



Economy and Enterprise Overview and Scrutiny Committee

Date **Tuesday 23 February 2016**
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 21 December 2015 and 8 January 2016 (Pages 1 - 18)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. Digital Durham - Update: (Pages 19 - 22)
Report of the Corporate Director of Resources – presented by the Head of ICT, Resources.
8. Homelessness Strategy - Update: (Pages 23 - 30)
 - (i) Report of the Corporate Director of Regeneration and Economic Development.
 - (ii) Presentation by the Housing Project and Service Improvement Manager, Regeneration and Economic Development.
9. Durham Key Options (DKO) - Update: (Pages 31 - 44)
Report of the Corporate Director of Regeneration and Economic Development – presented by the Housing Project and Service Improvement Manager, Regeneration and Economic Development.

10. Skills Development Scrutiny Review - Update: (Pages 45 - 48)
Report of the Assistant Chief Executive.
11. 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
15 February 2016

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

SPECIAL ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 21 December 2015 at 10.00 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Bell, J Clare, M Davinson, T Henderson, B Kellett, H Nicholson, P Stradling, O Temple, A Willis and G Holland

Also Present:

Mr I McLaren

1 Apologies for Absence

Apologies for absence had been received from Councillors J Armstrong and A Batey.

2 Substitute Members

Councillor G Holland substituted for Councillor R Ormerod.

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 Welfare Reform - Draft County Durham Poverty Action Plan, Consultation Overview:

The Committee considered the report of the Assistant Chief Executive which provided Members with background information concerning the consultation on the draft County Durham poverty action plan, a copy of which had been circulated with the papers (for copy of report, see file of minutes).

Mr R Goodes, Head of Policy and Communications was in attendance to provide Members with an overview of the action plan as part of the consultation process (for copy of slides, see file of minutes).

The Head of Policy and Communications advised Members that the recession in 2008 lasted for six quarters in a row. In 2010 there was a change in government which resulted in the introduction of austerity measures with the biggest UK spending cuts for decades. In addition, the introduction of the Welfare Reform Act 2012 reduced welfare spending by £18bn by 2015 with the Welfare Reform and Work Bill in July 2015 reducing welfare spending by a further £12bn by 2018.

In relation to County Durham the highest rates of unemployment are in the North East but Durham was slightly better than the average, economic growth was slower than expected during and after the recession and the gross disposable household income was less than the national average.

The child poverty gap between County Durham and England continued to widen and fuel is at its highest which added to fuel poverty in particular those areas which were off gas.

Members were shown a map of deprived areas which had lost most from austerity measures with County Durham ranking 7th in the table, resulting in a loss of £188m per annum to the county equating to a loss of £560 per annum per adult.

Members were also provided with a graph which showed unemployment trends identifying that Durham's unemployment rate was lower than the North East rate but higher than the rate for Great Britain.

Members were advised that the Department of Works and Pensions introduced a new sanctions regime for Job Seekers Allowance from October 2012. The new regime had increased the rate of adverse sanctions for individuals claiming Job Seekers Allowance both nationally and within County Durham. County Durham had an overall higher percentage of claimants affected compared to England.

The total number of households claiming child tax credit and/or working tax credits fell by 18,900 between April 2011 and April 2015 reducing from more than one in four of all households in County Durham to less than one in five.

A summary was provided of the impact of welfare reform in County Durham.

The Universal Credit scheme will be gradually rolled out in County Durham from 21 September 2015 and is currently only affecting new claims from single people without children and without mortgage costs who would previously have claimed Jobseeker's allowance with 546 universal credit claims received. No details on the further roll out of Universal Credit have been received however the scheme is to be fully rolled out by 2021.

Details were provided of the Council's response to welfare reform including detail of those partnerships engaged with, the response to poverty and detail of the poverty action plan.

The poverty action plan focuses on the actions necessary to respond to the challenges facing the county's residents and is based on the following five key themes:-

- Attitudes to poverty and raising its profile
- Focus on child poverty
- Credit and debt
- Further welfare reform and benefit changes
- Work and personal wellbeing and sense of worth

The next steps were as follows:-

- Poverty Action Plan to be shared with partners and stakeholder
- Comments and feedback invited, including other initiatives that need to be captured
- Conference for partners and stakeholder to be held in early 2016
- Partners and Stakeholder to be kept up to date with progress against action plan

The Chairman thanked the officer for his very informative presentation and highlighted the need for the plan particularly with further austerity measures imposed by Government.

Councillor Davinson referred to the conference to target the use of pupil premium which had a timeframe of December 2015 and sought clarification when this would be taking place. He also suggested that they include actions within the draft poverty action plan to raise the aspirations and ambitions of young people as this appeared to be lost when children went to secondary school. He referred to the increase in family learning programmes and sought clarification regarding funding for these programmes. He continued that in relation to promoting financial awareness in young people and working with four schools per year to raise financial awareness and promote savings there is a need for this initiative to be rolled out quicker, to work closely with Credit Unions who are currently working in schools and to target secondary schools particularly prior to pupils leaving so that they are financially aware.

In response to the questions from Councillor Davinson, the Officer indicated that that the conference would be held in the spring next year and he appreciated that it was a slow process but once the benefits were seen the initiative would be rolled out quicker and where Credit Unions were already active within schools the intention would be to work with them.

Councillor Holland referred to the increasing use of sanctions imposed by employment officers and the attitude of Jobcentre Plus staff with sanctions imposed if a claimant is slightly late for an appointment. He continued that there is a need for this vital support provided by Durham County Council working with partners to continue to help local communities respond to the impact of changes in the welfare system and that he hoped budgets would remain untouched to provide the necessary support.

The Officer responded that a collective approach was adopted by Durham County Council and partners in providing support with resources and expertise used from a number of Durham County Council Service Groupings.

The Chairman responded that every part of the council was involved in addressing poverty and the key was partnership working.

Councillor Adam indicated that allowing tax avoidance needed to be addressed. The government were pushing the burden from national to local tax and Durham County Council needed to work hard to reduce the impact. He also indicated that as well as a conference with partners they should also invite representatives from the voluntary sector, charities, local employers working closely with Business Durham and trade unions. The Officers responded that they would take the comments on board and work closely with Regeneration and Economic Development regarding input from local employers via Business Durham.

Councillor Clare suggested that in relation to promoting financial awareness in young people there is a need to look at the effectiveness of measures already taking place and there is a need to target secondary schools particularly prior to pupils leaving so that they are financially aware. He referred to the welfare assistance scheme and commented that Durham County Council needs to ensure that it is spending the money allocated under the Welfare Assistance scheme. He continued that when he had contacted the department to make enquiries on behalf of his constituents he had been advised that they did not meet the criteria. Was there a need to revise the eligibility criteria of local schemes so that local people can access available funding.

The Officer responded that the money allocated to Durham County Council had not been fully spent in the first two years and that some monies had been given to Area Action Partnerships and an employment scheme. The 2015/16 budget was monitored every month and any monies which were not spent would be transferred to the welfare assistance scheme. The officer commented that he would welcome any suggestions from members aimed at increasing take up.

Councillor Kellett commented that government is continually altering indicators in particular those for child poverty which have been revised.

Councillor Davinson referred to the review of skills development which would include detail of existing employability programmes identifying those that were successful and any gaps within current support and asked if members once the report is complete receive a copy or be given a presentation on the findings.

Resolved: (i) That the report be noted.

(ii) That Members receive a further report and presentation on the progress of the County Durham Poverty Action Plan as part of the refresh of the work programme for 2016/17.

6 Regeneration Statement - Update:

The Committee considered the report of the Corporate Director, Regeneration and Economic Development which provided members with an update on the regeneration statement (for copy of report, see file of minutes).

Mr A Palmer, Head of Strategy, Programmes and Performance was in attendance to present the report and advised Members that the first County Durham Regeneration Statement was developed in 2009 and was refreshed in 2012, which was available on the Durham County Council website. The document was not an action plan but set out the overall approach to regeneration and was important for funding applications.

Members were informed that there had been significant changes over the last three years in the operating environment. Regional priorities were now set out within the North East Strategic Economic Plan. Discussions had taken place with partners, details of the comments back had been set out in the report.

An outline statement would be discussed with the County Durham Economic Partnership Board in February 2016, then scrutiny and cabinet.

Councillor Nicholson indicated that he welcomed the change in emphasis with the consideration of A19 corridor.

Councillor Davinson sought clarification as to the meaning of the whole town approach mentioned within the report. The officer responded that the whole town approach refers to the co-ordination of investment and regeneration via a series of masterplans produced for the key towns in the county.

Resolved: (i) That the progress of the Regeneration Statement be noted.

(ii) That the Economy and Enterprise Overview and Scrutiny Committee receive at a future meeting of the committee a further update on the refresh of the Regeneration Statement.

7 Members' Reference Group, Scrutiny Review: Impact of the Changes in Government Funding of the Economy of County Durham - Update on Recommendations:

The Committee considered the joint report of the Assistant Chief Executive and Corporate Director, Regeneration and Economic Development which provided members with an update on the progress made in relation to the recommendations contained within the Economy and Enterprise Overview and Scrutiny Committee Member's Reference Group report looking at the impact of public sector funding and policy changes on the economy of County Durham (for copy of report, see file of minutes).

Mr A Palmer, Head of Strategy, Programmes and Performance was in attendance to present the report.

Councillor Davinson referred to the 2015 Indices of Deprivation which revealed that 150 County Durham LSOAs are ranked in the top 20% most deprived on the Employment Domain and sought clarification of how many were ranked in the top 10%.

The Officer responded that funding was usually by the top 20 or 30%. If the employment rate was increased then he would expect those LSOA's in the top 10% of most deprived to move to the top of the 20% most deprived.

Councillor Adam sought clarification if the increase in disposable income was correct. The Officer confirmed that this was correct as there had been an increase in salaries and pay and an increase in the numbers in work particularly young people and those in part-time work.

The Chairman commented that in relation to the increase in employment and the quality of the jobs on offer there is a clear distinction between private and public sector, not comparing like with like. The public sector consists of a far greater proportion of professional jobs, higher paid wages and full time employment compared to the private sector. He continued that a number of employees leaving the public sector had become consultants working in the private sector.

The officer responded that local government had been hit the hardest by the government's austerity measures and that local government in the North had been hit harder than local government in the South and confirmed that public sector staff are starting to move to the private sector via consultancy opportunities as it is seen as the better option.

Councillor Nicholson referred to wages still being 7% lower and how the public sector was under pressure in retaining staff.

Councillor Adam referred to paragraph 14 on page 28 and commented that whilst he welcomed highly skilled jobs within the county there is also a need for low skilled jobs, to ensure there is a mix of job opportunities available and asked whether the authority was doing any work on this.

