



Economy and Enterprise Overview and Scrutiny Committee

Date **Monday 21 October 2013**
Time **9.30 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. Apologies for Absence
2. Substitute Members
3. Minutes of the meetings held 10 September 2013 and 24 September 2013 (Pages 1 - 24)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations:
Update on press coverage
7. Tourism - Update: (Pages 25 - 30)
 - (i) Joint Report of the Assistant Chief Executive and the Chief Executive, Visit County Durham
 - (ii) Presentation by the Chief Executive, Visit County Durham
8. Infrastructure Delivery Plan and Community Infrastructure Levy - Overview: (Pages 31 - 38)
 - (i) Joint Report of the Assistant Chief Executive and Corporate Director of Regeneration and Economic Development
 - (ii) Presentation by the Principal Policy Officer, Regeneration and Economic Development

9. Durham Key Options - Update: (Pages 39 - 46)
Report of the Corporate Director of Regeneration and Economic Development – Senior Policy Officer, Regeneration and Economic Development
10. Members' Reference Group - Update: (Pages 47 - 50)
Report of the Assistant Chief Executive – Overview and Scrutiny Officer
11. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
11 October 2013

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

Councillor R Crute (Chairman)
Councillor A Batey (Vice-Chairman)

Councillors E Adam, J Armstrong, J Bell, J Clare, J Cordon, I Geldard, D Hall, C Kay, J Maitland, P McCourt, H Nicholson, R Ormerod, J Rowlandson, M Simpson, P Stradling, O Temple, A Willis and S Zair

Co-opted Members:

Mr T Batson, Mrs O Brown, Mr A Kitching, Ms J McKee and Mr JB Walker

Contact: Martin Tindle

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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 **Tuesday 10 September 2013 at 9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors J Armstrong, A Batey, J Clare, C Kay, P McCourt, H Nicholson, R Ormerod, J Rowlandson, M Simpson, P Stradling, O Temple, A Willis and S Zair

Co-opted Members:

Mr P Robson (JobCentre Plus)

Apologies:

Apologies for absence were received from Councillor(s) E Adam, J Maitland, Mr A Kitching and Ms J McKee (JobCentre Plus)

1 Chairman's Statement

Prior to the formal commencement of the meeting the Chairman informed the Committee of the death of Councillor G Mowbray, who was a serving Member of the Committee. The Committee stood for a minutes silence as a mark of respect for Councillor G Mowbray.

2 Apologies

Apologies for absence were received from Councillors E Adam and J Maitland and Mr A Kitching and Ms J McKee (JobCentre Plus).

3 Substitute Members

No notification of Substitute Members had been received.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 Council's Approach to Regeneration - Overview of the Regeneration Statement

The Chairman introduced the Head of Strategy, Programmes and Performance, Regeneration and Economic Development, Andy Palmer who was in attendance to speak to Members in relation to the Regeneration Statement (for copy see file of minutes).

The Head of Strategy, Programmes and Performance explained that the purpose of the presentation was to give Members of the Committee an overview of the policy direction in relation to regeneration and economic development, as set out within the Council's Regeneration Statement. Councillors noted that the ambition of the Regeneration Statement was "to shape a County Durham where people want to live, work, invest and visit and enable our residents and businesses to achieve and exceed their potential" and that there were 5 key objectives linked to this:

- Thriving Durham City
- Vibrant and Successful Towns
- Vibrant and Sustainable Neighbourhoods and Rural Communities
- Competitive and Successful People
- A Top Location for Business.

The Committee were informed of several challenges including: impact of the economic downturn; high youth and long-term unemployment; lower land values, development interest; government budget cuts and removal of grants; low demand in the economy, flat market; Welfare Reform, impact on the most vulnerable; and higher demand for services. Members noted that there were several opportunities for developing major assets within Durham City and the main towns and that in order to best capitalise on them, there was a need to have a joined up policy framework. It was added that this was the case, having consistency through the County Durham Plan (CDP), Housing Strategy and the Council's Business Services function. The Head of Strategy, Programmes and Performance explained that the location of County Durham in the heart of the region, between 2 main ports, together with business growth in relation to manufacturing and exports was positive and that the new planning framework would help by lifting constraints on development and growth. Members learned that in addition to the Council's well funded Capital Programme there were new funding opportunities with the EU Programme, Regional Growth Fund (RGF) and Growing Places. It was added the Housing Stock Transfer project as regards the Council's housing stock was still ongoing. The Committee were made aware that there was a market-led approach in capitalising on opportunities and a "whole-town approach" with Regeneration and Economic Development (RED) and Neighbourhood Services coordinating their efforts.

The Head of Strategy, Programmes and Performance noted that some key initiatives were long term and that in respect of "Thriving Durham City" there were aspects such as a central business quarter, based around the Gala theatre and city centre improvements to areas such as North Road, the bus station and Hopper House.

Members learned of the plans for a Business Improvement District, with the Council coordinating on behalf of private sector businesses. It was noted that those businesses involved would be able to vote on how to invest and spend money collected in this regard, collected alongside business rates.

The Committee were reminded of several events and tourism opportunities including Lumiere, with the last event having attracted 3 times the visitors in comparison to the year previously and the Lindisfarne Gospels, with over 60,000 tickets having been sold.

Councillors were informed of activities in relation to “vibrant and successful towns”, with a few examples for each being:

- Consett – public and private sector investment over £100 – Consett Academy; links to the Tyne and Wear conurbation; new leisure facilities; town centre improvement works; employment sites, new business park; and additional housing allocations.
- Stanley – Masterplan and physical improvements to town centre; Stanley Academy.
- Chester-le-Street – support for the Cricket Club in its expansion.
- Seaham – St. John’s Square; Seaham North Dock.
- Peterlee – a new rail station, discussions ongoing with rail operators, opening up employment opportunities to both north and south.
- Newton Aycliffe – improvement of the Heighington Railway Station; development and consultation on a Business Improvement District; the Hitachi development.
- Spennymoor – Durhamgate development, enabled through infrastructure works; with around 2,000 jobs over the next 10-15 years.
- Bishop Auckland – Auckland Castle; market square; improvements to the railway station.
- Barnard Castle – Heritage Lottery Fund (HLF) Townscape Improvements; Witham Hall; pedestrian suspension footbridge, Digital Dale.
- Crook – Major retail development at Queen Street; improved customer facilities at the Civic Centre/Customer Access Point.

The Head of Strategy, Programmes and Performance explained that in addition to the Housing Stock Transfer, there were other issues in relation to sustainable communities and rural communities such as private sector housing renewal; super fast broadband internet; access to employment; and protecting the most vulnerable transport users. Councillors were reminded of the 2 apprenticeships programmes, working with the National Apprenticeship Service (NAS), and looking to help increase apprenticeships in areas not covered by NAS. Members noted that there were over 300 apprenticeships to date, with Area Action Partnerships (AAPs) also being involved in relation to funding. It was added that in-house at Durham County Council (DCC) within RED there were 20-21 apprenticeships and that there were several apprenticeships for those in the looked after sector, working closely with colleague in Children and Adults Services (CAS). The Committee were reminded of the European Social Fund (ESF) Families Project, Derwentside Training being a Work Programme delivery agent; and the protection of homelessness advice from budget cuts.

Councillors noted that there were several issues to be addressed in order to make County Durham a top location for business including: supporting start-ups; providing quality business space; nurturing innovation; super fast broadband internet; and attracting inward investment. The Head of Strategy, Programmes and Performance reminded Members of the Hitachi investment at Amazon Park, Newton Aycliffe with 500 direct manufacturing jobs and an anticipated 7,000 further jobs in the UK supply chain. Members also learned that further engagement was ongoing as regards the labour market for those jobs, and with the University and technical college as regards training.

The Head of Strategy, Programmes and Performance explained that the Regeneration Statement was the document that provided the overall vision and ambition for the “Altogether Wealthier” area of the Sustainable Communities Strategy (SCS) and provided the framework for delivery and priorities for RED, the County Durham Economic Partnership (CDEP) and Overview and Scrutiny work programme. Members noted that policy was focused on growth through enhancing Durham City; embedding the Hitachi investment and putting the right economic infrastructure in place. The Head of Strategy, Programmes and Performance concluded by noting that it was important to have coordination of investment and that the Regeneration Statement was refreshed every 2 years, the last having been in 2012.

The Chairman thanked the Head of Strategy, Programmes and Performance and asked Members for their questions.

Members had several questions in relation to: transport being a central theme within regeneration; the definition of “rural” in respect of the roll out of super fast broadband; an apparent divide in the investment across the County; and the CDP being too “Durham-centric”. The Head of Strategy, Programmes and Performance explained that the Local Transport Plan 3 (LTP3) now has within it an employment weighting aligned with key employment sites, and transport issues were considered with a joined up approach, the RED directorate having within it all the relevant areas such as Planning, Transport, Housing, Employment and regular meetings of the relevant Officers took place. Members were informed that the presentation was not an exhaustive list of all activities and schemes, that while the CDP was a spatial plan building on Durham City, this was different to the capital investment being made across the County. It was explained that the greater allocations in Durham City were in order to help stimulate investment via the planning process. Members noted that the aim was for 100% provision of super fast broadband, with the Authority working with British Telecom. Councillors noted that there was a two-tier situation, those areas where market forces were sufficient for provision to be put in place and areas where low demand from either lack of money or low population meant that additional work was required. It was noted that the Council’s Head of ICT, Phil Jackman may be able to provide further information in this respect.

Councillors noted the award of Europe’s Leading Destination 2013 to Yorkshire and cited this as an opportunity to link our tourism offer. Members also noted the issue of the Housing Stock Transfer and their concerns of a potential exodus of tenants from housing associations to the private sector, the knock on effect this would have in planning for transport and employment infrastructure. Councillors asked for additional information as regards the Hitachi development; vibrant towns, specifically Bishop Auckland; the amount of net export; and the sustainability of the DCC apprenticeship positions.

The Head of Strategy, Programmes and Performance noted the Chief Executive of Visit County Durham (VCD), Melanie Sensicle was a regular attendee at the Committee and would be able to update Members as regards linking tourism offers to the wider region. Members noted that contractors had broke ground at the Hitachi site a few weeks ago and that the scheme was on track. Members noted that the proposed date for rolling stock to come off the production line at Newton Aycliffe was 2017.

