



Economy and Enterprise Overview and Scrutiny Committee

Date **Tuesday 29 September 2015**
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 23 June 2015 and 4 September 2015 (Pages 1 - 14)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. Youth Employment Initiative (YEI) - Update: (Pages 15 - 22)
 - (i) Joint Report of the Assistant Chief Executive and the Corporate Director of Children and Adults Services.
 - (ii) Presentation by the Strategic Lead, Progression and Learning, Children and Adults Services.
8. EU Funding Programme - Update: (Pages 23 - 34)
Report of the Corporate Director of Regeneration and Economic Development – Head of Strategy, Programmes and Performance, Regeneration and Economic Development.

9. Masterplans for County Durham - Update: (Pages 35 - 38)
 - (i) Joint Report of the Assistant Chief Executive and the Corporate Director of Regeneration and Economic Development.
 - (ii) Presentation by the Regeneration Projects Manager and Community Economic Development Team Leaders, Regeneration and Economic Development.
10. Quarter 1, 2015/16 Performance Management Report: (Pages 39 - 56)
Report of the Assistant Chief Executive – Performance and Improvement Team Leader, Regeneration and Economic Development.
11. Quarter 4, 2014/15 and Quarter 1, 2015/16 Revenue and Capital Outturn: (Pages 57 - 90)
Joint Report of the Corporate Director of Regeneration and Economic Development and Corporate Director – Resources – Finance Manager, Resources.
12. Minutes of the County Durham Economic Partnership meeting held on 14 July 2015 (Pages 91 - 96)
13. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
21 September 2015

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, M Davinson, D Hall, T Henderson, C Kay, B Kellett, J Maitland, H Nicholson, R Ormerod, A Patterson, M Simpson, P Stradling, O Temple, A Willis and S Zair

Co-opted Members:

Mr T Batson 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 1A/1B, County Hall, Durham** on **Tuesday 23 June 2015** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Clare, M Davinson, T Henderson, C Kay, B Kellett, J Maitland, H Nicholson, R Ormerod, A Patterson, M Simpson, P Stradling, O Temple, A Willis, S Zair, N Foster and E Tomlinson

Co-opted Members:

Mr I McLaren

Also Present:

Councillors N Foster and E Tomlinson

1 Apologies for Absence

Apologies for absence were received from Councillors J Bell and D Hall.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meeting held 31 March 2015 were agreed as a correct record and were signed by the Chairman.

Councillor E Adam noted the additional information provided to the Committee in respect of occupancy of Council owned properties and asked for further information as regards what work was ongoing additionally to improve occupancy levels. The Chairman noted that in reference to the Tourism Marketing Review, an additional meeting of the Working Group was scheduled for 6 July to look at key findings and draft recommendations.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

The Overview and Scrutiny Officer, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes). The articles included: The North East's first University Technical College in County Durham; news of 800 jobs being created over the next three years in the East of the County at businesses including The AMA Group, Peterlee Glass and Bristol laboratories; University links reinforcing the global reach of NETPark companies; and the risk to the "Northern Powerhouse" due to the skills shortage in the North East.

Councillor H Nicholson noted that there would be a need to monitor any potential impact the Technical College had on local schools, noting that the intake targeted 14 year olds.

Resolved:

That the presentation be noted.

7 County Durham Economic Partnership

The Chairman thanked the Chairman of the County Durham Economic Partnership (CDEP), Professor Brian Tanner who was in attendance to give an update for Members in relation to the work of the CDEP (for copy see file of minutes).

The Chairman, CDEP reminded Members that the CDEP was not an executive body, and had a role of influence and coordination, working in partnership with others to help all move in the 'same direction of travel'. It was added that while there were still severe economic challenges, there had been signs of growth and the priorities of the CDEP remained the same; to work in partnership to improve our measure of success and achieve a 73% employment rate. Members noted that this was one of five measures of success, all with 15 year targets (by 2030) and include: a GVA value of 87%; having 4,300 businesses; having a 103% household disposable income; and have an employment deprived index of deprivation reduction from 174 to 64. It was noted that it was felt that the employment rate was making good progress and the GVA value was also well on track for the 2030 target. It was added that the number of businesses had shown a 5.5% increase though there was still a way to go and that disposable income was also in the context of increasing costs of living and would be relative to the North East. Councillors noted that the growth in the employment rate for County Durham was greater than the UK average.

The Chairman, CDEP explained that the CDEP looked to influence via several areas, including the North East Local Enterprise Partnership (NELEP); North East Combined Authority (NECA) and the North East European Structural Investment Fund (ESIF) Sub-Committee.

Members noted that the CDEP supported higher value jobs by facilitating growth and enabling infrastructure, for example NETPark Phase 3, Explorer and Centre for Process Innovation (CPI), and Merchant Park Phase 2.

It was added that there was business and education engagement, for example via the Youth Employment Initiative (YEI), “Get the Buzz” and the successful Future Business Magnates (FBM) programme. Councillors noted that the CDEP looked to maximise the economic impact of any events and worked in partnership to support people in accessing job opportunities.

The Chairman, CDEP noted that challenges ahead included having the right types of jobs to enable continued and sustainable growth, linked to job creation and infrastructure support and employability and access to employment. Members noted other challenges included delivering an ESIF Durham EU Programme and match funding, and raising aspirations and changing perceptions.

The Chairman thanked the Chairman, CDEP and asked Members for their questions on the update.

Councillors asked questions in relation to: how much influence could be made on the GVA value; how partners would work strategically to improve the deprivation index value; whether the 2030 target of 4,300 businesses included those that may close in that time; how to retain those people with aspirations and skills within the County; any potential impact on EU funding as a result of the proposed referendum on Europe; any work to identify those self-employed and on zero-hour contract that are working “below subsistence”.

The Chairman, CDEP noted that influencing productivity was key, however the value of jobs was also important, noting in the past the jobs had shifted from mining and engineering to public sector and university, the latter not contributing to GVA. The Head of Strategy, Programmes and Performance, Andy Palmer explained that the 5 measures had been developed in 2010 as a means of estimating “what success would look like” by 2030. It was added that GVA and deprivation measures had been chosen to ensure “no-one was left behind”, though it was noted that resources as regards influencing change in Lower Super Output Areas (LSOAs) were now scarce, though there were some possibilities in terms of the new EU Funding Programme, including the YEI, noting the ending of the Working Neighbourhoods Fund (WNF) in 2010. It was added that the main difference now was that the focus was on economic assistance, for example the Hitachi development, and to breed demand to then create new and real jobs. Members noted that it was not just to create job opportunities, there was also a multifaceted approach in terms of helping individuals and families in deprived areas, looking to help remove any barriers to then allow those people to take advantage of new employment opportunities. The Chairman, CDEP noted that there was a role for the voluntary sector in terms of social enterprises in helping to be part of the solution.

The Chairman, CDEP added that he felt transport links were a key issue in terms of linking to employment and linking companies to the rest of the country and wider world and that in terms of aspiration it was important to be able to match skills to the quality jobs we want for County Durham, and to therefore raise individuals' aspirations so that they want to take on these types of job roles. The Chairman noted that the NECA's Overview and Scrutiny committee was looking at transport as a barrier to employment as a possible review topic.

The Chairman, CDEP added that in respect of any EU Referendum, then the CDEP and partners had to look at what was available now on the table in terms of EU funding, such as the ESF, noting a large amount was ring-fenced for County Durham as it was a transition region. It was explained that should EU funding cease in the future, that would need to be dealt with accordingly, however, the current approach of working in partnership was working well and should continue.

Councillors noted that the Chairman, CDEP also wished to better understand the quality of the jobs in the County, working with JobCentre Plus, DCC and Housing Associations to try and better understand the situation. Councillor N Foster noted there were good examples of high aspirations and quality jobs, for example the recent investment by Atom bank at Aykley Heads, and added that it was important to work with schools and colleges to let young people understand what opportunities there were and how to then access them. The example of the FBM programme was given as a mechanism by which employers, teachers and schoolchildren learned the realities of work in the 21st Century, noting it was often parents that had an outdated view of what job opportunities actually existed. Councillor N Foster reiterated that it was important to let young people know that nothing was excluded in terms of what work was available to them and therefore to offer the right support to help steer them in the right direction. Councillor E Tomlinson noted that the County Durham Housing Strategy was on hold, as it comprised part of the CDP, however, added that tackling deprivation and housing aspirations were issues being looked at.

Resolved:

That the update be noted.

8 Quarter 4, 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 4, 2014/15 Performance Management Report (for copy see file of minutes).

Councillors noted that some of the key achievements in Quarter 4 included: the number of private sector homes improved as a consequence of Local Authority intervention, 176 for the Quarter and a total of 476 since April 2014; the number of empty properties being brought back into use exceeding target; and the number of affordable homes delivered being above target and in line with national homebuilding performance. Members noted that in addition, the number of apprenticeship starts had exceeded target and that the number of businesses engage with by Business Durham had also significantly exceeded target.

The Committee were reminded of the Housing Stock Transfer and it was added that at the point of transfer the performance of the 3 organisations was strong, with the level of decent homes being very close to 100% and the level of rent arrears being 1.97%, less than the target of 2.45%.

The Performance and Planning Manager explained that tracker indicators showed positive trends including: a continued reduction in the numbers claiming JobSeekers Allowance (JSA); a reduction in those claiming JSA for 12 months or more; and a reduction in the number of homelessness presentations to the Housing Solutions Service and improvements in the number of preventions achieved. It was added that there had been an increase in the number of people re-housed via the Durham Key Options choice based lettings scheme in the Quarter and an overall increase for 2014/15 in comparison to 2013/14. It was noted that this was attributed to greater number of new build properties by both full DKO partners and other registered providers in 2014/15. The Committee learned that occupancy rates for retail units in 8 of the 12 major town centres had increased, with only Consett, Crook and Newton Aycliffe declining, with some known issues such as a planning issue at Newton Aycliffe. It was explained that the occupancy of properties operated by Business Durham had increased, with an associated increase in revenue, and also the number of businesses registered had increased over the last year. Members noted the number of visitors to the "thisisdurham" tourism website, close to 1 million for the year, and the improving statistics in respect of those 16 to 18 years olds Not in Employment, Education or Training (NEET) and an improved level of "not knowns" in respect of that cohort. Councillors were informed of progress in terms of refurbishment of Gypsy Roma Traveller (GRT) sites at Stanley, Birtley, West Rainton and Bishop Auckland and noted good occupancy levels at all sites.

The Performance and Planning Manager noted key performance issues included: six inward investment schemes had been secured in 2014/15, below a target of ten and it was added that a new plan had been developed in respect of attracting inward investment for the coming years. It was added that the percentage of major planning applications being determined within deadline had shown a decrease in performance against a backdrop of falling numbers of planning applications. Members noted tracker indicators that showed: a slight improvement in the employment rate in the Quarter, albeit still behind national and statistical neighbour averages; a decrease in the net number of new homes being completed in the last Quarter, although the overall longer term was showing an increase; and a slight increase in the number of people starting their first full-time degree, albeit still lower than the North East and national rates.

Members noted progress with Council Plan actions that had not achieved target, including: progress in respect of the Council's position to respond to the Planning Inspector's interim report on the County Durham Plan (CDP); the delay in the real time travel information system, now to commence in May 2015; and delay of completion date for delivery of the first Durham County Council market housing scheme, now January 2018.

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

Councillor E Adam asked questions in relation to: influencing the occupancy levels in town centres, specifically those mentioned as declining; and any work with Hitachi in respect of linking to regeneration of the town centre at Newton Aycliffe.

The Portfolio Holder for Regeneration and Economic Development, Councillor N Foster, noted it was difficult to influence occupancy levels in areas where town centres were in private ownership, however the Council was undertaking work in terms of the level of business rates and work of Local Members and Area Action Partnerships (AAPs) in areas, such as Consett, in terms of providing car parking and improvements to shop fronts. Councillor N Foster added that while there was no direct work with Hitachi in terms of Newton Aycliffe town centre, there was a Masterplan for Newton Aycliffe and that there was work ongoing in terms of Merchant Park Phase 2.

Councillor M Davinson noted as regards Section 9(b) of the report, the energy efficiency works are to commence shortly, with 100% sign up and that 17 new landlords in respect of DKO should help in low demand areas, adding that Housing Solutions should be “selling” this to customers.

Councillor H Nicholson asked what impact on Durham County Council (DCC) housing schemes could be envisaged in respect of the Government’s announcement of extending the Right to Buy (RTB) scheme. Councillor J Armstrong noted that in his experience, it was those properties where a tenant had lived in for a long time that would be likely for sale via RTB, rather than any newly developed properties. Councillor H Nicholson noted that any newly developed properties would be attractive for those looking to invest and therefore the impact may not be for 10 years. Councillor J Clare asked whether RTB would be applicable to new developments at Newton Aycliffe. The Portfolio Holder for Housing, Councillor E Tomlinson noted that the site in question was for income generation, with 70% of properties to be sold on that basis and 30% for rent at “market rent”, the site not being for social housing, therefore not subject to RTB.

Councillor O Temple noted reference to comparisons to “near statistical neighbours” and asked for further details. The Performance and Planning Manager explained that the “statistical neighbours” differed in respect of each issue and area, for example for a lot of Children and Adults Services (CAS) statistics, this were in comparison to other North East Local Authorities, for this Committee, there were some neighbouring Local Authorities, such as Darlington and Hartlepool that were similar, however others from further afield included Doncaster, Rhonda Valley and Dover, albeit they all have similar economies to that of DCC.

Resolved:

That the report be noted.

9 RED Investment Planning - Overview

The Chairman invited Head of Strategy, Programmes and Performance, Andy Palmer to speak to Members in relation to the Regeneration and Economic Development (RED) Investment Plan (for copy see file of minutes).

The Head of Strategy, Programmes and Performance noted the strategic and policy context for the RED Investment Plan, namely the fragile economic recovery, change in Government, the developing devolution agenda and asset led public investment.

It was added that accordingly, the approach was for:

- Strong ambitions and delivering growth
- Addressing market failure
- Supporting infrastructure development
- Collaboration and partnership working
- Securing resources and gap funding
- Promoting and playing to our strengths

It was explained that utilising the assets of County Durham included the strong A1 and A19 connections and this was also an area the NELEP had identified for development. Members noted the addressing of market failure referred to housing and industrial estates, however, also included people in the context of diverting people to the appropriate training to support new industry. It was added that local strategies would help prioritise and deliver change, with the Investment Plan and Pipeline being to determine the top areas for investment. Members also noted the securing of resources included EU funding; LGF, RGF and RED Capital budgets and delivery would be supported by a robust project management approach.

The Head of Strategy, Programmes and Performance explained that the Investment Plan was to help deliver the ambitions of the Regeneration Statement, namely: Developing a Thriving Durham City; Creating a Top Location for Business; Developing our Vibrant and Successful Towns; Supporting our Sustainable Neighbourhoods and Rural Communities; and Developing our Competitive People. It was reiterated that this would be measured via: employment rate; GVA; number of businesses; disposable household income; and reducing deprivation. Councillors noted that while Durham City was a key driver, not all investment was within the City, and that the focus was on being able to unlock private sector investment. It was explained that projects included investments at: North Road; Durham Bus Station; Aykley Heads and the feasibility of relocating County Hall; Park and Ride; Durham City Urban Traffic Control; works to Millburngate Bridge; and land slip at Pelaw Woods, highlighting where a health and safety issue occurred this would result in an automatic inclusion into the capital programme.

The Committee noted that in terms of creating a top location for business it would be important to build upon our successes, such as Aycliffe Business Park and NETPark, and that 2015/16 investments included: Merchant Park Phase 2, NETPark Phases 2 and 3; and EU ESIF activities to provide business support and skills development. Members noted that in support of our towns, Masterplans were developed for the major settlements, which included elements such as: shop front improvements; additional car parking; site acquisitions and demolitions to make way for further investment and development; hard landscaping and road improvements. Councillors noted the use of s106 Agreements and DCC funding to help support shop owners, with town centres now offering more “services” as trade for goods themselves moves more towards delivery via the internet.

Members learned that in supporting sustainable neighbourhoods and rural communities there were a number of activities with examples in 2015/16 being: group repairs at Craghead; the South Moor Regeneration Programme; acquisitions and demolitions at West Chilton; and the Empty Homes Cluster Bid, 120 homes brought back into use in Easington, Dawdon, Chilton and Craghead. Members noted that changes in Council Tax legislation relating to empty properties had helped tackle such issues.

The Head of Strategy, Programmes and Performance explained that in developing competitive and successful people it was important to raise the aspirations of people within the County, but also to increase participation and attainment to best support people in accessing new opportunities as they arise.

Members were reminded of the work ongoing in this respect, including: the County Durham Apprenticeship Programme, with 25 apprentices within the RED service alone, supported by grants from the National Apprenticeship Service (NAS); the continuation of the Council's successful Targeted Recruitment and Training (TRT) scheme that help secure investment in local people at the planning stage; the number of EU funded skills development programmes, such as the YEI; Disabled Facility Grants to help people live independently; and the triage system in place to help mitigate the impact of Welfare Reform.

The Head of Strategy, Programmes and Performance reminded Members that the Housing Revenue Account (HRA) Capital Programme was now for the new County Durham Housing Association and therefore the Capital Programme for RED for 2015/16 comprised of Economic Development and Housing (£13.104 million), Planning and Assets (£9.250 million), Transport and Contract Services (£16.893 million) and a £500,000 contingency, totalling £39.747 million. Members were referred to the major themes for the spend over the 2015/16 to 2017/18 period and most significant in terms of capital for Economic Development included: office accommodation; town centres; DFGs; and housing renewal. In terms of Planning and Assets and Transport and Contract Services, the major themes were: renewable energies technologies; structural maintenance (including school demolitions); the Local Transport Plan (LTP) and investment in transport corridors and major improvements. Councillors noted where EU funding could be accessed in terms of themes and were asked to note that the opportunities ahead included:

- An opportunity to improve infrastructure, the use of our assets, skills and business support
- Greater collaboration through the NECA and development of the Devolution Prospectus
- Continually developing and managing the project pipeline and wider investment planning

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

Councillor C Kay noted, as a cyclist, that Durham City was very difficult to negotiate, with issues at the Honest Lawyer junction and the City Centre itself being very hard to pass through and not very cycle friendly. The Head of Strategy, Programmes and Performance explained that there was a new Walking and Cycling Strategy and that there were several grants being applied for in terms of walking and cycling schemes and he would bring back further information to Members accordingly. Councillor C Kay noted he would be interested in getting the experiences of cyclists, with Councillor N Foster adding that strategies were at public consultation.