The officer responded that the authority was working with partners in the County to identify opportunities for both low and highly skilled jobs.

Resolved: (i) That the progress made in relation to the recommendations contained in the Members' Reference Group Scrutiny review report be noted.

(ii) That a further report detailing progress made against the recommendations contained in the Members' Reference Group scrutiny review report be submitted to a future meeting.

8 Business Durham - Update:

The Committee considered the report of the Corporate Director, Regeneration and Economic Development which provided members with an update of the work and impact of Business Durham since its previous report in October 2014 (for copy of report, see file of minutes).

Dr S Goon, Managing Director, Business Durham was in attendance to present the report which provided detail of: background to Business Durham; relevant performance data; enterprise, engagement and outreach activity; business engagement; inward investment, innovation; business property and communications.

The Chairman thanked Dr Goon for his report which provided a lot of detailed information for members and suggested that in relation to promoting/marketing the county could they use the marketing approach adopted by Visit County Durham.

The Officer responded that Business Durham does work closely with Visit County Durham and informed members that a recently produced video promoting the County as the City of Light highlights the range of business within County however Visit County Durham and Business Durham target different audiences and therefore cannot always align approaches.

Councillor Temple sought clarification on the number of jobs which were stated on pages 47 and 57 of the report which were different.

The Officer responded that one set of figures were the jobs created and the other figures were the jobs that they hoped to create over a three year period.

Councillor Adam referred to Inward Investment on page 46 of the report and that they had received more enquiries from Europe than the Asian market.

The Officer responded that they had received a lot of interest from Europe due to access and that there can be visa issues with countries outside of Europe.

Councillor Davinson sought clarification as to whether Business Durham intended to deliver more enterprise talks to students. The Officer responded that they were in contact with all schools some engaged with Business Durham but some did not see it as a priority.

Councillor Davinson then referred to Appendix 7 of the report and sought clarification as to why occupancy rates in the West of the county was not doing as well as other areas. The Officer responded that whilst occupancy of St. Stephen's Court and the Dales Centre was down in other units in the west occupancy was up. In relation to St. Stephen's Court this was the result of a bad debtor, however hoping that the situation may change in the next financial year. Concerning the Dales Centre the rents had been reviewed which had resulted in one retailer leaving. However the retail units have now been relet. The enterprise centre remains under occupied after it was vacated by two companies for growth reasons and the police who moved to a better location. Business Durham are currently working through some leads but it was currently a tough market. The market for office accommodation is tougher than industrial units, principally because people who need offices have more option to work from home.

Councillor Clare thanked the officer for a detailed positive report and indicated that they were a body with limited income but were making significant achievements. He referred to inward investments and asked if a firm wanted to move into premises quickly but there were no premises available however land was available could the council reduce any of the potential barriers including planning barriers.

The Officer responded that there is a shortage of large square footage factory facilities (20,000 to 40,000 sq foot) and currently there are several enquiries for this size. There is currently a lot of office space in the East and the North of the county. It was confirmed that planners were excellent and were proactive in engaging with companies and the only thing that could be done to improve things is a change in legislation. The cost of building units is expensive for and uneconomic given the level of rental income that would be received.

Councillor Nicholson sought clarification if all land at NETpark, Sedgefield had been used and he welcomed the approach around Health with Business Durham talking to all Trusts to develop Durham's healthcare offer, as part of the strategy to encourage businesses to locate here, grow here and diversify here and asked how this would progress.

The Officer responded that not all the land at NETpark had been used and that a further 340 hectares of land was available in the next phase, and after this an additional 40 hectares. In relation to Durham's healthcare offer it was confirmed that the overarching theme for Durham's healthcare offer is to create Durham as a living lab for innovation in tackling the health causes and consequences of social isolation, essentially stopping people becoming patients. Business Durham is currently in the scoping stage of the project building up links with the various partners and will be looking at health from a commercial perspective. It is intended that a pilot would be run in Durham however it was taking time to establish links with Hospitals to get them to share their data.

Resolved: (i) That the contents of the report be noted.

(ii) That a further update on the work of Business Durham be included in the refresh of the committee's work programme for 2016/17.

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 8 January 2016** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Clare, J Cordon, M Davinson, B Kellett, J Maitland, H Nicholson, A Patterson, P Stradling and A Willis

Co-opted Members:

Mr T Batson

Also Present:

Councillors N Foster and E Tomlinson

1 Apologies for Absence

Apologies for absence were received Councillors T Henderson, O Temple, S Zair and Mr I McLaren.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meeting held 29 October 2015 and 16 November 2015 were agreed as a correct record and were signed by the Chairman.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

The Overview and Scrutiny Officer, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes). The articles included: North East tourism groups joining together as part of a £10 million drive to boost the region's international profile and opportunities to tap into the Northern Tourism Growth Fund; Sunderland and Durham venues being among winners and runners-up in the North East Tourism Awards; The Esh Group developing a training centre at Bowburn, a base for their apprenticeship training programme noting over 100 apprentices in the last 2 years; and a statement from the Prime Minister as regards the public sector having to pay to take on 200,000 more apprentices in order to deliver on the Government's election manifesto commitments of delivering 3 million apprentices by 2020.

Resolved:

That the presentation be noted.

7 Housing Strategy - Update

The Chairman introduced the Principal Policy Officer, Graeme Smith who was in attendance to give an update as regards the Housing Strategy for County Durham (for copy see file of minutes).

The Principal Policy Officer reminded the Committee of the previous update in relation to the Housing Strategy and the questions that Members had raised at that meeting. It was noted that the County Durham Housing Strategy comprised of 3 elements: the Strategy Document, 2015-2020; the related Action Plan to deliver the Strategy; and the partnerships in place to be able to deliver the Strategy, working with a range of partners across the county. Members were referred to a structure diagram, showing the aims, objectives and issues associated with the strategy, with the overarching aims of "Altogether Better Delivery and Standards", representing place, and "Altogether Better Housing Support", representing people. Members noted that the issues fell across several areas, some involving planning policy, Durham Key Options (DKO), the Anti-Poverty Strategy and the Housing Solutions section.

Members were reminded of the interim report on the County Durham Plan (CDP), now quashed, and that this had implications for the Housing Strategy, with the evidence base requiring a refresh to update in respect of recent policy changes: "Fixing the Foundations: Creating a more prosperous nation" and the proposed Housing and Planning Bill. Councillors noted that accordingly, the Housing Strategy would be updated, incorporating those legacy actions from the previous strategy while adding new actions as they are developed. It was added that a new partnership structure would be developed with existing partners, aligning with the emerging Strategy and Action Plan.

In terms of the questions raised previously by the Scrutiny Committee, the Principal Policy Officer noted the main issues had been: type and mix of housing; affordable housing; and the private rented sector.

Members noted that the Housing Strategy would seek to support the delivery on an appropriate type and mix of housing, based on the current type and mix and informed via discussion as part of the determination of planning applications. Councillors noted information on property type and property size by delivery area, with East Durham having the largest proportion of single bedroom properties in the county.

In terms of affordable housing, the Principal Policy Officer explained that data from the Strategic Housing Market Assessment (SHMA) had identified a net shortfall of 674 affordable dwellings across County Durham each year with demand exceeding supply. It was noted that the reasons for the need for affordable housing varied across the county with: the greatest need being within the central delivery area; there being a demand for 1 and 2 bedroom properties in the north and east of the county; and the western and southern delivery areas older persons make up the need for affordable housing. Members learned that the Housing Strategy would provide the context for the Council's approaches to deliver affordable housing and that delivery would be via Section 106 Agreements as part of planning permissions and via public subsidy.

Members noted that the private rented sector averaged at around 20% of the housing stock across the county and that there were variations in quality with the private rented sector. It was added that the Housing Strategy would seek to improve standards of accommodation and management practices, and to implement initiatives to support improvements to homes. Councillors noted that the landlord accreditation scheme would hopefully lead to improvements in property management and standards. Members were referred to a map detailing the change over time in terms of private rented accommodation, noting the largest increases in towns and urban areas, with decreases in the south and west of the county.

The Chairman thanked the Principal Policy Officer and asked Members for their questions, noting that the Government were holding a late night session at the Houses of Parliament in respect of the Housing and Planning Bill. He continued by expressing concerns about the delivery of affordable homes in the future as a result of Government's proposals in the Bill and that it was important going forward to understand the impact of changes in policy for our local communities and that once further information was known, it would be useful for Members to have a seminar.

Councillor J Armstrong noted the Prime Minister's recent response to a question on the definition of affordable housing where he had stated it was "whatever a person can pay" and noted the great disparity between house prices in the north and south of the country, also in the context of welfare changes.

Councillor E Adam noted the a recent Local Government Association (LGA) report had highlighted an issue with land that had planning permission granted, however, was not being built upon and asked whether there was any such land in County Durham. The Principal Policy Officer noted that models were used in terms of how to deliver housing to the market and that the Council would assess the likelihood of a scheme to be delivered at the planning stage, though it was added that this did not seem to be an issue in County Durham. Councillor E Adam added that as land was being released in more rural areas for economic development, such as the Hitachi site, was there being more land released in order to match the housing demand these site would generate. The Principal Policy Officer noted that this would be a planning policy issue, however, it was noted that land would be released accordingly in order to create sustainable locations.

Councillor J Clare noted that it was important that if Planning Officers are using such strategies and policies in their negotiations with Developers, then it was important that Planning Committee Members were made aware and received the necessary training. Councillor J Cordon also asked as regards any progress being made in respect of the CDP. The Overview and Scrutiny Officer explained that an update was planned for the meeting of the Committee to be held 28 June 2016.

Councillor J Armstrong asked whether funding to secure affordable housing would be via Community infrastructure Levy (CIL) if Section 106 Agreements were being replaced. The Principal Policy Officer noted that CIL and Section 106 Agreements were different funding pots, with CIL being to support infrastructure and Section 106 Agreements to support other issues, such as affordable housing. It was added that Government had stated that only a fixed number of Section 106 Agreements would be allowed. Councillor J Armstrong added that there were other models in terms of providing types of affordable housing, such as those being put forward by Derwentside Homes. The Principal Policy Officer noted models such as the Prince Bishop's Model, and though not technically affordable homes as per definition, it represented a method by which to give the type and mix of housing to help meet housing need, recognising that there were also other models available. The Chairman noted that there was a need to be clear in terms of affordable housing for Members at Planning Committee and Councillor J Clare added that it was important as issues could be contentious, with strong local feeling and representation at Committee, and therefore the issues around affordable housing should be highlighted and made transparent.

Councillor J Maitland noted the Landlord Accreditation Scheme and commented that "good" landlords would already be signed up to the scheme and asked whether there was any way to encourage those landlords with issues to improve their provision and sign up to the scheme. The Principal Policy Officer noted it was a voluntary scheme however he would speak to colleagues in the relevant section as regards this.

