resulting from the 2011 Census. The population for the county utilised in the 2012/13 formula grant calculation is slightly higher than the actual population from the 2011 census. It is likely therefore that the council's share of baseline formula grant will reduce slightly. It is forecast that the reduction could be circa £0.5m.

The council is expected to benefit however from the other data changes. Before 'damping' the increase in funding would be £4.3m. Unfortunately after damping is applied the council's funding would only increase by an estimated £1.6m. This is very much an estimate at this stage as the government has yet to confirm how damping will be applied in 2013/14.

These changes will benefit the council but not as significantly as would have been the case if damping had not been applied. The council will be contributing an estimated £11.4m to the damping process in 2013/14. The BRR consultation identifies however that this damping position will be frozen until at least 2020 i.e. the council's funding will not be increased to recover the £11.4m. The council should continue to lobby against this detrimental position for Durham by all means possible including direct feedback to the government's consultation, through our local MPS and SIGOMA.

- (vi) **Estimated 2013/14 Baseline Formula Funding** - the Department for Communities and Local Government (DCLG) has recently circulated an analysis of councils estimated 2013/14 baseline formula funding position. The analysis indicates that the council's share of the national control total has increased slightly above the current baseline level after taking into account the technical adjustments identified above. This increase is forecast to attract an additional £3.8m of funding. Further analysis is being carried out in this regard but again it is unlikely that total clarity will be received until the draft settlement figure is announced for the council in December 2012.
- (vii) **CSR Grant Reduction** - the DCLG analysis detailed above identified the likely local government national control totals for 2013/14. An analysis of these totals has indicated that the CSR grant reduction for

the council in 2013/14 will be an estimated £5.7m. This is a reduction of £1.3m from the original estimate in July 2012.

- 13 The issues identified above will result in a deterioration in the council's forecast financial position for 2013/14.
- 14 The table below identifies that the forecast grant reduction is £11.612m, an increase of £4.582m from the current forecast of £7.03 in the July cabinet report. It should be recognised however that the council is prudently forecasting that top sliced grants in relation to capitalisation, safety net and EIG will not be returned to the council. In addition however it is also recognised that the assumptions in this report are based upon the BRR consultation paper and the final settlement will not be known until December 2012 at the earliest.

Adjustment	Reduction in Baseline £m	Returned via Grant £m	Into BRR £m	Net Position £m
Revised Forecast of Grant Reduction				5.730
Estimated impact of reduced proportion of national population				0.500
Technical Adjustments to Formula Grant				-1.600
Early Intervention Grant	26.288	5.220	18.125	2.943
LACSEG	11.605	8.700	2.300	0.605
New Homes Bonus – after top slice	23.400	15.950		7.450
Increase in value of transferred grants			0.193	-0.193
Increase of Council attracting larger proportion of national control total				-3.823
TOTAL SHORTFALL IN FUNDING				11.612

2013/14 Budget

- 15 The MTFP report to Cabinet on 11 July 2012 identified that the 2013/14 budget position was balanced subject to the approval of £19.97m of savings. Two issues have impacted upon this position as detailed below;
- (i) Analysis of the BRR consultation document has highlighted that there is an estimated £4.582m deterioration in the forecast 2013/14 budget position.
 - (ii) Neighbourhood Services have identified that it will not be practical to support one of the 2013/14 MTFP savings relating to Highways Maintenance. The saving was expected to achieve £335k resulting in a reduction in the 2013/14 savings to £19.63m.
- 16 The above two issues have resulted in a shortfall of £4.917m. A full review has been carried out on all elements of the 2013/14 MTFP model to determine if there are options available to address this shortfall. The adjustments detailed overleaf are available to address the shortfall:

- (i) **New Homes Bonus** – in 2012/13 the council receives £2.55m New Homes Bonus. This funding is calculated based upon the net addition to housing stock in the county and supports the council's base budget. It is presently estimated that the council will receive an additional **£1.6m** New Homes Bonus in 2013/14.
 - (ii) **Staff Turnover** – the current 2013/14 MTFP model includes **£1.2m** to enable the staff turnover factor in base budgets to be reduced from 3% to 2.5%. After taking into account service grouping cash limit balances in contingency, it is felt that this budget pressure should be deleted.
 - (iii) **Energy** – analysis of current energy budgets and forecast price increases for 2013/14 has identified that the **£0.5m** included in the current 2013/14 MTFP model will not be required.
 - (iv) **Capital Financing and Investment Income** – the council's borrowing and investment plans have been reviewed. This review has highlighted that the budget pressure identified in the 2013/14 MTFP model can be reduced by **£0.148m**.
 - (v) **Pay and Price inflation** - the requirement for pay and price inflation has been reviewed utilising the 2012/13 base budget. The pay inflation allowance built into the 2013/14 budget is 1% and the price inflation allowance is 2%. The review has identified that the sums included in the 2013/14 model can be reduced by **£0.173m**.
 - (vi) **Carbon Tax** - latest estimates would indicate that only £0.1m will be required in 2013/14 allowing a **£0.1m** reduction.
- 17 The MTFP report to Cabinet on 11 July 2012 identified that a number of budget reviews were to be carried out in relation to 'Running Expenses' budgets. The early stages of these reviews has identified that budgets can be reduced by **£0.636m**. In addition it is also felt that no price inflation should be applied to running expenses budgets in 2013/14. This will contribute an additional sum of **£0.560m**. These savings can be utilised to assist in balancing the 2013/14 budget.
- 18 The adjustments identified above would counter the government grant reductions and result in a balanced position for 2013/14.

MTFP (3) 2013/14 – 2016/17

- 19 The MTFP report to Cabinet on 11 July 2012 identified that analysis of the Government's March 2012 budget had detailed that Government grant cuts were going to be higher than forecast in 2015/16 and 2016/17. This resulted in an increase in the MTFP 3 shortfall to £48m. The following two issues have impacted upon this forecast.
- (i) The current forecast cut in government grant in 2014/15 is £14.84m. Analysis of the BRR consultation paper however has identified that the reduction in funding could be greater in 2014/15 than forecast and increase to £17.4m.

- (ii) The current MTFP model includes an assumption of a £2m per annum budget pressure per annum relating to demographic pressures relating to adults. Children and Adults Services have carried out detailed reviews in this regard and are comfortable in reducing this sum to £1m per annum. In the short term this pressure is being met from the Demographic Pressures earmarked reserve.

20 The two issues identified above have resulted in the MTFP shortfall reducing to £46m. A fully updated MTFP model is attached at Appendix 2. A summary of the shortfall in individual years is detailed below:

SHORTFALL	
	£m
2014/15	7.22
2015/16	24.02
2016/17	14.72
TOTAL	45.96

21 A wide range of fundamental budget reviews will be carried out in the coming months to identify opportunities for realising further efficiency savings protecting, wherever possible, front line service provision. Particular emphasis will be placed on reviewing procurement practices and all day to day running expenses.

Risk Assessment

22 The previous MTFP report to Cabinet on 11 July 2012 identified the significant risks associated with the 2013/14 resulting in the main from the introduction of the BRR scheme. The BRR consultation document provides further detail on how the scheme is expected to operate. It is apparent however that no real clarity will be available on the actual financial impact upon the council until the settlement is received in December 2012. Although the 2013/14 MTFP model is balanced at the present time the following risks have been identified:

- (i) **Forecast Grant Reduction** – this report has highlighted the uncertainty regarding the 2013/14 financial settlement. The 2013/14 budget is presently balanced based upon the latest forecast government grant reduction. Contingency plans will be developed over the coming months to ensure options are available to address any deterioration in the current forecasted 2013/14 budget position.
- (ii) **Council Tax Support Scheme Baseline** – although an approach has been approved by Cabinet for 2013/14 in relation to the changes associated with the Localisation of Council Tax Support, there is still a risk that council tax benefit take up is higher than our 2013/14 baseline. The retention of a risk contingency budget will provide some protection in this regard.
- (iii) **Business Rate Baseline** – the introduction of the BRR scheme will result in the council retaining 50% of all business rates collected in the county – the local share. The BRR will provide the council with a Business Rate Baseline and there is a risk that the actual sum

collected in 2013/14 could be lower than this baseline. Again the risk contingency budget will provide some coverage in this regard.

- (iv) **Two Year Old Nursery Placements to be Funded from Dedicated Schools Grant** – if the sum received is lower than the forecast £5.22m the council will face additional budget pressure.
- (v) **LACSEG** – final notification will be required of the method for top slicing baseline funding for LACSEG from the council and the sum returned based upon the proportion of pupils in Academies.

23 Overall, the Council faces a period of significant financial uncertainty over the MTFP 3 period. It will be key to retain budget flexibility during this period to ensure the council can react to financial pressures.

Council Plan and Service Plans

24 The council plan sets out the high level objectives, outcomes and actions that the Council plans to deliver over the next four years. It is underpinned by more detailed service plans which set out each individual service grouping's overarching work programme. In July 2012, the Cabinet agreed that the council plan and service plans would be reviewed alongside MTFP (3), to ensure that MTFP (3) decision making is informed by the Council's priorities, and that the plans reflect investments and savings agreed as part of the MTFP (3) process.

25 The initial phase of work, a review of the council plan high level objectives and outcomes, took place over the summer, in line with the approach agreed in July that there would be limited changes. The aim of the review was to update the Council Plan to reflect relevant changes to national policy, plus changes in our local delivery context and priorities.

26 Overall, it is recommended that the 5 key altogether better themes remain unchanged, in line with a review of the Altogether Better Durham vision by the County Durham Partnership at its recent away day. It is also recommended that the altogether better council theme is retained, giving 6 key themes:

- a. Altogether Wealthier
- b. Altogether Healthier
- c. Altogether Better for Children and Young People
- d. Altogether Safer
- e. Altogether Greener
- f. Altogether Better Council.

27 The draft objectives and outcomes framework for this year's Council Plan is set out at Appendix 3 showing proposed changes from last year's rolling four year plan. Overall, as expected, most outcomes and objectives continue from last year. For two areas significant changes are proposed:

- For the Altogether Better Council theme streamlining of the high level objectives framework from six to four key objectives is proposed, to reflect a new phase of improvement work post-LGR, including taking on board key messages from the recent peer challenge exercise.

- For Altogether Healthier it is proposed that the objectives framework is redrawn to align with the new draft joint Health and Wellbeing Strategy, which is due to be finalised in November.

28 The council plan draft objectives and outcomes framework was considered at a Members' Seminar on 4 October, linked to the initial briefing on the MTFP approach this year. The feedback from Members will feed into considerations for the next stage of Council Plan development. Work on individual service plans will begin during the autumn based on the revised council plan framework agreed with Cabinet. The final draft council plan will be presented to Cabinet and Council for consideration alongside the final MTFP proposals, early in 2013.

Equality Impact Assessment Considerations

29 Alongside the development of the MTFP, equalities impacts are being considered throughout the decision making process. As explained in the July Cabinet report, this is in line with the Equalities Act 2010 which under the public sector equality duty requires us to pay 'due regard' to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

30 Over the summer, as part of the development of MTFP (3) proposals, Equality Impact Screenings have been prepared for all proposals. This will be used to ensure that equalities considerations inform the development of MTFP (3) proposals for Cabinet. The screenings also allow early consideration of proposals where a full impact assessment will be needed to inform final decision-making, and where equalities considerations need to be built into consultation in relation to proposed changes.

31 We will continue to ensure that full Equalities Impact Assessments inform final decision-making on implementing MTFP savings. Monitoring of the cumulative equalities impact of MTFP decisions is continuing through regular updates to Cabinet on progress in implementing the MTFP.

Consultation

32 As agreed in the report to Cabinet on 11 July 2012, the consultation for the 2013/14 Budget and 2013/14 to 2016/17 MTFP (3) will take place in two phases.

33 The first phase will take place in late October and November 2012 using a wide range of engagement mechanisms to seek views of the wider community to inform the development of the Council's proposals and future approach to developing its budget plans. The second phase will take place in January 2013 and will feedback to the wider community the outcome of the earlier

consultation, as well as seeking targeted responses to the draft proposals from key partner agencies.

- 34 Given their effectiveness in previous consultation rounds on the MTFP, mechanisms to be used will include presentations to Area Action Partnerships and groups representing equality strands as well as a questionnaire to the Council's Citizens' Panel and an online survey.

Next Steps

- 35 It is of utmost importance that early action is taken to ensure progress can be made in achieving savings to achieve the challenging targets we face for 2013/14. Some of the savings options proposed by Service Groupings can be actioned under the delegated constitution by Corporate Directors in consultation with Portfolio Holders.
- 36 It is expected that due process will begin in these circumstances if Cabinet approval is given at this Cabinet meeting. These processes will include consultation with staff and Trade Unions.

Recommendations

- 37 Cabinet are asked:
- (i) to note the impact upon the estimated reduction in Government grant in 2013/14;
 - (ii) to agree the reported position to the Business Rate Retention consultation;
 - (iii) to agree the adjustments to the 2013/14 MTFP model which result in the achievement of a balanced budget position for 2013/14;
 - (iv) to agree the broadly balanced budget position forecast at this stage for 2013/14;
 - (v) to note the risks identified in relation to MTFP (3);
 - (vi) to note the £46m MTFP (3) Model shortfall for the period 2014/15 – 2016/17;
 - (vii) to note the updated position in relation to the development of council and service plans;
 - (viii) to agree the updated position in relation to Equality Impact Assessments;
 - (ix) to agree the outlined position in relation to consultation.

- (x) to agree that Corporate Directors/Assistant Chief Executive review their operations and within the parameters of their delegations as contained in the constitution, devise proposals for savings (including where required: staffing reductions, restructures, implementation of review of charges, service reviews) in order to achieve the savings required. Having devised such proposals, consult upon them and take into account the outcomes of such consultation.

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Appendix 1: Implications

Finance

The report highlights the current shortfall in the 2013/14 MTFP (3) Model and identifies how the review of base budget pressures has enabled a broadly balanced budget position to be achieved at this stage. The report also highlights a £46m budget shortfall for the period 2014/15 – 2016/17 and what processes are being put in place to address this position.

Staffing

The savings proposals within the MTFP (3) and any additional savings identified could impact upon staff. Due HR processes will need to be followed.

Risk

A risk assessment is included in the report in relation to 2013/14 and the mitigating actions being planned.

Equality and Diversity / Public Sector Equality Duty

Equalities considerations are built into the proposed approach to developing the MTFP (3), Council Plan and Service Plans, as a key element of the process.

Accommodation

None

Crime and Disorder

None

Human Rights

Any Human Rights issues will be considered for any detailed MTFP (3) and Council Plan proposals as they are developed and decision made to take these forward. There are no Human Rights implications from the information within this report.

Consultation

The proposed consultation process is an integral element of this report and it is suggested will involve a series of deliberative discussions with the public throughout November 2012.

Procurement

None

Disability issues

All requirements will be considered as part of the equalities considerations outlined within the main body of the report.

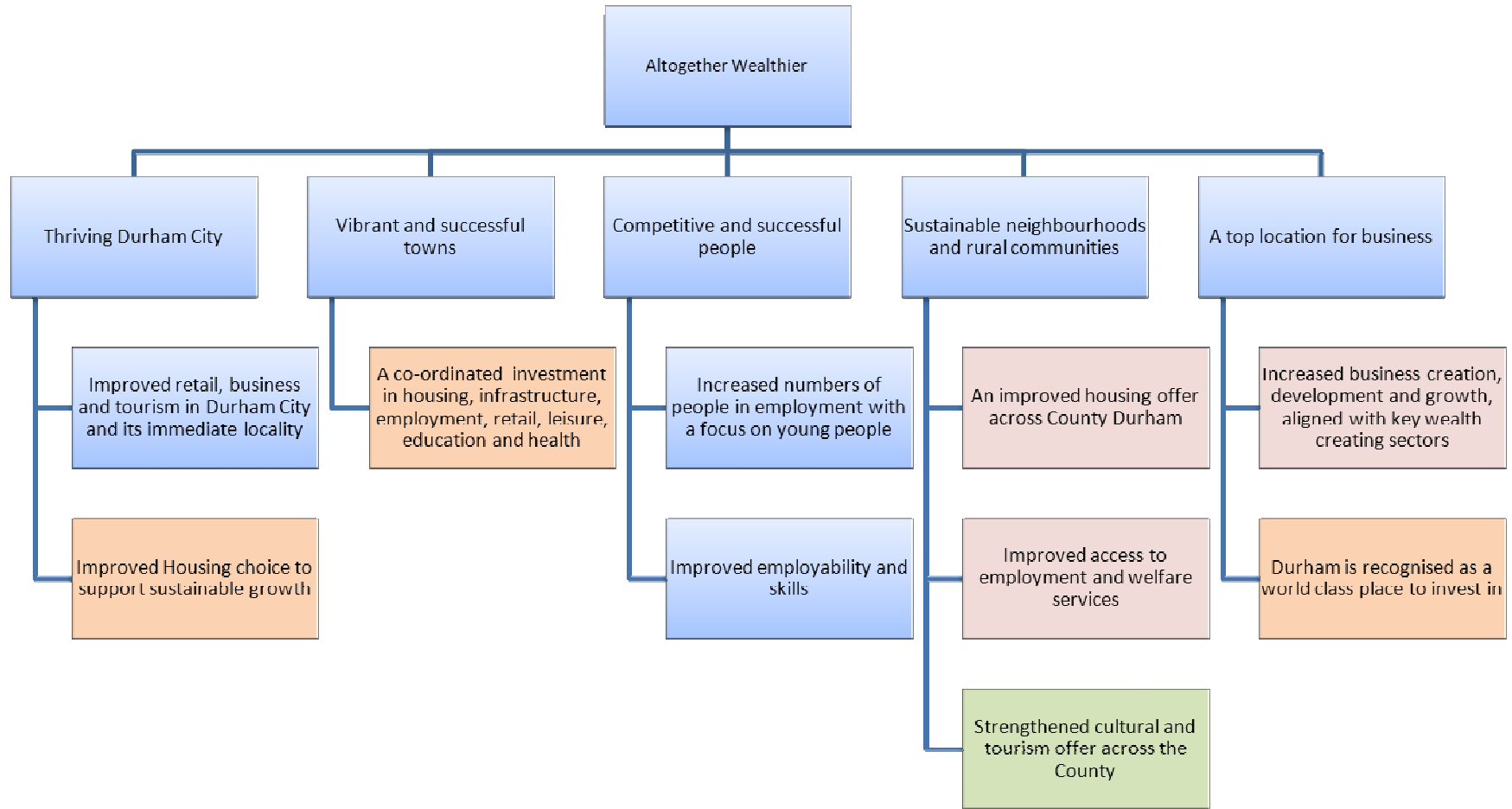
Legal Implications

None

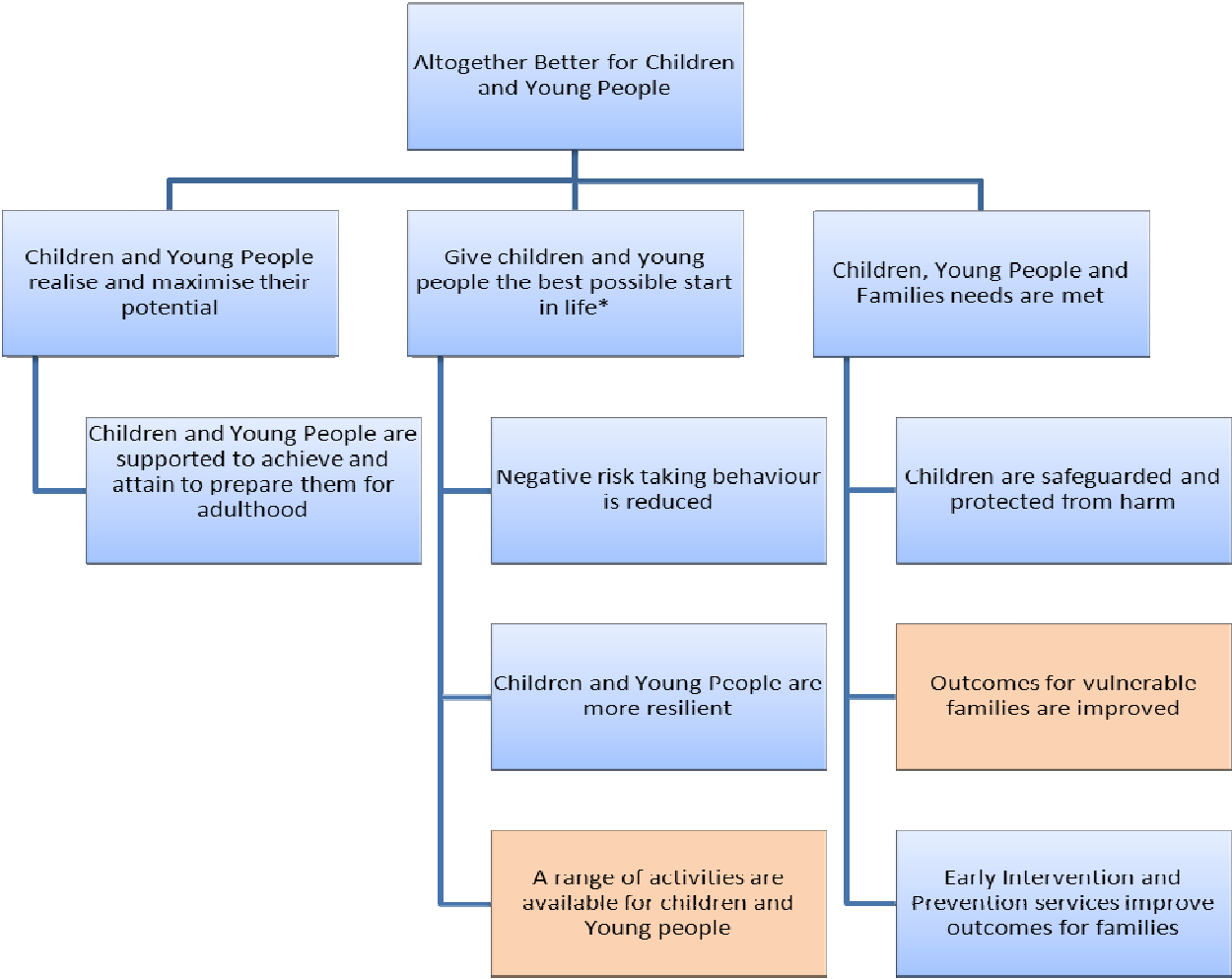
Medium Term Financial Plan 2013/14 - 2016/17 Model				
	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Net Government Grant Reductions	11,612	17,400	15,600	9,530
Council Tax Increase (2.5% each year)	-4,005	-4,105	-4,207	-4,312
Council Tax Freeze Grant	4,989	0	0	0
PCT Social Care Funding	0	0	5,900	0
New Homes Bonus	-1,600	0	0	0
Use of Earmarked/Cash Limit Reserve in AWH	-1,000	150	3,000	0
Estimated Variance in Resource Base	9,996	13,445	20,293	5,218
Pay inflation (1% - 1% - 1.5% - 1.5%)	1,865	1,815	2,725	2,725
Price Inflation (2% - 1.5% - 1.5% - 1.5%)	2,232	1,970	1,890	1,890
Corporate Risk Contingency Budget	0	-1,000	-1,000	-900
Base Budget Pressures				
Landfill Tax	1,030	983	937	890
Carbon Reduction Commitment - 'Carbon Tax'	100	0	0	0
Disturbance Allowances re Accommodation Strategy	0	-220	0	0
Additional Employer Pension Contributions	1,300	1,100	1,000	1,000
Concessionary Fares	80	400	400	400
Energy Price Increases	0	500	500	500
Community Building running costs	0	-180	0	0
Housing Benefit Lost Admin Grant	0	-100	-100	0
AWH Demographic and Hyper Inflationary Pressures	1,000	1,000	1,000	1,000
Community Governance Reviews	-50	0	-50	0
Prudential Borrowing to fund new Capital Projects	2,000	2,000	2,000	2,000
Capital Financing for current programme	1,250	1,250	1,500	0
Investment Income	-536	0	0	0
TOTAL PRESSURES	10,271	9,518	10,802	9,505
SUM TO BE MET FROM SAVINGS	20,267	22,963	31,095	14,723
Savings				
MTFP Savings	-19,391	-15,744	-7,073	0
Running Expenses	-636	0	0	0
Essential Car User	-240	0	0	0
TOTAL SAVINGS	-20,267	-15,744	-7,073	0
Surplus(-)/Deficit	0	7,219	24,022	14,723

Appendix 3 – Draft council plan objectives and outcomes

Altogether Wealthier

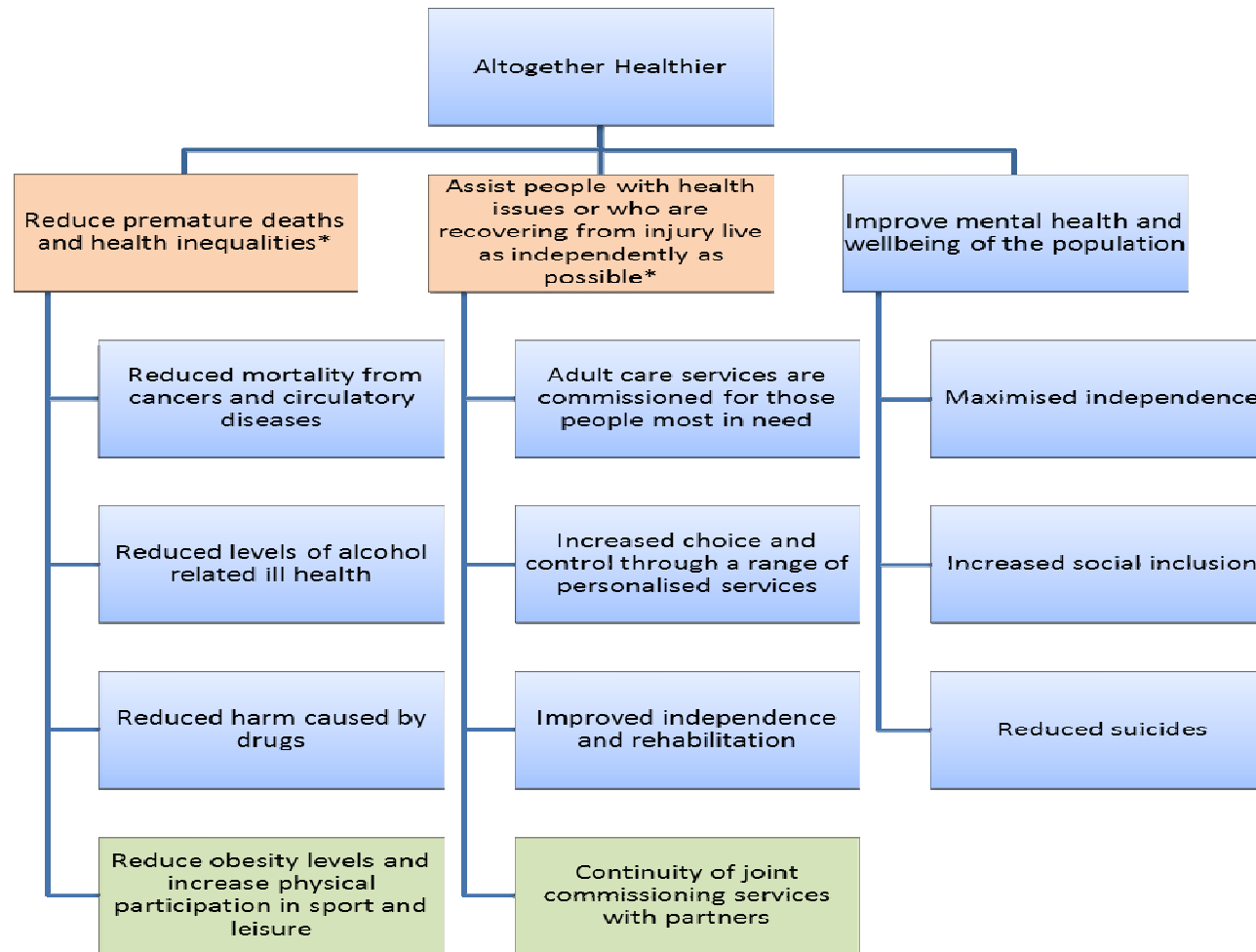


Altogether Better for Children and Young People



- Taken from the draft Joint Health and Wellbeing Strategy (JHWBS)

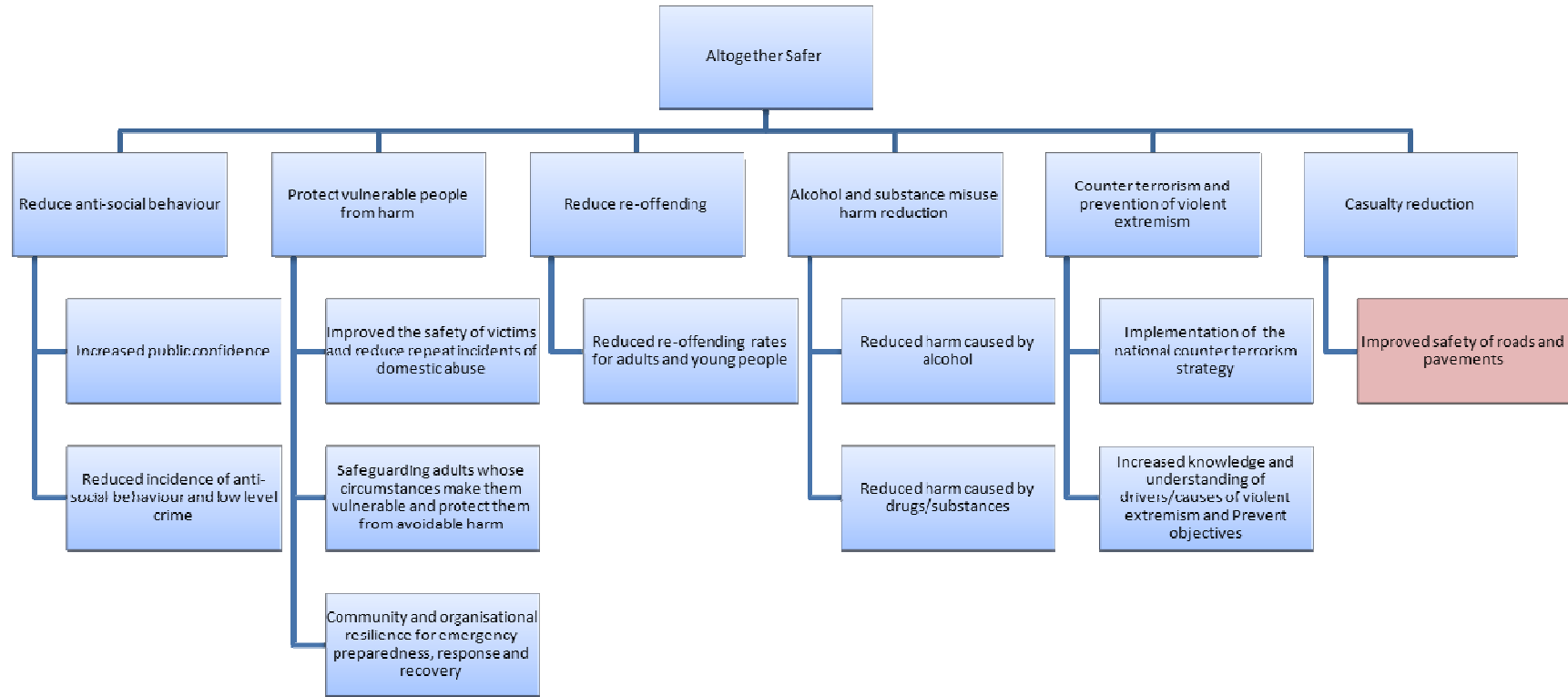
Altogether Healthier



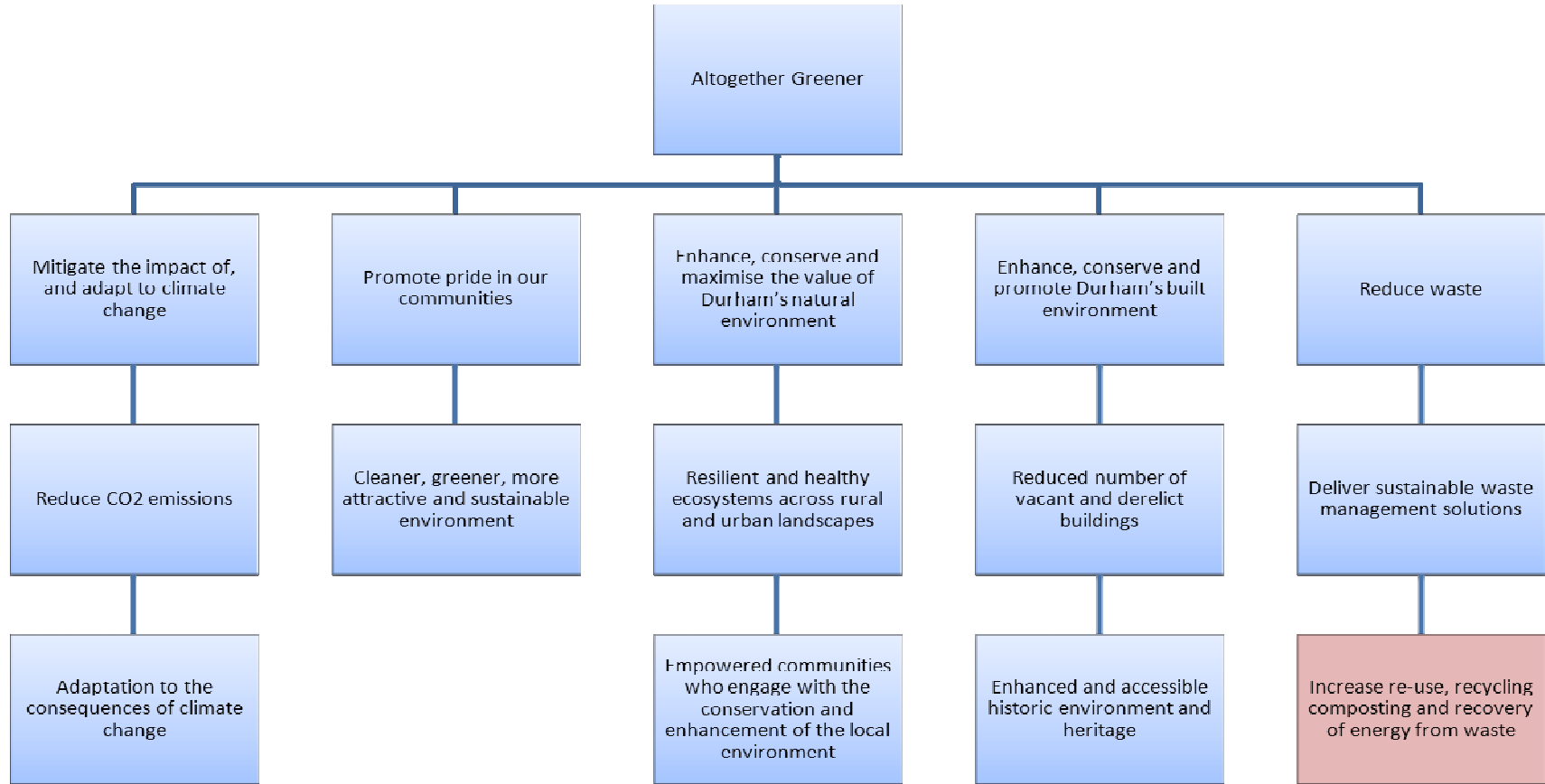
- Reduce the number of people dying prematurely, while reducing the difference between the least and most healthy communities and improve the least healthy more quickly (Text in draft JHWBS)

