



Economy and Enterprise Overview and Scrutiny Committee

Date **Monday 22 September 2014**
Time **9.30 am**
Venue **Committee Room 2, County Hall, Durham**

Business

Part A

Items during which the Press and Public are welcome to attend. Members of the Public can ask questions with the Chairman's agreement.

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held 23 June 2014 (Pages 1 - 10)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. Budget Outturn 2013/14 and Quarter 1, 2014/15 Revenue and Capital Outturn: (Pages 11 - 48)
Joint Report of the Corporate Director of Regeneration and Economic Development and Corporate Director - Resources – Finance Manager, Resources
8. Quarter 1, 2014/15 Performance Management Report: (Pages 49 - 66)
Report of the Assistant Chief Executive – Performance and Improvement Team Leader, Regeneration and Economic Development
9. Gypsy, Roma and Traveller (GRT) Site Management Service - Overview: (Pages 67 - 72)
Report of the Corporate Director of Regeneration and Economic Development
10. Family Intervention Project (FIP) and Housing Intervention Project (HIP) - Overview: (Pages 73 - 78)

- (i) Joint Report of the Assistant Chief Executive and the Corporate Director of Regeneration and Economic Development
 - (ii) Presentation by the Advice and Prevention Manager, Regeneration and Economic Development
11. Housing Stock Transfer Project - Update: (Pages 79 - 86)
Report of the Corporate Director of Regeneration and Economic Development
 12. Minutes of the County Durham Economic Partnership meeting held on 28 July 2014 (Pages 87 - 94)
 13. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
12 September 2014

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

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

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

Co-opted Members:

Mr E Henderson and Mr I McLaren

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DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 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, 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 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; 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 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.

Economy and Enterprise Scrutiny Committee

22 September 2014



Regeneration and Economic Development Service – Revenue and Capital Outturn 2013/14

Joint Report of Corporate Director - Resources and Corporate Director - Regeneration and Economic Development

Purpose of the Report

1. To provide details of the outturn budget position for the Regeneration and Economic Development (RED) service grouping highlighting major variances in comparison with the budget.

Background

2. County Council approved the Revenue and Capital budgets for 2013/14 at its meeting on 20 February 2013. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following three major accounts maintained by the RED service grouping:

- *RED Revenue Budget - £41.352m (original £41.801m)*
- *Housing Revenue Account - £65.203m*
- *RED Capital Programme – £86.991m (original £99.765m)*

3. The RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:

- Contribution to budget for electrical equipment testing -£5k
- Job evaluation adjustment +£14k
- Transfer of budget to Neighbourhoods for horse impounding -£13k
- Contribution to corporate training programme -£4k
- Reduction in staffing budget for purchase of annual leave -£31k
- Reduction in stationary budgets -£36k
- Increase in Assets budget relating to security at former Whinney Hill School +£83k
- Use of RED Cash Limit +£187k
- Use of Strategic Reserve for redundancies +£87k
- Use of Durham City Vision Reserve +£29k
- Use of Performance Reward Grant Reserve +£179k
- Use of Visit County Durham Reserve +£53k

- Use of Economic Development Employability Reserve +£127k
- Use of Repossession Reserve +£46k
- Use of Housing Solutions Reserve -£10k
- Use of Growth Point Reserve +£16k
- Use of Town Team Partners Reserve +£20k
- Use of Funding and Programme Reserve +£50k
- Use of LSVT Reserve +£11k
- Contribution to Durham Employment & Skills Reserve -£150k
- 1% increase for pay award +182k
- Transfer of budget relating to corporate highways savings -£25k
- Transfer of budget regarding fleet and depot recharges -£51k
- Increased capital and central support recharges +£776k
- Use of Seaside Towns Reserve +£48k
- Contribution to Family Interventions Programme Reserve -£51k
- Contribution to Public Health Reserve -£1,106k
- Contribution to ER/VR and Redundancy Reserve -£875k

The revised General Fund Budget now stands at £41.352m.

4. The summary financial statements contained in the report cover the financial year 2013/14 and show: -
 - The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the RED revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

5. The Regeneration and Economic Development Service Grouping is reporting a cash limit spend which is **£0.249m** over budget against the revised annual budget of **£41.352m**. The forecast outturn position reported at Quarter 3 was a cash limit spend of £0.273m over budget – a variance of £0.024m under the previous forecast.
6. The outturn position includes an in year cash limit contribution to the corporate ERVR reserve of £0.875m, therefore the underlying cash limit outturn position is a £0.626m underspend in 2013/14 (£0.602m at Quarter 3).
7. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis

£'000	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	29,027	29,497	470	-197	273
Premises	2,748	5,185	2,437	-2,149	288
Transport	1,349	1,102	-247	0	-247
Supplies and Services	10,775	11,375	600	659	1259
Agency and Contracted	19,707	20,342	635	-61	574
Transfer Payments	200	1	-199	0	-199
Central Costs	8,186	36,749	28,563	-26,007	2,556
GROSS EXPENDITURE	71,992	104,251	32,259	-27,755	4,504
INCOME	-30,640	-48,507	-17,867	13,612	-4,255
NET EXPENDITURE	41,352	55,744	14,392	-14,143	249

Analysis by Head of Service

Head of Service Grouping	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Strategy Programmes Performance	1,850	1,701	-149	5	-144
Economic Development & Housing	7,217	21,581	14,364	-14,325	39
Planning & Assets	6,391	9,234	2,843	-3,489	-646
Transport & Contracted	17,525	20,967	3,442	-3,303	139
Central Managed Costs	8,369	2,261	-6,108	6,969	861
NET EXPENDITURE	41,352	55,744	14,392	-14,143	249

8. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. concessionary fares) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / over budget	(Under) / over budget
Strategy Programmes Performance	Management	Minor Variance	(4)	(144)
	Strategy, Policy, Partnerships & Support	£65k under budget on employees due to two vacancies and a secondment to ANEC. £4k under budget on supplies.	(69)	
	County Durham Economic Partnership	£4k under budget on employees and transport. £28k under budget on supplies.	(32)	
	Planning & Performance	£28k under budget on employees due to maternity savings and vacant post. £4k under budget on supplies.	(32)	
	Funding and Programmes	£7k under budget on employees due to maternity leave.	(7)	

Head of Service	Service Area	Description	(Under) / over budget	(Under) / over budget
Economic Development & Housing	Head of Economic Development	Minor Variance	(3)	39
	Physical Development	Minor Variance	(5)	
	Visit County Durham	£16k over budget on employees due to apprentice costs and unmet vacancy savings £48k over budget on festivals and events relating to Bishop Auckland Food Festival and a cancelled event £17k over budget on supplies and services £40k approved over budget regarding Gospels exhibition	121	
	Business Durham	Minor Variance	(1)	
	Economic Development	£77k approved over budget on apprenticeships £53k under budget on feasibility studies and supplies	24	
	Housing Solutions	£19k under budget on homelessness prevention initiatives	(19)	
	Housing Regeneration	£62k under budget on employees due to savings on 3 part time posts and 2 posts becoming vacant mid-year £16k general under budget on supplies	(78)	
	Spatial Policy, Planning Assets & Environment	Head of SPPAE	Minor Variance	
Spatial Policy	£20k under budget on employees due to staff turnover £15k under budget on transport £117k agreed over budget on public consultation costs regarding Local Development Framework	82		
Development Management	£64k under budget on employees due to staff turnover £20k under budget on training £66k under budget on transport £59k over budget on computer software (awaiting implementation of single planning system) £502k over achieved income partly due to a number of major applications i.e. Hitachi	(593)		
Building Control	£110k under budget on employees due to staff turnover £20k under budget on transport £40k under budget on supplies & services £42k underachieved building control fee income	(128)		
Environment & Design	£51k under budget on employees due to 14-15 MTFP savings achieved early £39k under budget on transport £61k under budget on supplies and services £68k overachieved income re Renergy project, ecology surveys and feed in tariffs	(219)		

Head of Service	Service Area	Description	(Under) / over budget	(Under) / over budget
	Assets - Asset Management	£220k agreed spend on acquisition of land North East Industrial Estate £160k over achieved fee income relating to large sales such as Cobblers Hall £293k under achieved income from property management, such as North Road Durham, Brackenhill Peterlee, Millenium Square Durham and Newgate Street Bishop Auckland. £60k under budget on surplus properties £76k under budget due to one off income relating to a legal claim for dilapidation costs at a former Easington DC building	217	(646)
Transport	Head of Transport	Minor variance	8	
	Traffic	£41k over budget on employees costs due to unmet vacancy savings £67k under budget on premises costs, mainly due to 35k rent saved on Peterlee bus station £11k under budget on transport £369k over budget on parking services due to additional enforcement activity and inflationary contract costs £35k over budget on cost of events e.g. Lumiere and Gospels £58k net over budget on other supplies and services primarily due to spend on footway reconstruction	425	
	Sustainable Transport	£250k under budget for bus contract payments due to new contracts being negotiated in 2013-14 and the effects of a mild winter. £43k under budget on employee costs due to vacancy savings and local agreements £36k under budget on departure charge income primarily due to changes in arrangements for Peterlee Bus Station £10k under budget minor net variances	(267)	
	Supported Housing	£27k under budget primarily due to increased income from extra clients	(27)	139
Central	Central Costs	£875k contribution to corporate strategic redundancy reserve £14k under budget on central financing costs		861
TOTAL				249

9. The final outturn position was broadly in line with forecasts prepared during the year and the £0.249m over budget will be carried forward under the 'cash limit' regime. It should also be noted that the MTFP saving target for RED in 2013/14 of £1m was delivered.

Revenue – Housing Revenue Account (HRA)

10. The Authority is responsible for managing the HRA which is concerned solely with the management and maintenance of its housing stock of around 19,000 dwellings. Two arms length management organisations (ALMOs) have been established to manage Easington and Wear Valley housing stock (East Durham Homes and Dale and Valley Homes respectively) whilst Durham City is managed in-house. The responsibility for managing the HRA lies solely with the Authority and this is not delegated or devolved to the ALMOs.
11. The table in **Appendix 2** shows the outturn position on the HRA showing the actual position compared with the original budget. In summary it identifies a surplus outturn position on the revenue account alongside a balance on the general HRA reserve of **£7.155m**. The following table summarises the position.

Housing Revenue Account	Budget £'000	Actual Outturn £'000	Variance £'000
Income			
Dwelling Rents	(63,633)	(63,295)	338
Other Income	(1,466)	(1,672)	(206)
Interest and investment income	(104)	(71)	33
	(65,203)	(65,038)	165
Expenditure			
ALMO Fees	16,469	16,469	0
Repairs, Supervision and Management Costs	12,220	12,910	690
Depreciation	7,850	7,821	(29)
Interest Payable	12,447	10,862	(1,585)
Revenue contribution to capital programme	16,217	16,976	759
	65,203	65,038	(165)
Net Position	0	0	0

12. In summary, the main variances with the budget are explained below and relate to the figures and corresponding notes shown in **Appendix 2**:
- Dwelling Rents £0.338m reduced income** – this results from an increased level of right to buy sales in the year and an increase in the number of void properties across all three housing management areas;
 - Charges for Services and Facilities £0.178m additional income** – this results from right to buy administrative income plus additional income from backdating intensive housing management charges;
 - Repairs & Maintenance £0.762m over budget** – at the year end a review of the capital programme identified costs which were more aligned to revenue spend as opposed to capital, which explains the higher spend but this is offset by a corresponding reduction in the revenue contribution to the capital programme;

- d) **Supervision & Management £0.289m over budget** – this relates to additional asset management work to support transfer and customer services charge for Durham City Homes being higher than budget;
 - e) **Rents, Rates and Taxes £0.220m over budget** – this is an increase in council tax charges resulting from the increased number of void properties;
 - f) **Bad Debt Provision £0.561m under budget** – this results from lower than anticipated arrears compared to forecast, due to delay by Government in implementing Universal Credit, and work carried out by housing management providers in maintaining arrears at a consistent level;
 - g) **Interest Payments £1.585m under budget** – this results from a lower interest rate achieved and lower overall level of debt;
 - h) **Revenue Support to Capital £0.759m over budget** – the balancing item on the HRA which identifies the potential resources available to support the capital programme and reduce our reliance on borrowing.
13. The final position on HRA earmarked balances as at 31 March 2014 is as follows:
- Durham City Homes Improvement Plan £0.650m
 - Welfare Reform £0.393m
 - HRA Reserve £7.155m

Capital Programme

14. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 200 schemes managed by around 40 project delivery officers.
15. The outturn position of the 2013/14 Regeneration and Economic Development capital programme has been finalised. The revised budget was £86.991m - consisting of £37.172m for the General Fund and £49.819m for the HRA.
16. Actual spend for 2013/14 amounts to **£80.423m** – consisting of **£34.725m** General Fund and **£45.698** for the HRA. This is shown in the following table:

Service	Original Annual Budget 2013/14	Final Annual Budget 2013/14	Final Outturn	
	£m	£m	Spend £m	% Spend
General Fund				
Economic Development & Housing	24.715	20.096	20.465	102%
Planning & Assets	9.080	7.618	6.572	86%
Transport & Contracted Services	9.769	9.319	7.628	82%
Minor Schemes & Contingency	0.618	0.138	0.060	43%
Total General Fund	44.182	37.172	34.725	93%
HRA	55.582	49.819	45.698	92%
Total General Fund & HRA	99.765	86.991	80.423	92%

17. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme. Most of the RED capital programme is covered by a small number of significant projects which have long lead times, where implementation is over more than one financial year, and 2013/14 has seen significant progress made for a number of major schemes.
18. **Appendix 4** provides narrative on the major RED schemes, by describing what has been delivered through the programme.

Recommendations:

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

Contact: Azhar Rafiq – Finance Manager

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Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: 2012-13 Housing Revenue Account Outturn Position

	2013/14 Budget £000	2013/14 Outturn £000	Variance £000	
Income				
Dwelling Rents	(63,633)	(63,295)	338	a
Non Dwelling Rents:	(1,075)	(1,103)	(28)	
Charges for Services and Facilities	(391)	(569)	(178)	b
Total Income	(65,099)	(64,967)	132	
Expenditure				
ALMO Management Fee	16,469	16,469	0	
Repairs and Maintenance	4,433	5,195	762	c
Supervision and Management - General	4,417	4,706	289	d
Supervision and Management - Special	411	408	(3)	
Rent, Rates, Taxes and Other Charges	310	530	220	e
Depreciation and Impairment of Fixed Assets	7,850	7,821	(29)	
Bad Debt Provision and Debts Written Off	968	407	(561)	f
Debt Management Costs	194	194	0	
Total Expenditure	35,052	35,730	678	
Net Cost of HRA Services per I&E Account	(30,047)	(29,237)	810	
Share of Corporate and Democratic Core	1,085	1,085	0	
Share of Other Costs Not Allocated to Specific Services	402	385	(17)	
Net Cost of HRA Services	(28,560)	(27,767)	793	
Interest Payable and Similar Charges	12,447	10,862	(1,585)	g
Direct Revenue Financing (Contribution to Capital)	16,217	16,976	759	h
Interest and Investment Income	(104)	(71)	33	
(Surplus)/Deficit for Year	0	0	0	
HRA Reserves	7,154	7,154	n/a	
Stock Options Reserve	500	0	n/a	
Durham City Homes Improvement Plan	650	650	n/a	
Welfare Reform Reserve	0	393	n/a	

Appendix 3: RED Capital Programme 2013-14 Outturn Position
GENERAL FUND (GF)

Scheme	Final Annual Budget 2013/14 £m	Final Outturn	
		Amount £m	% Spend
ECONOMIC DEVELOPMENT & HOUSING			
Barnard Castle Vision	1.685	1.692	100%
Durhamgate	1.209	0.995	82%
Industrial Estates	2.376	2.318	98%
North Dock Seaham	0.142	0.153	107%
Office Accommodation	0.497	0.388	78%
Town Centres	1.988	2.245	113%
Urban and Rural Renaissance Programme	0.180	0.038	21%
Minor Schemes	0.909	0.718	79%
Disabled Facilities Grant / FAP	4.059	4.041	100%
Gypsy Roma Travellers	2.258	3.336	148%
Housing Renewal	3.193	2.941	92%
Cricket Club	1.600	1.600	100%
TOTAL ECONOMIC DEVELOPMENT & HOUSING	20.096	20.465	102%
PLANNING & ASSETS			
Renewable Energy Schemes	0.847	0.529	62%
Structural Capitalised Maintenance	5.843	5.291	91%
Woodham CTC	0.015	0.000	0%
Minor Schemes	0.913	0.752	82%
TOTAL PLANNING & ASSETS	7.618	6.572	86%
TRANSPORT & CONTRACTED SERVICES			
Local Transport Plan	5.271	5.028	95%
Transport Corridors	0.232	0.336	145%
Transport Major Schemes	2.435	1.324	54%
Transit 15	0.798	0.515	65%
CCTV	0.333	0.185	56%
Minor Schemes	0.250	0.240	96%
TOTAL TRANSPORT & CONTRACTED SERVICES	9.319	7.628	82%
STRATEGY AND PROGRAMMES Minor Schemes	0.138	0.60	43%
Total General Fund (GF)	37.172	34.725	93%

HOUSING REVENUE ACCOUNT (HRA)

Scheme	Final Annual Budget 2013/14 £m	Final Outturn	
		Amount £m	% Spend
Durham City Homes *	13.906	12.506	90%
Dale and Valley Homes *	8.000	7.655	96%
East Durham Homes *	27.389	25.292	92%
Mortgage Rescue	0.200	0	0%
New Build	0.100	0	0%
Housing Regeneration (Demolitions)	0.224	0.245	109%
Total Housing Revenue Account (HRA)	49.819	45.698	92%
Overall Total GF & HRA	86.991	80.423	92%

(*) Actual spend for HRA to include £1.218 of spend charged to revenue: DVH £306k, DCH £663k, EDH £249k. Therefore actual position is spend of £46.916m (94% of budget).