Councillor H Nicholson noted that he and other Members had asked on several occasions as regards the position in terms of empty homes, given that the CDP was not yet in place and the National Planning Policy Framework (NPPF) was generally in favour of new development, and with saved Local Plans being out of date. The Principal Policy Officer noted that he could look into the figures but believed that the average vacancy rates across the county were around 4.1% and that while there was some churn, the Strategy would look to tackle the longer term empty properties. Councillor H Nicholson requested detail of the number of empty properties within the County if possible on an area basis.

Councillor J Clare noted that Members at Planning Committees were aware of the age of the saved Local Plans and that the refresh of the CDP had yet to be completed and therefore there was a reliance on the NPPF. The Chairman added that Members would have look at each application and weigh each against current planning policy.

Councillor M Davinson noted that in respect of empty homes, while the average across the county was 4.1%, the average in South Moor, Stanley was 8.6% with a number of properties having been unable to be sold in the past and then bought up cheaply by landlords. Councillor M Davinson asked if a map similar to that for private rented sector could be produced to show terraced housing within the county to see if there was any correlation.

Councillor M Davinson felt that a way to encourage more participating landlords in the accreditation scheme would be not to charge, noting that the pilot scheme had been free and had worked very well.

Councillor A Patterson asked as regards Paragraph 8 to the report, what the 13 actions carried over from the previous Action Plan were. The Principal Policy Officer noted that they were reported to the Housing Forum, comprising of Officers and Members, and they were longer-term actions that had carried over. Councillor A Patterson requested that a copy of the 13 actions be provided.

Mr T Batson asked as regards Town and Parish Council involvement in the consultation for the CDP and what flexibility would be built in the application of the CDP once in place. Mr T Batson also asked as regards transport and mobility issues and how these were considered when looking at potential housing schemes. The Chairman noted that each planning application would be judged on its own planning merits, with the strategies and policies being the framework by which to reach a decision. The Principal Policy Officer explained that local needs were factored into decision making and that there was always the opportunity for objectors to speak at Committee in respect of larger developments and schemes. In respect of transport, the Principal Policy Officer noted that this was part of the sustainable development assessment made on each application, again any evidence forming part of any presentation to Members should the application be considered at Committee. Several Members noted that it was for Local Councillors to be aware of applications in their areas and to judge when it may be appropriate to look to have an application brought forward to a Planning Committee for consideration.

Councillor J Clare noted that, in terms of sustainability of developments, it was important to consider the necessary facilities to support development, however, it was also important for existing communities to have sufficient people living in those communities to support the existing businesses and facilities.

Councillor E Tomlinson, Portfolio Holder for Housing thanked Members of the Committee for highlighting several matters, highlighting the complexity of the issues faced in County Durham and reiterated that, with Government making changes to policies and bringing forward new legislation, issues would need to be looked at in the context of those changes.

Resolved:

- (i) That the content of the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress update on the Housing Strategy as part of the future work programme.
- (iii) That a Members' Seminar be arranged providing an overview of the key elements of the Housing and Planning Bill.

8 Quarter 2, 2015/16 Revenue and Capital Outturn

The Chairman introduced the Finance Manager, Resources, Azhar Rafiq to speak to Members in relation to the Quarter 2 2015/16 Revenue and Capital Outturn (for copy see file of minutes).

The Finance Manager noted for the Quarter 2 2015/16 Forecast of Revenue and Capital Outturn the areas that were reported upon were the General Fund Revenue Account and the Capital Programme for the RED Service.

Members noted the service was reporting a cash limit underspend of £0.632 million at Quarter 2 2015/16 against a revised annual General Fund Revenue Budget of £26.448 million. Members noted the variances within the budget, with the detailed explanations as set out within the report. The Committee were informed that the service grouping was on track to deliver against Medium Term Financial Plan (MTFP) savings for 2015/16 of £1.3 million.

The Committee were reminded that subsequent to the transfer of housing stock, a separate ring-fenced HRA was no longer required, although it was noted that there were some residual transactions reflecting a short period of activity in 2015/16.

As regards the Capital Programme 2015/16, the Finance Manager explained that the actual spend to date was reported as £9.617 million with the revised budget being £42.215 million. Members noted a breakdown of the major capital projects in terms of 2015/16 were given at Appendix 2 to the report, noting 138 capital schemes being overseen by 25 Project Delivery Officers.

The Finance Manager noted issues from the previous year, including: ongoing security costs at a former school site; under-occupancy of business units; issues as regards a collapsed building at Bishop Auckland; and units at Millennium Place, those coming to market now.

The Chairman thanked the Finance Manager and asked Members for their questions on the Quarter 2 finance report.

Councillor A Patterson requested clarification as to what action was being undertaken in relation to security costs at Whinney Hill School and how was DCC increasing occupancy in rental units at Newgate and Bracken Hill. The Finance Manager responded by saying that RED colleagues were trying to get premises occupied and in relation to the School, the Council had an obligation to protect these empty premises whilst it worked with partners for an appropriate disposal solution.

Councillor Neil Foster, Portfolio Holder for Economic Development noted that Business Durham were working to offer incentives as regards business units, however, not offering reduced business rates as this did not encourage businesses to invest in properties. It was reiterated that the units at Millennium Place were coming to market and new businesses were moving in at Bracken Hill.

Resolved:

That the report be noted.

9 Quarter 2, 2015/16 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 2, 2015/16 Performance Management Report (for copy see file of minutes).

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

Councillors noted that some of the key achievements in Quarter 2 included several linked to housing: the number of affordable homes delivered being significantly above target and the number of empty properties being brought back into use exceeding target. Members learned that the number of private sector properties improved through Local Authority intervention had increased, since the last quarter, though was behind target, however the figure was higher than the period last year. It was added that the success rate for adult skills funded provision had improved from the previous academic year and was higher than the national average.

Members noted information relating to Tracker Indicators including: an increase in comparison to the figures from last year in terms of net homes completed; a increase in the number of homelessness preventions and a decrease in the acceptance of a statutory homelessness duty; and a general improvement in tourism indicators, including an increased number of visitors and an increased visitor spend, albeit with a slight decrease in the number of jobs supported by the tourism industry.

Members noted progress with Council Plan actions, such as: the CDP being withdrawn to allow for a refresh and resubmission for public examination in early 2016; Phase 1 improvements to Consett town centre having been completed ahead of schedule and Phase 2 works to commence; and the further progress in terms of the Digital Durham Programme.

It was added that the key performance issue for the theme were: the proportions of major and overall planning applications being determined within deadline, in the context of the number major and overall planning applications having increased this quarter; the number of potential jobs secured or created as a result of Business Durham activity improved, though just below target; and a reduction in the number of apprenticeship starts funded through the Council in comparison to last year, noting that a bid for European Funding in this respect was ongoing and if successful could see a programme of apprenticeship starts begin in February 2016.

Members noted the Tracker Indicators set out within the report including: a slight increase in the employment rate, a decrease in the number of Job Seekers Allowance (JSA) claimants aged 18-24 in comparison to last year; and a slight decrease in those accessing JSA for one year or more. It was added that the proportion of people out of work who wanted a job had improved since the last quarter, however still remained worse than the England, regional and nearest statistical neighbour averages. The Committee noted that there had been a reduction in the number of applications registered on DKO leading to a successful re-housing.

Councillors noted several key Council Plan actions that had not achieved target included: a delay in establishing planning consent for Aykley Heads from May 2016 to June 2016; a revised timescale for the construction of the railway station at Horden, from August 2017 to November 2017; a delay in the Heritage Lottery Fund (HLF) application for the historic quay at Seaham from October 2015 to January 2016; a delay on the delivery plan for Seaham with the Homes and Communities Agency, planning permission expected in July 2016 for works on site in January 2017; and a delay in respect of a programme of works being agreed for Festival Walk at Spennymoor, negotiations still ongoing. Members noted an action that had been deleted was the restoration of the former boy's grammar school at Bishop Auckland as a HLF application had been declined, noting a meeting with HLF as regards further options will be held.

The Performance and Planning Manager concluded by reminding Members of the agreement signed in October 2015 as regards the devolution of powers to the North East Combined Authority (NECA) and the next steps in terms of governance arrangements, including a poll of residents' views, with letters to go out 11 January 2016.

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

Councillor M Davinson referred to page 36 noting that a 2.1% improvement to the employment rate of 66.7% would be 68.8%, not 68.1% as stated. Councillor M Davinson asked for clarification as regards the number of affordable homes and net homes completed. The Performance and Planning Manager noted that the affordable homes brought forward could include existing properties that were made affordable, net new home were new properties where some may be affordable. Councillor M Davinson requested definitions for affordable homes and net homes completed.

Councillor J Clare noted the balance required when looking at tourism and mineral extraction, noting opencast developments and the tension faced by Members at Planning Committee. Councillor H Nicholson noted that an opencast site at Shildon that had completed and been restored to a high standard, having been of benefit to the local community, however, each application would need to be judged on its own merits.

Councillor E Adam noted that the figures in connection with tourism were positive, justifying the investment DCC had made in Visit County Durham (VCD), and asked as regards the figure on page 47, decreasing visitor numbers. The Performance and Planning Manager noted that the figure on page 33 was the statistical calculation that all Local Authorities used, with the figures on page 47 being directly from source. It was added that a number of visitors stay with family and friends and that the figure on page 47 represented core, paid attractions, though noted this was an issue for the service to look at.

Councillor J Armstrong noted that he believe the letters as regards a poll on the future arrangements for the NECA were to go out 14 January 2016, not 11 January 2016 as stated by the Officer. The Performance and Planning Manager noted he would check as regards the date and Members would be contacted as regards the correct date.

Resolved:

That the report be noted.

10 Review of Council Plan and Service Plans

The Chairman asked the Corporate Scrutiny and Performance Manager, Tom Gorman to speak to Members in relation to the Review of the Council Plan and Service Plans (for copy see file of minutes).

The Corporate Scrutiny and Performance Manager referred Members to the report noting the refresh of the Council Plan for 2016-19 and the associated draft objectives and outcomes. It was added that while there were no proposed changes to the performance indicator set, there was work ongoing regarding the indicator set. It was added that it was proposed that targets would remain the same, until after any new indicators were developed, with target setting to follow accordingly.

Members noted that as changes to benefits came into effect, the reporting of JSA figures would be phased out and replaced with reporting based on Universal Credit (UC), however there would be a need to understand what those new figures represented. It was explained that the Department for Work and Pensions (DWP) and the Office for National Statistics (ONS) were developing an indicator based upon "claimant count", although currently the figure they produced now was based upon "experimental data". Members were reminded that the current JSA figures were broken down into sub-sets, those 18-24 year olds in receipt and also those claiming for 12 months or more, and new indicators for UC would also include an overall total figure in addition. The Corporate Scrutiny and Performance Manager added that as the unemployment rate was a figure often quoted in the press it was proposed to include this as an indicator, alongside the proportion of the working age population not in work that wanted a job, and that those set of indicators should help to give a more complete picture in terms of employment and benefit claims for the county.

