

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 December 2011 at 10.00 am**

Present:

Councillor J Moran (Chair)

Members of the Committee:

Councillors A Naylor, C Carr, B Graham, P Jopling, R Liddle, J Rowlandson, B Sloan, P Stradling, M Williams and A Willis

Co-opted Members:

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

Apologies:

Apologies for absence were received from Councillor(s) J Armstrong, B Arthur, J Hunter, M Wilkes and Mrs A Harrison

Also Present:

Councillor(s) Mr T Batson, N Foster, R Todd and E Tomlinson

A1 Minutes of the meeting held 14 November 2011

The Minutes of the meeting held on 14 November 2011 were agreed by the Committee as a correct record and signed by the Chair.

A2 Declarations of Interest, if any

There were no Declarations of Interest.

A3 Items from Co-opted Members or Interested Parties, if any

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 retention of some bus services where funding had been secured.

Resolved:

That the presentation be noted.

A5 Quarter 2, 2011/12 Performance Management Report:

The Chair introduced the Customer and Services Intelligence Manager, Graham Tebbutt who was in attendance to speak to Members in relation to the Quarter 2, 2011/12 Performance Management Report (for copy, see file of minutes).

The Customer and Services Intelligence Manager reminded Members of the changes in performance reporting and noted the table set out on page 8 of the papers that highlighted the performance indicators and performance of actions against target, 33 actions being on track.

The Committee learned that the key achievements in Quarter 2 were:

- The percentage of people enrolled on accredited courses support by DCC's Adult Learning Services being 92.3%, against a target of 90%.
- The number of people engaged in cultural events had increased by 7% with a 90% event rating of good or very good.
- A reduction in the number of non-decent homes, now 34%, down from 37% in Quarter 1 and 40% last year.

The Customer and Services Intelligence Manager explained that three key performance issues going forward were:

- The number of empty properties being brought back into use as a result of Local Authority intervention being 20 against a target of 40, albeit Housing Renewal believed that the year end target of 80 would be achieved as arrangements was embedded.
- The percentage of bus services running on time, 90% with the target being 95%. It was explained that it was thought that there may have been issues on one particular day at Durham bus station which may have been due to local road network issue.
- The occupancy rates of Council Owned Factories and Business Support Centres was at 76%, a percentage high than set out in the report, although this was still below the target of 78%. Members noted a £2 Million investment from the Capital Programme and the Business Space Strategy setting out a five year investment programme had been scheduled for November 2011.

Member noted the Tracker Indicators set out at paragraph 7 of the report in relation to the rise in the number of 18-24 year olds claiming Job Seekers Allowance (JSA), the rise in the number of people claiming JSA for one year or more, a continued reduction in the employment rate an increase in the number of homelessness preventions.

The Committee learned that National Planning Policy Framework (NPPF) Consultation was ongoing, with the changes to affect the County Durham Plan significantly. Members noted that the CDP first draft would be September 2012, a final draft in May 2013, a consultation period running through March 2014 with implementation in April 2014.

In relation to the Actions against the Council Plan, Members noted that 45 of the 48 actions in relation to the Altogether Wealthier theme were either on track on had been achieved, with two behind target and with one being proposed to be deleted.

The Customer and Services Intelligence Manager explained that the “coordinated response to development enquiries” Action had been completed a Quarter ahead of schedule and that the completion date for the County Durham Cycling Strategy had moved from July 2011 back to December 2011. Members learned that “transport infrastructure and public transport improvements – Priority 1 Corridor A692” had been delayed as a Section 106 Agreement regarding roundabout improvements was pending a planning appeal relating to an opencast site, no revised deadline was known. The Committee noted that the “Durham Greenbelt at Bowburn” was taken out of the Service Plan, though work would continue via the process established for dealing with major site enquiries. The Customer and Services Intelligence Manager explained that the major risk to the delivery of the objectives of the Theme was the loss of Area Based Grant (ABG) funding and that an Action Plan was being developed to mitigate the risk as far as possible, although it was recognised as a significant risk for at least the next 4 years.

The Customer and Services Intelligence Manager concluded by explaining that other significant risks included worsening private housing stock condition; reduced allocation of deprivation based grants due to the Council’s new deprivations status; and diminishing capital resources, continuing depressed land values and slow growth in the private sector.

