



Economy and Enterprise Overview and Scrutiny Committee

Date Thursday 30 October 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 meetings held 22 September 2014 and 6 October 2014 (Pages 1 - 18)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. Youth Employment Initiative - Update: (Pages 19 - 24)
 - (i) Joint Report of the Assistant Chief Executive and the Corporate Director of Children and Adults Services.
 - (ii) Presentation by the Policy, Planning and Partnerships Officer, Children and Adults Services.
8. Business Durham - Update: (Pages 25 - 36)
Report of the Corporate Director of Regeneration and Economic Development.
9. EU Funding Programme - Update: (Pages 37 - 50)
Report of the Corporate Director of Regeneration and Economic Development.

10. 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
22 October 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

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 22 September 2014 at 9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

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

Co-opted Members:

Mr E Henderson and Mr I McLaren

1 Apologies for Absence

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

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

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

4 Declarations of Interest

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

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

The Overview and Scrutiny Officer, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes). The articles included: Tenants vote yes to housing transfer; 300 new jobs are to be created by a pharmaceutical firm which has located to Peterlee; Tourism professionals within County Durham are to receive extra

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

Resolved:

That the presentation be noted.

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

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

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

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

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

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

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

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

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

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

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

Resolved:

That the contents of the reports be noted.

8 Quarter 1, 2014/15 Performance Management Report:

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

The key areas of achievement were as follows:-

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

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

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

The key performance Improvement issues were as follows:-

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

In relation to tracker indicators members were informed that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Resolved:

That the contents of the report be noted.

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

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

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

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

Tower Road, Stanley.

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

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

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

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

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

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

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

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

Resolved:

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

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

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

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

The report and presentation looked at:

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

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

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

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

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

Resolved:

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

COUNCILLOR R Crute vacated the Chair

COUNCILLOR A Batey in the Chair

11 Housing Stock Transfer Project - Update:

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

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

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

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

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

Resolved:

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

12 Minutes of the County Durham Economic Partnership

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

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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 6 October 2014** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Bell, J Clare, H Nicholson, R Ormerod, A Patterson, J Rowlandson, A Willis and S Zair

Co-opted Members:

Mr I McLaren

1 Apologies for Absence

Apologies for absence were received from Councillors M Simpson, P Stradling, O Temple and Mr E Henderson.

2 Substitute Members

No notification of Substitute Members had been received.

3 Declarations of Interest

There were no Declarations of Interest.

4 Items from Co-opted Members or Interested Parties

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

5 RED Capital Programme

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

The Head of Strategy, Programmes and Performance introduced the Capital Programme Manager, Regeneration and Economic Development, Mel Kipling who was also in attendance to offer any additional information and answer questions from Members.

The Committee was reminded that the priorities were directed from the Council's "Altogether Wealthier" theme, the Council's Regeneration Statement and learned that the RED Capital Programme was also important in helping to stimulate private sector investment. Councillors noted the budget for the RED Capital programme was significant, £96.601 million, and was roughly halved between the General Fund and the Housing Revenue Account (HRA) capital programmes. It was added that the budgets were fluid, with internal budget transfers and the securing of external funding, and currently there were 192 individual schemes being managed. Members were given a breakdown of the RED Capital Programme, including the major schemes for the General Fund and HRA, with the decent homes scheme being the main component of the HRA capital programme. It was noted that following the Housing Stock Transfer, the HRA portion of the RED Capital Programme would no longer be present. The Committee was given information on the Capital Request Process for the Medium Term Financial Plan (MTFP) 5, noting the four categories of request: what we must do; should do; would like to do; and self-financing schemes. Additional information relating to areas focused upon with the Capital Requests for MTFP 5 was given, noting that decisions on this would be made in February 2015.

Members learned that the Capital Programme Manager received monthly information regarding expenditure profiles from 38 Managers and there were clear reporting mechanisms from RED to Corporate Finance, the relevant Member/Officer Groups, Management Teams and, in turn, for inclusion in the quarterly updates to Overview and Scrutiny.

The Chairman thanked the Head of Strategy, Programmes and Performance, and the Capital Programme Manager, and asked Members for their questions on the report and presentation.

Members asked questions in relation to: a geographical split of the 192 schemes mentioned; the £6.19 million relating to Disabled Facilities Grant/Financial Assistance Policy (DFG/FAP) within the MTFP 5 request process; and the return rate from Managers in respect of monitoring of the schemes.

The Head of Strategy, Programmes and Performance noted that Members could be provided with information as regards the geographical split of the 192 schemes. The Capital Programme Manager noted that the £6.19 million relating to DFG/FAP comprised of several grant elements, for example the "Better Care Fund" grant of £2.9 million, and that around £250,000 was proposed as direct DCC contribution. Members were informed that the return rate for information from Managers was around 80%, noting all the major schemes returned information, with some of the more minor schemes returning information when those schemes progressed.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the information within the presentation.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee continue to monitor the performance of the RED Capital Programme via the quarterly budget reports.

6 Masterplans for County Durham

The Chairman thanked the Regeneration Projects Manager, RED, Chris Myers and the Community Economic Development Team Leader, RED, Jackie Donnelly who were in attendance to speak to Members in relation to Masterplans for County Durham (for copy see file of minutes).

The Regeneration Projects Manager explained that the Masterplans were set within the strategic context of: focusing and coordinating regeneration activities; inputting into the delivery of the Local Plan and Infrastructure Delivery Plan; engaging with partners, stakeholders and the community; taking forward proposals with investors, developers and landowners; and raising the profile of town centres. Councillors were reminded that the Masterplans were developed from the Council's strategic documents, such as the Regeneration Statement, taking into account the RED Capital Programme and activities within other Public Sector organisations and relevant Private Sector partners. Members were reminded of the several awards and nominations that had come forward in respect of regeneration schemes that had been undertaken by Durham County Council, examples being Seaham Marina and The Witham Hall at Barnard Castle.

The Regeneration Projects Manager and Community Economic Development Team Leader took Members through an update of the recent delivery associated with the Masterplans for: Barnard Castle; Bishop Auckland; Chester-le-Street; Consett; Crook; Durham City; Newton Aycliffe; Peterlee; Seaham; Shildon; Spennymoor and Stanley.

The Chairman thanked the Regeneration Projects Manager and the Community Economic Development Team Leader, and asked Members for their questions on the report and presentation.

Members asked questions relating to: any regeneration activities taking place outside of town centres, for example industrial estates; whether "shop local" schemes were geographical or supporting local businesses/producers over national stores; delays in demolition at Newton Aycliffe; Festival Walk at Spennymoor; demolition of the former library at Crook; how Masterplans took into account new opportunities from adjacent areas, such as the investment at Auckland Castle; links to tourism and use of vacant shop units to promote other local activities; any activities to tidy up the shutters along shops at Shildon; the work relating to "11 Arches" at Bishop Auckland; and the former Mothercare and Butcher's buildings at Bishop Auckland.

In relation to activities outside of town centres themselves, the Regeneration Projects Manager noted examples in the Peterlee and Seaham areas where land was being acquired and parcelled together to enable housing schemes to be carried forward, supporting regeneration of the areas. The Community Economic Development Team Leader noted that Business Improvement Districts (BIDs) supported "shop local" schemes and the Economic Development Manager, Graham Wood added that the schemes were to try and retain spend within towns. It was added that there were activities such as "Small Business Saturdays" an American Express sponsored event in conjunction with the Federation of Small Businesses (FSB) and coordinating of Christmas light switch-ons in order to maximise opportunities for "local" businesses.

The Community Economic Development Team Leader noted that she would look into the timescales for demolition of Churchill House at Newton Aycliffe and added that Members could speak to her as regards Target Business Improvement (TBI) schemes that are looking at improving shop frontages and shutters.

The Economic Development Manager explained that Festival Walk, Spennymoor had been in private ownership and the Council was in communication with the receivers involved. It was noted that the retail climate over the last 2-3 years had been challenging and the Council would support any private sector investment coming forward. The Economic Development Manager noted that there had been interest from The Salvation Army regarding occupation of the former library at Crook, however, this is not being pursued, and planning permission as regards the demolition had been approved.

