



Cabinet

Date **Wednesday 7 May 2014**
Time **9.30 am**
Venue **Committee Room 2, County Hall, Durham**

Public Question and Answer Session

9.30 a.m. to 10.00 a.m.

An opportunity for local people to have a 30 minute informal question and answer session with Cabinet Members.

Cabinet Business

10.00 a.m. onwards

Part A

Items during which the press and public are welcome to attend - members of the public can ask questions with the Chairman's agreement

1. Minutes of the meeting held on Wednesday 16 April 2014 (Pages 1 - 8)
2. Declarations of interest

Key Decisions:

3. Housing Stock Transfer Offer Document - Joint Report of Corporate Director, Regeneration and Economic Development and Corporate Director, Resources [Key Decision: R&ED/06/14] (Pages 9 - 114)
4. Future of the Housing Repairs and Maintenance Direct Labour Organisation - Joint Report of Corporate Director, Regeneration and Economic Development and Corporate Director, Neighbourhood Services [Key Decision: R&ED/05/14] (Pages 115 - 144)

Ordinary Decisions:

5. Hitachi Rail Europe - Report of Corporate Director, Regeneration and Economic Development (Pages 145 - 152)
6. Non Residential Car Parking Standards - Report of Corporate Director, Regeneration and Economic Development (Pages 153 - 178)
7. Implications for Durham County Council of the Government's policy programme - Report of Assistant Chief Executive (Pages 179 - 202)

8. County Durham Partnership Update - Report of Assistant Chief Executive (Pages 203 - 224)
9. Impact of public sector funding and policy changes on the economy of County Durham - Report of Members' Reference Group - Report of Assistant Chief Executive (Pages 225 - 264)
10. NHS and Public Health Reform - Report of Corporate Director, Children and Adults Services (Pages 265 - 276)
11. Ofsted Single Inspection Framework for Children's Services - Report of Corporate Director, Children and Adults Services (Pages 277 - 282)
12. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.
13. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

14. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
28 April 2014

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors J Brown, N Foster, L Hovvels, O Johnson, M Nicholls, M Plews, B Stephens and E Tomlinson

Contact: Ros Layfield

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DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held at the Civic Centre, Crook on **Wednesday 16 April 2014 at 10.00 a.m.**

Present:

Councillor S Henig (Leader of the Council) in the Chair

Members of Cabinet:

Councillors J Brown, N Foster, L Hovvels, O Johnson, A Napier, M Plews, B Stephens and E Tomlinson

Other members

Councillors J Armstrong, J Blakey, D Boyes, J Clare, S Guy, I Jewell, A Laing, C Potts, A Savory, J Shuttleworth, A Surtees and M Williams

1 Minutes

The minutes of the meeting held on 19 March 2014 were confirmed as a correct record and signed by the Chairman.

2 Declarations of interest

No declarations of interest were reported.

3 Review of in-house residential care homes [Key Decision CAS/07/13]

The Cabinet considered a report of the Corporate Director of Children and Adults Services which reported the outcomes of the consultation carried out from October 2013 to January 2014 on the future of the five in-house residential care homes, and made recommendations on the future of the each of the homes (for copy see file of minutes).

The five in-house residential care homes under considerations were:

- Cheveley House, Belmont
- Feryemount, Ferryhill
- Grampian House, Peterlee
- Mendip House, Chester le Street
- Newton House, Stanhope

Councillor J Armstrong, Chairman of the Overview and Scrutiny Management Board advised that the Board had met on 1 April to consider the consultation

process that had been undertaken, and that the Board had accepted the report detailing the process, and agreed the release of the consultation report to members in advance of the Cabinet meeting today.

Several members of the public made representations at the meeting against the closure of Newton House at Stanhope. The representations made included :

- concerns about whether the solutions addressed local needs, referring to the private home in Stanhope currently having no vacancies:
- the alternative distances to travel;
- the democratic decision making process:
- the views of residents in the consultation exercise appearing to be disregarded:
- the provisions and measures to be taken to reduce the risks to sustain the lives of residents and:
- human rights.

Local members, Councillors J Shuttleworth, and A Savory expressed their disappointment at the proposed closure of the home in Stanhope. Councillor Shuttleworth advised that a family member was a resident of the home.

The main points made by the Councillors were:

- that it was unfair to move residents away from Weardale;
- questioned the duty of care given to the elderly;
- enquired why the position had changed since 2010 when it was agreed that Newton House should be retained based on its geographical location and lack of suitable alternative provision in the surrounding area.

Also making representations were representatives of the GMB and Unison who opposed the closure of all the homes listed in the report. Their questions covered :

- whether there was finance to maintain the homes;
- public consultation responses indicating that the homes should be kept open;
- the move to private care would mean that the terms and conditions of staff would be inferior and there would be a lack of accountability.

The GMB representative questioned the lack of consultation, and the maintenance costs to which he requested a breakdown.

Cabinet members responded in detail to each of the questions raised.

The Leader referred to the representations that had been made by members of the public at the informal public question and answer session prior to the formal business of the meeting, which had been made and responded to.

Cabinet members explained the difficult decisions that they were required to make due to the unprecedented levels of funding cuts that had been imposed by central government. The scale of the cuts was explained, including the services that had been reduced, the reduction in the number of jobs in the council, and that there were more difficult decisions yet to come as the level of funding cuts deepen and

are considerably harder to find. It was explained that following the decision made in 2010 to keep Newton House open, the financial position of the Authority had changed considerably.

Cabinet members advised they were aware of how emotive and sensitive the proposed closure of homes was, and due to the geography and unique character of Weardale the decision to be taken was extremely difficult however had been given much consideration.

It was pointed out that Durham had been the only authority in the North East to have continued with the provision of in-house care, with other authorities moving to private care arrangements.

Resolved:

That the recommendations contained in the report be approved.

4 Proposal to change the age range of Belmont C of E (Controlled) Junior School from 7-11 to 4-11 from 1 January 2015 to create a C of E (Controlled) Primary School and to close Belmont Infant School from 31 December 2014 [Key Decision: CAS/09/13]

The Cabinet considered a report of the Corporate Director, Children and Adults Services which sought approval to change the age range of Belmont C of E (Controlled) Junior School from 7-11 to 4-11 from 1 January 2015 to create a C of E (Controlled) Primary School and to close Belmont Infant School from 31 December 2014, taking account of the Local Authority's duties as prescribed in the Education and Inspections Act 2006 to secure sufficient school places, and to secure good outcomes for all children and young people in their local area (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

5 Durham City Regeneration Masterplan [Key Decision: R&ED/07/13]

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development which provided background to the preparation of a dedicated regeneration masterplan for Durham City and further sought endorsement to implement the masterplan in association with key partners and potential investors (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

6 Durham City Strategic Sites & Infrastructure Delivery Strategy

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development and Corporate Director, Resources which sought approval towards the delivery and financing of the strategic regeneration sites and associated infrastructure priorities of Durham City, as consulted upon within the pre submission draft document of the County Durham Plan (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

7 Regeneration of North Road, Durham

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development and Corporate Director, Resources which provided details of proposals to regenerate North Road, Durham through reallocation of Council owned land and property, improvement and alteration of transport infrastructure and third party land assembly. The report further provided commentary on discussions with land owners and agencies, details of funding mechanisms available and sought agreement in principle to proceed with the project (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

8 Annual Review of the Constitution

The Cabinet considered a report of the Head of Legal and Democratic Services which presented proposals for the revision of the Council's Constitution (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

9 Educational Attainment/Standards Report 2013

The Cabinet considered a report of the Corporate Director, Children and Adults Services which set out the results from tests and examinations at Key Stage 2 and Key Stage 4/5 for 2013 which, when compared with national averages, provides the key outcome measures for primary and secondary education respectively (for copy see file of minutes).

Cabinet members commended the excellent results that have been achieved.

Resolved:

That the report be noted.

10 Joint Strategic Needs Assessment 2013 and the review of the Joint Health & Wellbeing Strategy 2014-2017

The Cabinet considered a joint report of the Corporate Director, Children and Adults Services and the Director of Public Health County Durham which presented the key messages from the review of the Joint Strategic Needs Assessment (JSNA) 2013 and the revised County Durham Joint Health and Wellbeing Strategy (JHWS) 2014-2017 (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

11 Annual Enforcement Programme Children and Young Persons (Protection from Tobacco) Act 1991 and Anti-Social Behaviour Act

The Cabinet considered a report of the Corporate Director, Neighbourhood Services which reviewed enforcement activities under the Children and Young Persons (Protection from Tobacco) Act 1991, the Anti-social Behaviour Act 2003 and the Licensing Act 2003 for the period April 2013 to March 2014 and sought approval of new enforcement programme for 2014/15 (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

12 Alcohol and Substance Misuse by Young People Review

The Cabinet considered a report of the Assistant Chief Executive which presented the findings, conclusions and recommendations of the Children and Young People's Overview and Scrutiny Committee working group review report on Alcohol and Substance Misuse by Young People (for copy see file of minutes).

Councillor J Blakey, Chairman of the Children and Young People's Overview and Scrutiny Committee presented the report to Cabinet, and provided detail on the scope of the review and its findings.

Cabinet members thanked the scrutiny group for the review work, and would provide a response to their findings in line with the recommendations in the report.

Resolved:

That the recommendations contained in the report be approved.

13 Overview and Scrutiny Review Neighbourhood Wardens

The Cabinet considered a report of the Assistant Chief Executive which presented the findings, conclusions and recommendations of the Safer and Stronger Communities Overview and Scrutiny Committee review report of Neighbourhood Wardens (for copy see file of minutes).

Councillor D Boyes, Chairman of the Safer and Stronger Communities Overview and Scrutiny Committee presented the report to Cabinet, and provided detail on the scope of the review and its findings. He thanked Councillors Stephens and Hovvels for their input into the review.

Cabinet members thanked the scrutiny group for the review work, and would provide a response to their findings in line with the recommendations in the report.

Resolved:

That the recommendations contained in the report be approved.

14 Review of Discretionary Rate Relief Policy

The Cabinet considered a report of the Corporate Director, Resources which reviewed the Council's policy on discretionary rate relief, including partly occupied and new building rate relief, taking into account changes in the funding of discretionary rate relief as a result of the Localisation of Business Rates from April 2013 (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

15 The Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority - Delegation of Transport Functions

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development which sought agreement to enable authorisations to officers to discharge transport functions delegated to Cabinet of Durham County Council by the Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority ("Combined Authority") (for copy see file of minutes).

The Head of Legal and Democratic Services advised that the Order had been made on 14 April, and then on 15 April, the Combined Authority held its first meeting and delegated transport functions to the County Council (detailed at appendix 2 of the report).

Resolved:

That the recommendations contained in the report be approved.

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Cabinet

7 May 2014

**Housing Stock Transfer Offer
Document**



Key Decision R&ED/06/14

Report of Corporate Management Team
Ian Thompson, Corporate Director Regeneration and Economic Development
Don McLure, Corporate Director Resources
Councillor Alan Napier, Portfolio Holder for Finance
Councillor Neil Foster, Portfolio Holder for Regeneration

Purpose of the Report

- 1 Following Government approval of the Council's application to transfer its homes the purpose of the report is to seek approval of the Cabinet of the Council's proposed Offer Document to begin formal consultation with the Council's secure and introductory tenants on the transfer proposal.

Background

- 2 The Council decided to apply to the Government for agreement and financial support to transfer ownership of its homes to a group structure of its existing housing management organisations in December 2012. If tenants support the proposal and the Secretary of State provides formal consent to the transfer in March 2015, the council will transfer ownership of its homes to Durham City Homes (which will, prior to the transfer become a separate entity to the Council) East Durham Homes and Dale & Valley Homes. These organisations would then become locally run landlords, but would work together as a group (the County Durham Housing Group) to maximise investment in homes, neighbourhoods and services.
- 3 The proposed new County Durham Housing Group would also include a parent organisation which would be responsible for leading on governance and financial viability issues for the Group and providing support services to the three new landlords.
- 4 The council's application to transfer its homes was approved by the Department for Communities and Local Government (DCLG) in March 2014. Following this approval, the council is now able to proceed with formal consultation with all of its tenants on its proposal to transfer ownership of its homes in the summer of 2014. The DCLG have asked the council to complete the transfer of its homes by 31 March 2015, if it is to

access the financial support it requires. To meet this challenging timescale, the council has started to shape the proposed new group of landlords now so services can continue seamlessly following the transfer should it go ahead.

Formal Consultation on the Transfer Proposal

- 5 Statutory guidance that outlines the steps the Council should follow to consult with its tenants on its transfer proposal is set out in the Government's publication "Statutory Guidance: The Housing Act 1985 - Schedule 3A".
- 6 The Guidance covers the requirement for a formal two stage consultation process; the language and tone that should be used in the formal consultation; the conduct and timing of the ballot of all secure and introductory tenants); the Council's post ballot tasks and the rights of interested parties to make representations about the transfer proposal to the Secretary of State throughout formal consultation and the ballot period.
- 7 The DCLG requires the Council to present an accurate picture to its tenants about its transfer proposal and the implications of staying with the Council as part of the consultation process. For the Council to achieve final Secretary of State consent to the transfer and to access financial support for the transfer it must demonstrate that throughout formal consultation on the proposal all tenants have been:
 - Fully informed of the transfer proposal;
 - Encouraged and able to vote on the proposal in a confidential ballot;
 - Able to access independent and impartial advice on the transfer proposal provided by an Independent Tenant Adviser.
 - Able to participate in consultation on the proposal and to express their views.
- 8 The Homes and Communities Agency (HCA) are tasked with ensuring that the Council is following statutory guidance and good practice during formal consultation with its tenants. The Council must receive approval from the HCA for its proposal to transfer homes and the implications of the transfer for tenants if it is to proceed to formal consultation with its tenants. This ensures that any documentation related to the transfer proposal meets the requirements of tenant consultation guidance and are consistent with the Government's transfer policy.

Durham County Council's Transfer Offer Document

- 9 The Offer Document represents the first stage (officially known as Stage 1) in the formal consultation process. The Offer Document sets out the Council's proposal to transfer its homes; the reasons behind the proposal; the implications of the transfer for tenants; and the changes and

improvements to homes, neighbourhoods and services tenants can expect if the transfer was to go ahead.

- 10 The Offer Document is central to the formal consultation process. It provides all secure and introductory tenants with information on the potential impact of the transfer on them to support them in expressing a fully informed opinion about the transfer proposal at the ballot in Stage 2 of the formal consultation process. The Offer Document sets out:
- Details of the transfer proposal including identity of the prospective new landlord
 - The likely consequences of the transfer for the tenant
 - The consultation requirements
 - The provisions relevant to the preserved right to buy
- 11 Durham County Council's Offer Document has been prepared in partnership with the Customer Working Group (a group of thirty tenants from across the County); the Boards of the County Durham Housing Group, Dale & Valley Homes, Durham City Homes and East Durham Homes; staff members and other key partners.
- 12 The Council's Offer Document is set out at Appendix 2. The Council's Offer Document includes the following information:
- Statement from the Customer Working Group endorsing the Council's proposal to transfer its homes.
 - Introduction to the Offer Document, describing the purpose of the Offer Document and the variety of ways tenants' can make their representations on the proposal.
 - Looking to the Future which provides the background to the transfer proposal and the likely outcome should the Council remain the landlord
 - Introduction to the County Durham Housing Group
 - The implications for tenants in terms of the way their rent and other service charges will be managed in the future.
 - The rights and responsibilities of tenants should transfer go ahead.
 - The improvements tenants can expect to the repairs service in the five years after transfer.
 - The improvements tenants can expect to their home in the first five years after transfer.
 - The improvements tenants can expect to their neighbourhood and communities in the first five years after transfer.

- The improvements in accessing services tenants can expect in the first five years after transfer.
- The County Durham Housing Group's plans to build new homes
- Next steps in the formal consultation process.
- The proposed Assured Tenancy Agreement (if transfer goes ahead)
- Glossary of terms

Endorsement of the Transfer Offer Document

- 13 The Council's lead financial adviser for stock transfer have reviewed the commitments made in the Council's Offer Document and are satisfied that they are affordable and there is potential for the County Durham Housing Group to identify resources for enhancements to services.
- 14 The proposed Offer Document has been judged to be satisfactory by the HCA and they have provided consent for the council to proceed to Stage 1 of the consultation. The HCA expects that subject to regulatory requirements being satisfied when a local authority has received clearance to proceed to formal consultation it will complete its transfer within one year of receiving clearance.
- 15 Any commitments made in the Offer Document must be measurable and deliverable by the new County Durham Housing Group. The shadow parent Board of the County Durham Housing Group and the Boards of Dale & Valley Homes, Durham City Homes and East Durham Homes endorsed the Council's Offer Document on the 22 April 2014. The Offer Document has also been endorsed by the Customer Working Group.
- 16 The HCA recommends that the Council employs a range of methods to ensure different sections of the community are aware of its proposals to transfer homes. Pamphlets, leaflets, posters, press advertisements, newsletters, meetings, door knocking, telephone hotlines and short DVDs have all been used by Councils in the past.

Formal Consultation and Communication Methods

- 17 The Council proposes to use the following methods to communication and consult with its tenants:
- Regular newsletters on the transfer proposal on a monthly basis (newsletters will cease if the Council enters into Stage 2 of the formal consultation – the ballot)
 - Inclusion of articles in Durham City Homes, East Durham Homes and Dale & Valley Homes newsletters
 - Use of a dedicated website – www.yourhomeyourchoice.info
 - Provision of a dedicated telephone advice line
 - Home visits

- The provision of an Independent Tenant adviser (Open Communities) telephone advice and face to face contact if required
 - Drop in sessions and exhibitions
 - Attendance at existing Tenant and Resident Panels
 - DVD
- 18 If the Council's Cabinet approves the Offer Document, it will be issued to all secure and introductory tenants (marking the beginning of Stage 1 in the formal consultation) in early June 2014.
- 19 During Stage 1 of the formal consultation tenants will be asked for the comments and feedback on the Council's transfer proposal. Comments will then be collected and reported back to the Cabinet on the 16 July 2014 for its view and if deemed necessary, the Offer to tenants can be amended at that stage. This is then followed by the 'Stage 2' formal consultation period (a further 28 days during which a confidential ballot of all tenants on the matter of stock transfer would take place).

Tenancy Agreement

- 20 If the transfer of the council's homes goes ahead, the Council's tenants will change from being a secure tenant of the authority, to an "assured tenant" of either Durham City Homes, East Durham Homes or Dale & Valley Homes.
- 21 Secure tenants' rights are covered by Acts of Parliament. Assured tenants rights are covered by a new Tenancy Agreement and Acts of Parliament. Before the transfer can take place, the proposed new landlord must agree to offer transferring tenants a new assured Tenancy Agreement. This must be explained to tenants during the formal consultation period; and the new Tenancy Agreement is usually included with the Offer Document.
- 22 The new Assured Tenancy Agreement makes clear the obligations of the new landlord and tenants. The Council has worked with the Customer Working Group, legal advisors and representatives of Durham City Homes, East Durham Homes and Dale & Valley Homes to develop a new Assured Tenancy Agreement. The proposed draft Tenancy Agreement is included in the Offer Document at Appendix 2.

Conclusion

- 23 The Government approved the Council's application to transfer its homes in March 2014. The Government also agreed to the write off of the Council's housing debt on the understanding that the Council would complete the transfer of its homes by the 31 March 2015.
- 24 The Council is able to proceed to formal consultation with all of its tenants on its transfer proposal. The formal consultation process is set out in legislation and requires the Council to ensure its consultation material (primarily the Offer Document) makes clear the background to the decision

to transfer homes; the implications of the transfer proposal for tenants; and the likely outcome if tenants do not support the proposal at a ballot.

- 25 The Council has developed its Offer Document in partnership with tenants, staff, Board members and other key local partners. The Offer Document has been endorsed by the HCA, the Boards of the County Durham Housing Group, Dale & Valley Homes, Durham City Homes and East Durham Homes and the Customer Working Group
- 26 The Council proposes to use a variety of communication and consultation methods to engage with its tenants on its proposal to transfer its homes and encourage them to participate in a ballot on the proposal.
- 27 The Offer Document includes the draft Assured Tenancy Agreement, which would apply if the transfer was to go ahead. The Assured Tenancy Agreement has been developed in partnership with the Customer Working Group who recommends that the Council includes a variety of clauses in the new Agreement to enhance the provisions made in the new Tenancy Agreement.

Recommendations

1. Cabinet should note and agree the final draft of the Council's formal Offer Document to tenants.
2. Responsibility for the making of further amendments to the Offer Document prior to formal consultation beginning (should it be required) should be delegated to the Corporate Director for Regeneration and Economic Development in consultation with the Portfolio Holder for Housing and Rural Issues.
3. Cabinet agrees to proceed to Stage 1 of the formal consultation with all tenants on its proposal to transfer its homes.
4. Note the outcomes of Stage 1 of the formal consultation will be reported back to Cabinet on 16 July 2014.

Contact:	Marie Roe	Tel:	03000 261 864
	Housing Directions Manager		

Appendix 1: Implications

Finance

Durham County Council is operating to a debt cap of £245m under self financing for the HRA which was implemented in April 2012. The Council is almost at its debt cap already and is unable to borrow any further to invest in new housing. The transfer will enable the new group of landlords to borrow additional funds to invest in housing, regeneration and support services for tenants. In order to qualify for debt write off, transfer must be completed by 31 March 2015.

Transfer will come at a cost to the Council and previous reports have identified an annual cost to the General Fund of £3.6m. Provision for this cost has been built into the latest MTFP Model which identifies this loss of income from 2015/16 onwards.

Implementing stock transfer will incur costs for both the Council and the proposed new group of landlords. The cost of preparing and conducting a ballot for the transfer offer is estimated to be in the region of £280,000 and this amount can be accommodated from existing resources set aside to meet the Council's transfer costs from HRA savings and reserves.

Staffing

Staff are key stakeholders in the transfer process. This includes staff working for the council and for its two housing service providers, Dale & Valley Homes and East Durham Homes. Both preferred options allow the council to consider implications for employment, terms and conditions and pensions.

Transfer of the housing stock will have major financial implications for the council. Stock transfer will result in the closing down of the HRA. In addition to service level agreements for the provision of specific services to the three providers, the council currently recharges central support services from the HRA to the General Fund. There may be limited scope to mitigate the loss of charges to the General Fund and so the council will receive further reports on the impact of stock transfer on service areas (including the Repairs and Maintenance Direct Labour Organisation) and the approach it should take to TUPE to determine the level of budget reduction likely to be incurred and implications for the council's workforce.

The Housing Directions Team will also require additional support from expert financial, legal and stock condition advisers to complete the transfer of the housing stock, or establish a single ALMO (should the transfer proposal be refused by the Government or rejected by tenants at a ballot). Funding to complete this work should be allocated from the Housing Revenue Account.

Risk

Financial analysis and the outcomes of consultation have underlined some clear risks for the council when moving into the next phase of its option appraisal. Risks include:

- The council's proposal to transfer the housing stock is rejected by customers at a ballot and costs of the abortive transfer fall onto the HRA and the General Fund.
- The council has to establish a single Arms Length Management arrangement with area based arrangements and the proposal is met with opposition from stakeholders.
- The council continues to face a deficit in its capital resources and is unable to invest substantially in homes, neighbourhoods and services in the long term. The affects of the two speed social housing offer becomes more pronounced and the council is unable to achieve its ambitions for an "Altogether Better Durham".

The council can undertake a series of actions to mitigate against these risks and reduce their likelihood. These actions include:

- Develop and implement a comprehensive communication and consultation strategy for stock transfer that explains the role of the council; the transfer option, offers and implications for all stakeholders.
- Continue to provide area based offices and the preservation of "local offers" (that allow services to be tailored according to local priorities) to reduce the risk of opposition to the establishment of a single ALMO.
- Ensure that any future consultation programme on the establishment of a single ALMO explains to stakeholders the reasons for the change, implications for different stakeholder groups and the benefits that could be achieved in establishing a single ALMO with area based arrangements.

Equality and Diversity

The transfer option will impact on protected characteristics. The transfer option meets the priorities set out by stakeholders at the beginning of the project. Impacts in terms of stock transfer are positive, as accessing additional funding will improve housing, neighbourhoods and services and will stimulate the local economy. This may be particularly beneficial for women who have an increased demand for social housing and disabled and older people who require homes to meet specific housing needs. Younger people and people raising a family will also benefit from an improved social housing offer resulting from stock transfer. Transfer may also enable access to additional funding to strengthen and improve tenancy support services to mitigate the effects of welfare reform

Accommodation

None

Crime and Disorder

A reduction in crime and disorder is reflected in the offer. This ensures that potential options consider the reduction of ASB and the designing out of crime in homes and neighbourhoods.

Human Rights

None

Consultation

The council plans to deliver an extensive formal consultation programme for each stakeholder group.

Procurement

Specialist financial and legal advisers and an independent tenant advisor have been procured to support the formulation of potential options and the delivery of the project.

Disability Discrimination Act

None

Legal Implications

The council currently has legally binding 'Management Agreements' with Dale & Valley Homes and East Durham Homes for the provision of housing services to its customers. Depending on the option that the council ultimately selects, these management agreements may be subject to change or redevelopment. There are also significant legal implications if the council transfers its housing stock. The council have instructed specialist legal consultants in the field.

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Durham County Council's Stock Transfer Proposal

Introduction

Contents

- Statement from the Customer Working Group
- Introduction to the Offer Document
- Looking to the Future - Background to the transfer
- A New Landlord - Introduction to the County Durham Housing Group
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- Rights and responsibilities
- Repairing Your Home
- Improving Your Home
- Improving Your Neighbourhood and Strengthening Communities
- Improving Access to Services
- Building New Homes
- Next steps
- Tenancy agreement
- Glossary of Terms

Statement from the Customer Working Group

DRAFT

Section 1: Introduction to the Offer Document - What is this document about?

This document is about the future of your home. It is very important that you read it carefully.

Durham County Council is currently your landlord, but it uses three different organisations to manage its homes and provide housing services to you. These organisations are:

- Dale & Valley Homes Limited – providing Council housing services to over 6000 tenants in the west of the County Durham, in the former district of Wear Valley.
- Durham City Homes – providing Council housing services to over 8000 tenants living in Durham City and surrounding areas.
- East Durham Homes Limited – providing Council housing services to over 10,000 tenants living in East Durham.

The Council proposes to transfer the ownership and management of all of its homes in each of the areas with Council housing to the County Durham Housing Group Limited in March 2015 who would immediately transfer ownership over to Durham City Homes, East Durham Homes and Dale & Valley Homes. The new landlords and the County Durham Housing Group Limited (as the not for profit parent organisation) would then work together as the new County Durham Housing Group, a group of non profit making landlords.

The Council has made this decision because the way council housing is paid for in England has changed. As a result, the Council is unable to borrow significant sums of money to invest in homes, neighbourhoods, services and in building lots of new homes after this year. The Council proposes to transfer its homes to Durham City Homes, East Durham Homes and Dale & Valley Homes because if they become landlords they would not be subject to the same financial restrictions as the Council. You have told us that you want your local organisation to become your landlord because you think they do an excellent job and you want them to continue to provide housing services to you in the future. This would only happen if tenants vote for the proposal in a ballot. If a majority of tenants don't support the proposal, the Council would merge Durham City Homes, East Durham Homes and Dale & Valley Homes into one organisation.

If transfer goes ahead, the new landlords would become part of the new County Durham Housing Group which would be the largest housing and regeneration organisation in County Durham. The new group would be able to invest in improving homes, services and the look and feel of neighbourhoods which will contribute to growing the county's economy, protect existing jobs and create over a thousand more.

This document sets out what the Council hopes to do and why. It explains how the transfer would affect you and how it could benefit you, your home and neighbourhood and the housing services you receive as well as County Durham as a whole.

How was the document developed?

The Council has worked with the Customer Working Group, a large group of tenants from across the county and with the staff and Board members of Durham City Homes, East Durham Homes and Dale & Valley Homes to develop and approve this document. The Council has also used the responses you gave to a detailed satisfaction survey in 2013 and the findings of numerous conferences and meetings with tenants and the home visits undertaken last year. All consultation has involved Open Communities (Independent Tenant Adviser) to ensure that you are provided with independent and impartial advice on the future of your home.

How can I comment on this document?

A clear process of consultation on the transfer proposal is set out by the Government which the Council must follow.

This document represents the first stage in the formal consultation process. It is called an Offer Document and it sets out what transfer would mean for you. It provides information about the transfer proposal and asks for your feedback. Please read this document. You can comment on the Offer Document using the free post reply card which is included in this pack. Please return your reply by midday on Monday 7 July 2014.

Once the Council receives feedback on the Offer Document, it will decide whether to make any changes to the promises it has described in this Offer Document. The Council will also decide whether or not to go ahead with a ballot of all tenants on the proposal to transfer the ownership of all its homes to Durham City Homes, East Durham Homes and Dale & Valley Homes via the County Durham Housing Group Limited to create the County Durham Housing Group.

If the Council decides not to go ahead with the ballot the transfer process would stop and the transfer proposal would go no further.

If the Council decides to go ahead with the ballot, you would be sent a letter called the "stage two letter". This letter would tell you about any significant changes that have been made to its transfer proposal following the responses received as part of stage one of the consultation and that the Council has decided to proceed with the ballot. It would also explain your right to make representations to the Secretary of State.

How would the ballot work?

A confidential ballot would be organised by an independent organisation called Electoral Reform Services. Every secure and introductory tenant would have a vote on the transfer proposal. This means that joint tenants would each have a separate vote. The Council and the proposed new landlords would not know how you have voted.

The council and the Secretary of State must be satisfied that a majority of tenants support the proposal. The transfer could go ahead if a majority of tenants who vote in the ballot vote in favour of the transfer proposal. If a majority of tenants who vote in the ballot vote against the proposal the transfer would not happen and you would remain a Council tenant.

It is very important to use your vote in the ballot. If you do not vote in the ballot you will miss an opportunity to express your view on the Council's transfer proposal. An unused vote will not be counted for or against the transfer proposal.

After the ballot the Council would inform all tenants of the ballot result. If the ballot result is in favour of the transfer, and the Council agrees to proceed, the Council would inform you how further representations can be made to the Secretary of State. The Council must ask the Secretary of State to give consent before the transfer can take place. The Secretary of State would not be obliged to grant consent but a majority vote in favour of the proposal is likely to be a strong influence on the decision.

The Offer Document represents the first stage in the formal consultation process. You have until midday on the 7 July 2014 to let the Council know your views on the Offer Document. The Council will consider tenants views and decide if any changes are needed to the Offer Document as a result. The Council will then write to you to advise you of its decision and let you know whether or not it will proceed with the ballot.

What is the timetable for consultation on the transfer proposal?

The timetable for consultation is:

- Issue of Offer Document to all secure and introductory tenants – June 2014
- Council considers responses and requests for clarifications and makes a decision on changes to the Offer Document and whether to proceed to the second stage of consultation and the ballot – July 2014
- If the Council decides to go ahead, the Council would write to all secure and introductory tenants advising them of their decision and to explain the ballot process – July 2014
- Ballot of all secure and introductory tenants is undertaken – July/August 2014

- Council notifies all secure and introductory tenants of the ballot result – August/September 2014

Getting in Touch

There are lots of ways to get in touch and ask for advice or further information on the Council's proposal to transfer its homes or the contents of the Offer Document. You can contact:

- Open Communities, Independent Tenant Adviser for independent and impartial advice on the future of your home on **Freephone 0800 073 1051** Open Communities work for tenants and not the Council and will give you a completely independent view.
- The Council's Housing Directions Project Team for more details on the Council's proposal and to ask questions about the Offer Document and next steps on Tel: 03000 264902 or e-mail housingdirections@durham.gov.uk
- You can also visit www.yourhomeyourchoice.info for further information.
- Facebook information and Twitter to be included here.

KEY FACTS :

- The Council believes that transfer is the best way forward for you, your home and your neighbourhood.
- Transfer will not go ahead if tenants do not support it.

Section 2: Looking to the Future - Why is the Council proposing to transfer its homes?

60 second summary:

- In 2012 the Government changed the way council housing is paid for in England. As a result, the Council is unable to borrow significant sums of money to invest in homes, neighbourhoods, services and in building new homes for rent after this year.
- If the council was to transfer ownership of its homes to Durham City Homes, East Durham Homes and Dale & Valley Homes the new landlords would have funding in their business plans to:
 - Provide investment in improving homes, neighbourhoods and services over the next thirty years.
 - Provide investment in improving homes across the County to meet a higher standard than currently delivered.
 - Improve the appearance of neighbourhoods.
 - Protect existing jobs and create new jobs, apprenticeships and training opportunities.
 - Deliver more varied services than currently offered to support tenants in living happily and independently in their homes for as long as they wish to.
 - Build different types of new homes across the County to meet changing needs.
 - Keep Durham City Homes, East Durham Homes and Dale & Valley Homes and make them landlords.

This section of the Offer Document sets out why the Council is asking you to consider this change; and makes the case for change.

What stock transfer would mean for you?

The Council wants you to continue to receive excellent housing services and live in a comfortable, high quality home in a safe and modern neighbourhood. Unfortunately, the Council's ability to afford the services and improvements that you say you want is restricted by the financial rules within which the Council has to work. The way Council housing is paid for in England changed in 2012, allowing the Council to keep all of the rents and services charges it collects from you to invest in the things you say are important. However, to make the change possible, the Government also allocated the Council £240 million of housing debt, which its business plan services over the next thirty years. The Government's borrowing rules mean that the Council is unable to borrow enough money to provide the investment needed in homes, neighbourhoods and services after this year.

The Council has worked with tenants, staff, Board members and Councillors to understand how changes to Council housing finance; the amount of debt it has and

restrictions on its access to borrowing could impact on how money is spent on neighbourhoods and Council housing services over the next thirty years. The Council asked a Steering Group, made up of tenants, staff and Councillors to look at the options available for the future financing, ownership and management of Council housing in County Durham and make a recommendation to the Council on the best option for the future of its homes.

This Group led consultation with all tenants, staff and other partners. The consultation included over 2,500 people and focused on finding out priorities you want for the future of your home, neighbourhoods and services. During the consultation, you asked the Council to make sure that:

- More money is invested in improving your home, neighbourhood and the housing services you receive.
- The investment already made in homes is safeguarded, so homes don't deteriorate again and future improvements are of an even higher quality.
- Neighbourhoods are upgraded to a higher standard and are more suited to modern lifestyles.
- Jobs are created and the County's economy grows as a result of greater investment in housing and neighbourhoods, creating more opportunities for learning, training and employment.
- More new homes are built to meet changing needs and for growing families.
- Change is inevitable, but is kept to the minimum. The excellent work of Durham City Homes, East Durham Homes and Dale & Valley Homes must continue and should remain as the main providers of housing services in the areas they are already operating in.

The Steering Group looked at these priorities and checked them against the money available to the Council to invest. The Steering Group found that if the Council continues to own homes and face restrictions on its ability to borrow, it would not have enough money to invest in the things you said are most important to you. Instead, the Council would have to plan and prioritise how it spends its money very carefully. Some investment, particularly in improving the appearance of neighbourhoods and in making them suitable to modern lifestyles would be delayed. The Council would have to make savings in the way it manages its homes and this would mean a big change as the Council would merge Durham City Homes, East Durham Homes and Dale & Valley Homes into one organisation to save money to invest in homes and neighbourhoods. The Council would not have enough money to build large numbers of new Council homes and an important opportunity to create jobs and grow the County's economy would be lost.

The Case for Change

The Steering Group considered the findings of the consultation and recommended to the Council that the best option for the future of Council homes, neighbourhoods and housing services would be if the Council handed the ownership of its homes to another landlord that does not face the same financial constraints as the Council. As Durham City Homes, East Durham Homes and Dale & Valley Homes are doing an excellent job in providing housing services to tenants across the County, the Steering Group recommended that the Council hand ownership of its homes to them.

This would mean that Durham City Homes, East Durham Homes and Dale & Valley Homes would become landlords to tenants living in the areas they currently manage. They would work together as a group with a new parent organisation (the County Durham Housing Group Limited) to make up the County Durham Housing Group, which would aim to make sure the maximum amount of money, can be raised for investment in the things you have said are most important to you.

The Council believes that transfer to Durham City Homes, East Durham Homes and Dale & Valley Homes (via the County Durham Housing Group Limited) is the best way forward. The transfer would provide lots of opportunities to improve homes, neighbourhoods and services while protecting your key rights as a tenant. However, it is for you to decide what you want to see happen in the future.

What would stock transfer mean for tenants?

The proposed transfer aims to safeguard the future of your home and neighbourhood and provide a variety of excellent services to support you in living happily in your tenancy. If the transfer happens, your new landlord would:

- Be created with help of the Council, but would be independent of it.
- Have funds set aside in its Business Plan to provide you with a greater choice in high quality services.
- Be an organisation that you know well, not a “for profit” landlord or an existing housing association from elsewhere in the County, the region or the country.
- Be non profit making, which would mean it would not pay any profits it makes to shareholders. Your new landlord would exist for the benefit of tenants and would spend its money on improving homes, neighbourhoods and services.
- Be set up as a Board of volunteers, who know and understand your local area and are accountable to you.
- Be part of the wider County Durham Housing Group, but would focus on providing high quality local services directly to you.

The benefits of the transfer would be:

- Extra investment in improving homes, neighbourhoods and services over the next thirty years, when it is required particularly in the things you say are most important.
- Better quality homes - investment in improvements to homes to help to meet the County Durham Standard, a higher standard than currently delivered.
- Better quality neighbourhoods - investment in improving the appearance and management of neighbourhoods, making them attractive and safe and more suited to the needs of modern families and households.
- Protection of existing jobs and the creation of new jobs, apprenticeships and training opportunities through increased investment in improving existing homes, neighbourhoods and services and in building new homes.
- The delivery of more varied services to support you in living happily and independently in your home for as long as you wish to.
- The development of different types of new home across the County to meet changing needs.
- Keep Durham City Homes, East Durham Homes and Dale & Valley Homes by making them individual landlords, ensuring that focus on the importance of local services is not lost, but the benefits of working together as a group are maximised.

Key Facts

- Durham City Homes, East Durham Homes and Dale & Valley Homes have raised the quality of housing services significantly.
- Transfer would allow the new landlords to improve homes, neighbourhoods and services even more.
- If you currently receive your housing services from Dale & Valley Homes you would become a tenant of Dale & Valley Homes.
- If you currently receive your housing services from Durham City Homes you would become a tenant of Durham City Homes.
- If you currently receive your housing services from East Durham Homes you would become a tenant of East Durham Homes.

Section 3: A New Group of Landlords

60 second summary:

- The proposed transfer aims to build on the excellent services currently provided by Durham City Homes, East Durham Homes and Dale & Valley Homes by making these organisations landlords in the areas they currently operate in.
- The new landlords would work together as a group - the County Durham Housing Group - investing millions in improving homes, neighbourhoods and services in your area, protecting existing jobs and in building new homes estimated to create over a thousand new jobs.
- The Council would run a single ballot on its proposal to transfer its homes to Durham City Homes, East Durham Homes and Dale & Valley Homes.
- Tenants would continue to be able to talk to their local councillor about the housing issues that concern them.

This section of the Offer Document introduces the new landlords and how they would work; and explains how Durham City Homes, East Durham Homes and Dale & Valley Homes would change to become landlords and how they would be managed. The section also sets out how the transfer process would work; the role the Council would play after transfer; and what the next steps would be if tenants do not support the Council's proposal to transfer its homes.

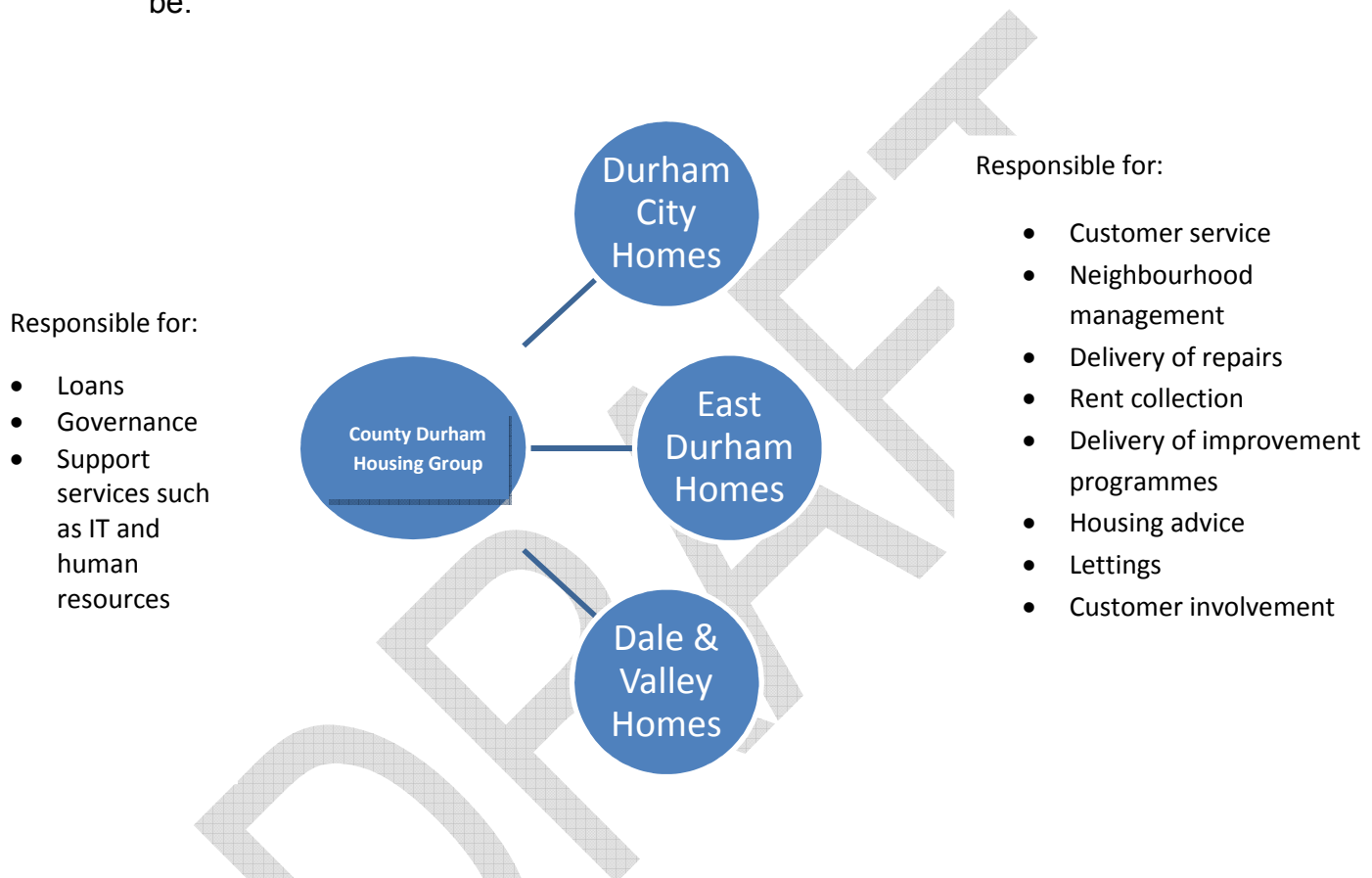
A New Group of Landlords

If transfer was to go ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes would be the landlords that make up the new, not for profit County Durham Housing Group. By working together, the new landlords would be able to raise the money required to pay for improvements to homes, neighbourhoods and services in your area.

The Council currently has arrangements in place to provide housing services to tenants on its behalf through two Arms Length Management Organisations (ALMOs) which are Dale & Valley Homes (currently a housing company that provides services in the west of the County) and East Durham Homes (currently a housing organisation that provides services in the east of the County). Council housing services are provided to tenants living in Durham City and its surrounding areas by Durham City Homes, the Council's housing department. If transfer was to go ahead, all three organisations would become landlords that are registered and regulated by the Homes and Communities Agency (HCA). Dale & Valley Homes and East Durham Homes would become charities and they would be converted to be Industrial and Provident Societies (soon to be known as Community Benefit Societies). Durham City Homes would also become a charity, and would be registered as a landlord and regulated by the HCA. If transfer was to go ahead, Durham City Homes would also become an Industrial Provident Society.

The proposed new group of landlords would include a parent company, the County Durham Housing Group Limited. This organisation would be established especially to provide Durham City Homes, East Durham Homes and Dale & Valley Homes with services to support them in delivering services to you and helping them to borrow money at attractive rates. If transfer was to go ahead, the County Durham Housing Group Limited would also be registered and regulated by the HCA. It would be a charity and an Industrial and Provident Society.

The Group would look like this and the responsibilities of each organisation would be:



What would my new landlord look like and be responsible for?

Your new landlord would be a not for profit social landlord. All the money they make would be ploughed back into improving homes and neighbourhoods and in providing services to you.

Your new landlord would be in a better financial position than the Council because they would have more freedom to borrow money to pay for improvements to homes, neighbourhoods and services and build new homes. If transfer was to go ahead, the new landlords would work together to borrow money that the council is not able to access from banks, building societies and capital bond markets to invest in improving homes, neighbourhoods and services. The new group of landlords could only borrow what they could afford to repay over an agreed period of time. Your rent

would not increase to pay for borrowing they undertake and the improvements they would make.

Your new landlord would broadly have the same responsibilities they have now, including undertaking improvements and repairs to your home; collecting rent; letting homes in your area; providing housing services to you and providing opportunities for you to get involved in improving services.

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How would the transfer work?

Your new landlord would be part of the County Durham Housing Group. The Council would run a single ballot on its proposal to transfer its homes to Durham City Homes, East Durham Homes and Dale & Valley Homes.

If the transfer goes ahead, the Council would transfer ownership of your home to your new landlord via the County Durham Housing Group Limited.

This would mean that if a majority of tenants voting in the ballot, vote in favour of the proposal and:

- You currently receive your housing services from Durham City Homes, they would become your landlord.
- You currently receive your housing services from East Durham Homes, they would become your landlord.
- You currently receive your services from Dale & Valley Homes, they would become your landlord.

How would my landlord and the County Durham Housing Group Limited be managed?

Durham City Homes, East Durham Homes and Dale & Valley Homes are currently managed by voluntary Boards that are made up of tenants, Councillors and independent members of the community with experience in housing, law or finance. Each Board member brings different skills to the table and plays an important role in making sure the proposed new landlords have the ability to deliver the promises set out in this Offer Document.

Durham City Homes, East Durham Homes and Dale & Valley Homes selected their Board members by providing an opportunity for all tenants to nominate themselves for membership of their local Board. Durham County Council chooses its nominees to be part of each of the Boards. Independent members are selected following a formal application and interview process where they were chosen on the basis of their skills and experience.

Meet the Board Members – Durham City Homes PHOTOS AND PEN PORTRAITS REQUIRED

Meet the Board Members – East Durham Homes PHOTOS AND PEN PORTRAITS REQUIRED

Meet the Board Members – Dale & Valley Homes PHOTOS AND PEN PORTRAITS REQUIRED

The County Durham Housing Group Limited parent organisation would also have its own non executive Board, which is currently operating in shadow form to make sure the parent organisation is run properly and contributes positively to the wider Group.

The County Durham Housing Group Limited Parent Board is made up of three tenants, three Councillors, the Chairs of Durham City Homes' Board, East Durham Homes' Board and Dale & Valley Homes' Board and four independent members. The County Durham Housing Group Limited Parent Board appointed its Board members following a formal application and interview process. This ensured that the County Durham Housing Group Limited Parent Board has the skills necessary to ensure the financial and other affairs of the Group are managed properly. Tenants were invited to apply to the Board and were interviewed by other tenants. Durham County Council chose its nominees on the Board following careful consideration of the skills and experience required to be part of such a key Board; and independent members were recruited and appointed by the Council and the Chairs of Durham City Homes, East Durham Homes and Dale & Valley Homes.

Meet the Parent Board Members – County Durham Housing Group Limited PHOTOS AND PEN PORTRAITS REQUIRED

How would Board members be chosen in the future?

The constitutions of each of the organisations in the County Durham Housing Group would set out how Board members would be selected and replaced in the future. Tenant Board members would be selected through direct and/or indirect elections. All of the Boards would agree which method to adopt after consultation with tenants.

Independent Board members would continue to be selected by each Board on the basis of the skills the Board requires.

The Boards of each of the proposed new landlords would appoint new Board members following receipt of Council nominations.

How long do Board members stay in office?

For all of the Boards, tenant and independent Board members would have a term of office of three years and could then stand for election or reappointment. Council Board members would be appointed as Board members for terms decided by the Council.

What about Council staff who currently support Council housing and the staff of the proposed new landlords?

Almost 300 staff currently support or provide housing services directly to you. Staff working for Durham City Homes, East Durham Homes and Dale & Valley Homes would transfer to the new Group if transfer goes ahead.

Staff that currently work for the Council and provide support services to Council housing or work on maintaining and repairing your home would also transfer into the new Group. Pay and conditions would be subject to legal protections. You would continue to deal with familiar faces, people who know you, your area and home.

If the transfer was to go ahead, the County Durham Housing Group Limited would not ultimately be your landlord. The Council is not proposing to transfer ownership of your home to new landlord that you do not know. Durham City Homes, East Durham Homes and Dale & Valley Homes would become landlords. The Council is proposing to transfer ownership of your home to a new landlord that you already know well and trust.

Who would regulate the County Durham Housing Group?

The proposed new landlords would need to be registered as landlords by the Homes and Communities Agency (HCA) before the transfer takes place. The HCA is currently the regulator for Registered Providers of social housing. The new landlords would be assessed by the HCA before the transfer takes place to make sure they meet their national standard regulatory framework, are financially viable and well governed.

What would be the Council's role after transfer?

If the transfer goes ahead, the Council would no longer be your landlord. However, it would continue to be responsible for:

- Housing strategy and research
- Homelessness
- Liaison with social landlords (also known as Registered Providers)
- Administration of Housing Benefit
- Dealing with Council Tax

Tenants and councillors would continue to play an important role in talking to the County Durham Housing Group about the services the landlords in the Group provide to you. If transfer goes ahead, you would still be able to approach your local Councillor and talk to them about any housing issues that concern you.

What would happen if transfer does not go ahead?

The Council has reviewed its position and has concluded that it would not have enough money to invest in the things you said are most important to you. Instead, the Council would have to plan and prioritise how it spends its money. Some investment, particularly in improving the appearance of neighbourhoods and in making them suitable to modern lifestyles would be delayed. The Council would have to make savings in the way it manages its homes and this would mean changes to the ways you receive your housing services as Durham City Homes, East Durham Homes and Dale & Valley Homes would be merged into one organisation to save money to invest in homes and neighbourhoods. This would also have an obvious impact on staff currently working for these organisations. The Council does not expect to have enough money to build many new Council homes

and so an important opportunity to construct new homes and generate more investment in the county to create jobs would be lost.

Key Facts:

- If transfer does not go ahead, the Council does not expect to have enough money to invest in all of the things you have said are most important to you.
- If transfer was to go ahead, the Council would no longer be your landlord, because it would no longer own your home.
- Durham City Homes, East Durham Homes and Dale & Valley Homes would become landlords. The Council is proposing to transfer ownership of your home to a new landlord that you already know well and trust.
- Your new landlord would work with other landlords to make sure investment is made in your home and neighbourhood well into the future.
- Whether or not transfer goes ahead, you would not have to move out of your home.

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Section 4: Your Rent and Other Service Charges

60 second summary:

- Rent increases would be subject to rigorous Government controls similar to those the Council has to follow.
- Tenants' entitlement to claim Housing Benefit would not be affected by the transfer.
- After transfer, service charges would continue to be administered as they are now with the Council.
- The new landlords would provide advice and support to tenants on money and debt management, reducing energy bills and maximising household budgets.

This section of the Offer Document explains what would happen to your rent if the transfer goes ahead; how you could pay your rent and service charges in the future; the support the new landlords will put in place to help you to pay your rent and manage your money and how Durham City Homes, East Durham Homes and Dale & Valley Homes would deal with rent arrears.

What would happen to my rent?

Durham City Homes, East Durham Homes and Dale & Valley Homes working as part of the County Durham Housing Group would not make any profit for private shareholders. The income the new group of landlords would receive would go towards improving homes, neighbourhoods and services, paying for the Group's debt and keeping rents low.

Transferring tenants' annual rents would be subject to the Government's rent policy and would be monitored by the social housing regulator, the Homes and Communities Agency.

Your rent would not be subject to any additional increase to pay for the improvements the new landlords promise to deliver.

Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to be committed to providing the best value for money they can for the services they provide. They would be required to set rents in accordance with the Government's policy.

At the time of transfer you would pay the same rent to Durham City Homes, East Durham Homes or Dale & Valley Homes as you were going to pay to the Council. As with the Council your rent would be subject to an annual increase. If the transfer goes ahead the first rent increase would be on the first Monday in April 2015 as it would usually be.

The arrangement that is already in place for “rent free weeks” would remain the same.

If you are entitled to claim Housing Benefit, this would not change after transfer. The new organisation would continue to provide advice and support to new and existing tenants on benefit entitlement and applying for benefit.

How would I pay my rent?

You would pay your rent to your local landlord. After transfer all the current ways of paying your rent would remain available. You would be able to pay your rent by:

- Direct debit
- On-line via the internet
- Standing order
- Payment card at shops or post offices
- By telephone
- By cheque

What about service charges?