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

Councillor J Cordon asked whether there was to be a focus on homelessness as opposed to preventions and whether transport connectivity would be reviewed more in depth. The Customer and Services Intelligence Manager noted that the number of homeless preventions was used as an indicator as the actual numbers of people in temporary accommodation had not been a large number in the past. Accordingly, it was noted that the figures used are the number of people “presenting” as homeless and also the number of “preventions”. Members were informed that changes to Welfare, specifically Housing Benefit, could see an effect on the figures in cases of under-occupancy, just as one example. Councillors noted that a new Tenancy Strategy was scheduled for the end of June 2012 to hopefully help mitigate any risks. In relation to the Transport Connectivity, the Customer and Services Intelligence Manager noted that the Section Manager – Infrastructure, Andrew Leadbeater was in attendance to present information to Members at a later agenda item.

Councillor M Williams noted his disappointment as regards the Durham Green at Bowburn scheme not having been successful. The Customer and Services Intelligence Manager noted that it was originally seen by the Council as a strategic site, with aspiration for employment to be generated, however, the landowner had not wished to take the scheme forward due to the condition of the housing market.

Mr JB Walker asked whether the figure of 78% of bus services running on time was accurate as this was not his experience of services at Chester-le-Street. The Section Manager – Infrastructure explained that the indicator and target were for the “start times” of journeys and not times en route and that for a further breakdown of statistics would need to be requested from the Operator, GO North East.

Mr A Kitching asked why private housing stock condition was deteriorating as set out at paragraph 16(a). The Customer and Services Intelligence Manager explained that in the current economic climate private landlords may choose not to, or be unable to, invest in their properties and this leads to a risk of empty properties, and those in a less suitable state. It was noted that the Council may be able to help in this regard through group repair schemes, though again the risk of Welfare changes could affect the income and responsibilities of private landlords.

Mr T Batson noted the importance of the Localism Bill and sustainability. Councillor E Tomlinson noted that the 2014 seemed a long way off as concerning the CDP, however, there was ongoing work regarding Rural Groups, Town and Village Plans and more so "Localism" was being incorporated and developed within Council policies.

Resolved:

That the report be noted.

A6 Forecast of Revenue Outturn Quarter 2, 2011/12:

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, 2011/12 report (for copy, see file of minutes).

The Finance Manager, Resources explained that the report followed the usual format for budgetary reports and was the second of the 3 in-year reports, looking at the figures for the first 6 months of the financial year and the projected outturn for the year end. Members noted the three components for the RED budget, those being:

- RED Revenue Budget (General Fund) - £42.680 Million (original £39.617 Million)
- Housing Revenue Account (HRA) - £57.631 Million
- RED Capital Programme - £110.418 Million (original £107.064 Million)

The Committee noted the variance to the General Fund was a £379,000 underspend, and that the major variances were the loss of rental income from businesses, under achieved income in relation to Building Control fees and underspend on staffing costs as result of Medium Term Financial Plan (MTFP) reductions. Members noted that the approximate £400,000 underspend would be held against a number of commitments and pressures affecting RED services as mentioned and economic development initiatives, issues within Planning, condition surveys for asset management, transport commitments and housing commitments.

The Finance Manager, Resources noted that the HRA was solely funded by rental income and capital receipts from "Right to Buy" sales and not subsidised by Council Tax income. Members learned that the HRA had several over and underspends that had balanced out to give an overall position the same as the Quarter 1 position.

The Committee noted the items reported under Risk Based or Volatility Reporting with the two areas that were not on track relating to the income from Building Control fees and rental income from Business Space, both due to economic conditions leading to a downturn in activity.

In relation to the Capital Programme, the Finance Manager, Resources explained that this represented £67.627 Million in respect of the General Fund and £42.791 Million in respect of the HRA.

Members noted that the revised annual budget showed a total projected spend for 2011/12, as at 30 September 2011, was 88% of budget leaving approximately £13 Million to be carried through to the 2012/13 Budget.

The Chair thanked the Finance Manager, Resources and asked Members for their questions.