- Improve the quality of life, care and support for people with long term conditions and those recovering from episodes of ill health or injury to assist them to live as independently as possible (Text from draft JHWWBS)

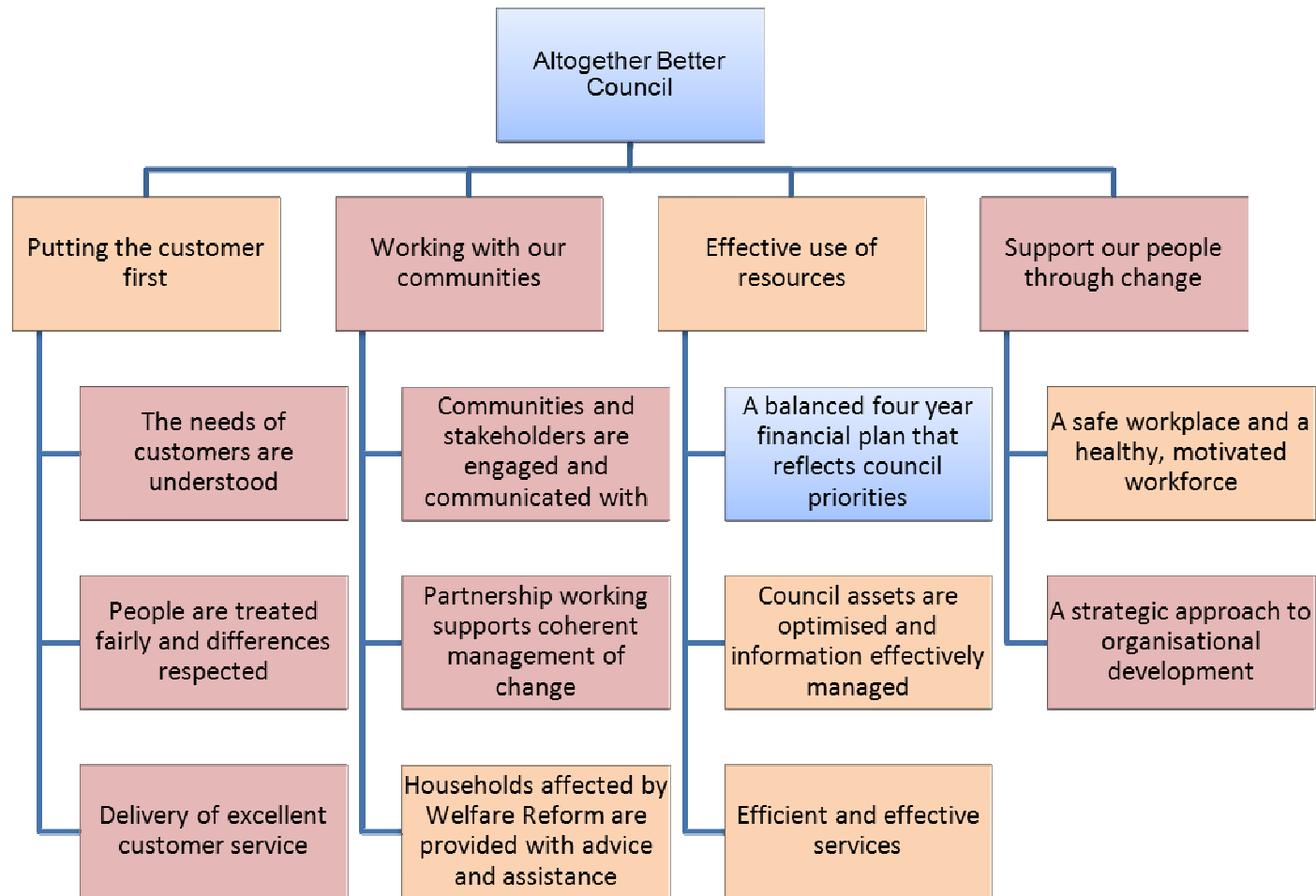
Altogether Safer



Altogether Greener



Altogether Better Council



Key

Unchanged

New

Amended

Moved

Cabinet

10 October 2012

**Implications for Durham County Council
of the Government's policy programme**


**Report of Corporate Management Team
Lorraine O'Donnell, Assistant Chief Executive
Councillor Simon Henig, Leader of the Council**

Purpose of the Report

- 1 On 30 May 2012, Cabinet considered the most recent report on the implications of the Coalition Government's policy programme. This report provides Cabinet with an update on the major policy developments and announcements since then and analyses the implications for the Council and County Durham.

Executive Summary

- 2 Over the summer, the Government has made a number of policy announcements, which progress its initial policy proposals set out in *The Coalition: our Programme for Government* and subsequent bills and white papers. A number of proposed pieces of legislation have been revised following further consultation and debate and consideration by Parliament and the Council now has to consider increasing numbers of detailed regulations, guidance and proposals, as the Government's reform programme moves increasingly into the implementation phase.
- 3 The most significant announcements since the last report to Members relate to the following, outlined in more detail below:
 - Local Government finance;
 - Welfare reform;
 - NHS and public health reform;
 - Social care;
 - Supporting economic growth;
 - Planning reform;
 - Education and schools;
 - Housing;
 - Anti-social behaviour and community safety;
 - Community empowerment and localism;
 - Open public services;
 - Open data and transparency;
 - Standards.
- 4 The common themes of Government policy around transparency, choice, community empowerment and more diverse patterns of public service provision are still evident, but personal responsibility and fairness are coming to the fore particularly in relation to government policy on welfare reform.

- 5 Increasingly, the government's initial pieces of legislation such as the Health and Social Care Act, the Police and Social Responsibility Act and the Localism Act are coming into force and the major reforms of public policy and changes to public service landscape are about to take place.
- 6 Clearly, the various policy changes will have major implications for the Council and the steps it is taking to develop an 'altogether better Durham'.
- 7 The Council and its partners are continuing to analyse the impact that Government policy will have on local communities and on our ability to deliver the sustainable community strategy and wherever possible, are working together to respond proactively to the Government's policy changes.
- 8 Members are recommended to note the contents of this report and the actions taken to anticipate and respond to the Government's reforms.

Background

- 9 Cabinet has considered a number of periodic reports on government policy since the general election in 2010, the most recent report being on 30 May 2012. Where necessary, Cabinet has also received further policy reports on specific topics, such as the Localism Bill/Act, changes to the NHS and health and social care and proposed reforms to the planning system.

Update

- 10 The most significant policy announcements since the last report to Members in May 2012, relate to the following, which are outlined in more detail below:
 - Local Government finance;
 - Welfare reform;
 - NHS and public health reform;
 - Social care;
 - Supporting economic growth;
 - Planning reform;
 - Education and schools;
 - Housing;
 - Anti-social behaviour and community safety;
 - Community empowerment and localism;
 - Open public services;
 - Open data and transparency;
 - Standards.

Local government finance

- 11 On 11 July 2012, Cabinet considered a report on the development of the next Medium Term Financial Plan, when it was highlighted that a key area of uncertainty for the Council was anticipating the outcome of the 2013/14 financial settlement and associated major changes with the introduction of the Business Rates Retention scheme in 2013/14.

- 12 Under Business Rates Retention, from April 2013 local authorities will retain 50 percent of the Business Rates income they collect in order to fund local services. Currently, all of the income is passed to Government to redistribute through formula grant and other funding mechanisms.
- 13 The new scheme is intended to decentralise power and to provide local authorities with a greater incentive to develop their local area and stimulate economic growth. The Government has suggested that the move could help to boost the national economy by as much as £10 billion over the next seven years.
- 14 On 17 July 2012, the Government published a consultation paper on the detailed implementation of Business Rates Retention: how it would be set up and operate, and how the start up funding allocation and baseline funding levels for the new scheme would be established.
- 15 The final outcome will not be known until December when the Government has considered the responses to the consultation and determined the final financial settlement for 2013/14.
- 16 On 2 July 2012, the Government wrote to all English bus operators to outline changes to the Bus Services Operations Grant (BSOG) which are due to come in next year.
- 17 The principal changes include rather than paying all BSOG subsidy directly to bus companies, the Government will pass down to local councils outside of London the funding that relates to services they support – i.e. tendered services – to allow decisions to be taken locally on how it should be spent. In addition, in 24 areas outside London, the Government will use some of the BSOG budget to set up a new £70 million local government fund – Better Bus Areas (BBAs) – to encourage local transport authorities and bus companies to work closely together to improve services and boost passenger numbers. In the North East, improvements to bus services in Tyne and Wear are to be supported under the scheme.

Welfare reform

- 18 On 17 May 2012, the government published a consultation paper on the funding arrangements for the Localisation of Council Tax Support which is set to replace Council Tax Benefit from April 2013.
- 19 This was followed on 21 May 2012 by guidance on taking work incentives into account in the determination of Council Tax Support within the context of the Government's wider welfare reforms and local authority duties in relation to vulnerable people.
- 20 Cabinet considered a more detailed report on the Localisation of Council Tax Support at its meeting of 12 September 2012.
- 21 On 13 June 2012, the Department for Communities and Local Government launched a consultation on addressing the issue of households earning high incomes who occupy subsidised housing. The Government proposes to introduce a 'Pay to Stay' scheme whereby landlords could charge a fair rent to tenants on high incomes who want to stay in their social homes. The

consultation sought views on how the proposal might be delivered, including the income threshold above which high income tenants might be asked to pay a higher rent; what the higher level of rent should be; disclosure of income by tenants and whether the policy should be voluntary or compulsory for social landlords.

- 22 On 15 June 2012, the Government began to publish draft regulations for the current welfare reform proposals associated with the introduction of the new Universal Credit next year. Draft regulations published thus far include:
- Housing Benefit (benefit cap) Regulations 2012;
 - Employment and Support Allowance Regulations 2012;
 - Jobseeker's Allowance Regulations 2012;
 - Universal Credit, Personal Independence Payment and Working-age Benefits (Decisions and Appeals) Regulations 2012;
 - Universal Credit, Personal Independence Payment and Working-age Benefits (Claims and Payments) Regulations 2012;
 - Housing Benefit (Amendment) Regulations;
 - Jobseeker's Allowance (Sanctions) (Amendment) Regulations 2012.
- 23 Consultation on the draft regulations was via the Social Security Advisory Committee and the Council responded highlighting a number of instances where the proposed regulations would have detrimental implications for current welfare recipients or vulnerable people in need.
- 24 On 25 June 2012, the Prime Minister gave a key policy speech on the Government's vision for reform of the welfare system after the next general election to overcome what he described as a "something-for-nothing" culture of entitlement. He said that housing benefit restrictions for under-25s and extra curbs on the jobseekers' allowance could form part of future government policy.

NHS and public health reform

- 25 The Government continues to provide guidance in relation to NHS Reforms including its Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy draft guidance for consultation. The Department of Health has also published a summary report following consultation with stakeholders in relation to Healthwatch England membership regulations and a summary report of engagement on Local Healthwatch regulations.
- 26 The NHS Commissioning Board Special Health Authority (NHS CBA) has published a number of documents for Clinical Commissioning Groups including a draft guide to help them take on their full statutory responsibilities from April 2013 and Human Resources Guidance.
- 27 The Department of Health has published a number of documents relating to Public Health England, including a report outlining how Public Health England will be structured to deliver its vision. Also the '*Public Health England People*

Transition Policy, which sets out the process and timetable for handling the transfer, appointment and redeployment of staff to Public Health England.

- 28 Guidance has also been published on Transitional Working Arrangements so that PCT staff work with local authorities to support the transfer of public health functions on 1 April 2013.
- 29 *'Healthy Lives, Healthy People: Update on Public Health Funding'* sets out current thinking on local authority public health finance and includes:
- a) the next steps on moving from the estimates of baseline spending published in February 2012 to actual allocations for 2013-14 which are expected to be published by the end of 2012;
 - b) further information on the high level design of the health premium which will be targeted towards areas with the worst health outcomes and most need;
 - c) conditions on the ring fenced public health grant which state how the grant may be used, including proposals for local authority financial reporting requirements on public health spend;
 - d) Advisory Committee on Resource Allocation's (ACRA) interim recommendations on the public health formula;
 - e) an update on the health premium;
 - f) conditions on the ring-fenced public health grant, including proposals for local authority reporting on public health spend.
- 30 The Department requested feedback on the approach used and the proposed formula which will inform ACRA's continuing work to finalise their recommendations for 2013-14 public health allocations.
- 31 Cabinet received a report on recent developments in relation to NHS reforms including progress nationally and locally on 24 July 2012 and further detail on NHS Reforms and the public health transition are covered by separate reports on this agenda for Cabinet.

Social care

- 32 Following the review of long term care and support undertaken by the Dilnot Commission during 2010/11 and the Law Commission review of adult social care law, the Department of Health published the following documents on 11 July 2012:
- *Caring for our future: reforming Care and Support* White Paper;
 - Progress Report on Social Care Funding;
 - Draft Care and Support Bill.
- 33 In *'Caring for our Future'*, the Government committed to work with partners, including carers, people who use services, local authorities, care providers and the voluntary sector to:

- a) stimulate the development of initiatives that help people share their time, talents and skills with others in their community;
- b) develop and implement, in a number of areas, new ways of investing in supporting people to stay active and independent;
- c) establish a new capital fund, worth £200 million over five years, to support the development of specialised housing for older and disabled people;
- d) establish a new national information website, to provide a clear and reliable source of information on care and support, and investing £32.5 million in better local online services;
- e) introduce a national minimum eligibility threshold to ensure greater national consistency in access to care and support, and ensure that no-one's care is interrupted if they move;
- f) extend the right to an assessment to more carers, and introduce a clear entitlement to support, to help them maintain their own health and wellbeing;
- g) work with a range of organisations to develop comparison websites that make it easy for people to give feedback and compare the quality of care providers;
- h) rule out crude 'contracting by the minute', which can undermine dignity and choice for those who use care and support;
- i) consult on further steps to ensure service continuity for people using care and support, should a provider go out of business;
- j) place dignity and respect at the heart of a new code of conduct and minimum training standards for care workers;
- k) train more care workers to deliver high-quality care, including an ambition to double the number of care apprenticeships to 100,000 by 2017;
- l) appoint a Chief Social Worker by the end of 2012;
- m) legislate to give people an entitlement to a personal budget;
- n) improve access to independent advice to help people eligible for financial support from their local authority to develop their care and support plan;
- o) develop, in a small number of areas, the use of direct payments for people who have chosen to live in residential care, to test the costs and benefits;
- p) invest a further £100 million in 2013/14 and £200 million in 2014/15 in joint funding between the NHS and social care to support better integrated care and support.

- 34 In July 2010 the Government established an independent commission, led by Andrew Dilnot, to review and make recommendations on long term care and support for adult social care in England.
- 35 The Commission made key proposals for reforming the way in which people pay for their care and support:
- a) The Government should put a cap on the lifetime care costs that people face;
 - b) Raise the threshold at which people lose means tested support;
 - c) There should be universal access to deferred payments for people in residential care;
 - d) Contribution towards living costs.
- 36 In the progress report on social care funding, the Government confirmed that it is broadly supportive of the Commission's recommendations. However, it said that it needed to explore the issues further with stakeholders and that various options for a reformed system will be considered as part of the next Spending Review.
- 37 The Government will however introduce a universal system of deferred payments for residential care. This will mean that no-one will be forced to sell their house in their lifetime to pay for care. Universal deferred payments will be introduced from April 2015.
- 38 Alongside the White Paper, the Government published the draft Care and Support Bill for consultation and pre-legislative scrutiny in Parliament in the coming year, with an initial closing date for consultation responses by 19 October 2012.
- 39 The draft Bill proposes a single, modern law for adult care and support that replaces existing outdated and complex legislation. It aims to transform the social care system to focus on prevention and the needs and goals of people requiring care.
- 40 A more detailed report on Social Care Reform was considered by Cabinet on 12 September 2012.

Supporting economic growth

- 41 On 11 June 2012, the Government appointed Doug Richard to lead an independent review into apprenticeships. Taking a medium to long term look at the future of apprenticeships in England, the review is intended to identify best practice and ensure that going forward, apprenticeships meet the needs of the changing economy, deliver the qualifications and skills which employers need to world class benchmarks and ensure that the Government maximises the impact of public investment in apprenticeships.
- 42 A call for evidence to support the review was conducted over the summer and Mr Richard is due to report his recommendations later this year.

- 43 In addition, Jason Holt was commissioned to review ways to make apprenticeships simpler and more accessible for small and medium businesses. The Holt Review published on 29 August 2012, proposes that apprenticeships should be more accessible for small and medium size enterprises (SMEs) and that the Apprenticeships Grant for employers should be revised.
- 44 Local Enterprise Partnerships (LEPs) are central to this Government's economic model to help rebalance the economy driven by private sector growth alongside the Regional Growth Fund (RGF) and Enterprise Zones, as set out in the Local Growth White Paper (2010). LEPs are joint local authority and business led bodies that represent functional economic areas to promote economic development, investment, employment and skills growth and competitiveness. Following the closure of Regional Development Agencies, LEPs provide a forum to champion economic development and regeneration within geographic areas.
- 45 Within the North East, the two LEPs, the North East LEP (NELEP) and Tees Valley LEP are forging ahead to deliver activity. As part of NELEP, the Council is working with partners to make the most of opportunities to maximise development opportunities, collaborative working and investment through streams such as the RGF, Growing Places and Newcastle City Deal.
- 46 The Regional Growth Fund is a £2.4 billion fund operating across England from 2011-15, to support initiatives that have significant potential for economic growth and can create additional private sector employment, aimed specifically at areas/communities which were dependent on the public sector to help make the transition to sustainable private sector led growth. RGF has now had three rounds, with the next announcements planned for autumn 2012.
- 47 Enterprise Zones are specific areas where a combination of incentives, reduced planning restrictions and other support is used to encourage the creation of new businesses and jobs, helping to contribute to the growth of the economy. Twenty four sites are in operation across the country. The North East Enterprise Zone is managed by NELEP (it covers two sites, one in Sunderland and the other on the bank of the Tyne, covering 117 hectares) and in August 2012 the Chancellor of the Exchequer announced a major extension to the North East regional enterprise zone. Following the success of the sites already established, the Government will extend enterprise zone tax incentives to a new 40-hectare site in the North East providing a preferred investor can be found to occupy almost 40 hectares of the current zone in the next year. The extra 40 hectares announced have not yet been allocated and could cover more than one site and enhanced capital allowances will be available for those sites.
- 48 Government has agreed to devolve new powers to England's largest cities by a series of 'city deals' that will help them invest in growth, improve local workers' skills and create jobs, support local businesses, control budgets and improve critical infrastructure, as outlined in the *Unlocking Growth in Cities* paper in December 2011. The first wave of City Deals was announced in July 2012 and included the Newcastle City Deal, which will have some specific benefits for the wider NELEP area including the county, mainly in relation to

strengthening governance arrangements across the seven authorities, job creation opportunities from inward investment, improvements to the A1 and skills development.

- 49 Options are being reviewed to consider a North East Combined Authority for economic growth purposes with a statutory basis, as a strong platform for further devolution of funding, powers and responsibilities.
- 50 In January 2012, the Government published its consultation on devolving local major transport schemes and proposes to implement a new system for prioritising and funding local major transport schemes during the next Spending Review period. Local Transport Bodies, based on LEP areas, are proposed and would be used to distribute funding and facilitate strategic investment. LEPs would be involved in the decision making process and therefore the NELEP will have a significant role to play. The Government proposals are generally supported and more guidance will be issued following the summer recess. LTBs geographies are under negotiation, with local authorities and LEPs needing to confirm geographies by 28 September 2012. There is no guarantee on the level of available funding for major schemes from April 2015, but it is estimated national funding for new schemes would be about £1.1 billion.

Planning reform

- 51 On 3 July 2012, the Government launched a consultation on supporting sustainable development and growth by encouraging the reuse of empty and redundant existing buildings where the original use was no longer required or appropriate. The consultation sought views on amending the Town and Country Planning (General Permitted Development) Order 1995 to:
- a) grant permitted development rights to allow greater change of use for buildings used for agricultural purposes, commercial purposes and temporary uses to support rural growth;
 - b) increase the thresholds for permitted development rights for change of use between B1 (business/office) and B8 (warehouse) classes and from B2 (industry) to B1 and B8, introducing a permitted development right to allow the temporary use for two years, where the use is low impact, without the need for planning permission;
 - c) provide C1 (hotels, boarding and guest houses) permitted development rights to convert to C3 (dwelling houses) without the need for planning permission.
- 52 The proposed changes are intended to contribute to sustainable development by making best use of existing buildings and to help bring empty and redundant buildings back into productive use, promoting brownfield regeneration, building more homes, supporting local high streets and securing jobs in the rural economy.

Education and schools

- 53 On 24 May 2012, the Government announced which schools will be funded and have their condition needs addressed through the Priority School Building Programme.
- 54 In Durham, Durham Trinity School and Sports College, King James I Academy, Seaham School of Technology, St Joseph's Roman Catholic Voluntary Aided Primary School and West Cornforth Primary School are to be funded under the programme.
- 55 On 30 May 2012, the Office for Standards in Education (Ofsted) published its response to the consultation '*A good education for all*' on proposals for amended inspection arrangements for maintained schools and academies, further education and skills, and initial teacher education, from September 2012.
- 56 The report confirmed that Ofsted will continue to focus on four key aspects of a school's work - achievement, teaching, behaviour and safety, and leadership and management - and that from this September, schools will now be graded on a four-point scale:
- outstanding (grade 1),
 - good (grade 2),
 - requires improvement (grade 3)
 - inadequate – serious weaknesses or special measures (grade 4).
- 57 In addition, as part of the new inspection regime Ofsted will:
- require 'outstanding' schools to have 'outstanding' teaching;
 - define an acceptable standard of education as being 'good';
 - replace the current 'satisfactory' judgement with 'requires improvement' where schools are not inadequate but are not yet providing a good standard of education;
 - replace the 'notice to improve' category with 'serious weaknesses';
 - introduce earlier full re-inspection of schools judged as 'requires improvement';
 - usually limit the number of times schools can be deemed to 'require improvement' to two consecutive inspections before they are judged 'inadequate' and deemed to require 'special measures';
 - shorten the notice given of an inspection;
 - request that schools provide anonymised information of the outcomes of the most recent performance management of all teachers.
- 58 On 11 June 2012, the Government published its response to the review of the National Curriculum undertaken by an expert panel led by Professor Tim Oates and published draft National Curriculum documents for mathematics, English and science at Key Stages 1 and 2.

- 59 The Government has said that the drafts are deliberately ambitious about what primary school children should be expected to achieve and that they are very specific about the content to be covered, given the fundamental importance of these three subjects to wider education and the basis for holding schools to account.
- 60 The National Curriculum documents for other primary subjects will be published later in the year and are expected to be much shorter and to allow more flexibility and innovation at school level over what is taught. Schools will still be required to teach art and design, design and technology, geography, history, ICT, physical education and music across primary years and a new requirement and associated study programme for the teaching of a modern language at Key Stage 2 from years three to six is to be introduced.
- 61 Further detail on the National Curriculum for secondary education will be published later in the year and the Government has said that there will be further public consultation on the proposed curriculum reforms towards the end of this year.
- 62 On 28 June 2012, the Government confirmed the final arrangements for the funding of schools from 2013/14. This followed consultation earlier in the year on proposed reforms to improve transparency, secure greater consistency in how funding is distributed and move towards a more pupil-driven funding system which promotes choice and raises quality.
- 63 The main changes being implemented are that:
- rather than set a minimum threshold for the basic entitlement for pupil-led funding for the first year, the Government will consider the situation once it has reviewed local authorities' formulae for 2013-14, with a view to setting a threshold for 2014-15;
 - local authorities will be able to use a revised Income Deprivation Affecting Children Index (IDACI) which has been reviewed and increased from five bands to six in order to provide a simpler and more sensitive index;
 - rather than setting a maximum cap within a proposed range of £100,000 to £150,000 on the lump sum schools receive to cover their fixed costs, the cap will be set at £200,000 to give local authorities more flexibility in the first year. The Government believes that this is sufficient to cover the fixed costs of a small school but has flagged that in some cases, schools may need to consider operating more efficiently which could include federating, merging or joining an academy chain;
 - rather than requiring maintained schools to 'de-delegate' or give back funding to local authorities in order to allow them to support pupil growth, the Government has decided to allow local authorities to retain some funding for pupil-growth, but to ensure that the funding is then distributed fairly to both academies and maintained schools.

- 64 On 3 July 2012, the Government published its response to the consultation on study programmes for 16-19 year olds, arising out of the review of vocational education undertaken by Professor Alison Wolf.
- 65 From September 2013, all 16 to 19 year-olds will be offered high quality study programmes aimed at giving them the best opportunity to move into higher education or secure skilled employment. This will mean that:
- a) all students who are able, will take either A levels, or a substantial qualification recognised by employers as being of real benefit to them in securing work or a university place. Where appropriate, students will also take part in work experience;
 - b) students who do not have a GCSE in English and maths at 16 will continue to study these subjects after 16;
 - c) students who are not able to study a qualification will take a programme of work experience focusing on developing their employability skills, along with work to develop numeracy, literacy and other core education skills.
- 66 On 13 July 2012, the Government detailed the next phase of its free schools programme, announcing the successful applications which have been approved to progress to the implementation stage to open a free school in 2013 and beyond. One hundred and two applications will progress to the next stage including the first proposal to establish a free school in the county which has been submitted by Durham Free School Ltd for a secondary school in the Durham City area.

Housing

- 67 On 29 June 2012, the Government published new statutory guidance on social housing allocations for local authorities reflecting the provisions in the Localism Act 2011, which gave local authorities the freedom to manage their own waiting lists, and make it easier for them to move existing social tenants to more suitable accommodation. It also encourages authorities to make use of the existing flexibilities within the allocation legislation to ensure that social homes go to people who need and deserve them the most, such as hard working families and members of the Armed Forces.
- 68 Under the Localism Act 2011, local authorities will be enabled to end their duty to house the homeless by arranging an offer of suitable accommodation in the private rented sector, without requiring the applicant's agreement.
- 69 On 31 May 2012, the Government launched a consultation on the proposed draft Homelessness (Suitability of Accommodation) (England) Order 2012 which sets out those circumstances in which accommodation used for the private rented sector offer to end the main homelessness duty, would not be regarded as suitable.
- 70 The consultation responds to concerns expressed during the passage of the Localism Bill about the quality of private rented sector accommodation which could be offered and considers how requirements in relation to location and suitability could be strengthened. It covers what regulations should cover in

order to identify when accommodation is "unsuitable". Proposals include the local authority being satisfied that the property is safe, in reasonable physical condition, is accessible and suitable for all in the household, considering family support networks, affordability, the appropriate size and the location of the property being deemed suitable. There is also reference to the protection for households of a minimum fixed tenancy term of 12 months and *"if the applicant becomes unintentionally homeless again within two years of accepting the private rented sector offer, the main homelessness duty will recur regardless of priority need."* It is proposed that applicants have the right to ask the authority to review their decision that accommodation is suitable, and if dissatisfied with that decision, have the right to appeal to the county court on a point of law.

- 71 On 22 June 2012, the Local Housing Delivery Group published its review of local standards for the delivery of new homes. This interim report concluded that there is significant scope for simplification of the standards regime and recommended an urgent government-backed review and consolidation of existing local housing standards to ensure they meet the aspirations of local communities without undermining viability.
- 72 On 22 August 2012, the Government announced that Sir Terence Conran is to help to create a new competition to give communities a chance to design their own neighbourhoods. The move is intended to encourage house builders to involve local people at an earlier stage in the design of new homes and to improve public perceptions of and confidence in the design and quality of new-build properties and therefore new housing development in local areas.
- 73 The Montague Review, which reported in August 2012 was undertaken as part of the Government's strategy to support the increase in the supply of new homes, and sought to explore the factors that might encourage institutions to invest in new homes for rent. The report contains recommendations on how local authorities could make use of the flexibilities in the planning system to encourage new private rented supply, controversially part of the recommendation includes allowing reduced delivery of affordable homes through planning obligations in relation to schemes for private rental, or to the private rental component of larger schemes.
- 74 On 6 September 2012 the Government announced a housing and planning package which includes:
- the relaxation on requirement to build affordable homes (where the developer can prove that housing requirements are making projects unviable);
 - £300m to fund an extra 15,000 affordable homes;
 - an extension of the first buy scheme;
 - an additional 5,000 homes built for rent at market rates in line with proposals outlined in the Montague's Review;
 - plans to relax planning laws for a year to make it easier for people to build extensions and new legislation for government guarantees of up

to £40 billion worth of major infrastructure projects and up to £10 billion of new homes.

- 75 The Infrastructure (Financial Assistance) Bill will include guaranteeing the debt of housing associations and private sector developers.

Anti-social behaviour and community safety

- 76 On 22 May 2012, the Government published *Putting Victims First: More Effective Responses to Anti-Social Behaviour*, its white paper on antisocial behaviour.

- 77 The White Paper set out the government's plans to deliver on the commitment to introduce more effective measures to tackle antisocial behaviour, within the wider context of reforms to the policing and criminal justice landscape and work to turn round the lives of troubled families. The paper makes clear that the Government takes the view that antisocial behaviour is fundamentally a local problem that looks and feels different in every area and that local agencies should respond to the priorities of the communities they serve, rather than those imposed from Whitehall. The introduction of directly elected police and crime commissioners from November this year, is seen as key to providing a powerful new voice for local people, able to push local priorities and to prevent antisocial behaviour from being relegated to a 'second-tier' issue.

- 78 The Government confirmed that it intends to provide support to local areas by:

- encouraging local agencies to focus their response to anti-social behaviour on the needs of victims. The Government intends to support this by:
 - helping agencies to work together to identify and support high risk victims as soon as they are alerted to an issue;
 - giving frontline professionals more freedom and encouraging the greater use of effective informal discretionary measures such as using restorative or reparative approaches, or Acceptable Behaviour Contracts;
 - improving agencies' understanding of the experiences of victims by improving the way anti-social behaviour is measured in the Crime Survey for England and Wales.

- 79 To support people and communities to establish what is and isn't acceptable locally and to hold agencies to account, the Government will:

- give victims and communities the power to ensure action is taken via 'community triggers' which will give victims and communities the right to require action to be taken where a persistent problem has not been addressed;
- make it easier to demonstrate the harm caused to victims and communities by anti-social behaviour, for example through new

‘community harm statements’ which will ensure that terrorised communities’ voices are heard in the court room and will inform agencies’ decisions on what action to take.

- 80 To ensure that ensure professionals have the powers they need to deal with persistent anti-social behaviour, they Government will:
- introduce faster, more effective formal powers, including a civil injunction that agencies can use immediately to protect victims and communities before an individual causes serious harm, a new court order for the most anti-social individuals, available on conviction, that allows the courts to require them to stop their behaviour and address its underlying causes and simpler powers to deal with ‘quality of life’ crime and anti-social behaviour including closing premises that are a magnet for trouble and a more effective police power to stop anti-social behaviour in public places;
 - enable the speeding up of the eviction of anti-social tenants to bring relief to victims and communities more quickly.
- 81 The Government also proposes to focus on long term solutions to anti-social behaviour by addressing issues such as binge drinking, drug use, mental health issues, troubled family backgrounds and irresponsible dog ownership.

Community empowerment and localism

- 82 On 13 June 2012, the Government published its response to the consultation on the implementation of the Sustainable Communities Act, as amended in 2010 which enables local community interests to challenge bureaucratic hurdles which prevent them from getting things done locally.
- 83 On the same day, the Government launched a consultation on whether the power conferred on local authorities to challenge bureaucratic hurdles on behalf of their local communities should also be conferred on town and parish councils. The Government’s response to the consultation is expected by the end of the year.
- 84 On 27 June 2012, the Government published statutory guidance on the community right to challenge which was legislated for in the Localism Act 2011. The new provisions require local authorities to consider relevant proposals submitted by certain ‘relevant bodies’ such as town and parish councils, voluntary organisations and local authority employees to take on and provide services on the local authority’s behalf.
- 85 Where a proposal is deemed to be acceptable, the local authority is then required to run a procurement exercise for the service concerned in which the relevant body can compete alongside other potential providers which may come forward.
- 86 The guidance allows a local authority to specify when it will consider community right to challenge submissions and outlines the grounds upon which proposals can be rejected including wider statutory duties such as the requirement to achieve overall best value in the provision of services.

