

## **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 **Tuesday 31 March 2015** at **9.30 am**

#### **Present:**

**Councillor R Crute (Chairman)**

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

Councillors E Adam, A Batey, J Clare, D Hall, J Maitland, H Nicholson, R Ormerod, P Stradling and A Willis

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

Mr E Henderson and Mr I McLaren

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

Apologies for absence were received from Councillors J Armstrong, A Patterson and S Zair.

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Minutes**

The Minutes of the meeting held 20 February 2015 were agreed as a correct record and were signed by the Chairman, subject to Councillor J Clare noting the phrase he had used at the meeting was "too many players, scoring too few goals".

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

There were no Declarations of Interest.

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

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

## **6 Quarter 3, 2014/15 Revenue and Capital Outturn**

The Chairman introduced Principal Accounts, Resources, John Hughes and Paul Raine who were in attendance to speak to Members in relation to the Quarter 3 Revenue and Capital Outturn 2014/15 (for copy see file of minutes).

The Principal Accountant, P Raine reminded Members of the areas reported upon, the General Fund Revenue Account, the Housing Revenue Account (HRA) and the Capital Programme for the RED Service. Members noted the service was reporting a cash limit underspend of approximately £1.320 million at Quarter 3, against a revised General Fund Revenue Budget of £45.136 million. Members noted the major variances fell within Planning and Assets and Transport and Contracted. The Committee were informed that the service grouping was on track to maintain spending within the cash limit and Medium Term Financial Plan (MTFP) savings were incorporated into the outturn position.

The Committee noted that the HRA for 2014/15 had no major issues and the variances within the HRA being set out within the report including: increased income as fewer Right to Buy sales and a lower void rate had meant additional rental income; an underspend due to lower interest payments; and an overspend in respect of supervision and management costs, in the context of setting up the new Housing Company.

The Chairman thanked the Principal Accountants and asked Members for their questions on the finance report.

Councillors asked questions in respect of the difference between the original HRA capital budget and the revised budget and whether Traveller Sites at paragraph 16 referred to permanent sites.

Members noted the Traveller Sites referred to were permanent sites. The Principal Accountant, P Raine noted that capital spend within a year could vary as schemes could roll over several years and also if there were any slippages in a schedule, schemes could roll over into the next financial year. Councillor J Clare noted that the change to the HRA capital budget did not seem like slippage and rather more a revision to the budget and asked for clarification. The Principal Accountant, P Raine noted the Member/Officer Working Group made decisions upon changes to capital budgets, and the Performance and Planning Manager, Regeneration and Economic Development, Graham Tebbutt added that some examples of schemes that had moved back included works at the Sniperley Park and Ride and Sunderland Bridge.

Councillor R Crute requested that the committee receive detail of the reasons for the revision of the capital programme and it was also suggested that as part of Quarter 4 Budget Update the Committee receive a summary of the slippage on individual capital schemes.

Councillor E Adam asked as regards the underachievement in business rates in relation to vacant properties and the underachievement in parking income, noting that with the "free after 3" scheme the underachievement in parking income should have been foreseen.

The Principal Accountant, P Raine noted an example at Newgate Street in Bishop Auckland where units had collapsed and therefore they would not be usable, and loss of rental at vacant units at Bracken Hill, Shotton Colliery and Millennium Square in Durham City, the Durham units being used by DCC currently. Councillor E Adam noted the collapse at Bishop Auckland, however, asked what work was being undertaken to let those units at Bracken Hill and Millennium Square and whether use by DCC was the best use of the resource.

The Principal Accountant, P Raine noted the units at Millennium Square were being utilised by Business Durham and Durham Vision. The Principal Accountant, J Hughes noted the underachievement in terms of parking income was as a result of several issues, not only the “free before 3” scheme, including free parking being provided in respect of activities relating to the filming of Inspector George Gently and fee increases not being carried forward. Councillor E Adam requested further detail of the work undertaken by DCC to improve occupancy rates and increase income.