Appendix 4: RED CAPITAL PROGRAMME DELIVERY 2013/2014

Barnard Castle Vision - Actual Spend £1.692m

The programme has:

- Restoration of the Witham Hall completed October 2013. Creation of 5 studio spaces occupied by one local business, 13 jobs created, new facilities for cultural events, gallery and visitor information point. The Witham has won a RCIS North East Award, and received nominations in the RTPi national awards and the LABC Building Excellence Awards;
- In January 2014, DCC staff and services moved from Teesdale House to the new Customer Access Point & Library building;
- Heritage Activities Programme created public art piece for The Witham, 3 exhibitions, a number of activity days and developed a new website and produced a number of publications;
- Heart of Teesdale Landscape Partnership has completed the redevelopment of Scar Top, Amen Corner and path and bridge improvements in Flatts Woods. The partnership continued to work with local delivery partners and community organisations with a wide-range of projects to improve the areas landscape;
- NeST has supported over 30 local artists and crafts people. The NeST has worked with Digital City in support of the creative industries;
- Digital Dale project completed with some minor capital works to update kit and improve speeds. Project is now run by private sector network manager and ISP;
- Town Centre businesses supported through involvement with the Barnard Castle Business Guild.

North Dock, Seaham - Actual Spend £0.153m

The marina site became fully accessible and open for business in May 2013. Since that time over half of the 77 berths have been taken (49 boats now moored in the marina) and of the 12 business units, 4 are occupied with further lets anticipated.

The site has proved extremely popular with visitor numbers in excess of 15,000 since opening. Due to its success, additional facilities have also been provided. These include a much needed boatyard whereby craft can be repaired and maintained.

Work also commenced on a heritage lottery application with the aim of fully restoring the Georgian quayside. It is anticipated an application seeking £5m funding will be submitted later in 2014/2015.

Durhamgate - Actual Spend £0.995m

The work undertaken in 2013/2014 has seen the completion of the remaining highway works. The site is now fully open and the highway network expanded; the net result of which is significantly improved traffic flows around Thinford roundabout.

Town Centres - Actual Spend £2.245m

The town centres capital programme seeks to support and stimulate private sector investment across the County's main centres.

Former King James School Building, Bishop Auckland:

In preparation for a funding application to refurbish the building and bring back into a sustainable economic use, a detailed specification of emergency repairs was produced that would prevent further deterioration of the building in the interim. Structural shoring and scaffolding was also purchased which will save the authority in the region of £100,000 per annum.

North East Industrial Estate, Peterlee:

DCC is engaged in a programme of acquisition of land to enable housing development in the region of 280 houses. Purchase of 6 Faraday is now complete and demolition is to proceed in summer 2014. Negotiations over acquisition of remaining identified units underway with respective owners.

Freemans Reach, Durham:

The Council's expenditure related to legal fees associated with the redraft of leases associated with the site. This was necessary due to the detailed terms agreed with the end users of both Phase 1 and 2, National Savings and Investments and Her Majesty's Passport Office. As a consequence of these amends further legal work was also required to amend the development agreement to take account of the relevant changes.

Maple Oak, via their construction partner Carillion Development, commenced construction of the Freemans Reach site in April 2013. This included demolition of the buildings that occupied the site and the enabling works for the main development. Phase 1 works, to build new premises for National Savings and Investments, commenced in September 2013. Work has continued throughout 2013/2014 and this phase is due for completion in November 2014.

Phase 2 was also secured towards the end of 2013/2014. The phase 2 building will become home for the Passport Office. Physical construction works is scheduled for June 2014 with a completion towards the end of the calendar year 2015.

Seaham Housing Masterplan:

In partnership with the Homes and Communities Agency, the Council has produced a masterplan to guide the redevelopment of the former Seaham

Colliery, Malvern Crescent and the Seaham School of Technology. The sites are to be jointly marketed by DCC & HCA shortly.

Targeted Business Improvements:

The Targeted Business Improvement Scheme is a none repayable grant scheme to support business premises improvements, promote investment & enterprise, and improve the viability of the major centres. The scheme continued throughout 2013/2014 in the major centres of Crook, Consett, Bishop Auckland, Spennymoor, Stanley and Seaham. The scheme returned the following outputs:

- 55 units brought back into use or refurbished
- 11 New businesses attracted to our major centres
- 10 Living over the Shops residential space improved/created
- 68 new jobs created
- Cica 150 existing jobs supported
- £1.368 million private investment into our major centres
- 29 Businesses assisted/signposted (outside Targeted Improvement Grant Applications)

Public Realm:

Major investment into improvements at Front Street, Stanley completing phase one and two which included simplifying the pallet of material and colours, removal and upgrading of existing paving and drainage gullies, introduce new block paving and resurfaced areas. Improved planters and street furniture were introduced, including new LED lighting in line with DCC's Street Lighting Energy Reduction Project. The scheme secured external funding of £400,000 from Stanley Town Council.

Consett Victoria Road improvements continued along to Front Street. Works included upgrading of paving, street furniture, reinstatement of the Consett Clock and information boards, these improvements linked with investment works at the bus station. Works have created a welcoming space at point of arrival to the town centre from the public transport hub and created a defined link to the main retail areas.

Building on the entrance improvements at Chester-le-Street, works were completed on the links between the Cricket Ground, Park and town centre that included upgrading and introduction of footpaths and signage. Works were completed to maximise visitor numbers to the town centre from those attending the Ashes. Further works are on site continuing to link the railway station with the town centre and adding value to LTP improvement schemes.

Seaham Church Street works were completed with all furniture being installed and the Seaham Plaques, ground level artwork, was completed. Designs have been completed for works to improve the area along Railway Street,

supporting visitor permeability between the train station, town centre and Marina.

Targeted Business Improvements and public realm improvements continue to be a priority for delivery within the agreed major centre Masterplans. Many of the projects are for delivery in the short to medium term, and further projects are being designed for delivery on a rolling year on year programme.

Industrial Estates - Actual Spend £2.318m

Consett Business Park – Final Phase:

The construction of Consett Business Park Final Phase completed on 19 November 2013. The building provides 2,000 sq m of quality office space for up to 35 new businesses and was officially opened by Cllr Pauline Charlton on the 4th March and named ViewPoint, following a project with Villa Real School. As at 2nd June 2014 19 units have been let, providing space to 13 businesses delivering 33.5 full time jobs.

Industrial Properties Refurbishment Programme:

The refurbishment of Stella Gill Industrial Estates was completed resulting in the refurbishment of approximately 500 sq m of floorspace. Works included roof, window and door replacements, together with the installation of emergency lighting and the upgrading of void properties to current standards.

Rural Workshop Development Programme:

Refurbishment works were carried out to offices B3 and B4 at the Dales Centre, which are soon to be let. Updated signage has also been installed on the building and in the external grounds. Works to the gardens and courtyard have also been completed and an official opening takes place on the 7th June.

Derwentside Business Development Centre:

Ongoing maintenance of buildings situated on Derwentside Business Centre has taken place during 2013/2014, including roof repairs to Unit 55.

NETPark - Grow on Space:

Works were carried out during 2013/2014 to Incubator 1, to facilitate the relocation of Filtronic from Newton Aycliffe to safeguard 80 jobs in County Durham.

Disabled Facilities Grants (DFG's) & Financial Assistance Policy (FAP) - Actual Spend £4.041m

Disabled Facilities Grants:

This is a mandatory grant awarded under the Housing Grants, Construction and Regeneration Act 1996 to eligible applicants who have been assessed by an Occupational Therapist as having an essential need for an adaptation to make the properties safer and applicants more independent in their own homes. The maximum DFG award is £30,000 and each applicant (except

where the adaptation is for a child) is subject to a test of resources to determine their financial contribution (if any).

464 Disabled Facilities were completed by financial year end.

Financial Assistance Policy:

Durham County Council is a key partner in the North East Regional Loans Scheme and working together has procured the Five Lamps organisation to administer the loans across the region.

All participating local authorities pay their FAP funding to the Loans Administrator who manages payments to and from the loan portfolio on behalf of the Council. The Policy provides a range of loan types for property owners who are excluded from mainstream sources of finance. Eligible works can include bringing properties up to the Decent Homes Standard, measures to make the property more energy efficient, relocation loans and measures to help qualifying owner-occupiers and landlords to bring long-term empty properties back into use. Loans can also help to fund adaptation works where the DFG maximum is exceeded or where applicants are unable to afford their assessed contribution.

£908,162 was spent from budget in 2013/2014 of which £820,000 was transferred to the Five Lamps Organisation. £683,765 was given in loans and the remainder was for direct works. There is a current commitment to future loans of £622,081.

Office Accommodation - Actual Spend £0.388m

Expenditure during the financial year 2013/2014 supported the following projects:

- Former Easington District Council Offices – completion of demolition works prior to disposal for redevelopment.
- Former Chester-Le-Street Civic Centre – enabling works to facilitate closure of the building, demolition and disposal of the site, including refurbishment of 129 Front Street and subsequent relocation of the Registrar and relocation of the CAP to shared premises at 166 Front Street, Chester-le-Street.
- Stanley Front Street – refurbishment works to enable relocation of Stanley Registrar from leased premises into Council offices.
- Design options and preliminary surveys for the co-location of the CAP and Library into the Louisa Centre in Stanley.
- Design options for the co-location of the CAP and Library in Newton Aycliffe.

Housing Renewal - Actual Spend £2.941m

The Area Based Housing Regeneration Delivery Section resources are targeted on holistic regeneration projects in areas with the worst concentrations of housing problems. Each element plays its part in co-ordinated local action focused on sustainable improvements.

The delivery of capital investment programmes for the Area Based Housing Regeneration Delivery Section in 2013/2014 included acquisition and demolition of private sector housing stock, group repair schemes, environmental improvements, new housing development, return of empty homes back into use and the promotion and installation of energy efficiency measures.

Schemes include Craghead, Wembley (Easington Colliery), Dawdon and West Chilton.

Craghead:

39 properties benefitted from external solid wall energy efficiency measures and some with small scale group repair works. Additional funding was levered into the programme via Energy Company Obligation (ECO) funding and Department of Energy and Climate Change (DECC) funding which enabled the scheme to be extended into further streets within Craghead. 16 long term empty properties have been brought back into use.

Wembley, Easington Colliery:

Wembley Phase 3 Group Repair scheme commenced in February 2013 and continued into 2013/2014. External improvements have been completed to 60 properties in James and Hawthorn Streets, Easington Colliery. 9 long term empty properties have been brought back into use.

Dawdon, Seaham:

Dawdon Phase 10 Group repair scheme progressed throughout 2013/2014 and will be completed in 2014/2015. External improvements have been undertaken to 56 properties in Shrewsbury, Maglona, Chaplin and Margaret Streets. 4 long term empty properties have been brought back into use.

West Chilton:

The acquisition of a further 8 properties in Dene Terrace has been completed and residents have been successfully re-housed. Demolition of 46 properties programmed in three phases has been undertaken within 2013/2014. Environmental works have commenced on the partly cleared site and will be completed in 2014/2015 following the clearance of the remaining 6 properties.

Travellers Sites Refurbishment - Actual Spend £3.336m

Works commenced at Adventure Lane, Tower Road, Drum Lane and Green Lane sites, the completion of 8 units on Adventure Lane which was achieved within timeframe and were the only completions nationally, allowed the release of expected Homes and Communities Agency funding to Durham

County Council in 2013/2014. The Adventure Lane site will be due to re-open within Quarter 1 of 2014/2015.

The overall programme when completed in January 2015 will see the demolition and replacement of 68 pitches, the creation of 8 new pitches and the refurbishment of the communal buildings across all 4 sites.

Urban and Rural Renaissance Initiative (URRI) - Actual Spend £0.038m

Payments relate to final instalments to complete outstanding works in this programme and saw the completion of environmental enhancements at Pelton School Junction, Great Lumley Footpath Loop, Trimdon Village Play Area and Rocking Strike site. In future this type of work will be undertaken through the Town Centres programme.

Minor (ED&H) Schemes - Actual Spend £0.718m

Liveability Land & Buildings:

A new build Multi-Use Community Centre has been designed, commissioned and built in Thornley.

The building includes a multi-use hall that can be used for community events, parties, sports and activities or private hire, a kitchen that directly serves two separate rooms, storage space, fully accessible toilet facilities, foyer areas that can be utilised as meeting space and can be served by the kitchen and a welcoming reception areas.

There is one room for the sole use of the Parish Council who have agreed to take on the responsibility of the management and running of the centre.

All works will go towards making the community centre a more sustainable enterprise and increase community activity in the village. This supports resident's priority of reducing anti-social behaviour and opportunities for young people by creating space where training and activities can be delivered from.

The building is near completion with minor works to be undertaken i.e. painting in May 2014, with a scheduled handover programmed for 6th June 2014.

Community/Environment Schemes:

Bowburn's DJ Evans Youth Club received major refurbishment works that included upgrade of the electrical system, purchase of new gym equipment to support increased usage, and major landscape and building works to improve access to the centre, to encourage more use of the facility. All the works will go towards making the community centre a more sustainable enterprise.

Bowburn Community Centre had major improvements to the external areas that included reconfiguration and renewal of the footpaths and soft landscaping. The improvements were done to compliment previous improvement works to the building and in particular the frontage to the building. Improved access to the centres will promote increased usage by those with mobility needs and families with prams. The Increased paving area

at the front of the building can be utilised for table covers for catering purposes.

Bowburn bridleways improvements were completed along bridleway 36 & 37 supported by Cassop Cum Quarrington Parish Council. Works included repairs to drainage and installation of soak-aways to prevent recurrence of flooding problems. The path is used for recreational purposes by not only riders, but also walkers and cyclists and forms part of 2 circular walks in the area.

Bowburn's Romaine Square is an area in the village with a high level of economic activity and opportunity. It was identified as an area for improvement as part of the Bowburn and Parkhill Masterplan. Improvements were made to the area outside the retail premises shared by both vehicles and pedestrians. Links from the bus stop to the retail area at both the steps and the ramp were improved. Measures to reduce further damage by vehicles were also delivered. The area is now more attractive and accessible for all users and will help to sustain the businesses in that area.

