



Economy and Enterprise Overview and Scrutiny Committee

Date **Tuesday 29 March 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 meeting held on 23 February 2016 (Pages 1 - 10)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. EU Funding - Update: (Pages 11 - 24)
Report of the Corporate Director of Regeneration and Economic Development – Funding and Programmes Team Leader, Regeneration and Economic Development.
8. Quarter 3, 2015/16 Revenue and Capital Outturn: (Pages 25 - 32)
Joint Report of the Corporate Director of Regeneration and Economic Development and Corporate Director – Resources – Finance Manager, Resources.
9. Quarter 3, 2015/16 Performance Management Report: (Pages 33 - 50)
Report of the Assistant Chief Executive – Performance and Improvement Team Leader, Regeneration and Economic Development.

10. Refresh of the Work Programme: (Pages 51 - 64)
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
17 March 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

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Tuesday 23 February 2016** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Bell, J Clare, M Davinson, D Hall, T Henderson, B Kellett, H Nicholson, R Ormerod, O Temple and A Willis

Co-opted Members:

Mr T Batson

Also Present:

Councillor E Tomlinson

1 Apologies for Absence

Apologies for absence were received from Councillors J Maitland, A Patterson, P Stradling and S Zair.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meetings held 21 December 2015 and 8 January 2016 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: Ministers told to get a “reality check” after hailing bumper job figures for the North East; a unique Auckland Castle apprenticeship academy set to plug skills gap; applications were sought for £2million LEADER programme to boost the rural economy of the North Pennine Dales; and the North East Economy having received a multi-million boost from national tourism project.

The Chairman noted a recent newspaper article had shown there were more business start-ups within one London postcode area than all of Yorkshire put together and felt this was something that should be addressed by Ministers.

Councillor J Armstrong noted the LEADER programme and asked if more information as regards the areas that could bid for funding be given to Members. The Portfolio Holder for Assets, Strategic Housing and Rural Issues, Councillor E Tomlinson noted that there was funding for the North Pennine Dales and a lesser amount in connection with the coast, however, agreed that it was important for Members to be able to understand the geography, to be informed in terms of the potential to bid for funding. Councillor J Clare agreed, noting he had discovered, somewhat surprisingly, of the potential for bidding for funding in respect of his division and noted it was worth finding out. The Chairman agreed that information in terms of the LEADER programme geography be forwarded to Members.

Resolved:

That the presentation be noted.

7 Digital Durham - Update

The Chairman introduced the Head of ICT Services, Phil Jackman who was in attendance to give an update as regards the Digital Durham Programme (for copy see file of minutes).

The Head of ICT Services thanked the Committee for the opportunity to provide an update in respect of the Digital Durham Programme and reminded Members of the 2 contracts with BT totalling £35million and the aspiration in terms of 100% coverage of superfast broadband, with download speeds in excess of 24Mbps. Councillors recalled that the overall programme involved Durham County Council (DCC) and 9 other Local Authorities in order to create the critical mass required, noting that recently North and South Tyneside Councils had joined the programme. It was added that while it would be unlikely to achieve 100% coverage, the estimate for the coverage in County Durham after the completion of the second contract with BT in July 2016 would be 96%, ahead of the government target of 90% for “Phase 1” and 95% for “Phase 2”. It was added that Contract 1 would provide fibre to cabinet (FTC) for approximately 105,000 properties, the majority in County Durham and none being within North or South Tyneside, and that to date 450 cabinets had been built, serving approximately 100,000 properties.

The Committee noted that there had been investment in promoting the take up of superfast broadband as there was an ability to have a degree of “claw back” or “gain share” once take up was above 20%. It was noted that currently the take up in County Durham was 21.84% and that eventually it was estimated that take up would be within the region of 30-35%.

Councillors noted that a budget of approximately £500,000 had been available in terms of offering satellite connection vouchers, and to date only 8 vouchers had been issued. It was added that it was not thought this solution would have a huge take up as while the voucher would help with initial installation and setup cost, individuals would still be required to pay for the service.

The Head of ICT Services explained that Contract 2 would begin in July 2016 and this would extend the fibre infrastructure to a further 29,000 properties, including North and South Tyneside. It was noted this would likely increase coverage to 98% for County Durham by the end of Contract 2 by December 2018. Members noted this would leave approximately 4,500 properties within the County not able to access superfast broadband, of a total of around 240,000 properties.

Councillors noted that through gain share and underspends it was hoped to be able to provide further access to superfast broadband, a “Phase 3”, with approximately a further 4,381 premises within the programme area, the number of which would be within County Durham not being known at this time, however equating to £1.668million for County Durham out of £2.343million for the whole programme area.

The Head of ICT Services concluded by noting the success of the programme and adding that the properties remaining after completion of Contract 2 would be the more difficult to reach, in terms of being the more isolated hamlets and remote farmsteads within the County.

The Chairman thanked the Head of ICT Services for his update and asked why the second phase only added an extra 2% in terms of properties being able to access superfast broadband. The Head of ICT noted that Digital Durham worked in parallel with BT and that where commercially viable, BT would provide the service, and where it was not, Digital Durham would then support the provision.

Councillor R Ormerod noted the excellent work of the programme and asked whether there was a role to play for Town and Parish Councils in terms of “hard to reach” areas to encourage take up, noting East Ridding Parish having paid for some rural broadband works. The Head of ICT Services noted that a few Local Authorities had tried to maximise their uptake of broadband services via business parks and within town centre, against advice from Digital Durham. It was added that there was a community broadband scheme to help “close the gap” in terms of rural broadband, however, and any interest in such a scheme would be useful.

The Chairman noted that there was an element of those hard to reach rural areas being those areas that would benefit most from such a superfast connection.

Councillor E Adam noted the poor take up in terms of the satellite vouchers and asked if there was any work ongoing to try and encourage people to take up this option.

The Head of ICT Services noted that there was already a viable commercial market for satellite provision, and there were some issues of performance, namely latency, that may negatively affect popular uses of broadband provision, gaming and streaming of television and video calling. It was added that the funding made available for this would not be lost, rather rolled forward into "Phase 3".

Councillor D Hall asked as regards feedback on the take up of broadband, any reasons why it had not been taken up, and what this meant in terms of paying for the investment. The Head of ICT Services noted that the model was a "gap-funding" one and on an assumption of a 20% take up to recoup investment, take up over 20% would result in a per property amount coming back to the Council with customers still paying the same price as per advertised tariffs.

Councillor J Armstrong noted the continuing situation in terms of provision in the Newton Hall and Framwellgate Moor areas, and also with slow speeds in areas within his electoral division. The Head of ICT Services explained that the Newton Hall area was one that fell within a BT Commercial area and added he believed they had experienced issues in terms of power supplies. It was added Members could contact the Digital Durham e-mail, or the Head of ICT Services, in terms of any specific issues in their area.

Councillor J Clare asked as regards the roll out of provision in rural areas, and also issues where fibre had been installed to cabinets within an area, and BT had noted there were "no free ports". Councillor J Clare asked whether this was a more general problem and gave an example he gave within his area, Ryder Court, Newton Aycliffe and whether this was not an area Digital Durham could assist with. The Head of ICT Services noted that in areas that had been enabled there was a process of leaflet drops to explain what was being provided and that people would need to pay to upgrade. It was added that once cards within cabinets were full there was an issue, with around 40 cabinets with that issue in the County. The Head of ICT Services explained that there had been some updates in this regard, and that he would look at those areas highlighted by Councillor J Clare and get back to him directly.

Councillor E Tomlinson asked the Head of ICT Services to give some further information as regards the wireless programme at Teesdale. The Head of ICT noted that the Digital Dales programme had begun 6-7 years ago, with funding via the Regional Development Fund (RDF). It had required take up of around 1,000 properties to "break even" and there had been less than 140 taking up that scheme and noted that sustainability was an issue, with the wireless programme being £45 per property in contrast to the price with BT starting at around £15. Councillor D Hall asked if there were any plans for the Council to be a provider in terms of broadband. The Head of ICT Services noted that this had been considered, however, the market was noted as being highly competitive and the focus of the Council on providing addition to GVA would be better in terms of impact on this issue. The Head of ICT Services noted that funding was capital and could only be spent providing infrastructure.

Councillor H Nicholson noted the work of the Digital Durham Programme and the serious investment that had been made, and that the overall impact of Digital Durham had been positive. The Head of ICT Services noted that while it would be unlikely to ever achieve 100% coverage, the aim was to try and provide this and work hard to maximise uptake.

Resolved:

That the report be noted.

8 Homelessness Update

The Chairman introduced the Housing Manager, Regeneration and Economic Development, Marie Smith who was in attendance to give an update as regards Homelessness (for copy see file of minutes).

The Housing Manager reminded Members of the background to the Homelessness Action Partnership (HAP), noting its inception in 2004, with several partners including statutory agencies, housing providers and third sector and voluntary agencies. It was explained that the overall aim of the HAP was linked to the Homelessness and Housing Strategies, namely:

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

Members noted that recent discussions had included priorities, such as: sharing national and regional updates from forums; exploring funding opportunities; looking at data and demand; implementing and understanding future policy changes; access to supported accommodation; developing new initiatives; and strengthening links to poverty, Durham Key Options (DKO) and health.

The Committee noted statistics in terms of the service, with the number of contacts with the service having increased in 2014/15 and the number of homeless applications having decreased from over 1000 in 2012/13 to just over 600 in 2014/15 and the numbers of homeless acceptances had also decreased in this period. The Housing Manager referred Members to statistics over the last 3 years in relation to the reasons for the loss of a settled home, with the main ones being a relationship breakdown or loss of assured shorthold tenancy. It was added that the main age range of applicants was those aged 22-44 and the largest proportion of household type was lone female parent with dependent children. Councillors noted the areas with the greatest number of applications were East Durham and Sedgefield, areas with the largest concentration of social housing.

The Housing Manager reminded Members of the Council's Holistic Temporary Accommodation Service (HTASS) and that this was managed for the Council by Stonham. It was added that this service had been jointly commissioned and funding in support of the Council's duties in terms of the Children's Act and Homelessness and that a Joint Protocol for 16/17 year olds had been developed, now part of HTASS. It was explained that there were changes in terms of benefits moving to Universal Credit (UC) and accordingly there was as Department of Work and Pensions (DWP) representative at the HAP meetings. Members noted other associated issues such as health, work with Homelessness Link and joint working in terms of bidding for funding.

It was noted that there was a joint approach to assessing the health needs of homeless people and pre- eviction protocols in place with landlords. Councillors were reminded of the work undertaken with housing benefits in terms of discretionary housing payment and the Rent Deposit Guarantee Scheme.

The Housing Manager noted potential future policy changes and actions, including: a DCLG inquiry into causes of homelessness and the approaches taken to tackle homelessness, which would feed into the decision making as regards the prevention of homelessness becoming a statutory function. It was added that the North East Local Authorities had agreed to submit a Combined Authority response, with Durham contribution by providing: a breakdown of causes of homelessness for households, couples and single people; step taken to tackle homelessness including the HAP, Homeless Strategy and Poverty Group; the relationship with social housing providers; and measures taken to prevent homelessness. It was added that there were also further changes in relation to welfare reform, in connection with benefit entitlement.

The Chairman thanked the Housing Manager and asked Members for their questions on the presentation, noting he was surprised that the economy had not been the main reason for loss of a settled home.

The Housing Manager noted there was a slight link of the state of the economy and that issues that emerged was not necessarily of people becoming homeless, however more owner/occupiers were in a “problem” situation having lost their jobs, although at a stage whereby they were struggling, but not yet at crisis. It was noted that some landlords were helping in terms of those renting by accepting lower rents, however, there was an issue of the lower demand areas being used by more vulnerable clients creating potential issues in terms of community.

Councillor H Nicholson noted the DWP operated very differently to how it did in 2010 and that he felt the number of sanctions in terms of benefits could be an issue. The Housing Manager noted that in the past there had not been consistent representation by the DWP, however, this was being addressed, and that there was also a link via “Work Coaches” in terms of those in receipt of UC.

Councillor E Adam noted a positive report and asked as regards data in terms of those who were not housed and reasons why; what was being done in terms of the majority of those households being lone female parents; and how Councillors could support innovation to help tackle the issue. The Housing Manager explained that the new Gateway service looked to assess and provide links to the relevant specialists to provide the support needed by clients. It was added that this also provided more information in terms of why a person may not be able to accept the help offered and also in terms of trends of household types. The Housing Manager noted that previously work was outcome based, however, it was noted that there was a role in terms of community, for example with the Officers help those impacted by Welfare Reform and the wider role of the Council in terms of job creation and tackling poverty. Members were reminded that tailored support could also involve referrals to other relevant services, for example in terms of drug and alcohol support.

Councillor M Davinson noted that the statistics as set out noted an eightfold increase in the numbers of homeless applications in East Durham from 2012/13 to 2013/14 and also a large increase in the Dale and Valley area in that period, albeit returning to previously levels in the current year. Councillor M Davinson asked if there was any further information in terms of these variations, and asked if it was linked to people not wishing to take up an offer of a 3-bedroom property. The Housing Manager noted she would look into the issues further, and note if there were any lessons to learn from the Dale and Valley area in terms of tackling the issue.

Councillor A Batey noted coverage in the media and a lot of activity on social media in terms of the difficult experienced by ex-service personnel in being able to access social housing. The Housing Manager noted she was not aware of an issue in terms of ex-service personnel and homelessness in County Durham, however, she would double check. In terms of application via DKO, there was a system in place in terms of such applications. Councillor J Clare noted he felt the issue was being used by some on social media to further their own agendas, and not necessarily based upon facts. Councillor J Clare added that there could be many complex issues being faced by any clients accessing DKO, including ex-service personnel and therefore there could be a great many reasons why an individual may not be able to secure a property. Councillor J Clare asked if there was any further information in terms of the geography of the issue, noting Sedgefield as an area that had been highlighted. The Housing Manager reiterated that Sedgefield and East Durham areas were those areas that had previously had the most amount of the council housing stock and most amount of social housing.