Councillor S Zair noted the investment being made at Bishop Auckland Castle and asked if there were any plans for developments such as a Park and Ride, as he felt additional car parking alone may not be sufficient.

The Head of Strategy, Programmes and Performance noted there were no plans for such a Park and Ride scheme within the next year, however, developments at Bishop Auckland would be monitored and reviewed as regards their impact over the next 2-5 years.

Resolved:

That the report be noted.

10 Council Plan 2015-2018 - Refresh of the Work Programme

The Chairman invited the Overview and Scrutiny Officer to speak to Members in relation to the Council Plan 2014-2017 - Refresh of the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The Overview and Scrutiny Officer reminded Members that the Committee considered a report at the last meeting outlining a draft Work Programme for the Committee. The report had provided detail of the activity undertaken by Members in 2014/15, highlighted areas to be brought forward for inclusion in the 2015/16 Work Programme and additional areas identified under the 'Altogether Wealthier' priority theme of the Council Plan. The proposed Work Programme for the Committee for 2015/16 was attached at Appendix 2 for approval by the Committee and in addition, Members were asked to suggest an area for focused scrutiny review. It was noted two areas were suggested by Members, apprenticeships which was already included within the Work Programme via a Special Meeting, and skills development within County Durham.

The Chairman noted that the report set out a comprehensive work programme for the Committee, the need to retain flexibility in respect of any emerging issues and that potential topics for scrutiny review included apprenticeships and skills development in County Durham. It was added that Members could come back to the Overview and Scrutiny Officer with any additional suggestions, and the Chairman noted that the "Skills Gap" was an issue that was noted at Committee regularly and therefore suggested that employability and skills would be a useful and relevant topic for review.

Councillor A Patterson noted the number of special meetings and additional dates for the diary and asked whether it would be preferable to have a greater number of scheduled meetings in a year and requested if Members could receive early notice of special meetings. The Principal Overview and Scrutiny Officer noted that the dates of additional meetings would be circulated to the Committee as soon as possible.

Resolved:

That the Committee agree the Work Programme as set out at Appendix 2 to the report.

11 Minutes of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held 28 April 2015 were received by the Committee for information.

In relation to the CDEP Minutes and the Economic Update, Councillor J Maitland reminded the Committee that recently works had begun at Murton in respect of Phase 2 works for Dalton Park, with the potential for 500 jobs being created for County Durham.

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 **Friday 4 September 2015 at 9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, M Davinson, T Henderson, C Kay, B Kellett, H Nicholson, P Stradling, O Temple and A Willis

Co-opted Members:

Mr T Batson

1 Apologies for Absence

Apologies for absence were received from Councillors A Batey, J Clare, D Hall, R Ormerod, S Zair and I McLaren.

2 Substitute Members

There were no substitute members.

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 Scrutiny Review of Marketing Activity Undertaken by Visit County Durham:

Members considered the report of the Assistant Chief Executive, which presented the key findings and recommendation of the Economy and Enterprise Overview and Scrutiny Committee's Review Group report of tourism marketing activity undertaken by Visit County Durham (for copy of report, see file of minutes).

Diane Close, Overview and Scrutiny Officer provided members with a presentation which set out the focus of the review, what the review group did, Key findings in relation to the marketing role of Visit County Durham and partnership working, marketing approach, partnership working with the Durham Strategic Marketing Partnership (DSMP), performance monitoring of Visit County Durham's marketing activity, national marketing

campaign – case study, evaluation of national marketing campaign, future marketing activity of Visit County Durham and next steps (for copy of slides, see file of minutes).

The committee was advised by the Chairman, Councillor Crute that following each key finding highlighted in the presentation by the Overview and Scrutiny officer members would be asked to consider and comment on the resulting recommendation contained in the attached draft review report and detailed in the presentation.

Members of the committee considered each resulting draft recommendation and commented as follows:-

Recommendation 1

In relation to the partnership approach to marketing, VCD seeks to extend its work with partner destinations and the Durham Strategic Marketing Partnership and also use major events to attract out of region visitors to raise the profile of the county as a visitor destination.

Members agreed the recommendation as set out in the draft review report and presentation.

Recommendation 2

That VCD continues to develop and redesign the 'thisisdurham.com' website and ensure that it remains responsive to the increasing and changing information demands resulting from developments in technology.

Councillor Adam asked how the performance of VCD's 'thisisdurham.com' would be measured both currently and in the future. Officers advised Members that detail of the performance monitoring undertaken by VCD was covered in key findings and the resulting recommendation in a later slide. The Principal Overview and Scrutiny Officer indicated that specific reference had been made to the need for VCD to ensure that its website developed to keep pace with technological advances and ensured that its functionality delivered appropriate performance information capture. This had been a key issue for the Council during its recent work to update its own corporate website.

The Chairman advised Members that a distinction had been drawn during the review between online and offline marketing with the majority of marketing activity now undertaken online and that it had been confirmed by VCD that online marketing provides the best return on investment.

The Overview and Scrutiny Officer indicated that offline marketing was more expensive and as VCD has a limited budget offline marketing was only used where it was externally funded.

Members agreed the recommendation as set out in the draft review report and presentation.

Recommendation 3

That VCD continues to research and identify national marketing campaign opportunities which benefit partners within the DSMP and wider tourism industry and promote County Durham as a tourism destination.

Members agreed the recommendation as set out in the draft review report and presentation.

Recommendation 4

VCD ensures that robust performance targets and monitoring procedures for all online and offline marketing activity are in place.

Councillor Armstrong highlighted the need for the continued monitoring of VCD's marketing activity to ensure the best use of resources and maximum impact. Officers advised that performance monitoring of VCD marketing activity was also covered in recommendation 5.

Councillor Kellet referred to Ramside Hall and asked if they had been approached by VCD to join the DSMP.

The Overview and Scrutiny Officer responded that recent conversations with VCD had indicated that 4 more partners had joined the DSMP one of which was Ramside Hall.

Members agreed the recommendation as set out in the draft review report and presentation.

Recommendation 5

That the performance evaluation of the effectiveness of marketing activity undertaken in relation to the national marketing campaign is promoted and reported to the County Council as part of its performance management process.

Members agreed the recommendation as set out in the draft review report and presentation.

Recommendation 6

That VCD maximises all identified future marketing opportunities for 2015/16 including:

- *The use of major events and developments at attractions in County Durham.*
- *The Northern Tourism Growth Fund, promoting northern destinations to overseas markets.*
- *Championing as a future priority with the NECA the importance of the visitor economy.*

Members agreed the recommendation as set out in the draft review report and presentation.

Recommendation 7

That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet.

Members agreed the recommendation as set out in the draft report and presentation.

The Overview and Scrutiny Officer advised Members that a report detailing progress made against the recommendations contained in the review report would be considered by committee at the February/March meeting

The Overview and Scrutiny Officer concluded the presentation by advising member of the next steps which consisted of the Economy and Enterprise Overview and Scrutiny Committee agreeing the draft review for submission to Cabinet for consideration at the meeting on the 21 October, 2015.

The Overview and Scrutiny Officer also advised Members that the draft report had been circulated to the individual departmental management teams and the Corporate Management Team for their comments which had been incorporated into the draft report. The respective management teams had indicated that they were happy with the draft recommendations.

The Chairman and Members commended the work of the staff of Visit County Durham and they asked that this be included in the report to Cabinet.

The Chairman also thanked the members of the review group and scrutiny officers for all their work and members of the committee for accepting the report.

Resolved:

- i) That the Economy and Enterprise Overview and Scrutiny Committee agree the report of the Scrutiny Review Group looking at the marketing activity undertaken by Visit County Durham.
- ii) That the report of the Scrutiny Review Group be submitted for consideration by Cabinet on 21 October 2015.

**Economy and Enterprise
Overview and Scrutiny
Committee**



29 September 2015

**Youth Employment Initiative
(YEI) - Update**

**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 Linda Bailey; Strategic Lead: Progression and Learning; Children and Adult Services.

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 YEI.
3. It was requested by members at that meeting that the committee receive a presentation on 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 YEI at the meeting on 22 January 2014 with a further update provided at the meeting on the 30 October, 2014.
4. As part of the refresh of the work programme for 2015/16 members requested that a further update be provided detailing the progress/development of YEI within County Durham. Arrangements have therefore been made for Linda Bailey; Strategic Lead: Progression and Learning to attend the meeting on the 29 September to deliver a presentation focusing on:
 - How much YEI funding has been allocated and who will benefit;
 - The current data re: youth unemployment in County Durham;
 - Research into the views of young people who are unemployed;
 - Durham County Council led partnership application – DurhamWorks;
 - Next steps.

Allocation of funding for County Durham

5. The YEI has been created by the European Council to tackle youth unemployment across member states. The initiative is directed at 15-24 year olds who are unemployed or inactive. Funding cannot be directed at young people who are engaged in full-time education.
6. In the United Kingdom, eleven areas have been identified as being eligible for this funding, including County Durham and Tees Valley in our region. In terms of timescales, delivery of YEI is due to commence in October 2015 and will continue until July 2018.
7. The total funding available to support unemployed young people resident in County Durham is £17.87m. This consists of £6.7m YEI funding, £6.7m from the European Social Fund, and £4.47m of required match funding. The value of this funding is not yet fixed due to the continuing fluctuation of the Pound Sterling to Euro exchange rate.
8. It was originally envisaged that the required match funding would be provided by the Department for Work and Pensions (DWP) and/or the Skills Funding Agency (SFA). However, DWP indicated that it would be unable to provide match funding in 2014 and the SFA withdrew its opt-in in February 2015. Following the SFA's decision not to provide match funding for County Durham, the Local Authority decided to lead a partnership bid out of concern that the funding could be lost to County Durham.

The process for commissioning the Youth Employment Initiative

9. The Department for Work and Pensions (DWP) is the Managing Authority for ESF and YEI. It is responsible for writing YEI specifications; managing the bidding process; assessing and approving bids; contracting and performance managing YEI projects.
10. DWP issued a call for outline YEI applications to be submitted by 22 May 2015. Following a technical assessment of outline applications undertaken by DWP (including feedback from ESIF Regional Sub Committees), successful organisations were subsequently invited to submit full applications by 4 September 2015. In relation to County Durham, the Local Authority's outline application is the only one to successfully progress to the next stage of the process. Therefore, Durham County Council has submitted a full application and is awaiting a decision from DWP. No timescale has yet been published as to when a decision will be made.

DurhamWorks Programme

11. Following the decision of the Local Authority to lead a partnership bid, extensive efforts were made to identify the required amount of match funding. As a result, a proportion of funding has been identified in Durham County Council from Progression and Learning, the One Point Service, Public Health, Regeneration and Economic Development, and the Youth Offending Service.

12. In addition, a proportion of match funding has been identified from a range of external delivery partners, including the voluntary and community sector; charitable trusts and foundations; further education colleges; independent learning providers; and housing providers.
13. The programme will be called DurhamWorks and it has been developed following an in-depth process undertaken with partners to:
 - Analyse local needs and opportunities;
 - Identify best practice and gaps in existing delivery;
 - Consult extensively with young people and employers;
 - Consider innovative ideas to address youth unemployment.
14. There are 18 external organisations and 4 Durham County Council services who are the Delivery Partners within the DurhamWorks bid. These Delivery Partners form an integral part of the programme and they will use their expertise to deliver the strands below:
 - Strand 1: Transition, Peer Mentor and Employment Support - provision of individual guidance and support for young people, over a sustained period of time using Transition Advisers, Peer Mentors, Youth Employment Advisers and Progression Workers is a key feature of the DurhamWorks programme. These support workers will provide on-going advice and support to unemployed young people looking to progress into employment, training or learning. In addition, Business Advisers will provide support for employers to recruit and employ young people.
 - Strand 2: Engagement and Progression of Vulnerable and Disadvantaged Groups – DurhamWorks will incorporate programmes specifically tailored to help vulnerable young people who have multiple barriers to their progression (e.g. young people with Special Educational Needs and Disability, young people who offend, care leavers). These programmes will involve innovative activities to engage and motivate young people and support the development of their confidence and resilience. Other activities will develop employment related skills and provide work experience to enhance employability. A separate strand of activity will support disadvantaged young people who are living in deprived areas, are experiencing rural isolation or have been economically inactive for a longer period of time.
 - Strand 3: DurhamWorks New Employment Zone – DurhamWorks will create employment, Apprenticeship and Traineeship opportunities and work experience through employer engagement and the provision of one to one recruitment and ongoing mentoring support for employers. In addition, it will also create alternative routes into employment and training by developing social enterprises, self-employment and volunteering opportunities.
15. These activities aim to engage approximately 5,500 young people resident in County Durham who are unemployed or inactive into employment, training, or education.

Outcomes from the Youth Employment Initiative

16. The outputs for YEI are yet to be confirmed by DWP but are expected to include:
- Unemployed/long-term unemployed/inactive participants residing in County Durham who:
 - i. Complete the YEI supported intervention.
 - ii. Receive an offer of employment, continued education, apprenticeship or traineeship upon leaving.
 - iii. Are in education/training, gain a qualification, or are in employment (including self-employment) upon leaving.
 - Longer-term result indicators (to be measured through follow-up surveys of a representative sample of participants) are those in:
 - i. Continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving.
 - ii. Employment six months after leaving.
 - iii. Self-employment six months after leaving.

Involvement of Young People

17. One of the priorities identified at the outset has been to ensure that young people have a key role in shaping the DurhamWorks programme. As part of this process, research was undertaken during autumn 2014 with 250 18-24 year old unemployed young people resident in County Durham¹. This highlighted that the majority of young people who took part in the survey want to be in stable employment and many have very specific ideas about the career they want. However, they are unsure about how they will achieve their ambitions. This is largely driven by uncertainty about their future and feelings of helplessness due to a lack of money and opportunities.
18. Many young people who took part in the research also talked openly about depression and anxiety since becoming unemployed and some admitted that they had turned to drink and drugs. As might be expected, longer term unemployed young people and those in more rural communities were more likely to experience mental health issues relating to a sense of isolation.

¹ 'Youth Unemployment in County Durham – Beyond the Statistics' Force 7, 2015

19. Other activities to involve young people in the design of the DurhamWorks programme include an on-line survey and a series of youth focus groups. A number of factors that prevent young people from getting jobs were identified, including a perceived lack of available employment opportunities. In terms of measures that would help young people to get and keep a job, opportunities to gain work experience, more local employment opportunities, as well as information, advice, guidance and support were identified.
20. To ensure the DurhamWorks programme is responsive to the needs of young people, a reference group consisting of young people will be established.

The current level of youth unemployment in County Durham

21. The most recent unemployment statistics for County Durham are outlined below:
 - The Annual Population Survey for the period April 2014 to March 2015 showed that County Durham had 7,300 unemployed 16-24 year olds, representing 18.9% of the 16-24 38,800 economically active young people resident in County Durham. This compares to a national rate of 16.2%.
 - The JSA claimant count for 18-24 year olds in County Durham at July 2015 was 1,955, representing 3.8% of the 18-24 resident population in County Durham. This compares to a national rate of 2.3%.
 - The number of 16-18 year olds who were NEET at June 2015 was 1,056, representing 6.3% of 16-18 year olds resident in County Durham. This compares to a national rate of 4.9%.
22. As well as the statistics, it is also important to consider the damaging impact unemployment has on individual young people. These include a long-term reduction in wages; increased chances of subsequent periods of unemployment and poorer health outcomes.

Next Steps

23. Helen Radcliffe has been appointed as External Programme Manager and will lead a team to manage the delivery of the DurhamWorks programme. This team will be part of County Durham Adult Learning and Skills Service. It will utilise the expertise within this service to ensure there is robust performance management.
24. Recruitment to the team is currently underway to ensure it is staffed when delivery commences in October 2015. A procurement process is on-going for a learner tracking system, an evaluation model and a Subcontractor Framework.

Recommendations

25. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided during the presentation.

26. That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report on the development and delivery of the DurhamWorks programme at a future meeting of the Committee.

Background Paper(s)

Economy and Enterprise OSC – 30 October, 2014 - Report and presentation on the Youth Employment Initiative.

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Appendix 1: Implications

Finance – There is a risk that in order to maximise YEI/ESF funding, the Council may have to contribute some one-off match funding from reserves if there is under-delivery by a number of Delivery Partners which cannot be managed within the programme as a whole.

Staffing – In order to deliver the Youth Employment Initiative to the volumes and timescales required, additional administrative and delivery staff will be required.

Risk – Potential financial risk of having to provide an element of match funding which has to be balanced against the risk of not accessing the funding and the subsequent on-going impact of continuing youth unemployment in County Durham.

Equality and Diversity – None

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – Procurement for DurhamWorks sub-contractors will commence in advance of a decision regarding the outcome of the application, however, no contracts will be awarded.

Disability Discrimination Act –None

Legal Implications – Durham County Council will need to ensure it complies with any conditions attached to the grant funding. As the provision of services under this funding will involve commissioned services, Service Level Agreements will be entered into with all Delivery Partners to ensure that the funding is used for the required services and that best value is delivered.

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**Economy and Enterprise Overview and
Scrutiny Committee**

28 September 2015

EU Funding Update



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

Purpose of report

1. The purpose of the report is to provide an update, since the last report in February 2015, to Overview and Scrutiny of the current status of the upcoming EU Structural Funds Programme and the direction of travel.

