



**Economy and Enterprise
Overview and Scrutiny Committee**

Date Monday 19 December 2011
Time 10.00 am
Venue Committee Room 2 - County Hall, Durham

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. Minutes of the meeting held 14 November 2011 (Pages 1 - 6)
2. Declarations of Interest, if any
3. Items from Co-opted Members or Interested Parties, if any
4. Media Relations:
Presentation by Diane Close, Overview and Scrutiny Officer, Assistant Chief Executive's.
5. Quarter 2, 2011/12 Performance Management Report: (Pages 7 - 18)
Presented by Graham Tebbutt, Customer and Services Intelligence Manager – Report of the Assistant Chief Executive.
6. Forecast of Revenue Outturn Quarter 2, 2011/12: (Pages 19 - 32)
Presented by Azhar Rafiq, Finance Manager, Resources – Joint Report of Corporate Director Regeneration and Economic Development and Corporate Director Resources.
7. Overview of TRANSIT 15: (Pages 33 - 36)
 - (i) Joint Report of the Assistant Chief Executive and Corporate Director Regeneration and Economic Development.
 - (ii) Presentation by Andrew Leadbeater, Section Manager – Infrastructure.
8. Overview of Digital Durham Programme: (Pages 37 - 40)
 - (i) Joint Report of the Assistant Chief Executive and Corporate Director Resources.
 - (ii) Presentation by Phil Jackman, Head of ICT Services, Resources.

P.T.O.

9. Minutes from the meeting of the County Durham Economic Partnership, held 31 October 2011 (Pages 41 - 46)
10. 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
9 December 2011

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, C Carr, J Cordon, B Graham, B Harrison, J Hunter, P Jopling, R Liddle, C Potts, J Rowlandson, B Sloan, 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 14 November 2011 at 10.00 am**

Present:

Councillor J Moran (Chair)

Members of the Committee:

Councillors A Naylor, J Armstrong, B Arthur, A Barker, C Carr, B Graham, P Jopling, P Stradling, M Williams and A Willis

Co-opted Members:

Mr T Batson, Mr D Lavin and Mr JB Walker

Apologies:

Apologies for absence were received from Councillor(s) J Cordon, J Hunter, C Potts, Mrs O Brown, Mrs A Harrison and Mr A Kitching

Also Present:

Councillor(s) A Cox, S Iveson and J Lethbridge

A1 Minutes of the meetings held 8 September 2011, 28 September 2011 and 6 October 2011

The Minutes of the meetings held on 8 September 2011, 28 September 2011 and 6 October 2011 were agreed by the Committee as a correct record and signed by the Chair, subject to the addition of Councillor J Hunter's apologies for the meeting held on 8 September 2011.

A2 Declarations of Interest, if any

Councillor P Jopling declared a personal interest in relation to Item 6, as a Board Member of Dale and Valley Homes.

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 new build houses from Dale and Valley Homes (DVH) at Crook, and drop in session relating to the County Durham Plan (CDP), with reference to the demolition of the existing Police Headquarters and Council Offices amongst other proposals.

Resolved:

That the presentation be noted.

A5 Update on the County Durham Plan:

The Chair introduced Rick Long, Principal Planning Officer (Strategic Team), Regeneration and Economic Development who was in attendance to update Members regarding the County Durham Plan (CDP) (for copy of presentation, see file of minutes).

The Principal Planning Officer (Strategic Team) explained that since the series of workshops held in July, responses from the consultation in the summer had been collated and fed into the development of the CDP. Members noted that further events had been held in October and evidence was continuing to be gathered as well as reference to emerging national policies. The Officer explained that the policy direction was to look to the needs for employment land, new housing and retail floor space for the next 20 years and then see how this would be spread across the town and villages in the County, across existing and new strategic sites.

Members learned that Durham City was an important driver, though was not the sole area for consideration, and Councillors were given information in relation to: Aykley Heads, Sniperley Park, Newton Grange, Sherburn Road as well as the potential Western and Northern Relief Roads.

The Principal Planning Officer (Strategic Team) explained that in relation to housing sites, 8 or 9 had been considered at "stage 1", with this having been reduced down to 3 at "stage 2". Members noted that now "stage 3" would look at whether all 3 sites were required and how the phasing of provision could be progressed. The overall "Preferred Options" stage would look at the amount of development need in each town and the most appropriate combination of sites.

The Committee were reminded of changing national policies with the National Planning Policy Framework being streamlined, the Infrastructure Planning Commission changing to the Major Infrastructure Planning Unit prior to the announcement of such infrastructure projects and also the Localism Bill, to be enacted within the next few days. The Principal Planning Officer (Strategic Team) explained that while Regional Spatial Strategies (RSSs) were abolished by Localism, Local Planning Authorities would have the responsibility regarding targets for housing and employment land.

Members were reminded that there would be a duty for neighbouring Local Authorities to cooperate and there would be the introduction of Neighbourhood Planning.

The Principal Planning Officer (Strategic Team) concluded by noting that the next steps were to await the outcome of the Localism Act, to continue to develop evidence, producing a Local Plan with site allocations and policies with Preferred Options around September 2012.

The Chair thanked the Principal Planning Officer (Strategic Team) for the presentation and asked the Committee if they had any questions for the Officer.

Councillors noted issues relating to options of alternative sites beyond those mentioned, the impact of the reduction of the feed-in tariff and whether there would be any potential detriment for the Council should the CDP not be in place and National Policies are changed. The Principal Planning Officer (Strategic Team) explained that other potential sites could always be addressed should a Developer submit plans and they would be considered against existing plans and saved policies and once completed the CDP itself. The Officer added that the reduction in the feed-in tariff would have an affect, though the CDP did look to the long-term, over the next 20 years to get the correct mix of wind, solar and other renewable energy sources. The Committee noted that the Council were awaiting the National Planning Policy Framework information from Government in April 2012 and would then have the opportunity to fine tune a response at the Preferred Option stage.

Issues relating to the involvement of Town and Parish Councils were raised, with Members being reminded of the ongoing work relating to the Community Governance Review for Crook and Durham City and that should Town and Parish Councils wish to express their views they should submit via their Association to the Cabinet.

Resolved:

- (i) That the report and presentation be agreed and that the comments made by the Members of the Economy and Enterprise Overview and Scrutiny Committee be noted by the Officers.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update in relation to the progress of the County Durham Plan at the meeting on the 29 March 2012.

A6 Update on the Stock Option Appraisal:

The Chair introduced Marie Roe, Stock Options Appraisal (SOA) Project Manager, who was in attendance to update Members regarding the SOA (for copy of slides, see files of minutes).

The SOA Project Manager reminded Members that there had been a Special Meeting of the Committee on 28 September 2011 that looked at the options available to the Council in relation to issues of self financing and governance arrangements and that the focus of this presentation was Stakeholder Involvement, consultation outcomes and the next steps for the project.

The Committee were advised that the SOA process had been designed to be open and transparent and a Customer Working Group had been established with 3 Customers from each area, Durham City Homes (DCH), Dale and Valley Homes (DVH) and East Durham Homes (EDH) together with 1 Leaseholder, as there are only a few Leaseholders across the 3 areas. The SOA Project Manager reminded the Committee that an Independent Tenant Adviser (ITA) had been appointed and a Communication Strategy and Tenant Empowerment Statement had been developed. Members noted that a Stakeholder Steering Group had also been established with 3 County Council Portfolio Holders, 3 staff members and 10 Customer representatives. The SOA Project Manager explained that the Stakeholder Steering Group had the responsibility to oversee the progress of the SOA, to identify potential options and models and to make recommendations to the Council for decision. Councillors noted that "jury sessions" had been held looking at the potential models and options, and from the sessions it was agreed to consult on the retention of the stock and the options of a possible transfer be that by a traditional Large Scale Voluntary Transfer (LSVT) a Community owned, Council owned (CoCo) organisation or a mix of options.

The SOA Project Manager noted that consultation had been very successful and well received, with over 2000 customers engaged, and over 100 open days, meetings and events having taken place. Members noted that evidence gathered had indicated that there was an appetite for stock transfer, with the alternative transfer model of a CoCo being of particular interest to customers on the basis of retaining the customer led governance arrangements of the Council's existing housing management organisations. The SOA Project Manager reiterated that the issues of a transfer were still very complex and even with the appointment of the ITA there was a need to make the issues as clear as possible in all its communications, particularly in relation to the CoCo model and concerns regarding disparity of service and Decent Homes Standards across the 3 organisations. The Committee were also reminded that there were concerns from staff as regards any implications of the SOA on their job security, and that the current high level of customer satisfaction could be affected.