The new landlords would set service charges, as now, in order to cover service costs. After transfer, the new landlords would plan to continue to administer the service charges as they are administered now by the Council, having both a variable charge for some services (for example communal gardening) and fixed charges for others. These charges would be increased annually as they are now. No new service charges would be introduced without consultation with affected tenants. This would either be for introducing new services, which would have an additional cost associated with them, or if the new landlords were considering introducing a charge for a service that was already being delivered.

Water and other charges

If you pay your water rates with your rent at the moment, this would continue if the transfer goes ahead. At some point after transfer, your new landlord would review whether they wanted to continue to collect water rates with the rent. When this review takes place, your views would be taken into account.

If you pay other charges along with your rent, for things like furniture, or tenants' contents insurance, these would also continue to be collected by your new landlord.

What support will be available to support tenants in paying rent and managing money and debt?

Recent changes to the benefits system and an increase in the cost of living has meant that more and more tenants are saying that they are worried about money. During consultation with tenants, you said that in the future you would like to see

more services to support you in managing your money, maximising your income, dealing with debt and assisting you with finding work and training opportunities.

If the transfer goes ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes plan to work together as the County Durham Housing Group to strengthen the existing Money and Debt Advice services to offer:

- More face to face advice with a dedicated and experienced money and debt adviser to act as your single recognisable point of contact.
- Advice and toolkits on line and over the telephone to provide you with the information you need to help you to address your concerns yourself.
- High quality debt advice that meets quality assurance processes so you can be confident you are getting the very best and most accurate advice to help you to find a solution to your money and debt concerns.
- A comprehensive package of support and guidance to help you to deal with creditors and debt effectively; provide you with ongoing support; and offer regular checks on your financial situation.
- Advisers to be able to discuss benefits and grants with you and support you in accessing them.
- Support in searching for and applying for jobs and training opportunities in partnership with other key agencies.
- Specialist services to help you to reduce energy bills. Durham City Homes, East Durham Homes and Dale & Valley Homes currently employ temporary Energy Efficiency Officers to provide advice and support to reduce energy bills and switch tariffs in order to close the gap between the cost of energy and what you can afford to pay. These positions would be made permanent and more widely available.
- Continue to work with local Credit Unions and Citizens Advice Bureaus to ensure you get the best possible access to support and advice and responsible savings and loans organisations.
- Continue to provide apprenticeships and introduce a targeted work experience programme for young people to experience working in a variety of different roles and services within the new group of landlords to strengthen CVs.

How would my new landlord deal with rent arrears?

Your new landlord would continue the Council's approach to managing rent arrears and other debt owed to it by tenants by being firm but fair. Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to offer advice and support on money matters. They would aim to make contact with you as quickly as possible if your rent account falls into arrears, to ensure that the arrears don't grow. They would agree affordable and sustainable payment plans with you and agree an affordable way to clear your debt in a reasonable timescale. As now, court action would only be a last resort where all other options have been exhausted.

If you are having difficulty in paying your rent or managing your money you would be offered a range of help and advice services, which would include:

- Support and advice on housing and other benefits
- Debt advice and support
- Access to low cost services, such as insurance
- Advice on reducing energy costs
- Access to credit unions
- Advice on training, development and employment opportunities

The new landlords would prioritise this area of support and in consultation with you, they would aim to develop and expand the range of services that are available to provide money advice and support. The new landlord would also actively explore new ways to provide low cost services to you, such as contents insurance or furniture, helping you to reduce the cost of living and help make ends meet.

What would happen to Council Tax?

Council tax would continue to be charged and collected by the Council.

Key Facts:

- Your rent would not be subject to any additional increase to pay for the improvements the new landlords promise to deliver.

Section 5: Your Rights and Responsibilities

60 second summary:

- Your key rights would be legally protected partly by Acts of Parliament and partly in a new Tenancy Agreement.
- You would not have to move out of your home if the Council was to transfer its homes.
- You would have a new right to refuse changes to the tenancy agreement (other than in relation to rents and other charges).
- You would still have the Right to Buy your home, if you are entitled to buy it now from the Council, and keep any discount you have built up with the Council which would continue to grow up to the maximum allowed.
- All tenants would have the right to succession. Any previous succession to your tenancy with the Council would be disregarded.
- You would continue to have the right to be consulted about policies that affect you.
- You would continue to be protected against eviction without good cause as you currently are under the Council.

This section of the Offer Document explains what would happen to your rights and responsibilities if the transfer goes ahead.

The Proposed Assured Tenancy Agreement

The majority of Council tenants are secure tenants, although if you are a new tenant for the first time you may be an introductory tenant. If transfer goes ahead secure tenants would become assured tenants and your key rights and entitlements would be protected in a new assured tenancy agreement with Durham City Homes, East Durham Homes or Dale & Valley Homes. The new assured tenancy is based on the Council's current tenancy agreement and so far as possible replicates tenants' key current rights as secure tenants of the Council.

The proposed assured tenancy agreement for transferring tenants would be substantially in the form of the agreement included in Section [?].

The main difference is that as a secure Council tenant your rights are set out in law by Acts of Parliament. As an assured tenant of one of the proposed new landlords, your rights would be partly covered by Acts of Parliament and partly by a legally binding contract (the tenancy agreement) between you and your new landlord.

Would tenants have any new rights?

Yes, you would. If the transfer goes ahead you would have the following new rights:

- Your tenancy agreement could not be changed without your individual consent (except for rent increases and other charges or where required by future legislation).
- Even if you received your tenancy following the death of a relative, your tenancy would be “reset” and you would have a further right of succession. You would not have this right if the transfer does not go ahead and you remain a tenant of the Council.
- The Right to Acquire which is an alternative to the preserved Right to Buy.

How would tenants’ rights be protected?

Except for the changes to the amount of rent and service charges you pay and possible future changes in the law, the terms of the new tenancy agreement cannot be changed without your permission. This provides greater protection against changes to the agreement than currently available as the Council can change the current tenancy agreement after consultation.

Your key protected rights include:

- The right of succession
- The right to carry out repairs
- The preserved right to buy
- The right to improvements and compensation
- The right to information about the management of your home
- The right to be consulted on changes to housing management matters
- The right to sublet part of your home and take lodgers (with the landlord’s permission)

The assured tenancy agreement has been drawn up to make sure tenants’ key rights match, as closely as possible, those rights which tenants have now with the Council. The following table sets out the rights secure and introductory tenants have now and compares them to those they would have as an assured tenant of Durham City Homes, East Durham Homes or Dale & Valley Homes if the transfer goes ahead:

Figure 1: Summary of Your Rights

Rights	Stay with the Council	Transfer to Durham City Homes, East Durham Homes or Dale & Valley Homes
The right to live in your home without the threat of being evicted without good cause	Yes	Yes
The right to buy your home with a discount (existing tenants)	Yes*	Yes*

The right to pass on your home when you die (succession)	Yes	Yes**
The right to exchange your home or transfer it with your landlord's permission	Yes*	Yes*
The right to sublet part of your home or take in lodgers (with your landlord's permission)	Yes*	Yes*
The right to repair	Yes	Yes
The right to carry out improvements and to receive compensation if you move	Yes*	Yes*
The right to information about the management of your home	Yes	Yes
The right to be consulted about housing management	Yes	Yes
The right to refuse changes to your tenancy agreement without your consent (except for rent and service charges)	No	Yes**
The right to manage	Yes	No
The right to acquire	No	Yes**

*Not available for introductory or starter tenancies

**See "Would tenants' have any new rights?"

The only key right you would lose is the Right to Manage. This right allows tenants to set up a Tenant Management Organisation in their area, subject to certain rules. The right is lost because it cannot be granted under an assured tenancy. Although tenants would not keep this right in law, Durham City Homes, East Durham Homes and Dale & Valley Homes would make a strong commitment to working with tenants to achieve greater involvement in the management of their homes.

Your Responsibilities

If the transfer goes ahead Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to work with you to help you to keep the terms of the tenancy agreement. Each landlord would make clear what they expect of you in terms of maintaining your home, garden and neighbourhood. Each landlord would provide pre-tenancy information and guidance to prospective tenants too and specialist help and advice to understand the expectations as set out in the assured tenancy agreement.

What rights would new tenants have?

Those becoming new tenants of Durham City Homes, East Durham Homes and Dale & Valley Homes after the transfer would usually be given an assured shorthold tenancy agreement (a starter tenancy) for a probationary period of 12 months. At the end of the period, provided the tenancy had been conducted satisfactorily, they would be given an assured tenancy agreement. Their agreement would contain substantially the same provisions as for transferring tenants, except for the Preserved Right to Buy.

How would the transfer affect introductory tenants?

If you are a new tenant of the Council and hold an introductory tenancy at the time of transfer you would continue to serve the rest of your introductory period up to its completion at 12 months as an assured shorthold tenant. After that, provided you have conducted your tenancy satisfactorily, you would be given the same full assured tenancy with protected rights as other transferring tenants including (if your property is not excluded from the Right to Buy) a contractual Preserved Right to Buy.

Would tenants still be able to buy their home?

Yes. If you currently have the Right to Buy your home, you would still have that right after the transfer takes place under the Preserved Right to Buy scheme.

The price you would pay for your home would continue to be based on market value less any discount, which would be calculated in the same way as it is with the Council. Any discount entitlement you may have with the Council would transfer to your new landlord and would increase up to the maximum permitted which in County Durham is currently £??.

You would keep your Preserved Right to Buy even if you later move to another home which is owned by the same landlord, as long as the property itself is not excluded from the Right to Buy scheme. Excluded properties would be the same homes that are excluded from this right now with the Council, such as homes for disabled tenants and sheltered accommodation.

If any member of your family succeeds to the tenancy, they would also have the Preserved Right to Buy (provided you had that right with the Council and if they qualify under the legislation).

If you are a new tenant or an existing tenant transferring, you would be able to buy your home under the Right to Acquire, provided you are eligible. The Right to Acquire is based on a grant rather than a discount, which can be less generous than the Preserved Right to Buy scheme. The qualification times for the Right to Acquire are the same as the Preserved Right to Buy, but you could not combine the two rights.

What would be the main difference between the Council's Right to Buy Scheme and the proposed Preserved Right to Buy?

The main difference between the Council's Right to Buy scheme and the Preserved Right to Buy scheme that would be offered by Durham City Homes, East Durham Homes and Dale & Valley Homes if the transfer was to go ahead, is the cost floor rule. This is the minimum price that a tenant could pay for their home even if their discount would otherwise take the price below this amount.

The cost floor is the amount the landlord has spent on buying, improving or repairing a home over a set period and becomes important where large amounts of money have been spent on repairs and maintenance. With the Council the minimum price (the cost floor) is worked out over the ten year period before you buy your home. If transfer goes ahead, your new landlord would take into account all costs incurred during the 15 years before the application to buy. This would start from the day of the transfer to the new landlord. Your new landlord would also be able to include in the cost floor the cost of catch up repair works that would be carried out to the home, even if they have not yet been carried out.

This could mean that if you move into a home that has undergone major refurbishment or building works, the effect of these changes may reduce the amount of discount available. However, for the majority of tenants, if you bought your current home, or moved into another that had not had any major refurbishment, it is likely that the different cost floor rules would have little or no effect.

What would happen to transfers and exchanges?

If the transfer goes ahead you would still be able to transfer to another home. You would also continue to have the right to exchange homes with another qualifying tenant of your new landlord or another social landlord (provided you have your landlord's permission in advance). You would continue to be able to bid to move homes through the existing Durham Key Options system (also known as Choice Based Lettings).

Would I still be able to pass on my home?

Council tenants have a right to pass on their tenancy to another member of their family living in the property at the time of their death, subject to certain conditions regarding length of residence in the home – as set out in Section [??]. This is called a "succession" and can only happen once with the Council.

If transfer goes ahead, the proposed assured tenancy agreement allows the same people to take over the tenancy when a tenant dies as under the Council's secure tenancy. Your new landlord would allow all tenants the right of succession so if you succeeded to your tenancy prior to the transfer, this would be disregarded by your new landlord and you would have a new right of succession.

Would there still be the right to sub-let?

Yes. You would be able to sub-let part of your home, with your new landlord's written permission, or to take in lodgers provided they do not overcrowd your home. In such circumstances you must continue to occupy the property as your only or principal home.

You would not be allowed to sub-let the whole of your home, which is also the case with a Council tenancy.

Would there still be a right to repair?

Yes. If your new landlord or its contractors failed to carry out certain types of repairs within set timescales, then you could ask your landlord to appoint another contractor to do the repairs. You would have the Right to Compensation if that contractor also does not do the repairs within a specified time limit.

Please note that the Right to Repair does not apply to all repairs, but to certain categories for example repairs that may affect health and safety.

Would there still be a right to be consulted and receive information?

Yes. Your new landlord would consult with you on matters affecting your homes and tenancy before making changes in matters of housing management or maintenance which are likely to have a substantial effect on your tenancy. This is one of the terms in the tenancy agreement.

Your new landlord would allow all tenants the right of succession so if you succeeded to your existing tenancy prior to the transfer this would be disregarded by your new landlord and you would have a new right of succession.

Key Facts:

- Your new landlord would not use any of the additional grounds for eviction which could be available under an assured tenancy and that would not be available under a secure tenancy, against any of its transferring tenants.
- Your key rights would be protected in a new Tenancy Agreement.
- If you can buy your home now with the Council, you would still be entitled to buy your home after transfer to your new landlord.

Section 6: Repairing Your Home

60 second summary:

- Your satisfaction with the responsive repairs service is high. Durham City Homes, East Durham Homes and Dale & Valley Homes would work together as a group to make sure your satisfaction with the service continues to be high.
- The new landlords would aim to improve responsive repair times and provide more flexible appointments.
- Reporting repairs would be made easier, with a number of methods to contact the landlords and make an appointment.
- New services would be introduced to support you in keeping your home, garden and neighbourhood in good repair.
- New services would be introduced to support new tenants in setting up their home and making it a nice place to live.

This section of the Offer Document explains what would happen to the repair of your home if transfer goes ahead. It sets out the improvements that would be made to the repairs service and the new services that would be introduced to support you to live happily in your home.

What would transfer mean for the repairs service?

You have said that a good repairs service is one of your top priorities. The Council recognises the importance of continuing to invest in improving the repairs service. Each area has a different arrangement in place to provide the repairs service and each is performing very well across Durham City Homes, East Durham Homes and Dale & Valley Homes. Durham City Homes uses the Council's Housing Repairs and Maintenance Service to deliver repairs and gas servicing in Durham City and its surrounding areas. It is proposed that this service would transfer into the new Group of landlords, so the people currently repairing and maintaining homes in the Durham City Homes area would continue to do so in the future.

East Durham Homes delivers its repairs and maintenance service through a contract with Morrison Facilities Services; and Dale & Valley Homes delivers its repairs and maintenance service through a contract with Gentoo. These contracts will continue to be in place until 2017 and 2018 and both East Durham Homes and Dale & Valley Homes will continue to work with their contractors to ensure excellent performance and value for money.

If transfer was to go ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes would prioritise the key things that you said are important in an excellent repairs service including:

- A variety of ways to report repairs and a selection of appointments available.

- Repair work being completed on time and right first time.
- A competent, friendly workforce.
- Respect for your home and belongings.

What would happen to the repairs service if transfer was to go ahead?

Durham City Homes, East Durham Homes and Dale & Valley Homes would aim to introduce faster repair times, a better variety of appointment times and an even higher quality of repairs service:

- Appointments for the pre inspection of repairs would be made available.
- The appointments ordering system would be improved to provide appointments as soon as you make contact. Reminders would also be made available by text, telephone or voicemail.
- More routine appointments including gas servicing and maintenance would be available at times to better suit you, including later evenings up to 7.30PM and Saturdays.
- Emergency repairs would be completed within 24 hours. For severe problems including total power loss, loss of heating or water leak the target would be to attend to these within 2 hours and make them safe within 12 hours during working hours.
- Urgent repairs would be completed within 3 working days.
- Repairs staff would be trained in customer care skills and in helping you as best they can to feel assured your repair will be attended to and your home will be respected.
- Routine repairs would be completed within 20 working days.
- A basic target of 98% of repairs would be completed right first time, by ensuring repairs staff are multi skilled and support staff are able to better diagnose repairs.
- Enhance local employment and training opportunities by providing an apprenticeship programme and social enterprises to provide specialist services such as painting programmes and handyman services to make sure fencing, gardens, footpaths and the landscape on neighbourhoods is maintained.
- The handyman service would also support elderly tenants and tenants that need support in looking after their homes with small tasks such as painting and changing light bulbs.

What about repairing and maintaining the exterior of my home?

If transfer goes ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes plan to increase the frequency of their external and communal painting and decoration of buildings from seven years to five years.

The new group of landlords would continue to service all gas fired central heating systems and coal and solid fuel appliances. The new group of landlords would seek to install environmentally friendly and efficient heating systems to reduce fuel bills for tenants and help to make sure homes are warm and cheap to heat.

How would I report repairs after transfer?

If transfer was to go ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to offer you a variety of ways to report repairs including:

- Telephone
- Text
- Email
- On line
- Visiting your new landlord's customer access points
- In writing

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Section 7: Improving Your Home

60 second summary:

- Your new landlord would be part of the new County Durham Housing Group which would be able to access more money to invest in improving your home and achieve the new County Durham Standard.
- The proposed transfer would mean an investment programme of over £800 million in homes and neighbourhoods over the next thirty years.
- The work would include new kitchens and bathrooms and new more efficient heating systems when they are needed.
- Improvements would also be made to the structure and appearance of your home including a new roof, external painting, fencing, maintained footpaths and work to the smaller buildings that may be attached to your home when it is needed.
- You would not have to pay any more rent or extra charges over and above the annual rent increase for the improvements your new landlord would make to your home.
- The new group of landlords would have a dedicated budget of £11 million over the first seven years after transfer to provide adaptations to the homes of tenants with disabilities.

This section of the Offer Document explains how your home would be improved if transfer goes ahead. It sets out the improvements that you could expect as a result of the transfer.

What is the Decent Homes Standard?

The Decent Homes Standard is the minimum standard of repair for all social housing. It is set by the Government and covers four main areas:

- Your home must meet the statutory minimum standard for housing in terms of health and safety.
- Your home must be in a reasonable state of repair.
- Your home must have reasonably modern facilities.
- Your home must provide a reasonable degree of thermal comfort.

By 2015 all of the Council's homes will meet the Government's basic Decent Homes Standard. However, the Council understands that you want more from your home and the neighbourhood you live in. The Council expects demand for its homes to fall if investment does not increase in making homes more modern and neighbourhoods more suited to your changing needs.

What is the County Durham Standard and what does it mean for you?

The Council has worked with you and your representatives to develop the County Durham Standard which is higher than the Government's basic Decent Homes Standard. You said that your priorities for the future of your home and neighbourhood are:

- Designing key aspects of the home, such as the kitchen and bathroom around your individual needs, including specific work for the elderly or disabled tenants as it is required.
- Improving standards for kitchen and bathroom improvements including decoration, flooring, more sockets, design around white goods and tiling.
- Fitting over the bath showers when bathrooms are replaced.
- Improving the security of homes, including "Secure by Design" windows and doors and exterior lighting.
- Ensuring energy efficiency with improved heating systems, insulation and access to advice and support in reducing energy bills.
- Improving boundary walls, fences and paths and the appearance of neighbourhoods.

If transfer was to go ahead, the new group of landlords could access the money they need to deliver the County Durham Standard. This would mean a planned programme of various works to your home over the next thirty years, which would be required at different times but would include:

- Kitchens would be replaced every 20 years and a new programme of design would be introduced to suit your needs and plans. Flooring, tiling and decoration would also be available as part of the replacement programme.
- Bathrooms would be replaced every 30 years and would offer an over the bath shower, tiling, extractor fan and decoration as part of the replacement programme.
- Provision of more sockets in kitchens, bedrooms, dining rooms and lounges in taking account of your wishes when linked to rewiring programmes.
- Fitting energy efficient boilers and heating systems to those homes that have a gas supply every fifteen years. Ensuring the service offered by Energy Efficiency Officers is included in money and debt advice.
- Providing homes with double glazing and modern front and rear doors.
- Improve the security of your home by installing "Secure by Design" external doors, lockable double glazed windows and external lighting (if it does not have this already).
- Bring all homes up to a good standard of insulation.
- Spend up to £43 million in the first seven years after transfer on improving neighbourhoods such as improving boundary fencing and walls, paths and

general environmental improvement works such as communal lighting and extra parking on land owned by the new group of landlords.

- External refurbishment – including new roofs, painting and brickwork repairs and improvements.

Durham City Homes, East Durham Homes and Dale & Valley Homes would work together as the County Durham Housing Group and have funding set aside in their Business Plans to put into place a programme of works that would offer you:

- A window and door programme to help to make sure that every home has modern front and rear doors if these have not already been provided. This would cost the new group of landlords around £9 million and your new landlord would aim to complete this in the first seven years after transfer.
- A programme of internal improvements to those homes needing a new kitchen and bathroom. In the first seven years after transfer, the programme would cost around £36 million. It would provide over 3900 new kitchens and over 3,100 bathrooms and improve wiring in over 6,500 homes.
- A continued programme of installing highly efficient new boilers. Over the first seven years after transfer, it is planned that this would provide over 4,400 new boilers and over 1800 new central heating systems.
- A seven year programme of external works which would include over 7,700 new roofs, over 7,750 homes being re-pointed or re-rendered and new gutters or fascias to almost 11,000 homes.
- A seven year programme of environmental work, which would include fencing, footpaths, security improvements, and extra car parking totalling £43 million.

Would I have to pay extra charges for the improvements?

No. There would not be any extra charge for the improvements carried out to your home, other than the usual annual increases in rent and other charges as permitted under the tenancy agreement.

Would I have to have the improvement work done?

No. Your new landlord would not force you to have work carried out on your home, unless there were health and safety issues. If you have already carried out your own improvements to your home you could choose not to have the same works to your home (as long as the improvements you have made have been carried out safely and meet the minimum standard required by the Government).

Would I still be able to carry out my own improvements to my home?

Yes. As currently with the Council, you would still be able to make improvements to your home provided you obtain permission from your new landlord along with any planning or building control consent you may need.

If you choose to carry out improvements to your home within the terms of your tenancy agreement, this would not affect the level of rent you pay. In addition, you may be able to claim compensation for certain improvements you have carried out should you leave your home.

What about adaptations for disabled people?

If transfer was to go ahead, disabled adaptations would continue to be carried out on your home if you require them. The Council would hand responsibility for the coordination and installation of disabled adaptations to Durham City Homes, East Durham Homes and Dale & Valley Homes. If transfer was to go ahead, your new landlord would help to make sure that any adaptations that are undertaken on your home to make it easier for you to live there are joined up with planned improvements to your home and the repairs and maintenance service. This would mean that you could stay in your home for longer and get a better service. The new group of landlords would have a dedicated budget of £11 million over the first seven years after transfer to provide adaptations to the homes of tenants with disabilities.

What about the quality standard and specification of work?

Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to work with a panel of tenants who would advise them on the specification of materials that should be used in contracts and options for packaging types of work together to maximise value for money.

Durham City Homes, East Durham Homes and Dale & Valley Homes have an excellent track record in ensuring that contractors provide a high quality service. As landlords they would continue to ensure that quality services, products and value are being achieved if the transfer goes ahead.

Durham City Homes, East Durham Homes and Dale & Valley Homes would also continue to provide Tenant Liaison Officers to provide you with advice and support, especially for tenants who may need extra help and support, before, during and after improvement works take place.

Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to monitor contracts for quality by using a range of methods including:

- Quality checks on works involving tenants to ensure works are up to the standard expected.
- Asking tenants to fill in satisfaction surveys for all works carried out.
- The provision of a complaints policy, involving review by tenants, to ensure there is a clear process for all complaints to be fully investigated.

Who would carry out the work and what does this mean for local employment opportunities?

Durham City Homes, East Durham Homes and Dale & Valley Homes would be committed to making sure that their improvement programmes and maintenance works have a positive impact on the local economy. East Durham Homes and Dale & Valley Homes would continue with their existing contracts to deliver improvement programmes and repairs works. Durham City Homes would continue to use the highly respected and excellently performing Council Housing Repairs and Maintenance Service to ensure homes are kept to a high standard of repair. The new landlords would work closely with their contractors to strengthen their teams so more work could be carried out by multi skilled operatives who are familiar with your home. Contractors would continue to be encouraged to employ local people and offer apprenticeship and training programmes as well as social enterprises to create opportunities for employment and training across the county.

What would happen to my home if the proposed transfer does not go ahead?

If the transfer does not go ahead, the Council expects that it could only afford to maintain your home at the Government's basic Decent Homes Standard. Investment in improving neighbourhoods, including environmental works such as car parking, fencing and footpaths would be slow and may be delayed if other spending priorities emerge and the Council has to deal with them first. The Council would need to save money and would merge Durham City Homes, East Durham Homes and Dale & Valley Homes into one single organisation, with a single set of priorities and arrangements for delivering improvements and repairs to all tenants. The Council is concerned that this could mean that the individuality of Durham City Homes, East Durham Homes and Dale & Valley Homes would be lost as a result. Most importantly local focus on the things that are most important to you in your area could be reduced.

Key Facts:

- Responsibility for planning and installing adaptations to your home would pass to your new landlord.
- Your new landlord would be committed to carrying out work to a high quality and where possible give you more choice.

Section 8: Improving Your Neighbourhood and Strengthening Communities

60 second summary:

- The new group of landlords would work with you to develop a new Neighbourhood Quality Standard and provide a new Neighbourhood Management Team to make sure the Neighbourhood Quality Standard is delivered.
- By working together, the new landlords would have funding in their business plans to deliver over £43 million of investment in improving neighbourhoods to look refreshed, tidy, green and suitable to modern living with better facilities, car parking and general environment.
- You would be able to influence what work is carried out and where.
- The new landlords would work with Durham County Council to achieve the new Neighbourhood Quality Standard and improve grounds maintenance on estates to help to ensure that grass is cut regularly, neatly and is cleared away where possible; dog fouling is dealt with and rubbish and litter is removed.
- The new landlords would strengthen their Anti Social Behaviour Teams to provide more support for witnesses and victims of anti social behaviour and a variety of ways for you to get in touch to report anti social behaviour.
- Strengthened Anti social behaviour Teams would link more closely with the Council's estate warden service to tackle dog fouling nuisance and anti social behaviour.
- The new landlords also plan to increase investment in activities and facilities to strengthen and support communities.

This section of the Offer Document explains how your neighbourhood would be improved and anti social behaviour would be dealt with in the future if transfer goes ahead. It sets out the investment you could expect your new landlord to make in providing more opportunities for you to get involved in planning and improving services and designing investment programmes for improving homes.

How would my new landlord improve management of my neighbourhood?

The Council asked all tenants what they think about their neighbourhood as a place to live, and what could be done to improve neighbourhoods. Half of tenants think that their neighbourhood is not improving and is in need of attention to make it a nice place to live. Main concerns surround:

- Levels of dog fouling in neighbourhoods and a lack of enforcement.
- Rubbish and litter.
- A lack of car parking.

Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to provide estate inspections as important opportunities to work with you to agree

where improvement work is required. The new landlords would also work with you to develop a new Neighbourhood Quality Standard and set up a new Neighbourhood Management Team to help to make sure that the Neighbourhood Quality Standard is achieved and the work reported by you or found during estate inspections is attended to quickly. The Neighbourhood Management Team would provide an important support service to older and vulnerable tenants by clearing footpaths of snow, ice and fallen leaves (where appropriate). The new Neighbourhood Management Team would also complete small environmental projects including dealing with over grown gardens in empty properties. The new Neighbourhood Management Team would also provide apprenticeship and training opportunities for local people.

Durham City Homes, East Durham Homes and Dale & Valley Homes would also work with Durham County Council to achieve the new Neighbourhood Quality Standard and improve grounds maintenance on estates and would help to ensure that grass is cut regularly, neatly to a higher standard and is cleared away where possible. The new landlords would also work closely with the Council's estate warden service to tackle dog fouling, rubbish and litter.

How would my new landlord improve my neighbourhood?

The Council understands that the appearance of neighbourhoods is very important in making sure you are happy with where you live. Safe, green attractive neighbourhoods that are suited to modern lifestyles are essential in attracting new people to move to the county to stimulate the county's economy as more businesses want to invest in attractive vibrant areas, which creates jobs and supports thriving sustainable communities.

In the past, investment in neighbourhoods has been limited. If transfer goes ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes would have a large scale programme of investment to improve neighbourhoods to look refreshed, tidy, green and suitable to modern living with better facilities. The neighbourhood investment programme would include:

- Provision of exterior lighting where it has not already been provided.
- Management of alley ways and passageways through estates to ensure they are well lit and do not attract anti social behaviour.
- Extra car parking.
- Landscaping to green spaces where appropriate, making them an attractive and pleasant space for the community to use.
- Refreshing the appearance of homes, through a painting programme, fencing and the improvement of boundary walls.
- Securing empty properties and letting them as quickly as possible to reduce neighbourhood blight.

How would my new landlord deal with anti social behaviour in my area?

Anti social behaviour is a problem that can affect tenants and residents in any neighbourhood. Where it does occur it can have a major impact on quality of life. Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to be committed to helping you to live peacefully in your home and feel safe and proud of your neighbourhood.

The Council asked all tenants what they think about the current Anti Social Behaviour service and what could be done to improve it. Tenants said they would like:

- More information on how their case is progressing and what is happening would be appreciated.
- Clarification on why decisions have been taken in cases of anti social behaviour.
- More diversionary activities available in the area.
- Ensuring tenants are not housed unsuitably, for example young tenants living alongside elderly tenants.

If transfer was to go ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes would invest in strengthening and extending their existing Anti Social Behaviour Teams. The stronger Anti Social Behaviour Teams planned if transfer goes ahead would:

- Help to ensure serious cases of anti social behaviour such as violence or threats of violence, harassment, hate crimes or domestic violence are responded to within a day.
- Provide you with a dedicated officer to work with you throughout your complaint and your investigation. Your dedicated officer will keep you informed of progress and decisions.
- Increase the ways you can report incidents of anti social behaviour including the provision of a variety of ways for you to get in touch and report anti social behaviour.
- Implement a full range of tools and powers available to deal with anti social behaviour including mediation, possession orders, injunctions and in extreme cases eviction.
- Train other employees in mediation skills so other staff members could assist you in managing a situation you are concerned about.
- Work with other organisations such as the Police, Victim Support, homelessness services and schools to share information and educate people about the impact of anti social behaviour.
- Work with Customer Involvement Teams to provide diversionary activities.

- Work more closely with Tenancy Sustainment Officers to ensure tenants are housed appropriately and can manage their tenancy and behaviour appropriately.

How would my new landlord strengthen my local community and provide opportunities for me to get involved?

If transfer was to go ahead Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to provide dedicated Customer Involvement Teams and would be committed to providing more opportunities for you to be involved in services.

Durham City Homes, East Durham Homes and Dale & Valley Homes already offer a variety of ways to help you to get involved in service design, development and delivery. These involvement options would continue in the future and would include:

- Membership of the Boards within the group.
- Tenants and resident associations and community groups.
- Scrutiny Panels.
- Service Improvement Groups, focus groups, reading and editing panels.
- Estate inspections.
- Communication methods such as Annual Reports, surveys, complaints processes, newsletters, websites, social media and e-mail.

Durham City Homes, East Durham Homes and Dale & Valley Homes would also invest in providing at least one main centre for customer involvement in Durham, East Durham and the former district of Wear Valley. This would provide a community resource that could provide training and development facilities. It would also support independent customer involvement in service review and improvement.

The new group of landlords would also have funding in their Business Plans to provide a selection of grants to support community projects and activities, which would be assisted by administrative support; and training programmes to develop skills and foster community spirit.

What would happen to my neighbourhood and investment in my community if the transfer does not go ahead?

If transfer does not go ahead the Council's ability to improve neighbourhoods, strengthen communities and provide a range of additional services would be limited under current Government rules. The Council would prioritise investment into maintaining homes and would invest in keeping neighbourhoods to the standard they are now. The Council expects that if transfer does not happen, over time, demand for Council housing will fall; estates will become less desirable and a lot of money will need to be spent on trying to manage the impact of the decline of neighbourhoods.

Key Facts:

- If transfer was to go ahead, the proposed Neighbourhood Management Team would provide apprenticeship and training opportunities for local people.
- You could get involved in planning improvements to your neighbourhood.
- A large neighbourhood improvement programme would be delivered.
- Work reported by you or found during estate inspections would be dealt with quickly.
- Strengthened Anti Social Behaviour Teams would link to the Neighbourhood Management Team to deal with graffiti and other environmental issues resulting from anti social behaviour.

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Section 9: Improving Access to Services

60 second summary:

- The housing services you receive would continue to be provided to you locally. Durham City Homes, East Durham Homes and Dale & Valley Homes would become landlords and they would continue to operate in the areas they operate in now.
- You would be able to continue to access housing services in your area by phone, website, e-mail and by calling into your local landlord office or other customer service access points.
- Housing services would be enhanced where appropriate by providing local surgeries and drop in sessions at community buildings or other venues.
- Your new landlord would continue to talk to you about services and access to offices and would not make any changes without speaking to tenants first.
- Durham City Homes, East Durham Homes and Dale & Valley Homes would be able to invest more in providing services for older people, disabled people and children and young people.

This section of the Offer Document explains how access to housing services would be improved if transfer goes ahead. It sets out the investment you could expect your new landlord to make in providing services for older people, disabled people and children and young people.

Better Services

If transfer was to go ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to provide local housing services. Your new landlord would continually look to improve its services by:

- Continuing to ensure that each landlord has up to date information about your needs and preferences. This information would be used to help to shape and tailor services.
- Working with existing tenant and resident panels and the countywide Customer Working Group to improve services and to take a new and stronger role in regulating the effectiveness and quality of the services provided.
- Providing you with information on housing services through local newsletters and opportunities to comment on services.
- Continue to observe complaints policies and procedures and learn from them, telling you what changes have been made as a result of your views.
- Tailoring services to ensure that all tenants can access services irrespective of age, gender, race, disability, sexuality or faith.
- Ensuring that appropriate methods of communication are used based on your individual needs, for example large print, Braille, CD, on line and in other languages.

- Continuing to provide services for tenants who are hearing impaired including a British Sign language interpreter where necessary.
- Ensuring tenants with English as a second language can access the services they need through an interpreter or translation service as required.
- Ensuring all offices and customer access points are accessible by people with a disability.
- Offering home visits and same gender interviews where required.
- Working in partnership with the Council and other agencies to help to ensure that vulnerable, excluded groups and homeless people are able to access the accommodation and services they need.
- Providing employability programmes, training and learning opportunities for all members of the community.

Services for Older People and Disabled People

By 2030 the working age population of the county is expected to fall by 1% and the number of retired people aged 65+ will have increased by 42%. If the transfer goes ahead, Durham City Homes, East Durham Homes and Dale & Valley Homes would be committed to assisting older people to live independently in their home for as long as possible and be involved in their communities.

Much of the housing stock that is dedicated to older people and disabled people in the county is outdated and does not always meet needs. The transfer would mean a programme to develop over 200 new homes for elderly people and disabled people would be developed and the range of services available to older people and disabled people would also be enhanced including:

- Handyperson services to support older tenants and disabled tenants in maintaining their home and garden.
- More disabled adaptations to homes to make them more suited to independent living. Durham City Homes, East Durham Homes and Dale & Valley Homes would employ Occupational Therapists to speed up assessment times and make the best use of adapted accommodation.
- A reduced average waiting time for disabled adaptations.
- Better assistive technology and strengthened partnership with the Council's Care Connect Team.
- Landscaping to green spaces where appropriate, making them an attractive and pleasant space for the community to use.
- Support available to older tenants and disabled tenants through the Neighbourhood Management Team to clear footpaths of snow, ice and fallen leaves (where appropriate) so people can get out during the extreme weather of the autumn and winter months.
- Money and Debt Advice services to provide specialist support and advice to older tenants and disabled tenants on managing money, reducing energy bills and maximising income.

- Community facilities with events and activities for older people to engage with their communities.

Services for Children and Young People

If transfer goes ahead Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to offer assistance to young people by providing a new pre tenancy support package. The pre tenancy support service would assist young people in preparing an application for a home; accessing money and debt advice; and providing services to support young tenants to manage and sustain their tenancy via regular financial checks and home visits.

New tenants would also be able to access a furniture package or a series of social enterprises that are supported by the new group of landlords to recycle furniture and provide it to people who need it to set up a home.

Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to provide apprenticeships and training programmes for you and your family. The County Durham Housing Group Limited would also offer apprenticeships and training programmes. By working together as a group your new landlord would also plan to increase investment in Money and Debt Advice services and strengthen their relationship with local training and employment services.

If transfer goes ahead Durham City Homes, East Durham Homes and Dale & Valley Homes would continue to deliver citizenship programmes in schools across the county. This would be complemented by the introduction of a Community Kids programme and a Junior Wardens project. These projects would promote positive behaviour in the community and responsibility for local neighbourhoods.

What would happen if transfer did not go ahead?

If the transfer did not go ahead the Council's ability to provide services that add value in terms of offering employment and training programmes and improve opportunities for you to get involved would be limited under current Government rules. If the Council continued to own homes it does not expect to be able to afford to build many new homes. This is a major concern for the Council as many of the homes that are dedicated to older tenants and disabled tenants in the county are becoming very outdated and in need of replacement.

Key Facts:

- Your new landlord would continue to provide services in your area.
- Your new landlord would be able to invest more in improving homes and services for older people.
- Your new landlord would be able to build more new homes.
- The new group of landlords would have a dedicated budget of £11 million over the first seven years after transfer for disabled adaptations.

- Your new landlord would be able to provide a variety of ways for you to get involved in services and training and take advantage of employment opportunities.

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Section 10: Building New Homes

60 second summary:

- If transfer goes ahead Durham City Homes, East Durham Homes and Dale & Valley Homes, working together as the County Durham Housing Group would aim to build over 700 new homes across Durham City and its surrounding areas, East Durham and the former district of Wear Valley over the first seven years after the new group is set up.
- Over 200 of these new homes would be specialist homes for older tenants and disabled tenants.
- It is projected that over £70 million of investment would be released into the county's economy through the new build programme, creating over 1,000 new jobs, apprenticeship and training opportunities for local people.
- It is estimated that over £50 million of salary based earnings would be generated that could be spent in County Durham and the North East.
- The Council would not be able to build many new homes under current Government rules because its access to borrowing to pay for the programme would continue to be restricted.

This section of the Offer Document explains how Durham City Homes, East Durham Homes and Dale & Valley Homes plan to work together as the County Durham Housing Group to invest in building new homes if transfer goes ahead. It sets out the types of new home the new landlords could build, suggests where they may be and explains what the impact on your local community may be.

Why would the County Durham Housing Group build new homes?

The Council has looked very carefully at demand and need for homes in County Durham. The Council's research has found that there is an annual shortfall of over 650 homes for rent and sale every year. For older and disabled people the shortage is even worse, with 900 fewer homes available to the people that need them every year. The housing stock the Council owns that is dedicated to older people is becoming outdated and if the situation does not improve the Council must prepare for significant pressure on its housing and support services in the future.

The Council cannot afford to build many new homes, because it is restricted in the amount of money it can borrow to invest in new build projects. It is very important that the Council looks for opportunities to provide a range of new homes, particularly for older people. If transfer was to go ahead Durham City Homes, East Durham Homes and Dale & Valley Homes would be able to work together as the County Durham Housing Group to borrow more money than the Council. The new group of landlords could build new homes that would include a mix of new build bungalows as well as sheltered housing apartment schemes that can offer a mix of tenure options for older people who need support to live independently in more suitable accommodation.

What kind of new homes would the County Durham Housing Group build and where would they build them?

If transfer goes ahead, the Council would also transfer land to the new group of landlords. Development on this land would be subject to levels of demand for housing and the proximity of the site to transport links, schools, health care and other facilities, employment opportunities and wider regeneration projects.

The Council expects that the new homes that would be built would be for rent and would include a mix of one, two and three bedroom homes, depending on demand in the area. It is proposed that over 200 of these new homes would be specialist homes for older tenants and disabled tenants.

What would the benefits of new build be for me?

New homes would mean more choice in the type of home you can live in the future. The new build programme would also have major economic benefits for the county. The construction of over 700 new homes is estimated to:

- Release over £70 million of investment into the county's economy through the new build programme.
- Create over 1,000 new jobs, apprenticeship and training opportunities for local people.
- Generate over £50 million of salary based earnings that could be spent in County Durham and the North East.

Would I be entitled to move into a new home if they were built in my area?

You would be entitled to bid to move into a new home through the Choice Based Lettings scheme. The only exception would be if you were bidding to move into specialist accommodation for older tenants or disabled tenants and you do not meet the eligibility criteria for those homes.

How would my new landlord pay for the new build? Would my rent increase?

No. Your rent would not increase as a result of the new build programme. Durham City Homes, East Durham Homes and Dale & Valley Homes would work together as the County Durham Housing Group to borrow the money needed to pay for new build schemes from banks, building societies or bond markets. The new group of landlords could only borrow what they could afford to repay.

What would happen if transfer does not go ahead?

The Council does not expect to be able to build the new homes that are required because it would be unable to access the borrowing needed to deliver the new build scheme under current Government rules. Choice in the type of homes available in the county would be reduced as a result.

Key Facts:

- Your new landlord would have funding in its business plan to build new homes.
- Your rent would not increase as a result of any new homes being built by your new landlord in your area.
- If transfer was to go ahead, the Council believes it would have a positive impact on you, your community and the rest of County Durham.
- Many jobs could be created and protected if transfer was to go ahead, growing the economy of County Durham.

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Section 11: Next Steps

60 second summary:

- This document is called the Offer Document and it sets out the details of Durham County Council's proposal to transfer its homes to Durham City Homes, East Durham Homes and Dale & Valley Homes via the County Durham Housing Group Limited. It is called a Stage 1 Notice.
- You will have opportunities to discuss and comment on this document.
- You can give your views on the Offer Document and the Council's proposal to transfer its homes by completing and submitting the freepost reply card included in this pack or by providing your views via email or text message (other ways to be TBC).
- The Council will consider the responses it receives from you and will decide whether or not it needs to make any changes to the Offer Document or its transfer proposal.
- The Council will write to you informing you of any significant changes it has made to the Offer Document or its transfer proposal and whether it has decided to proceed to the ballot. This letter is called a Stage 2 letter.
- Transfer can only go ahead if a majority of secure and introductory tenants who vote in the statutory ballot vote in favour of the Council's transfer proposal.

This section of the Offer Document sets out the timetable for consultation on the Council's proposal to transfer its homes and the legal requirements for tenant consultation.

What is the timetable for consultation?

Stage 1 Consultation

The Offer Document is the first stage of the formal consultation with tenants on the Council's proposal to transfer its homes. The Offer Document sets out the details of the proposed transfer. The Offer Document has been provided to you as part of a package of information that includes a covering newsletter and a short DVD produced by the Council.

You will also be visited at home by staff members to explain the contents of the Offer Document to you, to make sure you have received it and understand the Council's proposal.

Consideration of Your Comments

The Offer Document includes a freepost reply card for your comments. Please take the time to read the Offer Document, complete the reply card and return it to the Council. OTHER WAYS TO RESPOND HERE.

The Council will consider your comments on the Offer Document and its transfer proposal and will decide if its proposal needs to be changed and whether it wishes to go ahead with the ballot of all the Council's secure and introductory tenants.

Stage 2 Consultation

Once the Council has considered tenants' responses to the Offer Document it will send you a letter called the Stage 2 letter. The letter will describe what, if any, significant changes have been made to its transfer proposal and whether it has decided to go ahead with the ballot. The letter will also explain that you have the right to make representations to the Secretary of State for Communities and Local Government.

Confidential Ballot

If the Council decides to go ahead with the ballot an independent organisation would carry out a confidential ballot over a four week period. Every secure and introductory tenant would have the right to vote. This means that joint tenants would each have a separate vote and ballot paper.

It is very important that you use your vote to tell the Council what you want for the future of your home. The Council, the County Durham Housing Group Limited, Durham City Homes, East Durham Homes and Dale & Valley Homes would not know how you have voted. They would only know the collective, final result of the ballot.

If a majority of secure and introductory tenants who vote in the ballot, vote in favour of the Council's transfer proposal and the Council agrees to go ahead, it will then write to you advising you that it intends to proceed with the transfer and explaining that you have the right to make further representations to the Secretary of State for Communities and Local Government.

The Council must get the consent of the Secretary of State for Communities and Local Government before the transfer can take place. If successful, it is planned that the transfer will take place by the end of March 2015.

Legal Requirements for Tenant Consultation

The law states that Councils must consult with their secure and introductory tenants about any proposed transfers of Council housing, which is set out in Section 106A and Schedule 3A of the Housing Act 1985 (as amended). The Council and Secretary of State for Communities and Local Government must have regard to the views of the Council's secure and introductory tenants. If you are not sure what type of tenant you are, please refer to your tenancy agreement or telephone:

- If you currently receive your housing services from Durham City Homes please call (TBC)

- If you currently receive your housing services from East Durham Homes please call (TBC)
- If you currently receive your housing services from Dale & Valley Homes please call (TBC)

The Council is currently following Stage 1 of the consultation and has issued the Offer Document to give you notice of:

- Details of the transfer proposal, including the identity of the organisation (and organisations) to whom the transfer is to be made.
- The likely consequences of the transfer.
- The effects of the provisions of Schedule 3A of the Housing Act 1985 and in case of secure tenants, of Sections 171A to 171H Housing Act 1985 (Preservation of Right to Buy on Transfer).

The details, consequences and effect of the Council's proposed housing transfer are set out in this document. The effects of Schedule 3A 1985 Housing Act are:

- The Council must first serve on you a notice (the Stage 1 Notice) giving you the information listed above. The Offer Document is the Stage 1 Notice.
- The Council will consider any comments received by the date given in the covering letter from the Council's Chief Executive. After considering your views the Council must serve a further written notice on you (Stage 2 letter) informing you of any significant changes to its transfer proposal and its decision.
- When this happens you may write to the Secretary of State for Communities and Local Government with any objections to the proposal within 28 days. This 28 day period begins when the Council's Stage 2 letter is sent to you. The Secretary of State for Communities and Local Government is required to take objections into account when considering any application from the Council for the necessary consent to transfer.
- After the ballot the Council would inform all tenants of the ballot result and whether it intends to proceed with the transfer and how further representations to be the Secretary of State for Communities and Local Government can be made.

Section 12: Your Tenancy Agreement

60 second summary:

- Your key rights and entitlements would be protected in your new Tenancy Agreement with your landlord.
- The conditions of the Tenancy Agreement (except for rent increases and changes in service charges) could only be changed with your individual written consent.
- The Tenancy Agreement sets out details on the payment of rent, your new landlord's obligations, your obligations, rights and grounds for possession.
- Your new Tenancy Agreement has been written in partnership with the Customer Working Group.

This section of the Offer Document includes the form of the Tenancy Agreement which has been developed in consultation with the Customer Working Group and has been designed to ensure that, if the transfer goes ahead, your key rights are protected. This section also explains who would be granted the new Tenancy Agreement and what would happen to introductory tenants if transfer was to go ahead.

A New Tenancy Agreement

The form of Tenancy Agreement which would be issued by your landlord to secure tenants transferring from the Council would be substantially in the form set out below. If the transfer was to go ahead, it would be a condition of the contract between the Council and your landlord that an agreement in substantially this form is issued.

This tenancy would be effective from the date of transfer and would be issued thereafter to each transferring secure tenant except those tenants who:

- Have a Possession Order from the Court in force against them.
- Have been served with a Notice of Intention to Seek Possession, where the Notice is still in force.
- Are subject to possession proceedings at the time the transfer takes place.
- Have been issued with a demotion order.

In these cases the Tenancy Agreement would be issued if the Possession Order is discharged; or the Notice of Intention to Seek Possession is withdrawn or expires; or if the Court decides not to make a Possession Order; or the tenant complies with the terms of the demotion order and the demotion period comes to an end. Until then, those tenants would be assured shorthold tenants of their local landlord.

Your new landlord would be able to enforce Possession Orders that the Council obtained prior to transfer and may also be able to obtain Possession Orders for tenancy breaches where the Council has served notices before the transfer takes place.

Your new landlord would also be able to take action on tenancy debts owed to the Council before the transfer went ahead.

What about introductory tenants?

If the transfer goes ahead, introductory tenants of the Council would become assured shorthold tenants of one of the new landlords (Durham City Homes, East Durham Homes or Dale & Valley Homes) from the date of transfer and would continue to serve the rest of their probationary period. Provided their probationary tenancy period has been satisfactorily completed, at this stage they would be offered the same full assured tenancy with protected rights as the transferring secure tenants of the Council, including (if their property is not excluded from the Right to Buy) a contractual Preserved Right to Buy.

Tenancy Agreement

The Tenancy Agreement is between you and your landlord. When signed the Agreement becomes a legal document between you and your proposed local landlord. Please note if transfer was to go ahead and:

- You currently receive your housing services from Durham City Homes, you would sign a Tenancy Agreement with them and you would become a tenant of Durham City Homes.
- You currently receive your housing services from East Durham Homes, you would sign a Tenancy Agreement with them and you would become a tenant of East Durham Homes.
- You currently receive your housing services from Dale & Valley Homes, you would sign a Tenancy Agreement with them and you would become a tenant of Dale & Valley Homes.

You should read this document carefully, if there is anything you do not understand, please contact (NEED DETAILS FOR CONTACTS ON TENANCY AGREEMENT).

Assured Tenancy Agreement

Assured (non-shorthold) tenancy agreement (transferring tenants)

This tenancy agreement is between

Our name and address [include name] (we us or our) of [include address]

We are registered with the Homes and Communities Agency (the **Regulator**) as a non-profit provider of social housing

and

Name(s) of Tenant(s)

.....
.....
.....
.....

(the **Tenant** or **you**) (In the case of joint tenants, the term **Tenant** or **you** applies to each of you and the names of all joint tenants should be written above. Each Tenant individually has the full responsibilities and rights set out in this tenancy agreement.)

The address of the property covered by this tenancy agreement

.....
..... (your home)

Description of your home

(include a description, including the number of bedrooms)

.....
.....

Charitable status

The home that is the subject of this tenancy is held by [include name], which is [an exempt] / [a registered] charity.

Payments for your home

The weekly payments for your home at the start of this tenancy are:

- (i) rent of £[XXX]
- (ii) rent (and other charges) arrears of £[XXX] payable at £[XXX] per week until paid in full
- (iii) service charge of £[XXX] in respect of the following services:

[insert description of any other service(s) and enter amounts for any services that apply]

(iv) water, sewerage and heating charge of £[XXX]

(v) district heating charge of £[XXX]

Total weekly payment £[XXX]

The tenancy This tenancy begins on for a week and thereafter weekly until brought to an end in accordance with the provisions of this tenancy agreement and it is an assured non-shorthold tenancy the terms of which are set out in this tenancy agreement.

Data protection For the purposes of the Data Protection Act 1998 you agree that we may process personal information, including sensitive personal data, which you have provided or has been provided by third parties, in order to perform the functions of managing your tenancy and the provision of general housing and support needs. Any processing will be undertaken in accordance with the provisions of the Data Protection Act 1998 or any other relevant legislation and in accordance with our policies on disclosure of information and confidentiality. By entering into this tenancy agreement you consent to such processing.

SIGNATORIES

Signed on our behalf

Print name.....

I/we have been given an opportunity to read the terms and conditions of this tenancy agreement. I/we understand that I/we should not sign it unless I/we are prepared to agree to keep to the terms and conditions.

Signed by the Tenant(s)

Print Name(s)

.....

.....

.....

.....

.....

.....

.....

.....

If this is a joint tenancy, each Tenant should sign.

Date.....

Words included in italics do not form part of this tenancy agreement and are included for explanation purposes only.

We are subject to any guidance on housing management practice issued by the Regulator with the approval of the Secretary of State and this tenancy agreement is one to which that guidance applies.

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Contents

Part Number	Subject
1	About the Tenancy Agreement
2	Definitions and Interpretations
3	General Terms
4	Landlord Obligations
5	Tenant Obligations
6	Tenants' Rights
7	Tenure
8	Grounds for Possession

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Part 1 - About the Tenancy Agreement

This Tenancy Agreement (the Agreement) is a legal contract. By signing this Agreement you are entering into a legal contract with your new landlord. When the Agreement has been signed, the conditions become binding on you as tenant(s) and your new landlord.

This Agreement is an assured (non shorthold) tenancy as defined in Part 1 of the Housing Act 1988. It is not an assured shorthold tenancy.

The tenancy is a weekly periodic one commencing at noon on a Monday (CHECK).

As long as you occupy the property as your only or principal home you are an assured tenant. For so long as you remain an assured tenant your new landlord can only end the tenancy by obtaining a Court Order for possession on one of the grounds listed in Schedule 2 of the Housing Act 1988.

This Agreement describes your rights and responsibilities and those of your new landlord.

If there is anything in this Agreement that you do not understand you should contact (NEED CONTACT PERSONS) or you could seek your own independent advice from the Citizens Advice Bureau or a solicitor.

