

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 23 June 2014 at 9.30 am**

#### **Present:**

**Councillor R Crute (Chairman)**

#### **Members of the Committee:**

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

#### **Co-opted Members:**

Mr E Henderson and Mr I McLaren

#### **1 Apologies for Absence**

Apologies for absence were received from Councillors J Armstrong, J Bell, J Cordon, J Rowlandson and S Zair.

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Minutes**

The Minutes of the meeting held 7 April were agreed as a correct record and were signed by the Chairman.

#### **4 Declarations of Interest**

There were no Declarations of Interest.

#### **5 Items from Co-opted Members or Interested Parties**

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

## **6 Media Relations**

The Overview and Scrutiny Officer, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes). The articles included: a scheme to encourage shoppers to support small businesses; the option for Hitachi to buy an adjacent site at Newton Aycliffe for further development; the launch of a rural support network "Rural Connect" across the North East; and commencement of the construction of a new Passport Office at Freeman's Reach, Durham City.

### **Resolved:**

That the presentation be noted.

## **7 Quarter 4, 2013/14 Performance Management Report**

The Chairman thanked the Performance and Planning Manager, Regeneration and Economic Development, Graham Tebbutt who was in attendance to speak to Members in relation to the Quarter 4, 2013/14 Performance Management Report (for copy see file of minutes).

The Performance and Planning Manager reminded Members of the Council's recent success in respect of the award of "Council of the Year 2014" by the Local Government Chronicle and noted the different types of indicators reported, Tracker indicators and Target indicators. It was added that the work of Officers and Members in respect of the new indicator set and targets for 2014/15 was set out at Appendix 5 to the report.

Councillors noted that some of the key achievements in Quarter 4 included several linked to housing: the number of private sector homes improved as a consequence of Local Authority intervention exceeding target; the number of empty properties being brought back into use exceeding target; the number of affordable homes delivered being significantly above target; and the number of homes being brought up to the decent homes standard being ahead and on track for the year end. Members noted that in addition, the number of apprenticeship starts had exceeded target and since the beginning of the programme in November 2011 there had been over 500 starts, of which 80% had stayed over 6 months and 65% had stayed over 15 months. Councillors learned that the number of planning applications being determined within timescales was at target, albeit not at the high level as seen at the same period last year. It was added that the percentage of major planning applications being determined within 13 weeks had remained static, similar to national figures of around 73%, however, below regional and statistical neighbour averages of 81% and 86% respectively.

Members noted progress with Council Plan actions, such as: an increase in the number of landlords participating in Durham Key Options (DKO) choice based lettings scheme; development of the County Durham Plan (CDP), now submitted to the Planning Inspectorate ahead of examination in public; and, following approval by Government, the Housing Stock Transfer Project was ongoing with work on the offer document and establishing the requisite governance arrangements with a shadow Parent Board.

It was added that key performance issues and Council Plan actions behind target included: the percentage of Council owned business floor space being occupied being behind target; sector specific training being delayed until June 2014, awaiting potential Youth Contract funding from Job Centre Plus' Flexible Support Fund; the delay in a co-ordinated events programme for the county due to the outcome regarding National Portfolio Organisation funding being put back until July 2014. It was added that a number of capital works programmes were behind schedule: Bishop Auckland Rail Station, albeit only on the technicality of awaiting fibre optic broadband installation; Transit 15 corridor improvements, action relating to Gilesgate now removed after consultation.

Members noted the Tracker Indicators set out within the report including: a slight fall in the employment rate, with a continued decrease in the number of Job Seekers Allowance (JSA) claimants aged 18-24; and a slight decrease in those accessing JSA for one year or more. Councillors learned that homelessness presentation figures had decreased, however, the level of preventions had fallen slightly in comparison to the previous quarter, albeit with more preventions in total across the year compared to the previous 12 months.

The Committee noted a significant increase in the number of families re-housed via DKO; a slowing in the number of housing completions, albeit the number for the year-end being higher than the previous 12 months; and a slight improvement in child poverty figures, ahead of the regional average, however, behind national figures. Councillors learned that the figures in relation to young people Not in Education, Employment or Training (NEETs), as also reported at the Children and Young People Overview and Scrutiny Committee, showed slightly better performance than the regional average, though below national performance. The Performance and Planning Manager concluded by noting that the percentage of those aged 16-18 years olds where their status in relation to education, employment and training was "not known" was 7.5% for the period November 2013 to January 2014.