The SOA Project Manager concluded by noting that it was recommended that early negotiations took place with Government with regard to the possibility of stock transfer, the arrangements that need to be put in place to prepare for the introduction of a system of self financing and that the Committee be updated on the progress of the SOA project. Members noted the next steps were to prepare a final Cabinet report (December 2011) setting out the findings of the option appraisal and the outcomes of consultation and to devise project plans and activities for the next phase of the SOA project, including the achievement of efficiencies, reporting back to the Committee in the new year.

The Head of Housing, Glyn Hall added that a further report would be submitted to Cabinet in December regarding the issues of self financing and issues relating to the soon to be enacted Localism Bill.

The Chair thanked the SOA Project Manager for the presentation and the Head of Housing for his comment and asked the Committee if they had any questions for the Officers.

Members of the Committee raised concerns regarding proposals to change Benefits wherein under-occupancy within a rented property could result in reduce benefit payments. This in turn could severely restrict a Tenant's ability to remain in that property.

Members also noted the issue of the debt allocation for self financing and issues of group repair schemes and agreements by tenants in relation to minimum standards of upkeep for gardens.

The Head of Housing and SOA Project Manager explained that the fast pace of change in Housing Policy and developments in Welfare Reform have impacted on the option appraisal, with many customers expressing concern about their future tenure. The Head of Housing and SOA Project manager went on to explain that although the option appraisal can not address all issues and concerns the appraisal should at least account for the concerns of customers and stakeholders as the process progresses into its next stage. Members also noted that a potential increase to the debt settlement had been factored into the HRA business plan modelling. This will be revisited in early 2012 alongside a review of the value of the housing stock. The SOA Project Manager added that there were conditions within Tenancy Agreements that stipulated standards for upkeep of properties and their gardens and these are monitored by Tenancy Enforcement and Housing Officers through various methods including the estate walkabouts that often take place with Councillors.

Resolved:

- (i) That the information on the progress and next steps in relation to the Stock Options Appraisal project be noted.
- (ii) That the comments of the Economy and Enterprise Overview and Scrutiny Committee be noted prior to the consideration of the completed report at the meeting of Cabinet, 14 December 2011.
- (iii) That the Economy and Enterprise Overview and Scrutiny Committee receive at a future meeting a further update in relation to the progress of the Stock Options Appraisal process.

A7 Minutes from the meeting of the County Durham Economic Partnership, held 18 July 2011

The Minutes of the meeting of the County Durham Economic Partnership held 18 July 2011 were received by the Committee for information.

This page is intentionally left blank

**Economy and Enterprise
Overview and Scrutiny Committee**



19 December 2011

**Quarter 2 2011/12 Performance Management
Report**

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

Purpose of the Report

1. To present progress against the Council's corporate basket of performance indicators (PIs) and report other significant performance issues for the second quarter of 2011/12 in respect of the Altogether Wealthier priority theme.

Background

2. This is the second quarterly corporate performance report of 2011/12 for the Council highlighting performance for the period July to September 2011. 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.

Altogether Wealthier: Overview

Performance indicators				
	Red	Amber	Green	N/A
Direction of travel	2 (20%)	0 (0%)	4 (40%)	4 (40%)
Performance against target	3 (30%)	1 (10%)	4 (40%)	2 (20%)

Actions				
	Red	Green	White	Deleted actions
Performance against target	2 (4%)	33 (69%)	12 (25%)	1 (2%)

Council Performance

5. Key achievements this quarter include:

- a. The percentage of people enrolled on accredited courses supported by the council's Adult Learning service that achieved a qualification has increased from 90.1% in the Academic Year 2009/10 to 92.3% (2839 of 3077 people) for the Academic year 2010/11 and has achieved the target of 90%.
- b. People engaged in cultural events (a key action in the Council Plan where data is sourced from the BRASS Festival). The number of people attending the BRASS festival has increased by 7% from 51,961 in 2010 to 56,138 in 2011 with 90% rating events they attended as good or very good. The festival included over 90 performances of brass, folk, opera, dance and outdoor theatre culminating in the 'Colour Variations' performance on the Palace Green by PAN.OPTIKUM that included fireworks, purpose built theatrical machines and 4 local brass bands.
- c. A reduction in the percentage of non decent council homes. 34% of council homes remain non decent which is an improvement from the 37% at quarter 1 and 40% 12 months previous. A total of 288 properties have been made decent in quarter 2.

6. The key performance improvement issues for this theme are:

- a. Empty properties brought back into use as a result of local authority intervention. During quarter 2, 20 properties were brought back into use through local authority intervention. This is below the period target of 40. The multi-disciplinary teams covering empty properties and private landlords came into effect in July 2011. It is anticipated that there will be a long term positive impact but it is expected that this will not be seen until after quarter 4 due to the new arrangements being embedded.
- b. The percentage of bus services running on time. Over the quarter 2 period, 90% of bus services ran on time which is below the 95% target and lower than same period last year (96.9%). Performance, which is measured by survey, has been dampened by a particularly low percentage for one bus station (Durham) on one specific day across all operators, which suggests problems on the local road network. This differs from the areas identified at quarter 1 where punctuality was low at Stanley and Peterlee bus stations. This period the number of surveys has been doubled which has given a more representative sample of data. Performance is however favourable when compared to 2009/10 national (80.2%) and regional (78.0%) benchmarking.
- c. Occupancy rates of council owned factories and business support centres currently stands at 75% which is below the 78% target. This quarter has, however, shown increase in occupancy levels from previous quarter (73%) within a continually volatile market. A Business Space Strategy setting out a five year investment programme is scheduled for November 2011.

7. Tracker indicators for this priority theme (see Appendix 3, table 2) show:
- a. A rise in the number of 18-24 year olds claiming JSA. For September 2011 this figure was 5,280 of 18-24 year olds claiming JSA (10.1%) compared with 4,360 at previous quarter and 4,390 at same period last year. This is higher than the UK figure of 8.2%. Local apprenticeship interventions are being explored with funding recently secured from the Coalfield Trust to implement an apprenticeship programme commencing November 2011.
 - b. A rise in the number of JSA claimants claiming for one year or more. For September 2011 the figure shows 1,220 total JSA claimants claiming for one year or more compared to 785 at quarter 1. Unemployment across the country has risen to 2.57million which is a 17 year high. The County has witnessed growth in JSA claimants at all age ranges and durations. The Government's Work Programme commenced in June 2011 and those JSA claimants of 1 year or more will become eligible for interventions leading to sustained employment.
 - c. A continued steady reduction in the employment rate of the working age population. Latest figures for April 2010 to March 2011 (which relate to Quarter 4 2010/11 as reported 8 months in arrears) show the employment rate has reduced to 65.9% from last year's quarter 2 and 3 figures (66.5% and 66.2% respectively). The latest benchmarking information available is for Quarter 3 2009/10 and shows that County Durham is worse than both the national (74.5%) and regional (68.5%) rates.
 - d. There has been an increase in homelessness preventions this period with 232 preventions in quarter 2. This equates to 18.8% of the total number of homelessness presentations for the period. This compares with 198 at quarter 1, equating to 14.9% of homelessness presentations. This has contributed to a reduction in the total number of homelessness applications, although the number remains high. 1236 people presented as homeless or threatened with homelessness, compared with 1326 at quarter 1 and 1535 reported 12 months previously.
8. A new development this quarter within this priority theme relates to the National Planning Policy Framework (NPPF) consultation. During the last quarter, the Government published the NPPF which sets out significant changes to national, and subsequently to local planning policy. The Council is part way through the process of developing and consulting on the County Durham Plan and the NPPF may have a major impact on the way in which this plan is developed. The Planning Service is currently considering the options available in terms of progressing to ensure the authority has a robust local plan which can be agreed within the parameters of what is set out in the NPPF but also enables our vision and objectives to be delivered in line with community aspirations for their localities. The NPPF sets out further information on the development of Neighbourhood Plans which will also become important elements of community planning.