Part 2 - Definitions and interpretations

In this Tenancy Agreement the following words and phrases shall have the following meanings:

anti-social behaviour means doing something or failing to do something that causes or is likely to cause nuisance, annoyance, harassment, alarm or distress to anyone (see further clause 23);

communal areas means any parts of the property of which your home forms part that other people are entitled to use, for example, halls, stairways, landings, entrances, lifts, passageways and any other communal amenities including communal gardens, lawns and landscaped areas;

Council means Durham County Council;

family member means a tenant's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece;

garden means any garden forming part of your home, including any lawns, hedges, flowerbeds, trees, shrubs, outside walls, fences, paths and yards;

neighbour means anyone living in the local area, including other tenants, people who own their own homes and local businesses;

protected characteristics means age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation;

vehicle means any vehicle used for transporting a person or people, for example, a car, motorbike, bike, moped, boat, caravan, van, minibike, minimoto, trailer and mobility scooter;

we, us or **our** shall include anyone working on our behalf, for example, our employees, contractors, agents and other persons authorised by us;

written permission means a letter from us giving you permission to do something as required under this tenancy agreement;

any references to clauses shall be deemed to be references to clauses of this tenancy agreement; and

any reference to any statute and other legislative provisions shall be deemed to include reference to any such provisions as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provisions.

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Section 1 - General terms

It is agreed as follows:

1 Rent and other payments for your home

- 1.1 The weekly rent and service and other charges for your home at the start of the tenancy are set out on pages [1-2].
- 1.2 The payment of rent and service and other charges is due in advance on the Monday of each week.
- 1.3 We may collect rent and service and other charges due under this tenancy over fewer than fifty two (or where relevant fifty three) weeks in each financial year (starting from 1 April in each year). If this clause applies, we will tell you at the start of the financial year which weeks are “non-payment” weeks.

2 Changes in rent

- 2.1 We may increase the rent with effect from the first Monday in April after this tenancy is granted by giving you not less than one calendar months' notice in writing. The revised rent shall be the amount set out in a rent increase notice given to you by us.
- 2.2 After the first rent variation under this tenancy agreement we may in accordance with the provisions of Sections 13 and 14 of the Housing Act 1988 increase or decrease the rent by giving you not less than one calendar month's notice in writing. The notice will specify the rent proposed. The revised rent shall be the amount specified in the notice of increase unless you refer the notice to the First Tier Tribunal (Property Chamber) (or a successor or replacement body) to have a market rent determined. In that case the maximum rent payable for the following year will be the rent so determined.

3 Payment of arrears (where applicable)

If you have any arrears of rent and other charges due when this tenancy is granted you agree to pay off those arrears by weekly instalments shown on page [1]. If you do not make the payments, we may start court proceedings to end this tenancy.

4 Services and service charges (where applicable)

- 4.1 We shall provide the services set out on pages [1-2] for which you shall pay a service charge. This charge only applies to your home if an amount has been entered against a service on pages [1-2].

4.2 We may, after consulting the tenants affected, increase, add to, remove, reduce, or vary either the services provided or charges for the services or introduce new services for which charges may be payable.

5 Changes in services and service charges (where applicable)

5.1 With effect from the first Monday in April after this tenancy is granted we may increase or decrease your service charge (if it applies) at any time if we give you at least one calendar month's notice in writing, but not more than once a year unless there is a change in the services provided.

5.2 Each year, we will estimate the sum we are likely to spend in providing services to you over the coming year. That will be the service charge we will ask you to pay for the year.

5.3 At the same time, we will work out how much we have actually spent on providing services for you in the previous year. If we have overcharged you, we will reduce your service charge for the coming year. If we have undercharged you, we will increase your new service charge.

5.4 We will give you a certificate showing what is included in your service charge. When you receive your certificate you have the right, within six months of receiving it, to examine the service charge accounts, receipts and other documents relating to them and to take copies or extracts from them. We may make a small charge to cover the cost of any copying.

5.5 We can only make reasonable service charges and the services or work we do must be of a reasonable standard. If you believe that your service charge is unreasonable (in terms of the amount charged or standard of work) you may be able to apply to the First Tier Tribunal (Property Chamber) (or a successor or replacement body) for a decision as to what is reasonable.

5.6 We may set up a sinking fund to build up a fund of money to be used for particularly expensive items of service charge expenditure we will need to incur in the future.

6 Water, sewerage and heating charge (where applicable)

6.1 If we enter into an arrangement with the local water and/or heating provider to collect charges on their behalf, then for so long as such arrangement continues you agree to pay a water, sewerage and/or heating charges to us.

6.2 The water, sewerage and/or heating charges (if any) which apply to your home at the start of this tenancy are entered against the relevant charge on page [2].

6.3 We may at any time and upon giving you one calendar month's notice in writing:

6.3.1 vary the relevant charges to reflect the revised charges notified to us by the water or heating provider;

6.3.2 require you to pay us these charges in accordance with clause 6.1 if you do not already do so.

7 **District heating systems (where applicable)**

7.1 If you receive heat and/or hot water from a district heating scheme (indicated by a "district heating charge" on page [2]) then your district heating charge must be paid at the same time as your rent.

7.2 The district heating charge shall be varied at the same time as the rent and using the same procedure.

8 **Outgoings**

You must meet all outgoing and other charges applying to your home whether metered or billed.

9 **Service of notices**

9.1 This clause gives you notice under Section 48 of the Landlord and Tenant Act 1987 that our address for receiving legal notices, and any other communication arising from this tenancy agreement, is:

[include registered office address]

9.2 Any legal notice, or any other communication arising from this tenancy agreement, shall be validly served on you if delivered to you personally or posted or delivered to or left at your home or last known address.

10 **Altering this tenancy agreement**

Except for any changes in rent or other charges or services this tenancy agreement may be altered only with the written consent of both you and us.

Section 2 - Our obligations

We agree:

11 Possession

To give you possession of your home at the start of the tenancy.

12 Tenant's right to occupy

Not to interrupt or interfere with your right peacefully to occupy your home except where:

12.1 access is required in accordance with clause 35; or

12.2 we are entitled to possession at the end of the tenancy.

13 Repair of structure and exterior

To keep in repair the structure and exterior of your home including:

13.1 drains, gutters and external pipes;

13.2 the roof;

13.3 outside walls, outside doors, windowsills, window catches, sash cords and window frames (including necessary external painting and decorating);

13.4 internal walls, floors (excluding floor coverings), ceilings, doors, door frames, door hinges and skirting boards but not including internal painting and decoration;

13.5 chimneys, chimney stacks and flues but not including sweeping;

13.6 main entrance path, steps or other means of access;

13.7 plasterwork;

13.8 integral garages and stores.

14 Repair of installations

To keep in repair and proper working order any installation provided by us for space heating, water heating and sanitation and for the supply of water, gas and electricity including:

- 14.1 basins, sinks, baths, showers, toilets, flushing systems and waste pipes (but not any other fixtures, fittings and appliances for making use of the supply of water, gas or electricity);
- 14.2 electric wiring including sockets, switches and light fittings (excluding bulbs);
- 14.3 gas pipes, water pipes, water heaters, fitted fires and central heating installations.

15 Repair of communal areas

To keep in repair any communal areas of your home including their electric lighting and external decoration and any communal aerials and to ensure that such communal areas are fit for use by you and others living in or visiting your home.

16 Housing management

To provide you with information on our housing management policies as required by the guidance issued by the Regulator (or its predecessor or successor body) under section 193 of the Housing and Regeneration Act 2008.

Section 3 - Your obligations

You agree:

17 Possession

To take possession of your home at the start of the tenancy and not to part with possession of your home or sub-let the whole of it.

18 Rent and other charges and outgoings

18.1 To pay the rent and (if applicable) service and other charges weekly in advance as required by clauses 1, 2, 4, 5, 6 and 7.

18.2 To pay any arrears of rent and other charges as required by clause 3.

18.3 To meet all outgoings as required by clause 8.

19 Use of your home

19.1 To use your home for residential purposes, as your only or principal home and in a reasonable and responsible manner.

19.2 Not to operate any business or trade without first getting our written permission.

19.2.1 We will refuse permission if we think your business will cause a nuisance or annoy your neighbours, or damage your home. However, we will only refuse permission if we have good reason to do so.

19.2.2 If we give you permission, you will also need to get planning permission and building regulation approval, if appropriate.

19.2.3 If we give permission and the business causes a nuisance or annoyance, we may withdraw our permission and allow you 28 days to stop running the business from your home.

Examples of the businesses we will not allow include, but not limited to the following:

- *repairing and maintaining cars;*
- *running a printing business;*
- *running a shop;*
- *businesses that involve using hydraulic equipment;*
- *businesses that involve using industrial machines; and*
- *businesses involving controlled substances or chemicals.*

19.3 Not to use your home (and ensure that no one living in or visiting your home uses it):

19.3.1 for anything it is not designed for; and

19.3.2 to carry out any illegal or immoral activities

Examples of illegal activities include, but not limited to the following:

- *prostitution-related activities;*
- *possessing, cultivating or dealing illegal drugs;*
- *storing or handling stolen or counterfeit goods;*
- *theft;*
- *burglary; and*

- *keeping illegal or unlicensed firearms, ammunition or weapons in the property.*

20 **Safety around your home**

20.1 Not to (and ensure that no one living in or visiting your home does):

20.1.1 use portable oil or paraffin heaters in your home;

20.1.2 store gas canisters or bottles or any dangerous, flammable or explosive materials either inside or outside your home, including in any garden, garage, shed or outbuilding (except oxygen you need for medical reasons or items for domestic use, for example a barbeque gas bottle);

20.1.3 interfere with or damage any fire-safety equipment in your home or communal areas;

20.1.4 jam open door-entry-system doors or protected-access doors or fire doors;

20.1.5 damage or put graffiti on any property we own;

20.1.6 display any notice, trade plate or advertisement in or on your home or on the estate without getting our written permission (we may set reasonable conditions which you must keep to);

20.1.7 allow oil or other harmful substance to enter the gullies or drains or seep onto neighbouring property or highways or contaminate your home or neighbouring property; and

20.1.8 tamper with the supply of gas, electricity or water, or with any other services, meters, hard-wired smoke detectors or warden call equipment that we have installed in your home.

20.2 Not to (and to ensure that no one living in or visiting your home does):

20.2.1 dump or hoard any large quantities of objects, rubbish or other items in or around your home, the communal areas or your garden; and

20.2.2 hoard anything in your home that may constitute a nuisance or fire hazard or cause or contribute to the build-up of condensation or dampness or obstruct access to your home or installations within it.

Nuisance, annoyance and disturbance

Not to do anything (and to ensure that no one living in or visiting your home (including any pets) does anything) that causes or is likely to cause a nuisance, annoyance or disturbance to anyone living, visiting or working in the local area.

Examples of nuisance, annoyance or disturbance include, but not limited to the following:

- *loud music;*
- *loud noise during unreasonable hours;*
- *intimidating behaviour;*
- *abusive language;*
- *threatening behaviour;*
- *shouting and slamming doors;*
- *allowing dogs to bark often, and not cleaning up dog mess;*
- *excessive bird feeding;*
- *taking drugs;*
- *being drunk and offensive;*
- *using equipment that interferes with television reception;*
- *rubbish dumping;*
- *playing ball games close to someone else's home;*
- *using firearms (including air rifles) in the area;*
- *repairing vehicles (except minor maintenance to your own vehicle);*
- *parking an illegal or un-roadworthy vehicle near your home;*
- *riding unlicensed motorcycles and mini-motorcycles on footpaths and grassed areas;*
- *throwing things (for example mud or stones) at another person or at property; and*

- *doing anything that unreasonably interferes with the peace, comfort or convenience of any other person.*

22 **Harassment**

Not to harass or threaten or encourage others to do so (and to ensure that no one living in or visiting your home harasses or threatens to harass) anyone on any grounds.

Examples of harassment include, but not limited to the following:

- *inappropriate behaviour or language relating to a person's protected characteristics;*
- *using or threatening to use violence towards anyone;*
- *using abusive or insulting words or behaviour;*
- *stalking someone;*
- *damaging or threatening to damage another person's home or possessions; and*
- *writing threatening, abusive or insulting graffiti.*

23 **Anti-social behaviour**

Not to behave (and to ensure that no one living in or visiting your home (including any children and pets) behaves) in an antisocial way.

Examples of anti-social behaviour include, but not limited to the following:

- *violence or threats of violence towards any person;*
- *criminal activity;*
- *using or dealing drugs;*
- *being drunk;*
- *using abusive language and offensive behaviour;*
- *domestic abuse;*
- *damaging or threatening to damage property;*
- *abusive or threatening telephone calls;*

- *writing graffiti;*
- *throwing things off balconies or out of windows;*
- *storing materials that may catch fire or blow up (or vehicles that use these materials) in your home or in communal areas; and*
- *blocking communal areas.*

24 **Abuse**

- 24.1 Not to inflict (or threaten) violence or abuse (and to ensure that no one living in or visiting your home is being violent or abusing to) any other person.
- 24.2 For the purposes of this clause, "other person" includes any person residing, visiting, working or otherwise engaging in lawful activity in your home or in the locality or any employee, contractor or agent of ours whether in your home, locality or elsewhere (for example at our offices).

25 **Community responsibilities**

To be responsible for the behaviour of everyone living in or visiting your home (including any children and pets). This applies when they are in your home, in communal areas, on adjacent land and in the locality around your home.

26 **Pets**

- 26.1 If you live in a house or a bungalow:
- 26.1.1 not to keep more than two domestic animals (such as dogs, cats, caged birds or small animals) without our written permission; and
 - 26.1.2 to care for and keep any pets kept at or visiting your home under proper control.
- 26.2 If you live in a building where there is a warden and/or shared access areas:
- 26.2.1 not to keep a dog or cat or other large pet, unless it is a disability assistance dog or you have obtained our written permission;
 - 26.2.2 not to keep more than two small caged animals;
 - 26.2.3 to care for and keep any pets kept at or visiting your home under proper control.

26.3 Not to keep any unsuitable animals at your home.

Examples of unsuitable animals include, but not limited to: wild animals, poisonous insects and spiders, poisonous or dangerous snakes or fish and large reptiles.

26.4 Not to keep any animal which has been classed as dangerous under the Dangerous Wild Animals Act 1976 or under the Dangerous Dogs Act 1991.

26.5 Not to breed any animals or birds at your home, or build a chicken coop, pigeon cove or aviary without our written permission.

26.6 Not to keep livestock or farm animals such as horses, donkeys, goats, pigs, cattle, ducks, or geese at your home.

26.7 Not to allow any pets kept at or visiting your home to frighten, annoy or cause a nuisance to us or anybody in the local area.

Examples of this include, but not limited to:

- *letting your dog bark;*
- *failing to keep your pet under control; and*
- *creating any kind of danger to people's health.*

26.8 To immediately remove your dog's faeces whether around your home or otherwise in the local area.

26.9 To ensure that your pet does not prevent us from getting into your home.

27 **Repairs and decorations**

27.1 To the extent that this is not our responsibility under this tenancy agreement, to keep your home in good condition (including carrying out any minor repairs) and in particular the following areas:

- the inside of your home, including decoration inside your home;
- the outside of your home;
- your garden; and
- your garage or other outbuildings (such as sheds or greenhouses) which form part of the property covered by this tenancy agreement.

27.2 Not to decorate the outside of your home without our written permission.

- 27.3 Not to use any textured coatings (such as Artex) on the walls of your home and (without our written permission) on the ceilings.
- 27.4 Not to remove any textured coating in your home without our written permission.
- 27.5 In relation to the flooring in your home:
- 27.5.1 not to lay laminate or wooden flooring without our written permission;
 - 27.5.2 to keep the floors covered with an appropriate floor covering to reduce any noise being heard in your neighbours' homes;
 - 27.5.3 not to use adhesives (glue) to secure floor covering (if you do, we will charge you the cost of removing the floor covering if we need to do any repairs);
 - 27.5.4 to remove (and later reinstall) any laminate or wooden flooring to enable us to carry out repairs or improvements to your home (whether it was originally installed by you or a previous tenant).
- 27.6 To keep in good condition (and not to remove) any furniture, appliances, carpets or curtains provided by us.
- 27.7 To sweep chimneys (if there are any in your home).

28 **Alterations and other works to your home**

- 28.1 Not carry out alterations or additions either inside or outside your home without our written permission which we may give you under clause 49. This includes: aerials, conservatories, driveways, fences, garages, garden ponds, greenhouses, hard-standing for vehicles, outbuildings, satellite dishes, surveillance equipment and sheds. We may refuse permission if there is a good reason and will tell you why. We may give permission, but subject to reasonable conditions.
- 28.2 Not to carry out any gas or electrical work at your home without our written permission. This work must only be carried out by a qualified and competent contractor and inspected by us.
- 28.3 To obtain any necessary planning or building regulations approval before you carry out any alterations or other works to your home which are permitted under this tenancy agreement and (where applicable) by us.

29 **Gas safety**

To be responsible for getting a yearly gas safety check by a gas safe-registered contractor on any appliance you own, and to show us a record of the safety check.

30 **Pests**

To keep your home free of pests and to tell us immediately if your home becomes infested with rats, mice or other pests. The costs of dealing with pests may be your responsibility.

31 **Lofts**

31.1 Not to store anything in the loft space that:

- is dangerous, flammable or explosive;
- increases the weight on any part of the property so as to affect the structure or safety of the property;
- increases the risk of infestation by things like rats, mice or other pests;
- causes a nuisance or annoyance to us or your neighbours.

31.2 To remove your belongings to allow us access to your loft to carry out inspection, repair or improvement.

31.3 To remove all of your belongings from the loft space at the end of the tenancy.

31.4 Not to enter the loft space where we have informed you in writing that you must not do so.

32 **Communal areas**

32.1 Not to use any communal areas for anything they are not supposed to be used for.

32.2 Not to block any communal areas or leave litter or dirt or your belongings there.

32.3 To dispose of all household rubbish and bulky items quickly so they do not cause a nuisance.

32.4 To keep any communal areas tidy, clean and safe.

- 32.5 Not to create a health-and-safety risk or obstruction by leaving rubbish, dangerous materials or personal belongings in any communal areas in the building or on the estate. If we have to get rid of your things, you will have to pay the costs of us doing so, within 28 days.
- 32.6 Not to smoke (and to ensure that no one living in or visiting your home smokes) in any enclosed communal areas.
- 32.7 Not to damage, dirty or vandalise any communal stairs or handrails to the building or any other communal areas on the property, buildings or estate.
- 32.8 To close security or shared doors and not give out any keys or pass codes to entry doors.
- 32.9 To do your best to prevent damage to the property, building and the estate.
- 32.10 Not to tamper with or damage (and to ensure that no one living in or visiting your home (including any children and pets) tampers with or damages) safety equipment such as fire or smoke alarms, door-entry systems, security gates and CCTV systems.

33 **Gardens**

- 33.1 To keep your garden well maintained at all times.
- 33.2 To be responsible for looking after all parts of your garden, including grass, plants, bushes, trees and hedges.
- 33.3 To maintain your garden so as not to endanger the health and safety of other people or cause damage to any property (including any pipes, drains or cables).
- 33.4 To keep hedges at a manageable height (no more than one metre high at the front and no more than 2 metres at the back). They should not hang over a public right of way.
- 33.5 To keep your garden tidy and free from rubbish and debris.
- 33.6 To put your waste and recycling containers out for collection in accordance with the Council's guidance from time to time and return them to their proper storage places as soon as possible after the waste has been collected.
- 33.7 Not to without our written permission:
- remove any tree or shrub on a boundary;

- plant, remove or carry out any work on trees.

34 **Parking – vehicles and access**

34.1 Not to without our written permission:

- build a garage, car hard-standing or driveway (if we give you permission you will also need to get planning permission and building regulation approval, if appropriate);
- park a boat, caravan, motor home, trailer, lorry or large commercial vehicle or similar vehicle at your home or on land that we own or manage.

34.2 Not to:

- block access to any other property by parking inconsiderately, or allow anyone living in or visiting your home to do so
- allow any motor vehicle, caravan, motor-home, trailer, lorry or other wheeled vehicle to obstruct any road, lane, path or access-way or to block the route of emergency vehicles;
- park any vehicle outside the boundaries of your home, unless it is on a designated parking area or on the road and it is in a roadworthy condition, taxed and insured;
- allow a vehicle to enter any land at your home, except across a proper crossing (for example, a dropped kerb);
- allow any motor vehicle to be repaired, serviced or worked on between 10pm and 8am at your home or on any housing land or on any road outside your home, except in an emergency;
- park any motor vehicle in the open air at your home unless it is in a roadworthy condition, taxed and insured or you have the statutory off-road notification (SORN);
- park or drive a vehicle on any land owned or managed by us that is a grassed open-plan area, footpath, grass verge or open space;
- keep mopeds, motor scooters or motorbikes inside your home or in communal areas inside the building your home is in (for example, entrance halls, stairs or landings). Battery-powered scooters for use by the disabled are exempt so long as they do not cause an obstruction and do not cause any health-and-safety

risk. If we provide parking areas for battery-powered scooters, you must park any battery-powered scooter within those parking areas.

35 Access

- 35.1 To allow us, our employees, contractors or agents access at reasonable times and subject to reasonable notice to inspect the condition of your home or any installations or to carry out an annual safety check or to carry out repairs or other works to your home or adjoining property. (We will normally give you at least 24 hours' prior notice but more immediate access may be required in an emergency.)
- 35.2 To allow the Fire Services access to carry out their fire-risk assessment of your home.
- 35.3 If we make an appointment with you and you do not let us in (unless for a good reason), you may have to pay our reasonable costs. If we do not attend the appointment (unless for a good reason), then you may be able to claim your reasonable costs.
- 35.4 Not to smoke or allow smoking in your home when our employees, contractors or agents are present and to allow our employees, contractors or agents to open a window to ventilate a room if you have been smoking there.

36 Reporting disrepair

To report to us promptly any disrepair or defect for which we are responsible in your home or the communal areas.

37 Damage

To make good any damage to your home or our fixtures and fittings or to the communal areas caused by you or anyone living in or visiting your home, including children or pets (fair wear and tear excepted) and to pay any reasonable costs reasonably incurred by us in carrying out such works in default.

38 Non-compliance with your tenancy agreement

- 38.1 To reimburse us for our costs or liabilities where these are incurred as a consequence of any breach by you (or anyone living in or visiting your home (including any children and pets)) of any of your obligations under this tenancy agreement, including (but not limited to):

- 38.1.1 the cost of any repairs that are required because you (or someone living in or visiting your home (including any children and pets)) have not looked after your home properly, or have misused it or damaged it (even if the damage was caused by accident);
 - 38.1.2 the cost of carrying out any works for which you are responsible under this tenancy agreement and which you failed to carry out (at all or to an acceptable standard);
 - 38.1.3 the cost of repair or replacement of any fixtures and fittings (including any furniture, appliances, waste bins and/or recycling containers, carpets or curtains) in your home provided by us if these are damaged by you or anyone living in or visiting your home (including children or pets), even if the damage was caused by accident.
- 38.2 To pay, unless the court orders otherwise, our reasonable expenses properly incurred in enforcing this tenancy agreement.

39 **Assistance and information**

To reasonably co-operate, assist and provide sufficient information to us to enable us to comply with our obligations under this tenancy agreement or otherwise with any legal responsibilities which we may have to you or other persons and organisations.

40 **Assignment**

Not to assign the tenancy except:

- 40.1 in furtherance of a court order; or
- 40.2 with our written permission when exercising the right to exchange set out in clause 54; or
- 40.3 with our written permission when assigning the tenancy to someone who would have been qualified under clause 55 to succeed to the tenancy if you had died.

41 **Overcrowding**

Not to allow your home to be overcrowded.

42 **Lodgers and others living in your home**

To tell us on request the name, age and sex of any lodger and any other person living in your home and the room he or she occupies.

43 **Sub-letting**

43.1 Not to grant a sub-tenancy of the whole of your home.

43.2 Not to grant a sub-tenancy of any part of your home without our written permission. We will refuse permission only if we have good reason to do so. If we give you permission it may be subject to reasonable conditions.

44 **Absence from your home**

To inform us in writing and in advance, if you expect to be absent from your home for four continuous weeks or more.

45 **Ending the tenancy**

To give us at least four weeks' notice in writing when you wish to end the tenancy.

46 **Moving out**

46.1 To give us vacant possession of your home at the end of the tenancy and to remove all your belongings including furniture, personal possessions, pets and rubbish and leave your home (including any garden) and our fixtures and fittings (including any appliances, waste bins and/or recycling containers provided by us) in good lettable condition and repair (subject to fair wear and tear).

46.2 If you fail to comply with clause 46.1 we may arrange for the disposal of rubbish and cleaning of your home and otherwise making your home lettable again and may charge you for our reasonable costs of doing so.

46.3 We do not accept any responsibility for anything you leave at your home at the end of the tenancy.

46.4 To return keys of your home to us by no later than noon on the Monday following the end of the notice period (or such other date as we agree). If you hand in keys after this time, we may charge you another week's rent (or more). If you leave your home before the end of the four-week period, you will still be responsible for paying rent until the end of the notice period.

Section 4 - Your rights

You have the following rights:

47 Right to occupy

47.1 You have the right to occupy your home without interruption or interference from us for the duration of this tenancy (except for the obligation contained in this tenancy agreement to give access to our employees, contractors or agents).

47.2 Your right to occupy your home is at risk if you do not comply with the terms of this tenancy agreement or have proper respect for the rights of other persons in the neighbourhood.

48 Right to take in lodgers and sub-let part of your home

48.1 You may take in any persons as lodgers as long as you do not grant a sub-tenancy or make your home overcrowded.

48.2 As long as you first get our written permission, you may sublet part of your home. We may give consent subject to reasonable conditions.

49 Right to make improvements

49.1 You may make improvements, alterations and additions to your home provided that you have first obtained our written permission and all other necessary approvals (for example, planning permission and building regulations approval).

49.2 We shall not unreasonably withhold our permission but may make it conditional upon the works being carried out to a certain standard. Failure to seek our permission or to comply with our conditions shall be a breach of your obligations under this tenancy and if we have to undertake works due to your default under this clause we may charge you our reasonable costs of doing so.

49.3 You are responsible for repairing and maintaining your improvements, alterations and additions, unless we agree in writing that we will be responsible for them. We may require you to remove any improvements, alterations or additions at the end of the tenancy and to make good any damage to your home or our fixtures and fittings or to the common parts caused by the improvement, alteration or addition (or to pay any costs reasonably incurred by us in carrying out such works in default).

50 **Compensation for improvements**

You have the right to claim compensation for certain approved improvements which you have made to your home. You can only apply for compensation when your tenancy ends. We will give you full details of the scheme and the qualifying improvements upon request.

51 **Right to repair**

You have the right to have certain urgent minor repairs done quickly and at no cost to you where the repair may affect health, safety or security, and where the repair has not been completed within a specified timescale. We will give you full details of the Right to Repair Scheme including a schedule of qualifying repairs upon request. Under the Right to Repair Scheme, we must pay you compensation if qualifying repairs are not done within set timescales.

52 **Right to consultation**

We will consult you, on matters affecting your home and your tenancy, before making changes in matters of housing management or maintenance which are likely to have a substantial effect on your tenancy.

53 **Right to information**

You have a right to information from us about the terms of this tenancy and about our repairing obligations, our policies and procedures on tenant consultation, housing allocation and transfers, and our performance as a landlord.

54 **Right to exchange**

54.1 You have the right to exchange this tenancy by way of assignment with that of another assured or secure tenant of a registered provider of social housing or a local authority subject to first getting our written permission. We will only refuse our permission in the same circumstances where a council landlord would be able to refuse consent.

54.2 You must not charge any premium in relation to an exchange of this tenancy.

55 **Right to succession**

55.1 If you die, certain people, who are specified in clause 56, may succeed to this tenancy. This clause 55 will not apply if you have already succeeded to this tenancy (either under clause 55 in this tenancy agreement or similar succession clauses in a previous tenancy which we granted).

55.2 [If you were granted this tenancy on the transfer of your home from the Council to us, we will not take account of any successions before the date of the transfer.]

55.3 In certain circumstances, if the property is larger than the needs of the successor or has been provided or adapted for an older or disabled person and the successor is not older or disabled, the successor will be offered suitable alternative accommodation.

56 **People entitled to succeed to this tenancy**

56.1 If you are a joint tenant and you die then the tenancy may continue in the name of the sole remaining tenant. This counts as succession.

56.2 If you are not a joint tenant and you die, the tenancy may pass to your wife, husband, civil partner or partner (this includes same sex couples) provided he or she lived with you in your home as their principal or only home immediately prior to your death.

56.3 Subject to clauses 56.4 and 56.5, if you are not a joint tenant and you do not have a wife, husband, civil partner or partner (this includes same sex couples) who lived with you in your home as their principal or only home immediately prior to your death, the tenancy may pass to a member of your family who lived with you in your home (as their principal or only home) for at least 12 consecutive months immediately prior to your death. If more than one member of your family has a right to the tenancy they should agree who will claim it. If they cannot agree, they should all make a claim to us in writing within three months of your death and we will decide to whom we will offer the tenancy. We will advise who the successful claimant was to everyone who makes such a claim.

56.4 If this tenancy devolves under your will or intestacy to a person who is not entitled to succeed under this tenancy agreement, we may use Ground 7 in Schedule 2 to the Housing Act 1988 to end this tenancy and grant the person who may be entitled to succeed under this tenancy agreement a new tenancy of your home.

56.5 If your home has been specially adapted and no one living in your home needs that adaptation or if your home would be larger than the person who may be entitled to succeed under this tenancy agreement reasonably requires, we may end your tenancy and offer that person a tenancy of a more suitable home owned by us. The new tenancy will be on the same terms as this tenancy agreement other than in relation to rent (and other charges) and succession.

57 Preserved Right to Buy

57.1 As long as you qualify under the legislation, you have the preserved right to buy your home under the Housing Act 1985 and the Housing (Preservation of Right to Buy) Regulations 1993.

57.2 [If you were an Introductory Tenant of the Council immediately before we became your landlord, we will give you a right to buy your home as far as possible on the same terms as the preserved right to buy.]

57.3 If you die, the person who takes over the tenancy under the succession rights in clause 55 will also take over your preserved right to buy (if you had that right).

57.4 You will not be able to exercise the right to buy your home if you live in sheltered housing, or other housing excluded from this legislation.

57.5 To avoid doubt, if you became the tenant under this tenancy agreement following an exchange (under clause 54), you do not have a preserved right to buy unless you had that right under a previous tenancy which we granted to you.

58 Right to acquire

You have the right to acquire your home under the Housing and Regeneration Act 2008, unless you live in sheltered housing or other housing excluded from this right by that legislation, in which case you will not be able to exercise this right.

59 Preserved rights

So far as possible, we agree to give you the rights in clauses 48, 49, 50, 51, 52, 53 and 54 as they apply to a secure tenant of a council landlord and as if Sections 92-101, 104 – 106 and Schedule 3 of the Housing Act 1985 applied to this tenancy.

Section 5 – Tenure

60 Tenure

60.1 You shall remain an assured tenant so long as you occupy your home as your only or principal home. We can end a periodic assured non-shorthold tenancy only by obtaining a court order for possession of your home on one of the grounds listed in Schedule 2 to the Housing Act 1988.

60.2 We may also apply for a demotion order under Sections 6A and 20B of the Housing Act 1988. If we intend to seek a demotion order we will give you

two weeks' notice in writing unless the court has allowed us to go ahead without serving notice on you.

60.3 If we intend to seek possession of your home, as long as this tenancy has not been demoted, we will give you four weeks' notice in writing unless:

60.3.1 we are using grounds 14, 14A or any other statutory ground which allows us to issue proceedings immediately after service; or

60.3.2 we are using grounds which require us to give two months' notice; or

60.3.3 the court has allowed us to go ahead without serving notice on you.

60.4 We agree that, unless this tenancy has been demoted, we will only serve a notice (or ask the court to allow us to go ahead without serving notice) and seek possession of your home on the grounds and in the circumstances explained in section 6 of this tenancy agreement.

60.5 If this tenancy has been demoted, we may ask the court to make a possession order under other provisions of the Housing Act 1988. These give the court limited rights to refuse a possession order.

60.6 As well as seeking a possession and/or a demotion order, we can ask the court for an injunction, which may include a power of arrest and an exclusion order or other mandatory terms to make you comply with or stop breaching any terms of this tenancy or where you use your home for unlawful use. We may also apply for an injunction against an individual who engages in antisocial behaviour.

61 **Cessation of assured tenancy**

If the tenancy ceases to be an assured tenancy we may end the tenancy by giving you four weeks' notice in writing.

Section 6 – Grounds for possession

When seeking possession of your home under this tenancy agreement, we will use the grounds for possession set out in Schedule 2 of the Housing Act 1988, the current forms of which are set out below. If (after this tenancy has been created) any new grounds for possession are introduced into Schedule 2 of the Housing Act 1988 or if any of the existing grounds are modified, we may use the new and/or modified grounds. Unless this tenancy has been demoted, we agree not to use grounds 1-6, 8 and 11 in relation to this tenancy.

Schedule 2 of the Housing Act 1988 - Grounds for possession of dwelling-houses let on assured tenancies

Part 1 Grounds on which court must order possession:

Ground 7

The tenancy is a periodic tenancy (including a statutory periodic tenancy) or a fixed term tenancy of a dwelling-house in England, which has devolved under the will or intestacy of the former tenant and the proceedings for the recovery of possession are begun not later than 12 months after the death of the former tenant or, if the court so directs, after the date on which, in the opinion of the court, the landlord or, in the case of joint landlords, any one of them became aware of the former tenant's death.

For the purposes of this ground, the acceptance by the landlord of rent from a new tenant after the death of the former tenant shall not be regarded as creating a new tenancy, unless the landlord agrees in writing to a change (as compared with the tenancy before the death) in the amount of the rent, the period or length of term of the tenancy, the premises which are let or any other term of the tenancy.

This ground does not apply to a fixed term tenancy that is a lease of a dwelling-house:

- (a) granted on payment of a premium calculated by reference to a percentage of the value of the dwellinghouse or of the cost of providing it; or*
- (b) under which the lessee (or the lessee's personal representatives) will or may be entitled to a sum calculated by reference, directly or indirectly, to the value of the dwelling-house.*

We will only seek to recover possession of your home on this ground where a person has inherited this tenancy under a will or intestacy of a former tenant but is not entitled to succeed to this tenancy under clauses 55 and 56.

[Ground 7A – to be included when new law comes into force, although will still be available when it comes into force whether or not set out here]

Any of the following conditions is met.

Condition 1 is that:

- (a) the tenant, or a person residing in or visiting the dwelling-house, has been convicted of a serious offence, and*
- (b) the serious offence:*

- (i) was committed (wholly or partly) in, or in the locality of, the dwelling-house,
- (ii) was committed elsewhere against a person with a right (of whatever description) to reside in, or occupy housing accommodation in the locality of, the dwelling-house, or
- (iii) was committed elsewhere against the landlord of the dwelling-house, or a person employed (whether or not by the landlord) in connection with the exercise of the landlord's housing management functions, and directly or indirectly related to or affected those functions.

Condition 2 is that a court has found in relevant proceedings that the tenant, or a person residing in or visiting the dwelling-house, has breached a provision of an injunction under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014, other than a provision requiring a person to participate in a particular activity, and:

- (a) the breach occurred in, or in the locality of, the dwelling-house, or
- (b) the breach occurred elsewhere and the provision breached was a provision intended to prevent:
 - (i) conduct that is capable of causing nuisance or annoyance to a person with a right (of whatever description) to reside in, or occupy housing accommodation in the locality of, the dwelling-house, or
 - (ii) conduct that is capable of causing nuisance or annoyance to the landlord of the dwelling-house, or a person employed (whether or not by the landlord) in connection with the exercise of the landlord's housing management functions, and that is directly or indirectly related to or affects those functions.

Condition 3 is that the tenant, or a person residing in or visiting the dwelling-house, has been convicted of an offence under section 30 of the Anti-social Behaviour, Crime and Policing Act 2014 consisting of a breach of a provision of a criminal behaviour order prohibiting a person from doing anything described in the order, and the offence involved:

- (a) a breach that occurred in, or in the locality of, the dwelling-house, or
- (b) a breach that occurred elsewhere of a provision intended to prevent:
 - (i) behaviour that causes or is likely to cause harassment, alarm or distress to a person with a right (of whatever description) to reside in, or occupy housing accommodation in the locality of, the dwelling-house, or

- (ii) *behaviour that causes or is likely to cause harassment, alarm or distress to the landlord of the dwelling-house, or a person employed (whether or not by the landlord) in connection with the exercise of the landlord's housing management functions, and that is directly or indirectly related to or affects those functions.*

Condition 4 is that:

- (a) *the dwelling-house is or has been subject to a closure order under section 80 of the Anti-social Behaviour, Crime and Policing Act 2014, and*
- (b) *access to the dwelling-house has been prohibited (under the closure order or under a closure notice issued under section 76 of that Act) for a continuous period of more than 48 hours.*

Condition 5 is that:

- (a) *the tenant, or a person residing in or visiting the dwelling-house, has been convicted of an offence under:*
 - (i) *section 80(4) of the Environmental Protection Act 1990 (breach of abatement notice in relation to statutory nuisance), or*
 - (ii) *section 82(8) of that Act (breach of court order to abate statutory nuisance etc.), and*
- (b) *the nuisance concerned was noise emitted from the dwelling-house which was a statutory nuisance for the purposes of Part 3 of that Act by virtue of section 79(1)(g) of that Act (noise emitted from premises so as to be prejudicial to health or a nuisance).*

Condition 1, 2, 3, 4 or 5 is not met if:

- (a) *there is an appeal against the conviction, finding or order concerned which has not been finally determined, abandoned or withdrawn, or*
- (b) *the final determination of the appeal results in the conviction, finding or order being overturned.*

In this ground:

“relevant proceedings” means proceedings for contempt of court or proceedings under Schedule 2 to the Anti-social Behaviour, Crime and Policing Act 2014;

“serious offence” means an offence which:

- (a) *was committed on or after the day on which this ground comes into force,*

- (b) *is specified, or falls within a description specified, in Schedule 2A to the Housing Act 1985 at the time the offence was committed and at the time the court is considering the matter, and*
- (c) *is not an offence that is triable only summarily by virtue of section 22 of the Magistrates' Courts Act 1980 (either-way offences where value involved is small)."*

[When using ground 7A, we will give tenants a right to request a review of our decision to seek possession under ground 7A, as far as possible on the same terms as the comparable statutory right of review for secure tenants as is in force from time to time.]

Part 2 Grounds on which court may order possession:

Ground 9

Suitable alternative accommodation is available for the tenant or will be available for him when the order for possession takes effect.

We will only seek to recover possession of your home on this ground if in addition we can show that:

- (a) we intend within a reasonable time of obtaining possession to demolish, reconstruct or refurbish your home and/or the building of which your home forms part or an adjoining or adjacent building and cannot reasonably do so without obtaining possession; or
- (b) your home has features which are substantially different from those of ordinary homes which are designed to make them suitable for occupation by a physically disabled person who requires accommodation of a type provided by your home and no person residing in your home any longer does so and we require your home for occupation by such a physically disabled person; or
- (c) your home is one of a group of homes which it is our practice to let for occupation by people with special needs and a social service or special facility is provided near to the group of homes in order to help people with those special needs, and no other person with those special needs any longer resides in your home and we require your home for occupation by a person who has those special needs; or

- (d) your home is Overcrowded (within the meaning of Part X of the Housing Act 1985) in such circumstances as to render the occupier guilty of an offence; or
- (e) premises were made available to you on a temporary basis so that works could be carried out to your property on the understanding that on completion of the works you would move back into your property. The works have been completed and you have failed to return to your own property; or
- (f) a member of your family (not your spouse or civil partner or partner or a joint tenant) succeeded to your tenancy and the accommodation offered by the property is more extensive than is reasonably required by the person succeeding to the tenancy **provided that** notice of proceedings for possession have been served (or where no notice has to be served that proceedings for possession have been begun) more than six months but less than 12 months following the date of your death. Before deciding whether or not it is reasonable to take action under this clause we will consider the following matters:
 - i the age of the person succeeding to your tenancy;
 - ii the period during which the person succeeding to your tenancy occupied the property with you as their only or principal home;
 - iii any financial or other support given to you by the person succeeding to your tenancy.

Ground 10

Some rent lawfully due from the tenant:

- (a) *is unpaid on the date on which the proceedings for possession are begun;*
and
- (b) *except where subsection (1) (b) of section 8 of this Act applies, was in arrears at the date of the service of the notice under that section relating to those proceedings.*

Ground 12

Any obligation of the tenancy (other than one related to the payment of rent) has been broken or not performed.

Ground 13

The condition of the dwellinghouse or any of the common parts has deteriorated owing to acts of waste by, or the neglect or default of, the tenant or any other person residing in the dwellinghouse and, in the case of an act of waste by, or the neglect or default of, a person lodging with the tenant or a sub-tenant of his, the tenant has not taken such steps as he ought reasonably to have taken for the removal of the lodger or sub-tenant.

For the purposes of this ground, "common parts" means any part of a building comprising the dwellinghouse and any other premises which the tenant is entitled under the terms of the tenancy to use in common with the occupiers of other dwelling-houses in which the landlord has an estate or interest.

Ground 14

The tenant or a person residing in or visiting the dwellinghouse:

- (a) has been guilty of conduct causing or likely to cause a nuisance or annoyance to a person residing, visiting or otherwise engaging in a lawful activity in the locality;*
- (aa) has been guilty of conduct causing or likely to cause a nuisance or annoyance to the landlord of the dwelling-house, or a person employed (whether or not by the landlord) in connection with the exercise of the landlord's housing management functions, and that is directly or indirectly related to or affects those functions; or*
- (b) has been convicted of:*
 - (i) using the dwellinghouse or allowing it to be used for immoral or illegal purposes; or*
 - (ii) an indictable offence committed in, or in the locality of, the dwellinghouse.*

Ground 14ZA

The tenant or an adult residing in the dwelling-house has been convicted of an indictable offence which took place during, and at the scene of, a riot in the United Kingdom.

In this Ground—

“adult” means a person aged 18 or over;

“indictable offence” does not include an offence that is triable only summarily by virtue of section 22 of the Magistrates’ Courts Act 1980 (either way offences where value involved is small);

“riot” is to be construed in accordance with section 1 of the Public Order Act 1986.

This Ground applies only in relation to dwelling-houses in England.

Ground 14A

The dwelling-house was occupied (whether alone or with others) by a married couple, a couple who are civil partners of each other, a couple living together as husband and wife or a couple living together as if they were civil partners and:

- (a) one or both of the partners is a tenant of the dwelling-house;*
- (b) the landlord who is seeking possession is a non-profit registered provider of social housing, a registered social landlord or a charitable housing trust or where a dwelling-house is a social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, a profit-making registered provider of social housing;*
- (c) one partner has left the dwelling-house because of violence or threats of violence by the other towards:
 - (i) that partner; or*
 - (ii) a member of the family of that partner who was residing with that partner immediately before the partner left; and**
- (d) the court is satisfied that the partner who has left is unlikely to return.*

For the purposes of this ground "registered social landlord" and "member of the family" have the same meaning as in Part I of the Housing Act 1996 and "charitable housing trust" means a housing trust, within the meaning of the Housing Associations Act 1985, which is a charity.

Ground 15

The condition of any furniture provided for use under the tenancy has, in the opinion of the court, deteriorated owing to ill-treatment by the tenant or any other person residing in the dwelling-house and, in the case of ill-treatment by a person lodging with the tenant or by a sub-tenant of his, the tenant has not taken such steps as he ought reasonably to have taken for the removal of the lodger or sub-tenant.

Ground 16

The dwellinghouse was let to the tenant in consequence of his employment by the landlord seeking possession or a previous landlord under the tenancy and the tenant has ceased to be in that employment.

For the purposes of this ground, at a time when the landlord is or was the Secretary of State, employment by a health service body, as defined in Section 60(7) of the National Health Service and Community Care Act 1990 or by a Local Health Board, shall be regarded as employment by the Secretary of State.

Ground 17

The tenant is the person, or one of the persons, to whom the tenancy was granted and the landlord was induced to grant the tenancy by a false statement made knowingly or recklessly by:

- (a) the tenant; or*
- (b) a person acting at the tenant's instigation.*

DRAFT

Section 13: Glossary of Terms

60 second summary:

- In this section you will find an explanation of the various terms used in this document.
- If you think there is something that is not explained in this section please contact:
 - [CONTACT DETAILS CONFIRMED HERE](#) or
 - Open Communities, Independent Tenant Adviser on Freephone 0800 073 1051 or e-mail [CONFIRM](#)

Allocations

This is the term used by Registered Providers (landlords) and local authorities to describe the process of identifying properties that are available for occupation and providing a service to let homes to applicants.

Arms Length Management Organisation

An Arms Length Management Organisation (ALMO) is a company owned by a Council to manage and improve its housing stock. East Durham Homes and Dale & Valley Homes are currently ALMOs, established by the council in 2004 and 2006.

Assured Tenancy

An Assured Tenancy is the tenancy you would get if the transfer goes ahead. It is primarily governed by the Housing Act 1988, which sets out the statutory rights and obligations of assured tenants. As an assured tenant you would have a tenancy agreement which is a binding legal contract setting out your rights and obligations and these (except for rent and other charges) can only change by agreement of both tenant and landlord or by an Act of Parliament. If your new landlord wanted to end your assured tenancy, it would only be able to do so by obtaining a court order.

Assured Tenant

If transfer went ahead secure tenants who are currently with the Council would, by law, become assured tenants of your new landlord. Introductory tenants would become assured shorthold tenants. As an assured tenant or an assured shorthold tenant your rights would be partly protected by Acts of Parliament and partly by a legally binding contract with your new landlord (under your new tenancy agreement). Under the terms of the new tenancy agreement, you would continue to have security of tenure and your key rights as a secure tenant of the Council would be protected.

Ballot

A ballot on the transfer process is required by law where there is a proposal to transfer tenanted stock of a local authority and gives all secure and introductory tenants (including joint tenants) the opportunity to vote confidentially on the Council's transfer offer. The ballot would be run separately by an independent organisation. The transfer can only go ahead if a majority of tenants who vote in the ballot vote to approve the transfer proposal.

Board

The proposed new landlords and the County Durham Housing Group Limited would each be managed by a Board who are responsible for taking major decisions on how the landlords are run and managed and their local strategic objectives. The Boards would also make sure that the promises made in this Offer Document are kept.

Budget

The amount of money an organisation estimates it will spend over a certain time period on a particular activity or activities.

Business Plan

A document which sets out an organisation's plans for its future operations and development, along with its vision, objectives and performance targets. The Business Plan also sets out an organisation's budgets and financial plans. This would be used by the proposed new landlords to demonstrate to the Government, the Homes and Communities Agency and to funders that the organisations have clear aims and objectives and sound development and financial strategies.

Charitable Status

The proposed new group of landlords would have "charitable status". This means that they could only carry out charitable activities and would not (currently) have to pay certain taxes which non charitable organisations are liable to pay, and so can use more of their own money to invest in homes, neighbourhoods and services for tenants.

Choice Based Lettings/Durham Key Options

The housing register for people looking for social rented homes in County Durham.

Department for Communities and Local Government (DCLG)

The Government department that is responsible for housing is the Department for Communities and Local Government (DCLG). It sets policy for Councils and housing. The final authority for housing transfer rests with the Secretary of State for Communities and Local Government, who is advised by the Minister for Housing.

Contract

A legally binding agreement between two or more parties.

Customer Working Group

The Customer Working Group has worked with the Council to develop its transfer proposal since 2010. It extended its membership in 2013 to include 30 tenants and leaseholders from across the County to help the Council to develop the promises made in this Offer Document.

Day to Day Repairs

Individual repair jobs carried out on a day to day basis, rather than larger pre-planned repair programmes. Day to day repairs aim to deal with more urgent matters in response to reports from tenants.

Decent Homes Standard

The Decent Homes Standard is a standard set by the Government that aims to provide a minimum standard of housing conditions for all those who are housed by councils and other Registered Providers.

Demoted Tenancy (or demotion)

A demoted tenancy is a tenancy that was secure, but as a result of a court order has lost security of tenure for a one year period.

Environmental Improvement Works

These are planned repairs or improvements that would be carried out to the area outside of tenants' homes or in the wider neighbourhood, including works to footpaths, fencing, grassed areas, hedges and trees and car parking.

Homes and Communities Agency (HCA)

The Homes and Communities Agency (HCA) is responsible for registration and regulation of social landlords (Registered Providers) in England. It is responsible for helping to create thriving communities and deliver affordable homes. It provides advice to Councils on housing transfer and makes recommendations to DCLG whether transfers should go ahead. The HCA also makes sure that the Council fully involves tenants in the transfer process.

Housing Management Service

All of the proposed new landlords (Durham City Homes, East Durham Homes and Dale & Valley Homes) currently provide housing management services to the council's tenants. The service includes work involved with tenants, rents, repairs,

improvements and re-letting homes. It also includes work in communities and neighbourhoods in keeping things safe, clean and well managed.

Improvements

Improvements are works that are over and above repairs, that are intended to help to bring homes up to a modern standard.

Independent Tenant Adviser (ITA)

An adviser appointed to provide all tenants with independent and impartial advice on the transfer proposal. Your ITA is Open Communities. Contact details are set out on page ??

Introductory Tenancy

An Introductory Tenancy is a non secure short term tenancy. New council tenants may be offered an introductory tenancy. These usually last twelve months and are like a 'trial' period. Usually an Introductory Tenancy automatically becomes secure after twelve months provided none of the Conditions of Tenancy have been broken.

Leaseholders

A resident who has bought a long lease of their home from the Council. They have purchased the right to live in the property for a number of years whilst paying the Council ground rent for the lease.

Local Housing Services (or Local Housing Provider)

Durham City Homes, East Durham Homes and Dale & Valley Homes currently provide services to tenants living in Durham City and its surrounding areas, East Durham and the west of the county. If transfer goes ahead these organisations would become landlords in the area they currently operate in. They would remain local housing providers, who offer local housing services to their tenants.

Not for Profit

This means that members of such organisations are not allowed to make a profit out of the organisation's activities. Any charitable landlord (like Durham City Homes East Durham Homes and Dale & Valley Homes would be) must be not for profit. This means that if it has any surplus income it must be used for housing related purposes and its other charitable objectives.

Preserved Right to Buy

Preserved Right to Buy is what a Council tenant's Right to Buy their home becomes after a transfer takes place. Tenants who have this right before transfer would still have this right after transfer.

Registered Provider

This is the name by which all social housing landlords in England who are registered with the Homes and Communities Agency are known.

Resident

In this document the term resident means tenants, leaseholders, service charge paying freeholders and other people living in the areas affected by transfer.

Right to Acquire

A scheme designed to give eligible tenants of Registered Providers the right to purchase their home from their landlord using a grant. Both transferring and future tenants may be eligible.

Right to Buy

The Right to Buy is a statutory right enabling eligible council tenants to buy their home with a discount.

Right of Succession

The Right of Succession is a right for tenants to pass on their home.

Secretary of State for Communities and Local Government

The Secretary of State for Communities and Local Government is the senior Government Minister with responsibility for housing transfer.

Secure Tenant

A majority of local authority tenants are secure tenants and have a range of rights as set out in the Housing Act 1985.

Service Charges

Service charges are the money that tenants, leaseholders and service charge paying freeholders pay for services provided by their landlord.

Social Housing

Social housing is defined in the 2008 Housing and Regeneration Act and refers specifically to social rented and part rent/part buy housing provided to eligible persons who cannot afford to rent or buy at the market rates. Social housing is usually built with the help of subsidy from the Government. The subsidy enables the cost of rent or purchase price to be affordable for households who cannot otherwise afford the market rent/sale price in the area.

Specialist Housing

Specialist housing is usually housing for older people or people with support needs, with some communal facilities and sometimes support staff.

Social Landlord

Social landlord is a general term used to describe public and independent sector landlords including Councils and other Registered Providers regulated by the Homes and Communities Agency.

Stock Transfer

Transfer of the management and ownership of the Council's housing stock to a not for profit Registered Provider.

Tenancy Agreement

A Tenancy Agreement is a legally binding contract that is made between a tenant and a landlord, setting out the rights and responsibilities of both parties.

Transfer

In this Offer Document the word transfer means the transfer of housing management and ownership from Durham County Council to Durham City Homes, East Durham Homes and Dale & Valley Homes. The term transfer is also used by housing services when existing tenants move to another home with the same landlord.

Cabinet

7 May 2014

**Future of the Housing Repairs and
Maintenance Direct Labour
Organisation**



Key Decision R&ED/05/14

**Report of Corporate Management Team
Ian Thompson, Corporate Director Regeneration and Economic
Development
Terry Collins, Corporate Director Neighbourhood Services
Councillor Brian Stephens, Portfolio Holder for Neighbourhoods
and Local Partnerships**

Purpose of the Report

- 1 The purpose of this report is to propose the transfer of the Council's Durham Housing Maintenance Direct Labour Organisation (DLO), currently providing the repairs and maintenance function to Durham City Homes (the Council's in-house provider), to the new County Durham Housing Group should the large scale voluntary transfer of the Council's housing stock take effect in March 2015.
- 2 Whilst the focus of this report is the proposal to transfer the Durham Housing Maintenance DLO, reference will also be made to the wider considerations required, as this project progresses, in relation to current support services provision and Service Level Agreements (SLAs), not only provided to the proposed transferring functions, but also to the incumbent providers i.e. East Durham Homes and Dale & Valley Homes (the Council's two Arm's Length Management Organisations – ALMOs) which may also be affected by the stock transfer and service provision changes moving forward.

Background

- 3 The Council decided to apply to the Government for agreement and financial support to transfer ownership of its homes to a group structure of its existing housing management organisations in December 2012. If tenants support the proposal and the Secretary of State provides formal consent to the transfer in March 2015, the Council will hand ownership of its homes to Durham City Homes, (which will, prior to the transfer become a separate entity to the council) East Durham Homes and Dale & Valley Homes. These organisations would become locally based landlords, but would work together as a group. The proposed new group would also include a Parent Organisation which would be responsible for leading on

governance and financial viability issues and providing support services to the three new landlords.