The Head of Strategy, Programmes and Performance explained that the Housing Stock Transfer project was complicated, with the current preferred option being a stock transfer and the impact of Welfare Reform would need to be considered. Members were reminded that the Housing Stock Transfer Project Manager, Marie Roe was a regular attendee at Committee and would be able to update Members on progress. Members noted that the Bishop Auckland Masterplan was recently refreshed and looked at potential investment in the Castle and Trust, and issues surrounding the town centre, with the Local Plan looking at additional housing allocation.

As regards the exports from County Durham, the Head of Strategy, Programmes and Performance explained that the industrial estate at Newton Aycliffe was the second largest in the region and the main manufacturing hub for County Durham. Members noted the work with the "Top 200" companies in order to grow and expand those businesses, and the North East Local Enterprise Partnership (NELEP), County Durham Partnership (CDP) and Business Durham work together. Councillors noted that figures as regards exports would be reported back to Members for their information. The Head of Strategy, Programmes and Performance noted that the DCC apprenticeship scheme was a wage subsidy and in a lot of the cases, it was undertaken to take the risk out of training for companies. Members noted that apprentices were required to complete Level 2 or Level 3 training.

The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that there was some reassurance from the Committee's work programme over the next 6-8 months in that it reflected the issues set out in the Regeneration Statement, with the next meeting of the Committee on 24 September 2013 having both the Housing Stock Transfer Project and an update on the Overview and Scrutiny Review on Empty Homes on the agenda. Members were also reminded of the upcoming Overview and Scrutiny Workshop session looking at the County Durham Plan on 4 November 2013 and noted that Masterplans for County Durham would be a future agenda item for the Committee. The Principal Overview and Scrutiny Officer added that the Chief Executive, VCD would be invited to come back to Committee to keep Members up to date on tourism issues, and that other bespoke sessions on issues could be arranged as required.

Resolved:

That the report and presentation be noted.

7 County Durham Economic Partnership - Overview

The Chairman asked the Head of Strategy, Programmes and Performance to give Members an overview as regards the County Durham Economic Partnership (for copy see file of minutes).

The Head of Strategy, Programmes and Performance reminded Members that the Vice-Chair of the CDEP, Sue Parkinson had been in attendance at the last meeting of the Committee in June to give an update on the work of the CDEP and the new Chair of the CDEP, Professor Brian Tanner was appointed in September 2012. Councillors were made aware that Professor Brian Tanner was Dean of Knowledge Transfer at Durham University and also a Director of Kromek, an imaging company based at NETPark, Sedgfield.

Members noted that the CDEP had been established in 1994 and was the forum at which the Local Authorities that comprised the two-tier local government at the time could negotiate and discuss, together with the Voluntary and Community Sector (VCS) and Higher Education and Further Education Colleges and so on as regards how funding such as Single Regeneration Budget (SRB) and Single Programme would be allocated. The Committee learned that subsequent to Local Government Reorganisation (LGR) in 2009 there were significant changes to the CDEP, with there now being over 60 organisations representing the public, private and VCS sectors.

The Head of Strategy, Programmes and Performance explained that “Altogether Wealthier” was the priority for both the SCS and County Durham Partnership, with the Regeneration Statement vision being as described in the previous agenda item. It was noted that in order to chart progress the CDEP had several “measures of success” to be achieved by 2030, not performance indicators in the traditional sense, rather positions that could help show impact had been made. These included:

- Increase the employment rate to 73% of the working age population (achieve and maintain pre-recession levels).
- Increase the number of businesses by 4,300.
- Have a gross household disposable income of 103% of the regional figure.
- Have a per capita Gross Value Added (GVA) of 87% of the regional figure.
- To ensure “nobody is left behind”, that deprivation, as measured nationally against the Index of Deprivation, is reduced such that the number of Lower Super Output Areas (LSOAs) in the bottom 20% falls from 174 to 64.

Members were asked to note a graph showing the employment rate since January 2004 with the average for County Durham being close to the national average around 2007 followed by a sharp decline with the recession. It was noted that there had been a slight upturn over the last 12 months, though this was dominated by part time or temporary positions.

Councillors noted that the inherited partnership structure was heavily seminar based and comprised of a board and several working groups. It was explained that the new structure followed a more strategic model with strong leadership, a stronger relationship with the NELEP and a view to having a clear message for Durham with enhanced influencing capacity. Members learned that there would be an Annual Conference which would see wider networking and scrutiny involvement, including AAP leads, in order to set policy frameworks. The Head of Strategy, Programmes and Performance added that the approach to partnership working had also been refreshed, with the board and working groups looking to use market intelligence to help set strategy and focus for actions. The Committee noted that this new approach also included collaboration on key economic issues with partners in order to exploit opportunities and increase influencing abilities.

Councillors learned that the new structure consisted of:

- CDEP board
- Business Enterprise and Skills Working Group
- Economic Infrastructure Working Group
- Thriving Durham City Group

It was also noted that there was 3 forums that worked alongside, those being:

- Housing Forum
- Rural Forum
- Cultural Partnership

Members noted that Councillor E Tomlinson chaired the Rural Forum and Mr R Kelly, former Chief Executive of Gateshead Council was the Chairman of the Cultural Partnership. Councillors noted that the key priorities were in line with those from the Regeneration Statement including: influencing and informing wider decision making with the NELEP and North East Leadership Board (Combined Authority); enabling effective investment planning within the County; and creating more opportunities for employment, including for young people.

The Chairman asked whether the membership of the CDEP board was flexible, and would be able to adapt as required. The Head of Strategy, Programmes and Performance explained that the board could be flexible as required.

Resolved:

That the report and presentation be noted.

8 EU Structural Funds Programme

The Chairman asked the Head of Strategy, Programmes and Performance to give Members an overview as regards the new European Union (EU) Structural and Investment Funding Programme (for copy see file of minutes).

The Head of Strategy, Programmes and Performance explained that there were several positive opportunities within the new EU Structure Funding Programme and that funding operated on a 7 year cycle, the new period being 2014 – 2020. Members were informed that the notional allocation to the NELEP area was €539.6 million, with Durham as a “transition” area having a ring-fenced allocation of €157 million. Councillors noted that there was scope for additional funding above that and there was flexibility in how the funds could be spent. It was added that LEPs were to produce, for their area, a “European Investment Strategy” that would form part of the wider “Growth Plan” and also tie into other EU objectives. Members noted that there was alignment with the “Growth Deal”, however, some European Funding was available to spend from mid-2014, Growth Deals from April 2015.

The Committee learned that the EU Investment Strategy was a “broad brush” as regards spending and was for areas of spend rather than projects. It was explained that the final

European Structural and Investment (ESI) Strategies must be submitted by LEPs by the end of January 2014. Members learned that there were several core themes and they were split between European Regional Development Fund (ERDF) and ESF areas with a 60:40 ratio. It was noted that there were 4 core themes within under ERDF that would have to have 60% spend: Innovation; Small and Medium Sized Enterprise (SME) competitiveness; ICT; and low carbon, with a minimum of 15% on low carbon. Councillors were informed that there was also scope for areas such as Climate Change adaptation, environmental protection and sustainable transport. The Head of Strategy, Programmes and Performance noted that for ESF, the areas were Employment, Skills and Social Inclusion, with the latter having a requirement of at least 20% ESF.

Councillors learned that there were 3 LEP workstreams: Vision; Pipeline; and Governance, with the Head of Strategy, Programmes and Performance being the Chairman of the latter. It was explained that within Durham, the submission was being worked on via the CDEP with involvement from various partners, as necessary, at the project level. Members noted that emerging investments included “smart growth” areas such as capital and infrastructure investment and provision of SME space at key employment sites; tailored business support; supporting innovation, linked to Durham University; and Digital Durham. Councillors learned that in respect of “inclusive growth” there were areas such as: Business Energy Efficiency Programme; Development of Renewable Energy Village; Flood Mitigation; Sustainable Transport; Promoting employment and labour mobility, including youth employment; employment and brokerage service; community led local development volunteering; apprenticeship packages; graduate support programmes; and work based learning. The Committee learned that there was a strong role for the AAPs in this respect.

The Head of Strategy, Programmes and Performance explained that in the past there was little or no say from local areas on what national programmes they wished to be involved in. Members noted now it was for local areas to “opt-in” and in effect Government has to sell these programmes to local areas. It was added that such national programmes included UK Trade and Investment (UKTI), Manufacturing Advisory Service (MAS), Growth Accelerator, Skill Funding Agency, European Investment Bank (EIB) and Big Lottery. Members learned that it would be in many cases be a “balance of benefits” when considering opt-in for national scheme, whether the match funding would outweigh local autonomy in operating a programme.

Councillors learned that the Youth Employment Initiative attracted “cohesion fund” to some NUTS2 regions, including Durham and Tees Valley, equating to €9 million for Durham for 2014 and 2015, to be matched with €9 million from Durham’s ESF allocation. Members noted that the total programme of €24 million needs to be committed and mostly spent by 2015, to support sustainable integration into the labour market of NEETs (those Not in Employment, Education or Training) aged 15-24. Members learned that Linda Bailey, Strategic Manager - Progression and Learning, Children and Adults Services, DCC was Chairperson of the relevant group at the CDEP.

The Head of Strategy, Programmes and Performance concluded by noting that next steps were:

- For the CDEP to continue to take lead on developing Durham's "Transition" programme and feed into the LEP Strategy.
- Wait and respond to Government.
- Continue to raise awareness and identify opportunities.
- Start working up project ideas into projects using a partnership approach to leverage synergies.
- Maintain the CDEP partnership group as the vehicle for doing this for the Durham transitional programme.
- Scrutiny involvement in the CDEP Conference.

The Chairman thanked the Head of Strategy, Programmes and Performance and asked Members for their questions.

Members asked questions relating to flexibility of spend across areas; timescales in order for money to be spent and noted that some reports referred to figures in sterling, some in euros and that consistency would be helpful.

The Head of Strategy, Programmes and Performance noted that there was flexibility in the funds allocated to the NELEP, however there were funds specifically for County Durham, and then other funds that could be spent anywhere in the NELEP area, including County Durham. Members were informed that funds would need to be allocated by 2015 and spent within 2 years after the end of the scheme, by 2017. It was noted that the SFA usually distributed those types of funds and there would be further details within the next 3-4 months as regards this. The Chairman noted that a further report would be brought to the Committee in February 2014, though if any major developments occurred in the interim, then this should of course be brought back to Members sooner.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive future updates on the development of the EU Structural and Investment Funds Programme 2014 - 2020.

