

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Friday 5 April 2013** at **10.00 am**

Present:

Councillor J Moran (Chair)

Members of the Committee:

Councillors J Armstrong, B Arthur, C Carr, A Naylor, J Rowlandson, P Stradling, M Wilkes, M Williams and A Willis

Co-opted Members:

Mrs O Brown and Mr A Kitching

Also Present:

Councillor R Todd

1 Apologies for Absence

Apologies for absence were received from Councillors J Cordon, J Hunter, P Jopling and Andy Turner and Mrs A Harrison and Mr JB Walker.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meeting held on 14 January 2013 were agreed by the Committee as a correct record and signed by the Chair.

The Chair noted that this was the last meeting that he and the Vice-Chair, Councillor A Naylor, would be Chair and Vice-Chair of the Committee. The Chair took the opportunity to thank Councillor A Naylor for her stalwart support and also Councillor B Arthur who was Vice-Chair of the previous Committee, the Building a Strong Economy Scrutiny Committee.

The Chair and Vice-Chair thanked the Co-opted Members for their support and contribution, and also noted their appreciation of the input from Partner Organisations and Outside Bodies.

The Chair and Vice-Chair asked the Committee to note their thanks to the Officers from Durham County Council, in attending the meetings and answering the questions from the Committee. Finally, the Chair and Vice-Chair thanked the Officers from the Overview and Scrutiny Team associated with the Committee, Feisal Jassat, Diane Close and Stephen Gwilym for their hard work and professionalism.

Councillor J Armstrong reiterated the words of the Chair and Vice-Chair and suggested that a Member who had been ill recently, was sent a card noting the best wishes of the Committee.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 Quarter 3, Revenue and Capital Forecast of Outturn 2012/13

The Chair introduced the Finance Manager, Resources, Azhar Rafiq who was in attendance to speak to Members in relation to the Quarter 3, Revenue and Capital Forecast of Outturn 2012/13 (for copy see file of minutes).

The Finance Manager noted 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 under spend of approximately £615,000 for 2012/13 based on the Quarter 3 forecast outturn. Members noted the major under spend fell within Planning and Assets, with the detailed explanations as set out within the report. The Committee learned that there was improvement with the Building Control position, underachievement in relation to income from property in assets, mitigated by savings in staffing costs and other income generation.

The Committee noted that the HRA was on track; with the main items of note being overspends on repairs and maintenance due to the inclement weather conditions and also from costs as a result of some specific gas boilers that were out of warranty in the Durham City area. Councillors were reminded of the usual volatility reporting arrangements, noting improvements in the position regarding Planning fees and concessionary fares.

As regards the Capital Programme, the Finance Manager explained that the budget now stood at approximately £95.380 Million split between the General Fund (~£49.907 Million) and HRA (~£45.473 Million) with the spend for the first 9 months being approximately £61.616 Million, 65% of the total 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. Members noted some of the areas of the programme including the refinancing of Newcastle International Airport Limited, Durhamgate, Housing renewal and the Local Transport Plan.

The Chair thanked the Finance Manager for his presentation and asked Members for their questions on the Quarter 3 2012/13 report.

Councillors raised issues as regards the overspends in the agency costs in transport, decreased CRB income, underachievement on property income in town centres and the scheduling of boiler repairs in order to have them functioning and in place to help reduce winter fuel bills.

The Finance Manager noted that the agency staff was a short-term support whilst staffing was being reviewed, with this matter being addressed. It was added that the CRB income related to Home to School transport and that the value was lower than previous years. The Finance Manager noted that there would be a planned programme for the next financial year in respect of boiler repairs/replacements.

Councillor M Wilkes referred to the position relating to the overspend on the Durhamgate project and noted his concerns as regards Members not being informed of overspend earlier and Members not being given a breakdown of the costs. The Finance Manager noted that a report on the matter would be brought to Cabinet in due course, with the Head of Strategy, Programmes and Performance, Andy Palmer adding that as the matter was subject to an ongoing legal issue; there was a need to await the outcome prior to information being brought forward. The Head of Strategy, Programmes and Performance noted that the project would lever in around £200 Million of private sector investment. Councillor M Wilkes accepted that there was the issue of the ongoing legal matter, however, reiterated that Members should have been informed earlier, with the relevant Portfolio Holder having been involved, and that it could be for the Scrutiny Committee to strongly request the Portfolio Holder to attend a future meeting in this regard.

