

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 14 January 2013** at **10.00 am**

Present:

Councillor J Moran (Chair)

Members of the Committee:

Councillors J Armstrong, B Arthur, B Graham, J Hunter, R Liddle, A Naylor, J Rowlandson, P Stradling, M Wilkes and A Willis

Co-opted Members:

Mr A Kitching

1 Apologies for Absence

Apologies for absence were received from Councillors J Cordon, P Jopling and M Williams and Mr T Batson, Mrs O Brown and Mrs A Harrison.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meetings held on 19 November 2012 and 29 November 2012 were agreed by the Committee as a correct record and signed by the Chair subject to amendment to page 5 of the Minutes from 19 November 2012 where Councillor M Wilkes had referred to "a link" from the Durham County Council (DCC) website to Business Durham's website, rather than "a clearer link". In addition, in relation to Minute A5 of the minutes held on 19 November, 2012 it was confirmed that arrangements were being made for Councillor Wilkes to meet with the appropriate officers from RED to discuss issues relating to the Capital Programme.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

The Overview and Scrutiny Officer, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy of slide see file of minutes), namely the increase in cultural events with an extra day for the Bishop Auckland Town Food Festival; the Stock Options Appraisal process, on the agenda for this meeting; and business engagement with the "Made in Durham" event and Spacetech event to be held at NETPark.

Resolved:

That the presentation be noted.

7 Quarter 2, 2012/13 Performance Management Report

The Chair introduced the Customer and Services Intelligence Manager, Graham Tebbutt who was in attendance to speak to Members in relation to the Quarter 2, 2012/13 Performance Management Report (for copy see file of minutes).

The Customer and Services Intelligence Manager noted this information related to the period June 2012 to September 2012 and that due to the timings as regards collating Quarter 3, that report would follow at a future meeting. In addition, he referred Members to additional information which had been circulated and requested by Members at a previous meeting of the Committee, providing a breakdown of business site occupancy figures. Councillors noted that some of the achievements in Quarter 2 included non-decency levels for Council properties being ahead of target and good progress with the County Durham Plan. It was added that key performance issues going forward were the number of empty properties being brought back into use, Council Plan actions and the programme of Capital Works for Regeneration and Economic Development (RED). Members noted the Tracker Indicators set out within the report including the decline in the employment rate and the fall in the number of major planning applications received. The Customer and Services Intelligence Manager continued by informing Members that the indicator in relation to affordable homes was being reviewed for 2013/14 with a view to it being removed. He continued by making reference to the meeting held on the 19 November 2012 when Members had raised the possibility of targets being set for the number of passenger journeys on the Park and Ride a Tracker Indicator and explained that there were concerns at how this might be achieved, particularly if this was linked to potentially increasing car parking charges in Durham City.

The Chair thanked the Customer and Services Intelligence Manager and asked Members for their questions.

In response to a question from Councillor M Wilkes relating to empty homes, the Customer and Services Intelligence Manager noted that performance information at the end of Quarter 3 would include information as regards the Homes and Communities Agency (HCA) Cluster Bid and match funding. The Principal Overview and Scrutiny Officer, Stephen Gwilym added that a request for additional information regarding staffing had been made and would be collated in the next few weeks.

The Head of Strategic Programmes and Performance, Andy Palmer noted that he would find out information as regards business rates, adding that changes from Government were being made to prevent speculative building of commercial buildings that then could remain void once completed.

In answering a question from Councillor J Rowlandson in respect of the turnaround of major planning applications, the Customer and Services Intelligence Manager explained that those types of major application were often complex and therefore could fall outside of the target and that now that staffing restructures had been implemented this situation should become less frequent.

The Head of Strategic Programmes and Performance noted that County Durham was open for business, however, in the cases of major applications ensuring that the right decision is made in order to help bring in the types of businesses to help the economy was important, as was the good relationship the Council had built up with industry and businesses.

The Customer and Services Intelligence Manager responded to Mr A Kitching in respect of the number of people of working age population currently not in work who want a job, explaining that he did not have the number to hand, only the proportion, however he could find out the information for Members.

Resolved:

That the report be noted.

8 Durham Key Options - Update on changes to Lettings Policy

The Chair introduced the Senior Policy Officer, David Randall who was in attendance to give Members an update as regards changes to the Lettings Policy (for copy see file of minutes).