9 Improving Economic Governance in the North East Local Enterprise Partnership (LEP) Area

The Chairman introduced the Spatial Policy Team Leader, Regeneration and Economic Development, Maria Antoniou who was in attendance to give an update for Members in relation to Improving Economic Governance in the NELEP area (for copy see file of minutes).

The Spatial Policy Team Leader reminded Members of the North East Independent Economic Review (NEIER) report that was published in April 2013 with creating “more and better jobs” being at the heart of its agenda, in the order of 60,000 for the region. Members noted that the popular view of overreliance on the public sector was not necessarily correct, rather a weakened private sector needed to be strengthened. Councillors learned that social inclusion and employability had been identified as a gap. The Committee were reminded that the NEIER report made 14 recommendations, with the top five priorities as identified by Lord Adonis, the lead on the NEIER report, were:

- To promote the region at home and abroad as a magnet for trade, talent, tourism and inward investment
- A doubling in the number of youth apprenticeships, alongside higher school standards and an increase in the proportion going on to higher education
- The development of strong “innovation and growth clusters”
- Big improvements in transport infrastructure and services
- The creation of stronger public institutions, including the location of key national institutions, such as the new British Business Park, in the North East

Members were reminded that the NEIER endorsed the commitment of the Local Authority Leaders and Elected Mayor (LA7) on the establishment of a new statutory body in the form of a Combined Authority (CA).

The Spatial Policy Team Leader explained that at a conference on 6 September 2013 there had been a lot of progress reported including: Skills Plan; partnerships with Schools; Skills Incentive Partners, with 2 other LEPs; access to 3rd Round EGF and Joint European Resources for Micro to Medium Enterprises (JEREMIE); a concierge service for one point of contact for the “North East”; the appointment of an “Inward Investment Manager”; discussions regarding transatlantic routes being opened up via Newcastle Airport; the use of the Leamside Line for freight, freeing up the main East Coast line with Network Rail, Highways Agency being involved; Pinch Point funding from the Department of Transport; and the devolution of transport funding, including specific projects such as a Rail Station for Horden.

The Committee noted that there would be a Strategic Economic Plan (SEP) and Local Growth Deals (LGDs) from Government in response to the Heseltine Review. Members noted that the SEP would provide the opportunity to develop a shared approach for the North East and that the SEP was to: articulate the shared strategic economic vision for local growth; provide the overarching policy framework and implementation plan for the region; create the basis for prioritisation of a range of investment funds and alignment of local assets and resources; and create the basis for negotiation of a LGD. It was added that the SEP must also frame a multi-year implementation plan, to be assessed by Government, and that the NEIER helped to provide an appropriate evidence base.

The Spatial Policy Team Leader explained that having the CA was critical in being able to have financial and political accountability and Members were reminded as regards what a CA was and was not, as previously brought to Committee in June.

Members noted the approach of the CA and also the economic growth responsibilities including:

- Setting the growth plan and investment strategy for the North East
- Economic intelligence and analysis as a basis for strategic planning and coordination
- Acting as the accountable body for a range of devolved funding
- Strategy and decision-making on the skills agenda across the North East
- Coordinating inward investment activity through an “Investment Gateway” working with Local Authority Economic Development Teams

The Committee noted that the CA would take responsibility for some transport functions: preparation of the Local Transport Plan; preparation of a bus strategy; powers to make a Quality Partnership Scheme or Quality Contract Scheme; and the making of joint and through ticketing schemes. It was added that several operational functions would still be devolved to Local Authorities: information provision; infrastructure delivery; commissioning/procurement of subsidised bus services; and concessionary travel.

Members were provided with a list of milestones in respect of Government and Local issues and next steps were for the CA to be established in shadow form as soon as possible; the Secretary of State to be consulted on proposals and a Lords and MPs event in October; Parliamentary debate, January 2014; and 1 April 2014, proposed establishment of a CA alongside those for South Yorkshire and West Yorkshire.

The Chairman thanked the Spatial Policy Team Leader and asked Members for their questions.

Members asked questions as regards how Scrutiny arrangements would be developed; measuring delivery of the CA; processes and strategies in place should a Local Authority come out of the CA; a simplified “flow chart” to allow the “man in the industrial estate” to understand the new arrangements and provide a single point of contact.

The Spatial Policy Team Leader noted that whilst all areas nationally had LEPs, not all had a CA in place and that staff from the NELEP and Local Authorities were working on the SEP and updates on progress would be brought back to Members via this Committee.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee continues to receive future updates on the development of the Combined Authority including detail of governance and Scrutiny arrangements.

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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 1A, County Hall, Durham** on **Tuesday 24 September 2013** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Bell, J Clare, I Geldard, C Kay, J Maitland, H Nicholson, P Stradling, O Temple and A Willis

Co-opted Members:

Mr P Robson (JobCentre Plus)

1 Apologies for Absence

Apologies for absence were received from Councillors R Ormerod, J Rowlandson, S Zair and Mrs O Brown, Mr A Kitching and Ms J McKee (JobCentre Plus).

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meeting held 24 June 2013 were agreed as a correct record and were signed by the Chairman.

4 Declarations of Interest

Councillors C Kay and J Maitland declared an interest in Item 10 as Board Members of Dale and Valley Homes and East Durham Homes respectively.

5 Items from Co-opted Members or Interested Parties

There were no items from Co-opted Members of Interested Parties.

6 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). It was noted in the press that Durham County Council had received funding to tackle empty homes and also were going to buy longer-term empty homes in an effort to boost regeneration in Easington Colliery, Eldon Lane, Coundon Grange, Coundon, Dean Bank, Chilton, Craghead and South Moor through the successful cluster-bid that had been made to the Homes and Community Agency (HCA). Councillors noted other articles included the agreement by the seven Local Authorities in the region to the formation of the Combined Authority (CA); the success of the Lindisfarne Gospels exhibition and news of new Adult Learning Courses being launched across the County focusing on basic skills.

Resolved:

That the presentation be noted.

7 Quarter 4, 2012/13 Revenue and Capital Outturn and Quarter 1 Revenue and Capital Outturn 2013/14

The Chairman introduced the Finance Manager, Resources, Azhar Rafiq who was in attendance to speak to Members in relation to the Quarter 4, 2012/13 Revenue and Capital Outturn and Quarter 1 Revenue and Capital Outturn 2013/14 (for copy see file of minutes).

Quarter 4, 2012/13

The Finance Manager reminded Members of the areas reported upon, the General Fund Revenue Account, the Housing Revenue Account (HRA) and the Capital Programme for the RED Service. It was explained that the first report set out the financial position as at the year end for 2012/13 and it was noted there was a cash limit under spend of £556,000 on the General Fund Revenue Account, with the major variances being an under spend within Planning and Assets, and an overspend within Strategic Transport, with the detailed explanations as set out within the report. It was noted that the forecast outturn during the year of a £615,000 under spend predicted at the Quarter 3 stage turned out to be very accurate. The Committee were also asked to note that the Medium Term Financial Plan (MTFP) savings target for 2012/13 of £2.612 million for the Regeneration and Economic Development (RED) service grouping had been delivered.

The Finance Manager then explained the outturn position on the HRA which showed a surplus outturn position alongside a balance on the general HRA reserve of £7.154 million. Councillors were reminded of the potential overspend on the Durham City Homes (DCH) repairs and maintenance budget that was flagged up as part of the volatile reporting arrangements during the year, and that the actual outturn position regarding this item of expenditure was brought in line with the budget. Early identification and reporting of the potential overspend during the year allowed corrective action to be taken by budget managers to bring spend in line with the budget at year end.

Members were reminded that the RED Capital Programme was a flagship capital programme for the Authority and that the final budget position was a programme of £85.995 million, with the actual spend being £80.146 million, split between the General Fund (£36.227 million) and the HRA (£43.919 million). It was noted that although expenditure during the early stages of the year appeared slow, activity picked up towards the end of the year which was reflected in a substantial part of the programme being delivered. The HRA programme showed 97% of spend against budget and the General Fund just under 90%. It was explained that the HRA programme is relatively easier to deliver as it is mainly concerned with making improvements in tenants' homes such as installing kitchens, bathrooms, and heating systems. The General Fund programme on the other hand is more complex with many schemes running over different financial years, involving many partners and funding streams, with multiple land ownership issues and multiple contracts to manage at the same time. Members noted that Appendix 3 gave a breakdown of the spend across major projects, with Appendix 4 setting out in more detail the many projects delivered across the County in 2012/13.

Quarter 1, 2013/14

The Finance Manager explained that with increasing pressures on Local Government finances and the impact of cumulative savings targets, the outturn position for 2013/14 for RED would be tighter. . Members noted the service was reporting a cash limit under spend of approximately £87,000 for 2013/14 based on the Quarter 1 forecast outturn against a General Fund Revenue Budget of £41.726 million. Members noted the major predicted under spend fell within Planning and Assets, with the detailed explanations as set out within the report including an increased income due to a small number of major applications generating extra income such as the Hitachi site at Newton Aycliffe. The Committee learned that there was continued overspend for Traffic, relating to parking services and enforcement activities, noting a "building-in" of the impact of large scale events such as the Lindisfarne Gospels and Lumiere.

The Committee noted that the HRA for 2013/14 had no major issues; with a forecasted balanced position after using a projected surplus of £1.549 million towards the Capital Programme.

As regards the Capital Programme, the Finance Manager explained that subsequent to revisions to take into account grant additions/reductions and re-profiling the budget now stood at approximately £103.654 million split between the General Fund (£48.071 million) and HRA (£55.583 million). Members noted a significant boost to the HRA programme coming from a £19 million HCA Decent Homes "Backlog" Grant which had enabled 864 properties to be brought up to the Decent Homes Standard within Quarter 1.

The Chairman thanked the Finance Manager and asked Members for their questions on the two finance reports.

The Committee asked whether the backlog of work in relation to the Decent Homes Standard was with those properties managed by East Durham Homes (EDH). The Finance Manager noted that the position for Dale and Valley Homes (DVH) and Durham City Homes (DCH) was 0% non-decent properties at the beginning of the year and while there would be some properties falling into non-decency during the year, it was envisaged that it would be 0% also at the year end as these properties would be made addressed in the current year HRA capital programme. The Customer and Services Intelligence Manager, Regeneration and Economic Development, Graham Tebbutt added that the figure of non-decent properties for EDH had decreased from 36% at the beginning of the year to 25%, which was good progress in itself and a marked improvement upon the positions 2-3 years ago of around 81%.

