



**Economy and Enterprise  
Overview and Scrutiny Committee**

**Date** Monday 14 January 2013  
**Time** 10.00 am  
**Venue** Committee Room 2, County Hall, Durham

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**Business**

**Part A**

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

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meetings held 19 November 2012 and 29 November 2012 (Pages 1 - 22)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations:  
Update on Press Coverage.
7. Quarter 2, 2012/13 Performance Management Report: (Pages 23 - 36)  
Report of the Assistant Chief Executive – Graham Tebbutt, Customer and Services Intelligence Manager, Regeneration and Economic Development.
8. Durham Key Options - Update on changes to Lettings Policy: (Pages 37 - 42)  
Report of the Corporate Director of Regeneration and Economic Development – David Randall, Senior Policy Officer, Regeneration and Economic Development.
9. Stock Option Appraisal Update: (Pages 43 - 52)  
Report of the Corporate Director of Regeneration and Economic Development – Marie Roe, Housing Stock Options Manager, Durham County Council.

*P.T.O.*

10. Minutes of the Meeting of the County Durham Economic Partnership held 5 November 2012 (Pages 53 - 60)
11. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

**Colette Longbottom**  
Head of Legal and Democratic Services

County Hall  
Durham  
4 January 2013

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

Councillor J Moran (Chair)  
Councillor A Naylor (Vice-Chair)

Councillors J Armstrong, B Arthur, A Barker, B Brunskill, C Carr, J Cordon, B Graham, J Hunter, P Jopling, R Liddle, C Potts, J Rowlandson, P Stradling, Andy Turner, M Wilkes, M Williams and A Willis

**Co-opted Members:**

Mr T Batson, Mrs O Brown, Mrs A Harrison, Mr A Kitching, Mr D Lavin and Mr JB Walker

**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 19 November 2012 at 10.00 am**

**Present:**

**Councillor J Moran (Chair)**

**Members of the Committee:**

Councillors B Arthur, J Cordon, B Graham, P Jopling, R Liddle, A Naylor, J Rowlandson, P Stradling, M Wilkes, M Williams and A Willis

**Apologies:**

Apologies for absence were received from Councillors J Armstrong, A Barker, C Carr, J Hunter, Andy Turner and Mrs O Brown

**A1 Minutes**

The Minutes of the meeting held on 24 September 2012 were agreed by the Committee as a correct record and signed by the Chair.

**A2 Declarations of Interest**

There were no Declarations of Interest.

**A3 Items from Co-opted Members or Interested Parties**

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

**A4 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 creation of Business Durham, on the agenda; the contribution to the Annual Report of Durham City Homes by their Tenants' Panel; a bid for Lottery funding by Visit County Durham as regards the "Lindisfarne Gospels Durham 2013 and Beyond" project; a Business Improvement District for Durham City Centre; and the apprenticeship scheme at Durham County Council (DCC) giving opportunities for up to 15 young people across a range of Council departments.

**Resolved:**

That the presentation be noted.

## **A5 Forecast of Revenue Outturn Quarter 2, 2012/13**

The Chair introduced the Finance Manager, Resources, Azhar Rafiq who was in attendance to speak to Members in relation to the Forecast of Revenue Outturn, Quarter 2 2012/13 (for copy see file of minutes).

The Finance Manager noted that as usual, the areas reported upon would be the General Fund Revenue Account, the Housing Revenue Account (HRA) and the Capital Programme for the RED Service. Members noted the service was reporting a cash limit underspend of approximately £700,000 for 2012/13 based on the Quarter 2 forecast outturn, the figure being £100,000 for the Quarter 1 forecast outturn. Members noted the major underspends fell within Housing, Planning and Assets with the detailed explanations as set out within the report, together with those items identified as outside of the cash limit. Councillors noted that the service grouping was on track to maintain spending within the cash limit and the estimated outturn position incorporated the Medium Term Financial Plan (MTFP) savings required for 2012/13.

The Committee noted that the HRA was on track, with the main items of note being overspends on repairs and maintenance in the Durham City area resulting from increased costs per void as a result of higher lettable standards and increased costs as a result of some specific gas boilers that were out of warranty. Members noted underspends being achieved in other areas and also an overall surplus of around £1m that could be utilised to support the capital programme, reducing the reliance on borrowing.

Councillors were reminded of the usual volatility reporting arrangements, noting improvements in the position regarding Planning Fees and concessionary fares. It was added that the position as regards Building Control fees was still not being achieved with income below target and the previously mentioned housing repairs situation where expenditure was exceeding budget.

As regards the Capital Programme, the Finance Manager explained that the budget now stood at approximately £101 Million split between the General Fund (~£55.2 Million) and HRA (~£45.8 Million) with the early indications from project managers being that the outturn spend would be in line with the revised budget. It was stated that the first 6-7 months of the General Fund capital budget usually had a lower profile of spend when compared to the later months of the financial year when things catch up.

The Chair thanked the Finance Manager for his presentation, noted that there would be a report that would include issues regarding the Capital Budget at a meeting of the Committee in January 2013, and asked Members for their questions on the Quarter 2 2012/13 report.

Councillor M Wilkes asked whether the figure as set out in Appendix 3 regarding Durhamgate representing roughly a quarter of the General Fund capital spend was correct; why only £400,000 of funds for industrial estates had been spent, from a figure of £4.7 Million; and why only an amount equating to less than 20% of the budget for General Fund capital schemes appeared to have been spent and whether there were any surplus or uncommitted budgets available.

The Finance Manager explained that the figures quoted in the report were correct and had come directly from the Councils financial management system. All the funds were allocated within the Capital Budget and that there was no "slush-fund". Members were reminded that some schemes operated over a period of several years unlike revenue budgets where spend is consistent from month to month and occurs in a consistent pattern over the course of the year. It was added that for capital schemes, past experience had shown that often the highest spend was within the final quarter of the year.

Councillor M Wilkes noted that he was concerned that if a further report was received in January, this would only leave 3 months until the end of the financial year for Members to be able to comment and also asked if there was a figure as regards the amount carried over from the previous years' capital budget into the 2012/13 budget. The Head of Economic Development and Housing, Sarah Robson explained that the spend profile within the capital budget was such that not every month had an equal spend, reiterating the Finance Manager as regards to the major contracts and schemes to be finalised within the last few months of any financial year. In response to this query, Members agreed that Quarter 3 forecast of Revenue Outturn 2012/13 should include the information on the Capital Programme and that this information would be shared at the earliest opportunity with the Committee, presenting the opportunity for Members to ask questions relating to the Capital Programme for Regeneration and Economic Development (RED).

Councillor M Wilkes raised a concern as regards highways maintenance works that had not been completed, noting that he had been informed that this delay had been an issue with procurement, and queried whether now that winter weather was upon us would works be able to be completed in time or would further deterioration to the surface occur. Councillor B Arthur noted that the severe rainfall and flooding had been cited as a reason for delays in completing some highways works. Councillor P Stradling noted that outside of the cycle of meetings, Members could always speak to the relevant Portfolio Holder and/or Officers as regards any issues in relation to highways maintenance.

**Resolved:**

That the report be noted.

**A6 Business Support and the Role of Business Durham**

The Chair introduced the Managing Director, Business Durham, Stewart Watkins who was in attendance to give Members a presentation in relation to Business Support and the role of Business Durham (for copy see file of minutes).

The Managing Director explained that in the past, the region's economy had predominately been based upon coal mining, with a slide showing the number of mines in the period 1950-1994.

Members noted that since the decline of the industry, there had been a need to redress the balance within the area, however the current position showed rises in the number of people in receipt of JobSeekers Allowance (JSA) and the Gross Value Added (GVA) figure for County Durham was only 69% of the national average.

Councillors were reminded that a complaint often levelled was that business support was overly complex and there were far too many providers, and a diagram showing the previous provision was presented to Members. The Committee noted that since that time, there had been enormous changes with many of the organisations and providers no longer being in existence, such as One North East and Business Link and reviews into the provision of business support had recommended a single point of contact.

Members noted that with the combination of County Durham Development Company (CDDC) and the DCC in-house Business Support team in March 2012, Business Durham was formed and the intention was to provide a single place for businesses to go in respect of support, with a clearly defined function and identity.

Councillors noted that many of the CDDC Board Members with experience were retained and a number of private sector Board Members were added to complete the Business Durham Advisory Board. Members noted the private sector Board Members included: Arnab Basu (Kromek); Peter Chapman (EDBS); David Coppock (UKT&I); John Hamilton (Lampas); David Land (Tallent); Brian Manning (Esh Group); and James Ramsbottom (NECC).

The Managing Director explained that the intention was to keep the Business Durham priorities as simple as possible, with only 3 main priorities:

- to retain as many existing companies as possible;
- to grow these companies at every opportunity;
- to attract additional businesses.

Members learned that there was a lot of competition in respect of the retention of business in the area, not only externally with the likes of Eastern Europe and China, but also “intra-company” competition too. It was added that in respect of growing companies, there was a need to attract internationally; encourage local procurement; support skills/training; ensure the Council was “business friendly” and supported renewable energy/low carbon economy.

In order to deliver against the priorities, a number of objectives were established:

- encourage a more entrepreneurial culture;
- encourage the growth and development of small and medium sized businesses (SMEs);
- support larger companies;
- attract capital and inward investment to the County;
- encourage and support the development of innovative, technology based SMEs;
- maximise the benefit of the County Council’s stock of business property.

The Committee were reminded of activities that had taken place such as the NASA Astronauts in 2010, Brainwave in 2012 and the ongoing Future Business Magnates scheme in order to promote business with young people. Councillors noted the involvement of many SMEs including GT Group at Peterlee and Newton Aycliffe; Romag, specialising in glass/photovoltaics and EBac, recipients of a Regional Growth Fund (RGF) grant.

The Managing Director added that larger companies were engaged with including TRW, NSK and Husqvarna to name a few, and reminded Members of the inward investment that would be attracted from the Hitachi train deal, 730 jobs within their factory, around 700 jobs in the supply chain.

In looking to the future, the Managing Director explained that it would be necessary to continue to innovate and move forward with technology with areas such as NETPark with the Discovery Centres; National Printable Electronics Centre; NETPark Research Institute and NETPark Incubator alongside Kromek, a business spin off from Durham University. Members were informed that there was a Masterplan for NETPark and that the site in total was 250 acres, one of the largest scientific parks in the country and evidence of County Durham being “ahead of the pack”.

The Managing Director explained that within County Durham, there were a number of strategic sites across the region, and noted several business unit areas within the County, including Low Willington Industrial Estate; Consett Business Centre; Durham Dales Centre; Shildon Business Centre; and Tanfield Lea Business Centre. Members noted that there was a need to ensure the branding of Business Durham was recognisable and to this end, the Business Durham website had been designed reiterating the new logo and offering information and links to relevant partners that Business Durham works with.

The Committee noted that the key issues were to:

- Continue to deliver against the six objectives;
- Improve engagement with businesses;
- Encourage a business friendly Council;
- Increasing business opportunities through areas including:
  - International trade
  - Exporting
  - Corporate Procurement
  - Supply Chain delivery and inter-trading
- Addressing start-up and enterprise support post-2013.

The Chair thanked the Managing Director for his presentation and asked Members for their questions.

Councillor M Wilkes noted that as most employers were SMEs with less than 10 employees, and whilst there was a lot of positive information within the presentation as regards larger and medium sized companies, he felt that there was a need to ensure that these smaller companies were offered support. Councillor M Wilkes added that upon trying to access business support from the DCC website, it had proven difficult and perhaps a clearer link to the Business Durham website was needed on the Council site. The Managing Director noted that IT and Corporate Communications were currently working on this issue and that it was planned that access via the DCC website would be available before Christmas 2012.

Councillor J Cordon asked whether there was scope to help small businesses in respect of the high overheads faced by them on the high street, lack of car parking facilities and so on.

The Managing Director noted that the issue of car parking could be dealt with in the next agenda item looking at Masterplans, and that the issue of business rates was being looked at currently, within legislation.

Councillor B Arthur noted with some concern as regards the problems with Cumbrian Seafoods and the loss of jobs from such a relatively large company. The Managing Director explained that as one of the top 100/150 companies they were contacted as regards support. It was added that while Youngs had bought the company, they had made a business decision to retain production in their main facility at Grimsby.

Councillor M Wilkes noted a recent press release had explained that a café in Chester-le-Street had received financial support and asked whether providing such sums to individual businesses was sensible or whether a more strategic approach would be better.

Councillor P Jopling noted concerns as regards Bishop Auckland, with the proliferation of “out of town” development and the high rent charged by landlords within the town centre. The Managing Director noted that the next agenda item on Masterplans may provide information as regards these issues.

#### **Resolved:**

That the report and presentation be noted.

#### **A7 Masterplans for County Durham**

The Chair introduced the Regeneration Projects Manager, Chris Myers and the Community Economic Development Manager, Wendy Benson who were in attendance to give Members a presentation in relation to Masterplans for County Durham (for copy see file of minutes).

The Regeneration Projects Manager explained that the strategic context for the Masterplans was to focus and coordinate regeneration activities; input into the delivery of the Local Plan and Infrastructure Delivery Plan; engage with partners, Area Action Partnerships (AAPs), stakeholders and the community; taking forward proposals with investors, developers and landowners; and raising the profile of town centres. Members noted that Development was based upon available evidence and took account of corporate documents such as the Regeneration Statement. It was explained that while there was a focus on the RED Capital Programme but the activities of other public and private sector partners were taken into consideration.