St Johns Public Realm:

Works in 2013/2014 have included:

- Additional design work of car parking scheme for residual development plot.
- Site Surveys and utility investigations
- Landscaping scheme improvements
- Tender package prepared for procurement exercise

Energy Schemes - Actual Spend £0.529m

Biomass Boilers:

A biomass boiler was installed in the Green Lane Offices in Autumn 2013. This project was designed to reduce the Council's carbon emissions (the Council is committed to reduce its own emissions by 40%) and at the same time to generate an income, as biomass is a technology that is funded under the Government's Renewable Heat Incentive (RHI).

The project was designed, funded and managed in-house by Direct Services. The 'Viesmann Kob Pyrotec 950 kWth solid wood pellet boiler was installed ahead of time and was commissioned on 22nd October 2013, in time for the heating system. It provides both space heating and water heating for the building and uses grade A1 virgin wood pellets.

The projects is awaiting approval under the DECC RHI scheme, but the annual income of approximately £80,000 will be received for a guaranteed period of 20 years, backdated to the submission date.

Away From G:

The main project delivered under the Away from G project during 2013-14 was a series of energy efficiency heating system improvements at Startforth

Morritt. This enhanced the savings delivered by the boiler replacement that was undertaken there during the previous financial year.

A programme of works associated with the Big Switch Off project was also initiated during the year. These include external and internal lighting controls, demand control ventilation, etc.

Energy Efficiency Fund:

During 2013-2014 Phase 1 of the Building Energy Efficiency Retrofit (BEER) project was completed. This was a major 2012/2013 scheme but in operation it has not delivered the full financial savings promised by the contractor and as a result the 10% retention of £114,000 will not be paid out and will remain in the Energy Efficiency Fund budget.

Phase 2 of the BEER project was the main Energy Efficiency scheme planned for 2013-2014 and this was to be delivered by the same appointed contractor British Gas, in six buildings at a cost of approximately £1.35 million. In each case, a comprehensive package of measures appropriate to the specific building was to be installed, to include boiler controls, lighting controls, combined heat and power (CHP) schemes, etc

However, significant problems with the contractor resulted in minimal progress on this project during the year and it became clear that they would not be able to deliver the financial and energy savings they had promised. Finally, a much reduced programme of works was agreed, comprising only lighting upgrades and costing just £300,000 in total.

Work finally started in March 2014 and will be complete by June 2014.

The improvements will be delivered in:

- Freemans Quay Leisure Centre
- Green Lane Offices
- Riverside Leisure Centre
- Shildon Sunnydale Leisure Centre
- Spennymoor Leisure Centre

Boiler Optimisation:

The Boiler Optimisation Programme is a new scheme for 2013-2014 which was delivered initially as a pilot in four buildings;

- Service Direct, Meadowfield
- Mendip House
- Woodhouse Close Leisure Centre
- County Hall

The boiler optimisation process prevents boilers from firing up unnecessarily and therefore saves both energy and costs.

The pilot was completed in year and has in its first few months delivered an excellent financial payback. As a result of this success, the project will be

rolled out across many more DCC non-school buildings over financial year 2014-2015.

Structural Capitalised Maintenance - Actual Spend £5.291m

This includes the budget areas of Structural and Capitalised Maintenance (to all non-schools assets), DDA, Fire Safety and Boiler Replacement.

The final outturn figure comprises of over 200 schemes.

Major schemes completed in 2013-2014 included:

Capitalised Maintenance schemes:

- Demolition of Chester le Street Youth Centre (£74K); Thornley Community Centre (£215K) & County Hall Bungalows (£32K).
- Refurbishment works to Crook Civic Centre (£227K).
- Heating and Rewiring of Spennymoor Greenlane Council Office Phase 1 (£1M) including works to the boiler house and resurfacing (£54K).
- Relocation of ICT team to Meadowfield Depot (£313K).
- Relocation of Wellfield Depot to Hackworth Depot (to date £50K spent on refurbishment of Hackworth Depot) whilst the construction of the new salt barn is ongoing.
- Balance Tank repairs and re-grouting of main swimming pool at Newton Aycliffe Leisure Centre.
- Reroofing of Annfield Plain Branch Library; Chester-le-Street Branch library & Belmont Branch Library.
- Roof repairs at Sedgefield Branch Library; Spennymoor Youth & Community Centre & Killhope Mining Centre Buddle House.

DDA schemes:

- Installation of lift at Shildon Leisure Centre
- Installation of DDA compliant entrance doors at Woodhouse Close Leisure Complex.
- Provision of accessible toilet at Belle Vue Leisure Centre.
- Provision of changing facilities at Durham Day Centre.
- Provision of a pool hoist at Chester-le-Street Leisure Centre.

Fire Safety schemes:

- Installation of fire alarm & emergency lighting at Shotley Bridge Infants; Horndale Infants; Beechdale Nursery; Burnside Primary; Wingate Infants; Trimdon Grange Infant & Nursey and Moorside Primary.
- Fire safety/precaution works at Meadowfield Leisure Centre; Durham DLI; Woodhouse Close Leisure Centre and Spennymoor Leisure Centre.

Boiler Replacement schemes:

- Boiler replacements to Crook Civic Centre; Stanley Education Centre and various Children's Homes.

The programme is co-ordinated through the Structural Capitalised Maintenance Non-School Programme Board, involving teams within Asset Management, Finance, Building and Facilities Management, Design Services and Project Support. Also for DDA programme it is co-ordinated through the Accessibility Group involving Asset Management, Equality & Diversity, Office Accommodation, Building and Facilities Management & Design Services.

Woodham CTC - Actual Spend £nil

The authority is in the process of acquiring land at Woodham Community Technology College however results of the site investigation survey are still awaited in order to be able to assess whether the previous valuation compiled for the proposed purchase is correct or whether it requires amendment due to abnormal construction costs.

Minor (P&A) Schemes - Actual Spend £0.752m

Planning System:

The project involves the consolidation of the former district and county software systems used for managing the Planning and Building Control applications and Land Charges.

The new system went live on 14th February 2014 with considerably enhanced functionality to manage the processes and public accessibility to planning submissions. The system set up, including purchase of computer servers, hardware and software and the migration of data from the existing Durham City and Chester le Street systems was implemented during 2013/2014.

The data transfer, which is a significant part of the project, will continue to be undertaken on a phased basis from June 2014 until December 2014 dealing with each of the six remaining former district systems individually. The systems also need considerable development to ensure the benefits and capabilities of the new software can be realised through more efficient and cost effective working practices and improved customer contact and experience of the regulatory planning services. Additional consultancy, training and implementation on sub modules including "Consultee Access Appeals" and Enforcement and Dangerous Structures is programmed to take place during 2014/15.

Elvet Steps:

The area in front of the Magdalene Steps feature, at the junction of Saddler Street and Elvet, Durham, was refurbished using reclaimed granite setts and Yorkstone paving.

Bowless Visitor Centre:

North Pennines ANOB Partnership funding was utilised to undertake refurbishment works at the Bowlees Visitor Centre.

Cobblers Hall Surface Water Drainage:

Designs are complete and works have commenced on site.

Stanley Offices (Lifting of Restrictive Covenant):

Restrictive covenant release was necessary to progress the sale of the former Board School.

Transit 15 - Actual Spend £0.515m

The Transit 15 funding mainly focused on the initial construction works involved in the signalisation of Northlands Roundabout. Design work, statutory undertakers diversions, kerb line and footpath alterations made up the majority of activities carried out to enable the junction to be completed in the summer of 2014.

Other Transit 15 works have involved additional resurfacing following last year's bus priority project at Croxdale roundabout and initial development of the Durham Bus Station scheme.

Transport Major Schemes - Actual Spend £1.324m

There has been works carried out on a number of major capital transport schemes across the county in 2013/2014.

Improvements were made to Bishop Auckland railway station building including a new passenger waiting room with ticket office, disabled accessible toilets and passenger information displays in partnership with Northern Rail, Bishop Trains and the Bishop Line Community Rail Partnership. The works also include a travel hub to promote sustainable travel options to residents and local workers and is the public face of the South Durham Local Motion project.

Construction of the Shildon to Aycliffe Multi User Route scheme commenced following delays by Network Rail to gain access. This scheme will provide a direct, non-vehicular link between the two settlements following the route of the railway line.

Further development of business case and required rail industry approvals towards construction of the proposed Horden (Peterlee) Railway station on the Durham Coast Line.

Initial development has begun to improve the A1(M) motorway junction at Chester-le-Street and to re-align the road at Villa Real. Both projects have benefited from detailed design, surveys and statutory undertakers works taking place this year with construction planned to take place during 2014/2015.

Remaining schemes relating to the funding allocated for Public Rights of Way Flood Damage were completed this year.

There were further land and Part 1 claim costs relating to the previously completed Wheatley Hill to Bowburn scheme.

Local Transport Plan - Actual Spend £5.028m

LTP3 covers a wide range of transport schemes and is split into three areas, Sustainable Travel, Economic/Transport Corridors and Whole-Town Approach.

Sustainable Travel - Focuses on alternative modes of transport to the private car.

This has involved bus infrastructure improvements, new and improved walking and cycling routes, road casualty reduction schemes and supporting the Community Transport sector. Improving driver information, developing Urban Traffic Control, electric vehicle infrastructure and rail station infrastructure has also taken place. The Local Sustainable Transport Fund programme has been supported with match funding to provide facilities at schools being worked with.

Economic/Transport Corridors - Involves the improvement to the principal road network and major transport routes throughout the county.

Belmont Business Park Junction Improvement Scheme was completed and further development work for the Durham Western Relief Road took place. A new link road was provided at Kilburn Drive/Horden which will in future facilitate access to Horden (Peterlee) Railway Station. A junction improvement was also carried out on the A691 to provide improved access to Lanchester Road Hospital - funding support was provided by the NHS Foundation Trust.

Other Economic/Transport Corridor schemes as part of LTP3 which are funded separately are the more substantial Transit 15 and Sunderland Bridge schemes.

A Cycling Super Route scheme was carried out between Cock O'The North Roundabout and Sunderland Bridge. This involved altering the existing footpath to provide an improved, wider, shared use surface which will form part of the Great North Cycleway.

Whole-Town Approach - looks at the twelve main settlements in the county, aiming to improve transport to regenerate the town and attract businesses.

This has involved improvements to bus stations and car parks as well as transport links identified through Masterplans or the Community Economic Development team.

Transport Corridors - Actual Spend £0.336m

Development works have continued on the Sunderland Bridge Roundabout scheme. Issues with land acquisition have delayed progression, however design work has continued along with statutory undertaker, geotechnical and clearance works.

CCTV - Actual Spend £0.185m

The CCTV network cameras are in the main now linked to a central control room at Chilton via a wireless link. This has reduced the revenue budget on

the BT costs of the service. The funding has also facilitated a much improved performance monitoring system for the network and a Project Group is currently being established with the Police to fully integrate a performance framework.

The contract is due to be completed in May 2014 when the strategic cameras in Bishop Auckland will also be transferred to the control at Chilton. The service level agreement with Darlington Council will then be terminated.

Minor (T&CS) Schemes - Actual Spend £0.240m

Intercom Purchases - Supported Housing:

Care Connect have replaced approximately 2,000 intercoms in the Derwentside and Easington locality. The intercoms provide a 24/7 link to the control room at Chilton and in some properties the intercoms monitor smoke alarms for vulnerable residents.

The intercoms provide a platform to enable telecare to be installed, as residents' needs change and they require additional support. A number of the intercoms' are also fitted with a portable phone line, these are mainly used to support urgent hospital discharge for residents who do not have a phone line and require the Care Connect service

Minor (SPP) Schemes - Actual Spend £0.060m

Palace Green Toilets:

A new fully accessible toilet has been constructed on Palace Green in Durham City following the identification that the existing facilities did not meet current requirements.

Langley Park:

This was a grant towards the refurbishment of Langley Park Institute to honour a commitment made pre LGR.

Durham - Market Place - DLI Memorial:

The Council is providing advice and assistance to Durham Rifles Regimental Charity, to facilitate the installation of a new DLI Memorial in Durham Market Place. DCC will install foundations and provide assistance with the installation. Trial holes were completed in February 2014 and installation of the foundation and memorial are scheduled to be completed by the end of August 2014.

Housing Revenue Account Decent Homes (DCH, DVH, EDH) - Actual Spend £45.453m

This year the council's three housing management organisations carried out 10,653 pieces of planned investment work to reduce and maintain decency levels across all council owned housing stock.

Full 'decency' works were carried out to 1,856 properties in the East Durham and Dale and Valley areas to ensure they met the Decent Homes standard at year-end. To ensure homes in the Dale & Valley & Durham City areas maintained the Decency standard a further 558 properties were fitted with new kitchens, 593 with new bathrooms, 2,095 had renewed heating systems, 402 had window replacements, 653 had electrical re-wires & 1,316 had roofing renewals.

As a result of this work, only 8.3% of the council's total housing stock was considered non-decent at year-end (1,536 homes in no.). This exceeds a year-end target of 9% and compares to 19% of the stock (3,444 properties) being non-decent at the end of 2012/13.

All remaining non-decent homes (1,536 properties in no.) are located in the East Durham area and are planned to have Decent Homes investment works undertaken on them in 2014/15. This will ensure all council housing stock meets required decency standards by 31 March 2015.

Durham City Homes:

In-year Durham City Homes completed 5,719 improvement works to properties. This ensured DCH maintained a 0% non-decency level at the end of the financial year and included the provision of;

- 2,039 new central heating systems and/or boiler replacements,
- 377 properties with new UPVC double-glazed windows,
- 462 homes with replacement external doors,
- 488 replacement kitchens,
- 548 replacement bathroom suites or additional WCs,
- 446 full or partial electrical re-wires,
- 660 major roofing schemes,
- 232 capital void improvements, and
- 237 disabled adaptations

Dale & Valley Homes:

In-year Dale & Valley Homes completed 2,325 improvement works to properties. This ensured DVH achieved a 0% non-decency level at year-end and included the provision of;

- full decency works to 156 properties,
- 56 new central heating systems and/or boiler replacements,
- 25 properties with new UPVC double-glazed windows
- 81 homes with replacement external doors,
- 70 replacement kitchens,
- 45 replacement bathroom suites or additional WCs,
- 207 full or partial electrical re-wires,
- 656 major roofing schemes,
- 286 properties with replacement boundary fencing,
- 186 capital void improvements, and
- 368 disabled adaptations

East Durham Homes:

East Durham Homes completed full decent homes improvement works to a total of 1,700 properties. EDHs non-decent stock now stands at 18.50% (1,536 properties) which is a 22.5% reduction from the end of 2012/13 when 41% of stock was non-decent. This also exceeds a 21% non-decency target for year-end. Works undertaken have included;

- 877 new central heating systems and/or boiler replacements,
- 1,321 replacement kitchens,
- 1,260 replacement bathroom suites or additional WCs,
- 1,445 full or partial electrical re-wires,
- 69 capital void improvements, and
- 806 disabled adaptations

HCA Backlog funding (of £19.28m) has been secured to ensure EDH meet full decency by March 2015.

Housing Regeneration (Demolitions) - Actual Spend £0.245m

Wheatley Hill:

4 properties in Cain Terrace were demolished as part of the wider masterplan. Further demolitions will take place in 2014/2015 on remaining properties in Cain Terrace and 3 Henderson Avenue once negotiations to acquire are concluded with the owner. The area once cleared will benefit from small scale landscaping and be available for new development in the longer term.

Esh Winning:

2 properties acquired and 9 properties demolished across The Oaks and Rowan Court.

ISOS Housing received HCA grant to build out a further 10 affordable houses on the Pine Tree site of which the Council facilitated via the use of land, the houses have been built out and residents have taken up occupation. Pine Tree Phase 2 land marketed and details of interest expected within Q1 of 2014/2015.