Resolved:

That the reports be noted.

8 Quarter 1, 2013/14 Performance Management Report

The Chairman thanked the Customer and Services Intelligence Manager, Regeneration and Economic Development, Graham Tebbutt who was in attendance to speak to Members in relation to the Quarter 1, 2013/14 Performance Management Report (for copy see file of minutes).

The Customer and Services Intelligence Manager reminded Members of the different types of indicators reported, Tracker indicators and Target indicators.

Councillors noted that some of the key achievements in Quarter 1 included non-decency levels for Council properties being ahead of target; the number of empty properties being brought back into use exceeding target; net completions of housing being increased on figures for last year, with a significant proportion being affordable homes; and good progress was being made in respect of major planning applications determined within 13 weeks. The Committee learned that occupancy rates of Council owned factories and business support centre floor space had increased this Quarter and the number of people qualified to NVQ Level 3 and above had also increased.

Members noted progress with Council Plan actions, such as: the delivery of Durham City projects including bus station relocation; Seaham Town Centre improvements, including the North Dock; delivery of Local Transport Plan priorities for South Durham; and improvements for Barnard Castle Town Centre. Councillors also noted the significant investment in the renewal of permanent Gypsy Roma Traveller Sites.

It was added that key performance issues going forward included: 28 apprenticeships starts, below the target of 32; Durham City Regeneration Scheme at Aykley Heads; rescheduling of County Durham Plan timescales; delays to regeneration frameworks for some key towns; a lack of Registered Providers coming forward to access HCA funds to bring empty homes back into use.

Members noted the Tracker Indicators set out within the report including: a slight increase in the employment rate, with a continued slight decrease in the number of Job Seekers Allowance (JSA) claimants aged 18-24; and an increase of those accessing JSA for one year or more. It was added that there had been a rise those re-housed via the Durham Key Options (DKO) scheme and there had been a slight rise in the number of statutory homeless applications. Members noted the impact of Welfare Reform and the triage process being employed to help tenants and landlords with issues such as under-occupancy.

The Performance and Improvement Team Leader concluded by noting that site preparation work had begun at the Hitachi site, Newton Aycliffe and the success of the Lindisfarne Gospels and the Ashes Cricket match held at the Riverside Ground at Chester-le-Street.

The Chairman thanked the Customer and Services Intelligence and asked Members for their questions on the report.

Members asked questions relating to; the Local Transport Plan for South Durham, asking whether a cycle link between Bishop Auckland and Shildon would be advantageous rather than ending at the Hitachi site; how many expressions of interest had there been for units at Seaham North Dock; and whether there was any data available on the number of developers who had approached the Council regarding previous planning consents with a view to rescinding or revising associated Section 106 Agreements attached to such consents regarding the inclusion of affordable homes and the numbers required as part of the consent.

The Customer and Services Intelligence Manager noted that the Shildon to Newton Aycliffe cycle link pre-dated the Hitachi development and the Cycling Strategy was agreed back in 2012. The Committee noted that there had been interest from existing shop keepers in the Seaham area, however, low level market conditions meant none had been rented yet. It was explained that as regards Section 106 agreements, they would be looked at on a case by case basis, with Officers noting Central Government having given an indication that it would look sympathetically towards such revocations. It was agreed that the data requested in relation to Section 106 Agreements would be provided to Members of the Committee. Members who were also on Planning Committees noted a recent request for such a revocation that was decline at Committee and that indeed each would be reviewed on its merits at Committee.

Resolved:

That the report be noted.

9 Empty Homes Overview and Scrutiny Review - Update on Recommendations

The Chairman introduced Area Based Housing Regeneration Manager, Dianne Hedley and the Special Housing Projects Manager, David Siddle who were in attendance to update Members on the actions made on the recommendations from the Empty Homes Overview and Scrutiny Review (for copy see file of minutes).

The Area Based Housing Regeneration Manager reminded Members that the Empty Homes Review had been triggered by Members concerns as regards the performance of the Authority in bringing empty homes back into use. Members noted that in respect of the recommendations made from the review, the Area Based Housing Regeneration Manager and Special Housing Projects Manager would update accordingly.

In respect of recommendation 1, it was explained that after looking at legacy schemes from the former District Authorities pre-Local Government Reorganisation (LGR) they were evaluated and from this the regeneration areas were set out and alongside this, there was the "cluster areas" that would be able to access the HCA and DCC funding for improvements to 120 properties. Members were reminded of the review of the selective licensing scheme at the Wembley area of Easington which would be presented to Cabinet in November 2013.

The Area Based Housing Regeneration Manager noted that in relation to recommendations 2 and 3, Cabinet had supported the HCA Cluster Bid and subsequent to a poor response from Housing Associations in respect of accessing the funding, 2 new products were developed within the Financial Assistance Policy (FAP), an Interest Free Loan and a small Grant of up to £5,000. Members noted the FAP was approved and the new products would be marketed within the next few weeks in cluster areas. Members noted that the HCA were also encouraging other Agencies to access other grants via another programme that could enable a further 130 empty homes to be brought back into use.

The Special Housing Projects Manager explained that 2 models had been considered following a recent research project looking at homesteading and a leasing model. Members noted homesteading would involve a discount to an owner/occupier who committed to 3 years at the property, access to interest free loans and so on. It was explained that the leasing model had not yet been taken up but was for Registered Social Landlords (RSLs) to take on the management of a property from a private landlord, improve a property, collect rent, with a percentage of rent being paid to the landlord.

Members noted that recommendation 5, to allow for any surplus realised via the move to charge empty homes full council tax straightaway and 150% after 2 years (in conjunction with the new Local Council Tax Support Scheme) to be used to target empty properties, was not possible as no surpluses had been identified. Councillors noted that in relation to recommendation 6, a draft Action Plan dedicated to Empty Homes had been developed and was attached to the agenda papers.

The Area Based Housing Regeneration Manager noted that recommendation 7 had referred to performance targets, and a benchmarking process. Councillors noted that the performance for this financial year, up to 30 June 2013, was 31 properties being brought back into use. Councillors noted that in respect of recommendation 8, of invest to save utilising New Homes Bonus (NHB), this had not progressed as following the Government's Spending Review, this was cross-linked to funding of the Local Enterprise Partnerships (LEPs).

The Chairman thanked the Area Based Housing Regeneration Manager and Special Housing Projects Manager and asked Members for their questions on their report.

The Committee raised questions on: why the previous reduction in the target for empty homes being brought back into use was cut from 70 to 50 and then raised back to 75; further information as regards cluster bid funding, with perhaps a future seminar for Members' information; figures relating to the use of the Council's assistance to private sector landlords in tackling empty homes; caution in a return to "Category D" allocations; and the opportunities for job creation and social enterprises in this respect.

The Area Based Housing Regeneration Manager noted that the successful cluster bid had enabled the target for bringing empty properties back into use to be raised, though the number of staff to deliver had remained the same. It was added that Registered Providers (RPs) had been approached in connection with helping to deliver on the cluster bid, however there had been no expressions of interest from them and that other funding streams did exist that could be used in tackling empty homes, albeit outside of the cluster areas. The Special Housing Projects Manager noted that the main grant conditions with the cluster bid was that the target was "long term private sector empty homes", and indeed if RPs wished to participate in the future, the Authority would look at how this could be made to work. It was added that the figures relating to the Private Sector Landlord advice line and e-mail contact would be obtained for Members' information.

Councillor P Stradling referred to the additional funding that had been secured as part of the cluster bid programme and enquired if all RPs had been invited to bid into this funding. Councillor P Stradling noted he knew of a particular RP who might be keen to work with the Council to formulate projects to bring homes up to an improved standard in the Horden area. The Special Housing Projects Manager stressed that these funds could only be utilised in specifically defined areas where a proportion of the housing stock had been stood empty for longer than 6 months and were geared towards bringing empty properties back into use rather than bringing occupied homes up to the decent homes standard.

The Special Housing Projects Manager explained that cluster areas were not the same as regeneration renewal areas, cluster areas being where 10% of the housing stock or more was empty and funding was available up until March 2014, or with a commitment to spend by the end of 2014, early 2015.

Members were reminded of the fragile property market in County Durham and that the Housing Renewal Policy did not only reflect empty homes, was not simply wholesale demolitions and that there was constant dialogue and consultation with local communities. It was added that a Community Land Trust operating at Craghead had been successful and if that could be replicated elsewhere it would be very positive.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update at the meeting on the 7 April 2014 detailing progress made against the recommendations contained in the Scrutiny review report.

10 Housing Stock Transfer Project - Update

The Chairman introduced the Housing Directions Manager, Marie Roe who was in attendance to update Members on the Housing Stock Transfer Project (for copy see file of minutes).

The Housing Directions Manager thanked Members for the opportunity to refresh the Committee on why the Council plans to transfer ownership of its homes, and to provide an update on the current position. Members noted that there were approximately 19,000 houses in Council ownership, split between Durham City Homes an in-house provider (DCH ~6,100) and Dale and Valley Homes (DVH ~4,300) and East Durham Homes (EDH ~8,500), both of which were Arms-Length Management Organisations (ALMOs). Councillors were reminded that, in 2012, the Council had completed a Stock Options Appraisal that had looked at future financing, ownership and management.

Members noted that this had been in response to issues such as: having to repay Government the Council's allocated Housing Debt; the inability to borrow any more money for the housing stock after this year; the extent to which maintenance to housing stock and their environs would cost over the next 30 years; and the shortfall of the rent collected in comparison to the money required to meet Tenants' aspirations.

The Housing Directions Manager reminded the Committee that the Authority was servicing the housing debt allocated by Government of £240 million, and the fact investment in the next 30 years was effectively "front-loaded" with the majority needed in the first 10 years of the business plan. Members noted that there was concern as regards the Council's ability to invest in housing services and neighbourhoods and that a big difference between the conditions of Council homes and other RSLs properties could occur. Councillors were informed that any new landlord for the housing stock post-transfer would be able to borrow to invest and consultation with the public had shown that they would wish for those organisations already in place, DCH, DVH and EDH to continue to manage their homes. It was added that the plan to transfer to these 3 organisations would be on the basis of them working together as a "group" to maximise investment and efficiencies.