Councillor D Hall asked as regards debt written off, as set out at Appendix 2 on page 19 of the agenda pack, and also as regards an outturn forecast of zero for the welfare reform reserve. The Principal Accountant, J Hughes noted that the bad debt was primarily Council house rent, repairs and associated court costs, with provision having been made within the budget. It was noted that the welfare reform reserve was set up 3 years ago in preparation for Welfare Reform changes, to be used to help those affected by the changes. It was noted that the £393,000 was the balance remaining as at the end of 2013/14, and it was expected that the remaining reserve would be spend within the 2014/15 year in order to help Tenants.

Councillor J Clare noted the underachievement in terms of business rates and parking income, however, asked whether those relating to use of properties by DCC and the “free before 3” scheme for parking could have been factored into the budget rather than being reported as underachievement. The Principal Accountant, P Raine noted that the business rates and car parking were set as potential income generation once void properties and those occupied by DCC were taken into account.

**Resolved:**

That the report be noted.

## **7 Homelessness Strategy - Update**

The Chairman introduced the Core Team Manager, Regeneration and Economic Development Andrew Burnip, who was in attendance to give an update for Members in relation to the Homelessness Strategy (for copy see file of minutes).

Members were reminded that under the Homelessness Act 2002, there was a need for a Homelessness Strategy that must include plans for: the prevention of homelessness; ensuring sufficient supply of accommodation for those who are or may become homeless; and ensuring there is satisfactory support for those who are homeless or may become homeless and to prevent the loss of accommodation. It was explained that this was monitored by the Homelessness Action Partnership (HAP) and refreshed annually.

The Committee learned that the Homelessness Strategy had six objectives, namely:

- To prevent homelessness for all in housing need across County Durham
- To ensure that services work in partnership to meet the holistic needs of all clients, including those with complex needs and/or those at risk of rough sleeping
- To ensure that sufficient, appropriate and affordable accommodation is available for people who are homeless or at risk of becoming homeless
- To provide housing advice and housing options to those in housing need in County Durham
- To tackle the wider social and economic causes of homelessness by supporting people to access health, employment, training and associated services
- To achieve Gold Standard in meeting the 10 Local Authority challenge (Making Every Contact Count; A Joint Approach to Preventing Homelessness).

The Core Team Manager explained that an Action Plan was developed with partners as regards the Strategy and that: 40 actions had been completed; 44 actions were on track or ongoing; and 12 were behind schedule. Councillors noted that there had been a number of developments made, including the Housing Solutions Gateway, a triage system at the front-end of the process looking to deal with 70% of contacts at that point. Members noted the development of Durham Key Options (DKO) to include the private rented sector, with the Landlord Accreditation Scheme and updated IT facilities via the DKO website. Members noted the Single Homeless Fund and Homelessness Intervention Project (HIP) and the Durham Action on Single Housing (DASH) facility providing support for women with complex needs. The Committee noted other developments including: the “Fair Chance Fund” supporting 18-25 year olds with complex needs; Domestic Abuse Funding; triage activities for those affected by Welfare Reform; the Holistic Temporary Accommodation and Support Service (HTASS) and Peer Education.

Members were informed that several schemes and resources that had ended included: Street Outreach (ACE); the Mortgage Rescue Fund; Step Forward, ending in July 2015, with Stonham looking to retain 8 beds; Familywise, though there may be opportunities for future European Social Fund (ESF) bids; and Through the Gate which ended in March 2015, with the new Community Rehabilitation Company (CRC) to take that forward. Councillors learned that there were a number of challenges moving forward, including: future MTFP savings; continuing national austerity; ongoing Welfare Reforms; slow economic growth; and increased household costs/debts.