Members were informed that there would be 12 Masterplans prepared for: Consett; Stanley; Chester-le-Street; Seaham; Peterlee; Durham; Spennymoor; Newton Aycliffe; Bishop Auckland; Crook; Shildon; and Barnard Castle. Masterplans have already been prepared for Consett, Stanley, Chester-le-Street, Seaham, Bishop Auckland, Crook and Barnard Castle. The documents for Peterlee, Spennymoor, Newton Aycliffe and Shildon will be prepared for the Spring of 2013 and Durham City for September 2013 (to align with the Local Plan preparation).



The Committee noted the example of the Witham Hall/DCC Library project in Barnard Castle, which will restore listed buildings, provide new business space, and a new DCC Customer Access Point, Library and office accommodation. Funding has been obtained from the Heritage Lottery Fund (HLF), European Regional Development Fund (ERDF) and DCC.

Councillors noted construction began in July 2012, with the project to be completed June 2013. The Community Economic Development Manager noted the opening of the library and Customer Access Point (CAP) at Crook, releasing their original site for future development.

The Regeneration Projects Manager reminded Members of the work undertaken at the North Dock area of Seaham, the investment of around £5 Million from HLF and DCC the creation of 11 units at the site, 77 pontoons which were now starting to become occupied, a restored lifeboat house and the North Dock to be fully open to the public in Spring 2013, with links between the marina and the town centre. The Community Economic Development Manager explained that issues to be addressed at Consett included: linking the Hermiston Retail Park with the town centre; car parking; the bus station; and the future of the market.

Members were informed of the issues highlighted for Chester-le-Street, with the existing civic centre site to be redeveloped and the desire to have greater use and frequency of services at the railway station. The Regeneration Projects Manager noted that Bishop Auckland had seen works to properties in the Market Place and Fore Bondgate under the Targeted Business Improvement Scheme.

The Chair thanked the Officers for their presentation and asked Members for their questions.

Councillor J Cordon noted the plans as regards Chester-le-Street Civic Centre and regeneration of the town centre in general and commented that if further housing development were to take place there was a need to ensure that there was enough shops and amenities, such as car parking to support those additional people moving into the area.

Councillor M Wilkes commented that with the large number of “out of town” supermarkets and the “pedestrianisation” of town centres, should there not be a levy on supermarkets as regards helping with regeneration of the rest of the County, and if this was not possible perhaps Government being approached as regards making it possible for the future. Councillor M Wilkes also noted that when DCC provided money to help provide improvements to shop fronts, could this not be done in such a way that the money was via a loan, with the money returning to DCC such that the money could be recycled in the future. The Head of Economic Development and Housing noted that the funding provided to shop owners as described were part of a package of measures and support, not just for improvements to shop fronts, including help with securing additional employment, helping them access the online market, developing customers service skills to improve the business and that the businesses themselves were also making significant investment themselves, however, noting the point made there was a shift from the provision of grants to the provision of loans.

Councillor B Graham noted that it was good to hear that the Masterplan for Spennymoor was being prepared and would forward to seeing it in due course and that the AAP had helped to provide improvements to shop fronts, however, the issue of the threat of “out of town” provision on the town centre high street was a pressure, as was the additional housing that would come through in the near future and this would necessitate a strong town centre to support this. The Community Economic Development Manager explained that car parking was an important issue as regards supporting town centres and that DCC worked in partnership with private car park owners in addition.

Councillor A Naylor noted that some towns have in place free parking for 1 or 2 hours, for example Thirsk and this could be an idea to help attract shoppers.

Councillor M Wilkes noted that there was a large amount of money to be generated from car parking charges and added that Government were trialling schemes for Local Authorities to keep their business rates and therefore perhaps offer free parking schemes in some town centres as a pilot, in conjunction with reduced business rates by the Local Authority could help get some business units back into use. Councillor J Cordon added that such a pilot scheme within County Durham offering reduced business rates would be an incentive for businesses to occupy vacant town centre units.

Councillor P Jopling noted that some shops operate schemes where they offer money back for parking upon a sale, encouraging people to come and spend their money in the town. Officers noted that there was a need to look at potential incentives and schemes in town centres in 2013.

Councillor M Wilkes commented that there was a need for Members to receive a Committee report in relation to Government policy on the retention of business rates. The Finance Manager responded that Government policy in relation to the retention of business rates has not yet been clarified however latest information would suggest it is 50% of the total business rates collected by the Authority.

#### **Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update on the development of the Masterplans at a future meeting.

#### **A8 Stock Options Appraisal Update**

The Chair introduced the Stock Option Appraisal Project Manager, Marie Roe who was in attendance to give Members an update on the Housing Stock Options Appraisal (SOA) Project.

The SOA Project Manager referred Members to the update report within the agenda papers and that, since the last update to the Committee in July, further consultation had been conducted with Tenants; staff from DCC; the two Arms-Length Management Organisations (ALMOs), Dale and Valley Homes (DVH) and East Durham Homes (EDH), together with the in-house provider Durham City Homes (DCH); those organisations' Board Members; Elected Members; and other local partners.

Members were asked to recall the Communication and Consultation Strategy and the Tenant Empowerment Statement, with a consequence being the appointment of the Independent Tenant Adviser to offer impartial advice. The Committee were reminded of the various seminars and events held with Tenants' and Residents' Associations and that the vision with 8 objectives had been agreed and prioritised and that this had shaped the SOA process.

The SOA Project Manager explained that the key issues raised through the consultation process had included:

- The continued delivery and maintenance of improvement programmes and more investment in the improvement and diversification of services, concerns in relation to Welfare Reform
- Preservation of trusted brands, a strong sense of local identity with DVH, DCH and EDH
- The Council needs to consider the implications for the whole of the housing stock when identifying the option
- A desire for the quality of neighbourhoods and local services to match that of the housing provision

The SOA Project Manager noted that all stakeholders consulted had commented that a "whole stock" option was preferable as long as it was fair and equitable for all. It was added that stakeholders concerns about the implications of transfer to an existing Registered Providers varied from a loss of employment security and the removal of local accountability structures to the redirection of much needed investment from County Durham to other areas of the Country.

Members were reminded that the SOA Project was not just about "basic" housing need; it encompassed regeneration issues, implications of Welfare Reform and was an opportunity to decide upon how County Durham would be in the future. Councillors noted that the work undertaken had been inclusive and conducted such that the decision making was made transparent and open. The SOA Project Manager added that the final report regarding the SOA Project would be going to the meeting of Cabinet on 12 December 2012 and that she would return to a meeting of the Committee early in the new year to update Members on the process going forward from there, with information on project plans for implementation and so on.

Councillor M Wilkes asked whether there was over-repetition of updates relating to the SOA project, with many seminars and reporting back of issues to other Scrutiny Committees. The SOA Project Manager noted that this Committee was the only Committee that was reported back to in terms of the SOA Project and that the other seminars and events were either as part of the consultation exercise or to keep all Elected Members up-to-date. Councillor M Wilkes noted that the "Human Rights" section of Appendix 1 setting out implications said none and added that perhaps this should have a comment as regards issues such as Anti-Social Behaviour.

The SOA Project Manager noted that in relation to the SOA report going to Cabinet, the implications appendix would be looked at, with advice being sought from the Head of Legal and Democratic Services.

**Resolved:**

- (i) That the update report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update report at a future meeting of the Committee.

**A9 Minutes of the meeting of the County Durham Economic Partnership**

The Minutes of the meeting of the County Durham Economic Partnership held 30 July 2012 were received by the Committee for information.

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Thursday 29 November 2012** at **10.00 am**

#### **Present:**

**Councillor J Moran (Chair)**

#### **Members of the Committee:**

Councillors J Armstrong, B Arthur, B Graham, A Naylor, P Stradling, M Wilkes, A Willis

#### **Co-opted Members:**

Mr T Batson, Mrs A Harrison and Mr D Lavin

#### **Apologies:**

Apologies for absence were received from Councillors B Brunskill, C Carr, J Hunter, P Jopling, R Liddle, C Potts, J Rowlandson, Andy Turner, M Williams and Mrs O Brown and Mr A Kitching

#### **Also Present:**

Councillors M Dixon and E Tomlinson

#### **A1 Declarations of Interest**

Councillors B Arthur and E Tomlinson declared an interest in Item 3 as a Board Members of East Durham Homes and Dale and Valley Homes respectively.

#### **A2 Items from Co-opted Members or Interested Parties**

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

#### **A3 Performance Reporting: Durham City Homes, Dale & Valley Homes and East Durham Homes**

The Principal Overview and Scrutiny Officer, Stephen Gwilym referred Members to the covering report within the agenda papers and noted that the format of the meeting would be similar to previous years, this being the third year that the Committee had received the Annual Reports from the Housing Organisations.

Members noted that the Chief Executives of each of the Arms Length Management Organisations (ALMOs), Dale and Valley Homes (DVH) and East Durham Homes (EDH), together with the Manager of Durham City Homes (DCH) would give a brief presentation and speak to the Committee as regards their Annual Report and performance.

The Chair introduced the Manager, DCH, Simon Bartlett to speak in relation to the Council's "In-House Housing Organisation".

### Durham City Homes

The Manager, DCH explained that the Annual Report for DCH was developed in conjunction with Tenants, set out the performance in terms of the Tenants Services Agency (TSA) Standards, although while the TSA was no longer in existence, its remit was now with the Homes and Communities Agency (HCA). The Committee noted that the Annual Report had been developed with input from the Tenants' Panel at workshops sessions; focus groups; questionnaires and input from Staff.

The Committee heard that in relation to "Tenant Involvement and Empowerment" DCH had recruited 15 Tenants to the "Reality Checkers" group, completed 5 Scrutiny exercises and held a Tenants Matter Conference, with over 200 attendees. Members noted that the statistics for satisfaction levels were down slightly, in contrast to performance statistics that had actually increased in general. The Manager, DCH noted that 69% of telephone calls were answered within 60 seconds noting that the more usual standard for similar organisations was within 20 seconds. Councillors noted that the implementation of new Housing Benefit systems had a knock-on affect with public perception, with delays and frustrations with that process having coloured opinion as regards DCH. The Committee learned that the target for satisfaction with how a complaint was dealt with was 6/10 with the actual figure being 5/10, and the satisfaction level for how customers were dealt with was on target at 7/10. Members noted that 93 complaints had been received and 17 compliments.

Councillors understood that the service provided a 24 hour, 7 day a week telephone contact and offered a text message service for the reporting of Anti-Social Behaviour (ASB) and repairs. It was added that an updated complaints process had been implemented and that the second layer of automated menu selections had been removed from the housing telephone line, previously a source of frustration to users. Members noted that planned improvements included work to improve call response times, review of the complaints procedure and increasing capacity within the Estates Team. Councillors were reminded of the Tenant Scrutiny Panel that had been set up, Tenant involvement in looking at the Stock Options Appraisal (SOA) Project and an Equality and Diversity Guide for staff that had been developed. Members noted that improvements that were planned in relation to involvement included further development of Tenant Scrutiny, a Tenant training programme and a "Hard to Reach" involvement statement.

In relation to "Home", the Manager, DCH explained that all homes were at the Decent Homes Standard (DHS), though customer satisfaction with the quality of the works had fallen. The Manager, DCH explained that this could be a consequence of Tenants' misconception of DHS as being new kitchens, bathrooms and double glazing, rather than the official DHS criteria.

Members learned that changes in funding arrangements, moving from the grant system to self-financing would help to enable works to have all properties double glazed by next year, and also to work on issues with some combi-boilers. It was added that satisfaction with external painting had reduced and this was noted as an issue to be addressed.

The Committee were reminded that an Asset Management Strategy as well as a Decent Homes information pack and "Welcome Pack" had been produced. Members noted renewable energy works, for example installation of air source heat pumps, in conjunction with partners and of planned improvements including a review of the decoration voucher scheme and the affordable warmth strategy. It was noted that repairs performance was well above target with the percentage of repairs appointments kept being 98.5%, up from only 60% 5 years ago. Members noted that the number of repairs being completed correctly first time was 99.5% and the gas safety certificate figure was 99.9%. Councillors noted that there had been improvements to: the repairs and maintenance policy and fire safety, with further improvements planned relating to rechargeable repairs; the handy person scheme and improved communication as regards repairs and maintenance works.

The Manager, DCH noted for "Tenancy" that the satisfaction level of new Tenants was on target and the average re-let time had improved from the previous year, however was still below target, and it was added that only 8% of tenancies lasted less than 12 months a good indicator of the sustainability of the tenancies. Members noted that 86% of Durham Key Options (DKO) applications were registered within 28 days. It was explained that there has been several achievements including: improved Tenancy Agreements, a Tenants Handbook; "Smarterbuys", enabling Tenants to access low cost household items; and the setting up of the Tenancy Sustainment Team. The Committee were reminded of improvements that would need to be completed, including: Welfare Benefits advice, an "easy read" version of the Tenancy Agreement; and a review of the Lettable Standard.

Councillors learned that in relation to "Neighbourhood and Community", DCH had traditionally a high level of satisfaction; however, there had been a slight fall in satisfaction, though still 83% of Tenants were satisfied with their neighbourhood. Members noted that 5 ASB Contracts had been established, and there had only been 1 eviction as a result of ASB. Members noted that there was a Neighbourhoods Policy and Garage Strategy in place and communal areas were robustly managed. The Committee noted planned improvements included: an increase in the capacity of the Estates Team; more Neighbourhood meetings; ASB profiling and a "customer support reference map".