The Committee noted that discussions with Government were ongoing, with the deadline for transfer being 31 March 2015, the application from Durham to be submitted in October 2013. It was added that when a response from Government, the HCA, Department for Communities and Local Government (DCLG) and the Treasury, is received in February 2014 then the Council could then ballot Tenants as regards the proposed transfer. Members noted that every person named on a rent book must be balloted and that the Authority was legally bound not to promote the transfer, rather to present all the information as regards the background, process and options. Councillors learned that post-ballot, should the result be in support of transfer, there would be work including: transfer of ownership to the new landlord; finalisation of legal agreements; securing of funding for the new group of organisations, registration of each organisation as an "intended provider" by January 2015; and to complete before the March 2015 deadline.

Members noted that Durham's process has been one of the quickest with informal consultation with customers having begun to develop transfer promises and that governance arrangements were being finalised to then be submitted to Cabinet in autumn 2013 for agreement.

Members noted that informal consultation events with customers hosted by the Independent Tenant Advisor (ITA) with assistance from DCC had shown several key issues including the continued investment in the stock and surroundings and to make sure landlords are County Durham based. It was noted that around 300 people attended those sessions with 86% of those completing evaluation forms having indicated they would support the proposed stock transfer.

The Housing Directions Manager explained that consultation on governance arrangements for the new group of organisations would retain the existing boards, with an overarching parent board being established, this to exist in shadow form and comprise of 13 Members made up of 4 Independent Members (one of which to be Chair), 3 Tenant Members, 3 Local Authority Nominees and the 3 Chairs of DCH, DVH and EDH.

The Housing Directions Manager concluded by noting that the next steps were submission of the Application to Government; to develop a name and identity for the new parent group; development of transfer promises; establishment of the shadow board once Cabinet had agreed the proposed governance arrangements and for more formal consultation to begin with Tenants early in 2014.

The Chairman thanked the Housing Directions Manager for her presentation and asked Members for their questions.

Councillors asked questions as regards: any potential for rationalisation of functions with the 3 organisations coming together; how Members were selected for the shadow board, what the latest sounding was of Government's position as regards the debt write-off; reassurance as regards the stock not being sold on to an "out of the area" provider in the future; the spending profile over the 30 years projections; a potential for a "washing line" approach to be able to bring on board other RSLs and whether the debt write-off from Government would be in total or part.

The Housing Directions Manager explained that the shadow board would look to appoint a Chief Executive of the new organisation and then they would look to appoint a management team and then look at fit for purpose staffing at that point. Councillors learned that those appointed to the shadow boards were assessed upon the skills they possess and how they would fit with the new organisation in order to give a robust governance arrangement that would stand up to scrutiny by potential lenders.

The Committee noted that Government had been the instigator of "self-financing", discussions having begun in 2011. It was added that Local Authorities had been told that the options was available up to March 2015.

As regards sale of stock to an organisation outside of County Durham, it had come back overwhelmingly from consultation with tenants that they did not wish for a large "out of the area" company to take the stock. Members noted that there was continual "tests of opinion" throughout the process and this would be able to steer direction as regards the ballot process.

The Housing Directions Manager noted that the County Durham Housing Forum was chaired by the Council's Head of Economic Development and Housing, Sarah Robson and this forum included the Chief Executives of the RSLs with the benefits of a "washing line" approach such as economies of scale having been discussed.

The Committee learned that the debt write-off from Government first required a valuation of the housing stock, as this would be the maximum amount the new organisation would be able to borrow up to, with Government then to write-off the difference between that valuation/borrowing amount and the housing debt allocation.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee continues to receive regular updates in relation to the Housing Stock Transfer.

11 Adult Learning Strategy - Overview

The Chairman introduced the Strategic Manager, Progression and Learning, Children and Adults Services, Linda Bailey who was in attendance to give an overview of the Adult Learning Strategy (for copy see file of minutes).

The Strategic Manager, Progression and Learning explained that the Adult Learning and Skills Service was funded by the Skills Funding Agency (SFA) to deliver Adult Community Learning, Adult Skills (workplace and classroom learning), and receives European Social Funds (ESF) for an “Engaging Vulnerable Young People” project. Members were made aware of the respective contract values with Adult Skills being £967,000; Adult Community Learning being £1,898,000 and the ESF project being £2.1 million, over 2½ years. It was reiterated that there were no Local Authority funds used.

The Committee noted that national priorities as set out in the “New Challenges, New Chances 2011” included: Apprenticeship programmes; up-skilling or retraining at Level 2; help those at risk of social exclusion; young people aged 16-24 for which the learning would enable them to progress into further learning or a job; and unemployed people on benefits that are looking for work and require additional skills or training.

It was explained that for County Durham, those national priorities were supported and Adult Learning and Skills would also contribute towards the outcomes as set out within the County Durham Plan (CDP). Members noted that Adult Learning and Skills would also support the objectives within the County Durham Joint Health and Wellbeing Strategy and also respond accordingly to local need and opportunities that may arise. It was explained that Adult Learning and Skills supported the “Altogether” themes: Altogether Wealthier, Altogether Healthier; and Altogether Better for Children and Young People. Members noted this was through actions such as: raising aspirations and helping to create competitive and successful people; working to reduce the number of people who misuse drugs and alcohol; and help engage with the most vulnerable families in family learning.

The Strategic Manager, Progression and Learning explained that current provision between 1 August 2012 and 31 July 2013 had engaged with over 1,400 learners in various areas such as Maths, English and employability skills. It was also noted that over 200 learners accessed provision via the workplace and 60 apprentices in areas such Business Administration, Team Leading and Health and Social Care.

Members noted that Community Learning had engaged over 5,500 people and additional funding has presented an opportunity to continue to respond to local needs. Councillors learned that 900 vulnerable young people had been supported since the start of delivery in April 2011, including those Not in Employment, Education or Training (NEETs).

The Committee learned that moving forward, a new Adult Skills Strategy 2013 – 2016 was being developed to help ensure alignment with national and regional strategies, feeding into the LEP agenda via the Business Skills Group. Members noted the drive to increase skills levels, support the local and regional economy and ensure there was capacity to support initiatives/opportunities for additional funding such as ESF. Councillors were referred to a table setting out performance from August 2012 to July 2013 of various programmes (for copy see file of minutes).

Councillors were informed of over 60 Community and Voluntary Organisations (CVS) that had been engaged over the summer and development of the Community Learning Strategy for County Durham would aim to: respond to and be owned by local communities; contribute to achieving outcomes in the CDP and Joint Health and Wellbeing Strategy; and to target the most disadvantaged and disengaged.

The Strategic Manager, Progression and Learning concluded by referring Members to the prospectus available online and noting the variety of courses available across 41 locations spread across the County.

The Chairman thanked the Strategic Manager, Progression and Learning for her presentation and asked Members for their questions.

Members noted queries relating to performance data in the longer term; the nature of the outcomes, the level of attainment and retention on courses; links with the Area Action Partnerships (AAPs) and the funding climate for Adult Learning activities.

The Strategic Manager, Progression and Learning noted that data as regards destinations was available for Adults Skills learner, however not for those having accessed Adult Community Learning. Members requested if they could have data showing progression following the attendance on a particular course and /or the attainment of a qualification. Members were reminded that outcomes were in line with National priorities including social inclusion and the balance of funding was such that the majority of courses were unaccredited, and were more basic skills or pathways to other courses. It was added that Adult Community Learning did not allow for Level 1 or Level 2 accreditation, though the Adults Skills route technically allowed for Levels 2, 3 and 4, albeit with Levels 3 and 4 to be funded. Members noted they were keen to have a breakdown of figures relating to the various levels of attainment achieved. The Strategic Manager, Progression and Learning explained that each type of activity had different timescales for completion, for example non-accredited courses being anything from one day to a number of months; Level 2 taking around 12 months and Level 3 around 18 months.

Councillors learned that the 3 AAP Coordinators attended the Adult Learning Events that had taken place during the summer and that the Skills Funding Agency (SFA) operated on a payment by results system and that in the current climate; there was a need to grow the provision of adult learning in order to help tackle issues such as NEETs.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive further information on the development of the Adult Learning Strategy at a future meeting.

12 Minutes of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held 29 July 2013 were received by the Committee for information.

**Economy and Enterprise
Overview and Scrutiny Committee**

21 October 2013



**Update on Tourism offer within
County Durham**

**Joint Report of Lorraine O'Donnell, Assistant Chief Executive and
Melanie Sensicle, Chief Executive, Visit County Durham**

Purpose of the Report

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with information on the development of the tourism offer within County Durham prior to the discussion with Melanie Sensicle, Chief Executive, Visit County Durham.

Background

- 2 The Economy and Enterprise Overview and Scrutiny Committee has received on a regular basis updates on the development of the tourism offer within County Durham with the last update considered by the Committee at the meeting on the 24 September 2012. Members will recall that at the Economy and Enterprise Overview and Scrutiny Committee on the 24 June 2013 the work programme of the Committee was agreed which identified as a future item for consideration by the committee an update on the Tourism offer within County Durham.
- 3 It was therefore considered timely for members to receive an update at the meeting on the 24 October 2013 and arrangements have been made for Melanie Sensicle, Chief Executive, Visit County Durham to attend the meeting to give a presentation.

Durham Tourism Management Plan

- 4 County Durham has had a Tourism Management Plan since 2006. It was compiled by Visit County Durham in collaboration with the county's tourism Industry and a range of partners, including the County Council and the district councils, and became the blue print for development of the visitor economy in the County. The Plan was based on a series of studies that provided intelligence about the County's product, its customers and its competitive position in England and the UK as well as significant input from across the County.

- 5 The Plan has been refreshed annually since 2006 in the light of new intelligence including visitor surveys in 2008 and 2010, annual economic impact surveys, a major customer segmentation study in 2007, a major study into the image and identity of the County to external audiences and benchmarking at a national level through Destination Performance UK.
- 6 The Durham Tourism Management Plan (DTMaP):
- Converts local, regional and national market research and strategies into a county-based plan to grow the county's visitor economy.
 - Is for all organisations and individuals in County Durham, and, where relevant national bodies to help them understand what is being done, what needs to be done and how they can contribute to our success.
 - Is managed by Visit County Durham, the organisation that coordinates the development of the visitor economy and manages and markets the destination.
- 7 The Durham Tourism Management Plan (DTMaP) is developed and monitored by the Board of Visit County Durham. It has also been the subject of several presentations and discussions at previous Economy and Enterprise Overview and Scrutiny Committees. It has been identified as an example of national best practice by Visit England.