- 4 The Council's application to transfer its homes was approved by the Department for Communities and Local Government (DCLG) in March 2014. Following this approval, the Council is able to proceed with formal consultation with all of its tenants in the summer of 2014 on its proposal to transfer ownership of its homes. The DCLG have asked the Council to complete the transfer of its homes by 31 March 2015, if it is to qualify for the cost of writing off its housing debt. To meet this challenging timescale, the Council must start to shape the proposed new group of landlords now so services can continue seamlessly following the transfer.

Housing Repairs and Maintenance DLO

- 5 Durham Housing Maintenance (the DLO) is a service within Direct Services and part of the Neighbourhood Services Grouping. It is a discrete service, that currently undertakes reactive repairs, voids, gas servicing and Decent Homes/capital works, including heating installations and internal improvements (kitchens, bathrooms, rewiring) on behalf of Durham City Homes (an in-house provider based in the Regeneration and Economic Development Service Grouping).
- 6 Durham Housing Maintenance (the DLO) also undertakes gas servicing on behalf of Dale & Valley Homes under a Service Level Agreement (SLA).
- 7 Dale & Valley Homes and East Durham Homes have commissioned external private sector contractors to provide their repairs and maintenance service and these contracts are in place until 2017/18.
- 8 The previous Housing Transfer Manual (2005) stated at paragraph 3.13:

“An authority will need to decide whether the DLO should transfer [to the new landlord or group of landlords]. In making this decision it will need to review the efficiency and performance of the current DLO operation within the authority and consider whether an independent DLO health check is necessary so an action plan for improvements can be put in place by the new landlord should the DLO transfer.”
- 9 The revised Housing Transfer Manual (2013) does not refer to the transfer of the DLO and there is no prescription from the Department for Communities and Local Government that the council must obtain an independent health check before reaching a decision to transfer the DLO. However, regulatory requirements set out by the Homes and Communities Agency (HCA) will apply to the proposed new group of landlords (should transfer go ahead) and the HCA will place a duty on the proposed new group to demonstrate that resources are being managed effectively and the financial viability of the group is safeguarded.

- 10 An independent health check that examines performance and value for money can assist the HCA's Registration Committee to fully assess the registration of the proposed new group of landlords as a viable group of landlords.
- 11 The Council commissioned a commercial housing consultancy, to complete an independent health check of Durham Housing Maintenance in September 2013. The health check was intended to assist the Council and the proposed new group of landlords to determine the performance of the service and whether the housing repairs and maintenance DLO should transfer into the proposed new group of landlords, having considered performance and efficiency and to determine any required actions to improve the service.
- 12 The health check included a review of the following aspects of the service:
- The structure and trade base of Durham Housing Maintenance;
 - The approach to management and leadership;
 - The mix of work being undertaken i.e. reactive, void and capital.
 - The performance management system;
 - Benchmarking of value for money including customer satisfaction, key performance indicators and cost;
 - An onsite sample inspection of the work undertaken by Durham Housing Maintenance including capital works, reactive and void property refurbishments;
 - The support services provided to Durham Housing Maintenance by the Council's customer services, fleet and stores functions;
 - The overall direction of travel, and whether Durham Housing Maintenance is fit for purpose and capable of transferring to the proposed new group of landlords without representing a significant degree of risk;
 - Suggested improvements to maximise the potential of Durham Housing Maintenance;
 - An indication of the potential impact of the transfer of Durham Housing Maintenance on the Council.

Findings of the Independent Health Check

- 13 The findings of the health check were reported in November 2013 which showed that Durham Housing Maintenance (the DLO) offers value for money; has the potential to deliver further improvements; and has the necessary management and leadership skills and systems that make it suitable to transfer to the proposed new group of landlords. The report is clear that this suitability is dependent on the current positive direction of travel being maintained.
- 14 The key findings of the independent health check are:

- The service has a clear focus in its management team (which has a strong ethos and desire to deliver) and within its workforce on providing a quality service to customers by maximising the use of its in house resources;
- Workforce levels are planned and managed and this is supported by the partnership approach with Durham City Homes;
- Briefings and interviews with trades staff on the future of the service found a dedicated, informed workforce, with a desire to expand and take on new activities. The staff spoken to as part of the review expressed a view that the proposed transfer of the Council's homes could be a benefit to their long term future;
- Durham Housing Maintenance demonstrates a positive direction of travel, and is delivering value for money within its current operating environment;
- There is a high degree of rigour in Durham Housing Maintenance in maintaining and keeping current its core business management information i.e. repairs completion and gas certificates;
- There is an understanding within the service of the need for the client to operate within budgets and this is supported by a clear focus on the performance management framework, monitoring performance and improving the quality of the service provided to customers;
- There is evidence of good partnership working between Durham City Homes and Durham Housing Maintenance and information is shared to support proactive asset management;
- There is a relatively high level of customer satisfaction with the service, particularly with the attitude of trades staff;
- Productivity levels are at the midpoint of the range that would be expected in relation to the level of turnover per operative compared to the level of overhead and recharge being incurred;
- Repairs costs are well within the benchmark costs and sub-contracting costs are not significant because they are only used to supplement peaks in activity;
- The systems used by the service are in line with expectations and are valid in supporting the recording and reporting of performance.

15 The report recommended a number of improvements to ensure the capacity of the service is developed to take on additional activities in the future, which include:

- Investment in new IT systems, equipment, training and staff;
- Undertaking a review of the volume and type of voids, scope, standards and resourcing in light of an increase in the current level of voids;
- Ensuring managers have the skills and experience to take on different types of work;
- The Council's stores currently serve a wide range of users including roads, public buildings and Durham Housing Maintenance. There is a mismatch in the service required by Durham Housing

Maintenance (a fast paced housing repairs business) and that currently provided by the Council's stores. Improvements in this area will enhance the service offered by the Council's Stores, making the service more attractive to Durham Housing Maintenance and reduce the time spent by the service sourcing materials;

- The Council's Fleet Service should be included in improving the current service to include possible out of hours servicing for vehicles and the availability of alternative vehicles when vehicles are being serviced;
- Durham Housing Maintenance should continue to work in partnership with other parts of the Council to seek to identify further beneficial changes in the service and enable its expansion.

16 The report recommended that the transfer of Durham Housing Maintenance to the proposed new group of landlords could offer the following benefits:

- Major potential for VAT savings on labour for repairs and maintenance that could be redistributed into the service and eventually throughout the group;
- Customer satisfaction associated with a continuation in the existing service;
- A more cohesive approach to preventative maintenance based on the service's detailed knowledge housing stock;
- Subject to the continuity of work and the service being allowed to undertake the correct mix of work (i.e. voids, reactive and planned/capital works) social dividends will also be achieved as long term employment can be offered, training provided, and opportunities become available for supply chain partners.

17 The Council's legal advisers for housing stock transfer reviewed the findings of the independent health check on the service and recommend that Durham Housing Maintenance should transfer to the proposed new group of landlords and should be employed by the Parent Organisation. The reason that the service be transferred to the Parent Organisation is because it allows for a straightforward expansion of the Durham Housing Maintenance's role on a group wide basis in the future. A strategic group wide approach could then be adopted without reliance on provisions set out in an intra group agreement (which defines the relationship between the Parent Organisation and Durham City Homes, East Durham Homes and Dale & Valley Homes).

18 Based on discussions with staff working for the service, it is likely that the workforce will favour transfer to the Parent Organisation as a key enabler of employment on a group wide basis. Transfer of the service to the parent organisation would also demonstrate a long term role for the service in the proposed new group, which would provide reassurance to the workforce. The relevant trade unions have been fully engaged in these discussions and are supportive of the proposals.

- 19 The workforce has expressed a wish for the Council to make a decision on the transfer of the workforce's employment (in accordance with TUPE) and clarify the part of the proposed new group of landlords their employment would be based at this stage in the proposed housing stock transfer process. The workforce have consistently expressed their optimism that transfer to the new group of landlords could offer expansion and growth opportunities. Conversely, the workforce have also expressed considerable anxiety that should they not transfer to the proposed new group of landlords they may eventually be transferred to a large external private contractor if the service is market tested and the contract is not won by the Council.
- 20 Under the proposals, Durham Housing Maintenance would continue to carry out gas maintenance work for Dale & Valley Homes, but would otherwise carry out most of its work for the stock to be owned by Durham City Homes.

Financial Benefits and Risks to the Proposed County Durham Housing Group and the Council

- 21 At present, Durham Housing Maintenance operates as part of a larger service grouping of the Council. The projected income for Durham Housing Maintenance for the next three years is £4M per annum. Subject to the housing repairs and maintenance service being able to offer competitive prices, the service also delivers 25% of Durham City Homes' capital programme.
- 22 The Council has a budgeted surplus for Durham Housing Maintenance of £600,000 and this supports the Council's Neighbourhood Services Grouping base budget. The transfer of the service to the proposed new group of landlords would put financial pressure on the Council's Neighbourhood Service. However, the Council has made provision for this loss of income from 2015/16 onwards in its MTFP, assuming stock transfer proceeds. .
- 23 This report focuses on Durham Housing Maintenance, and whilst there would be a direct TUPE impact on those Council employees who are assigned to that function should the proposed transfer to the new housing group go ahead, there could also be impacts on other non-housing maintenance employees associated with providing the service, and due consideration will need to be given to these aspects too. These areas broadly cover but are not limited to: customer services, stores provision, and fleet management and maintenance. Consideration will need to be given to potential TUPE implications in these areas, in consultation with the new provider, and /or whether separate SLA's are prepared to provide continuity of service provision at the point of transfer.
- 24 So far as the direct Durham Housing Maintenance workforce is concerned, it is likely that the service's employees (approximately 80 FTE employees

dedicated to this function) would transfer to the new provider, and be protected by the provisions of TUPE legislation. Detailed work is ongoing to assess all of the staffing implications associated with the proposed transfer, involving officers from Human Resources and Legal Services in consultation with service managers, and the trades unions. This includes those directly affected (i.e. Durham Housing Maintenance) and also those wider support services employees such as, but not limited to, customer services, stores provision, and fleet management and maintenance as referenced previously. The outcome of this work will help to determine which functions (and employees) would transfer directly and those which could be subject to separate SLA agreements in the short term.

- 25 All of the considerations being made in relation to TUPE and the associated obligations on the Council to formally consult with affected employees and their representatives will be done so in accordance with the Council's Change Management protocols, and whilst there are no prescribed timescales for doing so, it is deemed best practice to engage at the earliest possible opportunity with all affected parties, and indeed early work has commenced in this regard.
- 26 Running alongside this exercise is an associated piece of work to consider the potential impacts on Council employees currently providing services to East Durham Homes and/or Dale and Valley Homes, either through contract or SLA arrangements, in anticipation of any changes to these as a result of the proposed stock transfer. Work is ongoing in this respect and covers services such as, but not limited to, grounds maintenance, ICT, customer services, and finance support services.
- 27 In line with both ALMO's and Durham City Homes the DLO has a budget for an annual pension contribution and a budget for the annual deficit recovery. The final arrangements in relation to pension contribution costs for the new provider are yet to be finalised with the Pension Fund Actuary but it is expected the budget available will broadly provide the scope required to cover future pension costs.

Conclusion

- 28 The Council has decided to transfer the ownership of its homes to a new group of landlords that would include the Council's existing housing management organisations – Durham City Homes, East Durham Homes and Dale & Valley Homes.
- 29 The Council is responsible for assessing the effect of the transfer on its wider position and activities and its implications for services and employees. It is particularly important that the Council decides now whether Durham Housing Maintenance should transfer to the proposed new group of landlords if it is to:

- Provide certainty and reassurance to the employees working for Durham Housing Maintenance on their future employment arrangements;
 - Start to put into place the arrangements required to support the transfer of the service to the proposed new group of landlords and assist the service in expanding and improving.
 - Identify the further beneficial changes to services that could be made to support Durham Housing Maintenance in growing and expanding their services in the proposed new group of landlords.
- 30 A commercial housing consultancy was commissioned to undertake an independent health check of the housing repairs and maintenance DLO in 2013. The health check found that the service offers a high quality service and value for money; has the potential to deliver further improvements; has a strong and effective management focus; and systems in place that make it suitable to transfer to the proposed new group of landlords.
- 31 Legal advisers considered the positive outcomes of the independent health check and recommend that Durham Housing Maintenance transfers to the Parent Organisation in the proposed new group of landlords. The benefits of the transfer of the service to the Parent Organisation would include:
- A straight forward expansion of the service on a group wide basis in the future;
 - The provision of reassurance to the existing workforce on their situation in the proposed new group and potential for development in the future;
 - VAT benefits for the group.
- 32 The proposed transfer of the service will impact on some 80 employees within Durham Housing Maintenance who (should the transfer go ahead) will transfer to the new provider, and be protected by the provisions of TUPE legislation. Work is ongoing in this area to determine the exact implications and also to consider the impact on employees engaged in work on other related areas associated with the service, such as customer services, stores provision, fleet management and maintenance.
- 33 The proposed transfer of the service would have financial implications for the Council, which will exert pressure primarily on the Council's Neighbourhood Services Grouping although provision has been made in the Council's MTFP to meet any pressures from 2015/16 onwards in relation to the transfer of this function.

Recommendations

- 34 It is recommended that Cabinet:

- Agree to transfer Durham Housing Maintenance to the proposed new County Durham Housing Group of landlords as part of the transfer of the Council's housing stock by March 2015.

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Appendix 1: Implications

Finance

The Durham Housing Maintenance DLO employs some 80 staff and generates income of around £4m a year. The Council has a budgeted surplus for this function, although provision has been made as part of the overall impact of stock transfer on the Council to accommodate the loss of income. There could be other implications for wider support functions connected with the delivery of housing maintenance, and these could be subject to SLA arrangements in the short term or deferred TUPE arrangements.

Staffing

Direct staffing affected in Durham Housing Maintenance equates to approximately 80 employees. Detailed work is ongoing to assess the impact on other service areas associated with the maintenance function such as, but not limited to, customer services, stores provision, fleet management and maintenance. This work is being undertaken by Human Resources and Legal Services in full consultation with potential staff affected.

Risk

The transfer of the function to a new housing group needs to be planned and managed effectively otherwise there is a risk that the objectives and benefits of transferring the service are not achieved. An early decision on this issue will greatly assist the transition of the Durham Housing Maintenance into the new group of landlords.

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

Consultation has been held and will continue to be undertaken for all affected staff.

Procurement

None.

Disability Issues

None

Legal Implications

Legal services are involved in discussions to assess TUPE implications and to ensure legal obligations with respect to staff are complied with.

Durham County Council

DLO Health-check

Sept 2013

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**DURHAM COUNTY COUNCIL
DLO HEALTHCHECK
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APPENDICES

Appendix 1 – Benchmarking

DURHAM COUNTY COUNCIL DLO HEALTHCHECK

1.0 EXECUTIVE SUMMARY

1.1 Savills have been commissioned by Durham County Council to undertake a review of its Housing Repairs and Maintenance DLO, which is part of the Council's Direct Works. This review is linked to the potential transfer of the Council's housing stock to a new housing group.

1.2 The purpose of this review is to determine whether the DLO is fit for purpose to transfer to the new housing group, whether it represents a significant degree of risk to the new organisation, as a result of the quality of service provided, or the cost of the service.

1.3 Based on our review we believe the DLO offers value for money, has the potential to deliver further improvements, and has the management ethos, and systems that make it suitable to transfer to the new organisation. On the proviso that it continues its current direction of travel.

It is important that the DLO continue to undertake a mix of work including responsive repairs, voids and capital works to ensure it is viable in the longer term.

1.4 We would suggest that the DLO focuses on the continued development of its capacity to grow and provide further services in the longer term, and if resources permit is allowed to retain part of the surplus it delivers, to make the investment required to achieve this objective.

1.5 The future structure and procurement strategy of the new group should consider the; location of the DLO within the group i.e. providing services to one member of the group or in the longer term to all members of the group, the impact of any structure on client services, and the current contractual arrangements for repairs and maintenance in Dale and Valley and East Durham Homes.

In our view there are potential value for money and VAT advantages if the DLO provides, in the medium term repairs and maintenance services to the whole of the group.

2.0 INTRODUCTION

2.1 Durham County Council's housing stock is currently managed by three organisations, Durham City Homes directly manages the stock in the city of Durham area, and two ALMOs Dale and Valley Homes in the West and East Durham Homes in the East currently manage the housing stock on the Council's behalf.

Durham County Council is considering the potential transfer of its housing stock to a new housing group (which will be a Registered Provider) which will maintain the identity of the current organisations, or the formation of a single ALMO.

If the Council is content, following discussions with the government, to adopt the transfer option, and subject to successful ballot of the tenants, the housing stock will transfer in the early part of 2015.

2.2 The Housing Repairs and Maintenance DLO (DLO) is a section within Durham County Council's Direct Works. It currently undertakes reactive repairs, voids, gas servicing, and capital works including heating installations, and internal improvements (kitchens, bathrooms, re-wiring) on behalf of Durham City Homes. The DLO also undertakes gas servicing on behalf of Dale and Valley Homes.

Dale and Valley and East Durham Homes have commissioned external private sector Contractors to provide their other repairs and maintenance requirements. These contracts are out-with the scope of this review, we understand these are due to expire in 2017-18.

2.3 In light of the potential transfer Durham County Council has commissioned Savills to undertake a health check review of the DLO. The health check is designed to assist the Council and the new housing group in determining whether the DLO should transfer, having considered the current performance and efficiency, and to determine any actions or improvements required.

The health check will allow the new organisation to assess the risk, if any, of the DLO transferring to the new group. It is also normally required by the Homes and Community Agency (HCA) as part of the approval of registration of the new housing group as a Registered Provider (RP).

2.4 As part of our review we have considered the following :-

- The structure and trade base of the DLO.
- The approach to management and leadership.
- The mix of work being undertaken i.e. reactive, void and capital.
- The performance management system.
- Benchmarking of value for money including customer satisfaction, key performance indicators, and cost.
- A on-site sample inspection of the work undertaken by the DLO including capital works, reactive, and voids.
- The support services provided to the DLO by the Council's Contact Centre, Fleet and Stores.
- The overall direction of travel, and whether the DLO is fit for purpose, and capable of transferring to a new housing organisation without representing a significant degree of risk.
- Any suggested improvements required to maximise the potential of the DLO.
- An indication of the potential impact of the transfer of the DLO to a new organisation on the Council.

2.5 Durham City Homes in 2010 commissioned HQN a consultancy firm, to undertake a value for money review of its repairs and maintenance service.¹ In summary at this time HQN concluded the following:-

- The DLO has most of the characteristics of high performing maintenance service.
- That Durham City Homes would not secure any meaningful benefit or support from market testing the DLO .
- That any weaknesses that were identified could be addressed by the development of an Action Plan.
- The Action Plan included in the report :-
 - Improved information for customers on the status of their repair including follow on works.
 - Improvements leading to a greater degree of right first time.
 - Use of customer feedback to improve the delivery of the service.
 - Ensure reports are used to monitor and manage productivity.
 - Reduce the number repairs ordered in emergency and urgent categories.
 - Review how support services are delivered i.e. contact centre, stores etc.

2.6 The DLO operates as a division within Durham County Council as such it does not have a separate specific Business Plan. At present, working within the Durham County Council environment the projected income for Repairs and Maintenance for the next three years is £4M per annum. Subject to the DLO being able to offer competitive prices the DLO will undertake 25% of the Durham City Homes capital programme.

3.0 PRIVATE SECTOR V DLO

3.1 In-house Repairs and Maintenance Contractors like the DLO, on the assumption that they are efficient can offer add value to the new housing group in the following ways:

- Improved customer satisfaction;
- A more cohesive approach to preventative maintenance based on the DLOs' detailed knowledge of the housing's stock; and
- Subject to continuity of work and the DLO being allowed to undertake the correct mix of work (i.e. voids, reactive and planned/capital works) - social dividends including long term employment, training, local employment and opportunities for supply chain partners.

Should the transfer proceed the DLO offers the potential for VAT savings on labour for repairs and maintenance work i.e. reactive repairs and voids.

Capital works are normally covered by a VAT exemption agreement (shelter) during the first 5-10 years post transfer. There is therefore no VAT savings for the DLO carrying out these works during this initial 5-10 year period, a saving can however realised thereafter.

3.2 Achieving these benefits will mean that the DLO's operational methodology, structure and cost base will differ from the private sector. DLO staff will enjoy more job security, increased sick pay, and pensions provision.

A private sector Contractor has the ability to spread its overhead over a number of contracts, the DLO does not have this advantage and can effect only charge their overhead to a single client. In the longer term activity will require to grow to maximise the benefit of these overheads.

An organisation like DLO is focused on long-term employment which has a wider social benefit and is not a 'hire and fire' organisation. As a result they need to undertake activity that provides continuity of work for their workforce and actively plan their long term, work mix (i.e. capital, responsive, and void), resource levels and trade mix.

In simple terms DLO hourly productive rate will be significantly above the private sector, in effect they need to work harder than the private sector to make up this difference, for example we would generally expect a private sector Contractor to operate at £28-32/productive hour and a DLO to operate between £35-42/productive hour.

In relation to its work mix, to be a viable longer term business, the DLO needs to undertake, responsive, voids and planned works. Table 1 summaries the benefits and challenges of a DLO.

Table 1

BENEFITS- ADDED VALUE	CHALLENGES
Improved Customer Satisfaction	Higher Cost Base Than Private Sector – Due to Different Objectives
Long Term Employment and Training	Continuity of Work Required to Ensure - Longer Term Employment
Opportunities for SME and Suppliers	Need to Work Harder to Match the Private Sector
Cohesive Approach to Preventative Maintenance	Mix of work i.e. voids, reactive, and capital to allow the DLO to be value for money
Potential VAT savings for repairs and maintenance	Forward planning of resources and flexibility e.g. short term contracts to ensure DLO size matches the organisation's needs

The objective is to create DLO as a business that is efficient, has the business intelligence and understanding to maintain its efficiency, and is the right size to suit Durham City Homes current needs or the future potential needs of the new housing organisation.

- 3.5 The DLO is part of the wide range of services Durham County Council operates. Given the breadth and depth of users of the service it can take time and continual effort to develop and define a clear service offering for each user. A well managed efficient housing repairs and maintenance business is seeking to respond to customer's demands, which will vary daily and weekly, and has less opportunity than other users to plan a significant quantity of its work.

The DLO will use a high volume of standard materials components, and will need to have reliable fleet provision, and a high quality of call handling to achieve maximum efficiency and ensure customers, as much as possible receive a right first time service. Over time it would clearly be an advantage where possible for the support services provided by Durham County Council to evolve and provide further support to the DLO.

4.0 CLIENT FUNCTION

- 4.1 At present for Repairs and Maintenance the DLO provides both Client and Contractor functions. This includes providing specialist technical advice for gas and electrical services, (including ensuring that Durham City Homes complies fully with its landlord obligations), the specification of all electrical and gas installations, quality control etc. The DLO obtains a fee of £300K per year for providing client services.

In relation to the capital works undertaken by the DLO, Durham City Homes undertakes the Client role.

When the structure of the new housing group is developed it will need to consider the location of the DLO within the group, i.e. whether it remains with Durham City Homes, or becomes a group service provider capable of providing services to the whole of the group (e.g. the DLO currently undertakes gas servicing for Dale and Valley Homes), and to organisations beyond the group in the longer term.

Part of this discussion will need to consider how the Client function for Repairs and Maintenance is undertaken and whether it remains with the DLO or is separated out.

- 4.2 There is a danger that a commercially focused DLO acting as Client and Contractor will seek to maximise the amount of income they obtain for the activity they undertake, and as a result exceed the budgets available to the organisation they provide services to.

On basis of our review we can confirm there is a clear understanding within the DLO of the need as the Client to operate within the repairs and maintenance budgets that are available from Durham City Homes. There is also a clear focus both from the DLO and Durham City Homes via the performance management framework that is in place, and via a structured series of meetings focused on monitoring and improving the quality of service provided to customers.

- 4.3 Information available, from the repairs service is an important asset management tool. Repairs 'hot spot' or trend analysis can identify the early failure of components, properties with maintenance demand, and guide the development of capital investment, planned and cyclical maintenance programmes. Thereby reducing long term maintenance expenditure.

We note the approach being adopted by the DLO and Durham City Homes in re-roofing dormers where there has been a recent history of high responsive repair. This is an example of the approach we would expect the DLO to build on, by advising where high levels of maintenance are being incurred, where components e.g. type of boilers are consistently failing, and proposing a resolution either via capital investment or a planned maintenance works.

4.4 Where a DLO undertakes capital works it requires an informed client working in partnership to be successful especially in the current economic climate, where tender prices have reduced significantly over the last 18-24 months. Perhaps not surprisingly there has been a more commercial claims based approach from the private sector. It is therefore more important to consider not only the tender price but the likely out-turn cost (including variations) when the work is completed.

It is important that the client is aware of the differences between the DLO and the private sector, in particular the differences in operating models, cost base, and resource planning. Perhaps more than any other relationship in housing investment a genuine partnership approach is required between the DLO and the client team in Durham City Homes, We would expect the following to be undertaken in this regard :-

- Planning of the programme to allow the DLO to plan the use of its resources effectively.
- Review of the pricing levels from the DLO and an understanding of sustainability of current prices from private sector Contractors.
- Agreed approach to scoping the works, carrying out pre-start measurement surveys, customer liaison to identify potential issues in advance of works commencing in a property.

Based on our review we are satisfied that a partnership does exist between the DLO and Durham City Homes. We also note that the Durham City Homes and the DLO benchmark the costs for capital works against the rates received from its private sector Contractors via the North East Procurement Consortium (NEP). Durham City Homes takes an informed view of the sustainability of some of the prices it receives from the private sector Contractors, and the DLO matches the price of the private sector Contractors on this basis.

4.5 The previous capital investment programme carried out by Durham City Homes, not untypically of many investment programmes at this time, was focused on achieving Decency, rather than the replacement of all the internal elements of a property at the same time. As a result when properties become void there will potentially be a higher degree of capital component replacement.

5.0 BENCHMARKING

5.1 Value for money covers a number of elements, customer satisfaction, the quality of the service provided (measured via Key Performance Indicators), the average of repairs and voids undertaken, and the operational cost of the DLO as the Contractor.

Establishing a direct comparator for DLO is difficult given the variable cost drivers that influence value for money. These include:

-
- Service standards including voids;
 - Geography and condition of stock;
 - The range of work (work mix) undertaken by the DLO. For example a Contractor undertaking capital work would be expected to be more productive than one undertaking responsive repairs; and
 - The efficiency of the DLO.

We have benchmarked the DLO based upon our own benchmarking data, and our assessment of the value for money that should in our view be delivered by an efficient Contractor utilising mobile working.

5.2 The DLO in 2012-13 incurred the following re-charges for central services provided by the Council

- Fleet Management £175,359
- Service Related Recharges £170,750
- Central Support £211,264

This represents a value equal 8% of turnover and is above the 3-5% level that would be expected in the private sector at present based on the tender returns we have received.

In addition the DLO delivered a surplus or contribution of £396,000 in 2012-13.

We would expect where a DLO operated within a new Registered Provider housing organisation that it would be allowed to retain part of the surplus generated to re-invest either in new IT, equipment, new staff with a specialist skills etc.

5.3 Durham City Homes has recently undertaken a customer satisfaction return this indicated a relatively high level of 84% with the repairs and maintenance service, with a high degree of satisfaction with the attitude of the trades staff.

5.4 The key findings of this benchmarking exercise based on the information provided by DLO are as follows:-

- A continuous improvement trend is clearly identified.
- The quality of the service is high based on the information provided.
- Productivity levels for DLO are at the mid-point of the range we would expect in part of the level of turnover per operative level generated reflects the level of overhead and re-charge being incurred.

-
- Further productivity and cost benefits in the longer term will be linked to materials purchases, and potentially reductions to fuel usage.
 - Generally repairs costs are well within the benchmark costs.
 - Voids costs are increasing, we note that 30-40% of the voids undertaken involving capital components which is above the level we would expect and will tend to a degree to skew the costs.
 - Sub-contracting costs are not significant in relation to this DLO.

We would suggest that the DLO at this time offers value for money and has the potential to offer further improvements in this regard.

5.5 We recognise the higher than usual level of capital works within the voids being undertaken by the DLO.

Increasing void costs, and increased levels of void activity due to housing benefit changes, are a common theme based on our experiences across the county, these will remain higher than normal in at least the short term. Ensuring properties are re-let as quickly as possible is clearly important.

In these circumstances having a further review of the volume and type of voids, scope and standards, and resourcing, to ensure that there are no further alterations or improvements required, would in our view be prudent.

6.0 DLO MANAGEMENT APPROACH

6.1 Leadership and the approach to overall management approach are key elements of a successful DLO. In this regard we are looking for the following :-

- Clear vision and direction.
- Focused management meeting structure including the following regular meetings
 - Client and Contractor meeting
 - DLO Senior Management Team meetings
 - Team meetings for each section - voids, responsive etc
- The management meetings should be supported by regular performance management reports on quality, productivity, finance etc.
- Regular briefings to the work-force on the support required from them to ensure the business is viable in the longer term.

-
- A clear view of resource requirements, the maximisation of use of the core permanent work-force and the flexible use of short term contracts, and sub-contractors to support peaks of activity.
 - The development of a long term plan for the development and potential growth of the service.

6.2 In our view the DLO has a clear focus in its management team and within its work-force on ensuring that it provides a quality service to customers, and maximises the use of its in-house resources. Short term contracts, agency staff and sub-contractors are only being used to supplement peaks in activity e.g. the growth in the capital works in 2013-14, and in areas such as voids which may be under-going a short term spike in activity due to the recent welfare reforms.

6.3 The current work-force contains a core trade number of 44 trades supported by 30 agency staff (a process of recruiting staff on short term contracts is on-going), the work-force and structure has the flexibility to deal within a reduction in capital works without affecting the core work-force levels.

The work-force levels are planned and managed. The partnership approach by the Durham City Homes assists and supports this approach.

6.4 The DLO has a clear meeting structure focused on the effective management of the service of the type we would expect, this is supported by effective performance management systems, further details of the systems used are included in section 7.0 below.

The current management team has a clear ethos and desire to deliver. There are a number of areas where some elements of work are deferred to one individual e.g. work at height, using the Northgate system and HR issues, it would be preferable to ensure all managers have the skills and experience to take on work of this type. We note a proposed new structure has been developed by the DLO to develop further longer term capacity.

6.5 As part of review we carried out a series of briefings with the trades staff of the DLO. As part of these briefings we sought some indicative views on from the trades staff of the current position of the DLO and its future. These indicated a dedicated, informed work-force, with a desire to expand, and take on new activities. It was also clear that the work-force saw the potential transfer as a clear benefit to their long term future.

7.0 DLO BUSINESS SYSTEMS

7.1 It is an essential requirement in achieving value for money that a business like the DLO that it has an effective Performance Management suite of information focusing on the following key elements:

- Productivity;
- Non Productivity i.e. sickness, training, leave etc;
- Income i.e. Schedule of Rates earnings;
- Job costing;
- Sub-contracting use;
- Quality performance including customer satisfaction and Key Performance Indicators (KPIs) measuring performance on appointments made and kept, right first time, and repairs completed within the time bands set by the Repairs Policy;
- Fleet vehicle usage and performance; and
- Trading account accurately reflecting income against cost per cost centre e.g. reactive repairs, voids and planned works.

For an organisation like the DLO to fully realise its potential these systems should be in place, and their benefits realised, and commercial understanding developed throughout the management team of the organisation.

7.2 The DLO utilises Northgate to provide performance information and to run exception reports e.g. to determine if a target wasn't achieved or repair wasn't complete why this occurred. There is also a focus on ensuring all repairs are tracked and accounted for i.e. are they complete, overdue, non access or cancelled.

There is a particular focus on ensuring follow on repairs i.e. additional work, the ordering of new components, work requiring scaffolding are recorded, the customer kept informed and that the work is carried out. Failing to carry out follow on works is one of the main reasons for customer dissatisfaction in our experience

The systems being used are in line with our expectations and add validity to the performance being reported.

7.3 Productivity management is at the heart of managing a DLO. The DLO has a clear focus on productivity management including the following :-

- Timesheets are completed daily by operatives and reviewed on a regular basis by managers.
- For responsive repairs the planning system is monitored by both the planning staff and managers to ensure trade staff are fully employed.
- Trades staff are encouraged to phone in if they have completed their work early or they require further work.
- Productivity reports are run weekly and monthly to establish if the operative productivity is being maximised, these are reported both to the management team and to the operatives via team meetings.
- For capital works a defined programme of works is established and the installation team are given a clear time period to complete certain tasks.
- Processes are reviewed to drive further improvements e.g. changing the mix of electrical re-wire squads to one electrical and two electrical mates, power flushing heating systems the same day they are installed, and using driver/labourers to strip out kitchens.
- Of the core work-force 20 operatives are currently multi-skilled and the DLO is seeking further volunteers this year.

The DLO is about to introduce the measurement of actual against planned time for voids.

7.4 The SOR used by the DLO is a non standard one e.g. the National Federation of Housing Associations Schedule of Rates (NatFed SOR). The Schedule of Rates (SOR) system used by the DLO in effect, groups similar types of responsive repairs with a similar range of cost or timescale to establish a commitment value and a timescale for an appointment.

voids are scheduled and a time scale determined for the completion of the work, and materials ordered based upon the schedule. Once the repair or void is completed the DLO recovers actual cost i.e. labour cost plus materials allocation. The SOR is not used to charge for work completed, which is not a significant issue in the current operational environment. If the DLO was working for external clients then it would need to measure the SOR or income value against the actual cost.

The labour rate of £44/ per hour used is set to recover the cost of the DLO undertaking repairs and maintenance costs including overheads and re-charges for central Council services. Where the DLO over-recovers this cost due to the level of work undertaken a rebate is provided to the client.

For the capital works the DLO charges an agreed cost, which has been matched against the private sector Contractors. Payment is only made when the work is complete and handed over.

7.5 A trading account is prepared by the County Council finance team. The accountant involved provides a wide range of services to number of different sections in the Council. The trading account attributes income based on the actual cost of repairs and voids completed, and the agreed cost of capital works completed an income value and establishes a cost for the operation of the DLO.

The DLO received a fee of £300K for providing client service and was charged £556K in 2012-13 for the Councils central services including HR, Finance and a re-charge for stores, the Contact Centre and Fleet services. The DLO seeks to deliver a surplus of 4-5% of turnover.

The current trading account is sufficient for the current operation, in the longer term the DLO will require a trading account that is broken down into cost centres e.g. voids, capital and by contract to ensure that it remains clear sighted on the performance of each part of its business.

7.6 Linked to the potential transfer, a longer term IT strategy is being developed for the new organisation this will consider the overall, finance, housing management, repairs client and a consequence the Contracting system used by the DLO in the long term.

There is a clear rigour and focus within the DLO on, tracking, closing off and completing jobs, ensuring records, including timesheets, certification, materials purchases, are up to date and current. Some of the processes used, due to the current IT systems, are manual and involve double data entry. For example there are some stand alone systems in use including the gas servicing database which does not a present directly link to the PIMSS asset management system used by Durham City Homes.

What works now will not work in the future. For the DLO to expand it will require to take on additional work without significantly increasing its overheads. it will require to invest in new systems e.g. electronic certification for gas and electrical installations. The IT system and new structure are therefore important factors in the longer term development of the DLO.

7.7 Utilising sub-contractors to provide specialist services e.g. drain clearance, asbestos removal, rot works, or to provide additional resources to support peak activity is an essential part of operating a DLO. The over reliance of sub-contractors where there is weak or ineffective management of the core work-force incurs additional and unnecessary cost.

In our view the DLO's use of sub-contractors linked to its productivity management systems is appropriate to its current operations

7.8 Call handling is currently provided by the Council's Contact Centre, a Service Level Agreement is in place covering this service. Call handling especially the correct categorisation of the repair, and the correct diagnosis is a crucial element of effective customer service, and the efficient delivery by the DLO, its importance can't be underestimated especially given it cost over £40 hour per trades person for the DLO to provide its services.

Ideally the call handlers should be skilled and focused solely focused on repairs calls (given the specific technical nature of this role), and located next to the planners to allow them to act in an integrated manner. We note that call handlers are being based placed in the DLO office to allow them to understand the function and skills required. We would suggest that this approach is extended and made permanent.

7.9 Materials purchases are controlled via the admin team of the DLO utilising the Council's purchasing system Oracle. The DLO purchases materials the majority of materials via the Council's stores and via NEP, and major materials suppliers.

The Council stores serves a wide range of users including roads, public buildings and the DLO, it also provides a waste transfer facility. Improvements in the service have been made via the introduction of void packs which are assembled and delivered to site by the stores. There is however a mismatch between the service required by the DLO, which is a fast paced housing repairs business and that currently provided by the stores servicing a wide range of customers.

We have not undertaken a stores review as part of our report we would suggest however that in partnership with the DLO and stores the following areas are reviewed :-

- The location and organisation of the shelving.
- Ensuing all material deliveries are placed on the shelves as soon as possible.
- Maintaining a current and accurate understanding of the level of stock in the stores.
- Ensuring all stock re-ordering levels are correct and reflect usage.
- Van stocking of DLO vans by the stores.

It would also worth reviewing parking arrangements adjacent to the stores, and looking at the improving the manual stores issuing system to ensure that stock levels are current(real-time) and accurate.

Improvements in this area will allow enhance the service offered by the stores, make the service more attractive to the DLO and reduce the time spent by the DLO sourcing materials.

7.10 Van tracking systems where a DLO has an effective productivity management system and a committed work force provide the following additional benefits in our view :-

- Lone worker safety.
- Driver education.
- Vehicle usage to assist with ensuring the fleet matches the requirement of the work being undertaken.
- Reviewing routing of vehicles to ensure that mileage where possible is reduced.
- The potential to reduce fleet maintenance costs and fuel usage.

The benefits will be available in the future if and when trackers are reduced. We would suggest that the DLO continues to work with the Council's fleet team to see if further improvements in the service being provided are possible e.g. out of hours servicing and the potential availability of alternative vehicles when vehicles are being serviced.

8.0 SUMMARY AND CONCLUSION

8.1 The DLO has demonstrated a positive direction of travel and based on the information provided is delivering value for money, within its current operating environment.

8.2 The DLO in our view has the management ethos, drive and systems that will ensure it is fit for purpose and capable of transferring to the new organisation, on the proviso that it continues the progress that has been made.

8.3 There is a high degree of rigour in the DLO in maintaining and keeping current its core business management information e.g. repairs completion, gas certificates etc. Some of this involves manual processes due to current systems. Investment will be required to allow the DLO in future to take on additional work without significantly increasing its overheads.

8.4 We would suggest that the DLO continues to work in partnership with other parts of the Council to assist them to understand its specific needs as housing repairs and maintenance business and to seek to identify further beneficial changes in the services they provide to the DLO.

8.5 We would recommend that the DLO transfers to the new housing organisation. It would be appropriate to consider the location of the DLO within the new group i.e. does it provide service to one organisation or all of the organisations in the group over the longer term, thereby potentially offering savings in VAT for the provision of repairs and maintenance services.

APPENDIX 1 BENCHMARKING

Table 1 – Quality Indicators

Repair Category	Savills Benchmark	2010-2011	2011-2012	2012-13	Comment
% of emergencies repairs completed on time	96-99	96.5	99	99.5	
% of routine repairs completed on time	96-99	-	-	-	Not measured
% of urgent repairs completed on time	96-99	98	99	99	
Average number of days taken to complete urgent jobs	3-5	-	-	-	Not Measured
Average number of days taken to complete routine	12-18	9.5	10	8.8	
% of repair appointments kept	97-99%	-	98.6	99.1	

Table 2 – Cost Indicators

Key Indicator	Savills Benchmark	2010-2011	2011-2012	2012-13	
Cost per void	£802-1544	2612	2555	2802	Assumes 10% Capital Works
Cost Per Emergency Repair	£47-63	31	31	30	
Cost Per Urgent Repair	£56-68	32	32	36	
Cost Per Non Urgent/Routine	£89-107	54	61	62	
Cost Per Planned	£110-225	-	-	89	

Table 3 – DLO Operational Indicators

Key Indicator	Savills Benchmark	2010-2011	2011-2012	2012-13	Comment
Turnover	Total Income (inc VAT)	£5,590,149	£6,108,539	£7,159,164	Includes Dale and Valley
	Overheads	£2,590,476	£1,226,264	£1,191,188	
	Net	£2,999,673	£4,882,275	£5,967,976	
	Core	48	48	48	
	Agency	4	21	26	
Turnover per operative (net of sub-contractors and overhead)	£75-£85K	£57,596	£70,300	£80,312	
Supervisor to Trades Staff Ratio	1:8 to 1:15	7	10	11	
% Surplus	4-6%	-4%	4%	5%	

Cabinet**7 May 2014****Hitachi Rail Europe**

Report of Corporate Management Team
Ian Thompson, Corporate Director, Regeneration and Economic Development
Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration

Purpose of the report

1. The Hitachi Rail Europe investment into County Durham has been one of the major projects for Durham County Council for the last four years. With construction of the facility now under way, this paper is able to provide a brief history of the project's development and future plans, provide a context of other significant projects in strategic companies in County Durham, the contribution of inward investment to the County's economic prosperity, and potential issues in skills that might need to be addressed to ensure that County Durham is a top location for business.

Background

2. Hitachi Rail Europe (HRE) is part of Hitachi Group, a multinational conglomerate founded in 1910 and headquartered in Japan, with businesses in the following areas: Information and Telecommunications; Social Infrastructure (Industrial Systems and Transportation); Financial Services; Materials and Components; Power Systems; Electronic Systems; Automotive; Logistics; Construction Machinery, and Digital Media and Consumer Products.
3. Hitachi Rail Europe is the European headquarters of the Transportation Division of Industrial & Social Infrastructure Systems Company of Hitachi Ltd. Its trains have been in operation in the United Kingdom (UK) since 2009 on the high speed link between Kent and London. The company is a total railway system supplier offering rolling stock, traction equipment, signalling, traffic management systems, and maintenance depots. HRE draws on many years of experience as a leading supplier of metro, commuter and high-speed trains, such as the Shinkansen (bullet train), for the Japanese and international markets.

Project History

4. In 2009, HRE began seeking a site in the UK to construct a factory in which the company could build trains to win and fulfil contracts in Europe. Although County Durham was not on the original shortlist, sustained

partnership working across a group of public and private sector organisations ensured that County Durham was in the frame. This group included the then County Durham Development Company (since merged with Durham County Council's Business Services to create Business Durham), Durham County Council (DCC), Phil Wilson MP, the Northern Echo, the Engineering Employment Federation, the TUC, One North East and, critically, the developer Merchant Place Developments (MPD). This strong partnership, and the subsequent relationship between MPD, Business Durham and DCC, has been instrumental in securing the project for County Durham. Both MPD and DCC view this as an exemplary project in terms of the private and public sectors working together to increase economic prosperity.

5. In May 2012, HRE, as part of the Agility Trains consortium, was awarded a £5.8BN contract by the UK government to finance, design, manufacture, maintain and service the next generation of intercity carriages to improve the UK's mainline rail services. HRE announced its intention to locate in Newton Aycliffe, at the then Amazon Park (since renamed Merchant Park).
6. The impact of this investment is significant. The total in terms of capital investment attracted to the County is estimated to be £82M direct, with indirect investment into local companies which win contracts to supply the construction or HRE itself. At least 730 jobs will be created, with a further 150 construction jobs on site. Nearly 900 new carriages will be made in a factory with a production capability including high-speed trains, commuter trains and metro trains. The train fleet will comprise electric and bi-mode trains, some five vehicles long and others nine vehicles. These will be faster accelerating than existing stock, and will offer the potential for more frequent services. The higher train capacity will mean more seats and less crowding between Britain's major cities. A performance regime will encourage the trains to run reliably throughout the life of the fleet. The first trains will enter revenue-earning service on the Great Western Main Line in 2017 and on the East Coast Main Line by 2018. The factory will also be home to an on-site research & development facility and test track.
7. The decision by HRE was based on a number of factors: a strong engineering and manufacturing ethos in County Durham; site location; road and rail infrastructure; access to the East Coast Main Line; suitability and cost of the development site; the support that the company received from local partners, and the hard work and positive attitude of MPD.
8. In late 2013, the construction contract was awarded to Shepherd Construction, a Darlington-based company, which was chosen based on its commitment to carefully gathering insight into HRE's specific requirements before proposing exactly how the large and complex scheme could be delivered. Shepherd displayed a comprehensive understanding of what the facility had to achieve and HRE's exceptional standards in building trains. This builds on the existing design team of consultants based in the North East, and the subsequent award of the steel contract to

Finley Structures in Newton Aycliffe further highlights the commitment to the North East.

Support for Hitachi Rail Europe

9. Business Durham established an internal project team within DCC to assist MPD with the development of the chosen site. This included Planning, Assets and Business Durham. This team is regularly praised by MPD as the best Local Authority team they have ever worked with.
10. Business Durham additionally assisted with managing communications, acting as a buffer between interested parties and HRE over the last few years as HRE ramped up capacity. This included fielding and managing interest from those interested in supplying or working for HRE or the construction contractor: Business Durham organised two major events for HRE and MPD at the Xcel Centre in Newton Aycliffe, which were attended by approximately 1,500 people; held regular partner briefing meetings; hosted visits from senior representatives of other Hitachi divisions and Ministers, and assisted with community engagement as needed.
11. A website was constructed specifically for the project to collect data from those wishing to work for or supply HRE or the construction contractor in a consistent way to enable them to collate and analyse data when the time came to let contracts. It also enabled HRE to communicate with those who had registered and to maintain its brand awareness. This mechanism has been very valuable to HRE and it was praised for its reach and messages by HRE senior staff. The website collected 594 registrations for supply chain and 1,798 enquiries for recruitment. Now HRE has its own resources in place to deal with these enquiries, the Business Durham website has been decommissioned, and relevant content placed on the Business Durham website to avoid duplicating communication channels. Business Durham, HRE and MPD continue to meet on a monthly basis about communications, PR and business development.
12. In terms of skills development, alongside the project group, there has been a reference group meeting to provide support and advice to Hitachi in respect of accessing the skills system and providing employment support. Since the award of the construction contract, Business Durham has been liaising with both Shepherd Construction in Darlington as the main contractor for the build and fit out of the manufacturing facility, and HRE for its staff. Preliminary meetings have been held with Business Durham, DCC Employability Services and Shepherd and HRE to discuss their requirements. Both companies are at early stages of defining their requirements, and those of their subcontractors. There will be a high requirement for craft skills such as electricians and joiners. There will be a significant demand for IT skills to ensure that the customers can enjoy the latest on board services such as wifi and track side communications. Initial indications are positive, however, and a proposal to provide a number of construction apprenticeship opportunities is currently under development in conjunction with Shepherd Construction. MPD and

Shepherd Construction have a joint programme of school visits currently underway.

13. Supply chain development has been a major part of Business Durham's support for HRE. The rail industry has a mature and established supply chain globally but HRE's commitment to sourcing local suppliers, where possible, has been outstanding. HRE collated the data from all sources, including Business Durham's dedicated website, into one database which resulted in approximately 720 companies locally, nationally and internationally which had expressed an interest in supplying HRE, and also were considered as credible suppliers in terms of products or services and trading history. A number of business have become part of the supply chain and these include North east business as set out in the table below.

Type	Company	Location
On Board Server	Nomad	Newcastle
Driver Reminder Safety Switch	Petards	Gateshead
Passenger Counting System	Petards	Gateshead
Side Windows	Romag	Consett

14. Supply chain development for the construction contract has also been an area where Business Durham has been actively supporting the investment by HRE. The Business Durham website collected 210 registrations from companies wishing to be part of the construction contract and this list was sent out by MPD as part of the invitation to tender for the main contract. The following contracts have been awarded.

Type	Company	Location	Confidential
Factory construction	Shepherd Construction	Darlington	No
Site groundwork	Hall Construction	Rushyford	No
Steelwork	Finley Structures	Newton Aycliffe	No
Technical detailing	South Durham Draughting	South Church	No

This is representative of at least 50 businesses in the North East which are benefiting from the project. It should be emphasised that the HRE is part of the Hitachi group and as such may well choose to source 'in-house', as long as budget and quality criteria are met.

15. The completion of the facility is due in mid-2015. Durham County Council will continue to support the project as outlined above and will keep Members up to date as milestones are reached.

16. This report focuses on the Hitachi Rail Europe project itself but it should be noted that it is a significant project and will be a catalyst in developing further activity in Merchant Park itself (a further 35 acres with an estimated 500 jobs) as well as in the wider Newton Aycliffe and County Durham areas.

Inward Investment

17. The Hitachi Rail Europe project is significant in County Durham's history of attracting inward investment. Inward investment (both from overseas and from within the UK) continues to be crucial to raising the economic prosperity of the County; an analysis of significant projects handled by Business Durham in the nine months April to December 2013 indicates the important contribution made by this activity.

Number of Projects 2013/14 YTD		Capex	Jobs created	Jobs safeguarded
Total Number	45	114,991,591	1,400	960
From Indigenous Companies	24	43,282,011	634	314
From Inward Investment	21	71,709,580	766	646
Existing investors	13	30,349,580	230	412
New investors	8	41,360,000	536	234
Lost Projects	5	3,239,580	84	3
From Indigenous Companies	1	221,000	0	0
From Inward Investment	4	3,018,580	84	3
Existing investors	3	2,658,580	58	3
New investors	1	360,000	26	0
Successful Projects	20	60,915,071	931	346
From Indigenous Companies	11	16,965,071	391	94
From Inward Investment	9	43,950,000	540	252
Existing investors	2	2,950,000	30	18
New investors	7	41,000,000	510	234

18. Successful projects in 2013/14 include:
- Pacrestore: a company which has created a system to enable manufacturers to rectify packaging errors and place the packaging back in the supply chain, reducing environmental impact. The company started-up in Tyne and Wear and was investigating production options in Northumberland, Ireland and County Durham before deciding on Aycliffe Business Park. Forecast jobs are 165 within two years.
 - TSC Simulation: a company based in the East Midlands which models industrial processes. The company has set up an office in Aycliffe Business Park, employing one person.
 - Compound Photonics' acquisition of the RFMD facility in Newton Aycliffe creating and safeguarding 200 direct jobs
 - Cubis Industries' acquisition of part of GT Group (10 jobs)

In addition, two companies have been acquired by overseas investors, saving 146 jobs.

19. Business Durham works with colleagues to ensure that County Durham is a top location for inward investors, primarily in land and premises development and skills development, whilst also working with partners to ensure access to finance and market opportunities.
20. Skills development is a particular area of concern in County Durham, and also in the UK. It is recognised by several associations, such as the IET, the Engineering Employers Federation, SEMTA the Sector Skills Council, the Royal Academy of Engineering, the Institute of Physics and others, that there are not enough skilled scientists and engineers available to meet the forecasted needs. The arrival of HRE and Compound Photonics, along with the continued success of NETPark, highlights this issue for the County particularly. It is recommended that a further paper is submitted to Cabinet investigating this in more depth, outlining actions already underway and making recommendations, as appropriate, to ensure that County Durham is well-positioned for future inward investment opportunities, and that indigenous companies' growth plans are not held back by the lack of a skilled workforce.

Recommendation

21. Cabinet is recommended to note the report and to agree to the development of an integrated, targeted and proactive process to build upon existing and future inward investment opportunities.

Contact: Simon Goon, Managing Director, Business Durham 03000 265510

Appendix 1: Implications

Finance –

Not applicable.

Staffing –

Existing staff resources have been utilised to deliver work to date.

Risk –

Not applicable.

Equality and Diversity/Public Sector Equality Duty –

Not applicable.

Accommodation –

Not applicable.

Crime and Disorder –

Not applicable.

Human Rights –

Not applicable.

Consultation –

Consultation related to delivery of the Hitachi project has been extensive to ensure its flexible implementation and to ensure the appropriate benefits are maximised.

Procurement –

Not applicable.

Disability Issues –

Not applicable.

Legal Implications –

Not applicable.

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Cabinet

7 May 2014

Non Residential Car Parking Standards



Report of Corporate Management Team

Ian Thompson, Corporate Director, Regeneration and Economic Development

Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration

Purpose

- 1 This report sets out the background to parking standards used by the County Council for non-residential development and proposes a change to the current guidance to developers. The report recommends that the current guidance is withdrawn and new guidance is approved and adopted. The new standard will be incorporated into the emerging County Durham Plan together with residential parking standards approved in 2013 and adopted as Council Policy.

Background

- 2 The County Council published guidelines for maximum parking standards in the Accessibility & Parking Guidance document produced in 2001. Those guidelines are used by developers for the design of new development and by officers to assess suitability of parking provision for new development.
- 3 The 2001 guidelines were prepared in accordance with a policy approach set out in Planning Policy Document 13 (PPG13). This aimed to reduce reliance on car use by promoting more sustainable forms of transport. PPG13 advocated 'maximum' parking standards for new development in an attempt to restrict private car use.
- 4 A revision of PPG 13 was published in 2011 which deleted the statement claiming that reducing parking supply is essential to promote sustainable travel choices. Furthermore, the new National Planning Policy Framework (NPPF) was published in March 2012, which superseded guidance offered in PPG 13.
- 5 In light of the above changes, it is considered that any planning appeal to a refusal, on the grounds of parking provision under the current policy, may be difficult to defend and justify to a Planning Inspector.

