



**Economy and Enterprise
Overview and Scrutiny Committee**

Date Thursday 29 March 2012
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 meetings held 13 February 2011 and 27 February 2011 (Pages 1 - 22)
2. Declarations of Interest, if any
3. Items from Co-opted Members or Interested Parties, if any
4. Media Relations:
Update on Press Coverage.
5. Quarter 3, 2011/12 Performance Management Report: (Pages 23 - 34)
Presented by Graham Tebbutt, Customer and Services Intelligent Manager – Report of the Assistant Chief Executive.
6. Regeneration and Economic Development Service - Quarter 3 Revenue and Capital Forecast Outturn 2011/12 (Pages 35 - 48)
Presented by Azhar Rafiq, Finance Manager, Resources – Joint Report of Corporate Director Regeneration and Economic Development and Corporate Director Resources.
7. Durham Key Options - Update of Choice Based Lettings: (Pages 49 - 52)
 - (i) Joint Report of the Assistant Chief Executive and Corporate Director of Regeneration and Economic Development.
 - (ii) Presentation by Andrew Burnip, Core Team Manager, Housing Solutions, Regeneration and Economic Development.

P. T. O.

8. Progress Report on the Introduction of Multi-disciplinary Teams for dealing with Empty Homes: (Pages 53 - 60)
Presented by Kath Heathcote, Housing Renewal and Improvement Manager, Regeneration and Economic Development.
9. Refresh of the Work Programme for the Committee, 2012-14: (Pages 61 - 84)
Report of the Assistant Chief Executive, presented by Diane Close, Overview and Scrutiny Officer, Assistant Chief Executive's.
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
21 March 2012

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 13 February 2012 at 10.00 am**

Present:

Councillor J Moran (Chair)

Members of the Committee:

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

Co-opted Members:

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

Apologies:

Apologies for absence were received from Councillor(s) A Barker, C Carr, J Cordon, P Jopling, C Potts and M Wilkes

Also Present:

Councillor(s) J Blakey, N Martin and R Todd

A1 Minutes of the meetings held 17 November 2011 and 19 December 2011

The Minutes of the meetings held on 17 November 2011 and 19 December 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 two articles relating to Housing, one relating to 240 houses at Shotley Bridge, another in respect of Council Chiefs urging Housebuilders to access a national fund of £400 Million in relation to “Get Britain Building”. Members also noted articles relating to approximately £17 Million of funding secured by the North East Local Enterprise Partnership (NELEP) for housing and economic development schemes in the region. The Committee also noted the creation of around 250 jobs with the development of a new Sainsbury’s store at Salters Lane, Sedgefield.

Resolved:

That the presentation be noted.

A5 "The Statistical Bias Against Unitary Counties":

The Chair introduced the Head of Policy, Planning and Performance, Regeneration and Economic Development (RED), Andy Palmer and Professor for the Centre for Regional Economic and Social Research (CRESR), Sheffield Hallam University, Steve Fothergill who were in attendance to speak to Members on the Statistical Bias Against Unitary Counties (for copy of presentation, see file of minutes).

The Head of Policy, Planning and Performance, RED noted that Professor S Fothergill worked not only for Sheffield Hallam University, he also was a Director for the Industrial Communities Alliance and that his report was a piece of independent research.

Members were reminded that at a previous meeting of the Committee, the Head of Policy, Planning and Performance, RED, together with the Customer and Services Intelligence Manager, RED, Graham Tebbutt had presented information relating to the Performance data for the “Altogether Wealthier” theme and that Councillors had noted and commented upon the use of “Countywide” statistics. Members recalled that the Head of Policy, Planning and Performance, RED had mentioned that there was research being carried out on the potential impact of the use of moving to statistics that reflected the new Unitary Authority as a whole rather than the former “District” areas.

Councillors noted that in the past, funding and grants were “area-based” (District areas) and that these areas were far smaller than the “countywide” area now used for statistics. The Committee noted that the area-based system was “semi-dormant” as Government had withdrawn Area Based Grants (ABGs), however, if funding were to be based upon those smaller areas in the future that could mean that County Durham could be disadvantaged in relation to previous allocations. The Head of Policy, Planning and Performance, RED added that the preferred methodology for Durham County Council (DCC) was to collect statistics on a small area basis and as government had used “District” data in the past, it would be beneficial to keep that level of data “ticking over” at DCC and with the Office for National Statistics (ONS).

Professor S Fothergill reiterated that he wore two hats, one as an academic, and one representing the Local Authorities (LAs) that were members of the Industrial Communities Alliance (ICA), of which DCC and Northumberland County Council were members, adding that Durham had been a member of the ICA in various guises, from the era of the Coalfield Campaign onward.

The Committee were informed that Professor S Fothergill believed that DCC had been discriminated against due to the move to Unitary status since the Local Government Reorganisation (LGR) in 2009, together with other LAs that moved to Unitary status. Professor S Fothergill noted that this was not a call to go back to the previous arrangements, in the case of Durham a two-tier system, rather an acknowledgement that the LGR process in 2009 had created a problem.

Members noted that the move to Unitary status had meant that the “district level” statistics, that demonstrated which areas had acute problems with issues such as deprivation, were now hidden and this was not a direct comparison to the statistics still being gathered by other LAs still operating a two-tier “County-District” model. The Committee noted that there was potential for this to affect resource allocation from Government in the long-term.

Professor S Fothergill explained that his report (for copy, see file of minutes) was a starting point to begin the discussion of the statistical bias and provided an independent set of key statistics / evidence in order to present to the Department for Communities and Local Government (DCLG).

Councillors were referred to a slide setting out the key numbers in terms of LGR were that 8 new Unitary Authorities were created in 2009, 36 District councils were abolished, with 201 District Councils being retained. It was demonstrated to Members that there were several District Authorities that were of comparable size, by population, to the former District areas within County Durham and that those Districts were continuing to use data gathered at that level. Members were reminded that statistics for the “Districts” within the new Unitary Authorities were disappearing, including the Indices of Multiple Deprivation (IMD) for former Districts and various benefit claimant statistics. The Committee noted that there were statistics that continued to be gathered at a very local level, the Lower Super Output Areas (LSOAs), however, to “add up” the LSOA data to that of the former District levels required a degree of specialist knowledge, would take a certain amount of time and effort, and in the end may not be used by policy analysts who would likely use “off-the-peg” data.

Professor S Fothergill posed the question, “Does this Matter?” and referred Members to the changing rank of former County Durham Districts in comparison to the new Unitary DCC. Members noted that in respect of the 2010 IMD ranking, the former Easington District ranked 8, with Sedgefield at 37, Wear Valley at 44 and the new DCC at 56. Members learned that in relation to the “Worst 100 LAs” in terms of employment deprivation specifically, Easington had ranked as 1, Sedgefield as 5, Wear Valley as 12, Derwentside as 13, with the new DCC as 12. The Committee also noted that for the “Worst 100 LAs” in terms of incapacity benefits, Easington was again ranked 1, Wear Valley at 8, Sedgefield at 9, Derwentside at 21, with the new DCC ranked at 21. Professor S Fothergill added that in relation to the “Worst 100 LAs” in terms of health and disability, Easington had ranked 2, Sedgefield 4, Wear Valley 6 and the new DCC ranked at 27.

Members understood that the trend was for the new Unitary DCC to have an “improved ranking”, however, some LAs that moved to unitary status that did not have the geographical diversity of County Durham, their ranking had not been as affected significantly by the move to Unitary. The Committee noted that this would mean that potentially DCC could be disadvantaged in comparison to some other Unitary Authorities, not only those Districts LAs that remained.

Councillors were asked to note that in terms of population, DCC was the 6th largest LA in England, larger than Manchester or Liverpool and in terms of geographical area, the average new Unitary Authority was 50 times larger than the average London Borough, 13 times larger than the average Metropolitan Borough and 8 times larger than the average size of the other Unitary Authorities in England. Professor S Fothergill added that the new Unitary County Authorities covered several separate labour markets, unlike most other single-tier LAs.

The Committee were referred to the key conclusions of Professor S Fothergill’s report, that: disadvantage in parts of County Durham had been hidden as statistics moved from District level to Unitary; South East Northumberland was similarly affected; and other new Unitary Authorities were less affected as they were either substantially more prosperous or had less of an internal diversity in terms of economy or deprivation. Members were informed that whilst Northumberland as a new Unitary Authority would now be unlikely to be eligible for funding targeted at disadvantaged areas, Durham as a whole had a better chance dependent upon how many LAs were targeted and which indicators were used. Councillors were reminded that whilst ABGs had been abolished and that current Government was focused via “opportunities” rather than deprivation, there was potential long-term damage for DCC if District-level data was not used by Government as it was felt that it was inconceivable that disadvantage would not be used as a metric for resource allocation in the future. Professor S Fothergill added that also deprivation was likely to be used to determine areas for pilot schemes, funding bids and mapping exercises and this could then create a disparity between the new Unitary Authorities and the two-tier Counties.

Members were asked to note the recommendations as set out within Professor S Fothergill’s report:

- That Government should resume publication of statistics for former Districts
- Noting that this resumption would be at no cost by the routine addition of LSOA data to that of District level
- That Government amend the 2010 IMD to include the full range of figures for the former Districts alongside the ongoing “Shire Districts”
- That the resumption is implemented across the full range of Government
- That future decisions on resource allocation or prioritisation should use data for former Districts, on the same basis as for ongoing “Shire Districts”

The Committee noted that the reason for recommending District level statistics was that there were already existing off-the-peg definitions, they would be directly comparable to other ongoing District LAs, they would be easy to implement and could be used across all new Unitary Authorities consistently.

Members noted that the challenge, should DCC wish to challenge the use of whole Unitary Authority statistics in comparison to District level data, would be in leading and convincing the other new Unitary Authorities to come on board.

The Committee also noted that there was no guarantee of success in convincing Government to take District level data into account from the new Unitary Authorities, however, Professor S Fothergill believed that in taking the long view, there was a lot at stake and the problem was the visibility of local issues and the parity of treatment with other two-tier areas, not Local Government structures.

Professor S Fothergill concluded by outlining potential methods that could be employed to persuade Ministers to restore the publication and use of statistics at a District level for new Unitary Authorities including: release of the independent report to the media; use of national trade press; persuade Northumberland to come on board; get local MPs on side; seek meetings with Civil Servants to discuss the report; and arrange a ministerial delegation.

The Chair thanked Professor S Fothergill for his presentation and asked Members for their questions.

Mr T Batson thanked the Professor for his clear presentation and asked whether the sub-county divisions as created by the Area Action Partnerships (AAPs) could be used as a smaller unit of measure than the whole of County Durham. Professor S Fothergill noted that data gathered at that level maybe useful for the Council and in principle could be used by Government, however, Government may not be familiar with the AAP set up, how those statistics compare to existing District Authorities and therefore the sum of the LSOAs may be a preferable approach.

Councillor N Martin acknowledged that a pragmatic approach was sensible to ensure DCC did not lose out in respect of any funding opportunities, however, he asked whether Government policy was solely to award on the basis of IMD ranking. Professor S Fothergill noted that the current Government were moving away from awarding by deprivation and moving towards awarding to areas that demonstrated "opportunity". Councillor N Martin asked whether the label of "District" was the issue and was there not a better way of gathering the information. The Head of Policy, Planning and Performance, RED cited the example that the former District area of Chester-le-Street in the past had accessed funding based on competitive application, using evidence gathered by the then District Council, however, it was noted that now Government had moved away from that type of funding allocation and therefore it was best to be able to provide evidence and statistics in a format that Government could easily digest. The Head of Policy, Planning and Performance, RED added that whilst there may be some more preferable sub-county units by which to gather information, for example by AAP, this would not be easily comparable to existing District Authorities and that ensuring that DCC was treated on a "level playing field" as other Authorities should funding be allocated by IMD now or in the future.

Councillor P Stradling agreed with the points made by Professor S Fothergill, noting that in his particular area of Horden, within what was the Easington District, there was a clear need to ensure that the issues that affected those deprived communities was not masked by taking statistics from across the Unitary Authority as a whole.

Councillor P Stradling added that it was evident that to ensure fairness, Government should use “District” level data in order to make fair comparisons, however, the difficulty was what Overview and Scrutiny could do to affect a change.

Councillor J Armstrong explained that he had noted the graphic change in the statistics relating to IMD, health and disability and benefits from pre-LGR data to the new Unitary figures for not only DCC, but Northumberland and the North East in general and agreed with Councillor P Stradling that how this was addressed was the issue. Councillor J Armstrong added that he felt that the recommendations as set out were reasonable and that Northumberland County Council and M.P.s should be involved, however, he noted that perhaps one way of championing this approach would be by the relevant DCC Cabinet Member raising the issue with the Association of North East Councils (ANEC) in order for them to bring the issue to the fore.

Mr A Kitching explained that he appreciated the title of the report, “bias” towards new Unitary Authorities, however, he asked whether if DCC and others were to fight for Government to consider “District” level statistics when funding was being allocated, would this not result in other Authorities who’s ranking in the IMD had effectively been “improved” as a result of the abolition of 36 District Authorities arguing that they themselves would then be disadvantaged. Professor S Fothergill acknowledged that some Authorities may argue that, however, whilst 36 Districts were abolished 201 continue and the call for Government to consider the new Unitary Authorities on an “even keel” with existing District Authorities would be difficult to argue against as it was comparing “like-for-like”.

The Overview and Scrutiny Manager, Feisal Jassat noted that there was a need to consider the national picture and also to ensure that Northumberland was identified as another key player, note that DCC was a member of the ICA and could input via that channel and, that the sub-county analysis and data be shared with Members. Professor S Fothergill noted that the ICA represented 60 LAs, with the only two of the new Unitary Authorities being Durham and Northumberland and accordingly, with that only representing 2 out of 60 LAs, then it would not be fair for the ICA to lead on the matter, rather for DCC to lead using the evidence as reported.

Resolved:

- (i) That the Chair of the Economy and Enterprise Overview and Scrutiny Committee discuss with the appropriate Cabinet Portfolio Holder the issues raised in the report and the presentation to determine next steps.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a report at a future meeting providing an overview of the work undertaken on the geographical profiles at Area Action Partnership level.

A6 Update on the Stock Option Appraisal:

The Chair introduced the Housing Stock Options Manager RED, Marie Roe who was in attendance to update Members on the Stock Option Appraisal (SOA) Project (for copy of presentation, see file of notes).

The Housing Stock Options Manager thanked the Members for the opportunity to speak at the Committee and reiterated the purpose of the SOA for those Members that were not familiar with the Project.

Members were reminded that there was a need to review the investment requirements in the Council's housing stock over the next 30 years, with around 19,000 properties across the three areas administered by Durham City Homes (DCH) an "in-house management organisation" (IHMO), and the two "arms-length management organisations" (ALMOs) of Dale and Valley Homes (DVH) and East Durham Homes (EDH). Councillors noted that there was a need to secure investment and to be confident that all potential options had been explored, together with the need to ensure that DCC was well placed to be able to adapt and respond to the changing policy landscape, both locally and nationally. The Committee were informed that it was important to be able to secure adequate funding to be able to continue to deliver the Decent Homes Standard (DHS) and maintain that standard in the future. The Housing Stock Options Manager added that there was a need for DCC to be able to deliver sustainable communities, to meet customer needs and aspirations and to contribute positively to regeneration issues.

It was explained that, last year, independent Legal and Financial Advisors had been appointed in order to look at the potential future financial options for the housing stock and governance arrangements. Members were asked to recall that the management options would be to retain the stock, or to look for a transfer of the stock, either via a traditional "large scale voluntary transfer" (LSVT), to a "community owned, council owed (CoCo) organisation, or a combination of LSVTs/CoCos. Councillors were reminded at this point that modelling had shown that there would be shortfall of between £30-60 Million in years 1 to 10 of the 30 year period and therefore, a full consultation process was decided upon to evaluate the potential options. The Committee noted that all relevant parties were involved, including customers, staff, Board Members (IHMO/ALMOs), Councillors and other key stakeholders throughout the Summer of 2011 and Members were reminded of the several updates provided to the Committee at meetings in the late Summer and Autumn.

The Housing Stock Options Manager explained that "Phase 1" of the SOA Project including all research and feedback gathered so far was presented to DCC Cabinet on 14 December 2011 in a 30 page report that had two main recommendations that were agreed; to continue to make arrangements for the implementation of self-financing in April 2012, in line with legislation; and to continue to explore options for a transfer of the Council's housing stock. Members noted that the change to self-financing meant that from 1 April 2012, the rental income generated could be retained, however, there would need to be a one-off "settlement" in order to allow for this and that the idea of a stock transfer was a potential solution to "plug the gap" in relation to the financial position in years 1 to 10 of the 30 year period being considered.

The Committee learned that guidance on stock transfer had not yet been issued from Central Government, the "Revised Housing Strategy" having been originally scheduled for Autumn 2011, and then January 2012, now put back until April/May 2012. The Housing Stock Options Manager explained that Government had indicated in November 2011 that they would still be offering the possibility of stock transfer, and therefore since agreement at Cabinet in December 2011, DCC have continued to look at the issue of transfer, together with those around the quality of the stock and the required investment in order to ensure that quality, renewal/regeneration and economic growth.