The Core Team Manager noted that the number of homelessness presentations to the service had reduced by approximately 15% over a six month period since the introduction of the Housing Solutions Gateway and of 761 presentations, 199 were accepted. Councillors noted that for the period January to December 2014, there had been 1,000 preventions, with 368 being found alternative accommodation and 632 being help to stay in their own accommodation. Members were reminded of the saving between a prevention and a presentation with an estimate by the Department for Communities and Local Government of wider savings £33 million. It was explained that HTASS had stopped the use of bed and breakfast accommodation and that there had been a 91% reduction in the number of 16/17 year old “bed-nights” and 86% reduction in the number of family “bed-nights”.

The Committee noted that the main reasons why people had become homeless in the period January – December 2014 had been recorded as being: loss of Assured Secure Tenancy (AST); violent relationship breakdown; and non-violent relationship breakdown. Members noted the main reasons listed for presentations included: financial hardship; being asked to leave by parents; non-violent relationship breakdown; violent relationship breakdown; Section 21 Notice (AST); and rent arrears, Housing Associations and the Local Authority.

Members were referred to a number of prevention tools that included amongst others: Bond Scheme; Accredited Landlords; and the Remain Safe service. It was added that future actions would include: wider promotion of the service, links to the Anti-Poverty Strategy; exploring opportunities from the Better Care Fund; increasing influence with the Health and Wellbeing Partnership.

The Chairman thanked the Core Team Manager and asked Members for their questions on the report and presentation.

Councillors asked questions in respect of: contact details as regards the Accredited Landlord Scheme; the numbers signed up to the scheme; rolling out of the scheme across the County; whether mental health issues factored into whether a person may become homeless; why Tenants would accept ASTs; where the Authority could intervene; loss of the Street Outreach Service; and linking to the Anti-Poverty Strategy.

The Core Team Manager noted contact details could be brought back to Committee or perhaps a Member Training Session could be arranged via the Organisational Development Team. It was added that around 50-60 landlords used DKO and the majority were accredited, and Members were reminded of the pilot schemes ongoing and the roll out to the rest of the County in due course. Councillor H Nicholson noted concern as regards not having the same service operating across the whole County from 1 April. Councillor P Stradling added that the accreditation was a step forward; however, changes in legislation were needed to be able to effectively tackle rogue private landlords. The Chairman added that the Accreditation Scheme was voluntary and that there needed to be benefits for Landlords joining the scheme to encourage them to want to join.

The Core Team Manager noted mental health issues did contribute to homelessness, and for single homelessness it was often that individuals had complex needs including issues, such as depression, hoarding or anxiety linked to debt. Members were reminded of the intervention tools as set out within the report. The Core Team Manager explained that there were varying reasons why individuals accepted ASTs, some as it provided an element of freedom to move, and some Landlords preferred them so they could easily serve a Section 21 Notice to remove Tenants. It was added that if individuals approached the Authority early enough there were several options for the Council to negotiate and mediate on Tenants' behalf. Members noted that promotion of the Housing Solutions Team included: advertising on the Community Channel, as displayed in Doctors' Surgeries; a rebranded leaflet; articles within the County Durham News; and Prevention Champion training for other relevant professionals, to highlight the benefit of early referrals.

The Core Team Manager explained that the loss of outreach workers would make it difficult in respect of identifying rough sleepers, and there was the Government “Streetlink” which allowed for information on rough sleepers to be reported and passed on to the Local Authority, though there were limitations to this approach. The Core Team Manager noted he was meeting with the Housing Project and Service Improvement Manager, Marie Smith in relation to linking to the Anti-Poverty Strategy and issues of Welfare Reform looking to identify any gaps.

**Resolved:**

That the report be noted.

## **8 Quarter 3, 2014/15 Performance Management Report**

The Chairman thanked the Performance and Planning Manager, Regeneration and Economic Development, Graham Tebbutt who was in attendance to speak to Members in relation to the Quarter 3, 2014/15 Performance Management Report (for copy see file of minutes).

The Performance and Planning Manager reminded Members of the different types of indicators reported, Tracker indicators and Target indicators.

Councillors noted that some of the key achievements in Quarter 3 included: 144 private sector properties being improved through Local Authority interventions, the total since April 279 ahead of target; 219 apprenticeships started through DCC funded schemes, ahead of target; and the success rate for adult skills funded provision had improved from the previous academic year.