Revised Guidelines

- 6 The NPPF guides authorities to take a more pragmatic view at the local level when considering setting parking standards. It is recommended authorities consider:-
 - the accessibility of the development;
 - the type, mix and use of development;
 - the availability of and opportunities for public transport;
 - local car ownership levels; and
 - an overall need to reduce the use of high-emission vehicles.
- 7 The revised Parking and Accessibility Guidelines have been prepared using research into the provision of parking on different types of development from the national dataset on trip generation (TRICS). An exercise in establishing the most suitable rates for use and comparing these to previously proposed rates has been undertaken.
- 8 The revised parking standards will continue to impose a maximum provision at non-residential developments destinations to assist in encouraging more sustainable travel. Different parking standards will apply depending on locality and accessibility to other forms of transport.
- 9 The guidelines also assist developers in setting out requirements for the provision of electric vehicle charging infrastructure, car sharing bays, cycle and motorcycle parking and the need for public transport provision with developments.
- 8 A full consultation exercise has been undertaken with developers and their transport consultants, Durham Constabulary, Planning and Neighbourhood Services. Amendments to the draft were made where appropriate to reflect opinions and concerns of most consultees.
- 10 The revised non-residential parking standards will be combined with the previously adopted residential parking standards to be incorporated within the County Durham Plan.

Recommendation

- 11 Cabinet are recommended to note the contents of this report and approve the revised Parking and Accessibility Guidelines for non-residential developments.

Contact: Adrian White, Head of Transport & Contract Services Tel: 03000 267455
John McGargill, Highway Development Manager Tel: 03000 263578

Appendix 1: Implications

Finance -

There are no implications associated with this report.

Staffing -

There are no implications associated with this report.

Risk -

Adoption of the revised guidelines will lessen the risk of successful challenge to planning decisions.

Equality and Diversity / Public Sector Equality Duty -

The revised standards do not apply to special residential uses (including elderly person's accommodation and nursing homes) which will remain as set in the current guidelines.

Accommodation -

There are no implications associated with this report.

Crime and Disorder -

There are no implications associated with this report.

Human Rights -

There are no implications associated with this report.

Consultation -

A full consultation has been undertaken including developers and their consultants, Planning Services, Neighbourhoods Services and Durham Constabulary. Changes have been made to the standards to reflect feedback from the consultation.

Procurement -

There are no implications associated with this report.

Disability Issues -

There are no implications associated with this report.

Legal Implications -

There are no implications associated with this report.

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Durham County Council
Regeneration and Economic Development
Highways Development Management
Parking and Accessibility Guidelines

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F:\SHARED\Development Management\Highway Dev Control\Highway Guidance



1.0 This guidance is based on research of parking provision for similar type of non residential development throughout the Country using The TRICSⁱ database and local knowledge of County Durham developments. Different standards have been used depending on locality and accessibility to different forms of transport. Residential Parking standards are not included as they are subject to separate guidance.

2.0 General requirements.

2.1 Demand for travel by car can be influenced by the availability of parking space for all modes of vehicles at the place of destination. Requirements for parking space following this guidance should provide the correct balance between demand to travel by private car and the need to encourage active and sustainable travel. The requirements for parking are a general guide which in some cases may be varied to suit local circumstance with the agreement of the Development Management Officers. In the first instance developers should design using this guidance. Where the intention is not to follow this guidance, early engagement with Development Management Officers is essential. When applying these guidelines the focus will be on the resultant planning unit(s) as a whole. Therefore the extension or adaptation of an existing development will not necessarily result in allowing an increase in car parking if the original site layout exceeded the standards outlined in this report

3.0 Background and policy context

3.1 Durham County Council Parking and Accessibility standards date back to development policies from the mid 1990's with its publication in 2003. That guidance set the standard for both non residential and residential development based on maximum criteria. A separate standard with minimum parking requirements for new residential development was produced in 2013 and residential parking standards are not contained within this document.

3.2 The 2001 guidelines were prepared to accord with the governments Planning Policy Guidance 13 (PPG13) which sought to encourage use of more sustainable forms of transport by limiting the opportunity to park. Application of the maximum standards met with different degrees of success depending on the development location and use. Over the past two decades the consequences of the previous standards are apparent throughout the County. In particular, as with residential development, the maximum standard has restricted provision and in some areas resulted in lack of adequate parking space to meet demand. This in turn has resulted in vehicles displacing to adjacent carriageways, footways, and verges resulting in inconvenience to road users, road safety issues, obstruction and in some cases damage to the highway.

3.3 Since the publication of PPG 13 and the policy which aims to restrict parking, it has been acknowledged that little impact on car ownership and use has been achieved. It is recognised that restricting parking at the origin of a journey is less

effective than restricting parking at the destination. Whilst car ownership has increased and impacted on development areas, the target now moves towards addressing car use and how this can be controlled.

3.4 A revision of PPG 13 was published in 2011 the most significant difference being the removal of requirement for “maximum” parking standards for residential developments and the deletion of the reference to the influence of parking supply on mode choice. The revised guidance also deleted a statement claiming that reducing parking supply is essential to promote sustainable travel choices

3.5 The National Planning Policy Framework (NPPF) was published in March 2012 and supersedes guidance offered in PPG 13.

<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

The framework guides authorities to take a more pragmatic view at the local level when considering setting parking standards. It is recommended authorities consider:-

- the accessibility of the development;
- the type, mix and use of development;
- the availability of and opportunities for public transport;
- local car ownership levels; and
- an overall need to reduce the use of high-emission vehicles

3.6 Taking into account the guidance in the NPPF these new parking and accessibility guidelines have been prepared by the Council’s Highways Development Management Section.

3.7 The guidelines have been subject to extensive internal and external consultation. Internal consultation has been undertaken within the Planning Service and Neighbourhood Services, and external targeted consultation has been undertaken with Durham Constabulary, and a wide range of other consultees who have participated in the consultation on the County Durham Plan including planning consultants and other commercial and employment businesses including major retailers. In particular, support has been expressed by The Police and Neighbourhood Services colleagues who address day to day issues resulting from parking conflicts.

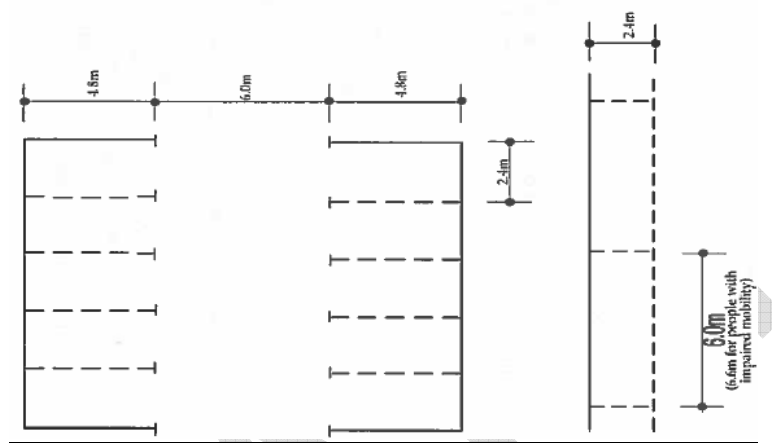
4.0 General parking space design

4.1 All developments must be designed with useable parking space providing adequate length and width to manoeuvre and park without conflict with other vehicles. Minimum bays sizes 2.4m wide and 4.8m in length must be provided. Longer bays are required for longitudinal bays (6.0m). Clearance of at least 6m in front of a bay must be provided to permit reversing into space where 90 degree parking provision is made. This dimension may be reduced where bay widths are increased above 2.4m and it can be demonstrated a vehicle can manoeuvre from the space. Echelon or angled parking may be provided where a one way system is adopted in the car park. One way systems must be clearly signed and marked within

car parks. The area to the front of the echelon bay (Forecourt) may be reduced as follows where bay widths are varied.

Formation	Bay depth	Forecourt depth
60 degrees	5.4m	4.2m
45 degrees	5.1m	3.6m
30 degrees	4.5m	3.6m

Recommended space dimensions



4.2 No parking space should be designed within 15m of an access point to a development and sufficient space must be provided to allow a vehicle to enter the public highway in a forward direction.

4.3 In shops and buildings to which the public have access and public car parks (where more than 100 spaces are being provided overall) spaces should be reserved where appropriate for people needing to transfer children to and from the car.

5.0 Electric Vehicle (EV) Charging Infrastructure and Car Sharing bays

5.1 It is very important that we plan to enable the adoption of alternative fuel vehicles and also actively discourage the number and frequency of single occupancy car journeys through the provision of parking for car sharing and car clubs. This is because passenger cars are often the only practical choice for residents living in some parts of the County, particularly rural areas. Electric vehicle charging infrastructure and car sharing bays will be required where 100 parking spaces or more are being provided.

5.2 We are proposing 2ⁱⁱ electric parking spaces per 100 created because it is anticipated that most owners of electric vehicles will be able to charge at home overnight but this number of charging points will provide the facility for those individuals that need to re-charge while they are away from home. Where development providing accommodation (hotels etc) is permitted, we are proposing 1

electric parking space per 20 spaces in order to provide visitors with the infrastructure to charge vehicles overnight away from home.

5.3 We are proposing 15% car sharing bays at longer stay commuter parking destinations because the National Travel Survey undertaken in 2010 states that there is only one person in the vehicle for 80% of commuting trips. Since not all these journeys will be officially car sharing journeys, other factors have been taken into consideration. The document entitled Making Travel Plans Work (Department of Transport, 2002) states that overall levels of car sharing are around 16%, slightly above local levels. It is therefore felt that 15% is a realistic figure that introduced alongside an effective Travel Plan should encourage more sustainable travel.

5.4 No upper limit will be applied to the total number of EV/ Car share or Car club parking provision that is placed on a development provided such space is clearly designed for the vehicle class. Applicants must be able to demonstrate how such space will be managed and controlled to restrict use by non EV, car share or car club users.

6.0 Pedestrians in car parks

6.1 In larger car parks where space is designed in rows or blocks consideration must be given to drivers, as pedestrians, or pedestrian visitors and how they walk through the car park to their destination. Providing pedestrian facilities on desire lines with clear guidance for pedestrians may be required. This may be in the form of signed pedestrian walkways through blocks of parking at regular spacing with zebra crossing provisions and tactile paving at access roads. Consideration should also be given to cyclists and how they access facilities through parking areas and the potential requirement for shared facilities with pedestrians or where possible segregated routes.

7.0 Mobility Impaired persons space

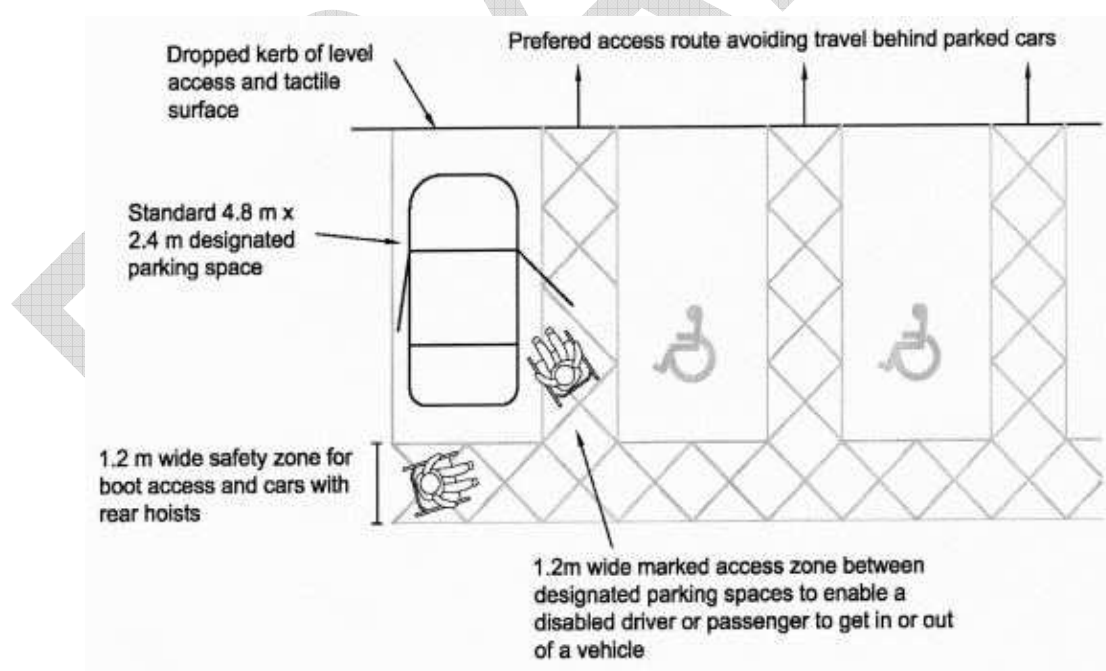
7.1 Parking provision for persons with mobility impairment must be considered as part of any proposal. It is the responsibility of the site occupier to make provision under the Disability Discrimination Act 2005. More information can be found at:-

<http://www.nidirect.gov.uk/the-disability-discrimination-act-dda>

7.2 Disabled persons bays should be the nearest bays to a building main entrance. A minimum of two bays must be provided for car parking in excess of 10 spaces, with a minimum 5%ⁱⁱⁱ of car park bays being provided in car parks and a minimum of 6% of bays in car parks where shopping, leisure and recreation activities take place. This is included within the overall vehicle parking standard listed in the tables following

7.3 It is important that wheelchair users can access and egress vehicles with space available to manoeuvre a wheelchair. The following diagram shows minimum requirements. Disabled persons bays should be clearly marked and signed in accordance with DfT Traffic Signs and General Directions (TSRGD) <http://www.legislation.gov.uk/ukxi/2002/3113/contents/made>

Recommended dimension for bays for mobility impaired.



7.4 Guidance on the design and location of parking for mobility impaired people can be found in the Department for Transport (DfT) Traffic Advisory Leaflet 5/95: Parking for Disabled People, DETR, 1995 <http://tsrgd.co.uk/pdf/tal/1995/tal-5-95.pdf5/95> and the DfT report 'Inclusive Mobility'

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3695/inclusive-mobility.pdf

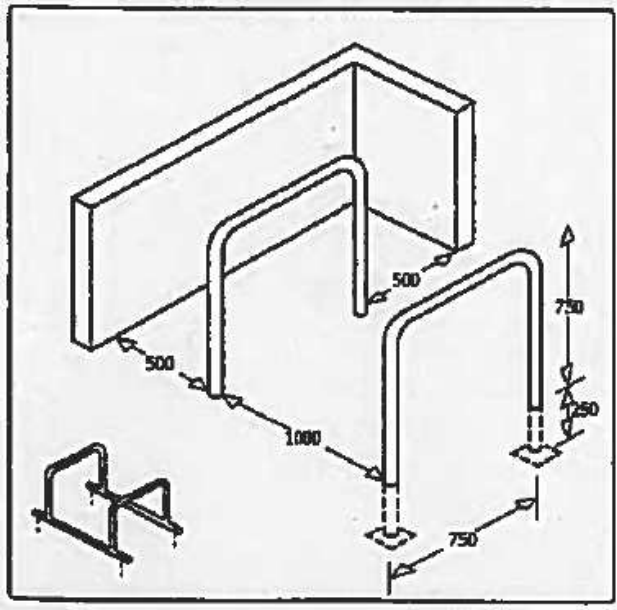
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8.0 Cyclist and P2W provision



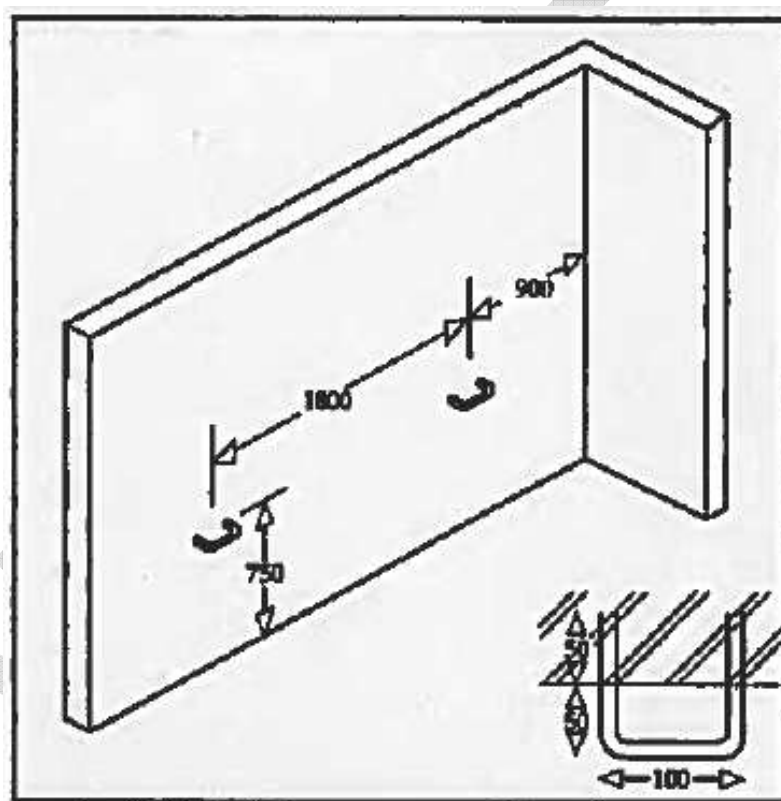
8.1 Cycle space requirement is given in the tables and should be read as the minimum requirement. Cycle parking is to be covered and secure at or near the front of premise. Placing cycle or P2W parking as an afterthought to the rear of premises at insecure positions which are not observed or within sight of regular users will not be accepted. Cycle or P2W parking beneath stair wells or behind buildings away from the central access to buildings will not be accepted. Where cycles are expected to be unattended for periods in excess of 8 hours, provision of long stay cycle storage will be required in the form of secure cycle shelters. This type of facility should be discussed with the Highways Development Management Officer and would be subject to a planning condition.

8.2 Sheffield stand cycle loops or similar approved should be provided to secure cycles for short stay parking. Wall mounted butterfly loops to fasten cycle wheels to will not be accepted. Each loop can provide for two cycles if designed to the following dimensions. Stands should be provided in well lit open areas where casual observance by passers by may increase security.



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8.3 Parking provision for Powered two wheel (P2W) vehicles (motorcycles/ scooters) should be at a level 3% in addition to the vehicle parking space provision or a minimum of 2 spaces for car parks up to 30 spaces. The provision for P2W should preferably be under cover and provide a secure anchor point at 600-750mm from ground level onto which a wheel can be chained. An example is shown below.



8.4 Stands should be provided in well lit open areas where casual observance by passers by may increase security. Surfaces on which motorcycles are to park should be flat and level and constructed with concrete to avoid surface failure from puncture by stands.

9.0 Accessibility Guidance

9.1 These guidelines are designed to encourage travel by more sustainable modes of travel, which is walking, cycling and use of public transport.

All new development needs to provide for access by a range of means of travel. Design is important to encourage the use of the more sustainable forms of transport. When considering the design of all forms of development designers are required to adopt a hierarchy which requires the needs of different transport users to be considered in the following order:

- pedestrians (including mobility impaired people);
- cyclists;
- public transport users and essential freight access;
- car drivers

9.2 Regard should also be given to minimising the potential for and perception of crime as personal safety is major determinant in how people choose to travel. Developers may find it beneficial to consult the Durham Constabulary Architectural Liaison Officer with regard to this issue. Further information can be found on the website www.securedbydesign.com.

9.3 Potential will often exist to encourage accessibility by foot, cycle or public transport as opposed to the private car through the provision of off-site improvements. These may include, for example, the provision of cycle paths, a contribution towards the construction of new public transport infrastructure or services for a number of years until they are viable. The provision of appropriate infrastructure and services can benefit developers in a number of ways, such as:

- enabling higher density development through reduced needs for car parking;
- being accessible by a greater proportion of the population;
- -broadening the potential labour pool for employers to include those without access to a car;
- reducing potential highway problems and local objections to developments; and
- reducing the likelihood of policy objections to developments on the grounds of their probable car dependency.

9.4 The design of new development should provide for access for different modes in line with the hierarchy set out in Policy LTP46 of the Local Transport Plan. This gives priority to providing for the needs of pedestrians, cyclists and public transport before the private car. In order to assist in the assessment of accessibility issues proposals for residential development should provide the following basic information:

- location of nearest shop (general local/convenience shopping, excluding specialised shops);

- location of nearest post office;
- location of nearest public house;
- location of nearest doctors/GP surgery;
- bus stop(s) in the vicinity of the site;
- location of nearest primary school.

10.0 Public transport

10.1 The benefits of providing public transport links to and/or through the development should be considered at an early stage. Early contact with the County Council's Public Transport Group will assist in giving an indication of whether this is likely to be required. Bus routes through the site should be direct, well related to the development as a whole, easily negotiable by appropriate sized buses and accommodate suitably sized stopping areas. To be attractive to residents and other users bus routes within residential estates are not to 'loop' the estate, entry and exit from/to the estate must be at different points that reassure passengers that progress is being made in the journey. Public transport infrastructure should be provided at an early stage in the development, even if a site is only part occupied. Infrastructure in terms of road widths and potential stopping areas will be required where there is potential for small housing developments to be linked into a neighbouring future development that cumulatively will require the development of a penetrative bus route.

10.2 Higher density housing should be located close to public transport routes, with lower densities in more remote parts of the site. The maximum walking distance to the nearest bus stop from any residential property should not be greater than 400m. The extent of local rail network in County Durham means that opportunities to provide direct links to rail stations are limited. Major development proposals in the vicinity of existing or proposed rail stations will need to provide for safe walking and cycling routes to/from the station. Additional access arrangements by public transport may also be needed. Where necessary a contribution towards the improvement or construction of rail routes and/or facilities will be sought. Major residential developments may require financial contributions from developers to enable the setting up of public transport services at an early stage in the development. Contributions will be paid to subsidise services until such time as they are likely to become commercially viable.

County Durham Parking and Accessibility Standards for Non Residential Development 2014

Land Use	Use Class	Maximum Car Park Provision		Minimum Cycle Parking	Other requirements
		Town Centres*	Rest of County Durham		
A. RETAIL					
1. General Retail	A1/A2/A5	1 space per 25m ² GFA	1 space per 25m ² GFA	1 enclosed, covered space per 5 members of staff. Minimum of 2 covered spaces for visitors up to 100m ² then 1 space per 400m ² .	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces. 50m ² of service area per 500m ² GFA
2. Supermarkets / discount food stores(up to 4000m2)	A1	1 spaces per 12.5m ² GFA	1 space per 12.5m ² GFA	1 enclosed, covered space for 5 full time staff members. Minimum of 2 covered spaces for visitors up to 100m ² then 1 space per 400m ² .	Minimum of 2 Electric Vehicle charging point for the first 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. 50m ² of service area per 1000m ² GFA Public transport link within 100m of the main entrance with waiting shelter. .
3. Superstores (above 4000m2)	A1	1 space per 15m ² GFA	1 space per 15m ² GFA	1 enclosed, covered space for 6% of staff numbers 1 covered space per 400m ² .for general parking	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. 50m ² of service area per 500m ² GFA Public transport link within 100m of the main entrance with waiting shelter. . Midi Bus access designed into the scheme layout
4. Non food retail warehouse (Cash and Carry)	A1	1 space per 25m ² GFA	1 space per 25m ² GFA	1 enclosed, covered space per 5 members of staff	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. 50m ² of service area per 1000m ² GFA

County Durham Parking and Accessibility Standards for Non Residential Development 2014

5. DIY stores	A1	1 space per 25m ² GFA	1 space per 25m ² GFA	1 enclosed, covered space per 5 members of staff	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. 50m ² of service area per 1000m ² GFA Public transport link within 100m of the main entrance with waiting shelter.
6. Garden Centres	Suis generis	2 spaces per 25m ² GFA	2 spaces per 25m ² GFA	1 enclosed, covered space per 5 members of staff	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. 50m ² of service area per 1000m ² GFA
7. Retail park including food	A1	1 space per 15m ² GFA	1 space per 15m ² GFA	1 enclosed, covered space per 5 members of staff. Minimum of 2 covered spaces for visitors up to 100m ² then 1 space per 400m ² .	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park space GFA above the first 100. 50m ² of service area per 1000m ²
8. Retail park excluding food	A1	1 space per 25m ² GFA	1 space per 25m ² GFA	1 enclosed, covered space per 5 members of staff. Minimum of 2 spaces for visitors up to 100m ² then 1 space per 400m ² .	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. 50m ² of service area per 1000m ²
9 Builders merchants	Suis Generis	1 space per 100m ² GFA	No maximum	1 enclosed, covered space per 5 members of staff	50m ² of service area per 1000m ²
10 Factory Outlet shops	A1		1 space per 15m ² GFA	1 enclosed, covered space per 5 members of staff	50m ² of service area per 1000m ²
11. Car sales	Suis Generis	1 space per 25m ² for back office and sales display area (Standard is minimum requirement not maximum)	1 space per 25m ² back office and sales display area (Standard is minimum requirement not maximum)	1 enclosed, covered space per 5 members of staff	Minimum of 1 Electric Vehicle charging points. A dedicated area must be allocated for turning and parking of a car transporter vehicle. With space to offload and manoeuvre within the site.

County Durham Parking and Accessibility Standards for Non Residential Development 2014

12. PFS with retail	A1	3 spaces per 100m2GFA	3 spaces per 100m2 GFA	1 space per 5 members of staff	No requirement for EV charging A dedicated area must be allocated for turning and parking of a petrol tanker vehicle. within the site.
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County Durham Parking and Accessibility Standards for Non Residential Development 2014

B Employment					
1. Stand alone B1 office development	B1	1 space per 25m2 GFA	1 space per 25m2 GFA	1 enclosed, covered space per 300m2 GFA	Minimum of 2 Electric Vehicle charging points. Adjustment to maximum standard will be considered for shift working (e.g. call centres) Minimum 15% car share space 50m ² of service area per 1000m ² GFA
2. Business Parks (B1 office)	B1	1 space per 25m2 GFA	1 space per 25m2 GFA	1 enclosed, covered space per 300m2 GFA	Minimum of 2 Electric Vehicle charging points. Adjustment to maximum standard will be considered for shift working (e.g. call centres) Minimum 15% car share space 50m ² of service area per 1000m ² GFA
3. Industrial Estates	B2	1 spaces per 50m2	No maximum	1 enclosed, covered space per 5 members of staff	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces 50m ² of service area per 1000m ² GFA
4. Warehousing / storage	B8		1 space per 100m ² GFA	1 enclosed, covered space per 5 members of staff	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces 50m ² of service area per 500m ² GFA
5. Distribution	B8		3 spaces per 100m ² GFA	1 enclosed, covered space per 5 members of staff	No requirement 50m ² of service area per 500m ² GFA
6. Industrial Unit	B2	1 space per 50m2	No maximum	1 enclosed, covered space per 5 members of staff	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces 50m ² of service area per 500m ² GFA
7. Garage Repair/ servicing	B1	1 space per staff member plus 1 space 25m ² GFA	1 space per staff member plus 1 space 25m ² GFA	1 enclosed, covered space per 5 members of staff	A dedicated area must be allocated for turning and parking of a recovery vehicle . with space to offload and manoeuvre within the site.

County Durham Parking and Accessibility Standards for Non Residential Development 2014

C Leisure					
1.Hotels/ Motels/Guest Houses	C1	1 space per 5 members of staff plus 1 space per 5 bedrooms	1 space per bedroom 'Minimum'	Minimum 2 covered and enclosed space for 25 bedrooms for guests space. 1 enclosed, covered space per 5 members of staff	Minimum of 2 Electric Vehicle charging points for establishments with 30-100 bedrooms and above. 1 additional charging point for each additional 100 rooms. 50m ² for servicing per 100 rooms
2.Pub/Restaurant	A4	No requirement in Town Centres	1 space per 8m ² of public space	1 enclosed, covered space per 5 members of staff	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces 50m ² for servicing per 100 rooms
3.Hot Food takeaway	A5	No requirement in Town Centres	1 space per two members of staff. 1 space per 25m ² for customers	None	Service area depends on constraints within the adjacent highway and will be assessed on an individual basis
4.Fitness clubs and sports facilities	D1	No requirement for parking provision	No Maximum	Minimum 1 enclosed, covered space per 5 visitors 1 space per 5 members of staff	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces. Where facilities for substantial numbers of spectators are to be provided adequate parking for coaches will be necessary Minimum 50m ² for servicing
5.Places of Worship	D1	1 space per member of staff. No provision within town centre for visitors.	No maximum	Minimum of 1 space per 5 visitors/ participants 1 enclosed, covered space per 5 members of staff	No requirement for EV parking. Minimum 15% car share space
6.Cinemas/ Concert Halls.	D2	No requirement for parking provision	1 space per three members of staff. 1 space per 12.5m ² of public space	Minimum of 1 enclosed covered space per 5 members of staff.	Minimum of 2 Electric Vehicle charging points for establishments with 100 seats or above 50m ² of service area per 500m ² GFA
7.Libraries	D2	1 space per 20m ² of public open space.	1 space per 20m ² of public open space.	1 enclosed, covered space per 5 members of staff Minimum 4 spaces per	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces

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				100m2 of public space.	50m2 of service area per 500m2 GFA
8.Caravan/ camp sites	Sui Generis	N/A	1 space per pitch 1 staff space per 2 members of staff. 1 visitor space per 10 pitches	1 space per pitch	Minimum of 1 Electric Vehicle space per 50 pitches

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County Durham Parking and Accessibility Standards for Non Residential Development 2014

D Health					
1.Hospitals	C2	2 space per consultation / treatment room. 1 space per 10 members of staff	1 space per 33m ² of public space plus 1 space per 5 members of staff	1 enclosed, covered space per 50 beds	Minimum of 2 Electric Vehicle charging points for establishments with 100 bedrooms. Then one EV charging point for each 100 spaces above the first 100. Minimum 15% car share space Minimum 50m ² per 500m ² GFA for servicing
2.Doctors/ Dentist/ other health practitioners	D1	1 space per 5 members of staff plus 1 space per consultation/ treatment room.	1 space per 2 members of staff plus 1 space per treatment room.	1 enclosed, covered space per 5 members of staff plus 1 space per 5 consulting rooms	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces

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County Durham Parking and Accessibility Standards for Non Residential Development 2014

<u>E Social and Education</u>					
1.Further education colleges	D1	1 space per five members of staff. 1 visitor space per 50 pupils. Space for 5% of pupil numbers	1 space per member of staff. 1 visitor space per 50 pupils. Space for 5% of pupil numbers	1 enclosed, covered space per 20 pupils plus 1 covered space per 5 members of staff	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. Minimum 15% car share space Minimum 50m ² per 500m ² for servicing
2.Secondary Schools	D1	1 space per five members of staff. 1 visitor space per 50 pupils. Space for 5% of 6 th form pupil numbers	1 space per member of staff. 1 visitor space per 50 pupils. Space for 5% of pupil numbers	1 enclosed, covered space per 20 pupils plus 1 enclosed, covered space per 5 members of staff	Minimum of 2 Electric Vehicle charging point for each 100 spaces of car parking (inclusive) then 1 space per 100 car park spaces above the first 100. Minimum 15% car share space Minimum 50m ² per 500m ² for servicing
3.Primary schools/ Nurseries	D1	1 space per five members of staff. 1 visitor space per 50 pupils.	1 space per member of staff. 1 visitor space per 50 pupils.	1 enclosed, covered space per 20 pupils plus 1 enclosed covered space per 5 members of staff	Minimum of 1 Electric Vehicle charging point. Minimum 50m ² per 500m ² for servicing
4.Community Centres - Galleries- Exhibition halls	D2	No requirement.	1 space per 16m ² of public space. 1 space for two members of staff.	1 space per 100m ² GFA (minimum of 4 spaces)	Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces Minimum 50m ² per 500m ² for servicing
<u>F Other</u>					
<u>Student accommodation</u>	C2	1 per 5 members of staff. Disabled persons parking only No requirements if in the Controlled Parking Zone for Students	1 per 5 members of staff. 1 space per 6 students.	Minimum of 1 enclosed covered space per 5 students plus 1 short stay space per 20 students for visitors.	Provision must be made for student drop off pick up points at term ends. Provision must be made for taxi drop off/ pick up. Provision must be made for service vehicle loading/ unloading. Minimum 1 Electric Vehicle Charging point for car parks 30-100 spaces Minimum 15% car share space

County Durham Parking and Accessibility Standards for Non Residential Development 2014

					Minimum 50m ² per 500m ² for servicing
	<p>* Town centres means within 800m of the main transport hub of the following :-</p> <p>Durham City</p> <p>Chester le Street</p> <p>Stanley</p> <p>Consett</p> <p>Peterlee</p> <p>Bishop Auckland</p>				

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County Durham Parking and Accessibility Standards for Non Residential Development 2014

Notes

ⁱ Trip Rate Information Computer System (TRICS) is a database of trip rates for developments used in the United Kingdom for transport planning purposes, specifically to quantify the trip generation of new developments. ...

ⁱⁱ Projected levels of EV use as a total estimate of the fleet can be found in : Global EV Outlook : Understating the Electric Vehicle Landscape to 2020 : April 2013

ⁱⁱⁱ Desirable design for mobility impaired including parking provision for wheelchair users can be found in 'Inclusive Mobility : UK Gov.'

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3695/inclusive-mobility.pdf

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Cabinet

7 May 2014

**Implications for Durham County Council
of the Government's policy programme**


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

Purpose of the Report

- 1 On 22 January 2014, Cabinet considered the most recent report on the implications of the government's policy programme. This report provides Cabinet with an update on the major policy developments and announcements since then and analyses the implications for the council and County Durham.

Executive Summary

- 2 The most significant announcements since the last report to Members relate to the following, outlined in more detail below:
 - The Budget;
 - Welfare reform;
 - National minimum wage;
 - Transformation Challenge Fund;
 - Transparency in local government;
 - Public Services (Social Value) Act;
 - Vocational qualifications and apprenticeships;
 - Planning;
 - North East Local Enterprise Partnership and North East Combined Authority;
 - Regional Growth Fund;
 - Local bus services;
 - Community energy;
 - NHS, public health and care and support reform;
 - Community safety;
 - Free school meals for infant pupils;
 - Children and Families Act 2014;
 - Child poverty strategy.
- 3 Since the coalition government was formed in 2010, it has embarked on a major programme of public service reform.
- 4 In the initial years of this government, the pace of policy announcements and reforms was intense. However, compared with previous policy implications reports to Cabinet, it is apparent that the government is making fewer major

policy announcements. In part, this reflects the shift in policy effort from policy development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. It may also reflect a natural slowing down in policy development as the coalition partners and other political parties prepare for the forthcoming general election campaign.

- 5 Of particular note is the government decision to continue with its strategy of austerity measures as outlined in the Budget. This will have significant financial implications for the council and its partners in future years and for our poorer communities, given the cap and proposed freeze in overall welfare spending.
- 6 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an 'altogether better Durham'.
- 7 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government's policy changes, which have been taken into account in the refresh of the County Durham Sustainable Community Strategy and the council plan and supporting service plans, as considered by Cabinet at its meeting of 19 March 2014.

Background

- 8 Cabinet has considered a number of reports on government policy since the general election in 2010, the most recent of which on 22 January 2014. Where necessary, Cabinet has also received further policy reports on specific topics, such as changes to the NHS, health and social care and welfare reform. This report builds upon these previous briefings.
- 9 Since the coalition government was formed in 2010, it has embarked on a major programme of public service reform, which has included the following:
 - a) Deficit reduction measures across all government departments;
 - b) Structural reforms to reduce the number of government agencies and arm's length bodies;
 - c) The 'red tape challenge' to reduce government bureaucracy and regulation;
 - d) Changes to welfare to reduce spending and encourage more people to be independent;
 - e) NHS and public health reforms including the introduction of clinical commissioning groups and the transfer of public health to local government;
 - f) Police reforms including the introduction of directly elected police and crime commissioners;

- g) Expansion of the academy programme and the introduction of free schools;
 - h) Major reform of the planning system with new national planning policy guidance and the revocation of regional spatial planning;
 - i) Abolition of the regional development agencies and the introduction of the national Regional Growth Fund and local enterprise partnerships;
 - j) Initiatives to open up public services to greater transparency and more diverse and local patterns of control.
- 10 The government is now tending to make fewer major policy announcements, in part, reflecting the shift in policy effort from policy development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. It may also reflect a natural slowing down in policy development as the coalition partners and other political parties prepare for the forthcoming general election campaign.

Update

- 11 Nevertheless, the government is still making some major announcements and the most significant since the last report to Members in January 2014, relate to the following, which are outlined in more detail below:
- The Budget;
 - Welfare reform;
 - National minimum wage;
 - Transformation Challenge Fund;
 - Transparency in local government;
 - Public Services (Social Value) Act;
 - Vocational qualifications and apprenticeships;
 - Planning;
 - North East Local Enterprise Partnership and North East Combined Authority;
 - Regional Growth Fund;
 - Local bus services;
 - Community energy;
 - NHS, public health and care and support reform;
 - Community safety;
 - Free school meals for infant pupils;
 - Children and Families Act 2014;
 - Child poverty strategy.
- 12 An update on welfare reform was considered by Cabinet on 12 February 2014 and a more detailed report on NHS and public health reforms is included elsewhere on the agenda for this meeting of Cabinet (7 May 2014).

The Budget

- 13 On 19 March 2014, the Chancellor of the Exchequer delivered his 2014 Budget statement.
- 14 Quoting independent forecasts from the Office for Budget Responsibility (OBR), he suggested that the economy, as measured by growth in gross domestic product (GDP), is forecast to grow by 2.7 per cent this year and 2.3 per cent next year, then by 2.6 per cent in 2016 and 2017 and by 2.5 per cent in 2018.
- 15 Due to this forecast period of sustained economic growth, coupled with the government's on-going austerity programme, the OBR forecast that the deficit would be 6.6 per cent of GDP this year, 5.5 per cent in 2014-15 and would then fall to 0.8 per cent by 2017-18, with a surplus of 0.2 per cent achieved in 2018-19. As such, public borrowing is forecast to be £108 billion this year and £95 billion next year, leading to a surplus of almost £5 billion in 2018-19.
- 16 The main announcements made in the budget included:
 - a) a commitment to maintain the government's austerity programme including making permanent £1 billion of government departmental underspends (previously announced in last year's Autumn statement);
 - b) total welfare spending to be capped at £119 billion for 2015-16, rising in line with inflation to £127 billion in 2018-19. The cap includes child benefit, incapacity benefit, winter fuel payment and income support, but does not include state pension and Jobseeker's Allowance;
 - c) from April 2014, small employers who pay less than £2,000 per annum in National Insurance contributions, will not have to pay any contribution and shops, pubs and restaurants in premises with a rateable value of less than £50,000 will receive a £1,000 discount on their business rates in 2014 and 2015;
 - d) between April 2014 and December 2015, businesses investing up to £0.5 million in plant and machinery will not pay tax as part of the annual investment allowance and from April 2014, unprofitable small and medium-sized businesses that pay Corporation Tax will pay no tax on 14.5 per cent of any research and development (R&D) investments;
 - e) continued usage of the Carbon Price Floor (CPF) as a price escalator to encourage businesses to use low carbon energy, but extending the Carbon Price Support rate up to 2019/20 to compensate businesses that are severely disadvantaged by the policy;
 - f) £60 million announced to help reduce the cost of generating low-carbon energy;
 - g) a fuel duty rise planned for September will not happen and a £7 billion package to cut energy bills, including £18 per ton cap on carbon price

support, predicted to save medium-sized manufacturers £50,000 and families £15 a year;

- h) thirty per cent income tax relief for social enterprises to match the rate for the Enterprise Investment Scheme and venture capital trusts;
- i) doubling the UK Export Finance (UKEF) investment programme to £3 billion, cutting interest rates from customers, broadening the types of finance offered, and raising awareness of UKEF products and services. Doubling the funding available and widening the remit of the Global Entrepreneur Programme, and strengthening support for exporting and inward investment by financial services bodies;
- j) increasing the number of scholarships for talented international students and expanding the promotion of the UK as a place to study;
- k) a new £42 million centre for research and analysis of big data (the Alan Turing Institute);
- l) £74 million investment in graphene innovation and a cell therapy manufacturing centre;
- m) £106 million for 20 new centres for research and postgraduate training;
- n) from April 2015, air passenger duty to be reduced on a broader range of long haul flights;
- o) an extra £85 million to provide 100,000 grants in 2014/15 and 2015/16 for apprenticeships;
- p) a three year extension of business rate discounts and enhanced capital allowances for businesses locating in enterprise zones;
- q) film tax credit policy to be applied to theatrical productions to further support creative industries;
- r) £20 million in grants for cathedral repairs;
- s) the Help to Buy equity scheme for new-build homes will be extended to 2020 and support will be provided to build more than 200,000 new homes;
- t) in response to the impact of recent inclement weather, £140 million for improvements to damaged flood defences and £200 million for pothole repairs via a challenge fund;
- u) consultation on minimum excise tax for tobacco to help improve public health to be launched. Tobacco duty to rise by two per cent above inflation and this escalator to be extended beyond the next general election;
- v) beer duty cut by one pence a pint and the duty on spirits and ordinary cider to be frozen.

Welfare reform

- 17 As outlined above, the government has set the cap for total welfare spending at £119 billion for 2015-16, rising in line with inflation to £127 billion in 2018-19. The cap is in line with current welfare expenditure in 2014/15 and includes child benefit, incapacity benefit, winter fuel payment and income support, but does not include state pension and Jobseeker's Allowance.
- 18 In line with the Welfare Benefits Up-rating Act 2013, any change to the overall cap would be subject to a parliamentary approval.
- 19 Various statistical and monitoring documents have been released since February by the government on the progress and impact of welfare changes to date. The data include figures on the number of people starting and ending housing benefit claims, data on the number of housing benefit claimants with a reduction under the under occupation charge and performance data from the Job Centres involved in the Universal Credit pilots. Guidance has also been issued by the Department of Work and Pensions (DWP) on data sharing, emphasising the DWP's commitment to share information between agencies to improve services and reduce fraud.
- 20 In relation to Universal Credit (UC), a key questions and answers guide developed from the experience of the local authority-led pilots has been published. The document covers the experience and learning from the pilot areas, and identifies areas of learning which other authorities can use in implementing UC. Key outcomes include: ensuring that there is better integration of services to help provide better customer services and partnership working; and making sure frontline staff have knowledge, skills and understanding to help in any triage process.
- 21 The DWP has also had to begin an investigation into the Universal Job match site, after concerns were raised that in the region of 300,000 jobs on the site may be fake.
- 22 In terms of the benefit cap, a legal appeal brought by two lone parent families to the benefit cap was dismissed by the Court of Appeal in February. The court in making its judgement stated that the government's policy discriminates against women, but that the discrimination was justified because it 'reflects the political judgement of the government'. The court of appeal also made reference to the implementation and described as a 'matter of concern' the government's delay in addressing problems with the cap's application to women's refuges.
- 23 However, at the start of March, the DWP brought proposals to the Social Security Advisory Committee for a number of amendments which would exclude benefit paid to cover housing costs in most supported housing from being taken into account for the household benefit cap or being met via the Universal Credit rent element. The proposals would create four categories of accommodation which would be excluded; this would include women's refuges and some housing authority hostels.

- 24 Concerns have also been made in relation to the new Personal Independence Payment (PIP) system. The House of Commons Work and Pensions Committee in its report *'Monitoring the Performance of the Department for Work and Pensions in 2012-13'* found that the length of time that disabled people were having to wait to find out if they were eligible for benefits was unacceptable, with some claimants having to wait six months for their claim to be processed. The report makes a number of recommendations including that the DWP needs to clear the backlog of existing PIP claims before extending the programme of reassessment of existing DLA claimants.
- 25 There have been a number of developments in relation to social housing and the spare room subsidy. The government has released the *'Prevention of Social Housing Fraud (Power to require information)'* regulations. These regulations make it a criminal offence for sub-letting or parting with possession without permission of social housing. The regulations also enable local authorities to require information from private sector bodies when undertaking a social housing fraud investigation, in a similar manner to the powers they have when undertaking social security fraud investigations.
- 26 In addition, the Department of Communities and Local Government has published research into the mutual exchange scheme. Their research in 12 demonstration areas has concluded that the take up of the scheme was enhanced when there were specific housing officers employed to promote and support the scheme. However, they have little evidence of the impact that increased mobility may have on reducing welfare payments and meeting people's housing needs.
- 27 The impact of the spare room subsidy in encouraging movement to more appropriate accommodation has been queried. Investigations by the BBC with 331 social housing providers has concluded that only six per cent of the social housing tenants affected by the spare room subsidy moved home, with 28 per cent of tenants falling into rent arrears since the changes were introduced. The government has disputed the research saying feedback from local authorities and the National Housing Federation had found an "indiscernible number" of tenants were in arrears. Ministers also claimed that the policy is saving the taxpayer £1 million a day.
- 28 In January 2014, the government identified an error in Housing Benefit regulations which meant that working age social housing tenants who have occupied the same home since 1996 and remained on continuous housing benefit should not have been affected by the policy in 2013/14. The DWP has now closed the loophole and local authorities are checking records and processing benefit payments to individuals who may have had their housing benefit reduced due to the under occupancy charge in 2013/14. In the county, the council has worked with its housing providers and identified 1,454 potential cases where the under occupancy charge may have been applied, which are now being reviewed as a matter of priority. At the time of writing, 517 cases have been reviewed; 122 have been found to be exempt from the charge, resulting in Housing Benefit payments of £67,752 being made. The remaining cases will be fully reviewed and adjustments made by 30 April 2014.

- 29 Several Housing Benefit circulars have been published. The key circulars have included the 'HB S2/2014' which has provided information on the additional funding which will be made available to local authorities to meet the additional costs of implementing welfare reform change in 2014/15. The council has been allocated £187,850 to meet the new burdens arising from the changes to local housing allowance, removal of spare room subsidy and the benefit cap. The note highlights that extra funding will be distributed to meet the IT costs associated with reporting and to meet the costs of removal of HB to European Economic Area jobseekers. No date for the release of the funding has been provided.

National minimum wage

- 30 On 12 March 2014, the government accepted in full, the Low Pay Commission's recommendations on national minimum wage rates. In October 2014, the hourly rates for the national minimum wage will increase as follows:
- Adults from £6.31 to £6.50;
 - Workers aged 18 to 20 years (the development rate) from £5.03 to £5.13;
 - Workers aged 16 to 17 years from £3.72 to £3.79;
 - Apprentices from £2.68 to £2.73
- 31 The announcement coincided with revised guidance on changes made to the national minimum wage financial penalty and how the government will enforce compliance including naming employers who break the law.

Transformation Challenge Fund

- 32 On 3 April 2014, the government published a prospectus for the second round of the Transformation Challenge Award.
- 33 The award is a challenge fund which makes £120 million grant (£15 million in 2014 to 2015 and £105 million in 2015 to 2016) and a £200 million facility to use the capital receipts from asset sales flexibly to support transformation, available to support local authorities re-engineer their business practices and redesign service delivery.
- 34 In 2014-15, £15 million is being made available to fund bids which:
- a) facilitate small district councils to share a senior management team, including any chief executive, with one or more other councils. Bids of up to £400,000 in 2014/15 will be considered;
 - b) support a small number of places which by working with other public sector partners have existing 'ready to go' partnership projects to reform services and make a return in 2014/15. The funding will be to part fund such projects.

- 35 In 2015-16, £305 million is being made available, comprising £105 million revenue grant and £200 million flexible use of capital receipts to support proposals to re-engineer business processes and re-design services. The fund will include two elements:
- a) Encouraging authorities which already share a senior management team, and any chief executive to go further with their plans to re-design their services. Bids will not be limited to £400,000;
 - b) Encouraging places that have ambitious plans to work in partnership across the public sector and with the voluntary and community sector or the private sector to re-design services.
- 36 Bids for funding in 2014-15 need to be submitted by 1 July 2014. Bids for funding in 2015-16 need to submit an outline expression of interest by 1 July 2014 and full bids by 1 October 2014, following feedback from government on the outline expression of interest.

Transparency in local government

- 37 On 4 February 2014, the Secretary of State for Communities and Local Government made a written ministerial statement asking all councils to publish, as a matter of record, how each councillor votes on any budget decisions including council tax changes.
- 38 To implement this, the government laid before Parliament, the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, which require councils to amend their Standing Orders so as to make mandatory the practice of recorded votes at budget meetings.
- 39 On 10 March 2014, the government published a draft transparency code for parish councils. Under the Local Audit and Accountability Act 2014, smaller local authorities with an annual turnover not exceeding £25,000, including parish councils will be exempt from routine external audit. Instead, such councils will be subject to new transparency requirements which would require timely publication of the following:
- a) all items of expenditure;
 - b) end of year accounts;
 - c) annual governance statement;
 - d) internal audit report;
 - e) location of public land and building assets;
 - f) agendas, approved minutes and papers of formal meetings;
 - g) list of councillor responsibilities.

- 40 The government is consulting on whether the code should be mandatory, whether smaller parish meetings should be exempt, whether authorities should publish the required information online and how much additional staff time and cost would be involved in publishing the required data online.

Public Services (Social Value) Act

- 41 The government has published an update document considering how the Public Services (Social Value) Act has been implemented. The Act was introduced in January 2013, and was designed to ensure that wider social, economic and environmental benefits were considered during commissioning exercises. The document '*Public Services (Social Value) Act 2012: 1 year on*', provides a number of case studies of how public bodies have used the Act as well as outlining how government plans to extend the principles further.
- 42 The report concludes that despite progress in using the Act, there is still further work that needs to take place. For example:
- a) some commissioners are yet to be inspired as to the potential of embedding social value in the work that they do;
 - b) some commissioners are held back by uncertainty as to what they can and cannot do under the law;
 - c) there is a lot of material and activity to help commissioners understand how to embed social value in their commissioning processes, but some see this support as fragmented and difficult to access;
 - d) some providers who could bring added social value to the table find it difficult to demonstrate that added value to commissioners.
- 43 The council has been proactive in responding to the Public Services (Social Value) Act. Following its introduction, we established a task force to enable us to further promote our commitment to sustainable procurement and to specifically respond to the opportunities of the Act. The task force includes key stakeholders such as North East Purchasing Organisation, Federation of Small Business, Social Enterprise UK, and The Social Return Company.
- 44 The task force will be presenting a report with case studies for consideration by Cabinet shortly.

Vocational qualifications and apprenticeships

- 45 On 5 March 2014, the government published *Getting the Job Done: The Government's Reform Plan for Vocational Qualifications*, which builds on the earlier reviews by Alison Wolf, Doug Richards, Frank McLoughlin, and Nigel Whitehead. The plan was informed by an evaluation of the views of both learners and employers who had been involved in vocational qualifications in the past, and included a wide range of areas for further intervention. The majority of the plan recaps on the purpose of the government reforms, as well as a progress update and a forward plan for outstanding and additional

reforms up to 2020. One of its key purposes is to refocus support for vocational qualifications that are more closely related to specific occupations or skills needed for specific jobs.

- 46 At the same time, the government published its implementation plan for responding to the Richard Review of apprenticeships.
- 47 In future, apprenticeships will be based on standards designed by employers, in line with a small number of criteria set by the government to ensure consistency and that apprenticeships help individuals to progress their career.
- 48 Employers will also be involved in developing the high level approach to apprenticeship assessments, which will be graded against a three point scale of pass, merit and distinction.
- 49 All apprenticeships will be required to last at least 12 months with no exceptions. Off-the-job training will continue to be a requirement of all apprenticeships and English and maths requirements will be stepped up gradually, reflecting the importance of these transferable skills.
- 50 Trailblazers in a range of sectors will develop new apprenticeship standards and the high-level assessment approaches that sit alongside them, prior to full implementation of the reforms during 2015/16 and 2016/17. The government's intention is that from 2017/18, all new apprenticeship starts will be based on the new standards and funded under new arrangements which will see employers funded directly for the apprenticeships they provide.

Planning

- 51 In March 2014, the government published the National Planning Practice Guidance as a web-based resource which sits alongside the National Planning Policy Framework, replacing Planning Policy Guidance notes and Planning Policy Statements. The guidance has been developed in response to a consultation that the government ran in Autumn 2013 and gives additional detail to more than 40 specific planning issues.
- 52 In addition, following consultation last year, the government published in February 2014, revised guidance on the Community Infrastructure Levy, which is intended to help fund additional community infrastructure in areas affected by development. A number of technical changes have been made including exemptions for self-build homes and specific types of homes extensions and annexes, and a relief for owner-occupied homes.
- 53 The County Durham Plan includes proposals for the introduction of Community Infrastructure Levies (CILs) in different parts of the county, where certain types of development will pay for additional or new community infrastructure.