It was noted that there were discussions ongoing as regards the indicator referring to the number of registered businesses in County Durham and whether this should be deleted, and also the number of businesses engaged with by VCD was felt not to be robust and was also proposed for deletion. Members noted that Officers would be looking at the Quarter 2 figures to see whether the targets set were realistic and robust.

The Chairman recalled that in the past there had been special sessions with all Scrutiny Members in looking at the indicator sets and target setting and would speak to the Vice-Chairman and Chairman and Vice-Chairman of the Overview and Scrutiny Management Board as regards this. The Chairman noted that indicators referring to VCD were listed as tracker indicators, however, as VCD was part of the Council he asked whether it should be listed as a target indicator. The Corporate Scrutiny and Performance Manager noted as regards the VCD indicator and would discuss with the Service Grouping. The Chairman noted the review of the Council's Regeneration Statement coming next year and that this should reflect and compliment the Council Plan.

Councillor J Clare noted that while the indicator referring to the number of businesses engaged with by VCD may not be robust in terms of the tourism economy, the indicator could be seen as an indication of the performance of VCD. The Chairman referred to the recently completed scrutiny review looking at marketing undertaken by VCD which had made recommendations in relation to performance indicators for VCD and commented that indicators should not be removed.

Councillor J Armstrong noted that he would liaise with the Head of Planning and Performance and the Corporate Scrutiny and Performance Manager and come back to the Committee as regards indicators.

Resolved:

- (i) That the updated position on the development of the Council Plan and the corporate performance indicator set be noted.
- (ii) That the draft objectives and outcomes framework attached as Appendix 2 to the report be noted.
- (iii) That the comments on the draft performance indicators proposed for 2016/17 for the Altogether Wealthier priority theme contained within Appendix 3 be noted
- (iv) That the comments made by Members on current targets in Appendix 3 and for target setting for 2016/17 onwards be noted.

11 Minutes of the County Durham Economic Partnership

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

Economy and Enterprise Overview and Scrutiny Committee

23 February 2016



Digital Durham Programme - Update

Report of Don McLure, Corporate Director Resources

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with an update on the progress of the Digital Durham Programme.

Background

- 2 Digital Durham is a £35 million initiative to transform broadband speeds for residents and businesses in the programme area.
- 3 Durham County Council leads the programme on behalf of nine other North East local authorities:
 - Darlington Borough Council
 - Gateshead Council
 - Hartlepool Borough Council
 - Middlesbrough Council
 - North Tyneside Council
 - Redcar and Cleveland Borough Council
 - South Tyneside Council
 - Stockton-On-Tees Borough Council
 - Sunderland City Council
- 4 Contract 1 was signed in April 2013 with BT and Contract 2 in February 2015. The two contracts are valued at approximately £35m. The 10 councils have put different levels of funding into the programme based on their individual BDUK grant allocations and ability to match the amount.

Contract 1

- 5 Contract 1 will provide additional fibre infrastructure to approximately 105k premises, and a commitment for all premises to have access to a solution which will provide a minimum download speed of 2 megabits per second (Mbps).
- 6 After the contract is completed in July 2016, it is estimated that 94% of properties in the programme area will have access to a superfast broadband service in excess of 24Mbps download speed. In Durham this percentage will be 96%.
- 7 To date approximately 430 fibre cabinets have been built serving approximately 95,000 premises.

- 8 The programme started to build fibre infrastructure in earnest in April 2014 and currently 21.84% of premises in Durham who can access an improved broadband service have taken up a service
- 9 Currently the delivery of Contract 1 is ahead of the build target and under budget.
- 10 The National Satellite connection voucher scheme went live on 16 December 2015. This is to provide a broadband service where the fibre based solution will not provide an improved service. The connection voucher is for a maximum amount of £350 per premise and covers installation and hardware costs, the premises still need to pay for the service.
- 11 In Contract 1 there is a budget of £490,700 for Satellite connection vouchers and to date 8 vouchers have been issued. A premise is only eligible for the voucher if they are currently receiving less than 2 mbps download and will not be upgraded as part of the fibre roll out in the next 12 months.

Contract 2

- 12 Contract 2 will extend access to fibre infrastructure to a further 29K premises. This contract is scheduled to start in July 2016 and finish by December 2018.
- 13 On completion of both contracts, approximately 97% of premises in the programme area will be able to access a superfast broadband service. In Durham this percentage will be 98%.

Funding Released by BT (Phase 3)

- 14 BT has recently carried out a financial assessment of all 44 Phase 1 programmes with the agreement of BDUK. As a consequence additional funding has been released back to the high performing programmes for the installation of additional fibre infrastructure. In Digital Durham's case this amounts to £2.343m, of which £1.668m relates to Durham.
- 15 This will result in BT building fibre infrastructure to a further 4,381 premises in the programme area. The exact figures for Durham are not yet known.
- 16 This additional infrastructure build will be added to the end of the Contract 2 build plan.
- 17 Work will continue to try and reduce the number of premises without access to effective broadband to as close to zero as is possible.

Recommendations

- 18 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note the contents of this report.

Contact: Phil Jackman, Head of ICT
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Appendix 1: Implications

Finance – This is a £35 million programme of which Durham County Council has committed up to £7.9 million in capital.

Staffing – A small team is dedicated to the programme.

Equality and Diversity – N/A

Accommodation - N/A

Crime and Disorder - N/A

Human Rights - N/A

Consultation – N/A

Procurement – N/A

Disability Discrimination Act - N/A

Legal Implications - N/A

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**Economy and Enterprise
Overview and Scrutiny
Committee**



23 February 2016

Homelessness Update

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

Purpose of the Report

1. To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with background information on Homelessness in County Durham. A presentation will be delivered at the meeting by Marie Smith, Housing Manager.

Background

2. The Economy and Enterprise Overview and Scrutiny Committee have received a number of presentations in relation to homelessness and progress on delivery of the homelessness strategy. The presentation on the 23rd February 2016 will highlight the work of the Homeless Action Partnership (HAP), the headline statistics and the ongoing work to address homelessness in County Durham.

Background to the HAP

3. Since its inception in 2004, the work of the Homeless Action Partnership (HAP) chaired by Housing Solutions continues to highlight concerns and respond effectively to identified needs and Government policies.
4. New initiatives are developed and managed to assist in reducing homelessness across County Durham in line with the Homelessness Strategy aims and objectives.
5. It is essential in the prevention of homelessness that key stakeholders are informed of the causes, consequences and possible solutions available to those in housing need across County Durham to ensure those in need of service can seek access as soon as possible to avoid crisis.
6. The Homeless Action Partnership (HAP) & Homelessness Strategy involves multi-agency working to prevent and address homelessness. This involves joint working with partners and third sector agencies in relation to funding bids, for example the Government initiative Fair Chance Fund. The fund aims to improve accommodation and work outcomes for a group of young, homeless people (predominantly 18 to 24 year olds) whose support needs are poorly met by existing service because of the complexity of their circumstances. A recent Health Audit in partnership with Homeless Link produced an assessment of health needs across County Durham of those who present as homeless.

Strategic Objectives

One of the overall aims of the Housing Strategy for County Durham is to provide Better Housing Support. The HAP regularly revisits priorities within its action plan to ensure policy & legislation changes and updates are reflected in the actions. Members of the HAP consider relevant data and discuss ideas/suggestions & problem solving and consider innovative ways of reducing homelessness. The four strategic objectives as set out in the homelessness strategy are:-

- To prevent homelessness for all in housing need across County Durham.
- To ensure that services work in partnership to meet the needs of all clients, including those with complex needs and/or those at risk of rough sleeping.
- To ensure that sufficient, appropriate and affordable accommodation is available for people who are homeless or at risk of becoming homeless.
- To understand legislation changes and the impact.

Headline Statistics for Homelessness

7. The number of contacts to the Housing Solutions service is captured and analysed to determine the type of assistance offered. Clients are signposted for assistance by the Gateway team to a range of specialist officers. These include Gypsy Roma Traveller (GRT), Private Landlord Initiatives, Homeless Advice and Prevention, Home Improvement Agency (HIA), Regeneration & Warmer Homes, Durham Key Options choice based lettings scheme & Family Intervention support.
8. A general assessment of need is made via a gateway triage system that looks to identify need and refer onto specialist officers where necessary. Those who are homeless or threatened with homelessness are assigned to a Homeless and Prevention Officer for more detailed assessment. This system is a more efficient way of identifying those who require a higher level of support from a dedicated specialist worker and minimises delays in intervention.

In Quarter 3 2015/16, table 1 show that 3807 clients accessed the service. This is broken down as follows:

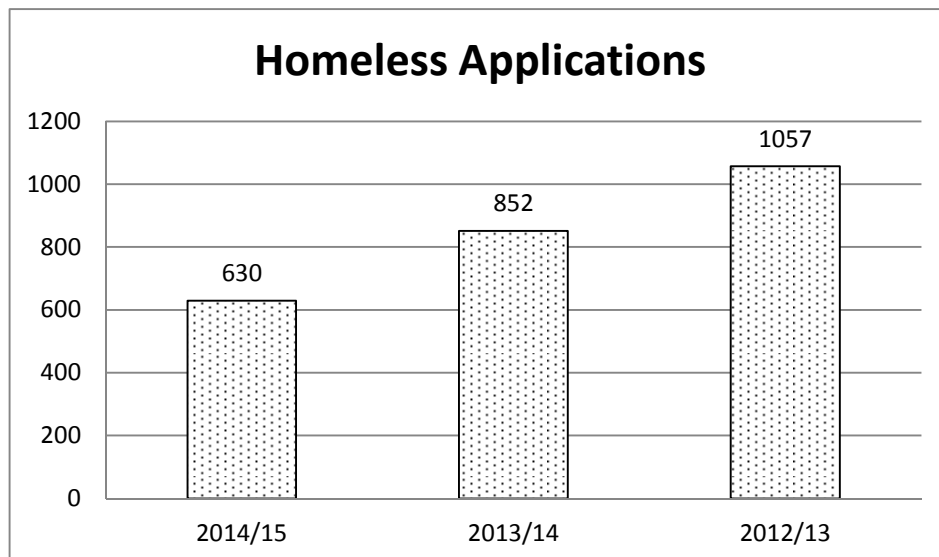
Table 1

Older Persons Under Occupation Scheme	11
Hardship Under Occupation Scheme	19
Welfare Reform	361
Warm & Healthy Homes	71
Gateway Only	567
FIP	27
HIA	177
Private Sector Initiatives Team	326
Homeless & Prevention Team	321
Soft Touch Management/Wizard Cases	1927

For example, during the quarter 142 cases were opened by the gateway triage team but transferred to a Homeless & Prevention Officer for more specialised advice.