Members noted information relating to Tracker Indicators including: the numbers claiming JobSeekers Allowance (JSA) continued to fall; the number claiming JSA for 12 months or more continued to fall; a reduction in homelessness presentations; the number on the housing register classed as in reasonable preference groups had reduced; and the number of those rehoused via DKO had reduced. It was added that: numbers were improving in terms of net homes completed quarter on quarter; the percentage of homes completed in and near major settlements was higher than the previous year, in line with the previous quarter; the figures for those 16-18 year olds Not in Education, Employment or Training (NEET) were improved in comparison to last year, higher than the regional figures, however, still lower than the national average; and the percentage of “not knowns” in relation to NEETs was 4.4%, better than the averages for statistical neighbours, the North East region and England.

Members noted progress with Council Plan actions, including: a draft design for flood mitigation at Elvet Waterside; assessment work for Millburngate House; site investigation as regards a Western Relief Road, with the next steps for the County Durham Plan (CDP) being considered; the new County Durham Housing Group having recruited its Chief Executive and Directors. Members noted: refurbishment of Gypsy Roma Traveller sites; the roll out of the Digital Durham Programme; and enterprise initiatives including the launch of the 2014-15 Future Business Magnates competition.

It was added that the key performance issues for the theme were: delivery of 91 affordable homes this quarter, below target of 120; and the 208 potential jobs created or safeguarded through projects with existing businesses being below the quarterly target of 600. It was added the total since April being 1,058, below the profiled target of 1,200.

Members noted the Tracker Indicators set out within the report including: a slight increase in the employment rate, a slight reduction in the proportion of the working age population not in work who want to work; and an expected decrease in the number of visitors to core attractions in the April to September 2014 period from the previous year, noting the high visitor numbers last year as a result of Lindisfarne Gospels exhibition.

Councillors learned that Council Plan actions which had not achieved target included: the County Durham Plan, the Council still considering the Inspector's interim feedback; the development and implementation of real time travel information; and provision of new car park spaces at North Bondgate, Bishop Auckland delayed by one month, with a revised completion date of November 2015.

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

Councillors asked questions in relation to: whether Developers were renegotiating the number of affordable homes throughout the County; more information in terms of JSA figures and "working age population not in work who wanted to work"; the "not known" figures in relation to NEETs; a breakdown as regards the areas where the 144 private sector properties brought back into use by DCC interventions; and information relating to the value of new jobs created, for example were they part-time or zero-hour contracts compared to full-time jobs that may have been lost.

The Performance and Planning Manager explained that while Developers would look to maximise profits on developments, the number of affordable homes delivered through specific schemes was greater than those gained through those within mixed developments. Members noted that the "working age population not in work who wanted to work" was a figure derived from a sample survey, while the JSA figures were based on raw data, although those undertaking training via the Work Programme would not be reflected in the JSA figures. Councillors noted that it was difficult to get information for "not knowns" and sometimes those "not known" in one quarter were then "known" the next, although the current figure of 4.4% was very good in comparison to figures from the recent past of around 10%.

The Performance and Planning Manager noted that Cluster Bid funding was used for getting properties back into use, and also for environmental works to improve the streetscape, and that re-profiling of environmental works and group repairs had led to some delays. Members noted that in respect of employment rate and the value of jobs being created, the Performance and Planning Manager thought it may be possible to obtain the sector codes to try and provide additional information. The Vice-Chairman, Councillor A Batey suggested that comparisons of NI contributions might be able to show the value of jobs that had been created. The Performance and Planning Manager noted he had not seen NI information used as a proxy indicator in that way, however, he would look into the issue.

**Resolved:**

That the report be noted.

**9 Tourism Marketing undertaken by Visit County Durham**

The Chairman asked the Overview and Scrutiny Officer, Diane Close to give a verbal update on the activities of the Working Group looking at Tourism Marketing undertaken by Visit County Durham.