The Regeneration Projects Manager explained that in relation to the opportunities linked Auckland Castle, the majority of the work linking in were within the Bishop Auckland Masterplan, though the Economic Development Manager noted that Masterplans were "living documents" and would be looked at whenever new opportunities arose in the area or adjacent areas. The Community Economic Development Team Leader noted that there could be opportunities as regards promoting local tourist attractions via currently vacant shop units, noting that in Stanley work with Visit County Durham (VCD) was taking place regarding a Destination Delivery Plan. It was added that a TBI at Shildon was to provide high quality vinyl sheets for the shutters and Members could be shown examples. The Economic Development Manager noted that there were discussions with the Council's Assets section as regards the situation with former Butcher's property, working on potential schemes.

The Regeneration Projects Manager explained that there were still legal issues as regards the former Mothercare building, and added that "11 Arches" was one of a number of projects stemming from Auckland Castle, noting that funding for activities would be mixture of private investment and some Heritage Lottery Fund (HLF) monies. It was added that a Funding Team had been established by the Trust and that with the first planning applications expected within the week, this should enable that Team to move forward providing more investor certainty.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the information within the presentation.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee is kept updated on an annual basis on the development of the various Masterplans within County Durham.

7 County Durham Plan

The Chairman thanked the Area Planning Team Leader, RED, Gavin Scott who was in attendance to speak to Members in relation to the County Durham Plan (for copy see file of minutes).

The Area Planning Team Leader reminded the Committee that the County Durham Plan (CDP) was a key document in helping to deliver the Council's vision and, since the last update to Members of the Committee, the final round of consultation with the public had taken place and the plan had been submitted to Government.

It was explained that the Planning Inspectorate would evaluate the CDP on behalf of Government, with Mr Harold Stephens having been appointed as the Inspector for the CDP. The Area Planning Team Leader noted that no exploratory meeting had been called regarding the CDP and the examination proper had begun last week. It was explained that the evaluation was not meant to be adversarial, was reasonably informal and an independent Programme Officer had been provided to support the Inspector. Members noted that the venue of the Emirates Durham International Cricket Ground at Chester-le-Street was also independent of the Local Authority and was a well-known and easily accessible venue. Councillors noted that the process would be in 3 parts: looking at the strategic aspects of the CDP; the details of specific areas and proposals; and the proposed schedule of charges in respect of Community Infrastructure Levy (CIL). It was explained that the examination ran until 13 November, with the report set out in the agenda papers providing a link to the Inspector's programme for the examination. The Area Planning Team Leader noted that at the first two days of the examination there had been 80 and 110 attendees, a large amount for a planning event. The Committee noted that an interim report from the Inspector would come after 13 November, to be reported back to Cabinet in due course.

The Chairman thanked the Area Planning Team Leader and asked whether any schemes or areas suggested for removal from the CDP at the Examination in Public stage would prejudice any future development opportunity for that area. The Area Planning Team Leader explained that in theory, any directions from the Inspector were non-binding, however, the Inspector may suggest alternatives in relation to some sites. It was added that there was scope within the CDP for "new" sites to come on-stream where circumstances were favourable.

Resolved:

That the Economy and Enterprise Overview and Scrutiny Committee note the latest position regarding the progress of the County Durham Plan.

8 Durham Employment and Skills and Pre-employment Training - Overview:

The Chairman thanked the Employment and Skills Manager, RED, Julie West who was in attendance to speak to Members in relation to Durham Employment and Skills (DES) and pre-employment training (for copy see file of minutes).

The Employment and Skills Manager gave Members a brief background to DES, reminding Members that the origins were with Derwentside Training, which was set up after the closure of British Steel in Consett in 1980. Councillors noted that in 2009, as Derwentside District Council became part of the unitary Durham County Council, Derwentside Training was incorporated into the Regeneration and Economic Development service and in 2013 changed its name to Durham Employment and Skills (DES).

The Committee noted that DES was: fully funded from external contracts; has 22 full-time equivalent members of staff; has an annual turnover of approximately £850,000; and is a Matrix accredited team.

Members noted that the current external contracts that DES operated, as sub-contractor, were:

- Work Programme, for Avanta
- Adult Skills, for Durham County Council
- Skills Support for the Unemployed, for New College Durham
- Skills Support for the Workplace, for Ingeus
- Skills Support for Work Programme Participants, for Ixion

The Committee learned that other sub-contractors in the supply chain for the Work Programme for County Durham included Groundwork North East and Acumen and that the current 5 year contract with the Department for Work and Pensions (DWP) was in Year 4. It was added that the support packages operated were for 2 years, utilised a “black box” approach and had pre and post-employment support built-in. Members noted the numbers of people supported and the funding streams that were available for the Work Programme. Councillors learned that Pre-Employment Training (PET) was mostly funded through Skills Support for the Unemployed and PET programmes were delivered via three routes: employer led PET; sector specific PET; and general employability PET.

The Chairman thanked the Employment and Skills Manager and asked Members for their questions on the report and presentation.

Councillors asked questions in relation to: a breakdown of the sectors people move into; how the 293 customers moving into employment compared to target; matching skills training to employer needs; how customers were targeted; the “black box” approach; who approached who in employer led PET; and what work was being undertaken in terms of “pre-pre-employment” training.

The Employment and Skills Manager noted a breakdown by sector could be supplied to Members and that the 293 customers moving into employment meant that targets were being met. The Economic Development Manager added that in terms of matching skills to employers and demand, the relevant pre-employment training was looked at, matching to those planning applications that showed which employers were going to be creating jobs. It was noted that figures were affected by a slow-down in the number of planning applications, lower levels of recruitment by employers, and where employers carried out their own training programmes. The Economic Development Manager explained that there were currently around 1,100 customers on the various DES programmes. The Chairman noted that targets and figures relating to this could be included within the next performance update to be provided to the Committee.

The Employment and Skills Manager explained that customers were not targeted, rather they were referred via JobCentre Plus (JCP), with DES helping to support customers, moving them closer to the job market. It was added that the “black box” approach was recognition by Government that different regions/geographies/sectors may require different approaches to delivery. The Employment and Skills Manager added that in respect of employer-led PET, some employers approached JCP/DES and DES proactively seeks out employers, from information provided by colleagues in RED.

The Employment and Skills Manager noted that there were a number of customers requiring “pre-pre-employment” training and this was delivered via the other contracts mentioned, Adult Learning for example, including looking at basic skills and useful experience in writing CVs, completing application forms and interview skills. The Economic Development Manager added that initially the majority of the referrals from JCP were those in receipt of Job Seekers’ Allowance (JSA) and in the age range 18-24, though year on year this cohort has fallen by around 30%. It was explained that there had been a shift to customers that were in receipt of Employment and Support Allowance (ESA) and these clients were more challenging in that they often have several barriers in being able to move into work. The Economic Development Manager added that there were discussions with Mental Health North East as regards being able to offer additional support for these customers, and the issues would be raised at the regional Work Programme Advisory Board. Members noted and welcomed the offer from Officers to visit to see first-hand the work of DES.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the information within the report and presentation.
- (ii) That a visit is organised for the Economy and Enterprise Overview and Scrutiny Committee visit DES to see their work first-hand.

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**Economy and Enterprise
Overview and Scrutiny
Committee**



30 October 2014

Youth Employment Initiative

**Joint Report of Lorraine O'Donnell, Assistant Chief Executive and
Rachael Shimmin, Corporate Director Children and Adult Services**

Purpose of the Report

1. To provide members of the Economy and Enterprise Overview and Scrutiny Committee with background information on the Youth Employment Initiative (YEI) prior to an update presentation by Stephen Crass, Policy, Planning and Partnerships Officer, Improving Progression of Young People Team, Children and Adult Services (on behalf of Linda Bailey, Strategic Lead: Progression and Learning).