The Committee noted that in respect of "Value for Money", DCH had joined the North East Procurement Group, giving savings of approximately £500,000. It was added that the introduction of services charges was being developed to give transparency on the quality of the services being provided. The Manager, DCH explained that existing Service Level Agreements (SLAs) had been reviewed and 2 sheltered accommodation properties had been closed, as they were no longer fit for purpose. Members were reminded that DCH's Value for Money Working Group continued to operate to ensure matters were looked at and kept on track. Members noted that the rent collection level was 97.1% and £52,000 of former Tenant rent arrears had been collected. Councillors noted that 15 Tenants had been evicted for rent arrears and the current level of rent arrears was £623,000.

The Manager, DCH explained that whilst the “Governance and Financial Viability” strand was not technically applicable to DCH, the Annual Report did set out the information for clarity. Members were reminded that the Council’s Cabinet was the actual decision making body, with the DCH Non-Executive Board that would the pass reports to DCC for decisions, with the Tenants’ Scrutiny Panel undertaking an important governance role.

The Committee noted diagrams setting out the Revenue and Capital funding for DCH over 2011/12 and it was reiterated that there would be a move away from Government grant funding to self-financing. Councillors noted that the majority of the capital budget was in respect of decent homes works.

The Chair introduced the Chief Executive of DVH, Peter Chaffer to speak in relation to the performance and Annual Report for DVH.

### Dale and Valley Homes

Members were reminded that DVH was set up in 2006 and was responsible for over 4,000 properties, employing 70 people the majority of which lived locally.

The Committee noted that the DVH Vision was to “Provide homes and neighbourhoods that our customers want to live in and are proud to live in”, with 4 key strategic objectives having been established to achieve this:

- Delivering Excellent Services
- Delivering and Maintaining Decent Homes
- Running our Business Well
- Sustaining Local Neighbourhoods

The Chief Executive, DVH explained that there was considerable work undertaken in respect of engaging with stakeholders, through the Wear Valley Customer Panel, Scrutiny Group and working and resident groups. Members noted that the DVH Board included Tenants, with the Vice-Chair being a Tenant in addition to one of the 3 Committee Chairs also being a Tenant. Members were reminded of the work ongoing with DCC in relation to the SOA Project; Tenancy Strategy; choice based lettings (DKO); and complaints handling. The Committee noted that DVH worked with Esh Property Services and Gentoo to raise standards in the housing stock and achieve the Decent Homes standard.

Members noted that the Annual Report had been distributed to all customers, with customers having played a key role in deciding the format and content of the report. Councillors noted that performance in 2011/12 was good, with 96.4% of responsive repairs being completed on time against a target of 98.3%. Councillors learned that Decent Homes works had meant that 97.7% of homes were now decent and the level of satisfaction with the works was 93.3% against a target of 91.5%. Members noted that 100% of DVH properties had a valid gas safety certificate and that the current level of rent arrears as a percentage of the rent due was 2.07% compared to a target of 2.00%. It was added that the rent lost from empty properties as a percentage of the rent due was 1.1%, with the target having been 1.2%.



The Chief Executive, DVH explained that “Customer Guarantees” had been introduced in April 2011, consisting of 43 guarantees with 72 measures assigned to them. Councillors noted that 39 of the measures were on target, 28 were within 10% of target and 5 were further than 10% from target. The Committee noted that the guarantees had been reviewed and customer care training had been given to all staff and contractors. Members noted an improved performance in respect of satisfaction with complaints handling being 92.3%.

It was explained that DVH had helped in the SOA Project with involvement from customers and with the secondment of a member of DVH staff, Marie Roe, to be the Manager for the SOA Project. Members learned that a Tenant led Scrutiny Group was established in 2011/12 and they had reviewed the reporting and logging of repairs, and the complaints process, which had led to changes that had reflected in improved customer satisfaction. The Chief Executive, DVH explained that DVH had achieved the Customer Service Excellence (CSE) on its first attempt in June 2012. It was added that the CSE had recognised the emphasis placed on developing customer insight, understanding the customer experience and the robust measurement of service satisfaction. Councillors were asked to note a quote from the CSE Assessor: “The Scrutiny Group are excellent... a class above the rest”.

The Committee noted that DVH had almost achieved the Decent Homes Standard across all its properties; however, Members were reminded that there were levels of works undertaken to ensure that the “DVH Standard” or “Decent Homes Plus” was applied and this was on target to be applied to all homes by September 2013. Councillors noted that the level of investment in properties over 2011/12 had been approximately £6,827,000, making 567 homes up to the DVH standard. The Chief Executive, DVH was proud to note that 67 new homes had been built for DVH, with 46 being apartments, 4 being bungalows and 17 being 2/3 bedroom family homes. Members noted that the scheme at Greenside Place was completed on time and within budget, and had a high degree of customer satisfaction. It was added that the final phase of development at Park Avenue Court was completed in August 2012.

Members were asked to note that in relation to “Tenancy”, DVH had identified customers that were affected by the changes to benefit as a result of Welfare Reform and these customers were being offered help and support. Councillors noted that another strand of support being offered was that of an extension to the contract for Citizens’ Advice Bureau (CAB) to provide a Money Advice Service for DVH customers. It was noted that DVH had worked with DCC as regards under-occupation and 6 Tenants had been successful in downsizing from their previous property. Councillors were informed that 2 new services had been introduced, a Garden Maintenance Service and an Intensive Housing Management Service, both of which were generating additional income for DVH and delivering high levels of customer satisfaction.

The Chief Executive, DVH explained that customer satisfaction with the quality of their neighbourhood had improved to 87% and added that it was hoped that the SOA Project may offer the opportunity to help move the figure beyond 90%. Councillors noted several regeneration schemes and the continuation of the “Better Homes, Better Lives” fund which provided grants of up to £500 for community groups with support from DVH, the Esh Group and Gentoo.

Members noted that the efforts of customers and partners in helping to improve the neighbourhoods within the DVH area were recognised through an awards process.

Councillors were asked to note that in respect of “Value for Money”; a saving of £200,000 had been achieved within the contract with Gentoo, with indications from customers being that performance had not suffered in making efficiencies. Members noted that repairs workers no longer worked from a centralised depot, they worked from home, with the process managed from the DVH offices.

Councillors noted that bids for funding for Painting Pads, a social enterprise, and Energy Advisors had been successful, with the impact of Welfare Reform and rising energy costs being the 2 areas of highest concern. It was added that it had been possible to reduce the management fee of DVH by £400,000 and that this money could then be released to support the final stages of the Decent Homes works.

The Chief Executive, DVH reminded Members of the success of DVH in being noted within the Sunday Times Top 100 Employers, with an improvement in every aspect of the assessment year on year. It was noted that DVH achieved a 3 Star “extraordinary” rating and that DVH was the highest rated company within the North East across all sectors and the highest performing ALMO nationally. Members noted that DVH was the only ALMO to achieve 3 Stars and ranked 11th nationally in the “not-for-profit” category. Councillors noted that this was felt to be through high levels of employee engagement and that early indication from the recent Annual Customer Satisfaction Survey demonstrated significantly higher levels of customer satisfaction across all service areas.

The Committee learned that DVH invested in the training and support for its staff as demonstrated by an increase in investment from £5,000 for 2006/07 to £62,000 for 2011/12. Members noted that in 2012, the 4th Masters Degree had been achieved by a DVH staff member and a further 5 first Degrees were being studied for, with a variety of subjects being studied including: Management and Leadership; Project Management; Finance and Risk; Construction and Coaching and Guidance. It was explained that there was a correlation between the investment made in training and a reduction in the external consultancy budget which fell from £135,000 for 2006/07 to £30,000 for 2011/12.

The Chief Executive, DVH explained that apprenticeships had been a valuable investment and had provided much success for the business. Councillors noted that 1 in 3 members of staff had formerly been apprentices, 1 in 10 members of staff were currently undertaking apprenticeships and DVH had been recognised as a Top 100 Apprenticeship Employer in 2012. It was added that DVH had achieved North East Medium Employer of the Year and the Customer Insight Manager; Clair Ord had achieved an Inspirational Mentor of the Year Award and Apprentice Champion with the Chief Executive, DVH being voted as Inspirational Leader of the Year.

Members noted that challenges for the future included impact of the Welfare Reform Act and rising energy prices and a continued need to make further efficiencies. Councillors noted that there was a need to complete the Decent Homes programme and also to implement the recommendations of the SOA Project. It was explained that there was also a need for deliver further savings and efficiencies for DCC and to continue to improve performance.

The Chair introduced the Chief Executive of EDH, Paul Mains to speak in relation to the performance and Annual Report for EDH.

### East Durham Homes

The Chief Executive, EDH noted that the Annual Report for EDH was customer centric and was developed in conjunction with a Tenants' Editing Panel.

Members were reminded that achievements had not been made in isolation, there had been partnership working with several organisations including: DCC; the East Durham Area Action Partnership (AAP); The Housing Partnership; Kier; Keepmoat; Wates; Morrison; Durham Constabulary; and the County Durham Credit Union.

In respect of Tenant Involvement and Empowerment, it was noted that the new DCC Customer Access Point had been opened at Seaham and new local offers had been developed with customers and EDH had been successful in retaining its Customer Service Excellence award. Councillors noted that there had been 103 service improvements made and the contact centre received around 10,000 calls per month, with 97% being answered and 96% of those being dealt with at the first point of contact. It was added that the 4% that were passed on to back office staff for resolution were tracked and that, on average, complaints were dealt with in 7.5 calendar days.

The Chief Executive, EDH explained the Customer Scrutiny Panel had looked at 3 services areas, made 59 recommendations and had spoken at several national events receiving national acclaim. Councillors learned that there were "MAD" (Making a Difference) days involving Thornley Primary School and Blackhall Guides and also activities at Westlea Grove Community Centre. Members understood that "quick fix it" grants totalling £4,800 had been awarded to 13 community projects. The Committee were asked to note that actions had been taken to ensure that services were tailored to the needs of individuals: including different formats for information; interpretation and translation; use of Plain English; Typetalk and Browsealoud; induction loops and customer care kits to support customers. Members noted that there had been improvements to the accessibility of outlets and the Annual Customer Service Day had provided a valuable conduit by which to receive feedback from target groups. Councillors were made aware that EDH had been awarded "best practice" by the Tenant Participation Advisory Service (TPAS).

The Committee learned that there had been £23.7 Million spent on decent homes works, delivering 1,288 decent homes, with the non-decency rate having reduced from 77% to 61% and customer satisfaction being 9.01 out of 10. Members noted that fuel poverty and rising energy prices were issues that were affecting more and more Tenants and that in response to this a scheme of heating replacement works had been undertaken, and in Castle Eden where there was no mains gas supply 8 homes had been fitted with air source heat pumps in order to help reduce energy bills. Councillors noted that within the 2011/12 Capital Programme for EDH, a number of Decent Homes works were undertaken to empty properties, helping to get these properties back into use.

Members noted that in conjunction with East Durham AAP an Environmental Scheme had been instigated at Peterlee, joint funded with Local Councillor budgets, that had enabled 5 apprenticeships opportunities and it was added that each partner organisation involved had offered a full-time apprenticeships going forward.

It was noted that there was support for Social Enterprises and that it was hoped that in conjunction with the AAP, around 20 would be in place in the next few years.

Councillors were informed that in 2011/12 890 properties had received adaptation works and all properties had undergone an annual safety check.

In respect of repairs and maintenance, it was explained that over 33,000 repairs had been undertaken; 99.15% of appointments had been made and kept; 95.87% of repairs were completed right first time; and 99.95% of emergency repairs had been completed on time.

The Chief Executive, EDH explained that 757 properties had been re-let after repairs, with the re-let time now being 17 days (23 at the time of the Annual Report). Councillors noted improvements in respect of support of Tenancies with the introduction of the DKO Housing Wizard, important in the climate of Welfare Reform, 80% of applications were made via the internet; the “homeswapper” service; the “Smarterbuys” scheme for the purchase of furniture and white goods at a reasonable price and rate; and support of the Credit Union. Members noted an agreement with the Illegal Money Lending Team as regards helping to prioritise those fleeing violence from loan sharks and free welfare and debt advice that had helped 1,644 customers, identifying over £500,000 of housing and welfare benefits for those customers. The Committee understood that a Vulnerable Applicant Officer had helped 304 people access DKO and that 60 charitable fund grants worth £8,000 had been secured. It was added that 148 young people had been helped by the Sustainable Employment Team’s “Life Line” scheme as regards developing important life skills.

Members were reminded that estate walkabouts had been undertaken, 160 in 2011/12, there had been 17 environmental improvements as a result of the walkabouts, and 149 customers receiving help from the Handy-person service. The Committee were informed that 2 Estate Apprenticeships had been set up, studying for NVQ Level 3 over 2 years; students in schools had been appointed as “Junior Estate Officers”; and there had been a number of “community clean up” days that had been successful.

The Committee noted that there was still a challenge in respect of ASB with low-level incidents dealt with by the Estates Team, escalating to the ASB Team where issues were more serious. It was explained that there had been 446 reports of ASB in 2011/12 and 93% of the reports had been successfully resolved. Members noted that in response to a rise in domestic violence, 42 front line staff had been training in reporting domestic violence and hate crimes and EDH had received an award to Victim Support from TPAS. Councillors learned that there had been 146 referrals to support agencies and there had been workshop sessions delivered to local schools on the issue of ASB, together with football tournaments for 14-16 year olds.