Resolved:

That the report be noted.

7 Quarter 3, 2012/13 Performance Management Report

The Chair introduced the Performance and Improvement Team Leader, Gemma Wilkinson who was in attendance to speak to Members in relation to the Quarter 3, 2012/13 Performance Management Report (for copy see file of minutes).

The Performance and Improvement Team Leader noted the information in the report related to the period October 2012 to December 2012 and reminded Members of the different types of indicators reported, Tracker indicators and Target indicators. Councillors noted that some of the achievements in Quarter 3 included non-decency levels for Council properties being ahead of target; the number of properties being brought back into use being on target and good progress being made in respect of Apprenticeships, the Economic Regeneration Manager, Graham Wood noting that the overall figures for apprentices would be higher by the year end. The Committee learned that £309,000 of funding had been received from the Department of Energy and Climate Change as regards energy efficiency measures and group repairs at Craghead, and noted there was potential for further British Gas Eco Funding which could facilitate works to a further 68 properties.

Members were reminded of the ongoing Stock Option Appraisal project, noting submission of the Stock Transfer Prospectus to the Department of Communities and Local Government, the outcome to be reported to Cabinet in summer 2013.

It was added that key performance issues going forward included: major planning applications, noting a benchmarking process with other comparable Local Authorities would be undertaken; occupancy of County Council business premises; Council Plan actions; and the programme of Capital Works for Regeneration and Economic Development (RED). Members noted the Tracker Indicators set out within the report including the decline in the employment rate, the fall in the number of housing completions, a reduction in the number of retailers in Durham City. The Committee were reminded of the key risk to the objectives of the Altogether Wealthier theme was the potential impact if repairs to the Seaham North Pier were not undertaken.

The Chair thanked the Performance and Improvement Team Leader and asked Members for their questions.

Members noted issues in relation to the Tracker Indicator that referred to the number of top retailers in Durham City and whether out of town facilities were impacting negatively on the City Centre; the number of affordable homes being built; whether the sale of land to Developers with a "pay upon completion" clause could help to kick-start building, barriers at the Gala Theatre; and the percentage of the working age population currently not in work who wanted a job. The Performance and Improvement Team Leader noted she believed that works to the Gala were internal, however this could be confirmed. The Head of Strategic Programmes and Performance noted that the information used to determine the Tracker Indicator as regards the percentage of the working age population currently not in work who wanted a job was gathered from a 10% sample survey.

Councillor B Arthur asked whether the future budget referred to as regards the North Pier at Seaham was the Seaham Harbour North Dock Company and Durham County Council (DCC) or DCC alone. The Head of Strategic Programmes and Performance noted that he would seek clarification on this matter.

Councillor M Wilkes noted for the future work programme of the Committee the issue of Business Asset Stock could be looked at, with perhaps looking at how other Local Authorities boost use of their units. The Chair noted the suggestion and added that while the Work Programme was on the agenda, the Work Programme would be looked at in June by the new Committee.

Resolved:

That the report be noted.

8 Update on the Housing Solutions Service

The Chair introduced the Housing Solutions Manager, Lynn Hall who was in attendance to give Members an update as regards progress made by the Housing Solutions Service (for copy see file of minutes).

The Housing Solutions Manager referred Members to the report within the agenda papers and reminded Councillors that the Housing Solutions Service had responsibility for homelessness and housing advice, Durham Key Options (DKO) which had been reported to Committee previously, the Family Wise programme and the Family Intervention Service (FIS). It was noted that the FIS, previously known as the Family Intervention Project (FIP), had received funding for a further 18 months.

The Housing Solutions Manager added that some of the key issues coming through included rough sleepers and the increase in the number of homeless presentations. It was added that an increase in presentations did offer the opportunity to help people early on in order to help prevent homelessness occurring. Members noted that the most significant issue for the future would be implications from Welfare Reform changes and noted initiatives such as "Housing Triage"; a temporary Private Landlord Officer and work as regards mutual exchanges of properties in light of under-occupancy as some of the actions being taken.

Councillor J Armstrong noted the good work being undertaken with Housing Providers and noted that issues with the economy in general meant that there was a need to ensure the most vulnerable in our society were protected. It was added that Welfare Reform could be an issue that could be looked at in some form within the Work Programme for the Committee.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update on the work of the Housing Solutions Service as part of the refresh of the Committee's Work Programme 2013 – 2015.