- 87 The Government is using the same piece of legislation to support its policy of encouraging employee mutuals to take on the provision of public services, by and recognising two or more employees of a local authority as a 'relevant body' for the purposes of the Act.
- 88 On 27 June 2012, the Government also published the final impact assessment on the 'community right to bid' proposals and the associated draft regulations which are expected to come into force on 12 October 2012.
- 89 Under the Localism Act 2011, local authorities will be required to maintain lists of 'assets of community value' nominated by local community groups and to notify such groups if the asset is to be sold or disposed of, such that they have an opportunity to develop and submit proposals to acquire the asset.
- 90 Local authorities will have eight weeks from receiving a nomination application to decide whether a property must be listed, according to a number of criteria set out in the regulations. A property will qualify where its current primary use furthers the social wellbeing or social interests of the local community, and where it is realistic to think that this use will continue. A property will also qualify when it has been in such use in the recent past, and this may realistically recur within the next five years (whether or not in the same way as before). Social interests include culture, recreation and sport.
- 91 The effect of a property's inclusion on the list will be to require the owner of the property to notify the local authority when intending to dispose of a listed asset, so triggering a moratorium period during which community interest groups can apply to be treated as potential bidders. At this stage groups must show a local connection and must have a legal status – unincorporated organisations and neighbourhood forums are excluded.
- 92 The owner will be able to begin the sale process after an interim period of six weeks if no bidder has come forward; if a written intention to bid is received in that time then a full six month moratorium period will apply to allow the community body time to develop a proposal to acquire the property. The sale itself takes place under normal market conditions. An 18 month protection period has also been created; if this expires before the property is sold the original notification process must start again.
- 93 Properties will be listed for five years. Councils will be responsible for notifying owners and occupiers of listings and receipt of notices, and for publicising the possible sale of a listed asset.
- 94 Certain buildings or land are excluded – primarily residential property and sites covered by the Caravan Sites Act and land used by public utilities. The rules also will not apply to a wide range of non-commercial disposals of the land, for example on inheritance.
- 95 The Act provides rights of review and appeal on the listing of a property, and makes provision for compensation to be paid to landowners for losses arising from being involved in a lengthier sale period. A new jurisdiction is being created for First Tier tribunals to hear compensation appeals.

Open public services

- 96 In July 2011, the Government published its Open Public Services White Paper which set out its proposals to open up public services to more diverse and community-driven patterns of provision.
- 97 On 1 June 2012, the Government announced the first awards to potential employee mutuals under its £10 million Mutual Support Programme. The announcement included a number of local authority-based mutuals including a proposal to establish an employee mutual to provide youth services shared between two London local authorities.
- 98 On 25 June 2012, the Mutuals Task Force chaired by Professor Julian le Grand published its report on the establishment of employee mutual organisations within the public sector. The report recommended various actions to support the growth of mutual organisations so that employee mutuals become a mainstream option for public service provision.
- 99 On 4 July 2012, the Government provided a response to the consultation on the issues which would need to be taken into account before the Government could realise its proposals to mutualise the Post Office and on 19 July, it issued a discussion paper on increasing parental and community involvement in the running of Sure Start children's centres

Open data and transparency

- 100 The Government has continued its commitment to opening up data through the publication of *'Unleashing the potential'*, its white paper on open data. The Government believes that through the release of data held by public services it will empower citizens, foster innovation and reform public services. In the White Paper the Government commits to:
- a) enhancing access to data;
 - b) building greater trust in public data;
 - c) improving the use and management of data by public services;
 - d) engraining a 'presumption to publish' unless specific reasons (such as privacy or national security) can be clearly articulated.
- 101 Underpinning the strategy, the Government has released a schedule of when they expect to release additional data sets from each Government department. This publication of information is in addition to the 9,000 datasets already released.
- 102 On 23 August 2012, the Government published new regulations on access to information associated with local authority executive meetings including meetings of cabinet. The Local Authorities (Executive Arrangements) (Meetings and Access to Information (England) Regulations 2012 came into effect on 10 September 2012. They established the presumption that meetings of a local authority executive or their committees or sub-committees are held in public, except in limited prescribed circumstances, where meetings

can be closed (for example to consider confidential or exempt information or to maintain orderly conduct and prevent misbehaviour).

- 103 The regulations replaced the requirement to produce a forward plan of key decisions with a requirement to give 28 days clear notice of the intention to make a key decision. They also strengthened Members' access to information relating to business to be discussed and required local authorities to provide reasonable facilities so that members of the public as well as accredited newspapers can report the proceedings of meetings via social media, such as twitter and blogs.

Standards

- 104 Within the Localism Act, provision was made to remove the standards board, which regulated standards in local government. The Government's aspiration was to improve local accountability, as well as reduce the bureaucracy which they believe that central board created.
- 105 The Localism Act required that from 1 July, each authority should have its own local code on standards. Durham County Council has chosen to adopt a regional code along with the principal councils in Tyne and Wear and Northumberland.
- 106 As part of the new arrangements, each authority is required to have their own 'Independent person'. This position is wholly advisory, and will provide advice to the council on any allegation it is considering, and to a member facing an allegation who has sought the views of that person. Durham County Council is currently in the process of recruiting the two independent persons for the standards committee.
- 107 A guide has recently been published by Department for Communities and Local Government for members to make them aware of how to be open and transparent about their personal interests and the standards to which they need to adhere.

Consultations

- 108 Members have asked for an update on current and forthcoming consultation opportunities through which Members could help to shape Government policy. Appendix 2 provides a summary of the main consultations announced by Government since the last report to Cabinet.
- 109 The Council constantly monitors consultations and calls for evidence and officers consider opportunities to respond via the Improvement Planning Group which meets on a fortnightly basis.

Implications

- 110 The Government's policy proposals have many implications for the county and the Council, its role and function and the way it works with and relates to local communities and strategic partners. Below, we provide a commentary against the strategic themes of the Council Plan and County Durham Sustainable Community Strategy.

Altogether better council

- 111 The financial implications for the Council of local Business Rates Retention are as yet unknown but the initial indications are that Durham will experience a significant reduction in income as a result of the new policy.
- 112 Moreover, in spite of the Council's best efforts to promote economic growth, it remains that the national economy is verging on recession and the prospects for expanding the county's business tax base at this time are particularly uncertain. Given that a significant proportion of the funding of council services is now to come from local business rates, and that the county has a low business base in comparison to other areas this will present a significant challenge for the Council. The County Durham Plan and the pro-growth and sustainable development approach being promoted will not only be key to regenerating local communities and kick-starting economic growth but also to generating sufficient income to help fund wider local services.
- 113 The financial implications of local Business Rates Retention will not be known until the end of this year but the council is planning prudently for reduced income from business rates in its next medium term financial plan for the period 2013-17.
- 114 Since the last report to Members, an increasing number of provisions in the Localism Act 2011 have come into effect.
- 115 The Community Right to Challenge is now in force and the provisions relating to Assets of Community Value (otherwise known as the Community Right to Bid) are about to come into effect on 12 October 2012.
- 116 In many respects, the Council has anticipated the direction of Government policy by the proactive approach it has taken to developing relationships with town and parish councils and third sector organisations and its asset transfer strategies in relation to leisure centres and community buildings. Both of these approaches have been successful without the need for the new legislation.
- 117 In the near future, it is expected that the Government will publish more guidance on its policy of promoting employee-led mutuals in the public sector and we wait to see how this will apply to the local government sector.
- 118 The new transparency regulations relating to executive decision-making which are now in force, have the potential to widen the reporting of council decision-meetings via social media. Given the changes to access to information and notification of decisions, it has been necessary to amend the constitution of the Council to reflect the legislation. On 5 September 2012, the Constitution Working Group authorised the Head of Legal and Democratic Services to make the necessary amendments in consultation with the Chair of the working group.

Altogether wealthier

- 119 More detail is emerging on the implementation of welfare reform and a cross-council project group has been established to manage the implementation and implications of these significant reforms. It is becoming increasingly clear

that the Government intends to reform welfare further which will have major implications for the county as large sections of the population and key services such as supported and social housing.

- 120 The Proposed Homelessness Order 2012, policies presented in the Montague Review and new policies in relation to housing allocations and 'Pay as You Stay' schemes for social housing tenants on high incomes reflect a period of considerable flux for housing and coupled with welfare reform, will have significant implications for tenants and communities within the county.
- 121 The further consultation on the suitability of private rented accommodation in relation to the less onerous requirements on local authorities to discharge their duty to the homeless is to be welcomed as this was a concern raised by the Council and many others during consideration of the Localism Bill. Concern has also been expressed that without proper regulation, there may be potential for local authorities in areas which have private sector rents, being able to discharge their homelessness duty by offering people private rented accommodation in other parts of the country where private sector rents are lower.
- 122 The proposed simplification of the rules relating to the re-use of redundant buildings could help to promote sustainable development and stimulate economic growth particularly in rural areas.
- 123 The proposed changes to vocational education for 16 to 19 year olds and the outcome of the Richard and Holt Reviews of apprenticeships may have significant implications for the employment of young people in the county, support for SMEs and the increasing numbers 'not engaged in education, employment or training' (so-called NEETs) which has become a significant concern locally and nationally.
- 124 The proposal that apprenticeships are made more accessible for SMEs could have a significant impact in the county, given our reliance on small enterprises within the SME business base. Approximately 99 percent of all businesses are SMEs and currently the proportion of take up by SMEs is under 10 percent, which is less than half that of larger companies.
- 125 Although it is too early to assess the impact of the Community Right to bid provisions, concerns remain that the legislation allows the potential for narrow interests to frustrate and hinder strategic developments which may benefit the wider area and population.

Altogether healthier

- 126 The NHS and public health reforms are continuing at pace and the Council continues to work closely with the NHS and the Department of Health to ensure the effective transformation of health service planning and commissioning and public health in the county.
- 127 The Social Care Bill and white paper have provided some clarity on the direction of Government policy, but the key issue of the funding of social care within the context of an increasingly ageing population is yet to be addressed. The stated position of the options for reforming the system will be considered

as part of the next spending review, but recently there has been speculation as to when the next spending review will take place and whether the Government will come to a view in advance of the new review.

Altogether safer

- 128 The Government clearly sees the forthcoming elections for Police and Crime Commissioners as key to its attempts to improve community safety and the Council is working with Durham Police Authority, Durham Police and the Safe Durham Partnership to prepare for this major structural change.
- 129 Preparations are well under way for the election of the first police and crime commissioner for the county on 15 November 2012. A police and crime panel for the area has been agreed between the Council and Darlington Borough Council with terms of reference and an initial work programme in place.
- 130 The white paper on anti-social behaviour includes a number of measures which provide the Council and its community safety partners with additional tools with which to tackle anti-social behaviour. It is reassuring to note that some measures and practices pioneered by the Council, such as restorative justice and pre-reprimand disposals have been recognised as effective measures which will be promoted more broadly.
- 131 The white paper also states that the Government intends to tackle the causes of anti-social behaviour, pointing towards wider policy developments on tackling binge-drinking, substance misuse and troubled families - all areas where local authorities play a key role.

Altogether better for children and young people

- 132 The announcement that five schools in the county are to be re-built under the Priority Schools Building Programme is to be welcomed, although the scale of the programme is significantly smaller than the former Building Schools for the Future programme which was scaled back and replaced following the general election.
- 133 The school funding arrangements for 2012/14 have been revised to allow schools and local authorities more time to prepare for the new funding arrangements – for example the cap on lump sum payments for school running costs has been set at a higher level to provide schools with more flexibility in the first year.
- 134 However, the Government has flagged that it may still be necessary for some schools to federate, merge or join academy chains in order to reduce their running costs in line with the funding which is likely to be available beyond 2013/14.
- 135 In this context, it is surprising that the Government has decided to progress the development of a further secondary school in the Durham City area through its free schools programme when there are already six secondary schools in the area plus two independents.
- 136 The new Ofsted inspection arrangements which came into place last month have raised the bar for school performance standards, with all schools now

expected to achieve at least a 'good' (grade 2) standard to be considered to have acceptable performance. The former 'satisfactory' grading has now been replaced with 'requires improvement'.

- 137 Taken alongside the forthcoming changes to the National Curriculum, the Council's Children and Adults Service will have a key role in supporting schools to improve their performance and to continue to raise educational attainment in the county.

Altogether greener

- 138 There have been relatively few significant policy announcements which affect this theme since the last report to Members but measures such as the Community Right to Bid and the proposed planning reforms to encourage the re-use of empty buildings may have implications for the local environment.
- 139 The Council will need to maintain a register of assets of community value, which could include areas of open space which local communities may want to protect for social wellbeing or social interests including culture, recreation or sport.
- 140 In addition, the proposal to encourage the re-use of redundant buildings, as well as helping to stimulate economic growth, may also support more sustainable forms of development, particularly in rural areas.

Implications for partnership working

- 141 Given the scope, scale and pace of Government reforms it is imperative that the Council continues to work with partners to ensure that we work together to achieve the aims of the sustainable community strategy. This is particularly so in relation to stimulating economic growth and job creation and policing and community safety and health and social care, given the significant and profound nature of reforms in these areas.
- 142 As reported to Members in November 2011, the County Durham Partnership has reviewed its priorities in the light of the current and changing policy context and considered how it could ensure that its operational arrangements continue to remain fit for purpose.
- 143 In addition, the Partnership is currently in the process of reviewing the sustainable community strategy for the county in the light of local needs and priorities and changing government policy.

Conclusions

- 144 The common themes of Government policy around transparency, choice, community empowerment and more diverse patterns of public service provision are still evident, but personal responsibility and fairness are coming to the fore particularly in relation to Government policy on welfare reform.
- 145 Increasingly, the Government's initial pieces of legislation such as the Health and Social Care Act, the Police and Social Responsibility Act and the Localism Act are coming into force and the major reforms of public policy and changes to public service landscape are about to take place. The

Government is therefore tending to publish increasing volumes of detailed regulations, guidance and proposals, as its reform programme moves into the implementation phase.

- 146 Clearly, the various policy changes will have major implications for the Council and the steps it is taking to develop an 'altogether better Durham'.
- 147 The Council and its partners are continuing to analyse the impact that Government policy will have on local communities and on our ability to deliver the sustainable community strategy and wherever possible, are working together to respond proactively to the Government's policy changes.

Recommendations

- 148 Members are recommended to note the contents of this report and the actions taken to anticipate and respond to the Government's reforms.

Background papers

Cabinet, 29 February 2012, Localism Act

Cabinet, 30 May 2012, Implications for Durham County Council of the Government's policy programme

Contact: Kevin Edworthy Tel: 0191 383 6514

Appendix 1: Implications

Finance – The Government’s policy proposals continue to have significant financial implications for the Council. As well as anticipating and planning for policy changes, there will be resource implications for the Council in taking on new or transferred responsibilities for example administering registers of assets of community value or managing devolved funding for Council Tax Support and the Social fund. In terms of core funding, the Council will need to wait until the end of the year to learn the final impact of the introduction of local Business Rates Retention.

Staffing – As outlined in previous reports, the Council is planning for the transfer of public health staff to the authority as part of the NHS reforms. The proposals to support the establishment of employee mutuals to deliver public services may have implications for council staff, although further detail is awaited on Government proposals to accelerate the process and how this will apply to local government.

Risk – Individual assessments of the risks associated with specific policy proposals are undertaken as a matter of course in Council project planning and management.

Equality and Diversity – Individual impact assessments are undertaken where the Council changes or develops new policies as a result of Government reforms or new legislation.

Accommodation – The introduction of the assets of community value provisions of the Localism Act may have implications for the managements of the Council’s assets.

Crime and Disorder – The new anti-social behaviour strategy and the introduction of police and crime commissioners and police and crime panels will have implications for community safety, as well as the funding of community safety activities and programmes.

Human Rights – No specific implications have been identified.

Consultation – Some of the policy proposals require the Council to consult locally as part of the process of introducing localised schemes or to encourage community engagement and empowerment in relation to the new ‘community rights’ to challenge or bid.

Procurement – The Open Public Services proposals and the Community Right to Challenge will have implications for the Council’s approach to procurement.

Disability Discrimination Act – The Government is currently consulting to proposed changes to DDA legislation as part of its ‘Red Tape Challenge’ to reduce bureaucratic burdens on business.

Legal Implications – Increasingly, the Government’s reforms are coming into effect with new statutory regulations and duties being given the local authorities. The Council considers the legal implications of all decisions it takes.

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
1	Improving the assurance system for financial management in local authority maintained schools	Department for Education	02/04/2012	11/05/2012
2	Reform of alternative provision - A consultation	Department for Education	03/04/2012	15/05/2012
3	Inspection of secure training centres	Office for Standards in Education, Children's Services and Skills	03/04/2012	26/04/2012
4	Reforms to the real estate investment trust regime - A consultation	Department for Communities and Local Government	04/04/2012	27/06/2012
5	Review of regulations and national minimum standards for residential family centres - A consultation	Department for Education	10/04/2012	03/07/2012
6	Revocation of the Further Education Workforce Regulations: The FE Teachers' Continuing Professional Development and Registration (England) Regulations 2007 and the FE Teachers' Qualifications (England) Regulations 2007	Department for Business Innovation and Skills	10/04/2012	04/06/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
7	Planning Act 2008 - Proposed changes to the suite of guidance documents for the major infrastructure planning regime	Department for Communities and Local Government	13/04/2012	06/07/2012
8	Standardised Packaging of Tobacco Products	Department of Health	16/04/2012	10/07/2012
9	A better deal for mobile home owners	Department for Communities and Local Government	16/04/2012	28/05/2012
11	Private actions in competition law - Options for reform	Department for Business Innovation and Skills	24/04/2012	24/07/2012
12	The Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations 2012	Department for Work and Pensions	24/04/2012	22/05/2012
13	Revision of The Education (Independent School Standards) (England) Regulations 2010	Department for Education	25/04/2012	05/06/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
14	Automatic enrolment - Career average schemes as qualifying schemes	Department for Work and Pensions	30/04/2012	11/06/2012
15	Cross - Government Long Term Conditions Strategy	Department of Health	02/05/2012	15/06/2012
16	Proposals to transfer Public Lending Right funding and functions - A consultation	Department for Culture, Media and Sport	08/05/2012	30/07/2012
17	Careers guidance for schools, sixth form colleges and further education institutions	Department for Education	09/05/2012	01/08/2012
18	Taxi and private hire services - A consultation	Law Commission	10/05/2012	10/08/2012
19	Improved coastal access for Durham, Hartlepool and Sunderland - A consultation	Natural England	10/05/2012	03/08/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
20	Amendments to The Motor Vehicles (Insurance Requirements) (Immobilisation, Removal and Disposal) Regulations 2011	Department for Transport	10/05/2012	12/06/2012
21	Recommendations of the Credit Union feasibility study - A consultation	Department for Work and Pensions	11/05/2012	08/06/2012
22	Improvements to the policy and legal framework for public rights of way - A consultation	Department for Environment, Food and Rural Affairs	14/05/2012	06/08/2012
23	Reforming the Social Work Bursary	Department of Health	14/05/2012	27/07/2012
24	Equality Act 2010 - Repeal of two enforcement provisions - A consultation	Home Office	15/05/2012	07/08/2012
25	Equality Act 2010 - Employer liability for harassment of employees by third parties - A consultation	Home Office	15/05/2012	07/08/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
26	Protection of biometric information of children in schools	Department for Education	15/05/2012	03/05/2012
27	Triennial review of the government's Fuel Poverty Advisory Group	Department of Energy and Climate Change	16/05/2012	12/06/2012
28	Sport participation measurement - Proposed changes - A consultation	Department for Culture, Media and Sport	17/05/2012	07/08/2012
29	Localising support for council tax - Funding arrangements	Department for Communities and Local Government	17/05/2012	12/07/2012
30	Liberating the NHS - No decision without me	Department of Health	23/05/2012	20/07/2012
31	Defra: Commission for Rural Communities - How are rural interests being recognised within Local Enterprise Partnerships - A consultation	Department for Environment, Food and Rural Affairs	23/05/2012	30/06/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
32	Safeguarding children - Proposed changes to child performance legislation - A consultation	Department for Education	24/05/2012	03/08/2012
33	Children's centres discussion paper	Department for Education	25/05/2012	19/07/2012
34	Waste Electrical and Electronic Equipment - Call for evidence	Department for Business Innovation and Skills	28/05/2012	23/07/2012
35	Tell us about your experiences of home care services	Care Quality Commission	30/05/2012	31/08/2012
36	Homelessness (Suitability of Accommodation) (England) Order 2012	Department for Communities and Local Government	31/05/2012	26/07/2012
37	Regulations for removing the duty on maintained schools to follow the information and communication technology national curriculum programmes of study, attainment targets and statutory assessment arrangements	Department for Education	11/06/2012	11/07/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
38	Revised safeguarding statutory guidance	Department for Education	12/06/2012	04/09/2012
39	Standard rules for the environmental permitting regulations - Consultation number eight	Environment Agency	12/06/2012	04/09/2012
40	Consultation on Adult Social Care Data Developments 2012	Health and Social Care Information Centre	12/06/2012	02/08/2012
41	High income social tenants - Pay to Stay	Department for Communities and Local Government	13/06/2012	12/09/2012
42	Co-operative parenting following family separation - Proposed legislation on the involvement of both parents in a child's life	Department for Education	13/06/2012	05/09/2012
43	Proposals from town and parish councils under the Sustainable Communities Act 2007 - Second round invitation	Department for Communities and Local Government	13/06/2012	05/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
44	The abolition of the Disabled Persons Transport Committee	Department for Transport	14/06/2012	14/09/2012
45	Changes to the treatment of penalties for careless driving and other motoring offences	Department for Transport	14/06/2012	05/09/2012
46	Healthy Lives, Healthy People: Update on Public Health funding	Department of Health	14/06/2012	14/08/2012
47	Universal Credit and related Regulations: a call for evidence	Social Security Advisory Committee	15/06/2012	27/07/2012
48	Next steps for nursery milk	Department of Health	18/06/2012	11/09/2012
49	Social Security Advisory Committee: Universal Credit and related regulations - A call for evidence	Guest contributor	18/06/2012	27/07/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
50	Collective redundancies - Changes to the rules	Department for Business Innovation and Skills	21/06/2012	19/09/2012
51	Uplands delivery review programme - Call for evidence	Natural England	21/06/2012	20/07/2012
52	Working together to deliver river basin management - A consultation	Environment Agency	22/06/2012	22/12/2012
53	Open Public Services - Review into the barriers of public service choice	HM Government	22/06/2012	
54	Review Health and Safety Executive's Approved Codes of Practice	Health and Safety Executive	25/06/2012	14/08/2012
55	InterCity East Coast franchise	Department for Transport	26/06/2012	18/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
56	Richard review of apprenticeships - Call for evidence	Department for Business Innovation and Skills	26/06/2012	07/09/2012
57	Directors' pay - Revised remuneration reporting regulations	Department for Business Innovation and Skills	27/06/2012	26/09/2012
58	Office of Tax Simplification's report on tax advantaged employee share schemes	HM Revenue and Customs	27/06/2012	18/09/2012
59	Midata 2012 review and consultation	Department for Business Innovation and Skills	27/06/2012	10/09/2012
60	The Electronic Communications Code- A consultation	Law Commission	28/06/2012	28/10/2012
61	Parental internet controls	Department for Education	28/06/2012	06/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
62	The Disabled People's Right to Control (Pilot Scheme) (England) (Amendments) Regulations 2012	Department for Work and Pensions	29/06/2012	19/09/2012
63	The Disabled Right to Control (Pilot Scheme) (England) (Amendments) Regulations 2012 – A consultation	Department for Work and Pensions	29/06/2012	19/09/2012
64	Statutory consultee performance and award of costs	Department for Communities and Local Government	03/07/2012	11/09/2012
65	New opportunities for sustainable development and growth through the reuse of existing buildings	Department for Communities and Local Government	03/07/2012	11/09/2012
66	Streamlining information requirements for planning applications	Department for Communities and Local Government	03/07/2012	11/07/2012
67	Department of Health: Draft mandate to the NHS Commissioning Board – A consultation	Department of Health	04/07/2012	26/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
68	Extending free early education to more two-year-olds	Department for Education	05/07/2012	15/10/2012
69	Barriers to securing long-term contracts for independent renewable generation investment - A call for evidence	Department of Energy and Climate Change	05/07/2012	16/08/2012
70	Making foreign languages compulsory at Key Stage 2	Department for Education	06/07/2012	28/09/2012
71	Draft Local Audit Bill	Department for Communities and Local Government	06/07/2012	31/08/2012
72	Personal Independence Payment and eligibility for a Blue Badge	Department for Transport	09/07/2012	02/10/2012
73	Cooperative parenting following family separation - Proposed legislation on the involvement of both parents in a child's life	Department for Education	10/07/2012	05/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
74	Age restricted products and services - A code of practice for regulatory delivery	Department for Business Innovation and Skills	10/07/2012	
75	Draft Care and Support Bill	Department of Health	11/07/2012	19/10/2012
76	Consultation on a new adult safeguarding power	Department of Health	11/07/2012	12/10/2012
77	Proposals for the joint inspection of multi-agency arrangements for the protection of children	Care Quality Commission; Ministry of Justice; Office for Standards in Education, Children's Services and Skills	11/07/2012	02/10/2012
78	Commission on a UK Bill of Rights	Ministry of Justice	11/07/2012	30/09/2012
79	Arrangements for the inspection of services for children looked after and care leavers - A consultation	Office for Standards in Education, Children's Services and Skills	11/07/2012	18/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
80	The future of the Independent Living Fund	Department for Work and Pensions	12/07/2012	10/10/2012
81	Income related benefits - Estimates of take-up, proposed cessation of the national statistics series	Department for Work and Pensions	12/07/2012	04/10/2012
82	Consultation on a Local Authority Health Scrutiny	Department of Health	12/07/2012	07/09/2012
83	Work Capability Assessment - Year 3 call for evidence	Department for Work and Pensions	12/07/2012	07/09/2012
84	Revision of the Department for Transport's speed limit circular	Department for Transport	13/07/2012	10/10/2012
85	Delivering a cap on income tax relief - A technical consultation	HM Treasury	13/07/2012	05/10/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
86	The proposed revised accounting direction	Homes and Communities Agency	13/07/2012	28/08/2012
87	Communications Review - The consumer perspective - A discussion paper	Department for Culture, Media and Sport	16/07/2012	14/09/2012
88	Stopping up and diversion orders - Reform of the application process for local highways	Department for Transport	16/07/2012	24/08/2012
89	Inspection of residential family centres	Office for Standards in Education, Children's Services and Skills	17/07/2012	09/10/2012
90	Replacing Local Authority Central Spend Equivalent Grant - Funding academies and local authorities for the functions that devolve to academies	Department for Education	17/07/2012	24/09/2012
91	Business rates retention - Technical consultation	Department for Communities and Local Government	17/07/2012	24/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
92	Payments by parish and community councils and charter trustees - A consultation	Department for Communities and Local Government	17/07/2012	11/09/2012
93	Consultation on funding allocations for independent mental health services	Department of Health	17/07/2012	07/09/2012
94	Funding allocations for independent mental health services	Department of Health	17/07/2012	07/09/2012
95	EU regulation concerning bus and coach passenger rights	Department for Transport	18/07/2012	10/10/2012
96	Review of contact arrangements for children in care and adopted children and on the placement of sibling groups for adoption - A consultation	Department for Education	20/07/2012	31/08/2012
97	Developing the use of direct payments in residential care	Department of Health	24/07/2012	05/10/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
98	Guidance for business on environmental key performance indicators - A consultation	Department for Environment, Food and Rural Affairs	25/07/2012	17/10/2012
99	Greenhouse gas reporting draft regulations - A consultation	Department for Environment, Food and Rural Affairs	25/07/2012	17/10/2012
100	Improvements to the system of Listed Building Consents - A consultation	Department for Culture, Media and Sport	26/07/2012	23/08/2012
109	Transforming the services of the Office of the Public Guardian	Ministry of Justice	27/07/2012	19/10/2012
101	Proposed merger of the Gambling Commission and the National Lottery Commission - A consultation	Department for Culture, Media and Sport	31/07/2012	23/10/2012
102	Wood waste landfill restrictions in England - Call for evidence	Department for Environment, Food and Rural Affairs	31/07/2012	28/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
103	Joint strategic needs assessment and joint health and wellbeing strategy guidance	Department of Health	31/07/2012	28/09/2012
104	Discretionary Housing Payments - A consultation	Department for Work and Pensions	01/08/2012	31/08/2012
105	Proposals to simplify and clarify RIDDOR (Reporting of Injuries, Disease and Dangerous Occurrences Regulations) reporting requirements - A consultation	Health and Safety Executive	02/08/2012	28/10/2012
106	Approach to flood risk management plans in England and Wales - A consultation	Environment Agency	03/08/2012	31/10/2012
107	Habitats Directive - Draft guidance on the application of article 6(4) - A consultation	Department for Environment, Food and Rural Affairs	07/08/2012	30/10/2012
108	Renegotiation of Section 106 planning obligations - A consultation	Department for Communities and Local Government	13/08/2012	08/10/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
109	Wildlife - A consultation	Law Commission	14/08/2012	30/11/2012
110	Call for evidence to support HPV immunisation programme review	Department of Health	14/08/2012	09/11/2012
111	Future constitution of the English Tourist Board (known as the VisitEngland Board)	Department for Culture, Media and Sport	15/08/2012	12/10/2012
112	Call for evidence on raising awareness of employee ownership	Department for Business Innovation and Skills	17/08/2012	07/09/2012
113	Changes to Jobcentre Plus vacancies statistics - A consultation	Department for Work and Pensions	20/08/2012	14/11/2012
114	Proposed new Chapter 15 of the Section 182 Guidance issued under the Licensing Act 2003 - A consultation	Department for Culture, Media and Sport	22/08/2012	28/09/2012

Appendix 2: Government consultations and calls for evidence announced in 2012

Ref	Title	Government Department	Date released	Closing date
115	Localising support for council tax - Council tax base and funding for local precepting authorities	Department for Communities and Local Government	28/08/2012	09/10/2012
116	Review of the Coastal Access scheme - Invitation to comment	Natural England	05/09/2012	01/03/2013
117	Fees and Frequency Regulations 2013-14 - A consultation	Department for Education	05/09/2012	05/10/2012
118	The next phase: Our Consultation on our strategy for 2013 to 2016	Care Quality Commission	06/09/2012	06/12/2012

Cabinet

10 October 2012



**County Durham Partnership Update
Report**

**Report of Corporate Management Team
Lorraine O'Donnell, Assistant Chief Executive
Cllr. Simon Henig, Leader of the Council
Cllr. Brian Stephens, Cabinet Portfolio Holder for Neighbourhoods and
Local Partnerships**

Purpose of the Report

1. To update Durham County Council's Cabinet on issues being addressed by the County Durham Partnership (CDP) Board, the five Thematic Partnerships and all Area Action Partnerships (AAPs). The report also includes updates on other key initiatives being carried out in partnership across the County.

Summary

2. There has been a wide range of activity across all parts of the County Durham Partnership over the summer months that continue to evidence the successful joint working taking place throughout the County. The Area Action Partnerships continue to engage with our local communities on their individual priorities which in turn contribute to the high level priorities set within the Sustainable Community Strategy.
3. Under the Altogether safer theme in particular there has been positive work carried out with young people, both in the Bishop Auckland Shildon AAP area as well as in Chester le Street. Both of these projects showcase the positive relationship that the AAPs share with Durham Constabulary, particularly through the neighbourhood teams.
4. A lot of work is also ongoing on the Altogether wealthier theme, the top priority identified for the CDP. This ranges from broadband in the rural parts of the county to apprenticeships and involvement in schools in Great Aycliffe and Middridge. Joint working across three AAPs (Teesdale, Weardale and Three Towns), in partnership with 2D, the Council for Voluntary Service in Teesdale and Weardale, is currently looking at employability with a particular aim of engaging with people either recently redundant or facing redundancy.

County Durham Partnership Away Day

5. The CDP Board held its third annual away day in September with the overall theme of Building Community Resilience. The main aims of the day were to consider the challenges and opportunities we face as a County and as a Partnership as well as to reflect on the progress made to date. It was also an opportunity to provide a strategic steer for the renew of the Sustainable Community Strategy and to ensure that the partnership working continues to be effective.

Better Together: Voluntary and Community Sector Strategy for County Durham

6. A draft VCS strategy is being developed jointly by partners from the public sector (Council, Police, NHS) and Voluntary and Community Sector. The Purpose of the strategy is to influence policy, clarify roles and illustrate the impact of the VCS in County Durham. Members of both sectors have already had significant input into the content to make it relevant and flexible. There is now an opportunity for a wider cross section of people and organisations to be involved in helping to shape the strategy through a formal twelve week consultation which will run from 10 September to 30 November 2012. The final strategy will be influenced by the views expressed in this consultation. An action plan will then be developed to implement it.
7. The draft strategy and consultation questionnaire can be accessed here: [Better Together: VCS Strategy for County Durham](#)

Consultations

8. As part of their role as one aspect of the consultation and engagement function of the County Council and its partners, and in advance of the consultation period, all 14 AAPs have been given prior knowledge and opportunity to play into the consultation on the draft Health and Wellbeing Strategy.
9. Officers from the Planning Team within Regeneration and Economic Development are also currently consulting with all AAPs on the Preferred Option stage on the County Durham Plan which forms the spatial expression of the Sustainable Community Strategy. The County Durham Plan will help shape the future development of County Durham therefore it is important that our local communities are engaged in this.

AAP Profiles

10. Each year since their inception, AAP boards and forums have been provided with statistical profiles to help inform their work. The profiles are produced by the Council's Research and Consultation Team and reflect a broad range of socio-economic and demographic issues about each locality with countywide, regional and national comparisons where data are available. This year's AAP Profiles have been updated to include some new indicators following consultation with AAP Co-ordinators and services. The profiles support the work of the AAP promoting informed debate and decision making, developing local priorities as well as the more detailed work undertaken by various task and finish groups. The 2012 profiles will shortly be available on the Council's website at www.durham.gov.uk/aaprofiles. A link to previous year's profiles will also be available at this page. A paper copy of each profile will be made available in the Members' library.

Altogether wealthier

11. A Future Business Magnates Awards Ceremony, supported by the **Economic Partnership**, held in the summer celebrated the end of a six month competition in which 22 schools participated from across County Durham. Each team had been tasked to develop a business idea and complete a series of six business-related challenges with the support of business partners who 'mentored' the teams and shared their business expertise. Teams were awarded points for each challenge, with the winning team being the team that scored the highest number of points in total during the competition.
12. The winning team was Park View School, Chester-le-Street which received the FBM 2012 Winner's trophy and £2,000 for the school and £50 for each team member. Bishop Barrington School came second and Framwellgate School received the FBM 2012 third place trophy. In addition to the overall winner and runners up, eight additional prizes were awarded for performance during the competition, with the winning teams each receiving a trophy.