North East Local Enterprise Partnership and North East Combined Authority

- 54 In December 2013, the North East Local Enterprise Partnership (NELEP) published its draft Strategic Economic Plan (SEP) entitled *More and Better Jobs*. The SEP was developed using the recommendations from the North East Independent Economic Review, which was published in April 2013.
- 55 NELEP partners were involved in developing the draft SEP during 2013, and between December and February NELEP held a public consultation including a series of workshops and events. The SEP provides a vision, priorities, and actions for supporting economic growth across the NELEP area and will be used to negotiate support from the government as well as European investment packages. The final SEP is expected to be published in spring 2014.
- 56 In November 2013, NELEP submitted a proposal to the government to create a new combined authority, to be known as the North East Combined Authority. The Local Democracy, Economic Development and Construction Act 2009, enabled the Secretary of State to create combined authorities at the request of local authorities which wish to undertake joint functions. In 2011 the Greater Manchester Combined Authority (GMCA) was the first to be created and took over the responsibilities of the Greater Manchester Integrated Transport Authority as well as a number of other functions.
- 57 Government considered the NELEP proposal alongside those from the Sheffield and Liverpool city regions and West Yorkshire. Similar to the GMCA, the combined authority for the North East would take over the responsibilities of the Tyne and Wear Integrated Transport Authority as well as accelerating skills development and inward investment. The government and NELEP held a consultation on the North East Combined Authority between November and January which showed broad support for the new body. The government subsequently laid the order before parliament to give the go-ahead for the combined authority and dissolving the Tyne and Wear integrated transport area (TWITA). On its abolition, the TWITA functions, property, rights and liabilities transferred to the Combined Authority and were delegated back to the local authorities concerned.
- 58 A more detailed report on the combined authority and the transfer of transport functions was considered by Cabinet at its meeting on 16 April 2014.

Regional Growth Fund

- 59 On 10 April 2014, the government announced the latest awards under the fifth round of the Regional Growth Fund (RGF).
- 60 £57 million from a national pot of £300 million was awarded to 11 projects in North East England including three in County Durham:
- Industrial trailer maker Tinsley Special Products in Peterlee;
 - Car parts manufacturer Gestamp Tallent of Newton Aycliffe;

- sheet metal firm Hydrum Engineering Limited in Chilton.
- 61 In addition, the regional Let's Grow in the North East programme which helps smaller businesses to access RGF funding received further investment, building upon an initial award in an earlier funding round.
- 62 A sixth round of the RGF will open for applications in the summer.

Local bus services

- 63 On 21 August 2013, the Senior Traffic Commissioner for Great Britain issued a 12 week public consultation seeking views on the introduction of a statutory document on local bus services. The draft document set out what traffic commissioners should expect from operators who run registered bus routes and proposed revisions to the standards for reliable and punctual services. It also made reference to the responsibilities on local authorities, local bus partnerships and the expectations on the Driver and Vehicle Standards Agency (incorporating VOSA and the DSA). In addition, the consultation proposed revisions to financial penalty levels where operators fail, without a reasonable excuse, to operate a local bus service, or do not run a registered service according to the timetable.
- 64 On 3 March 2014, the Traffic Commissioner published a summary of responses to the consultation. In the light of responses calling for clarification on the requirements, the removal of some provisions, the inclusion of others and consideration of likely financial and administrative burdens, the Commissioner confirmed that he has undertaken a substantial review of the draft issued for consultation and will re-issue a revised draft for further consultation in due course.

Community energy

- 65 On 27 January 2014, the government published its first ever community energy strategy, which sets out the role that communities can play in helping to meet the UK's energy and climate change challenges, including supporting a sustainable and secure energy system; and reducing UK greenhouse gas emissions for the country.
- 66 The strategy envisages local authorities playing an important role and the Secretary of State for Energy and Climate Change has written to all local authorities in England to encourage them to support communities and community groups to develop and implement community energy projects.

NHS, public health and care and support reform

- 67 A more detailed report on progress with NHS and public health reforms and the implementation of the Care Bill is included elsewhere on the agenda for this meeting of Cabinet (7 May 2014).

Community safety

- 68 The Anti-Social Behaviour, Crime and Policing Act received royal assent in March 2014. In the last amendments, the Lords agreed a government amendment extending protection against 'nuisance and annoyance' to cover all housing settings, rather than just social housing. Other issues considered as part of the parliamentary debating process included the new offence of forced marriage, with the government confirming its commitment to engage with affected communities and develop an information programme to help and support victims.
- 69 The Offender Rehabilitation Act received royal assent in March 2014. The legislation includes provisions about the release, and supervision after release, of offenders, the extension period for extended sentence prisoners, community orders and suspended sentence orders, and for connected purposes.
- 70 In addition, probation trusts have received formal notification of the termination of Probation Trust Service Contract as part of the Transforming Rehabilitation Programme. Trusts are now completing the allocation of staff to their new roles. Probation Trust contracts will be terminated on the 31 May 2014, as the government transitions under the Transforming Rehabilitation reforms to a new operating structure for probation service delivery. Probation Trust staff and cases are to be split into 21 new Community Rehabilitation Companies (CRCs) and a National Probation Service (NPS) to 'go live' on the 1 June 2014.

Free school meals for infant pupils

- 71 All infant children in state-funded schools in England will, for the first time, be entitled to a free school meal from September 2014 and the government has set out a package of measures to help support schools. The government is providing £1 billion to support the scheme, as well as £150 million to help schools expand their kitchen and dining facilities.

Children and Families Act 2014

- 72 The Children and Families Act 2014 has gained royal assent. Before gaining royal assent, the Children and Families Bill was amended with the following changes:
- a) Local Authorities will be required to identify children with special educational needs and publish this data within its formal offer;
 - b) Provision for children and young people with special educational needs in the youth justice system will be strengthened;
 - c) Changes were made to assessment of post-detention education, health and care (EHC) needs of detained persons;
 - d) Changes to EHC plans remove the explicit requirement to have regard to a young person's age, instead requiring local authorities to consider whether a young person aged over 18 needs more time to complete

their education and if they have achieved the outcomes specified in their plan;

- e) Local Authorities will also have a clear duty to secure the special educational provision in a child or young person's education, health and care plan;
- f) There has been an update to the existing law that gives parents of disabled children under 18 the right to have a carer's assessment;
- g) New provision regarding regulation of retail packaging of tobacco products and regulations making it an offence for any person who drives a private vehicle to fail to prevent smoking in the vehicle when a child or children are present.

Child poverty strategy

- 73 On 27 February 2014, the government launched a consultation on a new Child Poverty Strategy 2014-17. The strategy emphasises the government's commitment to the coalition agreement, which made a pledge to end child poverty in the UK by 2020.
- 74 The focus of the strategy is on addressing the root causes of child poverty with a concern for preventing poverty across the generations. To achieve this, the strategy is structured around three main themes:
 - a) Supporting families into work and increasing their earnings;
 - b) Improving living standards;
 - c) Preventing poor children becoming poor adults through raising their educational attainment.
- 75 The strategy includes an action plan which outlines current policies and steps which are being taken to address some of the factors which result in child poverty.
- 76 The document is supported by a comprehensive evidence review which presents research identifying the key factors which prevent families from moving out of poverty, as well as the factors which may make some poor children more likely to become poor adults.
- 77 The council will be responding to the consultation, which closes on 22 May 2014. The final Child Poverty Strategy is to be laid in Parliament later in 2014.

Consultations

- 78 Since the last report to Cabinet in January, the government has opened 56 consultations and calls for evidence. Appendix 2 details the consultations and calls for evidence which are currently open (as at 11 April 2014).

Implications

- 79 The government's policy proposals have many implications for the county and the council, its role and function and the way it works with and relates to local communities and strategic partners. Below, we provide a commentary against the strategic themes of the Council Plan and County Durham Sustainable Community Strategy.

Altogether better council

- 80 The Chancellor's Budget statement contained few surprises for the council, confirming that the government intends to continue with its austerity programme. Whereas in 2010, the government set out to clear the deficit within the lifetime of this parliament, the OBR forecasts that it will be 2018/19 before the country achieves a surplus.
- 81 In his 2012 Autumn statement, the Chancellor announced the introduction of an annual cap on total welfare spending which would be subject to parliamentary approval. In March, we learnt that the overall cap for 2014/15 would be set at £119 million and would rise in line with inflation to £127 billion in 2018/19. In effect, the government is proposing that welfare spending should be held at current levels into the next parliament, unless a future government wins parliamentary approval for a change. The policy maintains the current strategy of reducing and controlling welfare expenditure, alongside measures to encourage benefit recipients to become more independent and self-sufficient.
- 82 The council will be able to submit bids towards the £200 million challenge fund for pothole repairs. This is in addition to £185 million previously announced, from which the council has been allocated £1.24 million to carry out repairs.
- 83 The council will also be able to submit bids to the second round of the Transformation Challenge Fund. However, it should be noted that the government intends to direct a significant proportion of the funding available in 2014-15 towards supporting smaller district councils to share senior management teams and to reduce their corporate overheads. All district councils that do not currently have shared management arrangements are being encouraged to apply and those that already do, are being pointed towards bidding for funding in 2015-16 to extend shared services.
- 84 The remainder of the funding available in 2014-15 will be directed towards a small number of existing 'ready to go' projects which can deliver a return that year.
- 85 Greater funding opportunities will be available in 2015-16, when more funding is being made available to support councils which already have shared management arrangements to redesign services and to fund partnership projects with the voluntary and community sector or the private sector to re-design services.

- 86 Officers are currently considering the Transformation Challenge Fund guidance and will consult relevant portfolio holders on whether to submit applications.

Altogether wealthier

- 87 Businesses in the county stand to benefit from the various measures in the Budget designed to promote exports and investment in research and development. For instance, the Catapult Network was identified for development growth through a £74 million investment in graphene innovation. This will benefit the innovation growth at NETPark. Smaller businesses may benefit from identified changes to National Insurance contributions and the move to provide further rates relief for pubs, shops and restaurants.
- 88 The grant awards to County Durham businesses under the fifth round of the Regional Growth Fund are welcome, however it should be noted that the overall level and proportion of investment for economic development, business growth and regeneration through RGF does not compare with that available in previous years. The approach to supporting growth nationally and across the North East region has changed significantly since 2010 with the closure of the Regional Development Agencies (RDAs). One North East, for example had an annual budget of £250 million and invested over £227 million into the regional economy in 2010/11 and £2.7 billion over its lifetime (1999-2011). In addition, there has been a significant reduction in area based grants which provided targeted grant funding to support regeneration, business growth and employability such as Working Neighbourhoods funding and Local Enterprise Growth Initiative. This has impacted on the scale and number of projects supported within our region and more specifically within County Durham.
- 89 Partners within County Durham and the council have helped inform the development of the SEP and the identified priorities for investment through the Local Growth Fund. The draft SEP, that will be submitted to government, reflects the county's growth priorities including: making the most of Durham City as an urban, economic, cultural and academic core; supporting innovation, business support and infrastructure at NETPark and Durham University; developing the A19 and A1(M) transport corridor opportunities and our major transport schemes at Peterlee (Horden) Rail Station and A167 Park and Ride; and capitalising on inward investment like Hitachi through supply chain development and enhancing/expanding infrastructure at Aycliffe Business Park.
- 90 The establishment of the combined authority for the North East provides local authorities in the NELEP area with a legal structure to increase collaboration and enable strategic decision-making on economic growth and transport and the council is continuing to support the development and delivery of the new body.
- 91 The order to create it also dissolved the Tyne and Wear integrated transport area (TWITA), transferring TWITA functions, property, rights and liabilities to the combined authority. However, under the constitution for the new

authority, and under an operating agreement agreed by the councils involved, transport functions have been delegated back to the local authorities so that the local authorities concerned remain responsible for their historic transport assets and liabilities.

Altogether Healthier

- 92 A more detailed report on progress with and the implications of the government's reforms to the NHS, public health and health and social care integration is included elsewhere on the agenda for this Cabinet (7 May 2014).
- 93 The proposal in the Budget to consult on a minimum excise tax for tobacco and the above inflation increase in duty on tobacco may help in efforts to reduce smoking and the consumption of tobacco.
- 94 In contrast, the reduction in duty on beer and the freeze in duty on spirits and ordinary cider are at odds with the policy advice from Balance, the regional alcohol office, which advocates the use of price control measures to reduce the harmful impacts of alcohol on individuals and local communities.

Altogether Safer

- 95 The Transforming Rehabilitation Programme aims to reform local delivery of probation services and effective probation and offender management services in the county need to be maintained during the transition process.
- 96 Probation Trusts have received formal notification of the termination of Probation Trust Service Contract as part of the Ministry of Justice 'Transforming Rehabilitation' Programme. The programme of probation reforms will shortly split probation services into two new organisations:
- A new public sector National Probation Service (NPS) dealing with all those who pose the highest risk of serious harm to the public;
 - Twenty one regional private sector Community Rehabilitation Companies (CRCs) managing all other offenders.
- 97 The Durham Tees Valley Probation Trust begun the transition last month, with staff and resources being allocated to the new NPS or a public sector CRC. This will be completed by the end of May 2014 with the new services in place by 1 June 2014. Completion of the competition process to establish the new CRCs is expected in October 2014 with contract package areas awarded and ownership of the CRCs transferred into private ownership in 2015.
- 98 Maintaining effective probation and offender management services in the county during the transition process is essential to prevent a rise in crime rates and the Safe Durham Partnership Board has an active task and finish group in place to manage the transition from a County Durham perspective.

The Transforming Rehabilitation Task and Finish Group was established on 23 January 2014 and has met three times. The membership of the task and finish group includes the Ministry of Justice Competition Lead Manager for our area, giving the partnership a local forum to raise concerns, queries and highlight opportunities as the Transforming Rehabilitation programme progresses.

Altogether Better for Children and Young People

- 99 The Children and Families Act will change the processes within the authority that provide for children with Special Educational Needs and Disabilities, and also assessments for children turning 18. This could result in an increase in the number of assessments carried out, which would increase pressure on the council and NHS services.
- 100 Under the Children and Families Act local authorities will also have a new legal duty to support a young person who wants to stay in foster care until their 21st birthday.

Altogether greener

- 101 There were no major policy announcements about this theme during the most recent reporting period. However, the Budget contained a number of measures to promote energy efficiency and the carbon economy from which the council may benefit.

Implications for partnership working

- 102 Given the scope of government reforms, the council continues to work with partners to ensure that we achieve the aims of the sustainable community strategy.
- 103 The County Durham Partnership considers these policy implications reports alongside Cabinet and Corporate Issues Overview and Scrutiny Committee. Emerging government policy and legislation has been taken into consideration, as the partnership refreshed the sustainable community strategy for the county, which was considered by Cabinet on 19 March 2014.

Conclusions

- 104 Since the coalition government was formed in 2010, it has embarked on a major programme of public service reform.
- 105 In the initial years of this government, the pace of policy announcements and reforms was intense, but compared with previous policy implications reports to Cabinet, it is apparent that the government is making fewer major policy announcements. In part, this reflects the shift in policy effort from policy development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. It may also reflect a natural

slowing down in policy development as the coalition partners and other political parties prepare for the forthcoming general election campaign.

- 106 Of particular note is the government decision to continue with its strategy of austerity measures as outlined in the Budget. This will have significant financial implications for the council and its partners in future years and for our poorer communities, given the cap and proposed freeze in overall welfare spending.
- 107 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an 'altogether better Durham'.
- 108 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government's policy changes, which have been taken into account in the refresh of the County Durham Sustainable Community Strategy and the council plan and supporting service plans, as considered by Cabinet at its meeting of 19 March 2014.

Recommendations

- 109 Members are recommended to note the contents of this report and the actions taken to anticipate and respond to the government's reforms.

Background papers

[Cabinet, 22 January 2014, Implications for Durham County Council of the Government's policy programme](#)

[Cabinet, 12 February 2014, Welfare reform update](#)

Contact: Kevin Edworthy Tel: 03000 268045

Appendix 1: Implications

Finance – The government’s decision to continue with its austerity programme will have on-going financial implications for the council, which will have to continue to reduce spending within its medium term financial plan. Although some further funding opportunities were announced in and around the Chancellor’s Budget, it should be noted that these tend to be challenge fund competitions in which the council would have to bid for funding against other authorities.

Staffing – No specific implications have been identified.

Risk – Individual assessments of the risks associated with specific policy proposals are undertaken as a matter of course in council project planning and management.

Equality and Diversity – Equality impact assessments will be undertaken on individual policy proposals the council develops in response to the government’s reforms.

Accommodation – No specific implications have been identified.

Crime and Disorder – No specific implications have been identified.

Human Rights – No specific implications have been identified.

Consultation – No specific implications have been identified.

Procurement – No specific implications have been identified.

Disability Discrimination Act – No specific implications have been identified.

Legal Implications – A number of the government policy changes outlined above, place new statutory duties on the council and change the regulatory framework in which it operates. The council considers the legal implications of all decisions it takes.

Appendix 2: : Government current consultations and calls for evidence

Consultation	Government Department	Closing date
Separate judgements for early years and sixth form	Ofsted	13/05/2014
Independent inspectorates: regulations and advice	Department for Education	16/05/2014
Review of audit arrangements in FSA approved meat establishments within the UK	Food Standards Agency	16/05/2014
Open consultation: Local bus services: revised statutory guidance	Department for Transport	19/05/2014
Wildlife legislation in England: General and Class Licences	Natural England	19/05/2014
Childminder agencies and changes to the local authority role	Department for Education	22/05/2014
Open consultation: Proposal to use a legislative reform order to set up town and parish councils	Department for Communities and Local Government	22/05/2014
Open consultation: Review of local authority role in housing supply: call for evidence	Department for Communities and Local Government	23/05/2014
Transition from children's to adult services: scope consultation	NICE	24/05/2014
Open consultation: Home to school travel and transport guidance	Department for Education	03/06/2014
Open consultation: Alternative dispute resolution for consumers	Department for Business Innovation and Skills	03/06/2014
Open consultation: Savings to the education services grant for 2015 to 2016	Department for Education	19/06/2014

Open consultation: Statutory duty of candour for health and adult social care providers	Department of Health	25/06/2014
Open consultation: Education, vocational training and youth: review of the balance of competences	Department for Education	30/06/2014
Open consultation: Balance of competence review information rights	Ministry of Justice	01/07/2014

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Cabinet**7 May 2014****County Durham Partnership Update****Report of Corporate Management Team****Report of Lorraine O'Donnell, Assistant Chief Executive****Councillor Simon Henig, Leader of the Council****Councillor Brian Stephens, Cabinet Portfolio Holder for Neighbourhoods and Local Partnerships****Purpose of the Report**

1. To update Durham County Council's Cabinet on issues being addressed by the County Durham Partnership (CDP) including key issues from the Board, the five thematic partnerships and all area action partnerships (AAPs). The report also includes updates on other key initiatives being carried out in partnership across the county.

Summary

2. There has been a significant amount of work carried out within the County Durham Partnership in recent months which includes the approval of the renewed Sustainable Community Strategy by Cabinet, Full Council and the County Durham Partnership Board. This SCS shows that the county remains ambitious and optimistic and maintains a strong belief in partnership working.
3. The AAPs have decided on their priorities for 2014/15 following their extensive consultation last year. This report highlights some of the changes that have taken place over the last five years in the areas that AAPs have focussed on and why these changes may have occurred. AAPs have also received feedback on the budget consultation that they delivered through their forum events, with specific information tailored to each AAP, and the possible implications of this. They, along with other groups, have had early discussions as to whether there is any interest from the voluntary and community sector, local councils or other interested groups in running council services or buildings. This 'ask' builds on work with both the voluntary sector and local councils to date on how working together in a more effective way could potentially maximise resources for the benefit of County Durham's residents.

Welfare Reform

4. The partnership hosted a second welfare reform conference on Thursday 13 February which brought together many agencies involved in this agenda with many delegates returning from the previous event to discuss progress of local and countywide initiatives. The aims of the conference were to:
 - a. Continue to build a common understanding of the impact of the changes across the County;

- b. Share information on the practical solutions being put into place to address the problems people face and consider what more we can do;
 - c. Identify any gaps and to work together to look at how these gaps might be filled;
 - d. Building on the partnership working already in place to provide the support and reassurance people need and
 - e. Promote further action to mitigate the impact of the changes.
5. The main themes emerging from the event were: the need to build healthy, resilient and self-sufficient communities by way of improved access to IT systems, affordable food and essentials promoting local initiatives and encouraging the use of credit unions. The feedback suggested communities would benefit from more preventative work/proactive projects and an increase in the presence and engagement of Area Action Partnerships. Represented groups felt that there should be more regular events, such as the Welfare Reform Conference, to effect positive multi-agency working and the council should continue to work closely with agencies with limited resources. It was suggested that sharing good practice and improving partnership working with better trained front line staff would be a positive step and simpler correspondence and improved information sharing/signposting will result in positive outcomes.
 6. Some delegates mentioned positive impacts of changes which they described as a general increase in partnership working that was taking place and a streamlining of communication methods between agencies and users which was enhancing working relationships.
 7. Many of the AAPs are continuing to develop initiatives around welfare reform in order to support their local communities and help to ensure they are as resilient as possible before any negative implications are felt. The **Great Aycliffe and Middridge (GAMP) AAP** Board has chosen to implement the Welfare Champions concept through the recruitment and training of six volunteers to work in community venues within the GAMP area. The project which is funded from GAMP's Area Budget with match funding from Livin was officially launched on Friday 28 March. To date, six local volunteers have been trained as Welfare Champions and has been operating in local venues since early April 2014.
 8. This is an example of sharing learning between AAPs and replicates the successful programme that has been running in East Durham for 12 months and involved the identification and recruitment of key community activists who were subsequently trained to be responsive to the needs of individuals in their own neighbourhoods. The model works on the principle that significant numbers of people who are likely to be affected by changes in the benefits system would not contact the statutory advice services and may seek support from known members of their community.
 9. **East Durham AAP** continues to have 'Maintaining the Social Fabric of Our Community' priority as its overarching priority with three key themes featuring in their 2014/15 AAP Action Plan: support for vulnerable people in the community; support for volunteers and support for community buildings. All of these are impacted on by the changes to the welfare system and East Durham AAP has been very proactive in their approach to supporting some of the most affected communities in the county.

10. In developing their focus for the forthcoming year the task and finish group has reflected on the impact of the 2013/14 action plan which had three key themes:
- a. Access to Finance: the funding for a Development Officer establishing a Credit Union in East Durham has proven to be highly successful with over 1,000 East Durham residents joining. The second phase of the project is now focusing on six targeted communities to elevate the impact of both legal and illegal lenders on those that can least afford the high interest rates. In addition, the project is working with local employers to introduce payroll deduction schemes to tackle the rise in pay day loans.
 - b. Access to Advice: the development of the Welfare Champions project arose from the need identified through the priority group for a service that could be easily accessed by those members of the community requiring information, signposting and support with online applications. It was identified that often residents would not seek out support until the issue was critical and required more intensive and continuing support. The trained volunteers are known in their communities and are often those that the community would naturally turn to for information.
 - c. Access to Food: the rise in the number and need for food banks and access to food has dominated discussions at every level. AAP has supported the extension of the mobile meals service, run by volunteers, this project originated from the 'Winter Squad' project and the recognition that there were isolated and vulnerable people requiring support all year round. The volunteers, in addition to delivering meals, provide both emotional and practical support.
 - d. The group also wished to develop practical approaches to this issue and supported the 'FEED' project in the period after Christmas. However the group want to address this issue through a more sustainable and informed approach. Research is being developed both locally and at county level to inform what support is required for the ability of a community to access food. Questions include:
 - i. What support is required to build capacity and maintain the infrastructure of those organisations providing food through lunch clubs?
 - ii. What age range is most affected by this issue?
 - iii. Is there a need to have community gardens or food co-ops? What impact do school holidays have on those young people reliant on free school meals?
 - iv. The research is due to be completed in the spring and will link into the countywide approach to this issue and inform localised action.

Armed Forces

11. The Armed Forces Forum, established by the County Durham Partnership as a commitment to the Armed Forces Community Covenant, met for the third time on 18 March. It seeks to ensure that service and ex-service personnel in County Durham suffer no disadvantage as a result of military service. It involves representatives of the armed forces and organisations for ex-service personnel, as well as partner organisations.
12. The Armed Forces Forum heard about the work of the Royal British Legion's welfare support for ex-service personnel of all ages through their network of local

case workers. Their 'Knowledge Base', an on-line self-help resource centre which can be accessed via the link: <http://support.britishlegion.org.uk/>

13. The Community Covenant Grant Scheme remains open to any voluntary and community sector group or public body, such as schools, to develop projects which strengthen the ties or mutual understanding between members of the armed forces community and the wider community in which they live.
14. Local Business can sign up to the Corporate Covenant which can be adopted by a business or charitable organisation of any size, and from any industry, whether they are an employer of a member of the armed forces community or simply wish to acknowledge publicly your support for the armed forces. Businesses and charitable organisations who wish to participate will be asked to pledge their support for the two key principles of the armed forces covenant, but also to select from a range of other commitments they may feel able to make. Business Durham have circulated a news item about the Corporate Covenant and circulated to their business networks which includes business clubs and engineering forums.

Chairman's Medal

15. In 2011 the Chairman of the Council asked the Area Action Partnerships if they could help to 'formalise' the process for deserving people and agencies to receive the Chairman's Medal Award. The Chairman felt that the AAPs would be best placed to seek nominations locally but equally have coverage of the whole county.
16. Working with the Chairman's office, officers from AAPs developed a nomination process where the community have an opportunity to nominate deserving people and organisations for 'individual voluntary effort' or 'outstanding charitable organisation'. AAPs continue to be central to promoting the awards and obtaining and shortlisting nominations locally. The Chairman then chooses an award winner from the shortlists provided by each AAP culminating in 14 award winners representing all 14 AAP areas.
17. This year's award ceremony was held in April with around 150 nominations of individuals or groups in recognition of services to County Durham. The 14 winners all demonstrate considerable contributions to their local communities and include a 102 year old lady from the Spennymoor AAP area who has sold poppies on behalf of the Royal British Legion for over 50 years and believes she has sold over one million poppies. Also recognised were the Lifeline Community Action Group from the GAMP area which encourages those seeking help to help and support themselves and their families by teaching practical life-skills such as problem solving and budgeting. The group also organises local events, including a Christmas Day meal for disadvantaged people in Newton Aycliffe. A further winner was from the 3 Towns AAP area which had transformed allotments in the area on a voluntary basis and has captured community spirit and included a number of local people in the work.

Voluntary Sector and Local Councils Working Groups

18. The working groups held with colleagues from the voluntary and community sector and representatives from local councils continue to meet and share information on key issues affecting all parts of the partnership.

19. The VCS group is developing a countywide approach to volunteering, and building on the strong foundation of our current procurement practice to further increase VCS involvement in tendering exercises.
20. The Local Councils group has held discussions on the council's budget proposals with particular reference to national changes on local councils funding such as potential capping increases in council tax, similar to the rules applied to principal authorities at present.
21. A joint meeting was scheduled to complement the CDP forum meeting in February, to discuss interest from the voluntary and community sector, local councils or other interested groups in running council services or buildings. This 'ask' was launched at the CDP forum meeting and builds on work with both groups to date on how working together in a more effective way could potentially maximise resources for the benefit of County Durham's residents.

Sharing good practice

22. The AAPs and thematic partnerships of the CDP continue to share examples of best practice with each other which, in some cases, have seen initiatives or ways of working transferred to other parts of the wider partnership. They also continue to be innovative in their approaches and to learn from partners on new ways of working within communities.
23. During 2013/14 a lot of work has been done between the thematic partnerships and AAPs to embed the strategic priorities at a local level and also to feed in local issues into strategic planning. A good example of this was discussed at a recent **Children and Families Partnership** meeting where young people from Investing in Children gave a presentation on the improvements they had been involved in on the Sherburn Road Estate in Durham, supported by **Durham AAP**. In summary this meant three "agenda days" took place to gather the views of young people in the local area on their priorities, with three main themes emerging:
 - a. Things to do and places to go
 - b. Environment and safety
 - c. Police and relationships with young people
24. The young people looked at these themes with support from Investing in Children and Durham AAP, to identify potential improvements. Some of the achievements and outcomes from this work were:
 - a. Play park improvements - which included the installation of additional equipment and ensuring the range of equipment was suitable for all ages, and graffiti removal
 - b. A successful Community Group AAP Bid - the people responsible for delivering community youth activities worked together to ensure that their timetables were complementing rather than competing with each other
 - c. Relationships between police and young people improved, with both engaging in team building activities e.g. football and snooker matches and Mini PACT (Police and Communities Together) meetings were established for the first time in County Durham.
25. The young people posed questions to the Partnership including: 'can more of this be done, and by whom?' Acknowledgement was given to the level of success the young people, Durham AAP and liC have achieved. The partnership felt that this

success should be highlighted as an area of best practice and information shared with other AAPs and that the AAPs are well placed to take this type of improvement work forward. On a more general point the Children and Families Partnership is fully supportive of the work undertaken by the AAPs, linked to their priorities.

26. **Bishop Auckland and Shildon (BASH) AAP** has successfully been working with other funders to secure additional funding for projects. They have worked closely with the Durham Dales Easington and Sedgefield Clinical Commissioning Group who have invested over £90,000 in AAP projects including the continuation of their successful employability projects. Although these are not specific health projects the CCG have chosen to do this because they are impressed with the work carried out by the AAP and acknowledge that they have an impact on the wider social determinants of health.
27. They have also built relationships with some local charitable trusts which have resulted in a further investment into the local community of nearly £200,000. Project supported include community groups, village halls, charities and schools.
28. An example of AAPs working together with partners is **GAMP AAP's** 'Work 4 Health' project which aims to develop and deliver a training package that addresses the relationship between employment and health, often referred to as the social determinants of health. These are intrinsically linked, with good health associated with being in work and poor health linked to long term unemployment. The training will be aimed at those with a health condition or disability, aged 19 plus who reside in the GAMP area and are preparing to enter employment for the first time or are unemployed or unwaged and seeking to improve their employability skills for return to work.
29. The Learning for Health Coordinator at the Pioneering Care Partnership (PCP) will deliver a range of training sessions aimed at:
 - a. Meeting the needs of employers;
 - b. Building confidence/self-esteem so that individuals are empowered to apply for and secure/sustain meaningful employment;
 - c. Providing the opportunity to develop an understanding of relationships in the workplace and employer expectations;
 - d. Encouraging the development of values, personal attributes and interpersonal skills that contribute to success in the workplace.
30. A series of interactive workshop sessions will be built into the training to enable the individuals to learn invaluable skills outside the accredited programme including:
 - a. Team building activities focusing on: healthy lifestyles, communication etc.
 - b. Activity to increase self-management competence and ensuring goal setting is meaningful.
 - c. Working with employers and the National Careers Service to explore how they can improve their chances of landing a job.
 - d. Exploring the worth of their skills/competencies in relation to rapidly changing labour market needs.
31. The project will be delivered during 2014 and in addition to each ten week course, and where appropriate, individuals will be provided with one to one personalised support and 50% of the participants will have access to health therapies and

treatments agreed with the Learning for Health Coordinator. There are a number of proposed outcomes attached to the delivery of the programme.

32. Similar to this is **Stanley AAP's** support of the delivery of the 'Health Improvement through Sport' (HITS) project that has been running successfully in Derwentside since April 2010, working with over 1,650 people to date. Targeting Derwentside residents (and their families) at risk of type II diabetes or cardiovascular disease, HITS aims to increase participation in regular physical activity through sports development structures and pathways.
33. HITS takes a unique community development approach in creating and sustaining physical activity opportunities, including recruiting and training volunteers to support and lead multi-sports sessions, working in partnership with local sports clubs. As well as delivering sessions directly, project staff undertake development work to help improve local capacity, helping to set up new groups and clubs such as Archery at Shotley Bridge Cricket Club, Pilates at Craghead Village Hall and Back to Netball Stanley. The project has been recognised nationally as a model of best practice in improving health through physical activity and has been included as a case study/positive example in 'Improving Health Through Activity and Sport' 2012, a report commissioned by Sport England.

Refreshed AAP priorities

34. The AAPs have recently chosen their priorities for the forthcoming year through their November forum events. The participatory budgeting element of the events this time meant that many more people than usual voted on the priorities for their AAP area. A usual forum meeting attracts between 80 and 150 people whereas a participatory budgeting event can attract on average 800 people, with a wider age range and people who may not usually engage with the AAP. This can offer a variety on the priorities that are usually chosen as well as offer a different perspective as to why they are chosen. The events can also facilitate discussions amongst groups of people that may not usually meet and this can have an impact on the decisions that they make.
35. Since their inception in 2009 the AAPs have worked on a diverse range of initiatives in order to meet their priorities. At their launch events in the spring of 2009, 13 of the 14 identified activities for children and young people as a priority, with Teesdale being the only exception, possibly due to the demographic of the local residents. At that time less than half of the AAPs identified employment related issues as a priority although many identified town centre regeneration and vitality which covered physical and environmental issues. Support for the voluntary sector also came out as an issue which may have been related to a change in arrangements within the county following local government reorganisation and a fear that central funding would be reduced.
36. The table below shows how AAP area budget and Member's Neighbourhood budget, including any match funding was allocated in the first year of AAPs, with economic activity and support for children and young people receiving the most support.

Altogether	NB 2009/10	Match	AB 2009/10	Match	Total
Wealthier	270,113	457,227	800,787	1,852,485	3,380,612
Children and Young People	946,779	1,699,222	659,106	664,670	3,969,777
Healthier	92,500	155,739	242,049	610,065	1,100,353
Safer	219,767	42,797	142,904	0.00	405,468
Greener	203,746	264,438	236,112	345,561	1,049,857
Totals	1,732,905	2,619,423	2,080,958	3,472,781	9,906,067

37. The priorities for most of the AAPs remained quite static until 2012/13 and 2013/14 when nearly all AAPs identified priorities linked to employment support, job creation and education and training. Whilst wider Altogether wealthier projects have always featured heavily these were initially more about the physical regeneration and town centre vitality whereas they are now much more people focussed. This is believed to be due to the changing economic climate and the recognition locally that people needed additional help and support to find a job after a period of unemployment or to access training that would help them change jobs. Also, many AAPs have used their area budgets to identify specific support for people wanting to start their own business as this was a recognised gap in provision within the county that has seen significant success in many AAP areas.

38. The table below shows how funding from AAPs and Members budgets in 2012/13 and 2013/14 have been invested in the thematic priorities, with the majority supporting altogether wealthier, the county's top priority.

Altogether	NB 2012/14	Match	AB 2012/14	Match	Total
Wealthier	2,657,642	8,082,819	2,007,598	5,876,713	18,624,802
Children and Young People	1,806,164	2,092,708	732,685	801,046	5,432,603
Healthier	610,455	1,114,021	270,653	426,547	2,421,676
Safer	868,647	400,351	163,495	111,212	1,543,705
Greener	419,358	309,121	89,650	205,417	1,023,546
Totals	6,362,266	11,999,020	3,264,081	7,420,935	29,046,332

39. Many AAPs in the last year have specifically linked their work to changes in the welfare system and trying to minimise the impact this has on local communities. This is a theme that has continued for the current year with AAPs learning from each other and adopting some project ideas. As Durham has pockets of quite severe deprivation this work is vital in helping people to not only understand the changes but also to be able to put measures in place to mitigate against them. The AAPs are proactively identifying innovative ways of working with partners and local groups to keep

40. An example of how priorities can change can be found in **Mid Durham AAP's** area. Their forum meeting saw Crime and Community Safety rise up to the top priority from previously being sixth and environmental issues rise from seventh to third. The AAP staff team carried out further investigation into the feedback provided on these two priority areas and discovered the following:

- a. Crime and Community – came up high because it was a lot of people’s second or third choice. The comments made were not specific to issues and places, but generally, perception based comments; ‘*Crime is always a priority*’ and ‘*More police on the streets*’. The team also discovered that the majority of these comments had been made by older people. They then took this information to the LMAPs group and agreed that the use of the Durham Constabulary ‘Opportunity Knocks’ scheme might help them to be able to provide better background information as to what local people do feel about community safety within their village. This was discussed at the AAP Board meeting in March, with the Board agreeing not to set up a task group around this priority, but to wait on what further information could be provided through the ‘Opportunity Knocks’ scheme. However, the board agreed to pursue the older people angle further through our existing ‘Support for Older People’ task group.
 - b. Environment – The environmental issues were very village specific and it was agreed at the AAP Board meeting in February that the best way to deal with these was to conduct the work through the village action plans rather than setting up a specific task and finish group. The key issues were litter, dog fouling and general street cleanliness and to date it appears that the village specific work in partnership with the Parish Councils, County Councillors, relevant service partners and residents has managed to address a lot of these issues.
41. Crime and Community Safety was also voted highly as a priority this year in the **East Durham Rural Corridor AAP** area and similarly there is little statistical evidence from community safety partners and council information to corroborate this. The representative from Durham Community Action however, highlighted that research shows that younger people and older people are the groups most affected by fear of crime. Therefore the board decided to have Crime and Community Safety running alongside the priorities of Activities for Children and Young People and Older People.
 42. The **Spennymoor AAP** has also seen a shift in priorities and has re-adopted the priority of Town Centre Regeneration for the 2014-15 financial year, a priority theme which it has not had since the 2011-12 financial year. Taking into consideration the previous work the partnership did around Town Centre Regeneration and the continuing desire from members of the public and wider forum for employment and jobs to be considered as priority, the AAP has decided to merge the two themes to try and instigate a more joined up approach in tackling the two target areas. It is intended that this will result in some innovative work that will provide schemes that produce, amongst other things, economies of scale and value for money.

Altogether wealthier

43. The **County Durham Economic Partnership (CDEP)** meeting in February invited a presentation on the opportunities and the delivery strategy of Durham University. This was presented by Professor Ray Hudson who covered enhancing impacts of the cultural events on the economy of County Durham, with Roger Kelly, the Chair of the Cultural Partnership, providing support on influencing opportunities for investment presented through the NELEP. Edward Twiddy, NELEP Director, also

provided an update on the developments for the SEP and moving EU Investment planning towards delivery.

44. The CDEP recognised that Durham University is continuing to strive for excellence in research and education. Part of its strategy includes the promotion of Enterprise Zones and additional research and development; widening participation in higher education, specifically working with young people and the provision of scholarships; developing its local supply chain and opportunities to develop and expand local career progression for students through business engagement and start-ups. The Cultural Partnership is in the process of setting out a ten year strategy for the county. It supported the Cultural Partnership's plans to identify events, undertake a cultural audit of the county and to work with, and make links with, people to make the most of the assets we have. The CDEP continue to support the development of opportunities presented through the next round of European Funding and endorsed the establishment of a new Durham Investment Group to drive forward this activity within the CDEP and to continue to work closely with the NELEP.
45. In order to provide useful information to improve understanding of the impacts of welfare reform on housing provision and to consider housing demand across the sub region the Housing Forum has commissioned some research to analyse the current and future housing demand needs within County Durham and Tees Valley. Also, the current partnership Housing Strategy is due to be reviewed and refreshed by partners, with a new strategy planned for April 2015.
46. The **4 Together AAP** has supported a number of initiatives to support local people into employment, including supporting job club facilities at the Ladder Centre, a local community building, due to the increased demand for the service. This has increased the opportunity for local people to access support from one day a week to four days, available four hours a day. This service is provided by fully qualified employability mentors who have the ability and skills to support local people with both the ICT requirements but also employment support and advice. In order to address the needs of the local community and ensure that job search requirements are met, the project offers general support and one to one mentoring for clients who require extra help and support.
47. The job club provision provides open access to ICT from ten laptops, allows clients to complete online applications and provides help and support to set up email accounts, government gateway accounts and also CVs.
48. Only five months into the 12 month project outcomes are exceeding targets:
 - a. 150 advice and guidance sessions provided
 - b. 21 people have been supported into employment
 - c. 81 local people have gained skills to improve employability
 - d. 65 people have taken part in training with 21 receiving qualifications
 - e. 75 local people have reported being more confident and able to cope with benefit requirements.

Altogether better for children and young people

49. A robust consultation process with key stakeholders, including children and young people, has taken place to review the Children, Young People and Families Plan 2014-2017. The reviewed plan has a focus on early years' provision, support for children and young people in education and those who are not in education,

employment or training (NEET). Children and young people will be supported to make healthy choices and have the best start in life which will include the development of an emotional health and wellbeing strategy. Partners will also work to embed a Think Family approach to consider the whole family when carrying out work with individual children or adults.

50. Following consultation, a final version of the “Believe, Achieve and Succeed: Increasing the Participation of Young People in Learning 2013-2015 Plan” has been approved by the **Children and Families Partnership**. The aim of the plan is to identify and co-ordinate a range of activities to increase the participation of young people in learning and to reduce the NEETs. European funding is available to support young people aged 14-19 who are NEET or at risk of becoming NEET.
51. Significant changes in relation to children with special educational needs and disabilities will be implemented from September 2014, following Royal Assent of the Children and Families Act on 13 March 2014. A Special Educational Needs and Behaviour Review has been undertaken in Durham which identified that the county has more children and young people with special educational needs than the national average. A multi-agency steering group has been established to plan for the implementation of these reforms in the county. This includes piloting Education Health and Care Plans with a number of families; bringing together a holistic approach to meeting children and young people’s needs. Local Authorities must also publish a clear and easy to understand “local offer” of services available in the local area.
52. The Children and Families Partnership has been awarded Investors in Children status to recognise the work undertaken to support children and young people. At each meeting, children and young people provide feedback to the Partnership on the issues that affect them. This includes issues in relation to homophobic bullying, mental health and self-harm support and access to local services.
53. **East Durham Rural Corridor** is the latest AAP that is focussing on specifically engaging with children and young people. Their ‘Making a Difference – Children and Young Peoples Voice’ project has the overall aim to create opportunities for children and young people to be involved in having a say about their community and the issues that affect them.
54. Throughout the year funding will be used to deliver a series of activities which will offer opportunities for dialogue that will hopefully result in change. All of the activities will be developed and steered by children and young people, Investing in Children, local Councillors and the AAP Board. As part of the project the following will take place:
 - a. **Youth Forum** – a Youth Forum will be established for children and young people living in the East Durham Rural Corridor area. Meetings of the forum will take place on a bi-monthly basis running parallel to the AAP Board meetings and feeding in the views of children and young people and vice versa. Young people sitting on the forum will represent their local area and act as the voice of other young people living there; they will have a place on the AAP Board agendas at every meeting. The forum will also link in with other agencies involved in the AAP, e.g. Police, health and the fire service etc, and have a say on service provision for youth activities.

- b. **Events** – Forum members will be responsible for seeking the views of other children and young people by organising and facilitating events such as agenda days (adult free events run by young people for young people), research groups and councillors surgeries etc. All events will take place in community buildings children and young people are comfortable in.
 - c. **Councillor Surgeries** – Forum members will work directly with local Councillors to organise local Councillor surgery events throughout the year that will offer young people the opportunity to speak directly to their local Councillors, raise any concerns they may have and make changes to their area.
 - d. **Training** – Forum members will be offered training in order to develop their skills in delivering such events, interview training to enable them to be able to interview future youth workers for the area if need be, equal opportunities training and e-safety training.
 - e. **Peer Mentoring** – Young people on the forum will be trained to act as peer mentors for other young people and youth projects in the area.
55. Another of the many ways that AAPs have of involving children and young people is through celebratory events. The **3 Towns AAP** Children and Young People's Awards 2013/14 was held on Friday 4 April 2014 with almost 150 people gathered to celebrate the achievements of the Children and Young People of the three towns. This is the third time that the Youth Forum has organised an awards night in order to promote the positive activities of young people and reduce the negative attitude towards this age range. This year, 23 nominations were received for the eight categories which are: Help in the Community Award; Young Carer's Award; Hero Award; Young Role Model Award; Youth Project of the Year; Silver Lining Award; Young Person's Choice Award and Wildcard Award. All nominations were extremely strong and the panel had a very difficult decision shortlisting for each award. For the first time, the panel recommended to the Youth Forum that Special Recognition Awards should also be given to those who had not been shortlisted but whose nomination deserved recognition.
56. **Teesdale AAP (TAP)** has led on the development of a new Youth Arts Festival for County Durham. The feasibility work was done in 2013/14 and this is being built on so a festival can be delivered on the 20 and 21 July this year. This 'pilot' festival will involve 200 young people from the Durham Dales area and will bring them together for a weekend of drama, art and music in Barnard Castle. The project brings together a number of local partners and has been successful in attracting significant amounts of match funding including £11,000 from the Arts Council. The pilot will hopefully lead to a much bigger festival in 2015 attracting young people from right across County Durham and the North East region to a part of the county many people may not have previously visited.
57. Working with the council's leisure services team, TAP has also funded the delivery of multi-sport activities for young people in 11 villages in the Teesdale area. Getting activities out into some of the more remote parts of County Durham is essential for the inclusion of children and young people and will also benefit their

health and well-being. The project will support local volunteers and encourage them to continue to deliver activities for children and young people in future.

58. As featured in a number of these reports previously, during the **Spennymoor AAP** supported community trips of 2011 and 2012 parents were asked if they would like to 'find out more' and help on future trips. Having completed training with CAVOS and working closely with Spennymoor Extended Services, Spennymoor Area Family Events (SAFE) came into existence. SAFE, via this project, aimed to offer families within the Spennymoor AAP area, the opportunity to engage in positive activities and hope to bridge the gap in the community by offering affordable trips that are accessible for all.
59. This project has now been completed and over the past year SAFE has planned and carried out five very successful trips and events which have been accessed by approximately 769 people from all parts of the community. The project has built relationships with local businesses that have enabled trips and events to be offered at the best possible prices to all members of the community.
60. SAFE has been out and about in the community working hard to fund raise and publicise the group and its activities. These activities have ranged from bag packing in ASDA, walking in the Spenny Gala, organising raffles and tombola and helping out at local events run by Success North East. The feedback from all SAFE events has been fantastic, with many families expressing their appreciation of the group's efforts to provide this service, enabling families to spend "quality fun family time together". Those involved are currently hard at work looking for further funding opportunities to run this year's trips and events, with plans in place for an Easter trip for the community to look forward to.
61. **Stanley AAP** is also supporting events for young people through the re-start of alcohol-free young bands nights in Stanley. The project will build on the positive features and outcomes of the previous programme and will help to contribute towards the reduction of alcohol misuse and the promotion of healthier and safer lifestyle choices amongst young people. The project will enable a series of live music events to take place in a central location in Stanley. Young bands from the Stanley area, as well as from other parts of County Durham and the region will perform on a professional stage with full technical support (lighting, sound, crew) to help raise self-esteem and aspirations, and to encourage young bands to take their music seriously and develop performance skills.
62. Young people will be involved in all aspects of the live music events, including: the planning, promotion and delivery of the events such as leaflet/poster design, promotion through social media, helping out back-stage and front of house, taking photographs of bands, running stalls and the completion of audience surveys during and after the event. A partnership approach to the planning and delivery of the events will be undertaken to encourage collaboration between a range of public, statutory and voluntary agencies in the area. Further added value will be brought to the young bands nights through links with other opportunities and projects specifically the 'Sound Connections' project being managed by regional music agency Generator and Durham County Council Arts Team.
63. The re-starting of this popular project will give young people a place to meet with friends, listen to live music played by their peers, participate in other leisure activities, access information about a range of issues relating to healthy lifestyles,

and find out about other local opportunities from key partners. The project will result in a regular series of eight alcohol-free live music events over a 12 - 15 month timescale featuring young bands in a range of styles and genres popular with the local audience, with programming decisions guided by young people themselves. Another aim of the project is to build on other local and regional music-making activity involving young people, and find ways in which the young bands nights can complement and add value to the commitment, enthusiasm and resources of other providers based or operating in the Stanley AAP area.

Altogether healthier

64. The **Health and Wellbeing Board** has agreed the first annual review of the Joint Health and Wellbeing Strategy 2014-2017 following consultation with over 400 local people including service users, carers, young people, scrutiny committees, partners and Area Action Partnerships. The review of the strategy has also been informed by the Joint Strategic Needs Assessment 2013, Annual Report of the Director of Public Health County Durham and the Better Care Fund plan. Additional actions have been incorporated in the Strategy to address the important issues that have been identified, including support for children with mental health needs, offender health and social isolation.
65. The Better Care Fund plan for County Durham was ratified by the Health and Wellbeing Board at its meeting in March. This is a pooled budget which will be deployed locally on health and social care initiatives from 2015/16. The Better Care Fund plan will support the aim of providing people with the right care, in the right place, at the right time, including a significant emphasis upon care in community settings, with the express aim of reducing admissions and readmissions to secondary care and alleviating pressures on the acute sector.
66. The Better Care Fund plan has been aligned to the strategic objectives in the reviewed Joint Health and Wellbeing Strategy and to Clinical Commissioning Groups strategic and operational plans to ensure that the work on health and social care integration and transformation is fully reflected. One of the important initiatives in the plan relates to the integrated short term intervention service (ISIS). The service will provide one route into all intermediate care services following discharge from hospital, which will prevent unnecessary readmission to hospitals or premature admission to care homes, and promote independence and faster recovery from illness.
67. Six of the **Northern area AAPs (Chester le Street, Derwent Valley, Durham, East Durham Rural Corridor, Mid Durham and Stanley)** are working closely with the Council's Culture and Sport, Leisureworks and Age UK County Durham to extend and further develop the 'Healthy Horizons' physical activity programme for older people. All six AAPs have either older /vulnerable people or health as a key priority and recognise that the Healthy Horizons programme is working with hundreds of older people across our areas to keep them both physically and mentally active. The programme has been externally evaluated on several occasions and feedback has indicated how important this programme is in keeping older people independent, for longer. The project addresses several key issues identified both locally and countywide (Health & Wellbeing Strategy) including heart, stroke and lung disease, dementia, mental health and an increasing older population.

68. Healthy Horizons was established in 2005 and has a proven track record in improving the health of the older population by getting people active within their own communities and during its nine years it has worked with over 3,000 older people with popular sessions including Line Dancing, Aqua Salsa, Yoga and FitSteps.
69. Over the next two years Healthy Horizons will seek to encourage older people, aged 65 and above, but particularly the more elderly and those living in disadvantaged communities, who may be more restricted in terms of their ability to access traditional physical activity provision, to improve their lifestyle through the provision of accessible physical activity opportunities within their own community.
70. Further to the success of **Derwent Valley AAP's** Chitter Chatter project, which set out to tackle inequalities in language, literacy and personal and social development skills, the AAP is now supporting a family learning project called Healthy starts which is currently being delivered and which will focus on the limiting the impact of welfare reform, healthy eating and exercise. Families will also continue to get language enriched activities during the healthy starts project.

Altogether safer

71. The **Safe Durham Partnership** continues to see one of the lowest levels of crime per 1,000 population despite County Durham experiencing a recent increase in crime following year on year reductions. Durham has the lowest crime rate of 15 'Most Similar' community safety areas (year to December-end 2013). Crime levels are lower than the equivalent period in 2011/12 but are 6% higher than the number of crimes in the same period of 2012/13. Based on current figures, Durham Constabulary forecast a 10.7% increase in total crime by the end of 2013/14. This increase, however, is within the context of an increasing crime rate in more than half of police forces nationally.
72. On 14 January 2014 the **Safe Durham Partnership** held a Restorative Approaches conference which was a milestone for accelerating this work. Their aim is to become a restorative county by creating a culture of restorative approaches both in local communities and within partner agencies and services. The partnership aims to integrate restorative approaches into a number of groups and areas of work. The current and planned provision of restorative approaches has been mapped, along with training needs for staff from those organisations involved.
73. The Safer Home Scheme continues to provide safety and security equipment to the homes of those who need it most. More than 4,500 homes have benefited since 2011 and while the scheme is not able to deliver these numbers today, it is delivering home safety at a fraction of the cost of the original funded scheme. The scheme is now run by 19 volunteers from Neighbourhood Watch in the east and the south of the county. Volunteers have given 452 hours of their time by visiting 213 homes where they have carried out crime prevention surveys and handed out basic security equipment. Volunteers have raised £2,500 in funding to add to the funding provided by the Council.
74. A task and finish group has been established to provide strategic level co-ordination of Safe Durham Partnership issues leading up to and during the transition of probation services across County Durham. The group includes representatives from the Council, Police, Probation, Ministry of Justice, Prisons, Public Health and

the Police and Crime Commissioners office. The group is managing the local transitional arrangements and the replacement of the existing Probation Trusts with a new National Probation Service and the creation of 21 public sector Community Rehabilitation Companies which took place on April 1 2014.

75. A new national Serious and Organised Crime Strategy has been published by the Home Office. The strategy uses the Counter Terrorism (Contest) Framework as a model to connect activity at an international, national and local level. It utilises the four P's to describe its objectives:
 - a. Pursue and disrupt serious and organised criminals;
 - b. Prevent people from getting involved in organised crime;
 - c. Protect against serious and organised criminality; and,
 - d. Prepare when serious organised crime occurs and ensure communities, victims and witnesses are provided support.
76. County Durham is at an advanced stage of development and has started to, provide advice to other areas of the country in terms of 'lessons learnt'. Therefore work has been undertaken to review and update our position against the requirements of the strategy.
77. In recognising the importance of the CDP's work in addressing drug and alcohol misuse, the **4 Together Partnership**, is funding a project to deliver a support group for those experiencing drug and alcohol problems. The new project is set to help users and families suffering from the effects of drug and alcohol addiction via the community group called Clean and Sober Living, situated in the Cornforth Partnership building.
78. The project, for people living in Ferryhill and the surrounding areas, will target 25 to 30 people with an addiction and may be resorting to crime. Those taking part will be put in touch with former addicts who are in long term recovery and will benefit from 50 peer led drug and alcohol support group sessions led by an experienced mentor. Additionally the project will engage with families and wider stakeholders by offering an educational/training programme surrounding addiction and alcoholism and abstinence based recovery.