Council Plan progress

9. In terms of progress against the Council Plan actions, the Altogether Wealthier theme has 69% (33) of actions on target, 25% (12) already achieved, 4% (2) actions behind target and 2% (1) proposed to be deleted.
10. The Council Plan and Service Plan for Regeneration and Economic Development (RED) contain a number of major proposals for Durham City which include some of the legacy work from the City Vision but also new projects coming together to support our aspirations in the Regeneration Statement. Despite reductions in spend to regeneration budgets over the last year a number of major schemes from Economic Development are still progressing to plan:

- a. *World Heritage visitor centre open ahead of schedule*
- b. *Old Elvet Development brief completed*
- c. *Project team established and feasibility work commenced for Aykley Heads site*
- d. *Tenders issued to bidders in process to identify a preferred developer for the former Ice Rink site (Freemans Reach)*
- e. *Investment package in development to increase occupancy at Millennium Square site*
- f. *Draft proposals for North Road in development, due to go to Cabinet in March 2012.*
- g. *Durham City Market Place works completed with further works including Claypath bridge works on schedule.*

11. The action to 'Establish and embed a process for managing and providing a coordinated response to development enquiries' has been completed one quarter ahead of schedule. The RED Service Grouping identified that the process for handling queries from developers was not as effective or efficient as it could be. To rectify this, the Planning and Economic Development services have worked together so that information can be shared between services and lead officers for projects to be identified. This has started to reduce duplication and ensures developers receive the same views from the Council and the services have a database of potential developments which can be prioritised against the key priority of raising employment and ensure that suitable engagement can be delivered. The Development team approach will help to maximise the resources of the Council and Partners to deliver benefits for communities and the wider labour market.
12. Although the overall action to implement walking and cycling provision based on the 2010 audit of facilities is on target to be achieved by 2014, the County Durham Cycling Strategy will now be completed by December 2011, instead of the original deadline of July 2011.
13. There has also been a delay with the action to 'review transport connectivity between our towns and evaluate potential infrastructure and public transport improvements - Priority 1 corridor A692'. A draft section 106 agreement has been agreed to improve roundabouts but is pending planning appeal at an opencast site. There will be no construction activity within 12 months and a revised deadline is not yet known.
14. It is proposed that the following action be deleted 'Durham Green at Bowburn - Work with private sector to support planning application'. This action was originally included in the service plan as it was felt that the site presented significant employment opportunities, however, following discussions throughout the year, it was felt that this site which is owned privately should not be singled out for support when there are other major sites not included in the Service Plan which receive and require support from the Council. Work with the developer will continue via the process established for dealing with major site queries.
15. The key risk to successfully delivering the objectives of this theme is '*The loss of Area Based Grant funding*', resulting in the County Durham Economic Partnership (CDEP) failing to narrow inequality and deprivation gaps. 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.
16. Other significant risks include:
- a. Private housing stock condition worsens with adverse implications for local economy, health & neighbourhood sustainability;

- b. Reduced future allocations of deprivation based grants to the County resulting from changes to the Council's new deprivation status, which will impact on the delivery of key strategies and investment in the County;
- c. Diminishing Capital Resources, continuing depressed land values and slow growth in the private sector will impact on the ability to deliver major projects and Town initiatives within proposed timescales.

Recommendation

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

Appendix 1: Implications

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 Performance Indicators and key actions relating to crime and disorder are continually monitored in partnership with the 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

Appendix 2: Key to symbols used within the report

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

Direction of travel

Latest reported data has improved from comparable period

GREEN

Latest reported data remains the same as comparable period

AMBER

Latest reported data has deteriorated from comparable period

RED

Performance against target

Performance better than target

Getting there - performance approaching target (within 2%)

Performance >2% below 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

Page 14

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
Altogether Wealthier										
1	Processing of Major planning applications (former NI 157a)	78.40%	Q2 11/12	79.90%	AMBER	65.80%	GREEN	61.60%		Q4 10/11
2	Number of private rented sector properties improved as a direct consequence of local authority intervention	265	Apr - Sep 11	244	GREEN	Not available	N/A			
3	Number of empty properties brought back into use as a result of local authority intervention	20	Apr - Sep 11	40	RED	Not available	N/A			
4	Percentage of non-decent council homes (former NI 158)	34%	Q2 11/12	Not set for 2011/12	N/A	40%	GREEN	18.58%	N/A	2008/9
5	Bus services running on time (former NI178/LTP2/T14)	90.0%	Q2 11/12	95.0%	RED	96.9%	RED	80.20%	78.02%*	2009/10
6	Occupancy rates of council owned factories and business support centres (former REDPI16)	75%	Apr - Sep 11	78%	RED	New Indicator	N/A			
7	Percentage of enrolments on Adult Learning courses leading to qualifications	92.3%	2010/11 ac year	90%	GREEN	90.1%	GREEN			
8	% of users who felt the cultural events were "good" or "very good" (former AWHAS9)	90%	Jul-11	90%	GREEN	97.6%	RED			

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
9	Local authority tenant satisfaction with landlord services (Dale Valley Homes only)	88.3%	2010/11	Not set for 2011/12	N/A	Not comparable	N/A			
10	Percentage increase in people engaged in cultural events (former AWHAS10)	56138 (7% increase)	Jul-11	54560 (5% increase)	GREEN	51961 (12% increase)	GREEN			

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
Altogether Wealthier										
106	New homes completed in Durham City	49	Apr-Sep 11	<u>24 [3]</u>	Not comparable	125	RED			
107	Number of top retailer representation in Durham City	15	Apr-Sep 11	13	GREEN	13	GREEN			
108	Traffic flows in Durham City (New indicator using licence plate recognition. Under development. Expected during 2011)	Available in Quarter 3		N/A	N/A	New indicator	N/A			
109	Access to services & facilities- % households accessible to Durham City within 1 hour journey by public transport before 8.30am (former REDPI12)	75.82%	Apr-Sep 11	74.90%	GREEN	74.9	GREEN			
110	Total number of visitors to main attractions	575,127	Q1 11/12	<u>813,489 [3]</u>	Not comparable	Not available	N/A			
111	All homes completed in and near all major settlements as a proportion of total completions (completed as per NI 154 guidance)	61.20%	Apr-Sep 11	<u>60.1% [3]</u>	GREEN	New indicator	N/A			
112	% properties in band D and above for Council Tax	14.64%	Apr-Sep 11	14.18%	GREEN	Not available	N/A			
113	18 - 24 year olds claiming JSA	5280	Q2 11/12	4360	RED	4390	RED			

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
114	JSA claimants claiming for one year or more	1220	Q2 11/12	785	RED	1785	GREEN			
115	Employment rate of the working age population (former NI 151)	65.90%	2010-11	66.20%	RED	64.50%	GREEN	75.47%	68.52%*	Q3 2009
								RED	RED	
116	No of apprenticeships started	1366	Q1 11/12	1006	GREEN	Not available	N/A			
117	Child Poverty (former NI116) Also included in Altogether Better for Children & Young People	23.50%	Feb 2011	23.50%	AMBER	24.50%	GREEN	20.60%	25.40%	Feb-11
								RED	GREEN	
118	Affordable homes provided as a proportion of the total net homes completed (former NI154 & NI155)	6.22%	Q1 11/12	33.3% [3]	Not comparable	2.70%	GREEN	33.20%	N/A	2008/9
								Not comparable		
119	Accessibility of Newton Aycliffe within one hour using public transport and arriving by 8.30am (former LTP3/4c)	31.53%	Apr-Sep 11	30.3%	GREEN	New indicator	N/A			
120	New enterprise start ups (businesses assisted)	103	Apr-Sep 11	67 [3]	Not comparable	571	RED			
121	Business registration rate (former NI 171)	34.9	Dec 2008	N/A	RED	N/A	RED	65.23	36.9*	2008
								Not comparable	Not comparable	
122	Number of tourism businesses actively engaged with Visit CD	122	Apr-Sep 11	37 [3]	Not comparable	Not available	N/A			

