

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 22 September 2014 at 9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Bell, J Clare, H Nicholson, R Ormerod, A Patterson, M Simpson, P Stradling, A Willis and S Zair

Co-opted Members:

Mr E Henderson and Mr I McLaren

1 Apologies for Absence

Apologies for absence were received from Councillors J Cordon, I Geldard, D Hall, P McCourt and O Temple.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meeting held on 23 June 2014 were agreed as a correct record and were signed by the Chairman.

4 Declarations of Interest

Councillor S Zair declared an interest in Agenda Item No. 11, Housing Stock Transfer Project – Update, as he is a member of the Board of Dale and Valley Homes.

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: Tenants vote yes to housing transfer; 300 new jobs are to be created by a pharmaceutical firm which has located to Peterlee; Tourism professionals within County Durham are to receive extra

training in how to make visitors feel welcome and explain what is on offer within the County; the regions first University Technical College (UTC) is to be established at Aycliffe and will train up to 600 people a year focusing on engineering and manufacturing.

Resolved:

That the presentation be noted.

7 Budget Outturn 2013/14 and Quarter 1, 2014/15 Revenue and Capital Outturn:

The Chairman introduced the Finance Manager, Resources, Azhar Rafiq who was in attendance to speak to Members in relation to Revenue and Capital Outturn 2013/14 and Quarter 1: Forecast of Revenue and Capital Outturn 2014/15 highlighting major variances in comparison with the budget (for copy see file of minutes).

The Finance Manager reminded members of the areas reported upon, the General Fund Revenue Account, the Housing Revenue Account and the Capital Programme for the RED Service Grouping. Members noted that in relation to the budget outturn position for 2013/14 the Regeneration and Economic Development Service Grouping was £0.249 million over budget against the revised annual budget of £41.352 million. The overspend had been forecasted at quarter 3 when the committee had been informed of an overspend of £0.273m.

The Housing Revenue Account overall was in line with budget with income £165k lower however this was matched by reduced expenditure of £165k.

In relation to the Capital Programme the final budget for 2013/14 was £86.991 million with an actual spend for the year of £80.423 million, a variance of £6.568 million under budget which was attributable to £2.447 million general fund and £4.121 million Housing Revenue Account programme.

Concerning Quarter 1 revenue and capital outturn members noted that the revenue account was £0.424 million under budget against a revised annual budget of £43.015 million.

In relation to the Housing Revenue Account this was projected to be on track with no major variances.

The Capital Programme current budget was £94.589 million with actual spend to the end of Quarter 1 of £14.734 million however managers are reporting that the remaining budget is on track to be spent by the end of the year.

The Chairman thanked the Finance Manager and asked members for their questions on the finance report.

A question was raised by a co-optee as to the occupancy rates on the permanent Gypsy and Roma Traveller sites within the County. It was highlighted that this question would be answered by the appropriate officer under agenda item 9 (Gypsy, Roma and Traveller Site Management Service).

In relation to Quarter 1 budget Councillor Crute requested more information in relation to 'voids' and 'right to buys'. The Finance Manager confirmed that he would provide a breakdown of the figures prior to the next meeting of the committee.

Resolved:

That the contents of the reports be noted.

8 Quarter 1, 2014/15 Performance Management Report:

The Chairman introduced the Performance and Planning Manager, Graham Tebbutt who was in attendance to speak to Members in relation to the Quarter 1 2014/15 Performance Management Report to present progress against the Council's corporate basket of performance indicators for the Altogether Wealthier theme and report significant performances issues and key achievements for the first quarter of 2014/15 covering the period April to June 2014 (for copy see file of minutes).

The key areas of achievement were as follows:-

- An improvement in the proportion of planning applications determined in 13 weeks has improved to 77% better than target.
- 514 potential jobs had been created this quarter.
- 117 affordable homes were delivered an increase from the same period last year.
- 1,361 net new homes completed an increase of 102% from last quarter.
- The proportion of statutory housing solutions applications had improved, reducing to 13.6% this quarter from 13.8% last quarter.
- Improvement in the proportion of 16 to 18 year olds who are not in education, employment and training (NEET), 6.8% compared to 8.7% for the same quarter last year.

Progress has been made on the following Council Plan and Service Plan actions:

- Increase in the availability of technology across the County by developing the Digital Durham Programme.
- Western Relief Road planning application to be submitted in June 2015.
- Planning consent for the bus station on North Road, Durham is expected in December 2014 with completion in June 2015.
- Flood Mitigation solution for Elvet waterside had been commissioned but the development brief had been delayed as the university had postponed making a decision on the site.
- A preferred option for the future of council housing across County Durham.
- Gypsy Roma Traveller Sites at Adventure Lane, West Rainton; Green Lane, Bishop Auckland; Tower Road, Stanley and Drum Lane, Birtley are being redeveloped. Adventure Lane, West Rainton re-opened on 9 June 2014.
- After the launch of the empty homes cluster programme 4,600 letters had been sent out to owners of empty homes with 243 people interested.