Members were informed that as the SOA was a major strategic project, it was being overseen and lead by the Council's Assistant Chief Executive, who chaired the Project Board.

Councillors noted that there were revised governance arrangements to ensure inclusiveness and the Major Consultancy Group continued to work with customers, partners and other stakeholders to ensure the best option for the future of the housing stock was identified.

In respect of self-financing, Members learned that DCC was on track to be able to implement self-financing arrangements in April 2012 and had developed a 30 year Housing Revenue Account (HRA) Business Plan and a 5 year Medium Term Financial Plan (MTFP) for the HRA. Councillors were made aware of the work undertaken to set rent levels and to agree service charges together with the decision making on borrowing in order to make the settlement payments to the DCLG.

Members noted that the MTFP had projected a need for £3 Million of savings to be made within the Housing Service, with the current position being that £2 Million worth of savings had been achieved, meaning the Housing Service was on track to meet its MTFP obligations. The Housing Stock Options Manager explained that there would be also a need to ensure that the future management arrangements were also robust so that any possible further savings beyond the £3 Million for the MTFP could be achieved, with a transparent review of self-financing looking at those management arrangements.

The Housing Stock Options Manager added that, as previous stated, Government had announced that they intended to continue to offer a programme of stock transfer, guidance was now scheduled for April/May 2012 and DCC was working with the appointed Advisors to revisit the financial projections and produce transfer business plans for the housing stock.

The Committee were made aware that there were 8 recommended project objectives, for example keeping local services and regenerating areas, and there was a need to continue to work in partnership with stakeholders in order to pin down the best transfer option.

Councillors learned that DCC was in regular contact with DCLG and the Homes and Communities Agency (HCA) with DCLG being very interested in the SOA Project being carried out by DCC as it was the largest being carried out in the country. The Housing Stock Options Manager added that a Business Case for Stock Transfer would be submitted in December 2012, and this mirrored the comment made in the earlier presentation by Professor S Fothergill in respect of the Government looking for "opportunities" rather than at issues of deprivation.

The Committee learned that the process of engagement with key stakeholders would not be slowed down or cut back, with regular newsletters, briefings, additions to the websites and meetings with Tenants and Residents' Associations to continue, the DCC Design Team currently working on the newsletters. Councillors were also asked to note that the use of the Independent Tenant Advisor (ITA) would continue, in line with established best practise, to ensure independent and impartial advice and support for customers. The Housing Stock Options Manager added that the Communication and Consultation Strategy for the SOA Project would be revised in order to reflect the next phase of the Project.

The Housing Stock Options Manager concluded by outlining the next steps of the SOA Project, those being:

- To implement self-financing arrangements from April 2012
- To refresh financial projections and finalise the outcomes DCC and stakeholders expect to achieve from a stock transfer
- To establish groups to complete a review of existing housing management arrangements, develop comprehensive long term investment plans and determine the best transfer option
- To submit a Business Case for Stock Transfer to the HCA and DCLG by the end of December 2012

The Chair thanked the Housing Stock Options Manager for her presentation and asked Members for their questions.

Mr A Kitching asked whether there would be any “council houses” in 5 years time and whether there would be protection for sheltered housing as there was for the Transfer to Sedgfield Borough Homes. The Housing Stock Options Manager noted that depending upon the outcome of the SOA Project; it could be that there would be 19,000 albeit under whatever new management arrangements are deemed to be appropriate. In relation to the issue of sheltered housing, the Housing Stock Options Manager explained that any protection could be wrote into new management / stock transfer agreements, however, advertising this to the public would be important so that they are aware of the protection being afforded to those valuable assets.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the information provided in the presentation in relation to the Stock Options Appraisal Project.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress update in relation to the Stock Options Appraisal Project at a future meeting.

A7 Update on the Local Enterprise Partnership (LEP):

The Chair introduced the Principal Regeneration Strategy Officer, RED, Glenn Martin who was in attendance to update Members on the Local Enterprise Partnership (for copy, see file of notes).

The Principal Regeneration Strategy Officer thanked the Members for the opportunity to speak at the Committee and reiterated the main points in relation to the new North Eastern Local Enterprise Partnership (NELEP) including opportunities and developments. Members were asked to note that the new NELEP website had gone live 2 weeks ago as part of a transparent process of moving forward, the NELEP now had public relations support in addition and was in the process of recruiting an Executive Support Team of 5 posts.

The Committee were informed that the NELEP had secured £16.7 Million from the Government's "Growing Places Fund" and this would indirectly be used to support jobs, primarily through schemes encompassing infrastructure, transport and housing. It was added that there could be "recycling" of the funding (reinvestment) when LAs are invited to submit pre-qualification questionnaires (PQQs) to Government in relation to this fund, those having been submitted just prior to Christmas 2011.

The Principal Regeneration Strategy Officer explained that there would be continued work to establish Low Carbon Enterprise Zones at three sites, including the North Bank of the Tyne, the Port of Blyth and the A19 Corridor. Members noted that there were other "enterprise zones" that did not fall into this exact category such as PETEC at NETPark.

Members were advised of the new rural forum, the North Eastern Farming and Rural Advisory Network (NEFRAN) that had been established with backing from the NELEP and the Department for the Environment and Rural Affairs (DEFRA). The Committee learned that NEFRAN had submitted a bid for funding from a £3 Million pot to establish a Rural Growth Network which could equate to around 500 jobs for the North East. It was explained that this included representation from DCC, Northumberland County Council, Gateshead Council, Newcastle University, Private Landowners and Northumberland National Park. Members were reminded that County Durham had a large geographical area and through collaboration, it was hoped DCC could "punch its weight" accordingly.

The Committee learned that the Private Sector Lead of the NELEP Skills and employment Group would attend a meeting of the County Durham Economic Partnership (CDEP) in March 2012 to help build on the work began by One North East such as planning for future workforce needs. Members were also informed of a Memorandum of Understanding that would be signed between the NELEP and the Government's "UK Trade and Investment" that would allow the NELEP to access their database of inward investment enquires in order to help develop a regular dialogue with Government.

The Principal Regeneration Strategy Officer added that there was ongoing work with the Northern tourism Alliance and the NELEP for the coordination of tourism activities and that the NELEP was looking to see how bids into the £2.4 Billion (nationally) third round of the Regional Growth Fund (RGF) could be coordinated. Members noted that this RGF bid coordination could include helping to develop several smaller bids together in an attempt to improve the success rate of securing Government support. Councillors were advised that there would likely be a fourth, and possibly a fifth, round of RGF funding bids and that the Chief Executive and the Head of Economic Development, Sarah Robson were leading in respect of DCC and the NELEP.

The Chair thanked the Principal Regeneration Strategy Officer for his verbal update on the report and asked Members for their questions.

Mr A Kitching noted that many of the points raised were in relation to Northumberland or other areas within the North East and asked what was specifically happening in County Durham. The Principal Regeneration Strategy Officer explained that the NELEP was for the "North Eastern" area; however, he could get a list of specific activities for the next Committee.

The Vice-Chair, Councillor A Naylor noted that the Working Group set up by the committee, the Improving Employment Opportunities of Young People (18-24) had undertaken several site visits to various training providers and that the opportunities for young people to develop high levels of technical skills were there and asked how these types of providers could be assisted.

The Principal Regeneration Strategy Officer explained that the Government's "Skills Agenda" would make reference to the NELEP as a consultative group in relation to the "Employer Ownership of Skills" to drive forward the skills agenda. Members noted that Andrew Hodgson, likely known to Councillors in his role as Chair of the Tyne and Wear Employment and Skills Board, was the Vice-Chair of the NELEP and DCC would work with him to ensure that skills and training for County Durham would be leading the way.

The Principal Regeneration Strategy Officer acknowledged Members' concerns for those over 19 years of age and how funding for training was affected post-19 and added that the NELEP could be a strong voice for lobbying of such issues.

Councillor J Armstrong concurred with the comments made by Councillor A Naylor and added congratulations to the work of the Economic Regeneration Manager, Graham Wood in respect of the County Durham Apprenticeship Programme which had been commented upon at a recent visit to Derwentside Further Education College.

Resolved:

That the Report be noted.

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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 27 February 2012 at 10.00 am**

Present:

Councillor J Moran (Chair)

Members of the Committee:

Councillors B Arthur, J Cordon, B Graham, J Hunter, P Jopling, C Potts, P Stradling, M Wilkes, M Williams and A Willis

Co-opted Members:

Mr T Batson, Mr A Kitching and Mr JB Walker

Apologies:

Apologies for absence were received from Councillors A Naylor, J Armstrong, A Barker, C Carr and J Rowlandson and Mrs O Brown, Mr A J Cooke, Mrs A Harrison and Mr T Thompson

Also Present:

Councillors B Bainbridge, D Boyes, C Magee, A Shield, R Todd, J Turnbull and C Walker and Superintendent P Beddow, Ms E Roebuck and Mr M Iveson

A1 Declarations of Interest, if any

There were no Declarations of Interest.

A2 Items from Co-opted Members or Interested Parties, if any

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

A3 "Bringing Empty Homes Back Into Use":

The Chair asked the Principal Overview and Scrutiny Officer, Stephen Gwilym to introduce the topic of Empty Homes. The Principal Overview and Scrutiny Officer thanked the Chair and reminded Members that Empty Homes was a topic agreed within the Work Programme for the Committee and that Members had requested an update on the topic further to the regular quarterly performance reports and a refresh of the Work Programme.

The Committee noted that the issue was cross-cutting, including the Altogether Wealthier and Altogether Safer priority themes of the Council Plan and accordingly, Members of the Safer and Stronger Communities Overview and Scrutiny Committee, who had carried out a review that looked at issues such as Envirocrime, Anti-social Behaviour and Empty Homes had been invited to the attend the Committee.

The Principal Overview and Scrutiny Officer introduced the Housing Renewal and Improvement Manager, Kath Heathcote who was in attendance to give Members a presentation updating the Councillors on "Bringing Empty Homes Back Into Use" (for copy, see file of minutes).

The Housing Renewal and Improvement Manager thanked Members for the opportunity to address the Committee and began by referring to the slide that set out the national statistics, noting that there were 740,000 empty homes as at February 2012, of which 300,000 are "long term" empties, giving a vacancy rate of approximately 3.3%. Members learned that an academic opinion was that a vacancy rate of 2.5% was the "indicator of a flourishing housing market". It was noted that the number of empty homes had not fluctuated much over the last 10 years, between 700,000 and 800,000 in that period, with the annual amount of homes becoming vacant being around 300,000, with a comparable number coming back into use. The Housing Renewal and Improvement Manager added that the 10 year period that had not fluctuated wildly encompassed periods where many Local Authorities had put a lot of resources into tackling empty homes and periods where little funding was used in this way. Accordingly, the main factors shaping the number of empty homes were economical and financial, though it was noted that this did not mean that Local Authorities could not help to bring empty homes back into use.

The Committee were shown the statistics for the North East region in comparison to the other 8 "regions" of the country noting that London did not share the "peaks and troughs" that the other areas of the country experienced, a steady rise from 2005 to 2008 then a fall from 2008 through to 2010. Members noted that this was connected to the housing market conditions at the time, with a house building boom in the period 2004 to 2008 and the global downturn and recession 2008 to 2010. The Housing Renewal and Improvement Manager referred Members to the statistics for the North East and pointed out that contrary to the popular myth that our region was one of the worst for empty properties, the statistics showed that the North East was the third best performing area and that the figures for Durham showed similar trends to those nationally and regionally with the current figure of 9750 empty homes for Durham being approximately that of the 2004 figure of 9,592. Members were asked to be aware that differing figures noting the number of empty homes are often quoted, and that this was because that the housing market was incredibly fluid and changeable with any statistic being a snapshot in time and that the data source used, the Council Tax Register, was not completely accurate as regards the number of empty homes as some properties may be sold, however the Council has not been informed. Members also learned that some statistics would include social housing and private rented accommodation, whilst some statistics would only include one or the other. The Committee also heard that in some figures, properties earmarked for demolition were included, and in some cases new build properties yet to be marketed were also included. Members were advised to ask whenever they were given figures whether they were the raw Council Tax data or had been adjusted in some way as previously noted.

The Housing Renewal and Improvement Manager explained that the picture across the County was varied with some areas having larger numbers of empty homes, some having less, the average vacancy rate being 4.3% and the peaks being around 10% in the main mining communities. Councillors were advised that whilst the rate was above the national average, it was in line with the current economic climate within the County and that by targeting those areas with the higher figure of 10%, mostly former coalfield areas, it should be possible to reduce the average figures.

The Committee were made aware that there were several myths as regards the issue of empty properties including, as previously mentioned, that all empty properties are problematic, indeed for a housing market to be able to operate it was explained that there was a need to have a proportion of empty homes. It was added that the problem of empty homes has not worsened, there was no “north / south divide” and whilst there was an excellent team in place at the Council there were limits as to what any Local Authority could do to resolve all empty homes issues. Examples given to Members were some properties that were subject to probate, some properties that were marketed at an unrealistic price and so on. Members were informed that the simplistic view of the number of homeless families / in housing need being equal to that of the number of empty homes as presented in a recent television programme was not correct and that whilst it was right to highlight the issue of empty homes as a valuable commodity not being utilised, it was perhaps naive to say that empty homes was a universal solution to the problems of homelessness.

The Housing Renewal and Improvement Manager added that the Council’s Homelessness and Housing Allocations Policies were “family friendly” and wherever possible there was always an attempt to support families by housing people in areas where they would be able to access their families and support networks. However, it was noted that if Members were to look at the issue of empty homes, then it would be sensible to look at the homelessness and associated appropriate housing policies. The Housing Renewal and Improvement Manager explained that in London, there was an offer of any property to those presenting as homeless and if they refuse a property then the Council’s obligation would be discharged. Members were reminded that the higher figures for empty homes were mostly in the former coalfield areas and that there were many excellent properties within these areas that could be utilised if policy was to encourage this.

Councillors noted that the advantages of targeting those areas with the highest percentage of empty homes were that in moving from the County average of 4.3% to the national average of 3.3%, around 2,500 properties would be brought back into use, helping to meet housing demand. It was explained that other advantages would be the prevention of neighbourhood blight, the creation of sustainable neighbourhoods in tandem with other regeneration projects, and would be potentially more cost effective than building new homes and using up valuable land resource. The Housing Renewal and Improvement Manager added that in the county the highest proportion of properties are terraced, with the lowest being detached dwellings. It was noted that in order to attract business and economic success it would perhaps be a better strategy to build a greater number of new executive homes rather than high proportions of “affordable homes”, and to bring empty properties back into use as affordable housing. Members noted that choices of housing type would have impact for generations and it was important to make the right choices for the future as sustainable development was a Council strategic priority.

Also, Councillors were informed that bringing an empty home back into use achieving a saving in terms of energy and carbon footprint in comparison to new build.

The Committee were reminded of the Council’s current approach, with the Private Sector Housing Strategy (PSHS) being in place in support of the Housing Strategy, the Regeneration and Economic Development (RED) Regeneration Statement priorities, the Council Plan and the Sustainable Communities Strategy (SCS).

The Housing Renewal and Improvement Manager noted that the PSHS committed the Council to provide support to ensure a thriving private housing sector including: improving the energy efficiency levels of existing housing; providing grants and loans to enable vulnerable owner/occupiers to adapt their homes; providing loans to enable vulnerable owner/occupiers to repair their homes; tackling issues of poor management and poor housing conditions in the private rented sector; delivering area-based holistic housing regeneration initiatives; delivering new housing; and bringing empty homes back into use.

Members noted that some of these were requirements and the Council had to provide certain types of support, however, in an ever increasingly tight staffing and budget envelope there was a need to have a targeted rather than a blanket approach in order to realistically deliver results for vulnerable neighbourhoods, vulnerable people and to provide a “safety net” for anyone across the County. The Housing Renewal and Improvement Manager explained that there were 3 full-time equivalent Officers dealing with empty homes for all of County Durham, operating across 8 priority areas that had been identified for the targeted approach. Members were informed that if an area was improved and moved off the priority list other areas could then be looked at and added to the list and that should any major issue arise, focus could be shifted in order to help tackle any problems. It was reiterated that this was with the understanding that the Authority would still act as a safety net should it be required.

The Housing Renewal and Improvement Manager explained that therefore the challenge for both Members and Officers was to communicate that the approach is not to look at any individual empty property specifically unless a major issues arises, rather to look strategically at priority areas with a Project Team approach being more effective. Members were referred to “before and after” pictures of an empty property at Craghead that had been brought back into use and that the Manager for that area had been able to help improve the vacancy rate from 15% in 2010 to a current percentage of 4%. Councillors were assured that there was a visible improvement to the area and that the area was becoming more sustainable as a result. It was noted that improvements included Standard Energy Procedure (SAP) energy efficiency ratings being raised from below 50 to 90 through measures such as providing an insulating render and the addition of photovoltaic cells. Councillors were informed that work had been undertaken with the help of outside investment and persuasion of private landlords and residents/homeowners to invest to help improve the perception of the area and to help ensure a healthy mixed community.