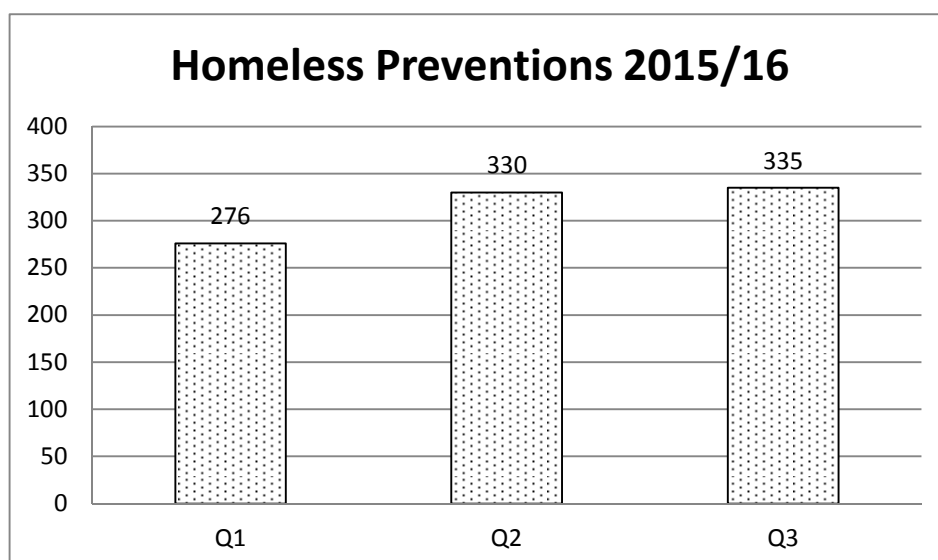
- Homeless applications have steadily reduced over the last 3 years. Interventions such as intensive family support, Single Homeless Officers, the Welfare Reform team and the recently implemented Gateway triage service have all contributed to the reduction in homeless applications. More holistic, intensive support allowing for prevention and the right amount of support offered matching the level of need has contributed to the reduction.

Graph 1



During the first three quarters of 2015/16, a total of 334 homeless applications have been recorded, a further reduction in homeless applications is expected this year. This figure is in-line with current trend.

Graph 2



Housing Solutions continue to aim to prevent homelessness where possible using a range of tools. Over the last three quarters prevention of homelessness has been achieved as shown in graph 2.

10. The number of cases accepted as statutorily homeless has reduced from 339 in 2012/13 to 187 in 2014/15. In the first three quarters of 2015/16 a total of 103 cases were accepted meaning that a further reduction is expected this year. This again reflects earlier intervention from other parts of the service.
11. The 2 main reasons for homelessness are violent relationship breakdown along with loss of assured short hold tenancy.
12. In response to this the Remain Safe project was established. This acts to assist those fleeing domestic abuse to enable clients to remain in their own home or seek alternative, suitable accommodation.

Prevention

A number of other initiatives and projects to tackle homelessness include:

- Joint Protocol – A system in place to safeguard all 16/17 year old presenting as homeless or threatened. Stronger Families – An embedded Think Family approach has been adopted throughout the service to ensure wider issues/causes are identified
- Pre- eviction protocol – Working together with landlords to prevent eviction stage via early intervention from specialist teams
- Discretionary Housing Payment (DHP) – Joint working with Revenue and Benefits making use of the fund to help people remain at home where there is a shortfall in rent or to move onto more affordable accommodation
- No Second Night Out and links to Outreach services – Rough Sleeper count

- Hospital Discharge Protocol – Health and Housing working together to ensure people have suitable accommodation to return to on discharge from hospital
 - Family Intervention – Intensive work carried out by funded key workers to address complex issues around housing, health, debt, worklessness and anti-social behavior
 - Rent Deposit Guarantee Scheme – to assist in breaking down financial barriers in to the private rented sector a rent agreement can be made with the landlord to guarantee payment of bond for any damage to the property or abandonment for those clients not in a position to pay upfront
 - Prevention fund – a fund made available to specialist officers to provide solutions which allow clients to access accommodation this could be in the form of support costs, essential furniture items, admin fees, moving costs etc. This scheme can reduce the use of unsuitable accommodation and time in temporary accommodation
13. The homeless data analysed over the last 3 years shows the majority of homeless applicants to be aged between 25-44 years of age. This figure has remained consistent with very little change since 2012.
 14. The majority of homeless applications come from lone parent (female) with dependent children.
 15. The east of the County - Easington, Blackhall, Peterlee and the surrounding villages continue to receive the highest number of accepted homeless clients which is likely to be due to the high stock numbers in the area.
 16. The number of tenants and residents suffering financial hardship has increased considerably within the last 18 months. This is due to changes to the welfare system and other economic policies which have affected people's income. This is recognised as a wider cause of homelessness and additional resources have been targeted to address this for example, specific welfare reform officers who work with housing providers and private landlords to target those most affected.

Success of the HAP to date and further work

17. The HAP is made up of a number of statutory agencies, housing providers, third sector and voluntary agencies. This joint working approach delivers on the homeless strategy objectives with the overall aim being to prevent homelessness for all in housing need across County Durham. Some examples of the joint working include;
 - Holistic Temporary Accommodation Support Service (HTASS). This scheme provides temporary accommodation and is managed by Stonham Housing. This was jointly commissioned with Children's and Adult Services and funded supporting the Council's duties owed under the Children's Act and Homelessness legislation After recent negotiations Stonham have recently been awarded a 12 month extension of the contract to expire May 2017.

- Development of and continuation of the Joint Protocol for 16/17 year olds (part of the HTASS service) ensures a joint assessment of young people's housing, advice; training & employment and emotional needs are considered. A number of partners are signed up to the protocol to include, Housing Solutions, Children and Young People's Service, One Point and the Youth Offending Service.
 - Maintaining links with the private/voluntary and 3rd sector.
 - Creation of more effective links/joint working with DWP – linked initially to sanctions.
 - Additional funding for Churchill Square – via Regional Homeless Group – linked to MEAM approach; Making Every Adult Matter.
 - Links with Homeless Link and wider support for activity of the HAP.
 - No Second Night Out – Housing Solutions have established referral routes with a range of partners and the general public to report rough sleepers with assistance from Street link – Rough Sleeper Count – joint work with Homeless Link and partners to establish rough sleeper numbers in County Durham.
18. Consultation with members of the HAP has resulted in agreement of priorities over the next two years. It was established that the partnership would continue to meet every 8 weeks. Discussions around understanding future welfare changes and changes to legislation are to be discussed and agreed in terms of how to respond as a partnership. Opportunities to explore external funding and develop new initiatives are a key area for discussion. It is recognised that links with other strategic groups such as, Poverty, Durham Key Options and Health will add value to discussions and can improve outcomes.

CLG Committee Enquiry

19. In December 2015 DCLG announced inquiry into causes of homelessness and approaches taken by national and local government to prevent and tackle homelessness. The information will be considered and a decision made in relation prevention of homelessness becoming a statutory function.
20. Durham contributed to a joint Regional response via the North East Regional Homeless Group. However, it was felt the Regional response did not capture the wider work of Durham around preventing homelessness.
21. A separate Durham response was submitted on Monday 8th Feb 2016. This document highlights the key recommendations from the regional response with additional information from Durham which adds value and includes additional detail around Housing Solutions and the continued work on prevention of homelessness.

Overview

22. Significant progress has been made in achieving the Council's overall strategic priorities in regard to homelessness and housing need. However, pressures remain for both households and services seeking to respond to housing need. Households continue to feel the pressures from welfare reform, the increased cost of living and slow growth in the economy across the North East, compared to other parts of the country.

Summary

23. The Housing Solutions Service and many partners continue to monitor, respond and develop services to meet housing need and homelessness across County Durham. The current environment is a challenging one for all services seeking to support some of the most vulnerable members of our communities. The Housing Solutions Service has had to evolve to meet financial pressures and ensure it delivers a more efficient and effective service, yet still maintain quality and a focus on supporting customers to find a sustainable home. Over the past 6 years the service has invested, innovated and developed services to prevent homelessness and support those in housing need.
24. The need for homelessness services is not diminishing. Financial hardship, debt, insecure private sector housing and relationship breakdown, both violent and nonviolent, remain the main reasons for people seeking support. The partnership will therefore continue to develop and innovate to ensure services are able to respond to meet the challenges faced by many residents.

Recommendations

25. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.
26. That the Economy and Enterprise Overview and Scrutiny Committee as part of the refresh of the work programme for 2016-2017 receive a further update on homelessness in County Durham.

Author: Marie Smith – Housing Manager
Tel: 03000 264 724

Appendix 1: Implications

Finance – None

Staffing – None

Risk – None

Equality and Diversity– Impact assessment completed.

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – None

Disability Discrimination Act –None

Legal Implications – Legal requirement under the Homelessness Act 2002 for Local Authorities to publish and review the Homelessness Strategy.

Economy and Enterprise Overview and Scrutiny Committee

23 February 2016



Durham Key Options (DKO) Update

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

Purpose of the Report

1. This report is to update the Economy and Enterprise Overview and Scrutiny Committee on the performance and headline statistics of Durham Key Options' (DKO) Choice Based Lettings scheme.

Background

2. Members have previously received several updates in relation to DKO with the last update provided to the committee in January, 2015. At the meeting of the Economy and Enterprise Overview and Scrutiny Committee on the 29 October 2015 (during consideration of a report identify how the committee will scrutinise the County Durham Housing Group) members requested that a further update be provided on DKO.