DCC Mortgage Rescue Scheme - Actual Spend £nil

Negotiations regarding the acquisition of one property in Usher Moor have commenced and the purchase should be completed by July 2015 once all legal issues are finalised.

New Build II - Actual Spend £nil

As part of the council's Housing Stock Transfer proposals, and the associated 'offer to council housing tenants, a 700 unit new build programme is being proposed by the council (and the newly created County Durham Housing Group) by 2022 should transfer go ahead.

In support of this offer, work has been undertaken this year to appraise and agree a list of potential sites which could be included in the proposed

development programme. Cabinet will receive high-level details as to the nature of these sites at its meeting on the 16 July, alongside a number of other matters relating to stock transfer. Should this be approved, work will commence in earnest in 2014/2015 to progress priority development sites in each provider area (i.e. Dale & Valley Homes, Durham City Homes & East Durham Homes' areas) and to facilitate necessary site assembly works.

22 September 2014



**Regeneration and Economic
Development Service – Quarter 1:
Forecast of Revenue and Capital
Outturn 2014/15**

Report of Finance Manager – Azhar Rafiq

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Regeneration and Economic Development (RED) service grouping highlighting major variances in comparison with the budget based on the position to the end of June 2014.

Background

2. County Council approved the Revenue and Capital budgets for 2014/15 at its meeting on 26 February 2014. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the RED service grouping:
 - *RED Revenue Budget - £43.015m (original £42.653m)*
 - *Housing Revenue Account - £66.034m*
 - *RED Capital Programme – £94.589m (original £109.598m)*
3. The original RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Transfer of budget from CAS for management of Gypsy Roma Traveller service £127k
 - Reduction in staffing budget to reflect purchase of annual leave -£33k
 - Reduction in car mileage budget to reflect corporate savings -£40k
 - Transfer of budget to Neighbourhood Services for Highway Network maintenance service -£43k
 - Increase in capital charges budget not controlled by services £351k

The revised General Fund Budget now stands at £43.015m.

4. The summary financial statements contained in the report cover the financial year 2014/15 and show: -
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the RED revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

5. The service is reporting a cash limit spend which is **£0.424m** under budget against a revised annual budget of **£43.015m**.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	28,245	8,643	28,689	444	-350	94
Premises	2,875	537	2,897	22	0	22
Transport	1,062	198	1,013	-49	0	-49
Supplies and Services	10,260	1,248	11,163	903	-886	17
Agency and Contracted	19,553	4,445	19,971	418	-292	126
Transfer Payments	1,670	190	166	-1,504	-1	-1,505
Central Costs	10,070	74	11,693	1,623	0	1,623
GROSS EXPENDITURE	73,735	15,335	75,592	1,857	-1,529	328
INCOME	-30,720	-7,348	-31,472	-752	0	-752
NET EXPENDITURE	43,015	7,987	44,120	1,105	-1,529	-424

Analysis by Head of Service

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Strategy Programmes Performance	1,738	619	1,685	-53	0	-53
Economic Development & Housing	6,610	2,132	7,476	866	-730	136
Planning & Assets	5,768	1,402	5,459	-309	-203	-512
Transport & Contracted	18,123	3,769	18,724	601	-596	5
Central Managed Costs	10,776	65	10,776	0	0	0
NET EXPENDITURE	43,015	7,987	44,120	1,105	-1,529	-424

7. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table

identifies variances in the core budget only and excludes items outside of the cash limit (e.g. concessionary fares) and technical accounting adjustments (e.g. capital charges):

Service Area	Description	(Under) / Over budget	(Under) / Over budget
Strategy, Policy, Partnerships & Support	£33k under budget on employee costs due to vacancies and local agreements	(33)	
County Durham Economic Partnership	Minor variance	2	
Planning & Performance	£22k under budget on employee costs due to local agreements and maternity leave	(22)	
Funding and Programmes	Minor variance	0	(53)
Head of Economic Development	Minor variance	8	
Physical Development	£33k under budget on employee costs due to vacant post	(33)	
Visit County Durham	£44k over budget on employee costs due to apprentice costs and vacancy savings not being achieved.	44	
Business Durham	£23k approved over budget relating to the Council's contribution to the Regional Growth Fund programme	23	
Economic Development	£14k over budget on employee costs due to vacancy savings not being achieved £80k approved over budget relating to Apprenticeship support	94	
Housing Solutions	No variance forecast whilst restructure is being implemented	0	136
Head of SPPAE	Minor variance	4	
Spatial Policy	£25k under budget on employees due to staff turnover £11k under budget on transport £141k approved over budget on public consultation costs regarding the examination of the Local Plan	105	
Development Management	£94k under budget on employees due to increasing staff turnover £25k under budget on transport £18k under budget on general supplies & services £35k under budget on computer software due to implementation of planning system (future MTFP saving achieved early) £25k approved over budget on professional fees relating to Ombudsman related inquiries at Windmill Village £50k approved over budget on legal fees for public inquiry relating to Bradley open cast mine £500k over achieved planning fee income partly due to a number of large applications such as Beacon Lane, Sedgfield and The Isles Wind Farm, Bradbury	(597)	

Service Area	Description	(Under) / Over budget	(Under) / Over budget
Building Control	£30k under budget on employees due to vacant building control officer £22k under budget on computer software due to implementation of planning system (future MTFP saving achieved early) £17k under budget on transport and supplies & services £15k under budget on dangerous structures	(84)	
Environment & Design	£22k under budget on employees due to MTFP savings achieved early £27k under budget on transport £95k under budget on supplies and services throughout the service £15k under budget on solar metering repairs and maintenance £26k approved over budget relating to projects at Binchester Roman Fort	(133)	
Asset Management	£20k approved over budget on employees £30k approved over budget relating to asset rationalisation project £182k under achieved income on vacant properties such as North Road Durham, Brackenhill Peterlee, Millenium Square Durham and Newgate Street Bishop Auckland £39k under budget on various other properties	193	(512)
Head of Transport	Minor variance	5	
Traffic	£31k over budget on premises costs due to adjusted water rates for Park & Ride £9k over budget on transport and supplies and services mainly due to Park & Ride bus livery costs £18k under budget on third party payments due to anticipated reduction in cost of new parking contract £6k over achieved income from Traffic Signals	16	
Sustainable Transport	£7k over budget on bus projects for members £23k under budget on salaries due to local agreements	(16)	
Supported Housing	£107k over budget on employees due to additional costs to cover holidays and sickness resulting from a 24/7 service (offset by additional income below) £8k over budget on running costs £115k over achieved income due to additional clients and additional SLA income	0	5
Central Costs	Minor variance		0
Overall (Under) / Over budget			(424)

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2014/15 which amount to £1.1m.

Revenue – Housing Revenue Account (HRA)

9. The Council is responsible for managing the HRA which is concerned solely with the management and maintenance of the Council's housing stock of around 18,500 dwellings. Two arms length management organisations (ALMOs) have been established to manage Easington and Wear Valley housing stock (East Durham Homes and Dale and Valley Homes respectively) whilst Durham City is managed in-house. The responsibility for managing the HRA lies solely with the Authority and this is not delegated or devolved to the ALMOs.
10. The table in **Appendix 2** shows the forecast outturn position on the HRA showing the actual position compared with the original budget. In summary it identifies a balanced outturn position on the revenue account after using a projected surplus of £2.028m towards the capital programme.

Housing Revenue Account	Budget £'000	Forecast Outturn £'000	Variance £'000
Income			
Dwelling Rents	(64,558)	(64,640)	(82)
Other Income	(1,371)	(1,371)	0
Interest and investment income	(105)	(105)	0
	(66,034)	(66,116)	(82)
Expenditure			
ALMO Fees	16,799	16,799	0
Repairs, Supervision and Management Costs	12,019	12,019	0
Depreciation	7,872	7,872	0
Interest Payable	12,627	10,681	(1,946)
Revenue contribution to capital programme	16,717	18,745	2,028
	66,034	66,116	82
Net Position	0	0	0

11. In summary, the main and significant variances with the budget are explained below and relate to the figures and corresponding notes shown in **Appendix 2**:
- Dwelling Rents £82k increased income** – this results from a lower than anticipated void rate;
 - Interest Payments £1,946k underspend** – this results from a lower interest rate and lower outstanding loan debt than originally anticipated, due in part to re-profiling of the capital programme in year;
 - Revenue Support to Capital £2,028k surplus** – the balancing item on the HRA which identifies the potential resources available to support the capital programme and reduce our reliance on borrowing.

Capital Programme

12. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively

large and comprises over 187 schemes managed by around 37 project delivery officers.

13. The Regeneration and Economic Development capital programme was revised at Outturn for budget rephased from 2013/14. This increased the 2014/15 original budget. Further reports to the MOWG in May and June detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£94.589m** - consisting of **£44.589m** for the General Fund and **£50.000m** for the HRA.
14. Summary financial performance to the end of June is shown below.

Service	Original Annual Budget 2014/15 £000	Revised Annual Budget 2014/15 £000	Actual Spend to 30 June £000	Remaining Budget £000
General Fund	59,109	44,589	5,538	39,051
HRA	50,489	50,000	9,196	40,804
Total	109,598	94,589	14,734	79,855

15. Actual spend for the first three months amounts to **£14.734m** – consisting of **£5.538m** for the General Fund and **£9.196m** for the HRA. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme.
16. For the General Fund programme, actual spend to 30 June amounts to £5.538m. The key areas of spend to date have been on Gypsy Roma Travellers sites (£1.498m), Structural Capitalised Maintenance (£1.186m), and the Local Transport Plan (£0.902m). Other areas of the programme are profiled to be implemented during the remainder of the year it is anticipated that the projected outturn at 31 March 2015 will be in line with the revised budget.
17. The HRA programme is being significantly supported with £19.286m of Homes and Communities Agency Decent Homes Backlog Grant funding. In the first three months of the financial year a total of 404 properties have been brought up to the Decent Homes standard.
18. At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Recommendations:

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

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Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: 2014-15 Housing Revenue Account

	2014/15 Budget	2014/15 Forecast Outturn	Variance	
	£000	£000	£000	
Income				
Dwelling Rents	(64,558)	(64,640)	(82)	a
Non Dwelling Rents: – Garages	(903)	(903)	0	
– Shops/Other	(121)	(121)	0	
Charges for Services and Facilities	(347)	(347)	0	
Total Income	(65,929)	(66,011)	(82)	
Expenditure				
ALMO Management Fee	16,799	16,799	0	
Repairs and Maintenance	4,462	4,462	0	
Supervision and Management - General	4,061	4,061	0	
Supervision and Management - Special	436	436	0	
Rent, Rates, Taxes and Other Charges	410	410	0	
Depreciation and Impairment of Fixed Assets	7,872	7,872	0	
Bad Debt Provision and Debts Written Off	988	988	0	
Debt Management Costs	175	175	0	
Total Expenditure	35,203	35,203	0	
Net Cost of HRA Services per I&E Account	(30,726)	(30,808)	(82)	
Share of Corporate and Democratic Core	1,085	1,085	0	
Share of Other Costs Not Allocated to Specific Services	402	402	0	
Net Cost of HRA Services	(29,239)	(29,321)	(82)	
Interest Payable and Similar Charges	12,627	10,681	(1,946)	b
Direct Revenue Financing (Contribution to Capital)	16,717	18,745	2,028	c
Interest and Investment Income	(105)	(105)	0	
(Surplus)/Deficit for Year	0	0	0	
HRA Reserves	7,155	7,155		
Welfare Reform Reserve	393	0		
Durham City Homes Improvement Plan	650	650		

Appendix 3: RED Capital Programme 2014-15

	Revised Annual Budget £000	Profiled Budget £000	Actual Spend to 30 June £000	Remaining Budget £000
General Fund				
Economic Development & Housing				
Barnard Castle Vision	765	72	32	733
Durhamgate	364	9	9	355
Industrial Estates	509	61	16	493
North Dock Seaham	50	0	0	50
Office Accommodation	1,718	109	126	1,592
Town Centres	3,403	98	-22	3,425
Minor Schemes	719	113	113	606
Disabled Facilities Grant /FAP (1)	3,940	292	295	3,645
Gypsy Roma Travellers	5,197	1,498	1,498	3,699
Housing Renewal	5,653	377	303	5,350
Cricket Club	1,200	0	0	1,200
Planning & Assets				
Renewable Energy Schemes	843	12	13	830
Structural Capitalised Maintenance	5,500	690	1,186	4,314
Woodham Community Tech College	750	0	0	750
Minor Schemes	360	33	119	241
Transport & Contracted Services				
Local Transport Plan	3,342	753	902	2,440
Transport Corridors	1,122	281	302	820
Transport Major Schemes	6,864	551	597	6,267
Transit 15	1,475	1	37	1,438
CCTV	298	73	2	296
Minor Schemes	10	10	10	0
Strategy & Programmes Minor Schemes				
	507	0	0	507
General Fund Total	44,589	5,033	5,538	39,051
Housing Revenue Account (2)				
Durham City Homes	12,498	3,124	1,864	10,634
Dale and Valley Homes	7,500	1,875	1,579	5,921
East Durham Homes	26,729	6,682	5,753	20,976
Unprogrammed Works	2,644	0	0	2,644
Mortgage Rescue	40	0	0	40
New Build	500	0	0	500
Housing Demolitions & Regeneration	89	0	0	89
Housing Revenue Account Total	50,000	11,681	9,196	40,804
RED Total	94,589	16,714	14,734	79,855

(1) Financial Assistance Programme

(2) HRA actual spend includes accruals for Housing Providers

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**Economy and Enterprise
Overview and Scrutiny Committee**



22 September 2014

**Quarter 1 2014/15
Performance Management Report**

**Report of Corporate Management Team
Lorraine O'Donnell, Assistant Chief Executive
Councillor Simon Henig, Leader**

Purpose of the Report

1. To present progress against the council's corporate basket of performance indicators (PIs) for the Altogether Wealthier theme and report other significant performance issues for the first quarter of 2014/15 covering the period April to June 2014.

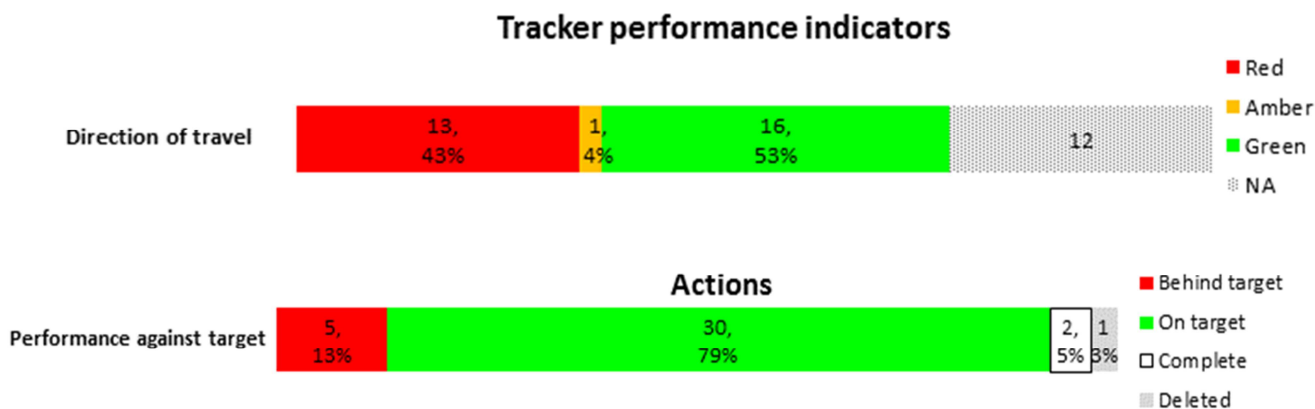
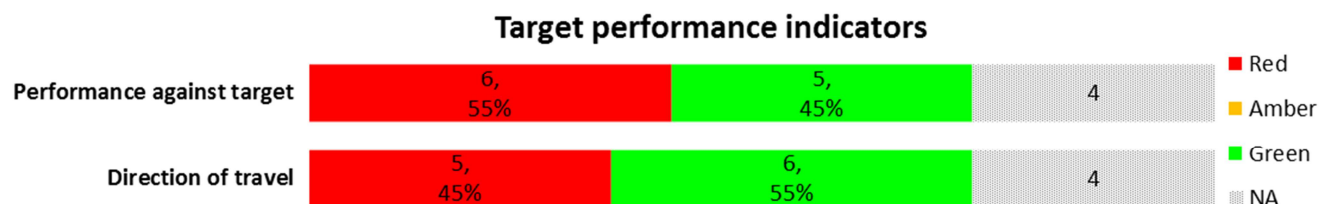
Background

2. The report sets out an overview of performance and progress by Altogether Wealthier theme. Key performance indicator progress is reported against two indicator types which comprise of:
 - a. Key target indicators – targets are set for indicators where improvements can be measured regularly and where improvement can be actively influenced by the council and its partners (see Appendix 3, table 1); and
 - b. Key tracker indicators – performance will be tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence (see Appendix 3, table 2).
3. Work has been carried out by officers and members on developing a revised indicator set and targets for 2014/15 as set out in Appendix 3. This set of indicators is based around our six Altogether priority themes and will be used to measure the performance of both the council and the County Durham Partnership.
4. The report continues to incorporate a stronger focus on volume measures in our performance framework. This allows us to better quantify productivity and to monitor the effects of reductions in resources and changes in volume of activity. Charts detailing some of the key volume measures which form part of the council's corporate basket of performance indicators are presented in Appendix 4.