The Committee noted that there was a joint protocol in place with the Environmental Protection Team and this was monitored by the Housing Improvement Team with quarterly meetings with colleagues from Environmental Health to discuss where persuasion would need to move to enforcement action such as an Empty Dwelling Management Order (EDMO).

Members were keen to note that the Authority had applied for 2 EDMOs, one property having been empty since 1976, and that a decision on these would be made in March this year. Councillors were asked to note that EDMOs required a lot of work in order to gather evidence and information and the process was lengthy and potential costly and therefore was an option to use in only the most extreme cases, however these first cases could be used as an advertisement of the “teeth” the Council could bring to bear should landlords and property owners were not willing to bring empty homes back into use.

The Housing Renewal and Improvement Manager explained that the Financial Assistance Policy had been reviewed and amended in respect of loans for owners of empty properties, with 3 loan products being made available with many people becoming “accidental” landlords and therefore the Council helps to get properties back into use quickly and can often be a better option than an owner approaching a bank, especially in the current financial climate. Members noted that the Financial Assistance Policy was reviewed annually and this would mean another review in April 2012.

The Committee learned that the Council supported Register Providers to submit bids in order to access Homes and Communities Agency (HCA) funding and whilst this was not a large number of properties, being around 10, it was important to ensure that Durham was effectively getting “its fair share” of this particular funding stream. Members were informed that an Officer was allocated full-time to the development of a Private Sector Leasing Scheme in areas of high vacancy and low demand, for example to encourage Private Landlords to take properties on and bring them back into use. The Committee were informed that the use of Compulsory Purchase Orders (CPOs) / enforced sales was perhaps a more practical and workable alternative to EDMOs and in the case where the Authority cannot find the owner of a property, then it can be advantageous as with no owner, then the CPO requires no compensation to be paid, so an investment of around £5,000 - £10,000 in order to secure a property could generate an amount of £50,000 or more. The Housing Renewal and Improvement Manager added that this could then be kept by the Authority and be ringfenced to help bolster work in this regard should Members wish.

Councillors were reminded that Central Government’s position was that tackling empty homes was high on the housing agenda and in May 2011 the Housing Minister, Grant Shapps M.P. said “...there are too many empty homes blighting too many communities”. It was noted that the Department of Communities and Local Government (DCLG) Business Plan 2011-15 as set out in November 2010 pledged to “develop a strategy to bring more empty homes back into use, working with Local Authorities, Housing Associations and some of the Property Owners, Neighbours and others affected”. Members were also informed that in February 2011, Government confirmed that bringing empty homes back into use will count as new homes under the New Homes Bonus Scheme, for the next six years. Councillors heard that there were plans to force Local Authorities to wait 2 years before pursuing a EDMO rather than the current 6 months and nationally, since the introduction of EDMOs in 2006, there has only been 43 successful EDMOs noting the difficulty in gathering evidence and information. The Housing Renewal and Improvement Manager explained that from 2012 the HCA would be supporting Registered Providers with £100 Million from Government to refurbish more than 3,000 empty properties, of around 750,000 nationally, and to manage them at near market rent for a period of up to 10 years. Members noted that this could have some benefit for high value properties in good areas.

The Committee learned that whilst it was difficult to predict how policy and the economy would change in the future, it was thought that as the current predictions for the economy are poor then this in turn could mean vacancy levels could rise, though they are likely to reduce slightly, by around a few hundred or so. It was noted that the number of accidental landlords who are unable to complete repairs in order to rent or sell their property was also likely to increase. Members took some comfort in the fact that there was unlikely to be a risk of over-supply, and as there were less opportunities for Registered Providers to build, diversifying and looking to existing housing stock would likely increase.

The Housing Renewal and Improvement Manager explained that options for the future included a review of the PSHS, perhaps looking to see which functions were required and where to prioritise resources, for example in tackling empty homes; for the Council to take on an enabling role in order to help Registered Providers acquire empty properties; and to continue to prioritise economic development. Members also learned that there were options to help maximise the New Homes Bonus received by the Council, with examples at other Local Authorities being:

- Sheffield City Council – used funding to establish a new “local growth fund” for housing regeneration projects and initiatives to bring empty homes back into use
- Kent – Loans for landlords
- Cheshire West and Chester – £500,000 funding pot for Registered Providers to bring empties back into use.

Councillors were asked to note the main points raised were:

- The vacancy rate for Durham is slightly higher than the national average
- The vacancy rate for Durham is skewed by weaker housing markets, some in the former coalfield areas
- Whilst the open market and economic factors largely dictate the vacancy levels, Local Authorities can effectively intervene through a targeted approach
- Equating the problem of homelessness and empty homes and saying they would be able to “cancel each other out” is an oversimplification
- There would be considerable benefits to reducing vacancy levels
- Should the Council decide it has serious intentions in this regard, there would be a need to develop new products and initiatives and to look at policies linked to homelessness and allocations.

The Chair thanked the Housing Renewal and Improvement Manager and asked if Members had questions for the Officer.

Councillor J Cordon asked whether there was further information as regards the examples shown at Craghead, the number of houses and the costs and noted the scheme at St. Peter’s Court in Sacriston a refurbished old peoples’ home that was for ex-servicemen and women. The Housing Renewal and Improvement Manager noted that the Project Manager for the scheme at Craghead was the Housing Regeneration Team Leader, Adrian Cantle-Jones and that he organised meetings looking to see what approaches could be used and noted that the Council had funded 120 properties. The Housing Renewal and Improvement Manager noted she did not have the number of empty properties brought back into use to hand; however, the information could be circulated back to Members accordingly.

Members were informed that the Council was working with Derwentside Homes and 2 other large private landlords, which were akin to Register Social Landlords (RSLs), and information could be provided showing how many properties by each organisation.

Councillor P Stradling noted that in the area he represented, Accent had invested around £5 Million and Durham Aged Miners Housing Association (DAMHA) had invested around £4 Million via East Durham Homes (EDH) in order to make properties more desirable and asked what Durham County Council (DCC) were doing to invest in this manner.

The Housing Renewal and Improvement Manager reminded Members of the priority areas as previously stated, and noted that for the East of the County, Easington Colliery and Dawdon were the priority areas. Accordingly, focus groups had been set up in those areas to look to improve the situation with regard empty homes, adding that DCC would still provide the “safety net” coverage for the other areas in East Durham, as it did for the whole County outside of the priority areas as well as tackling any serious issues that may arise. Councillors were informed that Accent had launched “Good Neighbour, Good Landlord and Good Letting Agents Agreements”, with Michael Fishwick of Accent being in attendance at the launch event together with the Portfolio Holder of Housing, Councillor Clive Robson on 14 February 2012, working with 2 local properties letting agents, Acorn and Castledene, together with 11 local Residents’ Associations.

Councillor M Wilkes noted the information as regards the different types of figures being used to show the number of empty properties, understanding that demolished properties or those scheduled for demolition would skew figures. Councillor M Wilkes added that at a budget meeting it was explained to Members that the Authority received around £1.3 Million in respect of the New Homes Bonus and that this was fed into the General Fund rather than ringfenced to Housing, however, he understood the financial position of the Authority and why such ringfencing may not be practical. Councillor M Wilkes asked how many staff had been charged to look at the issues of empty homes at the former District Authorities in comparison to the new Unitary Authority and whether the 3 full-time equivalents was a sufficient staffing level to tackle the issues raised, noting the New Homes Bonus as previously mentioned. The Housing Renewal and Improvement Manager noted that whilst it was not for her to comment in relation to budget decisions, a report was being prepared for RED showing which Local Authorities had ringfenced their New Homes Bonus and how and where this had led to effective action in tackling housing issues. Members noted that some Local Authorities had a mind to “grow their pot”, to invest their New Homes Bonus in such a way to help attract further New Homes Bonus. In respect of staffing, the Housing Renewal and Improvement Manager explained that prior to Local Government Reorganisation (LGR) there was one Officer at the former Derwentside Authority, one at the former Easington Authority, whilst accepting that those Officers did not solely deal with empty homes. The Housing Renewal and Improvement Manager explained that in respect of the staffing levels currently, the Authority need to be able to react to changing circumstances and that therefore it would be necessary to work with Corporate Human Resources to look at any needs as required.

Councillor A Shield asked whether there was any promotion of fixed price rent schemes, such as that operated by Prince Bishops Homes. The Housing Renewal and Improvement Manager noted that many company flyers were already advertising similar schemes and this seemed to be a trend and DCC could lend support and share intelligence, whilst keeping in mind issues of data protection.

Councillor A Shield asked whether the Government’s Welfare Reform changes would lead to properties becoming undesirable. The Housing Renewal and Improvement Manager noted that some RSLs actively want to tackle so-called “benefit areas” and therefore it may be possible to link where RSLs are looking to make relatively quick turnaround with Area Based Regeneration that was linked to where DCC wished to increase “affordable” housing.

Councillor C Walker noted that the Council should be wary of “speculators” grabbing lots of building plots and existing stock and then not delivering the results we need, citing an example in his local area where he felt that projects were “managing the decline” rather than regenerating the area and that in many cases, there was a need for renewal and not re-use as many older properties are no longer suitable. The Housing Renewal and Improvement Manager agreed that there have been cases, where a lot of properties were snapped up in the last major property crash in the late 1980’s, where many properties have been taken on by private landlords who were failing in their responsibilities.

Councillor D Boyes noted that the involvement of RSLs in tackling the issue of empty homes was welcome, recalling a meeting with the Chief Executive of EDH, Paul Tanney last week and noted that the EDMO route was potentially a legal minefield and was not surprised that this route had not been used more. Councillor D Boyes added that the Selective Licensing Scheme was also heralded as a solution to many housing problems, including empty properties, although with only 50% of landlords signing up in the pilot areas, and without enough Staff to enforce, there had not been much success. Councillor D Boyes noted that whilst the Staff involved in Housing were excellent, there was perhaps a need to have additional staff to cope with workloads, or to be less ambitious with the number of schemes and initiatives being operated. The Housing Renewal and Improvement Manager noted that the Landlord Initiative Team Leader, Angela Stephenson would be leading a review on the effectiveness of the Selective Licensing Scheme and the outcome would be communicated in due course. Councillor D Boyes noted that he was aware of a single estate that had 77 empty properties and was disappointed that television news Reporters would often use this area to report from, giving a jaundiced view of our area.

Councillor P Jopling noted that only 2 EDMOs had been sought by DCC and asked whether seeking to have a property demolished was not a more cost effective solution. The Housing Renewal and Improvement Manager noted that it would be possible to provide Members with a breakdown of the costs involved regarding an EDMO and the repairs and management to properties over 7 years, however, as previously stated it was felt that EDMOs were an option of final resort, should other options fail and that also care would need to be taken when CPO properties were marketed to ensure that they did not return back to similarly disreputable private landlords.

Councillor B Arthur reiterated the points raised by Councillors C Walker and D Boyes and noted that the issues of empty homes, blight and so on were important and needed tackling and the scrapping of the Landlord Accreditation Scheme was a step backwards and that more pressure was needed on landlords. The Housing Renewal and Improvement Manager noted that whilst most Local Authorities in the North East have in place or have tried such schemes, it was only the “top 10%” of Landlords that sign up and it was not easy to demonstrate the effectiveness of such schemes, for example in Durham, on 1% of around 30,000 properties were accredited.

It was noted, however, that within a review of Choice Based Lettings - Durham Key Options (DKO), there may be an opportunity to tie-in Accredited Landlords, having this listed via DKO, making it cheaper for landlords to advertise their properties.

Mr JB Walker noted that The Secretary of State for Communities and Local Government, Eric Pickles M.P. had announced that Government wish to reduce under-occupancy within existing properties and he felt that this may cause a great deal of harm and an update on this could be useful for Members in due course.

Ms E Roebuck noted that there was a community safety aspect that needed to be considered however there was a need for more accurate data as regards the concentration of empty homes and also the criteria used to identify “priority areas” would be useful for Committee Members to help understand the processes in place to be able to liaise with Durham Constabulary in targeting anti-social behaviour, hate crimes and so on. The Housing Renewal and Improvement Manager noted that her Team were undergoing training in the use of the Council’s Graphical Information System (GIS) and this would enable such information and they would work with the Safer Communities Manager, Caroline Duckworth in alignment with High Impact Localities (HILs) such that if a property was not within a priority area, though was within a HIL it would be prioritised over those not within a HIL. As regards issues of blight and fly tipping, it was noted that Accent had some success in other regions with schemes tackling this and it may be possible to liaise with them on similar schemes for our area.

Mr T Batson asked whether there were figures as split by Area Action Partnership (AAP) and whether as per DCC policy, Town and Parish Councils were consulted on issues such as empty homes. The Housing Renewal and Improvement Manager noted that AAPs were heavily involved in issues of housing regeneration and that many AAP Members were representatives on Housing Steering Groups and AAPs gave regeneration as one of their key areas of focus. Members were informed that part of the Housing Strategy consultation was specifically with Parish Councils, and the PSHS was a business level document and in that sense, it had not been subject to a consultation exercise as such.

Councillor J Hunter reiterated Councillor J Cordon’s request for cost information for the scheme at Craghead and added that should the issue of empty homes be topic of a review group, a site visit to those properties may be useful for Members.

Mr M Iveson asked whether the numbers of empty properties in areas equated to the demand / housing need in an area. The Housing Renewal and Improvement Manager noted that unfortunately this was not the case and that many thriving areas are those with high demand and area that are not areas with the large numbers of empty properties. Also, it was noted that through the DKO scheme, people have the ability to request where they wish to be housed and therefore there the more popular areas are always in high demand.

Councillor C Potts noted that the Selective Licensing Scheme at Chilton had been very good and 49 properties had been improved and a Group Repair scheme was in place and this may also be useful as a potential site visit for Members.

Councillor M Wilkes noted the comments of Councillor C Walker as regards renewal over re-use; however, he felt that the benefit in bringing empty homes back into use had been demonstrated.

Councillor M Wilkes asked whether there was further information as regards the number of landlords DCC have helped via loan schemes, how the Council Tax changes post-April 2012 would affect empty homes numbers and whether the Council policy to look for new-build on “greenfield” sites would need to be looked at to perhaps give more weight to bringing empty homes back into use. The Housing Renewal and Improvement Manager noted that in some cases, giving an example at Seaham, a housing scheme had allocated funding in lieu of “affordable housing provision” which could be used for bringing empty homes back into use. Councillor M Wilkes appreciated this, but noted that Community Infrastructure Levies (CILs) had a finite distance cut off that would apply and with Durham City being the focus of development and regeneration, he was concerned that some areas may not receive these types of benefits.

Councillor R Todd concurred with the point raised by Councillor C Walker that many of the older style “back-to-back” properties were no longer practical for modern living and these would not make suitable candidates for re-use, and renewal would be preferable in these cases.

The Chair thanked Members for their comments and asked the Principal Overview and Scrutiny Officer to give a summary of the next steps.

The Principal Overview and Scrutiny Officer explained that the issue of “Empty Homes” remained a priority for the Economy and Enterprise Overview and Scrutiny Committee and at the meeting scheduled for 29 March 2012, a refresh of the Committee’s Work Programme would reflect this and there would be updates on empty homes, including at the meeting on 29 March 2012. Members were reminded that the updated performance management reporting would now also include information on housing performance and the Portfolio Holder for Housing, Councillor C Robson had noted that whilst the Quarter 3 performance report noted that the Authority was not quite “at target”, any review of the issue by Overview and Scrutiny Members was welcomed. The Principal Overview and Scrutiny Officer added that a scoping/briefing report would be provided for Members shortly.

The Chair noted that the input from the Members of the Safer and Stronger Communities Overview and Scrutiny Committee was most appreciated, and Councillor D Boyes thanked the Chair for the opportunity to feed into the review and Members for their attendance today.

Economy and Enterprise
Overview and Scrutiny Committee



29 March 2012

Quarter 3 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 third quarter of 2011/12.

Background

2. This is the third quarterly corporate performance report of 2011/12 for the council highlighting performance for the period October to December 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	3 (30%)	0 (0%)	3 (30%)	4 (40%)
Performance against target	4 (40%)	0 (0%)	4 (40%)	2 (20%)

Actions				
	Red	Green	White	Deleted actions
Performance against target	3 (6%)	25 (53%)	19 (41%)	0

Council Performance

5. Key achievements this quarter include:

- a. A continuing steady reduction in the percentage of non decent council homes. 31% of council homes remain non decent which is an improvement from the 34% at quarter 2 and 39% at the same period last year. Over 900 properties, across the three housing providers, have been made decent between April and December 2011.
- b. The delivery of a successful Lumiere festival in November 2011 was the largest lights festival in the country with 34 installations by 80 local and international artists. The festival attracted over 150,000 visitors, double the number attending the 2009 festival. It is expected to significantly exceed the £1.5m generated for the local economy in 2009.
- c. The number of private rented sector properties improved through local authority intervention has exceeded the period target of 366. Over the period April to December 2011, 858 properties have been improved through local authority intervention. The Landlord Initiatives and Empty Homes Officer roles have now been combined through the Regeneration and Economic Development restructure. Targets have been set for each individual locality and bi-monthly performance meetings have taken place in October and December 2011 with team members in order to discuss collation of data and effective outcomes. It is likely that from April 2012 the descriptors used to calculate property improvements and improvement in management standards will be altered and targets re-assessed.