Durham Key Options Overview

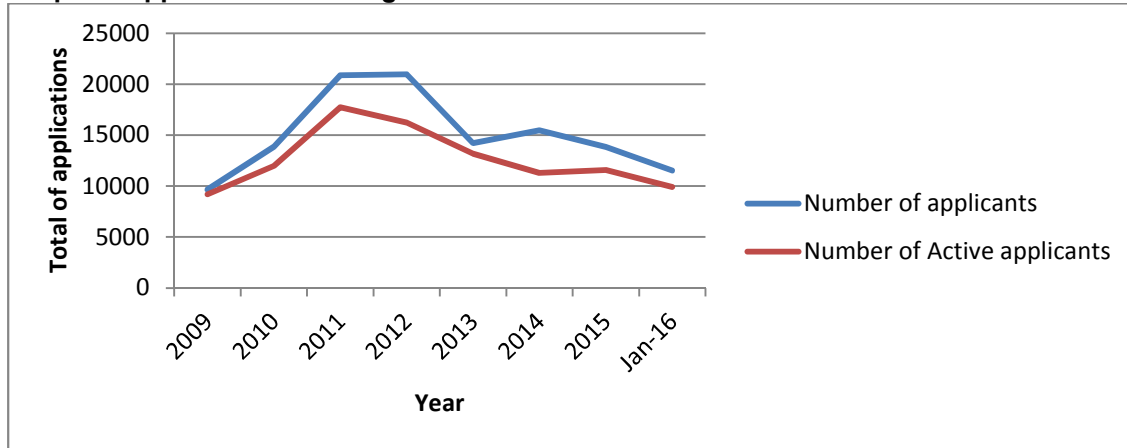
3. Durham Key Options is a choice based lettings (CBL) scheme. CBL is a way of enabling people looking for a home, to bid for available properties that are advertised in their chosen areas.
4. Durham Key Options began in 2009 merging the old district and borough regions under the same lettings scheme to make social housing more affordable and easily accessible for applicants. The scheme has continued to grow and develop delivering a high standard to customers, with all partners following one policy for assessments of housing need and allocations. The partners consist of:
 - Accent
 - Cestria Community Housing Association
 - Dale and Valley Homes
 - Derwentside Homes
 - Durham City Homes
 - East Durham Homes
 - livin
 - Teesdale Housing Association
5. Accent (the only non-former council stock RP) are leaving the partnership on 31 March 2016 due to cost implications. They will continue to advertise 50% of all lets via DKO, as per the DCC Nomination Agreement.

- 6. The current DKO lettings policy operates a five banding system bands A to E and applicants are assessed and placed in the relevant band according to housing need. The Government have set a number of reasonable preference groups and all lettings policies must award priority to these groups.

Housing Register: current registrations

- 7. On 1st January 2016, the total number of applicants registered for housing with DKO was 11,517, with 9,914 applicants active to bid. Graph 1 shows the trend in registrations since 2009.

Graph 1: Applicants on the register since 2009

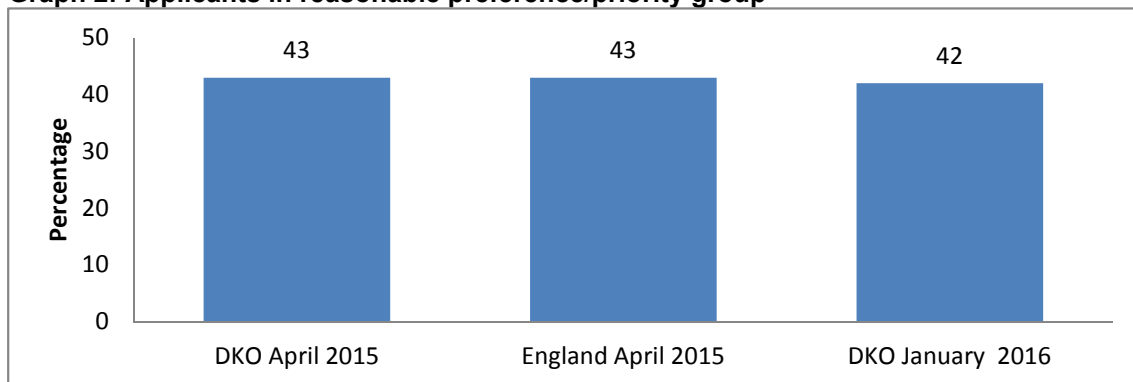


- 8. The reduction is due to an improved re-registration process to ensure those applicants registered still require housing and are suitable.

Housing Need: applicants registered in priority groups

- 9. Graph 2 shows the percentage of applicants currently registered within the reasonable preference groups/ statutory priority groups, as compared to the year-end figure and the national figure for England.

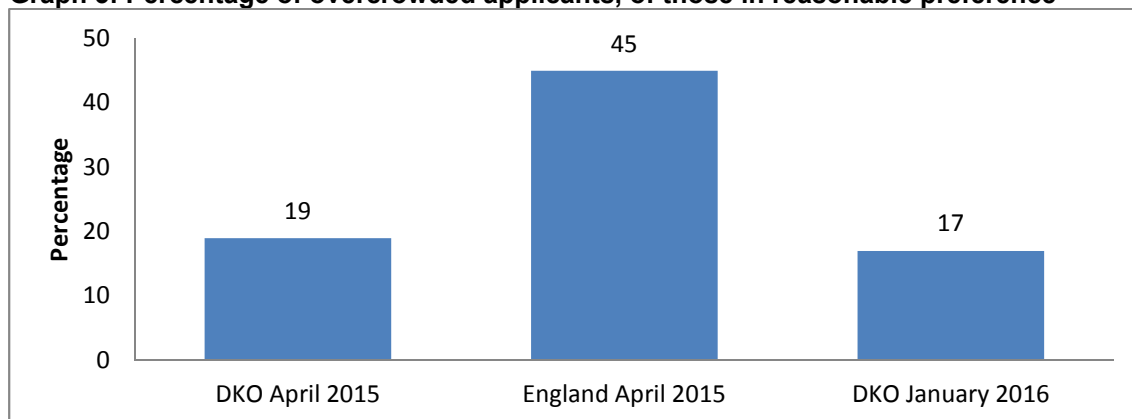
Graph 2: Applicants in reasonable preference/priority group



- 10. This shows the current percentage (42%) of those in housing need (as stated by government) is consistent with both the DKO year-end figure (43%) and the national average (43%). So, overall, County Durham’s housing need on the social housing register is proportionate to other areas of the country.

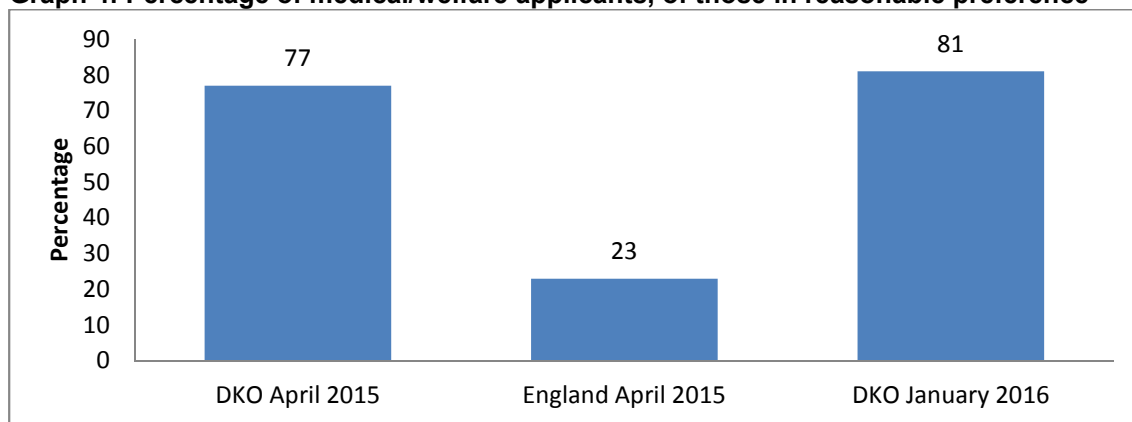
11. Graphs 3 and graph 4 show a further breakdown of the priority groups and the reasons for people needing housing.

Graph 3: Percentage of overcrowded applicants, of those in reasonable preference



12. Of the 42% currently in priority groups, 17% of that total is overcrowded. This is much lower than the 45% national average. This would indicate that although there may be a shortage of social housing for independent living in some areas of County Durham, there is not a general shortage of bedroom space, as applicants can either live in, share accommodation, or hold a tenancy (private or social) where there is enough bedrooms for the household makeup.
13. Graph 4 displays the percentage of applicants assessed as having a medical/welfare need.

Graph 4: Percentage of medical/welfare applicants, of those in reasonable preference

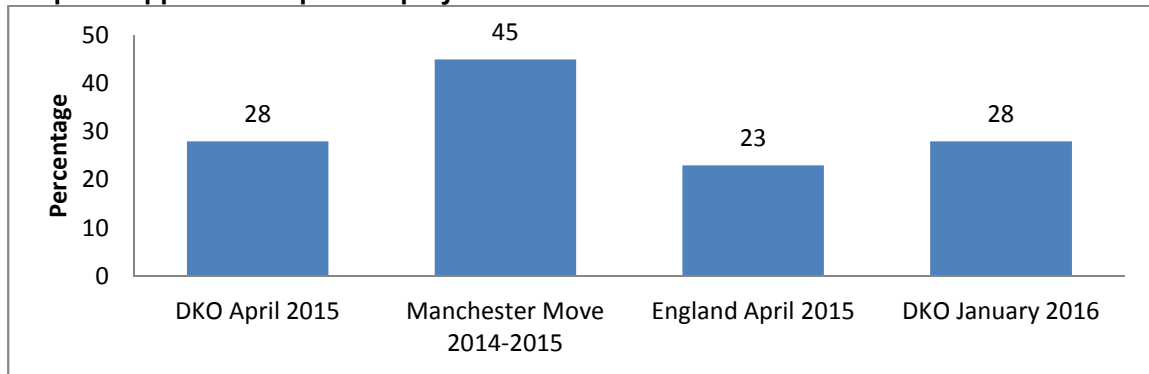


14. Just over 1 in 5 applicants that have a housing need in England are assessed as having that need due to a medical or welfare issue. However, 81% of all housing need in County Durham is currently due to medical/welfare issues (rising from 77% at the year-end). This is significantly higher than the national average. To clarify: if 42 people from every 100 in County Durham have housing need (in reasonable preference) then *of those* 42, the number with a medical/welfare need is currently 34 (81%).

Employment and income levels of current applicants

15. Graph 5 shows the percentage of applicants registered who are currently in paid employment compared to the year-end figure and other regions.

Graph 5: Applicants in paid employment



16. In comparison to the national average (23%) DKO has more people in paid employment on its register. However, Durham has less employed applicants than Manchester Move (45%) and this is due to qualifying criteria in their lettings policy and their community banding priorities. These are used to differentiate between applications of similar housing need- those in work are rewarded. This approach to reward employment will be considered again, when the policy for Durham is next reviewed, in 2016.
17. In 2014-15, 76% of registrations for the partnership fell in the income bracket of less than £15,000 last year (with a further 7% in the bracket £15-£20,000). Just 1% of registrations came from those with income of £30,000 plus.
18. There were 2,688 applying to DKO from the private sector in 2014-15 and 76% of those applicants (2,042) fell into the income bracket of £0-15,000.
19. This is exactly in line with *all applicants* to DKO. This would suggest that high earning private tenants do not apply to DKO at any greater rate than social tenants in a similar position. Further work is to be carried out to establish how this compares with income levels of those tenants applying direct for accommodation in the private rented sector.