Background

2. The EU Structural Funds programme for 2014-2020 allocates circa €537m for the North East Local Enterprise Partnership (NELEP) area, including €157m 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 English EU Programme remains in the position of not being completely operational, as the UK Government remains in negotiation with the EU Commission over the content of the English Operational Programme (OP) for European Social Fund (ESF). Final approval is expected autumn 2015. However, as of July 2015, the OP for the European Regional Development Fund (ERDF) has been signed off allowing for some limited funding calls to be released.
4. The Rural Development Programme (RDPE) Operational Framework has also now been agreed and has informed the development of our LEADER programme for County Durham. Alongside this further resources have been agreed through the European Agricultural Fund for Rural Development (EAFRD), which will be distributed through the North East Local Enterprise Partnership (NELEP).
5. Since February 2015, EU governance arrangements have been confirmed and "Open Calls" for Funding have been released by the Managing Authorities. This in turn has led to applications for funding at local level and as part of a North East LEP delivery area. Durham County Council and the County Durham Economic Partnership continue to support and develop projects as the programme progresses through to delivery.

National Programme and County Durham

6. The February report to Scrutiny highlighted the following areas for consideration;
 - The OPs contain the rules and the parameters of spending that the EU Commission will agree to in the UK.
 - The Government had given LEPs a strategic role in preparing broad strategies for proposed investment themes within their areas
 - As Durham is a Transition Region and has a sub allocation of €157m, 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
 - As a Transition Region, the ERDF resource, focussing mainly on business support will form 64% of the programme, whilst ESF, focussing on skills and social inclusion forms 34% of the programme.
 - Within the Council; opportunities presented by the emerging EU Programme have continued to be promoted through presentations to a wide audience as outlined in the report to scrutiny in February.
 - 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.

7. Within the report to Scrutiny (February 2015) we updated on proposed Governance arrangements for the EU Structural Funds 2014-20, highlighting 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 DCLG acting as the “Managing Authority”.
8. Since February the Managing Authorities have confirmed the role of local ESIF Committees through the publication of nationally agreed terms of reference. These have now been adopted by the North East ESIF Committee. The following highlights from the TORs should be noted:
 - LEP area ESIF sub committees will advise the managing authorities in regards to applications received. In practice this means providing local intelligence on strategic fit, local growth conditions and opportunities that the managing authority may or may not choose to adopt.
 - In turn for the open call route, Managing Authorities will draw up project call specifications and will be aided with intelligence on local development needs. This will help to inform which investment priorities calls focus on, the level of financial resources, any geographical focus and the timing of such calls.
 - The chair of the sub committee is Paul Woolston (Chair of the NELEP). However the position of chair is ‘independent’ and decisions and agenda will be cognitive of this.

- The secretariat for the meetings is provided by the Managing Authorities.

Current Issues

9. There are a number of issues which continue or have emerged within the programme since the last update to scrutiny. These are:

- **Match Funding / Co financing**

Projects that come forward for ESF and/or ERDF funding will be expected to bring with them a strong element of match funding. Within County Durham this is a maximum intervention rate of 60/40 alongside the importance of demonstrating value for money. Given the removal of a range of government grants and reductions in Council expenditure, the sourcing of match funding for eligible project activity could become a major inhibiting factor in the progress of the Programme. The government is still in the process of clarifying levels of co-financing available through what where formally known as Opt-in arrangements. One programme that has come forward is the “Building Better Opportunities programme which is ESF funding matched against Lottery funding. However, this programme will still be at risk due to the delays in the ESF OP.

- **Delays to the ESF Operational Programme**

The delay to the approval of the Operational Programmes in England is causing a delay to project development, as the “rules” of the programme remain uncertain. In particular the lack of clarity over eligible activity within each theme (priority axis) and the output framework, which is what EU grant is effectively paying for; means that project proposals cannot be worked up in fine detail. These national delays are further compounded by ongoing issues at a LEP level with continued delays to discussions on allocation of resources. This is further reflected in delays with the Skills Funding Agency Opt-in proposals. Once the OPs are approved and Open Calls are made, project proposals will need to be firmed up within a short space of time, should the Open Call time period be limited.

- **Review of the ESIF Strategy**

ESIF Committees have been asked to review their European Funding Strategies to better take into account changes to local and regional growth accounting for shifting economic priorities, alongside better alignment of local strategic thematic areas with the European programme priority axis. Work is currently underway with managing authorities to check eligibility in light of Ops and shift allocations in line with proposed changes.

The County Durham Economic Partnership will also take this opportunity to revise our own EU Funding Investment plan to ensure alignment of outputs and funding profile. The refresh of the CDEP EU Investment Plan is anticipated for January 2016.

- **Revaluation of the ESIF Strategy allocations**

Member state ESI Funds allocations and the Operational Programme of each Fund are in Euros. ESI Funds notional allocations to LEP areas are therefore also in Euros. Sterling valuations of LEP area euro notional allocations will therefore change to reflect ongoing euro/sterling fluctuations. Sterling valuations of local notional allocations are updated twice each year so that partners can understand the impact of ongoing euro/sterling exchange rate fluctuations on money available in each area.

This represents a total NELEP area programme reduction of c£80m from £460m to £381m. For County Durham, using current proportions, we think this will mean an allocation of £110.89m to £71m ERDF and ~£40m ESF. A series of meetings has been held over the coming weeks to discuss the refresh of the ESIF strategy, which will also take into account this revaluation of the Programme.

The Emerging Durham Programme

10. 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. A schedule of existing and emerging funding calls within the NELEP and County Durham is attached as **Appendix 2**.
11. The CDEP continues to oversee the pipeline of projects within County Durham with regular update reports to the CDEP Board and continued communications with the NELEP. It is hoped that further detail of the projects will be available for the next update to scrutiny in January 2016. However, key initiatives and projects are starting to emerge with implications for County Durham.
12. **Open Calls;** In March 2015 (pre Purdah) an initial round of calls was released. The calls for ERDF consisted of national business support projects and national local open calls for innovation, business support and low carbon. For ESF calls were on Youth Employment Initiative and Employability and a separate allocation for Technical Assistance. In August further calls have been released for ERDF with further opportunities in business support and low carbon. A full timetable of calls is attached in Appendix 2.
13. **Youth Employment Initiative (YEI); A detailed report on the YEI is included earlier within the agenda pack for this meeting.** The YEI Initiative was set up by the European Council in 2013 to tackle unemployment among young people aged 15-24. A report outlining an action plan to secure YEI funding went before Cabinet on Wednesday 10th June. As a result, a full application, submitted on the 3rd September, led by Durham County Council is undergoing due process. A total of £17.87m, made up of £13.4m of YEI funding and £4.47m match funding has been applied for. The programme represents a wide consortium of partners to deliver key interventions to support young people into employment, including;

- Individual guidance and support
- Specific programmes to help vulnerable young people
- Create employment, apprenticeship and traineeship opportunities and work experience.

It is anticipated these measures will get around 5,500 young people in the county into work, training or education.

14. ***Building Better Opportunities***; Big Lottery is matching funds from ESF for projects across England that tackle poverty and promote social inclusion. Within the North East, VONNE is supporting the North East LEP and Big Lottery, to further develop the Building Better Opportunities programme in the NELEP area. The programme in the NELEP area will cover four themes of:
 - Multiple barriers to employment
 - Health and mental health inequality
 - Financial inclusion
 - Digital inclusion

15. The programme launched in early June 2015 with the first tranche of programme calls being closed on 3rd August. £2.4m is being made available for activity in County Durham. The CDEP has worked with a number of partners in the VCS Community to support proposals that will deliver in County Durham. This has included hosting workshops and coordinating through the DCC VCS Working Group. Applications are progressing, subject to ESF OP sign off and further announcements are expected in due course. There are four potential lead partners being considered for Durham, however only one will be selected to proceed to full application.

16. ***LEADER***; The LEADER programme is a separate European Union initiative ,linked to RDPE, to support rural development projects initiated at the local level in order to revitalise rural areas and create jobs. In February we reported that one of our areas had been unsuccessful. After a successful appeal we can now report there will be two local groups for County Durham; Durham Coast and Lowlands (£2.1m) and North Pennine Dales (£1.5m). These groups have separate funding for locally defined priorities and have separate coordinators recently appointed for the two areas. Delivery plans are currently in process of agreement.

17. ***European Agricultural Fund for Rural Development (EAFRD)***; *The North East LEP area has an allocation of a £10.5m growth programme fund to create jobs and help rural economy growth. County Durham is taking a lead role in developing a specific programme to support rural businesses and key tourism projects. This programme is still under development and is expected to go to open call in the autumn.*

18. **Community-led Local Development (CLLD);** CLLD is a specific tool for managing ERDF and ESF in a complementary fashion at a local level to provide for smaller community led interventions in a similar way to LEADER. Open Calls for preparatory funding are due to be issued in the next few weeks. Working with AAPs to develop 2 bids focussing on areas outside of current LEADER delivery including Bishop Auckland/Spennymoor and Consett, Stanley and North Chester le Street.
19. **Technical Assistance (TA);** Durham County Council submitted an application for TA to employ three members of staff to support the development of projects.

Governance within the Council

20. As previously reported the 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. The report to scrutiny in February highlighted the following;
 - Emerging areas of project delivery for DCC
 - Strict eligibility and auditing requirements
 - Use of funds to support bespoke and not replacement projects.
21. 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.
22. The EU programme continues to be 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.
23. 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.
24. Quarterly briefings with the Leader and relevant Cabinet Members are held to keep them abreast of issues within the programme, as well as links to the NELEP and Combined Authority as they arise. Briefings have also been arranged with the new cohort of MEPs to ensure they understand how funds are being utilised in Durham and the North East.
25. 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

26. Economy and Enterprise Overview and Scrutiny are recommended to:

- (i) Note the content of the report.
- (ii) Offer views as to direction of travel of the emerging programme.
- (iii) Receive further reports as the programme progresses.

Background papers

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

Report of Economy and Enterprise OSC – Update on EU Funding programme 30 October 2014.

Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 20 February 2015

Youth Employment Initiative – Cabinet Report, 10th June 2015

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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 2; Economy and Enterprise Overview and Scrutiny Committee – Timetable of EU Resources and Open Calls.

The following table presents the information as available on Sept 2015. – The following information is liable to change. Please contact the CDEP Secretariat if you wish to discuss further.

EU Priority Axis: ERDF Operational Programme (Agreed)	Current Open Calls and Closing Date	Closing Date for Calls	Future Calls	CDEP Workstream & Lead
Transition ERDF (County Durham) Indicative Amount £71m				
Priority axis 1: Research & Innovation	<ul style="list-style-type: none"> Research & Innovation 	25 th September	National Programme not known at this time.	Catherine.johns@durham.gov.uk
Priority axis 2: Enhancing access to, and use and quality of ICT			As above	
Priority axis 3: Enhancing the competitiveness of SMEs	<ul style="list-style-type: none"> SME support (2) SME support – High Growth Potential SME support – International Trade SME support – Growth potential of Manufacturers 	25 th September 11 th September 11 th September 11 th September	As above	Sarah.slaven@durham.gov.uk
Priority axis 4: Supporting the shift towards a low carbon economy	<ul style="list-style-type: none"> Low Carbon 	25 th Sept	As above	Maggie.Bosanquet@durham.gov.uk
Priority axis 5: Promoting climate change adaption, risk prevention and management	n/a	n/a	As above	Maggie.Bosanquet@durham.gov.uk
Priority axis 6: Preserving and protecting the environment and promoting resource efficiency	n/a	n/a	As above	Maggie.Bosanquet@durham.gov.uk
Priority axis 7: Sustainable transport in Cornwall and the Isles of Scilly	n/a	n/a	As above	n/a

Priority axis 8: Sustainable transport in transition regions	n/a	n/a	As above	n/a
Priority axis 9: Promoting social inclusion and combating poverty and any discrimination	n/a	n/a	As above	Joanna.Laverick@durhamrcc.org.uk
Priority axis 10: Sustainable Urban development	n/a	n/a	As above	n/a
EU Priority Axis ESF Operational Programme (Draft; Agreement anticipated Nov) Transition ESF (County Durham) Indicative amount £40m	<p>Programme is on hold until Operational Programme is agreed between National Government and EU Commission. However, local development is underway please contact CDEP Workstream leads;</p> <p>Social Inclusion: Joanna.Laverick@durhamrcc.org.uk Skills & Employability: graham.wood@durham.gov.uk</p>			
Priority Axis 1: Inclusive Labour Markets	<ul style="list-style-type: none"> Youth Employment Initiative Access to employment for job seekers and inactive people 	<p>Call Closed</p> <p>Call Closed</p>	<p>None</p> <p>Unknown</p>	<p>Linda.bailey@durham.gov.uk</p> <p>Graham.wood@durham.gov.uk</p> <p>Joanna.Laverick@durhamrcc.org.uk</p>
Priority Axis 2: Skills For Growth	On hold due to OP			Graham.wood@durham.gov.uk
EU Opt-ins / Co-financing				
Building Better Opportunities NELEP area http://www.vonne.org.uk/NELEP_BBO Funding available; £2.413.100	<ul style="list-style-type: none"> Multiple barriers to employment Health & mental inequality Financial Inclusion Digital Inclusion 	Tranche 1 applications closed 3 rd August	Tranche 2 – Likely Oct 2015	Joanna.Laverick@durhamrcc.org.uk

<p>The Skills Funding Agency will be acting as an opt-in organisation for the ESF 2014-20 Programme. The Agency will manage the procurement, performance and payment of contracts for education and training provision on behalf of Local Enterprise Partnerships (LEPs) and provide the match funding.</p>	<ul style="list-style-type: none"> • support programmes for young people • programmes for the unemployed • skills support for the workforce • skills support for employers 	<p>Register Refresh 3 July</p>	<p>Awaiting OP agreement – Oct 2015 (Possible)</p>	<p>Graham.wood@durham.gov.uk</p>
<p>Department for Work and Pensions (DWP) will be acting as an opt-in organisation for the ESF 2014-20 Programme. Their role will involve providing match funding for employment provision and procuring and managing contracts to deliver this provision on behalf of Local Enterprise Partnerships (LEPs).</p>	<ul style="list-style-type: none"> • To be confirmed 	<p>To be confirmed</p>	<p>To be confirmed</p>	<p>Graham.wood@durham.gov.uk</p>
<p>National Offender Management Service (NOMS) opt-in programme will deliver services to offenders in custody and community, to move them closer to the labour market. The focus is on those offenders who have difficulty accessing mainstream services currently available.</p>	<ul style="list-style-type: none"> • To be confirmed 	<p>To be confirmed</p>	<p>To be confirmed</p>	<p>Catherine.pearson@durham.gov.uk</p>

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**Economy and Enterprise
Overview and Scrutiny
Committee**



29 September 2015

**Masterplans for County Durham
Update**

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

Purpose of the Report

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with an update on the development of masterplans prior to a presentation by the Regeneration Projects Manager and officers from the Community Economic Development Team.

Background

- 2 The Economy and Enterprise Overview and Scrutiny Committee has previously received presentations providing information on the development of the various masterplans for County Durham. As part of the committee's work programme for 2014/15 members received an update on the development of the masterplans together with detail of the delivery of projects across the County at the meeting held on 6 October, 2014.
- 3 The committee agreed at the meeting on 6 October that as part of the refresh of the work programme for 2015/16 a further update report would be provided which would also highlight to members further project.
- 4 Arrangements have been made for Chris Myers, Regeneration Projects Manager; Jackie Donnelly and Julie Anson, Community Economic Development Team Leaders, to attend the meeting on the 29 September 2015 and deliver a presentation focusing on current and planned regeneration activity across the County.

Masterplans - Development

- 5 Masterplans are prepared at a town centre or settlement level and are developed to provide detail on current or proposed activity. They are designed to supplement the information provided through the planning framework and can provide an opportunity to ensure the effective alignment of services or investment by the Council and its partners at a local level. This can include town centre improvement budgets, highways and local transport investment and alignment of the Council's accommodation and customer services approaches.

- 6 The development and adoption of masterplans provides an opportunity to challenge, prioritise and channel resources to the most appropriate locations and ensure that requirements and opportunities are resourced appropriately. This has become particularly relevant given the ongoing pressures on public finances and the relatively weak private development sector.
- 7 All masterplans produced follow a similar format and are developed using a multi-disciplinary group of staff driven by the Regeneration and Economic Development (RED) service grouping which typically included Planning, Economic Development, Housing and Transport colleagues and depending on the location other service areas or partner organisations may input throughout the process.
- 8 As part of the development of the masterplans detailed consultation has taken place with external individuals, groups and organisations that fed their thoughts into the document. A key element of this consultation relates to the relevant Area Action Partnerships, many of which have identified or retain task and finish groups looking at the main centres.

Current Position

- 9 Regeneration Masterplans have now been prepared for each of the County's principal Towns and an ongoing schedule to review the documents has just been agreed within RED. The Bishop Auckland document is currently underway and a refresh of Stanley and of Chester-le-Street are about to commence. The refresh programme has been tailored to bring forward Regeneration Masterplans in towns with priority issues to address, for example: addressing the Auckland Castle Trust and town centre matters in Bishop Auckland.
- 10 During 2015, the Seaham Marina project which has been supported through the Council's Capital Programme and delivered by the Regeneration and Economic Development service have received a national commendation by the Civic Trust in the category – 'Recognising excellence in the built environment since 1959'.
- 11 Officers will continue to seek resources through the Capital Programme to implement the various projects outlined in the Masterplan documents. All Masterplans are considered to be "live" documents. Officers will evaluate the implementation of the Masterplans and will update them where required.

Recommendations

- 12 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided during the presentation.

- 13 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.

Background Paper(s)

Economy and Enterprise Overview and Scrutiny Report - Masterplans for County Durham – 6 October, 2014.

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Appendix 1: Implications

Finance – Each masterplan contains a detailed delivery plan with identified costs across Council services.

Staffing – None.

Risk – Detailed risk assessments will be undertaken for each development project.

Equality and Diversity – Each masterplan is subject to an Equality Impact Assessment. Further, more detailed work will be identified and addressed on an individual project basis.

Accommodation – Accommodation issues will be identified on an individual basis.

Crime and Disorder - None

Human Rights - None

Consultation – Appropriate consultation has taken place in relation to the various masterplans within the County, typically utilising Area Action Partnership structures.

Procurement - None

Disability Discrimination Act - None

Legal Implications – The masterplan documents will provide evidence to support the County Durham Plan but it will not have any statutory weight in the planning process.