The Chairman thanked the Performance and Planning Manager and asked Members for their questions on the report.

The Committee asked questions in relation to the delay in sector specific training and more detail as regards the percentages relating to apprentices staying in post over 6 months.

The Performance and Planning Manager explained that the delay in sector specific employment training scheme was being looked at by the Economic Regeneration Manager, Graham Wood in the larger context of the Business, Enterprise and Skills Strategy and that the Committee may want to receive a report at a future meeting explaining the development and objectives of the scheme. It was understood that those "leaving" apprenticeships included those finding employment, returning to full-time education or training as well as those simply leaving the scheme, and in general the apprenticeships were for a period of 2 years. The SPP and Resources Manager, Ray Brewis added that the apprenticeship programme was a rolling programme and that an amount of "churn" was expected, however, the apprenticeships were effectively recycled, given further opportunities for young people.

Members asked for further information in relation to the percentage of "not knowns" and noted concern as regards the proposed target for the determination of planning applications.

The Performance and Planning Manager noted that the figure of around 10% for “not knowns” had been the norm for many years, and was a consequence of the national loss of the Connexions service which in the past had been able to track this cohort. It was added that the target as regards planning application determinations had been made in the knowledge of the roll out of new planning software and the effect this could have on performance, albeit, maintaining the target of the previous year so effectively aiming for no drop in performance.

The Committee asked as regards figures for housing providers other than the Council’s in-house provider and the two arms-length management organisations (ALMOs) and whether figures provided were for Durham County Council, the wider county or otherwise.

Members learned that the figures relating to private sector rent were based upon 5 year estimates and that the main Registered Social Landlords (RSLs) sometime did report their figures within their own reports. The Chairman wondered if this figures could be highlighted as tracker indicators and the Housing Solutions Manager, Lynn Hall noted the reliance upon the RSLs to provide data and the size of the task given capacity issues. The Performance and Planning Manager noted the issue could be raised by the Head of Economic Development and Housing, Sarah Robson within the Housing Forum. Councillor O Temple noted that it was an important issue and asked that the Chairman and Vice-Chairman look at the issue. The Chairman noted that what information could and could not be provided would be looked at further and be reported back to the Committee in due course.

Councillors asked what metric could be used to understand the figure of 984 private sector properties being brought back into use as a percentage of the actual need.

The Performance and Planning Manager noted that the 984 private sector properties brought back into use were based upon grant figures and the Housing Improvement Manager, Shirley Janes noted that the number of private sector rental properties was not known and any proxies, such as those in receipt of housing benefit, would not necessarily give a true number.

**Resolved:**

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive at a future meeting information on the sector specific employment scheme and the future reporting of housing performance information.

**8 Update on the work of the County Durham Economic Partnership**

The Chairman thanked the Chairman of the County Durham Economic Partnership (CDEP), Professor Brian Tanner who was in attendance to give an update for Members in relation to the work of the CDEP (for copy see file of minutes).

The Chairman, CDEP reminded Members that while there were still severe economic challenges, there had been many recent successes that could be built upon including: recent partnership cultural events such as Lumiere and the Lindisfarne Gospels; the approach to European Investment Planning (EU Funding Programme), with the CDEP feeding up to the North East Local Enterprise Partnership (NELEP); addressing Welfare Reform; and linking with the North East Farming and Rural Advisory Network (NEFRAN) working with the Councillor E Tomlinson as the Council's Rural Champion.

Members learned that challenges that were faced included tackling unemployment, particularly youth unemployment; and job creation working with more businesses and larger businesses to increase the number of jobs available and work undertaken to strengthen the "investability" of County Durham businesses.

The Committee noted that priorities included: continuing to work in partnership; strengthen relationships, such as with the NELEP; and maximise opportunities presented through European Funding. Members noted key areas of delivery included: the new Horden/Peterlee Rail Station; the Future Business Magnates (FBM) programme in schools within County Durham; working to increase social inclusion and value, turning volunteering opportunities into potential jobs; supporting innovation and business growth and developing procurement opportunities for local businesses.

The Chairman thanked the Chairman, CDEP and asked Members for their questions on the update.