Councillor J Clare noted the main reasons cited for the loss of a settled home, and was surprise there was not a higher amount in terms of the impact of drug and alcohol misuse or mental health issues as he felt these could be underlying issues. The Housing Manager noted the statistics gave a high level view, however, looking with some more detail then issues as described could be identified and that appropriate referrals, for example in terms of Family Intervention Project (FIP), would be made.

Councillor D Hall asked as regards cases of new housing developments there being scope to have monies in lieu of affordable housing provision. The Housing Manager noted that the Council's Strategic Housing Market Assessment (SHMA) at the very high level and work between the Housing Manager and Planners in terms of where there may be a need for as specific type of property, and for the HAP to then look for gaps.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee, as part of the refresh of the Work Programme for 2016/17 receive a further update report on homelessness in County Durham.

9 Durham Key Options (DKO) - Update

The Chairman asked the Housing Manager, Regeneration and Economic Development, Marie Smith to give an update as regards Durham Key Options (DKO) (for copy see file of minutes).

The Housing Manager reminded Members of the background to the DKO choice based lettings scheme adding that currently there was a 5 band system in operation, with Government having set out a number of reasonable preference groups that must be awarded priority under any lettings scheme. Councillors noted statistics in terms of the number of applicants on the DKO register, with the trend of reducing numbers being in part from an improved re-registration process to ensure those applicants registered still require housing and were suitable.

The Committee noted that in terms of housing need and the reasonable preference/statutory priority groups, the County Durham percentage of 42% of applicants being from within those groups was in line with the national average of 43%. Members noted other statistic showed there was not an issue in terms of overcrowding for those in County Durham. It was added that while nationally around 1 in 5 applicants from the reasonable preference groups were assessed as having their housing need as a result of a medical or welfare issue, the statistic for County Durham was around 4 in 5 for those priority groups.

The Housing Manager noted approaches taken by other Local Authorities, citing an example in Manchester where those in employment would be prioritised, and added this would be looked at in terms of the next review of the DKO Policy in 2016. Councillors noted statistics in terms of the income bracket of applicants to DKO and numbers from those brackets. Members also noted statistics in terms of bidding for properties via DKO with an average reduction in bids across all properties types being around 25-30% since 2013, across the various providers.

Councillors learned of the split of property types in terms of lettings for the first 9 months of 2015/16: 22 1-bedroom; 52 2-bedroom; 25 3 bedroom; and 1 4-bedroom. The Committee noted that nationally the percentage of lets to single applicants with no children was around 13%, however, the percentage for County Durham for the same 2014/15 period was 42%. It was noted this was likely to be due to differences in lettings policies across the country, where many schemes do not allow under-occupation, namely singles would be expected to accept 1-bedroom properties only.

With reference to a question to the previous agenda item, Members were referred to paragraph 44 of the report that noted that of 79 applications from those with an armed forces connection in the last 5 years, 49% had been housed, 39 applicants. It was added that of those 39 applicants, 36 had been housed since the amended Policy from April 2013 which awarded armed forces applicants with Band C, instead of Band D.

In terms of termination of tenancies, the Housing Manager noted that this had greatly reduced in 2015, and Members were reminded of the Private Landlord Accreditation Scheme and how this linked to DKO.

The Housing Manager concluded by noting the priorities agreed by the DKO Board for 2016 were: low demand areas; to simplify the policy, partnership review; and to improve the marketing of DKO.

The Chairman thanked the Housing Manager and asked Members for their questions, and asked whether the move to online applications had been an issue for those bidding for properties.

The Housing Manager noted there had not been a change in the proportion received online, and noted that the ability to apply via a hardcopy form was still available, though would check and report back to Members on this issue.

Councillor J Clare noted the reference to the Manchester model prioritising those in employment and also at paragraph 62 with reference to stricter criteria in terms of arrears and asked whether there was a move from a need model to a market model. Councillor J Clare added that he felt there could be a risk that if tenants perceived as being “problematic” were not supported that they could become victim to the poorer quality private landlords if they were the only people that would offer them a property. The Housing Manager noted there was a number of products that could be offered, within the constraints of Government policy, and that the Council had to address both need and issues raised by providers. It was added that there was a number of services we did offer to help support people, and that the Authority would be bound in terms of its statutory duties.

Councillor M Davinson noted that Paragraph 5 of the report explained Accent were no longer part of DKO as it was too expensive, however at Appendix 3 to the report Accent were listed within the table of information on partners. Councillor M Davinson asked questions in terms of: a view as regards the income brackets of those applying via DKO; the Private Landlord Accreditation Scheme (PLAS) and DKO, was 50 an upper limit; of 153 referenced PLAS applicants, 87 were “red”, 50 “amber” and 15 “green” and asked whether this had an impact in terms of forcing people to choose private landlords, dispersing people. Councillor H Nicholson noted concern as regards the social impact of people being dispersed and the cumulative impact upon communities.

The Housing Manager noted further information on the Private Landlords may be available via Shirley Janes, the Council’s Private Sector Housing Manager and that in terms of Accent, they had been a 100% DKO partner, however, had now moved to be a 50% partner. It was added that the number of private landlords within DKO was 50 at this time.

Councillor R Ormerod noted the table setting out the areas with the highest percentages of Band E lets and added that it would be useful for the Committee to have the associated numbers in addition to be able to give some perspective. Councillor O Temple noted that the reference to simplification of the DKO policy would be welcomed, and asked what the end of quotas would mean in real terms and also whether the inability to access the internet was a barrier in terms of the use of DKO. The Housing Manager noted that quotas had been in place within the bands for around 10 years, adopted and adapted from successful models elsewhere in the country in order to give a balance so that those that did not necessarily have the greatest need still had a chance to bid successfully for a property. It was added that as the housing market had changed, there may be a move to 4 Bands, though Members would be consulted on any changes.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee, receive a further report at a future meeting on the proposed changes to DKO Lettings Policy together with the new DKO Application Form.

10 Skills Development Scrutiny Review - Update

The Chairman asked the Overview and Scrutiny Officer to give an update as regards the ongoing Skills Development Scrutiny Review (for copy see file of minutes).

The Overview and Scrutiny Officer noted that there had been 3 meetings of the Working Group to date, with information having been received in terms of: the current approach to skills development nationally, regionally and locally; key strategies and policies; funding structures, in light of the Comprehensive Spending Review (CSR); employment trends, performance data; the role of the Council in terms of both Regeneration and Economic Development and Children and Adults Services; the work of the AAPs; partnership arrangements at local, regional and national levels; and examples of various initiatives and projects, with input from 3 local Colleges at the last meeting.

Members noted that emerging issues included: the importance of quality information, advice and guidance (IAG) being provided for young people; the value of being able to offer work experience and the current offer within County Durham; the engagement with the business community in County Durham; how to engage with Universities to help retain graduates within the County; how employers were made aware of the apprenticeship support offered by the Council; a need to maximise the opportunities available via the Youth Employment Initiative (YEI) DurhamWorks programme and monitor performance; and to continue the dialogue between CAS and the AAPs in relation to successful AAP schemes which could be included in initiatives funded by YEI. It was noted that future meetings of the Working Group would look at skills support provided by the County Durham Economic Partnership (CDEP) and activities undertaken by private companies and that in addition, visits would be arranged to see skills training at colleges and specialist providers.

The Chairman thanked the Overview and Scrutiny Officer and asked Members for their questions.

Councillor J Armstrong asked whether there was a list of training providers in terms of YEI and their targets, in order to be able to judge value for money. Councillor M Davinson added there needed to be evidence linking the training to a need for such skills. It was confirmed that the Strategic Manager, Progression and Learning, Linda Bailey would be attending the meeting of the review group on 23 March and would be providing Members with further information on YEI, including the information requested by Members today.

Resolved:

That the report be noted.

**Economy and Enterprise Overview and
Scrutiny Committee**

29 March 2016



EU Funding Update

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

Purpose of Report

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

Background

2. The European Structural and Investment Fund (ESIF) programme for 2014-2020 allocates circa €537 million for the North East LEP area, including €157 million for County Durham as a Transition Region. County Durham also qualifies for an additional €9 million to tackle youth unemployment and NEETs, in recognition of the very high levels of youth unemployment in the Tees Valley and Durham NUTs 2 area. This presents a significant opportunity to support the economic, environmental and social infrastructure of the County in the medium term through the delivery of a range of EU compliant projects.
3. Since the last update to Scrutiny in September 2015 all elements of the national European funding programmes have been agreed, with the formal adoption of the European Social Fund (ESF) in Autumn 2015. This joins the European Regional Development Fund (ERDF) and the European Agricultural Fund for Rural Development (EAFRD), which were agreed in July and February 2015 respectively. These documents represent the formal national framework for the ESIF programme and contain the rules and the parameters of spending that the EU Commission has agreed to in England.
4. At a LEP level the Government requested that local ESIF Strategies were produced, these reflect local priorities for spend and articulate the activities that will be delivered against these priorities. The first drafts of these strategies were submitted to Government in February 2014. Following approval of the national Operational Programmes the Government, in July 2015 asked for these to be refreshed to reflect the variations in the approved Operational Programmes.

5. In October 2015, the Government however informed ESIF Sub Committees that its local indicative allocations would need to be adjusted down due to the strengthening of the pound against the Euro. The exchange rate is to be reviewed twice a year and therefore local indicative allocations are subject to further change. The Government at this time also issued adjusted local allocations against thematic priorities and performance targets to take into account the changes in the Operational Programmes, this was to ensure that the figures for local areas balanced to the allocations and targets set at a national level, and because of this there has been very limited flexibility to adjust these figures further. These adjustments do not necessarily align with local priorities and have had an impact on the local ESIF strategy. The 'refreshed' North East LEP Area ESIF Strategy was submitted to Government on 5 February 2016.

Impact of revised allocations

6. Following approval of the national Operational Programmes the Government has issued revised the local allocations, this reflects the national programmes and the revised exchange rate. The key changes are:
 - Current reduction to the sterling value of the ESIF programme by 17%, reflecting the exchange rate (x0.71) at that time.
 - Removal of Broadband provision (PA2) in County Durham – which was requested by local partners due to the roll out of provision through the BDUK project and the difficulties of meeting ERDF eligibility and compliance criteria for this activity.
 - Increased proportion of investment in Low Carbon (PA4). This now represents a higher proportion within the strategy than had been requested locally, potentially posing delivery problems to identify eligible projects to take up the funding.
 - Balance between ERDF and ESF within Durham's Transition area has changed to reflect the national picture of 60:40.
 - Overall shift between areas increasing employability expenditure under ESF in relation to skills to reflect national proportional split. However this has impacted on Durham less than the More Developed area and we have been able to negotiate an increased allocation of spend to support young people into employment (up from £88k to £5.2m), which is welcomed.
7. The revised allocations for Durham against the individual investment priorities are tabled in Appendix 2.

Delivery and calls

8. There are two routes to apply for funding, one through open calls and the other through co-financing known as Opt In organisations, where ESF is matched with national provision and therefore projects do not require local match funding.

9. In March 2015 (pre Purdah) an initial round of open calls was released. The calls for ERDF consisted of national business support projects and local open calls for innovation and business support. For ESF, the calls were for the Youth Employment Initiative (YEI) and Employability support. There was also an open call for Technical Assistance projects. In August, further calls were released for ERDF with further opportunities in innovation, business support and low carbon. There is currently an Open Call for Low Carbon applications, and there is an event is being hosted in Durham on the 22nd March 2016 with DCLG and DECC to scope out what activities can be funded under this priority and clarify the guidance and criteria.
10. There have been no further open calls for ESF. However, work has continued to progress the Opt Ins for the Skills Funding Agency (SFA), Dept. for Work and Pensions (DWP) and the BIG Lottery Fund. There have been two ESF specifications issued by the SFA for NEETS activity and for a Community Grants programme. The BIG Lottery Fund's Building Better Opportunities has issued a call for the submission of bids from delivery partnerships.

The Emerging Durham Programme

11. The County Durham Economic Partnership continues to oversee the pipeline of projects within County Durham, with support provided locally to projects from staff employed by the County Council, funded through ERDF & ESF Technical assistance. A number of projects have received funding approval, others are in the process of submitting applications for funding, further projects are being developed as part of the emerging pipeline within Durham, these are summarised below:

Approved Projects

Youth Employment Initiative (YEI)

12. Durham County Council has received written grant funding approval for the Youth Employment Initiative (YEI): DurhamWorks. It will receive a total of £12,780,000 ESF grant, matched against £4,260,000 public and private sector funding.
13. The DurhamWorks is a programme led by Durham County Council in partnership with eighteen external Delivery Partners. It will support 5,830 15-24 year old unemployed County Durham residents into employment, education or training through intensive and long-term support; innovative and engaging activities to develop motivation, work-related skills and work experience and increased employment opportunities. It will be delivered across three strands, as follows:
 1. Transition, Peer Mentor and Employment Support
 2. Engagement and Progression of Vulnerable and Disadvantaged Groups

3. DurhamWorks New Employment Zone.

Community Led Local Development (CLLD)

14. CLLD is a specific tool for managing ERDF and ESF in a complementary fashion at a local level to provide for smaller community led interventions in a similar way to LEADER. The activity needs to focus on the top 20% deprived wards according to the Index of Multiple Deprivation (2010) and needs to be outside of existing LEADER areas. Following an Open Call for preparatory funding being issued last year, the County Council submitted two bids for North Durham (Consett, Stanley and North Chester le Street) and South Durham (Bishop Auckland/Spennymoor). The County Council has received approval for the preparatory funding to allow the development of Local Development Strategies for each area. The completed strategies need to be submitted by the end of August 2016, to the Managing Authority for assessment as part of a competitive application process within the LEP area.