**Economy and Enterprise
Overview and Scrutiny Committee**

29 September 2015

**Quarter One 2015/16
Performance Management Report**



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

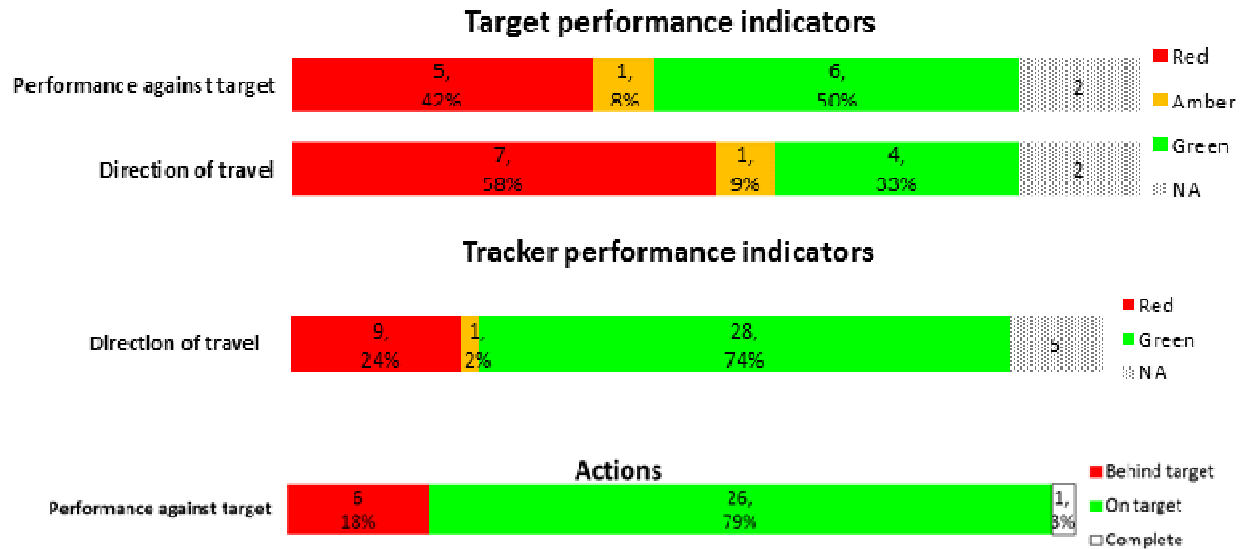
Purpose of the Report

1. To present progress against the council's corporate basket of performance indicators (PIs), Council Plan and service plan actions and report other performance issues for the first quarter of the 2015/16 financial year, covering the period April to June 2015.

Background

2. The report sets out an overview of performance and progress by Altogether priority theme. Key performance indicator progress is reported against two indicator types which comprise of:
 - a. Key target indicators – targets are set for indicators where improvements can be measured regularly and where improvement can be actively influenced by the council and its partners (see Appendix 3, table 1); and
 - b. Key tracker indicators – performance will be tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence (see Appendix 3, table 2).
3. The report continues to incorporate a stronger focus on volume measures in our performance framework. This allows us to better quantify productivity and to monitor the effects of reductions in resources and changes in volume of activity. Charts detailing some of the key volume measures which form part of the council's corporate set of performance indicators are presented in Appendix 4.
4. The corporate performance indicator guide has been updated to provide full details of indicator definitions and data sources for the 2015/16 corporate indicator set. This is available to view either internally from the intranet (at Councillors useful links) or can be requested from the Corporate Planning and Performance Team at performance@durham.gov.uk.

Altogether Wealthier: Overview



Council Performance

5. Key achievements this quarter include:
- a. The empty homes programme, which provides financial assistance to owners to bring long-term empty properties back into use, gained momentum through the last year. This has resulted in a high number of returns this quarter with 65 properties returned to use, through a number of interventions such as grants, loans, engagement, encouragement and working with registered providers. Performance was better than the target of 30 and the same period last year, when 19 properties were improved.
 - b. During 2014/15 there were 357 apprenticeship starts through Durham County Council funded schemes, nearly double the target of 180 and exceeding the previous year's performance (290). At the end of the year all European Social Fund monies had been exhausted, however contributions to the 2015/16 apprenticeship programme have been identified from Area Action Partnerships (AAPs). Bishop Auckland and Shildon AAP and 3 Towns AAP are funding a post to deliver an employability mentoring programme in 2015/16. The mentoring approach, along with other direct employability support programmes, has been incorporated into the enhanced employability solutions project. A second Youth Employment Advisor has been appointed as part of the youth employment programme, providing more extensive coverage across County Durham job centres.

At 30 June, 393 local authority funded apprenticeships had been sustained for at least 15 months (45.6% of apprenticeships), a trend which is expected to continue due to the large number of apprentices starting during 2014/15.

An element of a key Council Plan action is the delivery of apprenticeship initiatives. The Skills Support for the Unemployed Programme, which was funded by European Social Fund (ESF) to July 2015, is now complete. Through this programme, 63 people have been supported through bespoke pre-employment training programmes, 14 of whom have moved into employment.

Wage subsidy is now classed as eligible under the ESF programme therefore officers are looking to develop a broader programme of wage subsidy over the lifetime of the Youth Employment Initiative (YEI) programme for County Durham.

- c. The occupancy of Business Durham premises continues to rise and currently stands at 83% against a target of 79%. This shows improvement from 79% last quarter and 76.1% for the comparable period last year. The increase is reflective of a strong growth in lettings at NETPark and on industrial units, while the office accommodation market remains difficult. Business Durham premises generated £736,379 of income during quarter one. This is below the £770,000 target however some income is due to be credited in July. Occupancy of properties from Durham County Council's retail, commercial and investment portfolio remains static with 82% of properties let, above the 80% target.
- d. The percentage of overall planning applications determined in deadline is now in line with the target of 87%. Performance has improved from 79.1% last quarter. The number of overall planning applications received fell from 691 last quarter to 656 this quarter and is at the lowest level for the past two years (Appendix 4, chart 1). Due to the timescales involved for determining applications within deadline, any increase or decrease in the number of applications received has an impact on the following quarter's performance. In addition, some planning applications are more complex and therefore take longer to resolve. 64.7% of major planning applications were determined within deadline, which remains below target (75%), performance for last quarter (68%) and the same period last year (87.5%). This is as expected due to the uncertainty of the County Durham Plan. This quarter 35 major planning applications were received, compared to 30 last quarter.
- e. Tracker indicators show:
 - i. The number of people claiming Job Seeker Allowance (JSA) has decreased from 9,385 at quarter one 2014/15 to 7,061 this quarter. Of the 7,061 people, there were 1,890 claimants aged 18 to 24 years (26.8% of all JSA claimants). The number of youth claimants has fallen from 2,190 last quarter and 2,580 for the corresponding period last year.
 - ii. The number of JSA claimants who have claimed for 12 months or more continues to fall, decreasing from 2,125 (27.8% of all JSA claimants) in the last quarter to 1,920 (27.2%) this quarter. The proportion of long term claimants has fallen 24% from the corresponding period in 2014/15 (3,365 claimants). The County Durham rate is higher than the national rate of 24%, but lower than the North East (30.2%) and nearest statistical neighbour rates (31.2%).

The roll out of Universal Credit has led to the Office for National Statistics/Department of Work and Pensions (ONS/DWP) changing their headline claimant count measure. Previously the claimant count reflected solely the number of people claiming JSA. However as the Universal Credit rollout progresses and more people claim under the new system JSA becomes an underestimate of the true claimant count.

ONS/DWP have concluded that the number of out of work people claiming Universal Credit will in future be the best measure of unemployment and will use this definition for headline rates at national and regional levels. Local authority level data will remain as JSA only. Although the impact of this change is likely to be small to begin with there will be a gradual reduction in JSA numbers, which will hinder our ability to distinguish between Universal Credit rollout and underlying labour market trends. Caution should be taken when comparing local data to regional and national levels.

- iii. During this quarter 330 net homes were completed, an improvement from the previous quarter (243), although this is less than the same period last year (361). Of the 330 homes, 39% (130 homes) were in or near major settlements. This is higher than last quarter (35%) and the same period last year (35%). 20 new homes were completed in Durham City. This is an improvement on last quarter (19) and the same period last year (14).
 - iv. Homeless indicators show there were 36 acceptances of a statutory homelessness duty, an improvement from 39 last quarter and 62 for the same period last year. However the number of preventions fell from 326 last quarter to 276 this quarter. Due to changes to the definition, performance cannot be compared with the same period last year.
- f. Progress has been made with the following Council Plan and service plan actions:
- i. Good progress has been made with the delivery of Auckland Castle Trust projects. The council approved planning consent for the Eleven Arches site, together with the required licences for staging outdoor shows. Eleven Arches is seeking to produce a large scale, visually stunning open air night show, bringing to life the history of Britain through the eyes of the North East, with Auckland Castle as a backdrop. The licences are subject to a limit of ten for 2016/17 due to concerns regarding noise levels. A report to Cabinet in the autumn of this year will provide further detail on the delivery of the projects.
 - ii. Good progress has been made with the physical regeneration projects in Seaham, Peterlee and Consett. Initial consultation has been completed regarding improvements to Seaham and a funding application is being prepared. Stakeholders have been identified to assist with development of the projects in both Peterlee and Consett.
 - iii. The highway works to construct a new roundabout at Sunderland Bridge junction are now complete. The work was completed ahead of the Miner's Gala and the commencement of the works to Milburngate Bridge.
 - iv. The Private Landlord Accreditation Scheme, a voluntary scheme requiring private landlords to work in line with a code of practice, has been rolled out countywide with over 3,000 landlords being invited to join the scheme. The scheme has only recently been rolled out but interest has already been shown with 169 landlords joining the scheme.

- v. Further good progress has been made with the roll out of fast speed broadband through our Digital Durham programme.
6. The key performance improvement issues for this theme are:
- a. As a result of Business Durham activity, 164 potential jobs have been secured or created, through projects with existing businesses and working with tenants. However performance of this indicator continues to be below the quarterly target (600).
 - b. This quarter 103 private sector properties have been improved through local authority intervention. This was below the target of 149 but higher than the same period last year, when 71 properties were improved. Additional properties have been identified for improvement and negotiations with landlords are progressing.
 - c. Tracker indicators show:
 - i. Although the number of people in employment increased from 229,700 last quarter to 230,800 this quarter (April 2014 to March 2015), the employment rate (16 to 64 years) has fallen slightly from 68.7% to 68.5%, due to increases in both the working age population and people over 65 who are working. The County Durham rate is lower than the national (72.7%), regional (68.7%) and nearest statistical neighbour rates (70.9%), which all continue to improve. The employment rate however is better than at the same period last year when this was 66.2%.
 - ii. The proportion of the working age population currently not in work who want a job during the same period has deteriorated from 12.4% (40,600 people) in the previous quarter to 13% (43,200 people) this period. Performance is better than the corresponding period in 2013/14 (13.7%) however is worse than the England (10.1%), North East (12.4%) and nearest statistical neighbour rates (11.5%).
 - iii. During quarter one 1,217 applicants registered on Durham Key Options have been re-housed. This is a reduction from 1,345 in the previous quarter and 1,228 for the same period last year (see Appendix 4, chart 2). Performance is directly affected by the number of empty properties available. The decrease in lets demonstrates better sustainability amongst partners and less terminations. This is due to better matching of stock and increased financial support over the two years since welfare reform. 41% (558) of new applications met the criteria to be categorised as a reasonable preference group, which includes people with hardship, medical/welfare issues, overcrowding or who are statutory or non-statutory homeless.
 - iv. The amount that individuals have available for spending or saving (gross disposable income per head) increased from £14,151 in 2012 to £14,659 in 2013. This remains below the North East rate (£14,927) and significantly below the England rate (£17,842).

- d. The key Council Plan actions which have not achieved target in this theme include:
- i. The adoption of the County Durham Plan has been delayed further. Following advice and support from both Government and the Planning Inspectorate, the council requested an opportunity to explore its concerns regarding the inspector's interim report in the public domain. The inspector declined this opportunity. Having explored all options it was agreed to pursue this matter through the courts by way of a judicial review. This was lodged with the High Court on 15 May. Following a request from the Department of Communities and Local Government, Judge Linholm has granted a stay on proceedings in order for interested parties to try to come to a resolution.
 - ii. Obtaining planning consent for the Western Relief Road in Durham is a key proposal in the County Durham Plan and is therefore dependent on the above concerns with the County Durham Plan. This deadline has therefore been revised for March 2016 to August 2017.
 - iii. The delivery of traffic flow improvements in Durham City has been delayed from October 2016 until September 2017 as the funding awaited for the preparatory works for A1(M)/A690 junction improvement has been delayed until 2017.
 - iv. The redevelopment at St John's Square, Seaham has been delayed by a month but it is now largely complete on site with landscaping and lighting works to be completed by the end of September 2015.
 - v. The development of infrastructure at Merchant Park 2, Newton Aycliffe has been delayed from March 2017 to March 2018 following delays with the design and construction of the electricity supply, due to late receipt of information from the developer. Planning is likely to have consent in early 2016, with power works commencing in early 2016/17.
 - vi. The feasibility study into the vision and purpose of Bishop Auckland Town Hall and its links to Auckland Castle has been delayed from April 2015 until November 2015. A draft feasibility study on refurbishment of the building has been completed, but requires further work. A project group has been set up to determine a new programming vision.
7. There is one key risk in delivering the objectives of this theme. The future strategic direction of the council and the county will be adversely impacted if the County Durham Plan is not adopted. A judicial review of the decision has commenced.

Recommendations and Reasons

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

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Appendix 1: Implications

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

Staffing - Performance against a number of relevant corporate health Performance Indicators (PIs) has been included to monitor staffing issues.

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

Equality and Diversity / Public Sector Equality Duty - Corporate health PIs are monitored as part of the performance monitoring process.

Accommodation - Not applicable

Crime and Disorder - A number of PIs and key actions relating to crime and disorder are continually monitored in partnership with Durham Constabulary.

Human Rights - Not applicable

Consultation - Not applicable

Procurement - Not applicable

Disability Issues - Employees with a disability are monitored as part of the performance monitoring process.

Legal Implications - Not applicable

Appendix 2: Key to symbols used within the report

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

Performance Indicators:

Direction of travel

Latest reported data have improved from comparable period



Latest reported data remain in line with comparable period



Latest reported data have deteriorated from comparable period



Performance against target

Performance better than target

Getting there - performance approaching target (within 2%)

Performance >2% behind target

Actions:



Complete (action achieved by deadline/achieved ahead of deadline)



Action on track to be achieved by the deadline



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

Benchmarking:



Performance better than other authorities based on latest benchmarking information available



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



Performance worse than other authorities based on latest benchmarking information available

Nearest Neighbour Benchmarking:

The nearest neighbour model was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA), one of the professional accountancy bodies in the UK. CIPFA has produced a list of 15 local authorities which Durham is statistically close to when you look at a number of characteristics. The 15 authorities that are in the nearest statistical neighbours group for Durham using the CIPFA model are: Barnsley, Wakefield, Doncaster, Rotherham, Wigan, Kirklees, St Helens, Calderdale, Dudley, Northumberland, Tameside, Sheffield, Gateshead, Stockton-on-Tees and Stoke-on-Trent.

We also use other neighbour groups to compare our performance. More detail of these can be requested from the Corporate Planning and Performance Team at performance@durham.gov.uk.

Appendix 3: Summary of Key Performance Indicators

Table 1: Key Target Indicators

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Wealthier											
1	REDPI106	Percentage of properties let from Durham County Council's retail, commercial and investment portfolio	82.00	As at Jun 2015	80.00	GREEN	82.00	AMBER			
2	REDPI33	Percentage of Business Durham floor space that is occupied	83.00	As at Jun 2015	79.00	GREEN	76.10	GREEN			
3	REDPI76	Income generated from Business Durham owned business space (£)	736,379	Apr - Jun 2015	770,000	RED	746,000	RED			
4	REDPI64	Number of passenger journeys made on the Link2 service	7,583	Apr - Jun 2015	7,500	GREEN	8,257	RED			
5	REDPI75	Overall proportion of planning applications determined within deadline	86.7	Apr - Jun 2015	87.0	AMBER	89.7	RED			
6	REDPI10a	Number of affordable homes delivered	Not reported	Apr - Jun 2015	30	NA	37	NA			
7	REDPI29	Number of private sector properties improved as a direct consequence of local authority intervention	103	Apr - Jun 2015	149	RED	71	GREEN			
8	REDPI30	Number of empty properties brought back into use as a result of local authority intervention	65	Apr - Jun 2015	30	GREEN	19	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
9	REDPI62	Number of apprenticeships started through Durham County Council funded schemes	357	2014/15	180	GREEN	290	GREEN			
10	CASAW2	Overall success rate of adult skills funded provision (%)	87.0	2013/14 ac yr	86.0	GREEN	87.5	RED	84.6	83.6**	2013/14 ac yr
									GREEN	GREEN	
11	REDPI81	Percentage of timetabled bus services that are on time	83.0	Apr - Jun 2015	88.0	RED	90.0	RED			
12	REDPI41b	Percentage of major planning applications determined within 13 weeks	64.7	Apr - Jun 2015	75.0	RED	87.5	RED	72.0	80**	Jan - Mar 2015
									RED	RED	
13	REDPI92	Number of gross potential jobs created or safeguarded as a result of Business Durham activity	164	Apr - Jun 2015	600	RED	514	RED			
14	REDPI104	Number of businesses supported through business improvement grants	Reported Q4	NA	52	NA	New indicator	NA			