Background

2. Members will recall that at the Economy and Enterprise Overview and Scrutiny Committee held on the 10 September 2013 an overview presentation was provided to members on the EU Structural and Investment Funding Programme 2014-20 which included some detail in relation to the Youth Employment Initiative (YEI).
3. It was requested by members at that meeting that the committee receive a presentation on the YEI at a future meeting as this was the first strand of EU funding available to be accessed. Arrangements were therefore made for an overview presentation to be provided to the committee focusing on the YEI at the meeting on 22 January.
4. As part of the refresh of the work programme for 2014/15 members requested that an update be provided on the development of the YEI within County Durham. Arrangements have therefore been made for Stephen Crass, Policy, Planning and Partnerships Officer, Improving Progression of Young People Team, Children and Adult Services (on behalf of Linda Bailey, Strategic Manager, Progression and Learning) to attend the meeting on the 30 October to deliver a presentation focusing on:
 - Youth unemployment – evidence base, challenge and cost;
 - Views of employers and young people;
 - The journey to employment;
 - YEI – identified activities and next steps.

Funding allocations

5. In January 2013, the European Council created the YEI in order to tackle the high levels of youth unemployment across member states. The initiative is worth €6 billion in total and is directed at young people aged 15-24 years old who are unemployed or inactive.
6. In the United Kingdom, the following areas have been identified as eligible for funding: Inner London, Birmingham and Solihull, Coventry, the Black Country, Liverpool, Leicester, Nottingham, Thurrock, Kingston-upon-Hull, Tees Valley and County Durham.
7. The total allocation for County Durham is £20.5m; consisting of £7.7m YEI funding, which is aligned to £7.7m European Social Fund allocation with a requirement to match fund the ESF allocation of £5.1m.
8. In June 2013, the European Council decided to accelerate the implementation of the YEI and front-load allocations in 2014 and 2015. This means that funding has to be committed in 2014 and 2015, with spend finishing in 2018. YEI money and the equivalent amount of match ESF money will need to be committed in 2014 and 2015.

Progress to date in identifying activity themes

9. The Business Enterprise and Skills Group of the County Durham Economic Partnership is leading the development of the ESIF Programme in County Durham. The Group has identified individual leads to be responsible for themes within the programme and tasked them to work with a wide range of partners to develop specifications for activity.
10. In relation to YEI, Linda Bailey has established an Activity Group consisting of a broad range of partners (e.g. schools, further education colleges, other learning providers, Jobcentre Plus, County Durham Youth Offending Service, Youth Contract and Work Programme delivery partners, services responsible for vulnerable young people etc.). This group has met regularly since autumn 2013 to:
 - Analyse local needs and opportunities;
 - Identify best practice and gaps in existing delivery;
 - Consider innovative ideas to address youth unemployment.

11. As a result, activities have been identified within the following broad themes:
- **Supporting young people's transitions** – Transition Advisers will support young people who engage in YEI activities by undertaking an initial diagnostic assessment; engaging young people on appropriate activities; helping them to overcome barriers to employment and supporting their sustained progression. On-going support will also be provided by peer mentors (both volunteers and Apprentices) working alongside Transition Advisers to support young people to realise their full potential.
 - **Raising aspirations for vulnerable young people** – Activities to increase confidence, improve resilience and support progression into education, employment and training amongst identified groups of young people.
 - **Supporting young people's employment** – Activities to develop young people's employability skills and tailored pre-employment support, underpinned by work with employers to increase the number of employment opportunities for young people.
 - **Re-engagement Activities** – Innovative programmes to engage, motivate and inspire young people who are unemployed and need help to find employment. They will learn how to search for job opportunities, gain work experience and join in team building activities.
12. The Government recently issued updated guidance which stipulates that only young people who are unemployed or inactive can benefit from YEI. This means that funding cannot be directed at young people who are engaged in full-time education to support NEET preventative activities. The proposed programme of activities is currently being reviewed to ensure it reflects this and also incorporates the outcomes of a YEI Workshop involving over 40 partners that took place in September 2014.

Involvement of Young People

13. One of the priorities identified at the outset of the project has been to ensure that young people have a key role in shaping the YEI. As part of this process, a series of focus groups was initiated, targeting specific groups of young people and an on-line survey of young people was undertaken to ascertain their views about the causes of youth unemployment and what actions can be taken to address them.
14. In terms of measures that would help young people to get and keep a job, a number of responses highlighted the importance of work experience; more employment opportunities available to young people; and appropriate information, advice, guidance and support.
15. Other methods to engage young people in the development of YEI include setting up a Simpl Challenge (in conjunction with the Federation of Small Business North East, County Durham Foundation, and the County Durham Economic Partnership). This is a tool to encourage young people and others to post their ideas on-line in relation to a social issue e.g. how can we tackle youth unemployment in County Durham?

16. We will be collecting ideas until Monday, 10 November 2014 and the best ones will be presented at an event in December. There will be funding awards as well as mentoring available to enable winners to develop their ideas further. The following categories will be eligible for a prize:
- Best individual idea
 - Best youth group idea
 - Best business idea
- We would be grateful if you could encourage young people, businesses and other members of the community to submit their ideas via the following link:
www.simpl.co

Next Steps

17. Discussions are taking place with colleagues in the North East Local Enterprise Partnership, the Department for Work and Pensions (the Government Department that currently has responsibility for delivering ESF), as well as potential opt-in partners, in order to seek clarification regarding a number of technical issues.
18. Helen Radcliffe has recently been appointed as YEI Development Manager and in addition to leading a review of the current proposed programme of activities; she is also reviewing the role and membership of the Activity Group, to ensure appropriate governance arrangements for the YEI are in place. The intention is to have a detailed specification ready during autumn 2014, in order to inform a future commissioning process / open call for delivery projects.

Recommendations

19. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided during the presentation.
20. That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report on the development of the Youth Employment Initiative within County Durham at a future meeting of the Committee.

Background Papers

Economy and Enterprise OSC – 27 January 2014 - Report and presentation on the Youth Employment Initiative.

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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**

30 October 2014



Business Durham Activity - Update

**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 an update on the work and impact of Business Durham since its previous report in December 2013.

Background to Business Durham

- 2 Since the last report Business Durham has reviewed its activities enabling the preparation of a multi-year business plan. As a consequence its objectives and purpose have been redefined providing greater focus and specificity and enabling a more impactful organisation.
- 3 Business Durham aims to deliver the environment for business and economic growth. Its overarching objective is to increase the size of the private sector to rebalance the County's economy by:
 - Increasing rates of business survival;
 - Increasing rates of business start-up;
 - Increasing numbers of businesses attracted, and
 - Increasing numbers of jobs safeguarded/created.

All of this is undergirded by the ambition of raising the economic aspirations of our client groups.

- 4 Business Durham has the following three priorities:
 - Deliver a financially sustainable service;
 - Be more proactive in engaging with business and sector development;
 - Operate more effective, efficient and influencing networks within and out of the County.
- 5 As reported in October 2013 to the Committee, one of Business Durham's aims was to build a stronger evidence base to inform activities and measure impact. Whilst work continues in this area, in conjunction with policy colleagues figures have been agreed for the level of GVA per employee in the County and as such it is possible to estimate the direct impact of Business Durham's activities. Every job created or safeguarded in County Durham equates to £29,354 GVA per job if the holder of this job is also resident in County Durham then the impact increases to £41,654. Clearly any impact can be further refined based on the numbers in table 1 below.
- 6 Business Durham focuses on sectors where activities will have the most economic impact in terms of jobs, more specifically, higher value jobs. These sectors (effectively, non-retail and non-leisure) account for approximately 9,000 businesses (VAT/PAYE registered) in County Durham. Business Durham has several tools to deliver this agenda: Enterprise, Business

Engagement, Inward Investment, Innovation and Property. The table below indicates by sector the GVA/job for different sectors.