13. E Business Durham, in collaboration with Oldfields Durham and Bishop Auckland College held the final of "Oldfields Masterchef" in August. After four rounds, two contestants remained in the competition with both contestants preparing fantastic meals which impressed the judges. Bill Oldfield was keen that both students be recognised for their hard work and will be offering both the two young gastronomists the chance of an apprenticeship with Oldfields.
14. The success of this pilot has been widely recognised and it is anticipated that a more refined version of the programme will launch later in the year. Bill Oldfield is keen to offer this kind of detailed work experience to County Durham's young people. Business Durham sees the process as a good way to introduce young people to the real life work which goes on in the County's most entrepreneurial sectors.
15. For more information please contact Angela Brown, Partnership Support Officer on 0191 387 2117 or email angela.brown@durham.gov.uk

Altogether better for children and young people

16. The Children, Young People and Families Plan 2012-2016 has now been approved by Full Council and is available on the DCC website. Children and young people from Investing in Children are working closely with DCC colleagues to produce a child friendly poster that communicates the main messages of the plan. The plan will be monitored on a quarterly basis involving the **Children's Executive Board**, Children and Young People and the CYP Overview and Scrutiny Committee of the County Council. Plans are underway to prepare for the 2013/14 review of the plan. Further detail will be provided in the next update to the CDP.
17. An Overview and Scrutiny Review Report on teenage pregnancy was presented to the Children's Executive Board in June 2012. The report highlighted the good progress that has been made in relation to the effective commissioning, planning and delivery of teenage pregnancy services and made further recommendations for improvement. An action plan has been developed focussing on the following areas: a review of SRE and the development of a SRE portfolio for schools; the development of a communications strategy and the review of the effectiveness of the Sexual Health Bus. Work has begun against the action plan and an update will be provided to the Children's Executive Board in September 2012.
18. As set out in the Annual Commissioning Plan for 2012/13, work is underway in developing a Risk and Resilience Strategy with specific reference to teenage pregnancy with Public Health leading on this work. Information is currently being gathered to inform the needs assessment with analysis to follow in September.
19. The Youth Strategy is in its final stages of development. This strategy has brought partners from the Local Authority and the Third Sector together to consider creative options in delivering youth services in the future.
20. Developmental work has been undertaken in relation to the transfer of Public Health and PCT contracts. This includes the development of Memoranda of Understanding that sets out the funding arrangements between Clinical Commissioning Groups and the Local Authority. Progress is reported through the Disability Joint Commissioning Group and the Transitions Board.
21. Third Sector engagement remains strong in relation to Children's Services. This engagement includes regular communication with the sector in the form of newsletters and engagement days. The most recent engagement day took place in July 2012 and areas for discussion included think tanks in relation to Teenage Pregnancy and NEETS. A workshop was delivered in relation to Safeguarding, highlighting a best practice model and the contractual compliance expectations of the Local Authority. The engagement days are

deemed to be extremely successful and build strong relationships between the 3rd sector and the Local Authority. Over 90% of attendants have fed back that they have found the event useful or very useful.

22. For more information please contact Claire McLaren, Planning, Quality and Research Manager on 0191 383 3604 or email claire.mclaren@durham.gov.uk

Altogether healthier

23. On 5 September the **Shadow Health and Wellbeing Board** agreed the draft Joint Health and Wellbeing Strategy for public consultation, which will run from 6 September through to 19 October 2012. Presentations have been undertaken at eight of the Area Action Partnerships (AAPs); other AAPs were consulted through the online consultation. Presentations were also provided to the Adults Wellbeing and Health and Children and Young People's Overview and Scrutiny Committees. The Joint Health and Wellbeing Strategy contains strategic objectives which will be the local priorities for health and wellbeing. It also contains a number of strategic actions which will be carried out by partners to meet the strategic objectives.
24. The six draft strategic objectives in the Strategy are:
- a. Give children and young people the best possible start in life
 - b. Reduce the number of people dying prematurely, while reducing the difference between the least and most healthy communities and improve the least healthy more quickly
 - c. Improve the quality of life, care and support for people with long term conditions and those recovering from episodes of ill health or injury to assist them to live as independently as possible
 - d. Improve mental health and wellbeing of the population
 - e. Protect vulnerable people from harm
 - f. Allow people to die in the place of their choice with the care and support that they need
25. The Shadow Health and Wellbeing Board will consider a range of documents and items over the coming months including the final Joint Health and Wellbeing Strategy 2013/17; Clinical Commissioning Group Commissioning Intentions for 2013/14; Agree winter planning arrangements; consider a review of Joint Commissioning Strategies and future arrangements and Consider a report outlining proposed constitutional arrangements for the statutory Health and Wellbeing Board.
26. For more information please contact Andrea Petty, Policy & Planning Manager Children & Adults Services on 0191 370 8749 or email andrea.petty@durham.gov.uk

Altogether safer

27. The In 2011/12 crime fell again by 4.6% from 28,261 to 26,964 incidents. Between April and July this year we have seen a further reduction of 14% which is a reduction of 1,246 incidents. Crime is now at its lowest since electronic records began in 1983.
28. In 2006/07 there were 73,823 recorded incidents of Anti-Social Behaviour. The **Safe Durham Partnership** has seen year-on-year reductions and in 2011/12 the partnership reported a further reduction of more than 11,000 incidents to a total of 36,646; 50% down on 2006/07. At the end of 2011 the police carried out an audit of their records to test whether ASB was being under-recorded. In fact they found they had been over-recording against the national standard. This has impacted on recent figures as between April and July this year we have seen a further reduction of 36%. This equates to a reduction of 4,756 incidents in the first four months of the year.

29. The Restorative Justice Woodhouse Close project is underway. It is a structured intervention to tackle low level crime and non-crime matters that have a clear impact on victims and communities. It can be used as a diversion away from formal criminal justice proceedings. Volunteers and stakeholders have been identified and trained to facilitate the program. Referral mechanisms have been established and the program is now awaiting referrals.
30. A Task and Finish strategic Group has been put in place to strengthen the Partnership approach to organised crime. The aim of the group is to reduce the risk to County Durham and its interests from organised crime by reducing the threat from organised criminals and reducing vulnerabilities and criminal opportunities. Our response will be based on the following themes; Stem the opportunities for organised crime to take root; Strengthen enforcement action against organised criminals and Safeguard communities & businesses and the state.
31. The SDP has undertaken work to deliver a tool for Anti-Social Behaviour Case management. It is also developing a solution that will enable front-line workers to share personal information within a secure environment. This will be an interim measure until all partners have secure e-mail in place.
32. The Safe Durham Partnership is running an awareness raising campaign in conjunction with Crimestoppers called 'Behind Closed Doors'. It is designed to help make people aware that if they have concerns that a friend, neighbour or family member is experiencing Domestic Abuse they can report anonymously to Crimestoppers.
33. The Domestic Abuse commissioning process has been postponed until the beginning of next year. Derwentside Domestic Abuse Service will continue to cover the North and East and the County Council Outreach service will continue in the South until a new Countywide service is in place next year.
34. For more information please contact Caroline Duckworth, Strategic Manager for Safer Communities, on 0191 3708734 or email caroline.duckworth@durham.gov.uk

Altogether greener

35. Successful submissions to obtain Local Nature Partnership (LNP) status in the County were granted official status by Government in July. The two new partnerships are - the Land of the Three Rivers and Northern Upland Chain. Across England 41 of the 50 LNP applications were successful. The other nine, including the application for Newcastle and lowland Northumberland, will be provided with guidance on how their partnerships can be improved with a view to official status being granted at a later date.
36. The development of these new Partnerships will inevitably impact the scope and status of the Natural Environment Group, therefore a new structure is being developed and will be presented at the September meeting of the **Environment Partnership Board**.
37. South Moor 'Week in Action' took place in July and incorporated Grange/Villa/West Pelton and Fencehouses. Activities included two partnership and public walkabouts attended by Civic Pride, Police, Neighbourhood Wardens, Councillors, Derwentside homes, Three Rivers housing association and the general public. These proved to be very successful in identifying the main cause of issues within the South Moor area, including dog fouling, high volume of littering, sporadic fly tipping, untidy yards, graffiti removal, highway reports, planning reports and derelict properties.
38. The residents of approximately 40 untidy yards/gardens were issued with first stage advisory warning notifications; 24 dogs were chipped; 150 Pupils attended environmental/ASB Sessions; there were three Police Station 'drop in' sessions; one litter

fixed penalty notice was issued. Participants of the Community Payback scheme were involved in site clearances.

39. Judging has now taken place for all Northumbria in Bloom entries, Durham Riverbanks Project (project managed by Civic Pride officer) has been nominated for best conservation project 2012 again this year; it received a silver gilt award in 2011. The ceremony will take place on September 11 at Spennymoor Leisure Centre.
40. Judging of the Easington in Bloom photographic competition (what I love about Easington) took place during the last weeks of the school term in July with one child from each of the two schools winning a small goody bag, certificate and gold Tidy Ted pin for the efforts, the display of some 100 photographs were displayed for the judges to see. The display was left in the Welfare Centre in Easington during the following week as a community event took place within the centre, this offered the opportunity for further members of the general public to see the exhibition.
41. Plans are now well underway for the Partnership's 2012 bulb challenge where 250,000 crocus bulbs will be given out during October to schools, community groups and parish councils across the county with press opportunities in each area being arranged for maximum publicity.
42. For more information please contact Mary Readman, Customer Relations, Policy and Performance Manager, on 0191 3834692 or email mary.readman@durham.gov.uk

Area Action Partnerships Update

43. The Maintaining the Social Fabric of Our Communities Priority Group of the **East Durham AAP** has taken the decision to focus on three areas within the East Durham Area Action Plan: Community Buildings, Volunteering and Supporting Vulnerable People.
44. The group recognised the challenges that the current and future economic climate will place on communities in the East Durham AAP Area. Already identified as one of the most disadvantaged areas in the country it was felt that a recession and changes to benefits would impact most on those within our communities that are already at risk or vulnerable. The Group set out to develop actions that would build community resilience and ensure strong and sustainable communities. The Area Budget funded a Community Response project, employing a Community Response Co-ordinator to encourage a wider spread of community response initiatives e.g. Winter Squads and to stimulate collaborative working between community groups to ensure that limited resources are used effectively.
45. The Community Response Co-ordinator has supported the development of the East Durham Community Buildings Network. Recognising the key role of community buildings, the network supports the work of a wide community based facilities including Community Centres, Parish Halls, Church halls and Welfare Halls. The Network has explored those actions that would assist in ensuring sustainability, for example reducing costs. The Community Response Co-ordinator has worked to introduce a collaborative purchasing scheme e.g. PAT testing, and Utilities ink cartridges, telecoms and insurance. One community group in particular was quoted potential savings of over £1300 on their current fuel deal and is moving to sign up to this new contract. To support Community Building collaboration East Durham AAP have introduced a Community Buildings Fund, the main criteria for this funding is the collaboration between two or more Community Buildings that can demonstrate that the funding will lead to delivery efficiencies.
46. The Community Response Co-ordinator has been also tasked with developing community response projects that encourage the volunteering role of young people within their communities. One such project, took place during July at Robinson House, Horden, with residents and young people reaping the benefits of working together. New flower beds were dug, weeding and planting occurred and outhouses painted. The residents have also

received some resources to ensure that more people – residents and volunteers alike – can continue to offer their time in the garden. This project, in partnership with East Durham Homes, will be extended to all sheltered housing projects in East Durham. The Community Response has proven successful within a short period of time and will continue to support resilient communities in East Durham.

47. **Mid Durham AAP's** partnership approach to developing support for older people gained another funding boost in July when it was confirmed that their partnership bid to Comic Relief led by the Prince Bishops Community Bank was awarded £364,000. The bid attempts to address the issues over fuel poverty, targeting the reduction of electricity and gas tariffs whilst providing financial advice around benefits and savings.
48. The AAP continues to work with its associated Parish Councils to consult with and discuss issues affecting the lives of residents throughout the mid Durham area. The target is to consult with 1,600 residents (5% of the Mid Durham population) before the end of September with the results being used to steer the AAP at its November Forum as to its priorities for 2013/14.
49. The newest Mid Durham task group, 'employment and job prospects', continues to examine areas in which the AAP can make a difference. Using the recent Overview and Scrutiny report on 'Increasing Youth Employment 2012' and local statistical data, the group has identified support for sustaining and growing existing small businesses, localised access to employment and training advice and targeting support to the 29 to 45 age range which shows the highest JSA age range rise for Mid Durham. The group are keen to work closely with the County Durham Economic Partnership as all the partners within the task group agreed that one of the most effective ways to move forward in addressing this issue is to have all deliverers and support mechanisms linked and communicating with each other which from a ground level delivery perspective does not seem to be happening.
50. The **Bishop Auckland and Shildon AAP** is making good progress towards committing its 2012/13 Area Budget Allocation. Task and Finish Groups are established for the partnership's three priorities of Employment and Jobs, Transport and Community Safety.
51. Following work from the Community Safety Task Group the partnership has committed to the following projects in the Woodhouse Close areas of Bishop Auckland. Following on from the success of the Crisis Intervention Packs project previously funded by Bishop Auckland and Shildon AAP it was agreed to continue this very much needed provision. The project has received £4,000 Area Budget
52. Packs are given to people in various crisis situations who are extremely vulnerable. The group work with a variety of partners in the statutory and voluntary sectors and receive referrals for people who need immediate help to set up homes and in cases of great need, provision of food and basic household provisions.
53. Through the furniture reuse project and thrift shop furniture is provided along with household items to help a person set up home but some items are not always available. Such small interventions have a considerable impact on lives by helping people cope with a new start. A funding contribution from Bishop Auckland and Shildon AAP has ensured the project can continue for the next year. This funding will enable another 60 cases to be handled by providing a worker for 5 hours per week to coordinate the project.
54. The Woodhouse Close Restorative project is a joint pilot initiative involving Police, Durham County Council, Restorative Solutions and Youth Offending along with key members of the local community to deliver Restorative Justice in the community.
55. Restorative Justice should contribute to a change in attitudes and behaviours and will help empower the local community to deal with crime and anti social behaviour on their door step. The outcome of the project will be to increase community resilience, victim

satisfaction and reduce crime and anti social behaviour. If successful it is envisaged that the project will be rolled out to other areas within County Durham. Funding will be used to provide training to neighbourhoods and for a Coordinator to manage volunteers and coordinate referrals.

56. Training, which will be free, will establish neighbourhood restorative panels to develop community stakeholders and 4 volunteers to become facilitators and trainers. The role of the facilitator will be to interview those that have been harmed and those that have caused harm and then facilitate any face-to-face meetings or correspondence, to help both victims and harmers move on positively with their lives.
57. Four volunteer community members will be provided with training to BTEC standard and will go on to become restorative justice trainers with the option to progress to a diploma. This investment in local people will develop volunteer's skills to increase their employment opportunities should they wish to progress to paid employment. The project is funded by Bishop Auckland and Shildon Area Action Partnership and Durham County Council (HIL and LMAP funds) and Restorative Solutions.
58. **Chester le Street AAP** supported a feasibility study for Collaborate (a mixture of housing providers and the local voluntary sector) has now found favour with the Homes and Communities Agency who are investing £270K over three years to find solutions to tackling homelessness. Other initiatives funded via the AAP include encouraging local children to make more use of their libraries, supporting the Kids for Kids UK film festival at the Gala and the continuation of the Small Grants Fund which has seen over 100 awards made since it started in 2010.
59. Through the engagement of young people at the AAP's annual 'Have your Say' event where over 700 young people have attended over the last three years the issue of 'Respect' is often raised. This is either respect for young people, respect young people have for others and respect between different age groups of young people themselves.
60. In working with Durham Constabulary Youth Issues Officer a Respect 'event' was developed to try and introduce young people aged 12 – 14 to different learning experiences in order to understand better the issues, attitudes and culture of different groups within society. The aim was to develop a sense of understanding and respect for people in our society where young people may have only limited knowledge and understanding.
61. An event combining 12 different workshop experiences on a 'carousel style' system ensured that all the young people got to learn and understand issues relating to homelessness, disability and deafness, older people, homophobia, hate crime, gypsy and travellers and domestic abuse and anti-social behaviour. They also took part in workshops designed to give inform them about 'respecting themselves' in relation to healthy eating, alcohol, and risk taking behaviour. The workshops were delivered by 8 different organisations such as Age UK, Mesmac, 4Real, SHAID, Durham Constabulary and others. Over 80 young people aged 12 – 14 took part in this event. A Respect 2 project is currently in development.
62. The other element to the Respect project was to deliver the carousel of workshops within the comprehensive schools in the AAP area across these year groups. A further 900 + young people experienced these workshops in school. Recent figures from the neighbourhood police team show a dramatic reduction in anti-social behaviour within neighbourhoods where these schools are based which is a further positive outcome.
63. Following the some productive and successful work of the Weardale AAP Task Group meetings the **Weardale Action Partnership** has committed £60,000 of its £120,000 Area Budget Allocation.

64. Broadband is a new priority for Weardale in 2012/13. The Task Group set up to look at Broadband has been working closely with the Durham County Council's Digital Durham project. To try and ensure that Weardale is a priority for the programme it was agreed that Weardale must demonstrate that there is sufficient demand as the best way to get telecom providers interested in delivering improved broadband is to show there is a demand for their products.
65. Utilising funding from Cllr Savory's Neighbourhood Budget the Weardale Action Partnership has undertaken a campaign to support the case for Superfast Broadband in Weardale. This has involved writing to every household in Weardale detailing the importance of Broadband to unlocking economic growth in County Durham, to create more jobs, improve business, support learning and transform access to services for our communities. The letters included a pre paid return envelope to encourage residents to return the survey.
66. The letter has been backed up with a media and communications campaign which has included coverage in the local press, posters in communities across the area, Facebook and targeted work with businesses and business groups such as the Weardale Visitor Network and Weardale Business Club.
67. In addition to this the Weardale Action Partnerships funded Family and Youth Participation project has carried out consultation work with primary school children to incorporate their views and thoughts into the campaign to secure Superfast Broadband in Weardale.
68. The **Great Aycliffe and Middridge Partnership** Board in 2011 agreed to fund the biggest project to date for an Employability Skills Fund project for local people to access. The project has been funded via GAMP Area Budget allocation and additional funding from all of the local Councillors Neighbourhood Budget allocations. Further funding has also come from a range of partners; Bishop Auckland College, Sedgefield Borough Homes (Livin), South Durham Enterprise Agency and MEARS. The total cost of the initiative is £147,910.
69. The project is being led by the Learning and Skills Coordinator at Bishop Auckland College and aims to have two funds designated to supporting any unemployed person over the age of 16 in the Great Aycliffe and Middridge area. The two funds are; an 'Employability Skills Fund' aimed at responding to specific training needs and a 'Discretionary Fund' aimed at removing barriers that prevent clients from accessing training.
70. To date a total of 39 applications have been submitted since the project officially commenced and in some instances the application is for more than one client, for example an application form submitted by housing provider Livin was to support 8 of their tenants. 15 outcomes have been achieved so far including 11 clients gaining employment, however it is important to note that a significant proportion of outcomes are pending, as training has not yet been completed.
71. The Apprenticeship Awareness Challenge project aims to equip over 300 pupils from both Woodham Community Technology College and Greenfield School Community and Arts College with knowledge about apprenticeships and career progression within the Manufacturing and Engineering Sector. The pupils will learn about product design, presentation skills and a wider understanding of the world of work.
72. The project will involve companies giving a brief demonstration to year 9 students at both schools during a series of workshop carousels, dubbed "speed networking", to give young people a flavour of the work they do. The youngsters will then be split into groups during site visits to six different companies, when they'll get to learn more about their chosen industry, from manufacturing to IT and HR.
73. The project is being led by Woodham Community Technology College with input from Engineering Development Trust, the largest provider of science, technology, engineering

and mathematics enrichment activities for young people in the UK. To date Firms including Tallents Engineering, Flymo Husqvarna, Finley Structures, Aycliffe Fabrications and Stiller Transport have expressed an interest in working with pupils from both schools.

74. The Aycliffe Apprenticeship Awareness Programme will launch at Woodham on September 19, with around 150 students split into six tutor groups, and then young people visited company sites in September.
75. The **East Durham Rural Corridor** Participatory Budgeting community voting event was held on 21st July at the active life centre@coxhoe (formerly Coxhoe Leisure Centre) and this event was also the Summer Forum where we celebrated our successes. The Sports Apprentices who we funded last year, five of which we have managed to place at the active life centre carried out sports related activities with children, young people and families, as well as promoting how they enrolled on the scheme and how other young people can. There was also a litter pick, Tidy Ted was in attendance and families were able to pot a marigold (official flower of the Olympics) to take home. The active life centre also provided some activities to help promote the centre and hopefully increase membership.
76. Over 550 people aged ten and over who live, work or study in the AAP area turned out to vote for the 26 groups who had arranged a market place display on their project. Many more turned up to take part in the activities mentioned above, as well as soft play for the younger children, and arts and crafts. One of the partners who attended was from the NHS and carried out Chlamydia Screening with young people. The officer in attendance feedback that taking part had been extremely beneficial as she'd networked and gathered a lot of contacts for her future work. As a result of this day, we now have an extra 221 forum members, over 66% increase.
77. The **Derwent Valley AAP** recently launched its second 'It's Up 2 U' scheme following the success of the previous scheme held in 2011. The AAP has allocated an increased amount of funding of £40,000 to the scheme which has been improved based on feedback from residents and participants.
78. As part of the new scheme, a roadshow will be held in each village across the Derwent Valley area, promoting all groups and their projects. Projects will also be promoted in the Derwent Valley News magazine which is delivered to every household in the area and there will be a dedicated section on the community website, Derwent Valley Life, so residents can learn more about the projects and the groups taking part (if groups wish to include a link to their own website or a You Tube clip, this opportunity will also be provided).
79. All projects which fully meet the application criteria will be recognised via a small financial contribution towards their project - this is to reward the efforts of each group for taking part in the scheme. The remainder of their funding request must be gained through public votes at the main event.
80. The main voting event itself will include a dedicated area for community groups to visit to meet with funders and receive a 'health check' which will help groups update their constitutions, attract more volunteers and access services at a lower cost. This links to the new Derwent Valley AAP priority, 'Support for Community Groups'.
81. The Derwent Valley AAP are keen to showcase the work of the AAP to local residents, partners and groups and are currently working on two projects to achieve this. A DVD detailing the work of the AAP, the projects and groups it has supported and its decision making processes is being developed in partnership with the Forum and local community partnerships who will also feature on the DVD to highlight their community work and experiences of working with the AAP. To complement the DVD, a showcase event will be taking place to highlight, visually, the projects supported by the AAP – this will include

performances from local drama groups, film and animation screenings, taster sessions and presentations.

82. To kick start their Consett Town Centre Events Programme, the Derwent Valley AAP will be holding their first event in late November / early December. The 'Christmas in Consett' event will be the main event delivered in Consett for 2012. The event will consist of a Christmas lights switch on 30th November with a Christmas market, Santa's Grotto, local brass band performances, recycled lantern parade, carol singing and Christmas craft workshops being held on 1st December. Local schools and partners will be invited to take part in the parade / celebrations and a shop window competition will also be run to encourage local traders to take part.
83. Durham's Got Talent was a production between the County Council's former Children and Young People's Service Grouping and the **Durham AAP** and was a resounding success. It was held at the Gala Theatre with the winner, 13 year old Katie Smith, hailing from CLS. There has already been a strong call to make this an annual event.
84. The Forum event held in July at the Sherburn Future Club combined the very best of Durham's Got Talent with a presentation and discussion on the subject of Climate Change from Dr Robert Song and what can the AAP do. This event really hit home the realities of Climate Change.
85. The Diverse Durham event in the Market Place in (sponsored by the Durham Indoor Market) was hailed a success. This gave many VCS groups the opportunity to promote themselves and also highlight the issues affecting many of those with protected characteristics.
86. The Dales Employability Project is a partnership between Durham County Council and Teesdale, Weardale and **Three Towns Area** Action Partnerships (AAP's) to work with local voluntary sector provider 2D and a number of local community organisations, local employers and local agencies to support residents into work, training and volunteering opportunities.
87. The project is aimed at local residents who may be facing redundancy or have been made redundant and/or in receipt of job seekers allowance (JSA) and are actively looking for work. The mentors work in the field to provide rural residents with information advice and guidance and employability support tailored to client needs identifying and removing barriers to work. The project success is based on building effective relationships, networking and working with employers and clients to build trust and respect ultimately improving unemployed resident's job prospects.
88. The role of the Employability mentors is to help remove the barriers to employment by providing one to one confidential and impartial advice guidance and support to individuals.
89. The mentor working in the Three Towns Partnership area is already showing a massive success rate and is currently working with 71 clients from the Crook, Willington and Tow Law area resulting in 18 people gaining employment, 10 people setting up in self employment, 1 person into an apprenticeship and 2 people into volunteering. Various training courses have also been funded through the project.
90. Through the Apprenticeship Scheme local employers can take up the opportunity of funding for apprenticeships to grow and develop existing and new business including self employed/ micro businesses. Seven people have been supported into apprenticeships in the Three Towns Area to date.
91. The 'Your Turn Summer Sports Play scheme' project was to deliver a summer holiday programme for under 8s in the 3 Towns area after identifying that there was a gap in provision for this age group. 295 children took part in a mixture of multi sports and fun

sessions along with more formal sports coaching in tennis, cricket and football. The project was delivered in play areas, open spaces and sports grounds, in total sixteen areas were used to spread the delivery across the 3 Towns reaching out to the outlying villages, delivering directly into the communities breaking down the transport and cost barriers that stop participation for many young people in this age bracket due to parents not being able to access delivery.

92. As the sessions targeted under 8s parents remained at the sessions the coaches actively engaged with 40 parents teaching them to play games with their children. It is hoped by engaging the parents they will then gain the skills to be confident in delivering play to their children, this will hopefully lead to more families using play areas more confidently, more frequently. The project was delivered two sessions a day in different town/ villages, five days a week.
93. Following the success of the 2011/12 Small Grants for Children and Young People scheme, the Three Towns Youth forum and 2D have been awarded £7,500 to deliver a funding stream to provide funding directly to children and young people (CYP) in the Three Towns Partnership Area that will enhance activity, create challenge, develop life skills and make a positive contribution to their local community Last year the Youth Forum, supported by 2D and the Three Towns Team, successfully appraised 18 applications for funding in less than 6 months, funding or partially funding 14 projects from the £4500 pot bringing with a matched investment of £8,691.40.
94. Through the Community Archaeology/Village Atlas project, local communities in the **4Together AAP** area will be able to discover more about their heritage through taking part in archaeological projects and to learn techniques of excavation and survey near Great Chilton. It will enable local people to work alongside professional archaeologists who will evaluate a local field to improve knowledge and understanding of the historic environment. This site in Great Chilton was identified as a key site for investigation where a series of complex crop marks are thought to mark the site of a Neolithic Bronze Age.
95. The Village Atlas project will work with Ferryhill History Society and local schools, linking to Cleves Cross Primary which is creating a geological timeline. Work will take place with numerous local groups and people will have the opportunity to get involved in things such as geophysical surveys and practical archaeological excavations.
96. The Haggrid project will develop the physical appearance of part of Chilton Community College, aiming to develop it into a community garden/outside learning area and will also implement a horticulture/agriculture alternative learning programme in conjunction with Durham Agency Against Crime. The project does not only meet priorities under Environment but also Crime and Community safety and has strong community cohesion links, a priority issue for the Chilton area. Both strands of the project will lead towards greater integration with the local community.
97. The Partnership team received special thanks from Bishop Middleham Parish Council for all the help and support they received in relation to their newly installed Multi Use Games Area.
98. With the financial support and backing of **Stanley AAP** the North East Horticultural Society again took place in September in Stanley. The events have been a huge success attracting over 5000 visitors over the two day event which has various Horticultural entries including some rare sights such as gigantic vegetables. The Championship Show had over 50 classes in various sections including; The National Pot Leek Society section, Vegetable Section, Floral Section, Heaviest Vegetable Section, Floral Section and a Primary Schools' Section and also featured a Poultry Competition.
99. Stanley Events Ltd held their first Stanley Music Festival over August Bank Holiday weekend, attracting over 3,500 attendees. The Festival received Area Budget funding and

support from Stanley Area Action Partnership and received financial backing from Stanley Town Council. The Festival was headed by Martin Turner's Wishbone Ash and also included soul pop singer-songwriter Beth Macari, tribute bands The Floyd Effect and Howaysis, DeeExpus, Dust Town Dogs and Stinger, a teenage band from Stanley.

100. Stanley AAP Board has provided funding for three Weeks in Action in three different villages in the Stanley area. The first two Weeks in Action have been delivered in the High Impact Locality areas of New Kyo and South Moor, the third Week in Action was delivered in the former Derwentside ward of Havannah in Stanley. The aim of the 'Week in Action' is to bring together all sectors of the community to deliver a high quality and cost effective campaign to improve the local environment, promote community cohesion and ensure a cleaner, safer and greener local neighbourhood.
101. **Teesdale Action Partnership (TAP)** continues to work on the four key priority areas of Children and Young People, Job Prospects and Enterprise, Natural and Built Environment and Tourism.
102. The Children and Young People's Task and Finish Group are working on a new project which plans to deliver play work in the Teesdale area. The Children and Young People's Small Grants Fund has been re-funded. The awards panel is made up of young people who make the decisions on who should get, or not get grants with the over all management of the small grants being done by 2D. Ideas regarding a arts/music/cultural festival for you people are also being discussed.
103. A survey of local businesses in the Teesdale area has recently been carried out. The Task and Finish group are now looking at the results to identify gaps in provision that may be able to be covered through an area budget project.
104. Under 'environment' a Green Dog Walking initiative is being developed with a number of Local Councils. Working with the Council's Civic Pride Team this project has been successfully delivered in other parts of County Durham. A small grants fund has recently been launched for environmental projects in the Teesdale area.
105. TAP recently held a local tourism event at the Bowes Museum. The event which was part funded by the Bowes Museum and Dickens in Teesdale, brought together local people involved in tourism businesses and organisations to look at what is needed in the Teesdale area to promote tourism and improve the quality of the tourism offer. The event which was badged as 'ideas into action', generated a lot of information which is now being looked at by the task and finish group. A small grants fund has recently been launched for community led tourism projects in the Teesdale Area.
106. Local Elected Members have recently helped local communities on projects such as funding new play equipment at Green Lane Primary School in Barnard Castle, improving security at Evenwood Recreation Ground, improving facilities at Barnard Castle Cricket Club, repairs to village halls in Woodland, Staindrop and Hamsterley, funding outside play provision at Bowes Pre-School, supporting Radio Teesdale and providing furniture for the newly re-opened Gaunless Valley Visitor Centre.
107. TAP are contributing to the consultation on the County Durham Plan. A meeting was held with the Planning Service to look at specific issues around wind farms and a proposed relief road for Barnard Castle and TAP will be providing a full response to the questions raised in the consultation. TAP Board Members have been very proactive in responding to this consultation.
108. **Spennymoor AAP** is supporting the Durhamgate Duke of Edinburgh Award Scheme (D of E). There has been an emphasis put on trying to recruit young people from the Spennymoor AAP area and to that end the project has done a number of local press releases promoting the D of E in the Spennymoor AAP area. The initial response to the

programme was slow and not as good as had been anticipated but that has worked in the projects favour by providing more time to recruit and train leaders to deliver the programme.

109. In the past five months the project has engaged with a number of young people via press releases and e-mail campaigns. Currently the project has one group running at the main college campus on Monday evenings. The group has fifteen participants, only two of which are actual students of the college. The remainder of the group are from the local communities with one exception (one young person travels from outside of the area to access the programme).
110. The project is still very much in the early stages but already significant benefits can be seen with those young people involved with the programme. Most of the participants have embraced the opportunity to get involved in the various stages of the D of E programme i.e. volunteering, physical, skills, and expedition. Young people are encouraged to come up with their own ideas of how they would like to achieve the various sections of the programme. The strong links the project has with the Durhamgate Development in Spennymoor has resulted in those companies on the site being willing to offer the young people the opportunity to either volunteer or learn a new skill with their organisation.
111. Two of the adult volunteers have now completed the majority of the Basic Exhibition Leadership award and are due to be assessed in October 2012. Once this has been achieved the group will be able to assess the participants themselves rather than sourcing this resource externally.
112. The Schools Enterprise Challenge programme has now started, with representative teams from both Spennymoor School and Tudhoe Grange Schools, working together. The Final Event will take place in October to give all of the schools a chance to complete all three of the tasks involved in the programme (website, car and business plan). Each of the teams of students have had eight weeks to work on all three elements of the project, which is a lot of work in a short space of time. The teams have produced some excellent work so far, some very creative thinking, innovative designs and worked well as teams.
113. Some of the activities have also had to be revised in order to complete certain areas before the summer break. A revised Business Plan has been sent to the AAP to detail this information. Some of the sessions will be filmed along with the Final Event itself. The project will also be publicised in the local papers/media after the event. It is hoped to launch a new programme in October, with the students building & flying helicopters. The process will include having to design, calculate & manufacture parts for the helicopter.
114. The main aim of the 'This is Where it's Art' project was to host a North East Art exhibition/weekend in partnership between Spennymoor AAP, Spennymoor Town Council, Bondgate Gallery, Spennymoor Town Hall Gallery, Number 15 and Spennymoor Leisure Centre Arts Resource. At the event there were arts exhibitions, arts demonstrations, street dancing, drama, toddler art sessions, a school arts competition with an Olympics theme, photography courses, face painting, comic book workshops amongst other attractions.
115. The Festival has now been completed and overall, has been a great success. In total thirty eight artists exhibited their work with an additional nine people/companies providing children's crafts and entertainment. The Facebook page for the Festival attracted over 2,715 people with the website having over 1,164 visits from over 679 individuals. There were also a total of 173 followers on Twitter for the Festival. There were estimates that well over 500 visitors came through the Town Hall alone during the course of the Festival, with most exhibitors expressing their commitment to see this Festival continue and grow into a yearly event.
116. Fourteen of the artists that took part in the recent Festival have already confirmed their participation for the event in March as well as interest to participate again from the

children's craft workshops. There were no major issues that occurred during the Festival. A few things can be developed and adapted to ensure subsequent festivals run a little smoother, however, for a first time event, overall the feeling was really positive.

Recommendations and reasons

117. Cabinet are asked to note the content of the report.

**Contact: Clare Marshall, Principal Partnerships and Local Councils Officer,
Tel: 03000 263591**

Appendix 1: Implications

Finance - Area and Neighbourhood budgets are utilised and delivered through the 14 AAPs and ensure the Council (and AAPs) receive improved information on the outputs achieved through use of locality budgets.