Technical Assistance (TA)

15. Durham County Council, is part of a North East Combined Authority project that has secured Technical Assistance funding, it is funding three members of staff that support the development of projects and provide advice and guidance.

Full Applications

16. Responding to the ERDF open calls in August 2015, the County Council submitted three outline funding applications for: NETPark Explorer; Durham Business Opportunities Programme and the Business Energy Efficiency Programme. Following appraisal of the outline applications, DCLG, who are the Managing Authority for ERDF, invited all projects to submit Full Applications by 9 March 2016. During the project development process, it was established that ERDF was not a suitable source of funding to progress for NETPark Explorer, and in February 2016 the NETPark Explorer application was withdrawn.
17. The County Council in March 2016, submitted two full ERDF applications for the Durham Business Opportunities Programme and the Business Energy Efficiency Programme. The details of these projects are as follows:
- Durham Business Opportunities Programme (DBOP) – The project will provide a 3 year programme of business support to encourage and enable SMEs in County Durham to grow, through engaging the businesses and connecting them to opportunities. The project will focus on identifying potential market opportunities for businesses and helping them to realise these opportunities. The project will help to increase the demand for and take-up of regional/national

business support products (where available) by County Durham businesses, and will fill gaps in the business support offer, where identified needs of County Durham businesses are not being met. This will result in better-connected, more competitive SMEs. Total project costs are £1,240,093 which is made up of £624,056 ERDF and match from DCC of £340,800 and £75,237 private sector match. The project outputs are 250 SMEs supported, 105 jobs created and 75 new enterprises supported.

- Business Energy Efficiency Project (BEEP) – the project will provide an intensive package of support for SMEs on energy efficiency, renewable energy and business resilience to reduce greenhouse gas emissions and bottom line costs, enhancing competitiveness and supporting business growth. . In association with the Durham Business Opportunities Programme, one to one best practice support, training and expert technical advice will be provided, backed by an interactive website and a programme of peer to peer business events and social media. A package of energy audits and financial grant support will encourage and enable businesses to take up no/low cost measures and to install appropriate technologies. The total project cost is £880,273, with ERDF providing 60% of the costs (£528,184) and the Council and the private sector providing the match, as follows: DCC £252,109, Private Sector £100,00. The key outputs are 240 SMEs supported and a reduction of greenhouses gases.

18. The County Council is also a key delivery partner of the University of Durham's project to develop a Water Science Hub, which it submitted an ERDF outline application for in September 2015. The project has a deadline of 24 March 2016 to submit a full application. However, after further communication with DCLG it may be appropriate to delay the submission of this to allow for further development of the project at this stage.

Opt Ins

19. The Skills Funding Agency has recently issued a couple of ESF Opt In specifications, including:

NEETS - This contract is for £2,792,350, within Durham's Transition area the value is £550,000. Gateshead, on behalf of the NECA are coordinating an application for this. The County Council is part of this submission and activity within Durham will focus on working on the NEETS preventative agenda and will be complementary to and coordinated with the YEI project. The deadline for submission is 16 March and the contract will run until March 2018.

Community Grant – the tender is for £2,000,000, within Durham the contract value is £453,600. They are looking for one organisation, to deliver across the NELEP area, a small grants programme (typically of

£15k) to third sector of small organisations that would not otherwise be able to access ESF for the purpose of mobilising disadvantaged or excluded unemployed and inactive people into positive activity that will bring them closer to entering the labour market.

20. Work is continuing locally to try to shape additional ESF Opt In specifications that are due to be issued shortly, including for example DWP's application for employment support to enable people to overcome barriers to employment by addressing the multiple factors that contribute to social exclusion and deprivation. This application is for £4,392,00 ESF of which £1,608,000 will be delivered in Durham.

Building Better Opportunities

21. The Big Lottery is matching funds from ESF to provide 100% funding for projects that aim to tackle multiple barriers to employment and provide holistic support to those furthest from the labour market. Within Durham £2.4 million is available. Deadline for submission of first stage applications was 3 August 2015. Following assessment of these, Groundwork has been selected to develop a second stage application.

LEADER;

22. The LEADER programme is a separate European Union initiative funded through RDPE, to support rural development projects initiated at the local level in order to revitalise rural areas and create jobs. There are two LEADER areas within County Durham; Durham Coast and Lowlands (£1.584m) and North Pennine Dales (£2.133 million). Local Action Groups have been established, bringing together individuals from local public, private and community sectors and will be responsible for the decision making and establishing direction, strategy and priorities of individual programme. Both LEADER areas are open and currently seeking applications for the grant to fund projects.

Governance of NELEP area programme.

23. Within the report to Scrutiny (September 2015) we updated on proposed Governance arrangements for the EU Structural Funds 2014-20, highlighting the new programme will be overseen by an English National Growth Board, with a series of sub committees operating within each LEP area.
24. The Managing Authorities have confirmed the role of local ESIF Committees through the publication of nationally agreed terms of reference. These have now been adopted by the North East ESIF Committee. The following highlights from the TORs should be noted:

- LEP area ESIF sub committees will advise the Managing Authorities in regards to applications received. In practice this means providing local intelligence on strategic fit, local growth conditions and opportunities that the Managing Authority may or may not choose to adopt.
- In turn for the open call route, Managing Authorities will draw up project call specifications and will be aided with intelligence on local development needs. This will help to inform which investment priorities calls to focus on, the level of financial resources, any geographical focus and the timing of such calls.

Devolution

25. Through the devolution deal the North East Combined Authority could take on limited Intermediate Body status for ESIF. Through limited IB status it is proposed that the Combined Authority will take on a project selection role on behalf of the Managing Authorities operating within the framework of the Operational Programmes, local ESIF strategy and agree governance and partnership models.

Governance within the Council

26. As previously reported the EU funds are only available for projects that fit the eligibility criteria contained within the English Operational Programme and support the objectives within the open calls.
27. Obtaining additional finance for projects through the EU Structural Funds Programme, (as well as all other external funding regimes), is a high priority for the Council, which is reflected by the inclusion of the EU Structural Funds Programme in Big Board 2, with CMT receiving monthly updates.
28. The EU programme continues to be well publicised throughout the Council and the County. A series of presentations to Senior Officers, Cabinet Members and Overview and Scrutiny have taken place, to ensure that the Council is well placed to take up opportunities for project funding and to give a strategic lead in the economic regeneration of the County.
29. A number of senior officers from all Service Groupings are now either leading or are actively involved in the relevant work-stream of the CDEP. Council officers are engaged in shaping the areas of investment required in Durham and the NELEP area in the period leading up to an open call.
30. Quarterly briefings with the Leader and relevant Cabinet Members are held to keep them abreast of issues within the programme, as well as links to the NELEP and Combined Authority as they arise. Briefings have also being arranged with the new cohort of MEPs to ensure they understand how funds are being utilised in Durham and the North East.

31. Economy and Enterprise Scrutiny Committee will receive regular reports and updates as the programme progresses in order to scrutinise the direction of travel of the programme and ensure strategic fit with economic issues in County Durham. As the programme progresses and Council led projects become operational, the committee will receive reports on their performance as they form part of the RED performance management framework.
32. A report was approved by CMT in October 2014, which sets out a governance process for project applications, this agrees a process whereby every project needs to seek approval from CMT prior to submitting a full funding application, this ensure that there is sufficient oversight and governance of projects being submitted by the County Council and the match funding requirements. A flow diagram setting out this process is attached in Appendix 3.

Recommendations

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

Background papers

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

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

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

Youth Employment Initiative – Cabinet Report, 10th June 2015

Contact:	Andy Palmer, Head of Strategy Programmes and Performance		
Tel:	03000 268 551	E-mail:	andy.palmer@durham.gov.uk
Author:	Claire Williams, Funding and Programmes Manager		
Tel:	03000 261 897	E-mail:	Claire.williams@durham.gov.uk

Appendix 1: Implications

Finance –
None

Staffing –
None

Risk –
None

Equality and Diversity –
None

Accommodation –
None

Crime and Disorder –
None

Human Rights –
None

Consultation –
None

Procurement –
None

Disability Discrimination Act –
None

Legal Implications –
None

Appendix 2: Funding Allocations by Investment Priorities			
Investment Priority	Activities	Amount €	Amount £ (exchange rate 8/2/16 of 0.78)
ERDF			
Innovation	Incubation space, test and lab facilities Collaboration between enterprises and research and public intuitions Support increase innovation in businesses - bringing more new products / processes to the market	€20,202,394	£15,757,867
SME Enterprise	JEREMIE 2 – access to finance Provided coordinated Business Support Develop sites for appropriate incubation and grow on space for businesses	€44,221,258	£34,492,581
Low Carbon	Support growth of low carbon economy, through supply chain development and commercialisation of new technologies Reduce impact of	€23,475,245	£18,310,691
Climate Change Adaptation	Support climate change adaption	€3,583,975	£2,795,501
CLLD	Community Led Local Development supporting local economic growth	€2,444,549	£1,906,749
ERDF Sub Total		€93,927,422	£73,263,389
ESF			
Employability (€24,423,567)	Access to Employment	€8,071,455	£6,295,735
	NEETS (preventative activities and post YEI delivery)	€7,352,112	£5,734,647
	YEI*	€18,000,000	£14,040,000

Social Inclusion (€12,443,488)	Active Inclusion <i>Including Big Lottery: Building Better Opportunities (BBO)</i> CLLD	€9,908,277 €2,535,211	£7,728,456 £1,977,465
Skills (€25,639,811)	Enhancing Lifelong Learning Improving labour market relevance of education and training systems	€21,706,295 €3,933,516	£16,930,910 £3,068,142
ESF Sub Total		€ 71,506,867	£ 55,775,355
European Agricultural Fund for Rural Development (EAFRD)			
Support for micro and small businesses	Capital grants to support rural businesses grow and create jobs Provide appropriate tourism accommodation	£5m	
Support for broadband infrastructure	Provide superfast broadband to rural localities not yet served and outside of current rural superfast roll out plans, particularly in more remote parts of Northumberland	£0.5m	
Support for visitor destinations and tourism infrastructure	Opportunities to improve the range and quality of tourism destination facilities to attract more higher spending and longer staying visitors	£4.5m	
Support for tourism cooperation	Development of destination management plans and collaborative initiatives between businesses and develop networks and supply chains	£0.5m	
EAFRD Sub Total		£10.5m	

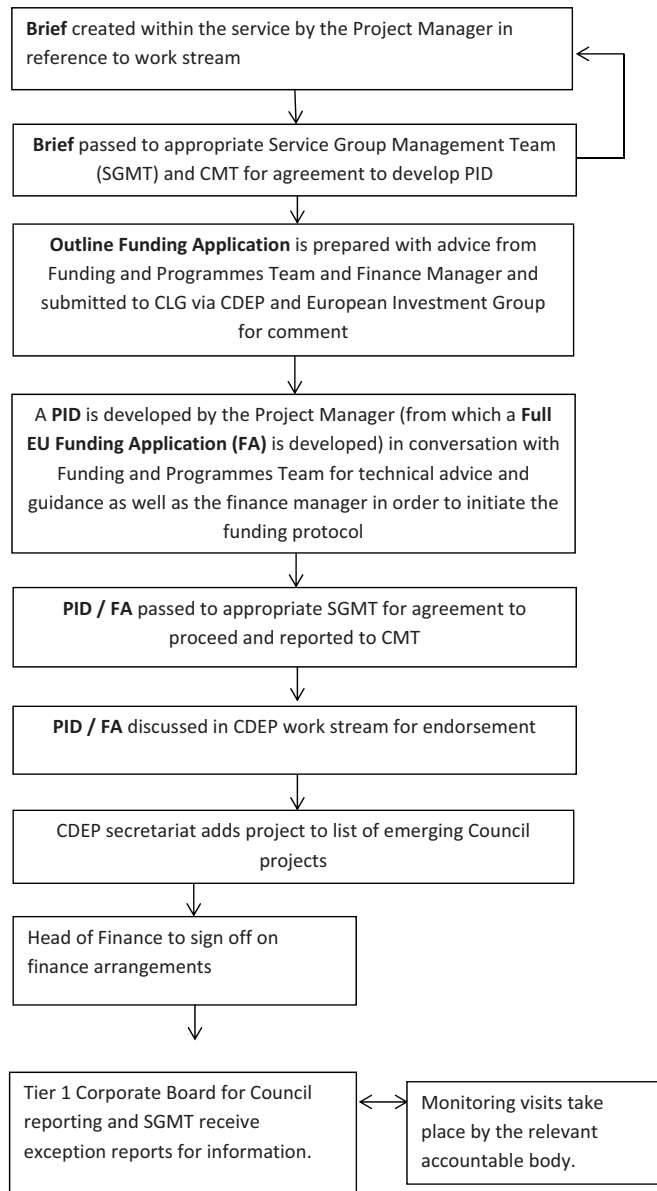
This page is intentionally left blank

Appendix 3

EU Governance: Project Application Process

Brief will include:

- CDEP Economic Outcome
- EU Investment Plan Objective
- Brief project description
- Indicative costs
- ERDF/ESF funding requirement
- Match funding source
- Start date
- Indicative timescales
- ERDF/ESF outputs



Rework is passed back to project manager

PID will include:

- CDEP Economic Outcomes
- Other Project Benefits
- % spend against the EU Investment Plan objective
- Start and end date
- Business case
- Detailed costs
- Project Plan
- Risk
- Detail of match funding source and certainty
- Monitoring and governance procedures
- Any other funder requirements
- Ongoing Revenue Commitments

This page is intentionally left blank

Economy and Enterprise Scrutiny Committee

29 March 2016



Regeneration and Economic Development Service – Quarter 3: Forecast of Revenue and Capital Outturn 2015/16

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

Purpose of the Report

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

Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the RED service grouping:
 - *RED Revenue Budget - £26.770 million (original £25.459 million)*
 - *RED Capital Programme – £33.034 million (original £39.747million)*
3. The original RED General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Transfer of repairs & maintenance budgets to Neighbourhoods Services -£3,000
 - Transfer of Crimdon Park and beaches budgets from neighbourhoods Services +£15,000
 - Reduction in energy budgets to reflect corporate savings -£32,000
 - Reduction in Concessionary Fares budget to reflect lower contract payments -£400,000
 - Reduction in Carbon Tax CRC to reflect corporate savings - £64,000
 - Reduction in water charge budgets to reflect corporate savings -£1,000
 - Fleet Depreciation and Insurance adjustment -£15,000

- Use of strategic reserves for redundancies for MTFP savings +£146,000
- Use of Corporate Reserve – Office Accommodation +£742,000
- Security costs for Whinney Hill School +£35,000
- Corporate Saving Adjustment Car Allowances +£34,000
- Use of RED reserves to fund relevant service expenditure +£843,000
- Fleet Recharge increase +£16,000
- Contribution to capital expenditure -£5,000

The revised General Fund Budget now stands at £26.770 million.