The Chief Executive, EDH noted that in respect of value for money the Customer Involvement and Inspection Panel and Value for Money Panel had helped drive savings of £855,993, with that being made up of:

- £322,441 from repairs and maintenance
- £159,320 from aids and adaptation contracts
- £19,079 via new banking arrangements
- £17,000 when renewing the insurance policy

Councillors noted that this had allowed an additional £800,000 to be invested in providing Decent Homes works.

In relation to Governance arrangements, it was explained that Margaret Oswald had been shortlisted for the Housing Heroes Award for “Inspirational Board Member of the Year” and the Chair’s Charity had raised £2,314 for the County Durham Society for the Blind, as well as around £5,000 for Multiple Sclerosis (MS). Members noted that the Board undertook assessment set against the National Housing Federation “Code of Governance”.

The Chief Executive, EDH referred Members to the financial information within the presentation, highlighting that a surplus of £142,712 and reserves of £2,134,052 had been reported for 2011/12. Members noted the several awards that EDH had achieved including:

- Action for the Blind – See the Capability not the Disability Award
- NFA Board Director of the Year 2011
- CIH Housing Heroes – Inspirational Board Director of the Year
- Finalists in Social Landlords Crime and Nuisance Group (SLCNG) for partnership with County Durham and Darlington Fire and Rescue Service
- Better Health at Work Gold
- Shortlisted for TPAS “Best Practice for Supporting People”
- Annual Constructing Excellence North East Awards – Client of the Year
- TPAS Award “Excellence in Equality and Diversity”
- Tenant of the year nomination
- Tenant / Resident Liaison Officer of the Year nomination

The Committee noted that there were challenges for the future, with a need to focus on customer experience, introducing a customer knowledge module to give appropriate training. Members noted there would be the launch of the Self-Service Portal and also development of options for customers to be able to buy furniture. It was added that it was hoped that the “Leader in Diversity” status would be achieved and that work would continue to develop a “buddies” scheme for victims of ASB and hate crimes. Members noted that there would be 1,500 Decent Homes delivered in 2012-13 and that customers would be supported in the wake of Welfare Reform. Councillors noted that it was hoped that the EDH Board would achieve an “Excellent A+” rating; further efficiencies would be developed and that SOA process would be completed.

The Chair thanked the three speakers and asked Members if they had any questions.

Mr T Batson noted that the three reports were excellent and wondered if Town and Parish Councils could relate to the Housing Organisations, accepting that there were representatives on the AAPs and so on. Councillor E Tomlinson noted that in his capacity as a DVH Board Member, he could feedback to that Board in this regard.

Councillor P Stradling asked what would happen to furniture packages that were given to customers should they move on or buy furniture themselves. The Chief Executive, EDH explained that any hired furniture would be returned should the customer no longer pay, and that alternatives such as obtaining low cost finance via a Credit Union were being suggested.

Councillor M Wilkes noted the work needed to complete the Decent Homes programme for EDH and appreciated the progress made so far, however, it was added that the schemes enabling people to access furniture packages or obtain fair finance via a Credit Union was far preferable to many high street lenders and furniture shops that had interest rates that were disgracefully high. Councillor M Wilkes also noted that there had been a fall in standards as regards grass-cutting in the Durham City area and wondered whether this was an issue related to how DCH was obliged to use DCC in-house services while the ALMOs were able to access whatever service they felt was appropriate and asked whether it would be possible to have a breakdown of the costs for each of the works being carried out by the 3 organisations.

Councillor B Graham asked whether there was a “standard” as regards adaptations works. The Manager, DCH explained that DCH was well resourced in this regard, and a backlog from 2009 had been cleared with the waiting time having been reduced from around 1 year for a walk-in shower down to zero. The Chief Executive, EDH noted that about 4-5 years ago, the waiting times for adaptation works were around 18 months, now the turnaround was in the upper quartile and the investment made in this area had been cost effective, with quicker turnaround and works being completed “right first time”. The Chief Executive, DVH noted that the resources allocated matched the need for adaptations and cases were prioritised accordingly.

Councillor M Dixon noted a story of a Tenant purchasing furniture from a high street store at high interest rates and then pawning the item in order to buy food, adding that these types of issues would only be resolved by working in partnership.

Councillor B Arthur asked for further information as regards the issue as regards combi-boilers breaking down. The Chief Executive, EDH noted that a particular model had been noted over time as being particularly problematic, notwithstanding it was manufactured by a well respected company. It was added that these particular boilers had been targeted for replacement as this would help to ensure longer term savings by reducing repair costs. The Manager, DCH noted the boilers DCH had experienced problems with had been the earlier versions of the technology and that there had not initially been any indications that problems would arise though these boilers would be replaced, again in order to provide longer term savings.

Councillor A Naylor asked why rent arrears can be allowed to get to quite significant levels. The Manager, DCH noted that last year there were some issues as regards the Housing Benefits system, moving from several systems pre-Local Government Reorganisation (LGR) to one for the new Unitary DCC. Members heard that there was a “carrot and stick” approach taken, with Information, Advice and Guidance provided as regards help that can be given regarding rent arrears problems from Tenancy Support and Benefit Advisors, and also external organisations like the Citizens Advice Bureau (CAB), together with Tenancy Enforcement action where appropriate. The Chief Executive, DVH noted that there was a legacy issue as regards Housing Benefit, however, over time the level of arrears was reducing. The Chief Executive, EDH added that it was Welfare Reform had the potential to increase problems at least in the short term.

Councillor M Wilkes noted that the format and layout of the DVH and EDH reports was very user friendly and perhaps the DCH report could benefit from being set out similarly.

The Principal Overview and Scrutiny Officer noted that the Members would recall a report as regards implications of Welfare Reform had been reported to Cabinet in May and it was added that workstreams were ongoing with involvement from Housing Partners as regards the potential impact of Welfare Reform. Members were asked to note that the SOA Project was ongoing, with the Committee being familiar with the Housing Stock Options Manager, Marie Roe who had spoken to Members on several occasions. It was added that the SOA Report would be going to Cabinet and that further feedback from the Housing Stock Options Manager, including any impact on how Overview and Scrutiny would review performance would be reported back to the Committee, with the figures still being within the usual performance monitoring reports. The Principal Overview and Scrutiny Officer reiterated the message that all 3 Housing Organisations had evidenced that there had been improvement as regards the Decent Homes Standard since LGR.

**Resolved:**

That Members of the Economy and Enterprise Overview and Scrutiny Committee note the Annual Reports and presentations in respect of Durham City Homes, Dale and Valley Homes and East Durham Homes.

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**Economy and Enterprise  
Overview and Scrutiny Committee**



**14 January 2013**

**Quarter 2 2012/13  
Performance Management Report**

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

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**Purpose of the Report**

1. To present progress against the council's corporate basket of performance indicators (PIs) for the Altogether Wealthier theme and report other significant performance issues for the second quarter of 2012/13.

**Background**

2. This is the second quarterly corporate performance report of 2012/13 for the council highlighting performance for the period July to September 2012. The report contains information on key performance indicators, risks and Council Plan progress.
3. The report sets out an overview of performance and progress by Altogether priority theme. Key performance indicator progress is reported against two indicator types which comprise of:
  - a. Key target indicators – targets are set for indicators where improvements can be measured regularly and where improvement can be actively influenced by the council and its partners; and
  - b. Key tracker indicators – performance will be tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence.
4. A summary of key performance indicators is provided at Appendix 3. More detailed performance information and Altogether theme analyses are available on request from [performance@durham.gov.uk](mailto:performance@durham.gov.uk).

**Development since last quarter**

5. An indicator specification document has been developed which details all definitions in relation to the performance indicators within the corporate set and highlights any known data quality issues or concerns. This is available from the document library on the Councillors Intranet homepage at: <http://intranet/sites/Councillors/default.aspx>

## Altogether Wealthier: Overview

Performance indicators				
	Red	Amber	Green	N/A
Direction of travel	4 (36%)	0 (0%)	7 (64%)	2
Performance against target	4 (40%)	0 (0%)	6 (60%)	3

Actions				
	Red	Green	White	Deleted actions
Performance against target	5 (12%)	33 (78%)	4 (10%)	0

## Council Performance

### 6. Key achievements this quarter include:

- a. The proportion of East Durham Homes properties currently not meeting decency criteria shows very positive performance at quarter 2 surpassing the annual target of 54% with an outturn of 51%. This is a reduction of 5 percentage points since the previous quarter and equates to 434 properties being made decent in quarter 2. Similarly, Dale and Valley Homes continues their high performance and the proportion of homes not meeting the required decency level has reduced to 1.87%. Durham City Homes level of non-decency also shows a reducing trend with 7% of homes not meeting decency criteria this period and work against delivery of the capital programme is expected to achieve 100% decency by 31 March 2013. These achievements in improving performance will have a big effect on the non-decency rate of council housing for the whole county.
- b. The number of people attending cultural activities (including museums, Gala Theatre and the BRASS Festival) between April and September has increased from 343,995 in 2011 to 349,190 in 2012. The increased number this period is due to a significant increase in people attending the BRASS Festival. As part of the evaluation of the Durham Brass Festival 96% of people rated the festival as very good or good. This has increased from 90% in 2011.
- c. In terms of Council Plan actions, progress has been made to implement the preferred option for the future management and investment of the council's housing stock. Briefing sessions with key stakeholders are currently in progress (including tenant groups) and briefings have been undertaken with councillors, staff, housing providers, boards, the customer working group and the steering group. Key meetings have also taken place with the Department for Communities and Local Government (CLG) and the Homes and Communities Agency (HCA). Work is currently being undertaken on a report and prospectus for consideration at Cabinet in December 2012.
- d. Progress has been made with the consultation and completion of the County Durham Plan (CDP). Despite on-going changes to Government policy the CDP preferred options were approved by Cabinet in July 2012 and public consultation commenced on 10 September 2012. All evidence reports were completed and uploaded onto the website for the start of the consultation period, which commenced with a launch event. Work has commenced on updating relevant evidence including the Minerals and Waste Technical Papers. Relevant supplementary planning documents for Aykley Heads, Sniperley and Sherburn are out for public consultation with the other CDP documents.
- e. Another key action is to prepare for and deliver key regeneration and housing projects in Durham City to stimulate investment and maximise job opportunities. Approval is currently being sought for the business case options in relation to the Aykley Heads site. The first public consultation has been carried out in relation to Freemans Reach; the second consultation is programmed for October and the planning pre application is due for submission in November.

- f. A key action within the RED service plan is to support and develop the County Durham Economic Partnership to provide a forum for partnership working. The new Chair of the County Durham Economic Partnership has taken up their post this quarter and key briefings are taking place with the relevant partners and Durham County Council staff as part of the formal induction to the post. The refresh of the Regeneration Statement is complete and was endorsed by Cabinet on the 24th July and approved by the County Durham Economic Partnership Board on the 30th July 2012.
7. The key performance improvement issues for this theme are:
- a. The number of empty properties brought back into use as a result of local authority intervention remains below target. There have been 27 empty properties brought back into use between April and September 2012 which is below the revised target of 31. In-year targets for this indicator have been revised this period in light of current performance levels, with the annual target having been reduced from 70 to 50 properties. This target is thought to be more realistic.
- b. The key Council Plan actions in this theme behind target are as follows:
- i. Following a development brief for North Road, Durham City, results of market testing for expressions of interest were due to be reported to Cabinet in September 2012. Initial work shows a good level of interest. The date for reporting to Cabinet has been postponed to February 2013.
- ii. The review of markets managed by or on behalf of the council and the development of a strategic approach to enhance and support the sustainability of markets across the county was due to be completed by October 2012. As part of the annual planning process, Neighbourhood Services (NS) have reviewed this action in line with current service plan priorities and resources and the deadline has therefore been revised to December 2012.
- iii. A harmonised Street Trading Policy to create a street trading environment which complements premises-based trading, which is sensitive to the needs of residents and provides diversity and consumer choice, was due to be developed by December 2012. The deadline has been revised to March 2013 due to the review undertaken by NS as mentioned above.
- iv. Public Realm works at St. Johns Square, Seaham are due for completion by December 2012. This has been delayed due to additional scope of works to include proposed staff car parking on the residual vacant plot. The contractor will start on site in January 2013 and works are to be completed by March 2013.
- c. There have been some amendments to the delivery of the programme of transport capital works as set out in Local Transport Plan 3 and Regeneration and Economic Development (RED) service plan. Following final negotiations with the main contractor (Carillion) on the Heart of the City works in Durham City and public feedback on the completed works, some minor amendments to the project have been scheduled. These include the refurbishment of Elvet Bridge project, which is now to be delivered by Spring 2013 to conserve existing paving layouts where minor repairs are still required. Other works to reinstall traffic lights and to upgrade the road/pedestrian area layout have now also been agreed.
8. Tracker indicators for this priority theme (see Appendix 3, table 2) show:
- a. The employment rate continues to decline. Only 65.7% of people aged 16-64 in County Durham are in employment compared to the national figure of 70.3%. The proportion of the working age population currently not in work who want a job stands at 15.9%.