Staffing - None

Risk - None

Equality and Diversity / Public Sector Equality Duty - The actions set out in this report aim to ensure equality and diversity issues are embedded within the working practice of AAPs.

Accommodation - None

Crime and Disorder - Altogether safer is the responsibility of the Safe Durham Partnership.

Human Rights - None

Consultation - The County Durham Partnership framework is a key community engagement and consultation function of the Council and its partners. The recommendations in the report are based on extensive consultation with AAP partners and the establishment of a Sound Board to progress the recommendations and will continue this consultative approach.

Procurement - None

Disability Issues - None

Legal Implications - None

Cabinet

10 October 2012

Corporate Peer Challenge



Report of the Corporate Management Team
Lorraine O'Donnell, Assistant Chief Executive
Simon Henig, Leader of the Council

Purpose of the Report

- 1 During July 2012 the council was the subject of a peer challenge visit by the Local Government Association (LGA) and the purpose of this report is to set out the key findings of the review and identify key areas for future development.

Background

- 2 In 2010 the LGA developed a peer challenge offer which is free to all local authorities between April 2011 and March 2014. It is voluntary and is intended to complement improvement work that local authorities initiate themselves.
- 3 It was agreed to request a peer challenge visit three years on from local government reorganisation in order to:
 - measure our progress since reorganisation in April 2009
 - report on progress to local residents and the Government
 - provide a useful external challenge to our vision and direction of travel
 - access learning and ideas from other areas.

Durham peer challenge

- 4 The peer challenge visit involved five days on site and was designed to complement and add value to the council's own performance and improvement focus. The peers who delivered the peer challenge were:

- Deborah Cadman, Chief Executive, Suffolk County Council
- Ian Greenwood, Former Leader of Bradford Metropolitan District Council
- Paul Dransfield, Strategic Director, Birmingham City Council
- Annette Stansfield, Associate, Warwick Business School
- Neil Shaw, Programme Manager, Local Government Association

5 The peer challenge process included some core elements common to all councils which focus on leadership and corporate capacity. These key components look at:

- Leadership and governance;
- Financial viability;
- Organisational capacity.

6 In Durham, it was agreed that our peer challenge would look in particular at:

- The council's approach to community engagement and partnership working. Strong connections and engagement with local communities was a key priority for the new council and was a major feature of the LGR bid. There has been a strong focus on improvement in this area and in particular, through our Area Action Partnership (AAPs).
- Our strategic approach to economic development, reflecting the top priority placed on our Altogether Wealthier theme.

Key findings and next steps

7 The Corporate Peer Challenge Final Report is attached in full as appendix 2. Overall the team found that the Council has had a successful first three years:

"The challenge of bringing eight councils together to form a new single purpose authority was significant. It is a tribute to all concerned that the transition was successful and that we see a self-confident Authority dealing effectively with the massive challenges which face it and wider local government.

The Leadership of the Council, both member and officer, all of the political groupings and the staff of the organisation deserve great credit for the position which now exists. The findings from the peer challenge should be viewed in this context.

The council has strong political leadership, with a clear vision for the future. The leadership is supported by an effective Corporate Management Team. The council is well regarded by partners.”

- 8 The attached report includes more detailed findings in relation to leadership and governance, financial viability and organisational capacity, as well as in relation to economic development and community engagement. The report also identifies potential development areas for the next stage of the council’s improvement journey.
- 9 Most development areas are in line with the council’s direction of travel, set out within the Council Plan 2012-16. Linked council plan priorities supporting key peer challenge findings are summarised at Appendix 3, alongside 5 new proposed high level actions relating to:
 - a. Organisational development strategy
 - b. Exploring innovative financial approaches
 - c. Economic development
 - d. Community engagement.
- 10 It is proposed that these current Council Plan actions, and new draft actions are further developed and agreed as part of this year’s Council Plan refresh.

Recommendations

- 11 It is recommended that:
 - (a) the content of the peer challenge final report is noted;
 - (b) the draft high level action plan set out at Appendix 3 is agreed.

Contacts: Jenny Haworth, Head of Planning and Performance [Tel: 03000 268071](tel:03000268071)

Appendix 1: Implications

Finance

Financial viability of the council is a key element of the peer challenge.

Staffing

Organisational capacity of the council is a key element of the peer challenge.

Risk

Governance and decision making arrangements are a key element of the peer challenge. Risk management forms a major part of our governance arrangements.

Equality and Diversity

Not applicable.

Accommodation

Not applicable.

Crime and Disorder

Not applicable.

Human Rights

Not applicable.

Consultation

The scope of the peer challenge included community engagement.

Procurement

The peer challenge is provided free of charge by the LGA to member authorities.

Disability

Not applicable.

Legal Implications

Not applicable.



Corporate Peer Challenge

Durham County Council

July 2012

Report

Background and scope of the peer challenge

On behalf of the team, I would just like to say how much we enjoyed spending time in Durham to work with you on the recent corporate peer challenge. The team very much appreciated the welcome we received, the openness and honesty with which people engaged in the process and the support provided in the lead up to, and during the course of, the challenge.

It is testimony to the confidence of Durham County Council that it commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Deborah Cadman, Chief Executive, Suffolk County Council
- Ian Greenwood, Former Leader of Bradford Metropolitan District Council
- Paul Dransfield, Strategic Director, Birmingham City Council
- Annette Stansfield, Associate, Warwick Business School
- Neil Shaw, Programme Manager, Local Government Association

It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual councils' needs. Indeed they are designed to complement and add value to a council's own performance and improvement focus. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read.

The guiding questions for all corporate peer challenges are:

- ❖ Does the council understand its local context and has it established a clear set of priorities?
- ❖ Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- ❖ Does the council have effective political and managerial leadership and is it a constructive partnership?
- ❖ Are effective governance and decision-making arrangements in place to respond to key challenges and manage change and transformation?
- ❖ Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

In addition, the council identified two issues for the team to explore:

- ❖ Economic development
- ❖ Community engagement

As you will recall, we undertook to write to you to confirm the team's findings, building on the feedback provided to you on the final day we were in Durham and, in

particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings.

Executive summary

Durham County Council became a Unitary Authority in 2009 by the amalgamation of the existing County Council and the seven former district councils. The first elections were in May 2008 so the Shadow Authority existed for 11 months prior to the formal amalgamation.

The challenge of bringing eight councils together to form a new single purpose authority was significant. It is a tribute to all concerned that the transition was successful and that we see a self-confident Authority dealing effectively with the massive challenges which face it and wider local government.

The Leadership of the Council, both member and officer, all of the political groupings and the staff of the organisation deserve great credit for the position which now exists. The findings from the peer challenge should be viewed in this context.

The council has strong political leadership, with a clear vision for the future. The leadership is supported by an effective Corporate Management Team. The council is well regarded by partners.

The council has undertaken an extensive programme to bring together services in a coherent way, taking opportunities to join up services and make financial savings. A 'can do' culture runs through the organisation. The financial position appears sound, underpinned by a clear Medium Term Financial Plan. Issues around resources and the future savings programme are well understood by members, officers and partner agencies.

It will be important for the council to keep focused on its core vision as times get harder in order to deliver the bold ambition in the County's Sustainable Community Strategy of an 'Altogether Better Durham'. This will include ensuring ongoing support for future improvement and change.

The challenges of the next Comprehensive Spending Review and significant public sector reform mean that change is likely to be a constant over the medium term. There is a need to manage these changes effectively in the context of a more strategic approach to corporate workforce planning. Key service areas like Customer Services and IT need to better support the council's transformation and overall, there is a need to maintain a keen pace and momentum to the change process.

The council specifically asked the peer team to focus on economic development and community engagement.

In terms of economic development, the council has strong commitment to 'Altogether Wealthier', the economic development strand of the community strategy and Council Plan. The council has demonstrated effective leadership and is an active and effective partner in the Local Enterprise Partnership. It has good plans and strategies acknowledged by partners and neighbouring authorities. There is commitment to the priorities from partner

agencies and the County can already point to a number of achievements in terms of attracting major employers, completing infrastructure projects and promoting tourism.

However, it will be important to maintain commitment and momentum to deliver the joint 'Altogether Wealthier' vision. Businesses are keen to explore how they can work more effectively for and with the council. The council must also continue to positively influence the Local Enterprise Partnership. A key part of the overall improvement in the future is to continue to ensure that major funding agencies understand the aspiration and delivery plans.

In terms of community engagement, the Area Action Partnerships are working well with a strong focus on action and an impressive record of running exciting events and projects. Partner agencies are generally involved and supportive. The Partnerships have had early success in leverage of matched funding.

The future challenges on community engagement are to keep the Partnerships fresh, flexible and action-oriented. As public sector finances become further constrained in the future, the local partnerships will need to increase the funding they leverage in from outside the council and manage the overall funding transparently, flexibly and responsibly. The council also needs to map and link more closely with partners' community engagement mechanisms with a view to making this more joined up for local people.

In summary, it will be important for the council to maintain the pace and momentum on delivering the vision, building on the work it has already undertaken to date.

Detailed findings

Leadership and governance

The council has strong political leadership, with a clear vision for the future. The leading political Group is well established and has provided a clear political steer on the future 'Altogether Better' vision and direction for the council and its partners captured in the Sustainable Community Strategy and the Council Plan. Both the Leader and the Chief Executive are well regarded by members, staff and partners.

The administration is supported by an effective Corporate Management Team (CMT). The peer team received considerable positive feedback on both senior members and CMT. There is a good relationship between senior members and senior officers. CMT is well regarded by members and staff. This has also been recognised within the local government sector, with the council being highly commended in the recent LGC awards. The council is well regarded by external partner agencies.

Overview and scrutiny can often be a challenging role for local authorities. In Durham, it is making a useful contribution through influencing policy development in areas related to the Council Plan. The council has 126 elected members. This appears to be fit for purpose, with members playing a strong local role in their communities. Overall, members have

worked for the greater good of Durham County since reorganisation. This demonstrates a mature approach to local politics.

However, the council needs to work on an ongoing basis to ensure that the vision is consistently translated through to officers, members and communities. The future national public sector funding reductions will also require wider political support for ongoing future change.

To further mature the approach, the council is likely to benefit from countering a perception by some members that politics is not as inclusive as it might be. For example, by encouraging more open debate in full council meetings or involving more political parties in lobbying.

Financial viability

The council's current financial position appears sound. This is a considerable achievement in a time of significant public sector spending reductions. Last financial year the council managed its revenue spend effectively with all services managing expenditure within their cash limits. There is a strong and improving reserves position underpinned by financial provisions made for known liabilities including equal pay and single status. There are relatively low borrowing levels on the balance sheet against assets. There has been an underspend on the capital programme.

The council has a clear Medium Term Financial Plan (MTFP) and delivery of savings is being well managed. All savings targets have been achieved to date and the council is on track to achieve future projections. The issues around the resources and savings programme are well understood by members, officers and partners. Budget pressures and risks have been identified and accounted for in the MTFP.

Financial plans for 2013/14 look to be achievable without material diversion from approved plans. The council is planning well for future financial challenge including the next Comprehensive Spending Review (CSR). , Clearly, it will be critical to maintain the current momentum in future years.

The council is likely to experience challenges over the impact of welfare reform and future public health funding on the county, due to its demographics. Despite the savings the council has had to make, it has managed to create some financial headroom for new investment and addressing policy choices and priorities. To assist with this, the council may want to consider whether there is a case for additional prudential borrowing or local investment of the Pension Fund to accelerate regeneration programmes

In reviewing future priorities and budget it will be important to:

- continue to test resource allocations against your priority outcomes
- consider pump priming new methods of early intervention to change demand for services in future
- consider the need for a more holistic commissioning strategy and examining contract management arrangements

- explore the opportunity for transformation programmes being accelerated including asset rationalisation, customer service channel shift, agile working etc.
- consider shared service opportunities both within Durham and with neighbouring authorities and agencies

Financial management and project management skills need to be further developed within financial services, focused on financial business case modelling, company structure options knowledge and tax.

In addition, if the council wished to go further it may wish to positively explore:

- innovative approaches to finance to further accelerate regeneration projects
- examining the business case for a “Finance Durham” business loan scheme (and possible equity share scheme) to promote the growth of small/medium sized enterprises across the County
- a more strategic approach to corporate workforce planning widening current approach

Organisational capacity

The council has undertaken an extensive programme to bring together services in a coherent way, whilst also taking opportunities to join up some services and make financial savings. In addition to the challenge of bringing together eight councils into one organisation, the council has continued to deliver strong service performance in many core service areas. For example:

- Educational attainment at GCSE level has improved for the last 10 years with performance in Durham being higher than the national average.
- Durham is only the 2nd authority in the country to have safeguarding services independently assessed as outstanding in a recent inspection.
- Durham was assessed as providing excellent adult social care services.
- Overall crime rates are lower than the national average and are falling year on year.
- Through pursuing a number of initiatives, domestic recycling continues to increase whilst CO₂ emissions from council operations and waste sent to landfill are both falling.
- Customer satisfaction with the council has increased significantly following LGR.

The organisational culture of the council is open, transparent and generally positive, even in light of the impact of national public sector funding reductions. Staff morale is generally very positive and there is a strong ‘can do’ culture.

The council uses a range of channels to communicate with local communities and staff. The internal communication channels are generally good and staff understand key issues within the organisation through bulletins, team briefings, road shows and intranet blogs from CMT.

The reorganisation has been supported by training. Staff generally perceive middle managers to be in touch with operational service issues.

Since change is in a sense a constant, there is a need to manage change effectively in the context of a more strategic approach to corporate workforce planning. widening the current approach to look at, for example, organisational design, approaches to managerial

and supervision layers, workforce development and rebuilding employee morale and skills after headcount reductions and single status. The council is planning to undertake a skills audit within the next 12 months. This needs to be accelerated in order to identify possible key capacity and skills gaps across the organisation.

The council needs to build on the 'can do' attitude that was evident amongst staff that we spoke to and develop a more empowering culture. This could enable middle managers and allow the council to benefit from frontline staff becoming more involved in providing solutions to frontline service issues.

As a significant local employer, there is room to significantly expand the council's own apprenticeship programme from its current 80 apprenticeships. As well as providing more opportunities for young people this will contribute to the council developing a younger skills base.

The council has invested heavily in developing its approach to Customer Services. This has included a series of new Customer Access Points and a new telephony system. Without the need for a wholesale review of this approach, there is a need for the council to explore ways to provide a more seamless approach between services and improve the routing of resident service enquiries.

The council's IT systems have proved a challenge for the organisation. Although there have been recent improvements, IT needs to be better enabling and support the delivery of the council's ambitions. This should continue to be focused on the ongoing improvement to ensure a seamless approach to customer service.

Overall, the council has made great strides since 2009. To deal with the anticipated future challenges the council will need to maintain pace and momentum to its improvement. CMT will need to continue to manage change effectively in the future and take steps to ensure that middle managers and frontline staff continue to understand the purpose of and the pace of change.

Finally, much has been achieved in Durham despite the obvious limitations of its headquarters. The County Hall site, layout and quality of the building does not support the council's ambitions to be a dynamic, vibrant and innovative organisation. The council has long-term plans for the site and until this is resolved, the working environment in County Hall will not best support the council's way of working.

Economic development

The council asked the peer team to address some specific questions and these have been used to frame the team's findings.

To what extent has the council developed a strong strategic vision for economic development across the county?

The council has ambitious plans for local growth across the County captured in its 'Altogether Wealthier' theme in the sustainable community strategy and its own Council

Plan. The council is the first in the country to have a Local Development Scheme approved which sets out the timescales for the production of the County Durham Plan. The overarching priority of this plan is to improve economic performance in the county. There is strong political and senior officer commitment to the 'Altogether Wealthier' aspiration.

Feedback from partner agencies indicates that the council's approach to economic development in recent years, is much improved, including some positive feedback for the council's Economic Development Team. An overarching structure for economic development exists, supported by trackers and project managers for each stream.

However, although the 'Altogether Wealthier' vision is bold, it is important to ensure that delivery of the vision is sustainable and partner agencies continue to be engaged and on board.

How effective is the council's work with the private sector to improve growth and employment outcomes?

The council has been successful in recent years in promoting growth and employment opportunities, including:

- attracting major employers such as Hitachi, to Newton Aycliffe creating an initial 200 construction jobs and an estimated 500 manufacturing jobs when the plant opens and more jobs in the local supply chain
- completing development frameworks/masterplans for Stanley, Consett, Barnard Castle, Crook, Bishop Auckland and Seaham
- using high profile events like Lumiere to draw in spend to the local economy and enhance the tourism offer for Durham
- establishing the £100m DurhamGate development at Spennymoor
- £5.25m Durham city centre regeneration

To make further progress, the council will need to tackle some notable challenges. The council's economic partners captured this sense of challenge by expressing a wish to continue working in partnership with the council and for the authority to 'be ruthlessly committed to delivery on the economic vision'.

How effective is our relationship working beyond the county boundaries at a regional, national and European level?

Durham is brokering stronger relationships within the Local Enterprise Partnership, developing firmer links with Tyne and Wear to enhance regeneration capacity beyond the Durham boundaries. Ties with the Tees Valley remain strong. The council must continue to play a positive role in the LEP.

The council is also improving the county's profile on a national stage through its cultural work. For example the Lumiere festival attracted national media coverage and in 2013, Durham will host an Ashes Test and the Lindisfarne Gospels.

The council is working on the biggest stock options appraisal in the country and is collaborating with the Homes and Communities Agency on the development of national guidance.

Comment on approach to delivering of vision in practice, focusing on Durham city as an exemplar of our changing approach

As already outlined, the council has had success in the significant Durham city centre regeneration and using high profile events like Lumiere and its key tourist draws like the cathedral to drive local growth. The council needs to continue its positive work with the cathedral and university to ensure they play a strong role in stimulating the local economy.

Although partner agencies indicated that the council's approach had improved in recent years, the peer team felt concern over both delivery and capacity in economic development. The council has recognised issues with slippage in the capital programme and with some partner agencies who have had problems releasing assets which are being tackled. There was a consistent view from partner agencies that the council needs to develop its capacity to deliver the vision lower down the organisation. There is a need to review capacity and specialist skills set below the leadership level in areas like Estates, to ensure that they are fit for purpose in the future.

Tourism is a major strand in the council's aspirations to grow its economy and some good work has been done in Durham City. The council needs to capitalise on this work by ensuring that there is a clear offer which is consistently managed across the county.

Community engagement

Again, the council asked the peer team to address some specific questions and these have been used to frame the team's findings.

To what extent has the council achieved its key local government reorganisation objectives of connecting and working with localities?

The council made a major commitment at the time of local government reorganisation, to stay in close touch with its local communities. In 2009, it established 14 Area Action Partnerships (AAPs) with boundaries locally agreed as the foundation of this commitment.

There are also a plethora of existing public agency engagement mechanisms across the county, including 104 town and parish councils, 5 Health Networks, Local Involvement Network Groups and CCGs, police zonal and PACT meetings, a Citizens Panel and a wide range of service user groups e.g. Disability Forum, Children in Care Council. The council is in the process of developing a comprehensive network of local Access Points to provide face-to-face contact between local people and the council.

This complex network of engagement and contact mechanisms under the leadership of the council and other agencies provides a strong network for local communities to be engaged in and influence the work of the council. This is broadly reflected in the recent increase in residents who feel that they can influence decisions affecting their local area.

There are a number of good examples of consultation across the county which the council and other agencies can learn from on an ongoing basis, such as the community buildings review and local budget consultations.

The ability of the council to meet this commitment is explored in more detail in response to the questions, below.

How effectively are area action partnerships working?

The AAPs are a powerful demonstration of the determination and ability of the new council to deliver a fresh approach to involving its communities. The AAPs have moved rapidly from 'idea' to 'implementation', they have a strong focus on action and proportionate local partnerships. They are well resourced and provide funding for local innovation. They have an impressive record of action - having engaged over 5,000 local people and approved over 1,000 projects. This includes a wide range of exciting events and projects, such as the 'It's up 2 U' participatory budget project in Stanley and the mobile cinema (to name only two).

AAPs have been seen by many as the main route for consultation and involvement in council issues. They have a clear partnership governance structure. Partner agencies are generally involved and supportive.

The partnerships have had early success in levels of leverage of matched funding and there is scope to increase this further.

The peer team's broad conclusion is that AAPs are sound, valued and have exceeded early expectations.

The key challenge will now be to refine and evolve the approach. This includes keeping the approach fresh, flexible and action-oriented while ensuring that they do not become swamped by growing demands and unrealistic expectations.

They must manage local spend transparently, flexibly and responsibly. Local funding mechanisms are a clear attraction to local people and partners. However, it was interesting that a number of representatives on AAPs identified that 'money gets in the way and....is not the most important thing', recognising that some of the most innovative projects and effective partnership work has been at very low cost.

There is a need for support from the corporate funding team to encourage the development of more large-scale projects and for more structured sharing of practice between AAPs.

Getting to grips with the volume and formality of consultation is important. The number of consultations must continue to be managed and any consultations must be undertaken in an engaging way and made relevant to local circumstances. Council services need to be made aware of the full range of county-wide consultation mechanisms available rather than trying to run everything through the AAP network.

How can changing partner engagement approaches be better coordinated/ integrated to improve efficiency and effectiveness through a time of austerity?

The plethora of existing public agency engagement mechanisms across the county have all been set up at different times or have grown organically over a period of time, so the overall picture is complex.

A number of the mechanisms overlap in their purpose (whilst others serve distinct functional needs, such as service user specific groups). The most straightforward potential overlap appears to be between AAPs and the Health Networks which are due to be reviewed in September 2012 and there is likely to be a case for the rationalisation of these structures then or in Spring 2013 when the council takes on the public health role.

The police's approach to zonal and PACT meetings appear to serve a much more specific purpose and often meet at a very local level and/or more frequently than AAPs. Rationalisation of these two structures would be complex and is likely to result in the loss of focus on very local community safety issues. However, the police are likely to experience a challenge in sustaining its commitment to all the different engagement structures and a case may develop in the future for sensible rationalisation of the approach.

Both the council and other agencies need to further improve their ability to feed back and address local issues rapidly and consistently through the engagement structures.

Finally, we would like to thank colleagues and members at Durham County Council for their support in the lead up to the peer challenge and during the challenge itself. The council embraced the challenge positively, transparently and openly.

We have discussed the benefit of a follow up visit from members of the peer team. This is aimed at building on the outcomes from the peer challenge and enabling the council to reflect on the outcomes from the challenge. The council is still in the process of determining the need or focus of the follow up visit and we will explore this over the coming months.

Yours sincerely



Deborah Cadman

Chief Executive, Suffolk County Council

Lead Peer

Appendix 3 – Draft High Level Action Plan

Existing Council Plan actions linked to peer challenge areas for development

Peer challenge development area	Current Council Plan Action	Timescale
Council's apprenticeship scheme	Support young people aged 18-24 into employment, education or training - Develop an apprenticeship strategy action plan	March 2016
Customer Services	Develop and implement a consistent service delivery model for customer facing services across the authority to ensure that customers can access consistent levels of services at all access points and contact centres. Deliver the telephony strategy implementation plan in line with the project plan.	March 2014 Throughout 2012/13
Information Technology	Provide ICT solutions to support customer sites through the development of connectivity and service delivery tools to support the council's accommodation strategy.	2012/13
County Hall Site	Deliver the County Council accommodation strategy to meet the needs of the Council and residents/ businesses	March 2016
Transformation programmes, including: asset rationalisation,	Effective management of the Council's assets – completion of asset management plans	March 2016

customer service channel shift, agile working.	Increase the availability of technology across the County by developing the Digital Durham programme for next generation broadband delivery to all areas of the county. Support the council's accommodation strategy through the deployment of mobile home working in line with service requirements.	March 2015 2012/13
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Proposed new action areas

Peer challenge development area	Proposed Action
Organisational development	Revise our Organisational Development Strategy to strengthen the approach to workforce planning, flexible working and cultural development, including scrutiny.
Innovative approaches to finance	Develop a response to peer challenge finance suggestions as part of MTFP planning.
Economic development	Review economic development capacity and specialist skills Review consistency of the tourism approach across the County.
Community Engagement	Review alignment of the full range of county-wide consultation and engagement mechanisms.

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Cabinet

10 October 2012



**A167/B6300 Sunderland Bridge
Junction Improvement**

**Report of Corporate Management Team
Ian Thompson, Corporate Director, Regeneration and
Economic Development
Councillor Neil Foster, Cabinet Portfolio Member for
Economic Regeneration**

Purpose of the Report

- 1 (a) To seek authority to make a Compulsory Purchase Order under the provisions of sections 239 and 240 of the Highways Act 1980 and Acquisition of Land Act 1981 in order to acquire the land required for the construction of a new roundabout at the A167/B6300 Sunderland Bridge junction.
- (b) To seek authority to make a Side Roads Order under section 14 of the Highways Act 1980 in order to stop up sections of Highway cross or enter the new highway layout.

Background

2. Within Local Transport Plan 3 a selection of important Economic / Transport Corridors are identified on which the significant key junctions have been highlighted as requiring improvement. A number of these junctions suffer from congestion, affecting their economic performance and resulting in a lack of reliable and predictable journey times. One such location on the A167 corridor is the junction of the A167 and B6300 at Sunderland Bridge which serves Meadowfield Industrial Estate and links through to the A690. A scheme to improve the junction was ranked as second priority in the minor schemes review.
3. The current T-junction arrangement can cause delays accessing the B6300 from the north, and more significantly vehicles exiting from the B6300 south onto the A167. This can have a negative impact on businesses wishing to locate at Meadowfield Industrial Estate due to congestion and unpredictability of journey times.

4. A number of accidents have taken place at this junction with investigation reports over the last 5 years indicating that of the 12 incidents that occurred in the vicinity of the junction, 6 involved vehicles turning right from the B6300 to head south on the A167 (5 slight and 1 serious) and 6 involved vehicles turning right from the A167 to head west on the B6300 towards Meadowfield (5 slight and 1 serious).
5. Current traffic flow data shows approximately 20,000 vehicles a day using the A167 at this location and around 5,230 vehicles per day using the junction with the B6300.
6. Initial improvements focussed on the introduction of traffic signals, as it was considered that this could be achieved largely within the footprint of the existing junction. However, due to the physical constraints of the River Browney and flood defence features associated with the Honest Lawyer, the resultant signal controlled junction would have been difficult to construct and would have had limited capacity, causing significant delays on the A167.
7. An alternative design of a roundabout was therefore considered and even though this would appear more costly to construct, it addresses the concerns which have arisen regarding the introduction of a signal controlled junction (see attached plan 1149621/WD/04). As a roundabout can be built slightly off-line the issues of interference with flood defences can be avoided. The location of a roundabout would also reduce potential utility diversions and hence reduce overall costs and risk.
8. Funding for the cost of scheme together with land costs of £1.75m has been secured and will be provided by the Durham County Council Corporate Capital Programme. The scheme was identified under the LTP3 Economic Transport Corridor theme.
9. In order to construct the revised junction several small areas of land will be required to form part of the new Highway together with a licence area which will form a compound and working area, as shown on the attached plan (1149621/LP/02). Negotiations with the two adjacent landowners have unfortunately not proved to be successful thus far and therefore, it is necessary for the County Council to acquire the land using powers under the provisions of Highways Act 1980 and the Acquisition of Land Act 1981 and other enabling powers. Negotiations to purchase by agreement will continue alongside the compulsory purchase powers if granted.
10. There are no special categories of land and therefore there is no requirement for special procedures
11. Of particular concern to the landowners are the issues of severance, viability of the retained holding and accommodation works to minimise disturbance. The provisions of Protocol 1 Article 1 and 8 of the Human

Rights Act 1998 have been taken into consideration in relation to the acquisition of land. The areas of land involved are not extensive and can be adequately compensated for under the provisions of the Land Compensation Act 1973. The acquisition is therefore considered proportionate and reasonable and in the circumstances it is considered that the impact on the landowners affected will be outweighed by the overall benefits of the scheme for the residents of County Durham and others users. Therefore it is considered that the interference with individual property rights is proportionate to the public interest benefit.

12. The scheme has permitted development rights and therefore no express planning permission is required
13. It will be necessary to stop up existing sections of highway which enter or cross the route of the improved highway (see attached plan 1149621/CPO/1/0/Draft). Any changes which are brought about due to the small areas of stopping up will not affect negatively the use of the highway network. The new highway layout will cater for all existing highway requirements

Recommendations

14. It is recommended that Members authorise the use of Compulsory Purchase powers for the purpose of acquiring the land shown on the attached plan for the roundabout at Sunderland Bridge as set out above in the report.

That the Head of Legal Services be authorised to:-

- Take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Order under the provisions of section 239 and 240 of the Highways Act 1980 and the Acquisition of Land Act 1981, including the publication and service of all notices and the presentation of the Council's case at any Public Inquiry.
- Acquire interest in land and new rights within the compulsory purchase order either by agreement or compulsorily.
- Approve agreements with land owners setting out the terms for the withdrawal of objections to the Order, including where appropriate seeking exclusion of land rights from the Order.
- Confirm the order, if unopposed, when referred to the authority by the Department for Transport.
- To take all necessary steps to secure the making confirmation and implementation of a Side Roads Order.

Background Papers: None

Contact: Dave Wafer, Traffic Manager Tel: 03000 263577

Appendix 1: Implications

Finance – funding for the scheme (£1.75m) has been approved as part of the Durham County Council Corporate Capital Programme, the scheme has been identified under the LTP 3 Economic Transport Corridor theme.

Staffing – no effect

Risk – scheme programme delayed due to CPO procedures / potential public inquiry

Equality and Diversity – no effect

Accommodation - no effect

Crime and Disorder - no effect

Human Rights – The acquisition of land is considered proportionate and reasonable and it is considered that the impact on the landowners affected will be outweighed by the overall benefits of the scheme for the residents of County Durham and others users. Landowners will be compensated under the provisions of the Land Compensation Act 1973

Consultation – all statutory procedures eg Planning Application, Compulsory Purchase Order and Side Roads Order will allow individuals to register their objections or support for proposals.

Procurement – Assets involved in land purchase

Disability Discrimination Act – no effect

Legal Implications – Legal services involved in statutory orders



OS GRID REFERENCE X=426816 Y=4537976

This plan is intended for use by the Council, Government, and the public. It is not to be used for any other purpose. The Council is not responsible for any loss or damage caused by the use of this plan. It is not to be used for any other purpose. The Council is not responsible for any loss or damage caused by the use of this plan.