Durham CC (2011) ¹	GVA		Employment		GVA contribution per job	Average salary (North East)
	£	%	Number	%		
Manufacturing	1,270	20	33,700	15.4	£37,685	£29,886
Energy and Water	251	4	4,700	2.1	£53,404	£29,005
Construction	449	7	16,500	7.6	£27,212	£27,091
Financial and insurance activities, real estate, business services (incl R&D)	1,184	18	18,800	8.6	£62,978	£25,899
Public administration; education; health	1,768	28	71,600	32.7	£24,692	£23,795
Distribution; transport; accommodation and food, communication	1,247	20	54,400	24.9	£22,922	£21,701
Other services and household activities	172	3	13,100	6	£13,129	£16,306
Agriculture, forestry and fishing	66	1	2,000	0.9	£33,000	£14,876

Table 1 GVA per Job by Sector in County Durham

7 Business Durham benefits from an Advisory Board, supported by Members and private sector board members to help advise, inform and support the operations of the team. Operationally, it has three teams:

- Business Space Team: responsibility for the marketing, letting, management and development of the Business Durham business property portfolio across the County, consisting of 440 individual lettable units totalling 52,765m², including modern offices and managed workspace facilities, factories and NETPark. The Team is based across five locations at NETPark, Consett, Tanfield, Stanhope and Aykley Heads.
- Business Development Team: promote enterprise, increase the number and quality of businesses starting up, strategic account management and to enable businesses (mainly SME) in the County to develop and grow. The team acts as the first point of contact for business enquiries and provides an area-based approach to business engagement, working closely with partners such as the enterprise agencies, engineering and manufacturing fora, and local business networks.
- Innovation and Growth Team: oversees inward investment, the innovation agenda, sector development, site-specific propositions and the NETPark product.

¹ Please note these figures are rounded: GVA and employment are collected across slightly different categories.

Performance

8 At the end of 2013/14, Business Durham's performance was as follows:

Indicator	2013-14 Target	Revised Target 5/11/13	2013-14 Total
No. enterprise, engagement & outreach activities undertaken	12	30	34
No. people involved in enterprise, engagement & outreach	400	1,000	2,347
No. creative business start-ups	22	22	34
No. Business Enquiries handled	800	1,200	1,151
No. Businesses supported	350	600	581
No. job opportunities (relating to businesses supported) (tracking indicator only)	No target	monitoring only	3,688
Target occupancy rate	75%	75%	74.22%
Target rental income	£2.75m	£2.75m	£2.69m

Table 2: Business Durham performance 2013/14

9 Assuming an average GVA per employee in County Durham then these jobs supported by Business Durham in the year 2013/2014 equates to £108m GVA in County Durham.

10 At the beginning of 2014/15, new KPIs were established for Business Durham and, as at end of September 2014, Business Durham's performance was as follows:

Indicator	2014-15 Target	Actual to 30/09/14
Occupancy (percentage %)	77%	77%
Percentage (%) debtors (by number of tenants)	10%	20%
Rental income	£3.03M	£1.56M
Revenue from other Business Space activities	£15,000	£3,500
Revenue from non Business Space activities	£35,000	£12,479
Number of businesses engaged	720	565
Of which projects identified with	65	27
Business enquiries handled	1,200	640
Number of jobs (gross) new & safeguarded	2,400	860
Number of people engaged in enterprise activities	1,000	625
Business start up (linked to specific projects)	26	23
Inward investment successes	10	4

Table 3 Business Durham Performance year to date 2014/2015

11 Assuming an average GVA per employee in County Durham then the jobs supported by Business Durham in the year 2014/2015 to date equate to £25m GVA in County Durham.

Enterprise, Engagement and Outreach Activities

- 12 Business Durham has been active in promoting enterprise and an entrepreneurial culture, through initiatives with schools, colleges and Durham University. Business Durham works closely with key partners, in particular the four Enterprise Agencies, referring 93 enquiries for business start-up advice during 2013-14, and 32 enquiries to date for 2014-15, as well as supporting a range of enterprise promotion initiatives.
- 13 Business Durham's flagship young person's enterprise promotion tool is the Future Business Magnates (FBM) enterprise competition, which engages over 200 young people per year in enterprise, and connects County Durham businesses with schools. The competition runs throughout the academic year and involves students developing their own business and creating a comprehensive business plan.
- 14 The 2013-14 competition was the most successful to date, with 24 secondary schools participating, including three first time schools. The theme of the competition was 'Tomorrow's Technology Solving Today's Problems', to encourage teams to explore how science, technology, engineering and maths (STEM) skills can be used to develop a new business idea. After the six challenges the judges announced Belmont Community School as the winners of the competition at a business awards style dinner in July 2014. Their innovative product 'Quarter2Stop', an app to stop cyber-bullying, was supported by Belmont-based IT consultancy Waterstons. The 2014-15 competition will be launched on 6 November 2014 and is the 10th anniversary of FBM, it is hoped that all secondary schools in the County will participate.
- 15 Building upon the success of FBM, a new project aimed at 16 to 18 year olds, Future Business Magnates Plus, was piloted during the first half of 2014. FBM Plus offers the opportunity to set up and run their own business in a competitive environment. Thirty five young people from Durham Sixth Form College, Bishop Auckland College and East Durham College participated, and a series of four workshop activities were delivered throughout the County. These workshops supported and enhanced the participants' entrepreneurial skills and were directly related to the practicalities of establishing and running a business. Feedback has been extremely positive, and it will now be rolled out more widely across the County to include schools with sixth form provision.
- 16 Business Durham has continued its focus on building an effective delivery network of partners with whom enterprise promotion initiatives can be developed and commissioned. Examples of initiatives have included:
 - Putting Women on the Map, a celebration of women's enterprise in Durham Town Hall on Woman's International Day (8 March 2014). Aiming to encourage women's enterprise. Female entrepreneurs participated in the event to share their experiences and the project highlighted Durham businesses established and run by women. 60 people attended.
 - Supporting Durham University's student Blueprint enterprise competition.
 - Kickstart Weekend organised by Entrepreneurs Durham, Durham University's student led enterprise society, and supported by Business Durham. The event took place in February 2014, offering budding entrepreneurs from County Durham the chance to participate in intensive workshops, develop their business ideas and pitch to a panel of experts. 45 paying delegates attended, and the overall winning team was Numerical Monkey, an online learning platform.

- A series of enterprise-themed talks were given around the County to a total of 385 people. The talks focussed on the routes taken by entrepreneurs and are designed to inspire audiences to explore their enterprise potential and to seek out opportunities.
 - Leading the development of ERDF 2014 work streams on behalf of Count Durham Economic Partnership (CDEP) for innovation and enterprise and business support.
- 17 In order to develop new creative businesses in the County, Business Durham, with monies from DCC, CDEP and ERDF commissioned a programme of support for people starting creative businesses throughout the County. The programme comprises of a range of workshops, coaching sessions and mentoring opportunities which runs until June 2015 and is delivered under the brand of Durham Creatives. So far, 430 individuals have engaged with the programme and this has resulted in 60 new start businesses (nine months ahead of target profile) and 70 jobs have been created, increasing GVA by £2m.
- 18 Business Durham developed a project to provide a self-employment support option for people affected by Welfare Reform in the County. County Durham Enterprise Agencies Ltd was appointed as the delivery organisation and the programme commenced in July 2014. Support is aimed at those for whom self-employment may be a possible route out of the Welfare Reform impacts, but who are either ineligible for, or require more one-to-one support than is available through other start-up programs. The key elements of this innovative project are an initial diagnostic to assess eligibility and the support needed, vouchers to buy 1:1 personalised support and advice, and access to a small start-up grant if needed. To date 20 people have been supported through the programme and 1 client has started up in business.
- 19 Business Durham hosted a very successful visit from Michael Foale, a British born NASA astronaut who was one of the team that fixed the Hubble telescope. Michael delivered a public lecture to a full lecture hall in Durham University Business School, a schools lecture at the Sjovoll Centre and spent some time with a primary school close to NETPark. NETPark also secured a visit by Dr Maggie Aderin-Pocock, a space scientist and television presenter. Nearly 100 people attended the evening event at the Science Learning Centre.

Business Engagement

- 20 In 2013/14, 581 businesses were supported during the year, including advice and signposting on a range of issues such as identifying new premises for business expansion, purchasing land, planning issues, training and recruitment issues, access to funding, support with marketing and general business development.
- 21 Business Durham has initiated a number of Business Park Communities based around the key industrial estate locations. These are now established and provide a mechanism to improve engagement with businesses in the County, develop a better understanding of the issues facing local businesses, help businesses get to know their neighbours and to identify potential opportunities.
- Aycliffe Business Park Community celebrated its first anniversary on 31 January 2014 with a news and networking event which included a discussion on how businesses can contribute to the formation of a vision and strategy for the future development of Aycliffe Business Park. Business Durham continues to support the private sector steering group, and a full programme of events for 2014 are underway, including best practice sessions, news and networking, and a successful business awards evening held in September 2014. Sunderland University has recently committed resource to help the businesses take forward the 'Shaping the Future' initiative, and the businesses are starting to identify projects they can take forward to improve the environment and trading conditions on the Business Park, as well as promote the Park to encourage more business investment.