Councillors asked questions in relation to: the previous CDEP Economic Updates that were provide monthly to Members; social inclusion/social value; and the influence of the CDEP regarding youth employment and engaging with those "hard to reach" young people.

The SPP and Resources Manager explained the CDEP updates were now quarterly and available on the CDEP webpage, though less data was now available and based upon "scaled up" Office of National Statistics (ONS) information. The Chairman, CDEP added that, in respect of social inclusion, there was a specific stream within the European Structural Fund that was to target young people in this regard. The SPP and Resources Manager noted that there were several strands that were looking to align with the needs of businesses and local community needs. The Chair, CDEP noted that while the CDEP did not have executive operations, it could influence employers via partnerships and Members within the NELEP. The SPP and Resources Manager explained that projects in respect of youth engagement were not yet developed regionally or nationally yet, with consultation being July 2014, though engagement would be locally based, likely to be similar to the Regional Employability Framework (REF) as used previously.

**Resolved:**

That the update be noted.

## **9 Update on the Development of the Tourism offer within County Durham**

The Chairman thanked the Chief Executive, Visit County Durham (VCD), Melanie Sensicle who was in attendance to give an update presentation for Members in relation to the development of the tourism offer within County Durham (for copy see file of minutes).

The Chief Executive, VCD noted the last update focused upon County Durham as a visitor destination, and this update would focus on the work of VCD. It was explained that VCD worked in partnership with between 650-800 small businesses, most being “micro-businesses” including: accommodation providers; visitor attractions; activity providers; and other linked businesses such as restaurants, bars, taxi firms and so on.

It was explained that the Board for VCD included the Portfolio Holder for Regeneration, Councillor N Foster and Corporate Director of Regeneration and Economic Development, Ian Thompson as Board Members, as well as experienced leaders from within the sector such as the Director of Beamish Museum and the Principal of East Durham College. It was noted that directions were underpinned via evidence from visitors, to attract greater visitor numbers and meet the needs of the sectors involved.

The Chief Executive, VCD noted that high level measures included: the reach of VCD’s national marketing campaign; the additional spend created by the Visitor Information Network (VIN); the reputation of Durham for its food and drink; the impact of the “Welcome to Durham” programme relating to customer service skills; and working in partnership and engaging with local businesses. Councillors learned that additional measures included: strategic planning and research; marketing and information; partnership development and support; product development; and 2014-15 targets relating to tourism measures.

Members noted the “reach of VCD’s national marketing campaign” was measured by a proxy, namely the number of unique visitors to [thisisdurham.com](http://thisisdurham.com), with the target being 850,000, the year-end figure being 882,073. It was explained that customer habits were changing, with more visitors accessing information via the internet rather than more traditional leaflets and posters and that the number of unique visitors to the [thisisdurham.com](http://thisisdurham.com) site had increased steadily year-on-year since 2008. It was added that the proxy measure in respect of additional spend generated by the VIN was that of the added value of the Durham Pocket Guide, with a target of £6 million, the year-end figure being £7 million.

The Chief Executive, VCD explained that the visitor perception and satisfaction with the quality of food and drink was measured every 3 years via the visitor survey, a proxy measure for Taste Durham, and it was noted that despite many activities, this seemed to have plateaued, suggesting a new approach may be required and indeed a reinvigorated Taste Durham programme was being developed. It was explained that the Welcome to Durham proxy had been that of the number of people with the “Welcome Host Gold” standard, though now this had been superseded by the “World Host Gold” standard. It was noted that the target had been for 9 people, the year-end figure being 19. Councillors were informed that the engagement with businesses was measured such that it was those that had actively been engaged with, not just being sent information, and this equated to 81% at the year-end, ahead of a target of 80%.

The Committee learned that through strategic planning and research, there had been a “levering in” of £1.2 million of investment into tourism development and VCD had hosted the Tourism Management Institute Conference, very important in showing Durham to the world’s tourism professionals. It was added that 20 partners had been secured as “brand ambassadors” and that the work of VCD was recognised with five initiatives being identified as examples of best practice, and Durham receiving 7 out of an available 15 gold awards at the regional tourism awards.