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
123	Number of passenger journeys on Park and Ride (former LTP3/L17b)	287,883	Apr-Sep 11	249,700 [3]	Not comparable	Not available	N/A			
124	Total planning applications received	734	Jul-Sep 2011	835	RED	Not available	N/A	360	413**	Q4 2010/11
								Not comparable	Not comparable	
125	No. of people rehoused through Durham Key Options system	1430	Apr-Sep 11	491 [3]	Not comparable	Not available	N/A			
126	No. of preventions as a proportion of the total no. of homelessness presentations (former HH LP15a)	232 (18.8%)	Q2 11/12	198 (14.9%)	GREEN	190 (12.4%)	GREEN			
127	No. of statutory applications as a proportion of the total no. of homelessness presentations (former HH LP15b)	282 (22.8%)	Q2 11/12	317 (23.9%)	GREEN	319	GREEN			
128	No. of acceptances (of a statutory duty) as a proportion of the total no. of homelessness presentations (former HH LP15c)	114 (9.2%)	Q2 11/12	125 (9.4%)	GREEN	Not available	N/A			
129	Total no. of homelessness presentations (former HH LP15d)	1236	Q2 11/12	1326	Not comparable	1535	Not comparable			
130	Business enquiries	850	Apr-Sep 11	476 [3]	Not comparable	New indicator	N/A			

**Economy and Enterprise
Overview and Scrutiny Committee**

19 December 2011



**Regeneration and Economic
Development Service – Quarter 2
Revenue and Capital Forecast Outturn
2011/12**

Report of Finance Manager – Azhar Rafiq

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Regeneration and Economic Development (RED) service grouping highlighting major variances in comparison with the budget based on the position to the end of September 2011.

Background

2. County Council approved the Revenue and Capital budgets for 2011/12 at its meeting on 23 February 2011. This report covers the financial position for the following three major accounts maintained by the RED service grouping:

- *RED Revenue Budget - £42.680m (original £39.617m)*
- *Housing Revenue Account - £57.631m*
- *RED Capital Programme – £110.418m (original £107.064m)*

3. The RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:

- Transfer of budget from AWH £11k
- Use of ABG Reserve £235k
- Use of Derwentside Training Reserve £30k
- Use of Durham City Vision Reserve £35k
- Use of LEGI Reserve £752k
- Use of Performance Reward Grant £182k
- Strategic Reserve for Redundancies £623k
- Use of Archeology Reserve £82k
- Use of Housing Planning Delivery Grant Reserve £250k
- Use of Family Intervention Project and Empty Homes Reserves £102k
- Support charges for use of Depots by Neighbourhoods £101k
- Derwentside balance sheet adjustment £910k

- Reduction for Concessionary Fares underspend -£250k

The revised General Fund Budget now stands at **£42.680m**.

4. The summary financial statements contained in the report cover the financial year 2011/12 and show: -
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the RED revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

5. The service is reporting an outturn position of **£42.301m** against the annual budget of **£42.680m** – an underspend of **£0.379m**.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis

	Annual Budget	YTD Actual	Forecast Outturn	Variance
Employees	25,516	15,277	26,388	872
Premises	1,925	525	2,126	201
Transport	1,376	763	1,382	6
Supplies and Services	11,677	4,985	10,396	(1,281)
Agency and Contracted	21,207	7,544	20,804	(403)
Transfer Payments	105	106	1,748	1,643
Central Costs	5,135	355	5,704	569
GROSS EXPENDITURE	66,941	29,555	68,548	1,607
INCOME	(24,261)	(12,967)	(26,247)	(1,986)
NET EXPENDITURE	42,680	16,588	42,301	(379)

Analysis by Head of Service

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance
Policy Planning Performance	1,181	621	1,160	(21)
Economic Development	8,315	3,017	8,196	(119)
Housing	5,131	2,107	4,998	(133)
Planning	6,122	3,181	5,857	(265)
Transport	16,617	8,074	16,277	(340)
Central Costs	5,314	(412)	5,813	499
NET EXPENDITURE	42,680	16,588	42,301	(379)

7. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. concessionary fares) and technical accounting adjustments (e.g. capital charges):

Service Area	Description	(Under) / Overspend £	(Under) / Overspend £
PPP	Savings in staffing arising from maternity leave	(22,827)	(20,984)
	Small over spend on other running expenses across the service grouping	1,843	
Head of Economic Development	General savings on employee budgets	(6,228)	(119,117)
	Anticipated savings on third party payments following closure of DCV, being reallocated to strategic investments to support on-going activity in Durham City	(71,578)	
Strategic Investments	Over spend due to salary savings not being realised	2,012	
Economic Strategy	Overspend on North Eastern LEP contribution	50,000	
	Underspend due to vacant manager post	(59,142)	
	Underspend on research and evaluation budgets	(75,587)	
Business Services	Underspend due to vacant posts and secondment of a member of staff	(52,836)	
	Overspend approved for Nightsafe Support service to continue until restructure finalised	60,500	
	Overspend on Industrial Estates due to budget pressures on income expectations from former assets service and increased NNDR costs on vacant units due to change in Government legislation	198,832	
Regeneration Funding	Underspend due to 2 members of staff on maternity leave	(37,695)	
Economic Regeneration	Underspend due to vacant posts, maternity leave and long term sickness	(180,395)	
	Overspend approved for creation of Co Durham Apprenticeship Programme	53,000	
Housing Solutions	Currently projecting an overspend on Family Intervention Project salaries (£82,140) which will be met from specific earmarked reserves	0	
	Employee underspend from vacant and seconded posts and underspend on training budgets.	(58,510)	
	Anticipated underspend on Rental Deposit Guarantee Scheme	(9,875)	
	Anticipated underspend on Mediation Services	(40,000)	

Service Area	Description	(Under) / Overspend £	(Under) / Overspend £
	Other general efficiency savings	(20,775)	
Supported Housing	Staffing and Service restructure (with loss of posts) has provided additional staffing savings to those required in original estimates.	(39,800)	
	Reduced Agency & Contract costs resulting from centralisation - rationalisation of contracts	(163,130)	
	Reduced Specific Grants (Supporting People Grant) resulting from lower client base	43,260	
	Reduced Fees & Charges resulting from unwinding of former District Council budgets (income originally overstated)	128,270	
	Purchase of essential equipment financed from savings	31,400	
Housing Strategy	Officer currently seconded to Housing Stock Options Project	(20,640)	
	Savings in audit fees and computer software budgets	(63,200)	
Housing Regeneration	Anticipated overspend on Car Allowances	11,840	
	Underspend on Salaries in Housing Regeneration Delivery (£61,730) offset by reduced capital contribution (service fully financed from Capital) - i.e. no impact on General Fund position	0	
	Additional expenditure on Empty Homes (£20,040) to be met from earmarked reserve	0	
	Estimated Salary Savings not yet materialised	68,640	(132,520)
Head of Planning	Overspend on Employees £5k Overspend on Contributions due to North Pennines budget £4k	8,663	
Planning Policy	Underspend on Employees due to vacant posts, maternity leave and reduced working hours £52k General underspend on supplies and services £29k Underspend on Transport £13k Overspend due to loss of Habitats Income £17k	(76,891)	
Local Development Framework	Projected £250k expenditure on LDF funded from HPDG reserve	0	
Development Management & Admin	Underspend on Employees budget	(25,369)	
Development Management	Underspend on Employees £38K Underspend projected on transport £94k Underspend on Blight works £110k General underspend on supplies and services £58k Overspend on Compensation Payments not budgeted £21k Underspend due to additional planning fee income 50k Underspend due to pre application advice income 12k	(341,202)	
Planning Appeals & Inquiries	Overspend due to 2 major appeals:- Bradley Open Cast from UK Coal Hamsterley Hall from Barratts	60,000	
Building Control	Overspend due to under achieved income on building control fees £350k Underspend on dangerous structures £51k General underspend on supplies and services £24k Underspend on Employees budget £31k	243,887	
Conservation and Design	General underspend on supplies and services	(15,681)	
Archaeology	Project spend on target	0	
Landscape and Ecology	Underspend on Employees due to vacant posts £52k General underspend on supplies and services £18k	(79,884)	