Current position

- 8 In November, 2011 Visit County Durham embarked on a programme of work designed to track progress against the original objectives of the Durham Tourism Management Plan, test the existing objectives and the approach to each to see if they were still valid and to discover if any new priorities had emerged since 2006. The consultation took the form of an industry conference in November 2011, a series of presentations and discussions with relevant organisations and forums and a conference on rural tourism in March 2012.
- 9 The new Durham Tourism Management Plan 2012-2016 identifies eight priorities that will deliver a more vibrant visitor economy:
1. Manage and maintain the public realm for visitors;
 2. Increase the contribution of Durham's rural areas to the overall value of the county visitor economy;
 3. Increase spend by implementing a step change in the quality of the visitor experience post arrival;
 4. Optimise the potential of Durham City making it a viable 48 – hour stay;
 5. Develop local distinctiveness in line with the destination brand;
 6. Tackle seasonality by focusing on events and business tourism;
 7. Grow the profile of the county regionally and nationally;
 8. Extend length of stay by optimising the potential of the county's market towns and town centres.

- 10 The revised plan confirmed many exiting priorities and was strongly informed by extensive visitor, market and product research and intelligence and is endorsed by:
- The Durham Tourism Management Plan (DTMaP) Committee made up of private and public sector visitor economy stakeholders from across the county.
 - The Visit County Durham directors drawn from the private and public sectors from across the county.
 - The tourism industry.
 - A range of institutional partners including Durham University, Durham Cathedral, Durham County Cricket Club and Durham County Council.
- 11 The plan is refreshed annually to take account of new and completed projects. In order to support delivery of the plan by the County Council, a Tourism Officer Working Group has been established which meets quarterly. The Working Group has representation from across the County Council and is focusing on priority 1, managing and maintaining the public realm for visitors as well as residents. Subjects under discussion for potential action include: long stay parking in towns, the city's riverbanks, evening economy facilities for visitors, litter in the countryside and transport.
- 12 In July Visit County Durham's performance for 2012-13 was presented to the Board. Targets for income, leverage, media coverage, visitors to the destination website and businesses supported were all exceeded. The half yearly report on 2013-14 will be presented to the Board in November. It is on target to achieve them all.
- 13 Quarter 1 performance 2013/14 information presented to the Economy and Enterprise Overview and Scrutiny Committee on the 24 September 2013 for the County showed an increase in the number of visitors to the main attractions in County Durham (April – June, 2013 – 1,326,220) compared to data for 12 months earlier (1,265,775). Occupancy in commercial accommodation is also showing an increase on 2012-13.
- 14 This upturn is partly based on the staging of two prestigious events in 2013, the Lindisfarne Gospels, a world-class exhibition staged on Durham's World Heritage Site which is now sold out, selling 97,208 tickets against an original estimate of 80,000. The Emirates Durham International Cricket Ground in Chester-le-Street held the first Ashes test and it has been hailed a huge success, with more than 70,000 spectators attending. Both events have brought major benefits to the regional economy and businesses are already reporting the benefits of an influx of visitors. Visit County Durham led on the marketing communications work for the Lindisfarne Gospels and supported the cricket club by manning an information desk for the event and supporting with materials for the media work. It has also ensured the County is profiled using the place brand at the Emirates ground.

- 15 It was thought timely that the Economy and Enterprise Overview and Scrutiny Committee receive an update on the development of the tourism offer within County Durham. The discussion on the 21 October 2013 will focus upon the following:
- The vision for County Durham.
 - Durham visitor economy priorities.
 - County Durham's Tourism offer – What this includes?
 - Gaps and challenges with the County Durham visitor offer.
 - Next steps.

Recommendations

- 16 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided during the presentation.
- 17 That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report on the development of the tourism offer in County Durham at a future meeting of the Committee.

Background Papers

- Cabinet Report – 30 May 2012 – Durham Tourism Management Plan – 2012-2016.
- Economy and Enterprise OSC – 24 September 2013 - Quarter 1 Performance Report.

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Appendix 1: Implications – Taken from the Cabinet Report on the 30 May 2012.

Finance – None

Staffing – Relevant staff now serve on the Tourism Working Group which supports and co-ordinates activity within DCC to develop the visitor economy.

Risk – None

Equality and Diversity – None

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – The Durham Tourism Management Plan (DTMaP) was heavily influenced by visitor market intelligence and also went through a comprehensive consultation process with the relevant stakeholders.

Procurement – None

Disability Discrimination Act –None

Legal Implications – None

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Economy and Enterprise Overview and Scrutiny Committee

21 October 2013



The County Durham Infrastructure Delivery Plan and the Community Infrastructure Levy

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

Purpose of the Report

1. To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with background information in relation to the County Durham Infrastructure Delivery Plan and the Community Infrastructure Levy (in the context of the County Durham Plan) prior to receiving an overview presentation.

Background

2. Members will recall that at the meeting of the Economy and Enterprise Overview and Scrutiny Committee on the 24 June 2013, when the work programme was discussed, it was agreed that overviews would be provided in relation to the Regeneration Statement, the County Durham Infrastructure Delivery Plan and the Community Infrastructure Levy at future meetings of the Committee. It was considered that overviews would be particularly useful for new members of the Committee.
3. At the special meeting of the Economy and Enterprise Overview and Scrutiny Committee on the 10 September 2013 members received an overview of the Regeneration Statement and the approach to regeneration adopted in County Durham. It was therefore considered timely that the Committee receives an overview in relation to the County Durham Infrastructure Delivery Plan and the Community Infrastructure Levy at the meeting on the 21 October 2013. The presentation will focus on the following:
 - Types of infrastructure considered within the IDP.
 - Partners involved in the IDP process.
 - Funding Gap.
 - CIL Rationale and Proposed Charging Zones.
 - The Role of Parish Councils or Neighbourhood Forums.

4. In addition, Overview and Scrutiny has provided a response to each stage of consultation in relation to the County Durham Plan via a series of workshops. Members will have received a letter inviting them to an Overview and Scrutiny workshop on the 4 November 2013 which will allow the opportunity to participate in the final stage of consultation.
5. The County Durham Plan is now at the Pre-Submission Stage and with extensive public consultation being undertaken from the 14 October to 6 December 2013. The Pre-Submission Draft of the Plan is the final stage in the development of the County Durham Plan before Submission to the Secretary of State and Examination in Public.
6. It is the document, shaped by consultation and robust evidence, which sets out the strategic spatial approach for County Durham including the quantity and location of development as well as the policies which will shape development. The plan seeks to guide the future development of County Durham to improve the lives of its existing and future residents.
7. This report is about identifying the infrastructure required in County Durham to facilitate the plan and how we and our partners fund the required infrastructure. This report also sets out some of the detail regarding a new charge on development – the Community Infrastructure Levy (CIL)

County Durham Infrastructure Delivery Plan

8. The County Durham Infrastructure Delivery Plan (IDP) identifies existing and future infrastructure deficiencies that need to be addressed if the County Durham Plan's vision for growth is to be achieved. It also shows how, when and where the Council and its partners will address these deficiencies. The IDP is based on the most up to date information (October 2013), including committed sources of funding from internal and external partners, in a financial schedule which reflects continuous dialogue between the Council and infrastructure providers. The financial schedule will be reviewed when required to reflect changing economic circumstances and priorities.

The types of infrastructure included in the Infrastructure Delivery Plan (IDP) include:

- Physical infrastructure such as highway improvements, sewage treatment works or broadband;
 - Social infrastructure such as schools, medical, doctor's surgeries or emergency services buildings; and
 - Green Infrastructure such as play areas, public open space or rights of way
9. The structure and content of the first IDP was agreed by Members in July 2012. As it is a 'living' document that is continually being updated it is proposed that it does not go to Cabinet every time it is altered but only when new major infrastructure of County wide importance is added. The IDP is structured in a spatial format so it lists and maps infrastructure requirements depending on which planning delivery area it is located.

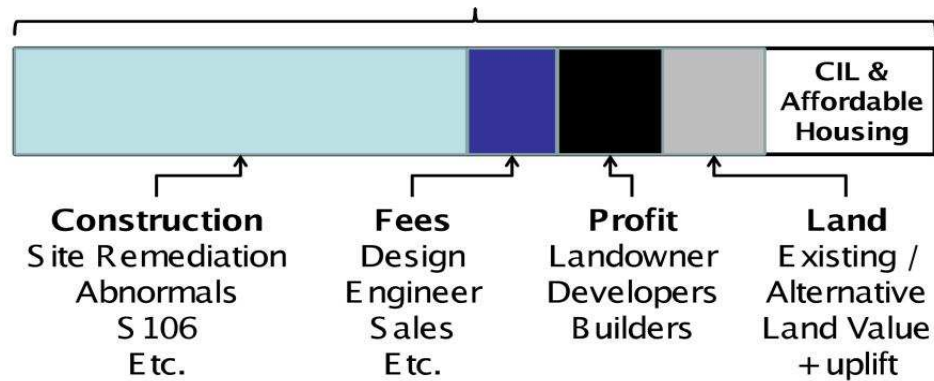
10. The partnerships and relationships that have formed during the preparation of the IDP ensure it is as accurate as possible and mean the ambitions and site allocations included in the County Durham Plan influence partner's future investment programmes.
11. The IDP identifies a gap between the actual planned investment in infrastructure and the total amount needed to deliver the County Durham Plan. This funding gap then justifies the introduction of a Community Infrastructure Levy (CIL).

The Community Infrastructure Levy (CIL)

12. The CIL Regulations came into force on the 6 May 2010 and give local authorities the option of charging a levy on new development. The CIL ensures that most new development makes a proportionate and reasonable financial contribution to delivering the infrastructure identified in the IDP.
13. CIL is also a mechanism which can be used to supplement other funding streams which will deliver strategic infrastructure over a Plan period. A key benefit of CIL is that it can raise finance to enable the timely delivery of the infrastructure required to support growth, which in turn creates an environment that will encourage investment. Other advantages of CIL include:
 - CIL is a standard, fixed charge giving certainty to the development industry;
 - Smaller developments will make a fair and proportionate contribution to the incremental impact they have on local infrastructure;
 - It is non-negotiable so will be quicker to process than Section 106 Agreements; and
 - A proportion of CIL will be passed to local communities so they can share in the benefit from development in their area.
14. It should be noted that the CIL is not a direct replacement for Section 106 Agreements. Section 106 will continue to be used for site specific infrastructure, such as access roads, securing affordable housing or funding for education provision.
15. The amount of CIL that is charged must be justified by viability evidence, principally using financial site appraisals for different types of development such as housing and retail. This evidence must show that the level of CIL being charged is not so high that it would prevent a site from being developed.
16. The viability analysis is based on a residual land valuation methodology that is commonly used by developers to work out how much they can afford to pay for a plot of land before developing the land. Once the land value is calculated, the Local Plan & CIL Viability Study sets out how much 'Additional (or super) Profit' is left over once land price, construction, fees, finance and developers profit have been deducted from the Gross Development Value of the site. This is illustrated in the figure below.