Councillor M Williams noted the shortfall in Building Control fees, however there was a surplus in the Planning Application fees. The Finance Manager, Resources reiterated that indeed the Planning fees were ahead of target, yet Building Control fees were behind and this could be as Planning was a Local Authority function whilst Building Control was open to competition. Mr T Batson asked whether Council Building Control fees were greater than private sector fees and whether this could be addressed to make the Council more competitive. The Finance Manager, Resources explained that perhaps original budgets and fee levels were not realistic in the current market and that they may need adjustment.

Resolved:

That the report be noted.

A7 Overview of TRANSIT 15:

The Chair asked the Section Manager – Infrastructure to give an update presentation in relation TRANSIT 15 (for copy, see file of minutes).

Members that TRANSIT 15 was a major project that began within the Local Transport Plan (LTP) 2 and continued now in the first year of LTP3. Councillors were reminded that the completion time for TRANSIT 15 was March 2014 and that its main aims were to improve journey experience, increase sustainability and to increase bus patronage as an alternative to private cars.

The Committee noted the LTP3 objectives that were helped by TRANSIT 15 and that data had suggested a “corridor approach” leading into Durham City and analysis had highlighted several congestion/delay points and those that were feasible and offered value for money were then selected as schemes to be taken forward. Members noted schemes completed or underway included:

- A693 Stanley Roundabout
- C57 Lanchester Junction
- A691/C62 Kaysburn Roundabout
- New Inn Traffic Signals
- Unc. North Road / B6532 Durham (Bus Stop outside of County Hall)
- A177 Durham High School
- A167 Barley Mow Roundabout

The Section Manager – Infrastructure explained there were several planned schemes:

- C100 Dryburn Park Bus Lane
- Framwellgate Moor Bus Lane
- Croxdale Bus Lane
- Sacriston Turning Circle
- A181 Gilesgate Bank/Sherburn Road Bus Lane Extension
- A177 South Road Bus Lane

Members noted that there were also several other schemes including:

- B6532 Aykley Heads Roundabout Approach
- A690 High Street South Langley Moor Bus Lane
- Loble Hill Road, Meadowfield Bus Lane
- Nevilles Cross Traffic Signals
- A690 Leazes Bowl
- A167 Northlands Roundabout

It was explained that major issues faced were public consultation, especially on the proposed bus lanes, and objections to schemes an example given being the loss of a lane at Low Shincliffe.

Councillors learned that outcomes thus far were evaluated using real time information that showed that travel times were improving, an example being the journey past Durham High School into Durham of 4m23s before works was now only 2m13s after completion. Members noted that Bus Operators were on board with the work being carried out and planned by Durham County Council (DCC), quoting GO North East in their support. The Section Manager – Infrastructure added that the capital spend thus far, by the end of the 2011/12 would be around £2 Million of a total budget for TRANSIT 15 of £5 Million through to March 2014, this representing a slight underspend.

The Chair thanked the Section Manager – Infrastructure and asked Members for their questions.

Mrs O Brown noted the achievements of the scheme, however, noted a lack of schemes in what was the former “Wear Valley” area. The Section Manager – Infrastructure explained that this was because that area demonstrated relatively few delays, and those were usually attributed to delays on the approach in Durham radiating out along the previously mentioned “corridor approaches”.

Councillor C Carr noted the excellent success of TRANSIT 15 so far, noting that some delays were outside of DCC control such as the 82 from Kimblesworth that was affected by traffic at the Newcastle part of the journey, which GO North East have sated was a result of Eldon Square being the contributing factor. Councillor C Carr also noted that the bus stop on the C5 near the roundabout was dangerous and added that some other Local Authorities allowed the use of bus lanes by Taxis, though DCC did not and this could cause confusion as deregulation meant that Taxis from “other” areas were now operating within County Durham.

The Section Manager – Infrastructure noted the issue of delay on services from Newcastle and added that indeed there was work between Local Authorities in order to mitigate delays. Members were informed that the issue of the bus stop on the C5 mentioned by Councillor C Carr would be looked at and that the issue of Taxis using bus lanes was not primarily a congestion debate, rather an issue of identification and of safety, with DCC not being able to enforce it being under the remit of the Police.