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

- a. The processing of major planning applications has shown a disappointing drop in performance during quarter 3 with 59.4% of applications determined within the 13 week duration, a 19 percentage point decrease from the previous quarter (78.4%). This is below the 79.9% target and is inconsistent with past performance. An element of this drop is the determination of a number of long term strategic applications which are unable to be determined in the 13 week definition. A revised approach to development management is to be introduced from April 2012.
- b. The number of empty properties brought back into use as a result of local authority intervention remains below the period target. During the period April to December 2011, 27 properties were brought back into use through local authority intervention. This is below the period target of 60. Individual targets have been set for each locality with efforts being placed to bring empty properties back into use. Links have also been made with key Registered Social Landlords in relation to the bids being placed to the Homes and Communities Agency to acquire units.
- c. Over the quarter 3 period, 88.1% of bus services ran on time which is a slight decrease from the previous quarter (90%). Performance is below the 95% target and lower than the same period last year (96.4%). The slight decrease can be attributable to two bus stations which had lower than average results on one particular survey date (Durham and Bishop Auckland). Performance however remains favourable when compared to 2009/10 national (80.2%) and regional (78.0%) benchmark.
- d. Occupancy rates of council owned factories and business support centres stands at 75%, the same rate as at quarter 2, which remains below the 78% target. A Business Space Strategy setting out a five year investment programme was approved by Cabinet in December 2012. A refurbishment programme is underway with future years funding being considered for approval during February 2012.

- e. A Council Plan action relating to the marketing of the business park at Hawthorn in Murton, in collaboration with the Homes and Communities Agency, due to be achieved by October 2011, is currently on hold pending improvement in economic conditions. It is anticipated that this will be undertaken during 2013.
- f. The action to implement walking and cycling provision based on the 2010 audit of facilities has been delayed from December 2011 to April 2012. The strategy has been prepared but not yet approved.
- g. The proposed review of markets managed by or on behalf of the council, scheduled to be completed by October 2011, has also been delayed. Implementation of the new strategy will be September 2012.

7. Tracker indicators for this priority theme (see Appendix 3, table 2) show:

- a. A continued rise in the number of 18-24 year olds claiming JSA. For December 2011 this figure was 5,265 of 18-24 years olds claiming JSA compared with 4,395 at the same period last year. Youth unemployment continues to be a significant issue across the country with 1.16 million young people currently not in education, employment or training. The Government has recently announced a number of programmes to seek to address the issues and associated challenges and barriers, including the 'The Youth Contract' expected to commence April 2012, additional funding for apprenticeships and reduction in bureaucracy to support small businesses and support for up to 410,000 young people to access work experience places over the next 3 years. At a local level an action plan for apprenticeships has been developed and the County Apprenticeship Programme has already supported a number of local young people gain employment with local businesses. Since November 2011, 15 new apprenticeship starts have been facilitated through the DCC apprenticeship scheme, with a further 106 apprenticeship opportunities currently being advertised or developed.
- b. Latest figures from the National Apprenticeship Service (2010/11 Academic Year) are that 1,875 young people have started an apprenticeship in County Durham, an improvement on the previous quarter's figure which was 1,366. The National Apprenticeship Week campaign runs in early February and it is hoped that this will result in local businesses providing increased apprenticeship opportunities to help tackle youth unemployment.
- c. Unemployment continues to be an issue at all geographic levels. The number of residents within the county that have been claiming JSA for one year or more currently stands at 1,645. The Government's flagship programme 'The Work Programme' aimed at supporting unemployed individuals back into work has been active for around 6 months with numbers of referrals at a steady rate, however, job conversions need to improve but are based upon job creation within the labour market.
- d. The employment rate of the working age population has shown a slight increase. Latest figures for July 2010 to June 2011 (which relate to quarter 1 2011/12 as reported 8 months in arrears) show the employment rate has increased to 67.2% from last quarter and 12 months previous (65.9% and 66.4% respectively). Latest benchmarking available for quarter 1 2010/11 shows that County Durham is worse than national (71.8%) but better than regional (65.3%) rates. Unemployment across the country has been impacted by the international financial crisis with 2.57 million people unemployed, which is a 17 year high. The impacts of the Government's work programme are slowly starting to filter through into job opportunities; however, it is too early to start seeing the full results.

- e. Staff training on homelessness preventions has resulted in an increase in the numbers of prevention cases with 227 preventions in quarter 3. This has resulted in 19.7% of cases being prevented from becoming homelessness presentations. 1149 cases were presented compared with 1236 at quarter 2 and 1206 reported 12 months previously. Although the presentation to the service has dropped slightly (7%) compared to the previous quarter the overall number of presentations remains high but without the improved prevention work considerably more people would be identified as homeless.
 - f. The number of homes completed near all major settlements as a proportion of all completions has reduced this period. 51.23% of homes were completed near major settlements compared with 62.37% at quarter 2. This performance equates to 115 units being built within the county's 12 main towns, of which 13.8% (12 units) were delivered in Durham City. This reduced performance is attributed to the economic downturn which is restricting the ability for developers to start development of new sites and reducing the speed of outputs on sites under construction. The true longer term impact of these circumstances upon the extent of an unconstrained 'pipeline' of new housing is becoming increasingly evident through the resulting performance in delivery.
8. Further developments this quarter which link to this priority theme relate to:
- a. Park and Ride passenger journeys from the three Park and Ride sites in Durham City continue to show year on year increases, 350,241 journeys were recorded in the October to December period. The increases for this quarter coming from the extended service during the Lumiere festival and also the highest December figures since Park and Ride began.
 - b. Rationalisation of the Care Connect Service came into effect on 3rd October 2011.
 - c. The Regeneration and Economic Development restructure is continuing to schedule with all ring-fence and slot-in interviews completed by the end of December and many staff in post already.
 - d. The development of the Amazon Park site at Newton Aycliffe has been delayed due to the slippage in the final signing off of the contract which is now expected early 2012.
9. Key risks to successfully delivering the objectives of this theme are:
- a. *'The loss of Area Based Grant funding'*, resulting in the County Durham Partnership (CDP) 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.
 - b. *"Increased demand for the Housing Solution Service beyond current staffing capacity as a result of changes in Government Welfare Legislation"*. Management consider it highly probable that this risk will occur, and will communicate to residents and housing providers the impact the reforms will have on them.

10. Other significant risks include:

- a. Private housing stock condition worsens with adverse implications for local economy, health and 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.

Recommendations

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

Human Rights

Not applicable

Consultation

Not applicable

Procurement

Not applicable

Disability

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

Legal Implications

Not applicable

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% behind target

Actions

WHITE

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

GREEN

Action on track to be achieved by the deadline

RED

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

Benchmarking

GREEN

Performance better than other authorities based on latest benchmarking information available

AMBER

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

RED

Performance worse than other authorities based on latest benchmarking information available

Appendix 3: Summary of key performance indicators

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)	59.40%	Q3 2011/12	79.90%	RED	82.40%	RED	62.00%	69%*	Q2 11/12
2	Number of private rented sector properties improved as a direct consequence of local authority intervention	858	Apr - Dec 2011	366	GREEN	N/A	N/A			
3	Number of empty properties brought back into use as a result of local authority intervention	27	Apr - Dec 2011	60	RED	N/A	N/A			
4	Percentage of non-decent council homes (former NI 158)	31%	Q3 2011/12	Not set for 2011/12	N/A	39%	GREEN	11.10%	8.35%**	2010/11
5	Bus services running on time (former NI178/LTP2/T14)	88.1%	Q3 2011/12	95.0%	RED	96.4%	RED	80.20%	78.02%*	2009/10
6	Occupancy rates of council owned factories and business support centres (former REDPI16)	75%	Apr - Dec 2011	78%	RED	N/A	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	Percentage of users who felt the cultural events were "good" or "very	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
	good" (former AWHAS9)									
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

Page 32 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	61	Apr - Dec 2011	49 [4]	Not comparable	151	RED			
107	Number of top retailer representation in Durham City	15	Apr - Dec 2011	15	AMBER	13	GREEN			
108	Traffic flows in Durham City (New indicator using licence plate recognition. Under development. Expected during 2011)	Data not available until 2012/13		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 2011	75.82%	AMBER	74.9	GREEN			
110	Total number of visitors to main attractions	646,094	Q2 2011/12	625,904 (revised) [4]	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)	51.23%	Apr - Dec 2011	62.37% [4]	RED	New indicator	N/A			
112	% properties in band D and above for Council Tax	14.67%	Apr - Dec 2011	14.64%	AMBER	Not available	N/A			
113	18 - 24 year olds claiming JSA	5265	Q3 2011/12	5280	AMBER	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	1645	Q3 2011/12	1220	RED	1474	RED			
115	Employment rate of the working age population (former NI 151)	67.20%	Jul 2010 - Jun 2011	65.90%	AMBER	66.40%	AMBER	71.80%	65.3%*	July 10-June 11
116	Number of apprenticeships – started	1875	2010/11 Ac Year	1366	GREEN	Not available	N/A			
117	Child Poverty (former NI116) Also included in Altogether Better for Children & Young People	23.86%	May-11	23.84%	RED	24.72%	GREEN	20.43%	25.46%*	May-11
118	Affordable homes provided as a proportion of the total net homes completed (former NI154 & NI155)	53.30%	Q3 2011/12	42.10% [4]	Not comparable	10.90%	GREEN	33.20%	N/A	2008/9
119	Accessibility of Newton Aycliffe within one hour using public transport and arriving by 8.30am (former LTP3/4c)	31.53%	Apr - Sep 2011	30.3%	GREEN	New indicator	N/A			
120	New enterprise start ups (businesses assisted)	103	Apr - Sep 2011	67 [4]	Not comparable	571	RED			
121	Business registration rate (former NI 171)	35.0	Dec-08	36	RED	N/A	RED	52.60%	28.1%*	2010
122	Number of tourism businesses actively engaged with Visit County Durham	59	Q3 2011/12	122	Not comparable	Not available	N/A	Not comparable	Not comparable	
123	Number of passenger journeys on Park and Ride (former LTP3/L17b)	350,241	Apr - Dec 2011	287,883 [4]	Not comparable	Not available	N/A			
124	Total planning applications	826	Q3	734	GREEN	784	GREEN	360	413**	Q4

Page 4 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
	received		2011/12					Not comparable	Not comparable	2010/11
125	No. of people rehoused through Durham Key Options system	932	Q3 2011/12	939	AMBER	Not available	N/A			
126	No. of preventions as a proportion of the total no. of homelessness presentations (former HH LP15a)	227 (19.7%)	Q3 2011/12	232 (18.8%)	AMBER	214 (17.7%)	GREEN			
127	No. of statutory applications as a proportion of the total no. of homelessness presentations (former HH LP15b)	241 (20.9%)	Q3 2011/12	282 (22.8%)	GREEN	250	GREEN			
128	No. of acceptances (of a statutory duty) as a proportion of the total no. of homelessness presentations (former HH LP15c)	95 (8.3%)	Q3 2011/12	114 (9.2%)	GREEN	Not available	N/A			
129	Total no. of homelessness presentations (former HH LP15d)	1149	Q3 2011/12	1236	Not comparable	1206	Not comparable			
130	Business enquiries	915	Apr - Dec 2011	850 [4]	Not comparable	New indicator	N/A			

[4] This data is cumulative and the figure is based on 12 months data for the year end so comparisons are not applicable

**Economy and Enterprise
Overview and Scrutiny Committee**

29 March 2012



**Regeneration and Economic Development
Service – Quarter 3 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 December 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 - £43.166m (original £39.617m)*
 - *Housing Revenue Account - £57.631m*
 - *RED Capital Programme – £92.421m (original £107.434m)*

3. The RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Transfer of budget from AWH £10k
 - Use of ABG Reserve £221k
 - Contribution to Derwentside Training Reserve - £75k
 - Use of Durham City Vision Reserve £35k
 - Use of LEGI Reserve £752k
 - Use of Performance Reward Grant £15k
 - Use of Strategic Reserve for Redundancies £1,271k
 - Use of Family Intervention and Empty Homes Reserves £102k
 - Concessionary Fares reduction - £250k
 - Balance sheet adjustment for Derwentside Training £910k
 - Support charges for use of Depots by RED £101k
 - Transfer of pension augmentation budget previously held centrally £347k
 - Recalculation of capital charges £240k
 - Transfer of budget to Resources - £136

- Transfer of budget for carbon tax £6k

The revised General Fund Budget now stands at £43.166m.

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 **£41.847m** against the annual budget of **£43.166m** – an underspend of **£1.319m**. When excluding items outside of the cash limit the actual position is an underspend of **£0.599m**.
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

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Adjusted Variance
Employees	26,511	21,388	27,940	1,429	2,149
Premises	1,925	1,571	2,100	175	175
Transport	1,376	1,070	1,353	(23)	(23)
Supplies and Services	11,096	12,683	11,237	141	141
Agency and Contracted	21,040	13,510	20,831	(209)	(209)
Transfer Payments	105	106	1,598	1,493	1,493
Central Costs	5,374	400	5,587	213	213
GROSS EXPENDITURE	67,427	50,728	70,646	3,219	3,939
INCOME	(24,261)	(18,151)	(28,799)	(4,538)	(4,538)
NET EXPENDITURE	43,166	32,577	41,847	(1,319)	(599)

Analysis by Head of Service

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Adjusted Variance
Policy Planning Performance	1,203	913	1,185	(17)	(17)
Economic Development	8,184	11,713	7,854	(330)	(330)
Housing	5,457	3,206	5,374	(84)	(84)
Planning	5,936	4,120	5,875	(61)	(61)
Transport	16,617	12,811	15,790	(827)	(827)
Central Costs	5,769	(186)	5,769	0	720
NET EXPENDITURE	43,166	32,577	41,847	(1,319)	(599)

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):

Head of Service	Service Area	Description	(Under) / Overspend £	(Under) / Overspend £
PPP	PPP	Savings in staffing arising from maternity leave, ERVR and staff secondments	(17,322)	(17,322)
Economic Development	Head of Economic Development	General underspend on employee budgets	(6,021)	
		Anticipated savings on third party payments	(90,428)	
	Strategic Investments	General underspend on transport and supplies costs	(11,471)	
	Economic Strategy	Overspend on North Eastern LEP contribution	50,000	
		Underspend due to vacant manager post	(53,718)	
		Underspend on research and evaluation budgets	(278,319)	
	Business Services	Underspend due to vacant posts and secondment of a member of staff	(51,741)	
		Overspend approved for Nightsafe Support service to continue until RED restructure finalised	54,528	
		Overspend on Industrial Estates due to budget pressures on income and increased NNDR costs on vacant units due to change in Government legislation	198,831	
	Regeneration Funding	Underspend due to 2 members of staff on maternity leave	(38,692)	
	Economic Regeneration	Overspend approved for Co Durham Apprenticeship Programme	53,000	
		General underspend on transport and supplies costs	(26,707)	
		Underspend due to vacant posts, maternity leave and long term sickness	(129,000)	
				(329,738)
	Housing	Housing Management	Anticipated overspend on Supplies & Services	4,000
Housing Solutions		General overspend on supplies and services	18,674	
Supported Housing		Staffing and Service restructure (with loss of posts) has provided additional staffing savings to those required in original estimates.	(93,786)	
		Reduced premises costs resulting from centralisation of Service	(44,407)	
		Increased Vehicle costs resulting from restructure and centralisation	51,129	
		Reduced Agency & Contract costs resulting from centralisation - rationalisation of contracts	(162,795)	
		Increase in Other Grants Income resulting from the transfer of Cestria Service	(84,573)	

Head of Service	Service Area	Description	(Under) / Overspend £	(Under) / Overspend £
		Reduced Fees & Charges resulting from unwinding of former District Council budgets (originally overstated) and re-classification of income to Recharges	168,676	(83,777)
		Recharges income increased resulting from re-classification of income	(78,317)	
		Balance of savings to be used to purchase essential equipment	244,073	
	Housing Strategy	Officer currently seconded to Housing Options and savings on training budget	(33,382)	
		Savings in audit fees and software budgets no longer required	(63,200)	
		Other general efficiency savings	(6,130)	
	Housing Regeneration	Underspend on Salaries and other efficiency savings in Housing Regeneration Delivery offset by reduced capital contribution (service fully financed from Capital) - i.e. no impact on General Fund position	0	
		Other general efficiency savings and overspends (net effect)	(3,739)	
Planning	Head of Planning	Overspend on Contributions due to North Pennines budget being reduced in error £4k One off Payment to CAD agreed S Timmis re Estates £5k	8,433	
	Planning Policy	Underspend on Employees due to vacant posts, maternity leave and reduced working hours £20k General underspend on supplies and services £48k Underspend on Transport £21k Overspend due to loss of Habitats Income £17k	(71,913)	
	Local Development Framework	Approved expenditure on LDF programme	220,000	
	Development Management & Admin	Underspend on Employees £62k Overspend on Transport £20k	(41,909)	
	Development Management	Underspend on Employees £42K Underspend projected on transport £96k Underspend on Blight works £99k General underspend on supplies and services £88k Overspend on Compensation Payments not budgeted £21k Underspend due to increase in planning fee income 50k	(354,134)	
	Planning Appeals & Inquiries	Overspend known 2 major appeals:- Bradley Open Cast from UK Coal Hamsterley Hall from Barratts	42,000	