Service Area	Description	(Under) / Overspend £	(Under) / Overspend £
	Underspend on consultants fees £10k		
Sustainability	Underspend on Employees due to vacant posts	(46,995)	
Heritage Coast	Overspend due to loss of income from Natural England	8,422	(265,050)
Head of Transport	Employees - Underestimated employers NI contributions	1,844	
	Supplies - Small saving in supplies and services	(600)	
Strategic Transport Planning	Employees - Under spend is due to the loss of three member of staff	(107,817)	
	Transport - Car Allowances are lower than budgeted	(2,300)	
	Supplies - Small saving in supplies and services	(3,500)	
	Income - Fees and charges will be higher that budget	(6,000)	
	Income – Recharges to capital projects will be lower due to the loss of staff	30,000	
Traffic Management	Employees - Under spend is due to the loss of staff	(66,646)	
	Premises - Lower NNDR charges and Repairs & Maintenance	(8,049)	
	Transport - Car Allowances are lower than budgeted	(2,490)	
	Supplies - Higher than expected Annual Service contracts	15,450	
	Central - Bad Debt write off	3,454	
Network Management	Employees - Under spend is due to the loss of staff	(40,462)	
	Transport - Vehicle cost are going to be higher than budgeted	15,347	
	Supplies - Higher than expected Annual Service contracts	550	
	Third Party - higher spend offset by additional Income below	55,000	
	Central - Bad Debt write off	2,581	
	Income - Government Grants additional income	(24,531)	
	Income - Fees and charges will be higher than budget	(97,000)	
Passenger Transport	Employees - Under spend is due to the loss of staff	(63,636)	
	Premises - Higher rent costs and Cleaning contract	40,715	
	Transport - Vehicle cost are going to be higher than budgeted	44,208	
	Supplies - General savings on supplies and services	(35,568)	
	Third Party - Saving fixed contract	(46)	
	Income - BSOG Grant	(34,000)	
	Income - Miscellaneous sales	(2,500)	
	Income - Fees and charges will be lower that budget	17,136	
	Income - Rents will be higher that budget	(200)	
	Income - Recharges for the Fleet will be higher than budget	(79,586)	
	Income - Misc Income will be higher than budget	8,750	(339,896)
Central Costs	Contribution to RED Restructure Reserve financed by additional staffing savings being made in the current year to facilitate the whole service restructure and manage staffing MTFP savings requirements in future years	499,000	499,000
Total			(378,567)

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates MTFP savings of £2.5m required in 2011/12 which are being fully delivered.

RED Cash Limit Reserve

9. The projections above mean that a contribution to the cash limit of £0.4m will be possible which will take the closing balance to £2.8m (when including a brought forward amount of £2.4m from last year). There are a number of commitments and pressures affecting RED services which these resources are being held against and these include:

- Industrial estates income pressures £250k;
- Building control income shortfalls £350k;
- Economic development initiatives of £588k;
- IT systems in planning, staffing pressures and dealing with appeals £500k;
- Condition surveys for asset management £500k;
- Transport commitments of £95k include concessionary fares review, LDF transport modelling, and staff to cover peaks in workload;
- Housing commitments include support to CCTV invest to save project of £350k.

Revenue – Housing Revenue Account (HRA)

10. The Authority is responsible for managing the HRA which is concerned solely with the management and maintenance of its housing stock of around 19,000 dwellings. The HRA comprises the housing stock inherited from former Easington, Wear Valley and Durham City councils. Two arms length management organisations (ALMOs) have been established to manage Easington and Wear Valley housing stock (East Durham Homes and Dale and Valley Homes respectively) whilst Durham City is managed in-house. The responsibility for managing the HRA lies solely with the Authority and this is not delegated or devolved to the ALMOs.

11. The table in **Appendix 2** shows the forecast outturn position on the HRA showing the actual position compared with the original budget. In summary it identifies a balanced outturn position on the revenue account after using a projected surplus of £975k towards the capital programme.

Housing Revenue Account	Budget £'000	Forecast Outturn £'000	Variance £'000
Income			
Dwelling Rents	(56,611)	(56,714)	(103)
Other Income	(931)	(1,776)	(845)
Interest and investment income	(89)	(89)	-
	(57,631)	(58,579)	(948)
Expenditure			
ALMO Fees	18,266	18,266	-
Repairs, Supervision and Management Costs	11,871	11,939	68
Negative Subsidy Payment to CLG	4,514	4,220	(294)
Depreciation	11,696	11,696	-
Interest Payable	6,624	6,023	(601)
Revenue contribution to capital programme	4,660	6,435	1,775
	57,631	58,579	948
Net Position	-	-	-

12. In summary, the main variances with the budget are explained below and relate to the figures and corresponding notes shown in **Appendix 2**:
- a) **Income £948k underspend** – the main reason for this is due to a contribution from East Durham Homes of £800k met from company balances to support the Capital Programme. There is a corresponding expenditure item in the HRA under revenue contributions which means this is cost neutral;
 - b) **General Management £302k overspend**– this is attributable to the cost of rent rebates to tenants above a threshold set by Government – any amounts paid above this threshold are not reimbursed by Government grant and therefore fall to be met from the HRA;
 - c) **Special Management £74k underspend** – this is due to savings on cleaning charges and running expenses from the closure of communal halls
 - d) **Negative HRA Subsidy £294k underspend** – this is due to additional subsidy to cover interest payments on decent homes funding allocated this year;
 - e) **Share of other costs £160k underspend** – pension costs of former employees are reducing.
 - f) **Interest payments £601k underspend** – an expected saving on interest payments due to assumptions on debt levels;
 - g) **Revenue support to Capital £1,775k overspend** – the balancing item on the HRA which identifies the potential resources available to support the capital programme and reduce our reliance on borrowing. This includes £800k from East Durham Homes leaving a central contribution of £975k representing the projected in-year surplus on the revenue account.

Volatility Reporting (Risk Based Reporting)

13. There are certain budgets, both income and expenditure, that can be volatile in nature and require close scrutiny throughout the year. These include budgets that are subject to external demand beyond the immediate control of the Council and also include income which can be affected by economic pressures. Efforts are specifically directed at these areas, which pose the greatest financial risk to budget management and managing our cash limits effectively.
14. The following items currently form part of the ‘volatility’ reporting framework and the outturn position on these for the RED Service Grouping is as follows:

Cost Centre	Description	2011-12 Budget £'000	2011-12 Forecast Outturn £'000	Variance £'000	Status
Development Control	Planning Fees	-1,634	-1,696	-62	GREEN
Building Control	Building Control Fees	-1,100	-750	+350	RED
Concessionary Fares	Contract Payments	10,500	10,250	-250	GREEN
Bus Contracts	Contract Payments	4,141	4,141	-	GREEN
Business Space	Rental Income	-2,237	-1,965	+272	RED

15. The volatility status indicates the expected outturn on the specific budget head, with red indicating that the target is not being achieved, amber indicating that the target is not being achieved but the overall variance is within acceptable tolerances and green indicating that the target is being achieved or exceeded.
16. The key concern continues to be a shortfall in rental income from the Council's portfolio of industrial sites and building control fee income for the planning service.

Capital Programme

17. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 200 schemes managed by around 40 project delivery officers.
18. The Regeneration and Economic Development capital programme is **£110.418m** - consisting of **£67.627m** for General Fund and **£42.791m** for the HRA. A number of budget revisions have been made to the original budget which include the following:
 - Responsibility for the £2m Broadband budget has been transferred to the Resources service grouping, to reflect the corporate nature of the proposed developments that will be funded under this project.
 - The budget for the Durham City Vision (DCV) Partnership has been increased by £4.862m, supported by funds from the Single Programme operated by One North East (ONE) and from the Durham Villages Regeneration Company, a partnership between the Council and Keepmoat Homes. The main schemes are the Heart of the City project to regenerate the Market Place and Vennels and the development of the World Heritage Site Visitor Centre at Owengate.
 - The Council's Disabled Facilities Grant budget has been supplemented by a government grant allocation of £2.340m.
 - Responsibility for the £2m budget for energy efficiency measures has been transferred from the Resources service grouping. The initiatives include Away from G (£0.500m), Biomass Boilers (£0.250m), Gas Boiler Replacement (£0.250m) and an Energy Efficiency Fund (£1m) to be invested in self-financing initiatives.

The energy efficiency budget has been further increased by the £6m agreed by Council on 23 March to fund investment in Renewable Energy Technologies.