- Peterlee Business Park established a private sector-led Steering Group in 2014, and has developed a website and brand identity for the park as well as undertaking a survey to gather views of businesses on the Park. A very successful funding event was held in June 2014 and a social media event took place in September 2014.
- A business community has been established for the industrial estates in Chester Le Street. Three well attended meetings have been held to date. A number of issues have been identified and the businesses are keen to look at how they can work more closely together to address them.
- In conjunction with South Durham Enterprise Agency, Business Durham has established a Business Forum for South Church Enterprise Park in Bishop Auckland, with three meetings being held to date.

- 22 Business Durham continues to play a key role in the implementation of the Rural Growth Network (RGN) Programme, following the North East being selected as one of five DEFRA-funded national pilots designed to test new ways of stimulating economic growth in rural areas. A flexible Enterprise Development Fund has been created to provide more flexible support for rural businesses with growth projects which cannot currently be supported through existing funding programmes. Funding between £3,000 and £15,000 is available to small businesses in the RGN area. Business Durham has also been involved in the establishment of a network for enterprise hubs in the rural areas - Rural Connect, to enable enterprise hubs to share their experience, ideas and joint marketing, with a view to increasing sustainability and supporting business growth in the rural areas.
- 23 The Durham Social Value Taskforce, chaired by Councillor Neil Foster and supported by Business Durham, has produced its report recommending ways that the Social Value Act can be used to help small businesses and social enterprises win more contract opportunities. The report was launched at an event in July 2014. The County Council had already made good progress in helping businesses in the County to access contract opportunities, and the Taskforce report identifies a series of actions to further improve opportunities for businesses in County Durham.
- 24 The Strategic Account Management Programme is a vital tool for business engagement for the County Council. In the past, our close relationship with companies has helped safeguard jobs at companies such as Thorn, and Business Durham continues in this tradition of supporting major employers in the County. A particular area of focus is helping businesses to access funding. One specific fund is the Let's Grow grant scheme, funded by the Regional Growth Fund. Business Durham has helped 20 businesses to secure a total of £8.1m in grant, these projects will leverage £34m additional capex and create or safeguard 753 jobs, equating to an additional GVA of at least £22m. County Durham businesses have been awarded 29% of the total fund in the North East.
- 25 One of the major areas of activity at the moment is Hitachi Rail Europe and Business Durham has continued to provide support to the company as it moves into the implementation phase. The strong partnership between Merchant Place Developments (MPD), Business Durham and DCC was instrumental in securing the project for County Durham. Both MPD and DCC view this as an exemplary project in terms of the private and public sectors working together to increase economic prosperity. 29 May 2014 saw the official ceremony marking the steelwork going up on site at Merchant Park for the Hitachi facility and the company is rapidly putting its supply chain in place, identifying companies from the original process of recruitment of interested parties. Business Durham is building a close relationship with Shepherd Construction, assisting with recruitment, Corporate Social Responsibility and supply chain. Shepherd Construction are very proud of the fact that 92% of its supply chain used to build Hitachi's factory has come from within a 50 mile radius. There are currently 150 jobs associated with the construction phase.

- 26 The rail sector remains an area of focus: Business Durham held an event 23rd June 2014 to present the wider opportunities in the rail sector in addition to Hitachi. We also supported the York HS2 bid which was unfortunately unsuccessful.

Inward Investment

- 27 The period covered by this report has been a very successful one for inward investment:
- 28 The former Reckitt Benckiser plant in Peterlee was acquired by a UK firm, Bristol Laboratories, creating nearly 347 jobs starting January 2014. It develops, manufactures and markets generic pharmaceutical products. There was a significant threat that the company could have acquired a similar but better equipped plant in Spain but Business Durham worked with them to secure a £2.75 million grant under the Exceptional Regional Growth Fund. The project will create 347 jobs over a five year period, of which 133 are at first degree or postgraduate level. The GVA from the jobs created is over £10m.
- 29 Pacrestore has created a system to enable manufacturers to rectify packaging errors and place the packaging back in the supply chain, reducing environmental impact. The company started up in Tyne and Wear and was investigating production options in Northumberland, Ireland and County Durham before deciding on Aycliffe Business Park. Forecast jobs are 165 within two years, giving a GVA of £5m.
- 30 TSC Simulation based in the East Midlands and models industrial processes has set up an office in Aycliffe Business Park, employing one person.
- 31 Cubis Industries acquired part of GT Group, saving 10 jobs.
- 32 Kans and Kandy helps bluechips to successfully dispose of remnant or residual stocks, exchanged contracts on 125,000 sq ft of space at Foxcover, Seaham in May 2014 and this will lead to relocation of 20 jobs and create up to 30 more from a new repacking line, resulting in a direct increase of GVA of £1.5m.
- 33 Complement Genomics, an innovative genetic testing company, moved to Lanchester in September 2014. They will also provide laboratory space for small life sciences businesses.
- 34 The new challenger bank, Atom Bank, the UK's first digital bank, has committed to locating its HQ at Aykley Heads and will create approximately 500 jobs over the next few years. This is a major win for Durham and a catalyst for the development of Aykley Heads. The uplift in GVA is expected to be in excess of £15m from this investment.
- 35 Business Durham worked closely with Visit County Durham to organise a reception at the House of Commons on 4 February 2014. The title of the event was 'Illuminating the Best of Durham', and we were able to test one of the place-marketing messages: Light and Dark. Seven Durham assets were showcased:
- Lumiere, the largest light festival in the UK.
 - North Pennines Area of Outstanding Natural Beauty, which has been designated as Dark Sky, perfect for stargazing.
 - Thorn Lighting from Spennymoor, a UK market leader in manufacturing luminaires.
 - Compound Photonics, a new inward investor in Durham, which is developing ultra high definition projectors for mobile phones.
 - PolyPhotonix, which is revolutionising healthcare with the application of light to medical devices.
 - Durham University, which has world-leading space science research.
 - CPI's National Printable Electronics Centre, which uses new forms of light to create a step-change in healthcare, energy and the built environment.

Innovation

- 36 NETPark Net, the innovation community of 320 companies centred on NETPark, launched a new website, put on popular events and delivers a number of fee earning services. An event on the subject of Access to Finance was particularly well speakers attended. The NETPark Investment Panel continues to meet quarterly and companies have found the process and feedback to be very useful. Interest in “white-labelling” NETPark Net is growing with several other science parks interested in the concept. NETPark Net is also developing new products to meet the needs of its members including an IT and an HR service.
- 37 The Business Innovation Gateway, a joint initiative with Durham University and CPI, has generated 24 projects, including two investment opportunities for County Durham, and a collaboration between County Durham company Altec Engineering and NETPark’s Centre for Advanced Instrumentation to jointly bid for European Extremely Large Telescope projects.
- 38 Business Durham is leading on developing the innovation theme of the European Structural Funds Investment Plan and is working closely with Durham University and CPI. County Durham is proposing an integrated set of activities to accelerate the commercialisation of R&D into the market. This will include capital investment at NETPark to open up new land for development and construct space to accelerate business growth, as well as investment into open access facilities around key enabling technologies. Innovative businesses across the County will be assisted with tailored support, including market landscaping and foresight, innovation management, matching market pull with technology push to stimulate demand, identify opportunities and build collaborative research between businesses and research institutions, supply chain development via private and public sector procurement, assistance with accessing finance, and access to open innovation hubs. Complementary to this activity will be the stimulation of demand with a variety of outreach and engagement activities.
- 39 A new proposition for NETPark is in development and will be launched in November: drawing inspiration from the way companies such as Kromek plc integrates material into high value end products. Business Durham is working closely with partners such as CPI to make NETPark the global hub of materials integration capabilities. The real value of this proposition is the way it incorporates manufacturing and engineering capabilities from Aycliffe and Peterlee into the NETPark proposition, generating as much economic value for County Durham as possible.
- 40 As part of the focus on raising the profile and impact of Durham, Business Durham has influenced the NELEP’s Smart Specialisation Strategy (S3) by ensuring that the area of surface science was included (an area where Durham has particular strength). It is a legal obligation to show alignment with S3 when seeking any kind of EU funding and the draft strategy identified four areas of specialisation: Passenger Transport, Subsea, IT and Creative, and Life Sciences. Business Durham spoke at a workshop organised by the International Association of Science Parks (IASP) and the EU Joint Research Centre on the subject of Smart Specialisation. Parallel to this, we are beginning to publicise and develop the skills needed to access the Horizon 2020 programme which has allocated 70 billion euros over six years to support science and innovation.
- 41 The IASP’s European Division workshop in November 2013 successfully hosted delegates from all over Europe and the UK. The NETPark event was very well-received as it looked at the more strategic aspects of science park development and IASP has invited NETPark to become more closely involved with the organisation.