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

Revenue - General Fund Services

5. The service is reporting a cash limit under budget of **£1.521 million** against a revised budget of **£26.770 million**. This compares with an under budget of **£0.632 million** reported at Quarter 2.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis (£'000)

	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	27,684	21,542	28,077	393	-117	276
Premises	3,793	3,796	4,316	523	0	523
Transport	950	535	808	-142	0	-142
Supplies and Services	13,658	8,297	14,225	557	171	728
Agency and Contracted	19,754	13,383	19,439	-315	-164	-479
Transfer Payments	95	1	31	-64	0	-64
Central Costs	10,534	1,076	10,597	63	0	63
GROSS EXPENDITURE	76,468	34,709	77,483	1,015	-110	904
INCOME	-49,698	-24,898	-51,613	-1,915	-510	-2,425
NET EXPENDITURE	26,770	15,161	25,870	-900	-621	-1,521

Analysis by Head of Service (£'000)

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Strategy Programmes Performance	1,777	1,377	1,728	-49	-36	-85
Economic Development & Housing	6,991	4,563	7,060	69	-681	-612
Planning & Assets	5,924	4,743	5,794	-130	-49	-179
Transport & Contracted	1,686	4,182	1,167	-518	-130	-648
Central Managed Costs	10,392	296	10,121	-271	275	3
NET EXPENDITURE	26,770	15,161	25,870	-900	-621	-1,521

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

Head of Service	Service Area	Description	(Under) / Overspend £'000	(Under) / Overspend £'000
Strategy Programmes Performance	Head of SPP	Minor Variance	(2)	(85)
	Strategy, Policy, Partnerships & Support	£57,000 under budget on Employees due to vacancies.	(57)	
	County Durham Economic Partnership	£14,000 under budget on Supplies and Services	(14)	
	Planning & Performance	£12,000 under budget on Employees due to maternity leave.	(12)	
	Funding and Programmes	No variances		
Economic Development & Housing	Head of Economic Development	Contribution to third parties reduced	(27)	
	Physical Development	Additional sponsorship income received	(21)	
	Visit County Durham	Under budget on Employees due to a staff secondment to Visit England	(75)	
	Business Durham	£88,000 planned under budget on Supplies and Services £56,000 over budget on Employees £6,000 under budget on premises	(38)	
	Economic Development	Minor Variance	(5)	

Head of Service	Service Area	Description	(Under) / Overspend £'000	(Under) / Overspend £'000
	Housing Solutions	£129,000 under budget on Supplies and Services £81,000 over recovery of income Travellers' Sites £155,000 over recovery of income Family Wise £138,000 over in income Family Intervention Programme £45,000 under recovery of income £13,000 other minor variances	(445)	(612)
Spatial Policy, Planning Assets & Environment	Head of SPPAE	Minor variance	7	
	Spatial Policy	Agreed over budget on Local Development Framework	210	
	Development Management	£74,000 under budget on Employees £23,000 under budget on Transport £26,000 under budget on general supplies and services £50,000 agreed over budget on Planning Appeals Field House, Hamsterly Hall and County Hospital £632,000 additional planning fee income	(653)	
	Building Control	£19,000 under budget on Employees £67,000 under budget on Supplies and Services including computer software rental and maintenance (£33,000) £60,000 underachieved Building Control Income	(26)	
	Environment & Design	£72,000 under budget on Employees £12,000 under budget on Transport £45,000 under budget on Supplies and services	(129)	
	Asset Management	£109,000 over budget on Employees £40,000 agreed over budget on Supplies and Services £263,000 underachieved income and rates re Newgate Street Bishop Auckland, Millennium Square, Brackenhill Centre Peterlee and Beveridge Arcades	412	(179)
Transprt	Head of Transport	£13,000 over budget including £11,000 unbudgeted spend on legal	13	
	Traffic	£15,000 over budget on Employees £59,000 under budget on premises costs mainly due to reduction in spend on repairs and maintenance of bus shelters £73,000 overs budget on parking services mainly due to increased third party costs £4,000 over budget on transport costs £5,000 under budget on income due to reduction in income for Public Rights of Way	38	
	Sustainable Transport	£27,000 over budget on salary costs mainly due to unrealised vacancy savings and unbudgeted standby payments		

Head of Service	Service Area	Description	(Under) / Overspend £'000	(Under) / Overspend £'000
		£80,000 under budget on supplies and services £446,000 under budget on third party payments mainly due to reduced Bus and Rail contract prices £5,000 over budget on departure charge income £23,000 under budget on recharges	(481)	
	Supported Housing	£53,000 over budget on employee costs mainly due to unbudgeted 24/7 cover for holidays and sickness (£38,000) and unrealised vacancy savings (£15,000) £19,000 under budget on transport costs due to reduction in repairs & maintenance and fuel costs £203,000 under budget on supplies and services mainly due to planned underspend on equipment and efficiencies in changes in telephone billing from BT £50,000 under budget on third party payments mainly due to changes in CCTV circuits	(219)	(648)
Central	Central Costs	Minor variance	3	3
TOTAL				(1,521)

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

Revenue – Housing Revenue Account (HRA)

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

Capital Programme

11. The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 138 schemes managed by 25 project delivery officers.

12. The Regeneration and Economic Development capital programme was revised at Outturn for budget rephased from 2014/15. This increased the 2015/16 original budget. Further reports to the MOWG in May and June detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£33.034 million**.
13. Summary financial performance to the end of December 2015 is shown below.

Service	Original Annual Budget 2015/16 £000	Revised Annual Budget 2015/16 £000	Actual Spend to 31 December £000	Remaining Budget £000
Economic Dev & Housing	13,104	10,620	6,349	4,271
Planning & Assets	9,250	7,508	4,716	2,792
Transport & Contracted	16,893	14,662	4,159	10,503
Strategy & Programmes	500	244	0	244
Total	39,747	33,034	15,224	17,810

14. Actual spend to the end of December 2015 amounts to **£15.224 million**. **Appendix 2** provides a more detailed breakdown of spend across the major projects contained within the RED capital programme.
15. The key areas of spend to date have been on Disabled Facilities Grants (£2.183 million), Housing Renewal (£1.232 million), Structural Capitalised Maintenance (£4.429 million), Transport Corridors (£1.202 million) and the Local Transport Plan (£1.640 million). Other areas of the programme are profiled to be implemented during the remainder of the year it is anticipated that the projected outturn at 31 March 2016 will be in line with the revised budget.
16. At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Recommendations:

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

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

Appendix 1: Implications

Finance

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

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

Appendix 2: RED Capital Programme 2015-16

General Fund	Revised Annual Budget £000	Profiled Budget £000	Actual Spend to 31 December £000	Remaining Budget £000
Economic Development & Housing				
Barnard Castle Vision	364	189	165	199
Durhamgate	285	259	259	26
Industrial Estates	560	481	473	87
North Dock Seaham	754	487	487	267
Office Accommodation	66	1	1	65
Town Centres	2463	1,063	1,048	1,415
Minor Schemes	672	517	472	200
Disabled Facilities Grant /FAP (1)	3,531	2,526	2,183	1,348
Gypsy Roma Travellers	27	29	29	-2
Housing Renewal	1,898	1,305	1,232	666
Planning & Assets				
Renewable Energy Schemes	715	261	195	520
Structural Capitalised Maintenance	6,528	4,128	4,429	2,099
Woodham Community Tech College	0	0	0	0
Minor Schemes	265	107	92	173
Transport & Contracted Services				
Local Transport Plan	3,225	1,620	1,640	1,585
Transport Corridors	1,215	1,202	1,202	13
Transport Major Schemes	9,810	1,050	1,060	8,750
Transit 15	104	30	30	74
CCTV	93	12	12	81
Minor Schemes	215	215	215	0
Strategy & Programmes Minor Schemes				
	244	3	0	244
RED Total	33,034	15,485	15,224	17,810

(1) Financial Assistance Programme

**Economy and Enterprise
Overview and Scrutiny Committee**

29 March 2016



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

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

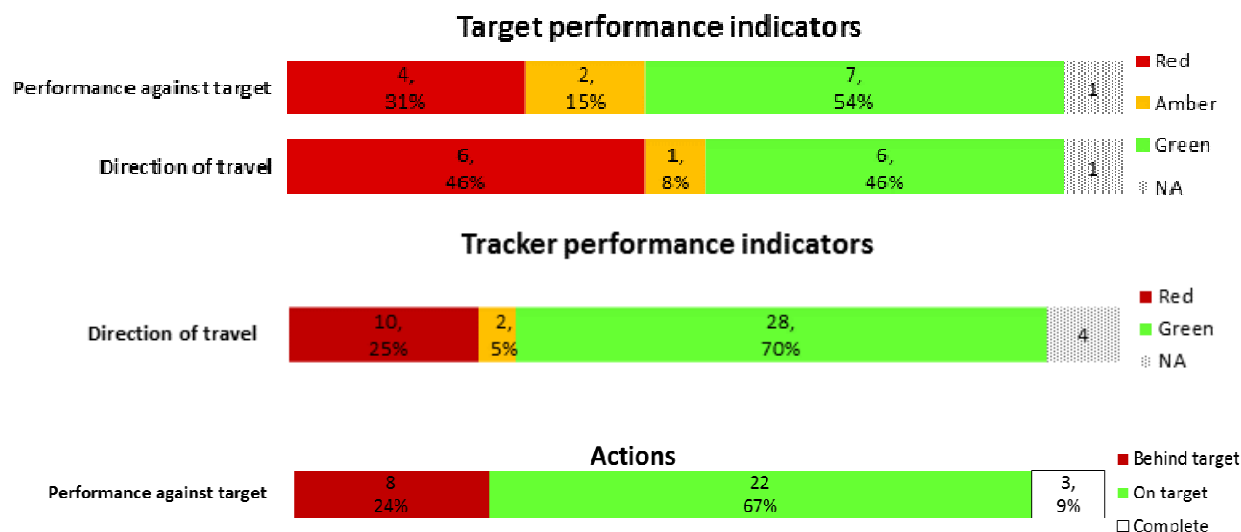
Purpose of the Report

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

Background

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

Altogether Wealthier: Overview



Council Performance

5. Key achievements this quarter include:

- a. There has been a significant improvement in planning applications determined within deadline. Major planning applications increased from 64.9% last quarter to 81.8% this quarter, exceeding the 75% target. Performance is now at the highest level since quarter one 2014/15 and is better than the latest national benchmarking (77% for July to September 2015). Overall planning applications determined within deadline have also improved, from 84.2% last quarter to 91.5% this quarter, exceeding the 87% target. Performance is at the highest level since this was recorded in 2012/13. The number of overall planning applications received fell from 736 in quarter two to 640 in quarter three (Appendix 4, chart 2) with major falling from 46 in quarter two to 33 in quarter three (Appendix 4, chart 1).
- b. This quarter 30 properties have been brought back into use through the empty homes programme. The number of homes brought back into use since April (151) exceeded the annual target (120) and is in line with the same period last year (144). Properties continue to be brought back into use through a number of means including negotiating with property owners, brokering contact with investors, providing financial assistance and working with registered providers. The provision of interest free loans has had a positive impact on the number of properties brought back into use.
- c. The occupancy of Business Durham premises continues to rise and currently stands at 85% against a target of 79%, with demand remaining strong for industrial properties in particular. This shows improvement from 79.3% for the comparable period last year. Business Durham premises generated £799,167 of income this quarter, exceeding the £770,000 target and bringing the total income for April to December 2015 to £2,370,546.
- d. Tracker indicators show:
 - i. Housing development has improved this quarter:

- 465 net homes were completed, which represented a significant increase from last quarter (302). Due to the large increase in commencements over the last two years, completion rates are now rising all over the county. Since April 1,097 homes have been completed, which is slightly higher than the annual total for 2014/15 (1,083).
 - 210 homes were completed in and near major settlements, equating to 44% of overall completions. This was an increase from 191 last quarter and 133 for quarter three 2014/15.
 - There has also been a significant increase in homes completed in Durham City, from four in quarter three 2014/15 to 35 this quarter. Between April and December 2015, 81 new homes were completed in Durham City.
 - 71 affordable homes were completed. Although this did not meet the quarterly target (80), in the first three quarters of 2015/16 there were 257 affordable homes completed, achieving the annual target (250) and exceeding performance for the same period last year (165).
- ii. The number of passenger journeys on the Durham City park and ride (319,493) increased by 14% compared to the same period last year (279,618). The Lumiere Festival which took place in November contributed to this increase. An additional 15,722 passenger journeys were recorded on the extra park and ride services provided for Lumiere from New College and Merryoaks. Traffic management for Lumiere was well organised, with an alternative site being set up when one flooded on the first day. Bus transportation ran smoothly and face to face information was available to passengers at the bus station and key interchange points. Visit County Durham's contact centre also provided support prior to and during the festival.
- iii. Visitors to the core attractions in County Durham (Beamish Museum, Bowes Museum, Raby Castle, Diggerland, Oriental Museum, Botanic Gardens, Palace Green Library and Killhope Lead Mining Museum) between April and September 2015 increased by 12.2% compared to the corresponding period last year. The increase appears to be as a result of the successful Yves Saint Laurent exhibition at Bowes Museum and Magna Carta exhibition at Palace Green Library, which had a significant impact on visitor numbers.
- e. Progress has been made with the following Council Plan actions:
- i. With regard to Durham City regeneration, work on Aykley Heads and North Road is moving on positively.
 - ii. In relation to the Newton Aycliffe Agnew Housing Scheme for rent and sale, the major works contract has been completed and signed and works commenced on site in January 2016.