Head of Service	Service Area	Description	(Under) / Overspend £	(Under) / Overspend £
	Building Control	Overspend due to under achieved income on building control fees £350k Underspend on dangerous structures £66k General underspend on supplies and services £34k Underspend on Employees budget £33k Underspend on Transport £19k	198,241	(61,326)
	Conservation and Design	General underspend on supplies and services	(20,015)	
	Archaeology	Approved spend on Archaeology projects	94,809	
	Landscape and Ecology	Underspend on Employees due to vacant posts £52k Underspend on Training £5k Underspend on consultants fees £2k Underspend on Supplies & Services £15k	(75,450)	
	Sustainability	Underspend on Employees due to vacant posts £46k Underspend on Supplies & services £26k	(71,678)	
	Heritage Coast	Overspend due to loss of income from Natural England	10,290	
	Transport	Head of Transport	Employees - Underestimated employers NI contributions	
		Transport - Car Allowances are lower than budgeted	(1,300)	
		Supplies -Small saving in supplies and services	(385)	
	Strategic Transport Planning	Employees - Under spend is due to the loss of three members of staff	(108,128)	
		Transport - Car Allowances are lower than budgeted	(2,550)	
		Supplies -Small saving in supplies and services	(19,245)	
		Income - Fees and charges will be higher than budget	(5,000)	
		Income - Recharges-capital projects-labour will be lower due to the loss of staff	20,000	
	Traffic Management	Employees - Under spend is due to the loss of staff	(56,124)	
		Premises - Lower NNDR charges and Repairs & Maintenance	(36,350)	
		Transport - Car Allowances are lower than budgeted	(2,091)	
		Supplies - Higher than expected Annual Service contracts	32,037	
		Third Party - Cost slightly lower than budget	(3,174)	
		Central - Bad Debt write off	3,454	
		Income - Fees and charges will be higher than budget	(2,590)	
		Income - Misc Income will be higher than budget	5,000	
	Network Management	Employees - Under spend is due to the loss of staff	(44,225)	
		Premises - Repair and Maintenance costs	250	
		Transport - Car Allowances and Vehicle costs higher than budgeted	12,847	
		Supplies - General savings on supplies and services	(16,870)	

Head of Service	Service Area	Description	(Under) / Overspend £	(Under) / Overspend £
		Central - Bad Debt write off	2,581	
		Income - Government Grants unexpected grant income	(25,435)	
		Income - Rents will be higher than budget	(200)	
		Income - Fees and charges will be higher than budget	(154,000)	
	Passenger Transport	Employees - Under spend is due to the loss of staff	(84,522)	
		Premises - Higher rate costs and Cleaning contract	72,536	
		Transport - Vehicle cost are going to be higher than budgeted	16,172	
		Supplies - General savings on supplies and services	(98,541)	
		Third Party - Saving fixed contract	(8,275)	
		Income - BSOG Grant	(35,000)	
		Income - Other Grants	15,108	
		Income - Miscellaneous sales	(5,500)	
		Income - Fees and charges will be higher than budget	(280,115)	
		Income - Rents will be higher than budget	(11,200)	
		Income - Recharges for the Fleet will be higher than budget	(19,200)	
		Income - Misc Income will be higher than budget	10,250	(826,941)
Central	Central Costs	Contribution to RED restructure reserve	500,000	
		Contribution to RED Regeneration Reserve	220,000	720,000
TOTAL				(599,104)

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 the MTFP savings required in 2011/12 which are being fully delivered.

Revenue – Housing Revenue Account (HRA)

9. 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.
10. 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 £1,288k towards the capital programme.

Housing Revenue Account	Budget £'000	Forecast Outturn £'000	Variance £'000
Income			
Dwelling Rents	(56,611)	(56,707)	(96)
Other Income	(931)	(1,777)	(846)
Interest and investment income	(89)	(89)	-
	(57,631)	(58,573)	(942)
Expenditure			
ALMO Fees	18,266	18,266	-
Repairs, Supervision and Management Costs	11,871	11,613	(258)
Negative Subsidy Payment to CLG	4,514	3,917	(597)
Depreciation	11,696	11,696	-
Interest Payable	6,624	6,333	(291)
Revenue contribution to capital programme	4,660	6,748	2,088
	57,631	58,579	942
Net Position	-	-	-

11. 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 £942k 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) **Repairs and Maintenance £291k overspend**– this results from additional spend required on the empty homes properties in the Durham City area together with a payment to Supported Housing for the monitoring of Smoke Alarms and Door Entry Systems in the East Durham Homes area (not originally budgeted for).
- c) **General Management £191k underspend** – this is attributable to general efficiency savings offset by the payment to the General Funds as a result of exceeding the limit rent (i.e. 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);
- d) **Special Management £236k underspend** – this is due to savings on cleaning charges and running expenses from the closure of communal halls and as a result of reduced transitional protection required for Supported Housing clients;
- e) **Negative HRA Subsidy £597k underspend** – this is due to additional subsidy to cover interest payments on decent homes funding allocated this year;
- f) **Share of other costs £160k underspend** – pension costs of former employees are reducing.
- g) **Interest payments £291k underspend** – an expected saving on interest payments due to assumptions on debt levels;

- h) **Revenue support to Capital £2,088k surplus** – 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 £1,288k representing the projected surplus on the revenue account.

Volatility Reporting (Risk Based Reporting)

12. 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.
13. 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	-1,684	-50	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

14. 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.
15. 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

16. 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.
17. The Regeneration and Economic Development capital programme has recently been revised for grant additions/reductions, budget transfers and reprofiling into 2012/13. The revised budget is **£92.421m** - consisting of **£49.267m** for the General Fund and **£43.154m** for the HRA.

The following changes have been made to the budget reported to Quarter 2:

- ***Barnard Castle Vision - £2.023m decrease***
This is a budget reprofiling to 2012/12 as the Witham Hall development was delayed until approval was received for the matching ERDF grant and the Digital Dale Broadband has also been delayed by consultation on the details of the scheme.
- ***Disabled Facilities Grants - £0.312m increase***
The DCLG has recently announced the provision of additional grant to support this programme in 2011/12 and the Durham share of the allocation is £0.312m.
- ***Durhamgate - £1.750m decrease***
The budget for this project includes a £1,2m contribution from the Council's partner, the Carillion Arlington Spennymoor Trust (CAST). It has been agreed that some £0.950m of the work will be carried out directly by CAST, therefore a budget reduction is necessary. A further £0.800m covers a budget reprofiling to 2012/13 as a result of delays in agreeing the specification of street lighting for the scheme.
- ***Gypsy Traveller Sites - £2.641m decrease***
A programme of Health and Safety works at Gypsies and Travellers sites has been undertaken with a contribution from the PCT. It has been agreed with the PCT that a balance of £0.325m is transferred to Adults to fund a programme of health related works. A further £2.316m is to be reprofiled into 2012/13 and comprises the Council's contribution towards the modernisation of Gypsies and Traveller sites.
- ***Energy Schemes - £2.749m decrease***
Following the revision of the Feed in Tariffs that were announced by the Department of Energy and Climate Change during 2011, the proposed Solar Photovoltaic installations programme has been reviewed, to ensure that each installation is financially viable. Consequently the programme, which is an invest to save initiative that will be paid from future years revenue savings, has been reduced and the capital cost has been reduced by £0.915m. The remaining reduction is a reprofiling of £1.834m into 2012/13 and comprises:
 - £1,040,000 for the Solar Photo Voltaic scheme,
 - £300,000 for the Energy Efficiency scheme and
 - £494,000 for the Away From G scheme.The Solar Photo Voltaic scheme was delayed while suitable properties were identified and evaluated and although a significant part of the programme is expected to be completed there will be some slippage of expenditure into 2012/13. The majority of the Energy Efficiency programme covers energy efficiency retrofits and progress to date has enabled a shortlist of three companies which are able to compete for the work to be compiled.

The work is likely to be awarded in January. It is, therefore, unlikely that the work on the four buildings in this round will be completed by April 2012. The Away from G fund will be utilising the same framework, so its mini competition will not be started until the current competition is complete. Therefore, work is unlikely to start before April 2012.

- **'Transit 15' - £1.040m decrease**

There has been a budget transfer of £0.043m from the Local Transport Plan to support this scheme. This increase partially offsets a decrease from budget reprofiling to 2012/13, as progress on this project has been slower than planned due to lack of staff resources to implement the scheme.

- **Local Transport Plan - £1.849m decrease**

It is proposed that the £0.965m scheme to improve safety and traffic flow at the A693 at the Drum Industrial Estate in Chester-le-Street, by converting a T junction to a roundabout, is reclassified under Major Schemes (Transport). A further £0.310m has been identified as a saving in the Sniperley Roundabout scheme and can be transferred to the Park and Ride Extension scheme at Belmont. This project has been implemented to a higher specification than originally proposed and will cost £0.560m. These reductions are partly offset by an increase of £0.199m that has been transferred from the Neighbourhoods service grouping capital budgets to cover the costs of enhancing the scheme to improving walking and cycling routes.

Some £0.725m will be reprofiled into 2012/13. Of this some £0.258m concerns the Bus Infrastructure budget. There are insufficient resources in the Transport section and Service Direct to deliver this programme in the current year, but the reprofiled budget plus the resources anticipated in the LTP for 2012/13 are deliverable next year. A further £0.200m relates to proposed improvements at Peterlee Bus Station, where negotiations have broken down with the owners. The implications are being assessed so a way forward can be found. The remaining balance covers projects to improve major junctions

- **Housing Demolitions - £0.873m decrease**

This programme covers several initiatives and there have been delays that mean a reprofiling of budget is required:

- It is anticipated that some £250,000 of the £420,000 budget for Esh Winning will now be used in 2012/13.
- The schemes to redevelop the sites of the Durham City Homes sheltered units at Oversteads and Brandon are out to tender to identify a preferred developer. It is anticipated that the developer will cover the demolition costs in their proposals, in which case there will be a saving of £240,000 in budgeted demolition costs.

If a developer is not identified then the Council will need to procure demolition contractors and this would delay the demolition until 2012/13.

- Some £125,000 arises from the projects at Wheatley Hill and Dorman Villas, Station Town, where bat surveys have been necessary.
- The above delays mean that it is not possible to begin to implement the next phase of demolitions.

- **New Build – £1.235m increase**

The scheme at Crook been accelerated at the request of the Homes and Communities Agency and this expenditure has been brought forward from 2012/13.

18. The revised annual budget and summary performance to the end of December is shown below

Service	Revised Annual Budget 2011/12 £000	Projected Outturn		Slippage £000
		£000	% Spend	
Economic development	18,978	17,104	90%	1,874
Housing	11,775	9,856	84%	1,919
Planning	7,150	4,829	68%	2,321
Transport	6,298	4,879	77%	1,419
Minor Schemes	4,754	2,104	44%	2,650
HRA	43,154	43,266	100%	-112
Total	92,109	82,038	89%	10,071

19. Actual spend for the first three quarters amounts to **£50.508m** – consisting of **£23.430m** for the General Fund and **£27.078m** for the HRA. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme.
20. At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Recommendations:

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

Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position alongside details of balance sheet items such as earmarked reserves held by the service grouping to support its priorities.

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)	(56,707)	(96)	
Non Dwelling Rents: – Garages	(769)	(818)	(49)	
– Shops/Other	(96)	(88)	8	
Charges for Services and Facilities	(66)	(71)	(5)	
Contributions towards Expenditure	-	(800)	(800)	
Total Income	(57,542)	(58,484)	(942)	a
Expenditure				
ALMO Management Fee	18,266	18,266	0	
Repairs and Maintenance	4,156	4,447	291	b
Supervision and Management - General	4,592	4,401	(191)	c
Supervision and Management - Special	1,066	830	(236)	d
Rent, Rates, Taxes and Other Charges	42	80	38	
Negative HRA Subsidy Payable to CLG	4,514	3,917	(597)	e
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	44,007	(695)	
Net Cost of HRA Services per I&E Account	(12,840)	(14,477)	(1,637)	
Share of Corporate and Democratic Core	1,085	1,085	-	
Share of Other Costs Not Allocated to Specific Services	560	400	(160)	f
Net Cost of HRA Services	(11,195)	(12,369)	(1,174)	
Interest Payable and Similar Charges	6,624	6,333	(291)	g
Direct Revenue Financing (Contribution to Capital)	4,660	6,748	2,088	h
Interest and Investment Income	(89)	(89)	-	
(Surplus)/Deficit for Year	-	-	-	
HRA Reserves	7,674	7,674	-	
Stock Options Reserve	402	64	(338)	
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 3 Month Profiled Budget £000	Actual Spend to 31 st December £000	Forecast Outturn £000
General Fund				
Economic Development				
Barnard Castle Vision	743	557	461	755
North Dock Seaham	1,094	820	474	694
Durham City Vision	2,688	2,016	1,366	2,302
St John's Square	295	221	(40)	50
Durhamgate	4,834	3,625	2,972	4,946
NETPark	5,452	5,452	5,570	5,742
Town Centres	2,470	1,852	1,192	1,802
Industrial Estates	506	379	103	476
Eastgate	525	-	-	-
Durham City Plus	369	277	253	337
General Fund Housing				
Disabled Facilities Grants/FAP ⁽¹⁾	5,570	3,943	2,542	4,408
Housing Renewal Programme	5,576	4,182	2,383	4,783
Travellers Sites – General	592	444	415	665
CCTV	350	262	-25	-
Planning				
Energy Schemes	5,251	3,500	1,066	3,356
URRI Programme	1,898	1,423	722	1,473
Transport				
Transit 15	1,050	787	435	815
Major Schemes	1,710	1,282	573	1,007
Local Transport Plan	3,449	2,586	1,479	3,010
East Durham Rail Station	60	-	-	17
Transport Corridors	30	-	7	30
Minor Schemes				
	4,755	3,566	1,482	2,104
General Fund Total	49,267	37,174	23,430	38,772
Housing Revenue Account				
Durham City Homes	6,700	5,025	4,556	6,700
East Durham Homes	23,667	17,750	13,381	23,667
Dale and Valley Homes	6,900	5,175	4,748	6,901
New Build II: Wear Valley	4,664	3,498	3,897	4,664
Housing Demolitions & Regeneration	1,223	917	496	1,334
Housing Revenue Account Total	43,154	32,365	27,078	43,266
RED Total	92,421	69,539	50,508	82,038

(1) Financial Assistance Programme

**Economy and Enterprise
Overview and Scrutiny
Committee**



29 March 2012

Durham Key Options

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

Purpose of the Report

- 1 To remind members of the Economy and Enterprise Overview and Scrutiny Committee of the background in relation to the Choice Based Lettings scheme for Durham: Durham Key Options (DKO) prior to a presentation providing members with an update in relation to the scheme.

Background

- 2 Members will recall that the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee for 2010/11 included consideration by members of DKO scheme. This resulted in members of the Committee receiving an overview presentation at the meeting held on the 7 February 2011 where it was agreed by members that a further update would be presented to Committee and that DKO should be included within the refresh of the Work Programme for 2011-2013
- 3 The presentation at the meeting on the 7 February 2012 focused on the findings of the independent review of the DKO scheme undertaken by a Consultant from the Housing Quality Network (HQN) following the scheme being in operation for 12 months. The presentation included information on the following:
 - Key findings of review
 - Key recommendations for partnership, policy and scheme administration.
 - Customer perspective, partner perspective and stakeholder perspective.
 - Next steps?
- 4 With reference to key findings, the Committee was informed that the DKO scheme had been implemented well during a period of immense change and was well supported by partners, customers and stakeholders. It was confirmed that the scheme was largely working well although some areas did need attention and there was scope for further development and improvement including in terms of efficiencies.

- 5 In relation to next steps, the independent Consultant informed the Committee that an Action Plan would be developed to progress the key recommendations contained within the Review report, highlighting that there was a need to increase resource support to the Board and scheme administration, regular performance monitoring reports need to be produced and resources need to be released for more support to vulnerable applicants.

Current position

- 6 It is now timely for the Economy and Enterprise Overview and Scrutiny Committee to receive a further presentation providing members with an update of the progress made in relation to the recommendations contained in Review report.
- 7 Following the recommendations made in the HQN report the DKO partnership established work streams to take forward each recommendation. The work streams are progressing these actions to improve the service to customers. These include:
- Policy Group: Working on a revision of the allocations policy to take account of the HQN recommendations and in light of the Localism Bill.
 - Extending the scheme to other Registered Providers. Accent Homes are due to become partners of DKO on the 1 April 2012.
 - Performance monitoring. Agreeing a new performance management framework to ensure continuous improvement.
 - Creation of a CBL Coordinator post to support the DKO Partnership is able to its agreed objectives.
 - Work is ongoing to establish a pilot in extend DKO to include property form the private rented sector.
 - An additional action and working group from across the Registered Provider sector to respond to the challenges of welfare reform.