Developments since Last Quarter

5. Corporate performance indicator guidance which provides full details of indicator definitions and data sources will soon be available from the Councillors Intranet homepage at: <http://intranet/sites/Councillors/default.aspx>. Any queries relating to the definition manual can be directed to the Corporate Performance Team at performance@durham.gov.uk.

Altogether Wealthier: Overview



Council Performance

6. Given the performance indicator picture appears mixed, there are improvements in the majority of key areas. Key achievements this quarter include:
- a. The proportion of major planning applications determined within 13 weeks has improved to 77% (July 2013 to June 2014) from 72.3% (April 2013 to March 2014). Performance is better than corresponding period last year (74.6%), the target of 71% and national benchmarking (70%), however is worse than the North East rate (78%). 122 major applications were received this year compared to 126 last year. The proportion of overall planning applications determined within deadline has fallen slightly from 87.2% (April 2013 to March 2014) to 86.2% (July 2013 to June 2014). Performance is similar to last year (86.3%) and is above target (85%). 2,689 applications were received this year, slightly less than last year when 2,732 were received (see Appendix 4, Chart 1).
 - b. This quarter 514 potential jobs have been created, 64 through new business lettings and 450 through two inward investments which have been confirmed and will potentially result in 450 jobs, located in Durham City and Seaham. Performance is however below the target of 600 jobs created/safeguarded.
 - c. This quarter shows 117 affordable homes were delivered, an increase from the same period last year when 60 homes were delivered. The annual target is to be increased from 300 to 400 to reflect the outputs of various programmes aimed at increasing the number of affordable homes either through new housing delivery or conversion of existing properties to affordable homes, each of which have their own specific programme targets attached.

d. Tracker indicators show

- i. During quarter 1, 361 net new homes were completed, an increase of 102% from last quarter (179 completions) and 24.5% from the corresponding period last year (290 completions). Recent monitoring activity has confirmed that a large number of housing sites with planning permission are now being implemented. The housing market is improving due to government incentives such as First Buy and Help to Buy. In Durham City the number of completions increased from eight last quarter to 14 this quarter, which is the same number as the corresponding period last year. This quarter 128 completions were in and around major settlements, similar to quarter 1, 2013/14. However due to the significant increase in net completions overall this represented a lower proportion (35%) compared to last year (43.1%). Although the County Durham Plan includes policies aiming to increase completions in and near major settlements, the activity required to deliver these completions is led by developers. A target of 70% was initially agreed however it is now considered more appropriate to track performance of this indicator.
- ii. During quarter 1 there were 2,606 housing solution presentations. Previously only presentations from the Housing Advice and Prevention Team were included in this indicator but following the restructure of the Housing Solutions Service, presentations are now also being reported for the Family Intervention Project, Family Wise, Home Improvement Agency and the Private Sector Initiatives Team. Previously reported data is therefore not comparable.

The proportion of statutory housing solutions applications has improved, reducing to 13.6% this quarter from 13.8% last quarter and 14.4% for the corresponding period last year. The level of acceptances of a statutory duty has declined from 2.6% last quarter and 3.4% for the corresponding period last year to 4.2% (62 acceptances). The proportion of preventions has improved, increasing to 26.3% from 18.2% last quarter and 20.9% for the corresponding period last year. Previously only the Housing Advice and Prevention Team was included in these indicators however from quarter 1 Family Intervention Project and Family Wise are included, with Home Improvement Agency and the Private Sector Initiatives Team being introduced from quarter 2.

- iii. As reported under the Altogether Better for Children and Young People theme, there has been an improvement in the proportion of 16 to 18 year olds who are not in education, employment or training (NEET). Data for April to June 2014 show 6.8% of 16 to 18 year olds were NEET, which relates to approximately 1,158 young people. This is an improvement when compared to the same quarter of last year (8.7%) and is better than the nationally published North East average (November 2013 to January 2014) of 7.6%. It is worse than the national average of 5.3% but in line with the statistical neighbours average of 6.6%. The percentage of 16 to 18 year olds whose status in relation to education, employment or training is not known reduced to 3.6% during April to June 2014. This is better than the November to

January averages for England (9.2%), the North East (6.4%) and statistical neighbours (6.4%).

- e. Progress has been made with the following Council Plan and service plan actions:
- i. Significant progress has been made during the first quarter of 2014/15 to increase availability of technology across the county by developing the Digital Durham programme for next generation broadband delivery to all areas of the county. British Telecom (BT) has enabled almost 9,000 additional premises to access fibre based broadband services. During quarter 2, work will commence in Sedgefield, Ryton (Gateshead area partner) and Trimdon, and for the first time, fibre based broadband services will become available to residents. There will also be a significant investment in making fibre based broadband services more widely available in the BT exchange areas of Beamish, Coxhoe, Crook, Meadowfield, New Brancepeth, Peterlee, Stanley, Washington (Sunderland area partner), Burnopfield (Gateshead area partner), Dipton, Lanchester and Wellfield. Following the receipt of further funding and completion of an open market review, a second intervention area will define to postcode level the additional areas to fund infrastructure build due to market failure.
 - ii. Durham City site investigation in relation to the Western Relief Road is complete and further design work is continuing, with the planning application being expected to be submitted in June 2015. Planning consent for the bus station on North Road, Durham is now expected in December 2014, with the junction realignment due for completion by May 2015 and the start date for the construction of the bus station being revised to June 2015. A detailed design for the flood mitigation solution at Elvet waterside has been commissioned however the development brief for the site has been delayed as the university have postponed making a decision on the site until the end of the summer. The constraints assessment and design work for Milburngate House is underway and scheduled for completion in November 2014 whilst work is ongoing to secure planning consent.
 - iii. A preferred option for the future of council housing across County Durham is to be pursued by March 2015. Following consent from Government a formal consultation process with tenants was carried out. Home visits were undertaken to all tenants in June 2014 and the council's offer document was hand delivered or posted to each tenant. At the meeting of Cabinet on 16 July it was agreed to proceed with a ballot, the result of which demonstrated that 82% of respondents were in favour of transferring ownership and management of their homes to the County Durham Housing Group.
 - iv. The Gypsy Roma Traveller sites at Adventure Lane, West Rainton; Green Lane, Bishop Auckland; Tower Road, Stanley and Drum Lane, Birtley are being redeveloped. Following completion of the redevelopment of the site at Adventure Lane, the site was re-opened on 9 June 2014. Residents are returning to the site on a phased basis through an agreed process and once complete the site will be fully

occupied. The Tower Road site is now complete and was handed over on 28 July 2014. Again a managed phased return is planned to return residents back to the site. Work is continuing on Green Lane and Drum Lane following commencement on site earlier in the year.

- v. Following the launch of the empty homes cluster programme (to bring empty homes back into use), extensive marketing of the available products has been undertaken. Over 4,600 letters were sent out to owners of empty properties, jointly with council tax information and to date there are 243 people interested in grants and loans.

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

- a. During the quarter, 19 empty properties were brought back into use through council intervention. This is below the target of 30 and performance for the same period last year when 31 properties were brought back into use. The availability of loan funding county wide is starting to bring in good returns, therefore performance should improve in quarter 2.
- b. The proportion of council owned housing that meets decency criteria is currently 81.8% against an end of year target of 100%. This is made up of Durham City Homes 84.5%, East Durham Homes 85.4% and Dale and Valley Homes 68.3%. All providers are on track to achieve 100% decency by the end of 2014/15.
- c. This quarter shows 37 apprenticeships started through Durham County Council schemes. This is below the target of 45 however is better than the corresponding period last year (28).
- d. Tracker indicators show:
 - i. The employment rate maintained this quarter, rising to 66.2% from 66.1% last quarter and 65.8% for the corresponding period last year. The County Durham rate remains worse than the national and regional rates of 73.3% and 67.6% respectively. There are now 225,600 people defined as in employment which is an improvement of 2,100 on the same period last year. The changes to those defined as in employment are not reflected in the changes to those claiming Job Seekers Allowance (JSA), which has significantly reduced and now stands at 9,385, which represents 2.8% of the working age population. This is the first time since October 2008 that the number of claimants has been below 10,000. This suggests that there may be some people who are now no longer entitled to claim JSA but are also not in work.
 - ii. The number of people claiming JSA for more than 12 months stands at 3,365 claimants which has reduced by more than 600 from March 2014 and is over 1,600 less than at June 2013. However, although the number of claimants are reducing, 35.9% of claimants have claimed for more than 12 months which is higher than last quarter (34.8%), the same period last year (34.5%) and national and regional rates (27.1% and 35.5% respectively).

- iii. The number of 18 to 24 year olds claiming JSA (2,580) has also significantly reduced from 3,415 last quarter and 4,435 for the same period last year. Youth unemployment is now at its lowest level since June 2008. This represents 1% of the 18 to 24 year old population but 27.5% of JSA claimants.
- iv. The proportion of the working age population not in work who want a job has fallen to 13.7% (April 2013 to March 2014), representing 44,900 people. This is an improvement from 14.6% reported last quarter and 16.4% for the corresponding period last year. The rate however is higher than national (11%) and regional (13.4%) rates.
- v. This quarter, 1,228 people registered on the Durham Key Options scheme have been rehoused, compared to 1,363 last quarter and 1,088 for the corresponding period last year (see Appendix 4, Chart 2).
- vi. Occupancy rates for retail units in town centres have declined in nine of the 12 town centres, with only Consett, Seaham and Shildon demonstrating improvement (see table below). Bishop Auckland has seen the highest percentage fall in occupancy (-13.2%). Compared to the national average occupancy rate for 2013 (86%), seven town centres have equal or higher occupancy levels.

Town Centre	% occupancy at March 2014	% occupancy at March 2013	% change
Consett	94	88	+6.8
Crook	92	95	-3.2
Seaham	91	87	+4.6
Barnard Castle	89	93	-4.3
Durham City	89	90	-1.1
Shildon	89	88	+1.1
Stanley	86	91	-5.5
Bishop Auckland	79	91	-13.2
Peterlee	85	87	-2.3
Spennymoor	85	88	-3.4
Chester-le-Street	84	89	-5.6
Newton Aycliffe	71	80	-11.3

- vii. The number of passenger journeys on the Durham City Park and Ride has decreased by 7% (18,543 journeys) from 258,703 last quarter to 240,243 this quarter.
- e. Key Council Plan actions which have not achieved target in this theme include:
- i. A new roundabout at Sunderland Bridge due to be constructed by March 2015, has been delayed until September 2015 as the purchase of the land has not yet been finalised. The revised plan of works means that the site cannot be progressed as quickly as originally envisaged due to the re-landscaped site needing to be left for a period of at least three months to allow the ground to settle. Construction will be phased

with initial earthworks being undertaken in September 2014. This will be followed by the main construction phase between April and September 2015. This is subject to land acquisition.

- ii. Road access improvements at Front Street, Stanley were due to be completed by December 2015. The initial project was rejected at public enquiry and a decision regarding further steps will be made in August 2014.
- iii. Adoption of the County Durham Plan due by March 2015 has been delayed until September 2015. The final County Durham Plan was submitted to the Department for Communities and Local Government (DCLG) and the Planning Inspectorate on the 25 April 2014. The Examination in Public (EIP) Hearing sessions are to commence in September 2014 and timescales initially proposed by the Planning Inspector suggest the examination may run into early 2015. The strategic site supplementary planning documents are in an advanced stage but cannot be adopted until the County Durham Plan is adopted. The draft Community Infrastructure Levy (CIL) Charging Schedule was submitted to DCLG and the Planning Inspectorate on the 25 April 2014. The CIL EIP will follow the County Durham Plan with a provisional start date of the 16 December 2014.
- iv. The first Durham County Council market housing scheme for rent and sale due to be delivered by June 2016, has been delayed until January 2017. Initial legal advice has been secured on the development of two new LA Trading Companies. A cost consultant (Identity Consult) has been appointed to lead on identifying a suitable building contractor partner and the deadline for this activity has been revised from June 2014 to December 2014. This revision has also affected the deadlines of other actions and the overall project timescale. A short list of possible builders has now been prepared and a programme to secure a start on site on a pilot scheme in October 2015 has been agreed.
- v. A County Durham Apprenticeship Programme to support people into work through the provision of wage subsidy to employers due to be delivered by March 2015, has been deleted as it is a business as usual action.
- vi. A service plan action regarding the extension of the Park and Ride site at Sniperley has been delayed from November 2014 to August 2015 due to the changes to the master plan for the Sniperley site which is currently being finalised and is subject to land acquisition.

8. There are no key risks in delivering the objectives of this theme.

Recommendations and reasons

9. That the Economy and Enterprise Overview and Scrutiny Committee receive the report and consider any performance issues arising there from.

Contact: Jenny Haworth, Head of Planning and Performance
Tel: 03000 268071 E-Mail jenny.haworth@durham.gov.uk

Appendix 1: Implications

Finance

Latest performance information is being used to inform corporate, service and financial planning.

Staffing

Corporate health PIs and key actions relating to staffing issues are monitored as part of the performance monitoring process.

Risk

Reporting of significant risks and their interaction with performance is integrated into the quarterly monitoring report.

Equality and Diversity/Public Sector Equality Duty

Corporate health PIs and key actions relating to equality and diversity issues are monitored as part of the performance monitoring process.

Accommodation

Not applicable

Crime and Disorder

Corporate health PIs and key actions relating to crime and disorder issues are monitored as part of the performance monitoring process.

Human Rights

Not applicable

Consultation

Not applicable

Procurement

Not applicable

Disability Issues

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

Legal Implications

Not applicable

Appendix 2: Key to symbols used within the report

Where icons appear in this report, they have been applied to the most recently available information.