- The Town Centres budget consists of over 20 schemes covering targeted business improvements, public realm improvements, acquisition of strategic properties in shopping areas across the county and other regeneration projects. The programme has been reviewed and £2.249m has been reprofiled to reflect anticipated progress in the current market.
- Transit 15 is a project that aims to provide better accessibility for people through improved public transport along a number of corridors in the county. There has been lengthy consultation on each of the schemes that make up this initiative. Where a scheme requires a Traffic Regulation Order (TRO), a further formal consultation affords opponents another opportunity to delay the scheme. As a consequence of this highly responsive approach, it is anticipated that £2m will need to be carried forward into 2012/13.
- For the HRA, the Homes and Communities Agency (HCA) has allowed us to bring forward £4m of Decent Homes Backlog Funding from 2012/13 into this financial year. East Durham Homes is making a further contribution towards the capital programme of £400k (taking their total contribution to £800k) and there is also a residual cost of the New Build scheme in the Durham City area of £32k.

19. The revised annual budget and summary performance to the end of September is shown below.

Service	Revised Annual Budget 2011/12 £000	Projected Outturn at 30/09/2011		Slippage £000
		£000	% Spend	
Economic development	25,638	22,319	87%	3,828
Housing	15,575	12,449	80%	2,716
Planning	10,409	7,460	72%	2,033
Transport	11,652	10,210	88%	1,701
Minor Schemes	4,353	2,047	47%	2,622
HRA	42,791	42,529	99%	310
Total	110,418	97,014	88%	13,210

20. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme. Actual spend for the first six months amounts to **£29.4m** – consisting of **£14.7m** for the General Fund and **£14.7m** for the HRA. Forecast outturns prepared by project managers indicate that 88% of the programme will be delivered at the year end. There has been some additional funding secured for projects amounting to £194k and the formal budget will be amended by Cabinet in due course.

21. The programme is currently being re-profiled by service managers and it is planned that details will be included in the Quarter 3 report. Commentary on the major individual projects will also be provided at that stage.

Recommendations:

22. The Committee is requested to note the contents of this report.

Contact: Azhar Rafiq, Finance Manager
Tel: 0191 383 4028

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital forecast outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: 2011-12 Housing Revenue Account

	2011/12 Budget	2011/12 Forecast Outturn	Variance	
	£000	£000	£000	
Income				
Dwelling Rents	(56,611)	(56,714)	(103)	
Non Dwelling Rents: – Garages	(769)	(825)	(56)	
– Shops/Other	(96)	(96)	-	
Charges for Services and Facilities	(66)	(55)	11	
Contributions towards Expenditure	-	(800)	(800)	
Total Income	(57,542)	(58,490)	(948)	a
Expenditure				
ALMO Management Fee	18,266	18,266	0	
Repairs and Maintenance	4,156	4,156	0	
Supervision and Management - General	4,592	4,894	302	b
Supervision and Management - Special	1,066	992	(74)	c
Rent, Rates, Taxes and Other Charges	42	42	0	
Negative HRA Subsidy Payable to CLG	4,514	4,220	(294)	d
Depreciation and Impairment of Fixed Assets	11,696	11,696	0	
Bad Debt Provision and Debts Written Off	250	250	0	
Debt Management Costs	120	120	0	
Total Expenditure	44,702	44,636	(66)	
Net Cost of HRA Services per I&E Account	(12,840)	(13,854)	(1,014)	
Share of Corporate and Democratic Core	1,085	1,085	-	
Share of Other Costs Not Allocated to Specific Services	560	400	(160)	e
Net Cost of HRA Services	(11,195)	(12,369)	(1,174)	
Interest Payable and Similar Charges	6,624	6,023	(601)	f
Direct Revenue Financing (Contribution to Capital)	4,660	6,435	1,775	g
Interest and Investment Income	(89)	(89)	-	
(Surplus)/Deficit for Year	-	-	-	
HRA Reserves	7,674	7,674	-	
Stock Options Reserve	402	402	-	
Durham City Homes Improvement Plan	400	400	-	
Capital Reserve	2,400	0	2,400	

Appendix 3: RED Capital Programme 2011-12

	Revised Annual Budget £000	Quarter 2 Profiled Budget (1) £000	Actual Spend to 30 September £000	Forecast Outturn £000
General Fund				
Economic Development				
Barnard Castle Vision	2,767	1,383	264	1,261
North Dock Seaham	1,094	547	362	1,094
Durham City Vision	2,922	1,461	1,190	2,640
St John's Square	323	161	(111)	422
Durhamgate	6,583	3,291	1,726	5,784
NETPark	5,463	2,731	4,065	5,445
Town Centres	2,501	1,250	705	2,592
Industrial Estates	2,535	1,267	68	1,977
LEGI	12	-	-	-
Eastgate	525	-	-	525
Durham City Plus	500	250	105	378
Bishop Auckland Castle and Park	100	50	26	38
Barnard Castle Suspension Bridge	313	156	16	163
General Fund Housing				
Disabled Facilities Grants	5,208	2,604	1,607	5,258
Housing Renewal Programme	5,574	2,787	1,196	5,778
Housing Growth Point	960	-	-	-
Travellers Sites – General	3,233	1,616	318	813
Travellers Site - East Howle	250	125	73	250
CCTV	350	-	-	350
Planning				
Energy Schemes	8,000	4,000	502	5,051
Cobblers Hall – Surface Water Drainage	370	-	-	370
URRI Programme	1,789	894	580	1,789
Planning System	250	-	-	250
Transport				
Transit 15	2,090	1,045	238	2,132
Major Schemes	1,151	575	78	2,117
Growthpoint	114	-	(23)	69
Local Transport Plan	5,298	2,469	1,390	3,826
Connect-2 Project	500	-	-	500
East Durham Rail Station	500	-	-	60
Bishop Auckland Station	999	-	5	506
Park & Ride Extension	250	125	2	250
Transport Corridors	750	-	6	750
Minor Schemes	4,353	2,176	288	2,047
General Fund Total	67,627	30,963	14,676	54,485
Housing Revenue Account				
Durham City Homes	6,700	3,350	2,608	6,700
East Durham Homes	23,667	11,833	6,932	23,667
Dale and Valley Homes	6,900	3,450	2,482	6,980
New Build II: Wear Valley	3,429	1,714	2,392	3,397
Housing Demolitions & Regeneration	2,095	1,047	296	1,786
Housing Revenue Account Total	42,791	21,394	14,710	42,529
RED Total	110,418	52,357	29,386	97,014

(1) Updated profiled budgets are being prepared to reflect slippage but for the time being the budget has been profiled pro rata (equally over 12 months)

This page is intentionally left blank

**Economy and Enterprise
Overview and Scrutiny Committee**

19 December 2011

TRANSIT 15 Project



**Joint Report of Lorraine O'Donnell, Assistant Chief Executive and
Ian Thompson, Corporate Director, Regeneration and Economic
Development**

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with a brief overview of TRANSIT 15 project prior to the presentation providing information on the purpose of project, progress made to date and next steps.

Background

- 2 Members will recall that at the meeting of the Economy and Enterprise Overview and Scrutiny Committee held on the 4 April 2011, a refresh of the Work Programme for 2011-2013 was considered within the context of the "Altogether Wealthier" priority theme of the Council Plan 2011-2014. As a result of this refresh the TRANSIT 15 project was identified for inclusion within the Committee's current Work Programme for 2011-2013.
- 3 TRANSIT 15 is a major public transport project in Durham County Council's current Local Transport Plan (LTP3). The main objectives of LTP3 include maintaining or improving the reliability and predictability of journey times on key routes and improving the whole journey experience for transport users.
- 4 The project will continue to build on past public transport investment by Durham County Council and operators, in bus stations, bus stops, real-time information, bus priority and new vehicles by:
 - Reducing journey times and improving reliability for bus users through removal of known delay points on the network.
 - Enhanced personal safety for bus users by improving the waiting environment at bus stops and ensuring that they are not obstructed by indiscriminate parking.
 - Tackling congestion on the highway network by bringing about a shift in travel choice from the private car to bus.
 - Moving towards a 15 minute bus service frequency on key routes through partnership with Arriva and Go North East.