Recommendation

- 8 That members of the Economy and Enterprise Overview and Scrutiny Committee note the report and presentation in relation to the DKO scheme and agree to include within the Work Programme for 2012-2014 a further update report.

Background Paper(s)

Presentation to Economy and Enterprise Overview and Scrutiny Committee on 7 February 2011.

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Author:	Diane Close	Tel:	0191 3836506

Appendix 1: Implications

Finance – None

Staffing – None

Risk – None

Equality and Diversity –. Impact assessment completed.

Accommodation -. None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – none

Disability Discrimination Act –None

Legal Implications – None

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**Economy and Enterprise
Overview and Scrutiny Committee**

29 March 2012



**Progress Report on the Introduction of
Multi-disciplinary Teams for dealing with
Empty Homes**

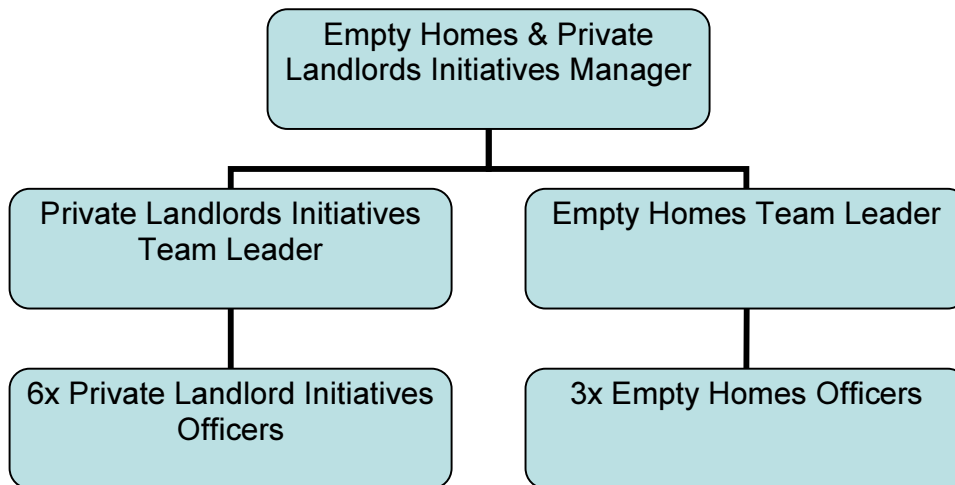
**Report of Ian Thompson, Director Regeneration & Economic
Development**

Purpose of the Report

1. A report of the Assistant Chief Executive in October 2011 to the Economy and Enterprise Overview and Scrutiny Committee detailing Quarter 1 2011/12 performance identified that eleven empty properties had been brought back into use against a target for the period of twenty. The report identified that the Housing Renewals and Improvement team (the team responsible for bringing empty homes back into use) had implemented a new area based approach of "multi-disciplinary teams" covering both empty properties and private landlords in an endeavour to improve performance. The purpose of this report is to provide an update on progress on the implementation of the teams and to assess whether or not this measure has brought about the anticipated improvement in performance.

Background

2. The structure of the Housing Renewals and Improvement team that was in place when the new unitary authority began operating in April 2009 included a team dedicated to dealing with empty homes and issues of poor property standards and management practices associated with the private rented sector. The service contained a total of twelve Full Time Equivalent Officers, with 4.5 Full Time Equivalent Officers dedicated to bringing empty homes back into use. The service was structured as follows:



In addition to the Empty Homes and Private Landlords Initiatives team there were two other strands to the Housing Renewal and Improvement Service at this time as follows:

- The Decent Homes Team: Dealing with vulnerable households across the County, led by work around home improvements, disabled adaptations and energy efficiency, and
- The Area-based Housing Regeneration Team: Delivering housing regeneration projects in identified housing regeneration areas.

3. In 2009/10, 2010/11 and 2011/12 the target for bringing empty homes back into use has remained the same at 80 properties per year. In 2009/10 the Empty Homes team brought a total of 20 homes back into use, and in 2010/11 48 homes back into use, representing a failure to achieve the stated target in both years. 2009/10 performance represented an average of 4 empty homes per Full Time Equivalent Officer, and in 2010/11 performance rose to an average of 11 properties per Full Time Equivalent Officer.

4. Following the Council's adoption of a Durham Housing Strategy in November 2010 the Housing Renewals and Improvement team carried out a lengthy and inclusive review of the Council's approach to dealing with private sector housing issues that resulted in the adoption of a Private Sector Housing Strategy in 2011. The Strategy commits the Council to performing the following functions in relation to private sector housing:
 - Improving the energy efficiency levels of existing private sector housing
 - Providing advice, grants and loans to enable vulnerable owner occupiers to adapt their homes
 - Providing advice and loans to enable vulnerable owner occupiers to repair their homes
 - Tackling issues of poor management and poor housing conditions in the private rented sector

- Delivering area-based holistic housing regeneration initiatives
 - Delivering new housing, and
 - Bringing empty homes back into use.
5. The chosen strategic option embraces a two tiered approach to dealing with empty homes as follows:
- Concentrated work in identified housing regeneration areas with the worst housing conditions and highest levels of deprivation, and
 - A safety net service to deal with empty homes outside identified regeneration areas that are deemed to be contributing to neighbourhood blight.

The current 2011/12 target is for 67 properties to be brought back into use in the regeneration areas and for 13 safety net properties to be dealt with by the team.

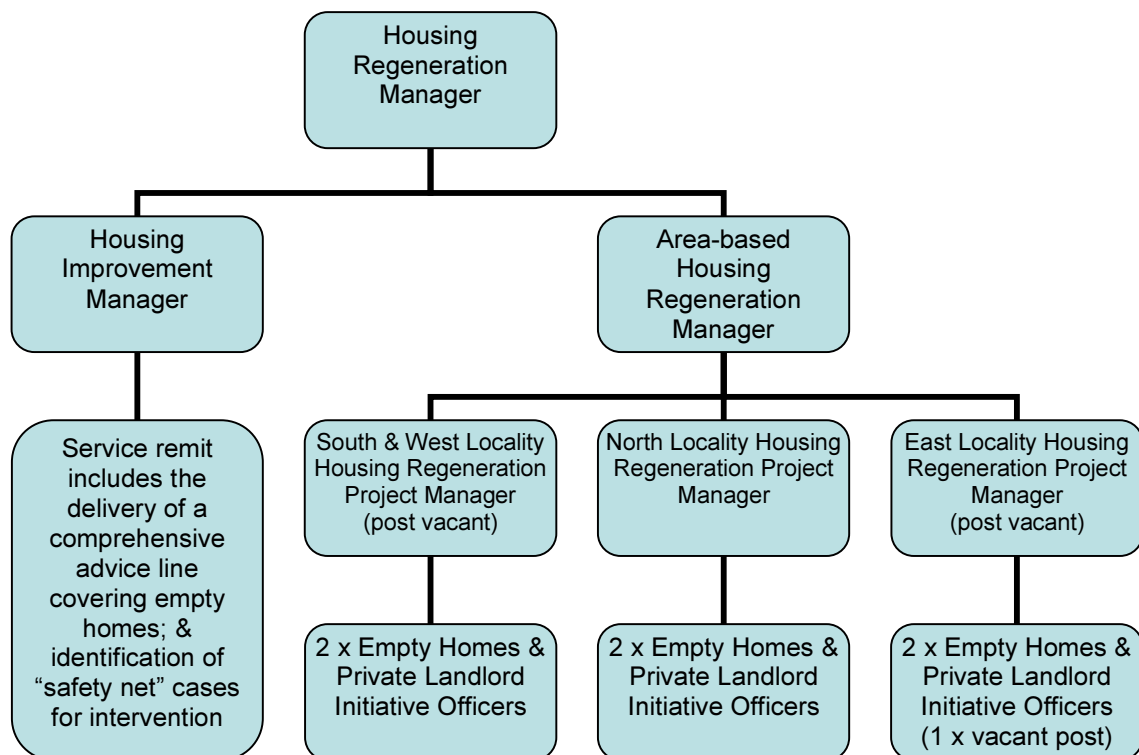
6. Coinciding with the adoption of a clear strategic approach for dealing with empty homes, the Council announced savings required in it's Medium Term Financial Plan and within the RED Service Grouping individual service areas were issued with savings requirements. RED announced a formal restructure which would be consulted upon and implemented by April 2012. The Housing Renewals and Improvement Manager identified the need to put in place interim arrangements ahead of a formal restructure in order to:
- Better align the structure of the service with the chosen strategic option as specified in the Private Sector Housing Strategy
 - Better deliver targets within the Private Sector Housing Strategy Delivery Plan, and
 - Provide effective leadership and line management arrangements following the departure from the authority of the Empty Homes and Private Landlord Initiatives Manager.

Although the interim arrangements were not directly linked to the impending restructure, the arrangements did take account of the future need to make significant cost savings, and were complementary to restructure proposals that staff would be formally consulted upon through the RED restructure process.

7. In June 2011 the Housing Renewals and Improvements Manager carried out consultation with staff and obtained their support to move the Empty Homes and Private Landlord Initiatives Officers into the Area-based Housing Regeneration Teams and combine the roles on an interim basis until such a time that a new structure would be implemented as part of the RED restructure process.

The interim arrangement also involved putting in place new SMART appraisal objectives for all officers involved in these functions by August 2011 and delivering a programme of training by September 2011. These targets have been achieved although they slipped by approximately two months.

8. Subsequently a new service structure was formally agreed as part of the RED restructure process and interviews had been completed and officers were appointed to posts by December 2011, although the new structure will not be fully implemented until 1st April 2012. The new structure is as follows:



9. The new structure containing the so-called “multi-disciplinary teams” has only been in place on an interim and subsequently permanent basis since part of Quarter 2 2011/12 onwards. In Quarter 2 nine and in Quarter 3 seven empty homes were brought back into use. Of the Quarter 3 properties brought back into use 6 were in identified regeneration areas and 1 was a priority case outside the regeneration areas, illustrating that the intended ratio of approximately 6 properties in regeneration areas to 1 safety net case is being achieved.

10. In order to complete a comparison with previous years' performance, based on available performance figures one can assume performance of 32 properties brought back into use for a full year in 2011/12 under the new "multi-disciplinary team" arrangement, (i.e. 16 properties in 2 quarters, double that amount for a full year estimate). A full staffing compliment would amount to 3.8 Full Time Equivalent Officers dealing with empty homes (based on an assumption of 0.2 Full Time Equivalent of the Managers and Project Managers time apportioned to empty homes activity). This equates to performance of an average of 8 properties per Full Time Equivalent Officer. However, three posts on the structure are currently vacant reducing the current Full Time Equivalent to 2.9 equating to performance of 11 properties per Full Time Equivalent Officer. As can be seen when compared to performance in 2009/10 and 2010/11 as outlined in paragraph 3 of this report this demonstrates that performance in terms of average per officer has remained the same as 2010/11 at 11, whilst performance per se has dropped in line with the drop in staffing resources dedicated to empty homes, (32 properties as opposed to the best level of performance of 48 properties in one year).
11. Whilst it is important to measure the number of properties brought back into use as a consequence of direct officer intervention it is of equal, if not higher importance, to consider whether the Council's holistic regeneration approach is increasing confidence in the private sector and if this is having a desired impact on vacancy rates in identified regeneration areas. In this respect it can be seen that vacancy rates in the Craghead group repair intervention area (one of the Council's eight current identified regeneration areas) have reduced from 15% in 2010 to a current rate of 4% which is in line with the average vacancy rate for the county. However for the wider Craghead regeneration area vacancy is currently 5.8%, signifying the need for continued focus on the regeneration area to build on successes to date and to achieve the goal of reducing the vacancy rate to below that of the Durham average of 4.3%. Robust figures are not currently available for the other regeneration areas, but work is currently underway to determine these.
12. The previous management team for empty homes endeavoured to benchmark our performance with that of other authorities, but this work has been assessed and identified as not robust and therefore invalid. In effect the target that has been set for empty homes has no meaningful basis, and further it is not possible to determine whether our performance is comparatively good or bad in relation to other local authorities' performance.

Current Position

13. Work is currently being undertaken to appoint to the three vacant posts within the service. It is hoped that the appointment of high calibre Project Managers in the South and East localities will improve performance. Work is also being undertaken to embed a performance culture within the service which will further increase performance.
14. Given that the new structure is not yet fully implemented and that a performance culture is not yet fully embedded within the service it is too early at this stage to judge whether the introduction of “multi-disciplinary teams” have had a positive impact on the Council’s performance in relation to empty homes.
15. This report is only concerned with impact of the introduction of “multi-disciplinary teams” however, it is important to note that a number of other projects have been, or are in the process of being, developed within the service to improve performance around empty homes, notably:
 - Funding of £656,000 for the period 2012-2015 has been secured from the Homes and Communities Agency (HCA) to bring empty homes back into use, focussing on our priority regeneration areas
 - A further expression of interest has been submitted to HCA for additional funding to work in areas with concentrations of empty homes
 - Progressing with the development of private sector leasing schemes
 - Project assessing the viability of bringing the private rented sector into the Council’s choice based lettings scheme, in part to reduce vacancy rates in low demand areas across the county, is currently being undertaken
 - An annual review of the Council’s Financial Assistance Policy is completed to ensure take up of the Council’s low cost loan scheme by owners of empty homes
 - Application to the Residential Property Tribunal for two Empty Dwelling Management Orders, and
 - Development of a Public Relations Strategy for the Council’s identified regeneration areas to tackle the poor reputation of some of the county’s former coalfield areas.

Recommendations and Reasons

16. That Members continue to monitor the performance of the “multi-disciplinary teams” but allow more time for the new arrangements to fully bed-in before making a final determination as to whether or not they are improving the Council’s performance on empty homes.

17. That Members direct officers within the service to complete a robust benchmarking exercise to determine whether the current targets for empty homes are achievable, and to measure and report performance against that of other high performing authorities.
18. Given that there is an indisputable link between vacancy rates (levels of empty homes) and the sustainability of neighbourhoods that future reports include data on the vacancy rates in each of the Council's priority regeneration areas to determine whether the council's regeneration efforts are having a positive influence on vacancy rates in addition to continuing to measure the positive outcomes from direct intervention the Empty Homes and PLI officers.

Background Papers

None

Contact: Kath Heathcote

Tel: 01207 218915

Appendix 1: Implications

Finance - None

Staffing - None

Risk - None

Equality and Diversity - None

Accommodation - None

Crime and Disorder - None

Human Rights - None

Consultation - None

Procurement - None

Disability Discrimination Act - None

Legal Implications - None

**Economy and Enterprise
Overview and Scrutiny Committee**



29 March 2012

**Council Plan 2012-2016- Refresh of the
Work Programme for the Economy and
Enterprise Scrutiny Committee**

Report of Lorraine O'Donnell, Assistant Chief Executive

Purpose of the Report

1. The purpose of the report is to provide Members with information contained within the Council Plan 2012 - 2016, relevant to the work of the Economy and Enterprise Overview and Scrutiny Committee. This allows the opportunity for Members to refresh the Committee's Work Programme to reflect the five objectives and subsequent actions identified within the Council Plan for the Council's Altogether Wealthier priority theme.

Background

2. The current Overview and Scrutiny Committees Work Programmes focus on the priority areas identified within the context of the Council Plan, Cabinet's Forward Plan of decisions, Sustainable Community Strategy, Partnership plans and strategies, performance and budgetary control data and changes in Government legislation.
3. In relation to the Economy and Enterprise Overview and Scrutiny Committee, Members will recall that the Work Programme was refreshed at the Committee meeting held on the 2 June 2011, ensuring that areas of focus were in line with current and forthcoming priorities within the Committee's remit. Further areas of focus for the Committee have been added throughout 2011/12 to reflect changing Government policy and at the request of Members.

Council Plan 2012- 2016

4. The Council Plan is the overarching high level plan for the County Council, which covers a four year period and is updated on an annual basis. The plan sets out how the Council will consider the corporate priorities for improvement and the key actions the Authority will take in delivering the long term goals in the Sustainable Community Strategy (2010-2030) and the Council's own change agenda. Attached as Appendix 2 is the Altogether Wealthier section of the Council Plan for Members' consideration.
5. Within the Council's Altogether Wealthier priority theme, the focus is on creating a vibrant economy and putting regeneration and economic development at the heart of all our plans. In comparison with the region and nationally, County Durham's economy is underperforming.

6. To help address this issue of the underperforming County Durham economy the Council has identified 6 objectives (an additional objective included from 2011-2014 Council Plan) which are set out in the Regeneration Statement together with outcomes to achieve the overarching objectives. They are set out below. The outcomes are the same as those included in 2011-14 Council Plan.
- Thriving Durham City
 - Improve retail business and residential offer in Durham City and its immediate locality (W1)
 - Strengthened cultural and tourism Offer for Durham City and the County (W2)
 - Vibrant and successful towns
 - Increase vitality of main settlements through a whole town approach (W3)
 - Competitive and successful people
 - Increase numbers of people in employment with a focus on young people (W4)
 - Improve employability and skills (W5)
 - Sustainable neighbourhoods and rural communities
 - Improve the housing offer, narrowing the deprivation and inequalities gap between communities (W6)
 - Improve equality of access to employment and services (W7)
 - A top location for business
 - Increased business growth in key growth sectors (W8)
 - Increased business start ups (W9)
 - A growth driven spatial planning framework for County Durham.
7. Over the next four years, the Council will strive to deliver a step change in the economy of County Durham by focusing on the actions required to achieve the above objectives.
8. The Council Plan contains a series of High Level Action Plans detailing the work which needs to be undertaken by the Authority in order to deliver the actions identified above, see Appendix 2 (copy attached).