Table 2: Key Tracker Indicators

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Wealthier											
79	REDPI3	Number of net new homes completed in Durham City	20	Apr - Jun 2015	19	GREEN	14	GREEN			
80	REDPI22	Percentage of households within County Durham that can access Durham City market place by 8.30am, using public transport with a total journey time of one hour, including walking time	Not reported	As at Jun 2015	75.00	NA	74.00	NA			
81	REDPI38	Number of passenger journeys recorded by the operator of the three Durham City Park and Ride sites	263,432	Apr - Jun 2015	255,039	GREEN	240,243	GREEN			
82	REDPI80	Percentage annual change in the traffic flow through Durham City	Not reported	Apr - Jun 2015	Not reported	AMBER	4.91	GREEN			
83	REDPI 100	Number of visitors to County Durham (million)	17.9	Jan - Dec 2013	17.8	GREEN	17.8	GREEN			
84	REDPI 101	Number of jobs supported by the visitor economy	10,899	Jan - Dec 2013	10,643	GREEN	10,643	GREEN			
Page 2 of 19	REDPI 102	Amount (£m) generated by the visitor economy	728	Jan - Dec 2013	708	GREEN	708	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
86	REDPI 97a	Occupancy rates for retail units in Barnard Castle (%)	91	As at Mar 2015	89	GREEN	89	GREEN	90 GREEN		As at Jan 2015
87	REDPI 97b	Occupancy rates for retail units in Bishop Auckland (%)	80	As at Mar 2015	79	GREEN	79	GREEN	90 RED		As at Jan 2015
88	REDPI 97c	Occupancy rates for retail units in Chester-le-Street (%)	87	As at Mar 2015	84	GREEN	84	GREEN	90 RED		As at Jan 2015
89	REDPI 97d	Occupancy rates for retail units in Consett (%)	93	As at Mar 2015	94	RED	94	RED	90 GREEN		As at Jan 2015
90	REDPI 97e	Occupancy rates for retail units in Crook (%)	90	As at Mar 2015	92	RED	92	RED	90 GREEN		As at Jan 2015
91	REDPI 97f	Occupancy rates for retail units in Durham City (%)	91	As at Mar 2015	89	GREEN	89	GREEN	90 GREEN		As at Jan 2015
92	REDPI 97g	Occupancy rates for retail units in Newton Aycliffe (%)	67	As at Mar 2015	71	RED	71	RED	90 RED		As at Jan 2015
93	REDPI 97h	Occupancy rates for retail units in Peterlee (%)	86	As at Mar 2015	85	GREEN	85	GREEN	90 RED		As at Jan 2015
94	REDPI 97i	Occupancy rates for retail units Seaham (%)	94	As at Mar 2015	91	GREEN	91	GREEN	90 GREEN		As at Jan 2015
95	REDPI 97j	Occupancy rates for retail units in Shildon (%)	89	As at Mar 2015	89	AMBER	89	AMBER	90 RED		As at Jan 2015
96	REDPI 97k	Occupancy rates for retail units in Spennymoor (%)	88	As at Mar 2015	85	GREEN	85	GREEN	90 RED		As at Jan 2015

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
97	REDPI 97I	Occupancy rates for retail units in Stanley (%)	88	As at Mar 2015	86	GREEN	86	GREEN	90 RED		As at Jan 2015
98	REDPI72	Number of local passenger journeys on the bus network	5,832,051	Jan - Mar 2015	6,154,696	RED	6,250,137	RED			
99	REDPI 10b	Number of net homes completed	330	Apr - Jun 2015	243	GREEN	361	RED			
100	REDPI24	All homes completed in and near all major settlements, as defined in the County Durham Plan, as a proportion of total completions	39.00	Apr - Jun 2015	35.00	GREEN	35.00	GREEN			
101	REDPI34	Total number of applications registered on the Durham Key Options system which led to the household being successfully rehoused	1,217	Apr - Jun 2015	1,345	RED	1,228	RED			
102	REDPI 36d	Number of clients accessing the Housing Solutions Service	Not reported	NA	2,096	RED	2,496	RED			
103	REDPI 36c	Number of clients who have accessed the Housing Solutions Service where there has been an acceptance of a statutory homelessness duty	36	Apr - Jun 2015	39	GREEN	62	GREEN			

Page 52 Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
104	REDPI 36a	Number of clients who have accessed the Housing Solutions Service and for whom homelessness has been prevented	276	Apr - Jun 2015	326	RED	New indicator	NA			
105	REDPI 96a	Number of new applicants registered for housing with the Durham Key Options Scheme who meet the criteria for the Government's reasonable preference groups	558	Apr - Jun 2015	New indicator	NA	New indicator	NA			
106	REDPI40	Proportion of the working age population defined as in employment	68.5	Apr 2014 - Mar 2015	68.7	RED	66.2	GREEN	72.7	68.7*	Apr 2014 - Mar 2015
107	REDPI73	Proportion of the working age population currently not in work who want a job	13.00	Apr 2014 - Mar 2015	12.36	RED	13.66	GREEN	10.07	12.42*	Apr 2014 - Mar 2015
108	REDPI8b	Proportion of all Jobseeker's Allowance (JSA) claimants that have claimed for one year or more	27.20	As at Jun 2015	27.81	GREEN	35.85	GREEN	24.00	30.2*	As at Jun 2015
109	REDPI7a	Number of Jobseeker's Allowance (JSA) claimants aged 18 to 24	1,890	As at Jun 2015	2,190	GREEN	2,580	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
110	CASCYP 16	Percentage of 16 to 18 year olds who are not in education, employment or training (NEET) (Also in Altogether Better for Children and Young People)	6.3	Apr - Jun 2015	6.7	GREEN	6.8	GREEN			
111	REDPI 105	Number of local authority funded apprenticeships sustained at 15 months	393	As at Jun 2015	314	GREEN	139	GREEN			
112	ACE018	People commencing a full-time first degree who were resident in County Durham the year before they started (per 1,000 population aged 18+)	18.0	2013/14 ac yr	17.3	GREEN	17.3	GREEN	24.5 RED	19.7* RED	2013/14 ac yr
113	REDPI 103	Number of full time equivalent jobs created through business improvement grants	Reported Q4	NA	New indicator	NA	New indicator	NA			
114	REDPI87	Gross Value Added (GVA) per capita in County Durham (£)	12,875	2012	12,661	GREEN	12,661	GREEN	21,937 RED	16,091* RED	2012
115	REDPI88	Per capita household disposable income (£)	14,659	2013	14,151	GREEN	14,151	GREEN	17,842 RED	14,927* RED	2013
116	REDPI89	Number of registered businesses in County Durham	15,155	2014/15	14,785	GREEN	14,785	GREEN			
117	REDPI66	Number of businesses engaged with Business Durham	1,134	2014/15	581	GREEN	581	GREEN			
118	REDPI93	Number of business enquiries handled by Business Durham	1,202	2014/15	1,151	GREEN	1,151	GREEN			

Page 54 Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
119	REDPI 32a	Percentage of tourism businesses actively engaged with Visit County Durham	65	As at Mar 2015	81	RED	81	RED			
120	REDPI90	Percentage change in the number of visitors to the core attractions in County Durham compared to the previous year	-9.7	Apr - Sep 2014	33.6	RED	33.6	RED			
121	REDPI91	Number of unique visitors to the thisisdurham website	203,089 [1]	Apr - Jun 2015	244,331	RED	240,478	RED			

[\[1\] The new website went live in April and a dip in web traffic is inevitable until Google re-indexes the site](#)

Appendix 4: Volume Measures

Chart 1 – Overall planning applications

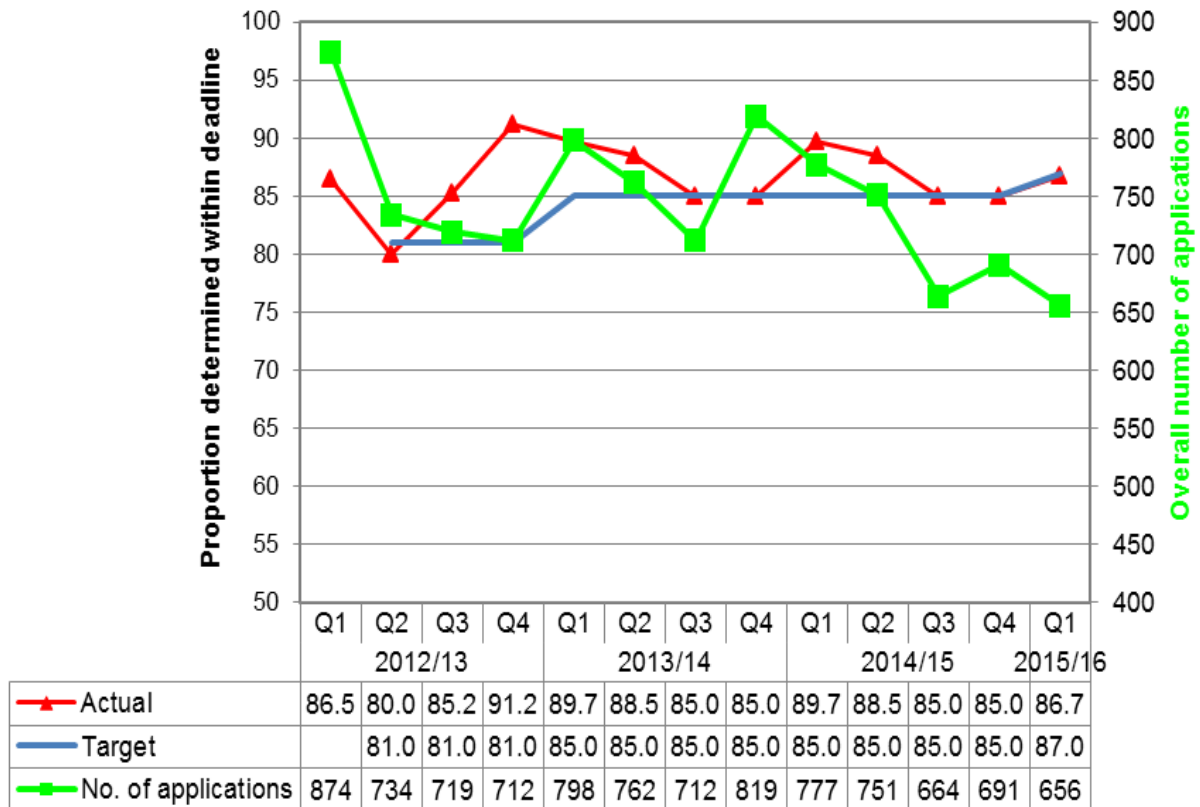
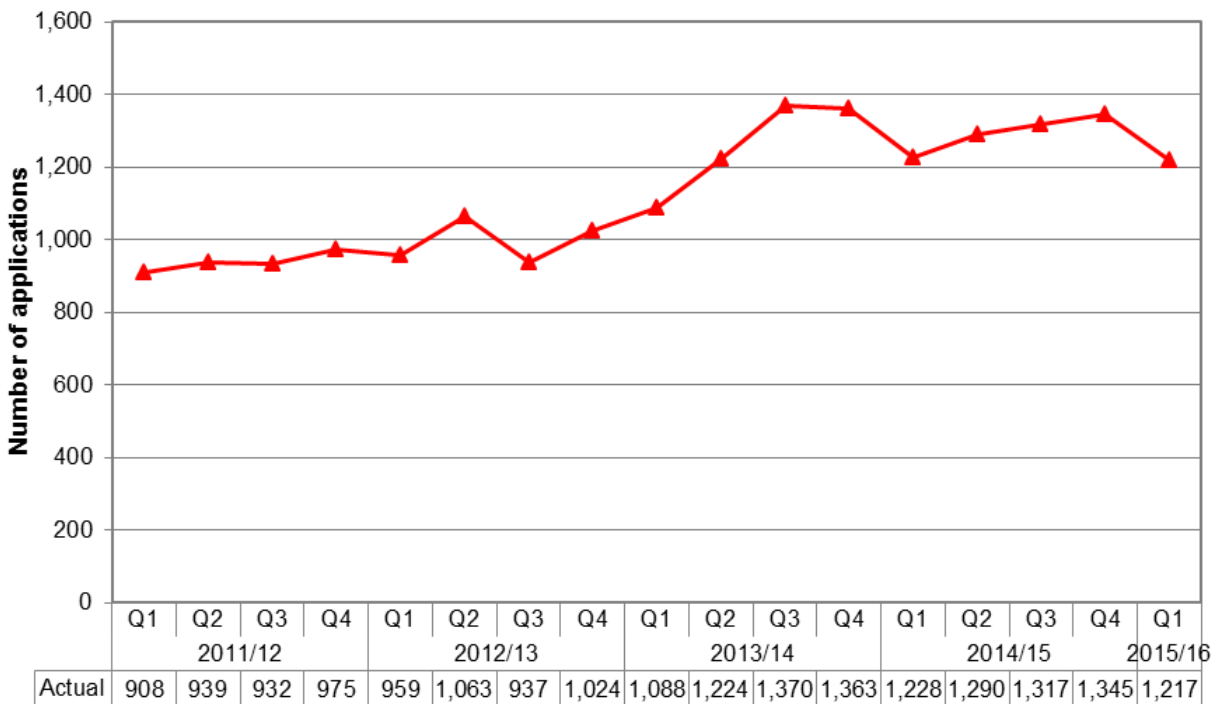


Chart 2 – Durham Key Options - total number of applications registered on the Durham Key Options system which led to the household being successfully rehoused



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**Economy and Enterprise
Overview and Scrutiny Committee**

29 September 2015



**Regeneration and Economic
Development Service – Revenue and
Capital Outturn 2014/15**

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

Purpose of the Report

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

Background

2. County Council approved the Revenue and Capital budgets for 2014/15 at its meeting on 26 February 2014. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following three major accounts maintained by the RED service grouping:

- *RED Revenue Budget - £44.077m (original £42.653m)*
- *Housing Revenue Account - £66.034m*
- *RED Capital Programme – £83.271m (original £109.598m)*

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

- Transfer of budget from CAS for management of Gypsy Roma Traveller service £127k
- Reduction in staffing budget to reflect purchase of annual leave -£33k
- Reduction in car mileage budget to reflect corporate savings -£40k
- Increase in Assets budget to support office accommodation project £120k
- Transfer of budget to Neighbourhood Services for Highway Network maintenance service -£43k
- Increase in capital charges budget not controlled by services £622k
- Transfer of budget to ACE for corporate subscriptions -£1k

- Transfer of budget from Neighbourhood Services for bus station cleaning £81k
- 2014/15 Pay award financed from central contingencies £209k
- Net planned use of reserves and contingencies to support service spending £382k

The revised General Fund Budget now stands at £44.077m.

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

Revenue - General Fund Services

5. The Regeneration and Economic Development Service Grouping is reporting a cash limit spend which is **£1.395m** under budget against the revised annual budget of **£44.077m**. The forecast outturn position reported at Quarter 3 was a cash limit spend of £1.320 under budget – a variance of £0.075m under the previous forecast.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£'000)

	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	29,480	28,867	-613	822	209
Premises	2,938	6,244	3,306	-1,991	1,315
Transport	1,062	898	-164	0	-164
Supplies and Services	11,106	10,258	-848	219	-629
Agency and Contracted	19,850	19,721	-129	145	16
Transfer Payments	95	10	-85	0	-85
Central Costs	11,006	23,011	12,005	-11,136	869
GROSS EXPENDITURE	75,537	89,009	13,472	-11,941	1,531
INCOME	-31,460	-46,604	-15,144	12,218	-2,926
NET EXPENDITURE	44,077	42,405	-1,672	277	-1,395

Analysis by Head of Service (£'000)

Head of Service Grouping	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Strategy Programmes Performance	1,786	1,723	-63	-21	-84
Economic Development & Housing	7,300	10,696	3,396	-3,486	-90
Planning & Assets	6,035	10,962	4,927	-5,217	-290
Transport & Contracted	18,301	16,360	-1,941	1,034	-907
Central Managed Costs	10,655	2,664	-7,991	7,967	-24
NET EXPENDITURE	44,077	42,405	-1,672	277	-1,395

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

Head of Service	Service Area	Description	(Under) / Over budget £'000	(Under) / Over budget £'000
Strategy Programmes Performance	Strategy, Policy, Partnerships & Support	£63k under budget on employee costs	-77	
		£14k under budget on supplies and services		
	County Durham Economic Partnership	£15k under budget on supplies and services	-15	
	Planning & Performance	£23k under budget on employee costs	-23	
	Funding and Programmes	£31k over budget on rural legacy projects	31	-84
Economic Development & Housing	Head of Economic Development	£9k approved over budget on apprenticeship	-21	
		£50k under budget on third party payments		
		£20k agreed contribution to Tourism		
	Physical Development	Minor variance	-6	
	Visit County Durham	Minor variance	-7	
	Business Durham	£102k under budget on supplies and services	0	
£211k under budget due to NETpark additional income from industrial portfolio £313k transferred to Business Durham Reserve				
Economic Development	£80k approved over budget on apprenticeships £22k under budget on supplies and services	58		
Housing Solutions	£170k MTFP 2015/16 savings achieved early £230k under budget on GRT sites £276k spending on Family Wise Project to assist people into work £10k additional spend on other areas	-114	-90	

Head of Service	Service Area	Description	(Under) / Over budget £'000	(Under) / Over budget £'000
SPPAE	Head of SPPAE	Agreed over budget to North Pennines AONB spending	43	
	Spatial Policy	£31k under budget on employees £16k under budget on transport £82k agreed over budget on County Durham Plan	35	
	Development Management	£34k under budget on employees £70k over budget on supplies and services including £26k in respect of Windmills and £19k in respect of area of blight £48k agreed over budget on archiving /scanning £465k overachieved planning fee income	-381	
	Building Control	£25k under budget on employees £15k under budget on supplies and services £96k overachieved Building Control fee income	-136	
	Environment & Design	£31 under budget on employees £5k under budget on supplies and services £166k overachieved income from FIT, timber sales, RENERGY, Darlington BC Sustainability Appraisals	-202	
	Asset Management	£205k over budget relating to under achieved income in property management from Brackenhill Peterlee, Millenium Square Durham and Newgate Street Bishop Auckland. £226k agreed over budget on Freemans Reach development stamp duty and legal fees regarding Sniperley £102k agreed over budget regarding asset rationalisation at Parsons Court and acquisition of Kingswood Nature Reserve £124k overachieved income on large land sales £58k under budget on surplus properties	351	-290
	Transport	Head of Transport	Minor variance	7
Transport	Traffic	£21k under budget on employees £90k under budget on various premises and transport costs and supplies and services costs £102k under budget on third party payments primarily due to re-phasing of traffic signals expenditure into 2015/16 £31k under budget on supplies and services £139k under achieved parking income, including impact of the Free after 3 Christmas initiative and reduced concessionary fare passengers.	-105	
	Sustainable Transport	£20k under budget on employee costs £444k under budget primarily due to savings on bus contracts	-464	
	Supported Housing	£30k over budget on employee, premises and transport costs primarily due to 24/7 service cover	-345	-907

Head of Service	Service Area	Description	(Under) / Over budget £'000	(Under) / Over budget £'000
		£146k under budget on supplies and services and third party payments primarily due to planned underspend on equipment £229k over achieved income due to increased self-paying client numbers and additional SLA income		
Central	Central Costs	Range of minor variances	-24	-24
TOTAL				-1,395

8. The final outturn position is broadly in line with forecasts prepared during the year and the £1.395m under budget will be carried forward under the 'cash limit' regime. It should also be noted that the MTFP saving target for RED in 2014/15 of £1.1m was delivered.