Performance Indicators:

Direction of travel

Performance against target

Latest reported data have improved from comparable period

GREEN

Performance better than target

Latest reported data remain in line with comparable period

AMBER

Getting there - performance approaching target (within 2%)

Latest reported data have deteriorated from comparable period

RED

Performance >2% behind target

Actions:

WHITE

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

GREEN

Action on track to be achieved by the deadline

RED

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

Benchmarking:

GREEN

Performance better than other authorities based on latest benchmarking information available

AMBER

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

RED

Performance worse than other authorities based on latest benchmarking information available

Appendix 3: Summary of Key Performance Indicators

Table 1: Key Target Indicators

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Wealthier											
1	REDPI 75a	Overall proportion of planning applications determined within deadline	86.2	Jul 2013 - Jun 2014	85.0	GREEN	86.3	RED			
2	REDPI 10a	Number of affordable homes delivered	117	Apr - Jun 2014	60	GREEN	60	GREEN			
3	REDPI29	Number of private sector properties improved as a direct consequence of local authority intervention	To follow	Apr - Jun 2014	131	NA	203	NA			
4	REDPI30	Number of empty properties brought back into use as a result of local authority intervention	19	Apr - Jun 2014	30	RED	31	RED			
5	REDPI24	All homes completed in and near all major settlements, as defined in the County Durham Plan, as a proportion of total completions	35.00	Apr - Jun 2014	70.00	RED	43.10	RED			
6	REDPI95	Proportion of council owned properties currently meeting decency criteria	81.2	Apr - Jun 2014	100.0	Not comparable [1]	76.1	GREEN			
7	REDPI62	Apprenticeships started through Durham County Council funded schemes	37	Apr - Jun 2014	45	RED	28	GREEN			
8	CASAW2	Overall success rate of Adult Skills Funded Provision	New indicator	NA	Not set	NA	New indicator	NA			

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
9	REDPI64	Number of passenger journeys made on the Link2 service	8,257	Apr - Jun 2014	7,500	GREEN	8,183	GREEN			
10	REDPI81	Percentage of timetabled bus services that are on time	90.0	Apr - Jun 2014	85.0	GREEN	88.0	GREEN			
11	REDPI41c	Percentage of major planning applications determined within 13 weeks	77.0	Jul 2013 - Jun 2014	71.0	GREEN	74.6	GREEN	70.0 GREEN	78** RED	Apr 2013 - Mar 2014
12	REDPI93	Number of business enquiries handled	237	Apr - Jun 2014	300	RED	322	RED			
13	REDPI94	Number of inward investment successes	New indicator	Reported in quarter 4	10	NA	New indicator	NA			
14	REDPI66	Number of businesses engaged	230	Apr - Jun 2014	300	RED	289	RED			
15	REDPI92	Number of gross potential jobs created and safeguarded	514	Apr - Jun 2014	600	RED	New indicator	NA			

[\[1\] Due to changes to the indicator previous year's data is not comparable](#)

Table 2: Key Tracker Indicators

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Wealthier											
86	REDPI3	Number of all new homes completed in Durham City	14	Apr - Jun 2014	8	GREEN	14	AMBER			
87	REDPI 22	Percentage of households within County Durham that can access Durham City market place by 8.30am, using public transport with a total journey time of 1 hour, including walking time	74.00	Apr - Jun 2014	73.76	GREEN	73.58	GREEN			
88	REDPI 38	Number of passenger journeys recorded by the operator of the three Durham City Park and Ride sites	240,243	Apr - Jun 2014	258,703	RED	258,786	RED			
89	REDPI 80	Percentage annual change in the traffic flow through Durham City	4.9	Apr - Jun 2014	New indicator	NA	New indicator	NA			
90	NS01	Number of visitors to theatres	72,063	Apr - Jun 2014	New indicator	NA	New indicator	NA			
91	NS02	Number of visitors to museums	61,408	Apr - Jun 2014	New indicator	NA	New indicator	NA			
92	NS03	Number of visitors to leisure centres	1,092,856	Apr - Jun 2014	New indicator	NA	New indicator	NA			
Page 6 of 61	NS12	Percentage of food establishments rated as 3 star or above (Food Hygiene Rating System)	93.5	As at Jul 2014	94	RED	New indicator	NA			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
94	REDPI 97a	Occupancy rates for retail units in town centres (%) – Barnard Castle	89	As at Mar 2014	93	RED	93	RED	86 GREEN		2013
95	REDPI 97b	Occupancy rates for retail units in town centres (%)– Bishop Auckland	79	As at Mar 2014	91	RED	91	RED	86 RED		2013
96	REDPI 97c	Occupancy rates for retail units in town centres (%) – Chester-le-Street	84	As at Mar 2014	89	RED	89	RED	86 RED		2013
97	REDPI 97d	Occupancy rates for retail units in town centres (%)– Consett	94	As at Mar 2014	88	GREEN	88	GREEN	84 GREEN		2013
98	REDPI 97e	Occupancy rates for retail units in town centres (%) – Crook	92	As at Mar 2014	95	RED	95	RED	86 GREEN		2013
99	REDPI 97f	Occupancy rates for retail units in town centres (%) – Durham City	89	As at Mar 2014	90	RED	90	RED	86 GREEN		2013
100	REDPI 97g	Occupancy rates for retail units in town centres (%) – Newton Aycliffe	71	As at Mar 2014	80	RED	80	RED	86 RED		2013
101	REDPI 97h	Occupancy rates for retail units in town centres (%) – Peterlee	85	As at Mar 2014	87	RED	87	RED	86 RED		2013
102	REDPI 97i	Occupancy rates for retail units in town centres (%) – Seaham	91	As at Mar 2014	87	GREEN	87	GREEN	86 GREEN		2013
103	REDPI 97j	Occupancy rates for retail units in town centres (%) – Shildon	89	As at Mar 2014	88	GREEN	88	GREEN	86 GREEN		2013
104	REDPI 97k	Occupancy rates for retail units in town centres (%) – Spennymoor	85	As at Mar 2014	88	RED	88	RED	86 RED		2013

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
105	REDPI 97i	Occupancy rates for retail units in town centres (%) – Stanley	86	As at Mar 2014	91	RED	91	RED	86 AMBER		2013
106	REDPI 10b	Number of net homes completed	361	Apr - Jun 2014	179	GREEN	290	GREEN			
107	REDPI 34	Total number of those registered on the Durham Key Options system who have been rehoused (includes existing tenants and new tenants)	1,228	Apr - Jun 2014	1,363	RED	1,088	GREEN			
108	REDPI 36d	Total number of housing solutions presentations	2,606	Apr - Jun 2014	New indicator	NA [2]	New indicator	NA [2]			
109	REDPI 36b	Number of statutory homeless applications as a proportion of the total number of housing solutions presentations	13.57	Jan - Mar 2014	13.79	GREEN	14.35	GREEN			
110	REDPI 36c	Number of homeless acceptances (of a statutory duty) as a proportion of the total number of housing solutions presentations	4.16	Apr - Jun 2014	2.61	RED	3.36	RED			
111	REDPI 36a	Number of preventions as a proportion of the total number of housing solutions presentations	26.26	Apr - Jun 2014	18.17	GREEN	20.93	GREEN			
112	REDPI 96	The number of people in reasonable preference groups on the housing register	5,207	Apr - Jun 2014	New indicator	NA	New indicator	NA			
113	REDPI 82	Proportion of council owned housing that are empty	1.45	Apr - Jun 2014	1.63	GREEN	1.88	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
114	REDPI 82a	Proportion of council owned housing that have been empty for six months or more	0.13	Apr - Jun 2014	0.14	GREEN	0.19	GREEN			
115	REDPI 40	Proportion of the working age population defined as in employment	66.2	2013/14	66.1	GREEN	65.8	GREEN	73.3	67.6*	2013/14
116	REDPI 73	Proportion of the working age population currently not in work who want a job	13.66	2013/14	14.58	GREEN	16.40	GREEN	11.00	13.42*	2013/14
117	REDPI 8b	Proportion of all Jobseeker's Allowance (JSA) claimants that have claimed for one year or more	35.85	As at Jun 2014	34.75	RED	34.54	RED	27.10	35.5*	As at Jun 2014
118	REDPI 7a	Number of Jobseeker's Allowance (JSA) claimants aged 18-24	2,580	As at Jun 2014	3,415	GREEN	4,435	GREEN			
119	REDPI 28	Number of apprenticeships started by young people resident in County Durham as recorded by the National Apprenticeship Service	1,372	2012/13 ac yr	1,659	RED	1,659	RED			
120	REDPI 87	Gross Value Added (GVA) per capita in County Durham (£)	12,661	Jan - Dec 2011	New indicator	NA	New indicator	NA			
121	REDPI 88	Per capita household disposable income (£)	14,151	2012	14,151	NA	13,522	NA			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
122	ACE018	County Durham residents starting a first degree in an academic year (per 100,000 population aged 18+)	161	2011/12 ac year	155	GREEN	155	GREEN	216	180.7*	2011/12 ac year
									RED	RED	
123	REDPI 72	Number of local passenger journeys on the bus network	6,250,137	Jan - Mar 2014	6,210,395	GREEN	5,923,981	GREEN			
124	REDPI 89	Number of registered businesses in County Durham	14,785	2013/14	New indicator	NA	New indicator	NA			
125	REDPI 32a	Percentage of tourism businesses actively engaged with Visit County Durham	81	As at Mar 2014	New indicator	NA	New indicator	NA			
126	REDPI 90	Percentage change in the number of visitors to the core attractions in County Durham compared to the previous year	33.6	2013/14	New indicator	NA	New indicator	NA			
127	REDPI 91	Number of unique visitors to the thisisdurham website	240,478	Apr - Jun 2014	192,774	GREEN	167,352	GREEN			

[\[2\] Due to changes to the indicator previous performance is not comparable](#)

Chart 1 – Planning applications

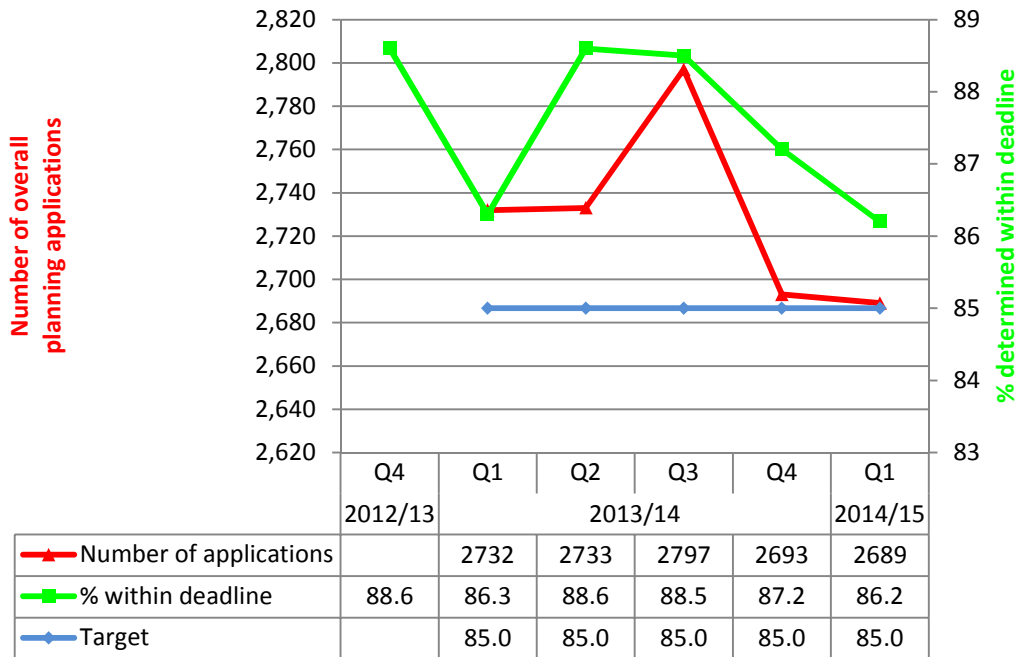
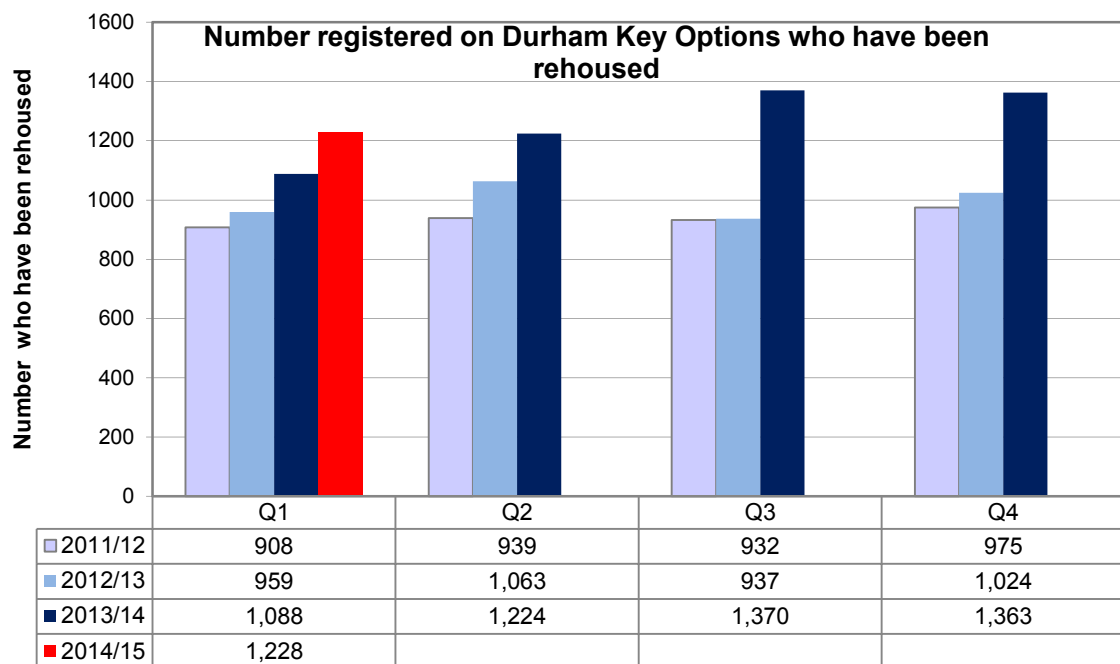


Chart 2 – Durham Key Options - total number of those registered on the Durham Key Options system who have been rehoused (includes existing tenants and new tenants)



**Economy and Enterprise
Overview and Scrutiny
Committee**



22 September 2014

**Gypsy, Roma and Traveller
(GRT) Site Management Service**

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

Purpose of the Report

1. To provide members of the Economy and Enterprise Overview and Scrutiny Committee with background information on the Gypsy, Roma and Traveller (GRT) Site Management Service prior to an overview by Laura Williams, Housing Gateway and GRT Site Manager.

Background

2. The work programme for the Economy and Enterprise Overview and Scrutiny Committee focuses on the priority areas identified within the context of the Council Plan ('Altogether Wealthier' priority theme), Cabinet's Notice of Key Decisions, Sustainable Community Strategy, Partnership plans and strategies, performance and budgetary control data and changes in Government legislation.
3. The work programme of the Committee is refreshed on an annual basis to ensure that it focuses on the priority areas identified and members will recall that at the Economy and Enterprise Overview and Scrutiny Committee held on the 23 June, 2014 the work programme of the committee for 2014/15 was agreed. One of the areas identified within the work programme was an overview of the GRT Site Management Service and arrangements have therefore been made for Laura Williams, Housing Gateway and GRT Site Manager to attend the meeting on the 22 September to provide an update which will focus on the following:
 - Brief update on the GRT Community in County Durham.
 - The Restructure of the GRT Service.
 - Overview of the 6 Permanent Sites.
 - Key recommendations of improvement for the GRT Service and progress update.

Gypsy, Roma and Traveller (GRT) Site Management Service

4. According to the 2011 census 467 people stated they were part of the Gypsy, Roma, Traveller community however it is believed that this figure is not a true representation of the actual population, as many GRTs will not self-identify. The Health Needs Assessment in 2011 estimated that the GRT population in Durham were between 2,200 and 2,940, 0.59% of the County's population.
5. Gypsy, Roma, Travellers and Travellers of Irish Heritage are protected as ethnic groups under the Race Relations Act. The term Traveller is an umbrella for several distinct groups whose lifestyles separate culturally but share some similarities. There are generally thought to be five main groups of Travellers in the UK:
 - Gypsy Travellers and Travellers of Irish Heritage
 - Roma
 - Show People
 - New Travellers
 - Bargees
6. The term 'Traveller' is often used to describe groups of people who have a nomadic lifestyle or who come from a tradition or heritage of nomadism. Durham County Council recognise that Gypsy, Roma, Traveller communities are one of the biggest ethnic minority groups in the County.
7. In late September 2013 Children and Adult Service (CAS), prompted by the leaving of the Head of Service of Children's Care undertook a service restructure. The result of which was the realignment of Early Intervention and Involvement and Children's Care. The bringing together of these two service areas created a significant portfolio for the new Head of Children's Services and led to a review of the functions within that portfolio, which included the Gypsy Roma and Traveller Services (GRT). As part of this review, it was suggested that GRT Site management functions be transferred out of Children and Adult Services to Economic Development and Housing.
8. The Council owns and manages 6 fixed permanent sites, housing Gypsies, Roma people and Travellers. The GRT Site Management Service, within Housing Solutions, is responsible for the management of these sites 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.
9. The Housing Act 2004 required local authorities to assess the accommodation needs of Gypsy, Roma and Travellers, this, along with the Government's aim

“to ensure fair and equal treatment for Gypsy, Roma, Travellers in a way that facilitates the traditional and nomadic way of life for GRT communities while respecting the interests of the settled community” supported the complete refurbishment of all permanent sites within County Durham.