The key performance Improvement issues were as follows:-

- The number of empty homes brought back into use as a result of Local Authority intervention was below target.
- The proportion of council owned housing that meets decency criteria was below target.
- Number of apprenticeships started through Durham County Council scheme was below target.

In relation to tracker indicators members were informed that:

- The number of 18 to 24 year olds claiming Job Seekers Allowance. 2,580 this quarter had significantly reduced from 3,415 last quarter and 4,435 for the same quarter last year.
- The number of people registered on the Durham Key Options scheme (1,228) which had been rehoused had fallen from previous quarter.
- Occupancy rates in rental units in town centres had declined.
- The number of passenger journeys on Durham City Park and Ride had declined.

Key Council Plan actions which had not achieved target in this theme include:

- New roundabout at Sunderland Bridge had been delayed until September 2015.
- Adoption of the County Durham Plan had been delayed until September 2015.
- The first Durham County Council market housing scheme for rent and sale was behind schedule and would now be delivered in June 2016.
- The Park and Ride extension at Sniperley had been delayed to August 2015.

The Chairman thanked the Performance and Planning Manager and continued by asking for clarification as to whether the proportion of the working age population defined as in employment could be broken down into male and female together with detail of any trends in relation to type of work such as full-time or part-time employment.

The Performance and Planning Manager responded that the employment figures were national statistics that did give a breakdown of male and female and full and part time employment and that the information could be produced and circulated to the committee.

The Chairman continued by asking as to whether the reduction in JSA numbers had reduced the employment figures, were individuals coming off JSA and going into employment.

The Performance and Planning Manager responded that there was no data available to show as to whether those individuals coming off JSA were going into employment.

Councillor Nicholson referred to the empty properties brought back to use which was below target and asked whether a breakdown could be provided of those empty homes within the County which had been brought back into use via the Empty Homes Cluster Programme.

The Performance and Planning Officer responded that the original criteria in relation to the Empty Homes Cluster Programme had been restrictive resulting in a limited number of areas within the County meeting the programme criteria. However, the criteria has been relaxed which will allow the programme to extend to additional areas within the County. He

continued by confirming that a breakdown of where the properties were located could be circulated to the committee.

In relation to the decline in occupancy rates in rental units in town centres members asked as to whether lessons could be learned from Consett, Seaham and Shildon where occupancy rates had increased.

The Performance and Planning Officer responded that intervention work was planned as part of various regeneration schemes within the town centres throughout the County and that in relation to Seaham development had taken place at the dock area which had positively impacted upon the occupancy rates for retail units in the town. He confirmed that he would speak to the regeneration team and ask if there are any trends which can be identified in relation to the three towns identified above.

Members sought clarification as to whether the occupancy rates referred to the number of units or the floor space and commented that when large units closed this had a bigger impact on Town Centres than when smaller units closed. The Planning and Performance Officer responded that the figures referred to the number of units and that the emerging County Durham Plan includes a Retail Needs Assessment which would consider occupancy levels, size of units etc.

Councillor Batey requested as to whether a breakdown could be provided of the type of businesses which have occupied rental units in town centres.

The Performance and Planning officer responded that planning classifications are available and can be circulated to the members of the committee.

Resolved:

That the contents of the report be noted.

9 Gypsy, Roma and Traveller (GRT) Site Management Service - Overview:

The Chairman introduced the Housing Gateway and Gypsy, Roma and Traveller (GRT) Site Manager, Regeneration & Economic Development, Laura Williams who was in attendance to provide members with background information on the Gypsy, Roma and Traveller Site Management Service (for copy see file of minutes).

The Housing Gateway and GRT Site Manager circulated to Members photographs of various permanent GRT sites before and after they had been refurbished and provided an update on the following:-

- The Gypsy, Roma and Traveller community within County Durham.
- The Restructure of the Gypsy, Roma and Traveller service.
- Overview of the 6 permanent sites within the County which are located at:
Adventure Lane, West Rainton;
Ash Green Way, Bishop Auckland;
Drum Lane, Birtley;
East Howle, Ferryhill;
St. Phillips Park, Coundon, Bishop Auckland;

Tower Road, Stanley.

- Key improvement areas identified by the 2013 review in relation to:
Allocations policy which is out to public consultation and closes on 30th Sept;
Rents on sites;
Improving occupancy rates;
Repair and maintenance;
Financial management;
Role of the site warden.

A key recommendation of the review report related to the level of the pitch fees and associated charges stating that there was a need for them to be reviewed to reflect the improved amenities available post refurbishment and to ensure the management of the sites is self-financing. The pitch fees have now been reviewed with all new tenants charged the revised fee. However, consultation on the rent increase had taken place with existing tenants and whilst the majority of residents had accepted the new pitch fees some have opposed the increase which will require a hearing before a tribunal. Arrangements have been made for the tribunal to be held in October, 2014.

The Chairman thanked the Housing Gateway and GRT Site Manager for the presentation and then continued by asking members if they had any questions.