The Senior Policy Officer commented that most of the proposed changes had been agreed including: the consolidation of the Bands into which applicants are placed from A to F, where F was the reduced priority band, down to A to E; new proposals as regards under-occupancy to give those in under-occupancy priority in light of Welfare Reform changes; removal of applicants from the register for a period of 6 months should they arbitrarily refuse 3 properties or not respond to 3 offers within a 6 month period; and changes to Armed Forces preference would be made in line with Government guidance. It was noted that the suggestion that those that had been able to demonstrate a "positive contribution" to the community should be allocated to Band D had been seen as being unfair by consultees and would not be taken forward. Councillors noted that and that the Council homeless duty will be amended such that the time given to bid for a property will be reduced from 12 weeks to 6 weeks, initial suggestions of 4 weeks having been felt as being too short a time by consultees. Members were reassured that vulnerable groups would retain their main housing priority should they refuse an offer of private rented accommodation.

The Chair thanked the Senior Policy Officer and asked Members for their questions.

In reference to a question from Councillor M Wilkes, the Senior Policy Officer noted that objections to the preference for those demonstrating a "positive contribution" were from a range of consultees, including applicants, partners and agencies.

It was added that the majority of the objections were from applicants and that issues as regards being able to define voluntary contribution was proving difficult for Local Authorities. Members noted that in many cases, it would be possible for their needs to be met via welfare/hardship arrangements.

The Senior Policy Officer noted, further to comment from Councillor M Wilkes on attracting private landlords to use DKO, that there was a pilot scheme relating to private landlords.

The Housing Solutions Manager, Lynn Hall added that Housing and officers in RED were busy finalising “what we want” from private landlords before advertising via DKO, and looking at issues of charging should the numbers coming forward present a resource issue. The Senior Policy Officer noted that Government guidance set out quality as regards gas, electricity, health and safety and so on for landlords. Members noted that it would be important to have regular updates on the matter, the Senior Policy Officer agreed that the situation would be monitored and with feedback to Members via Overview and Scrutiny.

Resolved:

- (i) That the report containing the agreed changes to the DKO Lettings Policy be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive an update report on the progress of the DKO Lettings Policy at a future meeting.

9 Stock Option Appraisal Update

The Chair introduced the Housing Stock Options Manager, Marie Roe who was in attendance to give Members an update as regards the Housing Stock Options Appraisal (SOA) Project (for copy see file of minutes).

The Housing Stock Options Manager referred Members to the report setting out the key findings and recommendations of the SOA, as agreed by Cabinet on 12 December 2012. Members noted that the consultation stage was completed and now the SOA was moving into the implementation stage. Councillors were reminded that the option agreed was for the Large Scale Voluntary Transfer (LSVT) of all of the housing stock owned by DCC, those of Durham City Homes (DCH), Dale and Valley Homes (DVH) and East Durham Homes (EDH), totalling around 19,000 properties to a single Arms Length Management Organisation (ALMO), retaining local services. The Housing Stock Options Manager informed Members that there was a legal requirement to have a Tenants' Ballot and that there was a dedicated Stock Transfer “Prospectus” that would set out the reasons, economic impact, social impact, changes to Government finances and the DCC contribution.

The Chair thanked the Housing Stock Options Manager and asked whether there was any more information as regards the debt write-off.

The Housing Stock Options Manager noted that it was still unclear from Government and that an update from the Department for Communities and Local Government (DCLG) following the Government's “Autumn Statement”, which noted some funds had been set aside. It was added that the HCA was in the process of amending its Stock Transfer Manual and that this was due imminently.

The Housing Stock Options Manager noted the debt write-off for DCC was £128 Million, adding that an agreed write-off for Bolton in 2009 was £300 Million.

In respect of comments made by Mr A Kitching as regards the spend as set out in the report regarding moving to an ALMO, the Housing Stock Options Manager noted that the stock transfer option opened up a wealth of opportunities and added that the Authority would be aware of the HCA's decision prior to moving forward with any spend.

Further to Councillor M Wilkes noting the concern of residents associated with the impact on rents and on their "Right to Buy" (RTB), the Housing Stock Options Manager noted that a newsletter would be going out to explain about rents and the change to RTB to "Right to Acquire". The Housing Stock Options Manager added that cost of delivering the transfer reflected all the necessary legally required processes including issuing Options documents to all those involved adding that consultation by the former City of Durham as regards housing stock had only got as far as a "test of opinion" and the response at that time was for the Council to retain the stock and management. It was added that a large proportion of the amount allocated was effectively an "arrangement fee" and that if the move via LSVT takes place, then this could release approximately £71 Million from 2014 onward.

Resolved:

- (i) That the information provided in the report identifying the preferred option for future financing, ownership and management of the Council's homes be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive further progress updates in relation to the development, impact and delivery of the new arrangements.

10 Minutes of the Meeting of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held 5 November 2012 were received by the Committee for information.