Police and Crime Plan

79. Ron Hogg, Durham's Police and Crime Commissioner, has reviewed his Police and Crime Plan which was launched to the public and partners on April 1 2014. This refreshed plan sets out the PCC's vision and commitments and the objectives needed to achieve this. This plan provides strategic direction for the Chief Constable, who has responsibility for day to day operational policing.
80. The vision for County Durham and Darlington remains unchanged and it is 'to achieve excellence in local policing and the highest levels of public confidence by working alongside communities and partners to address what matters locally'.
81. The Police and Crime Plan 2014-17 is available to view on Ron Hogg's website: www.durham-pcc.gov.uk and is also available in large print, as a leaflet for residents and as a video on YouTube.

Altogether greener

82. The **Environment Partnership** will host the 25th annual Environment Awards with the launch to coincide with World Environment Day on Thursday 5 June. A revised and refreshed format is proposed for the 25th year including a new category for creation and improvement of public open space, more recognition of role of regeneration and health benefits in schemes and more low carbon technologies as part of the Climate Change category.
83. The judging process will also be streamlined and more focussed in specialist areas of Communities, Sustainability and Built and Natural Environment. New judges are being sought to join the panel in a shadow capacity and Board members asked to consider candidates.
84. The awards will be launched at the Gala Theatre, to include presentations from past outstanding winners in the key areas (Communities, Sustainability and Built and Natural Environment). The finalists' ceremony will be held on 13th November at the Radisson Hotel in Durham when the commemorative book will be launched so that 2014 winners can be included.
85. Environmental initiatives are increasing in some AAP areas and the **Chester le Street AAP's** Improved Environment Task Group of the AAP is supporting a bid to the Rural Community Energy Fund (RCEF) to undertake a feasibility study into the potential viability of large scale renewable energy projects. The bid (if successful) will allow the AAP to explore some of the natural resources locally and give scope to consider alternative energy projects. Alongside this the group is talking to the local social housing provider about domestic related opportunities (solar panels), as this is outside of the parameters of the funding criteria for RCEF.
86. The whole aim of this exploration is to potentially create a community energy company which would be able to draw in its own sustainable funding through the gain from renewable energy. The development of a 'community owned' renewal energy company would be able to have its own 'trust' in order to decide how locally generated income could be recycled locally, into a whole range of existing and new community projects supporting the voluntary sector without the need to be as reliant on external grants. The RCEF bid is for £20,000, which would be funds drawn in to the local area.
87. Working with colleagues in the Civil Contingencies Unit (CCU) the AAP is working with effected communities within the area to help develop a series of community resilience plans designed to ensure communities are better prepared for/in disaster type situations. Chester-le-Street (town) has a recorded history of flooding and with recent events in 2012 in particular this has sparked a whole series of actions by the council's Neighbourhood Services Team, Northumbrian Water and the Environment Agency. The AAP saw a 'gap' in terms of how the community are 'better prepared' should the town and surrounding villages suffer again through severe flooding.
88. Through the AAP Improved Environment task group at the first stage we are planning to host a 'drop-in' session and invite communities, parish councils and community building representatives as well as the general public. The nature of the drop-in will be to showcase the emergency services and how they respond to

emergency situations and what support and activities they undertake to negate issues. These agencies will also give some prevention advice.

89. There will also be a session about community resilience planning and hopefully identify champions or key people in communities where we can continue that dialogue and hopefully develop a series of plans where different potential risks are identified in different geographic areas. The plans would be developed in support of the community knowing and understanding their roles and what they may need to do should such an event occur. The drop-in session is planned for 30th April 2014. If this goes well the CCU are looking at a potential role out of this 'model' in other areas. There is a correlation to the 'Operation Valencia' model which took place in Lanchester, which some people may be familiar with.

Area Action Partnerships Update

90. In addition to individual projects the AAPs are collectively involved in a number of different pieces of work. All AAPs have received feedback on the budget consultation that took place late last year with information tailored to each area showing the specific findings. Also as part of this presentation there has been focus on the offer also discussed at the joint VCS and local councils working groups as highlighted earlier in the report. Local groups involved in AAPs may also be interested in running council services or buildings and working together in a more effective way in order to maximise resources for the benefit of County Durham's residents.
91. The 14 AAPs all implement projects that are relevant to their own area. Some of these are not specific to one of their task and finish groups or one of the priority themes directly but have a positive impact on the local area and have come out of local consultation or been brought forward by local people. The following information highlights a selection of projects from AAPs additional to the work already mentioned in the report.
92. **Stanley AAP** is producing two editions of a directory via their area budget. The directory will contain activity details and support information for local residents; elderly, carers, disabled, children and young people who all reside in the Stanley AAP area. The directory will have input from Stanley AAP's Support for the Elderly, Carers, and Disability Task Group and the Opportunities and Activities for Young Peoples Task Group.
93. At the core of all AAPs is its ability to engage effectively with the local community, partners and other stakeholders. Part of this engagement is to ensure that the AAP communicates and publicises local activities and support information of its partners and local community buildings for the benefit of the residents of the area it covers.
94. The directory will include up to date information about what is available in local community buildings (libraries, community centres, sports centres, social clubs, youth centres, care homes, offices, schools etc.) in the Stanley area and will range from a local toddler group to a seated exercise class for elderly and disabled residents. The directory will also include information from key partners detailing the support and advice they are able to provide to local residents.
95. It will also promote the work and priorities the Stanley AAP are focusing on and the associated Task & Finish Groups that come up with project ideas to address the

priorities and their underlying issues, support better communication links between the AAP and local residents, and to empower the community with relevant local information on other local services and avenues for how they can interact effectively with them to improve service delivery in their area and better meet their needs. The information will go some way in assisting the AAP to work more effectively with local residents, workers, businesses, agencies and services within the Stanley AAP locality to help address the AAP's priorities.

96. The **Derwent Valley AAP** is supporting Consett Amateur Swimming Club (CASC) to develop the swimming skills of children and swimmers of all ages to national NPTS standards by developing Level one coaches up to Level two. Support provided by the AAP will enable six coaches to undertake the necessary training to provide a higher level of coaching to the current 350 Club members.
97. The club is an entirely amateur club run by volunteers dedicated to the health, fitness and swimming development of their membership and the six beneficiaries of the AAPs support will be committing to at least 12 months of voluntary coaching for the club.
98. **Weardale AAP's** support has led to the restoration of the Westgate Memorial Clock which is now back to its former glory and has been re-dedicated. The clock was erected as a memorial to those that fell in the Great War, and suffered from 100 years of Dale's weather. The clock has been fully restored using support from the community, grant aid bodies and the AAP.
99. Working with local farmers the AAP is also building on the artisan expertise within the Dale to revive some long forgotten pastimes of spinning and weaving. Utilising local farms wool supply, the Spinning group now spin the wool into yarn that can be either knitted or woven. The skills shared within the group ensure this craft continues. Working with the 'Matters' in Wearhead, the AAP have facilitated some commissions, these will support the group financially, to ensure their suitability.

Recommendations and reasons

100. It is recommended that Cabinet note the report.

Contact: Clare Marshall, Principal Partnerships and Local Councils Officer
Tel: 03000 263591

Appendix 1: Implications

Finance - Area and Neighbourhood budgets are utilised and delivered through the 14 AAPs and ensure the Council (and AAPs) receive improved information on the outputs achieved through use of locality budgets.

Staffing - None

Risk - None

Equality and Diversity / Public Sector Equality Duty - The actions set out in this report aim to ensure equality and diversity issues are embedded within the working practice of AAPs.

Accommodation - None

Crime and Disorder - Altogether safer is the responsibility of the Safe Durham Partnership.

Human Rights - None

Consultation - The County Durham Partnership framework is a key community engagement and consultation function of the Council and its partners. The recommendations in the report are based on extensive consultation with AAP partners and the establishment of a Sound Board to progress the recommendations and will continue this consultative approach.

Procurement - None

Disability Issues - None

Legal Implications – None

Appendix two

Partnership Events 2014

Date	Event Title	Lead Partner	Contact Information
June 5 2014	Launch of 25 th Annual Environment Awards	Durham County Council/Environment Partnership	Victoria Burrell, 03000 266099
June 18 2014	Community Buildings Conference. To be held at Durham County Cricket Club, Riverside, Chester le Street.	Durham Community Action (DCA)	Sarah Robinson, DCA, 01207 529621

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Cabinet

7 May 2014



Impact of public sector funding and policy changes on the economy of County Durham – Report of Members’ Reference Group

Report of Lorraine O’Donnell, Assistant Chief Executive

Purpose of the Report

- 1 The purpose of this report is to present the findings and recommendations of the Economy and Enterprise Overview and Scrutiny Committee Members’ Reference Group looking at the impact of public sector funding and policy changes on the economy of County Durham.

Background

- 2 The Reference Group was established as a result of members’ concern at the changes in policy and funding being introduced by Government and how these changes 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 Economy and Enterprise Overview and Scrutiny Committee and it was agreed that a small members’ reference group would be established to work with officers from the RED Service Grouping looking at the impact of these changes. It was decided that the group would commence activity following the May 2013 election when the membership of the group would be refreshed.
- 3 Following the May election the group has had seven meetings with an update provided to the Economy and Enterprise Overview and Scrutiny Committee at the meeting on the 21st October, 2013 with a further update highlighting the key findings and key areas for recommendations presented to the committee at the meeting on the 27th February, 2014.
- 4 It was agreed that the Members’ Reference Group would focus on:
 - Scale – How much is affected?
 - Theme – What was affected?
 - Geography – Where is affected?
 - Individual/Community/Business – Who is affected?
 - Interventions and support – Look at the work that is currently progressing within the Council and with partners to tackle economic issues, for example the work undertaken by Jobcentre Plus,

colleges, Business Durham and the Area Action Partnerships (AAPs).

- Opportunities – Identify opportunities which may be available to assist mitigating any negative impact of reductions in funding and changes in Government funding and policy.

5 The key findings of the Members' Reference Group are identified in the attached report (Appendix 2) which resulted in the formulation of the following recommendations:

- That Durham County Council and partners continue to monitor the impact of changing policy and funding reductions on the economy of County Durham, identify concerns and opportunities and take these into account as part of the priority development processes.
- That the Economy and Enterprise Overview and Scrutiny Committee receive as part of the six monthly systematic review of the recommendations contained in the Scrutiny Review report information of developments and key economic issues from the County Durham Economic Partnership Data Management Group.
- That Durham County Council and partners consider the right balance in pursuing interventions that address need and deprivation within the County and opportunity, ensuring that any concerns influence priority actions.
- That Durham County Council and partners undertake a coordinated approach to maximise opportunities and benefits for County Durham presented through the North East LEP, North East Strategic Economic Plan and the EU funding programme 2014-2020 (Durham €157 million as a Transition Region) for our residents, communities and businesses helping to give them the right tools and support to access employment and economic growth opportunities.
- That the Economy and Enterprise Overview and Scrutiny Committee as part of the Committee's work programme for 2014/15 continue to receive update reports in relation to the progress of the EU funding programme 2014-2020.
- That a review of this report and progress against recommendations will be undertaken six months after the report is considered by the Economy and Enterprise Overview and Scrutiny Committee at the meeting on the 7th April, 2014.

Service response

6 The following comments have been received from the Regeneration and Economic Development Service Grouping:

The Regeneration and Economic Development (RED) Service Grouping have welcomed the opportunity to undertake this piece of work with the Reference Group to consider the implications of changes to government policy and funding on the economy of County Durham. The scope of the work and discussions with Members has highlighted the key issues, challenges and opportunities facing the county. It is

imperative that collectively with partners we continue to support the growth of the county's economy to stimulate growth, strive to reduce the deprivation gap within communities and where possible continue to mitigate the impacts of policy and funding changes.

As highlighted within the report analysis financial pressures facing the wider public sector and councils like Durham has had impact upon the services provided. Funding and policy changes, along with the drive to reduce deficits has affected the way we do business whether that is through efficiencies, changing services or different commissioning channels. A recent research report published in March 2014 by the Association of North East Councils and the Institute for Local Governance '[Challenging Times: prospects for Local Government in the North East of England](#)' highlights that some areas have been much more affected by the Government funding and policy changes. The research echoes that referenced by IPPR with members, '*that councils in the less prosperous parts of the county, including the North East, have been hardest hit by the government's cuts.*' Confirming that these areas are often more reliant on government grants, are less able to generate additional revenue from Council Tax and Business Rates and are also less able to benefit from new grant regimes that are growth focused rather than needs based.

This changed nature in funding has affected the types of services we have supported over recent years and an issue that has been highlighted with members. This ANEC and ILG Report details that disparities in council funding and resources is likely to continue and intensify. It continues to note issues not covered within this analysis with members, stating that while there is increasing demand for local public sector services within the north east, these are being cut and are set against increasing demographic pressures, new legislation and consequences of welfare reforms and austerity measures. As a council we are mindful of these challenges and need to remain aware of how these pressures sit alongside local authority job losses and welfare changes. With reduced household disposable incomes and spending power this could continue undermine the economic recovery within our local economy.

As a Service Grouping, RED will continue to assess the implications of policy and funding changes in our approach to service design and delivery. Working with partners through the County Durham Economic Partnership and specifically the newly established Data Management Group we will continue to consider and understand the changing economic environment is having upon the economy of County Durham and the challenges and opportunities this presents. Through this group it is planned to review our current measures of success that provide a barometer of the county's economy and help to measure the performance of council interventions.

It is important that we can respond positively to these changing and challenging times, adapting service delivery as possible and reconsidering our priorities when tackling budget reductions and targeting our support. The majority of RED's services and activities provide longer term measures and approaches to promoting economic development to improve the local economy including development of strategic sites, business support and employability support. These changes and impacts take time. It is necessary that we continue to provide detailed statistics, research and analysis for strategy, plan and activity development through our Spatial Policy Team to ensure our interventions are fit for purpose and have the desired impacts. This service support will continue to provide context and knowledge for our Service Grouping, alongside the production of regular economic updates.

As a Service Grouping we will continue to consider the right balance of support and interventions that address need and support opportunities within the county. This involves working closely with partners to develop appropriate interventions and making the most of the available funding opportunities that are presented - whether this is through the next EU funding period 2014-20 or supporting partners with Regional Growth Fund applications.

As recognised within the report the regional approach to supporting regeneration and economic development has changed significantly over recent years. RED will continue to support and work closely with partners within the North East Local Enterprise Partnership and through the North East Leadership Board to maximise opportunities for County Durham. This in recent months has included extensive partnership working to inform the development of the NELEP EU Structural and Investment Fund Strategy and the North East Strategic Economic Plan (SEP). The SEP, once agreed, will outline the agenda for growth for the north east. Some of County Durham's key assets will be recognised such as:

- cultural and academic urban core within Durham City
- second largest industrial area within the north east local enterprise partnership area at Aycliffe Business Park
- key growth areas alongside the A1(M) and A19
- innovation hub at NETPark
- inward investments such and Hitachi Rail Europe at Merchant Park

Our partnership approach to enhancing this agenda for growth by supporting economic growth and job creation within the county is crucial to making a difference and supporting our ambition of *creating sustainable places where people want to live, work, invest and visit whilst enabling residents and businesses to achieve their potential*. Considering and understanding the changes to policy and funding, alongside the challenging economic times is intrinsic to this approach.

The opportunities available to and within the county need to be capitalised to address market failure and support investment in the right places whether this is through the creation of business sites and premises or employability programmes to support people into employment. Balancing need and opportunity is complex. Through the development of a County Durham Investment Plan with the CDEP has indicated the priorities for investment in line with EU funding priorities and those identified by the partnership. The next few years present challenging times for the partnership and the RED Service Grouping to maintain the balance of service delivery in areas of the county witnessing decline and opportunities to stimulate further economic growth and tackle the ongoing pressures associated with deprivation.

Recommendation

- 8 That Cabinet notes the recommendations in the attached report (Appendix 2) and formulates a response within the six month period identified in the report for the systematic review of recommendations.

Background papers:

Member's Reference Group Report.

Contact:	Stephen Gwilym	Tel: 03000 268 140
		E-mail: stephen.gwilym@durham.gov.uk
Author:	Diane Close	Tel: 03000 268 141
		E-mail: diane.close@durham.gov.uk

Appendix 1: Implications

Finance – The report identifies the importance of Durham County Council utilising all opportunities in relation to new initiatives for funding for example the European Funding Programme 2014-2020 to ensure that the County maximises the funding opportunities currently available for the benefit of County Durham.

Staffing – None.

Risk – The RED Service Grouping will identify within the appropriate Service Plan key risks as a result of changes in Government funding and policy on the economy of County Durham.

Equality and Diversity / Public Sector Equality Duty - In accordance with its agreed Equality and Diversity strategy, the Council will undertake an Equality Impact assessment of the implications of any changes in Government funding or policy (including cuts in funding) which will impact upon the economy of County Durham.

Accommodation – None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – The report makes reference to the work already undertaken by DCC in relation to helping businesses in the County access contract opportunities. It also refers to the establishment of the Social Value Task Group currently looking at how the requirements of the Social Value Act can be implemented to help small businesses and social enterprises win more contract opportunities.

Disability Issues – The report identifies groups which have been most affected by the changes in Government funding and policy, on a national level those with disabilities had been identified and in relation to County Durham those reliant on benefit which would include those with disabilities. The RED Service Grouping will continue to monitor data in relation to those groups most affected.

Legal Implications - None



Appendix 2

Economy & Enterprise
Overview and Scrutiny Committee

Members' Reference Group

**Impact of public sector funding and policy
changes on the economy of County Durham**

April 2014

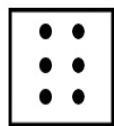
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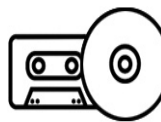
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Please ask us if you would like this document summarised in another language or format.

العربية (Arabic) (中文 (繁體字)) (Chinese) اردو (Urdu)
polski (Polish) ਪੰਜਾਬੀ (Punjabi) Español (Spanish)
বাংলা (Bengali) हिन्दी (Hindi) Deutsch (German)
Français (French) Türkçe (Turkish) Melayu (Malay)



Braille



Audio



**Large
Print**

Chairman's Foreword



It is evident that within these challenging economic times local authorities within the North East have witnessed greater impacts from the significant changes in Government policy and funding whether these changes are through Council Tax, Business Rates or through the removal of Area Based Grants that were originally established to stimulate economic growth and tackle deprivation.

However through the discussions within the Reference Group it is apparent that Durham County Council and partners are working together, tackling these challenges and trying to mitigate the impact using various

approaches to deliver activities to stimulate and support economic growth within the local economy.

It has also been highlighted by the Reference Group the need for Durham County Council and partners to continue to maximise the funding opportunities which are available within County Durham via the Regional Growth Fund, Growing Places, Single Local Growth Fund and the next EU funding programme for 2014 – 2020.

During the review process the Reference Group has received detailed information from the Regeneration and Economic Development Service Grouping, Business Durham, Federation of Small Businesses, Jobcentre Plus, Area Action Partnerships and Bishop Auckland College. In addition, a visit was undertaken to Bishop Auckland College providing an opportunity for members to see the work being undertaken by the College with local employers to ensure that their training needs are met.

The report concludes with a number of recommendations for consideration by the Council's Cabinet (See page 25 of the report).

I would like to take this opportunity to thank members of the Committee and representatives from Durham County Council and partner organisations for their valuable time in giving evidence and supporting the work of the Members' Reference Group.

Councillor Rob Crute

Chair Economy and Enterprise Overview and Scrutiny Committee

Background

- 1 At its meeting held on the 6th July, 2012 the Economy and Enterprise Overview and Scrutiny committee identified as part of the refresh of the work programme the need for the Committee to examine the impact of changes in Government funding policy on the economy of County Durham. Following a detailed discussion it was agreed by members of the Committee that this would be added to the 2012-2014 work programme.
- 2 The Regeneration and Economic Development (RED) service grouping agreed to jointly producing a piece of work to examine the changing policy and funding environment in which the service area works. It was therefore determined that a Members' Reference Group would be established from the membership of the Economy and Enterprise Overview and Scrutiny Committee to work with officers from the Strategy, Programmes and Performance Team from within the RED Service Grouping to examine Central Government funding and policy changes on the economy of County Durham.
- 3 The terms of reference and a project plan were drawn up, with a clear focus on:
 - a) Scale – How much is affected? – consider changes in Government funding and policy, compare to remaining resources and current intervention priorities and identify the scale of gaps in resources;
 - b) Theme – What is affected? – Identification of priority themes or policy areas for example employment, worklessness, business support and skills. Each of the priority themes or policy areas will be considered separately in order to assess reductions in funding, changes in Government funding and policy, differences within the County and how individuals are affected;
 - c) Geography – Where is affected? - Assess the impact of funding reductions and changes in Government funding and policy, analyse and map local statistics to highlight need.
 - d) Individual/Community/Business – Who is affected? - Looking at examples of how funding and policy changes have impacted upon families, communities, businesses.
 - e) Interventions and support – Look at the work that is currently progressing within the Council and with partners to tackle economic issues, for example the work undertaken by Jobcentre Plus, colleges, Area Action Partnerships (AAPs) and Business Durham.
 - f) Opportunities – Identify opportunities which may be available to assist in mitigating any negative impact of reductions in funding and changes in Government funding and policy.
- 4 A Members Reference Group was set up consisting of 8 members and one co-optee (a representative from Jobcentre Plus). The membership of the

Reference Group represented a geographical spread from across the County and included minority party representatives. The Group comprised of the following membership:

- Councillor J Armstrong – Chairman of the Overview and Scrutiny Management Board – Central Durham.
- Councillor P Stradling – Vice-chair of the Overview and Scrutiny Management Board – East Durham.
- Councillor R Crute – Chair of the Economy and Enterprise Overview and Scrutiny Committee – East Durham.
- Councillor A Batey – Vice-Chair of the Economy and Enterprise Overview and Scrutiny Committee – North Durham.
- Councillor J. Clare – Member of the Economy and Enterprise Overview and Scrutiny Committee – South Durham.
- Councillor J. Rowlandson – Member of the Economy and Enterprise Overview and Scrutiny Committee – West Durham (Conservative representative).
- Councillor O. Temple – Member of the Economy and Enterprise Overview and Scrutiny Committee – North Durham (Liberal Democrat representative).
- Councillor A Willis – Member of the Economy and Enterprise Overview and Scrutiny Committee – North Durham (Durham Independent Group representative).
- Mr. P. Robson – Jobseeker Opportunities Manager (Durham North) – Jobcentre Plus.

- 5 The Members Reference Group met on seven occasions between June 2013 and January 2014, which included a visit to Bishop Auckland College to see ‘first hand’ the work undertaken by partners to support local businesses and increase employment opportunities locally.

Executive Summary

- 6 This report presents the key issues, findings and recommendations of the Members’ Reference Group that has reviewed the impact of public sector funding and policy changes on the economy of County Durham. It is evident that within these challenging economic times, with depressed private investment and markets, austerity measures and a stretched public sector, local authorities like Durham County Council have witnessed greater impacts from the significant changes in policy and funding. Whether these changes are through Council Tax, Business Rates or through removal of Area Based Grants that were originally established to stimulate economic growth and tackle deprivation within some of our most deprived neighbourhoods.
- 7 Alongside this, governance arrangements across the north east region have changed with the introduction of Local Enterprise Partnerships. Although not established to replace the former Regional Development Agencies like One North East, LEPs simply do not have access to the same scale of funding to drive forward regional economic growth. One North East by example had an annual budget of £250 million. These changes in policy and funding have been compounded by the global economic recession which has undoubtedly had implications for communities and businesses within the county, with

reduced access to finance, lower numbers in employment, young people struggling to find work in a more competitive jobs market and reduced household incomes.

8 Through Reference Group discussions it is apparent that we are tackling these challenges and trying to mitigate the impacts with the council and partners taking varying approaches to continuing to deliver activities to stimulate and support economic growth within the local economy. Whilst proportionate to the funding available these approaches are looking at both the supply and demand elements of the labour market. Some of the main issues raised within the report include:

- Reduced public sector finances. £11.5 billion of departmental savings have been announced for 2015/2016, with the local government budget being cut by as much as 25.6% or £6.68 billion by 2015. Changes in the approach to Government funding and policy has impacted upon the public sector and due to the nature of the funding more deprived areas have been proportionally hit hardest resulting in larger reductions in the North than in the South. This has been accompanied by a reduction in additional funding streams and removal of Area Based Grant that focused on local needs with a growing emphasis on opportunity and the demand side of the market.
- Nationally between 2008 and 2013 the UK witnessed an unmatched depression with the economy only 0.5% larger at the end of 2012 than it had been in the third quarter of 2010. GDP per capita fell in total by 1% over this period, witnessing a slower economic recovery in the north east. County Durham has increased numbers of people not in employment, although nationally there has been a slight growth in private sector jobs that has outstripped the loss of public sector jobs, these jobs are not 'like for like' in terms of economic value which explains why equivalent growth in GDP has not been evident.
- It is difficult to ascertain the full and lasting impacts of funding and policy changes as it is too early to know the full extent and in addition, there is often a lag in the statistical information that can be gathered (and limitations in statistical reliability at certain geographical levels). However, as an area already more reliant on Government funding, inevitably as this has changed it is not surprising that the North East and areas like County Durham have felt the impact. Therefore our most vulnerable areas and people are more likely to witness a greater impact as a result of changes. In terms of geography our more deprived communities within the East and South of the County have witnessed a greater degree of impact along with young people, those reliant on benefits and those on low incomes within county.
- There are some existing funding opportunities available to help support economic growth, these include Regional Growth Fund, Growing Places and Single Local Growth Fund. The next EU Funding Programme for 2014 – 2020 which has resulted in an allocation of funding to the North East Local Enterprise Partnership (NELEP) of €539.6m with Durham receiving an allocation of €157m as a Transition Region, will undoubtedly

help to support job growth, but the European Social Fund element of the programme will help support need with key EU objectives targeted towards social inclusion, employability and skills.

- In relation to economic growth within County Durham there has been considerable success in attracting new companies despite the economic climate with companies such as Hitachi Rail Europe, Mazars and Rebels of Sweden establishing operations within County Durham.

9 The Members' Reference Group considered different priority policy areas at a high level such as employability, business support and skills development to help understand the nature of the impacts and implications of the changes within funding and policy. Several partners including, Jobcentre Plus, Business Durham, Federation of Small Businesses and Bishop Auckland College provided a perspective on the challenges they face and their respective priorities for future years. Some of the main findings and conclusions were:

- The policy environment has changed significantly in relation to employment support to mandatory schemes with sanctions, predominantly national schemes and employer focused with little flexibility and limited funding to address specific need local needs. Jobcentre Plus provide a range of schemes under the 'Get Britain Working' measures focused on getting people back into employment together with schemes/initiatives designed to help those interested in self-employment. Members highlighted the need to more effectively match employers skills needs and the need to ensure that those jobseekers sent to employers for work experience/work placement are job ready and 'best fit' the needs of the employer whilst also ensuring there is adequate support for those businesses providing placements.
- The Area Action Partnerships (AAPs) have a number of successful projects within County Durham Focusing on helping people back into employment, either through mentoring and developing skills to make people more job ready or through involvement in initiatives such as the County Durham Apprenticeship Programme.
- The business support network is complex, difficult to navigate particularly for small, micro businesses and sole traders, leads to duplication of provision and lacks flexibility in how support is delivered. The majority of business support is currently focused on larger companies despite the majority of business in the North East consisting of small, micro businesses and sole traders (North East has a total of 135,000 businesses, 134,000 small and micro businesses and sole traders, with Durham having 14,785 businesses employing 158,975). There is a need to develop the business support available locally to ensure it is flexible in delivery in terms of timings and availability and provides the range of support required.
- Business Durham offers a range of business support to large and small businesses within County Durham and actively encourages the growth of an entrepreneurial culture through various initiatives undertaken with

schools, colleges and Durham University. Although working with businesses to stimulate new markets and develop procurement possibilities additional opportunities may be presented through the Social Value Act, 2012.

- Bishop Auckland College provided a case study example of how a partner is pro-active in how it engages with local employers to identify their training needs and develop training provision to suit their needs with a view to ensuring that young people in local communities within County Durham are best placed for future job opportunities. It is important that we encourage demand led skills programmes to maintain linkages between supply and demand within the labour market.

10 The Reference Group has concluded that the Council must continue to consider the implications of policy and funding changes upon our local economy and make the most of opportunities available to assist in mitigating the negative impacts and those opportunities that stimulate economic growth. The council, with its partners has an important part in supporting economic growth and addressing the needs of its residents, communities and businesses. A continued considered, reflective and partnership approach to service delivery needs to be supported to deliver prioritised interventions and support the rebalancing of the economy. The Reference Group has identified six specific recommendations that will be overseen by the Economy and Enterprise Overview and Scrutiny Committee. These indicate that the council and specifically the Regeneration and Economic Development Service Grouping will continue to be mindful of the implications of funding and policy changes whilst supporting services as appropriate within these challenging economic times. More widely this will include informing the North East Local Enterprise Partnership approaches to stimulate job creation and economic growth through its emerging Strategic Economic Plan and the 2014-20 European Structural and Investment Strategy.

Evidence: Statistics Overview

- 11 In considering the economic context the Reference Group was provided with a variety of contextual and summary statistics information. Some of the key issues and facts are summarised below:
- County Durham is home to 513,200 people and has an increasingly ageing population;
 - The County has a £6.5 billion economy, with a GVA index (60.7) almost 40 index points below the UK average;
 - The County is a large and diverse area (862 square miles) with almost half of the population living in relatively deprived areas for example both Sedgfield (51.9%) and East Durham (72.4%) have more than half of their population living in deprived communities;
 - Unemployment remains higher in County Durham than in the North East and in Great Britain with 65.7% of the working age population in work compared to a North East rate of 67.8%;

- As of May 2013 JSA Claimant Count (16 – 64) was 15,179 (4.6%) in County Durham compared to 90,679 (5.5%) in North East and 1,474,400 (3.7%) Great Britain. Although the numbers of 18 – 24 year olds claiming JSA had started to fall recently, the level was around 60% higher than five years ago. The numbers of claimants in the 25 – 49 and 50 age groups has increased by 140% and 150% respectively. A persistent problem in all age groups, particularly those under 50 years old, is the growing number of people claiming benefits for over 12 months;
- County Durham has an estimated 14,785 VAT/PAYE registered businesses, employing 158,975 people within the county.
- Since 2007 there has been a trend of declining employment in the County from the pre-recession peak of 72.1%, at September 2013 the rate stood at 65.7%. Nationally, from the end of 2010, private sector employment had risen while public sector employment had fallen in each successive quarter when compared to the same period a year earlier. In total 1.25 million private sector jobs had been added by May 2010.
- By the end of 2012, 5.72 million people were employed in the Public sector, 640,000 lower than the peak rates of public sector employment in 2009. It is expected that job losses will continue to accelerate up to and beyond 2015 with a further 340,000 posts estimated to be shed from the public sector before the next election.
- Although the growth in private sector jobs has outstripped the loss of public sector jobs, these jobs are not 'like for like' in terms of economic value which explains why equivalent growth in GDP has not been witnessed. This has been further exacerbated by structural shift in the labour market towards a shorter working hours culture, much of the growth in jobs can be attributed to a rise in part-time, temporary and self-employed work which is traditionally low paid. Furthermore, the losses and gains have been uneven across the UK, with the South East recording strong growth and the North East significantly lagging.
- Between 2008 and 2013 the UK witnessed an unmatched depression with the economy only 0.5% larger at the end of 2012 than it had been in the third quarter of 2010, GDP per capita fell in total by 1% over this period. Estimates show that the UK economy is unlikely to reach its pre-recession peak until 2018. Furthermore, despite the labour market proving to be fairly resilient throughout this period, it was estimated that the UK needed to add an additional 930,000 jobs onto the 2008 peak employment rate, due to a growth in the adult population of 1.7million.

12 In relation to changes in wider public sector finance, funding for regeneration and economic development activity and governance arrangements the Reference Group was asked to note the following as implemented by Central Government:

- Public sector finance reductions – Impact of the Comprehensive Spending Review and continued savings required within the Medium Term Financial Plan;

- Introduction of Business Rate Retention scheme April 2013;
- Welfare Reform Act 2012 – Introduction of Benefits Cap, Universal Credit and Personal Independence Payment replacing Disability Living Allowance. Further reforms to Employment and Support Allowance and Housing Benefit;
- Loss of various funds for economic development and regeneration activity including the area based grants: Working Neighbourhood Fund (WNF), Future Jobs Fund (FJF), Local Enterprise Growth Initiative (LEGI) and Single Programme funding;
- Introduction of Growing Places, Regional Growth Fund and Single Local Growth Fund to support private sector investment to create economic growth and sustainable employment;
- Continuation of Business Rate Relief and introduction of Tax increment financing;
- Abolition of the Regional Development Agencies and creation of Local Enterprise Partnerships

Scale of funding and policy changes

Key Findings

- 13 **The information provided detailed the extent of Government funding changes and highlighted the implications of a change in approach at Central Government level which has acted to reduce the focus on local needs and placed an emphasis on opportunity and growth.**
- 14 **The impact of the funding changes together with the change in approach in Government policy has had a significant impact on local government and a more pronounced effect in the North than in the South (Institute of Public Policy Research North an analysis of the 2013 June CSR).**
- 15 **The loss of Area Based Grants such as WNF and LEGI which were used to support employability and business growth in areas of need has had a pronounced negative impact on disadvantaged areas within County Durham widened the gap with the south and reduced the flexibility of funding to tackle localised priorities.**
- 16 **Funding opportunities do exist, in the next round of the EU funding programme 2014-2020 the North East Local Enterprise Partnership has an allocation of €539.6m while Durham as a Transition Region has an allocation of €157m which must be spent in the area.**

Discussion

- 17 The reference group was informed that the 2013 Comprehensive Spending Review (CSR) saw the majority of Government departments receive average cuts of between 8% and 10% with £11.5 billion of departmental savings

announced for 2015/2016. In total, however, the local government budget will be cut by as much as 25.6% or £6.68 billion by 2015. The savings required to meet this reduction in the local government spending packet are notably front loaded, additionally, the reduction has not fallen evenly across the sector. Due to the nature of local government funding, the most deprived areas have been proportionally hit hardest, resulting in larger reductions in the North than in the South.

- 18 For Durham County Council this has resulted in a need to deliver savings of £113m which are to be achieved by the end of 2013/14 and a forecast additional saving of circa £100m for 2014/15 – 2016/17. The forecast loss of posts is 1,950 (1,600 ER/VR/CR – 350 vacant posts) with 200 compulsory redundancies (CR) to date. It is expected that funding cuts will continue until at least 2017/18 and possibly beyond into 2020.
- 19 The Institute of Public Policy Research (IPPR) North conducted an in-depth analysis of the 2013 June CSR as part of a wider piece of work on government spending, which showed that, as a share of expected economic growth, the latest cuts would fall particularly heavily on the regions of the North of England. The analysis showed the following:
- Assuming that broad spending patterns in 2015/16 were similar to those of 2013, on aggregate, departmental cuts would reduce public expenditure in the North East by £57 per person and in the North West and Yorkshire and Humber by £50 per person, compared with £43 per person in London and £39 per person in the South East.
 - When the impact of departmental cuts was viewed as a proportion of the size of the regional economy (as measured by gross value added - GVA) the Northern Regions were, once again, the hardest hit with the North East suffering three times as much as London.
 - When considered alongside announcements concerning capital spending the picture was compounded further with spending in London more than ten times that of the North East. Spending on transport infrastructure was more than 500 times as much in London as in the North East.
- 20 The uneven nature of public sector cuts has resulted in changes to and in some cases the abolition of funding streams which many Local Authorities used to help finance regeneration and economic development activities. The loss of these specific grants falls on top of the savings already required of local government and because of the nature of these grants the most deprived Local Authority areas have bared the brunt of these losses and subsequently those communities.
- 21 In County Durham the loss of specific grants traditionally used to fund regeneration and economic development activity included the loss of the Area Based Grant (ABG). Area Based Grants for the period 2008-2009 totalled £44,989,831 and included the following funding streams: Working Neighbourhoods Fund, Local Enterprise Growth Initiative, Local Authority Business Growth Initiative, Safer Communities and the Supporting People funding streams. More specifically:

- Working Neighbourhoods Fund (WNF) set out to “simplify and refocus local level funding to tackle worklessness and low levels of skills and enterprise within some of the most disadvantaged communities”.
- Local Enterprise Growth Initiative (LEGI) ‘Be Enterprising’ was a flexible locally-defined programme which supported a range of activities designed to support existing local businesses to grow, support business start-ups, support residents to acquire skills and create jobs. The programme resulted in 2,616 clients starting a business and an estimated 2,762 new jobs (excluding self-employed owners) between 2006 and 2009.

22 The loss of ABG had the following impact on County Durham’s communities:

- A loss of flexibility to spend based on localised priorities and the ability to make localised interventions.
- A loss of services funded in part or wholly by ABG, including Connexions and Be Enterprising which provided targeted careers advice for young people.
- Deprived areas hit particularly hard by the loss of WNF which provided additional funding targeted at areas based on need.
- Direct cuts to ABG indirectly affected the Community and Voluntary Sector and other partnership organisations as funding awards needed to be scaled back.
- Current Central Government funding streams fail to replicate the deprivation element of ABG funding therefore communities within County Durham were without similar resource to help to tackle issues associated with employability and financial inclusion.

23 The Reference Group was informed that the Local Growth White Paper 2010 and the Heseltine Review of economic growth 2012 ‘*No Stone Unturned*’ has led to a significant shift in regional governance arrangements, establishing Local Enterprise Partnerships to replace the Regional Development Agencies (that had annual budget of £250 million) with a brief of supporting local growth, encouraging business investment and promoting economic development. Government accepted 81 of the 89 Heseltine Review recommendations including; Local Enterprise Partnerships (LEPs) tasked with developing strategic plans for local growth by spring 2014 to provide a basis for negotiating Local Growth Deals and finance with the Government; un-ringfenced Single Local Growth Funds would be introduced in 2015; and support to be provided for local authorities wishing to create ‘Combined Authorities’ for economic growth purposes.

24 From April/May 2014 local transport authority powers are to pass to a newly established Combined Authority (CA) ‘North East Leadership Board’ which would become the local transport authority for the North East LEP area. The CA will be responsible for developing a single Local Transport Plan and coordinating strategic transport decisions, but will delegate back to DCC the powers to continue managing local public transport services.

25 The Reference Group was provided with further details of the Government's current funding arrangements. Overall there has been an observable shift in funding and policies geared towards promoting growth with a reduced focus on supporting need.

- Regional Growth Fund (RGF) - The Regional Growth Fund is a £3.2 billion fund, helping companies throughout England to create jobs between now and the mid-2020s. RGF supports projects and programmes that leverage private sector investment to deliver economic growth and sustainable employment. There will be six rounds of funding bids. The first three rounds of RGF are now delivering, with around £2bn of the fund awarded to nearly 300 projects. In total County Durham has received funding for 19 projects in the first three RGF rounds of funding. Let's Grow is one project that has been awarded £30 million to provide between £50,000-£1,000,000 grant support for capital investment and R&D projects to create/safeguard jobs in the North East. It runs as a series of quarterly competitions focused on businesses who manufacture or provide service to manufacturing.
- Growing Places Fund - Administered at a regional level through LEP's, the fund provided £500m nationally to generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing.
- EU Funding - The current EU funding period closed at the end of 2013 with the next period beginning in 2014. For the 2007-2013 period, these funds were worth approximately £13 billion to the UK, and specifically £8 billion for England. In relation to the EU funding programme 2014-2020 the Durham and Tees Valley region would receive proportionally more funding than in the previous funding programme due to transition region status (having a relatively low GDP). The North Eastern LEP was awarded €539.6 million, the equivalent of €239 per capita, with Durham receiving an allocation of €157 million.
- Single Local Growth Fund – Proposed by Lord Heseltine from 2015/16 there will be at least £2bn a year nationally focused on the key economic levers of skills, housing and transport funding, with LEPs invited to submit bids for the funds.
- Local Major Transport Funding - Bids had been submitted for three schemes to the North East Local Transport Body (NELTB) for the devolved Local Major Transport Funding.

Impact of the funding and policy changes in County Durham

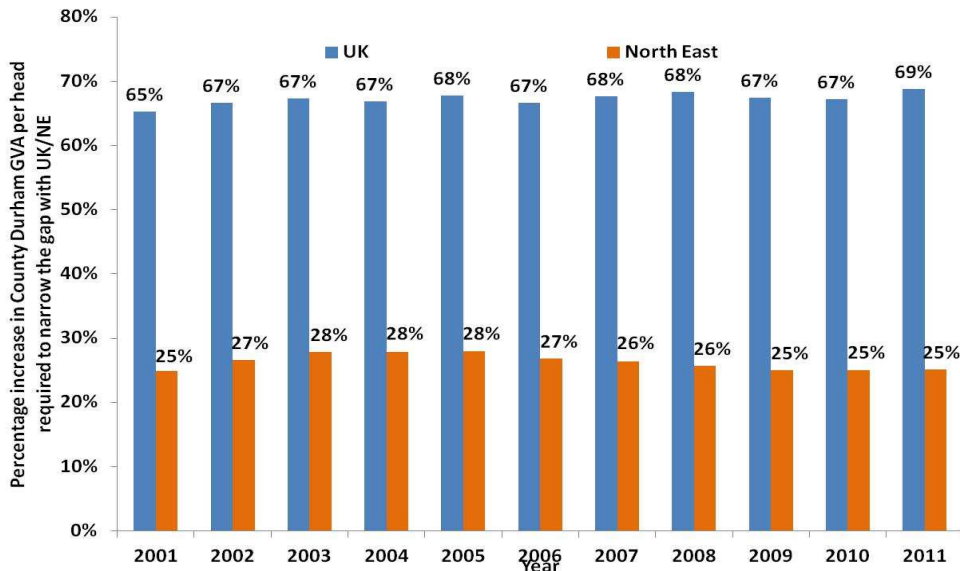
Key Findings

- 26 **The evidence shows that County Durham faces a number of structural challenges post economic downturn including; a lower employment rate; fewer job vacancies; a trend of moving from full-time permanent employment to part-time and temporary positions; an increase in the number of households on lower incomes with a decrease in households in higher incomes and an increase in worklessness.**
- 27 **In relation to economic growth within County Durham there has been considerable success in attracting new companies despite the economic climate for example Hitachi Rail Europe, Mazars, Rebels of Sweden.**
- 28 **Both within County Durham and nationally those reliant on benefits, those on low incomes and young people have been more affected by the changes in Government funding and policy.**
- 29 **There are particular geographical areas within the County which have been more noticeably affected by the changes to Government funding and policy. Of most concern are East Durham and South Durham, while North and Central Durham have also seen some negative impact.**

Discussion

- 30 In County Durham following 30 years of population decline, there has been a recent trend towards population growth, however, in reality the number of working age people is decreasing while the number of non-working age (65 plus) is increasing at a much faster rate. The County's employment rate is currently below both the regional and national averages. Whilst educational attainment has improved the gap however has not been narrowed sufficiently. Furthermore, while there has been a national drive to boost the 'knowledge economy' which provides particularly high value employment, within County Durham the knowledge economy provides a much lower proportion of the labour market (37% – 60,900) than in the North East (42%) or than in the UK as a whole (44%). When the public sector is excluded from this measure the gap widens further with only 18,300 jobs or 11% of employment in the knowledge based private sector which is roughly half the national average.
- 31 The Gross Value Added (GVA) of the County Durham economy is less than half that of the UK average and the gap between the local economy and the national economy has continued to widen over the last ten years. In 2001 local GVA per capita would have needed to increase by 65% to eliminate the gap with the UK (and 25% to close the gap between the North East) but by 2011 this had increased to 69% (and remained 25% to close the gap with the North East). The graph below details the GVA per head required in County Durham to narrow the gap within the UK and the North East between 2001 and 2011.

**Narrowing the Productivity Gap between County Durham, North East and UK
(Percentage increase GVA per head required)**



32 There is a 10% wage gap between County Durham and the England average. The number of households within County Durham on lower incomes (£0 - £25,000) is increasing whilst the number of households with higher incomes (£50,000 - £100,000 plus) had decreased as shown in the table below. In 2013, over 45% of households in the county had an income less than £25,000. The median income in this area is £24,052 (Durham 2013), which is 14.1% below the base (Great Britain 2013 median £28,024) average. The highest average incomes within the County can be found to the North and North East while the lowest are towards the East.

Household Income Data, 2012 and 2013

Household Income (£000)	2012 – No. of Households	2012 % of Households	2013 – No. of Households	2013 % of Households
0-20,000	96,519	43.1%	96,882	42.5%
20-25,000	18,864	8.4%	20,976	9.2%
25-50,000	64,977	29.0%	69,097	30.3%
50-100,000	37,308	16.6%	34,805	15.2%
100,000+	5,932	2.6%	6,000	2.6%

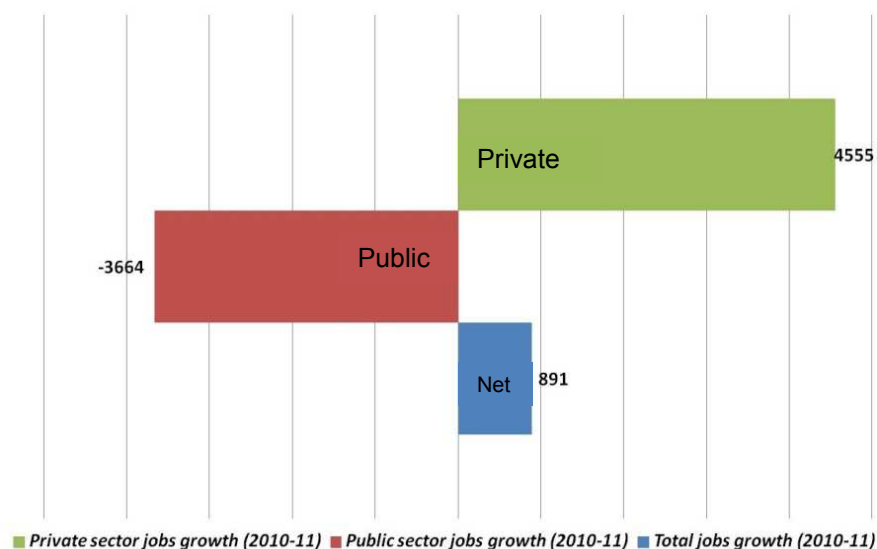
Source: CACI Household Income Data, 2012 and 2013

- Average wage levels within County Durham vary enormously with the highest in Durham City (£510 per week) and the lowest in Easington (£310 per week).
- The employment level within County Durham has not reached pre-recession levels of employment with relatively few vacancies available

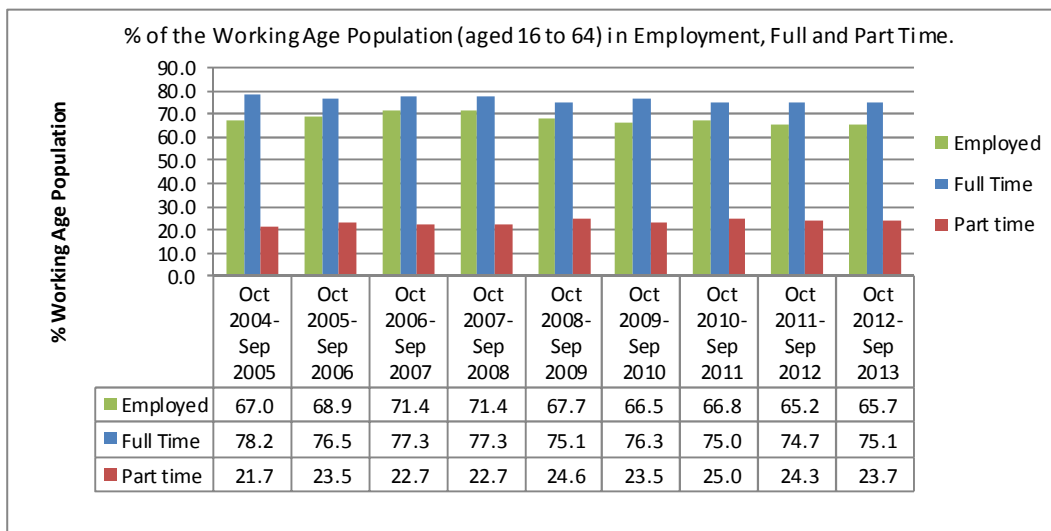
within the county (2 people of working age for every 1 job in the County compared to 1.4 people nationally and 1.6 people regionally). Although the latest trends (2011) show the number of jobs overall in the County increased marginally this growth is not comparable to the national average increase or the largest increases witnessed in the South West of the UK.

- County Durham traditionally possesses a labour market dominated by the public sector; however, there has been some element of restructuring with an increase in private sector jobs totalling 3.7% and a decrease in public sector jobs of 8.4%. Overall job growth within the County is flat, the sectors with the most significant private sector growth have been in private sector health care and information and communications. While the Government’s austerity measures continue further public sector savings will need to be found, it is therefore anticipated that the public sector labour market will continue to decrease well beyond 2014/15. The graph below shows the shift in labour markets 2010-2011.

Proportion of Private/Public sector Jobs Growth 2010-11



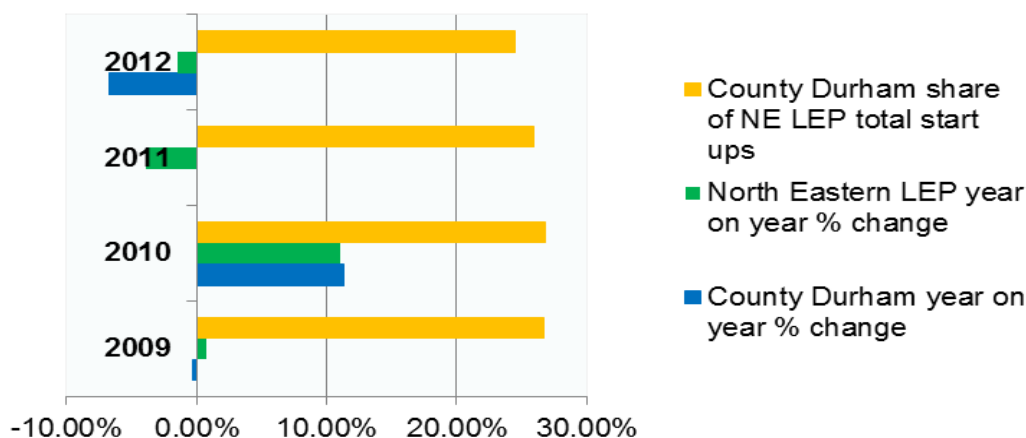
- Jobs lost within the public sector have not been replaced with ‘like for like’ jobs in the private sector, there has also been a corresponding trend of declining full-time permanent employment and growing part-time temporary employment which naturally results in lower wage levels and decreased economic output. This reinforces the Group’s findings that household incomes are declining within the County, largely as a result of structural shifts within the labour market. The graph below shows the changing labour market with an increase in part-time employees after the onset of recession (2008).



Annual population survey 2004 to 2013

- Despite an overall trend of decreasing employment in the County post-recession there has been some success in attracting inward investment in the shape of new companies to the County for example Hitachi Rail Europe, Mazars and Compound photonics with County Durham in 2012 accounting for taking over 20% of the NELEP total start-ups. The graph below shows the County Durham share of the NELEP total start-ups.

County Durham Business Start-ups as a Percentage of NELEP Start-ups



- 33 In relation to worklessness, post 2008 the gap has been widening between the local and national economy. Since the recession started unemployment has increased considerably. In some areas of County Durham almost a third of the working age population are workless. The East of the County has long term structural issues with regards to employability and is traditionally the areas with the highest levels of long term unemployment, IB claimants and JSA claimants in the County. More recently there has been a significant growth of worklessness in the South of the County. There is also growing worklessness in the Central band of Durham – which can largely be attributed to the significant reduction in public sector funding and the loss of public

sector workers which largely form the principal part of Durham City's economy.

- 34 East Durham has the fewest absolute number of people employed within County Durham so any growth in the employment rate here (530 P/T increase and 412 F/T increase) must be put in the context of coming from a 'low base' of people in work the East of the County still possesses some of the most deprived wards in the County.
- 35 Some areas within the South and North of the County are also performing comparatively poorly to Regional and County averages. Areas of particularly low employment include: Seaham, Peterlee, Shotton and Haswell, Woodhouse Close and the Coundons, Dene Bank in Ferryhill and the South Stanley area. There are also low levels of employment in the central areas of Durham City however this may be attributed to the large resident student population.
- 36 The Reference Group was then provided with information detailing those groups which had been significantly affected by Government funding and policy changes. It was highlighted that nationally those most affected were: families; women; young people; carers and those with disabilities, unemployed, underemployed and the economically inactive. In relation to County Durham the groups being disproportionately affected were those reliant on benefits, with Welfare Reform measures equating to a loss of £188 million from the local economy per year (equivalent to £560 per working age adult, significantly more than the UK average of £470 per working age adult); those with low income as a result of changes in tax credits and rising prices; the young with youth employment very much higher than pre-recession rates and long term youth employment doubling since 2007.
- 37 The Reference Group was then informed that local evidence from the Welfare Reform Group indicated that:
- Discretionary Housing Payments (DHP) are having to fill the gap in income – 1,456 DHP awards have been made totalling £640,381 of the budget of £883,089. Latest projections indicate that the budget will be spent and that demand will exceed the level of budget available.
 - Anecdotally reductions in benefit have resulted in an increased use of food banks and increased personal debt.