- 42 Business Durham led a regional (NE and Tees Valley) consortium to win a regional Centre of Excellence at NETPark for the Satellite Applications Catapult. This adds to the national and international reputation of County Durham, sitting alongside the High Value Manufacturing Catapult on the same site. The regional bid is being driven by Business Durham on behalf of regional partners including the two LEPs, five Universities, industry and the BE Group. The centre will also provide an enhanced profile for NETPark and County Durham as a key player in supporting innovation and supporting businesses in accessing new market opportunities as well as showcasing the County as top location for business.

Business Property

- 43 Business Durham has added to the property portfolio with the opening of ViewPoint at Consett Business Park, which was officially opened on 4 March 2014 by the late Councillor Pauline Charlton, the then Chairman of Durham County Council. ViewPoint consists of 41 small offices and is already 54% occupied with 16 businesses.
- 44 The Durham Dales Centre has continued its growth and development, revamping the café and implementing more activities for the community. On 7 June 2014 the Gardens and Gazebo Antiques were opened by Cllr Neil Foster. Performance has continued to improve over the year with turnover at the end of March 2014 up to £377,000 from the previous year of £357,000 and a small surplus generated of £4,000 compared to a previous year's loss of £8,000.
- 45 NETPark is in its 10th year and supports 23 science and technology businesses (two are PLCs) employing nearly 400 people and adding approximately £65m to the County's economy. Building on this success, the Council's Cabinet on 15th October 2014, approved £12.9m to provide an additional 7,000m² at NETPark over the next two years, creating up to 250 new jobs. The ambition is to repay the funding from the rental income of the new buildings and this could pave the way for more investments over the next three years which would see the existing Phase 2 of NETPark fully complete. As a result, planning for Phase 3 of NETPark is already well underway with the Government awarding Business Durham £6.8m to provide essential infrastructure to develop a further 30 ha of land, ultimately creating a further 75,000m² of space and a further 2,400 new jobs.
- 46 A number of on-going improvements are being made during 2014 to ensure the property portfolio is operating as efficiently as possible. Key areas will include extensive remedial works to Tanfield Lea Business Centre; disposal of Enterprise Place and Unit 5 Stainton Grove; surplus buildings put on the open market at Fishburn Industrial Estate and the former Co-op buildings at Plawsworth Road, Sacriston; the introduction of a new industrial lease and up to 50 lease renewals across the portfolio; and service charge reviews at Crook and Shildon Business Centres.
- 47 The occupancy at the end of March 2014 (74.22%) was slightly down on the target for the year (75%), mainly because of the introduction of an additional 1,200m² of lettable office space at the newly finished ViewPoint. With a substantial number of new lettings taking place in the year, the level of new jobs being created (255) was above target and contributed £7.5m GVA. The market for property continues to be very competitive in nature with the continuing need to incentivise across most properties, in particular small business centre offices, not only to secure a new letting but in some cases to retain a tenant. Improvements in collection rates were maintained in 2013-14 with 93% of invoices paid from a previous figure of 89% in the previous year. The table below shows performance at the half year mark which indicates that the Property Team is on course to achieve the forecast increases in occupancy and income for 2014/15.

Indicator	2013-14 Target	2013-14 Actual	2014-15 Target	2014-15 Actual (to 30/09/14)
Enquiries	260	235	275	153
Viewings	140	193	200	144
Lettings	70	76	90	45
Vacates	35	54	35	14
New jobs created	150	255	150	105
Occupancy	75.00%	74.22%	77.00%	77.38%
Total Income	£2,857,625	£3,133,139	£3,030,000	£1,557,000

Table 4: Property performance

48 The table in Appendix Two provides a more detailed breakdown of occupancy levels as at September 2014.

Recommendation

49 That the Economy and Enterprise Overview and Scrutiny Committee note the contents of the above report.

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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

Appendix Two: Detailed Breakdown of Occupancy

	Property Name	No of Units	Gross Lettable Floor Space (m2)	Occupancy as at September 2014
Industrial, Workshop & Retail Units	Sacriston Industrial Estate	19	2,058	85%
	Stella Gill Industrial Estate	35	4,395	87%
	Tanfield Lea South Industrial Estate	4	1,018	100%
	All Saints Industrial Estate	5	1,347	100%
	Chilton Industrial Estate	18	5,615	82%
	Dabble Duck Industrial Estate	9	2,177	72%
	Coulson Street Industrial Estate	5	565	100%
	Dean & Chapter Industrial Estate	11	1,533	70%
	Fishburn Industrial Estate	6	2,262	23%
	Tudhoe Industrial Estate	12	944	100%
	Furnace Industrial Estate	20	2,671	88%
	South Church Industrial Estate	5	697	100%
	Stainton Grove Industrial Estate	25	2,927	53%
	Evenwood Randolph Industrial Estate	6	929	100%
	Harvey Court, Low Willington Ind. Estate	5	848	100%
Brockwell Court, Low Willington Industrial Estate	1	290	0%	
	Industrial Total	186	30,275	78%
Managed Workspace / Office Accommodation	Consett Business Park (Derwentside Business Centre)	61	5,670	75%
	Tanfield Lea Business Centre	41	2,591	45%
	Shildon Business Centre	8	132	100%
	St Stephens Court, Low Willington	14	1,252	100%
	Crook Business Centre	14	560	94%
	Durham Dales Centre (excl Tea Room and Gift shop)	19	558	89%
		Office Total	157	10,763
Science Units	NETPark Incubator	79	1,984	95%
	Kromek plc	1	1,759	100%
	NETPark Discovery 1	8	1,440	75%
	NETPark Discovery 2	8	1,442	50%
	NETPark Research Institute Building (Durham University)	1	5,102	100%
		Science Park Total	97	11,727
	Grand Total	440	52,765	77%

Table 5: Occupancy as at September 2014

Economy and Enterprise Overview and Scrutiny Committee

30 October 2014

EU Funding Update



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

Purpose of report

1. The purpose of the report is to inform Overview and Scrutiny of the current status of the upcoming EU Structural Funds Programme and to views on the current direction of travel.