Rev/ Amt	Name	Date	Sign
0-	P.F.A. Kilduff	16/03/2012	<i>P.F.A. Kilduff</i>

Description Of Amendments

DRAFT
SUBJECT TO AMENDMENT

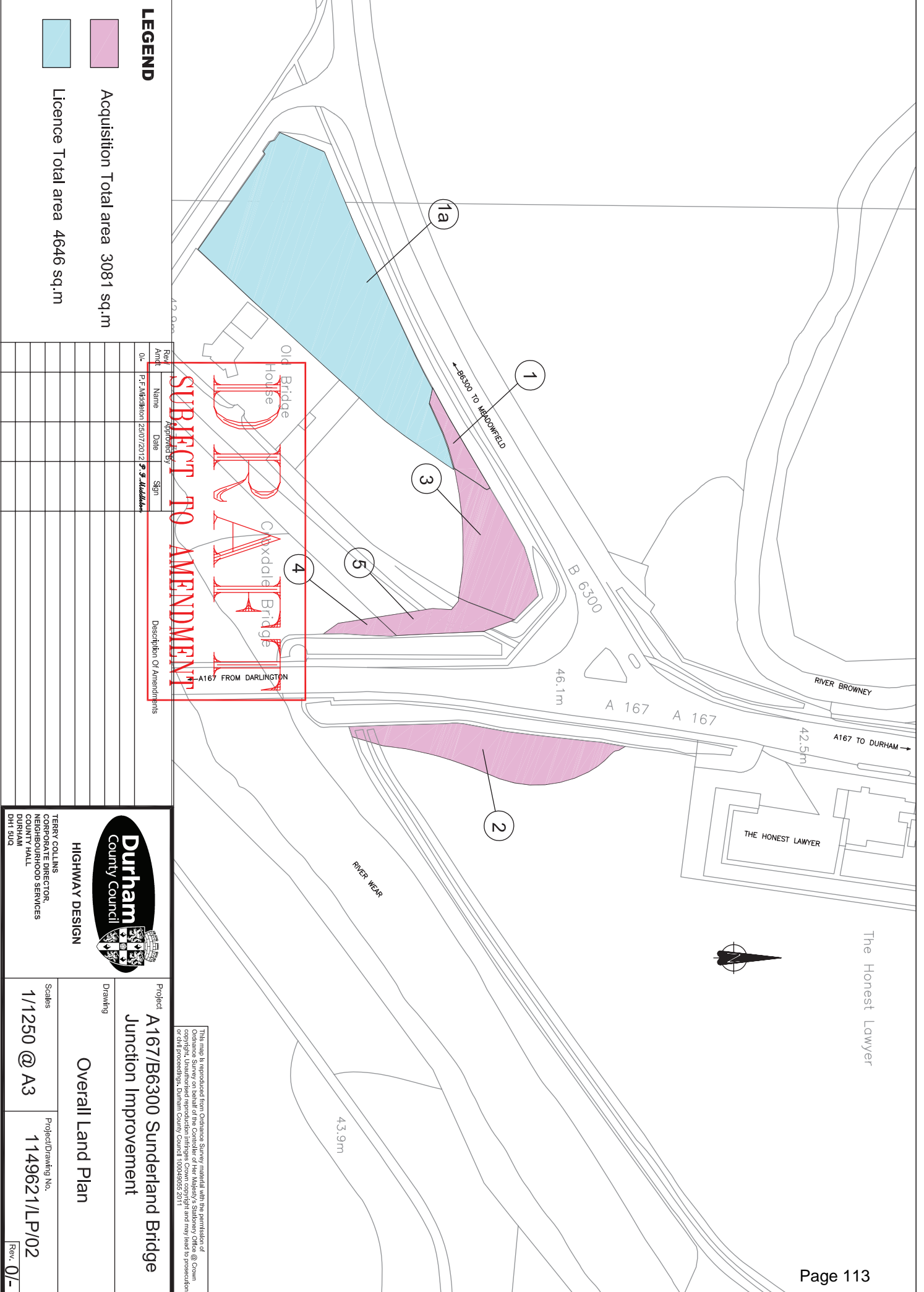
Durham
County Council

HIGHWAY DESIGN

TERRY COLLINS
CORPORATE DIRECTOR,
NEIGHBOURHOOD SERVICES
COUNTY HALL
DURHAM
DH1 5UQ

<p>Project</p> <p style="text-align: center;">A167/B6300 Sunderland Bridge Junction Improvement</p>	<p>Drawing</p> <p style="text-align: center;">Preliminary Roundabout Layout</p>
<p>Scales</p> <p style="text-align: center;">1/1250 @ A3</p>	<p>Project/Drawing No.</p> <p style="text-align: center;">1149621/W/D/04</p>
<p>Rev. 0-</p>	

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LEGEND

- Acquisition Total area 3081 sq.m
- Licence Total area 4646 sq.m

Rev	Amend	Name	Date	Sign	Description Of Amendments
0/-		P.F. Middleton	25/07/2012	<i>P.F. Middleton</i>	

DRAFT

SUBJECT TO AMENDMENT



Durham
County Council

HIGHWAY DESIGN

TERRY COLLINS
CORPORATE DIRECTOR
NEIGHBOURHOOD SERVICES
COUNTY HALL
DURHAM
DH1 1SD

Project
A167/B6300 Sunderland Bridge Junction Improvement

Drawing
Overall Land Plan

Scales
1/1250 @ A3

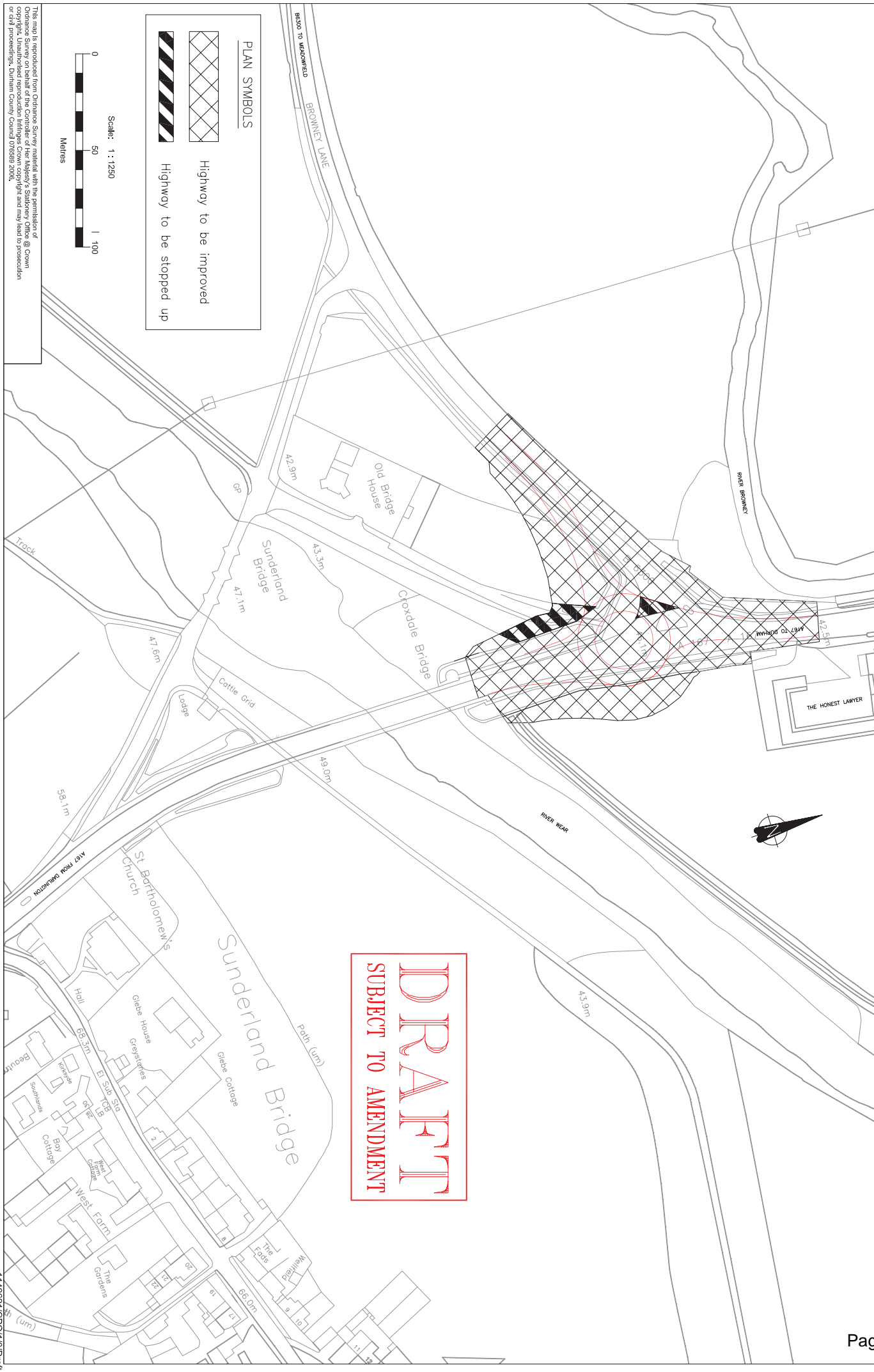
Project/Drawing No.
1149621/LP/02

Rev. **0/-**

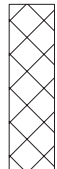

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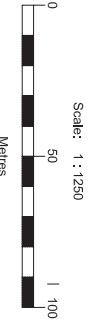
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MAP REFERRED TO IN THE COUNTY COUNCIL OF DURHAM
 (A167/B6300 SUNDERLAND BRIDGE JUNCTION IMPROVEMENT)
 (CLASSIFIED ROAD) (SIDE ROADS) ORDER 20--



PLAN SYMBOLS

-  Highway to be improved
-  Highway to be stopped up



DRAFT

SUBJECT TO AMENDMENT

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Cabinet

10 October 2012

Bus Service Retendering



Report of Corporate Management Team

Ian Thompson, Corporate Director Regeneration and Economic Development

Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration

Purpose of the Report

- 1 To advise Cabinet on the outcome of the retendering of bus services, which had been the subject of a report to Cabinet in March 2012 and regarding the key issues and risks.

Background

- 2 The County Council has a budget of £3.3 million to spend on securing bus services that would otherwise not operate, as the fares revenue is insufficient to make them commercially viable. (The MTFP implemented a reduction from the former provision of £4.5m as a single step in 2011, with the reduced budget then remaining unchanged in cash terms for the remainder of the MTFP period.)
- 3 Local bus service contracts are awarded following a competitive tender process under EU procurement rules. About 80% of the current contracts (by value) expire in October 2012 and, as previously reported, a procurement exercise has been under way, and is now complete.

Procurement Outcome

- 4 There has been considerable competition for the new contracts, and a number of services will change to a different operator. We have received a wide variation in tender prices, some lower than existing, some offers to take tendered work on a commercial basis and some prices as much as 90% higher than the current contracts. However, the overall net cost of the contracts is similar to the cost of the expiring contracts.
- 5 This means that the risks reported to Cabinet in March regarding pressure on the budget provision and/or a potential need for material cuts in services have not materialised. However, there will remain some pressures in coming years as it will be necessary to absorb the impact of cost inflation and any new demands for secured services arising from any further cuts in services formerly operating on a purely commercial basis.

6 All contracts have now been awarded with a monetary split across operators of

- Arriva 15%
- Go North East 13%
- “Other operators” 73%

This represents a significant swing towards “other operators” compared to the previous contracts.

7 A full, detailed list of the tender outcome is contained in Appendix 2.

8 Members should also be aware that Arriva are making changes to their commercial services which will be implemented in parallel with our new contracts on 28 October.

9 All members have been notified of the outcome of this tendering process via a briefing note last month. In addition two drop in sessions were held in early September in order to give members an opportunity to feed back, discuss and fully understand the impact of the changes in their area,

Future Plans

10 This tendering exercise focused on the south, central and east of County Durham. A further round of tendering will take place in 2013 focussing on the north and west of the county. It is hoped that this exercise will have similar results in terms of impact on the current budget. However, it is proposed that reports on the progress of this process be brought to Cabinet nearer the time.

11 As part of this future round of tendering, it is proposed to carry out a review of tendering practices and processes to ensure that value for money and efficiencies are maintained for the County Council. To that end, alternative tendering options will be explored, potentially with the aid of external consultants.

Recommendations

12 Cabinet is recommended to note the successful outcome of the re-tendering of bus contracts.

Contact: Adrian White Tel: 0191 383 3435

Appendix 1: Implications

Finance

The current budget of £3.3m to support bus services will be sufficient to maintain current services.

Staffing

None

Risk

It is possible that some contractors may give notice on the new contracts, with increased costs arising from the next best alternative.

Equality and Diversity

Equalities issues are built into the tender specification for public transport and home to school transport contracts.

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

None

Procurement

EU procurement in line with the Council's corporate procurement procedures

Disability Discrimination Act

None

Legal Implications

Legal services involved in procurement exercise

Appendix 2: Award of tendered bus service contracts commencing September/ October 2012

Service No. & Days	Terminals	Notes on tender specification	Operator	Comments
1b M-S eve	Tow Law - Darlington	As current service	Arriva	Combined tender including ref 3276; late evening timetable varied.
5a M-S eve	Bishop Auckland- Darlington	As current service	Arriva	Combined tender - see 3275
6 M-S eve	Cockfield – Bishop Auckland	As current service	JSB Travel	
7 M-F daytime	Shildon - Spennymoor	As current service	Weardale Motor Services	
50a/86a M-S eve	Willington/Toft Hill – Bishop Auckland	Revised. Spennymoor – Willington section of current eve 50a now with 104; remaining timetable revised slightly	Arriva	
22 M-S eve	Durham - Hartlepool	As current service, incorporating journeys currently in de minimis contract	Arriva	
23 M-S eve	Sunderland - Hartlepool	Revised timetable	Arriva	
24/24a M-S eve	Durham - Peterlee - Sunderland/ Hartlepool	Similar to current service	Arriva	Lowest tenderer had insufficient capacity
33 M-S daytime	Ferryhill - Hartlepool	As current service See alternative version Ferryhill - Sedgfield only	Scarlet Band	Lowest tenderer misunderstood requirements; next lowest tender awarded. This version preferred to alternative version

Service No. & Days	Terminals	Notes on tender specification	Operator	Comments
35A M-S eve	Bishop Auckland - Ferryhill - Spennymoor	Currently runs as 2b/c. All to run 2b route, renumbered 35A and slightly reduced in late eve	Scarlet Band	
47/47a M-S daytime	Ushaw Moor - Brandon - New Brancepeth	as current service	Scarlet Band	
48A/49/ 50 M-S eve	Durham - New Brancepeth – Brandon / Durham - Brandon	Similar to current service	TGM	
56a M-S eve	Durham - Ferryhill	as current service	Arriva	
58 M-Sat daytime	Durham - Kelloe - Peterlee	Similar to current svc 57, but omitting Kelloe	Scarlet Band	Combined tender including ref 3289
57A/24A M-S eve	Durham – Peterlee/ Peterlee - Hartlepool	Similar to current service	Scarlet Band	Combined tender - see 3288
65 M-S eve	Durham - Seaham	as current service	Go North East	
70/71/72 M-F daytime	Barnard Castle local services	as current service	Hodgson	Non-conforming tender: non-smart ticket machine.
73 Wed	Langdon Beck - Barnard Castle	as current service	Hodgson	Non-conforming tender (non-smart ticket machine)
80/81/89 M-F daytime	Bishop Auckland local services	Revised route and timetable details, but similar to current services	Scarlet Band	
83 M-S	Cockfield – Barnard Castle - Stainton Grove	Slightly revised timetable at start and end of day	Scarlet Band	Combined tender including ref 3296,3297 and 3298 Enhanced timetable; slightly smaller buses than specified on 3296/97
84 M-S daytime	Crook local services	as current service	Weardale Motor Services	
84 sch	Darlington - Evenwood	as current service except terminates at Evenwood - not required beyond that due to GoNE OK1)	Scarlet Band	Combined tender - see 3294

Service No. & Days	Terminals	Notes on tender specification	Operator	Comments
85/85A M-S daytime	Barnard Castle - Bishop Auckland/ Darlington	as current service	Scarlet Band	Combined tender - see 3294
95/96 M-S daytime	Barnard Castle - Middleton in Teesdale	as current service	Scarlet Band	Combined tender - see 3294
101 M-S daytime and eve	Cowshill – Stanhope - Crook	As current service	Weardale Motor Services	
104/88 M-S	Bishop Auckland - Newfield/ Hamsterley	104 revised at sch times; DRT evening journeys added, replacing journeys currently in 50a. 88 to be mainly DRT except at school times	Scarlet Band	
201 209/ 210 M-S daytime	Peterlee - Bracken Hill, Peter – Horden circular	as current service	none	Contract not awarded due to notification of commercial operation of most M-F journeys
202, 207/208 M-S daytime and eve	Peterlee - Dalton Park – Sunderland, Peterlee – Easington Colliery circular	as current service; see also alternative spec 3303	none	Contract not awarded due to notification of commercial operation of most M-F journeys
202, 207/208, 206 M-S daytime and eve	Peterlee –Dalton Park, Peterlee – Easington Colliery circular, Peterlee – Hutton Henry	202 revised, to shorter route, 207/8 revised times; 206 revised. Alternative to 3302 and 3305	none	Contract not awarded due to notification of commercial operation of most M-F journeys
203 M-S daytime	Peterlee - Houghton le Spring	as current service	none	Contract not awarded due to notification of commercial operation of most M-F journeys
206 M-S daytime and eve	Peterlee - Hutton Henry	as current service (alternative to revised version included in 3303)	none	Contract not awarded due to notification of commercial operation of most M-F journeys
not app	ref not used	Not app	-	-

Service No. & Days	Terminals	Notes on tender specification	Operator	Comments
213 M-F	Fishburn - Bracken Hill	Slightly reduced timetable	Ferryhill Village Travel	
214 M-F	Haswell- Bracken Hill	Slightly reduced timetable	Tony's Taxis	
239 M-S eve	Sedgefield - Easington	as current service	Go North East	
877-807 sch	Parkside - Seaham RC and Peterlee - Shotton Hall Academy	877 slightly revised; former service 207 sch spls to run as 807.	None	Lowest tenderers had insufficient capacity. Replacement contract to be arranged.
879 sch	Woodham – Newton Aycliffe primary schools	As current service	Scarlet Band	
881 sch	West Auckland - Witton Park St Chad's	as current service	Garnett's	
891 sch	Butterknowle - Teesdale School	As current service	Scarlet Band	(combined tender with sch baths contract; value of svc 891 element £20,064.28)
952 plus sch run 5005 M-F/ sch	Trimdon Colliery - Darchem / Morden- Sedgefield	As current service	Ferryhill Village Travel	
969 M-F	Wingate - Spennymoor	As current service	Scarlet Band	
945 M-F	New Brancepeth - Spennymoor	as current service	Ferryhill Village Travel	
Bracken Hill taxibus (DRT) M- F eve & Sat	Bracken Hill – east Durham area	as current service	none	Contract to be arranged.
895 sch	Barnard Castle - Staindrop	revised route and timetable incorporating former school contract	Garnett's	
801/802 sch	Tow Law / Crook - St John's Sch	As current service, Special arrangement with St John's	Garnett's	

Service No. & Days	Terminals	Notes on tender specification	Operator	Comments
803/5/6 sch	Newton Aycliffe - St John's Sch	Special arrangement with St John's replaces equivalent sch bus contracts 3003 and 3005	Garnett's	Lowest tenderer had misunderstood requirement. Next lowest: two tenders at same price; selected on basis of better buses offered.
804 sch	North Close - St John's Sch	Special arrangement with St John's replaces equivalent sch bus contracts 3004		<i>To be confirmed</i>
808 sch	Ferryhill - St John's Sch	Special arrangement with St John's replaces equivalent sch bus contracts 3008		<i>To be confirmed</i>
809 sch	Evenwood - St John's School	Special arrangement with St John's replaces equivalent sch bus contracts 3202	Garnett's	
810 sch	Toft Hill - St John's School	Special arrangement with St John's replaces equivalent sch bus contracts 3203	Garnett's	
33 M-S daytime	Ferryhill - Sedgefield	Alternative to 3283; Ferryhill - Sedgefield section only, same frequency as current, revised timetable	none	Alternative specification 3283 preferred

Cabinet

10 October 2012

New Tenancy Strategy and Tenancy Policy for Durham County Council



Report of Corporate Management Team

Ian Thompson, Corporate Director Regeneration and Economic Development

Councillor Clive Robson, Cabinet Portfolio Holder for Housing

Purpose of Report

- 1 This paper seeks approval to the adoption of two new housing policy papers. These are:
 - (a) The County Durham tenancy strategy
 - (b) The tenancy policy for Durham County Council's housing stock
- 2 The tenancy strategy is an over-arching strategy that sets the framework within which all social housing providers (ie registered providers) in the County should be granting tenancies.
- 3 The tenancy policy on the other hand is a policy that explains to tenants and applicants how Dale and Valley Homes; Durham City Homes and East Durham Homes grant tenancies on behalf of the County Council.
- 4 Both the tenancy strategy and the tenancy policy are derived from the current Government's desire to see whether the social housing stock in local authority areas can be allocated and used more efficiently.
- 5 This paper sets out the background to both policies; their inter-relationship and their importance to the overall strategic housing function of the authority.
- 6 The tenancy strategy is appended in Appendix 1. The tenancy policy is attached in Appendix 2.

Background

- 7 The Government has been aiming to make changes to the system of allocating social homes – with the stated intention of making it fairer. They also want to see providers make better use of their housing stock.
- 8 Their over-riding policy objective is to establish a system where social landlords can use greater freedoms and flexibilities to firstly, manage their

stock effectively and secondly, to meet the housing needs and aspirations of a greater proportion of their tenants and applicants.

- 9 The Localism Act 2011, in particular, ushered in a range of reforms intended to reform social housing and authorities' waiting lists through allowing changes to eligibility; moving homelessness obligations to the private sector where appropriate and increasing rents to nearer market rents.
- 10 It also enabled fixed term (or flexible) tenancies to be used as an alternative to secure or assured tenancies.

Detail

Tenancy Strategy

- 11 The Localism Act included a specific requirement for local authorities to prepare and publish a tenancy strategy by 15 January 2013.
- 12 The Act states that local authority tenancy strategies should set out 'the matters to which the registered providers of social housing for its district should have regard to' in formulating policies relating to:
 - The kinds of tenancies they will grant;
 - Where they grant tenancies for a fixed term, the length of those terms;
 - The circumstances under which they will grant tenancies of a particular type; and
 - The circumstances under which a tenancy may or may not be reissued at the end of the fixed term.
- 13 In developing a tenancy strategy the local authority must:
 - Have regard to its current allocation scheme;
 - Have regard to its current homelessness strategy;
 - Send a copy of the draft strategy to every Registered Provider of social housing for its area, and give the registered provider a reasonable opportunity to comment on those proposals; and
 - Consult such other persons as the Secretary of State may (by regulations) prescribe
- 14 The tenancy strategy will take account of the new power to grant flexible (or fixed term) tenancies. These tenancies offer social landlords the opportunity to let tenancies for a fixed term (normally 5 years).
- 15 The tenancy strategy will be a strategic framework for the whole of the County within which providers should construct their tenancy policies.
- 16 The Durham strategy provides some context to the way the authority operates as a strategic housing authority; makes specific points about the local housing

market and the difficulty that low income households have in accessing owner occupation; and suggests also that some areas of the County display relatively low levels of demand for social housing.

- 17 Our assessment of the housing market in Durham reaches the conclusion that flexible (or fixed term) tenancies may only be appropriate in a limited number of circumstances. It does however recognise that there will be some providers in the County who will use flexible tenancies but seeks to set out in what circumstances they can be justified.
- 18 Durham's draft tenancy strategy gives providers the opportunity to issue a full range of tenancies including flexible tenancies. The latter tenancy however is deemed to be appropriate in only a limited set of circumstances and for specific household types.
- 19 An analysis of the housing market in Durham has shown that many communities could be disadvantaged should providers seek to encourage tenants to leave after a fixed term. Social housing is not always in high demand and increased turnover may precipitate higher voids rates.
- 20 Nevertheless there may be communities or neighbourhoods, particularly where high demand is proven to exist, where the pressure on the housing register could be alleviated through higher tenancy turnover.
- 21 The draft tenancy strategy therefore acknowledges there may be circumstances where flexible tenancies are appropriate although it states that these circumstances are limited. It suggests that the main criteria for identifying suitable applicants should be associated with;
 - (a) Their potential to earn a sufficiently high income and/or save for a deposit to purchase privately in the longer term.
 - (b) Linkages to areas where there are new employment opportunities
 - (c) Where properties are in very high demand or in very short supply
 - (d) Where accommodation had originally been designated for outright sale and the provider wants to preserve this option for the future.
- 22 It has been concluded that fixed term tenancies should not be granted to the following groups of people.
 - Applicants or a member of the household who is vulnerable as a result of old age where one member of the household is over the age of 60;
 - Applicants or a member of the household who is registered disabled (including people with learning difficulties); and
 - Applicants or members of the household who are vulnerable as a result of enduring mental ill health or other special reason.
- 23 Flexible tenancies are not seen as a means to enforce tenancy conditions or to assist in 'red lining' areas for clearance or redevelopment. Where the latter is being employed then providers are being asked to provide additional information to justify their actions to the Council.

- 24 Through the tenancy strategy, we hope to establish consensus (across the social housing sector in Durham) over when fixed term (or flexible tenancies) can be used. It is however accepted that some providers (for instance those who work across local authority boundaries) may not always be able to develop a policy that reflects perfectly the Council's own priorities. Whilst recognising that it is not able to secure complete compliance with the strategy; the Council nevertheless expects to work in a spirit of partnership with its social housing providers in order to deliver the broad objectives of the strategy.
- 25 The authority will be keeping the strategy under review and will monitor the extent to which providers' tenancy policies comply with the strategic framework that we are proposing.

Tenancy Policy

- 26 The County's tenancy policy has been developed simultaneously with the strategy.
- 27 Every registered provider of social housing in the county is now required by the Regulator (the Homes and Community Agency), through its Regulatory Framework, to develop a tenancy policy for the benefit of their tenants and applicants.
- 28 The policy has to set out the ways in which the provider grants and manages the Council's tenancies. The DCC tenancy policy is jointly applicable to Dale and Valley Homes, Durham City Homes and East Durham Homes – i.e. the providers who manage the Council's housing stock.
- 29 The tenancy policy is expected to set out a number of issues about the way in which the provider grants Council tenancies (see Appendix 3). The tenancy policy is therefore the document that can set out whether providers make use of flexible tenancies.
- 30 Flexible tenancies can provide an extra lever to encourage a tenant to move on to alternative accommodation at the expiry of the fixed term (subject to pre-defined circumstances). The adoption of flexible tenancies marks a departure from social landlords automatically providing a 'tenancy for life'.
- 31 After discussion and debate it has been decided that the tenancy policy for the Council should make an explicit undertaking not to adopt flexible tenancies (see paragraph 37). This decision will be kept under review.
- 32 As indicated above, the County's housing stock is managed by three housing providers – Dale and Valley homes; Durham City Homes and East Durham Homes.

33 One of their overall objectives is to deliver effective tenancy management and support across a range of tenancy types in order to enable tenants to sustain their tenancies for as long as possible.

34 The principles of tenancy management are set out below:

- Offering the most appropriate tenancy to meet the individual tenant's housing circumstances and needs.
- Complying with our duties to tenants as set out in legislation.
- Complying with our contractual duties to tenants as set out in tenancy agreements.
- Complying with the housing regulator's standards and requirements.
- Taking a preventive approach to tenancy failure by giving appropriate help and guidance to people who are finding it difficult to manage their tenancy, and by taking enforcement action where necessary.

35 The policy also seeks to reach a balance between individual household needs; the needs of the wider community and the need to make efficient use of the authority's stock as a whole.

36 The policy sets out the main tenancy types that the providers offer as follows:

- (a) Secure tenancies
- (b) Introductory tenancies
- (c) Tenancies for Minors
- (d) Family Intervention Tenancies
- (e) Demoted tenancies

37 It specifically states that flexible (or fixed term tenancies) will not be offered because there is insufficient evidence to suggest that the Council's tenants will be ready to buy or move on into the private sector at the end of their fixed term. It also recognises the risks associated with greater tenancy turnover to those neighbourhoods which are subject to low demand. This decision will be kept under review.

38 The policy summarises tenants' rights and also the responsibilities of both tenants and the landlord. It also sets out the circumstances under which tenancies can be terminated.

39 The policy will be subject to an annual review.

40 No Equality Impact Assessment has been completed because there are no changes to existing policies.

Consultation

- 41 Both the draft tenancy strategy and the draft tenancy policy have been subject to extensive consultation.
- 42 All housing providers who manage stock in the County have been informed of the draft strategy and have had the opportunity to comment on it. The development process for the strategy has been highlighted on the County's website.
- 43 The draft tenancy policy has also been referred to on the County's website and has been promoted through the communication channels of the three providers.

Recommendations and Reasons

- (a) To agree to adopt the tenancy strategy and tenancy policy
- (b) To agree to monitor and review compliance and applicability to the local housing market.

Background Papers

- (i) Proposed tenancy strategy (Appendix 1)
- (ii) Proposed tenancy policy (Appendix 2)
- (iii) Tenancy Policy requirement of the Regulator (Appendix 3)
- (iv) Equality Impact Assessment (Appendix 4)
- (v) Implications (Appendix 5)

Contact: David Siddle Tel: 03000 268010

Appendix 1: Implications

Finance -

N/A

Staffing -

N/A

Risk -

None

Equality and Diversity / Public Sector Equality Duty -

To be assessed.

Accommodation –

N/A

Crime and Disorder -

N/A

Human Rights -

Some tenants may oppose their tenancy being terminated at the end of a fixed term. Any such disputes would be settled in Court and would take account of the circumstances under which the tenancy was granted in the first instance.

Consultation -

There has been extensive consultation.

Procurement -

N/A

Disability Issues –

It is proposed that registered disabled persons should not be offered flexible tenancies (as part of the County Tenancy Strategy).

Legal Implications –

A new form of tenancy is being introduced by many Registered Providers and this will have to be linked to a new tenancy agreement and new procedures for terminating tenancies.

APPENDIX 2

Draft Tenancy Strategy



**Draft Tenancy Strategy for County
Durham**

September 2012

Contents Page

	page
1. Introduction	3
2. Background and Context	4
3. Durham's Housing Market	6
4. Housing Need and Tenure Reform	10
5. Types of Tenancy	13
6. Circumstances that will determine the tenancy to be offered	14
7. Circumstances in which tenancies will be terminated	15
8. Monitoring and Reviewing	16
9. List of Registered Providers	16

Appendix 1 Summary of Housing Strategy

Appendix 2 Comparisons between periodic and fixed term tenancies

1. Introduction

The Tenancy Strategy is intended to provide a framework to Registered Providers (RPs) operating in Durham so that their individual tenancy policies and practices for letting their affordable housing stock meet local housing needs and improve the overall operation of the County Durham housing market.

The Localism Act (2011) includes new powers relating to allocations and flexible tenancies and it requires local authorities to produce a Tenancy Strategy that sits alongside a local authority's Housing Strategy, Homelessness Strategy and Allocations Policy.

Building on our established and strong working relationships, this strategy has been developed collaboratively between the Council, our managing agents and Registered Providers and other key stakeholders. In developing this strategy together we have had regard to our Housing Strategy, Durham Key Options allocation scheme and the Council's homelessness strategy.

The Act states that local authority tenancy strategies should set out the high level objectives for social housing providers to have regard to in relation to:

- the types of tenancy available; and the type they will grant
- the ways in which the Council expects registered providers to decide when to grant particular tenancies
- the length of term for fixed term tenancies
- The circumstances under which a tenancy may or may not be reissued at the end of the fixed term, in the same property or in a different property
- the nature of the local housing market which helps to justify this approach

The social sector of the housing market has a very important role to play because it provides accommodation for those who cannot access market housing (either for rent or sale) and are therefore in need of affordable housing. The County Council wants to make the most of this valuable asset and this tenancy strategy helps to fulfil that objective.

2. Background and Context

County Durham Vision

The County Durham Partnerships “Altogether Better Durham” vision is set out in the Sustainable Communities Strategy 2010 -30 and is at the heart of Council’s Housing Strategy. The Strategy is the overarching plan for County Durham, showing how partners in County Durham work together to improve the economic, social and environmental wellbeing of the area. It sets the direction and provides the blueprint to deliver long lasting improvements, acting as a guide and framework for all other strategies developed for the area. In order to be ‘altogether better’ Durham County Council and its key partners have agreed five priority themes:

Altogether Wealthier	Altogether Better for Children and Young People	
Altogether Healthier	Altogether Greener	Altogether Safer

The Council has placed Regeneration and Economic Development; ‘Altogether Wealthier’ at the forefront of our priorities for creating an Altogether Better Durham.

Altogether Wealthier

Regeneration and economic development has been placed at the heart of the Sustainable Community Strategy in recognition of the size of the economic performance gap between County Durham and the regional and national averages, and its influence on every other aspect of quality of life from educational attainment to health.

The County Durham Regeneration Statement which was developed in 2009 and refreshed in 2012, underpins the Altogether Wealthier theme of Sustainable Communities Strategy for County Durham and states the ambition *to shape a County Durham where people want to live, work, invest and visit and enable residents and businesses to achieve their potential*. It sets an integrated Economic Development, Planning, Housing and Transport policy framework for County Durham and outlines the County Durham Economic Partnership's approach to delivering its ambition. The Statement specifies the spatial, social and economic priorities over the coming years whilst recognising the tough economic climate that still exists and the altered landscape of economic development and regeneration.

Sustainable neighbourhoods and rural communities are places where people can live and want to live; places that help to enhance the wellbeing and potential of our communities. Our quality of place, our housing offer and overall connectivity are integral to ensuring that people and businesses are attracted to County Durham and that current residents and businesses can access region wide opportunities.

Our strategic housing objective is to create a residential offer that retains and attracts economically active households but provides for those more vulnerable households in housing need and offers more specialist accommodation for older people. Social housing has a key role in promoting economic prosperity across the county in both urban and rural areas by providing low cost housing close to areas of economic activity and growth and offering opportunities for labour mobility.

Housing Strategy

Our housing strategy built on this ambition by identifying three key objectives (Housing Markets, Housing Standards and Housing People) and ten key issues that the County Durham Housing Forum have agreed to focus on (see chart 1 below)



Chart 1: Diagram showing structure of housing strategy

The three objectives contribute to the delivery of the Council's housing strategy and details of this are set out in Appendix 1

The Council's housing policy goal is to ensure that everyone has the opportunity of living in a decent home that they can afford, in a community where they want to live. To achieve this, the Council seeks to:

- a) Achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community
- b) Widen opportunities for home ownership
- c) Ensure the delivery of high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need

d) Improve affordability across the housing market, by increasing the supply of housing and;

e) Create sustainable, inclusive mixed communities in all areas both urban and rural

National Context

The government is making far reaching changes to the way social housing is resourced, allocated and managed. The creation of a tenancy strategy offers the authority the opportunity to reassess our strategic approach to housing and in particular how we utilise the new freedoms set out in the Localism Act 2011.

These new freedoms extend beyond tenure reform to allocations and homelessness policies. Overall the government want to see a more effective matching of stock with those most in need and the authority is therefore reviewing its approach to allocations and lettings (including how homelessness applications are processed) (see below).

There are also changes to the way social housing rents are fixed for those Registered providers who have a HCA funded development programme (see below)

3. Durham's housing market

There are currently a total of 235,360 residential dwellings across County Durham of which 223,081 are occupied by individual households.

In terms of dwelling stock, the 2012 household survey, conducted as part of the County Durham Strategic Housing Market Assessment study¹, reported that:

- 82.8% of properties are houses, 4.3% are flats/maisonettes, 12.4% are bungalows and 0.4% are other property types, and
- 72.2% of properties are owner-occupied, 20.3% are rented from a social landlord, 7.3% are private rented and 0.1% are intermediate tenure (e.g. shared ownership)

(see chart 2)

Comparison with national tenure balance

The extent of social renting as a housing tenure is slightly below the level for the North East as a whole (23.4%) though above the England average of 18% as shown in chart 3²:

¹ County Durham 2012 Strategic Housing Assessment Draft Report, May.

² CLG 2011. Data based upon Local Authority HSSA returns 2011.