6. The key performance improvement issues for this theme are:
- a. Between July and September (the most recent data), there were 36 apprenticeship starts funded through Durham County Council schemes, bringing the total since April to 46. There has been limited funding to deliver the programme during 2015/16, however, the service has been in discussions about securing additional funding for 2016. Due to the lead in time for engagement with businesses and recruitment it is anticipated that the annual target of 200 will not be achieved. It is hoped a significantly higher number of apprenticeships can be delivered during 2016/17. Local authority funded apprenticeships sustained for at least 15 months continue to improve, from 460 last quarter to 620 this quarter. The Youth Employment Programme continued to deliver support to a higher number of young people due to the expansion into the Seaham and Bishop Auckland areas. Interviews have been conducted for the additional staff required to expand the programme countywide, pending confirmation of European funding.
 - b. During this quarter, 211 jobs were created through projects with existing businesses, working with our tenants and two inward investments. This is considerably less than the quarterly target of 600. The year to date performance stands at 897 against a target of 1800. The targets set for 2015/16 are stretching and were based on evidence available at the time. For 2016/17, Business Durham will look to review the target, utilising better data which is now available. Business Durham is now taking a more proactive approach to inward investment.
 - c. This quarter 120 private sector properties were improved through local authority intervention. Although the quarterly target (149) was not achieved, more properties were improved between April and December (353) than for the corresponding period last year (279). An inspection programme was put in place due to the launch of the landlord accreditation scheme and it is transpiring that fewer properties are requiring informal action than anticipated. The annual target (599) is not therefore expected to be achieved.
 - d. Tracker indicators show:
 - i. The proportion of Job Seeker's Allowance (JSA) claimants who have claimed for 12 months or more has fallen from 31.5% for quarter three 2014/15 to 28.5% this quarter, with the actual number of long term claimants falling from 2,415 to 1,735. The number of claimants aged between 18 and 24 has also reduced from 2,245 to 1,350 (22% of all JSA claimants) this quarter. Since September, new claimants who would previously have claimed JSA and are single with no children or dependants, will be claiming Universal Credit.
 - ii. The number of people in employment (225,800) has fallen with the employment rate declining to 66.8% (October 2014 to September 2015). The employment rate is now worse than the corresponding period last year (68.1%) and the England (73.6%) and North East (69.2%) averages, which both improved.

- iii. 42,300 people who were out of work between October 2014 and September 2015 wanted a job. This equates to 12.9% of the working age population and is an improvement from the same period last year (13.1%) however remains worse than the England (9.6%) and North East (12%) averages.
 - iv. Homelessness indicators remained stable with confirmed low levels of homeless acceptances (35) although the number of clients accessing the Housing Solutions Service increased from 3,346 last quarter to 3,807 this quarter. Homelessness was prevented for 335 clients.
 - v. Recently released data shows that the gross value added (GVA) per capita, which is the amount of money generated by economic activity per head of population, for County Durham for 2013 (£15,165) is significantly less than the regional (£18,216) and national (£25,367) figures.
- e. The key Council Plan actions which have not achieved target in this theme include:
- i. Supporting the development of a Heritage Lottery application to secure funding to fully restore the historic quay in Seaham and improve public access to facilities has been delayed from January 2016 until April 2016. Public consultation needs to be completed before the bid is submitted as this forms part of the evidence towards the bid and this will be undertaken by March 2016.
 - ii. Working with the land owner to agree a programme of works for Festival Walk at Spennymoor has been delayed from December 2015 until April 2016 due to ongoing discussions with agents for the administrators.
 - iii. Restoration of the former Boys Grammar School in Bishop Auckland for economic use was deleted last quarter due to the funding application from the Heritage Lottery Fund (HLF) being declined. However the action has now been reinstated as the council is trying to identify alternative match funding opportunities. The original date of May 2018 has now been put back to December 2019 in order to allow time to do this.
 - iv. A feasibility study into the vision and purpose of Bishop Auckland Town Hall and its links to Auckland Castle has been delayed from November 2015 to March 2016. As part of the annual planning process, this action has been reviewed in line with priorities and resources.
 - v. Developing a £12 million EU funded programme of activity to deliver access to finance support targeted at County Durham businesses has been rescheduled from March 2016 to March 2017 as a revised programme of works is being developed.
- f. A service plan action to carry out road re-alignment at Villa Real, Consett will be delayed from July 2016 until January 2017. Works are currently suspended as further ground investigations are programmed. Works are scheduled to recommence in April 2016.

7. There are no key risks which require any mitigating action in delivering the objectives of this theme.

Recommendations and Reasons

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

Contact: Jenny Haworth, Head of Planning and Performance
Tel: 03000 268 071 E-Mail: jenny.haworth@durham.gov.uk

Appendix 1: Implications

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

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

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

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

Accommodation - Not applicable

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

Human Rights - Not applicable

Consultation - Not applicable

Procurement - Not applicable

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

Legal Implications - Not applicable

Appendix 2: Key to symbols used within the report

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

Performance Indicators:

Direction of travel

Latest reported data have improved from comparable period

GREEN

Latest reported data remain in line with comparable period

AMBER

Latest reported data have deteriorated from comparable period

RED

Performance against target

Performance better than target

Getting there - performance approaching target (within 2%)

Performance >2% behind target

Actions:

WHITE

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

GREEN

Action on track to be achieved by the deadline

RED

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

Benchmarking:

GREEN

Performance better than other authorities based on latest benchmarking information available

AMBER

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

RED

Performance worse than other authorities based on latest benchmarking information available

Nearest Neighbour Benchmarking:

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

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

Appendix 3: Summary of Key Performance Indicators

Table 1: Key Target Indicators

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Wealthier											
1	REDPI106	Percentage of properties let from Durham County Council's retail, commercial and investment portfolio	79.00	As at Dec 2015	80.00	AMBER	82.00	RED			
2	REDPI33	Percentage of Business Durham floor space that is occupied	85.00	As at Dec 2015	79.00	GREEN	79.30	GREEN			
3	REDPI76	Income generated from Business Durham owned business space (£)	799,167	Oct - Dec 2015	770,000	GREEN	810,000	RED			
4	REDPI64	Number of passenger journeys made on the Link2 service	7,993	Oct - Dec 2015	7,500	GREEN	8,209	RED			
5	REDPI75	Overall proportion of planning applications determined within deadline	91.5	Oct - Dec 2015	87.0	GREEN	84.7	GREEN			
6	REDPI10a	Number of affordable homes delivered	71	Oct - Dec 2015	80	RED	64 [1]	GREEN			
7	REDPI29	Number of private sector properties improved as a direct consequence of local authority intervention	120	Oct - Dec 2015	149	RED	128	RED			
8	REDPI30	Number of empty properties brought back into use as a result of local authority intervention	30	Oct - Dec 2015	30	GREEN	83	RED			

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
9	REDPI62	Number of apprenticeships started through Durham County Council funded schemes	36	Jul - Sep 2015	50	RED	142	RED			
10	CASAW2	Overall success rate (%) of adult skills funded provision	92.0	2014/15 ac yr (provisional)	88.0	GREEN	87.0	GREEN	87.6 GREEN	83.6** GREEN	2014/15 ac yr (provisional)
11	REDPI81	Percentage of timetabled bus services that are on time	86.3	Oct - Dec 2015	88.0	AMBER	86.6	AMBER			
12	REDPI41b	Percentage of major planning applications determined within 13 weeks	81.8	Oct - Dec 2015	75.0	GREEN	64.9	GREEN	77.0 GREEN	84** RED	Jul - Sep 2015
13	REDPI92	Number of gross potential jobs created or safeguarded as a result of Business Durham activity	211	Oct - Dec 2015	600	RED	208	GREEN			
14	REDPI104	Number of businesses supported through business improvement grants	Reported Q4	NA	52	NA	New indicator	NA			

[\[1\] The definition for affordable homes was amended for 2015/16 as data is no longer available for all schemes which were included prior to this date. This figure represents comparable data however based on the old definition 91 affordable homes were delivered for the same period last year.](#)

Table 2: Key Tracker Indicators

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
Altogether Weathier											
77	REDPI3	Number of net new homes completed in Durham City	35	Oct - Dec 2015	26	GREEN	4	GREEN			
78	REDPI 22	Percentage of households within County Durham that can access Durham City market place by 8.30am, using public transport with a total journey time of one hour, including walking time	74.50	As at Sep 2015	Not reported	NA [2]	76.75	RED			
79	REDPI 38	Number of passenger journeys recorded by the operator of the three Durham City Park and Ride sites	319,493	Oct - Dec 2015	281,359	GREEN	279,618	GREEN			
80	REDPI 80	Percentage annual change in the traffic flow through Durham City	-2.49	Oct - Dec 2015	-13.43	GREEN	6.44	NA [3]			
81	REDPI 100	Number of visitors to County Durham (million)	18.1	Jan - Dec 2014	17.9	GREEN	17.9	GREEN			
82	REDPI 101	Number of jobs supported by the visitor economy	10,803	Jan - Dec 2014	10,899	RED	10,899	RED			
Page 43	REDPI 102	Amount (£ million) generated by the visitor economy	752	Jan - Dec 2014	728	GREEN	728	GREEN			

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

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
95	REDPI 97i	Occupancy rates for retail units in Stanley (%)	88	As at Mar 2015	86	GREEN	86	GREEN	90 RED		As at Jan 2015
96	REDPI 72	Number of local passenger journeys on the bus network	5,872,172	Jul - Sep 2015	5,745,434	GREEN	5,949,139	RED			
97	REDPI 10b	Number of net homes completed	465	Oct - Dec 2015	302	GREEN	272	GREEN			
98	REDPI 24	All homes completed in and near all major settlements, as defined in the County Durham Plan, as a proportion of total completions	44.00	Oct - Dec 2015	63.00	RED	49.00	RED			
99	REDPI 34	Total number of applications registered on the Durham Key Options system which led to the household being successfully rehoused	1,072	Oct - Dec 2015	1,077	AMBER	1,317	RED			
100	REDPI 36d	Number of clients accessing the Housing Solutions Service	3,807	Oct - Dec 2015	3,346	RED	New definition	NA			
101	REDPI 36c	Number of clients who have accessed the Housing Solutions Service where there has been an acceptance of a statutory homelessness duty	35	Oct - Dec 2015	32	RED	35	AMBER			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
102	REDPI 36a	Number of clients who have accessed the Housing Solutions Service and for whom homelessness has been prevented	335	Oct - Dec 2015	330	GREEN	319	GREEN			
103	REDPI 96a	Number of new applicants registered for housing with the Durham Key Options Scheme who meet the criteria for the Government's reasonable preference groups	692	Oct - Dec 2015	742	GREEN	New indicator	NA			
104	REDPI 40	Proportion of the working age population defined as in employment	66.8	Oct 2014 - Sep 2015	68.1	RED	68.1	RED	73.6 RED	69.2* RED	Oct 2014 - Sep 2015
105	REDPI 73	Proportion of the working age population currently not in work who want a job	12.9	Oct 2014 - Sep 2015	12.9	AMBER	13.1	GREEN	9.6 RED	12.02* RED	Oct 2014 - Sep 2015
106	REDPI 8b	Proportion of all Jobseeker's Allowance (JSA) claimants that have claimed for one year or more	28.50	As at Dec 2015	26.40	RED	31.52	GREEN	27.44 RED	26.74* RED	As at Dec 2015
107	REDPI 7a	Number of Jobseeker's Allowance (JSA) claimants aged 18 to 24	1,350	As at Dec 2015	1,985	GREEN	2,245	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
108	CAS CYP16	Percentage of 16 to 18 year olds who are not in education, employment or training (NEET) (Also in Altogether Better for Children and Young People)	6	Oct - Dec 2015	7.7	NA [4]	6.5	GREEN			
109	CAS AW3	Percentage of 16 to 18 year olds in an apprenticeship	6.8	As at Sep 2015	11.9	NA [4]	5.3	GREEN	4.5 GREEN	7.1* RED	As at Sep 2015
110	REDPI 105	Number of local authority funded apprenticeships sustained at 15 months	620	As at Dec 2015	460	GREEN	255	GREEN			
111	ACE018	People commencing a full-time first degree who were resident in County Durham the year before they started (per 1,000 population aged 18+)	18.0	2013/14 ac yr	17.3	GREEN	17.3	GREEN	24.5 RED	19.7* RED	2013/14 ac yr
112	REDPI 103	Number of full time equivalent jobs created through business improvement grants	Reported Q4	NA	New indicator	NA	New indicator	NA			
113	REDPI 87	Gross Value Added (GVA) per capita in County Durham (£)	15,165	2013	14,114	GREEN	14,114	GREEN	25,367 RED	18,216* RED	2013
114	REDPI 88	Per capita household disposable income (£)	14,659	2013	14,151	GREEN	14,151	GREEN	17,842 RED	14,927* RED	2013
115	REDPI 89	Number of registered businesses in County Durham	15,155	2014/15	14,785	GREEN	14,785	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
116	REDPI 66	Number of businesses engaged with Business Durham	1,134	2014/15	581	GREEN	581	GREEN			
117	REDPI 93	Number of business enquiries handled by Business Durham	1,202	2014/15	1,151	GREEN	1,151	GREEN			
118	REDPI 32a	Percentage of tourism businesses actively engaged with Visit County Durham [5]	65	As at Mar 2015	81	RED	81	RED			
119	REDPI 90	Percentage change in the number of visitors to the core attractions in County Durham compared to the previous year	12.15	Apr - Sep 2015	-9.7	GREEN	-9.7	GREEN			
120	REDPI 91	Number of unique visitors to the thisisdurham website	222,559	Oct - Dec 2015	255,826	RED	219,285	GREEN			