Background

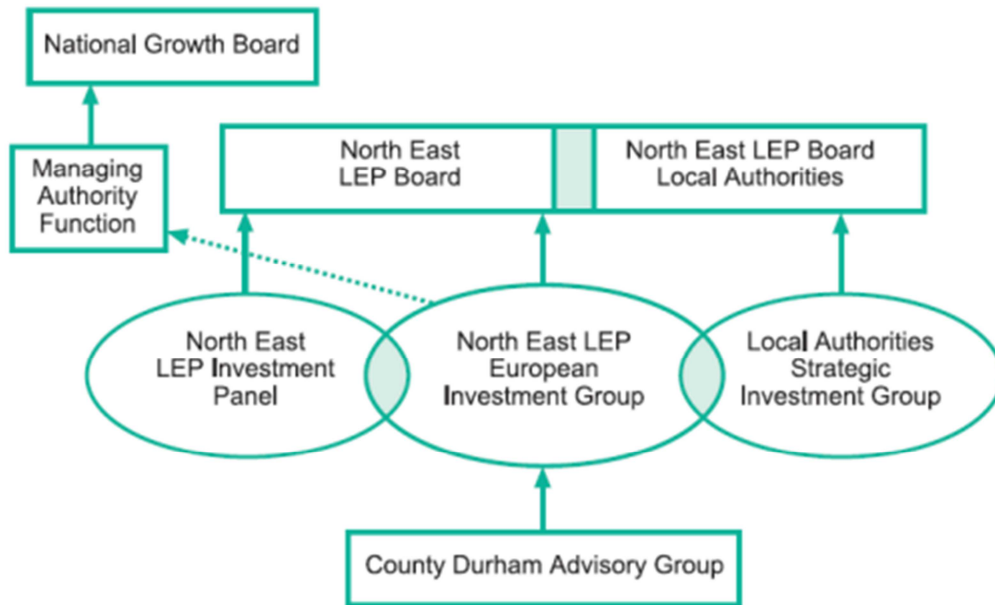
2. The EU Structural Funds programme for 2014-2020 allocates circa £450m for the North East Local Enterprise Partnership (NELEP) area, including £135m for County Durham as a Transition Region. This presents a significant opportunity to support the economic, environmental and social infrastructure of the County in the medium term through the delivery of a range of EU compliant projects.
3. The national EU Programme is not yet operational, and is still in a preparatory phase, as the UK Government remains in negotiation with the EU Commission over the content of the English Operational Programmes (OPs) for both ERDF and ESF. The OPs contain the rules and the parameters of spending that the EU Commission will agree to in the UK. Until these are agreed, it is not possible to give certainty over the eligibility of specific projects, and so programmes of activity are still in a preparatory phase .
4. In order to prepare the English OPs, the Government had given LEPs a strategic role in preparing broad strategies for proposed investment themes within their areas, based upon the EU Commissions 2020 strategy and EU wide areas of eligible spend. The NELEP has drawn heavily on the economic evidence presented in the Adonis Review of 2012 and engaged in dialogue with a range of partners to set out the strategic direction of the proposed programme. These are contained within the European Structural Investment Fund (ESIF) Strategy, identifying broad areas of spend and likely outputs.
5. The Strategic Objectives of the European Structural Investment Fund (ESIF) Strategy are:
 - Innovation – increased levels of R&D and Smart Specialisations
 - Business Growth – increased trading, entrepreneurship, start up business and private sector access to finance

- Low Carbon – increased role of low carbon economy and energy generation
 - Inclusive Growth – improve employability and barriers to employment for the most economically vulnerable
 - Skills - improving skills provision and better linking to economic opportunity and the needs of business.
6. The NELEP are now engaged in refining areas of expenditure into more clearly defined programme briefs in anticipation of the series of Open Calls for projects once the OP is approved; most likely in the Spring of 2015.
 7. As Durham is a Transition Region and has a sub allocation of £135m, the County Durham Economic Partnership set up a number of work-streams to involve a full range of partners in identifying areas of spend and programme outputs in County Durham, in accordance with the Strategic Priorities set out in the CDEP / Altogether Wealthier Regeneration Statement. This work is ongoing and will inform the content of the Open Calls.
 8. The Work Streams are:
 - Innovation
 - Enterprise and Business Support
 - Access to Finance
 - Capital Infrastructure
 - Youth Unemployment
 - Social Inclusion
 - Adult Skills and Employability
 - Low Carbon / Sustainability
 9. As a Transition Region, the ERDF resource, focussing mainly on business support will form 65% of the programme, whilst ESF, focussing on skills and social inclusion forms 35% of the programme.
 10. The CDEP have organised a wide range of meetings in respect of each work-stream and organised a Social Inclusion Conference to examine potential areas of spending the European Social Fund. Members of the Economy and Enterprise Scrutiny Committee were invited to this meeting, and a number attended.
 11. Within the Council; opportunities presented by the emerging EU Programme have been promoted through presentations to senior officers, Cabinet Members and Overview and Scrutiny Committee. Senior Council officers and Members have been engaged in or are leading the various work-streams of the CDEP, to develop and construct a broad programme of activity, to be commissioned once the programme is operational. Senior officers and Members have also been involved directly through engagement with the LEP in ensuring that the shape of the EU Programme will facilitate investment in strategic regeneration priorities in the County, and those of the County Council.

12. In anticipation of the Open Calls for project applications 2015, work is now beginning to “shape up” a number of the agreed spend areas into more defined projects. As the Council may be submitting applications to deliver a number of projects, with significant cost value, a process of internal approval is now in place, prior to any applications for funding being submitted next year.
13. It should be noted that the Council does not have a bespoke allocation of funding or any formal role in approval of projects or management of a programme. However, as secretariat to the CDEP there is a significant influencing role for the Council, maintaining a programme overview and stimulating the development of projects in priority areas, once the programme is operational.

Governance of NELEP area programme.

14. The proposed Governance arrangements for the EU Structural Funds 2014-20 differ significantly from previous years in that the Government have effectively nationalised the Programme. Rather than a series of regional operational programmes, the new programme will be overseen by an English National Growth Board, with a series of sub committees operating within each LEP area, and with CLG acting as the “Managing Authority”. The sub-committee operating in the NELEP area was referred to as the European Investment Group in the LEP strategy agreed with CLG for the use of EU resources in the North East.
15. Whilst the role of the LEP area sub-committees will essentially be advisory, projects will require the endorsement of the sub- committee as a condition of grant prior to government departments recommending approval via the national growth board.
16. As Durham is a Transition Region, with a discreet allocation of EU Structural Funds within the overall NELEP allocation; the proposed ESIF sub committee for the NELEP area recognises the County Durham Economic Partnership as an advisory body (referred to as the County Durham Advisory Group). The diagram below is taken from the North East LEP European Strategic Investment Fund (ESIF) document.



17. The detail of the membership of the group is still under consideration, however Durham will be represented through the place offered to the CDEP (Vice Chair nominated) and one of the four places offered to the Combined Authority (officer or Member). The application process for EU funds is still under consideration by Government; however it is clear that final project approval can only be given through the national growth board, following recommendations from CLG, acting as the Managing Authority, and with the endorsement of the local sub-committee.

The Emerging Durham Programme

18. As Durham is a Transition Region, with its own allocation within the NELEP total, spend proportions against each of the EU programme objectives for Durham had to be shown separately within the NELEP ESIF.
19. The CDEP is coordinating the formulation of broad spend proposals for County Durham. An initial draft investment plan was approved by the CDEP Board on 24 February 2014 which has formed the basis the Transition Region element of the LEP ESIF Strategy. A table of current County Durham spend proportions is included as appendix A.
20. Spend proposals for the EU 2014-2020 programme in County Durham are currently being refined through a series of work-streams, conferences and seminars organised through the CDEP. The work- broadly mirror those of the North East LEP with the chair of each CDEP work-stream acting as the Durham representative on the relevant NELEP group wherever possible. DCC officers are involved in all work-streams and in many cases take the lead.

21. It is envisaged that when the programme is operational the CDEP will continue to oversee the pipeline of projects within County Durham with regular update reports to the CDEP Board and continued communications with the NELEP.

Governance within the Council

22. As the Council is likely to submit a number of project proposals to take advantage of EU funds it is essential that the Council has an agreed internal approval process to ensure that opportunities are maximised and liabilities minimised, prior to any commitment to matching EU funds is made.
23. EU funds are only available for bespoke projects that fit the eligibility criteria contained within the English Operational Programme and support the objectives within the open calls. Projects will have a defined start and end date, agreed eligible activity and recorded outputs which are agreed with CLG. Within Transition Regions, match funding of 40% needs to be secured by the project sponsor, unless the project has been commissioned through one of the Government Opt ins, in which case there is no match funding requirement. Records of activity, spend and outputs must be kept for up to 10years following project completion.
24. Whilst it is too early to be specific about applications for funding which may be submitted by the Council, emerging project areas where the Council could be involved in delivery include:
 - Business support to SME's
 - Capital infrastructure to support business development
 - Employability / Apprentice support / Youth Employment
 - Support to VCS following transfer of community assets
 - Low Carbon initiatives / Green Deal
 - Sustainable Transport (subject to agreement between UK and EU)
25. Appendix B shows areas of activity (not exhaustive) that could potentially be eligible for EU funding and require further development in line with Council priorities and MTFP requirements.
26. Whilst the programme cannot be used to replace the Council's base budget, lost through government cuts; it is possible to utilise the resource to continue eligible activity that would otherwise be lost, provided this activity can be recast as a bespoke project with the support of local partners.