- b. The trend seen over the last year of significant increases in the number of Job Seekers Allowance (JSA) claimants aged 18-24 has continued this quarter with the figures rising to 5,465 from 5,165 in quarter 1 and 5,280 twelve months previously. This is not surprising against a backdrop of rising unemployment and now constitutes 34.1% of all JSA claimants. Additional measures are being implemented to respond to this increase, including £8.5m secured from the Big Lottery for the Talent Match programme. This programme will cover the North East Local Enterprise Partnership (LEP) area and focuses on 18-24 year olds. Similarly, an Education Funding Agency programme has been launched to target this cohort.
  - c. The number of JSA claimants claiming for 1 year or more has increased considerably from 3,920 at quarter 1 to 4,675 in quarter 2, representing a 19% increase. The current long-term claimants represent 29.1% of all JSA claimants. This is due to the slow rate of new job creation set against continued job losses, particularly in central and east Durham. The work programme is the main Government programme response for JSA claimants of 12 months plus.
  - d. The number of major planning applications received in quarter 2 (19) has decreased by 41% against the previous period outturn of 32. This is reflective of an overall decrease in the total number of applications received which has dropped from 874 in quarter 1 to 734 in quarter 2. Despite this, a downturn in performance has been seen in the processing of major applications as the percentage determined in 13 weeks has fallen this period to 63.2% from 68.8% in quarter 1 and remains below the target of 79.9%.
  - e. The total number of homeless presentations has increased this quarter to 1,701. This is a 23% increase on quarter 1 (1,382) and a 38% increase on the same period in 2011/12 (1,236). Similarly, the proportion of statutory applications and the number of acceptances have also increased. Statutory applications have increased from 16.7% at quarter 1 to 18.5% this period with the number of acceptances increasing from 6.3% to 6.5%. Work is being undertaken to understand these increases and identify the potential causal factors.
  - f. In terms of affordable homes provided as a proportion of the total net homes completed, the overall net completions across the county have increased from 159 in quarter 1 to 181 in quarter 2. Of the 181 net completions this quarter, 71 (39.2%) are affordable units. Despite the increase in net completions this represents a decrease from the 83 affordable units (52%) delivered during quarter 1. The service is currently on track to maintain the performance reported at the end of 2011/12. Recent monitoring activity has confirmed that there is a large supply of housing sites with planning permission that are yet to be implemented (5,276 units) or under construction (3,333 units), a proportion of which are expected to be affordable homes. As a healthy land supply exists this reduction is considered to be a direct consequence of the continuing economic downturn which is affecting developers' ability to commence new sites.
9. The key risks to successfully delivering the objectives of this theme are:
- a. *County Durham Partnership fails to narrow the deprivation gap within County Durham due to worsening economy of County Durham and the changes in Welfare Reform legislation.* Management consider it probable that this risk will occur, which will have a major impact in terms of increasing social and economic deprivation in the county. An action plan is being developed to mitigate this risk as far as possible, although it should be recognised that this will remain a significant risk for at least the next 4 years.
  - b. *Coastal erosion and improved environment may adversely impacted if a programme of repairs to Seaham North Pier is not undertaken.* Management consider it possible that this risk may occur, and to mitigate the risk, funds are being investigated as part of the 2013-14 budget for the design of repairs to the structure.

## **Recommendations**

10. That the Economy and Enterprise Overview and Scrutiny Committee receive the report and consider any performance issues arising there from.

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## **Appendix 1: Implications**

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### **Finance**

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

### **Staffing**

Performance against a number of relevant corporate health PIs has been included to monitor staffing levels and absence rates.

### **Risk**

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

### **Equality and Diversity**

Corporate health PIs and key actions relating to equality and diversity issues are monitored as part of the performance monitoring process.

### **Accommodation**

Not applicable

### **Crime and Disorder**

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

### **Human Rights**

Not applicable

### **Consultation**

Not applicable

### **Procurement**

Not applicable

### **Disability**

Corporate health PIs and key actions relating to accessibility issues and employees with a disability are monitored as part of the performance monitoring process.

### **Legal Implications**

Not applicable

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## Appendix 2: Key to symbols used within the report

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Where icons appear in this report, they have been applied to the most recently available information.

### Performance Indicators:

#### Direction of travel

Latest reported data have improved from comparable period

**GREEN**

Latest reported data remain in line with comparable period

**AMBER**

Latest reported data have deteriorated from comparable period

**RED**

#### Performance against target

Performance better than target

Getting there - performance approaching target (within 2%)

Performance >2% behind target

### Actions:

**WHITE**

Complete. (Action achieved by deadline/achieved ahead of deadline)

**GREEN**

Action on track to be achieved by the deadline

**RED**

Action not achieved by the deadline/unlikely to be achieved by the deadline

### Benchmarking:

**GREEN**

Performance better than other authorities based on latest benchmarking information available

**AMBER**

Performance in line with other authorities based on latest benchmarking information available

**RED**

Performance worse than other authorities based on latest benchmarking information available

### Appendix 3: Summary of Key Performance Indicators

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Table 1: Key Target Indicators

Ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
<b>Altogether Wealthier</b>										
1	% of users who felt the cultural events were "good" or "very good" (BRASS festival)	96%	Jul 2012	85%	GREEN	90%	GREEN			
2	Attendance figures at cultural activities (museums, Gala, BRASS, Book Festival)	349,190	Apr - Sep 2012	301,622	GREEN	343,995	GREEN			
3	Apprenticeships started through Durham County Council funded schemes	89	Apr - Sep 2012	74	GREEN	New indicator	N/A			
4	% of enrolments on adult learning courses leading to qualifications	95.1%	2011/12 ac year	92%	GREEN	92.3%	GREEN			
5	Percentage of non-decent council homes Dale & Valley Homes (former NI 158)	<a href="#">1.87% [1]</a>	Jul - Sep 2012	1.80%	RED	4.60%	GREEN			
6	Percentage of non-decent council homes Durham City Homes (former NI 158)	<a href="#">7.00% [1]</a>	Jul - Sep 2012	0%	RED	2.98%	RED			
7	Percentage of non-decent council homes East Durham Homes (former NI 158)	<a href="#">51% [1]</a>	Jul - Sep 2012	54%	GREEN	71%	GREEN			



Ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
8	Number of private rented sector properties improved as a direct consequence of local authority intervention	484	Apr - Sep 2012	140	GREEN	527	RED			
9	Number of empty properties brought back into use as a result of local authority intervention, excluding empty properties demolished as part of an area based housing renewal intervention.	27	Apr - Sep 2012	<a href="#">31 [3]</a>	RED	20	GREEN			
10	Local authority tenant satisfaction with landlord services (Dale Valley Homes)	88.3%	2011/12	Not set for 2011/12	N/A	80.0%	GREEN			
11	Local authority tenant satisfaction with landlord services (Durham City Homes)	78.0%	2011/12	Not set for 2011/12	N/A	79.8%	RED			
12	Local authority tenant satisfaction with landlord services (East Durham Homes)	83.7%	2011/12	Not set for 2011/12	N/A	N/A	N/A			
13	% of council owned factories and business support centre floorspace that is fully occupied	74%	Jul - Sep 2012	76%	RED	75%	RED			

[\[1\] Non decency levels are reviewed regularly and can go up as well as down](#)

[\[2\] Work to ensure data quality is being undertaken in these areas](#)

[\[3\] Target amended](#)

[\[4\] Figure refreshed](#)

Table 2: Key Tracker Indicators

Ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
<b>Altogether Wealthier</b>										
99	Number of top retailers represented in Durham City	15	Jul - Sep 2012	15	AMBER	15	AMBER			
100	Number of all new homes completed in Durham City per financial year	15	Apr - Sep 2012	<a href="#">7 [5]</a>	Not comparable	49	RED			
101	% of households within County Durham who can access Durham City market place within 1 hour journey by public transport before 8.30am, including walking time	78.7%	Apr - Sep 2012	75.8%	GREEN	75.8%	GREEN			
102	Number of passenger journeys on Park and Ride.	276,843	Jul - Sep 2012	283,440	RED	287,833	RED			
103	Total number of visitors to main attractions in Durham City	167,881	Apr - Sep 2012	New indicator	N/A	New indicator	N/A			
104	All homes completed in and near all major settlements, as defined in the County Durham Plan, as a proportion of total completions.	60.22%	Jul - Sep 2012	54.08%	GREEN	62.37%	RED			
105	Total planning applications received against all categories	734	Jul - Sep 2012	874	RED	734	AMBER			

Ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
106	Total number of major planning applications received	19	Jul - Sep 2012	32	RED	41	RED			
107	% properties in band D and above for Council Tax	14.74%	Jul - Sep 2012	14.71%	GREEN	14.64%	GREEN			
108	Number of JSA claimants aged 18-24	5,465	As at Sep 2012	5,165	RED	5,280	RED			
109	Proportion of all JSA claimants that are aged 18-24	34.1%	As at Sep 2012	33.26%	RED	36.44%	GREEN	28.9%	32.0%*	As at Sep 2012
								RED	RED	
110	Number of apprenticeships started by young people resident in County Durham as recorded by the National Apprenticeship Service	1,050	2011/12	N/A	N/A	New indicator	N/A			
111	Number of JSA claimants claiming for one year or more	4,675	As at Sep 2012	3,920	RED	1,220	RED			
112	Proportion of all JSA claimants that have claimed for one year or more	29.10%	As at Sep 2012	25.24%	RED	8.39%	RED	27.9%	31.3%*	As at Sep 2012
								RED	AMBER	
113	Employment rate of the working age population (former NI 151)	65.7%	Jul 11 - Jun 12	66.6%	RED	67.2%	RED	70.3%	65.4%*	2011/12
								RED	AMBER	
114	Proportion of the working age population currently not in work who want a job	15.90%	Jul 11 - Jun 12	15.70%	RED	13.58%	RED	8.1%	10.3%*	Jul 11 - Jun 12
								RED	RED	
115	Proportion of the working age population who are qualified to NVQ level 3 or equivalent	49.0%	2010	N/A	N/A	New indicator	N/A	52.7%	45.3%**	2011
								RED	AMBER	

Page Ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
116	Proportion of affordable homes provided as a proportion of total net homes completed (former NI154 & NI155)	39.22%	Jul - Sep 2012	52%	RED	42.10%	RED			
117	Total number of those registered on the Durham Key Options system who have been rehoused (includes existing tenants and new tenants)	2022	Apr - Sep 2012	<a href="#">959 [5]</a>	Not comparable	1847	GREEN			
118	Number of preventions as a proportion of the total number of homelessness presentations	17.5% (295)	Jul - Sep 2012	15.6% (216)	GREEN	18.8% (232)	RED			
119	Number of statutory applications as a proportion of the total number of homelessness presentations	18.5% (314)	Jul - Sep 2012	16.7% (232)	RED	22.8% (282)	GREEN			
120	Number of acceptances (of a statutory duty) as a proportion of the total number of homelessness presentations	6.5% (111)	Jul - Sep 2012	6.3% (88)	RED	9.2% (114)	GREEN			
121	Total number of homelessness presentations	1701	Jul - Sep 2012	1382	RED	1236	RED			
122	Child poverty (former NI116) (national annual rate)	23.5%	Feb 2011	23.5%	AMBER	24.5%	GREEN	20.06%	25.4%	Feb 2011
123	Child poverty (quarterly proxy measure)	24.2%	Nov 2011	24.41%	GREEN	23.79%	RED	20.2%	25.5%*	Nov 2011

Ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
124	The number of local passenger journeys on the bus network	25,880,600	2009/10	New indicator	N/A	New indicator	N/A			
125	The number of passenger journeys made by concessionary bus pass holders	11,032,451	2009/10	New indicator	N/A	New indicator	N/A			
126	The number of passenger journeys made on the Link2 service	15757	Apr - Sep 2012	<a href="#">7577 [5]</a>	Not comparable	New indicator	N/A			
127	The number of trips made using council funded community transport	43,766	Jul - Sep 2012	New indicator	N/A	New indicator	N/A			
128	Accessibility of Newton Aycliffe Industrial Estate within one hour using public transport and arriving by 8.30am	33.46%	Apr - Sep 2012	31.53%	<b>GREEN</b>	31.53%	<b>GREEN</b>			
129	Number of visitors to the main attractions in County Durham	922,277	Apr - Sep 2012	<a href="#">347,776 [5]</a>	Not comparable	625,904	<b>GREEN</b>			
130	Number of tourism businesses actively engaged with Visit County Durham	422	Apr - Sep 2012	<a href="#">47 [5]</a>	Not comparable	159	<b>GREEN</b>			
131	Businesses engaged with/assisted (all sectors)	211	Apr - Sep 2012	<a href="#">99 [5]</a>	Not comparable	New indicator	N/A			

Page 9 Ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
132	The number of new business start ups receiving business assistance	Data available at Q3	N/A	New indicator definition	N/A	New indicator definition	N/A			
133	The number of enquiries received for new business start ups	81	Apr - Sep 2012	<a href="#">29 [5]</a>	Not comparable	New indicator definition	N/A			

[\[5\] This data is cumulative and the figure is based on 12 months data for the year end so comparisons are not applicable.](#)

[\[6\] Figure refreshed](#)

**Economy and Enterprise  
Overview and Scrutiny Committee**

**14 January 2013**



**Durham Key Options (DKO)  
Lettings Policy Changes**

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**Report of Ian Thompson, Corporate Director, Regeneration and  
Economic Development**

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**Purpose of the Report**

- 1 This report is to update the Committee on the changes that have been agreed to the Durham Key Options (DKO) Lettings Policy.