Members sought clarification on the occupancy figures in view of the rent increase, the period of tenancy on the various sites and whether the figure stated in the report was the weekly rent for a pitch.

The Housing Gateway and GRT Site Manager confirmed that the rents were weekly, that the improved quality of the accommodation on the permanent sites had increased demand with 90% occupancy levels at the Tower Road and Adventure Lane sites. It was confirmed that arrangements were in place to publicise the accommodation on the sites which were going through the process of refurbishment together with allocation policy.

There was no time limit on tenancy in relation to the sites as they were permanent homes but residents were allowed to leave the site for up to 13 weeks twice a year as long as they still paid the rent for the pitch.

Councillor Stradling requested clarification as to whether the GRT community also had access to social housing. It was confirmed by the Housing Gateway and GRT Manager that the GRT community does have access to social housing however the GRT sites are purely for use by the GRT community.

Members asked about rent arrears figures and if this information could be circulated and whether the service was cost neutral. Members were advised that the rent arrears figures would be available at the end of September and that there was a rent recovery process in place with the income generated from the individual sites covering the costs of rent recovery.

Resolved:

- (i) That the contents of the report be noted.

- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update on the development of the Gypsy Roma and Traveller Site Management Service at a future meeting of the Committee.

10 Family Intervention Project (FIP) and Housing Intervention Project (HIP) - Overview:

The Chairman introduced the Advice and Prevention Manager, Regeneration and Economic Development, Lorraine Walkden who gave an overview presentation on the Family Intervention Project and the Housing Intervention Project (for copy see file of minutes).

The report and presentation looked at:

- Background to the Family Intervention Project and the objectives.
- Eligibility criteria.
- How the process was operated.
- Detail of assessment process.
- Use of the service.
- Background to Housing Intervention Project.

The Chairman thanked the Advice and Prevention Manager for the presentation and then continued by asking members if they had any questions.

Members asked if there were any statistics to show the success of the interventions used by the FIP project and if there was a reward grant for success.

The Advice and Prevention Manager responded that there are a number of measurable outcomes some of which include families not being evicted, children attending school and a reduction in domestic violence. In relation to a reward grant for success the committee was informed that as part of the Strong Families Programme grant is received by the Authority for hitting particular targets however this grant would go to Children's Services not Housing Solutions.

Councillor Bell requested clarification as to how the families were referred to the FIP project. It was confirmed by the Advice and Prevention Manager that a lot of the families are referred via the First Contact Service and Housing Solutions. It was highlighted that the FIP project is pro-active identifying families who would benefit from the project early, often via LMAPS.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update on the Family Intervention Project and Housing Intervention Project at a future meeting of the Committee.

COUNCILLOR R Crute vacated the Chair

COUNCILLOR A Batey in the Chair

11 Housing Stock Transfer Project - Update:

The Chairman introduced Marie Roe, Housing Directions Manager to provide Members with an update in relation to the progress of the Housing Stock Transfer in particular information on the consultation process and the ballot, next steps in the transfer process and engagement with stakeholders as they move forward (for copy see file of minutes).

Members noted that there were 19,000 homes to be transferred and that the Government had confirmed that the Council had achieved a place on the Governments housing stock transfer programme and that arrangements could proceed to the formal consultation process on the transfer proposal.

There were two stages to the consultation process, the offer document represents the first stage in the formal consultation process and began in early June. The document explains the Council's proposal to transfer its homes; reasons behind the proposal; implications of the transfer and changes and improvements to homes. The Council received 1374 responses from tenants and 6 responses from leaseholders. The comments, suggestions and views expressed by tenants during the first stage of the consultation indicated that the Council's transfer proposal and the offers set out in the Offer Document should not be changed or amended.

In July 2014 Cabinet decided that they were satisfied with the outcomes of the consultation process and agreed to proceed to the second stage of formal consultation (Stage 2) which included a ballot of all secure and introductory tenants on the transfer proposal. The secret ballot of all the Council's secure and introductory tenants was undertaken independently through the Electoral Reform Services from the end of July 2014. The ballot ended on the 18 August 2014.

Councillor Tomlinson, Cabinet Portfolio Holder for Housing and Rural issues commented that over 11,000 votes had been cast with over 9,000 tenants voting overwhelming yes for the transfer, 82% of the valid vote. He continued that the Council's cabinet had received a report on the outcome of the ballot and next steps in relation to the transfer process on the 10 September where it was agreed to proceed with the transfer. In order to meet the statutory requirements of the Secretary of State for Communities and Local Government the transfer must be complete by the end of March 2015 to access the financial support available from Government. Councillor Tomlinson continued by highlighting that a significant amount of work needs to be completed in a relatively short period of time if the proposed new County Durham Housing group are to be established and registered as providers of social housing.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee continue to receive further progress updates in relation to the development, impact and delivery of the new arrangements for housing in County Durham.

12 Minutes of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held on the 28 July 2014 were received by the Committee for information.