Additional Profit

Gross Development Value
All income from a Scheme



17. The detailed evidence in the Local Plan & CIL Viability Study shows that there is sufficient Additional Profit in the test sites for different affordable housing targets across the County. The viability evidence also indicates that there is enough additional profit to justify a CIL charge.
18. Due to different land values and market conditions across the County the viability evidence indicates that different levels of CIL can be charged in 3 different areas of the County. The three areas that have been identified for a CIL charge are a zone for the Durham City & Chester-le-Street, a zone for West Durham and a lower charge for development around the rest of the County.

19. The different charging rates for each type of development in each zone are shown in the table below.

| Type of Development | Durham and Chester-le-Street | West Durham | Rest of County Durham | Housing Market Renewal Areas |
|--|------------------------------|---------------------|-----------------------|------------------------------|
| Residential Development | £60/m ² | £30/m ² | £15/m ² | £0 |
| Large retail – 1,000 m ² or above | £150/m ² | £150/m ² | £150/m ² | £0 |
| All other A class development (shops and similar establishments; financial and professional services; food and drink (classes A3-5)) | £0 | £0 | £0 | £0 |
| All B class development (business, industry, storage and distribution) | £0 | £0 | £0 | £0 |
| Student Accommodation | £150/m ² | £150/m ² | £150/m ² | £0 |
| Sheltered Housing | £15/m ² | £15/m ² | £15/m ² | £0 |
| Extra Care | £15/m ² | £15/m ² | £15/m ² | £0 |

20. The CIL will be used to fund items of infrastructure that are important for the delivery of the proposals in the County Durham Plan and be set out in what is known as a '123' list. The 123 list will usually be made up of items that are set out in the Infrastructure Delivery Plan. The mechanisms for how the money is to be spent will need to be agreed before the Charging Schedule is finally adopted.

21. As part of the CIL Regulations, a proportion of CIL monies will go directly to the local community to spend in their area. Parish Councils will receive 15% of CIL monies collected within their area to spend on improvements and local infrastructure projects. Where an adopted Neighbourhood Plan is in place this will increase to 25%. In both instances this is subject to a cap of £100 per household in the Parish Council area per year. Monies for non-parished areas will be retained by the Council but spent in accordance with the wishes of the community.

22. The CIL Draft Charging Schedule will be widely circulated for public consultation (together with the County Durham Plan) from October 14 until the 6 December 2013 with the final Charging Schedule to go to Cabinet in April 2013. A public examination will follow in summer 2014 with final adoption in Autumn 2014.

Recommendations

23. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note the information provided during the presentation and comment upon the Infrastructure Delivery Plan and the proposed Community Infrastructure Levy (CIL).
24. That the comments made by the Economy and Enterprise Overview and Scrutiny Committee members are fed into the ongoing consultation process on the Pre-Submission stage of the County Durham Plan as the response from Overview and Scrutiny.

Background Papers

- Cabinet Report – 18 September 2013 – The County Durham Plan Pre-Submission Draft (including supporting evidence and documents).
- Infrastructure Delivery Plan 2013.
- Local Plan & CIL Viability Study 2013.

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Appendix 1: Implications

Finance -

The IDP contains a financial schedule for projects listed within the document; the financial information contained within the document has been developed by the internal and external stakeholders.

The Council will need to introduce an appropriate mechanism for collecting and spending CIL funds.

Staffing -

Existing staff will need to administer and enforce the collection of CIL payments.

Risk – Opposition to the alterations to the Green Belt, setting the most appropriate CIL rate that does not prevent development but still contributes to community infrastructure, the Council does not comply with the duty to co-operate with neighbouring local authorities and statutory consultees, inability to prove that proposed development sites are economically viable and attractive to investors.

Equality and Diversity - Equality and diversity principles have been an integral of policy development in relation to the Regeneration Statement. Detailed Equality Impact assessments have been and will be carried out for individual strategies or projects.

In relation to the IDP detailed Equality Impact assessments will be carried out for individual projects.

Accommodation - None

Crime and Disorder - None

Human Rights - None

Consultation -

The IDP has been prepared in conjunction with the internal and external stakeholders and will be part of the wider public consultation exercise in relation to the County Durham Plan.

The CIL charge setting process has been informed by extensive consultation with stakeholders and will be part of the wider public consultation exercise for the County Durham Plan.

Procurement - None

Disability Discrimination Act - None

Legal Implications - There will be legal implications with the setting, collection and enforcement of CIL receipts.

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**Economy and Enterprise
Overview and Scrutiny Committee**

21 October 2013

**Durham Key Options (DKO)
Lettings Policy Changes Review
(6 month)**



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

Purpose of the Report

- 1 This report is to update the Committee on the impact of changes to the Durham Key Options (DKO) Lettings Policy in April 2013.

Background

- 2 Durham Key Options is a choice based lettings (CBL) scheme. CBL is a way of enabling people looking for a home to bid for available properties that are advertised in their chosen areas.
- 3 Durham Key Options began in 2009 and now has 8 full partners- the seven former district areas covered by Cestria, Dale and Valley Homes, Derwentside Homes, Durham City Homes, East Durham Homes, livin (formerly Sedgfield Borough Homes), Teesdale HA, and Accent Foundation (the first non-area based Registered Provider to join as a full partner).
- 4 CBL is a move away from the old style housing register where length of time on the register was the main indicator as to preference given to applicants for housing. Only those in the most urgent of need could access social housing without 'waiting their turn' on the register.
- 5 DKO operates by awarding priority banding based on individual housing assessments but also by advertising a smaller proportion of properties directed to those in lower bands, to ensure sustainable communities, high customer satisfaction across all housing needs, and to support housing partners with void re-let issues.
- 6 The Economy and Enterprise Overview and Scrutiny Committee at the meeting on the 6 July 2012 commented upon the proposed changes to the DKO Lettings Policy with these comments forming the Overview and Scrutiny response which was then fed into the on-going consultation exercise (25 June 2012 – 31 August 2012).

- 7 In summary the Overview and Scrutiny response to consultation in 2012 was as follows:
- The Committee agreed that the number of bands be reduced from 9 (A+ to F) to 5 (A-E).
 - The Committee supported the proposal to establish or make variations in relation to the stated Preference Groups (Priority Transfers, Armed Forces and Positive Contribution) and particularly welcomed the Armed Forces Preference Group as it reflects work undertaken on a regional basis by Overview and Scrutiny examining the health needs of the ex-service community.
 - In relation to the discharge of the homelessness duty, the Committee agreed with the proposal to amend the homelessness duty, reducing the time given to bid for a property within the scheme from 12 to 6 weeks.
- 8 Following the consultation the final changes were reported to Cabinet on 14 November 2012 with the Economy and Enterprise Overview and Scrutiny Committee receiving a further update on the progress of the new lettings policy at the meeting on the 14 January 2013.
- 9 Members may recall that at the June meeting of the Committee during the discussion of the work programme it was agreed that an update on the impact of the changes to the lettings policy would be included within the work programme for 2013/14.

Agreed changes and impact after 6 months

- 10 It was agreed by the DKO Partnership that the revised policy would begin on 11 April 2013, with a 6 month review to follow in October 2013.

Banding structure

- 11 Previously there were nine bands into which applicants were placed. These were bands A to F. Band F was a reduced priority band for those with rent arrears or history of low level anti-social behaviour. This band was created in accordance with government guidelines in 2009. The Localism Act 2011 and further allocation guidance allowed local authorities to disqualify these applicants from their register. DKO decided to remove this band. Only 0.8% of applicants managed to access a DKO property in 2011-12 from band F.

- 12 In December 2012 there were 344 band F applicants on DKO. These applicants were sent a letter in December 2012, advising of the changes in advance, and invited to contact their local DKO partner to resolve any issues. In April 2013 there were just 254 applicants in band F. They were suspended and given 28 days to appeal. No appeal was submitted at stage 3 (to be dealt with by DCC). Since the policy was revised in April there have been 326 applicants disqualified from the scheme with a right to review. There has been 1 subsequent appeal submitted at stage 3 (see point 16).
- 13 Bands B+ and B previously held applicants with two or more housing needs. After consultation it was decided that the banding structure should be based on the level of one housing need and not the number of total needs. 68 applicants were moved from band B+ to band B. Their assigned quota (for properties they are given preference for) was not amended, so impact was minimised. Just 108 applicants were moved from band B to band C- these applicants were considered to have a 'medium' level of housing need. There were no appeals received by DCC at stage 3.
- 14 Due to the quota system, applicants with a medium level of need such as medical/welfare, suffering hardship, overcrowded and non-statutory homeless are still offered a chance of being rehoused (but not at the 'expense' of band A applicants). In the last financial quarter, 436 applicants from these groups (the government call these reasonable preference groups), in band C, were rehoused through DKO.
- 15 DKO previously gave applicants fleeing domestic violence (DV) band B+. They are now awarded the same band as other statutory homeless applicants in band B. This was generally considered fair during consultation with applicants, RPs, full partners and supported groups. Statistically, applicants within this band (due to suffering from DV) were not previously rehoused quicker than those classed as 'standard' statutorily homeless, despite having a higher priority. Since the policy changes, the local authority have found they have a duty to 23 applicants with this priority need (by homeless legislation). Of the 12 rehoused so far, 10 have still been through the DKO scheme. There has been no negative effect of the policy changes in these cases.
- 16 The previous bands of A+ and C+ were removed. Band A+ was for applicants in regeneration areas that needed immediate housing. These applicants are now placed in band A. There are currently just 25 active applicants with this banding reason. The IT system is configured to place these applicants above other band A applicants. Impact on other applicants is low due to the small numbers involved.

17 Band C+ applicants (single high housing need) were placed into band B. One thousand applicants moved up a band and they now have a greater selection of properties they are given preference for, and therefore, a greater chance of being rehoused. Numbers in this band have not increased so impact has only been positive for these applicants.