Current Work Programme

9. During 2011-12, the Economy and Enterprise Overview and Scrutiny Committee has undertaken budgetary and performance monitoring, in depth Scrutiny Reviews, systematic six monthly reviews of progress against recommendations and overview presentations in relation to the following areas:

*** Denotes inline with Council Plan 2012-2016.**

In depth Scrutiny Reviews

- * ● Increasing the employment opportunities for young people (18-24 years) in County Durham (Objective – Competitive and successful people - Action – Increased numbers of people in employment with a focus on young people).

Systematic Review

- * ● Employability Review 2010 – Review of recommendations (Objective – Competitive and successful people – Action – Improve employability and Skills)
- * ● Durham City Homes – Review of Recommendations – (Objective – sustainable neighbourhoods and rural communities – Action – Improve the housing offer, narrowing the deprivation and inequalities gap between communities).
- * ● Increasing the employment opportunities for young people (18-24 years) in County Durham (Objective – Competitive and successful people – Action – Increased numbers of people in employment with a focus on young people).

Areas of Overview Activity

- * ● County Durham Economic Assessment - (covers all Objectives and actions)
- * ● Master Plans for County Durham - (Objective - Vibrant and successful towns - Action - Increase vitality of main settlements through a whole town approach).
- * ● Transit 15 - (Objective - Sustainable neighbourhoods and rural communities - Action - Improve equality of access to employment and services).
- * ● Planning Implications of the Localism Act – (Objectives – Vibrant and successful towns – A growth driven spatial planning framework for County Durham - Action - Increase the vitality of main settlements through a whole town approach).
- * ● The County Durham Plan - (Objectives - Vibrant and successful towns – A growth driven spatial planning framework for County Durham - Action - Increase the vitality of main settlements through a whole town approach) - Ongoing.
- * ● Implication of reductions to regeneration funding in County Durham (Local Growth White paper) - (Objective - Vibrant and successful towns - a top location for business - Action - Increase the vitality of main settlements through a whole town approach - Increase business growth in key growth sectors and increase business start-ups).

- * ● Implications of Government policy in relation to employment support (Objective – competitive and successful people – Action – increased numbers of people in employment with a focus on young people).
- * ● Durham Key Options - Choice Base Lettings (Objective - Sustainable neighbourhoods and rural communities - Action - Improve the housing offer narrowing the deprivation and inequalities gap between communities).
- * ● Housing Solutions - (Objective - Sustainable neighbourhoods and rural communities - Action - Improve the housing offer narrowing the deprivation and inequalities gap between communities).
- * ● Empty Homes Strategy - (Objective - Sustainable neighbourhoods and rural communities - Action - Improve the housing offer narrowing the deprivation and inequalities gap between communities).
- * ● Stock Options Appraisal – (Objective – sustainable neighbourhoods and rural communities – Action – Improve the housing offer narrowing the deprivation and equalities gap between communities) Ongoing.
- * ● Performance monitoring of Durham City Homes and the 2 ALMO's - (Objective - Sustainable neighbourhoods and rural communities - Action - Improve the housing offer narrowing the deprivation and inequalities gap between communities).
- * ● Family Intervention Project (ASB) - (Objective - Sustainable neighbourhoods and rural communities - Action - Improve the housing offer narrowing the deprivation and inequalities gap between communities).
- * ● Overview of Welfare Reform by Jobcentre Plus – (Objective – competitive and successful people – Action – Improve employability and skills).
- * ● Overview of the work of the County Durham Economic Partnership – (covers all objectives and actions).
- * ● Overview of the Review of Business Support Services – (Objective – a top location for business – Action – Increased business growth and increased business start-ups).
- * ● Update on Digital Durham Programme – (Objectives – competitive and successful people – A top location for business – Actions – improve employability and skills – Increased business start ups – increased business growth in key growth sectors).
- * ● .Update on the LEP – (Objective – A top location for business – Action – Increased business growth in key growth sectors – Increased business start ups).

- * ● Overview of statistical bias report produced by Sheffield Hallam University – (Objective – Sustainable neighbourhoods and rural communities – Actions – Improve the housing offer narrowing the deprivation and gap between communities – Improve inequality of access to employment and services).
- * ● Impact of public sector cuts on the County Durham Economy - (Covers all objectives and actions).

Budgetary and performance monitoring

- * ● Quarterly budgetary and performance monitoring for RED Service Group.

10. The Economy and Enterprise Overview and Scrutiny has also considered the following cross cutting items:

- * ● Fuel poverty (Objective – Sustainable neighbourhoods and rural communities – Action – Improve the housing offer, narrowing the deprivation and inequalities gap between communities).
- * ● County Durham Plan – (Objectives – vibrant and successful towns – A growth driven spatial planning framework for County Durham – Action – Increase vitality of main settlements through a whole town approach).
- * ● Library Consultation – (Objective – Vibrant and successful towns – Action - Increase vitality of main settlements through a whole town approach).
- * ● Empty Homes Strategy - (Objective – Sustainable neighbourhoods and rural communities – Action – Improve the housing offer narrowing the deprivation and inequalities gap between communities)including Empty Homes Update on multi – disciplinary teams.
- * ● Digital Durham - (Objective – Competitive and successful people – Actions – Increased numbers of people in employment with a focus on young people – Improve employability).

11. In addition the current work programme for the Economy and Enterprise Overview and Scrutiny Committee identifies the following areas for future consideration:

- * ● County Durham Financial Inclusion Strategy Action Plan (Objective - Competitive and Successful People - Action - Improve Employability and Skills).

- * ● Affordable Homes Strategy – (Objective – Sustainable neighbourhoods and rural communities – Action – Improve the housing offer narrowing the deprivation and inequalities gap between communities).
- * ● Overview of Homelessness – (Objective – Sustainable neighbourhoods and rural communities – Action – Improve the housing offer narrowing the deprivation and inequalities gap between communities).
- * ● Overview of Adult learning Strategy 2011- 2013 – (Objective - Competitive and successful people – Action - Improve employability and skills – Increased numbers of people in employment with a focus on young people).
- * ● Overview of geographical profiles at AAP level – (Objective - Sustainable neighbourhoods and rural communities - Actions – Improve equality of access to employment and services – Improve the housing offer, narrowing the deprivation and inequalities gap between communities).
- * ● Refresh of the Regeneration Strategy – (Objective – Vibrant and successful towns – Action – Increase vitality of main settlements through a whole town approach).
- * ● Tourism within County Durham – (Objective – Thriving Durham City – Action – Strengthen cultural and tourism offer for Durham City and the County).

Gaps within current Work Programme

12. Having considered the Altogether Wealthier section of the Council Plan for 2012 - 2016 there are no actions identified which are not covered within the current Economy and Enterprise Overview and Scrutiny Committee work programme:

Cross Cutting Themes

13. Identified below is a cross cutting issue which cuts across the Altogether Wealthier, Altogether Better for Children and Young People, Altogether Greener, Altogether Healthier, Altogether Safer and Altogether Better Council themes of the Council Plan for 2012-2016:

Altogether	Objective	Outcome	Link to Altogether Wealthier
Children and Young People	Children and Young people realise and maximise their potential.	C1 Children and young people are supported to achieve and attain to prepare them for adulthood. C2 A range of positive activities are available for children and young people.	Competitive and successful people.
Greener	Enhance, conserve and promote Durham's built environment	G6 Reduced number of vacant and derelict buildings. G7 Enhanced and accessible historic environment and heritage	Vibrant and successful towns. A growth driven spatial planning framework for County Durham.
Healthier	Enable adults with social care needs to live independently	H12 Improve independence and rehabilitation.	Sustainable neighbourhoods and rural communities
Better Council	Engage effectively with our communities and Partners	ABC 11 Engage and communicate effectively with communities and stakeholders.	Competitive and Successful people.
Safer	Reduce anti-social behaviour.	S1 Increase Public Confidence	Sustainable neighbourhoods and rural communities.

Next Steps

14. The Economy and Enterprise Overview and Scrutiny Committee is asked to consider the appropriate section from the Council Plan, Appendix 2 (copy attached) to inform the Committee's Work Programme for 2012 - 2014, reflecting on the current work programme detailed in paragraphs 9 and 11 above.

15. Members will receive a further report at the next Economy and Enterprise Overview and Scrutiny Committee confirming/agreeing the Committee's Work Programme for 2012-2014 based on today's discussion and agreement.

Recommendations

16. That the Economy and Enterprise Overview and Scrutiny Committee note the information contained in Appendix 2 (copy attached).
17. That the Economy and Enterprise Overview and Scrutiny Committee refresh the work programme for 2012-2014 by discussing and considering those actions identified, under 'Altogether Wealthier' priority theme of the Council Plan 2012-2016 Appendix 2 (copy attached).
18. That the Economy and Enterprise Overview and Scrutiny Committee at it's meeting on the 6 July 2012, receive a further report detailing the Committee's Work Programme for 2012 - 2014.

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Appendix 1

Finance

The Council Plan sets out the corporate priorities of the Council for the next 3 years. The Medium Term Financial Plan aligns revenue and capital investment to priorities within the Council Plan.

Staffing

The Council's strategies are be aligned to achievement of the corporate priorities contained within the Council Plan.

Risk

Consideration of risk is a key element in the corporate and service planning framework with both the Council Plan and Service Plans containing sections on risk.

Equality and diversity

Individual equality impact assessments have been prepared for the Council Plan and for each savings proposal within the Plan. The cumulative impact of all savings proposals in total has also been presented to Council and will be updated as savings proposals are further developed. In addition a full impact assessment has been undertaken for the draft Council Plan. The actions in the Council Plan include specific issues relating to equality and aim to improve the equality of life for those with protected characteristics. The Plan has been influenced by consultation and monitoring to include equality issues. There is no evidence of negative impact for particular groups.

Accommodation

The Council's Corporate Asset Management Plan is aligned to the corporate priorities contained within the Council Plan.

Crime and disorder

The Altogether Safer section of the Council Plan sets out the Council's contributions to tackling crime and disorder.

Human rights

None

Consultation

Council and partnership priorities have been developed following an analysis of available consultation data including an extensive consultation programme carried out as part of the development of the interim Sustainable Community Strategy and this has been reaffirmed by subsequent consultation on the budget and through the Residents' Survey. Results have been taken into account in developing our resourcing decisions.

Procurement

None

Disability

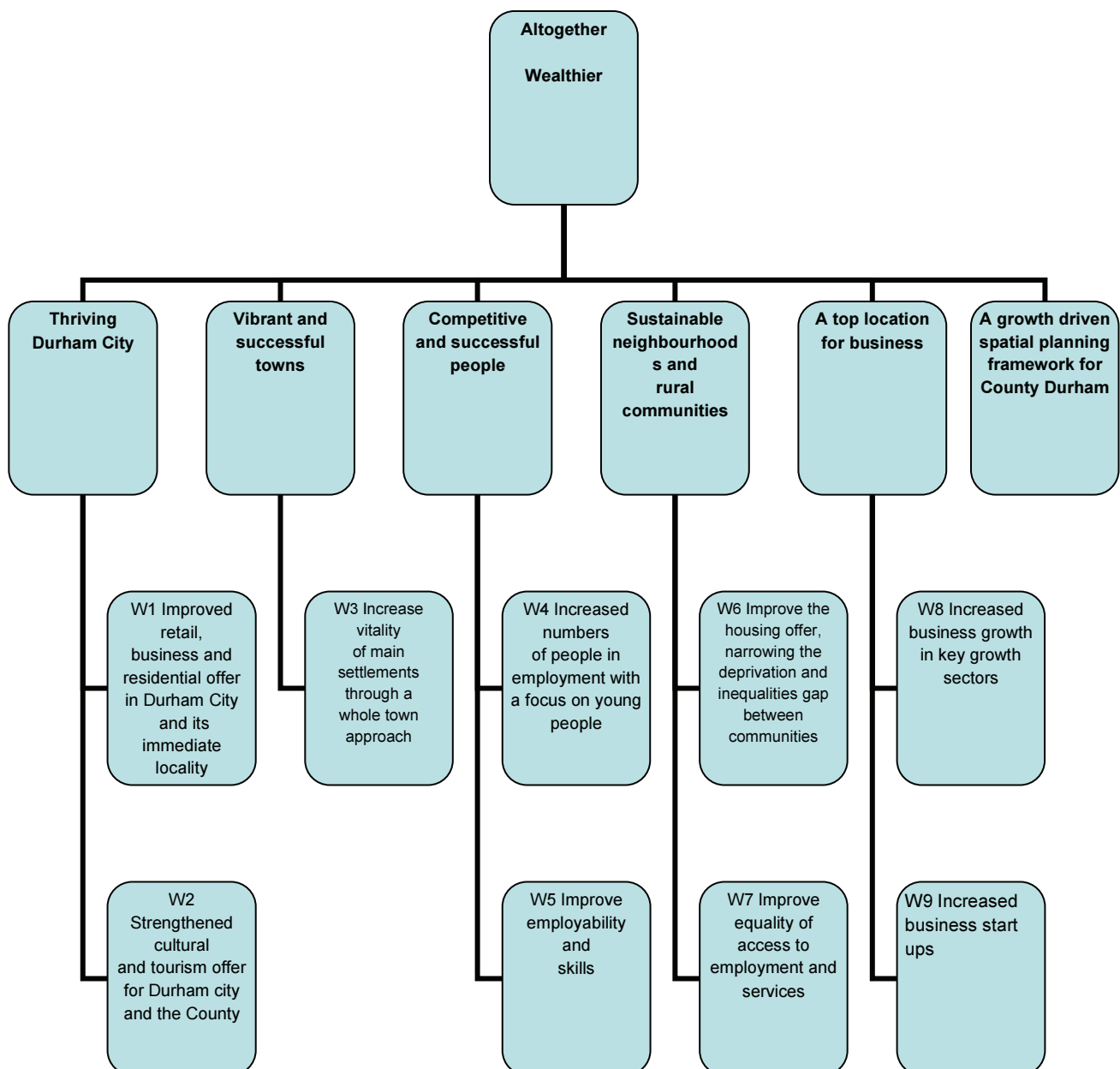
None

Legal Implications

None

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Altogether Wealthier



Within the council's Altogether Wealthier priority theme, we are focusing our efforts on creating a vibrant economy and putting regeneration and economic development at the heart of all our plans. In comparison with the region and nationally, County Durham's economy is underperforming. To help address this issue, we have identified 6 objectives set out above and in our Regeneration Statement, which we aim to achieve. Over the next four years, we will strive to deliver a step change in the local economy within a time of financial constraints and significant policy shifts nationally.

The principal driver of an economic renaissance within the county is the employment rate; for improving this will increase levels of disposable income, increase the number of businesses, and should as a result begin to reduce the chronic levels of relative deprivation that the county has experienced now for several decades. As a

county we need to aim to achieve a net increase of 28,300 jobs over the next 20 years, through inward investment, company growth and business creation.

Improved educational attainment and skills for the population of County Durham will also contribute to economic prosperity and improve people's quality of life. Participation in cultural events and activities is also vital to promote vitality and attract tourism, although it is acknowledged that this is a challenge for the council in the current economic climate.

1. Thriving Durham City

At the heart of the North East, Durham City is a hub of economic and cultural activity and stands out as a key economic driver to the county and region. The city has enormous untapped potential and will deliver a significant share of a step change in the growth of the region and the largest contribution from the county as a whole. The city needs a critical mass of employment, population and visitors to build on the assets already inherent to become a city of regional, national and international significance.

We aim to make the most of Durham and what the city has to offer in terms of economic potential which must be fully exploited to support the growth of County Durham's economy. By maximising the development opportunities of the city we will help to stimulate retail, business and housing growth, which will lead to job generation and increased confidence. Durham city offers the potential to boost tourism performance across the entire county which will improve this key sector's performance when compared with other sub-regions in the North East and comparable areas elsewhere in England.

Going well

- Durham International Festival was held in July 2011.
- The National Railway Museum at Shildon was named the Best Free Venue in the UK in the 2010 Rough Guide to Accessible Britain Awards.
- Killhope Museum was awarded a Gold Award at the North East England Tourism Awards.
- Completion of the market place redevelopment scheme providing space for events.
- Durham Cathedral is one of the region's top ten attractions, receiving more than 600,000 visitors per annum.
- Approximately 150,000 people attended the Lumiere Festival over four days in November 2011.
- The three Park and Ride sites in Durham City continue to show year on year increases in use.
- The extension to the Belmont Park and Ride site has been completed.
- The World Heritage Centre visitor site was completed ahead of schedule.