Bidding and demand

20. In the first 9 months of 2015-16 average bids for 1 bed properties have dropped compared to the last financial year- from 3.5 to 3.2. But the average bids for 2 bed properties have increased from 6 to 6.6, county wide. Average bids for 3 beds remains at 2.4, just under the average from last year (2.5).
21. Data from April 2013 to April 2015 has been analysed to identify the trend in bidding. This has revealed that bids for 1 bed properties are now just a third (3.26 bids) of the total from 3 years ago (9.05), and bids for 2 bed properties are just less than a quarter (5.91) now, from 3 years earlier (a massive 26.08).
22. The average bids for 3 bedroom properties has reduced from 5.38 to 2.32, and bids for 4 bedroom properties have dropped from 14.58 to 3.94 (around a quarter of the previous size). All eight partners show a drop in average bids across their stock, with most partners now receiving around 25-30% of previous totals. However, Cestria's drop in average bids is less significant- around 50% of their previous number. All property types receive less bids now, compared to 3 years ago.

23. It should be noted that In April 2013, in addition to the welfare reform changes, the DKO partnership introduced a three refusals rule to the policy. If an applicant refused three suitable offers, following a successful bid, they would be removed from the DKO scheme for 6 months (subject to appeal). This rule was introduced to save resources for the partners when dealing with ‘scatter gun’ bidding by applicants, and to make applicants think carefully where they wanted to live to improve sustainability in neighbourhoods. This rule is highly likely to have affected average bids post-2013.
24. Bungalows show the least significant drop, with bids still received at around half the rate (8.46) compared to 2012-13 (15.79). Sheltered properties also receive around half the bids now (3.03) compared to three years ago (5.9).
25. The most dramatic shift in average bids is for houses of all types, where bids have dropped by up to 90% for detached houses, and 70-75% for semi-detached and terraced homes.
26. Band E includes applicants registered with no housing need but can bid for properties and be allocated these if no other applicants are interested. The highest percentage of Band E lets, by area, for each region (which may indicate low demand in those regions) is as follows:

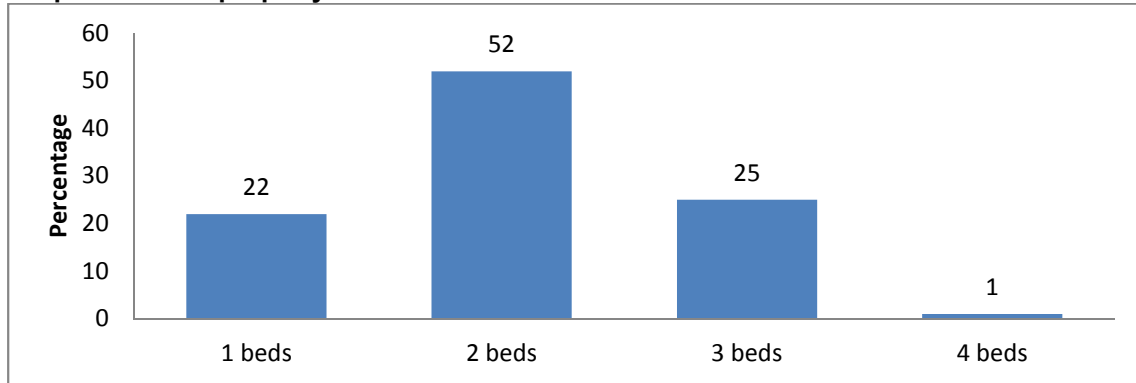
Region	Area with highest % of band E lets
Chester-le-Street	Pelton
Derwentside	Moorside Estate
Durham City	Brandon
East Durham	Thornley
Sedgefield	Jubilee Fields, Shildon
Teesdale	Evenwood
Wear Valley	Watergate Estate

27. Pelton, Brandon and Watergate Estate were also the areas with the highest percentage of band E lets (for their respective region) in 2014-15.
28. The top three percentages of Band E lets, by property type, possibly indicating low demand are:
- | | |
|---------------------|-----|
| 3 bed terraced | 21% |
| 3 bed semi-detached | 21% |
| 2 bed terraced | 17% |
29. 72% of the total lettings to Band E applicants were to new tenants and 28% were transferring tenants within DKO.

Lettings

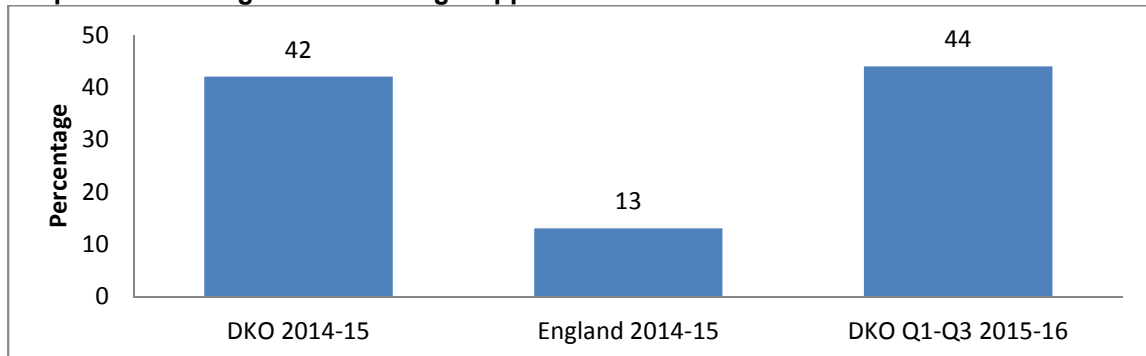
30. In the first 9 months of 2015-16 there have been 3,377 properties social lets through Durham Key Options. Graph 6 shows the percentage breakdown by size of property let:

Graph 6: Size of property let in 2015-16



31. All bedroom sizes are within 1% of the year-end figures for the previous year (2014/15) for DKO.
32. In light of welfare reform and the under-occupancy charge, lettings to single applicants have been monitored. Graph 7 shows the percentage of lets to single applicants with no children, in quarters 1 to 3, compared to the last annual DKO figure and the national figure:

Graph 7: Percentage of lets to single applicants with no children



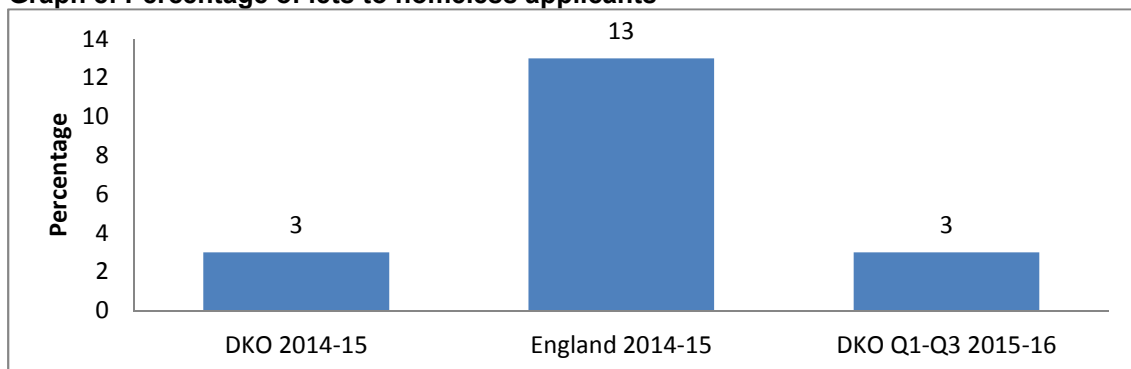
33. Durham Key Options is significantly higher (44%) in its lets to single applicants than the national average (13%). This is likely to be because of the difference in other lettings policies across the country, where many other schemes do not allow under-occupation eg singles are expected to accept 1 bedroom properties only.
34. This could be seen to be a negative for DKO- allowing under-occupation to applicants who may not be able to afford the rent (if claiming housing benefit) and may build up rent arrears. However, DKO would need to investigate whether the partnership could fill future voids with families alone, if they were to amend the policy in a future review. Nearly half of all lets within DKO are to single applicants, so the partnership would need to be confident that there is demand in County Durham from families- *for all areas*- if amending policy.

35. The largest percentage of lets made to one age group was 23% to 25-34 year olds. This was in line with the registrations for this age group in 2014-15, with 26% received. This trend may change when the government introduce LHA for social housing too, and single under-35s have a greater deficit to pay on rent.
36. The single largest group (by age *and* tenure type) for lettings over the last year was private tenants aged 25-34, with 6.8% of all lets. This is followed by the same age group but recorded as 'living in'.
37. In April 2013 the DKO partnership decided to award Band B for 2 'spare' bedrooms and band C for one 'spare' bedroom, to all tenants of the full partners that registered for rehousing (regardless of income). In January 2015, figures (Appendix 2, Table 1) were presented to Scrutiny as an update on under-occupation within the partnership.
38. Appendix 2, Table 2 shows the current situation regarding under-occupiers registered with DKO. A further 209 tenants have been re-housed in the last 13 months. The number of applicants that registered but have a closed has doubled. This may happen for a number of reasons including non-return of information requested or annual renewal, or the applicant may simply have decided to stay in their current home.
39. Nearly half of all tenants (44%) registering with DKO due to under-occupation have been rehoused since the policy change in April 2013. Dale and Valley Homes (20%) and East Durham Homes (21%) have the least number of under-occupying applicants waiting for rehousing to a smaller property, as a percentage of their total under-occupying registrations.

Homelessness

40. Graph 8 shows the percentage of lets in Q1 to Q3 to homeless applicants, compared to the national average last year:

Graph 8: Percentage of lets to homeless applicants



41. The percentage of homeless applicants that have secured a home via DKO has stayed the same as last year's annual figure and this remains much lower than the 13% national average. Other authorities, in higher populated areas may not have the pro-active approach to prevent homelessness in the same way that Durham County Council currently operates, and other regions of England record higher numbers presenting as homeless.

Armed Forces

42. The below table shows the number of applications received from those with an armed forces connection- that did not apply as homeless (homeless applicants would be assessed by the local authority and placed in homeless bandings- band B where the authority has duty, and band C, where there is no duty):

Current form state	2011-12	2012-13	2013-14	2014-15	2015-16
Active	0	0	0	5	5
Closed	8	13	7	2	0
Housed	2	12	15	7	3
Grand Total	10	25	22	14	8

43. All applicants with an armed forces connection that registered before 2014-15 have either been housed (29 applicants) or have had their form closed due to lost contact or resolving their own situation/requesting closure. 10 applicants with such a connection remain on the scheme and are looking for housing.
44. Of the 79 applications in the last 5 years, 39 have been housed (49%). But noticeably, 36 of those housed have been housed **since the policy was amended in April 2013** to award armed forces applicants with band C (instead of band D).
45. Just 3 applicants were housed from 2011-2013, from the lower band D.
46. The number of registrations from armed forces applicants has dropped from 22 in 2013-14, to 14 in 2014-15 and is on course for around 11 in 2015-16. This drop has been discussed at DKO Board in January 2016 and will be analysed further during potential policy changes this year.
47. However, it is difficult to suggest at present why the number interested in social housing may have dropped, considering the policy change to award band C instead of band D appears to have been a positive move for this group of applicants.