The Overview and Scrutiny Officer noted that there had been three meetings to date, receiving information from Visit County Durham (VCD) and looking at the role and responsibilities of VCD. Members noted that there had been information received as regards national campaigns undertaken, performance of campaigns and how this was measured, together with information on future marketing activities. It was noted that the key findings coming from the review included: VCD had a small Marketing Team and a small marketing budget; VCD had been successful in delivering marketing campaigns as a result of Regional Growth Fund (RGF) monies however this had come to an end; a strong Strategic Marketing Partnership exists within the County and VCD will continue to work in partnership locally, regionally and nationally to ensure that their marketing activity continues to be effective with limited resources.

The Committee were reminded that VCD worked in partnership with the national tourism organisations, Visit England and Visit Britain and that there were several signature events to be held in 2015 such as Lumiere; Magna Carta; and events at Auckland Castle. Members noted the "Northern Futures" fund, to market tourism for the North of England internationally. Members noted a report as regards Tourism Marketing would be drawn together and reported back to Members in due course.

Councillor P Stradling noted the small team at VCD were continuing to do excellent work, however funding in the future could be an issue, notwithstanding the "Northern Futures" funding announced by the Deputy Prime Minister.

**Resolved:**

That the verbal update be noted.

**10 Council Plan 2015-18 - Refresh of the Work Programme**

The Chairman asked the Overview and Scrutiny Officer to speak to Members in relation to the Council Plan 2015-2018 - Refresh of the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The Overview and Scrutiny Officer explained that the report was the first opportunity for Members to comment in the usual annual process of setting the work programme for the Committee, in the context of the "Altogether Wealthier" priority theme as set out in the Council Plan 2015-2018.



Members were reminded that the next meeting of the Committee would consider a draft work programme based upon the comments from Members brought forward at the meeting today. Councillors noted the “Altogether Wealthier” section of the Draft Council Plan was attached at Appendix 2 to the report in the agenda pack.

The Committee noted that the work undertaken by the Committee over the last year was set out within the report at paragraph 9 of the report and it was for Members to suggest topics for further investigation, taking on board issues raised from performance reporting, upcoming legislation and issues discussed at the Committee.

The Overview and Scrutiny Officer noted that Paragraph 11 highlighted gaps within the work programme with paragraph 12 setting out those issues that were cross-cutting with other “Altogether” themes. Members were reminded of the ongoing overview work of the Committee in terms of performance and budgetary review, issues carried forward from the 2014/15 work programme for inclusion in the future work programme such as EU Funding, work of Business Durham, Combined Authority, work of the County Durham Economic Partnership, Housing Strategy, Masterplans, County Durham Plan, Youth Employment Initiative, skills development and systematic reviews of the recommendations contained in two previous Scrutiny review reports.

The Chairman thanked the Overview and Scrutiny Officer and noted that any comments or suggestions for potential topics for future reviews could be forward to the Overview and Scrutiny Officer for inclusion in the report to be considered at the June meeting.

Councillor J Armstrong reminded Members that reviews would need to be taken in the context of capacity and in terms of being achievable and adding value. The Vice-Chairman, Councillor A Batey agreed and asked as regards mapping the progression of apprentices to see where they go after their apprenticeships are completed, or look at reasons why someone would leave an apprenticeship.

Councillor D Hall noted the rebranding of the Social Inclusion Strategy as an “Anti-Poverty Strategy” and suggested this as a topic for inclusion in the work programme.

**Resolved:**

- (i) That the information set out in the Council Plan 2015-2018 Altogether Wealthier theme be noted.
- (ii) That the Committee refresh the Work Programme considering the actions identified under the Altogether Wealthier theme.
- (iii) That the Committee consider a further report detailing the Work Programme 2015-2016 at its meeting 23 June 2015.

**11 Minutes of the County Durham Economic Partnership**

The Minutes of the meetings of the County Durham Economic Partnership held 3 February 2015 were received by the Committee for information.