9 Refresh of the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee

The Chair introduced the Overview and Scrutiny Manager, Feisal Jassat who was in attendance to speak to Members as regards the Refresh of the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The Overview and Scrutiny Manager thanked the Chair and noted that there was a two stage process, starting with a steer from current Members, taking on board the Council Plan 2013 – 2017, agreed by Council in February, and the Partnership Plans and Strategies in place. The Overview and Scrutiny Manager added that Councillor J Armstrong had mentioned Welfare Reform as an issue and Councillor M Wilkes had noted DCC Business Units as possible topics to look at.

Councillors noted that the second stage would be to bring back a further report to the Committee in June for Members' consideration.

Councillor J Armstrong noted that there was a need for new Members to "take ownership" of the direction for the Committee. The Overview and Scrutiny Manager noted that there would be Overview and Scrutiny sessions as part of the new Members' induction programme in order to help them understand the role of Overview and Scrutiny and the relevant issues for each of the Committees.

Resolved:

- (i) That the report and information contained within Appendix 2 to the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee refresh the Work Programme for 2013 – 2015 as discussed.
- (iii) That the Economy and Enterprise Overview and Scrutiny Committee receives a further report detailing the Committee's Work Programme for 2013 – 2015 at its meeting to be held 24 June 2013.

10 Update - Increasing Young People's Employment Opportunities (18-24) within County Durham

The Chair introduced the Economic Regeneration Manager, Graham Wood who was in attendance to update Members as regards the Committee's Review Report: "Increasing Young People's Employment Opportunities (18-24) Within County Durham" (for copy see file of minutes).

The Economic Regeneration Manager explained the update would focus on the work undertaken, ongoing or planned, in relation to the recommendations as made by the Committee in its Review Report. Councillors were reminded of the disconnect that existed preventing the smooth flow from education into work and were informed of work ongoing with the Children and Adults Services Directorate and Business Durham in helping to identify and remove barriers preventing this flow. The Committee noted that this would be via European Social Fund (ESF) projects, with a 2 year extension to funding having been secured and the project being out to tender.

Members were reminded that employment, and youth employment, remained as a high priority for most of the Area Action Partnerships (AAPs) and referred Members to Appendix 3 which gave an update on their activities.

The Committee were informed of the work of the County Durham Economic Partnership (CDEP) and noted that the CDEP had given a presentation to the County Durham Partnership (CDP) as regards the role of DCC's CAS and Regeneration and Economic Development (RED) Directorates in joint working relationships. Members were reminded of Targeted Recruitment and Training (TRT), working with Partners and enabling opportunities via procurement.

Councillors noted pre-employment programmes and also Business Administration apprenticeships within DCC and apprenticeships and employment opportunities with Housing Providers, including a Social Enterprise setup by East Durham Homes.

The Economic Regeneration Manager explained that there had been events at school Parents Evenings with CAS and RED helping to provide information, advice and guidance in respect of apprenticeships. Members were reminded of the visit to South West Durham Training (SWDT) and the work they were doing in conjunction with partners in respect of becoming a universal technical college for manufacturing and engineering and of the provision of Youth Contract and Work Programme schemes via Derwentside Training and Groundwork North East.

The Committee learned that there had been 145 payments to 139 employers in respect of the Youth Contract up to 5 December 2012 via the National Apprenticeship Service (NAS) and noted the success of this in County Durham, with 96% of those employers noting they would employ an apprentice in the future.

The Chair thanked the Economic Regeneration Manager and asked Members for their questions.

Councillors asked questions on issues of AAP activities in relation to youth employment; of funding as regards the Infinite Weld Academy; the publicity of the successes of schemes and the good work being undertaken by DCC and partners. The Economic Regeneration Manager explained that each AAP set their priorities, albeit there was work ongoing as regards youth employment. It was added that DCC had supported the Task and Finish Group at the East Durham AAP as regards the Infinite Weld Academy Expansion, not financially, rather in helping to identify other funding sources. Members were reminded that many press releases are issued as regards the successes and activities being undertaken; however the decision to publish was ultimately a decision for the press themselves.

Resolved:

- (i) That the progress made in relation to the 12 recommendations contained in the Scrutiny review report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee at its meeting on the 9 December 2013 receive a further report detailing progress made against the recommendations contained in the Scrutiny review report.

11 Minutes of the Meeting of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held 4 February 2013 were received by the Committee for information.