10. St Phillips Park in Coundon Grange and East Howle in Ferryhill were complete in 2009/2011 and the remaining four sites are now subject to major (£9M) refurbishment being led by the Regeneration and Economic Development Team. Work has been funded by the Councils capital programme and through grant funding from the Homes and Communities Agency.
11. Each site hosts a number individual pitches that are rented by Travellers, the site also offers a community block facility. The individual pitches are occupied exclusively by the travellers and their families and comprise of hard standing to enable travellers to park up to 2 trailers and their car/van, there is a brick built amenity block that houses a toilet, bathroom, kitchen/dining area.
12. The GRT Site Management Service supports the role of the site warden to ensure that Gypsy and Travellers live in a settled community. The Site Management Service deal with the allocation of the pitches (in accordance with a specified criteria) and the management of the waiting list together with the day to day operational management of the sites including:
 - Health and Safety.
 - Rent collection and arrears management.
 - Tenancy support.
 - Addressing anti-social behaviour.
 - Repairs and maintenance of amenity blocks and communal areas.
 - General resident queries.
13. Prior to the transfer of the service a review of the management of the sites, completed in January 2013 recommended a series of improvements including allocations policy, rents, improving occupancy, repairs and maintenance, financial management, customer focus and greater clarity on the role of site wardens.
14. The review highlighted a number of issues with the current allocations scheme and the process of allocating pitches. It recommended that the authority should introduce a means of testing applicants rather than relying on the discretion of officer and warden knowledge.
15. The Draft Allocations Policy has been produced and it is proposed that we align the allocations scheme as far as reasonably practicable with our allocations policy for Social Housing. The allocations policy will be available for consultation during the months of September/October with approval of the policy in November 2014.
16. Another key recommendation from this report was that the level of the pitch fees and associated charges must 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 and all new tenants are charged the following Pitch Fees:

	Double Pitch Fee	Single Pitch Fee (SPP Only)
Pitch Fee	£44.16	£40.05
Water Charge	£9.96	£9.96
Other Charges	£26.43	£26.43
Total Pitch Fee	£80.55	£76.44

17. Increasing the fee will substantially increase income from the GRT Sites. Total forecast income would rise from the current budgeted income £170,899, based on 60 % occupancy, to £313,494 based on a similar 60% occupancy. However, the sites have been running at a figure closer to 80% occupancy historically which would mean an annual income of £417,992.
18. Under the Mobile Homes Act pitch fees can only be increased with consent from the residents or via an order at Tribunal. Consultation on the rent increase took place with existing tenants (East Howle and St Phillips Park only) and the majority of residents have accepted the new pitch fees however for those that have opposed the increase an application to Court has been made and a tribunal hearing date for the 6th October has been issued.

Next Steps

19. Pitch Fee Increase – Durham County Council will continue to pursue the tribunal application and seek an order for the pitch fee increase.
20. Rent Recovery and Arrears Management System – To enable the service to effectively manage the rent collections and keep arrears to a minimum, the implementation of an effective arrears management system is paramount. A full arrears management system will be in place by November 2014.
21. Allocation Policy Implementation – Consultation with existing waiting list applicants, partners and residents on site is taking place during the month of September 2014. Following this any suggestions for amendments will be considered and final approval under delegated powers will take place in October 2014 with implementation of the policy in November 2014.
22. Other projects are ongoing such as community engagement, supporting the Health Needs of Travellers and a performance review of the service outcomes to maximise income. We will also be reviewing our current budget to identify funding available for future planned maintenance schemes.

Recommendations

23. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided.
24. That the Economy and Enterprise Overview and Scrutiny Committee receive a further update on the development of the GRT Site Management Service at a future meeting of the Committee.

Background Paper(s)

Report of Carol Payne - GRT Rent Report 18 December 2013
DCC Health Needs Assessment 2013
Proposal for the Future of GRT Services November 2013

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Appendix 1: Implications

Finance – None

Staffing – None

Risk – None

Equality and Diversity– None

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – None

Disability Discrimination Act –None

Legal Implications – None

**Economy and Enterprise
Overview and Scrutiny Committee**

22 September 2014



**Family Intervention Project (FIP)
& Housing Intervention Project (HIP)**

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

Purpose of the Report

1. To provide members of the Economy and Enterprise Overview and Scrutiny Committee with background information on the Family Intervention Project and the Housing Intervention Project prior to an overview presentation by Lorraine Walkden, Advice and Prevention Manager.

Background

2. The work programme for the Economy and Enterprise Overview and Scrutiny Committee focuses on the priority areas identified within the context of the Council Plan ('Altogether Wealthier' priority theme), Cabinet's Notice of Key Decisions, Sustainable Community Strategy, Partnership plans and strategies, performance and budgetary control data and changes in Government legislation.
3. The work programme of the Committee is refreshed on an annual basis to ensure that it focuses on the priority areas identified and members will recall that at the Economy and Enterprise Overview and Scrutiny Committee held on the 23 June, 2014 the work programme of the committee for 2014/15 was agreed. One of the areas identified within the work programme was an overview in relation to the Family Intervention Project (FIP) and the Housing Intervention Project and arrangements have therefore been made for Lorraine Walkden, Advice and Prevention Manager to attend the committee meeting on the 22 September to deliver a presentation providing background in relation to the projects, detail of the objectives of the projects, eligibility criteria, how both projects operate, assessments and interventions and detail of the FIP and HIP process.

Family Intervention Project (FIP)

4. The aim of the FIP team is to provide a comprehensive, pro-active and intensive intervention packages to families who have multiple and complex needs and are at risk of homelessness or are already homeless. The aim of the role is to secure suitable accommodation, reduce ASB, assist them to make sustainable changes and reduce their barriers to employment.

5. The Family Intervention Project works solely with families and must include at least one child under the age of 18. The FIP offers intensive support to families who are at risk of homelessness and where at least one member of the family is a perpetrator of ASB. The service works with families with multiple problems and complex needs who have the biggest impact on services and the community. To tackle the root causes of ASB and homelessness we aim to make sustainable changes and reach positive outcomes for the whole family and the community in which they live.
6. The FIP offers support and guidance to families to address the causes of their behaviour, alongside supervision and enforcement tools to provide them with incentives to change. The project uses intensive and individually tailored packages of support, supervision and clear sanctions to improve the behaviour of families at risk of homelessness and anti-social households.
7. The FIP team deliver a wide range of evidence based parenting programmes as well as programmes to help reduce ASB and deal with anger and aggressive behaviour. The Team also aim to deliver regular diversionary activities for young people within the families.
8. **To access the FIP families must meet criteria 1**

Criteria 1

The family must currently be at risk of becoming homeless or already homeless. This can be due to ASB, rent arrears or the home being unsuitable for the family's needs. Owner occupiers will only be considered if a closure order or crack house order has been issued.

Criteria 2

At least one family member has been involved in recent ASB or criminal activity and this must be evidenced or the family must have multiple and complex needs, which can include a variety of the following:

- Alcohol Misuse
- Substance misuse
- Mental health issues
- Domestic abuse
- Severe financial hardship (including clients affected by Welfare Reform changes)
- Worklessness

Housing Intervention Project (HIP)

9. The HIP will provide the same support to clients as the FIP however the client group is different. This service is for adults or childless couples (18yrs and over) who are entrenched in their situation and without intensive support would not be able to sustain accommodation or employment: - to meet the requirements of the service the clients need to meet the following criteria:

Criteria 1

Somebody who has a housing need that could lead to homelessness or is already homeless, who is entrenched in their situation and without intensive support, would not be resolved.

Criteria 2

- Anti-social behaviour
- Alcohol Misuse
- Substance misuse
- Mental health issues
- Domestic abuse
- Severe financial hardship (including clients affected by Welfare reform changes)
- Worklessness

Next Steps

10. Durham County has now had confirmation that they have been awarded an early start for the second phase of the Troubled Families Programme (Durham's Stronger Families Programme) this is to be rolled out from September 2014. The Criteria has been amended for phase 2, the new criteria is:

- Children who need help
- Parents involved in Crime/ASB
- Children who do not attend school regularly
- Adults out of work or at risk of financial exclusion and young people at risk of worklessness
- Families affected by DV & Abuse
- Parents & children with a range of health problems

11. It is felt that the new criteria will be more inclusive and will work across all levels of need, from early help to statutory. The Family Intervention Project plays a significant part in the achievement of this target working with families from level three up in to statutory services at level 4. It is expected that all FIP cases will meet the new stronger families' criteria. FIP will report to CAS on all stronger families' cases and ensure the single assessment process is embedded.

12. The HIP became live in August and referrals now stand at 14; staff are already working with 11 of these referrals. Of these 11 cases three of them have been referred through the Multi Agency Intervention Pilot that's delivered by Community Safety.
13. The project will continue to work closely with the Think Family Partnership, Community Safety and all relevant partners to provide a high level of support for chaotic and complex clients across County Durham: including high impact households.
14. Work is ongoing to secure future funding for the continuation of both the FIP & HIP.

Recommendations

15. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided during the presentation.
16. That the Economy and Enterprise Overview and Scrutiny Committee receive a further update on the Family Intervention Project (FIP) and Housing Intervention Project (HIP) at a future meeting of the Committee.

Background Papers

Member's Seminar - Overview presentation on the 15 July 2014 focusing on Housing Solutions.

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Appendix 1: Implications

Finance – None

Staffing – None

Risk – None

Equality and Diversity– None

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – None

Disability Discrimination Act –None

Legal Implications – None

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**Economy and Enterprise
Overview and Scrutiny Committee**

22 September 2014



Housing Stock Transfer Project

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

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with a further update in relation to the progress of the Housing Stock Transfer Project.

Background

- 2 At its meeting held on 12 December 2012, the Cabinet received a report which detailed the findings of its Housing Stock Options Appraisal. At that meeting Cabinet agreed to select the large scale voluntary transfer of its housing stock to a group structure of its existing housing management organisations as its preferred option for the future financing, ownership and management of its homes.
- 3 The Economy and Enterprise Overview and Scrutiny Committee have received regular update reports on the progress in implementing the council's preferred option for the future of its housing since 2012.
- 4 The most recent update was provided to committee on the 7 April 2014, when members received confirmation that the Council had achieved a place on the Government's housing stock transfer programme. At the same time, the Council also received a commitment from the Government to reduce the authority's housing debt.
- 5 The Economy and Enterprise Overview and Scrutiny Committee were advised on the 7 April 2014 that the Department for Communities and Local Government (DCLG) has asked the Council to complete the transfer of its homes by the 31 March 2015, if it is to access the financial support it has requested.

Current Position

- 6 In April 2014, the Homes and Communities Agency (HCA) confirmed that the Council was able to proceed to formal consultation with all of its secure and introductory tenants on the transfer proposal.
- 7 Statutory guidance that outlines the steps the Council had to follow to undertake formal consultation on its transfer proposal is set out in the

Government's publication "Statutory Guidance: The Housing Act 1985 - Schedule 3A".

- 8 The Guidance sets out 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.
- 9 The DCLG and the HCA asked 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. It was made clear to the Council that if it is to achieve final Secretary of State consent and 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.
- 10 The Offer Document represents the first stage in the formal consultation process (officially known as Stage 1). The Offer Document explains 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.
- 11 The Offer Document is central to the formal consultation process. It provides all secure and introductory tenants with information on the reasons behind the proposal; and potential implications of the transfer for tenants to support them in expressing a fully informed opinion at the ballot in Stage 2 of the formal consultation process
- 12 The Council's Offer Document was developed in partnership with stakeholders and was agreed by Cabinet on the 7th May 2014.
- 13 The document (alongside a package of information) was hand delivered to all of the Council's 22,000 tenants by staff members between the 2nd June 2014 and the 6th June 2014. The hand delivery was followed up with a further home visit in the week commencing the 16th June 2014 and a series of drop in sessions for tenants to meet and discuss the transfer proposal. A freephone helpline (run by Open

Communities the Independent Tenant Adviser) was also made available to tenants during the consultation.

- 14 The Offer Document invited representations from tenants and leaseholders over a period of 28 days. The Offer Document pack included a free to post response card which allowed tenants to express their views. The pack posted to leaseholders included a tear off sheet for leaseholders to express their views. Tenants and leaseholders were also able to express their views by e-mail or by phone. The representation period ended at midday on Monday 7 July 2014.
- 15 The Council received 1374 responses from tenants and 6 responses from leaseholders to the Offer Document. 540 responses included handwritten comments from tenants and 6 handwritten responses were received from leaseholders that ranged from questions about the transfer proposal to statements that the provision of a comment is “Not Applicable” (N/A) or “no comment”. The individual responses and comments received from tenants were deposited in the Members Library for consideration.
- 16 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.
- 17 On the 16th July 2014, the Council’s Cabinet decided they were satisfied with the outcomes of the consultation process. Cabinet 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.
- 18 The secret ballot of all the Council’s secure and introductory tenants was undertaken independently by Electoral Reform Services (ERS) from the end of July 2014.
- 19 The ballot provided a variety of ways for tenants to vote, all of which were controlled and managed by ERS:
 - Postal vote
 - SMS text
 - Online (via the internet)
 - Telephone
- 20 The ballot ended at midday on Monday 18th August 2014:
 - The total number of votes cast was 11,316 (a turnout of 51.2%).

- 157 ballot papers were found to be invalid. Therefore 11,159 votes were counted as being valid.
 - 9149 tenants voted “yes” to the transfer proposal (82% of the valid vote).
 - 2010 tenants voted “no” to the transfer proposal (18% of the valid vote).
- 21 The Council’s Cabinet received a report on the outcomes of the ballot and next steps in the transfer process on the 10th September 2014. If the Council decides to proceed with the transfer the Council will need to meet statutory requirements of the Secretary of State for Communities and Local Government to transfer homes, and complete the transfer by the end of March 2015.
- 22 There is a significant amount of work to complete if the proposed new County Durham Housing Group are to be successfully established and registered as providers of social housing with the HCA by the end of March 2015. In order to meet challenging timescales and achieve the transfer by the end of March 2015 the Council and the proposed new group of landlords will work closely together.
- 23 A Transfer Agreement between the Council and the proposed new group of landlords should also be developed. The Transfer Agreement is usually a detailed document which would be made up of a number of different schedules that include:
- A series of schedules and contracts agreeing the transfer of land and other assets to the proposed new housing Group.
 - A Deed of Covenant which underpins the delivery of the promises set out in the Offer Document.
 - Service Level Agreements between the Council and the proposed new housing group.
 - Development Agreement.
 - Transfer of Undertakings and Protection of Employment (TUPE) transfer issues for staff affected by the transfer proposal.
- 24 The Council would also continue to consider the implications of the transfer on the services it would be responsible for (should the transfer go ahead) and how it could work with the new group of landlords to achieve its wider strategic objectives for County Durham.

Recommendations

- 25 That the members of the Economy and Enterprise Overview and Scrutiny Committee note and comment upon the information provided in the report.
- 26 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.

Background papers:

Reports to Cabinet on 10 September 2014 – Housing Stock Transfer Outcomes of stage 2 – Principles of Transfer.