- 5 Government funding of £5 million through the Regional Allocation has been made available to cover the cost of the improvement schemes included under the project. Additional funding may be required from LTP3 to complete all of the proposals associated with the project.
- 6 Following assessment and liaison with the bus operators, the routes that would return the best value return on investment have been identified. Routes between Durham City and the following locations have been selected for inclusion in the project programme:
 - Birtley
 - Bishop Auckland
 - Consett
 - Coxhoe
 - Crook
 - Sherburn
 - Stanley
- 7 Delivery of the planned outcomes of the scheme is shared by our Partners, Arriva and Go North East, who will also play their part in providing better services for passengers.

Current position

- 8 Some schemes have already been completed under Local Transport Plan 2 (LTP2) including Stanley roundabout (ASDA), New Inn signals– Durham and A691 Kaysburn roundabout improvements. Detailed design of other highway improvement schemes is underway. Subject to consultation, it is planned to complete most of the schemes in 2012 with a small number of the more difficult schemes remaining in the programme beyond this date.

Recommendation

- 9 That members of the Economy and Enterprise Overview and Scrutiny Committee note the report and presentation in relation to the TRANSIT 15 project and agree to receive a further report detailing progress at the July Committee meeting.

Background Paper(s)

Information produced for TRANSIT 15 project

Contact:	Feisal Jassat	Tel:	0191 383 3506
Author:	Diane Close	Tel:	0191 383 6506

Appendix 1: Implications

Finance – Any financial implications will be detailed within the various TRANSIT 15 proposals.

Staffing – Staffing requirements/ implications again will be detailed in the respective TRANSIT 15 proposals.

Risk - None

Equality and Diversity – Any Equality and Diversity issues will be dealt with in accordance with appropriate legislation.

Accommodation - .None

Crime and Disorder - None

Human Rights - None

Consultation - None

Procurement - None

Disability Discrimination Act –Any Disability Discrimination issues will be dealt with in accordance with the appropriate legislation.

Legal Implications - None

This page is intentionally left blank

**Economy and Enterprise
Overview and Scrutiny Committee**

19 December 2011

**Durham County Council's Digital
Durham Programme**



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

Purpose of the Report

- 1 To provide members with an update in relation to Durham County Council's Digital Durham programme prior to the presentation by Phil Jackman, Head of ICT Services focusing on background to the programme, progress to date and next steps.

Background

- 2 Members will recall that at the meeting of the Economy and Enterprise Overview and Scrutiny Committee held on the 4 April 2011, a refresh of the Work Programme for 2011-2013 was considered within the context of the "Altogether Wealthier" priority theme of the Council Plan 2011-2014. As a result of this refresh the Digital Durham programme was identified for inclusion within the Committee's current Work Programme for 2011-2013.
- 3 A report considered by Members at the Cabinet Committee meeting on the 9 March, detailing proposed plans to provide next generation (superfast) broadband in County Durham highlighted that access to digital services through broadband is essential to provide services and information to businesses, customers and service users. This access is key to enabling a modern economy and a research and learning service to customers.
- 4 Current private sector business plans would extend next generation broadband coverage to only around 40% of the homes and businesses within the County. This would lead to significant disadvantage for the majority of residents and businesses within these areas. Without public sector intervention much of County Durham risks being left out of the knowledge economy.
- 5 The Digital Durham programme aims to ensure all homes, businesses and communities across the County have access to superfast broadband.

- 6 In August 2011, Broadband Delivery UK (BDUK), part of the Department for Business, Industry and Skills and a delivery vehicle for the Government's policies on broadband, had allocated the council an indicative grant of £7.79 million for the roll out of super fast broadband, with £6.93 million for County Durham and £0.86 million to cover areas of Gateshead close to the Durham/Gateshead border. The aim of BDUK is to ensure that the UK has next generation broadband coverage with BDUK funding provided on the provision of a local authority broadband plan.
- 7 ICT Services and Economic Development have been working together to identify the areas within the county that most require investment in next generation broadband. This is based upon a mixture of current broadband not-spots, planned commercial investment, planned council regeneration objectives and current delivery service demands. Due to the make up of the County and the mix of requirements, it is unlikely that one technology will be able to cover the whole of the County.
- 8 Durham County Council's plan is currently going through the approval process however there are still a number of conditions which need to be met by Durham County Council before the funds are awarded.
- 9 The Council will seek additional funding from other grant sources as well as including its own funding in order to fully match the BDUK grant. Further investment from an external private sector Partner will ensure that all areas in the County will benefit from the programme.

Current position

- 10 Meetings have taken place with organisations already active in delivering superfast broadband, such as British telecom, Virgin Media, Cable and Wireless, Fujitsu and Networks by Wireless.
- 11 In order to optimise publicity about the programme presentations to Area Action Partnership (AAP) have been delivered. These will provide local communities with an understanding of the programme and the potential that superfast broadband will bring to both residents and businesses. To date these meetings have provided useful feedback.
- 12 In addition Durham County Council has been asking for Local Broadband Champions (a voluntary role) to come forward to represent the Digital Durham programme locally within the community. The role of a Local Broadband Champion includes the following:
 - Communicating information about the Digital Durham programme and its progress in the local community.
 - Gather feedback where appropriate to ensure community views are understood and considered.
 - Gather information where appropriate which will help scope and deliver the Digital Durham programme.

- Promote the benefits of superfast broadband, generating interest and ideas on how the local community can benefit from its availability.
- Publicise the scheme by co-ordinating or attending local events to help people understand the difference that superfast broadband could make.
- Create effective links with all sections of the community e.g. business, voluntary and community sector, and other local groups.
- Stimulate demand and help build a database of prospective broadband subscribers so that Durham County Council can demonstrate to providers that communities are interested in using superfast broadband.

13 The Digital Durham Broadband Survey has also been released to help identify the needs of residents and businesses for improved broadband services across County Durham. The survey will assist in gauging what the local demand for superfast broadband is; supporting services such as information technology training and the availability of affordable computer equipment; and help clarify where internet services are slow or may be unavailable.

Recommendation

14 That members of the Economy and Enterprise Overview and Scrutiny Committee note the progress made in relation to the Digital Durham programme and agree to receive a future update at the July Committee meeting detailing further progress.

Background Paper(s)

Digital Durham Next Generation -Cabinet report – 9 March and 14 December 2011.
Digital Durham News sheet –Issue 2: November, 2011

Contact:	Feisal Jassat	Tel:	0191 383 3506
Author:	Diane Close	Tel:	0191 383 6506

Appendix 1: Implications

Finance – The Council currently has capital resources available for the Digital Durham programme within existing capital budgets. Indications from colleagues in Gateshead are that they will honour their match commitments at this stage. The opportunity exists to reduce or supplement the Council's investment should external grant funding be subsequently secured.

Staffing – Delivery of the Digital Durham Programme will require a significant staff commitment in programme management, contract management, communications and demand stimulation. It is expected that this will come from existing resources.

Risk - A full risk log has been developed for the programme. Risk is considered at the Operational board meetings

Equality and Diversity – Broadband will play a significant role in improving the equality of access to service delivery by making more services available in their homes.

Accommodation - None

Crime and Disorder - Broadband will improve access to information and will assist the Police in better coordination of crime prevention initiatives

Human Rights - None

Consultation – A considerable amount of discussions have taken place with interested parties and stakeholders, including potential providers, government agencies, local authorities, broadband interest groups, senior officers, members, etc. in order to develop this report. Consultation will be required with individual users and their representatives as bids for funding are developed.

Procurement - Soft market tests have been undertaken. Procurement processes will follow the appropriate legislation.

Disability Discrimination Act – Access to digital services is playing an increasing role in improving service delivery to people with low mobility.

Legal Implications - The EU has issued Guidelines on the circumstances where State Aid may be permissible for Next Generation Access broadband projects and the proposed approach will be designed to be compatible with those guidelines.



