

## **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.