18 **Under-occupation**

Priority was given to applicants who are under occupying their (full DKO partner) property in the light of welfare reform- which may mean people having to pay 'top-up' rent. This enables partners to make better use of their stock. Band B is given to those under-occupying by two rooms and Band C for those under-occupying by one room. Since the policy was revised in April, 62 applicants have been housed from band B (Under-occupying by 2 bedrooms) and 145 applicants from band C (Under-occupying by 1 bedroom). These 207 applicants would have been in lower bands (including band E 'adequately housed') if not for the new banding structure. These applicants may not have been housed without the policy change.

19 **Refusals and no responses**

The revised policy removes applicants from the register for a period of six months if they have refused three properties, or not responded to three offers, within a six month period. All applicants have a right to appeal. There are approximately 4 applicants per week suspended for 3 refusals of a suitable offer. All but one removal has been dealt with at appeal stages 1 and 2. In cases of a vulnerable applicant, or genuine reasons as to refusals, applicants are allowed to continue bidding on the scheme. If an applicant's circumstances change within the six month period they are able to submit a new application.

20 **Removal from register of Band E 'non-bidders'**

Applicants adequately housed, who have made no bids in the previous six months will be removed from the register for a period of six months. It will be up to applicants to reapply to join the list at the end of that 6 months. If an applicant's circumstances change within the six month period they will be able to submit a new application. As the policy began in its new form on 11 April 2013, the 6 month mark was not reached for non-bidders until 11 October 2013. Impact cannot be assessed at this time.

21 **Priority transfers**

Previously the 'Supply & Demand' category allowed for the move of tenants who under-occupied their homes. There is now a separate category of banding for under-occupation. Priority transfer is now awarded to tenants of full partners of DKO, when they move from a high demand property- and the stock in that area is of limited supply- to an area of lesser or equal demand. The criterion for determining demand is decided by each partner landlord and is published on the DKO website. The criteria will be reviewed every 6 months. Moves are only allowed under this band to each partners' own stock.

Since April only 4 of the 8 partners have awarded this band to applicants. Only 16 applicants have been awarded the band across the scheme in that time. This would suggest that partners do not feel confident awarding this banding and/ or do not feel they have any extremely high demand stock in the current climate. There have been 50 applicants in this category rehoused since April. There are now only 80 applicants left in this category, compared to over 200 in 2012.

Partners are in the early stages of discussing (at DKO Steering Group) of removing this award in 2014, as it may no longer serve a strategic purpose. Consultation would be carried out. DKO partners will continue to look to rehouse those currently in this banding with the support of the council's Under Occupation Officer and Housing Solutions Core Team.

22 **Armed forces**

Band C is now awarded for those who are leaving the Armed forces or have left in the preceding five years and who do not fall within the criteria of the homelessness legislation. This is light of new government guidance stating there should be increased awareness for this category of person. It recognises the contribution Durham County Council can make towards rebuilding the Armed Forces Covenant and acknowledges the obligation owed to members of the armed forces and their families.

There are only 18 applicants currently on the register with this award. The impact on lettings and other applicants is minimal. However, it stands those with an armed forces connection in a good position of being rehoused (band C receives a 40% quota of adverts compared to band D's 15%, which is the original award for armed forces) should they present to DCC and/ or DKO. Already, 7 applicants with this award have been housed since the policy was revised, over the last 6 months. In the previous 12 months, only 3 applicants with an armed forces connection were rehoused from band D.

23 **Discharge of Homelessness Duty**

The homeless duty was amended so that the time given to bid for a property within the scheme was reduced from 12 to 6 weeks. The duty is now brought to an end if the applicant secures a DKO offer, a registered provider makes a direct let or a suitable offer of private accommodation is made.

Since April 2013, 66 applicants have had their homeless duty discharged through a part 6 offer via DKO. A further 12 applicants had their duty discharged after refusing an offer. Housing Solutions requested the amendment and all partners, along with the Housing Solutions service, have expressed no issue with this revised aspect of the policy. Engagement with customers appears to have increased with the shortening of this time period but this needs further research over the course of a full year.

24 **Extra room eligibility**

In allocating accommodation it is now taken into account if the applicant is ill and has the need for an extra bedroom for a carer. Similarly the DKO lettings policy allows for the needs of foster carers or prospective foster carers/ adopting parents to have an extra bedroom. DKO acknowledges that this is not the necessarily the view taken by DWP, so foster carers may find themselves in the situation of, at times, under-occupying a property and suffering financially for that reason. The CLG Allocations Guidance advises that Discretionary Housing Payment may be available for these applicants.

There are currently 3 applicants on the register with an overnight carer, allowing for an extra bedroom beyond their normal need. There are also only 3 applicants on the register who are allowed an extra room for future adoption/fostering. The impact on other applicants and the partnership is miniscule, but the positivity for those applicants in their individual circumstance is great.

25 **Further details**

The CBL Co-ordinator states that all eight full partners and other RPs in County Durham have only expressed positive comments since April, regarding the revised policy. The DKO partnership would like to carry out a 12 month review of the policy changes in April 2014.

A copy of the Durham Key Options lettings Policy is available on the Durham Key Options Website at:
<https://www.durhamkeyoptions.co.uk/NovaWeb/Infrastructure/ViewLibraryDocument.aspx?ObjectID=449>

26 Recommendations

Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the review of the DKO Lettings Policy. It is also suggested that the Committee receives a further update on the operation of the lettings policy at a future meeting.

Background Papers

- Allocation of accommodation: guidance for local housing authorities in England, CLG June 2012.
- Durham Key Options Lettings Policy Version 1, April 2013.
- Abris v7 software system.

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Appendix 1: Implications

Finance – There are no financial implications.

Staffing – There are no staffing implications.

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

Equality and Diversity – An EIA of the CBL scheme was undertaken.

Accommodation - None.

Crime and Disorder - None.

Human Rights - None.

Consultation - Consultation was undertaken with key stakeholders.

Procurement - None.

Disability Issues – None.

Legal Implications - Legal implications of the proposed changes were taken on board in the development of the proposals.

**Economy and Enterprise
Overview and Scrutiny Committee**

21 October 2013



**Update on Members' Reference
Group – Implications of changes
in Government funding on the
economy of County Durham**

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

Purpose of the Report

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with an update on the progress of the Members' Reference Group looking at the implications of changes in Government funding on the economy of County Durham.

Background

- 2 Members will recall that at the meeting of the Economy and Enterprise Overview and Scrutiny Committee held on the 24 June 2013 during the consideration of the work programme reference was made to a Members' Reference Group which had been established in January, 2013 to look at the impact of changes in Government funding on the economy of County Durham. The Reference Group originally met on the 10 January 2013 where the decision was taken by members that any further meetings would be held following the May 2013 election when the membership of the Group would be refreshed.
- 3 Following the May election the group has had three meetings in June, July and October and it was therefore thought appropriate that the Committee should receive an update on the progress of the Members' Reference Group to date.

Member's Reference Group

- 4 The Reference Group was established as a result of members' concern at changes in policy and funding that was being introduced by Government and how that would impact upon the economy of County Durham. This had been highlighted as an area for inclusion in the 2012/13 work programme of the Committee.

- 5 In discussions with officers from the Regeneration and Economic Development (RED) Service Grouping in relation to the committee's work programme it was highlighted that officers within the Service Grouping had already started to pull together data looking at the impact of changes in Government funding on the economy of County Durham. This information would then be used by the Service Grouping to focus future service provision. It was suggested that in order to avoid duplication that a small group of members from the Economy and Enterprise Overview and Scrutiny Committee form a Members' Reference Group to work with officers from Regeneration and Economic Development.
- 6 The Reference Group has had three meetings to date in June, July and October. The first meeting on the 25 June 2013 consisted of an overview presentation, setting the scene for members providing information on the economic context, funding and investment examples, a suggested approach to analysing the impact and suggested next steps. In addition, the members agreed the Terms of Reference including key lines of inquiry and the Project Plan.
- 7 The second meeting held on the 18 July 2013 focused on the scale of the changes in Government funding, looking at the impact on a national basis and comparing to the impact in relation to County Durham including the impact of funding changes on the public sector (Durham County Council, Durham Constabulary and Durham and Darlington Fire and Rescue). This session helped to identify gaps in resources looking at previous funding provision and comparing it to current levels of funding provision.
- 8 The third meeting of the Reference Group was held on the 16th October, 2013 and provided a summary of the following:
 - What had been affected? – Identification of various policy areas relating to the economy which have been affected by changes in Government funding.
 - Where within the County is most affected? – Assess the impact of changes in Government funding on the various communities within County Durham.
 - Who is most affected? – An overview identifying who has been the most affected.

Next Steps

- 9 A further three meetings of the Reference Group have been arranged which will focus on:
- Examining case studies providing examples of how changes in Government funding have impacted upon families, communities, businesses and the voluntary sector within County Durham.
 - An overview of the work currently undertaken by Durham County Council and partners to tackle the implications of changes in Government funding on the economy of County Durham including the work of the Area Action Partnerships and the County Durham Economic Partnership.
 - A summary of opportunities that may be available to assist in mitigating any negative impact of changes in Government funding such as new ways of working or any funding opportunities available.
 - An opportunity to undertake visits to see 'first hand' work currently being undertaken by Durham County Council and partners to tackle the implications of changes in Government funding on the economy of County Durham.
- 10 It is intended that the Economy and Enterprise Overview and Scrutiny Committee will receive further progress updates on the work of the Reference Group at future meetings of the committee.

Recommendations

- 11 That the Members of the Economy and Enterprise Overview and Scrutiny Committee note the information provided in the report.
- 12 That the Economy and Enterprise Overview and Scrutiny Committee continue to receive further progress updates in relation to the work of the Members' Reference Group.

Background Papers

- Members' Reference Group – Implications of Government funding changes on the economy of County Durham – Terms of Reference and Project Plan – meeting on the 25 June 2013.
- Presentations from the Members' Reference Group meetings held on the 25 June, 18 July and 16 October 2013.

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Appendix 1: Implications

Finance – It is intended that the information considered by the Member’s Reference Group and any resulting recommendations will be used by the Service Grouping to determine/target future provision including funding.

Staffing - None.

Risk - An Equality Impact Assessment may be required to be undertaken by the service carrying out the implementation of the recommendations.

Equality and Diversity – The report will identify the impact of changes in Government funding on various groups within County Durham. This information will be used to influence future provision.

Accommodation – None

Crime and Disorder - None

Human Rights - None

Consultation - None

Procurement - None

Disability Discrimination Act - None

Legal Implications - None