Members received statistics relating to marketing and information and work ongoing in respect of partnership development and support, including: a weekly “e-bulletin”; an autumn conference translating to increase engagement with Taste Durham; and a new training provider for “Welcome to Durham”, enabling the course to be self-financing.

The Chief Executive, VCD reminded Members of the success of the Lindisfarne Gospels project, with over 500 events in the regional festival, reaching a global audience of 18 million. Councillors noted £100,000 from Arts Council England as a contribution to Lumiere 2013 and noted 203 businesses had received one-to-one visits within the year. Members noted product development included: the Bishop Auckland food festival; the new Taste Durham, with an industry-led steering group; Department for the Environment, Food and Rural Affairs (DEFRA) funding of £500,000 for the Northern Lands programme of which two were led by VCD, sense of place training and food tourism; and the production of a play “A Funny Thing Happened on the Way to Durham”, supporting the Lindisfarne Gospels.

The Committee noted that targets for 2014/15 included: 950,000 unique visitors to [thisisdurham.com](http://thisisdurham.com); maintain the level of £7 million of additional spend, given the current wider economic position; have 50 people with the World Host Gold accreditation; and for 65% of core tourism businesses having actively engaged with VCD.

The Chairman thanked the Chief Executive, VCD and asked Members for their questions on the presentation.

The Committee asked questions relating to: what constituted a core tourism business, linking into events such as the Polar Express; more visitors to the rural areas of the County, highlighting activities such as walking and cycling; and how long people visited the [thisisdurham.com](http://thisisdurham.com) site for and any work relating to its google ranking.

The Chief Executive, VCD noted that core tourism businesses were those directly involved such as visitor attractions or accommodation, rather than those indirectly associated such as restaurants and bars. It was noted that it was felt that County Durham could absorb greater visitor numbers, however, though it was noted that the County had not yet moved from the “attraction” stage to the “management” stage in terms of numbers visiting the County and that it was important to benchmark County Durham in the context of similar historic cities/towns with large rural surroundings such as York, Chester and Bath. It was noted that VCD did not directly deal with issues relating to walking and cycling, it did liaise with an Officer Working Group that included colleagues from the DCC Rights of Way Team / Countryside Department. Members noted another way of promoting rural areas included “food trails”, highlighting local restaurants, local producers and linking to activities such as foraging for wild foods; and dark skies discovery sites, for astronomy.

The Chief Executive, VCD noted thisisdurham.com was on the first page of searches for Durham via google and visitors to the site stayed for an average of 2½ minutes.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report on the development of the tourism offer in County Durham and the performance of Visit County Durham at a future meeting.

**10 Transport - Update on LTP3 and Transit 15**

The Chairman thanked the Sustainable Transport Manager, Andy Leadbeater and the Traffic Management Section Manager, Dave Lewin who were in attendance to give an update for Members in relation to Local Transport Plan 3 (LTP3) and Transit 15 (for copy see file of minutes).

The Sustainable Transport Manager reminded Members that the LTP was a strategic document, now in its third form, LTP3, with the Department for Transport (DfT) having set no end date for the latest versions of the LTP. It was added that Transit 15 was originally set out in LTP2, securing £5 million from the Regional Allocation Fund (RAF) for a corridor approach for bus priority schemes. Councillors noted that national DfT goals and objectives were adopted, with alignment to corporate priorities including: “Stronger Economy through Regeneration; reducing our carbon output; safer and healthier travel; better accessibility to services; and improve quality of life and a healthy natural environment. Members were reminded that for County Durham a sixth goal complimented the others, namely “maintenance of the transport asset”, to reflect the importance of the existing highways network.

Councillors noted that LTP3 was split into 2 main areas, the Integrated Transport Block (ITB) for Regeneration and Economic Development (RED) and a Maintenance Block (MB) for Neighbourhood Services (NS). The Traffic Management Section Manager explained that within the ITB there were three main areas: sustainable travel; demand management; Economic/Transport Corridors; and set out examples within each area. An example of a scheme that met many objectives was that being undertaken at the “Northlands” roundabout at Chester-le-Street, a fully planned and funded scheme, and being a Transit 15 corridor.

The Sustainable Transport Manager informed Members that funding from the DfT was changing and that there was an aim to try and maintain similar amounts in future. It was added that future changes, the formation of the Combined Authority (CA), would lead to a single LTP for the CA area, with work on this to begin in the next year.