Revenue – Housing Revenue Account (HRA)

9. During 2014/15 the Authority was responsible for managing the HRA which is concerned solely with the management and maintenance of its housing stock of around 18,500 dwellings. Two arms length management organisations (ALMOs) have been established to operationally manage Easington and Wear Valley housing stock (East Durham Homes and Dale and Valley Homes respectively) whilst Durham City Homes is managed in-house. The responsibility for managing the HRA lies solely with the Authority and this is not delegated or devolved to the ALMOs.
10. The table in **Appendix 2** shows the outturn position on the HRA showing the actual position compared with the original budget. In summary it identifies a surplus of £17,879k. The following table summarises the position:

Housing Revenue Account	Budget £'000	Outturn £'000	Variance £'000
Income			
Dwelling Rents	(64,558)	(64,834)	(276)
Other Income	(1,371)	(4,431)	(3,060)
Interest and investment income	(105)	(112)	(7)
	(66,034)	(69,377)	(3,343)
Expenditure			
ALMO Fees	16,799	16,799	0
Repairs, Supervision and Management Costs	12,019	13,043	1,024
Depreciation	7,872	7,337	(535)
Interest Payable	12,627	10,501	(2,126)
Revenue contribution to capital programme	16,717	3,818	(12,899)
	66,034	51,498	(14,536)
Net Position	0	(17,879)	(17,879)

11. In summary, the main variances with the budget are explained below and relate to the figures and corresponding notes shown in Appendix 2:
- a) **Dwelling Rents £276k increased income** – this results from a lower than anticipated void rate and less Right to Buys being completed;
 - b) **Charges for Services £3,009k additional income** – this primarily results from additional NWA water commission plus a repayment of ALMO reserves (£2,728k) back to the Council;
 - c) **Repairs & Maintenance £167k over budget** – this results from higher than anticipated responsive repairs in the Durham City Homes area;
 - d) **General Supervision & Management £1,438k over budget** – this results from £60k under budget from savings on vacant posts and premises costs at Durham City Homes offset by £1,259k costs incurred in setting up the new Housing Company which was previously agreed to be met from existing revenue savings. In addition the Council has spent £239k on Welfare Reform initiatives which were planned to be met from reserves;
 - e) **Depreciation & Impairment £535k under budget** – resulting from less impairment being incurred on HRA non dwelling assets;
 - f) **Changes in Bad Debt Provision £565k under budget** – this results from lower than anticipated arrears, due to the delay by the Government in introducing Universal Credit and the work carried out by the three providers in maintaining rent arrears at a consistent level;
 - g) **Interest Payments £2,126k under budget** – this results from a lower interest rate and lower outstanding loan debt than originally anticipated;
 - h) **Revenue Support to Capital £12,899k under budget** – resulting from an increased reliance on borrowing to finance the capital programme at the year end.

Capital Programme

12. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 192 schemes managed by around 37 project delivery officers.
13. The outturn position of the 2014/15 Regeneration and Economic Development capital programme has been finalised. The revised budget was £83.271m - consisting of £36.554m for the General Fund and £46.717m for the HRA.
14. Actual spend for 2014/15 amounts to **£76.078m** – consisting of **£33.252m** General Fund and **£42.826m** for the HRA. This is shown in the following table:

Service	Final Annual Budget 2014/15 £m	Final Outturn	
		Spend £m	% Spend
General Fund			
Economic Development & Housing	19.363	16.784	87%
Planning & Assets	7.638	7.460	98%
Transport & Contracted Services	9.546	9.001	94%
Minor Schemes & Contingency	0.007	0.007	100%
Total General Fund	36.554	33.252	91%
HRA	46.717	42.826	92%
Total General Fund & HRA	83.271	76.078	91%

15. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme. Most of the RED capital programme is covered by a small number of significant projects which have long lead times, where implementation is over more than one financial year, and 2014/15 has seen significant progress made for a number of major schemes.
16. **Appendix 4** provides a narrative on the major RED capital schemes, describing what has been delayed through the programme.

Recommendations:

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

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Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position for 2014/15.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: 2014-15 Housing Revenue Account Outturn Position

	2014/15 Budget £000	2014/15 Outturn £000	Variance £000	
Income				
Dwelling Rents	(64,558)	(64,834)	(276)	a
Non Dwelling Rents:	(1,024)	(1,075)	(51)	
Charges for Services and Facilities	(347)	(3,356)	(3,009)	b
Total Income	(65,929)	(69,265)	(3,336)	
Expenditure				
ALMO Management Fee	16,799	16,799	0	
Repairs and Maintenance	4,462	4,629	167	c
Supervision and Management - General	4,061	5,499	1,438	d
Supervision and Management - Special	436	424	(12)	
Rent, Rates, Taxes and Other Charges	410	422	12	
Depreciation and Impairment of Fixed Assets	7,872	7,337	(535)	e
Bad Debt Provision and Debts Written Off	988	423	(565)	f
Debt Management Costs	175	175	0	
Total Expenditure	35,203	35,708	505	
Net Cost of HRA Services per I&E Account	(30,726)	(33,557)	(2,831)	
Share of Corporate and Democratic Core	1,085	1,085	0	
Share of Other Costs Not Allocated to Specific Services	402	386	(16)	
Net Cost of HRA Services	(29,239)	(32,086)	(2,847)	
Interest Payable and Similar Charges	12,627	10,501	(2,126)	g
Direct Revenue Financing (Contribution to Capital)	16,717	3,818	(12,899)	h
Interest and Investment Income	(105)	(112)	(7)	
(Surplus)/Deficit for Year	0	(17,879)	(17,879)	
HRA Reserves	(7,156)	(26,078)	n/a	
Durham City Homes Improvement Plan	(650)	0	n/a	
Welfare Reform Reserve	(393)	0	n/a	
Total Reserves	(8,199)	(26,078)		

Appendix 3: RED Capital Programme 2014-15 Outturn Position
GENERAL FUND (GF)

Scheme	Final Annual Budget 2014/15 £m	Final Outturn	
		Amount £m	% Spend
ECONOMIC DEVELOPMENT & HOUSING			
Barnard Castle Vision	0.596	0.500	84%
Durhamgate	0.364	0.044	12%
Industrial Estates	0.509	0.376	74%
North Dock Seaham	0.016	0.016	100%
Office Accommodation	0.781	0.649	83%
Town Centres	2.441	2.063	85%
Disabled Facilities Grant / FAP	3.718	2.437	66%
Gypsy Roma Travellers	5.197	5.659	109%
Housing Renewal	3.822	3.253	85%
Cricket Club	1.200	1.200	100%
Minor Schemes	0.719	0.587	82%
TOTAL ECONOMIC DEVELOPMENT & HOUSING	19.363	16.784	87%
PLANNING & ASSETS			
Renewable Energy Schemes	0.398	0.380	95%
Structural Capitalised Maintenance	6.645	6.608	99%
Woodham CTC	0.001	0.000	0%
Minor Schemes	0.594	0.472	79%
TOTAL PLANNING & ASSETS	7.638	7.460	98%
TRANSPORT & CONTRACTED SERVICES			
Local Transport Plan	2.934	2.769	94%
Transport Corridors	1.576	1.714	109%
Transport Major Schemes	4.598	4.093	89%
Transit 15	0.190	0.296	156%
CCTV	0.238	0.119	50%
Minor Schemes	0.010	0.010	100%
TOTAL TRANSPORT & CONTRACTED SERVICES	9.546	9.001	94%
STRATEGY AND PROGRAMMES Minor Schemes	0.007	0.007	100%
Total General Fund (GF)	36.554	33.252	91%

HOUSING REVENUE ACCOUNT (HRA)

Scheme	Final Annual Budget 2014/15 £m	Final Outturn	
		Amount £m	% Spend
Durham City Homes	11.936	11.753	98%
Dale and Valley Homes	7.358	7.156	97%
East Durham Homes	27.344	23.754	87%
Mortgage Rescue	0.073	0.060	82%
New Build	0.000	0.000	0%
Housing Regeneration (Demolitions)	0.006	0.103	1,716%
Total Housing Revenue Account (HRA)	46.717	42.826	92%
Overall Total GF & HRA	83.271	76.078	91%

Appendix 4: RED CAPITAL PROGRAMME DELIVERY 2014/2015

Barnard Castle Vision - Actual Spend £0.500m

The Witham has been operational since October 2013 and the defects period ended in October 2014. Some minor issues remain outstanding and will be complete in 2015/2016. A member of the RED team was seconded to The Witham team from June to December 2014. A number of operational improvement projects have been identified for delivery in 2015/16. The Witham won the RTPI North East Project of the year 2014. Heritage Lottery and ERDF funding projects are complete.

The NeST is run and managed by Barnard Castle Vision Community Interest Company. It has continued to support local and regional artists by providing them with exhibition space and has expanded to offer space for local craftspeople to sell their goods.

Heart of Teesdale Landscape Partnership has completed improvements in Flatts Woods; begun work on the Teesdale Way, restored the Jubilee Path in Romaldkirk; improved the setting of Eggleston Abbey with new fencing. The Community Grants Initiative has supported local groups to complete project such as Geology in the Park at Cotherstone, Fleece to Fabric working with young people at YMCA and Romaldkirk Village historical assets. A number of restoration projects have been scoped for the future including work at Bowes Castle.

HOT has provided funding to Groundwork North East to run Health Minds helping individuals with mental health conditions to benefit from the natural environment. The Lifetime Memories project has brought together pupils from Forest-in-Teesdale School with people suffering from dementia at the Manor House Home. They have worked together to record their memories of the area. The premier of the HOT funded film was held in August 2014 and showed Teesdale's landscape through the seasons.

Gentian, the shop share, based in Barnard Castle supported 17 small businesses over its three years of operation. The project closed in December 2014. A new Targeted Business Improvement grant supported 4 local businesses in making improvements to their shop fronts.

DurhamGate - Actual Spend £0.044m

All physical works associated with the DurhamGate Highways Contract are now complete and the highways have been opened to traffic. Construction and design warranties are however still to be secured with the final payment to contractor being linked to warranty provision.

Industrial Estates - Actual Spend £0.376m

Consett Business Park - Final Phase:

Final retention payments paid and defects completed in March 2015 with confirmation of BREEAM Excellent environmental rating received for ViewPoint at Consett Business Park. The building which was officially opened

in March 2014 totals some 12,000 sq ft of lettable space and is already at 57% occupancy supporting 47 jobs in seventeen businesses.

Industrial Properties Refurbishment Programme:

Final refurbishment works and defects completed at Stella Gill Industrial Estate. New signage completed across all the properties managed by Business Durham, including factory units, Derwentside Business Centre, Tanfield Lea Business Centre and the Durham Dales Centre.

Rural Workshop Development Programme:

Dales Centre garden improved extensively and officially re-opened on 7th June 2014. Further improvement works also completed to landscaped areas, car park, children's play area and picnic area, all in conjunction with the Council's Clean and Green Team.

NETPark - Grow on Space:

Design feasibility studies completed for new grow-on-buildings for science based businesses at NETPark Phase 2, including extensive ground investigations to Plots 2 and 7 in anticipation of the construction of up to 70,000 sq ft of new space that will support up to 140 new jobs in the next two years.

Outline designs also completed for infrastructure to Phase 3 NETPark in support of £7m funding application to NELEP that will see up to 13ha of additional serviced development land. It is anticipated that this will lead to the creation of up to 1,000 new jobs over the next five to ten years with 240,000 sq ft of new buildings at a cost of some £84m.

North Dock, Seaham - Actual Spend £0.016m

The marina site became fully accessible and open for business in May 2013. Since that time all berths (73 no.) available for let, have been taken, the remaining 4 being retained for visiting boats. As all berths are now let a waiting list of people wishing to moor their boat in the marina is being established. Of the 12 business units, 10 are currently occupied and the remaining two are with legal.

During 2014/2015 the marina was also successful with a funding application that will see an additional £1.7m of investment into this new facility. The funding secured will add pontoons/berths creating in the order of 100 berths overall. It will establish a fully functioning boat repair/storage yard with boat hoist facilities and the creation of a water sports/coastal activity centre. This work will be taken forward over the next two years. The site has proved extremely popular with visitor numbers in excess of 15,000 since opening.

Work also commenced on a heritage lottery application with the aim of fully restoring the Georgian quayside. It is anticipated a Stage 1 HLF application will be submitted later in 2015. A completed feasibility study has provided concept designs and costs and a funding application in the region of £3-£5million is anticipated.

Office Accommodation - Actual Spend £0.649m

Expenditure during the financial year 2014/2015 supported the following projects:

- Green Lane, Spennymoor - Scheme to maximise occupancy on level 0.
- Former Chester-Le-Street Civic Centre - Completion of demolition works.
- Direct Services Meadowfield Depot - Construction of extension to house ICT staff relocated from County Hall.
- County Hall - Refurbishment and conversion of offices vacated by ICT ahead of the relocation of teams from Priory House.
- Priory House - Refurbishment and provision of secure conference facilities ahead of relocation of teams from Hopper House.
- Production of detailed designs and completion of site surveys for the co-location of the CAP and Library in Newton Aycliffe.
- Provision of a new surgery style CAP in Bishop Auckland Town Hall.

Town Centres - Actual Spend £2.063m

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

Bishop Auckland - Laurel Building:

To support the restoration of this Grade II listed building through a Heritage Lottery Fund Application an architectural lead design team has been appointed to design and cost the restoration of the building for business enterprise space. In partnership with South Durham Enterprise Agency it is anticipated a stage 1 application will be made to the HLF in summer 2015 for an anticipated £4-£5million. The restored building will provide business incubation space, artisan craft facilities as well as saving the severely fire damaged grade II listed building from total loss.

Peterlee - North East Industrial Estate:

DCC is engaged in a programme of acquisition of land and buildings to enable housing development in the region of 280 houses. The purchase and demolition of 6 Faraday was completed in the summer of 2014. A further 5 Units have been acquired with demolition to proceed on these throughout 2015/2016 and negotiations over acquisition of remaining identified units is underway with respective owners.

Durham - Back Elvet:

The project has reintroduced an important accessible heritage route to the riverside through reconstruction of the carriageway and improvements to the public realm. Decline of the pavements and streetscape over the years due to unknown ownership has now been rectified following adoption of the street by the Council.

Work has involved reconstruction of 100m of carriageway and paved areas in yorkstone, bituminous macadam and granite materials, installation of heritage lighting, drainage and street furniture. Conservation work to the adjacent listed buildings, walls, railings and gates has also been carried out to enhance the streetscape. The project has allowed a local café business to expand its operation onto the newly paved areas, almost doubling their covers and employing additional staff.

This route is the signed accessible heritage route to the riverbanks and future phases of work are now being designed to enhance the experience and activity of the City's riverside walks.

Crook - Queen Street Development

Site assembly at Queen Street/Elliott Street progressed with the purchase of numbers 1 to 5 Queen Street and legal progressing to finalise completion on the Baptist Union Building. Asbestos surveys were completed and trees felled on the site between the old TSB building and the Baptist Union Building. Planning was submitted for demolition of all properties. Heads of Terms have been agreed with the end user and progressing to legal stages for completion.

The acquisition will enable the site to be brought forward, and disposed of, as a viable development site for a food retail unit.

Targeted Business Improvements:

The Scheme is a none repayable grant scheme to support business premises improvements, promote investment & enterprise, and improve the viability of the major centres across our County. The scheme has continued on a rolling programme through 2014/2015 in the centres of Chester-Le-Street; Consett; Seaham & Murton; Shildon; and Stanley with the following outputs:

- 19 New businesses attracted to our centres
- 42.5 FTE new jobs created
- 32 units brought back into use or refurbished
- £0.4 Million private investment into our major centres
- 15 direct referrals to apprenticeship scheme
- 27 businesses supported through the capital scheme
- 45 business assisted/signposted (outside TBI scheme)

Public Realm:

Completion of installation works of the new street furniture and lighting scheme on Front Street, Stanley and improvements to planters to the South of Front Street.

Consett Victoria Road works were completed during 2014/2015 with all new upgraded paving scheme and street furniture, improving movement between the retail centre and the public transport hub. Designs have been completed and costed for works on Front Street, which will be delivered 2015/2016.

In Shildon we undertook a comprehensive consultation to determine priorities for local business and users of the centre. An immediate action was to have all the stone trough planters removed from the centre to de-clutter and improve accessibility across the retail area. These are now located in the local park and being maintained by the Town Council. Designs have been produced to support further consultation in 2015/2016.

Crook benefitted from public realm improvements at one of its main junctions within the centre, between Commercial Street (A690), and Elliott Street. Improvement to the crossing points was also delivered as an indirect support to the development at Queen Street/Elliott Street links to existing retail business.

Works continued in Seaham delivering improvements linking the marina with other areas across the centre. Railways street works were delivered to support visitor permeability. Buy in from the food retailer, and works delivered in front of their store, ensure a comprehensive scheme was delivered.

In Chester-le-Street a priority is to ensure good accessible links from the railway station to the retail centre. Works during 2014/2015 saw two improvements schemes delivered against this priority one directly linking the station to town centre and further works along Front Street, by DCC Library.

Disabled Facilities Grants (DFG's) & Financial Assistance Policy (FAP) - Actual Spend £2.437m

Disabled Facilities Grants:

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

356 DFG's were completed by financial year end and 120 further cases were committed so whilst the 2014/2015 budget wasn't fully expended in year, it was committed.

The Home Improvement Agency (HIA) delivers the DFG programme and in April 2014 the HIA service was brought in-house to ensure MTFP savings across RED and CAS. Although performance dipped during the year it showed a marked improvement by the end of the year.