[\[2\] Unable to calculate due to IT software issues](#)

[\[3\] Due to changes to the definition data are not comparable/available](#)

[\[4\] Data not comparable due to the high number of school leavers whose status is 'not known' which impacts significantly on this indicator](#)

[\[5\] Although the number of businesses engaged has not fallen, the number of businesses Visit County Durham can engage with has increased by approximately 250 compared to 2013/14, which has caused the percentage to drop.](#)

Appendix 4: Volume Measures

Chart 1 – Major planning applications

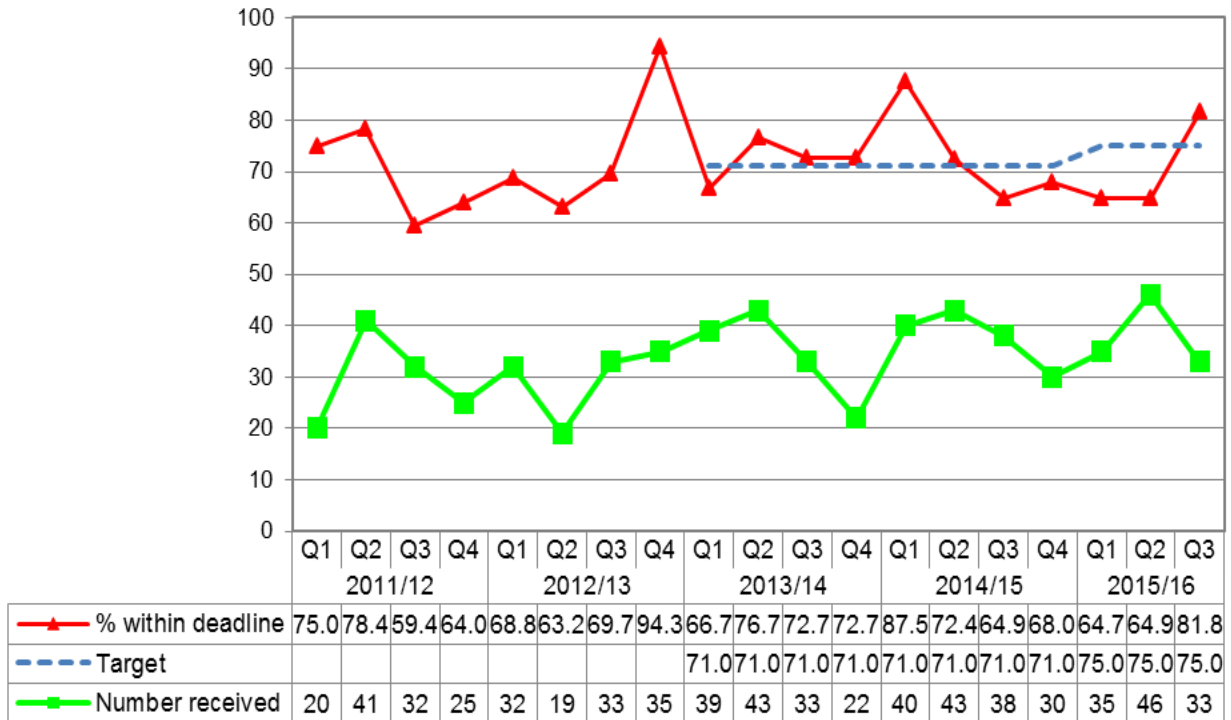


Chart 2 – Overall planning applications

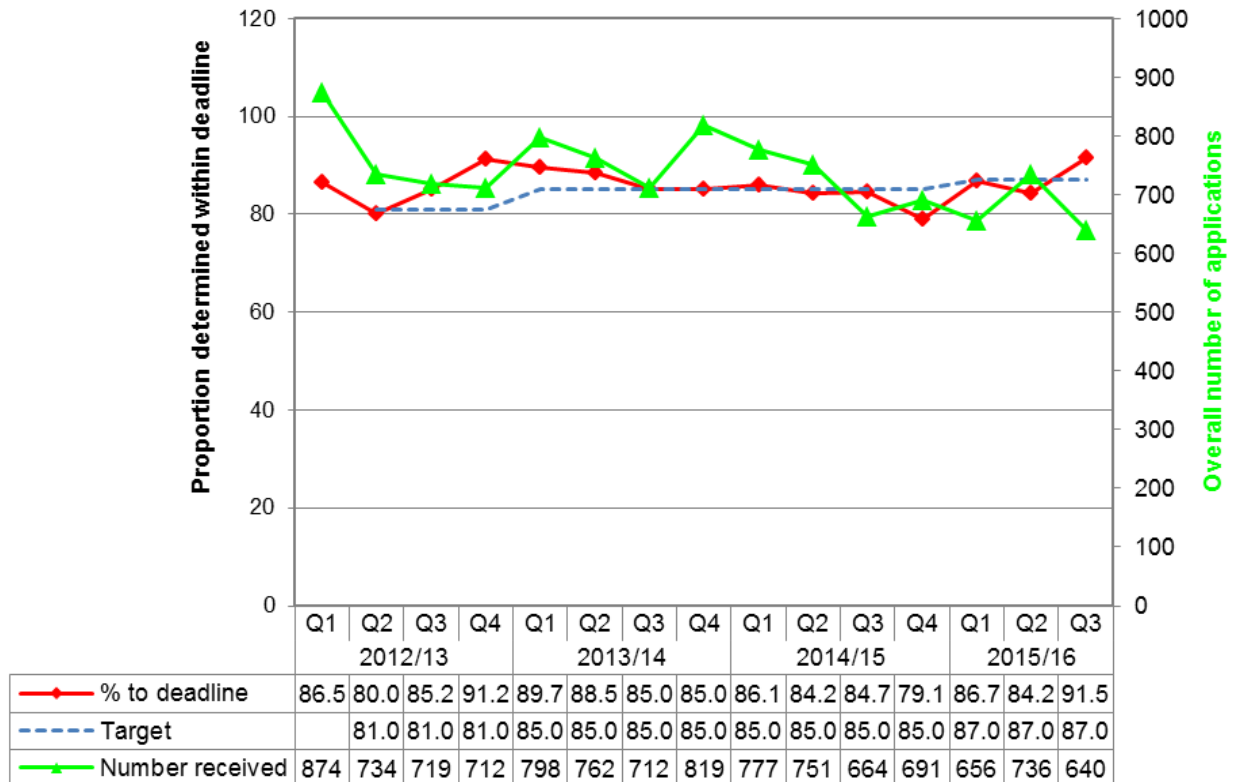
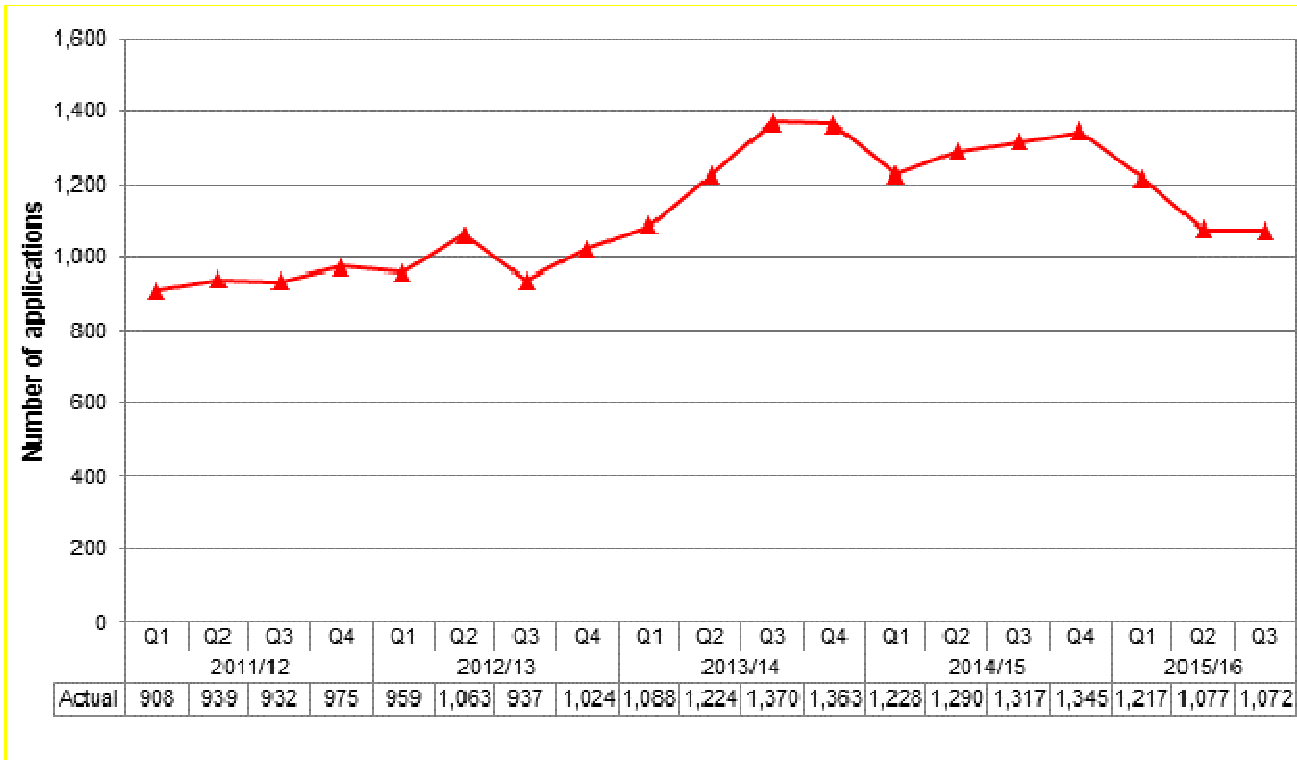


Chart 3 – Durham Key Options - total number of applications registered on the Durham Key Options system which led to the household being successfully rehoused



**Economy and Enterprise
Overview and Scrutiny Committee**



29 March 2016

**Refresh of the Work Programme for the
Economy and Enterprise Overview and
Scrutiny Committee**

Report of Lorraine O'Donnell, Assistant Chief Executive

Purpose of the Report

1. The purpose of the report is to provide Members with information contained within the Council Plan 2016 – 2019, relevant to the work of the Economy and Enterprise Overview and Scrutiny Committee. This allows the opportunity for members to refresh the committee's work programme to reflect the five objectives and subsequent outcomes identified within the Council Plan for the Council's "Altogether Wealthier" priority theme.

Background

2. The current Overview and Scrutiny Committee's work programmes focus on the priority areas identified within the context of the Council Plan, Cabinet's notice of key decisions, the Sustainable Community Strategy, Partnership plans and strategies, performance and budgetary control data and changes in government legislation.
3. In relation to the Economy and Enterprise Overview and Scrutiny Committee, members will recall that the work programme was refreshed at the committee meeting held on the 23 June 2015, ensuring that areas of focus were in line with current and forthcoming priorities within the committee's remit. Further areas of focus for the committee have been added throughout 2015 to reflect changing government policy and at the request of Members.

Council Plan 2016-2019

4. The Council Plan is the overarching high level plan for the County Council, which covers a three year period in line with the council's Medium Term Financial Plan and is updated on an annual basis. The plan sets out how the council will consider the corporate priorities for improvement and the key actions the authority will take in delivering the long term goals in the Sustainable Community Strategy and the council's own improvement agenda. Attached as Appendix 2 is the 'Altogether Wealthier' section of the Council Plan for Members consideration.
5. This year it is proposed that the existing three year Council Plan is updated and rolled forward a year, with a more fundamental review to take place next year, in line with a refresh of the Sustainable Community Strategy. This will also take into account the refreshed Regeneration Statement.

6. The 'Altogether Wealthier' theme remains the top priority of the Council with its main aim to improve the economy and job prospects across the county. The council has a vision for a higher value sustainable economy and strong ambitions for further inclusive growth. The key driver for a vibrant economy is to increase the level of productivity and higher value employment across the county; improving this will increase levels of disposable income and demand for goods and services increasing the numbers of businesses and providing the opportunities to help tackle economic deprivation.
7. To help address these issues the Council has identified 5 objectives which are set out in the Regeneration Statement together with outcomes to achieve the overarching objectives. They are set out below.
 - **Thriving Durham City**
 - Improved retail, business and tourism in Durham City and its immediate locality.
 - Increased developer interest in key sites.
 - Improved infrastructure to support economic growth.
 - **Vibrant and successful towns**
 - Improved retail, business and tourism in major town centres.
 - Increased developer interest in key housing sites.
 - Improved infrastructure to support economic growth.
 - **Sustainable neighbourhoods and rural communities**
 - Improved quality and choice of housing across County Durham.
 - Improved infrastructure to support economic growth in rural areas.
 - **Competitive and successful people**
 - Increased numbers of people in employment and training.
 - **A top location for business**
 - Increased business creation.
 - Development of existing businesses and safeguarding employment.
8. Over the next three years, the Council will strive to deliver a step change in the economy of County Durham by focusing on the actions required to achieve the above objectives.
9. The Council Plan also identifies a series of actions detailing the work which needs to be undertaken by the Authority in order to deliver the areas identified above.