Employability Interventions

Key Findings

- 38 **The policy environment in relation to employability has changed significantly. Previously policy had consisted of mandatory schemes without sanctions supported by locally tailored schemes which offered a suite of initiatives at each stage of the clients journey. The current policy environment consists of mandatory schemes with sanctions, predominantly national schemes which are employer focused with little flexibility and limited funding available to address specific local need.**

- 39 **JCP provides a range of schemes focused on getting people back into employment together with schemes designed to help those clients interested in self-employment as part of the ‘Get Britain Working’ measures (further details on the schemes are detailed in appendix 2).**
- 40 **JCP does have a system for matching employers needs with clients skills (Universal Jobmatch), however members within the Reference Group had experienced instances where clients sent by JCP for work experience/work placement within small and micro businesses were not ‘job ready’, had been absent from the job market for a long period of time and did not meet the needs of the employer. In addition, Members queried whether there was adequate support for those businesses providing placements to clients who had multiple barriers to employment.**
- 41 **The County Council and partners do support a number of successful projects and initiatives within the County focusing on helping people back into employment such as the work of the AAPs (various projects focusing on helping people back into employment through mentoring and developing skills to make people job ready or via projects such as the County Durham Apprenticeship Programme though the scale is both modest in relation to the number of people out of work and the finance that was previously available by the way of ABGs and the resources available to the RDA.**

Discussion

- 42 Information was provided to the Reference Group on national employability schemes that had existed previously compared to the schemes which are currently in place. Since the 1980s the accepted policy response from Central Government had been various programmes of ‘welfare - to- work’. In the 1980s and 1990s Governments had introduced major changes in the levels and conditions for receipt of unemployment benefits, including the introduction of Incapacity Benefits. More recently there has been a shift in Government policy away from mandatory schemes without sanctions to mandatory schemes with serve sanctions. The Coalition Government’s flagship Work Programme has primarily acted to insure those most able to work are supported into labour as quickly as possible at the expense of those furthest away from the labour market (those individuals with multiple barriers to employment). These individuals have effectively become marginalised, with few schemes or interventions designed to remove barriers to employment for those furthers from the labour market in place, this has acted to significantly increase the number of individuals who are long-term unemployed.
- 43 With regards to local employability schemes, previously schemes had a significant degree of local input thanks to funding such as ABG; ensuring schemes were tailored to meet local needs. The approach adopted throughout much of County Durham was holistic, offering a suite of initiatives at each stage of a client’s journey extensively funded through Area Based Grants.
- 44 At present schemes to address employability issues are predominately nationally led and employer focused. This is largely due to the loss of ABG and other sources of Central Government funding as part of the austerity

exercise, understandably, this has resulted in a loss of local input and a corresponding loss of flexibility. There are however small pots of funding available to address local needs, local examples include; Coal Fields Regeneration Trust, Skills Funding Agency and Area Action Partnerships. These resources however offer only a fraction of what was available through ABG and the resources afforded by the Regional Development Agency.

- 45 The small localised interventions which the County Council and its partners have been able to adopt have not replicated the loss of previous schemes like for like. Replacements on a small localised scale have largely been County Council funded through the 14 Area Action Partnerships, though the entire budget of which makes up less than 5% of what was afforded to the County through the Working Neighbourhoods fund. Much of the activity of the AAPs has been focused on helping people into employment either through mentoring and developing skills to make people job ready or through involvement in initiatives such as the County Durham Apprenticeship Scheme. Appendix 2 provides some examples of employability interventions provided through the AAPs.

Business support – Interventions and Federation of Small Businesses

Key Findings

- 46 **The evidence presented shows that the current network of support for business is complex, with the ownership of the various schemes spread across a number of Government departments and delivered by a number of providers. There has been a distinct shift from the costly face to face support of the past towards more frugal telephone and web-based support. The current system is notably confusing and complex particularly for small and micro businesses and sole traders who find it difficult and time consuming to navigate.**
- 47 **Concerning small businesses, micro businesses and sole traders which make up the vast majority of County Durham's economy, there is a distinct need to expand the support currently offered to ensure that it is flexible in how it is delivered in terms of timings and availability and provides the range of support required.**

Discussion

- 48 The mix of business and enterprise support is historically complex with a notable 'churn' of initiatives and policies as various Governments come and go. In the 1980s the development of a policy to increase the 'quantity' of new UK businesses came to the fore, and small business came to be recognised for their potential to create jobs as well as being a source of productivity gains. In the 1990s, the emphasis shifted to improving the 'quality' of the small business stock through targeted initiatives such as Business Link. By the 2000s, the approach became more 'balanced' as policymakers sought to use enterprise policy both as an instrument of social policy to improve opportunities for disadvantaged individuals and communities and, at the same time, to improve the productivity of small businesses.

- 49 Since the economic downturn and the introduction of austerity measures there has been a notable scaling back of business support and an equal shift away from supporting disadvantaged communities. The Reference Group was informed that national business support schemes such as 'Business Link' which had offered 'cradle to grave' face to face support now offers online support only to businesses, while a large part of the brief for Regional Development Agencies which were abolished had been to promote business efficiency and competitiveness .
- 50 Prior to 2008 a number of business support schemes existed with extensive resources funded through area based grants offering tailored support, which targeted disadvantaged and deprived communities in order to encourage enterprise, however, with the loss of ABG there was a corresponding loss of support. Current local provision has been reduced in size and scope while the Enterprise Agencies have also been left with diminished capacity. Again, there are small pots of funding available; however, funding has more often than not been awarded via a bidding process based on outputs. This approach marks a shift away from local schemes towards regional support focused on economic growth rather than a tool for addressing social inclusion which had been the approach witnessed throughout the 2000's.
- 51 Evidence from the Development Manager, for the Federation of Small Businesses (FSB represents 4,000 small businesses across the North East), highlighted the complexity of the support currently offered to small businesses. There are 891 national support schemes for small businesses with 114 these schemes available in the North East.
- 52 A major issue faced by small businesses was accessing finance however it was highlighted that the North East Access to Finance guide was a useful document that narrowed searches based upon business type and the funding required. In most circumstances small business owners preferred to speak to a person either via telephone or in person as regards to issues such as funding however a high percentage of the support options available to business have been scaled back to 'web-only'.
- 53 In relation to sources of support, Government support schemes focus on large national companies and those with high growth potential however schemes such as 'Growth Accelerator' which had initially not been intended for small businesses having failed to reach targets have been widened to include small businesses.
- 54 Concerning business within the North East, it was confirmed that of the 135,000 businesses, 134,000 were small and micro businesses with 100,000 of those being sole traders. However, the majority of business support was focused on the 1,000 largest companies. It was confirmed that the 134,000 small businesses equated to around 333,000 employees with a value of £24 billion to the regional economy. In addition, a lot of the jobs within small businesses are given to those moving from benefit into work.
- 55 It was highlighted that the complexity and vast nature of business support schemes causes confusion as regards to how the different Government schemes are accessed via Jobcentre Plus, Department of Works and

Pensions (DWP) or other organisations/agencies. In addition, the number of schemes can lead to duplication of offer.

56 In relation to moving forward it was highlighted that FSB members wanted the Government to: create a 'Business Bank' which would provide an opportunity to simplify business support and focus on delivery (bringing finance and business support together).

57 The following points/issues were raised by members during the discussion in relation to business support:

- In certain business communities such as farming support would be accessed via the National Farming Union (NFU) or the FSB rather than the Local Authority or Local Elected Members.
- Existing businesses tend to look to fellow businesses for support and advice.
- Given the large number of sole traders there is a need to expand support to this group providing access to advice/support in relation to apprenticeship opportunities, expanding to employ additional staff and practical administrative support.
- Issues were raised in relation to the 'work readiness' of individuals referred by Jobcentre Plus (JCP) to small businesses for work placements/trials. It is essential that job seekers are work ready and 'best fit' the needs of the small business.
- The complexity of the current business support system and the number of providers would result in duplication of provision/offer.

Business Durham

Key Findings

58 **The evidence provided shows the support offered by Business Durham to both large and small businesses within County Durham. In addition, Business Durham has seen some success in supporting the attraction of inward investment despite the economic climate.**

59 **Business Durham also promotes enterprise within the County working with schools, colleges and Durham University on initiatives such as the 'Future Business Magnates' competition.**

60 **A key role for Business Durham is business growth which includes helping business within County Durham to access contract opportunities via Durham County Council's current procurement process, in 2012/13, 55% of the Council's spend was within County Durham suppliers and 77% of this amount was paid to SMEs in the County.**

Discussion

- 61 Members also considered the business support service commissioned by the Council through Business Durham which includes various initiatives with schools, colleges and Durham University. Business Durham works closely with key partners in particular the four Enterprise Agencies referring 130 enquiries for business start-up advice during 2012-2013, and 54 enquiries to December 2013 for 2013/14. One of the ways in which Business Durham promotes enterprise in young people is through the Future Business Magnates (FBM) enterprise competition which introduces over 200 young people per year to the principles of enterprise and connects County Durham businesses with schools. Examples of other enterprise promotion initiatives included: the Peter Jones Enterprise Academy, Durham University's 'Blueprint' enterprise competition and enterprise workshops in schools.
- 62 In terms of business growth and development, Business Durham's main role is to ensure that timely advice is available to businesses in the County, of whatever size, to assist with the issues they are facing. In addition Business Durham proactively engages with businesses to understand their issues and identify business growth opportunities and has business engagement groups for major industrial estates in the County at Aycliffe, Peterlee and Consett.
- 63 To support business development Durham County Council has launched a Social Value Taskforce, chaired by Councillor Neil Foster, to help small businesses and social enterprises win more contract opportunities. The County Council has already made progress in helping businesses in the County to access contract opportunities. In 2012/13, 55% of the Council's spend was with County Durham suppliers, and 77% of this amount was paid to SMEs in the County. The Taskforce will recommend ways that the Social Value Act can be used to help grow the local economy. It will also look at how the Council can embed the principles of the Act across everything the Council does. It is anticipated that the Social Value report will be completed by March/April 2014.
- 64 Inward investment is a vital tool in any attempt to grow County Durham's economy and therefore is seen as a key priority for Business Durham, total enquiries for the year 2012/13 totalled 63. A central role for Business Durham is managing and developing the County Council's business property portfolio, consisting of 440 individual lettable units totalling 52, 765 m², made up of modern office and managed workspace facilities, factories and NETPark. A number of improvements have been made to increase occupancy and revenue across the portfolio including improved marketing and increased use of social media.

Interventions – Bishop Auckland College – Visit

Key Findings

- 65 **Bishop Auckland College has been pro-active in work undertaken to engage with local employers to identify their training requirements and deliver suitable training courses to ensure that young people in local communities within County Durham have the desired skills and are best placed for future employment.**

Discussion

- 66 On the 13th January, 2014 the Members' Reference Group carried out a visit to Bishop Auckland College (BAC) to see 'first hand' the type of support that they provide to the local business community. The visit consisted of a tour of the facility followed by a presentation from the Principal/Chief Executive and key managers.
- 67 During the tour of the college facility Members visited the Motor Vehicle, Joinery, Bricklaying, Graphics/Printing and Catering/Hospitality facilities and commented on the high quality of the facilities and equipment for use by the students. It was highlighted that entrepreneurship is encouraged by the college and also there are initiatives such as 'Ambition', a fully licensed restaurant offering students the full front of house experience, providing real world experience and an opportunity for employers to see student's skills.
- 68 The Reference Group was informed that a restructuring had taken place within Bishop Auckland College to train young people in the skills required by local employers via responsive training, ensuring that the training provided met the needs of local employers.
- 69 In relation to opportunities the college commented that there are signs showing a manufacturing upturn for example the arrival of Hitachi at Newton Aycliffe and opportunities within the supply chain; European Funding coming into County Durham; the NELEP priorities of investing in education, skills and lifelong learning; technical development and innovation (NETPark); and some positive policy changes in relation to apprenticeships. All the above opportunities are having an impact on the delivery plans and aspirations of the college and in ensuring the development of appropriate support and learning for students and employers.
- 70 It was noted by the Reference group that the UK Commission for Employment and Skills (UKCES) had noted a mismatch between skill and jobs in the UK (supply and demand). It was felt by the College that there is a need to move from simply selling training to employers, to helping to drive demand in sectors through business support and thereby creating a 'pull through' to schools and colleges to stimulate interest and demand for jobs linked to job opportunities. The college highlighted the need for EU resources to be used to stimulate and support business growth and expressed a desire to be involved in developing and supporting this type of business support.
- 71 In relation to engagement with employers it was confirmed by the College that they have a team of staff who focus on engaging with local employers to identify their training requirements to ensure they are met by courses delivered by the College. The College commented on the links which it has to the Enterprise Agencies and Durham County Council in working with employers.

Regeneration and Economic Development Service Grouping Response

- 72 The Regeneration and Economic Development (RED) Service Grouping have welcomed the opportunity to undertake this piece of work with the Reference Group to consider the implications of changes to government policy and funding on the economy of County Durham. The scope of the work and discussions with Members has highlighted the key issues, challenges and opportunities facing the county. It is imperative that collectively with partners we continue to support the growth of the county's economy to stimulate growth, strive to reduce the deprivation gap within communities and where possible continue to mitigate the impacts of policy and funding changes.
- 73 As highlighted within the report analysis financial pressures facing the wider public sector and councils like Durham has had impact upon the services provided. Funding and policy changes, along with the drive to reduce deficits has affected the way we do business whether that is through efficiencies, changing services or different commissioning channels. A recent research report published in March 2014 by the Association of North East Councils and the Institute for Local Governance '[Challenging Times: prospects for Local Government in the North East of England](#)' highlights that some areas have been much more affected by the Government funding and policy changes. The research echoes that referenced by IPPR with members, '*that councils in the less prosperous parts of the county, including the North East, have been hardest hit by the government's cuts.*' Confirming that these areas are often more reliant on government grants, are less able to generate additional revenue from Council Tax and Business Rates and are also less able to benefit from new grant regimes that are growth focused rather than needs based.
- 74 This changed nature in funding has affected the types of services we have supported over recent years and an issue that has been highlighted with members. This ANEC and ILG Report details that disparities in council funding and resources is likely to continue and intensify. It continues to note issues not covered within this analysis with members, stating that while there is increasing demand for local public sector services within the north east, these are being cut and are set against increasing demographic pressures, new legislation and consequences of welfare reforms and austerity measures. As a council we are mindful of these challenges and need to remain aware of how these pressures sit alongside local authority job losses and welfare changes. With reduced household disposable incomes and spending power this could continue undermine the economic recovery within our local economy.
- 75 As a Service Grouping, RED will continue to assess the implications of policy and funding changes in our approach to service design and delivery. Working with partners through the County Durham Economic Partnership and specifically the newly established Data Management Group we will continue to consider and understand the changing economic environment is having upon the economy of County Durham and the challenges and opportunities this presents. Through this group it is planned to review our current measures of success that provide a barometer of the county's economy and help to measure the performance of council interventions.

- 76 It is important that we can respond positively to these changing and challenging times, adapting service delivery as possible and reconsidering our priorities when tackling budget reductions and targeting our support. The majority of RED's services and activities provide longer term measures and approaches to promoting economic development to improve the local economy including development of strategic sites, business support and employability support. These changes and impacts take time. It is necessary that we continue to provide detailed statistics, research and analysis for strategy, plan and activity development through our Spatial Policy Team to ensure our interventions are fit for purpose and have the desired impacts. This service support will continue to provide context and knowledge for our Service Grouping, alongside the production of regular economic updates.
- 77 As a Service Grouping we will continue to consider the right balance of support and interventions that address need and support opportunities within the county. This involves working closely with partners to develop appropriate interventions and making the most of the available funding opportunities that are presented - whether this is through the next EU funding period 2014-20 or supporting partners with Regional Growth Fund applications.
- 78 As recognised within the report the regional approach to supporting regeneration and economic development has changed significantly over recent years. RED will continue to support and work closely with partners within the North East Local Enterprise Partnership and through the North East Leadership Board to maximise opportunities for County Durham. This in recent months has included extensive partnership working to inform the development of the NELEP EU Structural and Investment Fund Strategy and the North East Strategic Economic Plan (SEP). The SEP, once agreed, will outline the agenda for growth for the north east. Some of County Durham's key assets will be recognised such as:
- cultural and academic urban core within Durham City
 - second largest industrial area within the north east local enterprise partnership area at Aycliffe Business Park
 - key growth areas alongside the A1(M) and A19
 - innovation hub at NETPark
 - inward investments such and Hitachi Rail Europe at Merchant Park
- 79 Our partnership approach to enhancing this agenda for growth by supporting economic growth and job creation within the county is crucial to making a difference and supporting our ambition of *creating sustainable places where people want to live, work, invest and visit whilst enabling residents and businesses to achieve their potential*. Considering and understanding the changes to policy and funding, alongside the challenging economic times is intrinsic to this approach. The opportunities available to and within the county need to be capitalised to address market failure and support investment in the right places whether this is through the creation of business sites and premises or employability programmes to support people into employment. Balancing need and opportunity is complex. Through the development of a County Durham Investment Plan with the CDEP has indicated the priorities for

investment in line with EU funding priorities and those identified by the partnership. The next few years present challenging times for the partnership and the RED Service Grouping to maintain the balance of service delivery in areas of the county witnessing decline and opportunities to stimulate further economic growth and tackle the ongoing pressures associated with deprivation.

Conclusions and Recommendations

- 80 The Members' Reference Group was established to assess the impact of changes in Government funding and policy on the economy of County Durham and in doing so adopted the approach of examining the scale of the changes, what policy themes have experienced changes, which areas within the County have been affected by these changes and which group/groups have been affected by these changes. It was also determined that the Reference Group would consider opportunities available to assist in mitigating the negative impact of changes in Government funding and policy.
- 81 After reviewing the evidence and key findings the Members' Reference Group recommendations in respect of the impact of changes in Government funding and policy on the economy of County Durham for consideration by the Economy and Enterprise Overview and Scrutiny Committee and Cabinet are:-

Recommendation 1

That Durham County Council and partners continue to monitor the impact of changing policy and funding reductions on the economy of County Durham, identify concerns and opportunities and take these into account as part of the priority development processes.

Recommendation 2

That the Economy and Enterprise Overview and Scrutiny Committee receive as part of the six monthly systematic review of the recommendations contained in the Scrutiny Review report information of developments and key economic issues from the County Durham Economic Partnership Data Management Group.

Recommendation 3

That Durham County Council and partners consider the right balance in pursuing interventions that address need and deprivation within the County and opportunity, ensuring that any concerns influence priority actions.

Recommendation 4

That Durham County Council and partners undertake a coordinated approach to maximise opportunities and benefits for County Durham presented through the North East LEP, North East Strategic Economic Plan and the EU funding programme 2014-2020 (Durham €157 million as a Transition Region) for our residents, communities and businesses

helping to give them the right tools and support to access employment and economic growth opportunities.

Recommendation 5

That the Economy and Enterprise Overview and Scrutiny Committee as part of the Committee's work programme for 2014/15 continue to receive update reports in relation to the progress of the EU Funding programme 2014-2020.

Recommendation 6

That a review of this report and progress against recommendations will be undertaken six months after the report is considered by the Economy and Enterprise Overview and Scrutiny Committee at the meeting on the 7th April, 2014.

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Appendix 1: Implications

Finance – The report identifies the importance of Durham County Council utilising all opportunities in relation to new initiatives for funding for example the European Funding Programme 2014-2020 to ensure that the County maximises the funding opportunities currently available for the benefit of County Durham.

Staffing – None.

Risk – The RED Service Grouping will identify within the appropriate Service Plan key risks as a result of changes in Government funding and policy on the economy of County Durham.

Equality and Diversity / Public Sector Equality Duty - The review report takes into consideration Equality and Diversity and has resulted in the necessary Equality Impact Assessment being carried out.

Accommodation – None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – The report makes reference to the work already undertaken by DCC in relation to helping businesses in the County access contract opportunities. It also refers to the establishment of the Social Value Task Group currently looking at how the requirements of the Social Value Act can be implemented to help small businesses and social enterprises win more contract opportunities.

Disability Issues – The report identifies groups which have been most affected by the changes in Government funding and policy, on a national level those with disabilities had been identified and in relation to County Durham those reliant on benefit which would include those with disabilities. The RED Service Grouping will continue to monitor data in relation to those groups most affected.

Legal Implications - None

Appendix 2: Employability Interventions

'Get Britain Working' Jobcentre Plus Initiatives

- Work Clubs – these provide people with a place to meet to share experiences, find opportunities, make contacts and get support to help them in their return to work. JCP provides practical advice on establishing or supporting a Work Club.
- Working Together – JCP will give individuals information about volunteering.
- Work Experience – offers a greater insight into the world of work. JCP will offer young unemployed people the opportunity of 2-8 weeks work experience by matching eligible claimants to placements.
- New Enterprise Allowance – provides help for unemployed people who want to start their own business. Business mentors from the local community provide guidance and support as customers develop their business idea and through the early stages of trading.
- Enterprise Clubs – encourage people who are interested in self-employment to share skills and experience.
- Sector Based Work Academies – combine sector specific training with a work experience placement and a guaranteed job interview with an employer in that sector. They are targeted at customers close to the labour market to help them find work and are established in sectors with high volumes of entry level jobs and current vacancies. Placements last for a maximum of six weeks.
- Wage Incentive – this is available if a business takes on a young person for 16 hours or more each week in a job lasting more than 26 weeks. Wage incentives are available to private, voluntary and community sectors and social enterprise employers.
- Universal Jobmatch – was launched on 19th November, 2012, using the technology from www.monster.co.uk, a job search website, enabling people to upload their CV to be searched against by employers providing a 24 hour-a-day job search activity with job alerts provided to customers when suitable vacancies become available.
- Work Trials – enable customers to try out positions providing an opportunity for employers and customers to see if they are a 'good fit'. The trial is normally for 1 or 2 weeks.

Area Action Partnership Employability Interventions

Below are some examples of the work being undertaken across the County by different AAPs:

- 4Together AAP – 'Reach Project' - as a direct response to welfare reform and to address the current economic hardship faced by local people, the AAP has developed this project in 2012/13. The project has a suite of

measures aimed at raising people's confidence and skills to better engage in their community and job market. The Reach Project offers one to one mentoring support, helping people with various issues including: homelessness, Employment Support Allowance appeals, online Job seekers claims, housing and council tax benefits and personal independent payments. A job club is provided twice per week to help people access IT facilities.

- BASH AAP – has funded two Business Advisors in the area with the focus on self – employment. The project is in partnership with South Durham Enterprise Agency, Durham County Council and 2D. Their aim is to provide flexible support and targeted business advice to businesses and business start-ups in the Bishop Auckland and Shildon area, this included business planning, financial forecasting and marketing. The scheme offers clients intensive one to one support with targeted training available. The support is also available to existing businesses as well as potential new business start-ups. The project has proved to be successful and recently reported the 100th Business start-up.
- GAMP AAP – Employability Skills Fund – this project has been running since 2011 and has achieved a number of successful outcomes. It responds to the increasing need for support for people trying to find employment. The two funds that support the project are an 'Employability Skills Fund' aimed at responding to specific training needs and a 'Discretionary Fund' aimed at removing barriers that prevent clients from accessing training.
- East Durham Rural Corridor AAP – has focused on apprenticeships, with the apprenticeship initiative creating a further 15 apprenticeship opportunities this year. The AAP has worked in partnership with Jobcentre Plus and colleagues in Regeneration and Economic Development and the National Apprenticeship Service to increase the number of apprenticeships in the area.
- Three Towns AAP – is funding an Employability Mentor whose remit is to help remove barriers to employment. The project has been running for 8 months with 132 unemployed residents receiving support from the project with 74 people having a successful outcome with 42 gaining employment, 30 into self-employment and 2 apprentices.

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Cabinet7th May 2014**NHS and Public Health Reform****Report of Corporate Management Team****Rachael Shimmin, Corporate Director of Children & Adults Services****Anna Lynch, Director of Public Health County Durham****Councillor Lucy Hovvels, Cabinet Portfolio Holder for Safer and Healthier Communities****Councillor Morris Nicholls, Cabinet Portfolio Holder for Adult Services****Councillor Ossie Johnson, Cabinet Portfolio Holder for Children & Young People's Services****Purpose of Report**

1. The purpose of this report is to provide an update on recent developments related to NHS and public health reform.

Background

2. Cabinet agreed to receive quarterly update reports for a period of 12 months, from April 2013, on developments related to NHS and public health reform. This is the final report to be presented to Cabinet in this format. In future, a Health and Wellbeing Board Annual Report will be developed and presented to Cabinet.
3. This report provides an update on developments since the last report presented to Cabinet on 22nd January 2014.

National Developments**NHS England**

4. NHS England has published a framework within which commissioners will need to work with providers and partners in local government to develop strong, robust and ambitious five year plans. "Everyone Counts": Planning for Patients 2014/15 to 2018/19, describes NHS England's ambition for the years ahead and its ongoing commitment to focus on better outcomes for patients. It describes the vision for transformed, integrated and more convenient services, set within the context of significant financial challenge. The planning guidance is accompanied by a suite of support tools intended to assist commissioners with their planning considerations to maximise the best outcomes for their local communities.
5. A new agreement between police and the NHS seeks to improve emergency support for people in mental health crisis care. The agreement - called the Crisis Care Concordat - has been signed by more than 20 national organisations in a bid to drive up standards of care for people experiencing crisis such as suicidal thoughts or significant anxiety. Locally, through the Joint Strategic Needs Assessment (JSNA) and Joint Health and Wellbeing Strategy (JHWS), Health and Wellbeing Boards should have an understanding of the current and future health and care needs of the local population. This should include people

experiencing mental health crisis. Health and Wellbeing Boards offer a forum for joining up local services and could coordinate the commissioning of services for people with multiple needs. As part of this, the Concordat suggests Health and Wellbeing Boards might like to review the care pathways from police custody suites and courts to make sure individuals with co-existing mental health and drug and alcohol issues can effectively access appropriate substance misuse services. It is also suggested Health and Wellbeing Boards review whether there are sufficient resources available to ensure patient safety, enable service user and patient choice to make sure individuals can be treated close to home, wherever possible.

Integrated Care and Better Care Fund

6. A new clause was added to the Care Bill which establishes the Better Care Fund to promote joint working between the NHS and care and support services. This will enforce the pooling of health and social care budgets and oblige councils and clinical commissioning groups to bring together £3.8bn in 2015-16 to integrate care. The Care Bill will receive Royal Assent in May 2014.
7. On 14th February 2014, Local Authorities submitted Better Care Fund Plans to their NHS England Area Team, which outlined how services would be transformed and integrated in their local area. Following this date, supplementary guidance on the Better Care Fund assurance process was issued and Better Care Fund plans were submitted to NHS England by Area Team on 4th April 2014.
8. Further information on the Better Care Fund can be found in paragraph 15.
9. The House of Commons Health Select Committee report, entitled 'Public expenditure on health and social care', concludes that the health and care system needs fundamental change so that services are joined up and focussed on the needs of patients. The Committee recognises that the problem at the heart of greater integration between health and social care is that the NHS, although coping with a static budget for the first time in its history, is better funded than social care. Improved integration requires a switch in funding from health services, particularly those in the acute sector, towards community-based services and social care. It recommends that the current level of real terms funding for social care should be ring-fenced. It also recommends that the role of health and wellbeing boards should be developed to allow them to become effective commissioners of joined-up health and care services.

Public Health

10. The report, "Public health transformation nine months on: bedding in and reaching out" commissioned by the Local Government Association (LGA) and Public Health England describes how public health in a number of councils has started to use the opportunities of a local government setting to improve health and wellbeing. Case studies show a range of ways in which the Public Health service in councils is approaching its new role. One of the case studies is Durham County Council. Here the report discusses how Public Health will lead on the Authority's ambition for all residents to enjoy health and wellbeing equal or better than the England average by: working across the council to ensure all opportunities are taken; ensuring action is based on research and best practice; working with partners such as the NHS and working with Area Action Partnerships (AAPs) to build on the assets of local communities.

11. The Government has announced that public health commissioning for 0-5 year olds will transfer from NHS England to local government on 1 October 2015. A national task and finish group with representation from the LGA and wider local government sector led bodies has been set up to take forward discussions on mandates, funding and other key issues. The Government will work closely with the Department of Health (DH) to ensure the transfer is proportionate and outcomes based and that councils are prepared for the transfer of commissioning. The Government will also work closely with the DH to confirm that sufficient funding is agreed and communicated early, to enable councils to plan effectively. It presents a crucial opportunity for local authorities and health partners to join up and continue the transformation of public health services across social care, education and other relevant services for all children and young people.

Regional Developments

Public Health

12. Public Health England held an event titled "Transforming the public health system together" at the end of February 2014. This event showcased good practice across the North East, such as the "Men's Sheds" programme in County Durham, which is funded through Public Health to reduce social isolation between men by creating a space for informal discussion and collaboration.
13. The North East Directors of Public Health are working collectively with Association of North East Councils (ANEC) to consider approaches to tackle alcohol-related issues. This work will initially focus on availability, price and advertising and is being progressed with support from Balance¹.
14. The North East Directors of Public Health, in collaboration with North East Public Health England Centre have planned a series of workshops that will support public health activity across the region. These include knowledge and intelligence, sexual health, workplace development, shared functions and alcohol.

Developments in County Durham

County Durham Health and Wellbeing Board

During the period January to March 2014 the Health and Wellbeing Board (HWB) focussed on the following areas:

Better Care Fund

15. At its meeting on 5th March the Health and Wellbeing Board ratified the joint Better Care Fund Plan. County Durham's allocation of the £3.8 billion Better Care Fund (BCF) (formerly the Integration Transformation Fund) announced in the June 2013 spending review is £43.735m in 2015/16.
16. By ratifying the BCF Plan the Health and Wellbeing Board agreed:

¹ Balance is the North East of England's Alcohol Office aiming to inspire changes to the way people in the North East think about and drink alcohol.

17. The vision for the BCF in County Durham: “**Improve the health and wellbeing of the people of County Durham and reduce health inequalities**”. This is the same vision for the Joint Health and Wellbeing Strategy.
18. The aim of the BCF will be to improve the health and wellbeing of the people of County Durham by innovating and transforming services with a focus on improved outcomes, prevention and integration, reducing reliance on long term health and social care, maintaining the independence of our population.
19. The objectives outlined in the BCF plan are the same as those identified in the Joint Health and Wellbeing Strategy.
20. There are five areas that have been identified for transformation:
 - Intermediate Care (support at home to prevent hospital admission, promote independence)
 - Support for care homes
 - Non Fair Access to Care Services (FACS) reablement (access to intervention services for those who require support to relearn or regain skills to help them maintain independence, for people without eligible critical or substantial needs)
 - Combating social isolation
 - Seven day services
21. To support the above priorities there will be seven work programmes:
 - **Short term intervention services** which includes intermediate care community services, reablement, falls and occupational therapy services
 - **Equipment and adaptations for independence** which includes telecare, disability adaptations and the Home Equipment Loans Service
 - **Supporting independent living** which includes mental health prevention services, floating support and supported living and community alarms and wardens
 - **Supporting Carers** which includes carers breaks, carer’s emergency support and support for young carers
 - **Social isolation** which includes local coordination of an asset based approach to increase community capacity and resilience to provide low level services
 - **Care home support** which includes care home and acute and dementia liaison services
 - **Transforming care** which includes maintaining the current level of eligibility criteria, the development of IT systems to support joint working and implementing the Care Bill
22. Each of the suggested work programmes have been developed based on a wide range of initiatives which meet the requirements of the Better Care Fund. The initiatives have also been aligned to the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy.
23. A number of performance indicators have been developed to measure a shift from acute to community care, carers satisfaction and those in receipt of telecare. They will also measure the admissions of older people to residential and nursing care homes, delayed transfers of care from hospital and avoidable emergency admissions.
24. Engagement has taken place with the main NHS provider organisations who provide services to County Durham’s population when developing the Better Care Fund plans to

ensure there is an understanding of the impact of the shift from the acute sector to community based care.

25. A programme approach is being used to support the delivery of the Better Care Fund transformational plan. For each of our seven programmes there is a senior sponsor and a project manager.
26. An assurance process has been undertaken of all Better Care Fund plans. In the North East this has been led by NHS England Area Team with local government regional peers (including the chair of the North East Association of Directors of Adult Social Services and Director of Public Health County Durham) who were responsible for assessing progress of Better Care Fund plans developed by local Health and Wellbeing Boards in the region and identifying areas in need of further support.

Section 256 agreement

27. Section 256 of the 2006 NHS Act allow for an agreement to transfer funds from NHS England (changed to reflect the Health and Social Care Act 2012) to Local Authorities. The funds must be used to support adult social care services and also must have a health benefit. Health and Wellbeing Boards are the forum for discussions between the NHS England Area Teams, Clinical Commissioning Groups (CCGs) and local authorities on how the funding should be spent.
28. At the meeting on 15th November 2013, the Health and Wellbeing Board agreed the transfer of social care funds of c. £10.1m for 2013/14 and c. £10.5m for 2014/15 from NHS England under a Section 256 Agreement. They agreed that the funding for 2013/14 would be used under the following broad headings:
 - Eligibility
 - Prevention
 - Short term assessment & intervention
29. It was also noted that the Council and the CCG's agreed in principle that the Section 256 agreement could be extended to cover the financial period 2014/15 as the proposed spending plans would not vary significantly.
30. Since the November Health and Wellbeing Board meeting, Section 256 funding for 2014/15 has been confirmed as £12.936 million. The Section 256 agreement schedule for 2014/15 was updated to reflect this. This will be taken forward by the Corporate Director for Children and Adults Services, Chief Clinical Officer (Durham Dales, Easington and Sedgefield Clinical Commissioning Group) and Chief Operating Officer (North Durham Clinical Commissioning Group and Durham Dales, Easington and Sedgefield Clinical Commissioning Group) in conjunction with the Chair of the Health and Wellbeing Board.

Special Educational Needs and Disability Reforms

31. In January 2014, the Health and Wellbeing Board received a report with the overview of the significant reforms for children, young people and adults with special educational needs between the ages of 0 – 25 years, with a highlight of the risks and implications for the NHS and local authority.
32. An Action Plan has been developed covering each aspect of the reforms and will be reviewed regularly. A multi-agency steering group has been established since September

2013 to identify and address cross cutting issues and monitor progress in planning for the implementation of the reforms including:

- An Education Health and Care assessment process, which is nearing completion
- An audit of information on services to inform future IT developments for the Local Offer, which requires Local Authorities to publish in one place information about the services available in their area for children and young people 0 - 25 who have special educational needs and/or disabilities

33. The reforms will be implemented from September 2014.

Adult Autism Strategy

34. A draft Local Autism Action Plan for 2014/15 was presented to the Health and Wellbeing Board in January 2014. The action plan addresses the areas highlighted for further development in the Autism Strategy self-assessment, particularly those issues relating to increasing the number of people with autism in employment, and ensuring people with autism are dealt with appropriately in the criminal justice system. Detailed work will be co-ordinated through a Local Autism Strategy Implementation group and the regional Association of Directors of Adult Social Care (ADASS) sponsored Regional Autism Group.

Joint Health and Wellbeing Strategy 2014-17 and Joint Strategic Needs Assessment

35. The Joint Strategic Needs Assessment (JSNA) key messages were received by the Health and Wellbeing Board on 21st January 2014 and the Joint Health and Wellbeing Strategy (JHWS) was approved by the Health and Wellbeing Board on 5th March 2014.

36. The Joint Health and Wellbeing Strategy has been received and endorsed by North Durham Clinical Commissioning Group at their Governing Body meeting, and Durham Dales, Easington and Sedgfield will also endorse through their Governing Body on 13th May 2014.

37. The Joint Health and Wellbeing Strategy 2014/17 informed the development of the refreshed Sustainable Community Strategy 2010-30 and is aligned to the "Altogether Healthier" section of the Strategy.

38. Extensive consultation has taken place on the JSNA and JHWS between October 2013 and February 2014 with over 400 people from different backgrounds taking part in the process.

39. A number of documents have influenced the development of the JHWS including the Annual Report of the Director of Public Health County Durham, the Better Care Fund plans and the Clinical Commissioning Group plans.

40. The strategic objectives of the JHWS are:

- Children and young people make healthy choices and have the best start in life
- Reduce health inequalities and early deaths
- Improve quality of life, independence and care and support for people with long term conditions
- Improve the mental and physical wellbeing of the population
- Protect vulnerable people from harm
- Support people to die in the place of their choice with the care and support that they need

41. The JHWS includes a number of Strategic Actions that identify the key areas of work for the Health and Wellbeing Board, linked to objectives and outcomes. More detailed actions outlining the work taking place to achieve the Strategic Actions will be included in the JHWS Delivery Plan. This will be presented to the Health and Wellbeing Board for agreement on 3rd July 2014.

Annual Report of the Director of Public Health for County Durham

42. At its meeting on the 5th March 2014 The Health & Wellbeing Board received the 2012/13 Annual Report of the Director of Public Health for County Durham. This is the first annual report produced and is a requirement of the Health and Social Care Act 2012. The Annual Report focuses on tackling health inequalities in County Durham and proposes the actions that need to be put in place by a range of partnership agencies.

North Durham Clinical Commissioning Group (NDCCG) and Durham Dales, Easington and Sedgefield Clinical Commissioning Group (DDESCCG) Planning progress update

43. The Health and Wellbeing Board received an update on the progress of the planning round for both NDCCG and DDESCCG.
44. As a part of the NHS 'A Call to Action' programme each of the Clinical Commissioning Groups (CCGs) within the Durham, Darlington and Tees area have worked jointly with the Local NHS England Area Team utilising the North of England Commissioning Support (NECS) communication and engagement teams. Through this engagement process, both NDCCG and DDESCCG gathered views from these events into the draft commissioning plans.
45. In Durham, the CCG's already have in place five year "Clear & Credible Plans 2012/13 – 2016/17" that describes the strategic direction for the CCGs. In addition, the revised planning framework requires CCG's to produce detailed two year operating plans and a five year strategic plan. These plans have been aligned to the Joint Health and Wellbeing Strategy.
46. Running in parallel and interacting with the development of the planning requirements is the NHS contracting process. The aim of this process is to secure the services from providers that meet the needs of the CCGs in terms of activity levels, quality and affordability.
47. In the 2014/15 planning guidance CCGs are only expected to develop one local quality premium priority. In County Durham the area chosen is an increase in the identification of patients at the end of their lives and will be measured through GP practice end of life registers. It is anticipated that approximately 1% of a practices population will die every year. The considerable benefits of identifying these patients include providing the best health and social care to both patients and families and avoiding crises, by prioritising them and anticipating need. Identifying patients in need of palliative care, assessing their needs and preferences and proactively planning their care, are the key steps in the provision of high quality care at the end of life in general practice. This indicator set is focused on the maintenance of a register (identifying the patients) and on regular multidisciplinary meetings where the team can ensure that all aspects of a patient's care have been assessed and future care can be co-ordinated and planned proactively.

Local Safeguarding Children's Board Annual Report

48. The Health and Wellbeing Board received the Local Safeguarding Children's Board (LSCB) Annual Report which outlined LSCB achievements in 2012/13 and priorities for 2014/15.
49. The LSCB continues to work on a range of issues as part of its ongoing work but has agreed to focus additional work in 2014/15 on the following priorities;
 - Information sharing – as this remained a critical issue from Serious Case Reviews both nationally and locally.
 - Early Help – the LSCB recognised early help as the key priority area for making significant impact on outcomes for children.
50. Protecting vulnerable people from harm is a key strategic objective for the Health and Wellbeing Board through the Joint Health and Wellbeing Strategy and close links have been forged between the Health and Wellbeing Board, Safeguarding Adults Board and the Local Safeguarding Children's Board.

Safeguarding Adults Board Annual Report

51. The Health and Wellbeing Board received a report with information about the current position of the County Durham Safeguarding Adults Board (SAB) and plans for 2014/15.
52. The HWB noted the graduated approach to safeguarding adults based on risk, the work taking place in relation to the low level of conviction rates, the support being provided to vulnerable adults who had been victims of abuse and recognised the co-ordinated partnership working taking place between the local authority and NHS.

Implementation of the Integrated Short-term Intervention Service (ISIS)

53. The Health and Wellbeing Board received an update on progress relating to the implementation of the transformation of former intermediate care services within County Durham.
54. The Responsive Integrated Assessment Care Team service has been renamed Integrated Short-term Intervention Service (ISIS). ISIS will provide one route into all intermediate care services following discharge from hospital. A single point of access has been created to enable all health and social care professionals from the acute and community setting to make a referral for an assessment.
55. This service has incorporated the ISIS Single Point of Access and three ISIS Multi-disciplinary Teams and will have access to a wide range of services incorporated into the wider ISIS model to facilitate maximum independence and sustainable recovery.

County Durham and Darlington NHS Foundation Trust's (CDDFT) Evolving Clinical Strategy

56. The Evolving Clinical Strategy builds on discussions with staff and stakeholders and work that has been carried out with clinical teams. It considers why the trust needs to do more to provide a truly integrated service which meets the needs and expectations of local people.
57. The CDDFT outlined the principle of the strategy including:

- Delivering core acute specialties across both acute sites (University Hospital of North Durham and Darlington Memorial Hospital)
- Consultant delivered care
- Patients in homes not hospital - clinicians to patients
- Care closer to home where safe, effective and efficient
- Older people at the heart of service delivery being supported in the community

58. The importance of working as a wider health and social care system was recognised by the Health and Wellbeing Board as well as the joint working with primary care in order to relieve the pressure currently presented to Accident and Emergency departments.

Future work programme for the Health and Wellbeing Board

Over the coming months the Health and Wellbeing Board will consider a number of joint areas of work, including:

Public Health Wellbeing Service

59. At its meeting in May the Health and Wellbeing Board will receive information on a new wellbeing service that is to be commissioned by Public Health. The new service model will have a life-course approach for children, young people, families and adults and build upon the adult wellbeing model.
60. The wellbeing service will adopt a whole family-centred approach to recognise the complex nature of children and young people's lives and the need to secure the support of parents, family members, carers and the communities in which young people live.
61. There is a strategic action in the Joint Health and Wellbeing Strategy to develop an integrated and holistic Wellbeing Service to improve health and wellbeing and tackle health inequalities in County Durham.
62. It is anticipated that the service will be commissioned by 1 September 2014 with a six month developmental phase. There will be three stages before the service is fully implemented.

Cardiovascular Disease Prevention Strategic Framework

63. Cardiovascular Disease (CVD) is the second largest cause of death in County Durham. The Health and Wellbeing Board will be requested to agree the CVD Framework which will include targeted interventions for people most at risk including those people who smoke.

Drugs Strategy

64. Work has taken place to develop and consult on the Drugs Strategy for County Durham. The key objectives identified in the Strategy are:
- Preventing Harm
 - Restricting Supply
 - Building Recovery in communities
65. The Health and Wellbeing Board will be requested to agree the Drugs Strategy at its meeting in July.

Healthy Weight Strategy

66. The Healthy Weight Strategy for County Durham will address obesity issues for both children and adults. Consultation on the strategy will end in September 2014. The Health and Wellbeing Board will then be requested to agree the strategy.

Offender Health

67. The Health and Wellbeing Board will receive a presentation on the work of the North East Offender Health Commissioning Unit in the North East and Cumbria.

Health and Wellbeing Board Annual Report

68. The Annual Report for the Health and Wellbeing Board will identify progress made in its first year. This will be presented to the Board at its meeting in July. The report will then progress to Cabinet.

Recommendations

69. Cabinet is recommended to:

- Accept this report on developments related to NHS and public health reform and receive the Annual Report of the Health and Wellbeing Board in September 2014.

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Appendix 1 - Implications

Finance – The Better Care Fund (BCF) national allocation, which has been top sliced from existing funding streams, received by local authorities and Clinical Commissioning Groups (CCG's), is £3.8 billion. For DCC, the revenue element of the BCF in 2015/16 (which includes the 2015/16 Social Care Funding, through the Section 256 agreement, of £12.936m) was confirmed as being £39.193m. Indicative 2015/16 capital allocations for Disabled Facilities Grant (£2.970m) and Community Capacity Grant (£1.572m), which also form part of the pooled budget, have been released. The BCF planning total is therefore £43.735m in 2015/16.

Staffing – There are no direct implications.

Risk – There are no direct implications.

Equality and Diversity / Public Sector Equality Duty – Under provisions in the Health and Social Care Act, the Secretary of State, NHS England, Local Authorities and Clinical Commissioning Groups have a duty to reduce health inequalities.

Equality Impact Assessments are carried out as part of the development of the Joint Strategic Needs Assessment and the Joint Health and Wellbeing Strategy.

Accommodation – There are no direct implications.

Crime and Disorder – The Joint Strategic Needs Assessment considers the wider determinants of health and wellbeing within a local authority's area, including crime and disorder issues and signposts to the Safe Durham Partnership Strategic Assessment.

The Director of Public Health County Durham has a role to work with the Police and Crime Commissioner to promote safer communities.

Human Rights – There are no direct implications.

Consultation – The government continues to consult with patients and professionals on NHS and public health policy.

Procurement – There are no direct implications.

Disability Discrimination Act – There are no direct implications.

Legal Implications – There are no direct implications.

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Cabinet**7 May 2014****Ofsted Single Inspection Framework for
Children's Services**

Report of Corporate Management Team**Rachael Shimmin, Director of Children and Adult Services****Councillor Ossie Johnson, Cabinet Member for Children and
Young People**

Purpose of the report

- 1 The purpose of this report is to provide Cabinet details on the new Ofsted Single Inspection Framework (SIF) for Children's Services.

Background

- 2 From November 2013, Ofsted brought together child protection, services for looked after children and care leavers and local authority fostering and adoption services into one single inspection framework for children's services – the Single Inspection Framework (SIF). Running parallel to the SIF, there will also be an inspection of the work of the Local Safeguarding Children Board (LSCB).
- 3 The implementation of multi-agency inspections was deferred by Ofsted, however work is currently ongoing with the Care Quality Commission (CQC), HMI Probation, HMI Constabulary and HMI Prisons, on the development of a new joint multi-agency inspection framework, which is due to be implemented from April 2015.
- 4 Based upon a three-yearly inspection cycle it is anticipated that Durham will be inspected between October and December 2014 as Durham was last inspected in November 2011. However, inspection is unannounced and could be called at any time.
- 5 At our last inspections in 2011, safeguarding services were judged to be 'outstanding' and services for Looked after Children (LAC) were judged to be 'good'. The local authority's adoption and fostering services were each judged to be 'outstanding' at their last respective Ofsted inspections in 2010.

Scope

- 6 The scope of the Single Inspection Framework is very broad and will cover:
- Children and young people who are receiving or who need early help.
 - Children and young people who are referred to the local authority and are assessed (or not).
 - Children and young people who become the subject of a child protection plan or have been the subject of a plan and need continuing support.
 - Children who are receiving support through a child in need plan.
 - Children looked after (with a plan for adoption, to return home, special guardianship or residence order, living with a foster family) and children accommodated.
 - Care leavers.

The Judgements

- 7 Inspectors will make a judgement on the **overall effectiveness** of services and arrangements for children looked after, care leavers and children who need help and protection. This is a cumulative judgement derived from the performance grade assigned to each of the following key and graded judgements:

Judgement Type	Judgement Area
Key	The experiences and progress of children who need help and protection.
Key <i>Graded*</i> <i>Graded*</i>	The experiences and progress of children looked after and achieving permanence. This key judgement is based on the following <i>graded</i> judgements: <ul style="list-style-type: none">• Adoption performance• Experiences and progress of care leavers
Key	Leadership, management and governance.

**A graded judgement describes significant and statutory aspects of provision for looked after children, care leaders and leadership.*

- 8 All judgements, whether they are key or graded, are measured using a four point scale:
- Outstanding
 - Good
 - Requires improvement (which replaces 'adequate' in the previous framework)
 - Inadequate
- 9 A judgement of 'inadequate' in any of the three key judgements will limit the overall effectiveness judgement to inadequate.

Key Changes

- 10 There are significant changes in comparison to previous inspection frameworks.

There will be a greater emphasis on:

- the child's 'journey';
- leadership and management oversight at all levels;
- early help;
- scrutiny of practice; and
- performance information and documentation.
- 'good' is used as the benchmark;
- 'requires improvement' will replace the 'adequate' judgement.
- Less interest in focus groups, partnerships and what professionals think and more in practice and user experience.

Inspection Results to date

- 11 To date, 11 Single Inspection Framework inspections have been completed and all reports have been published on the Ofsted website. Of these, only 5 have received an overall effectiveness judgement of at least 'good' and only 3 LSCB judgements have been 'good'. Details are attached at Appendix 2.

Preparing for the Inspection

- 12 Work has begun in Durham to prepare for the forthcoming inspection. This includes the following:

- **Benchmarking** Durham's current position and identifying necessary actions against inspection reports published to date.
- **A 'mock inspection'** carried out by a neighbouring Local Authority and subsequent action planning to address areas for improvement identified.
- Collating the **information, documentation and performance data** requested by Ofsted.
- Preparing a **Self-Assessment** for County Durham, highlighting the current position against the framework, key strengths and areas for development.

The role of the Chief Executive, the Leader of the Council and Lead Member for Children's Services in the SIF

- 13 A key judgement area in the Single Inspection Framework is around leadership, management and governance. If the council is judged to be 'inadequate' in this key judgement area, this will limit the overall effectiveness of the whole inspection to 'inadequate'. The Ofsted inspection handbook outlines the meetings inspectors will require with senior staff, including the Chief Executive, Leader of the Council and the Lead Member. These meetings will be in addition to individual interviews with inspectors during the inspection fieldwork period.

- 14 It should also be noted that benchmarking with other authorities has shown that inspectors have also engaged with members of the Overview and Scrutiny Committee for Children and Young People, the Corporate Parenting Panel and local partnerships, such as the Children and Families Partnership and Health and Wellbeing Board. Presentations on the inspection process are being delivered to the relevant committees and partnership boards within Durham.
- 15 Ofsted guidance and learning from other LA's shows that key areas inspectors will be looking for those interviewed to demonstrate include:
- Inspirational, confident, ambitious, visible, innovative and influential leadership which changes the lives of children, young people and their families and ensures the highest-quality services are provided.
 - Effective implementation and evaluation of change to respond to changing needs and the performance of services and staff.
 - A comprehensive knowledge about what is happening at the 'front line' and an understanding of how well we are performing, including both strengths and weaknesses.
 - Examples of rigorous and timely challenge to address concerns and the difference this has made.
 - An awareness of the views of the views of children, young people and their families and using these to influence strategic thinking.
 - Effective partnership working with clear, embedded accountabilities and responsibilities.
 - A successful and effective role as a Corporate Parent, testing for commitment, knowledge and ambition for services and in relation to their Corporate Parenting responsibilities within the context of budget cuts.
 - The Chief Executive and/or Lead Elected Member holding the LSCB Chair to account.

Recommendations and reasons

- 16 Cabinet are recommended to note the implications for the Leader of the Council and Lead Member for Children and Young People in relation to the inspection and implications for the committees of the Council including Overview and Scrutiny and the Corporate Parenting Panel.

Background papers

- [Ofsted Single Inspection Framework and Evaluation Schedule](#)
- [Ofsted Single Inspection Framework Inspection Handbook](#)

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Appendix 1: Implications

Finance	None
Staffing	The SIF will impact upon strategic and frontline staff in Children and Adults Services and partner agencies
Risk	<p>There is a reputational risk to the Council should the rating fall below 'good' which is the accepted benchmark.</p> <p>The Secretary of State for Education has the power to intervene if he considers that a Local authority is failing in its safeguarding duties toward children</p>
Equality and Diversity / Public Sector Equality Duty	All equality and diversity issues have been considered in developing quality processes within CAS.
Accommodation	None
Crime and Disorder	None
Human Rights	None
Consultation	Ofsted consulted on the SIF in June-July 2013 and the LSCB in October 2013. Following the outcomes of those consultations Ofsted published the SIF evaluation framework and inspection handbook in November 2013.
Procurement	None
Disability Issues	These are considered as part of the local authority's commitment to equality and diversity.
Legal Implications	<p>The inspection will be carried out under section 136 of the Education and Inspections Act 2006 (EIA).</p> <p>The LSCB review will be conducted under 15(A) of the Children Act 2004.</p>

Appendix 2: Inspection results to date

Local Authority	Inspection Date	Overall Effectiveness	The Effectiveness of the LSCB	Previous Inspection Judgement
Derbyshire	19-Nov-13	Good	Requires Improvement	Safeguarding – Good LAC – Good (Mar 2011)
Hartlepool	19-Nov-13	Good	Requires Improvement	Safeguarding – Good LAC – Good (Oct 2009)
Hillingdon	25-Nov-13	Requires Improvement	Requires Improvement	Safeguarding – Good LAC – Good (Jun 2010)
Slough	19-Nov-13	Inadequate	Inadequate	Safeguarding – Inadequate LAC – Adequate (Apr 2011)
Sheffield	19-Nov-13	Requires Improvement	Good	Safeguarding - Adequate LAC - Adequate (Oct 2010)
Bolton	14-Jan-14	Requires Improvement	Requires Improvement	Safeguarding – Good LAC – Good (Feb 2012)
Coventry	28-Jan-14	Inadequate	Inadequate	Safeguarding – Good LAC – Adequate (Mar 2011)
East Sussex	14-Jan-14	Good	Good	Safeguarding – Good LAC – Adequate (Nov 2010)
Essex	14-Jan-14	Good	Requires Improvement	Safeguarding – Inadequate LAC – Adequate (Jun 2010)
Hounslow	14-Jan-14	Requires Improvement	Requires Improvement	Safeguarding – Good LAC – Good (Sep 2009)
Staffordshire	14-Jan-14	Good	Good	Safeguarding - Adequate LAC - Adequate (Jun 2009)