County Durham
Economic Partnership

MINUTES

Meeting	County Durham Economic Partnership Board
Date of Meeting	Monday 31 October
Time of Meeting	13.00 – 15:30
Venue	Committee Room 1B, County Hall

Attendees:

Sue Parkinson	Vice Chair and Chair of the Business and Enterprise Working Group
Ken Jarrold	Chair
Tarryn Lloyd Payne	DCC, CDEP Secretariat
Joanne Willey	DCC, CDEP Secretariat
Ivor Stolliday	Chair of Visit County Durham
Cllr Neil Foster	Cabinet Portfolio Holder for Economic Development and Regeneration
Sarah Robson	Chair of Place Shaping Working Group
Ian Thompson	Director of Regeneration and Economic Development
Stuart Thompson	Federation of Small Businesses
Brian Manning	Chair of Employment and Skills Group
Melanie Sensicle	Visit County Durham
Paul Chapman	Jobcentre Plus
Jonathan Walker	North East Chamber of Commerce
Ray Hudson	Durham University
Adrian White	Durham County Council
Glyn Hall	Chair of Housing Forum
Cllr Eddie Tomlinson	Chair of Rural Working Group
Graham Wood	Economic Regeneration Manager
Barbara Gubbins	County Durham Foundation

Guest Speaker

Bryan Tanner	Durham University
--------------	-------------------

Apologies

Bryan Hoare	Durham Business Club
-------------	----------------------

1. Welcome

Sue Parkinson, Vice Chair of the Board welcomed partners to the meeting and explained that she would be standing in for Ken Jarrold until he arrived.

2. Minutes of the last meeting

Barbara Gubbins informed the Vice Chair that she was present at the last meeting, however it was not recorded.

The rest of the minutes were **agreed** as a true record.

3. Matters Arising

Ken Jarrold has now written to the 2 Durham LEP members.

Update Items

4. Employment Report

Paul Chapman introduced the report that has been produced jointly by Jobcentre Plus and Durham County Council.

The group **agreed** that the next steps should be for the report to go to the Employment and Skills Executive Group for further development.

In future this report will be provided to the Board as a quarterly update.

5. Business Engagement

Sarah Robson introduced the paper and explained the background behind it.

After a general discussion, Board members broadly supported the paper and asked for the emphasis to be based on points 7 and 8, drawing on points 4 and 9. Partners as listed in point 6 (DCC, NECC, FSB, County Durham Enterprise Agencies, Durham Business Club, South Durham Business Network, Derwentside Business Network, County Durham Engineering Forums) to support the further development of the Memorandum of Understanding.

Members also agreed to discuss an alternative name to Business "Network" and that it was hoped all parties would use the forum as a platform for continued dialogue and communication.

Action: Stewart Watkins to arrange further joint discussions with partners to develop Memorandum.

6. LEP Update

Ian Thompson presented the paper that was circulated for information.

7. Apprenticeships

Graham Wood presented the paper that was circulated for information.

The programme was well received by partners and it was commented on that in a time of little resources this represented a significant achievement in securing delivery against a clear regeneration priority. Particular focus was welcomed on the connection with social enterprise.

Barbara Gubbins informed the group about an apprenticeship initiative with the Princes Trust and highlighted how there could be joint ways of working. Barbara Gubbins volunteered to link in this aspect further as representative with the Voluntary and Community organisations.

ACTION: Barbara Gubbins and Graham Wood to discuss separately

8. Growth Review: Rural Economy

Eddie Tomlinson presented the paper that was circulated for information.

An additional update to the paper informed the Board that following a recent LEP meeting it was agreed that an expression of interest would be submitted for the pilot of the Rural Growth Fund for Durham and Northumberland.

The Board endorsed this approach and welcomed the proactive role of the Rural Working Group in developing close links through the LEP.

9. Tourism and Culture

Melanie Sensicle gave a presentation based on the 2 papers which were circulated for information.

An additional update to the paper informed the Board that Visit England have been successful in securing £20m from the Regional Growth Fund and Durham will be 1 of 15 destinations to receive £600k. There is a further expectation to match fund this activity locally.

The money will be used on a three-year project entitled, 'Growing Tourism Locally'. A key part of the project will be a national campaign aimed at inspiring Britons to take more short breaks and holidays at home and in doing so grow jobs in the tourism sector.

Sue Parkinson updated the Board about the progress of the Performance Reward Grant as detailed on page 3 of the Progress report on investment and culture in creative industries.

A call out for businesses to partner up with schools for the Business Magnates Competition was put to the Board.

ACTION

A copy of the presentation from Melanie Sensicle will be circulated with the minutes of the meeting.

10. Regeneration Statement and Business, Enterprise and Skills Strategy

Sarah Robson presented the paper that was circulated giving information on the need to refresh the Regeneration Statement and to produce a Business, Enterprise and Skills Strategy.

The group **agreed** with the need to refresh the Regeneration Statement and to produce a Business, Enterprise and Skills Strategy. They also **agreed** with the proposal to do this through a new group consisting of selected members from the BEWG and ESG and ESEG along with any other partners interested in being involved.

The Board will continue to receive progress reports of both documents as outlined in the reports.

11. Durham University: Enterprise and Employability Strategy

Professor Brian Tanner gave a presentation on the Enterprise and Employability Strategy for Durham University.

Action:

A copy of the presentation will be circulated with the minutes.

12. County Durham Housing

Glynn Hall gave a presentation on Housing in County Durham.

Action:

A copy of the presentation will be circulated with the minutes.

13. Working Group Chairs Update

Transport

- A LEP draft transport paper has gone to the Chair of the LEP and also David Land
- Belmont Park and Ride will be available for use for the upcoming Lumiere event, however it will not be 100% complete
- Civil parking enforcements will be in place in the North of the County soon

Place Shaping

- The last meeting on the 19th October focussed on Durham City and also looked at housing issues, an overview of employability and housing and also received a presentation on the Business Space Strategy

Employment and Skills

- The last meeting was held in September and members of the group were asked to consider joining together with Tyne and Wear to better inform the LEP
- Mixed responses were received from the group as the group are still committed to helping younger people, which may not be the same priorities as Tyne and Wear
- As chair of the group Brian is continuing discussions to see how Durham maybe best placed going forward.

Voluntary and Community Sector

- A report was presented by Barbara Gubbins explaining the status of the voluntary and community sector

Rural

- The last meeting of the rural working group considered the paper on the growth review
- It is encouraging to have a representative from Visit County Durham on the group
- The 3 AAP's in West Durham (Teesdale, Weardale and Crook 3 towns) have all contributed to continue with the rural employability project

Business and Enterprise

- The last meeting was held at the CORE manufacturing centre at Newton Aycliffe – Sue recommended the centre to partners
- Agreement has been sought from all partners of the group to share information to ensure non-duplication of business and enterprise support
- The niche sectors work is progressing
- Work is ongoing to develop social enterprise

- Sue has been involved in the coaching for high growth bid ensuring that Durham is well represented
- Enterprise Activity is being encouraged with registered social landlords
- The next meeting will look at the innovation action plan, business support review and creative industries

14. Chairs Remarks

Ken Jarrold thanked Sue for chairing the meeting.

He commented on:

1. Progressing our understanding of what has led to the current financial situation partners were asked to consider the following:

- An original belief founded in free market economics that markets should operate without government regulations. Governments in turn assumed that markets would not need regulation. Finally this was compounded by an increased desire to increase profits and financial gain.
- In conclusion this could be best summarised as
 - Bad Economics
 - Bad Policy
 - Bad Behaviour

2. In response to the continued financial uncertainty, the chair suggested that while wishing to avoid politics it has been suggested that a “Plan B” will emerge in the Government’s Autumn Statement as clearly the promised private sector jobs have failed to materialise in sufficient numbers to compensate for the loss of public sector jobs. County Durham will need to ensure it is well placed to capitalise on any new initiatives.

3. Ken Jarrold further updated the Board on areas he has been progressing on their behalf. They include:

- A recent visit to the GT group who were very complimentary about the Durham environment for doing business
- Continue with an emphasis on Employment and Skills
- Continue with an emphasis on Tourism and Culture
- The Refresh of the Regeneration Statement and the production of the Business, Enterprise and Skills Strategy
- The County Durham Partnership has also reemphasised the Employment rate and the Economy as its top priority

15. Any other business

Stewart Watkins informed the group of the announcements on the BIZ website regarding the Regional Growth Fund. This information can be found at:

<http://www.biz.gov.uk/RGF>

16. Date and Time of next meeting

30th January, 1pm, Committee room 1b, County Hall

Future meetings

30th April, 1pm, Committee room 1b, County Hall

30th July, 1pm, Committee room 1b, County Hall

29th October, 1pm, Committee room 1b, County Hal

This page is intentionally left blank