Current Work Programme

10. During 2015-16 the Economy and Enterprise Overview and Scrutiny Committee has undertaken budgetary and performance monitoring, in depth Scrutiny Reviews, systematic six monthly reviews of progress against recommendations and overview presentations in relation to the following areas:

In depth Scrutiny Reviews

- Tourism marketing undertaken by Visit County Durham - **Thriving Durham City** – Improved retail, business and tourism in Durham City and its immediate locality – **Vibrant and successful towns** – Improved retail, business and tourism in major town centres.
- Skills Development supported by DCC within County Durham - **Competitive and successful people** – Increased numbers of people in employment and training.

Systematic Review

- Impact of public sector funding and policy changes on the economy of County Durham – Members’ Reference Group Report (Covers all objectives and actions).

Areas of Overview Activity

- Masterplans for County Durham - **Vibrant and successful towns** – Improved retail, business and tourism in major towns.
- Poverty Action Plan - **Competitive and successful people** – Increased numbers of people in employment and training.
- Support for SME’s – **Thriving Durham City** – Improved retail business and tourism in Durham City and the immediate locality. **Vibrant and successful towns** – Improved retail, business and tourism in major town centres. **Competitive and successful people** - Increased numbers of people in employment and training. **A top location for business** – Increased business creation – Development of existing businesses and safe guarding employment.
- Chapter Homes – **Sustainable neighbourhoods and rural communities** - Improved quality and choice of housing across County Durham.
- Homelessness Strategy – **Sustainable neighbourhoods and rural communities** - Improved quality and choice of housing across County Durham.
- Durham Key Options - Choice Base Lettings Policy – **Sustainable neighbourhoods and rural communities** – Improved quality and choice of housing across County Durham.

- Business Durham – **A top location for business** - increased business creation - Development of existing businesses and safeguarding employment.
- Youth Employment Initiative – **Competitive and successful people** – Increased numbers of people in employment and training.
- Digital Durham – **A top location for business** – Increased business Creation - Development of existing businesses and safe guarding employment.
- Housing Strategy – **Sustainable neighbourhoods and rural Communities** – Improved quality and choice of housing across County Durham.
- Skills development and apprenticeship offer within County Durham – **Competitive and successful people** – Increased numbers of people in employment and training.
- County Durham Housing Group - **Sustainable neighbourhoods and rural communities** – Improved quality and choice of housing across County Durham.

Budgetary and performance monitoring

- Quarterly budgetary and performance monitoring for RED Service Grouping.

11. **The Economy and Enterprise Overview and Scrutiny has also considered the following areas which cut across all objectives within the Council Plan (Altogether Wealthier):**

- County Durham Plan – (Covers all objectives and actions).
- RED Capital Programme – (Covers all objectives and actions).
- Combined Authority (Covers all objectives and actions).
- European Funding Programme 2014-2020 (Covers all objectives and actions).
- Overview of the work of the County Durham Economic Partnership – (Covers all objectives and actions).
- Regeneration Statement – (Covers all objectives and actions).

Areas for consideration in the Economy and Enterprise Overview and Scrutiny work programme

12. In addition, the Altogether Wealthier section of the Council Plan for 2016 – 2019 identifies the following new high level actions which have not already been considered by committee that could be included in the 2016 – 2017 work programme:

Council Plan

Vibrant and successful towns

- **Improved retail, business and tourism in major town centres** - Support development of North East plans such as the Local Transport Plan and the Economic Plan

Sustainable neighbourhoods and rural communities

- **Improved quality and choice of housing across County Durham** – develop a private landlord accreditation scheme to improve property condition in the private rented sector.
- **Improved quality and choice of housing across County Durham** – Develop the existing home loans scheme to assist private landlords and home owners.
- **Improved quality and choice of housing across County Durham** – Work in partnership with social housing providers and public health to introduce a number of housing and health initiatives.

Cross Cutting Themes

13. Below are areas which have cross cutting issues from other ‘Altogether’ themes that link into Altogether Wealthier.

Altogether	Objective	Outcome	Link to Altogether Wealthier
Children and Young People	Children and Young people realise and maximise their potential.	Children and young people are supported to achieve and attain during school years to prepare them for adulthood. Young people are supported to progress and achieve in education, employment and training to achieve their potential.	Increased numbers of people in employment and training.

Greener	Reduce carbon emissions and adapt to the impact of climate change.	The Council homes and businesses are more energy efficient.	Improved quality and choice of housing across County Durham.
Better Council	Working with our communities.	The effects of the Welfare Reform agenda are managed.	Increased numbers of people in employment and training.

Next Steps

14. The Economy and Enterprise Overview and Scrutiny Committee is asked to consider the appropriate section from the Council Plan, Appendix 2 (copy attached) to inform the committee's work programme for 2016 – 2017, reflecting on the current work programme detailed in paragraphs 10 and 11 and the new high level actions identified in paragraph 12 above.
15. Members will receive a further report at the next Economy and Enterprise Overview and Scrutiny Committee confirming/agreeing the committee's work programme for 2016 – 2017 based on today's discussion.

Recommendations

16. That the Economy and Enterprise Overview and Scrutiny Committee note the information contained in Appendix 2 (copy attached).
17. That the Economy and Enterprise Overview and Scrutiny Committee refresh the work programme for 2016 – 2017 by discussing and considering those actions identified, under "Altogether Wealthier" priority theme of the Council Plan 2016 – 2019, Appendix 2 (copy attached) and reflected in paragraphs 10, 11 and 12 of the report.
18. That the Economy and Enterprise Overview and Scrutiny Committee at its meeting on the 28 June 2016, receives a further report detailing the committee's work programme for 2016 – 2017.

Background papers:

Council Plan 2016 -19 – Cabinet report – March 2016

Contact: Stephen Gwilym, Principal Overview and Scrutiny Officer
Tel: 03000 268 140 **E-mail:** stephen.gwilym@durham.gov.uk
Author: Diane Close, Overview and Scrutiny Officer
Tel: 03000 268 141 **E-mail:** diane.close@durham.gov.uk

Appendix 1: Implications (The following implications are taken directly from the report to Cabinet on the 16 March 2016, re the Council Plan and Service Plans 2016-19)

Finance

The Council Plan sets out the corporate priorities of the Council for the next three years. The Medium Term Financial Plan aligns revenue and capital investment to priorities within the Council Plan.

Staffing

The Council's strategies are being aligned to achievement of the corporate priorities contained within the Council Plan.

Risk

Consideration of risk is undertaken in the preparation of the Council Plan and Service Plans.

Equality and diversity/Public Sector Equality Duty

A full impact assessment has previously been undertaken for the Council Plan. The actions underpinning the Council Plan include specific issues relating to equality and aim to improve the equality of life for those with protected characteristics. The Plan has been influenced by consultation and monitoring to include equality issues. There is no evidence of negative impact for particular groups.

Accommodation

The council's Accommodation programme is a key corporate programme contained within the Council Plan.

Crime and disorder

The Altogether Safer section of the Council Plan sets out the Council's contributions to tackling crime and disorder.

Human rights

None

Consultation

Council and partnership priorities have been developed following an analysis of available consultation data including an extensive consultation programme carried out as part of the development of the Sustainable Community Strategy and this has been reaffirmed by subsequent consultation on the council's budget.

Procurement

None

Disability Issues

Accessibility issues are considered in the design of our planning document.

Legal Implications

None

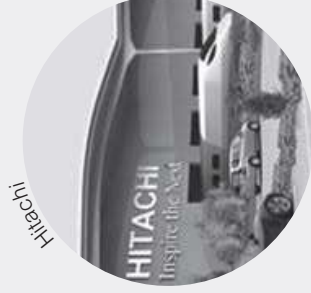
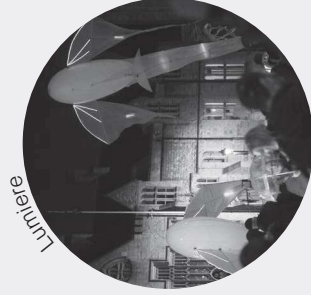
This page is intentionally left blank

Priority Theme Altogether Wealthier

The Altogether Wealthier theme remains the top priority of the council, with its main aim to improve the economy and job prospects across the county. The Council has a vision for a higher value, sustainable economy and strong ambitions for further inclusive growth. Working with a range of partners and business we aim to capitalise on our assets in order to improve our economic performance and the prospects of our people. The key driver for a vibrant economy is to increase the level of productivity and higher value employment across the county; improving this will increase levels of disposable income and demand for goods and services, increasing the numbers of businesses and providing the opportunities to help tackle economic deprivation. As a county we need to utilise our assets to stimulate investment and achieve growth whilst equipping residents with the skills and access to opportunities to increase prosperity.

Achievements 2015-2016

- Established 'Chapter Homes' a new housing delivery company which will build new housing for market rent and sale commencing with Phase 1 in Newton Aycliffe which will provide 125 homes.
- Hosted the 4th Lumiere festival in November 2015, which attracted around 200,000 visitors to the City, along with the Magna Carta exhibition in the summer of 2015 which attracted 25,000 visitors from across the globe.
- Supported the development of Bishop Auckland as a major tourist destination including a medieval open air night show which will create employment in the town and visitors to the area.
- Supported the opening of Hitachi rail manufacturing in Newton Aycliffe and the creation of thousands of high value employment opportunities.
- Secured £20m of additional funding to provide additional infrastructure in Newton Aycliffe and Sedgfield to support additional high tech and manufacturing employment opportunities.



- Successful completion of traffic projects in Durham City; Sunderland Bridge Roundabout and Milburngate Bridge which was completed ahead of schedule.
- Secured over £18m of European and external funding to support a major employment support programme for young people in the County.
- Delivered physical regeneration improvements to enhance the economic viability of major town centres, including; footpath, lighting, signage and seating at Peterlee, Seaham, Crook and Consett.
- Delivered superfast broadband through the Digital Durham programme with over 63,040 premises able to access improved broadband services since the programme began in April 2014.
- Durham County Council was awarded the PATROL Annual Report Award (Parking and Traffic Regulations Outside London) for proactively publishing information about traffic management to help the public better understand parking regulations. This good practice approach has been adopted by other local authorities.
- Transferred our remaining housing stock to the Durham Housing Company.

Priority Theme Altogether Wealthier

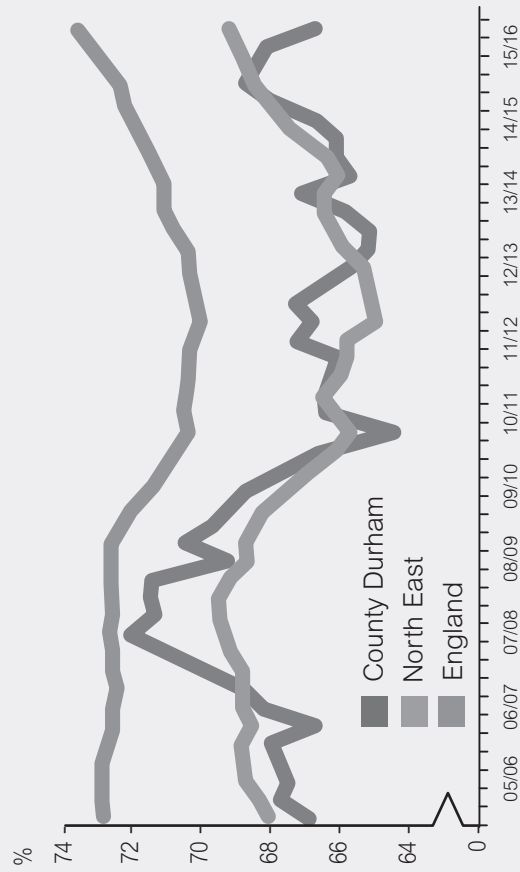
Issues to address

- Gross disposable household income has steadily increased from £8,799 to £14,659 per head since 1997, which is in line with neighbouring authorities but well below the national average. Within this theme are a number of key projects to improve the economy and job prospects across the county.
- Following on from the success in rolling out the Digital Durham programme, we need to stimulate demand activity in order to drive up take up by premises of an improved broadband service, this to include leafletting villages and road signage.
- Employment levels in County Durham show there are currently 229,100 people defined as in employment, 68.1% of the working age population but levels remain low and are still behind the regional (68.9%) and national (73.1%) rates (Figure W1). In relation to unemployment the number of Job Seekers Allowance (JSA) claimants have steadily decreased, in line with the national picture. In order to address this we are looking at providing a variety of programmes to improve people's employment potential across the county.
- Whilst the county has one of the largest business parks in the region, the business base for the county is characterised by a large number of smaller businesses. Supporting higher productivity and business growth will provide significant employment opportunities. We will provide infrastructure to capitalize on recent inward investments and grow supply chain activity to support local procurement as well as to help manufacturing to grow and innovate. The relatively higher paid employment opportunities will support the local economy and increase the wealth generated in the area.

- Durham City including Ayclay Heads, provides a major opportunity for high value development and employment opportunities. We are working with a number of developers to bring forward key sites in the city as well as working on an integrated package of measures to improve traffic flows and promote sustainable transport.
- One of our main priorities for 2016/17 is to support the adoption of a new statutory plan for County Durham to help guide development and stimulate investment in sustainable locations. The plan will identify the quantity and location of new development across the city, towns and villages of the county.

Figure W1.