Promoting EU Funding Opportunities with DCC

27. Obtaining additional finance for projects through the EU Structural Funds Programme, (as well as all other external funding regimes), is a high priority for the Council, which is reflected by the inclusion of the EU Structural Funds Programme in Big Board 2.

28. The EU programme has been well publicised throughout the Council and the County. A series of presentations to Senior Officers, Cabinet Members and Overview and Scrutiny have taken place, to ensure that the Council is well placed to take up opportunities for project funding and to give a strategic lead in the economic regeneration of the County.
29. A number of senior officers from all Service Groupings are now either leading or are actively involved in the relevant work-stream of the CDEP. Council officers are engaged in shaping the areas of investment required in Durham and the NELEP area in the period leading up to an open call.
30. Quarterly briefings with the Leader and relevant Cabinet Members will be held to keep them abreast of issues within the programme, as well as links to the NELEP and Combined Authority as they arise. Briefings are also being arranged with the new cohort of MEPs to ensure they understand how funds are being utilised in Durham and the North East.
31. Economy and Enterprise Scrutiny Committee will receive regular reports and updates as the programme progresses in order to scrutinise the direction of travel of the programme and ensure strategic fit with economic issues in County Durham. As the programme progresses and Council led projects become operational, the committee will receive reports on their performance as they form part of the RED performance management framework.

Recommendations

32. Economy and Enterprise Overview and Scrutiny are recommended to:
 - Note the content of the report.
 - Offer views as to direction of travel of the emerging programme.
 - Receive further reports as the programme progresses.

Background papers:

Report of the Corporate Management Team – EU Funding programme 1 October, 2014

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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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EU Funding		Fund	Relevant TO	Article (EAFRD only)	Amount of EU Funding	Total = Annual Split?	2014	2015	2016	2017	2018	2019	2020	
LEP Activities County Durham JEREMIE Financial Engineering Instrument		ERDF	TO3		11,700,000			1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	5,200,000	
CLLD		ERDF	TO3		875,000			97,222	97,222	97,222	97,222	97,222	388,890	
		ESF	TO8											
		ESF	TO9		2,625,000			291,666	291,666	291,666	291,666	291,666	1,166,670	
		ESF	TO10											
Youth Employment Initiative: This line of activity reflects that YEI activity is due to start in 2014; however, in light of the Programme approval timetable, the spend in 2014 will only be achieved with the use of the SFA opt-in operating at risk.		ESF	TO8		7,500,000		1,400,000	2,500,000	2,500,000	1,100,000				
		ESF	TO9											
		ESF	TO10		5,500,000						1,100,000	1,100,000	3,300,000	
		ERDF	TO3		21,447,000			2,873,898	2,873,898	2,873,898	2,873,898	2,873,898	7,077,510	
		ERDF	TO2											
		ERDF	TO1											
		ERDF	TO4											
		ERDF	TO3		3,543,000				529,833	529,833	207,333	207,333	207,333	1,213,335
		ERDF	TO7		7,500,000				625,000	1,140,000	1,140,000	515,000	1,140,000	2,940,000
County Durham Sustainable Transport Schemes (measured in kms)														
Flood Mitigation at key employment sites (measured in ha)		ERDF	TO5		4,000,000			500,000	500,000	500,000	500,000	500,000	1,500,000	
Business Energy Efficiency Programme; Development of a Renewable Energy Village; Energy Efficiency measures utilising retrofit activities on public and private assets.		ERDF	TO4		12,060,000			610,000	610,000	1,510,000	1,510,000	1,510,000	6,310,000	
		ERDF	TO3											
Innovation Business Support and Capital Developments for Smart Specialisation (measured in ha); note the outputs and spend relate in part to National Centres of Excellence, therefore National delivery and National Outputs have been reflected.		ERDF	TO1		20,000,000			2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	8,800,000	
		ERDF	TO3											
Big Lottery Fund Social Inclusion Activity		ESF	TO9		1,531,428			765,714	765,714					
Promoting Employment and Supporting Labour Mobility through		ESF	TO8		5,400,000			723,600	723,600	723,600	723,600	723,600	1,782,000	

LEP Activities	Fund	Relevant TO	Article (EAFRD only)	Amount of EU Funding	Total = Annual Split?	2014	2015	2016	2017	2018	2019	2020
Employment and Brokerage Support												
	ESF	TO10		17,880,000			1,642,222	2,142,222	2,142,222	2,392,222	2,392,222	7,168,890
Investing in Education, Skills and Lifelong Learning through; Graduate Support Programme, Mixed Apprenticeship Packages, Work Based Learning Programme, Business Education Engagement, Business and School Engagement												
	ESF	TO9		4,938,572			437,619	587,619	537,619	562,619	562,619	2,250,477
Promoting Social Inclusion and Combating Poverty; including developing volunteering opportunities												
	ERDF	TO2		4,000,000								
Digital Durham - Digital Inclusion	ESF	TO8										
	ESF	TO9										
	ESF	TO10										
	ERDF	TO3										
Rural Tourism Development Activities and Rural Business Support (not ring-fenced allocation for County Durham)	EAFRD	TO6	Art36-Tourist	5,244,952			582,772	582,772	582,772	582,772	582,772	2,331,092
	EAFRD		Art21-Infra									
	EAFRD		Art21-Serv									
Youth Employment Initiative: Additional £7.5m from cohesion fund and match funded												
				7,500,000		1,400,000	2,500,000	2,500,000	1,100,000			

Areas of potential Council project activity identified through CDEP.

Service Area	Programme Delivery	European Funding
RED; Housing Solutions	<p>Further work to reduce homelessness (prevention), skills development opportunities (tenancy support).</p> <p>Other areas to expand include building on existing European funding received for projects like Family Coaching officers and Familywise.</p>	<p>ESF</p> <p>ESF</p>
RED; Business Durham	<p>Better business growth programme - support business growth through advice</p> <p>Rural enterprise hub development – further capital investment in rural enterprise hubs to provide infrastructure for SMEs in rural areas, building upon Rural Growth Network pilot</p> <p>Invest in County Durham - support for private sector to implement capital build work for new workshops/office</p> <p>NETPark Phase 3</p> <p>Low Carbon Supply Chain –</p>	<p>ERDF</p> <p>ERDF</p> <p>ERDF</p>

	<p>Business Support</p> <p>Business Network Management; Including, Business Engagement, Marketing, and coordinating Countywide programme of activity</p>	<p>ERDF</p> <p>ERDF</p> <p>ERDF/ESF</p>
RED; Visit Durham	<p>Support to enhance competitiveness of SMEs in food & drink & retail sectors, where linked to development of visitor</p> <p>Local Marketing and Visitor attraction schemes</p>	<p>ERDF/ESF</p> <p>ERDF</p>
RED; Sustainability	<p>Green Infrastructure. This could include Sustainable Urban Drainage, flood mitigation schemes etc....Focus on reclamation of land for economic and social uses.</p> <p>Business Energy and Energy Efficiency. Focusing on providing business support on energy use and efficiency. Targeting Small Business base.</p> <p>Transport and employment support targeting hard to reach communities linked to employment.</p>	<p>ERDF</p> <p>ERDF/ESF</p>

		ESF
RED; Economic Development	Apprenticeships: building on the core apprenticeship programme but offering a wider sector focus and broader delivery. For example building on the energy efficiency supply chain opportunities’.	ESF
CAS; Progression & Learning	Investing in Education, Training and Vocational Learning through direct DCC delivery team. Tackling NEETS; Projects to include Peer Mentoring/ Transition support, Direct support for Young People into Employment, Raising Aspiration activity.	Direct €9m Youth Cohesion ESF ERDF
CAS; Progression & Learning	Investing in Education, Training and Vocational Learning activities Training for Skills and Lifelong Learning activities Tackling Social Inclusion and Combating poverty. This would include employment services within hard to reach clients; Offenders, Community development and wider links to public health service.	ESF ESF ESF
ACE; Area Action Partnership	Investing in Education, Training and Vocational Learning	ESF

	Training for Skills and Lifelong Learning	ESF
	Tackling Social Inclusion and Combating poverty	ESF
	Community Buildings- Sustainability and Community Heating Projects in DCC schools and community buildings	ESF