Councillor M Williams noted that he objected to the A690 taxi/bus lanes on the basis that it was felt it may increase congestion and this appears to be the case. Councillor M Williams added that he felt that the new traffic lights at the New Inn had made the situation worse, with the lights remaining on red for too long at the pedestrian crossing and added that the bus lane should be looked at as there was a bus stop pole on a bend that “will be hit” and proved to be an obstacle for buses to avoid. The Section Manager – Infrastructure explained that the issues of congestion had been looked at in terms of getting “into” Durham as the priority, not necessarily the routes leading out and the phasing of traffic lights and the bus stop pole position had been determined on that basis. Mr D Lavin added the area Councillor M Williams referred to was also a corner that coaches needed to negotiate and this could affect tour buses and school buses alike. The Section Manager – Infrastructure noted this issue would be looked at.

Councillor B Graham noted that the condition of some of the buses on the network in County Durham were quite old and not fit for use. The Section Manager – Infrastructure explained that Arriva had recently received 13 new vehicles that were coming into service so improvements should be seen soon not only to quality, in terms of reliability and punctuality.

Mr D Lavin understood the corridor approach, however, he asked whether there would be any developments to help “cross-links” from one side of the County to the other to help improve transport links to boost access to employment opportunities. The Section Manager – Infrastructure noted that there were not many routes across the County other than through Durham, however, at the next stage, beyond TRANSIT 15, Consent, Stanley and Chester-le-Street would be looked at together with other “corridors”. Mr D Lavin added that a sign at Stanley Bus Station was obscured by a fascia, the Section Manager – Infrastructure noted the issue.

Mr T Batson referred back to his earlier point from Agenda Item 5, with reference to improving transport connectivity between towns, as Mr D Lavin had also noted vital to help make employment opportunities accessible and added that some towns and villages, for example Tow Law were without services after 8.00pm, thus limiting the possibilities of some employment, i.e. shift working and also having an impact upon the opportunities for people to access a vibrant social life. The Section Manager – Infrastructure noted the comments and conceded this was a problem, however, in the light of reductions to subsidised services and after consultation it was agreed to focus on saving day time services and to therefore cut services on evenings or at weekends. Councillor C Carr noted that the policy as regards bus services had been agreed by Members at Full Council. Mr T Batson wondered whether the policy should be re-examined and noted that perhaps a change of bus lanes to “no car lanes” could be a boon to business vehicles in utilising them as well as helping to ease congestion by removing them from the “public” traffic.

The Section Manager – Infrastructure explained that the prime concern for bus lanes was for the effective public transport network and any alteration that could negatively affect services would not be in keeping with policy.

Councillor P Stradling noted that paragraph 6 of the covering report had set out that the scheme had identified site that offered best value and asked what amount of the funding received from Government remained. The Section Manager – Infrastructure reiterated that to date £2 Million had been spent, and that the remainder of the schemes as outlined up to 2014 would utilise the remainder of the £5 Million allocated to TRANSIT 15. Councillor P Stradling noted earlier comments as regards neighbouring Local Authority areas that may contribute to congestion and wondered if Sunderland and Hartlepool contributed more heavily to any delays in East Durham and asked how such delays were assessed, was it through consultations with the public via mechanisms such as the Area Action Partnerships. The Section Manager – Infrastructure explained that the delay points were identified via Bus Operators and Traffic Data and those discussions with neighbouring Local Authorities were on the agenda for post-TRANSIT 15.

Councillor C Carr asked what the Staffing Implication referred to within Appendix 1 to the Covering Report. Members were informed that this represented issues that involved taking on work via the Strategic Highways Section.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That a further update is provided to the Committee at its July meeting.

A8 Overview of Digital Durham Programme:

The Chair introduced the Head of ICT Services, Phil Jackman to give an update presentation in relation to the Digital Durham Programme (for copy, see file of minutes).

Members were reminded of the background to the scheme, notably the economic benefits of having access to superfast broadband, as well as benefits to health, learning and competitiveness ensuring that no communities, homes or businesses within the County would be left out of the “knowledge economy”. An example given to Members was that of around 70,000 pupils within County Durham accessing learning via the internet “Durham Gateway” and that statistics could show that those with access to broadband had on average 25% better qualifications, increasing their opportunities for the future.