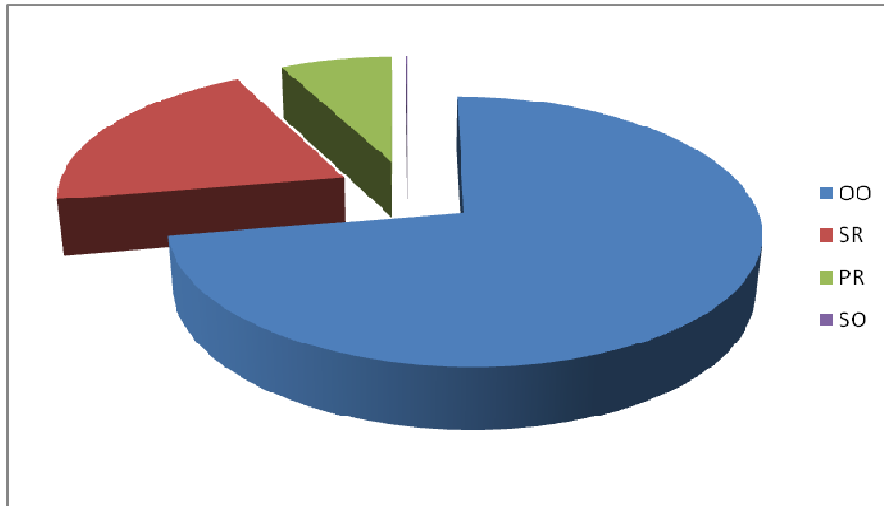


Chart 2: Balance of housing tenure across County Durham – 2012
 (OO-Owner Occupied; SR-Social Rented; PR-Private Rented; SO-Shared Ownership)

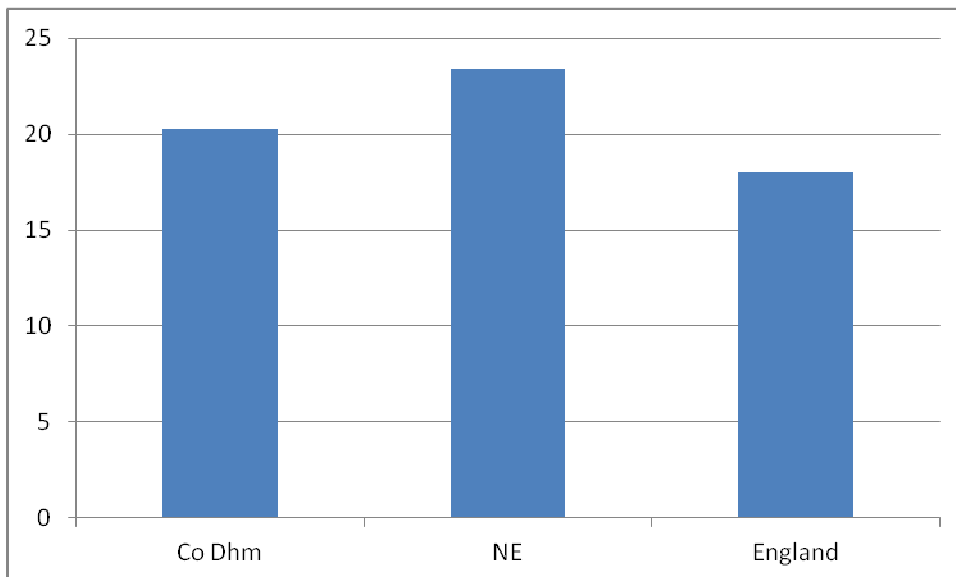


Chart 3: Relative proportions of social rented housing

Over the period 2009-11, social renting has experienced a decline in County Durham from 21.2% in 2009 to 20.3% in 2011, representing a fall of 1,237 dwellings

This relates to a longer term trend in the social rented sector which has experienced decline largely as a result of Right to Buy legislation and selective demolition. Whilst the tenure remains in decline, the current major shifts are taking place in the owner occupied and private rented sectors with the former declining from record highs and the latter growing significantly at the national level.

Residential mobility

Based upon SHMA 2012 survey evidence on the tenure choices of households moving within County Durham over the previous 5 years indicates that social renters and owner-occupiers are most likely to remain in the same tenure. In particular, around 83% of social renters had moved from elsewhere in the social rented housing stock. This figure correlates with the fact that one third of the 20,000 social housing applicants on the waiting list already live in the social rented sector. There is a clear intra-tenure dynamic at work.

Housing affordability

Median house prices across County Durham have increased from £45,450 in 2000 to £101,000 in 2011, an increase of 122.2%. Lower quartile house prices have increased from £30,000 to £68,000 over the same period, an increase of 126.7%.

There is evidence to suggest that the relative affordability of open market dwellings in County Durham is good relative to all other local authority areas in the North East. The relative affordability of open market dwellings in the Lower Quartile in County Durham is compared with the other Local Authorities in the North East in the following table presenting lower quartile house prices, lower quartile gross income of full-time workers and a ratio of lower quartile incomes to house prices:

District	Lower Quartile House Price	LQ Gross Income per week	Annual Gross Income	LQ Income to House Price ratio
Newcastle upon Tyne	£94,933	£317	£16,505	5.75
North Tyneside	£94,792	£337	£17,498	5.42
Northumberland	£89,500	£344	£17,888	5.00
Darlington	£82,542	£330	£17,144	4.81
Stockton-on-Tees	£85,396	£346	£17,992	4.75
Gateshead	£83,042	£344	£17,904	4.64
NORTH EAST	£79,667	£333	£17,316	4.60
Redcar and Cleveland	£79,667	£335	£17,441	4.57
South Tyneside	£77,417	£329	£17,124	4.52
Sunderland	£75,000	£326	£16,942	4.43
Middlesbrough	£67,958	£314	£16,344	4.16
Hartlepool	£74,042	£357	£18,548	3.99
County Durham	£67,667	£328	£17,056	3.97

Table 1: Relative affordability of lower quartile (LQ) prices by Local Authority (residence based)

Sources: CLG House Price Statistics Q1-Q3 2011; Annual Survey of Hours and Earnings 2011

In terms of relative affordability, County Durham presents as the most affordable local authority area within the North East, with an income to house price ratio of 3.97 for lower quartile house prices. However, this analysis is based on county-wide data and this may mask considerable variations in house prices in specific local areas.

In 2000, a household income of £8,571 would have been required for a lower quartile price to be affordable within County Durham. By 2011, this had increased to £19,429, an increase of 126.7%.

	Year	£	Income to be affordable*
Lower Quartile	2000	30,000	£8,571
	2011	68,000	£19,429
Median	2000	45,450	£12,986
	2011	101000	£28,857

Table 2: Income Requirements to access owner occupation in Durham

Sources: CLG/ Land Registry

*Assuming a 3.5x income multiple and a basic 25 year mortgage with APR of 5%.

Social Rented Sector

There are around 48,000 social properties in Durham managed by 35 housing providers. Around 83% are managed by 6 main social housing providers (Durham City Homes; East Durham Homes; Dale and Valley Homes; Cestria Community Housing; livin and Derwentside Homes)

The following information on the social rented sector in County Durham is based upon the household survey conducted as part of the County Durham 2012 SHMA study. This showed that:

- Houses account for around 56% of occupied affordable dwelling stock, one third, (32%) are bungalows and 11% are flats/apartments. The majority of affordable dwellings have two bedrooms (just over 50%), with approaching a further one third having three bedrooms (27%) and one fifth (20%) having one bedroom
- Just over one quarter (26%) of social rented households are single people aged 60 and over and a further 25% are singles aged under 60; 11% are couples, 15% are lone parent families and 13% are couples with children
- 28% of all people aged 16 or over living in affordable housing are in employment. A further 29% are wholly retired from work, 24% are permanently sick/disabled and 11% are unemployed.
- Incomes of households in the social rented sector are generally low, with 83% receiving an income of less than £300 gross each week and 62% receiving less than £200 gross each week.

It should also be noted that where properties are in short supply (eg 4 bedrooed houses) there is a significant mismatch between numbers on the register and available stock. For instance there are 658 4 bedrooed houses across the social rented stock in Durham (representing 1.6% of the stock) but applicants for

this type of accommodation represent 4.6% of the households on the housing register.

4. Housing Need and Tenure Reform

Although Durham's housing register has just over 19,000 registered for social housing, not all are in urgent housing need and over one third are transfer applicants who already live in the social housing sector. There are wide variations in levels of demand for property depending on property type, size and geographical location

Our housing market evidence has been used to develop our tenancy strategy. We know, for instance, that there is a high percentage of applicants and tenants either in receipt of benefit or with low incomes. This evidence alongside the current difficulties in obtaining mortgage finance means access to the private housing market is extremely limited for social housing tenants. This is in spite of the ready supply of low cost market housing available in County Durham.

Furthermore there are also many places and communities where there is low demand for social housing. Increased turnover can lead to an increase in the numbers of empty homes and have a negative impact on community stability generally.

This leads to the conclusion that fixed term (or flexible) tenancies may only be appropriate for a limited number of households who:

- (a) have the long term potential to access owner occupation and/or
- (b) occupy accommodation in high demand areas or where housing of a particular type is in short supply and where increased tenancy turnover will not adversely impact on the sustainability of communities.

The Council expects Registered Providers to have regard to this general advice.

The Council would wish to see certain household types and needs groups excluded from fixed term (or flexible) tenancies. These are set out in section 6 below.

Allocations Policy

The majority of social housing in Durham is allocated through a choice based lettings system, Durham Key Options. Choice based lettings is a way of enabling people looking for a home to bid for available social housing properties that are advertised in their chosen areas.

All applicants register for housing on a common housing register and receive notification of their priority banding (from A to F). This determines the extent to which they will have opportunities to make successful bids on the lettings system.

The Localism Act makes significant changes to the way local authorities can allocate housing and deal with homeless cases. Whereas previously almost

anyone could apply for social housing, local authorities will now have the freedom to set their own eligibility criteria to join the lists, according to local needs and priorities. This measure, as with tenure reform, is primarily intended to allow housing to be targeted at those in most need. Households able to access other tenures will be expected to pursue those options instead, rather than joining the social housing register.

The Durham Key Options Lettings Policy has been reviewed following changes brought about by both the Localism Act and Welfare Reform. Alterations have been proposed to the banding structure, the preference groups and the discharge of the Homelessness Duty. The previous policy was considered to be confusing and the new policy should be easier to understand. There have been no additional restrictions placed on who can apply to be on the register.

It is also hoped that the new policy and procedures will give applicants a realistic idea of their chance of getting social housing.

The Localism Act will also make it possible to discharge the duty to homeless households by the offer of suitable accommodation in the private rented sector provided that the tenancy offered is for a minimum of 12 months. (Before this, local authorities could only discharge the homelessness duty in the private rented sector with the agreement of the household - but this agreement is no longer required.)

This change is intended to respond to the shortage in social housing whilst also reducing the substantial costs that can arise from using temporary accommodation. Durham has yet to determine the extent to which this new arrangement will be used.

Nomination Arrangements

The Council's nomination arrangements with Registered Providers will not be affected by these changes or by the tenancy strategy itself and lettings will continue through the existing arrangements established through the Durham Key Options choice based lettings service.

Mobility in social housing

Durham County Council wants to promote and improve mobility in social housing. This means both allowing transfer requests to be given appropriate priority (especially where under-occupation exists) and also making it easier for tenants to exchange homes.

Affordable Rents

Alongside the requirements of the Localism Act, the Homes and Communities Agency (HCA) is working to agree programmes for the delivery of new affordable housing with RP's. Whilst the majority of social housing tenants will continue to pay a social rent linked to guideline target rents set out by a national rent regime,

all new homes built with HCA subsidy are expected to be offered at affordable rents (on any type of tenancy determined by the registered provider) at up to 80% of the market rent.

In addition RP's who have a development programme with the HCA may also increase rents on a percentage of relet properties to affordable rent levels.

Durham County Council accepts the need to set targets for converting existing affordable housing stock to affordable rents in order to generate funding for RPs to build more homes and comply with the requirements of the HCA Affordable Homes Programme.

It does not expect that tenancies let at an affordable rent should necessarily be fixed term (flexible) tenancies

Disposal of Stock

Whilst our priority is to retain as much affordable housing as possible, the County Council recognises that in certain circumstances (for instance in low demand areas) the disposal of vacant stock may be justified.

The Council will require any registered provider to secure written approval from the Council before taking any steps to dispose or market surplus void property. Any such approval would be subject to all relevant receipts being used to secure additional investment for new housing and regeneration initiatives within the county.

RP's are therefore encouraged to take a collaborative approach to asset management.

Welfare Reform

The Welfare Reform Act introduces a number of changes that impact severely on vulnerable households and by implication may increase the demand for housing services.

For housing the changes to housing benefit entitlement include

- alterations to the Local Housing Allowance eligibility levels;
- limiting housing benefit for working age tenants to cover the size of property they are judged to need
- imposing the shared room rate in the private sector for all single persons under 35 years old

All these changes will impose increased pressure on registered providers either through increased demand for transfers; through increased debt problems and through wider issues of homelessness and increased pressure on the housing register

Tenancy Policy

All providers will have their own tenancy policy that will have regard to this strategy. These policies will provide more detail about their respective approaches to tenancy management.

5 Types of Tenancy

Anyone offered housing managed by housing associations; the Council or its Arms Length Management Organisations will normally be granted a secure or assured 'lifetime' tenancy; typically after an initial probationary period.

The Localism Act gives all registered providers to grant tenancies on flexible terms (ie for a fixed term) as well as on a 'lifetime' basis and this strategy describes the circumstances when it may be appropriate to grant this different type of tenancy

Each provider will have their own tenancy policy which sets out in greater detail their own individual approach to tenancy management and the granting of tenancies. A list of all providers operating in Durham is set out in section 7.

Housing providers operating in Durham will be able to offer one of the following tenancy types depending on the applicant/tenants' circumstances:

Periodic Tenancies

This type of tenancy runs indefinitely from one rental period to the next until terminated by either the landlord or the tenant. The usual forms of periodic tenancy are as follows:

Periodic Secure Tenancy

Only the Council or its Arms Length Management Organisations can grant a secure tenancy.

Periodic Assured Tenancy

Assured tenancies have similar rights to secure tenancies but not on a statutory basis. They are normally offered by Registered Social Landlord (or housing associations).

Fixed Term Tenancies

This type of tenancy runs for a fixed length of time after which a landlord has the option to either renew or terminate the tenancy. They include:

Introductory/Starter Tenancy

This type of tenancy (also referred to as a probationary tenancy) lasts for 12 months from tenancy sign up.

Fixed Term (or Flexible) Secure or Assured Tenancy

This is a newly introduced tenancy (available to new tenants only) fixed for a predefined period of time and let as a secure or assured tenancy

Where fixed term tenancies are used, they should be for a minimum 5 year period in order to provide stability and security. Only in exceptional circumstances should this type of tenancy be granted for a lesser period. The reasons for granting terms of less than 5 years should be explained to any new tenant(s)

Furthermore, the Council does not expect fixed term tenancies to be granted for any period longer than 5 years as individual circumstances cannot be predicted over longer periods of time.

Minors and tenancies

A person under the age of 18 years cannot hold a legal tenancy. In these circumstances providers will make special arrangements.

Family Intervention Tenancy

This is a tenancy to help local authorities and registered providers to work with families who have been involved with anti-social behaviour.

Appendix 2 describes the similarities and differences between periodic secure and flexible secure tenancies .

6. Circumstances that will determine the tenancy type to be offered.

Durham County Council will expect providers to follow standard housing management practises linked to the County's allocation policies when determining the tenancy type to be offered to applicants:

Fixed Term (or Flexible) Tenancy

Where fixed term tenancies are to be granted then they will normally be granted for a period of 5 years.

Fixed term tenancies may be considered appropriate in the following circumstances

:

- Where it is anticipated that an applicants'/tenants' financial circumstances and potential future income is likely to facilitate access to market housing.
- Where it is anticipated that new local employment opportunities may generate improved financial circumstances and tenant mobility. (An example of this is where a major employer is creating significant number of new jobs paying salaries that could enable tenants on fixed term social

tenancies to access the owner occupier market at the end of any fixed term (five years))

- Where properties are in very high demand and/or extremely short supply
- Where the accommodation was originally intended for outright sale or shared ownership and granting a tenancy is regarded as a short term arrangement

Fixed term tenancies should not be granted to the following groups of people

- | |
|---|
| <ul style="list-style-type: none">• Applicants or a member of the household who is vulnerable as a result of old age where one member of the household is over the age of 60• Applicants or a member of the household who is registered disabled (including people with learning difficulties)• Applicants or members of the household who are vulnerable as a result of enduring mental ill health or other special reason |
|---|

Fixed term tenancies can be granted to families with children but where the children are young (say a household with at least one child under 5 years old) then consideration should be given to extending the preferred 5 year fixed term to a longer period of time.

It is not appropriate to use fixed term tenancies to manage risk such as to manage arrears, anti social behaviour or damage to property – there are other tools which can be used to manage these breaches of a tenancy agreement.

The Council does not encourage the use of fixed term tenancies throughout specific areas or neighbourhoods (as a precursor to possible redevelopment for instance) but where this decision is made, the RP will be expected to consult the authority on the reasons for such a decision.

Flexible tenancies can be used in conjunction with homes that have either affordable rent or social rents applied to them.

7. Circumstances in which tenancies will be terminated

General

There are various circumstances where tenancies can be legally terminated. These are likely to be set out in providers' individual tenancy policies or tenancy management policies.

Fixed Term (or Flexible) Tenancies

For fixed term (flexible) tenancies it is expected that unless there has been a significant change in circumstances, then the fixed term tenancy will not be terminated, and the tenancy will be renewed for a further period.

Fixed term tenancies can be automatically renewed if a household's circumstances have not changed. Where the household now includes a person over 60 years of age or a person with a long term illness or disability then the flexible tenancy can be converted to a periodic assured or secure tenancy

The circumstances where a tenancy is not renewed should be driven by housing management “best practice” but should be informed by the criteria set out in section 6.

It is expected that if the house is required for other applicants on the housing register, the RP will either establish that the household can afford to access accommodation in the private sector or that suitable alternative affordable or social rented accommodation will be offered to that fixed term tenant.

Review and Appeals Process

Registered providers who grant fixed term tenancies will be required to produce appropriate review and appeals processes.

8. Monitoring and Reviewing

Durham County Council will monitor compliance with the Tenancy Strategy by regular meetings with individual RP's.

It is proposed that the County Council will use existing partnership groups (consisting of representatives of RP's and other key stakeholders) to facilitate and support the Council in its monitoring role and in reviewing the effectiveness of this strategy.

Performance data will be collected on the numbers of flexible tenancies granted; renewed and terminated and also on their locations and type of housing they apply to. The relative balance between affordable rented and social rented accommodation that have flexible tenancies will also be monitored.

9. List of Registered Providers

The list below shows the housing providers and Durham County Councils managing agents who operate within County Durham. They can be contacted for copies of their individual tenancy policies.

Housing Providers in County Durham	
Accent Foundation Ltd	Jacob Wrights Almshouses
Anchor Trust	Jane Cameron's Old Peoples Charity
Brandon Aged Persons Homes	Johnnie' Johnson Housing Trust Ltd
Broadacres Housing Association Limited	NomadE5 Housing Association Limited
Cestria Community Housing Association Ltd	Places for People Homes Limited
Cheviot Housing Association Limited	Places for People Individual Support Limited
Dale and Valley Homes	Progress Care Housing Association Limited
Derwentside Homes	Railway Housing Association and Benefit Fund
Dimensions (UK) Limited	Salvation Army Housing Association
Durham Aged Mineworkers' Homes Association	livin (formerly Sedgefield Borough Homes
Durham City Homes	Sherburn House Charity
East Durham Homes	Tees Valley Housing Limited
Endeavour Housing Association Limited	Teesdale Housing Association Limited
Fairoak Housing Association	The Riverside Group Housing Limited
Hanover Housing Association	Three Rivers Housing Association Limited
Home Group Limited	Two Castles Housing Association Limited
Housing Hartlepool	William Russell Bequest
Housing 21	

APPENDIX 1

Appendix 1 provides the details of the three key housing objectives of the Housing Strategy “Building Altogether Lives” it reflects a step change in the strategic vision and delivery mechanisms to meet the challenging housing, economic, social and environmental needs of our communities .

Housing Strategy

Altogether Better at Housing People

This theme or objective addresses the non bricks and mortar elements of housing and includes outcomes that provide more and better support services for

vulnerable groups such as older people, vulnerable adults and young people, the gypsy and traveller community and homeless people. Support services are provided through the housing options service, care and support provision and the role that the provision of higher quality housing services in the public and private sectors plays in the terms of wider benefits such as health, educational attainment, social inclusion and reducing crime and anti social behaviour,

Altogether Better Housing Markets

This objective describes the role housing plays in regeneration and growth as well as affordability and includes the following outcomes:

More new housing built with a range of housing types and tenures to meet the economic and social needs of our county

More joined up approach to regeneration and delivery and providing more additionality from investment.

Altogether Better Housing Standards

This objective focuses on the role that housing plays in improving standards in terms of investment in and use of existing stock and includes the following:

- More decent home
- Fewer empty homes
- Improved management standards in the private sector
- Enforcement taken against problem landlords
- Warmer and safer homes

APPENDIX 2

Differences between periodic and fixed term secure tenancies

	Periodic Secure Tenancies	Fixed Term Secure Tenancies
Term	For life of tenant	Recommended term 5 years; could be shorter at discretion of the Council/Landlord
Right to exchange	Secure tenants have a statutory right to exchange their tenancy	Same rights as secure tenants

	with another secure tenant, which can only be refused by the landlord on certain grounds , such as rent arrears	
Right to take in lodgers and to sub-let part of the property	Secure tenants have the right to take in a lodger or sub-let part of the property, provided that they continue to use the property as their only or principle home. Sub-letting part of the property requires permission from the Council and failure to obtain this would be a breach of tenancy.	Same rights as secure tenants
Right to Repair	Secure tenants have certain rights to ensure that their landlord deals with certain repairs within a reasonable timescale with a right to compensation in some circumstances	Same rights as secure tenants
Rights to consultation /information	Tenants have the right to be consulted about various matters affecting their rights and tenancy conditions, and information about their tenancy	Same rights as secure tenants
The Right to Buy	Secure tenants are entitled to buy their council home after they have been a social housing tenant for five years and provided that they meet a number of other criteria	Same rights as secure tenants
Succession	There can be one succession of tenancy to a spouse or close relative if they lived with the tenant for at least a year before their death. The Government is proposing to restrict the statutory succession to spouse or partner in future, although councils will be able to extend this to other people living with the tenant if they wish to.	There will be a minimum statutory right for one succession to a spouse or partner.
Moves	The Government is proposing that where an existing social tenant moves to another social rented property, they will be granted a secure tenancy. For new secure tenants it will be entirely at the discretion of the	The type of tenure offered where a flexible tenant is re-housed by a council will be at the local authority's discretion.

	Council as to the form of tenure offered.	
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Draft Tenancy Policy
East Durham Homes,
Dale and Valley Homes and
Durham City Homes

September 2012

Table of Contents

1 Introduction	31
2 Purpose of our policy.....	31
3 Principals.....	31
4 Background and context	31
5 Tenancy types	32
6 Tenancy agreements, responsibilities and sign-up	34
7 Ending of tenancies	36
8. Our policy on granting discretionary tenancies.....	36
9. Complaints	36
10. Consultation.....	37
11. Policy monitoring and review	37

1 Introduction

This is Durham County Council's tenancy policy for tenants of (and applicants for) all the housing that we own and that is managed for us by Durham City Homes, Dale and Valley Homes, and East Durham Homes.

Our policy sets out the approach to tenancy management, tenancy support and the types of tenancy on offer for about 19,000 social homes we own.

Our policy takes account of our Tenancy Strategy for County Durham, which you can find at www.durham.gov.uk. The strategy sets out some of the wider issues that are relevant to a good tenancy policy.

To increase the number of tenants who sustain their tenancies, our policy aims to deliver effective tenancy management and support across a range of tenancy types.

Tenancy management focuses on pre-tenancy sign-up, continual support to tenants, advice (guidance and assistance), and directing tenants to other housing providers if needed. It aims to help people sustain their tenancies, but as a last resort our three managing agents will take enforcement action when necessary.

2 Purpose of our policy

Our policy aims to ensure that customers understand the different tenancy types available, why we offer different types of tenancy, and what rights and responsibilities the tenancy agreement sets out.

Our policy tries to balance individual households' needs with the community's need to be sustainable and the need to make efficient use of our housing stock.

In applying our policy, we will comply with relevant legislation and statutory guidance.

3 Principals

Effective tenancy management is based on the following key principles:

- Offering the most appropriate tenancy to meet the individual tenant's housing circumstances and needs.
- Complying with our duties to tenants as set out in legislation.
- Complying with our contractual duties to tenants as set out in tenancy agreements.
- Complying with the housing regulator's standards and requirements.
- Taking a preventive approach to tenancy failure by giving appropriate help and guidance to people who are finding it difficult to manage their tenancy, and by taking enforcement action where necessary.

4 Background and context

We own about 19,000 rented homes, all managed and maintained on our behalf by three managing agents. Two are arm's-length management organisations –

East Durham Homes, which manages and maintains about 8,430 homes in the east of the county; and Dale and Valley Homes, which manages and maintains about 4,240 homes in the west of the county – and the third is Durham City Homes, our retained in-house provider, which manages and maintains about 6,100 homes in the Durham central area.

Table 1 below shows the number of applicants on the housing register, and the breakdown of properties looked after by our three managing agents.

Table 1: Council-owned stock and number of applicants for each provider as at 27 March 2012				
	East Durham Homes	Dale & Valley Homes	Durham City Homes	Total
No. of applicants	3814	2416	2725	8955
% of total applicants	42.6%	27%	30.4%	100%
Stock figure (1/4/11)	8434	4242	6106	18676
% of total stock	45.2%	22.7%	32.1%	100%

Data from the Durham key options database shows that applicants' incomes on average remain relatively low. Table 2 below shows the average income for applicants for the three areas of east, west and central Durham. Most applicants are receiving housing benefit or low wages, making it difficult for them to get a mortgage to use the private housing market. So their housing options are limited to social rented housing and private renting.

Table 2: Tenants income distribution (£/yr)

	Not stated	Below 10,000	10,000 to 14,999	15,000 to 19,999	20,000 to 24,999	25,000 to 29,999	30,000 to 34,999	35,000 +	Total
Dale and Valley Homes	200	1548	461	139	37	21	5	5	2416
Durham City Homes	353	1459	532	230	94	36	15	6	2725
East Durham Homes	331	2288	760	282	95	36	17	5	3814
Total	884	5295	1753	651	226	93	37	16	8955

5 Tenancy types

The tenancy types we offer depend on each applicant's housing circumstances.

We wish to sustain communities. We believe that one way of doing this is to grant lifetime social tenancies wherever possible. Therefore our managing agents will usually grant weekly periodic secure or introductory tenancies.

Secure tenancies

We grant a secure tenancy where, immediately before the tenancy began, the applicant was:

- A secure tenant; or
- An assured tenant (not an assured shorthold tenant) of social housing where the landlord is a registered social landlord; or
- An introductory tenant who has successfully completed their probationary period.

A secure tenancy gives the tenant security of tenure and the following statutory rights:

- Right to buy
- Right to repair
- Right to take in lodgers and to sublet part of the property
- Right to exchange
- Right to consultation and information

Our managing agents will normally grant weekly periodic secure tenancies.

Introductory tenancies

This is a probationary tenancy that (normally) lasts 12 months from tenancy sign-up, after which it becomes a secure tenancy on a periodic or fixed-term basis.

We grant an introductory tenancy where the successful applicant does not fulfil the criteria of becoming a secure tenant. This will usually mean people who currently live in the private sector including owner-occupied housing, private rented accommodation, tied housing, armed forces accommodation, and those leaving the care of family or friends.

Minors and tenancies

A person under the age of 18 cannot hold a legal tenancy. In these circumstances we will seek to grant the tenancy to an adult such as a member of the minor's family or, if this is impossible, to another adult (for example a social worker) who will hold the legal tenancy on trust for the minor's benefit until they reach 18. Alternatively we may grant an equitable tenancy, which is an agreement to grant a tenancy when they reach 18, or we may grant a licence if we are also providing services to the minor.

We may require a guarantee to ensure that a tenant fulfils their obligations.

Family intervention tenancy

Family intervention tenancies are granted to a few families who have chaotic lifestyles including anti-social behaviour, rent arrears and children not attending

school. It is a tenancy for families who require intensive family support and who would not normally be offered a tenancy. They are entered into voluntarily and last between six months and a year.

An existing tenancy cannot be converted to a family intervention tenancy, and as part of the process we will offer the family a property away from their original area. However, we can convert a family intervention tenancy, usually into an introductory tenancy for 12 months, which can then become a secure tenancy.

Demoted tenancy

A demoted tenancy may be granted by the court in cases of anti-social behaviour or unlawful use of the secure tenancy. It will normally last for 12 months, after which it will usually become a secure tenancy.

Flexible tenancy

These are secure tenancies granted for a fixed term of at least two years. At present we do not offer flexible tenancies to people on the housing register who would like one of our homes. This is because there is not enough evidence to suggest our tenants will be ready to move on and buy or rent in the private market at the end of the fixed term. We will regularly review this decision.

6 Tenancy agreements, responsibilities and sign-up

We will ensure that tenants are fully informed about their tenancy rights and obligations at the pre-tenancy sign-up stage and beyond.

We will also provide reasonable support. We will base any interventions we make on individual tenants' support needs (see our tenancy management policy).

Through our managing agents, we will conduct a sign-up visit with all new tenants to ensure they fully understand their rights and responsibilities and the conditions for the tenancy on offer. Sign-up will include details of our approach to tenancy management, and will also focus on financial inclusion (eg, help with housing benefit claims) and on possible future support needs.

New tenants will also receive a follow-up visit within six weeks to ensure they are keeping to the tenancy conditions and continue to understand them.

Tenants' obligations

Our tenancy agreement imposes obligations on the tenant and us (the landlord)

The tenant's obligations depend on the type of tenancy offered but can include:

- To pay rent and any service charges on the due date;
- Not to take in lodgers or sub-let the premises without our prior consent;
- To maintain gardens;
- Not to repair vehicles within the property's curtilage (boundary);

- To comply with the condition on the number of animals allowed in the premises;
- Not to operate a business from the premises without our prior consent;
- To generally look after the property and do minor repairs (called the tenant's repairing obligation); and
- Not to cause a nuisance or annoyance or act in an anti-social manner.

Council's obligations

As landlord we have a number of obligations to tenants including:

- Repair of the building's structure and exterior keeping in repair and proper working order the home's installations for space heating, water heating and sanitation

Tenants' rights

The table below shows the differences in tenants' rights between periodic secure tenancies and periodic introductory tenancies.

For both periodic and introductory secure tenancies there is a statutory right of at least one succession to a spouse or partner, unless the tenancy agreement states that other family members can succeed, which in Durham they can.

You may be able to transfer (or assign) your tenancy:

- If this is necessary because of a court order (for example if a marriage or civil partnership breaks down); or
- To a person who would qualify to succeed to the tenancy on the future death of the tenant. You must get our written permission for this.

Summary of legal rights of tenants	Secure tenants	Introductory tenants
Right of succession for a family member/partner	Yes	Yes
Right to repair	Yes	Yes
Right to be consulted on housing management	Yes	Yes
Right to buy (some properties may be exempt)	Yes	No (but the introductory period counts towards the discount)
Right to take in lodgers	Yes	No
Right to sub-let (you may only sub-let part of your property)	Yes	No
Right to improve your home	Yes	No
Right to exchange your home with another tenant	Yes	No

Tenants' statutory rights are protected and guaranteed when they transfer through succession.

We normally grant joint tenancies to two people living together as partners. However, in exceptional circumstances we may give a joint tenancy to up to four

people regardless of gender or marital status, including any 'relevant member(s) of the family' as defined in the tenancy agreement.

Please see our tenancy management policy and the County Durham tenancy agreement at www.durham.gov.uk.

7 Ending of tenancies

Here are the circumstances where we will end tenancies:

Tenancies with no security

We may wish to bring a tenancy to an end if a tenant has lost their security of tenure, for example because they no longer occupy the property as their only or principal home or they have died and there are no further rights to succession. A notice to quit will be served. We may then take possession proceedings through the courts if necessary.

Tenancy surrender

If we and the tenant agree to bring the tenancy to an end, this may be done by surrender. For a surrender to take effect the tenant must offer the tenancy to us and we must agree to accept it. Offer and acceptance must be in writing and can be proved by a deed of surrender, a legal document.

If a joint tenancy is surrendered, the surrender should be signed by all the joint tenants where possible. We have discretion to award a single tenancy to any remaining occupant when a previous joint tenancy ends.

Court order

Secure, introductory, demoted and family intervention tenancies may all be ended by a court order. This will usually require us to serve a notice on the tenant warning them that we are taking possession proceedings. The type of tenancy will determine the type of notice and the court's powers to award possession.

Property abandonment

If a tenant behaves in a way that shows they have intended to vacate the property but have made no positive communication saying so, we may serve a notice to quit that ends the contractual tenancy. When the notice expires we may repossess the property without getting a court order if there is no evidence of occupation.

8. Our policy on granting discretionary tenancies

In some circumstances no right of succession to the tenancy may exist but we may be able to grant a discretionary tenancy. Our policy *Successions, assignments and granting of discretionary tenancies* sets out the circumstances when we may grant a discretionary tenancy. (See the tenancy management policy.)

9. Complaints

If a customer is unhappy about a decision, they should first follow their managing agent's internal complaints procedure. As long as there is no need for us to

intervene to review the managing agent's overall service standards, the tenant may then complain to the Housing Ombudsman (from April 2013). This can be done straightaway using a MP, local councillor or similar representative or after the expiry of 8 weeks if no representative is used.

10. Consultation

We will seek the views of tenants, applicants and relevant stakeholders on this policy in various ways including presentations and questionnaires.

11. Policy monitoring and review

We will review the policy annually or when a change of legislation or external policy requires it.

APPENDIX 3

Tenure Policy requirements of the Regulator

Registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud, and set out:

1. The type of tenancies they will grant.
- 2 Where they grant tenancies for a fixed term, the length of those terms.
- 3 The circumstances in which they will grant tenancies of a particular type.
- 4 Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period.
- 5 The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property.
- 6 The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.
- 7 Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability.
- 8 The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy.

**Appendix 4
Equality Impact Assessment**

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments.

You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.	
Service/team or section: Economic Development and Housing	
Lead Officer: David Siddle, Special Housing Projects Manager	Start date: July 2012
Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)	
<p>Tenancy Strategy for County Durham</p> <p>The tenancy strategy is a statutory requirement of the Localism Act 2011 and offers the opportunity for all local authorities to set out the high level objectives for social housing providers to ‘have regard to’ in relation to:</p> <ul style="list-style-type: none"> • The kinds of tenancies they will grant; • Where they grant tenancies for a fixed term, the length of those terms; • The circumstances under which they will grant tenancies of a particular type; • The circumstances under which a tenancy may or may not be reissued at the end of the fixed term, in the same property or in a different property. <p>Durham’s draft tenancy strategy gives providers the opportunity to issue a full range of tenancies including on a lifetime basis as well as flexible/fixed term tenancies. The latter tenancy however is deemed to be appropriate in only a limited set of circumstances and for specific household types.</p> <p>It should be noted that the tenancy strategy does not impose any obligations on social housing providers. They are expected to ‘have regard’ to the strategy only.</p>	
Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –	
<p>Applicants on the Durham Key Options housing register All tenants in the social housing sector All social landlords operating in Durham Elected members</p>	

Voluntary organisations involved in housing provision

Is a copy of the subject attached? Yes

If not, where could it be viewed?

Initial screening

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate :Y = Yes, N = No, ?=Unsure

Gender	Y	Disability	Y	Age	Y	Race/ethnicity	?	Religion or belief	?	Sexual orientation	?
--------	---	------------	---	-----	---	----------------	---	--------------------	---	--------------------	---

How will this support our commitment to promote equality and meet our legal responsibilities?

Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone’s disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

The tenancy strategy indicates that social landlords can use flexible tenancies in certain prescribed circumstances. Flexible tenancies are fixed term tenancies and could be any length from 2 years long (the absolute minimum) to over 5 years in length. They mark a departure from ‘lifetime tenancies’ normally associated with the social sector. It means that a tenancy could be terminated after a fixed term leaving the tenant to find alternative accommodation in the private sector. However it is recommended that certain groups do not get flexible tenancies and these are:

- Applicants or a member of the household who is vulnerable as a result of old age where one member of the household is over the age of 60
- Applicants or a member of the household who is disabled (including people with learning difficulties)
- Applicants or members of the household who are vulnerable as a result of enduring mental ill health or other special reason

This would protect those sectors of society who are the most vulnerable.

What evidence do you have to support your findings?

Social Rented Sector Evidence:

There are around 48,000 social properties in Durham managed by 35 housing providers. The majority are managed by 6 main social housing providers (Durham City Homes; East Durham Homes; Dale and Valley Homes; Cestria Community Housing; livin and Derwentside Homes)

The following information on the social rented sector in County Durham is based upon the household survey conducted as part of the County Durham 2012 SHMA study. This showed that:

- Houses account for around 56% of occupied affordable dwelling stock, one third, (32%) are bungalows and 11% are flats/apartments. The majority of affordable dwellings have two bedrooms (just over 50%), with approaching a further one third having three bedrooms (27%) and one fifth (20%) having one bedroom
- Just over one quarter (26%) of social rented households are single people aged 60 and over and a further 25% are singles aged under 60; 11% are couples, 15% are lone parent families and 13% are couples with children
- 28% of all people aged 16 or over living in affordable housing are in employment. A further 29% are wholly retired from work, 24% are permanently sick/disabled and 11% are unemployed.
- Incomes of households in the social rented sector are generally low, with 83% receiving an income of less than £300 gross each week and 62% receiving less than £200 gross each week.

Housing Need and Tenure Reform

A high percentage of housing applicants and tenants are either in receipt of benefits or with low incomes. The current economic climate makes it difficult to obtain a mortgage restricting access to home ownership for social tenants. There are places in the county where there is low demand for social housing and an increase in tenancy turnover may lead to an increase in the number of empty homes leading to a negative impact on community stability.

Fixed term (or flexible) tenancies may therefore only be appropriate for a limited number of households in County Durham who both:

- (a) Have the longer term potential to access owner occupier; and
- (b) Occupy accommodation in high demand areas where increased tenancy turnover will not impact adversely on the sustainability of communities

The Council expects registered providers to have regard to this general advice contained within the Tenancy Strategy and exclude certain vulnerable groups from fixed term (or flexible) tenancies.

Welfare Reform

The Welfare Reform Act introduces a number of changes that impact severely on vulnerable households and by implication may increase the demand for housing services.

Changes to housing benefit entitlement include:

- alterations to the Local Housing Allowance eligibility levels;
- limiting housing benefit for working age tenants to cover the size of property they are judged to need
- imposing the shared room rate in the private sector for all single persons under 35 years old

All these changes will impose increased pressure on registered providers either through increased demand for transfers; through increased debt problems and through wider issues of homelessness and increased pressure on the housing register.

Consultation with housing providers in the County and other stakeholders (and elected members) occurred in July 2012 and ended on 27th July. Eleven responses were received and these were taken into account when refining the strategy.

Decision: Proceed to full impact assessment – No **Date: 30.08.12**

If you have answered ‘No’ you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.

	Identify the impact: does this increase differences or does it aim to reduce gaps for particular groups?	Explain your conclusion, including relevant evidence and consultation you have considered.	What further action is required? (Include in Sect. 3 action plan)
Gender	Men and women, in particular lone parents and older women under retirement age may be adversely impacted by flexible tenancies as opposed to the ‘lifetime tenancies’ usually associated with the social housing sector. This impact is minimised by the recommendation that certain groups are not given fixed/flexible tenancies including: <ul style="list-style-type: none"> • Applicant/member of 	15% of social rented houses are lone parent families. Incomes of households in the social rented sector are generally low, with	DCC expects providers to follow standard housing management practices when determining tenancy type Monitoring in

	<p>household who is vulnerable due to old age (60+)</p> <p>Lone parents with children may be adversely impacted if issued with flexible tenancies. DCC expects providers to follow standard housing managing practice when determining tenancy. Strategy monitoring and review arrangements will determine ongoing impact formulating mitigating actions where possible. It is recommended that families with children have longer fixed term tenancies</p>	<p>83% receiving an income of less than £300 gross each week and 62% receiving less than £200 gross each week. (Household Survey 2012).</p> <p>Lone parents are more likely to be a female primary carer. (EHRC Triennial Review)</p> <p>26% of social rented houses are let to single people aged over 60 (Household Survey 2012).</p> <p>Greater number of older women in the county population (ONS).</p>	<p>first year of tenancy strategy to determine actual impact on groups.</p> <p>EIA to be reviewed in 12 months.</p>
Age	<p>All age groups impacted however any potential negative impact of fixed/flexible tenancies is minimised by recommendations to not give such tenancies to:</p> <ul style="list-style-type: none"> • Applicant/member of 	<p>Just over one quarter (26%) of social rented households</p>	<p>As above</p>

	<p>household who is vulnerable due to old age (60+)</p> <p>Minors (under 18) cannot hold a legal tenancy which may have implications for care leaver. Providers make special arrangements in these circumstances.</p> <p>Flexible tenancies used appropriately could promote and improve mobility in social housing e.g. giving priority to transfer requests (esp. where under-occupancy exists), easier exchange of homes etc. This may improve access to social housing e.g. young families.</p>	<p>are single people aged 60 and over and a further 25% are singles aged under 60; 11% are couples, 15% are lone parent families and 13% are couples with children. 28% of all people aged 16 or over living in affordable housing are in employment. A further 29% are wholly retired from work, 24% are permanently sick/disabled and 11% are unemployed. (Household Survey 2012).</p>	
Disability	<p>Any potential negative impact of fixed/flexible tenancies is minimised for people with disabilities by recommendations to not give such tenancies to applicants or member of the household who:</p> <ul style="list-style-type: none"> • have a disability (including people with 	<p>24% of all people in affordable housing are permanently sick/disabled (Household Survey 2012).</p>	As above

	<p>learning difficulties)</p> <ul style="list-style-type: none"> • are vulnerable as a result of enduring mental ill health or other special reason 		
Race/Ethnicity	Insufficient evidence to determine impact		As above
Religion or belief	Insufficient evidence to determine impact		As above
Sexual orientation	Insufficient evidence to determine impact		As above

How will this promote positive relationships between different communities?

Availability of affordable housing through increased turnover with the protection of vulnerable groups will promote positive relations. However lack of particular type and area of housing stock including additional pressures of Welfare Reform may restrict this strategy. In particular the risk of widespread of adoption of flexible tenancies may start to destabilise fragile communities and their use in low demand areas needs to be discouraged.

Section three : Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

The Strategy expects registered social housing providers in County Durham to have due regard in relation to the types of tenancies they offer in accordance with the Localism Act 2011. There are potential impacts for all tenants and future tenants across the protected characteristics. However some vulnerable groups are protected in terms of age (over 60) and disability (including learning difficulty and mental ill health).

Lone parents with children may be negatively impacted if issued with flexible tenancies but the strategy recommends that they are given longer fixed terms. This may have a disproportionate impact on women who are more likely to head a lone parent family. Monitoring and review arrangements will determine ongoing impact and formulate mitigating actions where possible. Monitoring will occur on an annual basis and will focus on the number of flexible tenancies granted and the household type that have been given to. In the longer term, once tenancies have been ended we will also monitor the circumstances under which they have

not been renewed.

Strategy monitoring and review arrangements will determine ongoing impact and formulate mitigation of adverse impact where possible

NB: This EIA links to the Housing Welfare Reform, Durham Key Options and Durham Lettings Policy EIAs.

Action to be taken	Officer responsible	Target Date	In which plan will this action appear
Monitoring in first year of tenancy strategy – regular meetings with RPs, partnership groups, collation of performance data.	David Siddle	October 2013	Economic Development and Housing Head of Service Plan
EIA Review		Sept 2013	
When will this assessment be reviewed?	Date: September 2013		
Are there any additional assessments that need to be undertaken in relation to this assessment?	No		
Lead officer - sign off: David Siddle, Special Housing Projects Manager			Date: 31 st August 2012
Service equality representative - sign off:			Date:

Please email your completed Impact Assessment to the Equality team - equalities@durham.gov.uk.

Cabinet

10 October 2012



Transfer of Public Health Functions to Durham County Council

Report of Corporate Management Team

Rachael Shimmin, Corporate Director of Children & Adults Services

Anna Lynch, Director of Public Health County Durham

Councillor Lucy Hovvels, Cabinet Portfolio Holder for Safer and Healthier Communities

Councillor Claire Vasey, Cabinet Portfolio Holder for Children & Young People's Services

Purpose of the Report

1. The purpose of this report is to provide an update on recent developments with regard to the transfer of public health functions from NHS County Durham to Durham County Council by 1st April 2013.

Background

2. From 1st April 2013, upper tier local authorities will have a role across the three domains of public health (health improvement, health protection and health services) and, in addition to improving the health of the people in their local area, have new functions through regulations to ensure that NHS commissioners are provided with public health advice.

National Policy Developments

3. Details of the *Public Health England People Transition Policy* have been published, which sets out the process and timetable for handling the transfer, appointment and redeployment of staff from sender organisations to Public Health England.
4. This first module of the *Public Health England People Transition Policy* describes the Human Resources (HR) transition process for establishing Public Health England (PHE). This includes setting out the roles and recruitment processes for the appointment of senior posts in PHE and confirming to individual members of staff what the changes mean for them – both in terms of the agreed HR processes for filling posts in PHE and the legal basis for staff transfers.
5. The *Structure of Public Health England* sets out how PHE will deliver its vision. The document provides a helpful guide for staff who will join the new agency and for its partners, outlining the proposed structure for 1st April 2013. PHE will continue to evolve, to ensure it is best placed to deliver its ambitions for improved public health.

The senior leadership team, once appointed, will lead this process, engaging and involving the whole of PHE and key stakeholders.

6. On 1st August 2012, the Department of Health issued national policy regarding the filling of posts in 'receiving' organisations, accompanied by Frequently Asked Questions. The documents stated that:
 - The process of drafting appropriate Transfer Schemes or Orders is getting underway
 - Durham County Council will receive a Transfer Scheme or Order from the PCT, which will identify individual members of staff transferring
 - The national position, agreed with trade unions, is that all transfers of employees will be undertaken in accordance with TUPE where it applies
 - In circumstances where TUPE does not apply in strict legal terms, COSOP will be followed (the Cabinet Office Statement of Practice)
 - The target for a first draft of a complete list of names of staff transferring is 1st December 2012
 - The final cut-off date for changes will be provided in the guidance.
7. On 13th August 2012, NHS Chief Executive, David Nicholson, wrote to NHS leaders to set out the next stage in the transition to the new health and care system. Two letters, one to strategic health authority and primary care trust chairs and one to senior leaders in the wider NHS, set out arrangements to ensure stability and resilience for the current system through transition to the new health and care system from April 2013.

Regional Developments

8. The Association of North East Councils (ANEC) organised a workshop on 15th August 2012 in Newcastle regarding 'Public Health Transition Communications'. The event was well attended, with representatives from all of the region's local authorities, as well as the North East Strategic Health Authority, NHS North East and the Health Protection Agency.
9. It was generally agreed that, moving forward, there should be a collective approach to public health communications, engagement and promotion from local authorities and health partners across the region.

Developments in County Durham

10. Clarification is still awaited from the Department of Health on HR arrangements to be implemented under a 'transfer order' with regard to Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and / or the Cabinet Office Statement of Practice (COSOP). A letter sent to the Chief Executive of Durham County Council and the Director of Public Health County Durham by the Department of Health and the Local Government Association on 1st August 2012 stated that the process of drafting appropriate Transfer Schemes or Orders was underway and that guidance on the schemes would be issued.

11. On 3rd August 2012, the Strategic Health Authority convened a meeting with North East public health leads and union representatives to discuss a range of issues related to the transfer, including HR issues and staff consultation. It was agreed that the public health staff move to Durham County Council would be classed as a 'lift and shift' exercise and no formal restructure is planned to take place ahead of 1st April 2013. It was also agreed that the HR process would follow a regional approach, agreed between the Primary Care Trusts, trade unions and the local authorities in the North East.
12. Anna Lynch, Director of Public Health County Durham, and her personal assistant, Christine Edgar, will be moving to County Hall on Monday, 1st October 2012. As agreed, the remaining staff will move to County Hall as part of a phased approach from January to March 2013.
13. An information governance, management and technology plan will be presented to the DCC Receiver Group at its meeting on 2nd October 2012, to confirm arrangements for information governance and the transfer of IT assets and data to the council from NHS County Durham in preparation for April 2013.

Public health vision

14. The public health vision will provide a focus for improving the health of County Durham residents and reducing health inequalities, whilst ensuring that the council delivers its statutory public health responsibilities. Durham County Council will commission cost-effective, high quality, evidence-based public health services, focused on a holistic approach to health and wellbeing and prioritised to ensure that the health needs of County Durham communities are addressed, as well as supporting the Council Plan.
15. Specialist public health advice will be available to officers in relation to policy development, as well as further support to portfolio holders on public health issues.
16. The incoming staff will provide a specialist public health service, which will support all functions across Durham County Council to identify opportunities related to improving health and reducing health inequalities.
17. In addition, a greater focus will be given to community capacity-building, working with and supporting Area Action Partnerships, health networks and other partnerships on public health issues.

Public health funding

18. Representation has been made by the Chief Executive of Durham County Council and the Director of Public Health County Durham to the Department of Health regarding its consultation on future public health funding. The council's main concerns are that:
 - Investment into prevention in the North East and particularly for County Durham is retained at the same level for the maximum period
 - This investment should be replicated elsewhere, rather than just be a reallocation
 - The council would look to have certainty and stability in funding until 2015, and ideally longer.

19. A response was also sent to the Department of Health on behalf of Durham County Council's Adults Wellbeing and Health Overview and Scrutiny Committee, stressing that NHS commissioners in County Durham have strategically and successfully invested in addressing the wider determinants of health in collaboration with the council and with partners and it is disappointing that these factors are not being taken into account. The importance of baseline investment as a sustainable platform for the future has been highlighted and any realignment of funding should happen over a longer time period.
20. The Department of Health has stated that the public health allocations will be based on the 2010/11 base spend position, as updated for clarification on the treatment of some services / costs (e.g. prescription charges) and that this would only change in exceptional circumstances.
21. Public health expenditure relating to the functions transferring to local government is currently below the 2010/11 recorded levels, where a number of non-recurring public health costs were incurred.
22. The public health allocations for 2013/14 will not be known until December 2012.

Emergency planning, resilience and response

23. Following the publication of three documents by the Department of Health at the end of July 2012 on the Emergency Planning, Resilience and Response function (EPRR) from April 2013, the operational model has become clearer.
24. The three documents are:
 - Health Emergency Preparedness, Resilience and Response from April 2013: summary of the principal role of health sector organisations
 - Health Emergency Preparedness, Resilience and Response from April 2013: Local Health Resilience Partnership: Model Concept of Operations
 - Health Emergency Preparedness, Resilience and Response from April 2013: Local Health Resilience Partnership: Model Membership and Terms of Reference
25. A key feature of the new arrangements is the formation of Local Health Resilience Partnerships (LHRPs). These are intended to provide a strategic forum for joint planning and preparedness for emergencies for the new health system and to support the health sector's contribution to multi-agency planning and preparation for response through local resilience fora (LRFs). The LHRP will not be a statutory organisation and accountability for emergency preparedness and response remains with individual organisations, in line with their respective statutory duties.
26. The NHS Commissioning Board Local Area Teams are responsible for the local implementation of LHRPs and will need to liaise with local authorities and Public Health England in progressing local arrangements. The new system will offer considerable benefits, including:

- A more consistent approach across England, permitting better understanding of health preparedness at LRF level and nationally
 - Leadership of planning and resilience at a senior level with a focus on cross-agency preparedness
 - Opportunity for better integration between health and local government emergency planning for the protection of each community.
27. The NHS Commissioning Board Authority will support the roll-out of LHRPs for each LRF area, working closely with Strategic Health Authority and Primary Care Trust clusters, NHS providers locally, the Health Protection Agency, Public Health England, local government and LRFs.
 28. It is essential that health sector emergency preparedness and response remains resilient through to April 2013 and beyond. In order to effect safe transition to our new system, current emergency plans and procedures will remain in place throughout 2012/13.
 29. The formation of LHRPs and updating of core emergency response arrangements to take account of the new structures and organisations is a key requirement for resilience from April 2013. In order to allow time for this work to be completed, it is anticipated that the co-chairs of each LHRP (one NHS CBA Local Area Team Director and one Director of Public Health) will be identified and will start leading the LHRP in shadow form by the end of November 2012.
 30. System assurance of the new local, regional and national response arrangements will be provided through a series of four regionally based exercises - in the North, Midlands and East, the South and in London between November 2012 and March 2013. These exercises will involve multi-agency partners and plans are currently under development.
 31. Initial planning in the North East has led to the decision that there will be two LHRPs, one covering Tyne and Wear, Northumberland and Cumbria and one covering County Durham, Darlington and Tees Valley. Draft membership has been agreed and there are several meetings planned to progress these arrangements further, starting with a workshop on 11th September 2012 and a meeting with local authority officers on 4th October 2012.
 32. Further updates will be provided as the LHRP for County Durham, Darlington and Tees Valley is developed.
 33. The responsibility for NHS emergency preparedness remains with the Primary Care Trusts and Strategic Health Authority clusters until 31 March 2013, when the new arrangements and responsibilities become fully operational.

Recommendations and reasons

34. Cabinet is recommended to:
 - Agree that further reports regarding the transfer of public health functions from NHS County Durham to Durham County Council continue to be provided to Cabinet on a quarterly basis.

Contact: Peter Appleton, Head of Planning and Service Strategy, Children and Adults Services
Tel: 03000 267 388

Anna Lynch, Director of Public Health County Durham
Tel: 0191 374 4131

Background Papers

There are no background papers for this report.

Appendix 1 - Implications

Finance – Durham County Council will receive a ring-fenced budget for public health protected for 2013/ 14 and 2014/15 and an inflationary cash uplift over that period. However, the interim allocation recommendations, if implemented, will significantly reduce the level of public health funding for County Durham.

Staffing – The transfer of health improvement functions will have implications for existing NHS staff, Durham County Council, Public Health England and the NHS Commissioning Board. Plans are currently underway to accommodate and support the public health staff transferring to Durham County Council from NHS County Durham.

Risk – There are significant risks in the transfer of public health functions from NHS County Durham to Durham County Council. This is monitored by the DCC Receiver Group and the corporate risk assessment process, and due diligence is being carried out by Internal Audit and Risk to ensure that the necessary controls, evidence and quality assurance are in place.

The implications of the potential medium to long term reduction in public health funding to Durham County Council presents a significant risk and the corporate risk register has been updated accordingly.

Equality and Diversity / Public Sector Equality Duty – An Equality Impact Assessment will be carried out by the DCC Receiver Group and this has been built into the transition project plan. This will need to take into account interim and final proposals for public health funding.

Accommodation – Public health staff to be transferred to Durham County Council will require accommodation.

Crime and Disorder – There are no direct implications.

Human Rights – There are no direct implications.

Consultation – The government continues to consult on key policy in relation to public health reform.

Procurement – The commissioning of public health services will have implications for procurement.

Disability Issues – There are no direct implications.

Legal Implications – The Health and Social Care Bill received Royal Assent on 27th March 2012 and is now an Act of Parliament.

Durham County Council's Constitution will be amended to ensure that it incorporates relevant future responsibilities from 1st April 2013 with regard to public health.

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Cabinet

10 October 2012

NHS Reforms



Report of Corporate Management Team

Rachael Shimmin, Corporate Director of Children & Adults Services

Councillor Lucy Hovvels, Cabinet Portfolio Holder for Safer and Healthier Communities

Councillor Morris Nicholls, Cabinet Portfolio Holder for Adult Services

Councillor Claire Vasey, Cabinet Portfolio Holder for Children & Young People's Services

Purpose of Report

1. The purpose of this report is to provide an update on recent developments in relation to NHS reforms.

A separate report will be presented to Cabinet on 10th October 2012 which details the significant policy developments in relation to the Public Health transition.

Background

2. Following agreement by both the House of Commons and Lords on the text of the Health and Social Care Bill it received Royal Assent on 27th March 2012. The Bill is now an Act of Parliament and becomes law.

Government key milestones can be found in Appendix 2.

National Policy Developments

3. The Department of Health recently consulted upon draft guidance for joint strategic needs assessments and joint health and wellbeing strategies. The draft guidance provides a framework for NHS and local government to work together to undertake joint strategic needs assessments (JSNA) and joint health and wellbeing strategies (JHWS).

Durham County Council has co-ordinated a response to the consultation on behalf of the County Durham Shadow Health and Wellbeing Board.

4. The NHS Commissioning Board Authority who will ensure the new design of NHS Services is fit for purpose, has set out its plan for a small number of national networks to improve health services for specific patient groups or conditions. Called strategic clinical networks, these organisations will cover conditions or patient groups where improvements can be made through an

integrated, whole system approach. These networks will exist for up to five years and will be managed by 12 locally based support teams.

5. The NHS Commissioning Board (NHS CB) has divided England into 12 areas which map onto CCG and local authority boundaries. Each area will contain a number of different bodies including clinical senates, strategic clinical networks and academic health science networks. The work of these bodies will support and encourage the improvement of local health services.

Regional Developments

NHS Commissioning Board – Local Area Teams

6. Strategic Health Authorities and Primary Care Trusts will be abolished in April 2013. Work has been undertaken by regional Directors of the NHS Commissioning Board (which is currently running in shadow form until it becomes fully operational on 1st April 2013) to plan the geographies of Local Area Teams (LATs) within each region.
In the North of England there will be a total of nine Local Area Teams; one team will cover Durham, Darlington and Tees - Cameron Ward has been appointed as Director of this Local Area Team.
7. LATs will have the same core functions including, Clinical Commissioning Group development, Emergency Planning and Resilience and Response. All LATs will take on the direct commissioning responsibilities for GP services, dental services, pharmacy and certain aspects of optical services.

Developments in County Durham

8. County Durham Clinical Commissioning Groups (CCG) have made the following appointments:

Durham Dales, Easington and Sedgefield CCG
 - Dr Stewart Findlay now appointed as Chief Clinical Officer Designate
 - Annie Dolphin – Chair (Lay person)
 - Mike Taylor – Chief Finance and Operating Officer Designate
North Durham CCG
 - Dr Neil O'Brien now appointed as Chief Clinical Officer Designate
 - Dr Kate Bidwell – Clinical Chair Designate
 - Nicola Bailey – Chief Operating Officer Designate (effective from 1st November 2012).

Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy

9. The Joint Strategic Needs Assessment (JSNA) 2012 has been produced with updated data and key messages. The key messages from the JSNA 2012 have been used to inform the priorities for Joint Health and Wellbeing Strategy.

10. The Joint Health and Wellbeing Strategy (JHWS) for County Durham will be the 'masterplan' for health and wellbeing. It will use the key messages from the Joint Strategic Needs Assessment and national policy to determine what the priorities for health and wellbeing will be, to enable commissioning plans of the local authority and Clinical Commissioning Groups to be developed.
11. Further work has continued to progress on the draft JHWS strategic objectives taking on board comments received from the 'Big Tent' engagement event, which took place on 27th June. The current draft JHWS objectives are as follows;
 - Give children and young people the best possible start in life.
 - Reduce the number of people dying prematurely, while reducing the difference between the least and most healthy communities and improve the least healthy more quickly.
 - Improve the quality of life, care and support for people with long term conditions and those recovering from ill health or injury to assist them to live as independently as possible.
 - Improve mental health and wellbeing of the population.
 - Protect vulnerable people from harm.
 - Allow people to die in the place of their choice with the care and support that they need.
12. Further internal consultation took place prior to a draft of the JHWS going to the SHWB on 5th September 2012 for agreement to be circulated for wider consultation. This wider consultation started on the 6th September and will run until the 19th October 2012. The consultation process has taken place on the DCC and NHS websites and through targeted briefing notes to stakeholders, presentations to Adults and Children's Overview and Scrutiny Committees, consultation with the County Durham Partnership and the 14 Area Action Partnerships.
13. A draft Equality Impact Assessment has been completed and published on the DCC website as part of the consultation process for the JHWS. The Joint Strategic Needs Assessment highlights a number of key messages about the health and wellbeing needs of communities in County Durham which has fed into the development of the JHWS. New information or evidence gathered through the consultation process will be analysed to update the final equality impact assessment.
14. Following this wider consultation process the JHWS will be presented to the Shadow Health and Wellbeing Board on 8th November 2012 for sign off and then presented to Cabinet on 12th December 2012.

Local Healthwatch

15. Local HealthWatch will give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality.

16. Updated key milestones in the commissioning of Local HealthWatch in Durham County Council are as follows:

- Procurement of Local HealthWatch - September to December 2012.
- Evaluate submissions from potential providers of Local Healthwatch – January 2013.
- Award contract to chosen Local Healthwatch provider - January/February 2013.
- Establish Local HealthWatch -1st April 2013.

NHS Complaints Advocacy Service

17. The Independent Complaints Advocacy Service (ICAS) is a national service that supports people who wish to make a complaint about their NHS care or treatment. As part of the Health and Social Care Act 2012, local authorities must commission NHS complaints advocacy from any suitable provider (including local Healthwatch) from 1 April 2013.

18. Discussions have been ongoing with other regional authorities regarding the NHS Complaints Advocacy Service. It is likely that NHS Complaints Advocacy will be commissioned by a regional collaboration lead by Gateshead Council.

County Durham Shadow Health and Wellbeing Board

19. The Shadow Health and Wellbeing Board continues to meet regularly until the statutory Health and Wellbeing Board is established in April 2013.

20. Dr Stewart Findlay and Dr Dinah Roy (Director of Clinical Quality and Primary Care Development Designate) will represent Durham Dales, Easington and Sedgefield Clinical Commissioning Group at the Shadow Health and Wellbeing Board.

21. Dr Neil O'Brien and Dr Kate Bidwell will represent North Durham Clinical Commissioning Group at the Shadow Health and Wellbeing Board.

Constitutional Arrangements

22. The Health and Social Care Act 2012 requires each upper tier Local Authority to establish a Health and Wellbeing Board for its area and that this Health and Wellbeing Board will be a Committee of the Local Authority.

23. Interim governance arrangements for the Shadow Health and Wellbeing Board (SHWB) were implemented in June 2012 and will be reviewed again when regulations are issued regarding Health and Wellbeing Boards.

24. The Department of Health has sought views to develop proposals for regulations that will apply to Health and Wellbeing Boards from April 2013. The legislation states that the board is a committee of the local authority and

this therefore makes is subject to various provisions in local government law relating to the discharge of functions which may be regarded as too restrictive for the partnership that the board will need to be. The act allows regulations to disapply or modify any aspects of the existing legislation relating to such a committee to assist the Health and Wellbeing Board function. Durham County Council will be involved in testing the Health and Wellbeing Board regulations, when drafted, which is expected to be in the Autumn 2012.

26. The Health and Social Care Act 2012 amends existing legislation extending local authorities' formal powers to review and scrutinise all relevant NHS bodies and relevant health service providers. Regulations may authorise a local authority to arrange for its functions to be discharged by an overview and scrutiny committee of the authority, including by way of a bespoke Health Scrutiny Committee as currently exists.

27. Durham County Council has responded to a Department of Health consultation regarding Local Authority Health Scrutiny arrangements. A report in relation to the implications of the Health and Social Care Act 2012 on Overview and Scrutiny will be submitted to Adults, Wellbeing and Health Overview and Scrutiny Committee and to Cabinet by the end of 2012. A report will then be presented to Full Council in early 2013. Final Health Scrutiny Regulations are anticipated in December 2012/January 2013.

Recommendations

28. Cabinet are recommended to receive this report and:

- Agree that further reports regarding NHS reforms will continue to be provided to Cabinet on a quarterly basis.
- Agree that the Joint Health and Wellbeing Strategy will be presented to Cabinet on 12th December 2012.

Contact: Peter Appleton, Head Planning and Service Strategy
Tel: 0191 383 3628

Background Documents

Consultation on Joint Strategic Needs Assessments and Joint Health and Wellbeing Strategy guidance

Local Healthwatch regulations – a summary report of engagement

Appendix 1 - Implications

Finance – No direct implications

Staffing – No direct implications

Risk – Failing to establish a Health and Wellbeing Board as laid out in the Health and Social Care Act may leave DCC open to legal challenge.

Equality and Diversity / Public Sector Equality Duty – Under provisions in the Health and Social Care Act the Secretary of State, NHS Commissioning Board and Clinical Commissioning Groups will have a duty to reduce health inequalities. Equality Impact Assessments will be carried out as part of the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy.

Accommodation – No direct implications

Crime and Disorder – The Joint Strategic Needs Assessment considers the wider determinants of health and well-being within a Local Authority's area, including crime and disorder issues and signposts to the Safe Durham Partnership Strategic Assessment.

Human Rights – No direct implications

Consultation – The Government has consulted with patients and professionals on the NHS Reforms. Consultation in relation to the Joint Health and Wellbeing Strategy will be undertaken during September and October 2012.

Procurement – No direct implications

Disability Discrimination Act – No direct implications

Legal Implications – The Health and Social Care Bill was introduced to Parliament on 19th January 2011. The Health and Social Care Bill received Royal Assent on 27th March 2012 and is now an Act of Parliament

The Health and Social Care Act states that all upper tier local authorities must establish a Health and Wellbeing Board for their area. Failing to enact a provision will have legal implications for the Council.

Appendix 2 Key Milestones

Date	Key Milestones
Summer 2012	<p>Clinical Commissioning Groups to apply to NHS Commissioning Board for establishment and authorisation.</p> <p>CCGs to use their JSNA and JHWS as evidence for Authorisation by July 2012.</p> <p>JSNA statutory guidance published.</p>
September 2012	<p>PCT Clusters/ CCGs to use agreed JHWS as foundation for 2013/14 planning process. Involve partners in HWB in the planning process. Begin developing JSNA for 2014/15.</p> <p>PCT Clusters/ Local Authorities to agree arrangements on public health information requirements and information governance.</p>
October 2012	<p>NHS Commissioning Board established as an independent statutory body, but initially only carries out limited functions - in particular, establishing and authorising clinical commissioning groups</p> <p>Clinical Commissioning Groups enter formal authorisation process</p> <p>NHS Commissioning Board to decide on hosting of commissioning support services.</p> <p>PCT Clusters/ Local Authorities to test arrangements for the delivery of specific public health services and the role of public health in emergency planning, in particular the role of the Director of Public Health and Local Authority based public health. Ensure early draft of legacy and handover of documents.</p> <p>HealthWatch England established</p> <p>Health Education England to be established in Shadow form.</p> <p>Formal assessment of progress with transfer from PCT to Local Authorities.</p> <p>Refresh of Adult Social Care Outcomes Framework.</p> <p>Monitor starts to take on its new regulatory functions</p> <p>Publication of public health Workforce Strategy</p> <p>National guidance on emergency preparedness</p>
December 2012	<p>PCT Clusters/ CCGs to begin developing JHWS for 2014/15. Continue to work with partners in HWB to develop commissioning plans.</p> <p>Development of vision and strategy for new public health role (linked to Health and Wellbeing Boards)</p>

	<p>NHS Outcomes Framework for 2013/14 published.</p> <p>Operating Framework for 2013/14 published.</p> <p>Final public health allocations and national formula expected.</p>
During 2012/13	<p>Local Authorities will commission Local Healthwatch organisations.</p> <p>PCT Clusters/ Local Authorities will agree arrangements for Local Authorities to take on public health functions – date for local determination.</p>
January 2013	<p>PCT Clusters/ Local Authorities will ensure final legacy and handover documents produced.</p> <p>Public Health England business and operational plans published.</p> <p>Completion of initial round of CCG assessments.</p>
February 2013	<p>CCGs to work with partners in Health and Wellbeing Boards to ensure that commissioning plans fully reflect the local priorities in the Joint Health and Wellbeing Strategy.</p>
April 2013	<p>SHAs and PCTs are abolished</p> <p>NHS Commissioning Board takes on its full functions</p> <p>Health Education England takes over SHAs' responsibilities for education and training</p> <p>NHS Trust Development Authority takes over SHA responsibilities for the foundation trust 'pipeline' and for the overall governance of NHS trusts</p> <p>Public Health England established as an executive agency of the Department of Health</p> <p>Full system of clinical commissioning groups is established. The NHS Commissioning Board will only authorise groups to take on their responsibilities when they are ready.</p> <p>GP practices will be members of either an authorised clinical commissioning group, or a 'shadow' commissioning group</p> <p>Clinical commissioning groups that are ready and willing could be authorised to take on full budgetary responsibility. This will be determined through a robust process of authorisation, run by the NHS Commissioning Board, with input from emerging Health and Wellbeing Boards and local clinicians.</p> <p>Formal commissioning arrangements implemented between Public Health England, NHSCB, clinical commissioning groups and local authorities</p> <p>Public Health England to allocate ring-fenced budgets, weighted for inequalities, to Local Authorities to commission public health services.</p>

	<p>Health and Well-Being Boards assume statutory responsibilities</p> <p>Local authorities will have a duty to improve the health of their populations</p> <p>Local Authorities and local HealthWatch will take formal responsibility for commissioning NHS complaints advocacy.</p> <p>Local Public Health budgets allocated</p> <p>Personal budgets for ongoing social care granted</p> <p>Monitor's licensing regime is fully operational</p> <p>Local authorities take responsibility for Directors of Public Health and their functions</p> <p>Launch of Local HealthWatch.</p>
April 2014	<p>The majority of remaining NHS trusts will be authorised as foundation trusts. If any trust is not ready, it will continue to work towards foundation trust status under new management arrangements.</p> <p>Local Medical Examiner service transferred to LAs.</p>
April 2016	<p>Monitor's transitional powers of oversight over foundation trusts will be reviewed</p>

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