Financial Assistance Policy:

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

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

25 decent homes loans were completed in the year with a further 138 applicants in process.

Travellers Sites Refurbishment - Actual Spend £5.659m

Completion was achieved within the programme timeframe and the following sites were re-opened for the return of residents:-

Adventure Lane, West Rainton - achieved 9th June 2014

Tower Road, Stanley - achieved 28th July 2014

Drum Lane, Birtley - achieved 27th October 2014

Green Lane, Bishop Auckland - achieved 2nd February 2015

The refurbishment programme across the 4 sites in total has seen the replacement of 68 pitches, the creation of 8 new pitches and the build of 4 new communal buildings.

Housing Renewal - Actual Spend £3.253m

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

The delivery of capital investment programmes for the Area Based Housing Regeneration Delivery Section in 2014/2015 included acquisition and demolition of private sector housing stock, group repair and energy efficiency schemes and environmental improvements.

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

Craghead:

28 properties in Ousterley and Holmeside Terrace benefitted from external solid wall energy efficiency measures. Funding is to be levered into the programme via Energy Company Obligation (ECO) funding through Warm up North (British Gas) our delivery partner, this will be received in 2015/2016 on

completion of the remaining 27 properties within the programme following the installation of the final energy efficiency measures.

Wembley, Easington Colliery:

Wembley Phase 3 Group repair scheme was completed in February 2014 with 51 properties in James and Hawthorn Streets benefitting from the improvements. The final retention payment was made in 2014/2015.

Dawdon, Seaham:

Dawdon Phase 10 Group repair scheme completed in 2014/2015. External improvements have been undertaken to a further 43 properties in Shrewsbury, Maglona, Chaplin, Embleton, Margaret and Stavordale Streets. In total across this programme 99 properties have benefitted from the scheme. The final retention payment will be made in 2015/2016.

West Chilton:

The acquisition and demolition of the St Johns Ambulance Hall and a further 3 properties in Dene Terrace were completed in 2014/2015. The remaining programme from 2015-2018 will see the acquisition of a further 3 properties, the demolition of 8 properties, 12 garages and a range of obsolete outbuildings. A proportion of these covering Hunter Terrace will however be subject to a future Compulsory Purchase Order process.

Empty Homes Cluster Bid (Environment):

Environmental improvement works have been undertaken within Easington Colliery 'B Streets' and Dean Bank, Ferryhill in order to support the wider return of empty private sector properties back into use through the grants and loans element of the empty homes cluster programme.

Empty Homes Cluster Bid (Grants & Loans):

In April 2012 DCC received funding from central government to return 120 empty homes in occupation. The original scope of the project involved DCC purchasing long term empty properties for a maximum of £36,000, with the Registered Providers (RPs) investing up to £15,000 of their own funding in refurbishment of the properties. A percentage of the rental income would then be used to repay the renovation and management costs, and the remaining percentage coming back to DCC as recyclable income.

In 2013 it emerged that the RP's were unable to commit to the scope of the project which meant a radical redesign of the business model to ensure delivery of 120 units by March 2015.

A new approach to returning empty homes was developed to include the offer of financial assistance in the form of:

- interest free repayment loan of up to £15,000 available to private landlords and new owner occupiers

- £5,000 incentive grant available to any new owner occupiers who were purchasing long term empty properties to live in for a period of three years.

Advice and support is provided alongside the financial products to help with selling to potential investors and advertising the properties to rent through Durham Key options.

This approach enabled 160 properties to be returned to use during with the 2014/2015 financial year.

Cricket Club – Actual Spend £1.200m

Repayable contribution to support international cricket and stadium infrastructure.

Minor (ED&H) Schemes - Actual Spend £0.587m

Liveability Land & Buildings:

Works to constructs the new Thornley Village Community Centre was substantially completed in 2013/2014 however minor finishing works and snagging etc were required in 2014/2015. The facility was handed over to Thornley Parish Council following Practical Completion of the new build on 25th July 2014.

An official opening took place on 29th November 2014.

The building includes a multi-use hall that is currently being used to offer new clubs and classes to the community including Karate, Dance, Craft and Play sessions. The centre is also being used for parties, funerals and weddings for private hire.

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

The community centre is proving to be a sustainable enterprise and has increased community activity in the village. This supports resident's priority of reducing anti-social behaviour and opportunities for young people by creating space where training and activities can be delivered from.

St Johns Square, Seaham (Public Realm):

Physical works commenced on site on Monday 5th January 2015. Site clearance works and retaining walls are complete and it is envisaged the car park will be substantively complete early 2015/2016.

The scheme will deliver:

- 96 car parking spaces including 6 disabled bays and 2 electric charging points
- Redevelopment of 1 acre of brownfield land

- Public realm provision connecting the public sector hub, Seaham Primary Care Centre, Seaham Job Centre and Seaham Contact Centre.

Renewable Energy Technology - Actual Spend £0.380m

Energy Efficiency Fund:

The Energy Efficiency Fund has supported a major project entitled BEER 2 (Building Energy Efficiency Retrofit Phase 2). Building on the success of BEER 1, this scheme has delivered a programme of cost effective energy efficiency improvements in five non-school buildings. The works have focussed primarily on lighting improvements which have excellent payback rates, with some other interventions where these demonstrated cost benefits. The buildings that have benefitted are:

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

In addition, during the early part of 2014/2015 a programme of technically led, whole building surveys were undertaken and detailed feasibility studies commissioned targeting the Council's four depots. This identified a customised programme of cost-effective energy efficiency retrofits for each building but external problems meant that the programme did not commence in year although it will be delivered early in 2015/2016.

Away From G:

A programme of lighting improvements has been delivered in Meadowfield Service Direct and at Spennymoor Education Centre.

"Away from G" has also delivered a number of minor schemes supporting the Big Switch Off programme which has resulted in sustained energy and cost savings of between 5% and 20%. Works can include changes to timers and outside lights, heating and lighting controls, etc.

Boiler Optimisation:

Boiler Optimisation is a technological fix that can be applied to many commercial scale boilers to prevent them 'dry cycling' (firing up unnecessarily when heat is not required, which is a common problem in these larger boilers). It saves up to 25% of total gas use, reducing energy, carbon and costs and the payback time is generally very short. The 2013/2014 pilot was successful and so the programme was rolled out during 2014/2015 into nine buildings as follows:

- Comeleon House
- Freemans Quay
- Spennymoor Leisure Centre
- Teesdale Leisure Centre

- Chester-le-Street Leisure Centre
- Crook Civic Centre
- Bishop Auckland Town Hall
- Newton Aycliffe Leisure Centre
- Clayport Library

Structural Capitalised Maintenance - Actual Spend £6.608m

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

The final outturn figure comprises of over 170 schemes.

Major schemes completed in 2014/2015 included:

Capitalised Maintenance schemes:

- Relocation of Wellfield Depot to Hackworth Road Depot including construction of new Salt Barn
- Heating and rewiring of Spennymoor Green Lane Council Offices Phase 2
- Demolition of Hunwick Community Centre
- Concrete repairs; tiling to the swimming pool and water ingress solution at Woodhouse Close Leisure Centre
- Demolition of Crook Former Depot Phase 1
- Water ingress solution and repairs including replacement of rainwater goods to Fowlers Yard Units 1-10
- Boiler plant renewal at Meadowfield Leisure Centre
- Renewal of roof covering of Nursery building at Morrison Busty Depot
- Internal alterations to Bishop Auckland Taylor Road Children's Centre
- Insulation and rendering works to Sedgfield NETPark
- Extension of car parking space at Meadowfield Depot
- Structural works in Durham Registry Office
- Fire stopping works and flooding solution to Tanfield Lea Business Centre
- Windows overhaul and repointing stonewalls at Crook Business Centre
- Reroofing and window replacement works at Tow Law Childrens Unit
- Window replacement to Chester-le-Street Pathways
- Demolition of Children's Home on Brough Close Newton Aycliffe
- External redecoration including repairs to Bishop Auckland Town Hall

DDA schemes:

- Access improvement works in Spennymoor Leisure Centre including provision of unisex disabled changing rooms and facility.
- Toilet adaptation in Consett Ebony Woodwork Unit.

Fire Safety schemes:

- Fire Alarm and Emergency Lighting installations in Tanfield School; Greenfield School and Durham Sixth Form Centre.

- Emergency lighting installation in High Etherley Children's Home; West Rainton 4 Tollgate Fields Children's Home; Coxhoe Social Services Satellite Home and Wolsingham Primary.
- Fire Safety /precaution works in Teesdale Leisure Centre; Spennymoor Leisure Centre and Lanchester Burnhopeside Group Living Scheme.

School Demolition Programme:

- Demolition of Stanley School of Technology.
- Demolition of Tudhoe Grange Schools on St Charles Road and Durham Road.

Woodham CTC - Actual Spend £nil

The acquisition of 1.98 hectares of land at Woodham Community Technology College is on hold pending the outcome of a Playing Pitch Strategy by the Sports Council.

Minor (P&A) Schemes - Actual Spend £0.472m

Planning System:

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

The new system went live on 14th February 2014 with considerably enhanced functionality to manage the processes and public accessibility to planning submissions. The system set up, including purchase of computer servers, hardware and software and the migration of data from the existing systems was completed in December 2014.

The project has achieved the following objectives to date;

- Legacy software systems decommissioned in order to become PSN compliant
- All data from former district council systems transferred to a single system, comprising 245,000 planning applications
- Maintenance and licensing costs of the former systems reduced from a total of £170K to £22.5K per annum
- More effective and efficient delivery of services using electronic communication both internally and externally for consultation and customer interaction.
- Significantly increased public accessibility to planning information via the web (99,000 searches of Public Access since 14/2/14)
- Increase in on line planning submissions via the Planning Portal from 25% to 50% since go live.
- Provision for on line BC submissions direct to the service
- Ability to take planning and BC fees online at the point of application submission which was not possible prior to the implementation of the single system
- More consistent workflows and working approaches across the service

- Major reduction in paper-based records and working documents - by retention of all application information electronically within an Electronic Document Management System

In order to achieve the full potential benefits of the consolidated Planning System, a full programme of works is currently in development. The programme will include a project to develop future governance arrangements in order to secure a future structure to manage the continued development of the system, its maintenance and the management of data between the ICT Service, Planning and Building Control and IDOX.

Cobblers Hall Surface Water Drainage:

Drainage installation and earthworks to improve the holding pond nature reserve in Cobblers Hall development site, Newton Aycliffe. Drainage works are complete with final reinstatement in early 2015/2016.

Mines & Minerals Rights:

Payment negotiated to the Church Commissioners to permit DVR site in Sherburn Hill to be developed.

Local Transport Plan - Actual Spend £2.769m

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

Sustainable Travel - Focuses on alternative modes of transport to the private car and improving information for transport users.

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

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

Improvements were made to the A693 Pelton/Perkinsville junction and further development work for the Durham Western Relief Road took place. Further works were carried out at the Belmont Business Park Junction scheme, advance ducting at Sheraton Junction as well as advanced works for Newton Park and Merchant Park.

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

The first stage of works to provide a Cycling Super Route between West Rainton and Carrville was designed and construction was significantly

completed. This involved altering the existing footpath along part, or introducing a new path, to provide an improved, wider, shared use surface. Design work was also carried out for a scheme between Croxdale and Coach and Horses along the A167 which will form part of the Great North Cycleway.

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

Works this year include: additional cycle parking has been introduced in Durham City along with improvements to Vane Tempest car park in Seaham. Works have also taken place to improve facilities at bus stations in Peterlee, Stanley and Consett.

Transport Corridors - Actual Spend £1.714m

There were two active schemes in 2014/2015:

- A167/A693 Northlands Roundabout Signalisation - for which construction was completed in September 2014
- A167/B6300 Sunderland Bridge Roundabout - ongoing.

The Sunderland Bridge Roundabout scheme had been delayed due to issues acquiring the land, however advanced earthworks were completed late 2014 and the main construction work commenced following the earthworks settling period. Works continue into 2015/2016

Transport Major Schemes - Actual Spend £4.093m

There has been works carried out on a number of major capital transport schemes across the county in 2014/2015.

Shildon to Newton Aycliffe Cycleway:

The main two mile multi-user route between these two settlements was completed this year and opened to the public in September 2014. There are additional elements to the scheme to be completed in future years.

Horden (Peterlee) Railway Station:

Development of the proposed station continues and has now reached the Network Rail GRIP stages. Work this financial year has involved progressing the outline business case and carrying out ecology surveys.

Villa Real:

Advanced Statutory Undertaker works were ordered and where possible carried out. Issues regarding land acquisition and consequently contractor difficulties, delayed commencement of construction works into 2015/2016.

Local Pinch Point - Chester-le-Street A167:

The majority of the works to the two roundabouts were carried out this year with the scheme significantly complete, only some final re-surfacing works are required in 2015/2016.

Peterlee Bus Station:

Acquisition of the bus station was completed successfully.

Schemes in Development: Durham Bus Station / Durham Urban Traffic Control:

Durham Bus Station: Design work has been ongoing for the building design and supporting highway infrastructure, in dialogue with key stakeholder. This is nearing completion and will represent the end of the preliminary design stage.

Work will then be undertaken to inform a Public Exhibition and Planning Application in the autumn of 2015.

Work is also being undertaken to determine the route to acquire the necessary buildings for the development to proceed. Should a CPO route be needed works would be programmed to commence in 2017.

Durham Urban Traffic Control: Preliminary design is now complete for both the Gilesgate and Leases Bowl junctions. Consultation has now commenced with relevant stakeholders and a Public Consultation event was arranged for 21st May 2015. This will inform any changes to the preliminary design, before we move into the detailed design stage.

Gilesgate is due to commence in September 2015 (after the Milburngate Bridge works) and be complete early in the new calendar year. Leases Bowl will commence after this and be complete by July 2016. Early consideration is been given to the construction programme, to minimise disruption on the network.

Transit 15 - Actual Spend £0.296m

Additional real time information displays were purchased in advance of implementing the new real-time system. There were also additional surfacing and road marking works carried out at Croxdale following the previous scheme to introduce a bus lane.

CCTV - Actual Spend £0.119m

The CCTV network cameras are in the main now linked to a central control room at Chilton via a wireless link. The funding has also facilitated a much improved performance monitoring system for the network and a Project Group is currently being established with the Police to fully integrate a performance framework. This has reduced the revenue budget on the BT costs of the service.

Minor (T&CS) Schemes - Actual Spend £0.010m

Intercom Purchases - Supported Housing:

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

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

Minor (SPP) Schemes - Actual Spend £0.007m

Durham Market Place - DLI Memorial:

The Council provided advice and assistance to Durham Rifles Regimental Charity, to facilitate the installation of a new DLI Memorial in Durham Market Place. DCC installed foundations and provide assistance with the installation of the sculpture. The new DLI memorial was unveiled at a well attended ceremony on 14 September 2014. The bronze sculpture, of a 1950's bugler, fits well in its setting in front of the Guildhall and has quickly become a popular feature with residents and visitors.

Housing Revenue Account Decent Homes (DCH, DVH, EDH) - Actual Spend £42.663m

Durham City Homes:

In-year Durham City Homes completed 4,252 improvement works. This ensured DCH maintained a 0% non-decency level at the end of the financial year and included the completion of;

- full decency works to 860 properties,
- 657 elemental heating works,
- 557 roofing works,
- 354 capital void improvements,
- 277 elemental rewires,
- 271 elemental kitchen replacements,
- 249 elemental bathroom or additional water closet replacements,
- 249 elemental boundary fencing works,
- 218 disabled adaptations, and
- 92 structural works.

Dale & Valley Homes:

In-year Dale & Valley Homes completed 2,692 improvement works. This ensured DVH achieved a 0% non-decency level at year-end and included the completion of;

- full decency works to 482 properties,
- 471 elemental boundary fencing works,
- 433 roofing works,
- 359 disabled adaptations,

- 160 elemental external door replacements,
- 143 elemental rewires,
- 131 elemental heating works,
- 129 elemental kitchen replacements,
- 103 capital void improvements,
- 100 structural works, and
- 95 elemental bathroom or additional water closet replacements.

East Durham Homes:

At the end of the year East Durham Homes fell just short of achieving 100% decency and there are currently 42 properties (0.51% of EDH stock) non-decent. Despite this small shortfall, EDH completed full decent homes improvement works to a total of 1,414 properties over the course of the year, exceeding the revised HCA target of completing full improvement works to 1,400 properties and enabling the council to maximise the use of Decent Homes Backlog Funding from the HCA; this was in large due to the highly successful 'Opt Back In' project that was implemented by East Durham Homes that encouraged tenants who had previously opted out of the decent homes programme, to opt back in to programme. The remaining 42 properties will be picked up and made decent through East Durham Homes' capital programme for the 2015/16 year.

Of the 1,414 properties EDH made decent during the year, works included the completion of;

- 1,127 elemental rewires,
- 1,093 elemental kitchen replacements,
- 966 elemental bathroom or additional water closet replacements
- 811 roofing works,
- 715 disabled adaptations,
- 547 elemental heating works,
- 176 structural works,
- 132 elemental window replacements, and
- 91 elemental external door replacements.

DCC Mortgage Rescue Scheme - Actual Spend £0.060m

Negotiations regarding the acquisition of one property in Usher Moor were successfully completed in July 2014. The authority were able to draw down funding of £32,853 from the HCA towards the purchase thus resulting in budget saving of £12k.

Housing Regeneration (Demolitions) - Actual Spend £0.103m

Wheatley Hill:

The final acquisition of 1 property in Henderson Avenue was completed which allowed the demolition of numbers 3 and 4 Henderson Avenue along with the demolition of 4 properties in Cain Terrace. 65 housing units are now in the process of being constructed across the site.

29 September 2015

**Regeneration and Economic
Development Service – Quarter 1:
Forecast of Revenue and Capital
Outturn 2015/16**

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

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Regeneration and Economic Development (RED) service grouping highlighting major variances in comparison with the budget based on the position to the end of June 2015.

Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the RED service grouping:
 - *RED Revenue Budget - £24.959m (original £25.459m)*
 - *RED Capital Programme – £40.612m (original £39.747m)*
3. The original RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Transfer of repairs & maintenance budgets to Neighbourhoods Services -£3k
 - Transfer of Crimdon Park and beaches budgets from neighbourhoods Services £15k
 - Reduction in energy budgets to reflect corporate savings -£32k
 - Reduction in Concessionary Fares budget to reflect lower contract payments -£400k
 - Reduction in Carbon Tax CRC to reflect corporate savings -£64k
 - Reduction in water charge budgets to reflect corporate savings -£1k
 - Fleet Depreciation and Insurance adjustment -£15k

The revised General Fund Budget now stands at £24.959m.

4. The summary financial statements contained in the report cover the financial year 2015/16 and show: -
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the forecast outturn;
 - For the RED revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

5. The service is reporting a cash limit underspend of **£0.293m** against a revised budget of **£24.959m**.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£'000)

	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	27,816	8,281	27,397	-419	-54	-473
Premises	3,000	941	2,791	-209	0	-209
Transport	941	161	897	-44	-34	-78
Supplies and Services	11,933	2,445	12,717	784	-669	115
Agency and Contracted	19,639	4,480	19,206	-433	-64	-497
Transfer Payments	95	1	86	-9	0	-9
Central Costs	10,379	280	10,448	69	0	69
GROSS EXPENDITURE	73,803	16,589	73,542	-261	-821	-1082
INCOME	-48,844	-11,772	-48,055	789	0	789
NET EXPENDITURE	24,959	4,817	25,487	528	-821	-293

Analysis by Head of Service (£'000)

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Strategy Programmes Performance	1,733	534	1,747	14	-45	-31
Economic Development & Housing	5,770	659	6,173	403	-613	-210
Planning & Assets	5,637	2,192	6,007	370	-100	270
Transport & Contracted	1,348	1,322	1,055	-293	-29	-322
Central Managed Costs	10,471	110	10,505	34	-34	0
NET EXPENDITURE	24,959	4,817	25,487	528	-821	-293

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

Head of Service	Service Area	Description	(Under) / Overspend £'000	(Under) / Overspend £'000
Strategy Programmes Performance	Strategy, Policy, Partnerships & Support	£27k under budget on employees	(27)	(31)
	County Durham Economic Partnership	Minor variance	2	
	Planning & Performance	Minor variance	(6)	
	Funding and Programmes	No variance	0	
Economic Development & Housing	Head of Economic Development	No variance	0	(210)
	Physical Development	£53k under budget on employees due to restructuring	(53)	
	Visit County Durham	£89k savings on employees due to staff secondment to Visit England	(89)	
	Business Durham	£66k over budget on employees	66	
	Economic Development	£14k over budget on employees	14	
	Housing Solutions	£44k under budget on employees due to restructuring £103k income from Family Wise project	(148)	
Spatial Policy, Planning Assets & Environment	Head of SPPAE	Minor Variance	2	
	Spatial Policy	Agreed over budget on Local Development Framework	170	
	Development Management	£43k under budget on employees £11k under budget on transport £83k agreed over budget on Planning Appeals Field House , Park Hill and County Hospital	29	
	Building Control	£3k under budget on employees £44k under budget on other supplies and services	(47)	
	Environment & Design	£78k under budget on employees £18k under budget on transport £28k under budget on supplies and services £53k overachieved income i.e. timber sales, gateways and other grants/contributions	(177)	

Head of Service	Service Area	Description	(Under) / Overspend £'000	(Under) / Overspend £'000
	Asset Management	£27k under budget on employees £257k under achieved income including Newgate Street Bishop Auckland , Millenium Square, Brackenhill Centre and Beveridge Arcades £63k other under achieved income including £28k due to sale of farms previously generating rental income	293	270
Transport	Head of Transport	£2k minor variance £11k unbudgeted spend on legal costs for Durham Tees Valley Airport	13	
	Traffic	£15k over budget on employee costs £84k over budget on third party payments, mainly due to traffic management Claypath (£33k) and Lumiere (£51k) £71k under budget premises costs mainly due to recently refurbished bus shelters saving on repairs and maintenance	28	
	Sustainable Transport	£51k over budget on employee costs £5k under budget on various supplies and services £388k net under budget on third party payments mainly due to reduced bus contract prices	(342)	
	Supported Housing	£127k over budget on employee costs mainly due to 24/7 cover for holidays and sickness £119k planned under budget on equipment to cover overspend in employee costs £29k over achieved income mainly due to increased client numbers	(21)	(322)
Central	Central Costs			0
TOTAL				(293)

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2015/16 which amount to £1.3m.

Revenue – Housing Revenue Account (HRA)

9. On 13 April 2015, the Council transferred its housing stock of 18,500 dwellings to County Durham Housing Group. Consent was received from the Secretary of State to close down the HRA any time from 30 April 2015 onwards as the Council is no longer a social housing landlord and not required to maintain a ring-fenced HRA.
10. There were and continue to be some residual transactions taking place reflecting the relatively short period of activity in 2015/16 and also other costs including those associated with delivering stock transfer in April which have been met from retained reserves.

Capital Programme

11. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 138 schemes managed by around 23 project delivery officers.
12. The Regeneration and Economic Development capital programme was revised at Outturn for budget rephased from 2014/15. This increased the 2015/16 original budget. Further reports to the MOWG in May and June detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£40.612m**.
13. Summary financial performance to the end of June is shown below.

Service	Original Annual Budget 2015/16 £000	Revised Annual Budget 2015/16 £000	Actual Spend to 30 June £000	Remaining Budget £000
Economic Dev & Housing	13,104	13,973	1,273	12,700
Planning & Assets	9,250	9,251	754	8,497
Transport & Contracted	16,893	16,888	1,573	15,315
Strategy & Programmes	500	500	0	500
Total	39,747	40,612	3,600	37,012

14. Actual spend for the first three months amounts to **£3.600m**. **Appendix 2** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme.
15. The key areas of spend to date have been on Disabled Facilities Grants (£0.548m), Structural Capitalised Maintenance (£0.604m), and the Local Transport Plan (£0.800m). Other areas of the programme are profiled to be implemented during the remainder of the year it is anticipated that the projected outturn at 31 March 2016 will be in line with the revised budget.

16. At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Recommendations:

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

Contact: Azhar Rafiq, Finance Manager, Finance Manager - ACE/RED/RES
Tel: 03000 263 480 E-mail: azhar.rafiq@durham.gov.uk

Appendix 1: Implications

Finance

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

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: RED Capital Programme 2015-16

General Fund	Revised Annual Budget £000	Profiled Budget £000	Actual Spend to 30 June £000	Remaining Budget £000
Economic Development & Housing				
Barnard Castle Vision	432	108	50	382
Durhamgate	320	6	12	308
Industrial Estates	634	72	136	498
North Dock Seaham	904	0	0	904
Office Accommodation	206	0	0	206
Town Centres	3,912	140	131	3,781
Minor Schemes	672	367	198	474
Disabled Facilities Grant /FAP (1)	4,531	509	548	3,983
Gypsy Roma Travellers	323	5	14	309
Housing Renewal	2,039	170	184	1,855
Planning & Assets				
Renewable Energy Schemes	1,075	51	84	991
Structural Capitalised Maintenance	7,266	95	604	6,662
Woodham Community Tech College	750	0	0	750
Minor Schemes	160	75	66	94
Transport & Contracted Services				
Local Transport Plan	3,495	673	800	2,695
Transport Corridors	1,115	274	286	829
Transport Major Schemes	11,831	718	448	11,383
Transit 15	104	28	9	95
CCTV	93	21	0	93
Minor Schemes	250	0	30	220
Strategy & Programmes Minor Schemes				
	500	3	0	500
RED Total	40,612	3,315	3,600	37,012

(1) Financial Assistance Programme



MINUTES

Meeting	County Durham Economic Partnership Board
Date of Meeting	Tuesday 14th July 2015
Time	13.00 – 16.00
Venue	Conference Room 4B, County Hall

Attendees:

Brian Tanner	Chair
Cllr Eddie Tomlinson	Chair of Rural Working Group
Cllr Neil Foster	Cabinet Portfolio Holder for Economic Development and Regeneration, DCC
Jon Gluyas	Durham University
Tarryn Lloyd Payne	Strategy & Partnerships, DCC
Ian Thompson	Director of Regeneration and Economic Development, Strategy, Programmes & Performance, DCC
Andy Palmer	Job Centre Plus
Jason Livingston	Chair of the Housing Forum
Sarah Robson	Chair of the BES Group
Sue Parkinson	Strategy & Partnerships, DCC
Angela Brown	Business Durham
Simon Goon	County Durham Housing Group
Bill Fullen	Office of Durham Police and Crime Commissioner
Alan Reiss	Housing Project & Service Improvement, DCC
Marie Smith	County Durham Community Foundation
Barbara Gubbins	Assistant Chief Executive, DCC
Lorraine O'Donnell	

1. Welcome

BT welcomed everyone to the meeting

2. Apologies

Edward Twiddy	Atom Bank
Neil Graham	Chair of Durham City Board
Simon Hanson	FSB
Geraldine Kay	Derwentside Homes
Stephen Howell	Head of Sport & Leisure, DCC
Michelle Gorman	Visit County Durham

3. Minutes of the last meeting

The update on the Housing Forum from Geraldine Kay should be amended to read 700 new homes in the first ten years and not first year as stated. All other information was agreed as a true record

Action: AB to correct the minutes

4. Matters Arising

BT mentioned that we need to have an Economic Update to discuss at the next meeting

5. Anti-Poverty in County Durham – Lorraine O'Donnell

Lorraine O'Donnell and Marie Smith gave a presentation to the Board on responding to poverty in County Durham.

The Scope of poverty work:-

- Building on work in response to welfare reform and recognition of the wider issues facing residents
- Scope broadened to include a holistic view of issues
- Focus on preventative work to avoid households getting into financial difficulties
- Develop targeted interventions to support the poorest households in greatest need

They mentioned that there were more changes to come especially as £12bn less is to be spent on welfare over the next four years. With this in mind there was a need to share intelligence awareness. They are currently collecting data which is sensitive to share at the moment.

There is a need to join up more as it is important that we all understand the pressure of trends. This partnership has a responsibility for welfare reform and poverty; therefore we need to make sure we are helping people that struggle. LO thanked the Board for inviting her along.

Comments/Questions

It was asked what pressures were on the minimum wage rising and the impact this will have on employers. The response was that it will have an impact as 1/3 of people in the welfare report were in employment.

It would be useful to have information of how many people are in poverty.

Capping benefits at £20,000 per household will impact on the workload of a lot of people particularly housing providers. We need to get intelligence out so that people are aware of this. SR mentioned that it will be discussed at the Housing Forum next week, as will the 1% reduction in Social Housing, as these will have a cumulative impact which is worrying. LO felt that the positive side to all this is that there is a 'real coming together' of agencies to try and deal with the issues.

BT asked if they knew what the household debt was across the County

BT thanked LO and MS for their presentation

Action LO agreed to send information on figures for household debt

6. Job Centre Plus: Understanding & Supporting the County Durham Labour Market – Jason Livingston

Jason Livingston gave a presentation to the group covering the following three areas:-

- Positive register impact
- New delivery approach
- Universal Credit

Positive Register Impact – There have been a lot of changes implemented over the last 12 months which have affected the Job Seekers Allowance Register. There are 7200 in County Durham. This did peak at one point to 12000. Those nearest to being employable move off the register first. Others have more barriers to get into employment so we have to adopt a different strategy to get these people into work.

New Delivery Approach – Additional resources to support younger people 18-24 and older customers. It has a positive impact on a way that people that are left on the register.

This is being mirrored for 25+ customers to have a work coach appointed; this will maintain some relationship even if benefits are changed. It will maintain a consistent approach from initial entitlement to employment over the next 3-6 months.

Universal Credit – This will be rolled out on 21st September only for new claimants that would have claimed JSA and single non home owners. This will accelerate quickly, like most changes it has positives and negatives. It will now be monthly payments as opposed to payments every fortnight. JCP is working closely with landlords who are aware of the challenges that they may face. On the positive side it will see the disappearance of 16+ under Universal Credit.

Questions/Comments

What effect do the changes have on zero hours contracts? It gives the protection that people on zero hours contracts will still automatically receive universal credit.

Could this then encourage more employers to use zero hour contracts? We won't know the impact of this until it is rolled out.

It was asked if there will be issues for newly self-employed – JL mentioned that the first year someone is self-employed will be deemed as working. There is a

need to work on a system to notify if there are any different risks for people going into self-employment.

BT thanked JL for attending today

Action: AB to circulate presentation

7. County Durham Housing Group – Bill Fullen

BF thanked the Board for inviting him to come along and present.

He discussed the reasons for the housing stock transfer:-

- Self-financing gave limited ability to carry out new build and other aspirational work
- A two speed housing offer
- Other transfers in County Durham have attracted significant investment

The Transfer key elements are as follows:-

- Just under 18500 homes transferred
- Associated land and other assets
- Development land
- A group structure with over 400 employees
- £150m loan facility raised from the banks/institutions – fixed and variable

The transfer date was 13th April 2015 and covers Dale & Valley, East Durham and Durham City areas.

The County Durham Housing Group are working on a corporate plan and we need to ensure that we can add value by working in partnership with other organisations.

Questions/Comments

How do the Transfer arrangements affect the right to buy?– BF replied that as part of the transfer existing tenants have right to buy. New tenants after 3 years might have the right to buy so therefore impact should be fairly minimal.

The partnership has done a bit of work implementing the Social value Act, is there anything else we can do to maximise the supply chain? If there is let SP know.

It was asked there might be involvement with the Youth Employment Initiative (YEI). BF mentioned that he had had a discussion with Graham Wood. They also have their own employability officer. It was mentioned that this should be a county wide discussion involving other providers for YEI.

AB to circulate presentation

8. EU Structural Funds; Focus on Social Inclusion & Employability – Sue Parkinson

SP gave an update to the Board on EU Structural Funds. She recapped that over the next seven years there is an allocation of €537.4m of European money available. As Durham is a transition region it has about €150 ring-fenced. She reminded the Board that the LEP had required us to sign up as a partnership in order to be eligible to be considered for investment of EU funds.

The CDEP has a leadership role and SP sits on the LEP ESIF committee as a representative.

We held a Social Inclusion Conference where around 200 people attended and this was very well received.

Each work stream lead is doing a lot of work with their individual groups:-

Social Inclusion – Jo Laverick

Employment & Skills – Graham Wood

Youth Employment Initiative – Linda Bailey

Access to Finance – Simon Hanson

Business Support – Sarah Slaven

Innovation – Catherine Johns

Low Carbon/Energy – Maggie Bosanquet

Claire Williams – Capital Infrastructure

We are now moving from position of pipeline development into delivery stage.

The ERDF Operational Programme has now been signed off and is available to download. This is not too different from the draft OP.

The first calls for ERDF and ESF have gone out despite there being no OP at the time.

The ESIF Committee meets to look at these calls. These are national calls with local elements to them. Calls will end late July.

The ESIF Committee have final Terms of Reference albeit still in draft format at the moment.

The governance arrangements are on local level but have the ESIF Committee advising the managing authority.

Calls will be coming out soon for Big Lottery matching and more information should be available by 3rd August.

There are calls out for ERDF which was an open call and needed match funding; this is oversubscribed. More calls are expected end of July.

9. CDEP Board Chair Appointment – Andy Palmer

BT left the room and SP took over as chair for this item only.

SP asked the Board to consider the proposal in the report and the recommendations which are:-

- Set up a sub group with membership
- Undertake an appropriate evaluation exercise
- Report back to the Board with recommendation as to the chairs further term of office.

The Board agreed that this was a sensible approach to take.

It was agreed that the sub group would be SP, AP and another Volunteer – it was agreed to ask Simon Hanson from FSB

Action: CDEP Secretariat to organise the meeting of the Sub Group

10. Working Group Chairs Update

Housing Forum – Sarah Robson

The Housing Forum met in May and will meet again next week. The Focus of the last meeting was on the general election and how we could respond to this as a partnership. Graham Wood gave a presentation on enhanced employability delivery. Marie Smith gave an update on Anti-Poverty. Performance was discussed. It was a standard agenda with good discussions around the general election and employability. We also had discussions about the Family Intervention Project and registered providers would like to sustain this.

There is a lot of good work going on at the moment especially around the sharing of intelligence.

The Rural Working Group – Cllr Eddie Tomlinson

The Rural Group met on 18th June there was a positive outcome resulting from a discussion through members' feedback. The group will be commencing a piece of work on Farming with NFU, DWP and Economic Development Team regarding poor conditions for hill farmers. It was discussed that a number of people that train through college for farming do not end up becoming farmers. A meeting was held with Andrew Robinson from DEFRA and discussions took place around right to buy in rural areas.

The next meeting will be held in September and will be discussing the draft rural position statement.

11. Partners Update

Jon Gluyas – Durham University

The appointment of the new Vice Chancellor Stuart Corbridge is now in place. Both JG and BT met with Stuart to explore his commitment to the local area; he gave every indication that he was totally committed.

VCS – Barbara Gubbins

At the last voluntary sector strategy group there was a presentation by Tony Chapman about sector groups in poorer areas that are suffering the most. Regional discussions with national funders and voluntary sector have taken place. Garfield Weston have put resources into funding for a three year post. Currently trying to develop joint initiative across the North East by holding all day workshops etc. One in Newcastle was successful so there is a need to speak to Council about this. National funders are looking for small groups that would not apply through Garfield but would apply through AAPs.

Business Durham – Simon Goon

Everything is going well. Enquiries for business space are up which is good. In relation to the Local Growth Fund we are now only one signature away. Innovation – Future Business Magnates (FBM) – is now in its tenth year. Durham Johnston School won overall with a product that glowed red if using too much water.

The living laboratory - view to create a number of programmes and how this can be better connected as really there is no connectivity. This will be commissioned in autumn so will report back on this in due course.

Action – SG will send link for FBM awards

12. Any Other Business

AP mentioned as the next Board meeting would see a strategic refresh of the regeneration statement setting out priorities for the year, it would be a good idea to put together an intelligence note and analysis. As this will take a couple of weeks to digest it will be circulated in advance of the next meeting

13. Date and Time of next meeting

Tuesday 3rd November 2015