**Background**

- 2 Durham Key Options (DKO) is a choice based lettings scheme. Choice Based Lettings is a way of enabling people looking for a home to bid for available properties that are advertised in their chosen areas.
- 3 Previous presentations outlining the proposed changes to the DKO Lettings Policy, which are in line with the Localism Act 2011 and the Welfare Reform Act 2012 have been given to the Economy and Enterprise Overview and Scrutiny Committee on 29 March and 6 July 2012.
- 4 At the Economy and Enterprise Overview and Scrutiny Committee meeting on the 6 July 2012 Members commented upon the proposed changes to the DKO Lettings Policy, these comments formed the Overview and Scrutiny response and were fed into the ongoing consultation exercise (25 June 2012 – 31 August 2012). In summary the Overview and Scrutiny response was as follows:
  - The Committee agreed that the number of bands be reduced from 9 (A-F) to 5 (A-E).
  - The Committee supported the proposal to establish or make variations in relation to the stated Preference Groups (Priority Transfers, Armed Forces and Positive Contribution) and particularly welcomed the Armed Forces Preference Group as it reflects work undertaken on a regional basis by Overview and Scrutiny examining the health needs of the ex-service community.
  - In relation to the discharge of the homelessness duty, the Committee agreed with the proposal to amend the homelessness duty, reducing the time given to bid for a property within the scheme from 12 to 4 weeks.

- The Committee supported the proposal in relation to vulnerable applicants and the criteria to be used to identify vulnerable groups contained within the report.
  - In relation to the consultation process, the Committee agreed the questions to be asked by Partners, the proposed consultation methods of the housing providers and the work to be undertaken by the Core Team.
- 5 The DKO Policy Subgroup met to work out the details of the changes to be agreed by the DKO board before going out to consultation. Following the consultation the final changes were then reported to Cabinet on 14 November 2012

### **Agreed changes**

- 6 Banding - Currently there are nine Bands into which applicants are placed. These are bands A to F. Band F is reduced priority. Bands A+, B+ and C+ were originally designed to give further priority to some applicants with multiple needs. This was seen by applicants as too complicated and the proposal is to have five Bands only in the future – A to E. Appendix 2 sets out the new banding system.
- 7 Under-occupation - This is a new proposal to give priority to applicants who are under occupying their property in the light of welfare reform which may mean people having to pay top up rent. This will enable partners to make better use of their stock. Band B will be for those under-occupying by two rooms and Band C for those under-occupying by one room.
- 8 Domestic violence - It is proposed to give applicants fleeing domestic violence the same band as other statutory homeless applicants. This would be in Band B. This will not disadvantage these applicants. If there is an emergency or serious incident then, as happens now, there are other measures that can be put in place such as making the house safe, refuge places etc.
- 9 Refusals and No responses - Currently there are no penalties for refusing offers of accommodation or not responding to offers. The new Policy will mean applicants can be removed from the register for a period of six months if they have refused three properties or not responded to three offers within a six month period. It will be up to the applicant to reapply.
- 10 Removals from register - People in Band E (who have 'no housing need') who have made no bids in the previous six months will be removed from the register for a period of six months. It will be up to applicants to reapply to join the list. If an applicant's circumstances change within the six month period they will be able to submit a new application.



- 11 Positive contribution - It was suggested that people who make a positive contribution to the community should be put into Band D. Positive contribution would be linked to skill shortages or voluntary work in County Durham. This was seen as being unfair by consultees and this change will not be made.
- 12 Band F - Band F (the reduced preference band), will be removed. Applicants are put in Band F because of rent arrears, mortgage arrears, rechargeable repairs or unacceptable behaviour. Arrears relate to a wilful refusal to make payments rather than misfortune. Those currently in Band F will be disqualified from the register until signs of change of behaviour are shown over an extended period. Future applicants whose arrears record or behaviour would have led them to be included in Band F will not be considered eligible for inclusion in a band until their record has improved.
- 13 Priority transfer - Previously the Supply and Demand category allowed for the move of tenants who under-occupied their homes. There is now a separate category for under-occupation. Priority transfer will be awarded to tenants of full partners of DKO when they move from a high demand property and the stock in that area is of limited supply to an area of lesser or equal demand. The criteria for determining demand will be decided by each partner landlord and will be published on their websites. The criteria will be reviewed every 6 months. Moves will only be allowed under this band to each partners own stock.
- 14 Armed forces - Additional preference (Band A), will be given to members of the Armed Forces with an urgent medical need and Band B for those members overcrowded. In both cases the additional preference will be given by backdating their date of application by six months. This will also mean members of the Armed Forces will not be identifiable by appearing to have jumped to the top of the list despite having a later date of application. Band C will continue to be awarded for those who are leaving the Armed forces or have left in the preceding five years and who do not fall within the criteria of the homelessness legislation. This is being done in light of new government guidance stating there should be increased awareness for this category of person. It recognises the contribution Durham County Council can make towards rebuilding the Armed Forces Covenant and acknowledges the obligation owed to members of the armed forces and their families.
- 15 Discharge of Homelessness Duty - The homeless duty will be amended so that the time given to bid for a property within the scheme will be reduced from 12 to 6 weeks. The time given to bid for a property within the scheme has been extended as a result of the consultation process from 4 weeks to 6 weeks. The duty will be brought to an end if the applicant secures a DKO offer, a registered provider makes a direct let or a suitable offer of private accommodation is made.

- 16 Applicants who are vulnerable would be able to refuse an offer of private rented accommodation and retain their main housing duty priority. Vulnerable groups would include:
- Those with dependent children subject to care proceedings;
  - Applicants subject to Multi-Agency Public Protection Arrangements;
  - Those with long term disabilities;
  - Those who are elderly or assessed as vulnerable for other special reason;
  - Those with enduring mental health problems;
  - Care leavers
  - Those fleeing domestic violence.
- 17 In allocating accommodation it will be taken into account if the applicant is ill and has the need for an extra bedroom for a carer. Similarly the DKO lettings policy will allow for the needs of foster carers or prospective foster carers and adopting parents to have extra bedrooms. DKO acknowledges that this is not the view taken by DWP so foster carers may find themselves being in the situation of, at times, under-occupying a property and suffering financially for that reason. The CLG Allocations Guidance advises that Discretionary Housing Payment may be available for these applicants.

#### **Further details and next steps**

- 18 Cabinet agreed the changes and also agreed that minor changes to the policy could be made under delegated powers by the Corporate Director of Regeneration and Economic Development in consultation with the Portfolio Holder for Housing.
- 19 Officers are working on a rewrite of the Policy document in the light of the changes, together with the procedure manual that sits behind the Policy.

#### **Recommendations**

- 20 That Members of the Economy and Enterprise Overview and Scrutiny Committee note the agreed changes to the DKO Lettings Policy.

#### **Background papers:**

DKO – Changes to Lettings Policy – 6 July 2012.

DKO – Consultation – 25 June – 31 August 2012.

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<b>Contact:</b>	<b>John Kelly, Choice Based Lettings Co-ordinator</b>
<b>Tel:</b>	<b>03000 262 545</b>
<b>Author:</b>	<b>David Randall, Senior Policy Officer</b>
<b>Tel:</b>	<b>03000 261 920 E-mail: david.randall@durham.gov.uk</b>

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## **Appendix 1: Implications**

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**Finance** – There are no financial implications.

**Staffing** – There are no staffing implications.

**Risk** - Risks should be minimal as these are minor changes to an existing policy.

**Equality and Diversity** – An EIA of the CBL scheme has recently been undertaken.

**Accommodation** - None.

**Crime and Disorder** - None.

**Human Rights** - None.

**Consultation** - Consultation is to be undertaken with key stakeholders.

**Procurement** - None.

**Disability Issues** – None.

**Legal Implications** - Legal implications of the proposed changes have been taken on board in the development of the proposals.

## **Appendix 2**

### **Band A**

Applicants within this band will receive priority for all eligible properties in the first instance as follows:

- Regeneration schemes within County Durham
- Urgent medical reasons
- Priority transfers (full DKO partner only)

In the event of competing bids within this band, regeneration cases will take priority over urgent medical cases and urgent medical cases will take priority over Priority Transfers. If an Urgent Medical applicant also meets the Armed Forces additional preference criteria they will receive a six month priority backdate to give additional preference.

### **Band B**

- Applicants Overcrowded by at least two bedrooms
- Applicants who are under occupying by two or more bedrooms (full DKO partner only)
- Applicants who need to move due to high medical need as outlined in Appendix 2 of this policy
- Homeless applicants – accepted as statutorily homeless with a full duty to be housed
- Applicants living in intensive supported housing where their support plan identifies that they are ready to move on into an independent tenancy
- Care Leavers

If an applicant who is severely overcrowded (by two bedrooms) also meets the Armed Forces additional preference criteria, they will receive a six month priority backdate to give additional preference.

### **Band C**

- Applicants occupying unsanitary, overcrowded (one bedroom short of requirements) or otherwise unsatisfactory housing
- Applicants who are under occupying by one bedroom (full DKO partner only)
- Applicants who need to move due to medical or welfare grounds in accordance with the medical framework for medical priority found in Appendix 2 of this policy
- Applicants discharged from the armed forces within the preceding five years who do not fall within the criteria of the homelessness legislation and have served three years or longer or who have been medically discharged (excluding those dishonourably discharged).
- Applicants who need to move to a particular locality to avoid hardship
- Non-statutory homeless

### **Band D**

- Applicants wishing to live independently with no other housing need
- Applicants needing larger accommodation (outside of the overcrowding criteria) with no other housing need
- Relationship breakdown with no other housing need
- Applicants threatened with homelessness within three months, in order to prevent actual homelessness

### **Band E**

- Applicants who are adequately housed and have no housing need.

**Economy and Enterprise  
Overview and Scrutiny Committee**

**14 January 2013**

**Housing Stock Options Appraisal  
Project**



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**Ian Thompson, Corporate Director Regeneration and Economic  
Development**

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**Purpose of the Report**

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with a further update in relation to the progress of the Stock Option Appraisal Project.

**Background**

- 2 The Economy and Enterprise Overview and Scrutiny Committee have received regular update reports on the progress of the Stock Option Appraisal project during 2011/12. In addition at a special meeting of the Committee arranged for the 28 September 2011, Members were given the opportunity to respond/comment upon progress to date and potential options with the comments made by Members at this meeting being fed into the consultation exercise.
- 3 The most recent update was provided to Committee on the 19 November 2012, when Members received further information on the consultation undertaken, the shared vision for council housing, delivery of the vision through eight key objectives and issues to be addressed by the County Council when selecting options.
- 4 The Council has landlord responsibility for almost 19,000 homes across County Durham and currently uses a variety of housing management arrangements to deliver services to tenants. Arrangements include two Arms Length Management Organisations (ALMOs) and one in-house management organisation.
- 5 The Council initiated a Housing Stock Option Appraisal process in 2010 to:
  - Address the key barriers to the achievement of its vision for housing;
  - Determine the long term sustainability and affordability of existing housing management arrangements within the context of changes to the existing housing subsidy system;
  - Consider how it can address a developing two speed housing economy in the area and mitigate the effects of welfare reform on households and communities; and

- Identify options for the future ownership, financing and management of its homes.

### **Current Position**

- 6 The Council faces significant and deepening disparities in the social housing economy in County Durham. There has been sustained investment in improvements to Council owned homes since 2004, but these improvements have often been prioritized over investment in neighbourhoods, related assets, community regeneration and value added services. Changing tenant aspirations and a need to keep pace with the improvements and services delivered by other local Registered Providers (RP) mean that a two speed social housing economy is gaining traction in the county, which has major social and economic consequences for communities. The Council also needs to prepare for the impact of imminent welfare reform on households and communities.
- 7 In April 2012 the Government introduced a system of self financing that allows the council to retain its rental income in exchange for a one off debt allocation to settle existing HRA subsidy arrangements. Durham's debt allocation was £240 Million. The Government also capped the council's ability to borrow to £245 Million to control public sector borrowing. All of the Council's £18 Million borrowing head room is allocated between 2012/13 and 2013/14.
- 8 Financial analysis of the Council's self financing housing business plan highlights a shortfall of capital resources (to invest in improving homes, and the living environment) against spending needs of £66 Million over the first nine years of the business plan. The deficit is exacerbated by the Council's inability to borrow above the debt cap to supplement the business plan.
- 9 The Council has attempted to improve the prospects of the business plan by prioritising investment into sustainable housing stock; achieving £1.35 Million of efficiency savings and devising a plan to achieve an additional £1.65 Million of savings in 2013/14; and increasing rent and other service charges. However, the central issue continues to be that a limitation on the Council's ability to borrow is incompatible with the investment needs of its homes. This provides a compelling reason to support the Council's exploration of alternative ownership options to access the level of borrowing required to maximise investment in homes, neighbourhoods and services in the future.
- 10 The Stock Option Appraisal process explored the implications of the council's retention of its housing stock in the context of tightening fiscal constraints and alternative ownership options to alleviate financial pressure and ensure tenants needs and aspirations are met in the future.

The process included extensive consultation and partnership working with all stakeholder groups including tenants, staff, Board members, Councillors and other key local partners to examine options and discuss the affect they could have on each stakeholder group. The appraisal identified stakeholder's preferred option as being the transfer of the housing stock to a group structure of the Council's existing housing management organisations. This option would:

- Allow the new RP to maximise capacity in the business plan and borrow to invest in homes, neighbourhoods and services.
- Achieve a positive solution for all of the council's homes.
- Join local housing services up and make them more consistent.
- Preserve existing organisational identities and their relationships with their local communities.
- Achieve wider stakeholder support and demonstrate to stakeholders that their views have been listened to.
- Provide an opportunity for future growth – possibly bringing other RPs into the group structure at a later date.