Terminations 2013-15

48. The number of terminations for the partnership reduced by 510 in 2015, compared to the previous year.
49. There has been a relatively sizeable increase in 'deceased' (95 extra), moves to other RP properties (36) and to give/ receive support (77), across County Durham.
50. The largest decrease across the partnership is evictions (145 less), followed by internal transfers (91), moves to larger accommodation (89) and abandonment (88). Moves to private rented also reduced (33).

Private Landlord Accreditation and DKO

51. Since April 2015 applicants to DKO also have the option of securing private rented accommodation through an application and bidding process.
52. Applicants applying for social housing, that state private rented accommodation is also an option, are automatically registered to bid for both accommodation types.
53. If an applicant does not qualify for social housing or simply does not want social housing, they can apply for private rented accommodation through the Housing Solutions service. Their application is then referenced by the Private Sector Team as green (no concerns), amber (low level arrears or ASB issues) or red (poor tenancy records).
54. If they qualify for social housing, they are automatically processed as 'green'.
55. There are currently 2057 applicants registered and able to bid on PRS accommodation. Of those, 153 have been referenced by the Housing Solutions service rather than coming via the social housing partners of DKO.
56. Of the 152, referenced applicants, 87 are red, 50 are amber and 15 are green.
57. Applicants bid each week via the DKO website and details are sent to landlords every week, of any interested parties.
58. There are currently 59 accredited landlords with Durham County Council and there are currently 50 PRS properties advertised across County Durham, at any given time.

Priorities for DKO for 2016

59. Promotion and advertising of the scheme is one of the main priorities of the partnership. Appendix 3 shows the advertising methods used in 2015, and the incentives offered by all full partners, to increase demand and the profile of Durham Key Options.
60. DKO Board has agreed the following 4 priorities for 2016:
 1. Low Demand
 2. Policy Review
 3. Partnership Review
 4. Marketing of DKO
61. These actions will be aligned with the refreshed housing strategy which is currently in development, and laid out in a DKO Action Plan 2016.
62. Potential policy changes (which would undergo consultation), **may** include:
 - Stricter qualification criteria regarding rent arrears/ rechargeable repairs (particularly if owed to the partnership)

- Under-occupiers to be financially assessed rather than 'pass-ported' to a priority banding (ie those that work and can afford full rent, may not receive priority, as they do now)
- A change from 5 to just 4 bands (for clarity with staff and customers)
- Removal of the existing quota system
- Amendment of eligibility for bed sizes outside of the government's assessment criteria for housing benefit rates (and future LHA rates)
- Greater work around affordability and housing options
- An increased number of bidding cycles, to speed the process for customer's and improve partner void times

Recommendation

62. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided within the report.

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Appendix 1: Implications

Finance – None

Staffing –None

Risk – None

Equality and Diversity – None

Accommodation - None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – None

Disability Discrimination Act –None

Legal Implications – None

Table 1: Under-occupying registrations to DKO as of 01.12.14

Durham Partner To Process	Active	Closed form	Housed	Grand Total
Accent Foundation	3	5	16	24
Cestria Community Housing Association	136	30	75	241
Dale and Valley Homes	67	33	64	164
Derwentside Homes	76	23	65	164
Durham City Homes	101	25	63	189
East Durham Homes	120	95	143	358
livin	87	39	124	250
Teesdale Housing Association	11	6	5	22
Grand Total	601	256	555	1412

Table 2: Under-occupying registrations to DKO as of 01.02.16

Durham Partner To Process	Active	Active %	Closed form	Housed	Housed %	Grand Total
Accent Foundation	5	17%	7	18	60%	30
Cestria Community Housing Association	96	34%	80	103	37%	279
Dale and Valley Homes	41	20%	76	85	42%	202
Derwentside Homes	61	27%	71	90	41%	222
Durham City Homes	86	36%	56	96	40%	238
East Durham Homes	91	21%	148	189	44%	428
livin	75	23%	75	174	54%	324
Teesdale Housing Association	9	32%	10	9	32%	28
Grand Total	464	26%	523	764	44%	1751

Table 1: Methods of advertising used by partners in 2015

	Accent	Cestria	DCH	DVH	EDH	Derwentside	livin	Teesdale
Facebook	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Right Move				Yes	Yes	Yes	Yes	
To let boards	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Gumtree			Yes	Yes	Yes	Yes	Yes*	
Zoopla	Yes							Yes
Recommend to a friend	Yes		Yes			Yes	Yes	
Windows adverts/ TV screens	Yes		Yes		Yes	Yes	Yes	
Bulk Messaging (Abitas)	Yes				Yes		Yes	
Property of the week on customer website	Yes		Yes				Yes	Yes
Flyers - door to door	Yes		Yes			Yes		
Own website	Yes	Yes		Yes		Yes	Yes	Yes
Previous shortlists	Yes	Yes	Yes			Yes	Yes	Yes
Showing customers more than one property	Yes		Yes	Yes	yes	Yes	Yes	Yes
Local newspaper							Yes	Yes
Van wraps	Yes			Yes			Yes	
Parish newspaper							Yes	
Twitter	Yes				Yes	Yes	Yes	
Targeted telephone campaigns							Yes	

*livin advise this method was too resource intensive to continue

Table 2: Incentives used for letting low demand properties in 2015

	Accent	Cestria	DCH	DVH	EDH	Derwentside	livin	Teesdale
Rent free week/ weeks	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Decorating vouchers	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Carpet vouchers	Yes	Yes		Yes	Yes	Yes		Yes
Assistance with furniture	Yes	Yes						
Carry out minor adaptations	Yes	Yes	Yes	Yes	yes	Yes	Yes	
Leniency with Introductory Tenants for amends (eg sheds)	Yes		Yes	Yes		Yes	Yes	
Time2Get Online training			Yes	Yes	Yes		Yes*	
Environmental improvements			Yes		Yes		Yes	
Help to move scheme (Internal)						Yes	Yes	
Flexibility for start dates				Yes	Yes	Yes	Yes	

* livin offer Digital Skills training courses with Foundations at Shildon

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Economy and Enterprise Overview and Scrutiny Committee

23 February 2016



Skills development scrutiny review - Update

Report of Lorraine O'Donnell, Assistant Chief Executive

Purpose of the Report

- 1 The purpose of this report is to provide members of the committee with an update on the progress of the scrutiny review focusing on how Durham County Council (DCC) working with partners supports skills development within County Durham.

Background

- 2 Members will recall that during 2014/15 the committee considered an update on the work of Business Durham together with a number of media items which reinforced the success of County Durham in attracting inward investment in recent years with a number of major companies locating in the county and a number of established companies expanding.
- 3 In addition, as part of 2014/15 work programme members also received an overview report and presentation on skills development within the county which included detail on the role of DCC in supporting skills development. When considering the report and presentation members commented that some employers within the county had expressed concern that the current workforce does not have the skills they require and members were concerned that a lack of required skills could be preventing local people from accessing employment opportunities.
- 4 When considering the refresh of the committee's work programme for 2015/16, members considered it timely to undertake a focused scrutiny review looking at the role and performance of Durham County Council working with partners to support skills development within County Durham.
- 5 The scoping report and terms of reference for the project were agreed by the committee at the meeting on the 29 October, 2015 which identified 7 meetings for the review group together with 2 visits for members to see 'first hand' the type and level of skills support provided within the County. It was agreed that the review would cover the following objectives:

The review will cover the following objectives:

- Consider and understand the current approach to skills development at a national, regional and local level including current funding arrangements.
- Examine the existing skill base of residents within County Durham and compare to the regional and national skill base.
- Consider and understand the role and performance of DCC and key partners in supporting skills development within the county including detail of various projects/initiatives including AAP activity.
- Examine how DCC engages with key partners including the National Careers Service, Business Education Board, FE colleges, specialist learning providers, employers and the County Durham Economic Partnership (CDEP) to support skills development within the County.
- Identify any skill gaps for a variety of specific sectors including: employers; adults; young people including young people who are not in education, employment or training (NEETs) together with types of barriers.
- Examine any actions identified to meet skill gaps and barriers.
- Identify and consider future skill priorities for the county.

Current position

6 The review group has held 3 meetings to date in November 2015, January 2016 and February 2016 during which they have received information on:

- Current approach to skills development - local/regional/national.
- Key strategies and policies in relation to skills development.
- Funding structure in relation to skills development and changes resulting from the Comprehensive Spending Review.
- Detail of employment trends – local/regional/national – skills performance data/information.
- Role of DCC in supporting skills development within County Durham – RED Service Grouping, CAS Service Grouping and AAP's.
- Identify key partners at local/regional and national level which support skill development identifying the type of support provided and engagement undertaken.
- Examples of various skill initiatives/projects.

Key conclusions

7 The review group to date have made a number of conclusions following the various meetings which include:

- The need to look further at the quality and delivery of Information, advice and guidance (IAG) provided to young people.
- Consider the current work experience offer within County Durham.
- Consider engagement with the business community within County Durham.
- Need to consider how we engage with universities in County Durham to encourage graduates to stay and work within the county.

- Employers are made aware of the additional funding available from DCC in relation to apprenticeships.
- Need to maximise the opportunities available via YEI (DurhamWorks Programme) for young people aged 16-24 in the county who are unemployed.
- Need for the performance of DurhamWorks Programme delivery partners to be monitored.
- Continued dialogue between AAPs and CAS to ensure that successful projects developed by AAPs which meet the criteria of the DurhamWorks Programme are identified for inclusion and rolled out across the County.

Next steps

8 There are a further 3 meetings of the review group scheduled together with visits and it is intended that the remaining meetings will include members receiving information on:

- Skill support provided by partners within the county including detail of support provided by: the County Durham Economic Partnership; Dyer Engineering; Esh Group; National Careers Service; Business Education Board; FE Colleges and Specialist Learning Providers.
- Skill gaps for a variety of specific sectors and barriers.
- Any actions identified to address gaps in provision and barriers.
- Future skill priorities and how they will be progressed.

Recommendation

9 That the Economy and Enterprise Overview and Scrutiny Committee note and comment on the progress of the skills development scrutiny review.

Background papers

Economy and Enterprise OSC report – Scoping report - Review of Skills Development – 29 October, 2015.

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Appendix 1: Implications

Finance - None

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