Cause for concern

- The economic climate is making it difficult for the private sector to invest in schemes in the city.
- High Street retailers have been hit by the recession with some firms ceasing trading. This has affected the number of top 23 retailers nationally within Durham City Centre, currently 15 of the top 23.

Did you know?

- 56,138 people attended the BRASS festival events in 2011.
- For the 2011 Lumiere festival in Durham, special artwork was created locally and by artists in Torun (Poland) and Tallinn (Estonia) and will feature in Olympics.
- Durham has been voted the top city in England and the second best city to visit in the UK in a national poll of Guardian and Observer readers.
- The Durham Book Festival provided over 60 events in October 2011 including best-selling authors, poetry readings and writers in conversation about science, food, the military and politics.
- Durham County Council is responsible for maintaining 6,000 council homes in and around Durham city.
- There are in excess of 1000 houses in multiple occupation within the Durham City Area.

Look out for:

- The Olympic Torch will arrive in County Durham on 16th June 2012 and stay overnight in Durham city – there will be special events throughout the route to celebrate the historic occasion.
- The Durham Book Festival in 2012.
- Plans for Aykley Heads.
- Driver information project helping drivers to plan journeys across the city.
- Development on the Freeman's Reach site (former ice rink site).
- New lighting will be installed to illuminate Durham Castle and Durham Cathedral during 2012 and 2013 respectively.

High level Action Plan

Action	Responsibility	Timescale
Undertake transport modelling work for the Northern and Western Relief Roads and develop a delivery and funding plan	Head of Transport and Contract Services	December 2012
Prepare for and deliver key regeneration and housing projects in the city to stimulate investment and maximise job opportunities:	Head of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> • Aykley Heads: <ul style="list-style-type: none"> - Planning application for phase one (Police HQ) in Sept 2012 		Sept 2012
<ul style="list-style-type: none"> • Freemans Reach, former ice rink: <ul style="list-style-type: none"> - Planning submission July 2012 - Development of Hydro Energy Centre 		July 2012
<ul style="list-style-type: none"> • Millennium Square, Gala Theatre city centre: Implement Investment Package 		June 2013

<ul style="list-style-type: none"> • North Road, Durham City: Following development brief to test market EOIs; Report back to Cabinet • Determine a solution for flood mitigation measures that are required for various development sites in Durham City: <ul style="list-style-type: none"> - Design of scheme - Planning permission granted 		<p>Sept 2012</p> <p>April 2014</p> <p>April 2015</p>
<p>Increase the number of tourists in Durham City by supporting existing attractions, accommodation providers and new tourism businesses:</p> <ul style="list-style-type: none"> • Development and delivery of new signature events such as the Lindesfarne Gospels • Facilitation and support to the delivery of a family based tourist attraction in the City of Durham 	<p>Head of Economic Development & Housing</p>	<p>March 2016</p> <p>June – Sept 2013</p>
<p>Contribute to the implementation of the Cultural Strategy and support the development of the County Durham Cultural Partnership by:</p> <ul style="list-style-type: none"> • Using high profile projects such as BRASS: Durham International Festival and the Durham Book Festival to increase engagement in and satisfaction with cultural activities • Continuing to increase opportunities for volunteering within heritage and cultural settings to enable people to gain transferable skills to increase employability 	<p>Head of Adult Commissioning</p>	<p>March 2013</p> <p>March 2013 (Baseline to be set 2011/12)</p>
<p>Deliver key Durham City transport initiatives to improve accessibility within and through the City:</p> <ul style="list-style-type: none"> • Driver Information project - Extension of the project including further web system development, additional traffic monitoring cameras and real time road side information signs implemented 	<p>Head of Transport and Contract Services</p>	<p>March 2016</p> <p>March 2014</p>

- Continue to implement the Transit 15 bus corridor improvement programme within Durham City

Up to 2013

2. Vibrant and successful towns

Vibrant towns are good for business: they create jobs, attract investment and generate income - they are engines for economic growth. At their best, they create a discernable local buzz and define the wider area, attracting people from near and far. County Durham has a dispersed settlement pattern with a large number of distinct towns, not all of which are meeting the needs of local communities. We need to increase the vitality and vibrancy of main settlements through the adoption of a 'whole town approach' for each main settlement and phased delivery of improvement. This 'whole town' approach will be specific to each settlement and will deliver tailored solutions for each place depending on its needs and service potential for its locality. We aim to create places that are attractive, well managed, well designed with a range of amenities and facilities for that given community.

A review of the library network will be undertaken to create a sustainable network of town and community libraries.

Going well

- The DurhamGate development is progressing well.
- The Heritage Lottery Fund has granted £1.9m funding for the Heart of Teesdale Landscape Partnership.
- Regeneration Frameworks have been completed for Consett and Ferryhill/Chilton.
- There has been an increase in the proportion of properties in Council Tax Band D or above.

Cause for concern

- Planning applications continue to reduce due to the ongoing economic climate.
- Since 2008 and due to the recent recession, the number of vacant retail units in town centres has increased.

Did you know?

- Major work has been undertaken by the council and partners to support investment in Barnard Castle leading to the redevelopment of the Witham centre and a wider range of works across the town centre.

Look out for:

- Regeneration frameworks for each town centre which will show what the council and partners are planning to do to invest in the redevelopment of town centres and surrounding areas. These are being prepared and each will be published once complete.
- Further proposals for the railway station in East Durham.
- New customer access points in town centres such as the ones at Seaham.

High level Action Plan

Action	Responsibility	Timescale
Maintain the county's historic/listed highway bridges in line with the programme for 2012/13 <i>Note: Schemes to be confirmed when programme developed</i>	Head of Technical Services	March 2013
Complete a review of markets managed by or on behalf of the Durham County Council and develop a strategic approach to enhance and support the sustainability of markets across the county	Head of Environment, Health & Consumer Protection & Head of Economic Development	October 2012
Develop a harmonised Street Trading Policy to create a street trading environment which complements premises-based trading, is sensitive to the needs of residents, provides diversity and consumer choice and seeks to enhance the character, ambience and safety of local environments	Head of Environment, Health & Consumer Protection	December 2012
Deliver phased implementations of the key town Regeneration Frameworks including:	Head of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> Resolve the position with Festival walk, Spennymoor, Head of Economic Development and Housing, April 2012 		April 2012
<ul style="list-style-type: none"> St Johns Square, Seaham; Completion of Public Realm works 		June 2012
<ul style="list-style-type: none"> Physical improvements enhancing links to Clifford Road and the Academy 		October 2012
<ul style="list-style-type: none"> Deliver the redevelopment of Witham Wall, Barnard Castle 		March 2013
<ul style="list-style-type: none"> Support major retail development at Queen Street, Crook 		December 2013
		December 2014

<ul style="list-style-type: none"> • Shop front improvement scheme in Consett • Agree the design and plan for a railway station in East Durham on the Durham Coast Railway 	Head of Transport and Contract services	December 2012 for completion December 2015
Implement capital improvement schemes from the Local Transport Plan to improve accessibility between our main towns	Head of Transport and Contract Services	December 2015

3. Competitive and successful people

The skills, abilities and attitudes of the current and future County Durham workforce are critical to the future economic success of the county and will underpin a more competitive and productive economy. County Durham has below national average employment levels, above regional and national average economically inactive residents claiming benefits and below regional and national average higher skills attainment. We need to encourage people to improve their skills, increasing individual success and improving life chances. With limited resources we will work with partners, national employability support providers and employers to provide support for County Durham residents.

Going well

- 92% of people enrolled on adult learning courses leading to a qualification were successful in the academic year 2010/11.

Cause for concern

- 15% of working age adults have no qualifications, which is above both the regional and national averages.
- 30% of the working age population in County Durham is qualified below Level 2 (equivalent to GCSE) which is worse than the UK average of 26%.
- Youth unemployment is getting worse; there are currently more than 5,000 residents aged 18-24 claiming JSA.
- Overall numbers of JSA claimants are on the increase, possibly as a result of reduced finding.
- County Durham has a higher proportion of the population claiming out of work benefits such as Employment Support Allowance and Incapacity Benefit than the regional average.
- Changes to the benefit system might have a significant impact on residents in the County.

Did you know?

- The County Durham Adult Learning and Skills Service covers a wide range of courses which can help people to gain a recognised qualification, help adults to learn new skills or simply encourage people to take part in local community learning activities.

- Last year, the council helped to prevent 836 individuals from becoming homeless.
- The 2011/12 Future Business Magnates competition was launched in November 2011 with 24 of the County's secondary schools participating.
- Derwentside Training has been commissioned within the Government's Work Programme to assist people gain the skills they need to find work.
- We are finding 150 apprenticeships in 2012/13.
- One in three of all job seekers allowance claimants in the County are aged 18-24

Look out for:

- Level 2 and 3 qualifications will be provided for 19-25 year olds who currently do not have this level of qualification, through a pre-Apprenticeship and Apprenticeship programme.
- Training support for the unemployed will be delivered through a programme focused on employability skills, which will include referrals through JobCentre Plus.
- Literacy and numeracy training will be delivered through a dedicated skills for life programme which will also link into Apprenticeship programmes across the county.
- Future Business Magnates competition in 2012
- A future competition developed by local businesses and schools in County Durham

High level Action Plan

Action	Responsibility	Timescale
Respond to the findings of Adult Learning's Ofsted inspection in 2012	Head of Social Inclusion	March 2013 (depending on inspection timetable)
Work with employers to maximise training, job placement, graduate schemes and apprenticeships	Heads of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> • Develop a Business, Enterprise and Skills Strategy for County Durham 		September 2012
<ul style="list-style-type: none"> • Through a European funded project support 1265 residents and programme 316 into work 		December 2014
Support young people aged 18-24 into employment, education or training	Heads of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> • Develop an Apprenticeship Strategy and Action Plan 		April 2012
<ul style="list-style-type: none"> • Deliver an apprenticeship scheme to assist 150 residents start an apprenticeship in local businesses 		March 2014

4. Sustainable neighbourhoods and rural communities

Deprivation and inequalities persist between communities in County Durham and between County Durham, the region and the nation. Industrial restructuring and job losses in manufacturing had disproportionately affected some communities and groups within the county. The county's dispersed settlement pattern, low car ownership, low job density and rurality can compound deprivation and inequalities. This can have damaging effects upon an individual's life chances in a number of ways:

- A shortage of local jobs can limit employment opportunities
- Poor transport connectivity can limit access to work and services
- Deprived areas often have fewer or poorer quality public and private services
- Poor housing quality can result in low demand which in turn leads to high turnover and/or vacant or derelict housing.

Going well

- Public transport connectivity improvements as part of the Transit 15 programme are progressing well
- The number of private sector properties improved as a consequence of local authority intervention has increased
- Housing Stock Options appraisal for Durham City Homes is progressing as per the project plan
- Decrease in the number of homeless presentations

Cause for concern

- Affordable house numbers continue to be low across all areas in the county.
- The numbers of housing units completed remains low across all areas in the county.
- The percentage of non-decent council homes has shown improvement in the last year, but there are still approximately 33% of properties classed as non-decent
- Bus operators are finding it increasingly difficult to run some bus services in the county.
- Proposals included in the Welfare Reform Bill will have major implications for County Durham.
- As a result of the Welfare Reform Bill it is anticipated that the level of homelessness will increase.

Did you know?

- The government's official measure of deprivation published in 2010 showed that the county had become slightly less deprived overall since it was last published in 2007.
- The council works with partners to support residents to get on the property ladder through affordable housing schemes for new homes and schemes to offer mortgage support. We also negotiate with developers to try and make sure there

is a provision of affordable homes wherever possible or required.

- The council runs a national scheme in the county to help residents become more energy efficient through better home insulation.
- 45% of the County's population live in the 30% most deprived areas in the County.
- The Housing Renewals team have helped 2183 owner occupied homes to be made energy efficient through better insulation.

Look out for:

- The development of neighbourhood plans to support the County Durham Plan.
- The Publication of the County Durham plan with housing allocations across the county.
- Acquisition and demolition schemes at Wheatley Hill and Thornley by Dec 2012.
- Group repair and Environmental Improvement Scheme at Craghead throughout 2012.
- Acquisition and demolition at West Chilton in 2013.
- An acquisition and demolition scheme at Esh Winning in 2014.
- A new library strategy for County Durham.

High level Action Plan

Action	Responsibility	Timescale
Through the Community Action Team (CAT) deliver a programme of targeted interventions around environment, health and consumer protection	Head of Environment, Health & Consumer Protection	September 2014
Complete planned public transport improvements on the 7 key corridors to improve punctuality, reliability and attractiveness of bus travel	Head of Transport and Contract Services	December 2012
Maximise the level of investment from the HCA and other agencies to enable the delivery of the four year (2011-2015) programme of funding for affordable housing in Durham	Heads of Economic Development & Housing	March 2014
Implement the preferred option for the future management and investment of the council's housing stock	Heads of Economic Development & Housing	April 2013

Implement the Private Sector Housing Strategy and deliver the associated capital programme for Private Sector Housing Renewal	Heads of Economic Development & Housing	March 2014
Implement the Homelessness Strategy to prevent residents becoming homeless and to support those who need assistance	Heads of Economic Development & Housing	March 2016
Implement the Library Strategy in line with agreed actions and priorities to ensure a sustainable service for the future	Head of Social Inclusion	31 March 2014

5. A top location for business

County Durham is home to a wide range of businesses from micro rural businesses to large multinationals, from small scale engineering to large scale manufacturing and from business services to internationally leading research companies. The county offers businesses a range of support and development opportunities and these must be sustained and developed to serve the diversity that exists. Durham residents are well placed to take advantage and contribute to the Tees Valley and Tyne and Wear City Regions but this also has to be balanced with local business and employment opportunities.

Going well

- Hitachi's announcement that they intend to open a factory at Heighington lane (Newton Aycliffe) is a major boost to the local economy.
- A 3 year refurbishment programme of council business sites is underway.
- The Consett Business Park development is underway.
- Broadband Delivery UK announced a grant of £7.79m for highspeed broadband for homes and businesses in the county.

Cause for concern

- Business start-ups through public support are falling significantly as funded programmes have come to an end and the recession is making it hard to start a business.
- Reduction in government grant making it difficult to support new businesses such as had been undertaken through the Be Enterprising Programme.

Did you know?

- The council owns 370 business units across the county which totals just over 700,000 square foot of lettable floor space.
- Our largest two business centres are Derwentside Business centre (61,000 square foot) and Tanfield Lea (almost 28,000 square foot).

Look out for:

- The Durham Net Fibre Installation Programme which will improve infrastructure for delivering broadband to local business and public amenities
- Preparation by Hitachi at the Heighington Lane site for new employment opportunities .

High level Action Plan

Action	Responsibility	Timescale
Building on the Olympic legacy, work with partners to develop a Durham Institute of Sport to support world class performance, coaching and officiating	Head of Sport & Leisure Services	March 2013
Support delivery of a corporate events programme that raises the profile of County Durham as a destination	Head of Sport & Leisure Services	March 2016
Facilitate and expand broadband connections for our residents and businesses to encourage home working in rural communities	Head of ICT/Head of Economic Development and Housing	March 2013
Manage the Council's business and employment sites/property to stimulate investment and enable other sites to be appropriately developed and promoted	Head of Economic Development and Housing	March 2016
Promote NETPark as a flagship location for the university and private sector investment and collaboration	Head of Economic Development and Housing	March 2016
Actively promote the County as a destination to live, work and invest	Head of Economic Development and Housing	March 2016

6. A growth driven spatial planning framework for County Durham

Durham County Council is responsible for the production of a Local Plan for the Local Authority area. Work started on a new plan before Local Government Reorganisation (2009) and has involved the detailed consideration and analysis of extensive evidence bases and consultation with communities and groups with specific interests. The proposed plan (known as 'The County Durham Plan') is due to be considered at an Examination in Public in 2013 once all consultation has been completed and suitable amendments have been made.

Going well

- Successful consultation has continued during 2011/12 on different elements of the County Durham Plan including Green Belt land, Housing Allocations and a 'Policy Directions' summary of how the plan has changed and what the key themes are to date.

Cause for concern

- The government recently (Summer 2011) released a draft national Planning Policy Framework which sets out proposed changes to the Planning system in the UK, this may have an effect on the timescales for the completion and agreement of the County Durham Plan and may cause the plan to be delayed slightly if the format or scope of the plan need to be changed.

Did you know?

- The County Durham Plan is the most important strategic document the council produces after the Sustainable Community Strategy. The plan affects everyone from those who currently live in the county, those who travel here to work and even those who haven't even been born yet! It sets the direction for how the council can determine how many houses are required, what quality and standards we expect from new development or changes to the built and natural environment, and where businesses can expand or locate amongst many other aspects of life in County Durham

Look out for:

- Housing allocations across the county for the next twenty years
- Proposals for the green belt in Durham City
- The examination in public where a government inspector will decide whether we can adopt our County Durham Plan
- Developments with Neighbourhood plans where communities can have a further say in the implementation of the County Durham Plan.

High level Action Plan

Action	Responsibility	Timescale
Successful consultation and completion of the County Durham Plan	Head of Planning & Assets	July 2014

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