11 The transfer of the housing stock will require a considerable amount of work with the Department for Communities and Local Government (DCLG) Homes and Communities Agency (HCA) and all key stakeholder groups. The process will be difficult as the council will enter into detailed negotiations with the Government for the write off of housing debt. The process will also be relatively lengthy, taking up to two years to complete. The transfer can only take place if tenants approve the proposal at a legally required ballot. The consultation and ballot and legal issues associated with the transfer mean that the process may also be expensive, with similar transfers costing the Housing Revenue Account up to £7 Million to deliver.

12 Government policy on stock transfer and the provision of funding for debt write off remains unclear and no stock transfers have been completed since the introduction of self financing arrangements in April 2012. However, the DCLG and HCA continue to engage with the council and are encouraging the authority to work up detailed proposals for a transfer of its homes.

13 The Council has also worked with key stakeholder groups to identify an alternative option for the housing stock, should the Council's transfer proposal be rejected by the Government, or by tenants at a ballot. Stakeholders have selected the establishment of a single ALMO with area based services as their preferred alternative option because it would:

- Allow housing services to continue to operate as a business at arm's length from the authority.
- Achieve further efficiency savings through reductions in overheads and the joining up of services.
- Provide a possible transfer vehicle for the future.

- Preserve area offices so tenants can access services locally.
  - Safeguard local accountability.
  - Simplify the council's existing housing management arrangements.
- 14 The creation of a single ALMO with area based arrangements would take significantly less time to complete than a stock transfer and would not be as expensive, potentially costing up to £200,000 to deliver. The creation of a single organisation is likely to be met with opposition from stakeholders who value the brands of the Council's existing organisations (Dale & Valley Homes, Durham City Homes and East Durham Homes). However, consultation on alternative options found that stakeholders understand that the continuation of existing housing management arrangements is unrealistic given the deficit in the business plan.
- 15 It is important to note that should the council retain the housing stock and establish a single ALMO with area based arrangements:
- The Council will continue to face restrictions on its ability to borrow. The option will not provide sufficient funding to deliver the full range of works identified by the stock condition survey when they are required. Investment in homes, neighbourhoods and services will be delayed.
  - Further efficiencies will be required that will eventually impact on front line services.
  - The two speed social housing offer will not be adequately addressed as the council will not be able to invest at the same pace as other local RPs.
  - There will be little financial capacity for the delivery of new build homes and the council's ability to stimulate the economy through construction will be limited.
  - The Council will not be well placed to deal with the affects of welfare reform on tenants. This may cause pressure on other services and budgets as neighbourhood deprivation and inequality gaps worsen.
- 16 The findings of consultation on options for the future ownership, financing and management of council homes were combined with the outcomes of detailed financial analysis of the self financing housing Business Plan. A final report on the conclusions of the stock option appraisal was submitted to the council's Cabinet on the 12 December 2012.
- 17 It was agreed by Cabinet at the meeting on the 12 December 2012 to select the large scale voluntary transfer of the council's homes to a group structure of the Authority's existing housing management organisations as the Council's preferred option for the future of its homes.



Cabinet also approved recommendations to:

- Prepare a proposal (prospectus) for stock transfer and submit it to the Homes and Communities Agency as an application for a place on the stock transfer programme.
- Select the establishment of a single ALMO with area based services as an alternative option for the future of Council homes should the Authority's application for a place on the stock transfer programme not be responded to, or be refused or rejected at a future tenant ballot.
- Receive a further report in summer 2013 to provide an update on the Government's response to the prospectus and request for admission to the stock transfer programme; and makes recommendations on the next steps the Council should take to deliver a stock transfer or the establishment of a single ALMO with area based arrangements.

### **Next Steps**

- 18 Governance arrangements of the option appraisal project are being reviewed to ensure that all stakeholder groups continue to be provided with a variety of opportunities to be involved in delivering the Council's preferred option for the future of its homes. Key governance groups are likely to include:
  - An overarching Project Board;
  - Project Team;
  - Stakeholder Steering Group;
  - Customer Working Group; and
  - Workstream project groups.
- 19 All of the governance groups will work together to procure and appoint the necessary advisers to implement either of the Council's preferred options for the future of its homes and develop a detailed Communication and Consultation Strategy to guide consultation with key stakeholder groups.
- 20 The Economy and Enterprise Overview and Scrutiny Committee will continue to receive further updates in relation to progress in implementing the Council's preferred option for the future of its homes.

### **Conclusion**

- 21 The option appraisal process has been completed since its progress was considered by Overview and Scrutiny Committee in November 2012. The project has now moved into the implementation phase of the Council's preferred option.

- 22 The project has engaged with stakeholders across County Durham and will continue to do so as the Council implements the preferred option for the future of its homes. This will help the council to ensure that the option it implements reflects the views and aspirations of its communities.

### **Recommendations**

- 23 That the members of the Economy and Enterprise Overview and Scrutiny Committee note the information provided in the report identifying the preferred option for the future financing, ownership and management of the Council's homes.
- 24 That the Economy and Enterprise Overview and Scrutiny Committee continue to receive further progress updates in relation to the development, impact and delivery of new arrangements.

### **Background Paper(s)**

Housing Stock Options Appraisal report (Economy and Enterprise Overview and Scrutiny Committee) 19 November 2012.

Information provided in member's seminar on 4 October 2012.

Stock Options Appraisal Project report - Conclusion and Next Steps (Cabinet) 12 December 2012.

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**Contact: 03000 261 864**

**Author: Marie Roe, Stock Option Appraisal Project Manager**

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## **Appendix 1: Implications**

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### **Finance**

Durham County Council was allocated a debt settlement of £240 Million by the Government to implement a system of self financing for council housing. Since April 2012 the Council has been able to use its own income from rents to invest in improving and maintaining its homes. Council owned housing in County Durham requires £785 Million of investment over the next thirty years. £406 Million is required in the first ten years of the business plan, but only £344 Million is available to the Authority. The Council must determine the most appropriate options for dealing with the shortfall in resources and in managing restrictions on its ability to borrow above the self financing debt level to ensure a sustainable future for council housing.

A transfer of the housing stock (to enable borrowing above the debt cap to maximise investment in homes, neighbourhoods and services) will cost up to £7 Million to complete. Retention of the housing stock will not address the shortfall in capital resources, improvement works will be delayed and deferred and the authority will be unable to invest substantially in value added services and the delivery of new build and regeneration. It will cost up to £200,000 to establish a single ALMO with area based arrangements.

### **Staffing**

Staff are identified as being a key stakeholder in the option and the implementation of the Council's preferred option. This includes staff working for the council and for its two housing service providers, Dale & Valley Homes and East Durham Homes. Both preferred option allow the Council to consider implications for employment, terms and conditions and pensions.

Transfer of the housing stock will have major financial implications for the council. Stock transfer will result in the closing down of the HRA. In addition to service level agreements for the provision of specific services to the three providers, the Council currently recharges central support services from the HRA to the General Fund. It is unlikely that many of the Council's staff providing support services to the HRA will qualify for TUPE and will transfer to the new RP. There may be limited scope to mitigate the loss of charges to the General Fund and so the Council will receive further reports on the impact of stock transfer on service areas (including the Repairs and Maintenance Direct Labour Organisation) and the approach it should take to TUPE to determine the level of budget reduction likely to be incurred and implications for the council's workforce.

The Housing Directions Team will also require additional support from expert financial, legal and stock condition advisers to complete the transfer of the housing stock, or establish a single ALMO (should the transfer proposal be refused by the Government or rejected by tenants at a ballot). Funding to complete this work should be allocated from the Housing Revenue Account.

## **Risk**

Financial analysis and the outcomes of consultation have underlined some clear risks for the Council when moving into the next phase of its option appraisal.

Risks include:

- The Council's proposal to transfer the housing stock is rejected by the Government on the basis of value for money.
- The Council's proposal to transfer the housing stock is not responded to by the Government, in the absence of the revised Housing Transfer Manual.
- The Council's proposal to transfer the housing stock is rejected by customers at a ballot and costs of the abortive transfer fall onto the HRA and the General Fund.
- The Council has to establish a single Arms Length Management arrangement with area based arrangements and the proposal is met with opposition from stakeholders.
- The Council continues to face a deficit in its capital resources and is unable to invest substantially in homes, neighbourhoods and services in the long term. The affects of the two speed social housing offer becomes more pronounced and the Council is unable to achieve its ambitions for an "Altogether Better Durham".

The Council can undertake a series of actions to mitigate against these risks and reduce their likelihood. These actions include:

- Observe the guidelines set out in the existing Housing Transfer Manual and continue to work with DCLG and the HCA to prepare a prospectus for stock transfer proposal that meets Government requirements.
- Develop and implement a comprehensive communication and consultation strategy for stock transfer that explains the role of the council; the transfer option, offers and implications for all stakeholders. The strategy should be projected over a two year time frame and its central aim should be the achievement of a positive ballot.
- Continue to provide area based offices and the preservation of "local offers" (that allow services to be tailored according to local priorities) to reduce the risk of opposition to the establishment of a single ALMO.
- Ensure that any future consultation programme on the establishment of a single ALMO explains to stakeholders the reasons for the change, implications for different stakeholder groups and the benefits that could be achieved in establishing a single ALMO with area based arrangements.

## **Equality and Diversity**

One of the appraisal's key objectives is to address inequity in the quality of the housing services and neighbourhoods currently provided by the Council. The project also aims to provide all individuals and organisations with an interest in the future of the council's housing stock with the best opportunities to contribute to the stock option appraisal process, if they wish to do so. This has been accomplished through the implementation of a communication and consultation strategy and a tenant empowerment statement.

According to the Equality Impact Assessment undertaken on the transfer and retention options, both options will impact on protected characteristics. The preferred transfer option meets the priorities set out by stakeholders at the beginning of the option appraisal project. Impacts in terms of stock transfer are positive, as accessing additional funding will improve housing, neighbourhoods and services and will stimulate the local economy. This may be particularly beneficial for women who have an increased demand for social housing and disabled and older people who require homes to meet specific housing needs. Younger people and people raising a family will also benefit from an improved social housing offer resulting from stock transfer. Transfer may also enable access to additional funding to strengthen and improve tenancy support services to mitigate the effects of welfare reform. Retention will have a negative impact as the Council will be unable to access additional resources to support capital spending in the first ten years of its business plan and investment needs will be deferred. Further efficiencies in management structures and services will result in the two speed economy becoming more embedded, with council tenants experiencing a different social housing and service offer to tenants living in a home owned by other local RPs. Restrictions on ability to afford the construction of new homes and remodel existing homes will impact on women, young people, disabled people and older people. The preservation of the ALMO model may have some positive impacts for local accountability and tenant involvement.

## **Accommodation**

None

## **Crime and Disorder**

A reduction in crime and disorder is reflected in the option appraisal's objectives. This ensures that potential options consider the reduction of ASB and the designing out of crime in homes and neighbourhoods.

## **Human Rights**

None

## **Consultation**

The option appraisal and the council's decision on the future financing, ownership and management if its housing stock has been fully informed by consultation with customers, staff, Councillors, board members and other key partners. The Council has developed a detailed Communication and Consultation Strategy, Tenant Empowerment Statement and has delivered an extensive consultation programme for each stakeholder group.

**Procurement**

Specialist financial (Consult CIH) and legal (Trowers and Hamlins) advisers and an independent tenant advisor (Open Communities) have been procured to support the formulation of potential options and the delivery of the project.

**Disability Discrimination Act**

None

**Legal Implications**

The Council currently has legally binding 'Management Agreements' with Dale & Valley Homes and East Durham Homes for the provision of housing services to its customers. Depending on the option that the Council ultimately selects, these management agreements may be subject to change or redevelopment. There are also significant legal implications if the Council selects the transfer of its housing stock. Trowers and Hamlins, the leading legal consultants in this area of work have been engaged by the Council.



County Durham  
Economic Partnership

**MINUTES**

<b>Meeting</b>	County Durham Economic Partnership Board
<b>Date of Meeting</b>	Monday 5 <sup>th</sup> November April 2012
<b>Time</b>	14.00 - 16.00
<b>Venue</b>	Thorn Lighting, Spennymoor

**Attendees:**

Brian Tanner	Chair
Tarryn Lloyd Payne	DCC, Principal Strategy & Partnerships Officer
Angela Brown	DCC, Partnership Support Officer
Cllr Eddie Tomlinson	Chair of Rural Working Group
Cllr Neil Foster	Cabinet Portfolio Holder for Economic Development and Regeneration
Stewart Watkins	Business Durham
Paul Chapman	Jobcentre Plus
Jack Richardson	Jobcentre Plus
Jonathan Walker	North East Chamber of Commerce
Brian Manning	Esh Group
Sue Parkinson	Chair of the Business, Enterprise & Skills Group
Ian Thompson	Director of Regeneration and Economic Development
Sarah Robson	Chair of Housing Forum
Graham Wood	Economic Regeneration Manager
Andy Palmer	DCC, Strategy, Programmes & Performance
Barbara Gubbins	County Durham Community Foundation
Adrian White	DCC Head of Transport
Deborah Staines	DCC, Principal Strategy & Partnership Officer
Christine Yule	Durham Business Group
Ray Hudson	Durham University
Geraldine Wilcox	Derwentside Homes

**Guest Speaker**

Ed Twiddy North East LEP

**1. Thorn Lighting – Martin Thompson**

Martin Thompson gave a tour of Thorn Lighting and a presentation to the Board members.