The Chairman thanked the Sustainable Transport Manager and the Traffic Management Section Manager and asked Members for their questions on the update.



Councillors asked questions relating to: voice notifications for blind people regarding buses and approaching bus stops and whether Transit 15 corridors took into account new business opportunities in determining bus routes, examples being the new Hitachi site at Newton Aycliffe and new businesses at Crook.

The Sustainable Transport Manager explained that public transport investment included a new system that would roll out next year, with a “next stop” announcement. It was noted that Transit 15 and LTP3 were capital based schemes and the issues as regards bus routes was a linked, but separate issue. It was explained that the Council worked with operators in relation to identifying gaps in routes, subsidising if possible, and the work included the involvement of Public Transport Network Manager and Economic Regeneration Manager in removing barriers and network planning.

**Resolved:**

That the report be noted.

**11 Update - Empty Homes Scrutiny Review**

The Chairman invited the Housing Improvement Manager to speak to Members in relation to progress in respect of the recommendations within the Committee’s Empty Homes Review (for copy see file of minutes).

The Housing Improvement Manager explained that the Empty Homes Team now sat within the Housing Solutions Service, no longer separate within the Regeneration and Economic Development, and this provided the opportunity to provide a more holistic approach. Members noted that the work as regards empty homes included properties within low demand areas and predominately those properties within Council Tax Bands A and B.

The Committee learned of a package of interventions including: interest free loans for landlords to enable them to renovate and rent or move into the property themselves; various loans/grants secured against the property or placed as a charge on the property; advice and guidance as regards potential sale or rent, including via DKO; matching tenants excluded from DKO to those empty homes returning to the market where appropriate; the promoting of homesteading schemes in priority cluster areas; targeting of empty homes in relation to the collection of Council Tax; utilising the powers available to colleagues within Environmental Health and Building Control to target those properties where owners are not engaging, with potential for Empty Dwelling Management Order (EDMOs) and Compulsory Purchase Orders (CPOs) in the more extreme cases.

The Chairman thanked the Housing Improvement Manager and asked Members for their questions on the report.

Members asked questions in relation to the number of RSLs and private landlords brought into the DKO scheme; uptake in relation to those properties being eligible for Cluster Funding and effectiveness of the schemes.

The Housing Solutions Manager explained that the 8 main providers within the County operated via the DKO scheme and ongoing discussions with other RSLs including Accent, Home Housing and Four Housing, formerly Three Rivers Housing, were progressing positively. It was added that 54 private landlords were represented within the DKO scheme. The Housing Improvement Manager noted that in areas where Cluster funding was being targeted, there were other factors linked to the wider issues in the economy that limited uptake and that discussions with the DCLG as regards amending the original bid could allow use of Cluster funding in other areas where uptake maybe greater.

**Resolved:**

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further report detailing progress made against the recommendations contained in the Scrutiny Review report at a future meeting.

## **12 Council Plan 2014-2017 - Refresh of the Work Programme**

The Chairman invited the Overview and Scrutiny Officer to speak to Members in relation to the Council Plan 2014-2017 - Refresh of the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The Overview and Scrutiny Officer reminded Members that the Committee considered a report at the last meeting outlining a draft work programme for the Committee, with Members having the chance to decide upon topics for review.

The Chairman noted that the report set out a comprehensive work programme for the Committee and that there was a need to retain flexibility in respect of any emerging issues. It was agreed that the Chairman and Vice-Chairman would identify a topic for an in-depth review and report back to Members accordingly. It was also highlighted by Members that they wanted including within the work programme a report providing information on the destination of claimants when they come off (off-flows) JobSeekers' Allowance.

**Resolved:**

- (i) That the Committee agree the Work Programme as set out at Appendix 2 to the report.
- (ii) That a report providing detail in relation to Jobseeker Allowance off-flows be provided at a future meeting of the Economy and Enterprise Overview and Scrutiny Committee.
- (iii) That the Chairman and Vice-Chairman identify a topic for an in-depth scrutiny review and report back to Members at a future meeting of the Economy and Enterprise Overview and Scrutiny Committee.

## **13 Minutes of the County Durham Economic Partnership**

The Minutes of the meetings of the County Durham Economic Partnership held 24 February 2014 and 19 May 2014 were received by the Committee for information.