Working age population in employment 2005/06-2015/16



NOTE: The axis on this graph does not start at zero

Priority Theme Altogether Wealthier

Issues to address

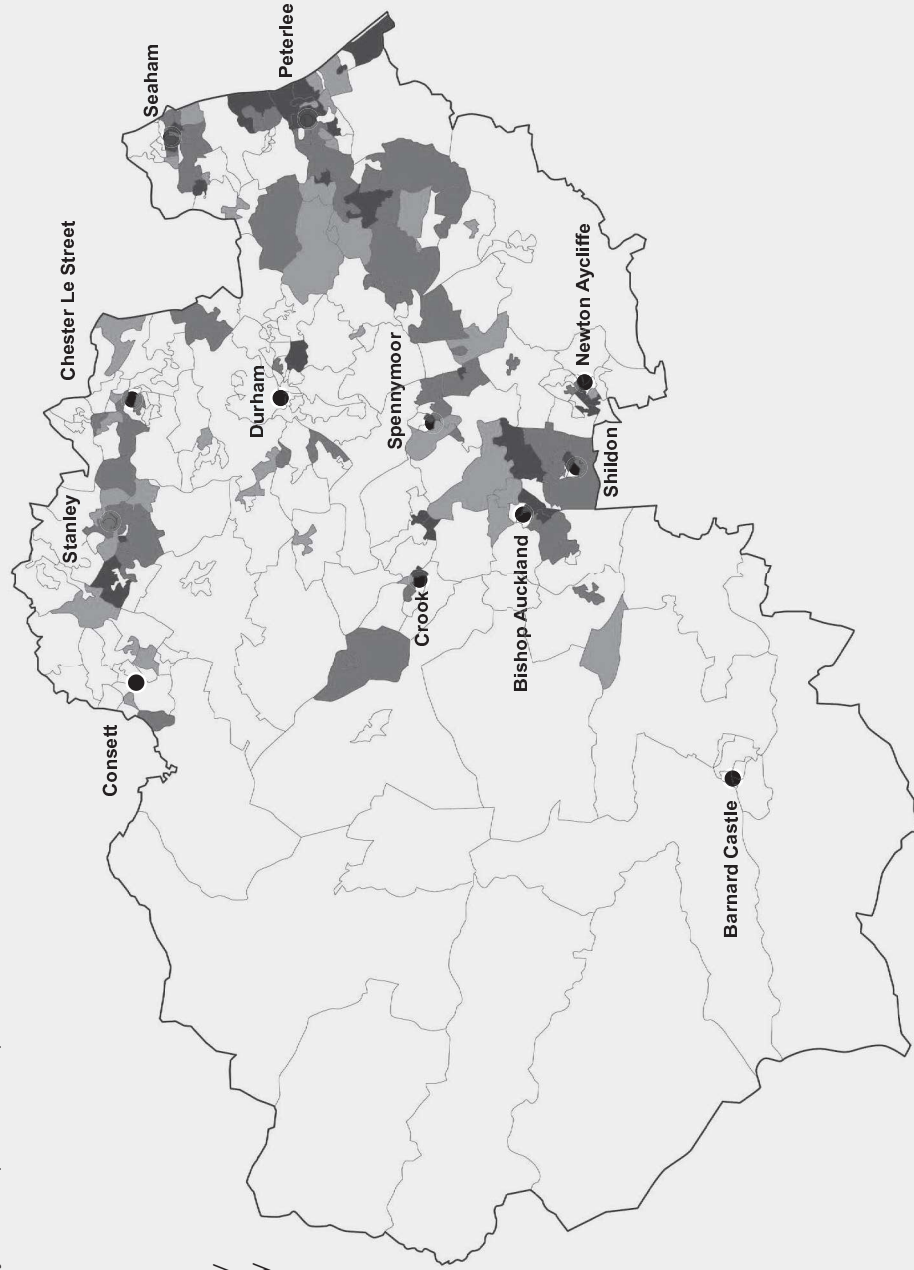
- Although levels of deprivation in County Durham have improved we are ranked the 75th most deprived area out of 326 local authorities in England (Figure W2) and we have developed a poverty action plan in response (see Altogether Better Council theme).

LSOA ranking within:

- the top 10% most deprived nationally
- the top 10-20% most deprived nationally
- the top 20-30% most deprived nationally
- not deprived

Figure W2.

Index of deprivation 2015 linked with the most deprived LSOAs nationally



Key Facts and Figures

Figure W3.

Housing in County Durham 2014-2015

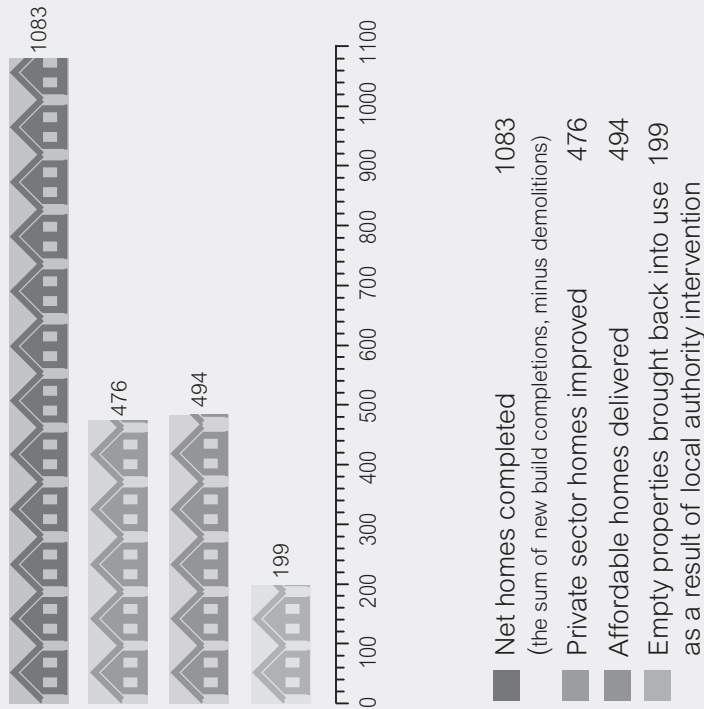
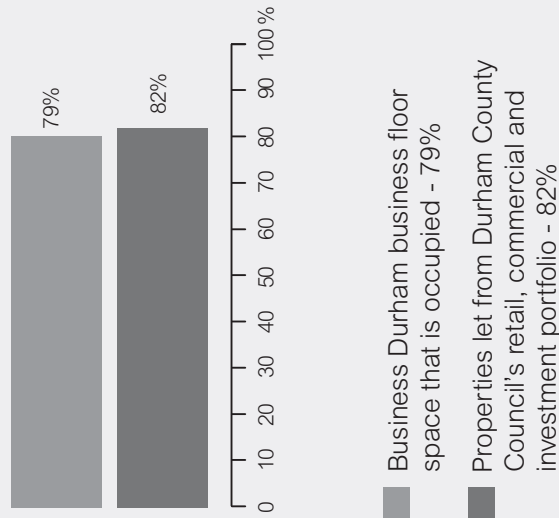


Figure W4.

Businesses in County Durham 2014-2015



15,155
Number of registered businesses in County Durham

1,053,745
Passenger journeys recorded by the Park and Ride service - 2014/15

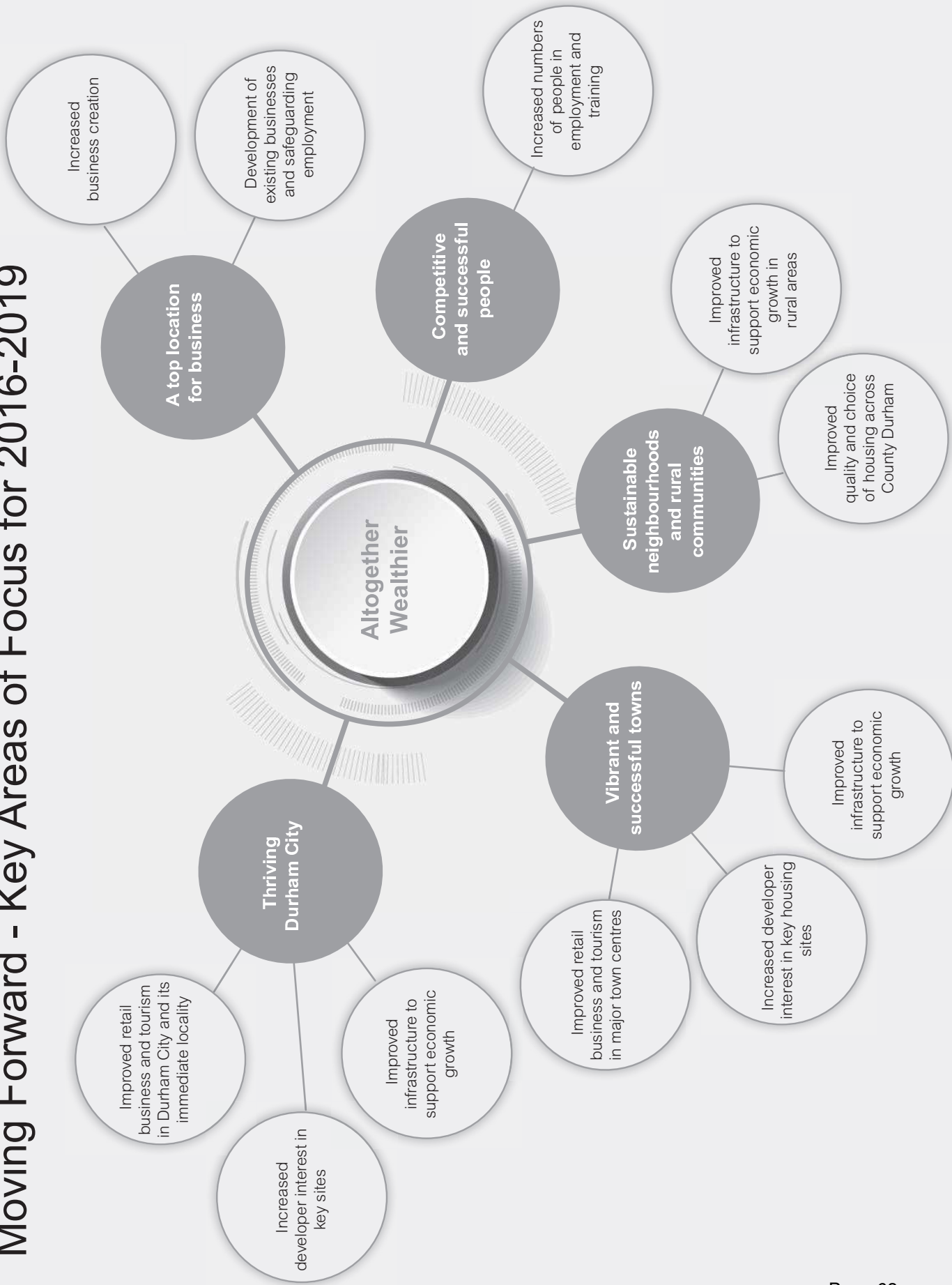
1567
Gross jobs created or safeguarded as a result of Business Durham activity - 2014/15

42
Full time equivalent jobs were created through business improvement grants - 2014/15

17.9m
Visitors generated £728m in County Durham - 2014/15

494
Affordable homes delivered of which 130 were delivered through Help to Buy - 2014/15

Moving Forward - Key Areas of Focus for 2016-2019



Moving Forward - Key Areas of Focus for 2016-2019

<p>Objective 1 Thriving Durham City</p> <p>Improved retail business and tourism in Durham City and its immediate locality We will:</p> <ul style="list-style-type: none"> • Redevelop North Road in Durham City to provide significant retail investment. • Strengthen our cultural offer including new visual art space in Durham City and the wider county; a new cinema and improved visitor experience at Durham Town Hall. <p>Increased developer interest in key sites We will progress the Aykley Heads site project, which aims to deliver a regeneration opportunity that will provide new jobs and investment.</p> <p>Improved infrastructure to support economic growth We will:</p> <ul style="list-style-type: none"> • Prepare for the planning consent for the Western Relief Road in Durham, which would provide an alternative route from A690 and A691 on the west of Durham and relieve the congestion at Nevilles Cross. • Carry out traffic flow improvements in Durham City at Gilesgate/Leazes Bowl roundabout and A1(M)/A690 Junction Improvement. 	<p>Objective 2 Vibrant and successful towns</p> <p>Improved retail, business, and tourism, in major town centres We will:</p> <ul style="list-style-type: none"> • Carry out regeneration to develop retail areas and other works in the key towns of Seaham, Peterlee, Consett, Crook and Spennymoor. • Enable development activity at Bishop Auckland including the Kynren open air night show, and the transformation of Auckland Castle. • Take forward the adoption of the County Durham Plan. • Support development of North East Plans such as the Local Transport Plan and the Economic Plan. • Complete the Killhope Lead Mining Museum development and implement our Events and Festival programme. <p>Increased developer interest in key sites We will:</p> <ul style="list-style-type: none"> • Undertake improvements at the A19/A179 Sheraton junction. • Secure a developer for the North East Industrial Estate in Peterlee. <p>Improved infrastructure to support economic growth We will:</p> <ul style="list-style-type: none"> • Develop the road and power infrastructure for Forrest Park business space development, Newton Aycliffe. • Progress with the project for a new railway station in Horden. 	<p>Objective 3 Sustainable neighbourhoods and rural communities</p> <p>Improved quality and choice of housing across County Durham We will:</p> <ul style="list-style-type: none"> • Deliver and manage new build housing for market rent and sale via Chapter homes to meet market demand. • Develop a private landlord accreditation scheme to improve property condition in the private rented sector. • Develop the existing home loans scheme to assist private landlords and home owners. • Work in partnership with social housing providers and public health to introduce a number of housing and health initiatives. <p>Improved infrastructure to support economic growth in rural areas We will continue with the Digital Durham programme to provide homes, businesses and communities with access to fast, fibre broadband.</p>	<p>Objective 4 Competitive and successful people</p> <p>Increased numbers of people in employment and training We will:</p> <ul style="list-style-type: none"> • Deliver a wide variety of programmes to support people into work including Adults Skills training and the apprenticeship programme. • Deliver programmes to sustain and improve people's employment potential. <p>Objective 5 A top location for business</p> <p>Increased business creation We will:</p> <ul style="list-style-type: none"> • Improve access to finance to help businesses grow. • Provide infrastructure to support high value manufacturing floor space. <p>Development of existing businesses and safeguarding employment We will support existing growing key sectors, including manufacturing and science by providing opportunities to drive forward the county's economy.</p>
--	---	--	---