**2. Welcome**

Brian Tanner welcomed everyone to meeting.

### 3. Apologies

John Widdowson	New College Durham
Melanie Sensicle	Visit Durham
Ivor Stoliday	Visit Durham
Stephen Howell	Cultural Partnership

### 4. Minutes of the last meeting

The minutes were **agreed** as a true record.

### 5. Matters Arising

Item 6: Ed Twiddy will give an update today.

Item 7: Employment figure trend is included in the report for this month.

Item 11: CDP Away day – Sue Parkinson gave an update:-

- Ed Twiddy talked about the economy in general and asked for thoughts on how the public sector and private sector could be working together.
- Social Enterprise was discussed and asked what we could bring to the economy.
- Renewal of the Sustainable Communities Strategy – What we have done well as a partnership as there is no money available what would be the benefits of working together.
- CDP Board are working on a programme for next year, with branding of County Durham and how to get new people on board. Also how to come together better as a learning partnership.
- How do we go forward, it was agreed that the themes were the best way to go with the CDEP being a very important part of this.

Item 11: Graham Wood is meeting with Barbara Gubbins to focus on the apprenticeship programmes.

Item 15: The CDEP, RGF bid was not successful but RGF bid in conjunction with the NELEP was successful. More information will be made available through due process.

### 6. Chairs Remarks

Brian introduced himself as the new Chair of the County Durham Economic Partnership and initiated round the table introductions.

- In the last quarter (May-July), the unemployment rate for the North East is estimated to have fallen from 11.1% to 10.4%, the lowest level since the same period in 2011.
- However, JSA claimants in County Durham increased by 102 people (0.6%) between August and July and 3.5% compared to August 2011.
- Currently across the County there are around four JSA claimants per job centre plus vacancy.

GDP Growth

- The economy has emerged from double-dip recession, growing by 1% in the third quarter of 2012
- However, the ONS pointed out that GDP growth – the strongest rate since the third quarter of 2007 – had been artificially boosted by two short-term factors: the Olympic Games, which fell in July and August, and the bounce-back from June's extra bank holiday for the Queen's diamond jubilee.



- There is no room for complacency on growth. This further emphasised by the unemployment statistics and continued local job redundancy announcements.

#### *RGF*

130 bids have been successful from round 3. 6 Companies in County Durham have won bids.

- Actem (UK) Limited – Seaham
- Caterpillar – Peterlee
- CAV Aerospace Limited – Consett
- Ebac Group Limited – Newton Aycliffe
- NSK Bearings Europe Ltd – Peterlee
- TRW Systems Ltd – Peterlee

Further joint bid has been awarded to the North East Local Enterprise Partnership NELEP which will be discussed in update from Ed Twiddy.

#### *Lord Heseltine's Review*

- On the 31<sup>st</sup> Oct Michael Heseltine published *No stone unturned in the pursuit of growth*, his personal report on how economic growth can be more effectively encouraged in the UK.
- Relationships between the CDEP working groups and the NELEP are important as emphasised by Ed's presentation.

#### *County Durham:*

- A meeting with CDEP Board Chairs took place on 5<sup>th</sup> September and there was a strong appetite to continue working in partnership and to review the remit and priorities to focus on issues that could be achieved.
- A CDEP led County Durham Plan workshop took place and was very well attended. A letter was formed as a response from the CDEP in relation to the County Durham Plan. Brian thanked everyone for their comments in relation to this response.
- *Lumiere 2013*: Lumiere will return to Durham in 2013 from 14<sup>th</sup>-17<sup>th</sup> November. This is good news County Durham.

Brian outlined to the board his vision for ensuring the Board do not just meet for information sharing; but becomes a platform for working together on clearly agreed objectives and priority "projects" where the partnership can bring added value.

The CDEP should be seen as a voice for the county in relation to Economic Development and provide a framework for collaborative bids for funding. It should focus on things we can achieve rather than worry about the things we have no control over. We should build on the strengths.

## **7. North East Local Enterprise Partnership – Ed Twiddy**

Ed Twiddy gave an update to the Board members on the North East Local Enterprise Partnership NELEP.

The NELEP was formed just over a year ago to drive economic growth across Northumberland, Tyne and Wear and County Durham. With resources kept to a minimum the scope of the LEP will very much focus on working with partners

and aim to shape strategic direction of existing resources and work with government to bring new resources to the NELEP area as they arise.

The North East has an advantage in only having two LEP areas. This advantage is also increased through Durham having a unitary authority and an excellent inheritance from a very efficient previous RDA, which had key assets, which the Government wants to maximise the use of.

Ed Twiddy, updated the Board of the announced Economic Review, which will look to the next 18 years of economic activity in the North East LEP area. The review team led by Lord Adonis have been asked to recommend key strategic interventions that need to be put in place over the next five years to ensure we achieve our full potential. In addition to a literature review to summarise what evidence already exists and benchmark the North East's current position, there will be two calls for evidence. The themes are:

- The North East in UK, European and global markets
- Labour markets and skills
- Infrastructure and land markets
- Private and social enterprise
- Capital markets
- Public policy

The evidence base will be brought together and considered by the review team, who will report their recommendations in Spring 2013.

Sue Parkinson asked the question 'how the CDEP could collaborate with the LEP? And what do you feel collectively are the priorities for Co Durham?

- Working directly/indirectly through finance/joint working/business investment. The LEP is there to be strategic and set direction for public and private sector bodies across the area.

Cllr Tomlinson, Chair of the Rural Working Group reported that an element of the partnership already has strong links with the NELEP through NEFRAN and the Rural Growth Pilots.

The Chair, thanked Ed for attending and welcomed the opportunity to build future collaboration between the NELEP and County Durham.

## **8. Thematic Focus: Housing – Geraldine Wilcox**

Geraldine Wilcox (As Vice Chair of the Housing Forum) gave a presentation to the group

The presentation covered:-

- Housing Context
- Issues and Challenges
- Housing in Durham
- Strategic Housing Direction
- Moving forward

Geraldine mentioned Housing cross cuts across lots of themes as for example it covers:-

- Children living in poor conditions.
- Mental Health
- Cold Housing
- Fuel Poverty

We are in the midst of a deepening housing crisis. We need to build an additional 230,000 homes a year just to keep pace with new demand (Barker Report 2006) as there is a widening gap between housing supply and household growth. The number of households will grow by 232,000 per year until 2033 but only 115,000 new homes were completed in 2011, the lowest number since the War. In County Durham it is estimated that we need to build an additional 30,000 new homes to meet demand by 2030 and last year 740 new homes were built.

There are 19,000 applicants on County Durham's Housing Register for social rented housing but the grant available to subsidise new social housing has been halved and there is currently no indication that grant will be available to fund new homes for social or affordable rent post 2015 when the current grant funded government affordable homes programme ends.

Home ownership has suffered as mortgage lenders have become more risk averse since the credit crisis requiring an average 30% deposit and lending has halved since 2007. The average age of a first time buyer is currently 37 and is expected to reach 40 by the end of the decade. As well as facing difficulties in accessing a mortgage, would be first time buyers are deterred from buying by an uncertain economic backdrop of frozen wages, job insecurity and rising unemployment.

In line with the rest of the UK, County Durham has a growing aging population which will require appropriate specialist housing to meet age related and health needs. There will be a 61% growth in 65 + households by 2031 in Durham.

The Private Rented Market is the only tenure that has expanded and is expected to grow to be 20% of the housing market by 2020. The Montague Report published August 2012 suggests growth in this sector might be the solution to the housing Crisis.

Homelessness could increase in next 5 years especially amongst younger people and people of working age most adversely effected by the Welfare Reforms and changes in their housing Benefit as amongst home owners if the economic recession continues.

#### Challenges for CDEP

- How do we facilitate /fund the development of new homes at a time when private finance (mortgages and lending to developers) is restricted by the Banks and public subsidy has been cut severely?
- How do we provide for an aging population? Investment in older person accommodation?

Sarah Robson (Chair of the Housing Forum) mentioned that there are risks going forward as there is an increase in right to buy properties which takes away stock from Social Housing. Welfare Reform is always a major crisis and there is a need to work with partners to ensure the best results to deal with this.

Ray Hudson informed the Board that there was research being carried out on mortgages and the results of this were that a third of people have interest only mortgages at present which means 'people are essentially renting their homes from the building societies'.

## 9. EU Structural Fund – Andy Palmer

Andy Palmer gave an update presentation to the Board in relation to EU Structural Fund.

Moving forward the next steps outlined and supported by the board included:

- Lobbying for “local programme” and ringfence resources
- Development of CDEP Investment Plan
- Pipeline of projects and joined up investments
- Working within the NELEP and Tees Valley on wider programme of key investments

**Action:** AP to develop CDEP Investment Plan approach in line with wider investment plan opportunities in the region.

## 10. Employment Report – Paul Chapman

Paul Chapman gave an update to the Board.

The report outlines the changes in available vacancy information from DWP.

- The Welfare Reform Act sets out the Governments intentions for stronger and clearer system of conditionality and sanctions. In line with the draft regulations set out earlier this year DWP are changing the way JSA can be affected if claimants do not meet the conditions for receiving it.
- JSA Changes: The new regulations introduce a regime of fixed period sanctions, which will replace the existing sanction rules and move claimants closer to the sanction regime planning for universal credit. It is intended that DWP intend to bring new changes from 22<sup>nd</sup> October 2012.
- Universal Job Match will be launched on 19<sup>th</sup> November 2012. This is DWP’s new, free online job posting and matching service. It will replace current vacancy management service, employer direct and employer direct online for companies and it replaces the jobcentre plus jobs and skills search facility for jobseekers. New technology will help speed up the recruitment process for companies and jobseekers by automatically matching jobseekers CV’s and skills to jobs posted online.

Flexible Support Fund – This puts greater emphasis on local partnership working to draw out a coordinated and strategic approach to addressing identified need. It will allow jobcentre plus to fund activity and services where the adviser or support menu is not sufficient to achieve work entry.

**Action** – Job Centre Plus to work through the Business, Enterprise & Skills Working Group to identify any further opportunities for maximising available resources within the JCP.

Graham Wood also provided a further update on the Apprenticeship Programme.

152 apprentices to start. This has more than exceeded the initial target. There is still a great deal of work to be done before the 2<sup>nd</sup> round can be rolled out.

Barbara Gubbins mentioned that a meeting about Skills and Opportunities took place with both people from the Private and Public Sector. The County Durham Community Foundation have received £1m from Jonathan Ruffer to help tackle social deprivation and create jobs in the area. There are no conditions attached to

the grant as to how the money should be spent. Barbara stated that there will need to look at where the gaps are then the funding will be put to the Board of Trustees who will then make a decision.

**Action** – Barbara has suggested presenting to an appropriate working group as the programme of support develops. Sue Parkinson offered the BESWG for this.

## **11. City Skills – Graham Wood**

Graham Wood updated the Board about The City Skills Programme.

The City Skills Fund is part of the 'City Deal' process aims to tackle key blockages of economic growth and is targeted at England's 8 Core Cities as drivers of economic growth. The purpose of the Fund is to enable effective partnership working across the core city and wider Local Enterprise Partnership (LEP) area to address key skills issues. Newcastle City Council has been awarded £500,000 from the City Skills Fund to develop skill priorities and a skills plan for the core city/LEP area, covering the 5 Tyne and Wear Local Authorities and Northumberland and Durham.

Further information on the programme was contained within an attached report. GW mentioned that any support would be welcomed to help utilise the partnership structures. Further discussion and direction would be coordinated through the Business, Enterprise & Skills Working Group.

## **12. Business, Enterprise & Skills – Sue Parkinson**

Sue Parkinson had nothing more to add other than what was already written in the report.

**Action:** The Board endorsed the recommended functions and have agreed that Business Enterprise and Skills Group will now be formed.

## **13. Working Group Chairs Update**

### *Business and Enterprise*

Sue Parkinson mentioned the integration of the skills into the B&EWG to form the new Business Enterprise and Skills Group.

Development of Social Enterprise and the benefits it has, will be presenting to the County Durham Partnership Board.

NEFRAN out to tender at present £1.5m is to be invested into Rural areas. Building up relationships with Durham City Bid and also Crowd Funding initiatives.

### *Housing*

As Sarah Robson had to leave the meeting early Geraldine Wilcox gave update on the Housing Forum. The County Durham Plan was on the last Agenda, there was also an update on flooding in Co Durham and the impact it had on the County. There was a presentation on Collective Fuel Purchasing Scheme. Welfare Reform was discussed; this is a standard item on the agenda and compliments the Countywide approach.

### *Rural*

Cllr Tomlinson informed the Board that Business hubs creation was underway and they had received money for Middleton-In-Teesdale and are working on what means in delivering it.

Building up good relationships with Local Nature Partnership and AONB Northern Uplands, they are also reviewing how they can engage more with the LEP, communities and AAP.

Networking CLA business element membership about land ownership, and they are going to write out to see if this list can be shared with other members of the Rural Working Group.

VCS

Barbara Gubbins mentioned that the new infrastructure of the partnership was working effectively. There are problems with the voluntary sector reducing hours of paid staff. This is apparent through the increased volume of people accessing services (e.g. Suicide support and animal welfare).

Companies need more volunteers coming forward, especially young people who need experience to put on their CV's.

**14. Date and Time of next meeting**

4<sup>th</sup> February 2013, 2pm Location TBC

**Future meetings**

13<sup>th</sup> May 2013, 1pm Location to TBC