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Appendix 1: Implications

Finance

The Council is currently operating within a HRA self-financing debt cap of £245m (as of April 2012). This debt cap has almost been reached and the Council is therefore unable to borrow any further to invest in areas such as new build housing development. The proposed housing stock 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, Government have however directed that the 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. Failure to proceed with the transfer process would mean that the Council would continue as landlord which would mean a continuation in the Council's borrowing abilities which would affect investment in homes, neighbourhoods and services.

Implementing stock transfer will incur costs for both the Council and the proposed new housing group in the development of the Transfer Agreement and the establishment of the proposed new group landlords, which is estimated to be in excess of £4million.

Staffing

Detailed work continues on the impact of the proposed transfer on the Council's services and staff associated with Council housing and its support. This work is being undertaken by Human Resources and Legal Services in full consultation with potential staff affected. Staff potentially affected by a TUPE transfer either from the Council or within the proposed new group of landlords will be fully informed and consulted with as part of the formal TUPE consultation.

Risk

The transfer of the Council's homes must be planned and managed effectively by both the Council's transfer team and the transfer team of the proposed new group of landlords to ensure the challenging deadline is achieved by the end of March 2015.

Equality and Diversity

The formal consultation process has provided all individuals and organisations with an interest in the future of the Council's housing stock with the best opportunity to express their view on the transfer of the Council's homes in County Durham. The formal consultation process has been delivered through the implementation of a communication and consultation plan and active tenant engagement in the development of the Offer Document.

The Offer Document makes specific provisions for:

- Tenants with a disability
- Elderly tenants
- Young tenants
- Tenants experiencing problems with managing money and debt
- Improving quality of life for tenants across the county

According to the Equality Impact Assessment undertaken on the proposed transfer it will impact on protected characteristics. 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

The proposed new group of landlords will continue to work with the Council to identify suitable accommodation for the proposed new County Durham Housing Group Limited ahead of the transfer deadline.

Crime and Disorder

None

Human Rights

None

Consultation

Formal consultation has been undertaken with all secure and introductory tenants, providing an opportunity for 21,908 tenants and 193 leaseholders to comment and vote on the Council's transfer proposal.

Procurement

None.

Disability Issues

None

Legal Implications

There is a clear process for the transfer of homes set out in the Government's Housing Transfer Manual. The transfer of homes can only go ahead if the Council observes the outcome of the ballot that a majority of tenants voting in the ballot voted in favour of the proposal.

The transfer process will continue to be supported by the Council's legal advisers for stock transfer and the proposed new group of landlord's legal advisers. The Council's legal services will work closely with Council advisers to ensure the Council's interests are protected throughout negotiations with the proposed new group of landlords and that any commercial deal agreed

with the proposed new group is properly documented in a Transfer Agreement.



MINUTES

Meeting	County Durham Economic Partnership Board
Date of Meeting	Monday 28 th July 2014
Time	13.00 – 15.00
Venue	Durham Business Club, Belmont Business Park

Attendees:

Brian Tanner	Chair
Sue Parkinson	Vice Chair & Chair of the Business, Enterprise & Skills Group
Simon Goon	Business Durham
Ian Thompson	Director of Regeneration and Economic Development, Strategy, Programmes & Performance, DCC
Andy Palmer	County Durham Community Foundation
Barbara Gubbins	Chair of Durham City Board
Neil Graham	Children & Adults, DCC
Linda Bailey	Economic Development, DCC
Graham Wood	Chair of Education and Business Engagement Board
John Cuthbert	NECC
Jonathan Walker	NELEP
Michelle Duggan	Job Centre Plus
Paul Robson	Derwentside Homes
Geraldine Kay	Durham Business Group
Christine Yule	Strategy & Partnerships, DCC
Heather Orton	Strategy & Partnerships, DCC
Angela Brown	Strategy & Partnerships, DCC

1. Welcome

Brian Tanner welcomed everyone to the meeting and introduced John Cuthbert, Linda Bailey and Michelle Duggan and thanked them for attending the meeting.

2. Apologies

Brian Manning	Esh Group
Ray Hudson	Durham University
Simon Hanson	FSB
Edward Twiddy	Atom Bank
Sue Soroczan	Job Centre Plus
Melanie Sensicle	Visit County Durham
Cllr Eddie Tomlinson	Chair of Rural Working Group
Sarah Robson	Chair of the Housing Forum
Cllr Neil Foster	Cabinet Portfolio Holder for Economic Development and Regeneration, DCC

3. Minutes of the last meeting

The actions were agreed as a true record.

4. Matters Arising

The SEP was circulated to the Board as agreed.

Item 7. It has now been agreed that Simon Hanson from FSB will be a member on the Durham City Board and update meetings with the FSB have been arranged.

Ray Hudson from Durham University will be taking up the role of acting Vice Chancellor from September so is therefore unable to attend future CDEP Board meetings. Prof. John Gluyas will be the new representative for the University. John is Professor of Earth Sciences and worked in the Private Sector within the energy sector. He is seconded to the NELEP innovation team, which will continue to strengthen links with the LEP.

It was agreed to combine items 5 & 6 on today's agenda to give a comprehensive discussion on the key statistics and issues associated with youth unemployment alongside our key partner approaches.

5. Chair Remarks

- It is official that the national economy is growing and the recession appears to be over. There has been a particular growth in the service sector. However, wages have not yet caught up
- The IMF has predicted us to be one of the fast growing economies by 2015
- The NELEP Board met on Thursday 17th July – Shadow arrangements for the LEP EU Investment Group were agreed and the CDEP will be asked for a representative.
- There is good news for County Durham in relation to the Single Local Growth Fund announced on 7th July. Andy Palmer will speak about this under Item 8
- The focus for discussion today will be Youth Employment. There is good progress being made with initiatives we deliver as partners, but there is still a significant gap to close to impact on our youth employment rates and to maximise the opportunities available to the young people of County Durham.

6. Understanding Youth Employment & Proposals for Youth Employment Initiative – Linda Bailey

Key points covered by the presentation were:-

- High rate of youth unemployment that remains significantly higher than national rates. In Durham and the North we have considerably more young people aged 18-24 who have been claiming Jobseekers Allowance for more than 12 months.
- Skills attainment levels are increasing; however, there is a significant gap and need to improve higher level skills (NVQ level 3 and above)
- In terms of supporting progression, applications to higher education are increasing, but we have a low base and the North East has the joint lowest application rate within the UK.
- Youth unemployment represents an economic and social challenge. For individuals, they are more likely to have reduced wages and increased chances of subsequent periods of unemployment and poor health. This undoubtedly has a wider impact upon productivity and our economy.

- Widening participation remains an important agenda. Need to continue to improve skills attainment and narrow the gap whilst enabling progression to employment and improving the employability of our young people.
- Employers list a variety of reasons for not employing young people, including lack of skills, experience and quality as well as poor attitude and qualifications. However, employers do see benefits of investing in young people and are willing to do so as part of their wider corporate social responsibility
- To meet our future economic growth ambitions we need to align supply and demand and support young people into employment where there are job opportunities
- Everyone's journey to employment is different and there is no single factor that guarantees success in the labour market. As partners we have various strategies, approaches and services in place to support this agenda. We need to continue to effectively raise aspirations, deliver demand led training, careers guidance and give our young people the right tools to pursue the opportunities and make the use of available resources through the Youth Employment Initiative (YEI) and European Funding.
- Through a partner Activity Group, development of YEI opportunities has been undertaken. This has considered feedback from young people and the types of support they would benefit from, including: Work experience, discounted travel, local jobs, mentors and support with job applications. Feedback has been used to identify six activity themes:
 - Support transitions for young people at risk
 - Peer mentoring
 - Raising aspirations for vulnerable young people
 - Supporting employment of young people
 - World of work and enterprise
 - Pre-engagement activities
- FSB and CDEP have launched a Simpl Challenge to look for new ideas to tackle youth unemployment.

Brian thanked Linda for her comprehensive overview with challenging data and issues.

Action: AB to circulate presentation and Board endorsed the approach to tackling youth unemployment

Questions/comments

PR asked in relation to work experience, DWP have many challenges. They see these as mostly relating to young people not wanting to take part even when employers would be willing to offer employment. At present they have 28 unfilled spaces in Durham and can't get any young people to fill them. LB confirmed that CAS and its partners could work more closely with JCP as resources and activities are available to provide much needed mentoring. The young people often need to take advantage of these work experience opportunities

BG mentioned that they have a lot of volunteers when it becomes compulsory, but expectations are not always met and the employer doesn't always give the right experience.

GK mentioned in her Ambassador role that young people are continuing through placements and support is being provided to help them start their own businesses.

BT asked why there is disconnect and how can we bridge the gap? SP felt that household income in Co Durham affects the number of children going to University. SG mentioned that also travel costs could be a factor for this. It was

felt that finance is one of the barriers for young people, but part of a much wider multifaceted challenge.

With regard to YEI AP mentioned that EU funding has tight timescales especially for turning themes into projects. LB mentioned that lot of preparation work is been undertaken by SFA and more progress is needed on this.

MD asked where there were blockages with skills funding. It was agreed that conversations and opportunity developments need to be strengthened between Durham and the NELEP.

Action: MD to organise a meeting with LB to discuss issues and consider wider opportunities for skills development

Action: AB to circulate presentation

7. Increasing Aspirations through Education Business Links – John Cuthbert

JC explained that the County Durham Education and Business Engagement Board have had two meetings so it is early days and the Board is still recruiting members. The plan is to recruit some additional businesses onto the board. At present there are 3 head teachers, a representative from Dyer Engineering, Gestamp Tallent, Walkers and Northumbrian Water.

JC understands that the links between education and business are not easy, as the sectors don't 'talk the same language or work in the same way'. Therefore there are a lot of challenges facing the Board to get links working between the two sectors. There has been a lot of work done through the Task and Finish Group on how we can build effective bridges between businesses and schools and we will build on these and take them forward.

Creating opportunities for business engagement is the key area for activity. Need to find out what works and what doesn't. For instance, why are careers fairs successful? What creates dissatisfaction? It would be interesting to get children who were in the same position two years ago to come back and speak to schools and businesses about their experiences. There is a need to identify champions and leaders. We need to identify people willing to do something and initiate pilots. There is a clear need to have a business checklist so both businesses and schools know what they are signing up for.

The Education and Business Engagement Board are confident that these challenges can be addressed. However resources will be needed. As the Board is still in its infancy and development stages, he was asked to return to the CDEP Board once proposals have been developed.

BT thanked John.

Action: JC will return to a future Board with a more structured approach and proposal.

8. County Durham Investments – Andy Palmer & Sue Parkinson

AP gave a presentation and updated the Board on where we are with major investment within County Durham and circulated a briefing note on the North East Growth Deal.

He gave a reminder of what we set out to do as a partnership.

Our five measurers of success:-

- The County Durham employment rate to converge to and be maintained at pre-recession levels (73% of the working age population) within the period 2010-2030 leading to 30,000 additional people in employment for County Durham residents
- The number of businesses in the County to increase by 4,300 by 2030 contributing towards the rise in the employment rate
- Gross household disposable income to rise within the next 20 years to 103% of the region's values (or 87.4% of the national figure)
- The County's per capita GVA figure to rise to 87% of the regional value (or 68% of the UK figures) by 2030
- The number of Lower Super Output Areas in the County which are ranked nationally in the top 20% of the Index of Deprivation's employment domain to reduce from the current number of 174 to 64

AP emphasised that the employment rate was the key driver for the CDEP. AP will bring a report to the November Board which will review the measures of success in the context of the state of the economy. AP also reminded the Board that as a partnership we're committed to the following priorities:-

- Enabling effective investment planning within the County
- Creating more opportunities for employment and reducing disparities, with a key emphasis on opportunities for young people
- Influencing and informing wider decision making priorities and investments in particular the North East Local Enterprise partnership (NELEP) and North East Leadership Board (Combined Authority)
- Making our places work, and promotion of County Durham as a place to invest, do business and visit

AP provided an update on the development of the SEP and outlined the Single Local Growth Fund 2015/16 proposals for County Durham. He stated that the NELEP were allocated approximately £290m through the Growth Deal. Durham received £34.2m of new funding which will help to contribute to our measure of success, establish much needed infrastructure and lead to longer term job creation.

SP gave an update on EU Investment funds .She reiterated that there was significant amount of resource allocated to Co Durham to be spent in a way that the commission expects (€156.2m for Durham as a Transition Area).

It is a huge opportunity but also huge challenge as we need as many partners to bring intelligence/interest/match funding to maximise the way that the money is spent. This requires commitment and local knowledge so we need to join up and understand what is happening. SP emphasised the importance of partnership working. Work streams have been set up to mirror the LEP work streams and our partners are continuing this good work. Further detail and areas of activity will be presented to the next Board.

In relation to governance, the LEP Board met on 17th July. Paul Woolston the LEP Chair will be asking for nominations for the CDEP representative on the LEP EU Shadow Arrangements Board.

SP then provided an overview of some Durham work streams including Social Inclusion. Jo Laverick is leading on the Social inclusion Work stream and has organised a Conference for 26th September. This will involve extensive partners and will help steer and develop potential project areas within the work stream.

SP confirmed the following next steps and recommendations that the CDEP and Board must champion

- Understand Government feedback and operational arrangements for SLGF and EU Structural Funds
- Continue to strengthen relationships, communication and governance arrangements with NELEP and CA
- Continue to develop and deliver projects through the Durham Investment Group and in Partnership
- Clearly articulate, communicate and plan our major investments
- Programme status reports to CDEP Board
- Keeping it real – balance compliance and governance

BT thanked AP and SP for the presentation and echoed the need to make the most of this opportunity and to continue the good work throughout the work streams

Action: Review of measures of success to be presented to the next Board

9. NELEP: Driving Youth Employment Initiatives & Funding – Michelle Duggan

MD provided background context to the development of the skills agenda through the SEP following the Adonis report. Encouragingly skills and young people is a key feature the Growth Deal and the SEP is committed to apprenticeships, working with employers and helping increase numbers. The North East School Challenge will drive up performance, standards and quality in schools. 90% of our schools are good or outstanding but they are still failing people. We are the lowest performing in the region at GCSE and we are keen to improve access to Higher Education in North East. This Schools Challenge will help improve progression and support improving standards.

The LEP is currently working with schools/children's services to commission a piece of work with partners to see how we can improve governance. They have committed to improve linkages between Business & Education. £22m is secured for skills investment for 5 skills projects through the Growth Deal. East Durham and Houghall College secured £10m through the Deal.

The Youth Employment Programme has £4.4m funding through the youth contract. Newcastle is the lead partner and they are looking at demand and focusing on driving the 'take up' with employers and monitoring the needs of young people.

The European Programme – This is a challenging process and LEP have entered into discussions with DWP/SFA on the opt-ins. DWP have the opportunity to work with the Combined Authority on Welfare Reform. Partners will be kept up to date as this develops.

The North East was selected for Mental Health Trail Blazer to work closer with DWP and get people back into the labour market. The big challenge to this is to improve links with education and business. Locally it is important that work of the Education and Business Board is encouraged.

BT thanked MD and felt that the CDEP need to ensure the local approach to youth employment continues to align with LEP and national development and hoped that the Board were happy to endorse and continue our approach.

10. Partners and Working Group Chair updates

VCS – Barbara Gubbins

Garfield Weston Foundation has published a report 'An insight into the future of charity funding in the North east'. If partners are interested, BG can circulate copies.

Nominations for Durham Community Action Volunteering Awards 2014 have now been closed. They have received a large number of entries. Winners will be announced at the awards ceremony at Ramside Hall on 16th September 2014.

An evaluation of the Ruffer Programme will be available in the next few weeks in relation to the Learning, Working Earning Programme. This will be circulated to partners once available.

Housing Forum – Geraldine Kay

The Housing Strategy is under review and will be refreshed by March 2015. An issue based approach is being undertaken for its refresh with "Older Persons" being a key area of discussion and the demands/needs for new stock and social care.

11. Any Other Business

Nothing was raised

12. Date and Time of next meeting

3rd November 2014 at 1pm

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