The Committee learned that there was a need to also develop ICT skills even to simply access the job market as around 50% of jobs vacancies were now only advertised and available for application online. The Head of ICT Services added that the term “superfast broadband” meant speeds of 25-30 Mbits/sec enabling 3 high-activity uses at once, for example business use, streaming of High Definition video content and gaming use. Members were given an analogy of a train network to understand the infrastructure required, the services offered/needed and the people/users of the services.

The Head of ICT Services explained that 21% of County Durham currently had access to superfast broadband, with 44% to having the opportunity to access superfast broadband.

If no further action were taken, it was explained that access would level out at around 65% with Government having an aspiration of 90% access. Members noted that the DCC aspiration was for 100% access as the “final 10%” represented 50,000 people in real terms for County Durham.

Members were shown maps that showed the extent of superfast broadband, the relative speeds in different areas and those areas that could not access such services. The Head of ICT Services explained that new telephone exchanges at Peterlee, Stanley and Consett had helped to extend access, however there were still access issues in the more rural areas.

In relation to engagement, it was noted that there had been opportunities at events such as the NECC “Oktoberfest” at Newton Aycliffe, with opportunities such as the new Hitachi site as well as engagement with public sector partners such as the Primary Care Trust, the Fire and Rescue Service and Police. The Head of ICT Services added that Community and Voluntary Sector (CVS) organisations had also been engaged and that regular updates on the Digital Durham Project were given to both Durham Councillors, MPs and at a local level via the AAPs and “Broadband Champions”.

Members were asked to note an example whereby a Local Action Group had raised the issue of lack of access to broadband in their area, Byers Green, Spennymoor and then organised a petition and worked with DCC and British Telecom (BT) in order to secure a positive outcome with BT to provide infrastructure to give access to broadband in that area.

The Committee noted the several points relating to how access to superfast broadband could affect businesses and highlighted the opportunities that could be developed.

The Head of ICT Services explained the work with BDUK, part of the Department for Culture, Media and Sport (DCMS) in relation to improving access to superfast broadband and DCC Cabinet had agreed on 14 December 2011 to match fund with BDUK on schemes and there was a need to highlight that access was not a “rural” issue but in fact an economic regeneration and deprivation issue. Councillor learned that the indicative figure of funding from BDUK was £7.79 Million, about one-quarter of what is estimated to be required to give the 100% access DCC aspires to, with match funding in place this equates to around half of the funding required. Accordingly, the Head of ICT Services explained that in the pre-procurement exercise there was a need to gauge market interest and to shape any final tender accordingly with the third bid to BDUK to be submitted shortly.

The Chair thanked the Head of ICT Services and asked Members for their questions.

Mr T Batson noted the issue of trying to help the “older generation” to develop the requisite skills to be able to utilise superfast broadband where they do have access and asked whether “mobile broadband” was a solution for the most rural areas in the County. The Head of ICT Services agreed that skills development and confidence build was important and that this was addressed through local “Broadband Champions”, organisations such as AGE UK and that mobile broadband was one part of the mix and DCC was working with mobile providers.

Councillor B Graham noted the example of the Byers Green Residents and how they had positively engaged at a Spennymoor AAP event and had carried out a lot of hard work in order to have success with BT making the case for their area. Councillor B Graham also acknowledged the work of the Head of ICT Services and DCC in this particular success.

Mrs O Brown noted that in her previous role as a District Councillor she had needed to learn how to use a computer to access information and explained that it was of much benefit in both work and private life to have access to the internet and the skills to use it. The Head of ICT Services agreed and noted that elected Members were excellent role models to the groups they represented. Councillor J Cordon noted that Councillors, in general, were a good example of “silver surfers” demonstrating that older generations can learn to utilise new technology.

Mr A Kitching noted that broadband providers were still guilty of advertising “aspirational speeds” rather than a realistic average for people in a particular area. The Head of ICT Services explained that the existing copper infrastructure was the limiting factor, with maximum speeds only being achievable near to exchanges, with speeds halving beyond 1km from the exchange. Members noted that the move to fibre-optic infrastructure would help to improve speeds and the consistency of delivery.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That a further update is provided to the Committee at its July meeting.

A9 Minutes from the meeting of the County Durham Economic Partnership, held 31 October 2011

The Minutes of the meeting of the County Durham Economic Partnership held 31 October 2011 were received by the Committee for information.